

TOWN OF QUEEN CREEK, ARIZONA

Adopted Budget | Fiscal Year 2017-2018



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**Town of Queen Creek
Arizona**

For the Fiscal Year Beginning

July 1, 2016

Executive Director



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TOWN OF QUEEN CREEK ARIZONA

July 1, 2017

Honorable Mayor and Town Council,

The Fiscal Year 2017/18 Adopted Budget allocates resources consistent with the needs of a growing community and in accordance with the Town's strategic priorities identified in Queen Creek's Corporate Strategic Plan. Queen Creek is the fastest growing community in Arizona since 2010 and the FY 2017/18 budget allocates resources to best meet the needs of our growing community.

The budget totals \$213.1 million, a \$29.0 million increase over the prior year – most of which is attributable to the construction of new roads, water and wastewater infrastructure, all necessary for a growing community. The budget also includes a new park, which is an important commitment made in prior budgets.

Budget Format

The budget format and structure are designed to make the budget document easily understandable and the allocation of public money transparent. To meet this objective, the budget document is divided into the following sections:

- Introduction and Community Overview**
- Organizational Planning**
- Organizational Structure**
- Budget Development and Overview, with Revenue and Expenditure Assumptions**
- Programs and Performance Measures**
- Capital Programs and Debt**
- Appendix with Glossary and Town Position Listing**

Budget Overview

Guiding Principles and Key Issues

The following guiding principles and key issues shaped the FY 2017/18 budget:

- **Prioritization of Resources.** The Town used its corporate strategic plan to prioritize its allocation of resources. The Town's strategic priorities adopted by the Town Council are:
 - Effective Government
 - Safe Community
 - Secure Future
 - Superior Infrastructure
 - Quality Lifestyle
- **Population Growth and Commercial Investment.** The national and State of Arizona's economies continue a steady improvement. As a result, the Town has seen significant residential and commercial growth in the last several years which we expect to continue. Developing plans to deal with an increasing residential and business population is critical to ensure both operational and infrastructure needs are met.
- **Maintain a Balanced Five-Year Operating Budget.** The five-year plan remains balanced; projecting both increased revenues and expenses based on population growth and new commercial development.

Budget Highlights

The following are the highlights of the FY 2017/18 Budget.

- **Increased Public Safety Staffing Levels.** A full year of operation for Queen Creek's new third fire station in the northwest section of Town. A placeholder for a Traffic Sergeant is also included pending the results of the Sheriff's pilot program for enhanced Traffic Enforcement.
- **Comprehensive Capital Improvement Plan (CIP).** As a growing community, the need for new infrastructure for transportation, water and wastewater is a priority. Resources are budgeted to build such infrastructure as well as continue planning for future infrastructure needs. Contingency allocations have been included to ensure we have the authority to meet the dynamic environment's infrastructure needs.
- **Street Infrastructure Funding.** A "placeholder" of \$6.5M exists for pay-as-you-go/new debt issue for new roads. This placeholder will be used to develop funding recommendations for approximately \$196 million in projects over the next ten years.
- **Quality of Streets.** Resources have been added to increase the funding for daily maintenance and repair as a result of new streets being added to the system. A robust pavement management program continues to be funded. Resources have also been allocated to complete several important maintenance projects, including traffic signal system enhancements.
- **Operating Budget Expense Reductions.** Eliminated \$153K from the current budget and redirected those resources to other priority areas.
- **Additional Staffing.** Based on 5-year staffing plans submitted by each department, FY 2017/18 includes resources for an additional 10.05 FTEs, which represents a 4% increase in staffing. These staffing increases are strategic and allows us to address the growing complexity of the organization and expanding infrastructure within the community.
- **Employee Compensation.** Resources have also been allocated to fund employee merit and market increases consistent with our 2014 adopted compensation plan and the fire step program in FY 2015/16.
- **Strategic Plan Initiatives.** Resources to establish an Information Technology replacement fund (sinking fund) has been created in FY 2017/18 in support of the Information Technology Strategic Plan. Updating the Information Technology fiber infrastructure is also funded.
- **Healthcare Costs.** The Town has a very active wellness program which continues to keep healthcare costs down for both the Town and employees. There is no increase in major medical insurance in FY 2017/18.

Acknowledgements

The Town Council's guidance and support has been instrumental in the development of the FY 2017/18 Budget. Special thanks to our Town Council Budget Committee for their diligent and time consuming work on this year's budget: Vice Mayor Jeff Brown, Chair and Council Members Dawn Oliphant and Emilena Turley. Also, the staff in the Finance Department, in particular, Scott McCarty, Finance Director and Gloria Moore, Budget Administrator, our department directors, Human Resources Department staff, and every employee of the Town for their tireless work effort and commitment to our "one-town, one-team" cooperative spirit that led to creative solutions which made this year's budget process a success.

Respectfully,



John Kross
Town Manager



Introduction and Community Overview

Town Council Profiles
Community Profile
Queen Creek Demographics





Queen Creek Town Council



Gail Barney, Mayor

Term: December 2014 – January 2019

gail.barney@queencreek.org

Gail Barney was appointed to fill a vacancy on the Town Council in January 2002 and was elected Mayor in June 2010 and again in November 2014. He served on the Planning & Zoning Commission from 1998 to 2002. As Mayor, he represents Queen Creek on the Maricopa Association of Governments (MAG) Regional Council, on MAG's Executive Committee and Economic Development Committee, the Phoenix-Mesa Gateway Airport Authority Board of Directors, as Chair of the Maricopa/Northern Pinal Gateway Alliance and represents the Town Council on the Queen Creek Public Safety Retirement Board.

Mayor Barney earned an associate degree from Mesa Community College and a Bachelor of Science from Arizona State University. He is an Eagle Scout and a 2011 graduate of the Town's Citizen Leadership Institute. A lifelong Queen Creek resident, he operates his family farm in the community.

Current Committee Appointments

- Queen Creek Public Safety Retirement Board, Chair
- Maricopa Association of Governments – Regional Council; Executive Committee; Economic Development Committee
- Phoenix-Mesa Gateway Airport Authority, Board of Directors
- Municipal Tax Code Commission
- Maricopa/Northern Pinal Governmental Alliance, Chair
- Pinal County Government Alliance



Queen Creek Town Council



Jeff Brown, Vice Mayor

Term: January 2017 – January 2021

jeff.brown@queencreek.org

Jeff Brown was first elected to the Town Council in 2008 and re-elected in 2012. Vice Mayor Brown has served as the Vice Chair of the Budget Committee and represented Queen Creek on the Board of Directors of the East Valley Partnership in recent years. He also previously served as Vice Chair of the Central Arizona Governments (CAG) Pinal Transportation Policy Committee.

Before seeking elected office, Vice Mayor Brown served on the Planning & Zoning Commission from 2006 to 2008. He also served as Chair of the Transportation Advisory Committee, on the Design Guideline Steering Committee and as a member of the Finance Review Task Force. Vice Mayor Brown is a 2003 graduate of the Queen Creek Leadership Institute and in 2007 completed the Community Emergency Response Team (CERT) training course. He serves as squad leader for the Southeast Queen Creek CERT sector.

Vice Mayor Brown and his family have lived in Queen Creek since 2002. He is self-employed, focusing on professional consulting services and real estate investments as the owner of JBQC Investments LLC and 50 percent owner of Kneadmor Cowbell LLC.

Current Committee Appointments

- Budget Committee, Chair
- Transportation Advisory Committee
- East Valley Partnership Transportation Advisory Committee
- League General Administration, Human Resources and Elections Policy Committee
- League Transportation, Infrastructure & Public Works Committee
- Greater Phoenix Economic Council (as Mayor's representative)
- Pinal County Alliance (alternate)
- Council Liaison to the Schools



Queen Creek Town Council



Robin Benning, Council Member

Term: January 2017 – January 2021

robin.benning@queencreek.org

Robin Benning was appointed to the Town Council in November of 2009 and was elected in 2012. Council Member Benning is a graduate of Queen Creek's Citizen Leadership Institute.

Council Member Benning has worked in Queen Creek as an architect since 1997 and moved here with his wife and two children in 2004. He earned a Bachelor of Arts in Architecture from the University of New Mexico, and his Master's degree at Arizona State University's Urban and Environmental Planning program.

Current Committee Appointments

- Central Arizona Governments Regional Council, Chair & Primary
- Parks and Recreation Committee
- Pinal County Alliance
- League Transportation, Infrastructure & Public Works (alternate)



Queen Creek Town Council



Jake Hoffman, Councilman

Term: January 2017 – January 2021

jake.hoffman@queencreek.org

Jake Hoffman was elected to the Town Council in November 2016. Hoffman has previously served the residents of Queen Creek as an elected member of the Higley Unified School District Governing Board and currently serves as the Vice Chairman for the local Republican Party.

Councilman Hoffman is committed to making our community the most prosperous place to do business and the most enjoyable place to call home in Arizona. Doing so will improve the lives of every man, woman and child, as well as, every business owner—from large to small—in our town. Hoffman is passionate about transportation and infrastructure issues, economic development, debt reduction, deregulation and creating leaner, smarter government.

Hoffman holds a Master of Business Administration in Management and a Bachelor of Science degree. Professionally, he serves as the Executive Director of a local faith-based non-profit organization, E3 Africa, which is committed to educating the orphaned and impoverished children in Uganda. Additionally, Hoffman is the principal owner of a digital communications and strategy firm, as well as, a local realtor.

Councilman Hoffman and his wife, Kimberly, have four children — Tyler, McKenzie, Oliver and Bennett.

Current Committee Appointments

- Economic Development Commission
- East Valley Partnership Economic Development Committee
- East Valley Board of Directors (alternate)



Queen Creek Town Council



Dawn Oliphant, Council Member

Term: December 2014 – January 2019

dawn.oliphant@queencreek.org

Dawn Oliphant was first elected to the Town Council in June 2010 and re-elected in November 2014. Council Member Oliphant recently completed a successful 17-year career in local government with the City of Tempe. Her municipal experience includes positions held in the Tempe Police Department, Sales, Tax and Licensing, Tempe Municipal Court and as a Senior Learning and Organizational Development Associate for the Tempe Learning Center (TLC), Tempe's corporate university for municipal professionals.

Council Member Oliphant holds a Master of Business Administration in Management, a Bachelor of Science in Liberal Studies and graduated from Queen Creek's Citizen Leadership Institute in 2010.

Council Member Oliphant moved to Queen Creek in 2005 with her husband Rick and two sons, where she manages an environmentally green business. For nine years she was also actively involved in community philanthropic work as a member of Epsilon Sigma Alpha.

Current Committee Appointments

- Budget Committee
- Economic Development Commission
- League Budget, Finance & Economic Development Committee
- League Neighborhoods, Sustainability & Quality of Life Committee



Queen Creek Town Council



Emilena Turley, Council Member

Term: December 2014 – January 2019

emilena.turley@queencreek.org

Emilena Turley was elected to the Town Council in November 2014. Council Member Turley was born in Chandler, Arizona, and graduated from Mountain View High School in Mesa. She attended Phoenix College and received an AAS in Legal Secretarial Studies. Council Member Turley is currently an independent paralegal working in the East Valley. She currently serves on the Queen Creek Chamber of Commerce Education Committee.

Council Member Turley and her husband Aaron, a software engineer, have eight children. She and her family moved to Queen Creek in 2010 because they love the small town feel and tight-knit sense of community it offers.

Current Committee Appointments

- Transportation Advisory Committee
- Budget Committee



Queen Creek Town Council



Julia Wheatley, Council Member

Term: December 2014 - January 2019

julia.wheatley@queencreek.org

Julia Wheatley was first elected to the Town Council in June 2010 and re-elected in November 2014. She holds a Bachelor of Science in Legal Studies with a minor in Criminal Justice and is pursuing a Master of Public Administration to extend her great interest in law, politics and local government.

Council Member Wheatley, her husband Benjamin and their four children made Queen Creek their home in 2007. Concerned for the future of families in America, Council Member Wheatley joined the Eagle Forum, the largest pro-family organization in America. She has frequented Washington, D.C. to learn and discuss issues pertaining to the family.

Council Member Wheatley is passionate about the education of both children and adults. In private industry, she has found success in post-secondary education as a Program Director and Instructor. She has helped many students obtain an education, improve their lives, and enter professions that give them confidence in themselves and hope for the future.

Current Committee Appointments

- East Valley Partnership Board of Directors
- Parks and Recreation Advisory Committee
- League Public Safety, Military Affairs and Courts Committee



Queen Creek Community Profile

Local Rural Heritage

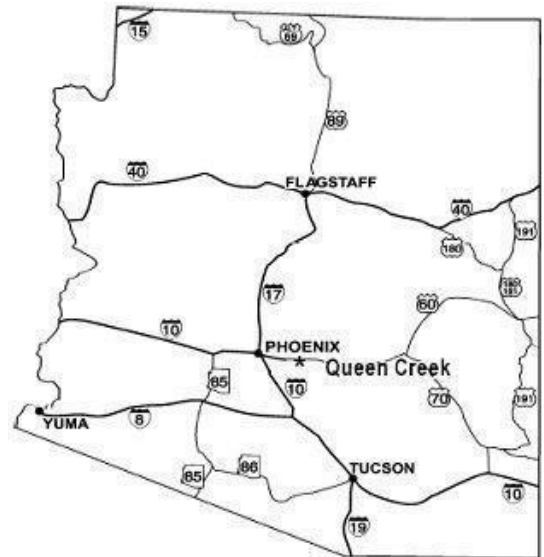
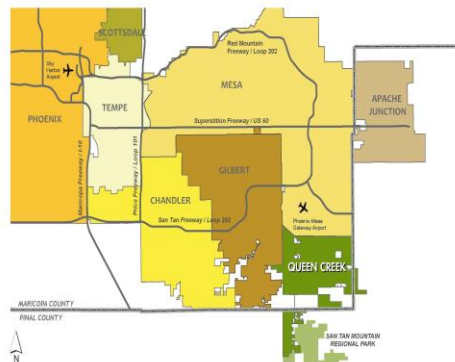
Rich traditions, based on small-town values and country friendliness, create the foundation on which the Town of Queen Creek plans and builds its future. Staying true to its heritage, the Town continually strives to maintain the rural character that makes Queen Creek unique from its urban neighbors.



The Town of Queen Creek incorporated in 1989 to preserve the benefits of rural life and provide avenues for managed change. With significant resident involvement and input, the Town has adopted several award-winning plans designed to guide future growth. By preserving the past while providing for economic and recreational opportunities and a high quality of life, the Town of Queen Creek has grown from rich rural roots to what is one of the most innovatively planned, family-friendly hometowns in Arizona.

Quality of Life

Queen Creek is located in the southeast corner of Maricopa County on the edge of the Phoenix metropolitan area. Residents choose to make Queen Creek their home because of its superior quality of life. Large residential lots offer opportunities for equestrian and animal husbandry, gardening and quiet neighborhoods. The development of beautiful parks, trails and other public facilities, along with the variety of programs and events offered by the Town and other community groups, also supports a unique lifestyle.





Queen Creek Community Profile

Governance



The Town of Queen Creek operates under the council-manager form of government. The seven-member Town Council is elected at large on a nonpartisan ballot. The Mayor is elected every four years, and Town Council members are elected to staggered terms, with three members elected every two years. The Town Council is responsible for setting public policy, approving the Town's annual budget, entering into contracts, providing executive leadership, making planning and development decisions, and adopting new laws. The Town Council appoints the Town Manager to implement policy and direct daily operations.

The Town Council meets at 5:30 p.m. on the first and third Wednesday of each month at Town Hall, 22350 S. Ellsworth Road; public hearings will not be held prior to 7 p.m. Beginning in the fall of 2017, Town Council meetings will be held in the Law Enforcement/Community Chambers Building, located at 20727 E. Civic Parkway. All meetings are open to the public.

Community Assets

Queen Creek offers residents and businesses a unique experience combining a small-town, rural atmosphere with rich natural and recreational amenities, all within a short distance from one of the largest metropolitan areas in the United States. The Town continues to invest in the Town Center striving to create a true economic core and heart of the community for generations to come. The Town has invested millions of dollars in infrastructure improvements along the main artery and key intersections throughout Town. Improvements include: pedestrian improvements to the roads themselves, festival-friendly infrastructure including access to electric and water utilities and the addition of decorative enhancements to streetlights and traffic signals.

Parks and Trails

The Town offers a variety of outdoor amenities including Desert Mountain Park, located at 22201 S. Hawes Road; Founders' Park, located on Ellsworth Road across from the municipal campus, which features a 4,100 square foot splash pad and Pocket Park for Pups, a one-acre, off-leash lighted dog park; the Recreation Annex, located at 21802 S. Ellsworth Road, where a wide range of recreation classes for all ages are held throughout the year; and the Town's 11 miles of multi-use trails along the Queen Creek and Sonoqui washes. This summer, the Town will break ground on a new park located near Sossaman and Ocotillo roads. The park, anticipated to open fall 2018, will feature a fishing lake, ballfields, a wheel-friendly feature, play features and splash pad.





Queen Creek Community Profile

Agritainment/Agritourism

Queen Creek offers a host of cultural and agritainment activities throughout the year for all to enjoy. Designated as an Arizona treasure, Schnepf Farms is a family-owned working farm providing entertainment, education and delicious, locally grown fruits and vegetables through a variety of seasonal festivals, concerts and events. Just across from Schnepf farm, the Queen Creek Olive Mill is Arizona's only working olive farm and mill. Daily tours, mouth-watering breakfast options and fantastic lunches are available to the public. Nearby at Sossaman Farms and Hayden Flour Mills, farmers grow multiple varieties of wheat.



Arts, Culture & Sports

For theater enthusiasts, the Queen Creek Performing Arts Center provides high-quality professional theater at prices affordable for the whole family including Broadway shows and popular national artists such as Lady Antebellum. Barney Family Sports Complex provides a venue for sports fans, offering family-oriented sporting activities for all ages and the Town's Parks and Recreation division hosts year-round classes for the entire family to enjoy, plus popular annual events such as Spring into QC, Founders' Day and Trunk or Treat.



Equestrian Experience

Horseshoe Park & Equestrian Centre is one of Arizona's premier event facilities. Quiet and secluded, yet conveniently close to Sky Harbor International Airport and other venues in and around Phoenix, Horseshoe Park was designed with flexibility in mind. The park hosts a variety of equestrian events of both the English and Western persuasion and is equipped to handle large festivals, RV and equipment shows, concerts, home shows and weddings. Since opening in early 2009, Horseshoe Park continues to gain momentum as a unique and emerging commercial venue. Due to the visitors Horseshoe Park brings to the area each year, a number of commercial development opportunities are available near the facility. With close proximity to existing space for lease and available land to build, this area provides a unique market for niche services and business.





Queen Creek Community Profile

Public Safety



Law enforcement services, including deputies, jail, animal control and emergency management services are currently provided for residents through a contract with the Maricopa County Sheriff's Office. Municipal court services are provided through a contract with the Town of Gilbert.

In 2008, the Town launched its municipal fire department. The Queen Creek Fire and Medical Department provides fire and emergency medical service coverage to residents in the Town's incorporated limits. The Town recently opened the first permanent fire station in Town Center, replacing the old Fire Station 1. Fire Station 2 is located in the southwest area of Town, and a third fire station is under construction in the northwest area of Town.



Water & Environmental Services

The Town of Queen Creek purchased the Queen Creek Water Company in 2008 and H2O, Inc. in 2013 to provide residents with a safe, sustainable and affordable water supply. In September 2010, municipal trash and recycling services began through a contract with a private firm, Right Away Disposal. In 2012, Queen Creek became the first community in the United States to offer curbside textile recycling services, further enhancing the Town's commitment to sustainability.



Queen Creek Community Profile

Transportation

Major transportation access is available via roads, rail and air. Interstate Highway 10 is less than 20 miles away and provides easy access to surrounding communities, states and Mexico. Loop 202 (the San Tan Freeway), connecting Queen Creek to the Phoenix metropolitan area, is within five miles of Queen Creek. In 2013, a portion of State Route 24 (Gateway Freeway) was completed, offering enhanced access from southeast Maricopa County to northwest Pinal County and additional routes into and out of Phoenix-Mesa Gateway Airport and its surrounding businesses and schools. A major Union Pacific rail-line bisects Queen Creek and allows access to commercial and industrial sites.



Two airports serve the Queen Creek area. Phoenix Sky Harbor International Airport, just 45 minutes away, provides national and international flights with major carriers and commuter airlines. Phoenix-Mesa Gateway Airport, bordering Queen Creek on the north, is 10 minutes away and is a designated reliever airport to Phoenix Sky Harbor. It offers an expanding number of passenger flights as well as extensive freight and cargo service, aviation technology and repair firms, and commuter, private and cargo air service. The facility also contains tracts zoned for commercial and industrial uses. As a Foreign Trade Zone, Phoenix-Mesa Gateway Airport offers incentives to aviation companies worldwide. The Town is one of several municipalities who co-own the airport.

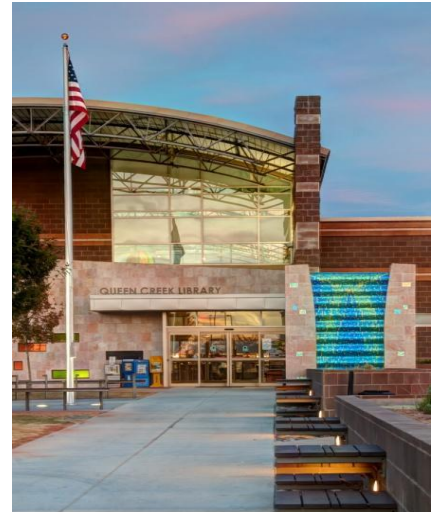


Queen Creek Community Profile

Maricopa County Library

Queen Creek Branch

The Town constructed a new library in 2008 to host the Queen Creek branch of the Maricopa County Library District. The modern facility includes the Mary Lou Fulton children’s area, a teen area, general reading areas, public computers, study rooms and conference rooms. The library marked the start of the community’s efforts to “go green.” The library building is the first structure in Queen Creek to qualify for the Leadership in Energy and Environmental Design (LEED) certification, and its many energy-saving features earned a gold-level certification.



Education & Workforce

K-12 School Districts

Queen Creek is served by four area school districts. Queen Creek Unified School District, an “A” rated district, serves the largest portion of the Town and includes four elementary schools, two middle schools and a high school. Also serving Queen Creek are the Chandler Unified School District, Higley Unified School District, J.O. Combs Unified School District as well as campuses of the Benjamin Franklin and American Leadership Academy, Cambridge and American Heritage charter schools, among others.



Post-Secondary Education

Young, well-educated Queen Creek residents provide an ideal employment base. A partnership of post-secondary educational institutions creates a campus environment on the Phoenix-Mesa Gateway Airport grounds, just a 10-minute drive from Queen Creek. At the Arizona State University Polytechnic Campus, students can earn bachelor and graduate degrees in such fields as aviation, biological sciences, business, electronics, engineering, graphic information technology, health and wellness, human resources and others. The Chandler-Gilbert Community College offers a wide array of general studies and university transfer courses, as well as a number of specialized programs, including aviation, nursing, fire science, law enforcement training, and electric utility technology. It maintains partnerships with the University of North Dakota Aerospace (for flight training) and Embry-Riddle Aeronautical Institute (for airframe and power plant/maintenance training).



Queen Creek Community Profile

Communiversiy at Queen Creek

Through a public-private partnership with Rio Salado Community College, Queen Creek is home to the Communiversiy at Queen Creek. The campus, located in the Town Center, allows students to complete certificates, associate, bachelor's and master's degrees in-person or online in one location close to home. It also is designed to support the needs of local companies for employee training and development. The facility



includes classrooms, a computer lab, a testing center and administrative offices, and it is a regional support center for online learners.

Plans to Manage Growth

Queen Creek contains 26 square miles in its incorporated area and 69 square miles in its planning area. The Town contains several large tracts of land that are attractive for development. The Town's General Plan and development regulations are designed to accommodate new development requests, while also recognizing the goals of our residents and the long-term vision established for the community.

The General Plan is the Town's guiding document for land use, public facilities and services, circulation and economic development. The original General Plan was adopted in 1990, and it was amended in 1996, 1999, 2002, 2008 and 2010. The 2018 General Plan update is currently underway, with more information available at queencreek.org/planqc.

The Town Council has a zoning ordinance, subdivision ordinance and other development regulations, which are used to implement the goals of the General Plan. The Town's focus is the development of high-quality attractive commercial and office facilities, lower density-housing, parks, trails, open spaces and adequate public facilities to serve the needs of the community.

Development fees provide funding for infrastructure needed to accommodate new growth, including wastewater treatment facilities, libraries, parks and recreational facilities, government facilities, transportation, public safety, and fire services.





Queen Creek Community Profile

Economic Development

Queen Creek continues to develop plans for a financially sustainable future. The Economic Development Department assists those looking for retail, office, industrial or land sites. The department also provides business resource and demographic information. As a member of the Greater Phoenix Economic Council (GPEC), Queen Creek is part of the regional business community that works to ensure a competitive, vibrant and self-sustaining regional economy.



The Economic Development Commission, comprised of local residents, business owners and elected officials, adopted the Economic Development Strategic Plan in 2007 and updated the plan in 2016. The Commission defined targeted industry sectors in order to focus marketing and recruitment efforts to strengthen and diversify Queen Creek's economy. The target sectors include: agritainment (arts, entertainment, recreation and visitor industries); healthcare and biotechnology, higher education, software and information technology; aerospace and aviation and manufacturing.

In 2010, the Shop Queen Creek program was launched in partnership with the Queen Creek Chamber of Commerce to support local businesses. The program, which encourages residents to make purchases within the community, is designed to strengthen the Town's economic base, encourage entrepreneurship and help retain sales tax dollars that fund local programs and services.

Town Center is designed to be the commercial, cultural and civic core of Queen Creek. This heart of the community has seen tremendous growth over the past few years with more than 1.1 million square feet of commercial development, including a state-of-the-art Gold LEED-certified library, Town Hall and the new Communiversity at Queen Creek. Several new retail and dining options have recently opened including QC Marketplace, QC District, Sprouts Farmer's Market and a 14-screen Harkins Movie Theatre. Additionally, the Town Center infrastructure has been upgraded to accommodate large outdoor festivals, events and block parties. With community events planned throughout the year, there's always something to do in the Town Center and it is truly an enjoyable place to eat, work, live and play.

Employment

Primary employers in the community consist of a mix of private and public entities. Commercial development is focused in the Town Center, at the northern entrance to the community and in the southern portion of the Town. At the northern boundary of Queen Creek, an area referred to as the "Northern Tier", there is a significant amount of land designated for future employment uses. The General Plan designations and zoning in this area encourage a range of light to intensive uses. The "Northern Tier" has direct access to major arterials and is positioned for strong growth potential with its proximity to the Phoenix-Mesa Gateway Airport, Eastmark master-planned community, Arizona State University Polytechnic and State Route 24. SR 24 provides a direct connection between the San Tan Freeway and Ellsworth Road, the main thoroughfare into Queen Creek.

In the southeastern corner of Queen Creek, Schnepf Farms and The Queen Creek Olive Mill collectively create an agritainment/agritourism district, which is a core component to the Town's tourism and economic development efforts. The nearby Banner Ironwood Medical Center and surrounding Pinal county/San Tan Valley residential neighborhoods enhance this unique area of Queen Creek and provide an attractive demographic base for



Queen Creek Community Profile

investors. This area of town is projected to grow significantly between 2013 and 2018, surpassing the Town's overall projected growth and create new employment opportunities.

Recreation, Parks & Special Events

From youth sports, to senior programs to block parties and fitness classes, Queen Creek's Recreation Division makes sure there is fun to be had in Queen Creek year-round! Local sports organizations offer league competition in a variety of sports including football, baseball, softball and soccer. Through a partnership with the Boys & Girls Club, after-school programs provide a safe place for students to finish homework, enjoy recreational activities and socialize. Residents can create their own fun at Founders' Park and the award-winning Desert Mountain Park. A skate park, sports fields and courts, picnic facilities, walking paths and playgrounds meet the needs of diverse ages and interests.



Parks also provide connectivity to the Town's trail system. You can bike, walk, run or ride your horse right from Desert Mountain Park into the improved Queen Creek Wash Trail. An 11-mile multi-use trail is being developed to connect the Town's parks and neighborhoods along the way. San Tan Mountain Regional Park, a Maricopa County park located on Queen Creek's southern edge and serving several East Valley communities, is a natural preserve consisting of more than 10,000 acres of desert that provides a variety of recreational opportunities.

Horseshoe Park and Equestrian Centre

The 56-acre first phase of Horseshoe Park and Equestrian Centre opened in January 2009. The venue, known for its excellent customer service, hosts a variety of equestrian activities throughout the year appealing to English and Western riders, ranging from jumping competitions to roping, team penning, barrel racing and cutting contests. A community arena is available to local residents separate from event facilities.



Although constructed primarily for equestrian-oriented activities, events such as concerts, home shows, RV and car shows and weddings can also be hosted at the facility. In 2011, 300 additional barn stalls and 40 RV slots were added to the park, providing additional resources for large-scale events. A complete schedule of events is available at queen creek.org/HPEC.





Queen Creek Community Profile

Community Involvement

Since the Town's inception, community involvement, sharing information and providing opportunities for citizen participation in decision-making have been high priorities for Queen Creek's elected leaders.

- The award-winning annual Citizen Leadership Institute informs residents about current local issues while preparing them to take a leadership or volunteer role.
- The annual community ice cream social in July and pancake breakfast in November offer residents opportunities to talk to Town representatives and learn about community issues and services.
- Volunteer board and committee members research current local issues such as planning and zoning proposals, traffic concerns, parks and trails plans, recreational policies and facilities, public art projects, economic development and community capital improvements. The committees make recommendations to the Town Council for policies and future action.

Citizen Survey

The Town of Queen Creek regularly surveys residents about their opinions on topics such as quality of life, service delivery, civic participation and unique issues of local interest. These periodic surveys offer staff, elected officials and others with an opportunity to identify challenges and plan for and evaluate improvements. Surveys from past years are available at queencreek.org/citizensurvey.

Annual Events

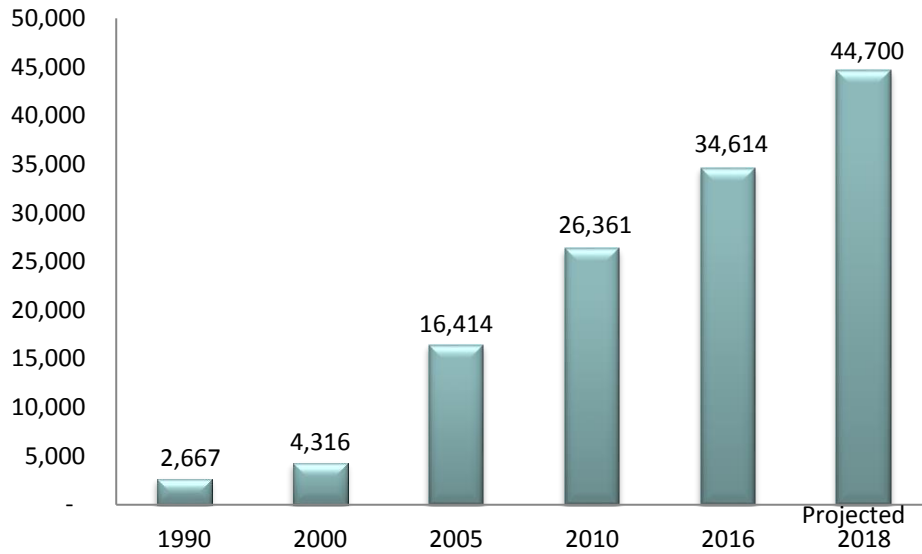
- FEBRUARY – Block Party
- MARCH – Spring into QC, Roots N' Boots Rodeo and Carnival
- MAY – Peach Festival, Lemonade Days
- JULY – Independence Day Celebration, National Parks and Recreation Month
- SEPTEMBER – Founders' Day, Queen Creek Olive Mill Garlic Festival
- OCTOBER – Olive Harvest Festival, Trunk or Treat, Pumpkin and Chili Festival, Vintage and Vino
- NOVEMBER – Bacon, Blues and Brews, Pancake Breakfast
- DECEMBER – Holiday Parade and Festival

Annual activities, festivals and events in Queen Creek, are held throughout the year and reflect the community's past, present and future. These special events provide hometown fun for community residents and visitors throughout the state and the region.



Queen Creek Demographics

Queen Creek Population



Source: Population estimates are based on Maricopa Association of Governments (MAG) housing baseline data and occupancy factors combined with the Town Creek data for residential housing permits.

Racial Composition

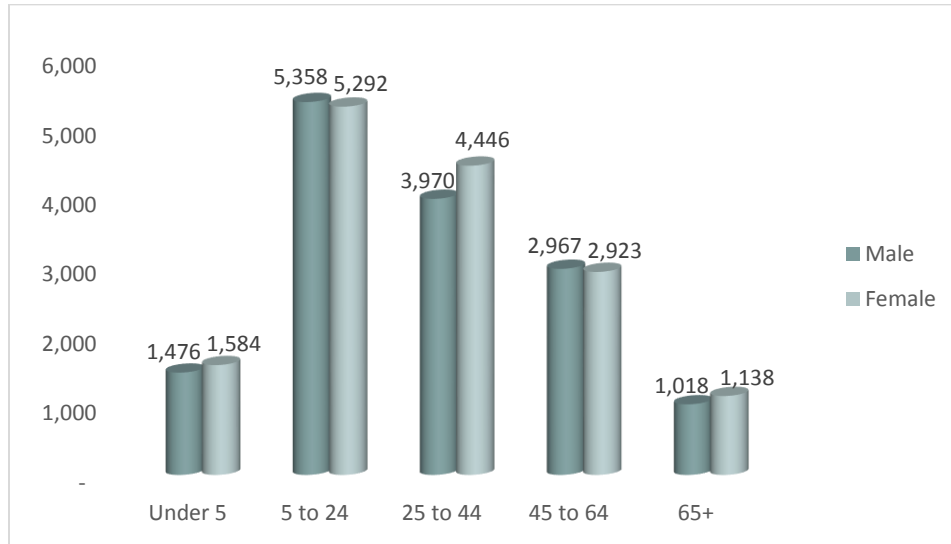
Ethnicity	Queen Creek*	Arizona*
White	88.7%	78.4%
Black or African-American	2.4%	4.2%
Asian	1.5%	3.0%
American Indian & Alaskan Native	1.5%	4.4%
Hispanic (of any race)	17.7%	30.3%
Native Hawaiian/Other Pacific Islander	0.1%	0.2%

*Note: Total percent may be greater than 100 because respondents can report more than one race. Source: 2011-2015 American Community Survey 5-Year Estimates



Queen Creek Demographics

Queen Creek Population by Gender and Age



Source: Source: 2011-2015 American Community Survey 5-Year Estimates

Median Age	2016
Queen Creek	30.6 years
Maricopa County	35.4 years
United States	38.0 years

Source: ESRI Business Analyst 2016 estimations

Queen Creek continues to attract young families, reflected in the Town’s median age of 30.6, well below the median age for both Maricopa County and the United States as a whole.

Educational Attainment

Residents Age 25 or older

Highest Education Level Attained	Queen Creek	Maricopa County
Elementary (0-8)	1.4%	6.3%
High School (9-12), no diploma	2.6%	7.0%
High School Graduate	17.3%	23.0%
Some College	26.9%	24.9%
Associate's Degree	12.6%	8.4%
Bachelor's Degree	26.0%	19.5%
Graduate or Professional Degree	13.4%	11.0%

Source: Source: 2011-2015 American Community Survey 5-Year Estimates

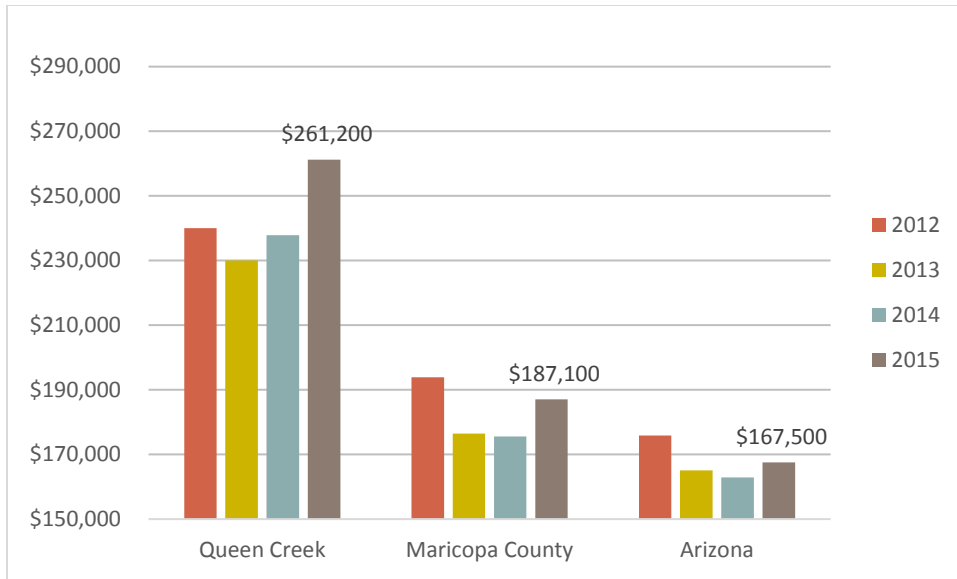
Queen Creek’s residents age 25 or older are highly-educated. The two highest levels of educational attainment, completion of a bachelor’s degree or a graduate or professional degree, reflect nearly 40 percent of the Town’s



Queen Creek Demographics

residents (39.4%), compared to the County's 30.5%. Additionally, Town of Queen Creek residents with a graduate or professional degree increased from the past year by 1.4%.

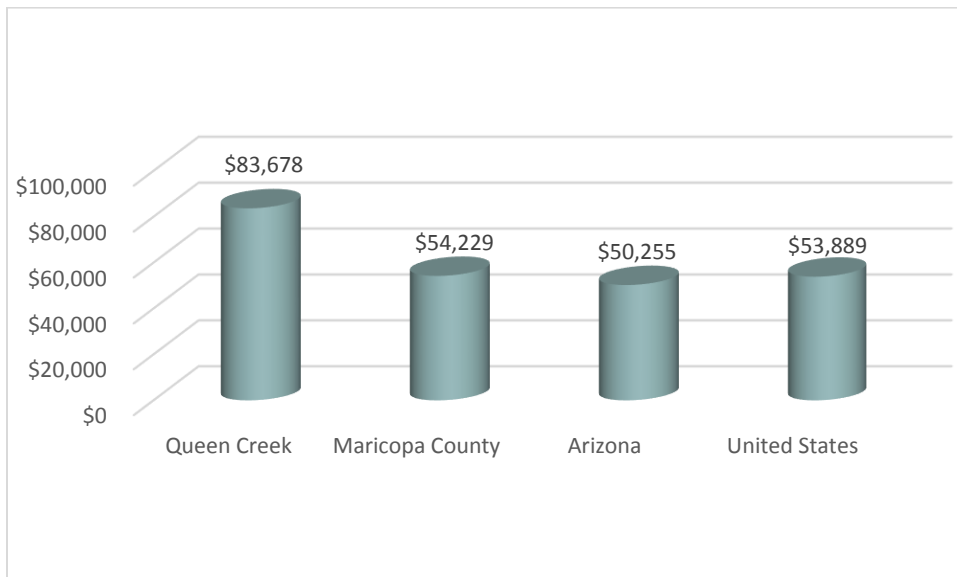
Median Value of Owner-occupied Housing



Source: 2011-2015 American Community Survey 5-Year Estimates

Income

Median Household Income



Source: 2011-2015 American Community Survey 5-Year Estimates



Queen Creek Demographics

Queen Creek’s annual median household income continues to be very strong, making it the fourth highest median income of all cities and towns in Maricopa County.

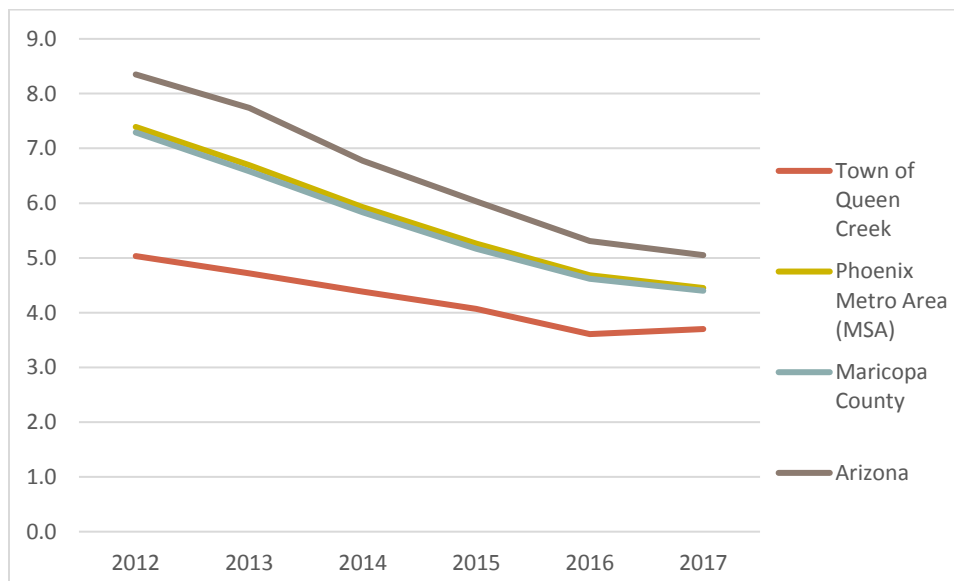
Households by Income

Income	Queen Creek	Maricopa County
\$150,000 or more	19.3%	9.7%
\$100,000 to \$149,000	22.4%	13.5%
\$50,000 to \$99,999	32.6%	30.8%
\$25,000 to \$49,999	16.3%	24.5%
Under \$25,000	9.6%	21.4%

Source: 2011-2015 American Community Survey 5-Year Estimates

Compared to Maricopa County, Queen Creek has a much higher portion of households in the highest earning categories, with 41.7% of Queen Creek households earning \$100,000 or more annually, compared to just 23.2% of Maricopa County households.

Unemployment Rates 2012-2017



Source: Rates reflect annual average unemployment and are non-seasonally adjusted from Data.bls.gov 2017 data is preliminary.

	2012	2013	2014	2015	2016	2017
Town of Queen Creek	5.0%	4.7%	4.4%	4.1%	3.6%	3.7%
Phoenix Metro Area (MSA)	7.4%	6.7%	5.9%	5.3%	4.7%	4.5%
Maricopa County	7.3%	6.6%	5.8%	5.2%	4.6%	4.4%
Arizona	8.4%	7.7%	6.8%	6.0%	5.3%	5.1%

Source: Data.bls.gov; Rates reflect annual average unemployment and are non-seasonally adjusted. 2017 data is preliminary.



Queen Creek Demographics

For the entire six-year period examined, Queen Creek’s unemployment rates consistently trended lower than those of the Phoenix Metro Area, Maricopa County and the State. For 2017 thus far, the trend continues, with Queen Creek’s rate at 3.7% while the rates of the other jurisdictions continue to be at or above 4.4%.

Employment

A key goal of the Town Council is to be proactive in efforts to strengthen and diversify the local economy, providing high-wage, professional-level employment opportunities for residents, and expanding the business tax base in the community. Employment in Queen Creek currently has a strong concentration in the retail and education sectors.

According to the 2016 Town of Queen Creek Citizen Survey, over half the Town’s residents (63%) rate Queen Creek as a good or excellent place to work.

Queen Creek has a variety of home-based businesses, and promotes their continued expansion through the Zoning Ordinance, the Economic Development Strategic Plan and Gangplank Queen Creek.

Principal Employers

Employer	Product or Service	Approximate Employees*
Queen Creek Unified School District	Education	800
Wal-Mart	Retail	400
Canyon State Academy	Education	305
Town of Queen Creek	Government	250
Home Depot	Retail	194

* All figures may include full and part time employees.
Source: Town of Queen Creek and surveys of individual employers.

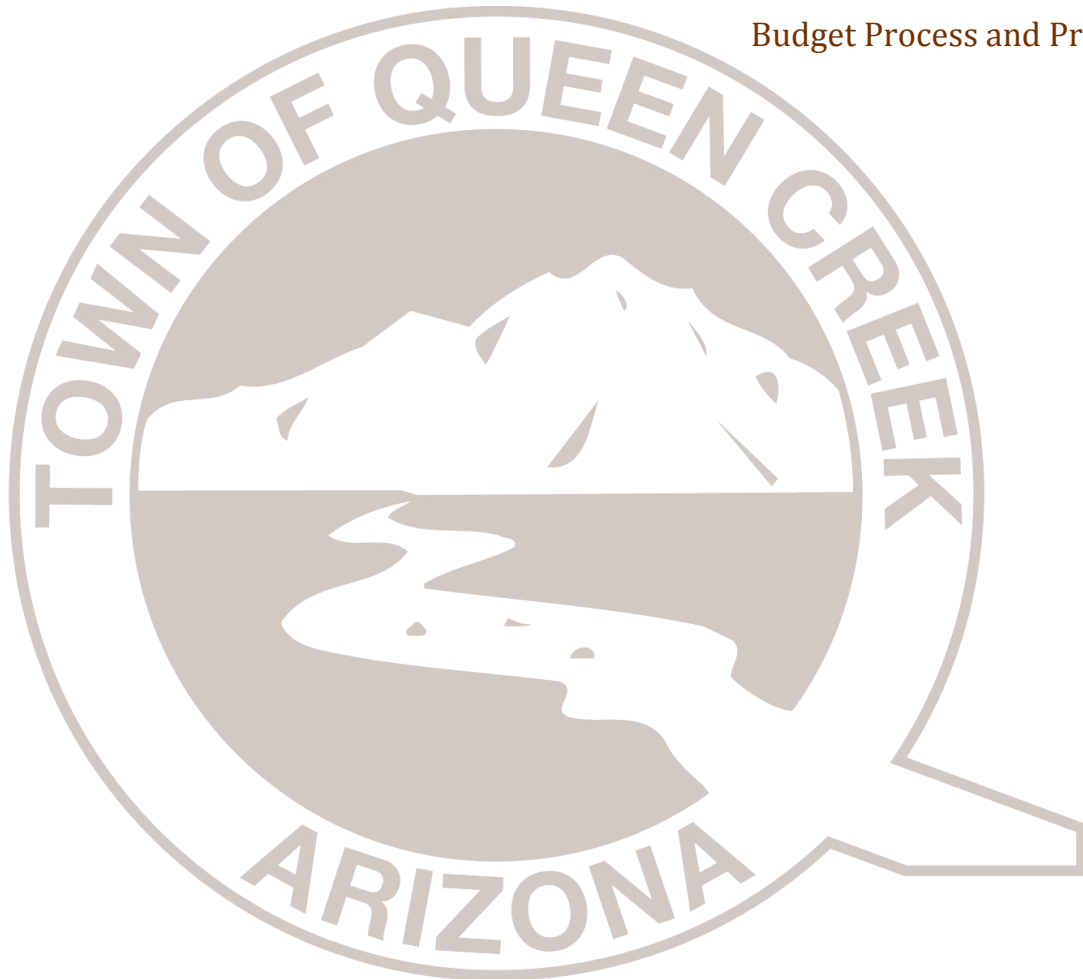


FY 2017/18
Adopted Budget



Organizational Planning

Corporate Strategic Plan
Planning Tools (General Plan)
Long-Range Financial Plan
Financial Policies
Budget Process and Procedures





Corporate Strategic Plan

Introduction

The Corporate Strategic Plan attempts to encompass in one document a five-year organizational plan of action. Through the plan, the Town Council sets priorities and provides policy direction to the Town Manager. It translates Queen Creek's mission, vision and values statements into actionable goals; it also provides the public with a source of reference for information about government activities. After the Corporate Strategic Plan has been finalized, Queen Creek's management team uses approved goals to outline an administrative work program for all of staff, the progress of which is reported on quarterly.

The Town Council focuses resources on what is most important to achieving its vision by designating five strategic priorities. These priorities guide Town departments as they shape programs and set long-term goals. The five strategic priorities are: **Effective Government, Safe Community, Secure Future, Superior Infrastructure and Quality Lifestyle.**

The strategic priorities are broad-based policy statements that set the framework for planning and budgeting for the day-to-day work of staff. Each priority has a brief narrative and contains high-level goals called Key Result Areas (KRAs), department objectives, and relevant performance measures.

Updates to the Corporate Strategic Plan

Each year, the Town Council holds a planning retreat to discuss long-term policy issues and outline new priorities. Goals proposed by Town departments are brought forward during these discussions and are refined through the annual budget development process. The updated Corporate Strategic Plan is officially adopted each year at a Town Council meeting in May or June, setting forth the Town Council's desires for programs, services and projects that need to be considered and funded during the new fiscal year.



Corporate Strategic Plan

STRATEGIC PRIORITIES

	<p>EFFECTIVE GOVERNMENT</p> <p>An effective local government is aware of citizens’ needs and provides the services that residents want. This can be achieved by managing the price of government and introducing innovative business practices, using new technology, hiring quality employees and leveraging Town partnerships to save resources.</p>	<p>KEY RESULT AREAS</p> <ul style="list-style-type: none"> • Council Professional Development • Financial Management, Internal Services & Sustainability • Intergovernmental Relations
	<p>SAFE COMMUNITY</p> <p>Queen Creek has low crime rates and residents continue to rate their interactions with public safety personnel highly in community surveys. As our town grows, ensuring the safety of the public continues to be among our highest priorities; this means hiring and training quality first responders, and finding innovative ways to improve delivery of emergency services.</p>	<p>KEY RESULT AREAS</p> <ul style="list-style-type: none"> • Public Safety • Community Involvement
	<p>SECURE FUTURE</p> <p>Securing Queen Creek’s future involves strengthening the Town’s financial condition by implementing strong management strategies within the organization, and by increasing the number of employment opportunities available to residents. This priority also relates to securing our water supply for the benefit of future residents.</p>	<p>KEY RESULT AREAS</p> <ul style="list-style-type: none"> • Environment • Land Use & Economic Development
	<p>SUPERIOR INFRASTRUCTURE</p> <p>With the growth of residential and commercial development comes the challenge of satisfying public demand for quality streets, lights, utilities and parks. The construction and maintenance of a high-quality public infrastructure is a priority.</p>	<p>KEY RESULT AREAS</p> <ul style="list-style-type: none"> • Capital Improvement Program • Technology
	<p>QUALITY LIFESTYLE</p> <p>Queen Creek will leverage its strong image as a tight-knit, family friendly community to encourage more residents to participate in public events, attract new businesses and further establish our reputation as one of the best destinations in Arizona. We will seek to enhance this unique lifestyle through public art, cultural events and new recreation opportunities.</p>	<p>KEY RESULT AREAS</p> <ul style="list-style-type: none"> • Image & Identity



Corporate Strategic Plan

New Initiatives

Sixteen initiatives are still in place as a result of the most recent annual strategic planning process. Within these initiatives there was a considerable refocus on increasing investment in infrastructure, job creation, and improving our quality of life. The new initiatives are identified below. Please refer to the Corporate Strategic Plan for more information (online [Queen Creek Corporate Strategic Plan](#)).

Effective Government

Financial Stability and Intergovernmental Relations:

- Proactively work with the state to secure existing revenue sources to provide essential public safety and infrastructure
- Complete roll-out of electronic plan review and permitting system

Safe Community

Public Safety:

- Maintain emergency transport service agreement addressing community needs and standards, with a qualified private sector provider
- Continue pursuing options for securing stabilized revenue streams dedicated solely to the increasing demands on public safety
- Secure financial system enables cost recovery related to patient emergency transportation in alignment with certificate of necessity

Secure Future

Land Use and Economic Development:

- Initiate update to the Queen Creek General Plan
- Continue evaluating possible policy options that allow for annexation of strategic lands within the planning area
- Generate more economic synergy within the Town Center, and enhance the sense of place by attracting additional investment within the Town Center
- Implement strategies outlined in the Economic Development Master Plan focusing on business development, entrepreneurship, agritainment/destination tourism, and economic foundations (infrastructure); enhance marketing and promotion

Superior Infrastructure

Capital Improvement:

- Construct the initial phase(s) of the next new park
- Complete the Municipal Center Master Plan, including the police station/public safety complex, meeting rooms and Town Center Fire Station 411
- Ensure the Town's arterial roads are prioritized for connecting within the region, notably Gilbert and Mesa

Technology:

- Enhance innovative technologies for public facilities that improve efficiencies and reduce long-term recurring costs
- Review options for establishing an accessible fiber network to elevate the Town's economic competitive position within the region



Corporate Strategic Plan

Quality Lifestyle

Image & Identity

- Proactively support arts and culture
- Improve mix of park amenities

Corporate Strategic Plan Priorities				
Effective Government	Safe Community	Secure Future	Superior Infrastructure	Quality Lifestyle

Town Department

Mayor & Council					
Town Manager					
Town Clerk					
Finance					
Workforce & Technology					
Communications, Marketing & Recreation					
Economic Development					
Development Services					
Public Works					
Utility Services					
Fire & Emergency Services					



Planning Tools

The following documents are overarching policy documents Queen Creek operates under in support of the CSP:

Policy Document	Purpose	Highlights
General Plan	Guides growth and development in the Town along with the Zoning Ordinance	<ul style="list-style-type: none"> Community Character – addresses visual aspects of development including development densities, transportation circulation, and building and landscape standards Quality of Life – how service and facilities will be provided including parks, recreation, and water resources Environment & Economy – address growth and balance of the economic base and the protection and enhancement of the environment
Zoning Ordinance	Guides growth and development in the Town along with the General Plan	<ul style="list-style-type: none"> Address varied types of land use within the Town Remain current with amendments that require action due to State Legislation Creates special event permitting specific to agritourism & agritainment type uses
Parks, Trails & Open Space Master Plan	Important implementation tool to meet the recreation needs of current and future residents.	<ul style="list-style-type: none"> Interconnected – Create comprehensive trail system within planning area Character – Provide significant natural open space that enhances community character and land for development of trails and other passive recreation areas Opportunities – Promote recreation opportunities for all citizens
Economic Development Strategic Plan	Addresses the need for the Town to focus marketing efforts on specific industries to be more effective and efficient.	<ul style="list-style-type: none"> Labor Force and Education – Partner with the community schools, Chandler-Gilbert Community College and Arizona State University at the Polytechnic campus to ensure that education supports the future of the community at large, residents and the development needs of business Real Estate Resources – Partner with land owners and developers to develop an inventory of improved sites and existing “speculative buildings” for employment uses Community Vision/Identity – The Town of Queen Creek strives to honor our past, manage our present and engage our future to create a quality, unique place for family and business
Town Center Plan & Town Center Redevelopment Plan	Ensures that the Town Center remains consistent with the Redevelopment Area Plan while attracting, retaining & enhancing local business ownership	<ul style="list-style-type: none"> Strengthen economic vitality Seek public-private partnerships Transit center Entertainment district
Transportation Master Plan	Important implementation tool for addressing the long term needs related to the regional streets/transportation system	<ul style="list-style-type: none"> 10-year plan to ensure service levels related to traffic do not decline Foundation for determining impact of growth on system



Long-Range Financial Plan

Summary of Revenue and Expense Projections by Fund

Each Fall, the Town begins the annual budget process with a 5-year financial forecast. Through the use of a long-range projection model, the Town is able to identify and address projected structural budget gaps and realize potential fund balances to be strategically utilized for public safety and community benefit.

Operating and Enterprise Funds

The operating funds table reveals that operating funds including General Fund, Sewer, Solid Waste, Water and Emergency Services are projected, as a whole, to garner revenues greater than anticipated expenses for the foreseeable future. However, the projection has highlighted anticipated expenditure over revenues in Emergency Services, Horseshoe Park Equestrian Center and Highway User Revenue Fund (HURF). The General Fund will cover these shortfalls.

HURF is funded through state gasoline tax and vehicle license tax. Starting in July 2015, all of the Town's street operations are housed in this fund. While this fund has seen a decrease in revenue over the past few years in part due to sweeping of funds at the state level as well as decreases in gasoline sales statewide, this fund has seen an increase in revenue levels as a result of the most recent census adjustment for state shared revenues.

The Emergency Services Fund has two primary revenue sources, sales tax and property tax. Property tax was established at \$1.95 per \$100 of assessed value. Due to decreases in property tax collection since 2008, other revenue sources had to be explored. A new revenue stream from a newly-created county island fire district was developed in FY 2013/14 to address this gap. This district has an intergovernmental agreement with the Town to provide fire and medical service. Prior to the agreement, county residents were receiving services from a private entity that collected annual fees for services. The Town, through the agreement, is projecting revenue in FY 2017/18 of \$1.4 million from the Fire District.

Special Revenue Funds

The Town Center Fund, while funded almost entirely by sales tax in the Town Center Area, is anticipating moderate revenue growth due to aggressive economic development programs aimed at increasing local spending.

Development Fee Funds cover a substantial share of debt assumed by the Town during a time of remarkable growth. Parks and roadways were constructed along with a library. Projects were multi-million dollar projects to benefit and enrich the community as a whole. Due to unfavorable impact fee legislation, development fees are significantly limited after August 2014. Further detail on this funding source can be found in the Capital Section of this budget book.

Other Funds

Despite the pay as you go funding provided by the Operating Budget over the past few years, over the course of the next five-years, future capital infrastructure projects within the Town will require issuing debt or securing funding from outside entities such as state and federal grants and developer contributions in order to move forward.

The Town's Special Assessment Fund houses the debt on the Improvement District for that portion attributed to the private landowners in the district. The fund receives revenues from assessments to private property owners in the district, which accounts for approximately 48% of the debt. The Town's portion of the assessment is paid for primarily by construction sales tax (75%) with the remainder coming for the Town's General Fund (25%) and is included in the debt service fund.



Long-Range Financial Plan

The Town is the administrator of over 84 Street Light Improvement Districts (SLIDs) at the time of budget development. The fund receives revenues through an assessment on secondary property tax that pays for the electricity consumption in the districts.

Below is the long-range forecast for base budgets in the non-Enterprise Operating Funds (General Fund, Emergency Management Services Fund, HURF and Horseshoe Park Fund) at the time of initial budget development. This base long range does not the CIP program included. It is intended to show the operating results for base operating budgets (excluding Enterprise Operations, Infrastructure Development and Debt) at the onset of the budget process.

Operating Budget Five-Year Sources over Uses Forecast

Sources:

38,158	41,200	Population Projection	44,700	48,600	52,700	56,300	59,300
		935 New Single Family Building Permits Projected	1041	1187	1247	1095	904
Revenues							
FY17 Adopted	FY17 Revised /Projected	Revenue Category	FY18	FY19	FY20	FY21	FY22
14,553,567	14,553,567	Sales Tax (excluding Construction)	16,402,640	19,318,250	21,374,810	23,254,350	24,883,830
5,260,409	5,260,409	Construction Sales Tax	6,152,340	7,107,090	7,436,690	6,521,120	5,627,060
10,930,362	10,930,362	State Shared Revenues	11,831,000	12,445,100	13,289,300	14,187,700	15,236,800
5,379,190	5,379,190	Property Tax	6,200,000	6,820,000	7,550,000	8,320,000	9,130,000
5,105,600	5,105,600	Building Revenues	5,704,000	6,392,000	6,674,000	5,959,000	5,082,000
5,446,178	5,446,178	Other Charges for Services	5,594,050	5,754,570	5,916,080	6,412,460	6,588,190
46,675,306	46,675,306	Total Revenues	51,884,030	57,837,010	62,240,880	64,654,630	66,547,880
		\$ Change from prior	5,208,724	5,952,980	4,403,870	2,413,750	1,893,250
		% Change from prior	11%	11%	8%	4%	3%
		Additional Reserves (25%)	(1,302,181)	(1,488,245)	(1,100,968)	(603,438)	(473,313)
		Available Revenues	50,581,849	56,348,765	61,139,913	64,051,193	66,074,568
11,668,827	12,971,008	Reserve Requirement	14,459,253	15,560,220	16,163,658	16,636,970	17,302,449



Long-Range Financial Plan

Operating Budget Five-Year Sources over Uses Forecast

Uses:

FY17		Expense Category	Expenses				
Adopted	FY17 Revised		FY18	FY19	FY20	FY21	FY22
17,904,749	17,904,749	Personnel	19,677,200	20,748,100	21,888,300	24,903,000	26,199,100
9,952,700	5,735,875	Operating	6,078,000	6,260,400	6,448,300	7,017,100	7,591,400
	1,039,960	Utilities	1,092,000	1,146,600	1,203,900	1,264,100	1,327,300
	668,920	IT Software Support and Maintenance	689,000	709,700	731,000	752,900	775,500
	398,555	Streets Maintenance	410,500	422,800	435,500	448,600	462,100
	2,109,390	Pavement Maintenance (HURF)	2,172,700	2,237,900	2,305,000	2,374,100	2,445,300
800,197	800,197	Capital Outlay	991,500	1,236,500	1,296,500	996,500	996,501
522,562	522,562	Indirect Cost Allocation (Support Costs)	538,200	554,400	571,000	588,100	605,800
103,776	103,776	Debt (Equipment Leases)	103,776	103,776	86,699	83,380	-
6,018,778	6,018,778	MCSO	6,207,400	6,828,100	7,510,900	8,262,000	9,088,200
954,300	954,300	Contingency	1,144,100	1,144,100	963,800	1,013,300	1,058,800
1,251,480	1,251,480	Operating One-Times	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
		Additions to Base (FTEs, etc.)	375,000	768,000	1,204,864	1,517,697	1,770,547
		Efficiency Savings	(100,000)	(200,000)	(300,000)	(400,000)	(500,000)
728,000	728,000	Transportation Developer Reimbursements	818,250	810,890	765,080	818,630	875,900
38,236,542	38,236,542	Subtotal Expenses	41,697,626	44,271,266	46,610,843	51,139,407	54,196,448
2,116,046	2,116,046	Debt Transfers (includesID)	1,803,947	1,803,947	1,808,159	1,805,232	1,802,167
		Debt Refunding savings programed back in	312,100	312,100	312,100	312,100	312,100
2,500,000	2,500,000	New Transportation Debt Transfer	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
3,000,000	3,000,000	CIP PAYGO	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
25,000	25,000	Events Transfers	25,000	25,000	25,000	25,000	25,000
45,877,588	45,877,588	Total Uses	49,338,673	51,912,313	54,256,102	58,781,739	61,835,715
		\$ Change from prior	4,812,085	2,573,640	2,343,789	4,525,637	3,053,975
		% Change from prior	11%	5%	5%	8%	5%
		Operating Result	2,545,357	5,924,697	7,984,778	5,872,891	4,712,165
		Change in reserves	(1,302,181)	(1,488,245)	(1,100,968)	(603,438)	(473,313)
797,718	797,718	Net Result	1,243,176	4,436,452	6,883,811	5,269,453	4,238,853

FY17	FY17 Revised	Ending Fund Balance	FY18	FY19	FY20	FY21	FY22
23,044,274	23,044,274	Ending Fund Balance	25,589,631	31,514,328	39,499,106	45,371,997	50,084,162
	(12,971,008)	Reserved (25% of next yr revenue)	(14,459,253)	(15,560,220)	(16,163,658)	(16,636,970)	(17,302,449)
	10,073,267	Available	11,130,379	15,954,108	23,335,449	28,735,027	32,781,713

Details	
Revenue	Methodology
Sales Tax	7% Non-Construction increases projected over 5 years - population growth as well as new retail opportunities in Town
State Shared Revenues	Population Share Growth of 5%
	Activity Growth of between 3-5%, based on JLBC Forecast
Property Tax	5% appreciation on existing; growth on new construction valuation based on new commercial estimates
Building Revenue	Estimating based on planning activity for new subdivisions and commercial building
Other Charges for Services	Includes QCCIFD (increased to reflect share of increase Fire expenses starting in FY20 when new station is staffed)

Expense Item	Methodology
Market Adjustment	Tied to Employment Cost Index (ECI) at 3.0% increase all years
Merit Adjustment	Included at up to 3% based on employee performance rating; annualized impact = 1.8%; Fires Steps annualized at 2.5%
Healthcare	5% each year
PSPRS	rate adjusted for Hall Case; annual increase set at 10%
ASRS	annual increase set at 6%
New Fire Station Personnel	15 positions added @ \$1.8M in 20/21
New Fire Station Equipment	FY20 One time purchases for new station setup/personnel equipment
Fire SCBA	FY19 Replacement of SCBA equipment
Library	FY21 25% of annual costs to fully fund library operations in 4 years (\$1.5M)
Utility Costs	3% increase all years
Capital Outlay	Assumes flat amount for vehicle replacement & base capital needs annually
Econ Dev Incentives	7% increase all years; FY18 includes \$300K for anticipated Thompson Thrift rebate
MCSO	10% increase each year; FY18 includes anticipated impact of Hall Case
Efficiency Savings	Anticipated reductions as a result of improved processes and budget realignments
Operating One-Times	Flat for recurring R&M, replacement needs, etc anticipated each year



Long-Range Financial Plan

Forecasted Major Revenue Sources (000)s

At the outset of the budget development process the table below identifies the long range revenue forecast for all major revenue sources:

Revenue Category	FY18 Projection	FY19 Projection	FY20 Projection	FY21 Projection	FY22 Projection
Sales Tax (excluding Construction)	\$ 17,068	\$ 20,102	\$ 22,242	\$ 24,198	\$ 25,894
Construction Sales Tax	11,608	13,410	14,031	12,304	10,617
State Sales Tax	3,561	3,844	4,273	4,719	5,232
Income Tax	4,553	4,695	4,856	5,047	5,320
Vehicle License Tax	1,441	1,564	1,735	1,914	2,092
HURF	2,277	2,342	2,425	2,508	2,593
Property Tax	6,189	6,820	7,550	8,320	9,130
Building Revenues	5,704	6,392	6,674	5,959	5,082
Other Charges for Services	5,700	5,755	5,916	6,412	6,588
Impact Fees	8,461	9,644	11,004	9,478	7,940
Capacity Fees	11,330	12,174	12,661	12,332	11,475
Water	21,161	22,642	24,227	25,923	27,737
Sewer	6,332	6,648	6,981	7,330	7,696
Solid Waste	2,644	2,829	3,027	3,238	3,465

*Includes all Town sales tax



Financial Policies

The financial policies establish the framework for overall fiscal planning and management. They set forth guidelines for both current activities and long-range planning. The policies are reviewed annually to assure the highest standards of fiscal management. The Town Manager and the Town Council Budget Committee have the primary role of reviewing financial actions and providing guidance to the Town Council.

Overall Goals

The overall financial goals underlying these policies are:

- Fiscal conservatism: To ensure that the Town is at all times in a solid financial condition. This can be defined as:
 - Cash Solvency - the ability to pay bills.
 - Budgetary Solvency - the ability to balance the budget. Neither a budget deficit nor budget surplus is present in the budget. Revenues equal expenditures.
 - Long-run Solvency - the ability to pay future costs.
- Flexibility: To ensure that the Town is in a position to respond to changes in the economy or new service challenges without an undue amount of financial stress.
- Adherence to the highest accounting and management practices: To ensure compliance with standards for financial reporting and budgeting established by the Government Finance Officers' Association (GFOA), the Governmental Accounting Standards Board (GASB), and other professional best practices.

Operating Management Policies

- Ongoing operating costs should be supported by ongoing, stable revenue sources as much as possible. Some corollaries to this policy are:
 - Fund balances should be used only for one-time expenditures, such as capital equipment and improvements or contingency accounts.
 - Ongoing maintenance costs should be financed through operating revenues rather than bonds.
 - Fluctuating federal grants should not be used to finance ongoing programs.
- Revenues from growth or development should be allocated to one-time costs as much as possible. This policy implies a commitment to identifying the portions of the Town revenue stream that result from growth.
- Unassigned fund balances in the General Fund must equal 25% of its revenue budget, per Town Council policy, to provide a cushion to address emergency situations and unforeseen circumstances.
- Enterprise Funds should be self-sufficient. They should include a sufficient unrestricted fund balance to absorb fluctuations in annual revenue. Enterprise Funds should be charged directly for expenditures such as staff salaries and fringes and direct operating expenditures. Departmental support costs for such General Fund support as Information Technology, Communications & Marketing, Finance, Budget, Human Resources, etc. will be charged quarterly to these funds based upon an approved methodology. Operational revenue should be great enough to cover debt service and replacement capital costs.
- A financial forecasting model should be developed to test annually the ability of the Town to absorb operating costs due to capital improvements and to react to changes in the economy or service demands. This annual forecast should at minimum cover the current and next fiscal year.



Financial Policies

- Laws and policies on limitations on revenue sources should be explicitly addressed in the budget process. These include:
 - Annual Local Transportation Assistance Funds (LTAF) must be used for public transit or streets, but a small portion (10%) may be used for cultural purposes.
 - Highway User Revenue Fund (HURF) must be used for expenditures found in the right-of-way including streets, sidewalks, curbs, etc.
- Comparison of service delivery will be made on a periodic basis to ensure that quality services are provided to citizens at the most competitive and economical cost. The review of service delivery alternatives will be performed on a periodic basis.

Investment Policies

The primary objectives of the Town's investment activities are:

- Safety of principal – the Town will seek to ensure preservation of principal in the overall portfolio.
- Liquidity – the investment pools and funds will remain sufficiently liquid to enable the Town to meet all operating requirements that might be reasonably anticipated.
- Return on investment – the investment pools and funds shall be managed with the objective of attaining a competitive rate of return given the constraints of the aforementioned safety and liquidity objectives.

Reserve Policies

The Town's reserve policy covers the General Fund, Enterprise Funds (Water, Sewer and Solid Waste), and Special Revenue Funds (HURF and the Emergency Services Fund). The Town Development Fee Funds and capital project funds (Drainage and Transportation, and General CIP) are excluded from this policy and are covered by the reserves established for the General Fund. The reserve policy varies by fund depending upon the underlying revenue risk.

Fund balance is an important indicator of the Town's financial position. Maintaining reserves is considered a prudent management practice. Adequate fund balances are maintained to allow the Town to continue providing services to the community in case of unexpected emergencies or requirements, economic downturns, and "pay-as-you-go" funding for capital projects or one-time expenditures.

In an effort to ensure the continuance of sound financial management of public resources, the Town of Queen Creek's Unassigned General Fund Balance will be maintained to provide the Town with sufficient working capital and a comfortable margin of safety to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns without borrowing.

This policy establishes the amounts the Town will strive to maintain in its General Fund balance, the conditions under which fund balance may be spent, and the method by which fund balances will be restored. These amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any local government.

- The Town will strive to maintain an Unassigned Fund Balance reserve in the General Fund equivalent to 25% of its revenue budget. It is the intent of the Town to limit use of General Fund reserves to non-recurring needs such as to address emergency situations, unexpected events where damage is incurred and immediate, remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, and storm damage), capital needs and other such non-recurring needs. Fund Balance may decline



Financial Policies

year over year, due to a sudden decline in revenue during the last quarter of the fiscal year, and expenditure savings cannot be achieved fully in this limited timeframe. The Town will consider this funding situation as part of new fiscal year budget discussions. The Town's objective is not to use Fund Balance for recurring expenditures. Any planned usage of Unassigned Fund Balance reserve must be appropriated by the Town Council. Any unplanned usage or drawdown caused by revenue declines will be reported to the Council as part of normal financial reporting to Council.

- The Town will strive to maintain a Restricted Fund Balance reserve in the Special Revenue Funds, as defined by GAAP, equivalent to 10% of annual recurring revenues in these funds.
- The Town will strive to maintain a fund balance reserve in the Enterprise Funds equivalent to 10% of annual recurring revenues in these funds. The fees within these funds are set to fully recover their operating costs, including debt service. (GASB 54 not applicable.)
- The Fund Balance in the remaining Government Fund category, Special Revenue type, shall be assigned as Restricted.
- The Chief Financial Officer is authorized to classify available fund balance for specific purposes in accordance with GASB 54. It is the policy of the Town that expenditures for which more than one category of fund balance could be used, the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

Debt Management Policies

The debt policy is to be used in conjunction with the adopted budget, the Capital Improvement Program (CIP) and other financial policies as directed by the Mayor and Town Council. Bond, lease/purchase financing; internal borrowing between funds; and state agency financing through the Greater Arizona Development Authority (GADA) and the Water Infrastructure and Finance Authority of Arizona (WIFA) will be considered for financing major capital improvements and equipment for the Town.

- Annual debt service cost should not exceed 25% of the total annual revenue of the Town, including revenue from the General Fund, Development Fees, Water Fund, Sewer Fund, HURF, LTAF, and transportation revenues.
- Bonds must be investment grade without assistance from a credit enhancement.
- The Town must adhere to the State statutes that prescribe the amount of outstanding general obligation debt that a town can have at any one time (20% of the secondary assessed value for water, sewer, parks, public safety, and street lights and 6% for all other programs). The Town currently has no general obligation debt outstanding.

Budget Policies

Queen Creek in accordance with Arizona state law annually adopts a balanced budget, which is all-inclusive. Arizona Revised Statute §42-17151 requires all estimated sources of revenue, and restricted and unrestricted unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year. All inclusive means that if an item is not budgeted it cannot legally be spent during the fiscal year. Therefore, the budget must include sufficient appropriation provisions for expenditures related to revenues that cannot be accurately determined or anticipated when the budget is adopted.



Financial Policies

Arizona Revised Statutes only requires communities to prepare budget for two funds – the General Fund and HURF. In addition to these two funds, Queen Creek prepares budgets and requests legal appropriation for all its funds: Special Revenue, Emergency Services, Enterprise, Capital Improvement, Debt Service and Internal Service.

Budget Amendment Policies

In January 2013, the Town Council approved an update of the Town’s budget amendment policies as follows:

- Appropriation transfers between Town departments from any non-departmental account, including contingency, and budget adjustments that include creating new full-time positions, may be done only with approval of the Town Council.
- Budget adjustments to increase Town estimated revenues in order to fund increasing appropriations must be approved by the Town Council. The only exception is with the Town’s Enterprise Funds in which more flexible budgeting is required. Within these funds, the sale of a good or material is first dependent on the Town acquiring the item. In those cases in which added sales or revenue generation is directly linked to the acquisition of the item, the Town Manager can approve such appropriations and revenue increases to the budget, up to a cap of \$100,000. Such adjustments must stay within the annual budget ceiling adopted for the Town.
- Appropriation transfers between Town funds (e.g. General Fund, HURF, Development Fee Funds, etc.) require the approval of the Town Council.
- Appropriation transfers of up to \$50,000 between capital project accounts require the Town Manager’s approval only; transfers above that amount require Town Council approval.
- Appropriation transfers from one expenditure account to another within a Town departmental budget (Intradepartmental Appropriation Transfer) are as follows. All transfers are contingent upon Budget Office verification of sufficient budget being available for the request.
 - Department Director approval only up to \$25,000 from one appropriation account to another within a departmental budget.
 - Town Manager approval only for transfers greater than \$25,000 within a departmental budget.

Budgetary Control System

- Quarterly budget-to-actual variance reports are prepared by the Budget Administrator. Following review by the Finance Director/CFO and Town Manager, these reports are provided to the Town Council for information.
- Budget staff annually updates the Town’s Five-Year Financial Plan in order to validate and adjust the plan to new assumptions and growth projections of the community.
- Ongoing budget reviews in order to make necessary adjustments are then presented to the Town Council as needed based upon the revised budget amendment policies.



Financial Policies

Revenue Management Policies

- The Town will strive for a more diversified and stable revenue system, maintained to ensure the fiscal health of the community.
- User fees for all operations will be examined annually to ensure that fees cover direct and indirect cost of service as much as possible.
- Development fees for one-time capital expenses attributable to new development will be reviewed annually to ensure that fees match development-related expenses.

Capital Management Policies

- A five-year capital improvement plan (CIP) will be prepared and updated each year. This includes all projects that carry out the Town's strategic and general plans.
- Each department must, when planning capital projects, estimate the impact on the Town's operating budget over the next five years.
- Amendments to capital appropriations fall under the same guidelines as changes to the operating budget noted above.

Fixed Asset Policy

- The Town has set its capitalization threshold for all assets with an initial individual cost of \$10,000 or more and an estimated useful life of one year. Assets having value under \$10,000, regardless of their useful life, will not be reported as assets in the fixed asset system. Individual departments are responsible for maintaining inventory and records of all assets under \$10,000.
- All Town departments are required to provide detailed information on all assets, newly acquired during the fiscal year, no later than 30 days prior to the end of the fiscal year.
- Non-cancelable lease agreements are handled in accordance with the Financial Accounting Standards Board (FASB) Statement No.13.
- Donated assets will be entered into the system at fair market value as determined through appraisal.
- Construction in process is considered a separate type of asset and is tracked separately from the capital assets until the time of completion.
- Costs subsequent to acquisition should be capitalized if any of the following exists:
 - Useful life of asset is increased
 - Quality of services produced from asset is increased
 - Quality of units produced by asset is enhanced
- Disposal of assets shall be in accordance with all applicable federal, state and local regulations and policy.



Financial Policies

Financial Reporting Policies

- The Town's accounting and financial reporting systems will be maintained in conformity with Generally Accepted Accounting Principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB).
- The Town's budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends, and resource choices.
- Financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.

Budget Process & Procedures

Budgetary Process

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits to the Town Council a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. State law sets a limit on the expenditures of local governments. State statute sets the limits based on Economic Estimates Commission unless otherwise approved by voters. The Town of Queen Creek received voter approval to increase this limitation. The Town of Queen Creek has adopted an alternative expenditure limitation, also called home rule, in which total budgeted expenditures as adopted by the Town Council become the expenditure limitation.
4. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for Capital and Special Revenue Funds, Emergency Services Fund and Enterprise Funds. The Town Manager, subject to Town Council approval, can at any time transfer any unencumbered appropriation balance or portion thereof between departments or programs. The adopted budget can be amended by following the Council-approved reallocation procedures.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Capital and Special Revenue Funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

Budgetary and Accounting Basis

Queen Creek's budget is prepared on a basis generally consistent with Generally Accepted Accounting Principles (GAAP).



Budget Process & Procedures

Governmental Funds - the General Fund, Special Revenue Funds, Debt Service and Capital Project Funds budgets are developed using the modified accrual basis of accounting. Under the modified accrual basis:

- Revenues are recognized as soon as they are measurable and available to finance expenditures in the current period or soon enough thereafter to pay liabilities of the current period.
- Expenditures are recognized when the related fund liability is incurred, except for items such as principal and interest on general long-term debt that are recognized when due and compensated absences, which are recorded when payment occurs.

Fixed assets used in governmental fund type operations are accounted for in the Town's Balance Sheet. Public domain (infrastructure) assets consisting of certain improvements other than buildings, such as roads and sidewalks, are not capitalized since these assets are immovable and of value only to the government.

Property, plant and equipment acquired or constructed for general governmental operations are recorded at the time of purchase as expenditures in the funds from which the expenditures were made.

Property, plant and equipment are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Assets in the general fixed asset area are not depreciated.

Proprietary Funds - Water, Sewer and Solid Waste Enterprise Funds - are accounted for using the full accrual basis of accounting. The Town applies all applicable FASB pronouncements issued on or before November 30, 1990, unless they conflict with GASB pronouncements. Under the full accrual basis:

- Revenues are recognized when earned, and expenses are recognized when incurred. Interest on bonds, proceeds of which are used in financing the construction of certain assets, is capitalized during the construction period net of interest on the investment of unexpended bond proceeds.
- Expenditure estimates are developed for all expenses incurred during the fiscal year.

Property, plant and equipment acquired for proprietary funds are capitalized in the respective funds to which they apply.

Property, plant and equipment are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Fund Equity – The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserve fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. The reserved retained earnings in proprietary funds represent the amount that has been legally identified for specific purposes.

Inventories – Purchases of inventory are recorded at the time of purchase as expenditures/expenses in the funds from which the expenditures/expenses were made.

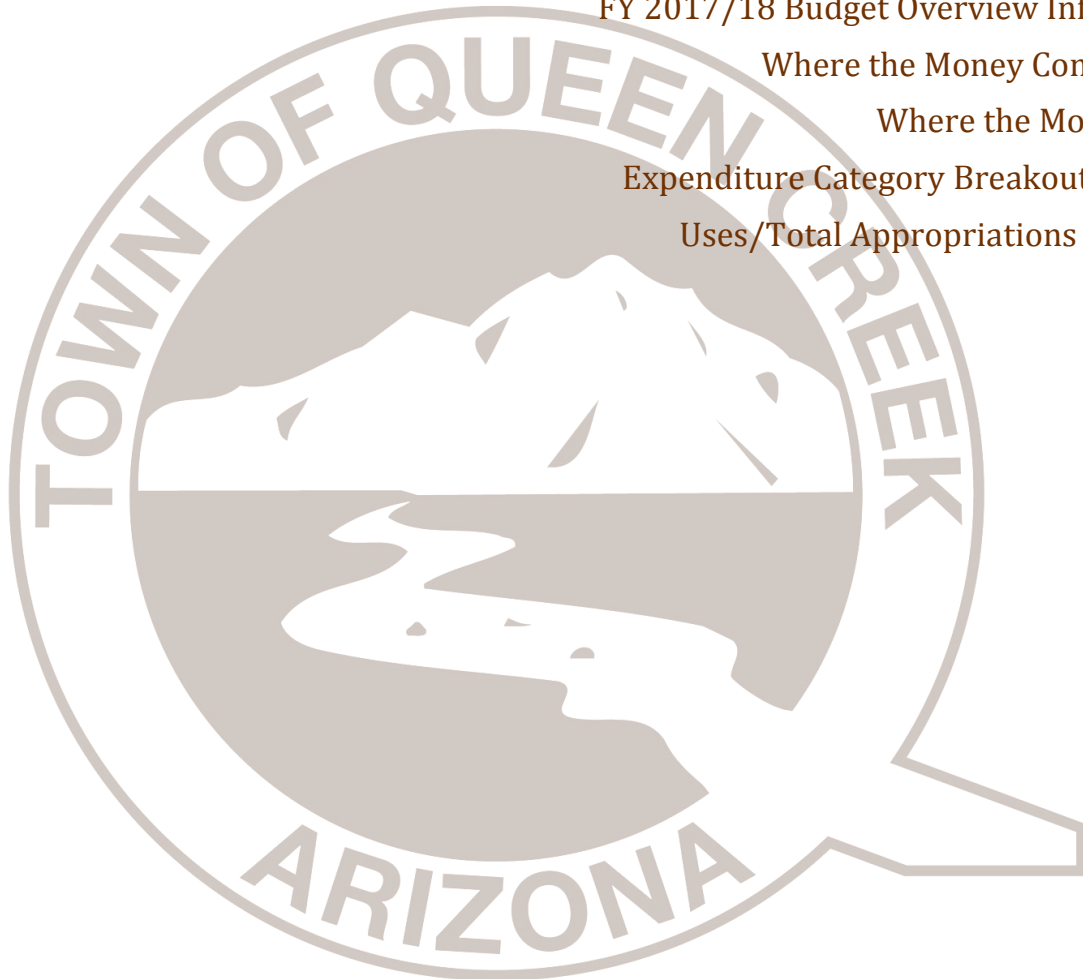


FY 2017/18
Adopted Budget



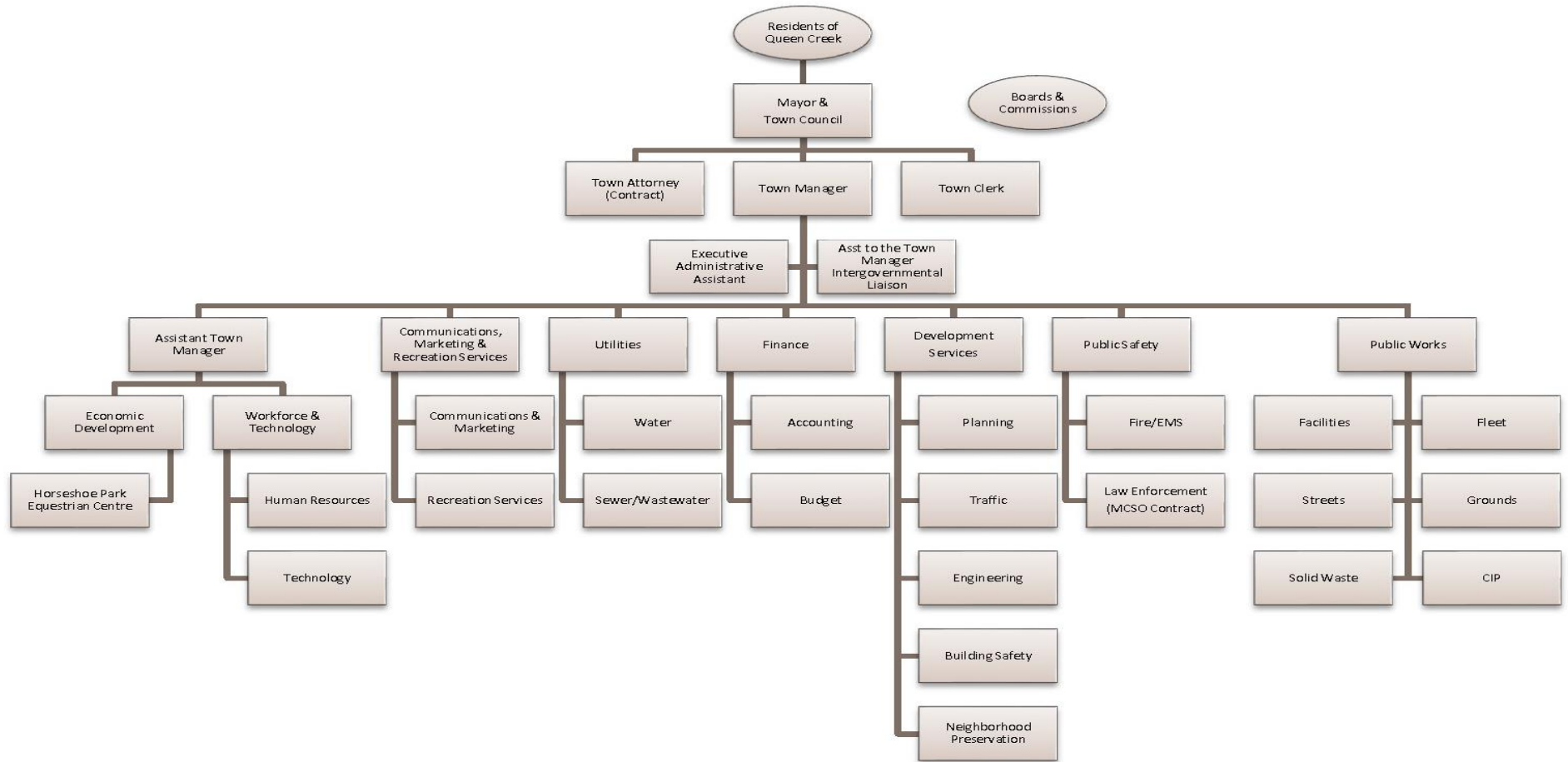
Organizational Structure

- Town Organizational Chart
- Full Time Equivalents (FTE) by Department
- Fund Structure Chart
- Fund Structure Narrative
- FY 2017/18 Budget Overview Infographic
- Where the Money Comes From
- Where the Money Goes
- Expenditure Category Breakout by Fund
- Uses/Total Appropriations Schedule





Town Organizational Chart





Full-Time Equivalents by Department

Department	FY 2012/13 Actual	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Mayor & Town Council ^a	7.00	7.00	7.00	7.00	7.00	7.00
Town Manager, Clerk, Legislative & Legal Services	6.00	7.00	7.00	7.00	8.00	8.00
Management Services ^b	13.90	13.15	-	-	-	-
Finance ^b	-	-	7.98	11.98	17.98	21.98
Workforce & Technology	11.50	10.00	10.00	11.00	10.00	11.00
Communications, Marketing & Recreation Services ^b	-	-	11.42	12.71	12.71	12.71
Economic Development ^b	12.50	16.00	13.00	12.00	12.00	11.00
Development Services ^c	57.12	69.86	28.02	29.48	28.48	30.48
Public Works ^c	-	-	45.34	47.34	51.86	53.91
Solid Waste	2.00	3.78	4.54	4.75	4.75	4.75
Utilities ^d	25.00	41.26	44.26	44.25	39.25	41.25
Emergency Services	32.50	35.00	36.00	36.00	51.00	51.00
Total Full Time Equivalents	167.52	203.05	215.55	223.51	243.03	253.08
% Change from Prior Year	5.5%	21.2%	6.2%	3.7%	1.0%	4.1%

^a Elected Officials, not true FTE

^b Communications, Marketing & Recreation Services created in FY 2014/15 pulling Communications & Marketing from Economic Development and Recreation Programs from Management Services; with this change, Management Services now only encompasses financial functions and is replaced by the Finance Department. FTEs in the Town Programs section provides realignment for prior years' for comparison purposes.

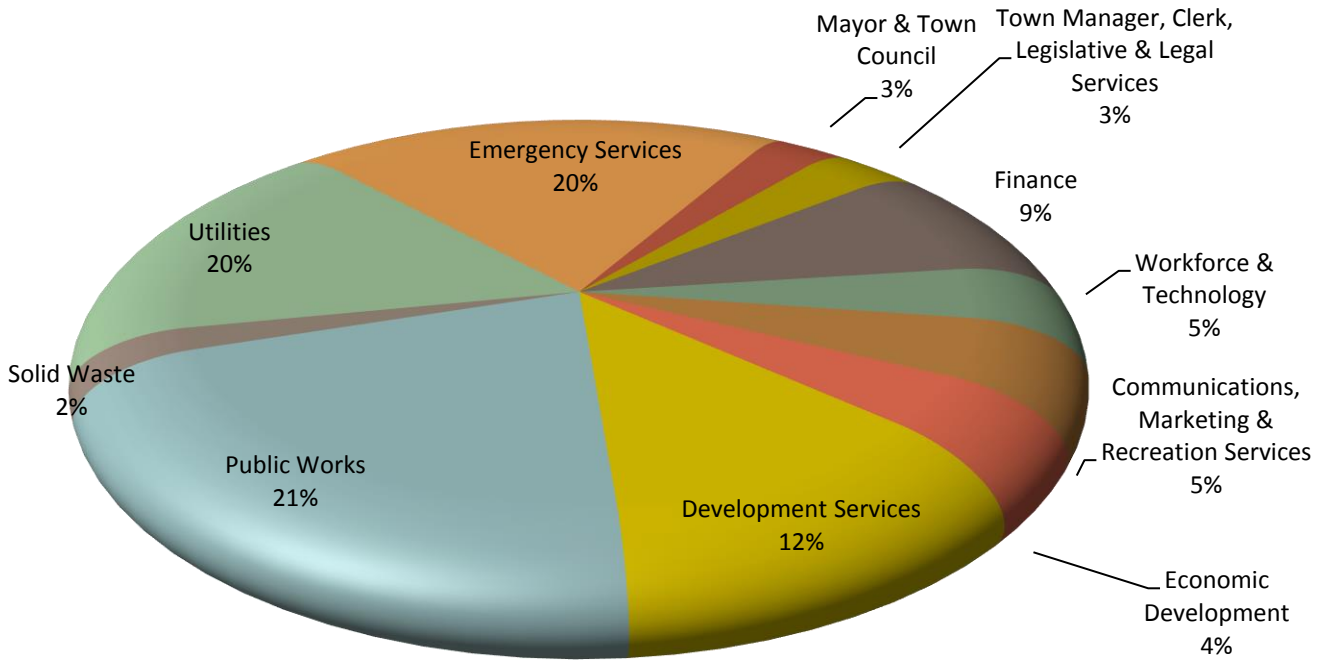
^c Public Works previously included in Development Services. FTEs in the Town Programs section provide realignment for prior years' comparison purposes

^d Increase for FY 2013/14 reflects staffing from H2O acquisition.



Full-Time Equivalents by Department

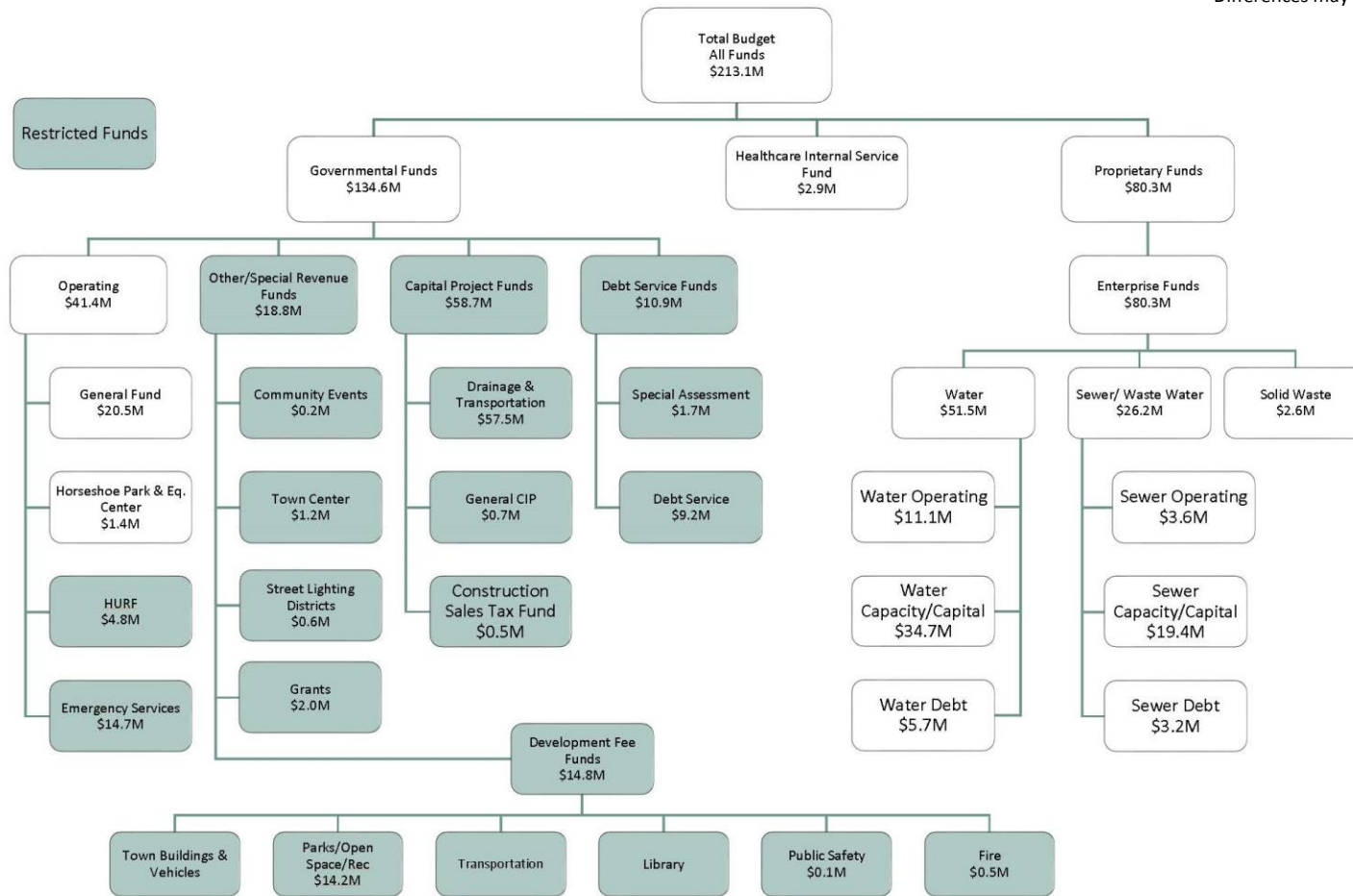
Percentage of FTE by Department





Fund Structure Chart

Differences may occur due to rounding





Fund Structure Narrative

The financial accounts for the Town of Queen Creek are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts composed of assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are governmental or proprietary. Different fund types are found within each of these two classifications.

Governmental Funds

Operating Funds – These funds account for the governmental operations of the Town

General Fund – This fund pays for the daily operations of Queen Creek government, including Mayor and Council, Town Manager and Town Clerk, Development Services, Communications, Marketing & Recreation Services, Economic Development, Finance, Workforce & Technology, and all Non-Departmental expenditures. The General Fund also covers operating shortages in the Horseshoe Park Equestrian Center Fund, the Highway User Revenue Fund (HURF) and the Emergency Services Fund.

Horseshoe Park Equestrian Center Fund – This fund accounts for the operations of the Town's Horseshoe Park Equestrian Center.

Highway User Revenue Fund (HURF) – All street operating costs eligible for state highway revenues are included in this fund. Revenues are derived from fuel taxes, vehicle license tax, and other street-related fees.

Emergency Services Fund – A 0.25% sales tax and a dedicated primary property tax (\$1.95/\$100 assessed value) pay for fire services in the community. In addition, this fund pays for the Maricopa County Sheriff's Office contract for police service in the Town. Because the revenue in this fund is insufficient to cover expenditures, a General Fund transfer is required to balance the budget of this fund

Other/Special Revenue Funds - These funds account for the proceeds of specific revenue sources that are legally restricted, or restricted by Town policy to expenditures for a specific purpose.

- **Community Events Fund** – Used to account for recurring Town events: Trunk or Treat, December Holiday Tree Lighting, Spring into QC and 4th of July Fireworks. In addition to some General Fund support, events are reliant on sponsorships.
- **Town Center** – This fund receives revenue from a 0.25% sales tax charged within two shopping centers located in the Town Center. Funds are dedicated to improvements and projects within the Town Center planning area.
- **Street Lighting Improvement Districts (SLIDs)** – Arizona State statutes provide that improvement districts can be established to pay for streetlights. The Town has established a fund to account for the revenue received from benefited property owners to reimburse the Town for the streetlight expenses paid by the Town.
- **Grants** – This fund accounts for the necessary expenditure appropriations to cover any special circumstances that arise during the fiscal year related to Grants.
- **Local Transportation Assistance Fund (LTAF)** – The Town's share of state revenue is restricted to spending on arterial street expenses and 10% for cultural use.
- **Development Fee Funds** – These are one-time fees assessed to new construction to help fund the infrastructure and amenities that the new residents require. These funds account for revenue received to pay for infrastructure improvements such as transportation, Town buildings and vehicles, parks and open



Fund Structure Narrative

space, library, fire, and public safety. Only the fees appropriate to the type of land use are charged. For instance, commercial and industrial properties are not charged library or parks development fees. Effective August 1, 2014, the total development fee cost per new single family home is \$6,794.

Capital Project Funds – These funds account for revenue received to pay for infrastructure improvements.

- **Drainage and Transportation** – Transfers from the General Fund and Transportation Development Fund, as well as a 2.0% construction sales tax dedicated to drainage projects, intersection improvements, and street improvements fund the capital projects in this fund.
- **General CIP Fund** – Transfers from the General Fund and Development Fees fund the capital projects in this fund.
- **Construction Sales Tax Fund** – The Town has a differential construction contracting sales tax rate of 2.0% that is dedicated to infrastructure improvements. This revenue is accounted for in this fund and transfers or expenses occur out of this fund for growth related infrastructure improvements.

Debt Service Funds - The long-term payment of principal and interest on funds borrowed for general capital purchases is accounted for in these funds. Enterprise related debt service is reported in the enterprise funds and is not included here.

Internal Service Fund - Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the Town. Queen Creek maintains one Internal Service Fund to account for Self-Insurance activities related to Healthcare.

Proprietary Funds

Enterprise Funds – These are funds for which the services provided are financed and operated similarly to a private business, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital construction, maintenance, public policy, management control, accountability, or other purposes. Queen Creek has enterprise funds for Water, Sewer and Solid Waste.

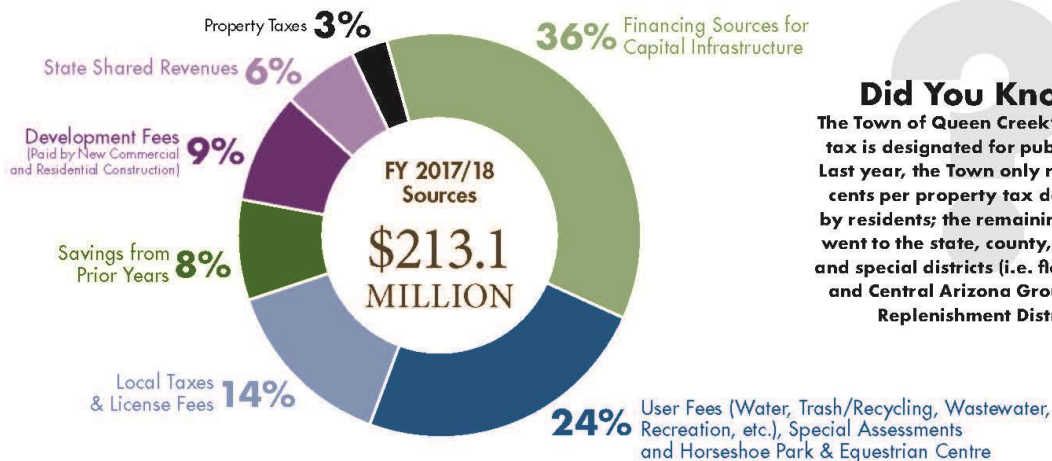


FY 2017/18 Budget Overview Info-Graphic

TOWN OF QUEEN CREEK 2017-2018 ADOPTED BUDGET

The Town of Queen Creek is required to pass an annual balanced budget. Expenditures must not exceed revenues. The recommended budget is based on strategic and master plans that include community input and long-term goals.

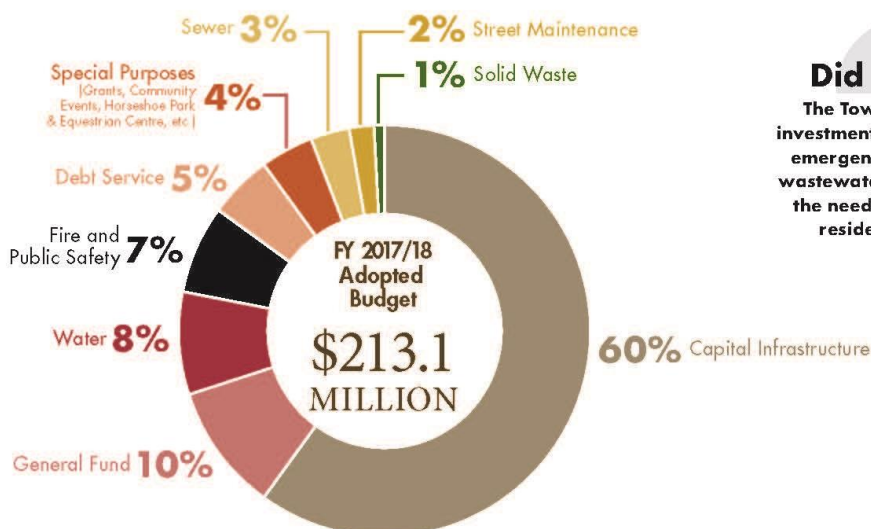
WHERE DOES THE MONEY COME FROM?



Did You Know?

The Town of Queen Creek's property tax is designated for public safety. Last year, the Town only received 13 cents per property tax dollar paid by residents; the remaining 87 cents went to the state, county, education and special districts (i.e. flood control and Central Arizona Groundwater Replenishment District).

WHERE DOES THE MONEY GO?



Did You Know?

The Town is making strategic investments into roadways, parks, emergency services and water/wastewater infrastructure to meet the needs of current and future residents and businesses.

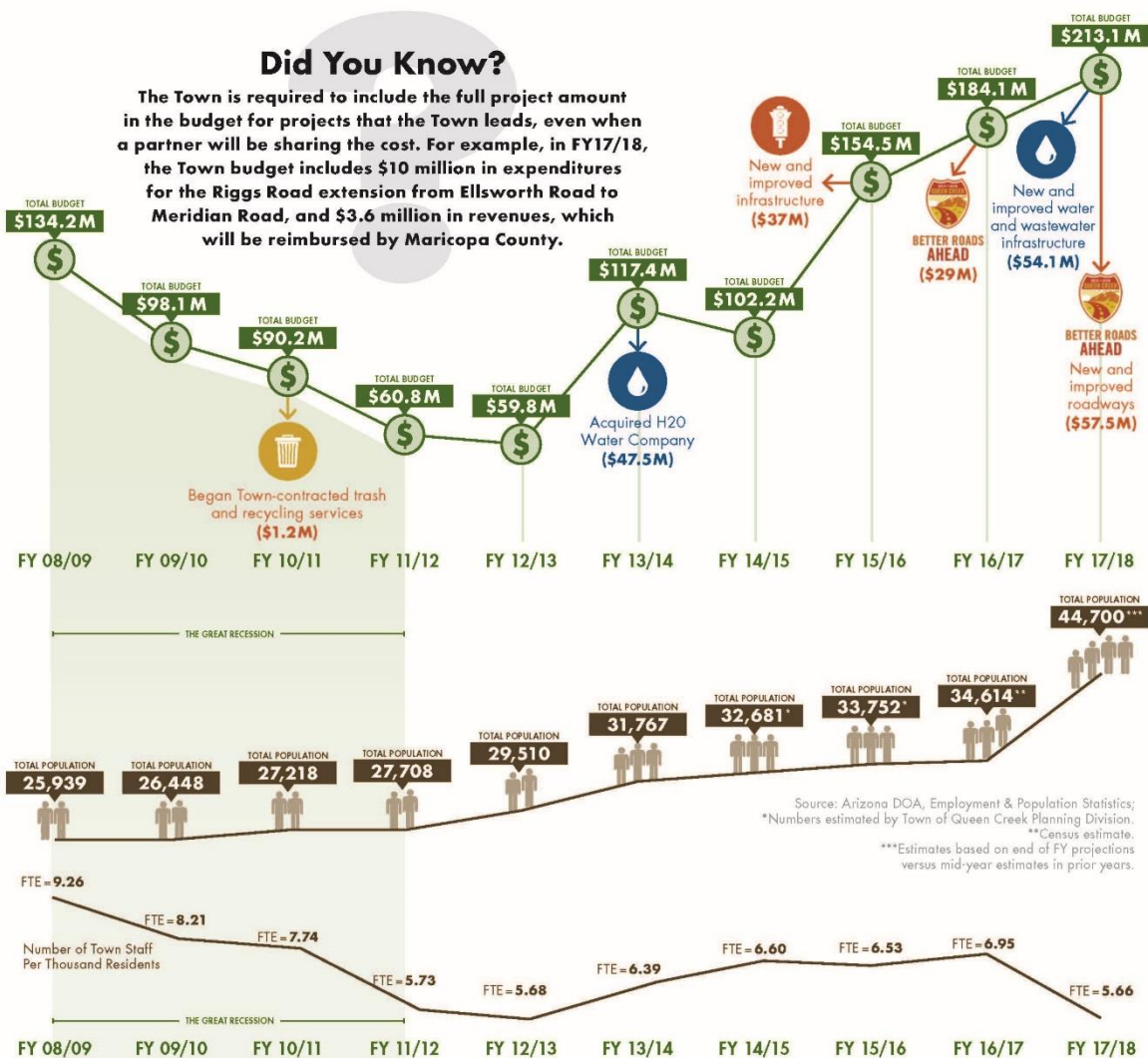


FY 2017/18 Budget Overview Info-Graphic

10-YEAR BUDGET OVERVIEW

Queen Creek's growth has driven the major fluctuations in the budget. The organization adjusted during the Great Recession and must balance the resources needed to serve residents and businesses.

QUEEN CREEK'S GROWTH OVER THE YEARS



The Town's annual budget gives staff authority to spend funds in pursuit of policy goals set by the Town Council. Resources are assigned based on priorities set by elected officials. Every year by mid-July, the Town is required by law to adopt a balanced budget that is open to citizen input and participation. Before the budget is adopted, residents are given the opportunity to provide input into determining what is important in their community and how much they are willing to pay for services they choose.

Queen Creek weathered the Great Recession by maintaining a fiscally conservative approach to budgeting, including a reduction in force and re-evaluation of all programs and services. As the community grows, the focus remains on responsible planning for a fiscally sustainable future.



Sources

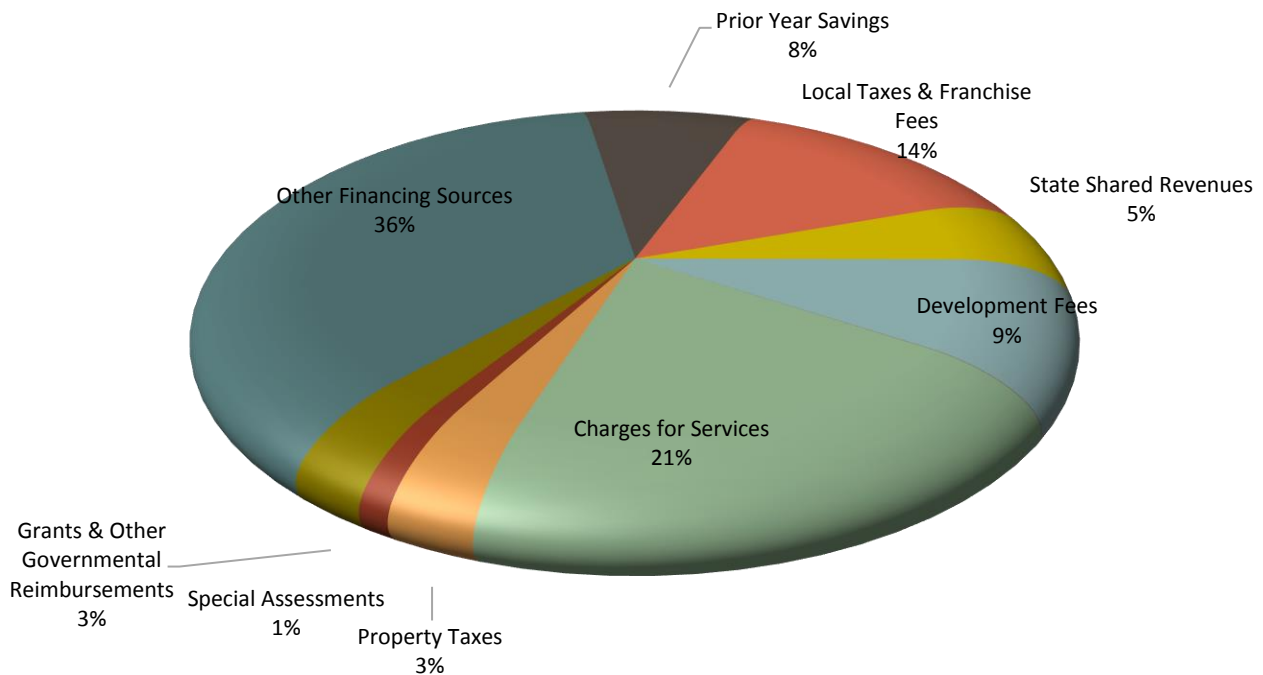
Where the Money Comes From

Sources	FY 2016/17 Revised Budget	FY 2017/18 Adopted Budget	% increase/ (decrease) year over year
Local Taxes & Franchise Fees	\$ 28,214,950	\$ 29,735,930	5.4%
State Shared Revenues	10,952,828	11,854,590	8.2%
Development Fees	17,147,604	19,651,248	14.6%
Licenses & Permits	94,872	97,420	2.7%
Charges for Services	36,813,990	43,908,185	19.3%
Property Taxes	5,379,190	6,189,464	15.1%
Special Assessments	2,375,700	2,327,407	(2.0%)
Grants & Other Governmental Reimbursements	2,129,000	5,810,000	172.9%
Other Financing Sources*	16,692,349	76,475,552	358.1%
<i>Subtotal Revenues</i>	<i>\$ 119,800,483</i>	<i>\$ 196,049,796</i>	<i>63.6%</i>
Prior Year Savings	64,255,499	17,043,659	
Total Sources	\$ 184,055,982	\$ 213,093,455	

Inter-fund transfers of \$66,914,367 have not been included in FY 2017/18 budget figures pursuant to Auditor General Budget guidelines.

*FY 2017/18 anticipates bond proceeds of \$75M

FY 2017/18 Sources \$213.1M as a Percent of Total Sources



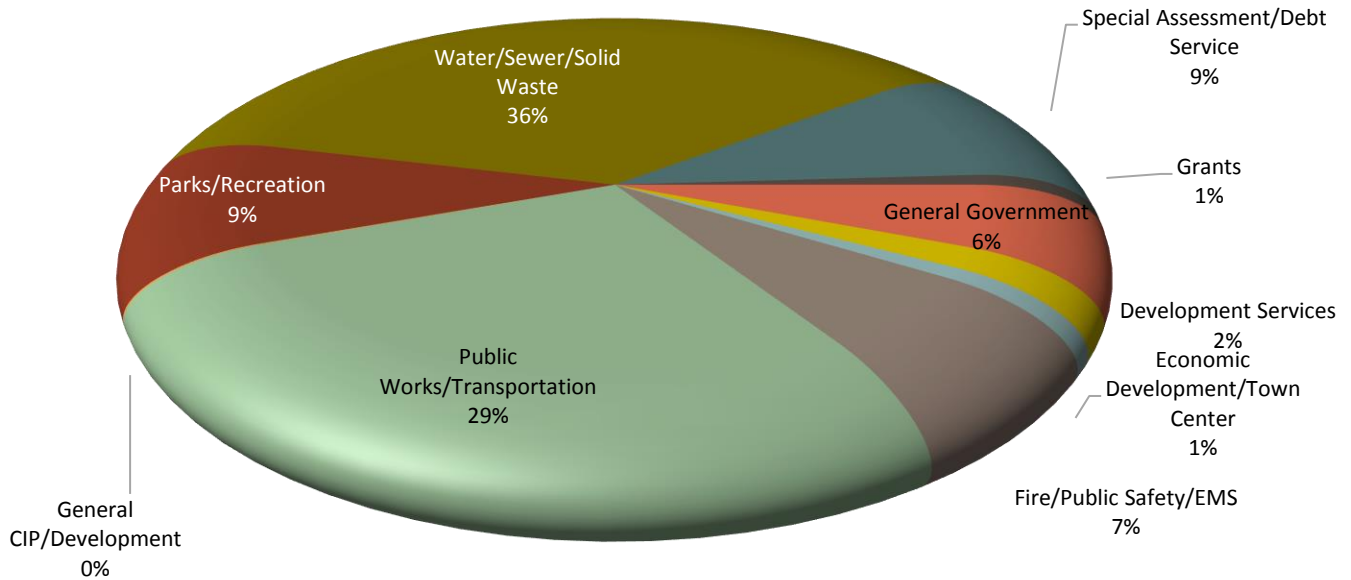


Uses

Where the Money Goes

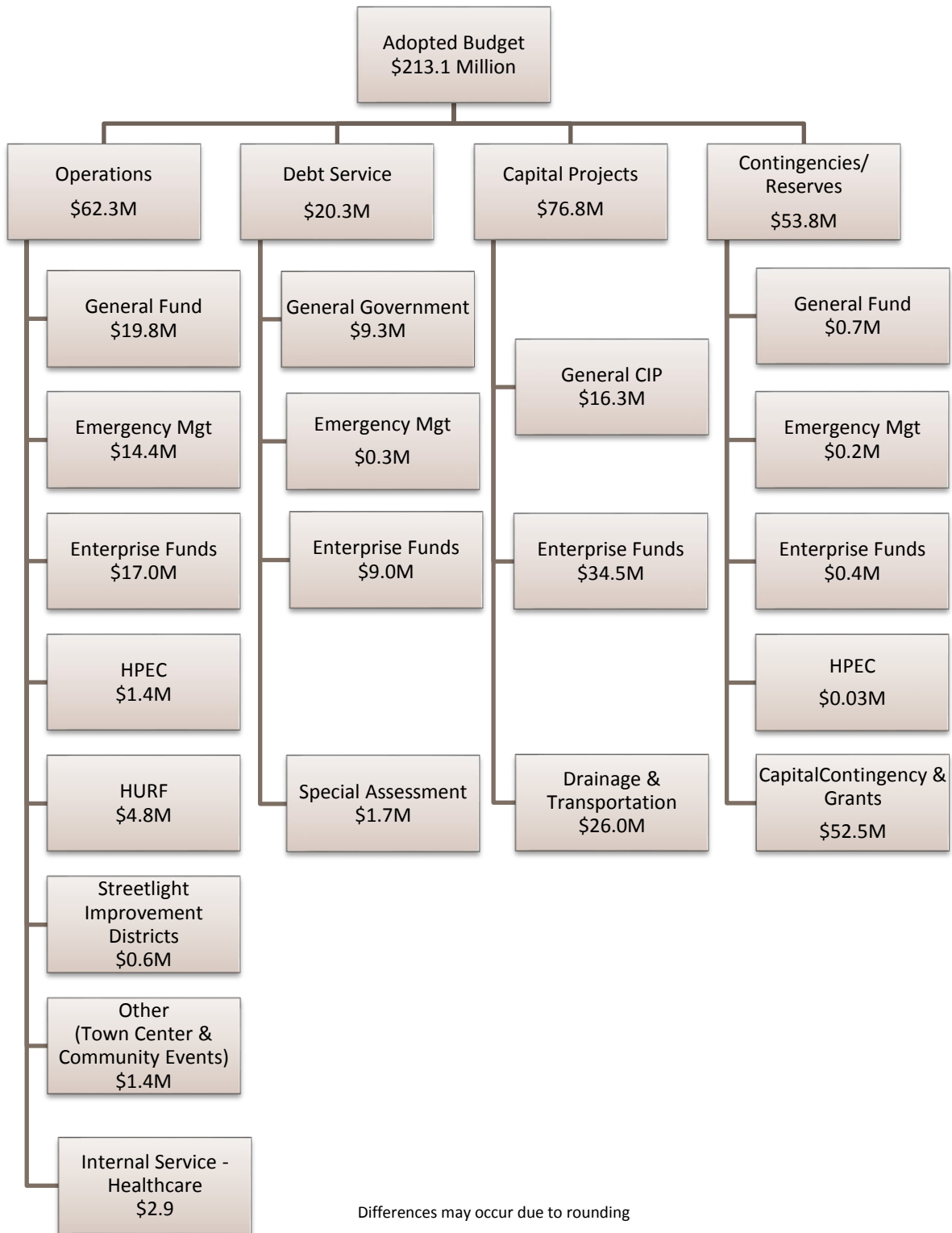
Expenditures	FY 2016/17 Revised Budget	FY 2017/18 Adopted Budget	% increase/ (decrease) year over year
General Government	\$ 11,246,404	\$ 12,364,045	9.9%
Development Services	3,881,006	4,055,598	4.5%
Economic Development/Town Center	5,373,592	2,052,910	(61.8%)
Fire/Public Safety/EMS	14,254,758	15,186,622	6.5%
Public Works/Transportation	57,490,130	61,013,630	6.1%
General CIP/Development	20,380,334	200,000	(99.0%)
Parks/Recreation	7,493,076	19,660,579	162.4%
Water/Sewer/Solid Waste	46,136,598	76,744,359	66.3%
Special Assessment/Debt Service	15,800,084	19,815,712	25.4%
Grants	2,000,000	2,000,000	0.0%
Total Expenditures	\$ 184,055,982	\$ 213,093,455	15.8%

FY 2017/18 Adopted Budget \$213.1M
Expenditures by Function as a Percent of Total





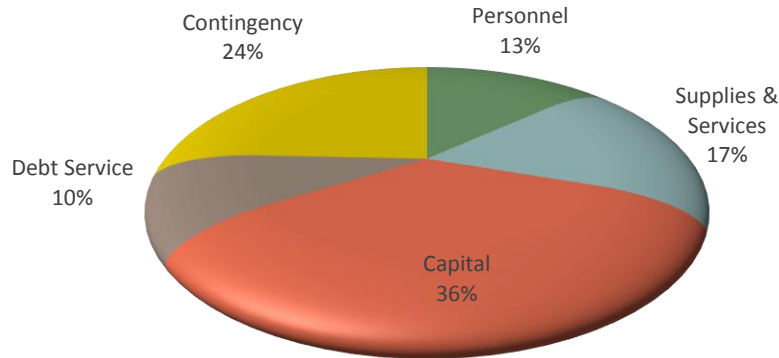
Uses





Uses / Total Appropriations Schedule

FY 2017/18 Adopted Budget \$213.1M
by Category



FY 2017/18 Total Appropriations - Budget by Fund

	General Fund	EMS Fund	HURF	HPEC	Enterprise	Special Revenue	Capital	Debt	Healthcare	Grand Total
Sources										
Local Sales Tax	\$ 20,681,790	\$ 2,584,150	\$ -	\$ -	\$ -	\$ 6,150,370	\$ -	\$ -	\$ -	\$ 29,416,310
State Shared Revenue	\$ 8,113,000	\$ -	\$ 3,741,590	\$ -	\$ -	-	-	-	-	\$ 11,854,590
Property Tax	\$ -	\$ 6,189,464	\$ -	\$ -	\$ -	-	-	-	-	\$ 6,189,464
Charges for Services	\$ 8,234,371	\$ 1,504,330	\$ -	\$ 564,550	29,938,199	20,000	-	-	3,646,735	\$ 43,908,185
License & Fees	\$ 97,420	\$ -	\$ -	\$ -	-	-	-	-	-	\$ 97,420
Franchise Fees	\$ 319,620	\$ -	\$ -	\$ -	-	-	-	-	-	\$ 319,620
Special Assessments	\$ -	\$ -	\$ -	\$ -	-	625,000	-	1,702,407	-	\$ 2,327,407
Interest Income	\$ 259,000	\$ -	\$ 22,000	\$ -	442,591	251,000	-	-	10,000	\$ 984,591
Capacity Fees	\$ -	\$ -	\$ -	\$ -	11,190,250	-	-	-	-	\$ 11,190,250
Impact Fees	\$ -	\$ -	\$ -	\$ -	-	8,460,998	-	-	-	\$ 8,460,998
Other*	\$ 100,000	\$ 227,500	\$ -	\$ 1,040	15,000	2,075,000	78,732,421	-	150,000	\$ 81,300,961
Total Revenues	\$ 37,805,201	\$ 10,505,444	\$ 3,763,590	\$ 565,590	\$ 41,586,040	\$ 17,582,368	\$ 78,732,421	\$ 1,702,407	\$ 3,806,735	\$ 196,049,796
Transfers In	-	\$ 4,157,859	\$ 847,093	\$ 1,163,780	45,226,935	1,143,500	5,158,113	9,217,087	-	66,914,367
Total Sources	\$ 37,805,201	\$ 14,663,303	\$ 4,610,683	\$ 1,729,370	\$ 86,812,975	\$ 18,725,868	\$ 83,890,534	\$ 10,919,494	\$ 3,806,735	\$ 262,964,163

* includes anticipated Bond Proceeds

Uses										
Personnel	11,853,863	\$ 6,517,282	\$ 1,173,058	\$ 641,219	\$ 4,889,345	\$ -	\$ 587,589	\$ -	\$ 2,618,230	\$ 28,280,586
Supplies & Services	7,284,827	\$ 7,715,539	\$ 3,637,595	\$ 654,024	13,036,675	3,385,350	136,590	-	297,200	\$ 36,147,800
Capital	660,293	\$ 121,302	\$ 10,000	\$ 100,000	33,464,345	16,649,990	25,518,960	-	-	\$ 76,524,890
Debt Service**	-	\$ 83,380	\$ 20,397	\$ -	9,016,111	278,319	-	10,919,494	-	\$ 20,317,701
Contingency	732,300	\$ 225,800	\$ -	\$ 33,650	19,893,051	-	30,937,677	-	-	\$ 51,822,478
Total Expenses	\$ 20,531,283	\$ 14,663,303	\$ 4,841,050	\$ 1,428,893	\$ 80,299,527	\$ 20,313,659	\$ 57,180,816	\$ 10,919,494	\$ 2,915,430	\$ 213,093,455
Transfers Out	13,931,413	\$ -	\$ 321,542	\$ 300,477	44,411,064	7,949,871	-	-	-	66,914,367
Total Uses	\$ 34,462,696	\$ 14,663,303	\$ 5,162,592	\$ 1,729,370	\$ 124,710,591	\$ 28,263,530	\$ 57,180,816	\$ 10,919,494	\$ 2,915,430	\$ 280,007,822
Change in Fund Balance	\$ 3,342,505	\$ -	\$ (551,909)	\$ -	\$ (37,897,616)	\$ (9,537,662)	\$ 26,709,718	\$ -	-	\$ (17,043,659)

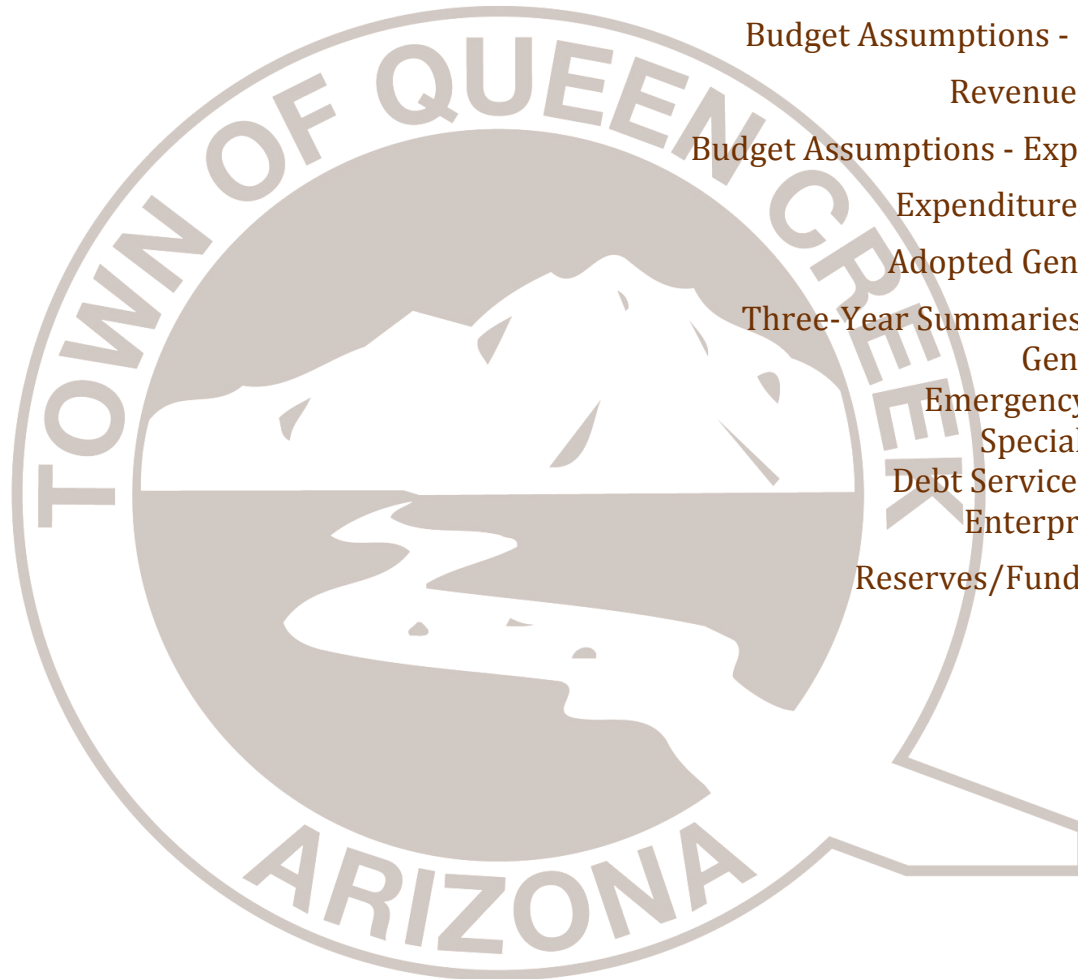
** includes appropriations for anticipated new debt service



FY 2017/18
Adopted Budget



Budget



- Budget Development
 - Budget Overview
 - Policy Issues
 - Budget Calendar
 - Budget Assumptions - Revenues
 - Revenues by Fund
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 - Adopted General Fund
 - Three-Year Summaries by Fund:
 - General Fund
 - Emergency Services
 - Special Revenue
 - Debt Service & Capital
 - Enterprise Funds
 - Reserves/Fund Balances



Budget Development

The budget is evaluated by a group composed of the Town Manager, Assistant Town Manager, Finance Director/Chief Financial Officer (CFO), Budget Administrator, department directors and three Town Council members acting as the Town Council Budget Committee. The Town Council Budget Committee makes recommendations for funding to the full Town Council. The major steps in preparation of the budget are:

- Council input on priorities through a Council Retreat, underlying strategic plan and community input through citizen surveys
- Forecast revenue and fund balances
- Identify reserve/debt requirements
- Determine base staffing priorities
- Determine base expenditure levels
- Determine amount of supplemental requests that can be funded to ensure a balanced budget
- Present to Council's Budget Committee for review
- Present to full Council for review, tentative and final adoption

The budget process for the ensuing fiscal year typically begins in early December with necessary staff to complete a comprehensive long-range forecast of revenues. A meeting of all Town staff who are involved in the budget development process occurs in early January to discuss revenue forecasts and share base budget targets and assumptions.

Assumptions are developed during December based upon:

- Projected revenues for all revenue sources
- Estimated wage increases for staff
- Increases in Arizona State Retirement System contributions and/or health insurance
- Inflation rate nationally and in the local area
- Use of Consumer Price Index for additional inflationary factors
- The status of the local economy based upon data from the Arizona Department of Economic and Business Research

Estimates of projected state-shared revenues for the upcoming fiscal year are usually provided in lump sum figures from the state departments actually distributing the funds. These funds are distributed on a population basis.

An analysis of all factors results in a recommendation to the Town Manager of the growth and inflation factor, if any, that should be allotted to each department in order to maintain its base budget and provide the same level of service in the coming fiscal year. Queen Creek operates under home rule, so it is not limited by the State of Arizona's expenditure limit for local jurisdictions. The home rule sets the expenditures limit as the total expenditure budget adopted by Council. Queen Creek voters approved a four-year continuation of home rule in the August 2014 primary election.



Budget Development

Once confident with the revenue estimates, the next step is to analyze the anticipated expenditures for the upcoming year. These estimates are developed in the budget preparation phase and are based on the following considerations:

1. Departmental Key Result Areas (KRAs) as identified in the Town's Corporate Strategic Plan - these KRAs should be related to departmental/divisional performance measures.
2. The variety, type and level of services the Town wants to provide. This includes the maintenance or abandonment of current programs, as well as the initiation of any new services. The Town Council plays a significant role in these decisions and the core service analysis that departments analyze during the budget process are also useful.
3. Known cost factors, including such items as debt service schedules, postal rate increases, Social Security costs, contribution rates to employee pension and retirement funds, worker's compensation rates and other similar costs.
4. A comprehensive price list is developed for anticipated costs on items in the general category of supplies and contractual services, including operating costs for infrastructure placed into service. This list includes costs for any new anticipated major capital expenditures since expenditures of this nature usually require a considerable amount of budget planning.
5. The main business of the Town is service, and service requires employees. The cost of employee salaries is one of the largest expenditures in the Town's budget. Based on the recent lag in pay for Queen Creek employees, a classification and compensation study was completed, and Town Council voted to implement recommended changes effective July 1, 2014, with an annual review and update to ranges as necessary.
6. Changes in employee fringe benefits includes any changes affecting vacation policy, overtime, holiday, health insurance and sick leave. Changes in any of these areas could affect expenditures.

Once this analysis is completed, priorities are set based on department needs to maintain current service levels and the revenues needed to accomplish them. If there is sufficient revenue over expenses, the decision may be made to fund supplemental budget requests. Following several reviews with the Town Manager, Assistant Town Manager, Finance Director/CFO, Budget Administrator and department directors, the Town Manager presents a proposed balanced budget to the Town Council Budget Committee for review preceding submission to the full Town Council for consideration and approval.



Budget Overview FY 2017/18

The Town’s adopted expenditure budget for FY 2017/18 is \$213.1 million. This budget includes appropriations for the General Fund of \$20.5 million, HPEC of \$1.4 million, HURF of \$4.8 million, Emergency Services of \$14.7 million, Water Fund of \$11.1 million, Sewer Fund of \$3.6 million, Solid Waste of \$2.6 million and Capital Improvement Funds (CIP) totaling \$126.5 million. The remaining dollars that comprise the budget include appropriations for grants, special assessments, special districts and debt service.

Given the recent economic growth in Queen Creek, FY 2017/18 is the fourth consecutive year that there is a projected surplus in the operating budget. While in the past, many Town funds had projected shortfalls to address, under current conditions most Town funds are now able to stand on their own, thus allowing some flexibility in the FY 2017/18 budget development. However, there are still a few funds that have projected shortfalls in FY 2017/18, including the Emergency Services Fund (\$4.2 million), HPEC (\$1.2 million) and HURF (\$0.8 million) that need to be addressed with General Fund transfers and contributions. However, even with these transfers, the General Fund program remains in a surplus condition with the continued ability to transfer \$6.5 million on an ongoing basis to fund CIP and/or debt service for much needed infrastructure improvements.

Although the Council considers the budget in June, the budget process starts almost six months prior with development of an annual long-range financial plan and associated budget assumptions, preparation of ‘base’ budgets for the Town programs and estimating the revenues that support the budget. Following this initial analysis, including the required General Fund transfers noted above, the Operating Budget (which consists of the General Fund, Emergency Services Fund, HURF and Horseshoe Park Fund) showed a surplus for FY 2017/18 of approximately \$2.5 million. As revenues and funding sources were further refined, the final Operating Budget was able to accommodate funding one-time supplemental requests and on-going additional staffing equivalent to 10.05 FTE.

The eight new full-time positions included in the FY 2017/18 Budget are:

Engineering Tech (1.0 FTE)	Sr Financial Services Analyst (1.0 FTE)	Utility Locator (1.0 FTE)
Traffic Signal Tech (1.0 FTE)	AP/Payroll Clerk (1.0 FTE)	Utility Services Tech (1.0 FTE)
GIS Analyst (1.0 FTE)	Purchasing Manager (1.0 FTE)	

In addition, increased hours for part-time positions in facilities and grounds were approved, adding an additional 2.05 FTE to the FY 2017/18 Budget.

The FY 2017/18 Budget also includes an increase in the ongoing funding toward capital improvements for pay-as-you-go or debt service expenses of \$1.0 million for a total of \$6.5 million. Even with this ongoing CIP support, the anticipated ending General Fund balance for FY 2017/18 will stand at approximately 67% of General Fund revenues, or approximately \$25 million, which remains well above the Council’s stated policy of 25%.













Capital projects are also included in the FY 2017/18 budget. The transportation capital program comprises the largest capital program appropriation at \$57.5 million, which includes \$32.0 million of carry-forward budget authority for projects already approved and/or underway. The water capital program appropriations are set at \$34.7 million, which includes carry-forward budget authority of \$10.8 million. The wastewater capital program appropriations are set at \$19.4 million and include carry-forward budget authority of \$8.8 million. The parks development fund includes a capital program appropriation at \$15.3 million for completion of the Town’s newest park as well as Trail extensions. Detail on project and funding can be found in the CIP section of the budget book.

On June 7, 2017, the Town of Queen Creek FY 2017/18 budget is scheduled for consideration and approval by the Mayor and Town Council.







Policy Issues FY 2017/18

During the development of the FY 2017/18 Budget, the following policy issues were addressed:

Issue/Link to CSP	Town Manager Recommendation
Infrastructure Funding Plan 	Increase funding by \$1M (for a total of \$6.5M) as a placeholder for funding from the Operating Budget.
New Park  	Carryforward budget of \$14M to complete new West Park (40 acres) with 30 acres funded through impact fees . Finalize the Update to the Master Plan and Impact Fee Study.
Public Safety Levels of Service 	Include resources for land purchase for future Fire Station Include placeholder for mid-year implementation of a Traffic program staffed with one Sergeant.
5-Year Staffing Plans  	Include additional staffing (10.05 FTE) to strategically address the increasing complexity of the organization and expanding infrastructure within the organization
Employee Compensation 	Include Merit and Market increases for all other employees at indices recommended in Compensation Plan adopted in 2014.
Quality of Streets 	Fund priority maintenance projects; increase pavement/street maintenance in response to lane miles recently added.
Stormwater Requirements 	Include placeholder for new, mandated Stormwater Program as required by Arizona Department of Environmental Quality (ADEQ)
Not-For-Profit Agency Funding 	Per Policy, the allocation amount is \$37.5K (0.2% of General Fund Budget). Total requests of \$65k exceed this amount.
Information Technology Strategic Plan Initiatives  	Include resources to establish an Information Technology sinking fund for replacing aging technology equipment. Include resources to expand the fiber network infrastructure. Include resources to update the Town's website



Policy Issues FY 2017/18

Issue/Link to CSP	Town Manager Recommendation
Economic Development Strategic Plan Implementation 	Include resources for potential land purchases in the Town Center Planning Area
Water Fund's Return on Investment to Support Public Safety 	Include resources to update the Water and Wastewater Capacity Fees and User Rates to determine their ability to provide support.
Aging Horseshoe Park Infrastructure  	Include ongoing funding to address repair/replacement issues as the nine year old park ages



Budget Calendar

January 2017	
January 11	Kickoff with Department Directors
January 12	Non-profit applications emailed with packets
January 11 – January 31	Departments work on base budget realignments Departments prepare budget narratives highlighting changes made to base budgets Departments prepare supplemental Requests Departments prepare CIP requests Departments prepare O&M base additions for completed CIP projects Muni Complex Fire Stations Streets
January 31	Employment Cost Index Released by BLS
February 2017	
February 1	Department Budget Materials Due (including all Narratives describing key drivers of FY18 budget)
February 1	Non-profit apps due
February 1-9	Budget Office compile non-profit apps, follow-up with NP Agency on any application questions/ issues
February 7	Department Head Meeting to discuss staffing projections
February 7	Budget Committee Meeting to Review FY18 Kickoff and related projections
February 16	Budget Office finalizes revenue forecasts County Assessor valuations received mid-February
February 23	Budget Materials for Town Manager led department meetings released
March 2017	
Beginning of March	Benefits Meeting with Valley Schools/United Healthcare to review rates for new year
March 2-10	Town Manager Budget Meetings with Departments to review base budgets and supplemental requests
March 14	Town Manager Meeting to review non-profit apps, level of funding for FY18
March 15	Fire District Meeting to review FY18 levy rate
March 16	Budget Office posts required public notice of potential increased fees
March 23	Town Manager Recommended Budget released and posted to Town website
March 28, 29, 30	Town Manager Budget Briefings with Council



Budget Calendar

April 2017	
April 6 –meeting #1	Budget Committee Meetings to review and recommend Town Manager Recommended Budget (non-council meeting week)
April 12 - meeting #2	Recommended Budget (non-council meeting week)
April 19	Budget Committee Report to Council
May 2017	
May 10	Tentative Budget materials due to Clerk for May 17 Council meeting
May 17	Town Council considers and votes on Tentative Budget
May 18	Tentative budget schedules posted to website
May 24	1 st Truth in Taxation(TNT) Newspaper Ad runs (14 days before TNT hearing)
May 25	1 st Tentative Budget Ad
May 31	2 nd Truth in Taxation Newspaper Ad (7 days before TNT hearing)
June 2017	
June 1	2 nd Tentative Budget Newspaper Ad
June 7	Town Council Final Budget Hearing and Adoption Truth in Taxation Hearing and Setting Levy Date
June 8	Adopted budget schedules post to website
June 21	Property Tax Levy at Council meeting
June 30	Tax levy information sent to Counties & Property Tax Commission



Budget Assumptions - Revenues

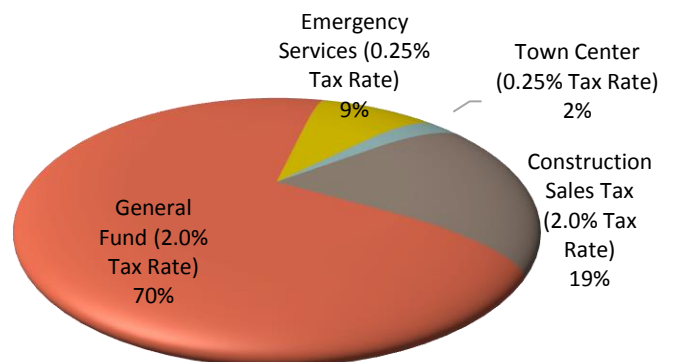
Queen Creek anticipates to collect revenue in FY 2017/18 in excess of the amount necessary to pay the costs of operating and maintaining current Town programs. The economic climate in the town continues to improve. This improvement allows for program enhancements in support of Town Council goals as stated in the Corporate Strategic Plan. Sales tax revenue forecasts are determined by a revenue trend analysis in conjunction with known commercial facilities opening and closing, as well as economic indicators available for the region and nation. Based on growth projections, the total adopted FY 2017/18 sales tax is 6% greater than the revised FY 2016/17 budget and is a 25% increase over FY 2015/16 actual figures.

Town Sales Tax – The Town collects sales tax revenues at a rate of 2.25%, of which 2.0% is dedicated to the General Fund and 0.25% to the Emergency Services Fund. In addition, the Town collects an additional 0.25% from transactions from the two major retail developments in the Town Center district, which is dedicated to the Town Center Fund for projects specific to this part of the Town. Town Sales tax accounts for 54% of the General Fund revenues.

Construction Sales Tax – In addition to the 2.25% sales tax, a 2.0% construction or contracting sales tax is collected specifically for the Capital Improvement Program (CIP) and is the revenue source for the Construction Sales Tax Fund. Revenue from construction activity is also based on trend analysis and the region’s anticipated economic factors. This particular sales tax is anticipated to decrease by 4% in FY 2017/18 over the revised FY 2016/17 budget and is a 16% increase over the FY 2015/16 actual. Additionally, approved Town projects will add to this revenue stream in the coming years.

Sales Tax Category	FY 2017/18 Sales Tax Budget
Construction	\$ 11,608,190
Retail	10,852,340
Restaurants & Bars	2,371,980
Communications & Utilities	1,744,500
Real Estate, Rental & Leasing	1,464,520
All Other Categories	1,374,780
Total Town Sales Tax	\$ 29,416,310

Fund	FY 2017/18 Sales Tax Budget
General Fund (2.0% Tax Rate)	\$ 20,681,790
Emergency Services (0.25% Tax Rate)	2,584,150
Town Center (0.25% Tax Rate)	694,520
Construction Sales Tax (2.0% Construction Tax Rate)	5,455,850
Total Town Sales Tax	\$ 29,416,310

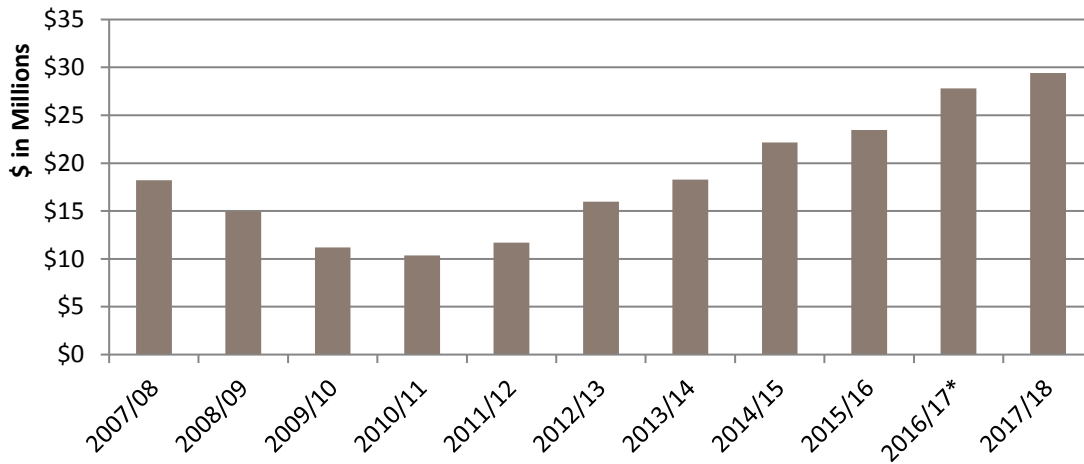




Budget Assumptions - Revenues

Sales Tax History/Projection - All Transactions				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected*	Actual % Change
2007/08	19,994,156	48.1%	18,209,050	(8.4%)
2008/09	16,625,000	(16.9%)	14,973,282	(17.8%)
2009/10	15,630,000	(6.0%)	11,194,412	(25.2%)
2010/11	12,415,000	(20.6%)	10,358,431	(7.5%)
2011/12	11,715,000	(5.6%)	11,700,710	13.0%
2012/13	11,358,000	(3.0%)	15,977,567	36.6%
2013/14	13,119,117	15.5%	18,294,821	14.5%
2014/15	18,777,000	43.1%	22,151,449	21.1%
2015/16	20,700,300	10.2%	23,450,410	5.9%
2016/17*	25,069,480	21.1%	27,817,500	18.6%
2017/18	\$ 29,416,310	17.3%	\$ 29,416,310	5.7 %

Sales Tax History/Projection



*Revised Budget

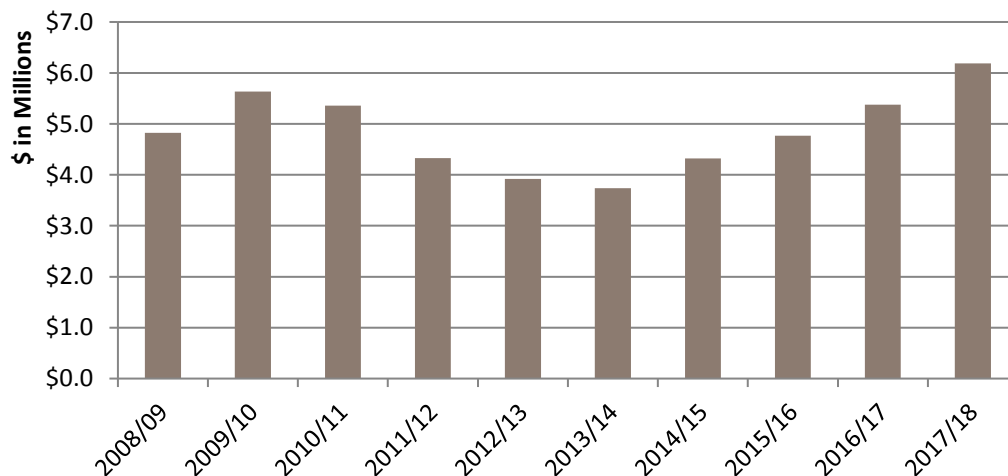


Budget Assumptions - Revenues

Property Tax – Beginning in FY 2007/08, the Town of Queen Creek began levying a primary ad valorem property tax for Emergency Services at a rate of \$1.95 per \$100 of assessed limited property value. Valuation notices are sent out every February by the county assessor for the fiscal year starting in July. The Town uses trend analysis processes, as well as information provided by the state to project five years of revenues. Limited Property Values are projected to continue their recovery at a pace slower than the drastic decline experienced from the housing construction crash. Appreciation in Limited Property Values is capped by state statute at 5% for properties with no physical change to the land or improvements, no change in land use, and were included in the previous year tax roll. Other increases to Limited Property Value that fall into the appreciation category could include: land which was not included on the previous year tax roll; properties changing land use categories; properties modified by new construction or were subject to changes in existing improvements since the preceding valuation year. Total Limited Property Values are slated to increase 15% in FY 2017/18, of which 8% is attributed to appreciation in values (which equates to \$430K in revenue) and 7% is attributed to new construction (which equates to \$380K). Another contributing factor to the budgeted increase for property tax revenue is the expiration of Government Property Lease Excise Tax agreements for certain parcels, which accounts for approximately \$200K of the amount attributed to appreciation.

Property Tax History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected	Actual % Change
2008/09	\$5,000,000	28.2%	\$4,821,870	31.4%
2009/10	5,750,000	15.0%	5,634,456	16.9%
2010/11	5,330,445	(7.3%)	5,355,086	(5.0%)
2011/12	4,216,000	(20.9%)	4,328,481	(19.2%)
2012/13	3,780,217	(10.3%)	3,917,854	(9.5%)
2013/14	3,628,882	(4.0%)	3,739,042	(4.6%)
2014/15	4,404,000	21.4%	4,323,971	15.6%
2015/16	4,769,000	8.3%	4,866,564	12.5%
2016/17	5,379,190	12.8%	5,379,190	12.8%
2017/18	\$6,189,464	15.1%	\$6,189,464	15.1%

Property Tax History/Projection





Budget Assumptions - Revenues

Development Impact Fees – Development impact fees are collected with each building permit issued and may be spent only for specific capital expenses or debt service. These funds are restricted by Arizona law and may be spent only for the purpose defined in the fee ordinances. In 2011, Arizona’s Fiftieth Legislature passed Senate Bill 1525, which legislated a series of significant changes to the calculation, collection, and use of development fees. This legislation fundamentally moved away from the principle of new growth paying for itself, and shifted the burden of paying for this infrastructure on to existing residents and businesses. In addition, city and town councils previously had the ability to determine what constitutes “necessary public services” for their communities; the new bill now narrowly defines what these are allowed to include. The law took effect on January 1, 2012 and included a series of implementation dates, with a requirement that all development fee programs become fully compliant by August 1, 2014. In response to the established deadlines, the Town Council passed Resolution 892-11 on December 21, 2011, which dropped fees from \$15,007 to \$13,883 per single family home. The next change for development fees under SB 1525 went into effect August 1, 2014, further reducing the fees to \$6,794 from \$8,941 (excluding the wastewater fee, which has been converted to a capacity fee).

Revenues collected in this category are projected through a collaborative effort, working with Development Services to come to a consensus on the anticipated five-year projection. This process takes into consideration current data on all active and inactive subdivisions within the Town, as well as information in the planning pipeline, including information from the Economic Development group. Single-family housing units are projected at 1041 for FY 2017/18. Five-year projections are conservatively based on a slight decrease in single-family housing units, as well as moderate commercial building activity.

Building Revenue – A regression analysis is done on this very unpredictable revenue stream. Additional knowledge of housing sector and building community trends is sought quarterly. Revenues collected in this category are projected through a collaborative effort, working with Development Services to come to a consensus on the anticipated five-year projection.

Utility User Fees - Solid Waste fees are based on the rate schedule that went into effect in fall 2013. In FY 2011/12 Town Council approved a six-year sewer rate increase program; however, in FY 2015/16 it was determined that the program would be reviewed on an annual basis to determine need. No rate increase was recommended for FY 2016/17. Water rates are based on current rate schedules in effect. A water rate study is currently underway to address future needs based on the acquisition of the H2O Water Company.

State-Shared Revenue – The State of Arizona distributes a portion of state income tax, sales tax, HURF and vehicle license tax to municipalities based on population. For FY 2017/18, State Shared Revenues account for 21% of the General Fund revenues. As a result of newly developed distribution method, annually the state-shared proportion are recalculated based on Census estimates. This will eliminate the large jumps in revenue amounts every five years and smooth those increases out between official Census counts.

The Arizona Joint Legislative Budget Committee releases a four-sector projection annually for all state-shared revenues. Preliminary numbers are shared with municipalities each October with more accurate projections released each Spring from the League of Arizona Cities and Towns. Both entities share long-term state projections for sales tax and income tax. This information is used in conjunction with Town trend analysis and other news and research on anticipated economic trends.

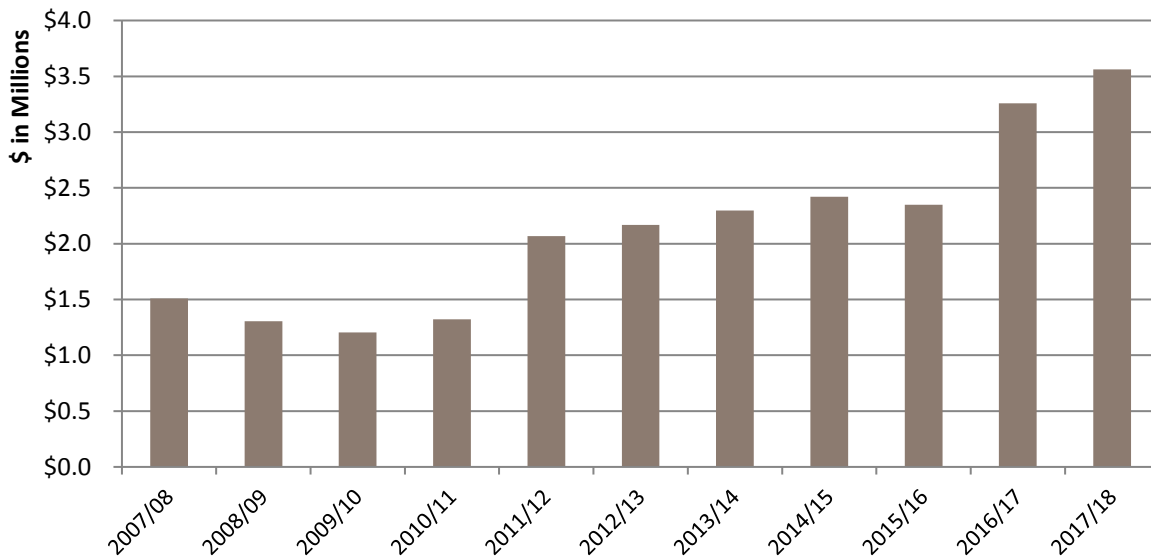


Budget Assumptions - Revenues

State-Shared Sales Tax - Cities and towns share in a portion of the 5.6 % sales tax collected by the State. The distribution base (shared portion) varies by category. For example, retail sales is 40% shared and 60% non-shared (retained by the State). Of the shared portion, 25% is returned to incorporated cities and towns, 40.51% is returned to counties and 34.49% is returned to the State General Fund.

State-Shared Sales Tax History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected	Actual % Change
2007/08	1,671,652	8.3%	1,508,512	(3.2%)
2008/09	1,484,607	(11.2%)	1,305,950	(13.4%)
2009/10	1,261,916	(15.0%)	1,204,549	(7.8%)
2010/11	1,229,132	(2.6%)	1,321,605	9.7%
2011/12	1,994,378	62.3%	2,068,235	56.5%
2012/13	2,204,313	10.5%	2,167,053	4.8%
2013/14	2,278,000	3.3%	2,298,195	6.1%
2014/15	2,382,000	4.6%	2,419,249	5.3%
2015/16	2,518,348	5.7%	2,349,301	-2.9%
2016/17	3,258,371	29.4%	3,258,371	38.7%
2017/18	\$3,560,500	9.3%	\$3,560,500	9.3%

State-Shared Sales Tax History/Projection



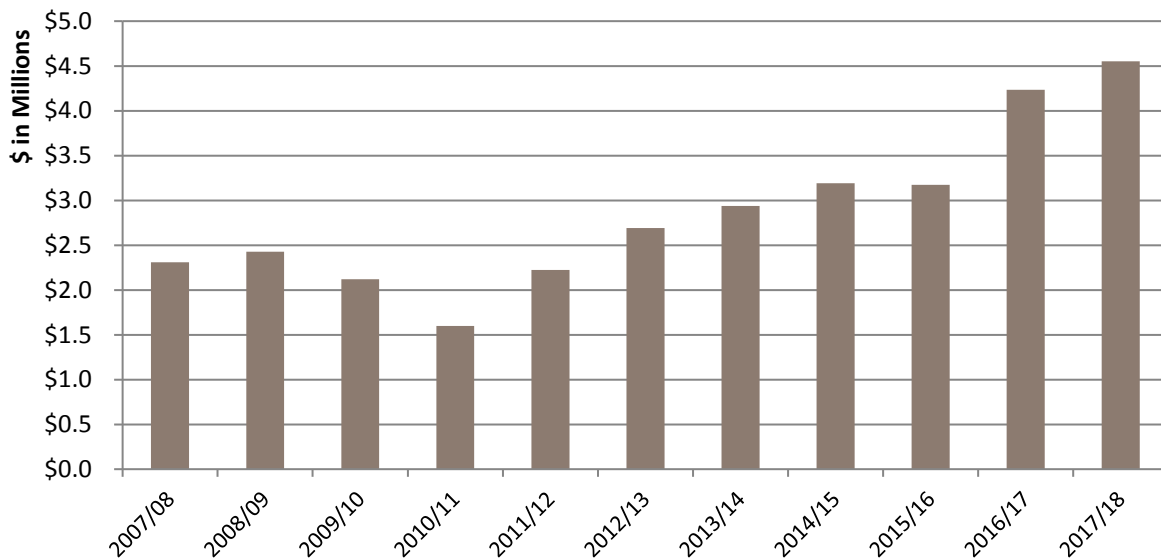


Budget Assumptions - Revenues

State-Shared Income Tax - Cities and towns in Arizona are prohibited from levying a local income tax; however, 15% of the state income tax collections are shared with the cities and towns. There is a two-year lag between the time citizens report income to the State and when the State remits shared income tax revenues to cities and towns.

State-Shared Income Tax History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected	Actual % Change
2007/08	2,311,739	31.4%	2,309,943	24.0%
2008/09	2,419,665	4.7%	2,428,743	5.1%
2009/10	2,119,156	(12.4%)	2,119,220	(12.7%)
2010/11	1,597,380	(24.6%)	1,597,620	(24.6%)
2011/12	2,224,980	39.3%	2,224,888	39.3%
2012/13	2,692,475	21.0%	2,692,719	21.0%
2013/14	2,941,000	9.2%	2,938,268	9.1%
2014/15	3,191,000	8.5%	3,191,162	8.6%
2015/16	3,173,861	(0.5%)	3,173,861	(0.5%)
2016/17	4,235,175	33.4%	4,235,175	33.4%
2017/18	\$4,552,500	7.5%	\$4,552,500	7.5%

State-Shared Income Tax History/Projection



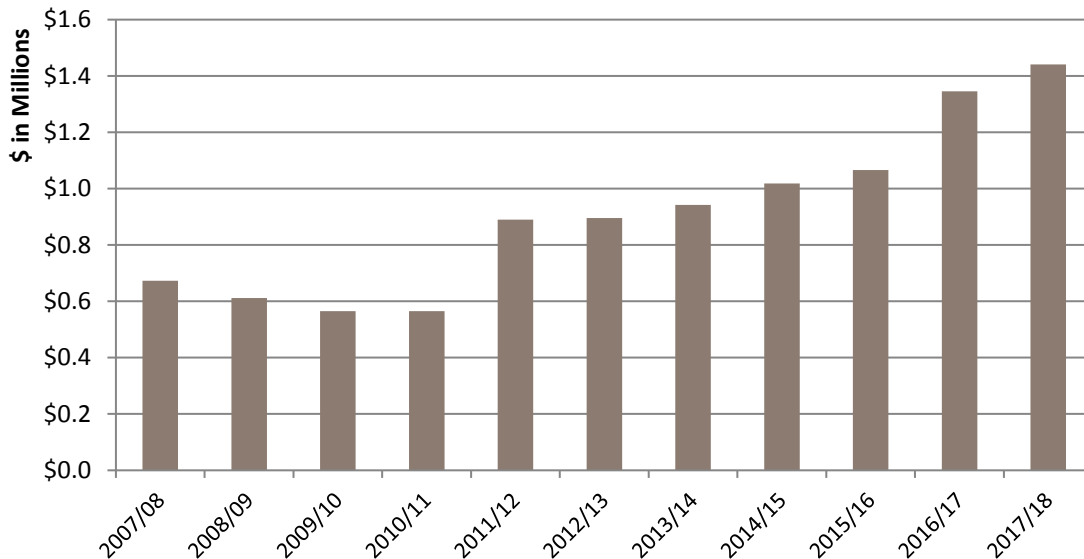


Budget Assumptions - Revenues

State-Shared Vehicle License Tax (VLT) – This tax is part of the vehicle license fees collected by Maricopa County, but is actually a State revenue source. Twenty-five percent of the net revenues collected for the licensing of motor vehicles by the County are distributed back to the cities and towns based on population. The only stipulation on the use of this revenue is that it must be spent on a public purpose. Prior to FY 2015/16, this revenue was recorded in the General Fund but is now recorded in the Highway User Revenue Fund (HURF).

State-Shared VLT History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected	Actual % Change
2007/08	750,000	314.4%	673,206	(2.7%)
2008/09	700,000	-6.7%	611,144	-9.2%
2009/10	566,334	-19.1%	565,207	-7.5%
2010/11	570,324	0.7%	564,930	0.0%
2011/12	888,969	55.9%	890,371	57.6%
2012/13	873,907	-1.7%	895,188	0.5%
2013/14	879,000	0.6%	942,652	5.3%
2014/15	932,000	6.0%	1,018,304	8.0%
2015/16	1,041,872	11.8%	1,066,106	4.7%
2016/17	1,345,029	29.1%	1,345,029	26.2%
2017/18	\$1,441,000	7.1%	\$1,441,000	7.1%

State Shared VLT History/Projection



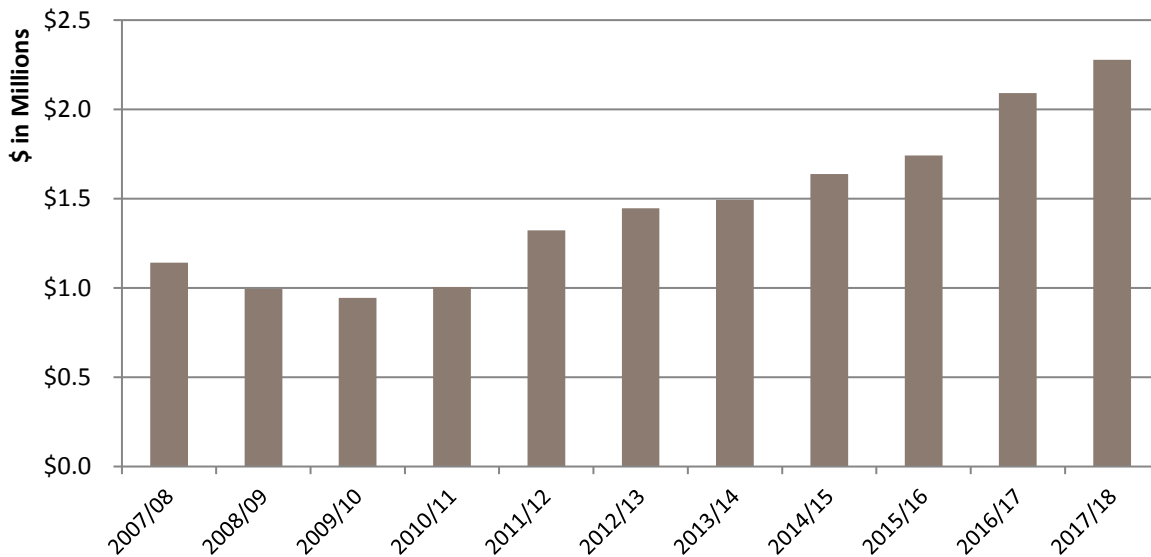


Budget Assumptions - Revenues

Highway User Revenue Fund (HURF) - The State of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles on the public highways of the state. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties and to the State Highway Fund. Revenues received by the Town must be used for expenditures in the right-of-way, including streets, sidewalks, curb and gutter, etc. These revenues fund a portion of the Town’s pavement maintenance plan.

HURF History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected	Actual % Change
2007/08	1,164,044	30.9%	1,141,696	(3.4%)
2008/09	1,181,517	1.5%	994,734	(12.8%)
2009/10	991,969	(16.0%)	945,341	(4.9%)
2010/11	965,591	(2.7%)	1,004,733	6.3%
2011/12	1,327,292	37.5%	1,323,269	31.7%
2012/13	1,483,531	11.8%	1,446,984	9.3%
2013/14	1,487,000	0.2%	1,492,216	3.1%
2014/15	1,500,000	0.9%	1,637,127	9.7%
2015/16	1,644,939	9.7%	1,742,531	6.4%
2016/17	2,091,787	27.2%	2,091,787	20.0%
2017/18	\$2,277,000	8.9%	\$2,277,000	8.9%

HURF History/Projection





Revenues/Sources by Fund

Fund	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted	FY 2017/18 % of Total Budget
General Fund	\$31,235,876	\$33,493,794	\$34,988,911	\$37,805,201	31.3%
Sewer/Wastewater	11,011,957	9,624,100	9,624,100	12,048,451	10.0%
Solid Waste	2,143,996	2,334,900	2,334,900	2,643,507	2.2%
Water	24,042,504	24,928,770	24,962,103	26,894,082	22.1%
Drainage & Transportation	2,405,598	47,766,596	2,766,596	78,732,421	3.1%
Construction Sales Tax	4,318,366	4,664,890	5,707,958	5,455,850	4.5%
General CIP	-	-	13,000,000	-	
Streets Program - HURF	2,861,237	3,469,282	3,469,282	3,763,590	3.1%
Town Center	4,572,743	625,620	646,237	735,520	0.6%
Street Light Districts	516,694	601,680	601,680	625,500	0.5%
Housing Rehab Fund	31,621			-	
Parks, Open Space Rec.	4,074,356	17,958,590	4,089,990	4,482,681	3.7%
Town Building & Vehicles	579,072	594,342	594,342	645,512	0.5%
Transportation Development	1,741,680	1,640,004	1,640,004	1,779,197	1.5%
Library Development	804,587	779,757	779,757	865,010	0.7%
Public Safety Development	230,971	230,283	230,283	252,820	0.2%
Emergency Services	8,339,301	9,182,224	9,371,432	10,505,444	8.7%
Fire Development	599,594	613,888	613,888	665,278	0.6%
Parks & Recreation Trust	1,630	-	-	-	-
Community Events	79,800	75,000	75,000	75,000	0.1%
Horseshoe Park	513,177	530,000	530,000	565,590	0.5%
Special Assessment	2,273,392	1,774,020	1,774,020	1,702,407	1.4%
Healthcare Self-Insurance	2,800,650	-	-	3,806,735	3.1%
Grants*	-	2,000,000	2,000,000	2,000,000	1.7%
Sub-Total Revenues	\$105,178,803	\$162,887,740	\$119,800,483	\$196,049,796	100.0%
Inter-fund Transfers **	43,086,987	45,445,449	56,229,103	66,914,367	
Total Sources	\$148,265,790	\$208,333,189	\$176,029,586	\$262,964,367	

* Grant funding is placed in the budget to account for any unanticipated grant awards

** Inter-fund Transfers are used to cover debt service, operating expenditures and one-time capital improvements in Development Fee Funds, Capital Funds and Special Revenue/Public Safety Funds.



Budget Assumptions - Expenditures

General Government Operating Funds – Overall, FY 2017/18 expenditure budgets were increased based on the following assumptions:

- Personnel budgets include an allowance for up to a 3% merit increase for non-sworn personnel and a 5% step program for Sworn Fire Personnel based on performance
- Retirement rates for the Arizona State Retirement System (ASRS) increased slightly from 11.48% in FY 2016/17 to 11.50% in FY 2017/18; Public Safety Personnel Retirement System (PSPRS) rates increased from 11.2% to 15.99%
- Based on favorable claims experiences, healthcare rates remained unchanged for the third consecutive year
- Contractual services and commodities were budgeted based on projected spending patterns
- Additional operating costs for newly completed Town facilities (Community Chambers, Law Enforcement Building and two new fire stations)
- Operating contingencies are set at 3%

General Fund - This fund pays the cost of general government operations, of which personnel costs account for 57% of the General Fund budget. Historically, one of the more substantial expenses in the General Fund has been the Transportation Development Rebate (a portion of sales tax generated on activity from the two major Town retail developments). In FY 2016/17, two of the three development agreements were paid off, creating capacity for the General Fund to allocate resources for capital infrastructure. General Fund contingency for FY 2017/18 is set at \$0.7 million.

In addition to operating expenditures for general government, the General Fund must make several transfers out to other funds. Transfers out are necessary to account for the General Fund share of debt service for non-growth portion of capital, to cover anticipated deficits in general government operating funds, and to provide support to other programs, such as capital and community events. Included in FY 2017/18 are transfers of a \$1.2 million to cover debt service, transfers of \$6.2 million to cover operation and maintenance expenditures in Emergency Services, Horseshoe Park and HURF, and transfers for capital improvements (CIP) and/or new debt for CIP of \$6.5 million.

Departments accounted for within these funds: Town Council, Town Manager, Legal Services, Town Clerk, Finance, Communications Marketing & Recreation, Development Services, Public Works: Facilities, Fleet, Grounds, Workforce & Technology, Economic Development

Emergency Services – This fund pays for the cost of providing public safety services and includes fire and law enforcement. Queen Creek operates its own fire service; however, law enforcement is provided through a contract with the Maricopa County Sheriff's Office (MCSO). In addition, this fund is charged for department support provided by the General Fund for services such as human resources, finance and accounting, budget, and technology, based on approved cost accounting allocations. The FY 2017/18 budget includes a full year operations and staffing for Fire Station 413 opening in Summer 2017. Operating contingency in this fund for FY 2017/18 is budgeted at \$225,800.

Departments accounted for within this funds: Emergency Management Services (Fire) and Public Safety



Budget Assumptions - Expenditures

Horseshoe Park - This fund pays for the cost of operating Horseshoe Park Equestrian Center. In addition, this fund is charged for department support provided by the General Fund for services such as human resources, finance and accounting, budget and technology, based on approved cost accounting allocations. Operating contingency in this fund for FY 2017/18 is budgeted at \$33,650.

Departments accounted for within these funds: Economic Development: Horseshoe Park Equestrian Center

Highway User Revenue Fund – Expenditures match annual revenue in this fund. These dollars are restricted by statute to expenditures in the right-of-way. Beginning in FY 2015/16, all street operations are now accounted for in this fund, with vehicle license tax (VLT) as a source, as well as a transfer in from the General Fund to cover any shortages between revenues and general street operations. HURF revenues are dedicated to pavement preventative maintenance and reconstruction projects. Contingency for this fund is included in the General Fund contingency amount.

Departments accounted for within these funds: Public Works: Streets

Enterprise Funds - The Enterprise FY 2017/18 operating budgets followed the same assumptions as the general government. In addition, these funds are charged for department support costs for expenditures in the General Fund that benefit the other funds, such as human resources, finance and accounting, budget, technology and other general support from the General Fund based on approved cost accounting allocations. These costs vary depending on enterprise fund needs and use of General Fund resources. Debt service is budgeted in all enterprise funds according to established schedules. In accordance with established operating fund policy, operating contingency funding has been built in at 3% for each fund in this category.

Departments accounted for within these funds: Solid Waste, Utilities: Sewer, Water

Other/Special Revenue Funds – Expenditures for these funds are budgeted based on projected activity rather than the general expenditure assumptions for operating funds.

Town Center – The FY 2017/18 budget includes amounts for projects and activities related to the Town Center, such as Town Center Decorative Elements/Art, as well as continuation of the Façade Improvement Program that started in FY 2012/13. Also included in this fund for FY 2017/18 is expenditure authority for the purchase of land that has not yet been specifically identified. Since this fund has a dedicated revenue stream, all projects and operating expenditures must fall within the Town Center.

Departments accounted for within these funds: Economic Development

Street Light Improvement Districts – As of budget development there were 84 streetlight districts in Queen Creek. Expenditures in this fund are exclusively for electrical consumption of the Town's street light districts. Expenditure assumptions are included for new subdivisions where streetlights will be activated during FY 2017/18.

Departments accounted for within these funds: Centralized Services / General Operations



Budget Assumptions - Expenditures

Development Fee Funds – Development Fee Funds account for the revenues received for impact fees related to specific types of development in Queen Creek. Expenditures in these funds for FY 2017/18 can only be used for authorized purposes, such as growth related projects as well as updates to fee studies. Transfers out from these funds are for the growth share of debt service for capital projects. Detailed information by fund is located in the CIP section of the budget book. Debt schedules can be found in the debt section of the budget book.

Healthcare Self-Insurance Fund – This internal service fund was created in FY 2015/16 to account for the Town’s employee healthcare related expenses. The premiums received as revenue into this fund are generated through payroll and are recorded as expenses to the operating divisions and include the employee deductions. The expenses recorded in the Healthcare Fund are for medical claims and insurance costs for dental, vision, and life insurances.

Capital Project Funds – FY 2017/18 expenditures for these funds are based on anticipated capital projects. Detailed information by fund is located in the CIP section of the budget book.

Drainage & Transportation – This capital fund, in addition to housing new roadway and intersection projects, is often home to necessary studies leading up to projects. FY 2017/18 includes \$25.5 million in new expenditure authority for construction projects. Additionally, \$30.9 million is included for projects currently under contract and previously approved project budgets that will be carried forward from FY 2016/17. A bond issue is anticipated to fund roadway projects planned over the next five to ten years. Further detail can be found in the CIP section of the budget book.

General CIP – This capital fund was created during FY 2014/15 to house general government related capital projects. The only expenses planned for FY 2017/18 budget are improvements related to completing the interim Corp Yard started in FY 2016/17 and San Tan Park improvements. More information can be found in the CIP section of the budget book for the five year projection for this fund.

Water and Wastewater Capital Infrastructure – The two funds account for capital infrastructure improvements related to water and wastewater for both expanded needs related to growth as well as aging infrastructure replacement. FY 2017/18 includes a combined \$32.5 million in expenditure authority. Additionally \$19.5 million is included for projects currently under contract and previously approved project budgets that will be carried forward from FY 2016/17. The major funding sources for these improvements are capacity fees for the growth share of the improvements. The non-growth share is funded by the Water and Wastewater operating funds from user rates.

Construction Sales Tax Fund – This fund was created during FY 2014/15 to account for the 2.0% construction contracting sales tax charged in addition to the Town’s regular sales tax rate of 2.25% for major construction activities. Use of this revenue is restricted to infrastructure improvements, including Transportation Development Reimbursement Agreements, as well as the growth share of the debt service for the 2006 Improvement District Bond for Ellsworth Loop Road Improvements.



Expenditures/Uses by Fund

Fund	FY 2015/16 Actual	FY 2016/17 Adopted Budget	FY 2016/17 Revised	FY 2017/18 Adopted	FY 2017/18 % of Total Budget
General Fund	\$ 19,626,539	\$ 18,710,673	\$ 25,345,328	\$ 20,531,283	9.6%
Wastewater/Sewer	7,762,122	17,728,294	16,259,082	26,151,119	12.3%
Solid Waste	2,107,488	2,410,774	2,346,571	2,642,876	1.2%
Water	18,236,015	29,283,570	30,769,804	51,505,532	24.2%
Drainage & Transportation	14,666,531	28,743,104	30,872,822	57,543,139	26.5%
General CIP	4,720,265	25,000,000	20,451,461	700,000	0.3%
Construction Sales Tax	-	2,184,000	19,141,644	450,000	0.2%
Streets Program - HURF	3,400,892	5,190,723	5,584,977	4,841,050	2.3%
Streets & Roads - LTAF	-	-	33,000	-	-
Town Center	143,621	1,595,000	4,474,691	1,212,700	0.6%
Street Light Districts	517,375	601,680	601,680	625,000	0.3%
Parks, Open Space Rec.	53,136	21,165,000	3,368,772	15,324,990	7.2%
Town Building & Vehicles	-	10,000	-	-	0.0%
Transportation Development	11,639	-	105,811	-	0.0%
Library Development	338	10,000	-	15,000	0.0%
Public Safety Development	-	50,000	-	50,000	0.0%
Emergency Services	11,411,267	13,076,439	13,081,439	14,663,303	6.9%
Fire Development	798,842	1,223,319	1,173,319	473,319	0.2%
Community Events	97,349	162,650	162,650	162,650	0.1%
Horseshoe Park	1,313,407	1,258,635	1,410,810	1,428,893	0.7%
Grants	-	2,000,000	-	2,000,000	0.9%
Special Assessment	9,676,553	3,384,243	3,384,243	1,702,407	0.8%
Debt Service	3,511,488	10,267,878	3,487,878	9,217,127	4.3%
Healthcare Self-Insurance	2,178,000	-	2,000,000	2,915,430	1.4%
Actual/Adopted Expenditures	\$100,302,868	\$184,055,982	\$184,055,982	\$213,093,455	100%
Inter-fund Transfers *	43,086,987	45,445,449	56,229,103	66,914,367	
Total Uses	\$143,389,855	\$229,501,431	\$240,285,085	\$280,007,822	

* Inter-fund Transfers are used to cover debt service, operating expenditures and one time capital improvements in development fee funds, capital funds and public safety funds where revenues are projected to be less than budgeted obligations.



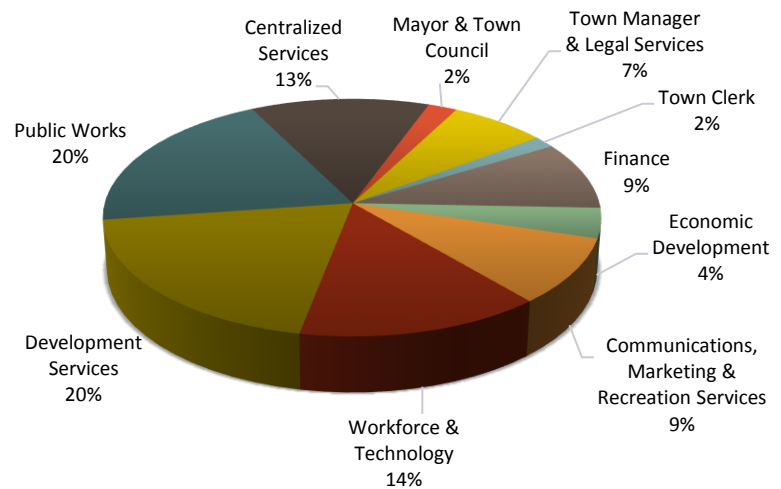
Adopted General Fund Budget

General Fund adopted expenditures for FY 2016/17 were \$18.7 million, with year-end expenditures projected at \$25.3 million. The FY 2017/18 General Fund is budgeted at \$20.5 million. A majority of the year-to-year budget decrease from the prior year revised budget is driven by the one-time payoff of two Transportation Development Agreements. The inter-fund transfers for public safety, debt service, capital program improvements and various other approved programs amount to \$13.9 million for FY 2017/18, up approximately \$1.2 million from FY 2016/17 adopted, primarily related to the capital improvement program pay-as-you-go support from the General Fund, which is re-evaluated annually.

Departments by Dollars

Department	Budget Amount
Mayor and Town Council	\$ 434,432
Town Manager & Legal Services	1,459,779
Town Clerk	324,544
Finance	1,990,609
Economic Development	840,210
Communications, Marketing & Recreation Services	1,854,339
Workforce & Technology	2,934,347
Development Services	4,055,598
Public Works	4,059,311
Centralized Services	2,668,114
Adopted Expenditures	\$ 20,531,283
Inter-fund Transfers	13,931,413
Total Uses	\$ 34,462,696

Departments by Percentage



Historical General Fund Expenditures and Inter-fund Transfers

	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Expenditures	\$16,272,799	\$21,043,881	\$19,626,539	\$25,345,328	\$20,531,283
Inter-fund Transfers	3,898,112	12,455,050	14,646,627	7,087,981	13,931,413
Total	\$20,170,911	\$33,498,930	\$34,273,166	\$32,433,309	\$34,462,696

Historical General Fund Expenditures by Type

Expenditure Type	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Salaries & Fringes	\$ 8,547,905	\$ 9,778,802	\$ 10,279,127	\$ 10,658,399	\$ 11,802,313
Supplies & Services	6,704,688	9,903,722	7,877,036	12,997,728	7,336,377
Capital	997,084	826,386	522,398	300,093	660,293
Operating Projects	-	511,849	942,197	755,908	-
Debt Service	23,121	23,121	5,780	-	-
Reserves/Contingency	-	-	-	633,200	732,300
Expenditure Total	\$ 16,272,799	\$ 21,043,881	19,626,539	\$ 25,345,328	\$ 20,531,283
Inter-fund Transfers	3,898,112	12,455,050	14,646,627	7,087,981	13,931,413
Total Uses	\$ 20,170,911	\$ 33,498,930	\$34,273,166	\$ 32,433,309	\$ 34,462,696



Three-Year Summaries by Fund Types

General Fund

General Fund pays for the daily operations of Queen Creek government including the majority of staff salaries and benefits, and maintenance and operating expenditures related to Town services and programs.

Funding Sources	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Local Sales Tax	\$ 17,759,478	\$ 17,703,170	\$19,198,290	\$ 20,681,790
State Shared Revenues	5,523,161	7,493,546	7,493,546	8,113,000
Charges for Services	7,266,741	7,569,746	7,569,746	8,234,371
Interest Income	229,907	200,000	200,000	259,000
Franchise/License Fees	307,992	307,460	307,460	319,620
License & Permits	88,833	94,872	94,872	97,420
Miscellaneous	59,764	125,000	125,000	100,000
Subtotal Revenues	\$ 31,235,876	\$ 33,493,794	\$ 34,988,914	\$ 37,805,201
Inter-fund Transfers	189,452	-	-	-
Total Revenues & Other Financing Sources	\$ 31,425,452	\$ 33,493,794	\$ 34,988,914	\$ 37,805,201

Expenditures/Uses	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
General Government	\$ 9,936,409	\$ 7,863,739	\$ 14,407,263	\$ 8,866,315
Public Works*	3,139,757	2,966,788	2,974,114	3,307,814
Development Services	3,236,528	3,695,201	3,881,006	4,055,598
Economic Development	885,117	898,901	898,901	840,210
Parks/Recreation Services	2,428,728	2,550,844	2,550,844	2,729,046
Contingency	-	735,200	633,200	732,300
Adopted/Actual Expenditures	\$ 19,626,539	\$ 18,710,673	\$ 25,345,328	\$ 20,531,283
Inter-fund Transfers	14,646,627	12,620,014	7,081,981	13,931,413
Total Expenditures & Other Uses	\$ 34,273,165	\$ 35,749,381	\$ 32,433,309	\$ 34,462,696

<i>Beginning Fund Balance</i>			\$ 19,733,880	\$ 22,289,482
<i>Projected Ending Fund Balance</i>			\$ 22,289,482	\$ 25,631,987

Use of Fund Balance \$ -

* Excludes Parks and Grounds Maintenance, which is reported under Parks/Recreation Services on this schedule.



Three-Year Summaries by Fund Types

Emergency Services

A 0.25% sales tax and a dedicated primary property tax (\$1.95/\$100 assessed value) help pay for fire and Maricopa County Sheriff's Office services in the community. Due to decreases in property tax collections revenues are not able to keep pace with rising expenditures. The creation of a county island fire district has alleviated some of the shortfall in this fund.

Funding Sources	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Local Taxes	\$1,973,592	\$ 2,200,800	\$2,390,010	\$ 2,584,150
Property Taxes	4,866,564	5,379,190	5,379,190	6,189,464
Fire District Revenue	1,278,851	1,318,234	1,318,234	1,422,330
Charges for Services	141,273	194,000	194,000	211,000
Grant	-	-	-	21,000
Miscellaneous	-	-	-	-
PSPRS Premium Tax Credit	77,771	75,000	75,000	77,500
Interest on Investments	-	15,000	15,000	-
Subtotal Revenues	\$ 8,338,051	\$ 9,182,224	\$ 9,371,434	\$ 10,505,444
Inter-fund Transfers	3,098,451	3,894,215	3,710,007	4,157,859
Total Revenues & Other Financing Sources	\$ 11,436,502	\$ 13,076,439	\$ 13,081,441	\$ 14,663,303

Expenditures/Uses	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Public Safety	\$ 5,468,842	\$ 6,018,778	\$ 6,018,778	6,423,145
Fire/EMS	5,942,425	6,870,161	6,875,163	8,002,600
Contingency	-	187,500	187,500	225,800
Actual/Adopted Expenditures	\$ 11,411,267	\$ 13,076,439	\$13,081,441	\$ 14,663,303
Inter-fund Transfers	-	-	-	-
Total Expenditures & Other Uses	\$ 11,411,267	\$ 13,076,439	\$13,081,441	\$ 14,663,303

<i>Beginning Fund Balance</i>		\$ 363,378	\$ 363,378
<i>Projected Ending Fund Balance</i>		\$ 363,378	\$ 363,378

Use of Fund Balance \$ -



Three-Year Summaries by Fund Types

Special Revenue

The majority of funds captured within Special Revenues are Development Fee Funds. Also included in Special Revenue is HURF, Construction Sales Tax Fund, the Town Center Fund, Horseshoe Park and Equestrian Centre and the Town Street Light Improvement Districts (SLIDs) The Town currently has six development fee funds: Parks, Open Space and Recreation, Town Buildings and Vehicles, Transportation, Library, Public Safety, and Fire

Funding Sources	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Local Taxes	\$ 4,856,087	\$ 5,255,510	\$ 6,319,195	\$ 6,150,370
State Shared Revenues	2,808,637	3,459,282	3,459,282	3,741,590
Charges for Services/User Fees	511,401	528,980	528,980	564,550
Interest Income	161,334	130,000	261,400	273,000
Contributions/Grants	90,383	2,075,000	2,075,000	2,075,000
Miscellaneous	68,334	26,020	26,020	21,040
Development Fees	7,925,947	7,706,864	7,706,864	8,460,998
Special Assessments	515,970	601,680	601,680	625,000
Property Sale Proceeds	3,967,034	-	-	-
Bond/Loan Proceeds	-	14,000,000	-	-
Subtotal Revenues	\$ 20,925,529	\$ 33,783,336	\$ 42,978,421	\$21,911,548
Inter-fund Transfers	1,723,284	1,822,065	22,174,240	3,154,373
Total Revenues & Other Financing Sources	\$ 22,648,813	\$ 35,605,401	\$ 43,152,661	\$ 25,065,921

Expenditures/Uses	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Public Safety	\$ -	\$ 50,000	\$ -	\$ 50,000
Fire Development Fee Fund	798,842	1,223,319	1,173,319	473,319
Public Works/Transportation	3,412,531	7,374,723	24,865,432	5,291,050
Parks/Recreation Services	1,464,231	22,596,285	4,942,232	16,753,883
Town Building/Vehicle Dev Fund	-	10,000	-	-
Municipal Town Center	143,621	1,595,000	4,474,691	1,212,700
Streetlight Improvement District	517,375	601,680	601,680	625,000
Grants	-	2,000,000	-	2,000,000
Actual/Adopted Expenditures	\$ 6,336,600	\$ 35,451,007	\$ 36,057,354	\$26,583,602
Inter-fund Transfers	13,202,169	9,585,840	5,305,840	8,571,890
Total Expenditures & Other Uses	\$ 19,538,768	\$ 45,036,847	\$41,363,194	\$ 35,155,492

<i>Beginning Fund Balance</i>			\$ 20,533,465	\$ 22,291,344
<i>Projected Ending Fund Balance</i>			\$ 22,291,344	\$ 12,146,068
			<i>Use of Fund Balance</i>	\$ 10,145,276



Three-Year Summaries by Fund Types

Debt Service and Capital

The funds reported here include Drainage and Transportation capital improvement projects as well as Public Safety and General Government capital improvement projects. Construction sales tax is now reported under special revenue and is transferred in to the Drainage and Transportation Fund to fund eligible projects. Debt service on these types of projects is also included here.

Funding Sources	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Third Party/Govt Agency Reimbursements	\$ 1,866,575	\$ -	\$ -	\$ 3,555,000
Interest Income	64,998	-	-	-
Contributions/Grants	474,025	2,766,596	2,766,596	177,421
Special Assessments	2,273,392	1,774,020	1,774,020	1,702,407
Loan/Bond Proceeds	-	45,000,000	13,000,000	75,000,000
Subtotal Revenues	\$ 4,678,990	\$ 49,540,616	\$ 17,540,616	\$ 80,434,828
Inter-fund Transfers	23,332,034	16,489,574	6,709,574	14,375,200
Total Revenues & Other Financing Sources	\$ 28,011,023	\$ 66,030,190	\$ 24,250,190	\$ 94,810,028

Expenditures/Uses	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Drainage and Transportation	\$ 14,358,733	\$28,743,104	\$ 30,872,822	\$ 56,480,816
General Government	1,463,470	8,829,668	5,083,647	700,000
Public Safety	3,114,303	16,170,332	15,367,814	-
Debt Service	13,188,041	13,652,121	6,872,121	10,919,494
Actual/Adopted Expenditures	\$ 32,124,547	\$ 67,395,225	\$ 58,001,377	\$ 68,100,310
Inter-fund Transfers	-	-	-	-
Total Expenditures & Other Uses	\$ 32,124,547	\$ 67,395,225	\$ 58,001,377	\$ 68,100,310
Allowance for Unexpended			(\$17,000,000)	
<i>Beginning Fund Balance</i>			\$ 16,679,206	\$ -266,182
<i>Projected Ending Fund Balance</i>			\$ -266,182	\$ 27,120,709
			<i>Use of Fund Balance</i>	\$ -



Three-Year Summaries by Fund Types

Enterprise Funds

Enterprise Funds for the Town include Water, Sewer, and Solid Waste services. It is intended that all expenditures necessary, including capital and debt service costs, are captured in the fees related to the utility.

Funding Sources	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Interest Income	\$ 228,714	\$ 140,000	\$ 173,333	\$ 442,591
Contributions/Grants	5,000	-	-	26,000
Miscellaneous	321,237	296,530	296,530	345,692
Development/Capacity Fees	10,780,317	9,440,740	9,440,740	11,190,250
User Fees	25,863,189	27,010,510	27,010,510	29,927,199
Subtotal Revenues	\$ 37,198,457	\$ 36,887,770	\$ 36,921,103	\$ 41,586,040
Inter-fund Transfers	14,743,767	23,239,595	23,635,282	43,411,064
Total Revenues & Other Financing Sources	\$ 51,942,224	\$ 60,127,365	\$ 60,556,385	\$ 84,832,125

Expenditures/Uses	FY 2015/16 Actual	FY 2016/17 Adopted	FY 2016/17 Revised	FY 2017/18 Adopted
Sewer Operating*	\$5,386,939	\$ 6,466,612	\$ 6,655,842	\$ 6,714,948
Sewer Capital	2,375,182	11,182,882	9,005,101	19,356,071
Water Operating*	15,392,300	16,855,320	17,057,046	16,533,807
Water Capital	2,843,715	12,132,050	14,294,248	34,677,925
Solid Waste	2,107,488	2,410,774	2,346,571	2,642,876
Operating Contingency	-	375,000	375,000	373,900
Actual/Adopted Expenditures	\$ 28,105,625	\$ 49,422,638	\$ 49,733,809	\$ 80,299,527
Inter-fund Transfers	15,238,192	23,239,595	43,385,282	44,411,064
Total Expenditures & Other Uses	\$ 43,343,817	\$ 72,662,233	\$ 76,710,739	\$124,710,591

* includes Debt Service



Reserves/Fund Balances

Fund balances are the result of sources exceeding uses. Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. Per Town Council policy, specific approval is required to spend fund balance.

Fund Balance	FY 2013/14 Actual Year End	FY 2014/15 Actual Year End	FY 2015/16 Actual Year End
General Fund	\$24,742,547	\$22,389,813	\$ 19,733,880
Development Fee Funds	8,127,060	12,020,476	15,004,302
Emergency Services Fund	4,024,081	341,702	363,378
Improvement District Debt Service	658,917	732,848	263,539
Drainage & Transportation Fund	16,504,044	15,709,706	7,943,948
General CIP Fund	-	4,598,811	8,472,394
HURF	2,064,023	2,377,473	2,028,991
LTAf	443,619	517,635	520,666
Municipal Town Center Fund	1,611,270	2,456,202	2,143,958
SLIDs	99,647	54,688	54,656
Other Non-Major Govt Funds	118,706	280,361	835,558
Total	\$60,393,914	\$61,479,715	\$ 57,979,891

Fund Balance	FY 2016/17 Projected Year End	FY 2017/18 Projected Year End	Increase/ (Decrease)
General Fund	\$ 22,289,482	\$ 25,631,987	\$ 3,342,505
Development Fee Funds	19,858,253	8,132,832	(10,051,832)
Emergency Services Fund	363,378	363,378	-
Improvement District Debt Service	263,539	263,539	-
Drainage & Transportation Fund	-286,382	27,123,336	27,409,718
General CIP Fund	-243,339	-266,166	(22,827)
HURF	583,438	31,529	(551,909)
LTAf	487,666	487,666	-
Municipal Town Center Fund	1,450,844	1,908,664	457,820
SLIDs	54,656	54,656	-
Other Non-Major Govt Funds	1,584,732	1,585,377	645
Total	\$ 44,732,678	\$ 65,316,798	\$ 20,584,120

The major cause of the large fluctuations is the result of substantial infrastructure funding and expenses planned in FY 2017/18.



Town Programs & Performance

Section Overview

How to Use this Section

Glossary

Town Programs & Performance Overview

Departments - Organizational Chart, Description, Mission, Objectives, Staffing, Budget, Performance & Analysis

Mayor & Town Council

Town Manager & Legal Services

Town Clerk

Finance

Workforce & Technology

Communications, Marketing & Recreation Services

Economic Development

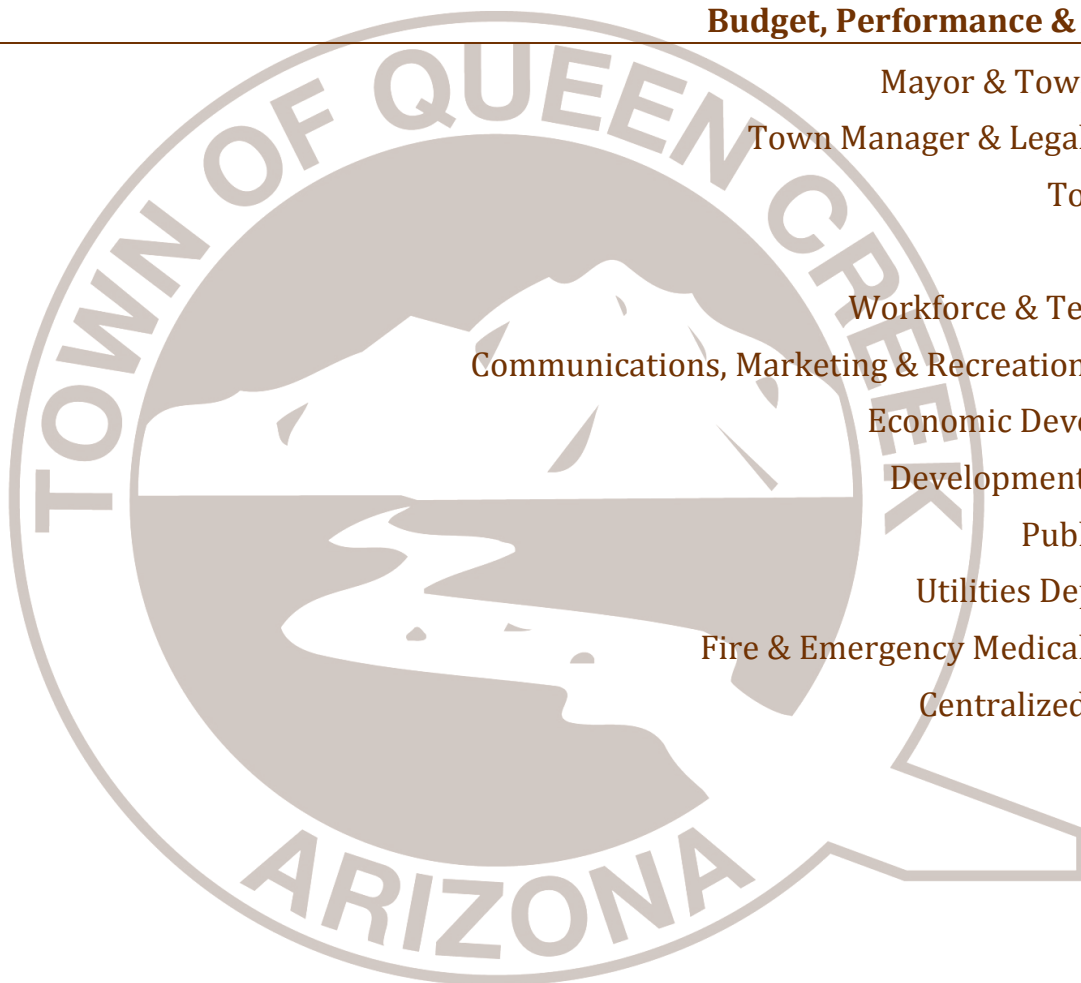
Development Services

Public Works

Utilities Department

Fire & Emergency Medical Services

Centralized Services





How to Use This Section

How to Use This Section

The following provides a breakdown of the information provided for each operating department in the Town.

Department Org Chart showing FTE

If no FTE is indicated for a position then it is budgeted elsewhere, but has functional reporting in this department; shared positions are noted

Describes services and divisions within department

Describes departmental purpose

FY 2017/18
Adopted Budget

Economic Development

```

graph TD
    ATManager[Assistant Town Manager] --> Director[Director 1.0 FTE]
    Director --> SrAdminAssist1[Sr. Admin Assistant 1.0 FTE]
    SrAdminAssist1 --> EconDevCoord[Economic Dev. Coordinator 1.0 FTE]
    SrAdminAssist1 --> EconDevResSpec[Economic Dev. Research Specialist 1.0 FTE]
    SrAdminAssist1 --> HPECGenMgr[HPEC General Manager 1.0 FTE]
    HPECGenMgr --> SrAdminAssist2[Sr. Admin Assistant 1.0 FTE]
    HPECGenMgr --> M&OSupervisor[M&O Supervisor 1.0 FTE]
    M&OSupervisor --> M&OSpecialist[M&O Specialist 4.0 FTE]
    Shared[Shared with Communications & Marketing]
  
```

Department Description and Programs

The Economic Development Department consists of two divisions: Economic Development and Horseshoe Park and Equestrian Centre (HPEC). The Economic Development Division is responsible for business attraction, retention and expansion, as well as the promotion of opportunities available for private investment in the community.

The HPEC division is responsible for the management of HPEC, including event planning and coordination, promoter relations and facility maintenance.

Department Mission

The goal of the Economic Development Department is to provide for the long-term economic sustainability of community through a comprehensive and coordinated program of economic development, which includes business attraction, retention and expansion; event development and tourism activities.

Town of Queen Creek, Arizona



How to Use This Section

Indicates link to Corporate Strategic Plan Strategic Priorities

Indicates specifically what the department aims to achieve this fiscal year

Summarizes the full-time equivalents by division within the department and provides details regarding the FTE changes.

Provides graphical breakdown of department expenditure by type



Economic Development

Strategic Priorities

Secure Future



Quality Lifestyle



FY 2017/18 Objectives

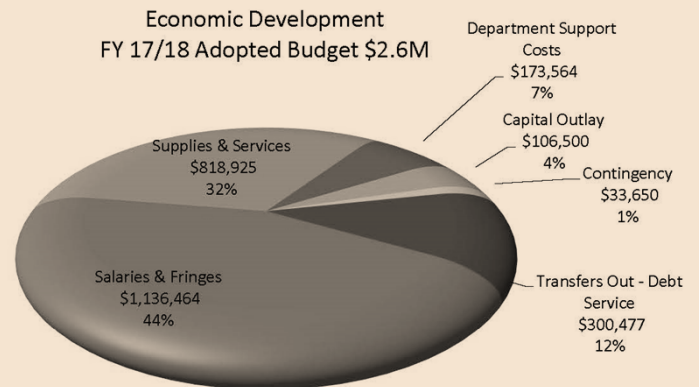
- Leverage partnerships to encourage tourism
- Implement the adopted Economic Development Strategic Plan
- Enhance opportunities for business success and the Town as a premier investment choice within the region

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Economic Development	4.00	6.00	5.00	5.00	4.00
Horseshoe Park Equestrian Centre	7.00	7.00	7.00	7.00	7.00
Department FTE	11.00	13.00	12.00	12.00	11.00

FTE Changes

Staffing levels for FY 2017/18 are unchanged. Prior year changes are the result of a reorganization with one staff member moving to the Finance Department in FY 2016/17 and one staff member moving to Public Works in FY 2015/16.



Town of Queen Creek, Arizona



How to Use This Section



Economic Development

Expenditure by Type

See Glossary in this section for a description of the expenditure types

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 878,005	\$ 1,142,885	\$ 1,147,184	\$ 1,185,287	\$ 1,136,464	\$ (48,823)	(4%)
Supplies & Services	\$ 630,481	\$ 631,633	\$ 737,238	\$ 764,481	\$ 818,925	\$ 54,444	7%
Department Support Costs	\$ 119,632	\$ 135,008	\$ 167,248	\$ 174,114	\$ 173,564	\$ (550)	(0%)
Capital Outlay	\$ 4,329	\$ 5,151	\$ 146,854	\$ 154,229	\$ 106,500	\$ (47,729)	(31%)
Contingency	\$ -	\$ -	\$ -	\$ 31,600	\$ 33,650	\$ 2,050	6%
Subtotal Expenses	\$ 1,632,446	\$ 1,914,678	\$ 2,198,524	\$ 2,309,711	\$ 2,269,103	\$ (40,608)	(2%)
Transfers Out - Debt Service	\$ -	\$ 338,794	\$ 340,750	\$ 338,793	\$ 300,477	\$ (38,316)	(11%)
Department Total	\$ 1,632,446	\$ 2,253,472	\$ 2,539,274	\$ 2,648,504	\$ 2,569,580	\$ (78,924)	(3%)
	\$ Change from Prior	\$ 621,026	\$ 285,802	\$ 109,230	\$ (78,924)		
	% Change from Prior	38%	13%	4%	(3%)		

Expenditure by Division

Provides totals by division within the department

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Economic Development	\$ 580,519	\$ 849,075	\$ 885,117	\$ 898,901	\$ 840,210	\$ (58,691)	(7%)
Horseshoe Park Equestrian Center	\$ 1,051,928	\$ 1,404,398	\$ 1,654,157	\$ 1,749,603	\$ 1,729,370	\$ (20,233)	(1%)
Department Total	\$ 1,632,446	\$ 2,253,472	\$ 2,539,274	\$ 2,648,504	\$ 2,569,580	\$ (78,924)	(3%)
	\$ Change from Prior	\$ 621,026	\$ 285,802	\$ 109,230	\$ (78,924)		
	% Change from Prior	38%	13%	4%	(3%)		

Expenditure by Fund

Highlights funding source for departments that span multiple funds

Fund	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Economic Development	\$ 580,519	\$ 849,075	\$ 885,117	\$ 898,901	\$ 840,210	\$ (58,691)	(7%)
Horseshoe Park Equestrian Center	\$ 1,051,928	\$ 1,404,398	\$ 1,654,157	\$ 1,749,603	\$ 1,729,370	\$ (20,233)	(1%)
Department Total	\$ 1,632,446	\$ 2,253,472	\$ 2,539,274	\$ 2,648,504	\$ 2,569,580	\$ (78,924)	(3%)
	\$ Change from Prior	\$ 621,026	\$ 285,802	\$ 109,230	\$ (78,924)		
	% Change from Prior	38%	13%	4%	(3%)		



How to Use This Section



Economic Development

Operating Expenditures – Economic Development

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 369,047	\$ 585,787	\$ 552,047	\$ 573,586	\$ 497,645	\$ (75,941)	(13%)
Supplies & Services	\$ 211,471	\$ 263,288	\$ 333,070	\$ 325,315	\$ 342,565	\$ 17,250	5%
Division Total	\$ 580,519	\$ 849,075	\$ 885,117	\$ 898,901	\$ 840,210	\$ (58,691)	(7%)
		\$ Change from Prior	\$ 268,556	\$ 36,042	\$ 13,784	\$ (58,691)	
		% Change from Prior	46%	4%	2%	(7%)	

Provides detail by expenditure type for each division within the department

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The decrease in this category is the result of transferring a Sr. Financial Services Analyst to the Budget office.

Supplies & Services:

The three largest line items in the supplies and service budget are for supporting the Queen Creek Performing Arts Center (\$135K), the Queen Creek Chamber of Commerce (\$75K), and the Festival Partnership Program (\$50K). Together these account for \$260K, or 76% of the \$343K supplies and service budget, and remain unchanged from FY 2016/17.

The overall increase to the supplies and service budget for Economic Development can be attributed an increase in membership fees for a new membership in AZ Bio (\$4K), and a full year of membership budget is now in place for Canadian Arizona Business Council (\$5K). Additionally, increased subscription expenses (\$10K) reflect the recent addition of Exceligent and Salesforce technologies specific for tracking economic development leads and land inventory. These increases were slightly offset by a decrease to the training budget of \$2K.

Describes significant changes to the budget since last fiscal year



How to Use This Section



Economic Development

Program Performance - Economic Development

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Community Involvement	Number of staff-assisted locates, staff-assisted business expansion and staff-assisted business retention special projects ¹	47	35	35	45
Image & Identity	Average weekly users of Gangplank Program ²	11	10	10	13
Land Use & Economic Development	Percentage increase in sales tax revenue ³	11%	10%	7%	6%

Provides performance metrics detail for the division and the linkage to Key Result Areas of the Corporate Strategic Plan

Analysis of Performance

1. This includes the number of total prospects, including GPEC RFIs, staff assisted business expansion and retention projects.
2. Number of average weekly users of Gangplank Program. These numbers do not include weekly Hacknight attendance or any other special programs that Gangplank hosts outside the hours of 8am-5pm, Mon-Fri.
3. Sales tax revenue is highly dependent on the larger Arizona economy. The target and actual are based on year over year increases in sales tax collections within the following Economic Development categories:
 - Retail Trade
 - Wholesale Trade
 - Restaurants & Bars
 - Manufacturing
 - Hotels & Other Lodging/Accommodations
 - Services
 - Arts & Entertainment



Expenditure Glossary

Salaries & Fringes:

- All pay for employees (includes over-time, call-out, and stand-by pay)
- All benefits and deductions paid by the Town on behalf of employees
 - FICA, Medicare, Workers Compensation
 - Retirement
 - Arizona State Retirement System
 - Public Safety Retirement System
 - Premiums for health, dental, vision, life ins, disability
 - Stipends (cell phone, mileage)

Supplies & Services:

- Contractual Services
 - Professional services (engineering, legal)
 - Any inter-governmental agreements (IGA's, MCSO)
 - General services (uniform cleaning, bee removal, custodial)
- Fees & Services
 - All dues and memberships for the Town and employees
 - Equipment leases (computers, copiers)
 - Advertising costs
 - Bank fees
 - Liability insurance
- Materials
 - Supplies (office, shop, safety, landscape, printing)
 - Medical supplies
 - Firefighter equipment (protective clothing, allied equipment, hazardous material response)
 - Subscriptions for Town and employees
 - Gasoline
 - Uniforms
 - Postage
- Other: Things that do not fall any place else

- Not for profit funding
- Special interest classes
- Repair & Maintenance (R&M)
 - All maintenance and repairs to Town facilities and equipment
 - Grounds (sprinkler, playground equipment)
 - Streets
 - Vehicles
 - Information Technology (printers, copiers, software)
- Professional Development
 - All training and associated travel for employees
- Utilities
 - All utility cost for Town: Electrical, Water, Natural Gas, Waste Disposal, Telephones, Cell Phones, iPad service

Departmental Support:

- Costs of services received from General Fund by other funds (Emergency Services, Water, Sewer, Solid Waste, Horseshoe Park)

Debt Service:

- Financed equipment and infrastructure

Capital Outlay:

- Equipment and assets that require asset tracking



Town Programs & Performance - Overview

Measuring Performance

The Town of Queen Creek strives to provide quality services to our residents. Knowing what services are expected and at what level is important in determining program deliverables. The performance scorecards that are included in the following section are metrics established as a means to evaluate program performance and outcomes. Each department has developed performance measures that are monitored as part of the performance-based budget process.

Once departments collect data and establish appropriate outcomes and benchmarks, an analysis of performance is conducted and reported upon. Analysis of performance is an important step in identifying necessary policy and procedural changes. For this reason, each department provides a narrative of its performance, and where applicable, next steps.

The Town conducts periodic citizen surveys that provide feedback from residents on services provided by the Town. The survey allows Town Council and management to establish goals by identifying citizen preferences and satisfaction with current programs and services. The Town last conducted such a survey in Spring 2016. Results from that survey can be found in many departments performance measures reported here. The entire document, as well as prior citizen surveys, can be located on the website <http://www.queen creek.org/about-us/community-profile/citizen-survey>. Next survey is scheduled for Fall 2017.

Key Result Areas of the Corporate Strategic Plan

Ultimately, each program’s performance is tied to the Corporate Strategic Plan (CSP) through Key Result Area (KRA) Mission Statements. Within the scorecards presented in this section is a direct link to individual KRAs for each strategic priority. In some instances, multiple KRAs are identified. For full information on the CSP, KRAs and goals, please see the Organizational Planning section of this book.

Effective Government:

- KRA : Town Council Professional Development
- KRA : Financial Management, Internal Services & Sustainability
- KRA : Intergovernmental Relations

Safe Community:

- KRA : Public Safety
- KRA : Community Involvement

Secure Future

- KRA : Environment
- KRA : Land Use & Economic Development

Superior Infrastructure

- KRA : Capital Improvement Program (CIP) And Transportation Improvement Program (TIP)
- KRA : Technology

Quality Lifestyle

- KRA : Image & Identity

The complete Corporate Strategic Plan can be accessed at <http://www.queen creek.org/town-hall/town-council/vision-mission-values-strategic-plan> (Queen Creek Corporate Strategic Plan 2016-2021).



Mayor and Town Council

Department Description and Programs

The Town Council serves as the elected legislative leadership of the community. It bears the ultimate responsibility for competent, responsive, efficient and fiscally sound local government. The Town Council appoints the Town Manager who serves as the chief administrative officer. The Town Council also appoints the Town Attorney (contracted position), the Town Clerk, and the Town Magistrate (contracted with the Town of Gilbert). The Town Manager oversees and directs the work of the entire staff. The Town Council adopts ordinances and resolutions governing operations and establishes goals to be carried out by the municipal staff under the direction of the Town Manager. This department is solely funded by the General Fund.

Department Mission

It is the mission of the Town of Queen Creek to provide a framework for a high quality of life, promote a strong sense of community and provide responsive public service in a caring, ethical, innovative and accountable manner.

Strategic Priorities

Effective Government



Secure Future



Safe Community



Superior Infrastructure



Quality Lifestyle



FY 2017/18 Objectives

The Town Council’s strategic priorities and key result areas are found in the Corporate Strategic Plan. These high-level priorities are the FY 2017/18 objectives of the Town Council and are as follows:

EFFECTIVE GOVERNMENT

- Council Professional Development
- Financial Management/Internal Services & Sustainability
- Intergovernmental Relations

SAFE COMMUNITY

- Community Involvement
- Public Safety

SECURE FUTURE

- Environment
- Land Use/Economic Development

SUPERIOR INFRASTRUCTURE

- Capital Improvement Program (CIP)
- Technology

QUALITY LIFESTYLE

- Image/Identity

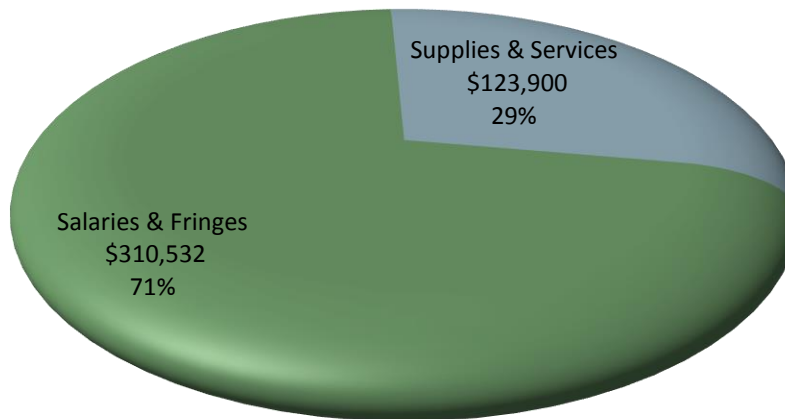


Mayor and Town Council

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Town Council	7.0	7.0	7.0	7.0	7.0
Total Staffing	7.0	7.0	7.0	7.0	7.0

Town Council
FY 17/18 Recommended Budget \$0.4M



Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 94,040	\$ 190,345	\$ 357,430	\$ 296,957	\$ 310,532	\$ 13,575	5%
Supplies & Services	\$ 77,375	\$ 86,096	\$ 66,109	\$ 123,900	\$ 123,900	\$ -	0%
Department Total	\$ 171,415	\$ 276,441	\$ 423,539	\$ 420,857	\$ 434,432	\$ 13,575	3%
\$ Change from Prior		\$ 105,026	\$ 147,097	\$ (2,682)	\$ 13,575		
% Change from Prior		61%	53%	(1%)	3%		

Budget Notes and Changes

Salaries and Fringes:

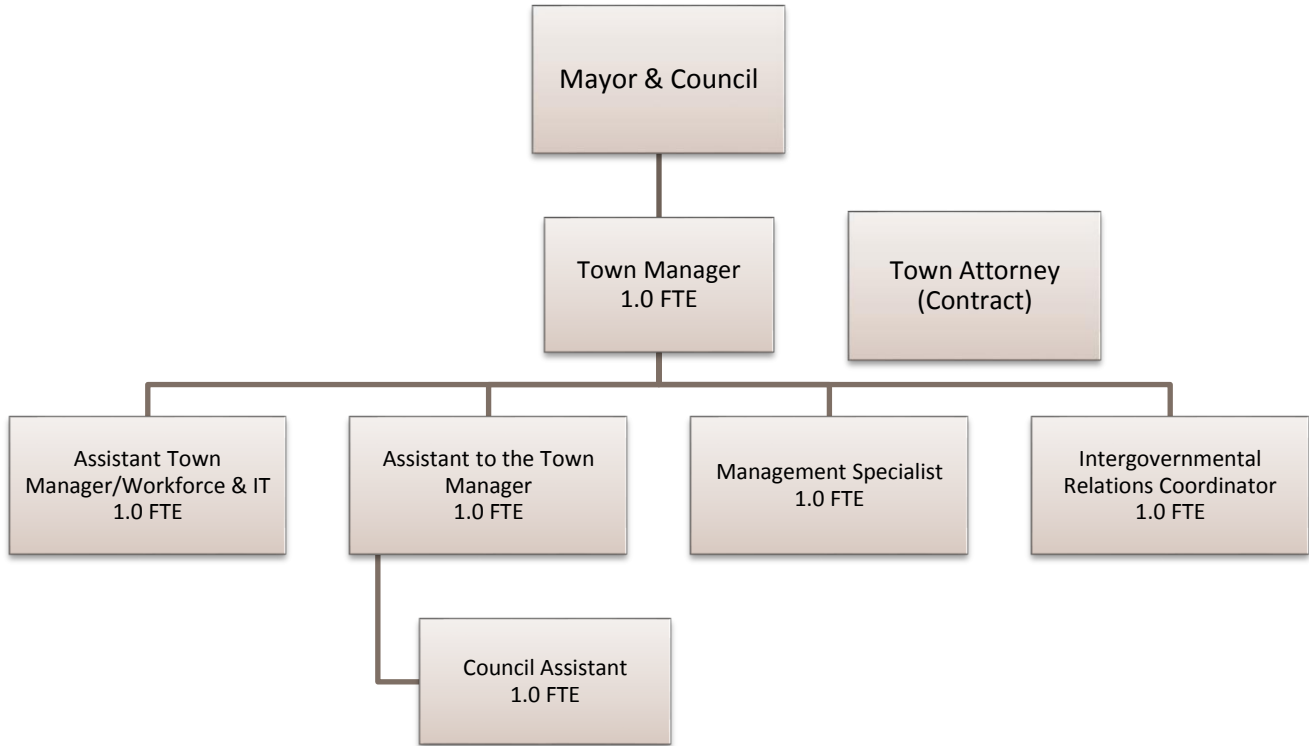
The Mayor and Town Council budget includes an allowance for a market increase of 2.1%, which is tied to the Employment Cost Index per adopted Town Council Resolution. Changes in benefits elections is driving the remaining changes in this category.

Supplies & Services:

No changes in this category are recommended for FY 2017/18.



Town Manager & Legal Services



Department Description and Programs

The Town Manager is the chief administrative officer of the Town and is responsible for implementation of all policies and procedures adopted by the Town Council, daily management of local government operations and service delivery to citizens. The Town Manager provides direction to departments and oversees all Town employees. Intergovernmental relations are also under the Town Manager’s purview. The Town Manager and Intergovernmental Relations Coordinator maintain relationships with state, local, and tribal entities to serve the best interests of the community and encourage beneficial public-private partnerships.

Legal services for the municipality are contracted with the law firm Dickinson Wright. The professional services contract is approved by, and the lead Town Attorney serves at the pleasure of, the Town Council. The Town Attorney works closely with the Town Manager to advise the Town Council and all departments.

All programs in these areas are funded by the General Fund, with support from enterprise funds via interdepartmental cross charges.

Department Mission

The Town Manager strives to ensure residents and employees are treated with equality and respect, communication with residents is part of the decision-making process, and the Town’s resources are dedicated to effective and efficient implementation of the Town Council’s policies, goals, and objectives.



Town Manager & Legal Services

Strategic Priorities

Effective Government



Secure Future



Safe Community



Superior Infrastructure



Quality Lifestyle



FY 2017/18 Objectives

- Cultivate relationships with other cities and towns
- Proactively pursue regional and statewide partnerships that support and advance legislation that improves the Town’s competitive position at local, regional, and national levels
- Continue collaboration with the community’s schools on issues that benefit the Town
- Continue involvement with Maricopa and Pinal Counties on matters of interest to the Town, such as the San Tan Mountain Regional Park
- Complete the design and build phases of the new Public Safety Building, Community Chambers and Fire Station #411 to ensure essential Town services keep pace with population growth demands

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Town Manager	5.0	5.0	5.0	6.0	6.0
Department FTE	5.0	5.0	5.0	6.0	6.0

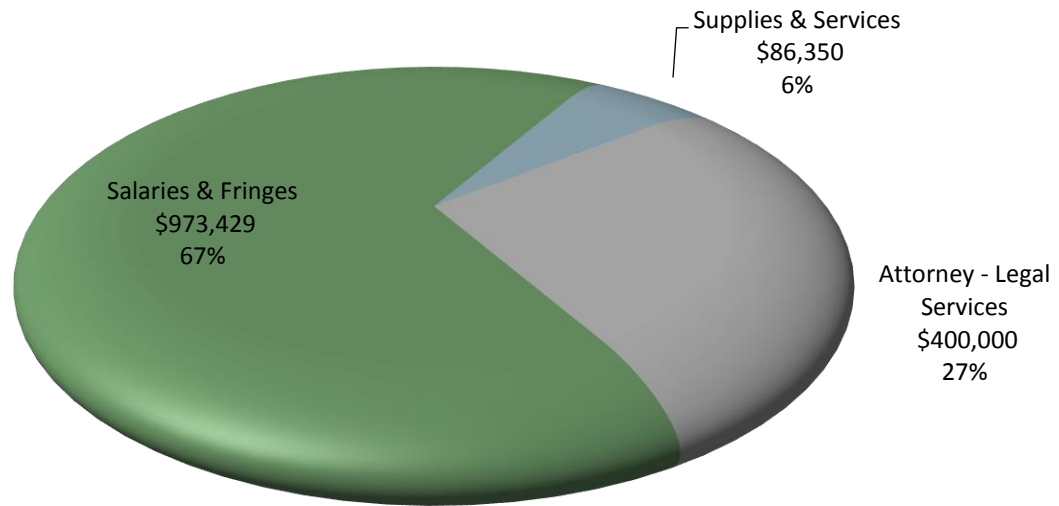
FTE Changes

Changes in prior year include the transfer of an FTE from the Development Services Department to the Town Manager’s Office. No other staffing changes are included for FY 2017/18.



Town Manager & Legal Services

Town Manager & Legal FY 17/18 Adopted Budget \$1.5M



Department Expenditure by Type

Expense Category	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Salaries & Fringes	\$ 792,693	\$ 782,743	\$ 825,124	\$ 875,502	\$ 973,429	\$ 97,927	11%
Supplies & Services	\$ 38,953	\$ 95,714	\$ 67,691	\$ 70,920	\$ 86,350	\$ 15,430	22%
Attorney - Legal Services	\$ 258,484	\$ 323,345	\$ 393,850	\$ 325,000	\$ 400,000	\$ 75,000	23%
Department Total	\$ 1,090,130	\$ 1,201,801	\$ 1,286,664	\$ 1,271,422	\$ 1,459,779	\$ 188,357	15%
	\$ Change from Prior	\$ 111,671	\$ 84,863	\$ (15,242)	\$ 188,357		
	% Change from Prior	10%	7%	(1%)	15%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The additional increase is for the Town to host an intern through the Marvin Andrews Fellowship in Urban Management within Arizona State University's School of Public Affairs. Arizona State pays 50% of the hosting costs associated with the Town's participation in the program.

Supplies & Services:

The supplies and services budget is increasing to account for one staff transferring into to the Town Manager department. The additional funding of \$15,430 will support training, professional membership dues, and monthly cellular service for the Council Assistant, allow the Town Manager to attend the Urban Land Institute Fall Conference and accounts for an increase in the cost of various professional subscriptions maintained by the



Town Manager & Legal Services

department. The increase in the Legal Services is the result of additional services needed for special projects and studies that are occurring as a result of growth.

Program Performance – Town Manager

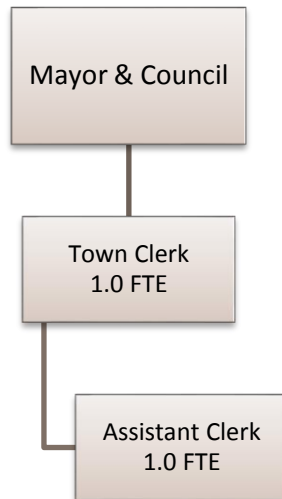
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Community Involvement Image & Identity Land Use & Economic Development Public Safety	Percent of overall citizen satisfaction with Town- wide service on the biennial citizen survey ¹	91%	Maintain Satisfaction Ratings	Maintain Satisfaction Ratings	91%
	Percent of citizens rating the Town as an excellent/good place to live on the biennial citizen survey ¹	93%	Maintain Satisfaction Ratings	Maintain Satisfaction Ratings	93%
	Percent of citizens rating the Town as having an excellent/good overall quality of life in the biennial citizen survey ¹	92%	Maintain Satisfaction Ratings	Maintain Satisfaction Ratings	92%
Financial Management, Internal Services & Sustainability	Population served per FTE ²	161	153	171	179
	Unrestricted General Fund balance as a percentage of General Fund revenues ³	62%	46%	62%	66%

Analysis of Performance

1. Complete results of the 2016 biennial citizen survey can be found at QueenCreek.org ([2016 Survey](#)) It is the Town's practice to conduct a biennial survey by a third party. The survey dates have changed to being conducted every 18 months. The next survey is scheduled for Fall 2017.
2. This measure is calculated on population divided by FTE. It is the goal of the Town to remain competitive in the region while continuing to provide a realistic and customer pleasing levels of service.
3. Actual FY 2015/16 is the year-end result per the preliminary CAFR. Town policy sets the unrestricted General Fund balance at 25% of revenues; however, actual reserves should be based on an analysis of an organization's salient risks. The Town does not anticipate unrestricted budget balance will drop significantly in FY 2017/18.



Town Clerk



Department Description and Programs

The Town Clerk is responsible for administering local elections, recording and storing of minutes of official meetings, and maintaining municipal ordinances and resolutions. The Town Clerk’s Office issues municipal business licenses, manages public records requests and answers public inquiries. The Town Clerk reports directly to the Town Council.

Department Mission

It is the Town Clerk’s mission to provide the community open access to local government processes and provide services to Town officials, employees and residents.

Strategic Priorities

Effective Government



FY 2017/18 Objectives

- Enhance availability of information on the Town’s website related to ordinances, codes, and policy statements as required by state legislation
- Prepare for the May 2018 special election for the Town’s General Plan Update

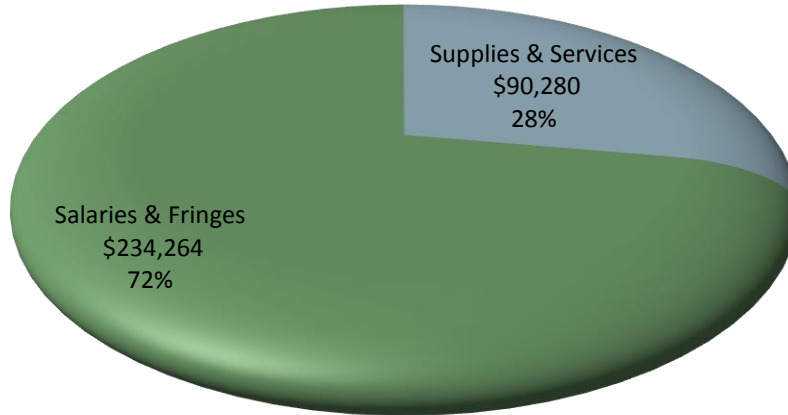
Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Town Clerk	2.0	2.0	2.0	2.0	2.0
Department FTE	2.0	2.0	2.0	2.0	2.0



Town Clerk

Town Clerk FY 17/18 Adopted Budget \$0.3M



Program Operating Budget - Town Clerk

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 189,740	\$ 196,568	\$ 212,189	\$ 225,047	\$ 234,264	\$ 9,217	4%
Supplies & Services	\$ 10,169	\$ 24,773	\$ 12,240	\$ 48,700	\$ 90,280	\$ 41,580	85%
Department Total	\$ 199,910	\$ 221,341	\$ 224,429	\$ 273,747	\$ 324,544	\$ 50,797	19%
	\$ Change from Prior	\$ 21,431	\$ 3,087	\$ 49,318	\$ 50,797		
	% Change from Prior	11%	1%	22%	19%		

Budget Notes and Changes

Salaries and Fringes:

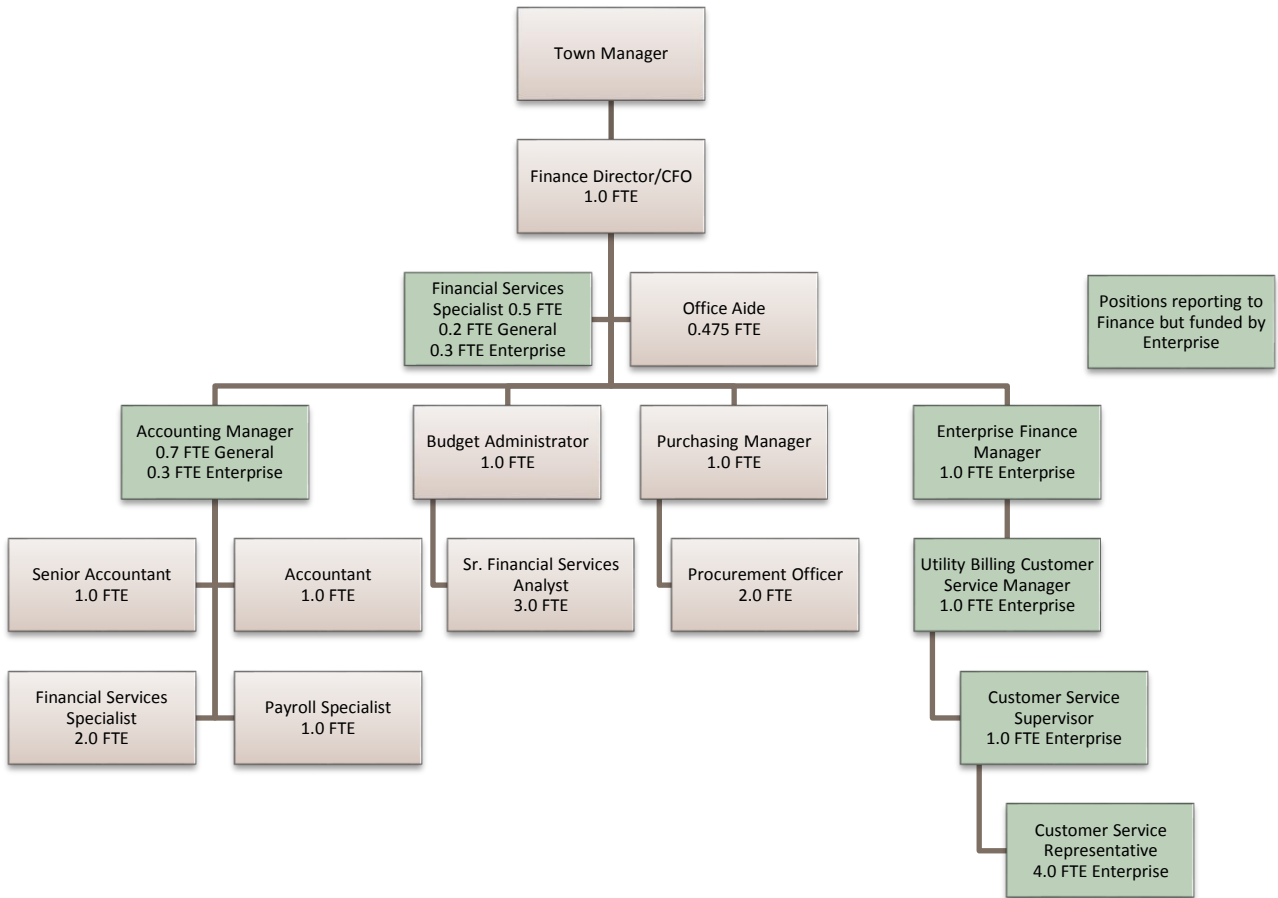
Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The increase in this category is attributed to a special election in May 2018 for the General Plan. Election expenses account for \$70K of the \$90K budget in this category. The budget for legal advertising has increased by \$7K attributed to more activities requiring legal advertisements. Another factor for the increase is the additional advertising requirements necessary for the General Plan special election.



Finance



Department Description and Programs

The Finance Department includes two divisions: Budget and Accounting. The Budget and Accounting Divisions are core support units for the organization. The Budget Division prepares, presents and monitors the Town’s annual budget and Capital Improvement Program. It researches and prepares long-range revenue forecasts, and it assists in developing and monitoring organizational performance measures. The Accounting Division conducts all accounting, purchasing, payroll and asset tracking functions of the Town. All programs in these areas are funded by the General Fund with support received from enterprise funds via interdepartmental cross charges.

Department Mission

It is the mission of the Finance Department to support the Town Council, Town Manager, and Town department goals and programs by:

- Ensuring the effective and efficient allocation of Town resources
- Safeguarding public funds
- Conducting the Town’s budgetary and financial affairs in a transparent manner in conformance with all applicable laws
- Providing timely, accurate, and friendly service to internal and external customers



Finance

Strategic Priorities

Effective Government



Secure Future



Safe Community



FY 2017/18 Objectives

- Continue to evaluate opportunities for managing the Town’s cost and revenue structure ensuring that cost recovery is maintained wherever feasible
- Consider options for securing stabilized revenue streams dedicated solely to the increasing demands on public safety
- Work with consultants in finalizing growth funding instruments

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Accounting	4.98	5.98	9.98*	14.98**	17.98**
Budget	2.00	2.00	2.00	2.00	4.00
Department FTE	6.98	7.98	11.98*	16.98**	21.98**

*1.9 FTE allocated to Enterprise Funds

**6.6 FTE allocated to Enterprise Funds

FTE Changes

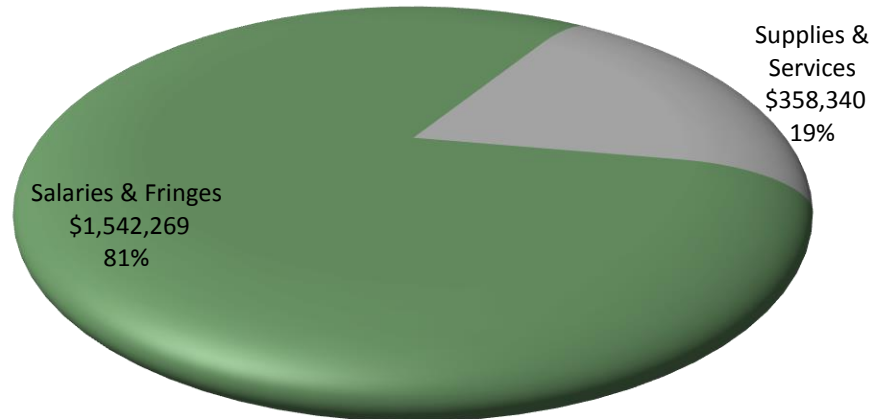
Effective January 2017, customer service staff transferred (5.0 FTE) to the Finance department. A Customer Service Manager position was created to lead this work group. Locating this function within the Finance department is common practice in many Arizona communities given the substantial nature of bill and payment processing (\$50 million annually). The funding for the six customer service positions remains in the Utilities Funds. In addition, occurring mid-year FY 2016-17 was the transfer of a Sr. Financial Services Analyst from Economic Development to the Budget office.

The FY 2017/18 budget includes an additional 3.0 FTE within the Finance department. The positions are Purchasing Manager, Sr. Financial Services Analyst, and a Financial Services Specialist. These positions are added in response to the increased need for financial processing in response to the complexity of the organization as a result of growth as well as enhanced internal controls and succession planning.



Finance

Finance FY 17/18 Adopted Budget \$1.9M



Expenditure by Type

Expense Category	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Salaries & Fringes	\$ 620,512	\$ 678,022	\$ 924,359	\$ 1,091,707	\$ 1,542,269	\$ 450,562	41%
Census Workers	\$ -	\$ -	\$ 212,743	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 139,259	\$ 156,097	\$ 242,015	\$ 343,467	\$ 358,340	\$ 14,873	4%
Department Total	\$ 759,771	\$ 834,119	\$ 1,379,117	\$ 1,435,174	\$ 1,900,609	\$ 465,435	32%
	\$ Change from Prior		\$ 74,348	\$ 544,998	\$ 56,057	\$ 465,435	
	% Change from Prior		10%	65%	4%	32%	

Expenditure by Division

Division	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Finance	\$ 520,111	\$ 599,152	\$ 937,836	\$ 1,159,821	\$ 1,400,654	\$ 240,833	21%
Budget	\$ 239,660	\$ 234,967	\$ 228,537	\$ 275,353	\$ 499,955	\$ 224,602	82%
Census	\$ -	\$ -	\$ 212,743	\$ -	\$ -	\$ -	N/A
Department Total	\$ 759,771	\$ 834,119	\$ 1,379,117	\$ 1,435,174	\$ 1,900,609	\$ 465,435	32%
	\$ Change from Prior		\$ 74,348	\$ 544,998	\$ 56,057	\$ 465,435	
	% Change from Prior		10%	65%	4%	32%	



Finance

Program Operating Budget - Finance

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 388,668	\$ 458,871	\$ 710,209	\$ 847,754	\$ 1,056,744	\$ 208,990	25%
Census Workers	\$ -	\$ -	\$ 212,743	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 131,443	\$ 140,281	\$ 227,628	\$ 312,067	\$ 343,910	\$ 31,843	10%
Division Total	\$ 520,111	\$ 599,152	\$ 1,150,579	\$ 1,159,821	\$ 1,400,654	\$ 240,833	21%
	\$ Change from Prior	\$ 79,041	\$ 551,428	\$ 9,242	\$ 240,833		
	% Change from Prior	15%	92%	1%	21%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. Also included are 2.0 new FTE: a Purchasing Manager and a Financial Services Specialist.

Supplies & Services:

The increase in this category is driven by an anticipated increase in credit card activity once the new permitting and plan review software is fully functional (\$10K), increased audit fees (\$5K) related to special services; and an increase to the department training and professional membership budget (\$16K).

Program Performance - Finance

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Financial Management Internal Services & Sustainability	Receipt of GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes Year 10	Yes Year 11	Yes Year 11	Yes Year 12
	Percentage of citizens rating service provided for taxes paid as "good" or "excellent"	70%	Survey scheduled for Fall 2017	Survey scheduled for Fall 2017	85%
	Bond rating General Obligation / Improvement District Improvement bonds ¹ Standard & Poor's Moody's Fitch	AA AA	AA AA	AA AA	AA AA
	Unqualified audit opinion by external CPA firm ²	Yes Year 26	Yes Year 27	Yes Year 27	Yes Year 28
	Compliance with Town investment and financial policies	100%	100%	100%	100%

Analysis of Performance

1. The Town's bond rating was upgraded by both Fitch and Standard and Poor's.
2. The Town has received an unqualified audit opinion every year since incorporation in 1989.



Finance

Program Operating Budget - Budget

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 231,844	\$ 219,151	\$ 214,151	\$ 243,953	\$ 485,525	\$ 241,572	99%
Supplies & Services	\$ 7,816	\$ 15,816	\$ 14,387	\$ 31,400	\$ 14,430	\$ (16,970)	(54%)
Division Total	\$ 239,660	\$ 234,967	\$ 228,537	\$ 275,353	\$ 499,955	\$ 224,602	82%
	\$ Change from Prior	\$ (4,693)	\$ (6,430)	\$ 46,816	\$ 224,602		
	% Change from Prior	(2%)	(3%)	20%	82%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The increase in FY 2017/18 is the result of a transfer of an FTE from Economic Development to the Budget Office and the addition of 1.0 FTE for a Sr. Financial Services Analyst.

Supplies & Services:

Included in this budget in FY 2016/17 were one-time licensing costs in anticipation of a sales tax analytic tool hosted by the City of Phoenix. Those costs have been removed from the FY 2017/18 budget.

Program Performance - Budget

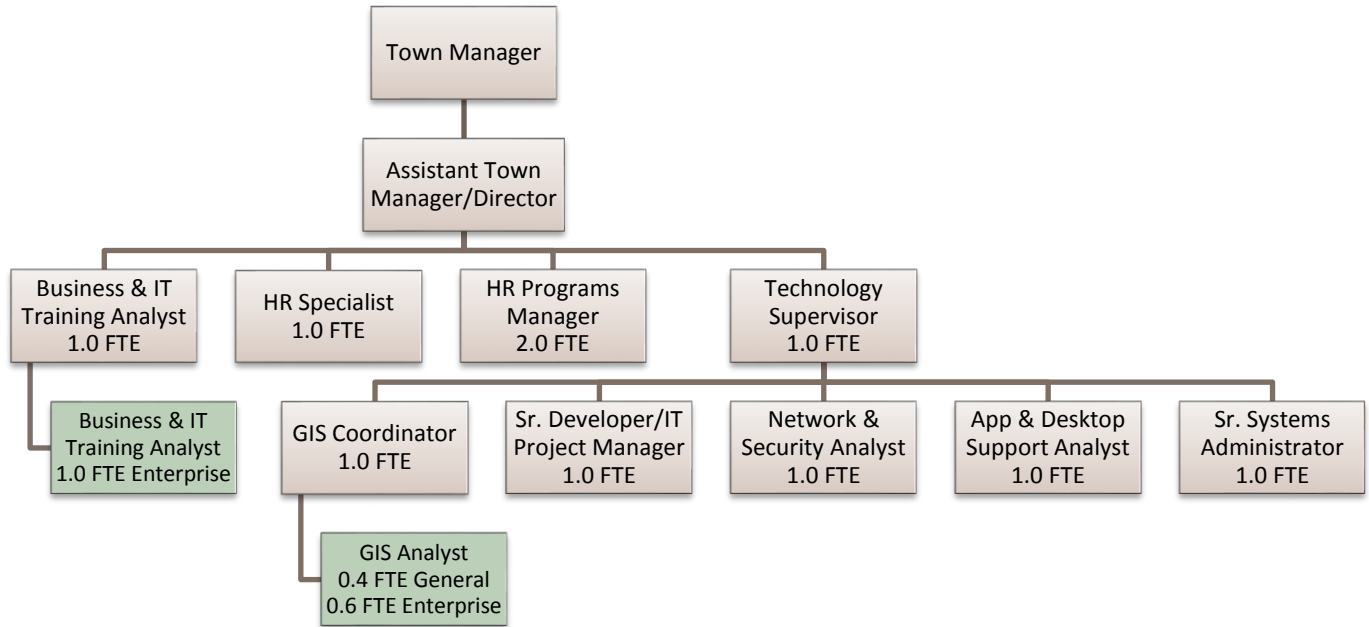
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Financial Management, Internal Services & Sustainability	Maintain ±5% variance in operating revenues from budget to actual ¹	+6%	<5%	+5%	<5%
	Maintain ±5% variance in operating expenses from budget to actual ¹	+7%	<5%	+4%	<5%
	Receipt of GFOA Budget Book award	Yes	Yes	Yes	Yes

Analysis of Performance

1. Operating Funds are the General Fund, Emergency Services Fund, HURF and Horseshoe Park Fund. Closer monitoring and forecasting of revenues has resulted in better performance. Expenditures continue to be an area where forecasts must be reviewed more closely to narrow the gap. A positive indicates a favorable variance (more revenues than budgeted, less expenses than budgeted).



Workforce & Technology



Department Description and Programs

The Workforce and Technology Department is a core support unit for the Town and staff. The Human Resources Division is responsible for workforce planning and employment; compensation, classification and benefits; employee relations; training and development; policy and procedure development, and worker’s compensation. The Technology Division administers all technology-related services, including local area computer networks, voice, data and network infrastructure planning, maintenance and security; IT governance, project management, database administration, application development, desktop and application support, geographic information systems (GIS), technology-use training, backups and data retention, and telecommunications. All programs in these areas are funded by the General Fund, with support received from enterprise funds via interdepartmental cross charges.

Department Mission

The Workforce and Technology Department motivates the workforce through empowerment, education and excellent customer service.

The Workforce and Technology Department will work in a collaborative environment to support and educate employees, the Town Council and Town residents by implementing standards and technologies through professional expertise.



Workforce & Technology

Strategic Priorities

Effective Government



Secure Future



Superior Infrastructure



FY 2017/18 Objectives

- Continue to monitor and update employee benefits strategies and evaluate trends
- Continue progressive strategies to attract and retain high-performing staff
- Continue advancements in developing a compendium of current sustainable practices throughout the Town so that long-term costs are balanced with the resources available
- Enhance innovative technologies for public facilities that improve efficiencies and reduce long-term recurring costs
- Continue to evaluate options to increase customer use of technologies that increase access for their use in interfacing with the Town
- Continue evaluating options to deliver a community-wide wireless initiative
- Enhance innovative technologies for public facilities
- Strengthen the IT governance process through inter-departmental involvement

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Human Resources	4.0	4.0	4.0	3.0	3.0
Information Technology	6.0	6.0	7.0	8.0*	9.0**
Department FTE	10.0	10.0	11.0	11.0*	12.0**

*1.0 FTE Funded by Enterprise

**1.6 FTE Funded by Enterprise

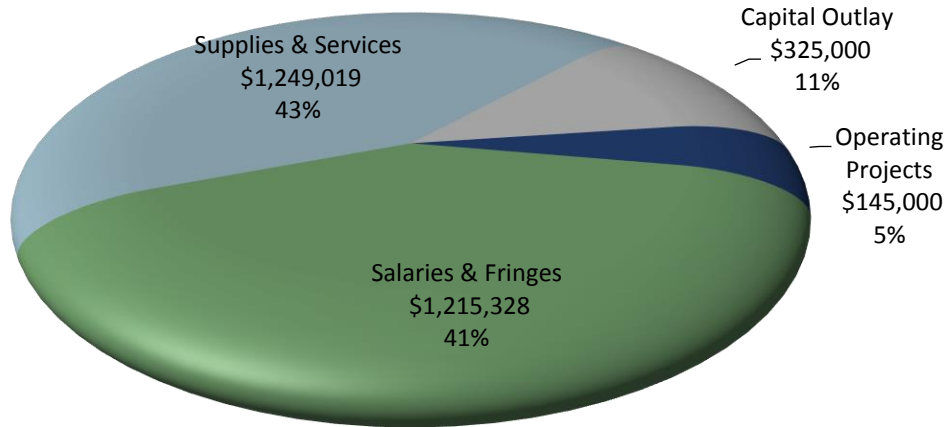
FTE Changes

In FY 2016/17, a vacant FTE in the Water Fund was functionally moved into IT and is dedicated to assist with Enterprise related IT projects, such as Utility Billing. The FY 2017/18 includes 1.0 new FTE for a Geographic Information System (GIS) Analyst.



Workforce & Technology

Workforce & Technology FY 17/18 Adopted Budget \$2.9M



Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 974,941	\$ 1,067,151	\$ 1,101,316	\$ 1,140,649	\$ 1,215,328	\$ 74,679	7%
Supplies & Services	\$ 636,298	\$ 572,599	\$ 954,596	\$ 1,154,593	\$ 1,249,019	\$ 94,426	8%
Capital Outlay	\$ 264,500	\$ 43,370	\$ -	\$ -	\$ 325,000	\$ 325,000	N/A
Operating Projects	\$ -	\$ 511,849	\$ 942,197	\$ 410,908	\$ 145,000	\$ (265,908)	(65%)
Department Total	\$ 1,875,739	\$ 2,194,970	\$ 2,998,108	\$ 2,706,150	\$ 2,934,347	\$ 228,197	8%
		\$ Change from Prior	\$ 319,231	\$ 803,139	\$ (291,958)	\$ 228,197	
		% Change from Prior	17%	37%	(10%)	8%	

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Human Resources	\$ 533,732	\$ 525,581	\$ 476,741	\$ 455,036	\$ 438,239	\$ (16,797)	(4%)
Information Technology	\$ 1,342,007	\$ 1,669,389	\$ 2,521,367	\$ 2,251,114	\$ 2,496,108	\$ 244,994	11%
Department Total	\$ 1,875,739	\$ 2,194,970	\$ 2,998,108	\$ 2,706,150	\$ 2,934,347	\$ 228,197	8%
		\$ Change from Prior	\$ 319,231	\$ 803,139	\$ (291,958)	\$ 228,197	
		% Change from Prior	17%	37%	(10%)	8%	



Workforce & Technology – HR

Operating Expenditures - Human Resources

Division by Category	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Salaries & Fringes	\$ 429,401	\$ 453,938	\$ 338,705	\$ 330,985	\$ 343,605	\$ 12,620	4%
Supplies & Services	\$ 104,331	\$ 71,643	\$ 138,037	\$ 124,051	\$ 94,634	\$ (29,417)	(24%)
Division Total	\$ 533,732	\$ 525,581	\$ 476,741	\$ 455,036	\$ 438,239	\$ (16,797)	(4%)
	\$ Change from Prior	\$ (8,151)	\$ (48,840)	\$ (21,705)	\$ (16,797)		
	% Change from Prior	(2%)	(9%)	(5%)	(4%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

Savings in Tuition Reimbursement (Rio Salado Cohort Program is complete), savings in Biometrics screenings (lower vendor cost) and in employee processing and interview costs (anticipated decrease in hiring) are offsetting slight increases in subscriptions (Safety Program-related Material Safety Data Sheet online) and staff training programs. Another substantial change was the movement of the Valley Schools administration fee to the Healthcare Self-Insurance Fund (\$23K). The premiums received by the Healthcare Fund are set to cover this cost.



Workforce & Technology – HR

Program Performance – Human Resources

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Financial Management, Internal Services & Sustainability	Increase the percentage of employee performance reviews completed on schedule ¹	91%	90%	84%	90%
	Increase average number of applications received per external recruitment	103	95	105	95
	Average number of days to fill vacant external recruitment ²	39	<42	38	<42
	Average number of days to fill vacant internal recruitment ³	20	<25	22.5	<25
	Town turnover rate of full-time employees	4.54%	≤6%	5%	≤6%
	Number of worker’s compensation claims due to injury	17	10	10	10

Analysis of Performance

1. Percentage is based on supervisory completion of the review so that the employee receives any increase on time, with no retroactive pay. A combination of the NeoGov and MUNIS systems assists in the data collection for this measure.
2. Average number of days to fill vacant external recruitments remain on target and consistent with prior years. Target is set for 42 days - 6 weeks or less.
3. Average number of days to fill vacant internal recruitments remain on target and consistent with prior years. Target is set for 25 days - 3.5 weeks or less.



Workforce & Technology – IT

Operating Expenditures – Information Technology

Division by Category	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Salaries & Fringes	\$ 545,539	\$ 613,212	\$ 762,611	\$ 809,664	\$ 871,723	\$ 62,059	8%
Supplies & Services	\$ 531,968	\$ 500,956	\$ 816,559	\$ 1,030,542	\$ 1,154,385	\$ 123,843	12%
Capital Outlay	\$ 264,500	\$ 43,370	\$ -	\$ -	\$ 325,000	\$ 325,000	N/A
Operating Projects	\$ -	\$ 511,849	\$ 942,197	\$ 410,908	\$ 145,000	\$ (265,908)	(65%)
Division Total	\$ 1,342,007	\$ 1,669,389	\$ 2,521,367	\$ 2,251,114	\$ 2,496,108	\$ 244,994	11%
	\$ Change from Prior	\$ 327,381	\$ 851,978	\$ (270,253)	\$ 244,994		
	% Change from Prior	24%	51%	(11%)	11%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The creation of one new FTE for a Geographic Information System (GIS) analyst is also included. The GIS analyst expenses will be split between the General Fund (40%) & Enterprise Fund (60%).

Supplies & Services:

The increase in supplies and services is mainly driven by increases in software support for new technologies recently implemented, and/or underway (MUNIS SaaS, e-Plancheck support, Stealthbits, Keenology). The maintenance and software support lines items account for \$0.8M, or 72% of the \$1.2M supplies and services category. Other increases within the supplies & services category involves a \$13.5K increase to the subscription budget to accommodate web service storage needs specifically for e-Plancheck. The warranty period on improvements done to the Town's core infrastructure is expiring, therefore, budget is in place to ensure coverage is extended thus increasing the repair and maintenance budget by \$15K.

Capital Outlay

The budget included for Capital Outlay is to address aging equipment, as part of the IT Strategic Plan. This budget will be an annual replacement budget.

Operating Projects:

This category houses one-time IT related enhancements. The operating projects budget for FY 2017/18 is to provide the technology fiber optics network to the Town Parks.



Workforce & Technology – IT

Program Performance – Information Technology

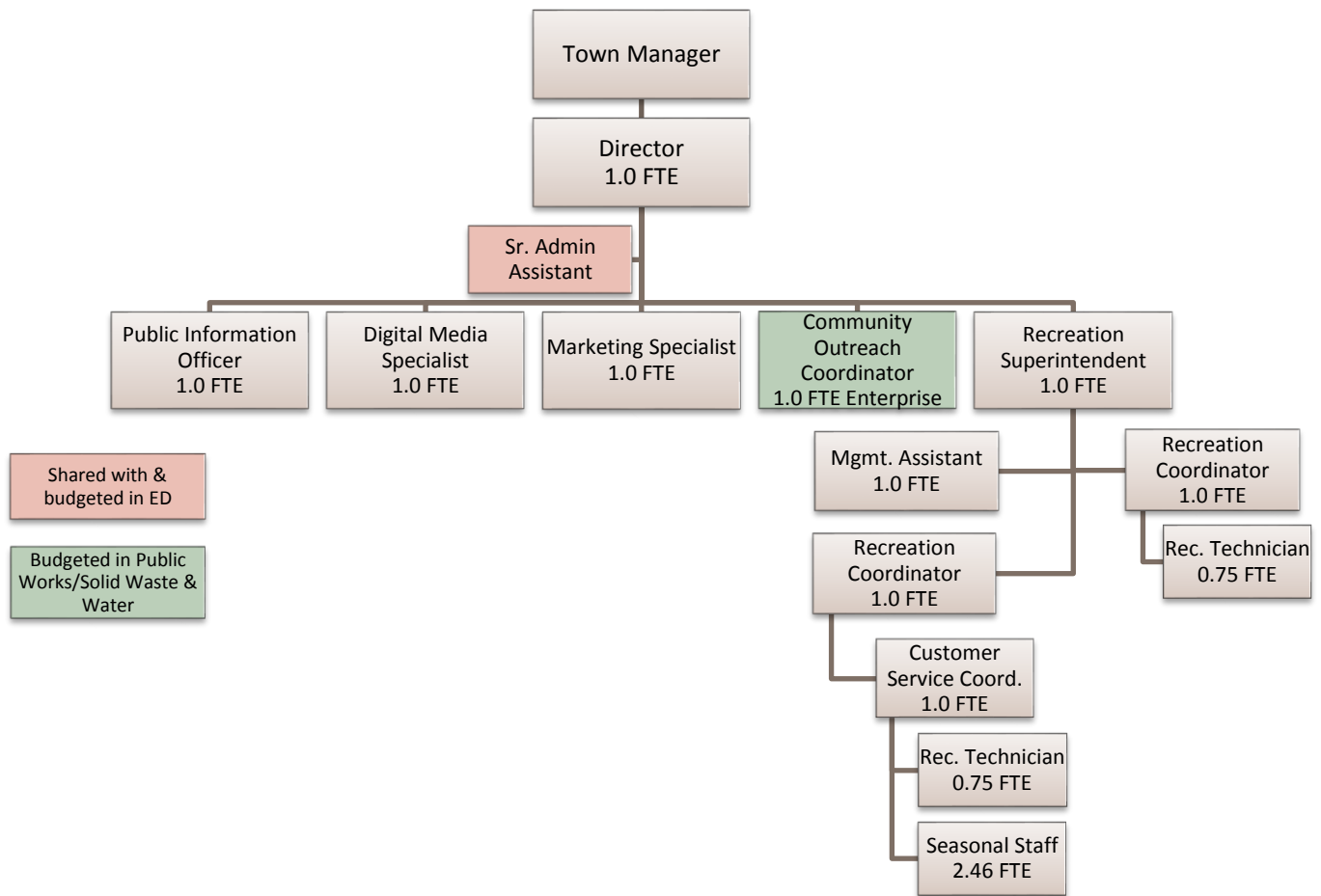
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Technology	Unplanned down time affecting business continuity on major operating systems (Server 2008 and 2012)	5 hours	≤10 hours	0 hours	≤ 10 hours
	Unplanned down time of major applications affecting business continuity (MUNIS, Firehouse, InHance, LIS, Accela)	0 hours	≤15 hours	2 hours	≤15 hours
	Unplanned down time affecting business continuity on major hardware (servers, routers, and switches)	324 hours ¹	≤ 10 hours	5 hours	≤ 10 hours
	Percentage of employees rating overall satisfaction with IT department as “good” or “excellent”	89%	90%	92%	95%

Analysis of Performance

1. Details: 10/7/15 Wireless down due to bad SSL. Total downtime 2 hours. 1/14/16 Grounds down due to antenna misalignment. Total downtime 322 hours.



Communications, Marketing & Recreation



Department Description and Programs

The department is comprised of two divisions: Communications and Marketing, and Recreation Services. Through these divisions, the department is responsible for:

- Coordinating the Town’s public outreach programs, including events, publications and digital media
- Managing media and community relations
- Coordinating and marketing Town-hosted special events
- Managing the Town's brand
- Coordinating tourism efforts in the community
- Providing recreational programs and classes for all ages and interests
- Managing partnerships, including the Town’s Youth Sports Partnership Program, the Boys & Girls Club, Town-sponsored events and Visit Mesa
- Administering the Town’s Special Event Permit Application process
- Coordinating the rental of parks, ramadas, fields, courts and meeting rooms

All programs in these areas are funded by the General Fund, with support received from enterprise funds via interdepartmental cross charges for marketing and communication services.



Communications, Marketing & Recreation

Department Mission

The goal of the Communications, Marketing and Recreation Department is to create a strong sense of community through public outreach programs, events, partnerships and marketing campaigns, enhancing the quality of life in Queen Creek.

Strategic Priorities

Quality Lifestyle



Safe Community



FY 2017/18 Objectives

- Improve mix of park amenities
- Continue advancements in resident participation through multiple opportunities and strategies, such as community events and targeted outreach programs in public safety
- Continue development of the Town’s brand awareness via existing and new partnerships
- Continue advancements in parks, trails and open space design by encouraging frequent use by members of the community
- Providing parks, trails and amenities to create a strong sense of community
- Strengthening the Town’s identity by providing cohesive marketing, branding and collateral for all Town departments

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Communications & Marketing	5.00	4.00	4.00	4.00	4.00
Recreation Programs	6.17	7.42	8.71	8.71	8.71
Department FTE*	11.17	11.42	12.71	12.71	12.71

*FTE includes only positions budgeted in the department; positions that have functional reporting only and shared positions are not included.

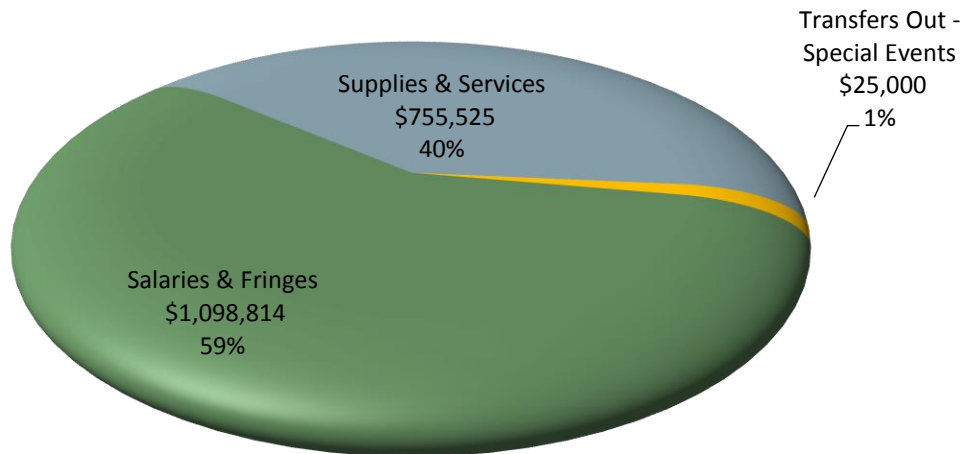
FTE Changes

Recreational seasonal staffing was increased in FY 2015/16 in response to the growth of recreation programs and to provide promotional outreach at local event/programs. Staffing will remain consistent for FY 2017/18.



Communications, Marketing & Recreation

Communications, Marketing & Recreation Services FY 17/18 Adopted Budget \$1.9M



Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 719,339	\$ 841,187	\$ 1,004,017	\$ 1,045,337	\$ 1,098,814	\$ 53,477	5%
Supplies & Services	\$ 525,302	\$ 634,959	\$ 673,522	\$ 674,064	\$ 755,525	\$ 81,461	12%
Operating Projects	\$ -	\$ -	\$ -	\$ 345,000	\$ -	\$ (345,000)	(100%)
Subtotal Expenses	\$ 1,244,641	\$ 1,476,146	\$ 1,677,539	\$ 2,064,401	\$ 1,854,339	\$ (210,062)	(10%)
Transfers Out - Special Events		\$ 10,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	0%
Department Total	\$ 1,244,641	\$ 1,486,146	\$ 1,702,539	\$ 2,089,401	\$ 1,879,339	\$ (210,062)	(10%)
		\$ Change from Prior	\$ 241,505	\$ 216,393	\$ 386,862	\$ (210,062)	
		% Change from Prior	19%	15%	23%	(10%)	

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Communications & Marketing	\$ 630,605	\$ 742,675	\$ 801,983	\$ 1,138,011	\$ 923,290	\$ (214,721)	(19%)
Recreation Services	\$ 614,036	\$ 743,471	\$ 900,556	\$ 951,390	\$ 956,049	\$ 4,659	0%
Department Total	\$ 1,244,641	\$ 1,486,146	\$ 1,702,539	\$ 2,089,401	\$ 1,879,339	\$ (210,062)	(10%)
		\$ Change from Prior	\$ 241,505	\$ 216,393	\$ 386,862	\$ (210,062)	
		% Change from Prior	19%	15%	23%	(10%)	



CMR – Communications & Marketing

Operating Expenditures – Communications & Marketing

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 363,142	\$ 364,169	\$ 433,106	\$ 438,432	\$ 477,710	\$ 39,278	9%
Supplies & Services	\$ 267,463	\$ 378,506	\$ 368,877	\$ 354,579	\$ 445,580	\$ 91,001	26%
Operating Projects	\$ -	\$ -	\$ -	\$ 345,000	\$ -	\$ (345,000)	(100%)
Division Total	\$ 630,605	\$ 742,675	\$ 801,983	\$ 1,138,011	\$ 923,290	\$ (214,721)	(19%)
	\$ Change from Prior	\$ 112,070	\$ 59,309	\$ 336,028	\$ (214,721)		
	% Change from Prior	18%	8%	42%	(19%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The printing and marketing line items combined account for \$265K (or 60%) of the \$445K supplies and services budgeted in this division.

Increase in supplies and services is the result of adding funding of \$50K for an update to the Town’s web site, as well as \$25K for the biennial citizen survey. The printing budget reflects an increase as staff anticipates additional communication materials related to the General Plan, public information (voting), and a community outreach campaign (\$18K). To account for the additional communication outreach to residents a \$3K increase has been included in the postage line item. Due to increasing digital storage needs and digital archival mandates, the subscription fee line will increase \$7K in FY17/18, which is offset by decreases in minor equipment. While the overall minor equipment line has decreased, this department maintains an on-going need for updated equipment involving cameras, microphones, and video recording devices.

Operating Projects:

There is a municipal signage project in the Revised FY 2016/17 budget that is not in FY 2017/18 which is creating the variance in this category, and is creating an overall decrease for this division.



CMR – Communications & Marketing

Program Performance – Communications & Marketing

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Community Involvement Image & Identity	Percentage of residents rating effectiveness of Town communication as “good” or “excellent” ¹	85%	85%	Next Survey Fall 2017	85%
	Number of impressions generated by earned media directed at Queen Creek through the Visit Mesa marketing program ²	N/A	60 Million	60 Million	60 Million
	Website activity on VisitMesa.com featuring town of Queen Creek product and / or content ³	N/A	45,000	45,000	45,000

Analysis of Performance

1. Complete results of the 2016 biennial citizen survey can be found at QueenCreek.org ([2016 Survey](#)) It is the Town's practice to conduct a biennial survey by a third party. The survey dates have changed to being conducted every 18 months. The next survey is scheduled for Fall 2017.
2. New measure in FY 2017/18; data for FY 2015/16 is unavailable. This measure is based on the marketing efforts of Visit Mesa centered on Queen Creek and is reported annually via the Town's contract with Visit Mesa.
3. New measure in FY2017/18; data for FY 2015/16 is unavailable. This measures reflects the number of clicks (traffic) onto pages containing Queen Creek content on VisitMesa.com.



CMR – Recreation Services

Program Operating Budget – Recreation Services

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 356,197	\$ 477,018	\$ 570,911	\$ 606,905	\$ 621,104	\$ 14,199	2%
Supplies & Services	\$ 257,839	\$ 256,454	\$ 304,645	\$ 319,485	\$ 309,945	\$ (9,540)	(3%)
Subtotal Expenses	\$ 614,036	\$ 733,471	\$ 875,556	\$ 926,390	\$ 931,049	\$ 4,659	1%
Transfers Out - Special Events	\$ -	\$ 10,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	0%
Division Total	\$ 614,036	\$ 743,471	\$ 900,556	\$ 951,390	\$ 956,049	\$ 4,659	0%
	\$ Change from Prior	\$ 129,435	\$ 157,085	\$ 50,834	\$ 4,659		
	% Change from Prior	21%	21%	6%	0%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The largest line item budget in this category is for contracted class instructors, accounting for \$185K or 60% of the \$309K budget. The next largest line item in this category is for the Boys and Girls Club support at \$50K. The decrease in this category is due to a realignment of the contracted class expenses (\$19K), but is offset by expenses for improvements and maintenance related to a donated Christmas tree (\$8K). Online recreation registrations through ActiveNet continue to trend higher, resulting in increased processing fees associated with additional registrations; the FY 2017/18 budget has been adjusted by 10% (\$2K) to reflect the upward trend of recreation registrations.



CMR – Recreation Services

Program Performance – Recreation Services

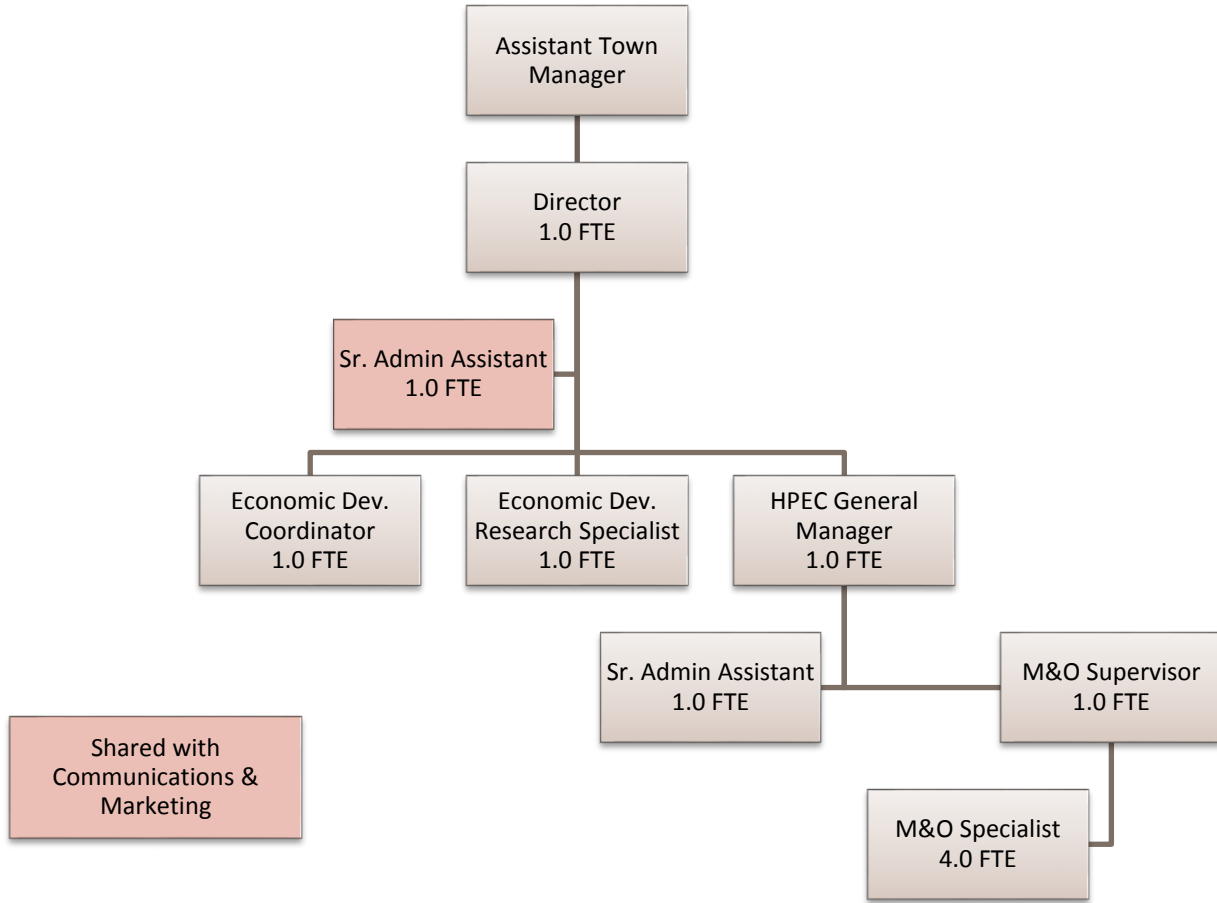
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Community Involvement	Percentage of residents rating opportunities and service related to community parks and recreation services as “good” or “excellent” ¹	86%	87%	Next Survey Fall 2017	88%
	Total number of Special Interest Class (SIC) participants	4,566	4,750	4,736	4,800
Image & Identity	Percentage of recreation program users rating overall satisfaction with quality of program as “good” or better	89%	98%	90%	92%
Financial Management & Internal Services & Sustainability	Percentage of special event process participants rating the process as “good” or “excellent” ²	N/A	85%	85%	90%

Analysis of Performance

1. Complete results of the 2016 biennial citizen survey can be found at QueenCreek.org ([2016 Survey](#)) It is the Town's practice to conduct a biennial survey by a 3rd party. The survey dates have changed to being conducted every 18 months. The next survey is scheduled for Fall 2017.
2. New measure for FY 2017/18: all special event process participants will be surveyed to provide their input and suggestions.



Economic Development



Department Description and Programs

The Economic Development Department consists of two divisions: Economic Development and Horseshoe Park and Equestrian Centre (HPEC). The Economic Development Division is responsible for business attraction, retention and expansion, as well as the promotion of opportunities available for private investment in the community.

The HPEC division is responsible for the management of HPEC, including event planning and coordination, promoter relations and facility maintenance.

Department Mission

The goal of the Economic Development Department is to provide for the long-term economic sustainability of community through a comprehensive and coordinated program of economic development, which includes business attraction, retention and expansion; event development and tourism activities.



Economic Development

Strategic Priorities

Secure Future



Quality Lifestyle



FY 2017/18 Objectives

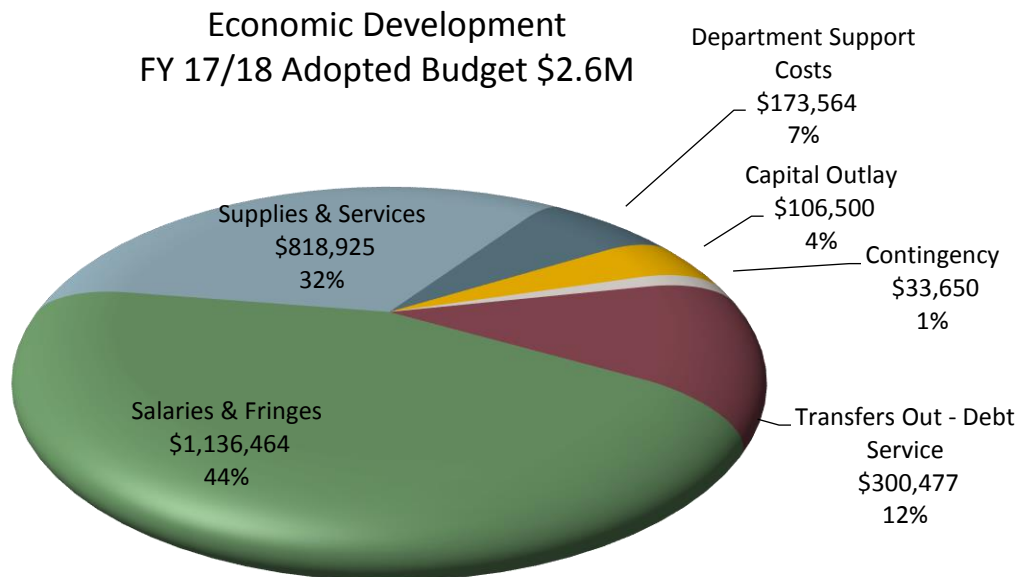
- Leverage partnerships to encourage tourism
- Implement the adopted Economic Development Strategic Plan
- Enhance opportunities for business success and the Town as a premier investment choice within the region

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Economic Development	4.00	6.00	5.00	5.00	4.00
Horseshoe Park Equestrian Centre	7.00	7.00	7.00	7.00	7.00
Department FTE	11.00	13.00	12.00	12.00	11.00

FTE Changes

Staffing levels for FY 2017/18 are unchanged. Prior year changes are the result of a reorganization with one staff member moving to the Finance Department in FY 2016/17 and one staff member moving to Public Works in FY 2015/16.





Economic Development

Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 878,005	\$ 1,142,885	\$ 1,147,184	\$ 1,185,287	\$ 1,136,464	\$ (48,823)	(4%)
Supplies & Services	\$ 630,481	\$ 631,633	\$ 737,238	\$ 764,481	\$ 818,925	\$ 54,444	7%
Department Support Costs	\$ 119,632	\$ 135,008	\$ 167,248	\$ 174,114	\$ 173,564	\$ (550)	(0%)
Capital Outlay	\$ 4,329	\$ 5,151	\$ 146,854	\$ 154,229	\$ 106,500	\$ (47,729)	(31%)
Contingency	\$ -	\$ -	\$ -	\$ 31,600	\$ 33,650	\$ 2,050	6%
Subtotal Expenses	\$ 1,632,446	\$ 1,914,678	\$ 2,198,524	\$ 2,309,711	\$ 2,269,103	\$ (40,608)	(2%)
Transfers Out - Debt Service	\$ -	\$ 338,794	\$ 340,750	\$ 338,793	\$ 300,477	\$ (38,316)	(11%)
Department Total	\$ 1,632,446	\$ 2,253,472	\$ 2,539,274	\$ 2,648,504	\$ 2,569,580	\$ (78,924)	(3%)
	\$ Change from Prior	\$ 621,026	\$ 285,802	\$ 109,230	\$ (78,924)		
	% Change from Prior	38%	13%	4%	(3%)		

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Economic Development	\$ 580,519	\$ 849,075	\$ 885,117	\$ 898,901	\$ 840,210	\$ (58,691)	(7%)
Horseshoe Park Equestrian Center	\$ 1,051,928	\$ 1,404,398	\$ 1,654,157	\$ 1,749,603	\$ 1,729,370	\$ (20,233)	(1%)
Department Total	\$ 1,632,446	\$ 2,253,472	\$ 2,539,274	\$ 2,648,504	\$ 2,569,580	\$ (78,924)	(3%)
	\$ Change from Prior	\$ 621,026	\$ 285,802	\$ 109,230	\$ (78,924)		
	% Change from Prior	38%	13%	4%	(3%)		

Expenditure by Fund

Fund	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Economic Development	\$ 580,519	\$ 849,075	\$ 885,117	\$ 898,901	\$ 840,210	\$ (58,691)	(7%)
Horseshoe Park Equestrian Center	\$ 1,051,928	\$ 1,404,398	\$ 1,654,157	\$ 1,749,603	\$ 1,729,370	\$ (20,233)	(1%)
Department Total	\$ 1,632,446	\$ 2,253,472	\$ 2,539,274	\$ 2,648,504	\$ 2,569,580	\$ (78,924)	(3%)
	\$ Change from Prior	\$ 621,026	\$ 285,802	\$ 109,230	\$ (78,924)		
	% Change from Prior	38%	13%	4%	(3%)		



Economic Development

Operating Expenditures – Economic Development

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 369,047	\$ 585,787	\$ 552,047	\$ 573,586	\$ 497,645	\$ (75,941)	(13%)
Supplies & Services	\$ 211,471	\$ 263,288	\$ 333,070	\$ 325,315	\$ 342,565	\$ 17,250	5%
Division Total	\$ 580,519	\$ 849,075	\$ 885,117	\$ 898,901	\$ 840,210	\$ (58,691)	(7%)
	\$ Change from Prior	\$ 268,556	\$ 36,042	\$ 13,784	\$ (58,691)		
	% Change from Prior	46%	4%	2%	(7%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The decrease in this category is the result of transferring a Sr. Financial Services Analyst to the Budget office.

Supplies & Services:

The three largest line items in the supplies and service budget are for supporting the Queen Creek Performing Arts Center (\$135K), the Queen Creek Chamber of Commerce (\$75K), and the Festival Partnership Program (\$50K). Together these account for \$260K, or 76% of the \$343K supplies and service budget, and remain unchanged from FY 2016/17.

The overall increase to the supplies and service budget for Economic Development can be attributed an increase in membership fees for a new membership in AZ Bio (\$4K), and a full year of membership budget is now in place for Canadian Arizona Business Council (\$5K). Additionally, increased subscription expenses (\$10K) reflect the recent addition of Exceligent and Salesforce technologies specific for tracking economic development leads and land inventory. These increases were slightly offset by a decrease to the training budget of \$2K.



Economic Development

Program Performance – Economic Development

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Community Involvement	Number of staff-assisted locates, staff-assisted business expansion and staff-assisted business retention special projects ¹	47	35	35	45
Image & Identity	Average weekly users of Gangplank Program ²	11	10	10	13
Land Use & Economic Development	Percentage increase in sales tax revenue ³	11%	10%	7%	6%

Analysis of Performance

1. This includes the number of total prospects, including GPEC RFIs, staff assisted business expansion and retention projects.
2. Number of average weekly users of Gangplank Program. These numbers do not include weekly Hacknight attendance or any other special programs that Gangplank hosts outside the hours of 8am-5pm, Mon-Fri.
3. Sales tax revenue is highly dependent on the larger Arizona economy. The target and actual are based on year over year increases in sales tax collections within the following Economic Development categories:
 - Retail Trade
 - Wholesale Trade
 - Restaurants & Bars
 - Manufacturing
 - Hotels & Other Lodging/Accommodations
 - Services
 - Arts & Entertainment



Economic Development - HPEC

Operating Expenditures – Horseshoe Park & Equestrian Center (HPEC)

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 508,957	\$ 557,099	\$ 595,137	\$ 611,701	\$ 638,819	\$ 27,118	4%
Supplies & Services	\$ 419,010	\$ 368,345	\$ 404,168	\$ 439,166	\$ 476,360	\$ 37,194	8%
Department Support Costs	\$ 119,632	\$ 135,008	\$ 167,248	\$ 174,114	\$ 173,564	\$ (550)	(0%)
Capital Outlay	\$ 4,329	\$ 5,151	\$ 146,854	\$ 154,229	\$ 106,500	\$ (47,729)	(31%)
Contingency	\$ -	\$ -	\$ -	\$ 31,600	\$ 33,650	\$ 2,050	6%
Subtotal Expenses	\$ 1,051,928	\$ 1,065,604	\$ 1,313,407	\$ 1,410,810	\$ 1,428,893	\$ 18,083	1%
Transfers Out - Debt Service	\$ -	\$ 338,794	\$ 340,750	\$ 338,793	\$ 300,477	\$ (38,316)	(11%)
Division Total	\$ 1,051,928	\$ 1,404,398	\$ 1,654,157	\$ 1,749,603	\$ 1,729,370	\$ (20,233)	(1%)
	\$ Change from Prior	\$ 352,470	\$ 249,760	\$ 95,446	\$ (20,233)		
	% Change from Prior	34%	18%	6%	(1%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

Utilities (\$95K), stall supplies (\$75K), and arena maintenance (\$45K) account for \$215K (or 47%) of HPEC's supplies and services budget.

Increases to the supplies and service budget is a result of maintenance and repairs that have been identified at the park that will be addressed within the next 12 months. Arena #1 and #4 repairs (\$15K) have been noted for FY 2017/18, as well as an anticipated increase in fleet maintenance costs (\$15K) and HVAC repairs (\$4K). An increase to the stall bedding budget (\$10K) is in response to their expected heavier traffic and facility usage. Due to legislative changes increasing the Arizona minimum wage, it is estimated that general services (temporary labor) can expect a 24% increase in expenses, resulting in a \$15K increase to this budget. A thorough review of historical budget to actual expenses resulted in a decreases of \$23K in areas such as equipment purchases (\$2K), sponsorship expenses (\$8K), marketing (\$9K) and landscape supplies (\$4K), which is offsetting the increases identified above.

Support Costs:

Support Costs (overhead) are the charges from the General Fund for services such as Human Resources, Finance, Payroll, Information Technology, Town Manager and Town Clerk.

Capital Outlay:

The FY 2017/18 budget includes \$100K in annual funding to address significant park repair and replacement needs.

Contingency:

Since HPEC operates in its own fund, a separate contingency is included in this budget. Originally established at a flat amount of \$50K, to be consistent with other operating funds, it has now been recalibrated to equate to 3% of operating expenditures, and is adjusted annually.



Economic Development - HPEC

Program Performance – Horseshoe Park & Equestrian Center

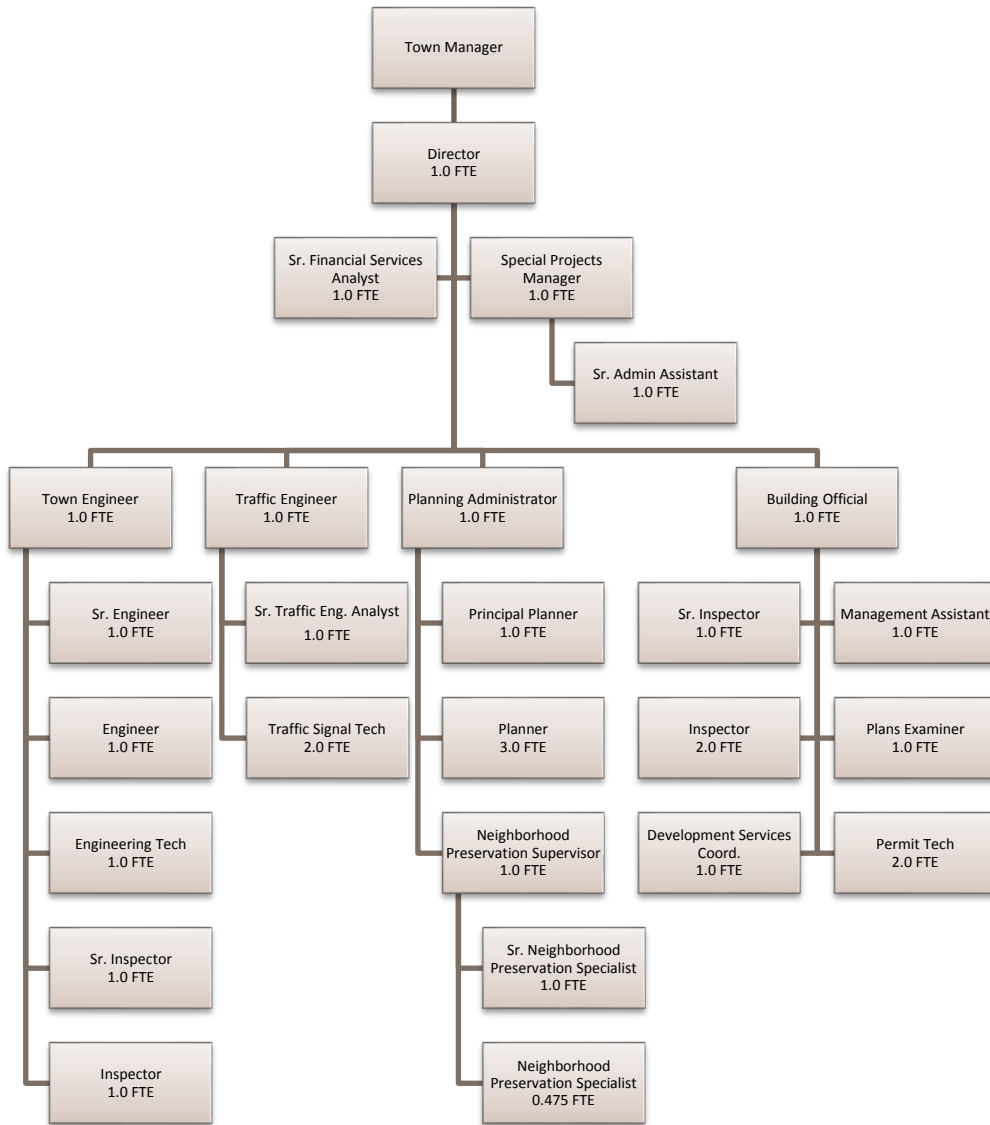
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Community Involvement	Number of HPEC event days ¹ - Equestrian Driven	240	250	250	252
Image & Identity	Number of HPEC event days – Non-Equestrian Driven ¹	93	100	97	102

Analysis of Performance

1. Each day of each event is counted as one event day. Example: If there are 3 different equestrian events on one day, each will count as one event day. If an event runs for 4 days, each day is counted as an event day
2. The projected 2015-2016 totals are based on the current events on the calendar. The Food Truck Festival was moved from HPEC to the Library, which impacted the non-equestrian event days.



Development Services



Department Description and Programs

The Development Services Department provides current and long-range planning programs, along with building safety and inspection, code enforcement, engineering, and traffic. The department executes directives from the Town Manager and Council for the benefit of the Town’s residents, businesses and visitors.

Department Mission

Development Services serves the Queen Creek community by planning and administering land use, transportation, housing, and economic development opportunities. Development Services works to encourage investment in the community by providing excellent services oriented towards sustaining and creating a community with a high quality of life and environmental benefits for all.



Development Services

Strategic Priorities

Effective Government



Superior Infrastructure



Quality Lifestyle



FY 2017/18 Objectives

- Plan for an economically sustainable build-out
- Evaluate possible policy options to allow for annexation of strategic lands within the planning area
- Initiate updates to the Queen Creek General Plan and execute the Plan; notably, Box Canyon, northeast and southeast quadrants
- Implement infrastructure plan for the Town’s employment areas and the 5.5 square miles of state land
- Support arts and culture by completing a process to recommend revisions to the Town’s art in private development (AIPD)
- Complete the Town’s first comprehensive Transportation Master Plan
- Complete the roll-out of electronic plan review and online permitting system
- Update the Development Services fee schedule by completing a comprehensive benchmark study and recommend revisions to Town’s development-related fees
- Support Town efforts in planning and expanding parks, trails and publicly accessible open spaces in the community

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Development Services Admin	4.00	4.00	4.00	4.00	4.00
Planning	5.00	5.00	5.00	5.00	5.00
Traffic	3.00	3.00	3.00	3.00	4.00
Engineering	4.50	5.00	5.00	5.00	6.00
Building Safety	10.00	10.00	10.00	9.00	9.00
Neighborhood Preservation	1.95	1.95	2.48	2.48	2.48
Department FTE	28.45	28.95	29.48	28.48	30.48

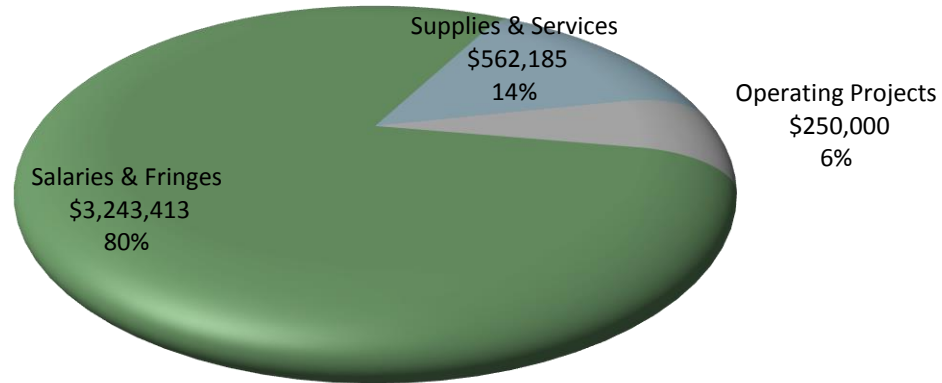
FTE Changes

The FY 2017/18 Recommended Budget includes an increase of 2.0 FTE. The increases are reflecting the Town’s increasing population and workload associated with growth. Within the Traffic division, a second Signal Technician has been added. This position will facilitate the implementation and maintenance of Town traffic signals necessitated by the increasingly growing number of signals within the Town. A new Engineering Technician is included in the Engineering division. The new technician will absorb a substantial portion of intermediate engineering work stemming from various projects, freeing credentialed engineering staff to focus on more advanced subject matter.



Development Services

Development Services FY 17/18 Adopted Budget \$4.1M



Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 2,282,734	\$ 2,497,756	\$ 2,861,883	\$ 2,988,034	\$ 3,243,413	\$ 255,379	9%
Supplies & Services	\$ 496,439	\$ 419,447	\$ 374,645	\$ 892,972	\$ 562,185	\$ (330,787)	(37%)
Operating Projects	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	N/A
Department Total	\$ 2,779,173	\$ 2,917,204	\$ 3,236,528	\$ 3,881,006	\$ 4,055,598	\$ 174,592	4%
		\$ Change from Prior	\$ 138,031	\$ 319,324	\$ 644,478	\$ 174,592	
		% Change from Prior	5%	11%	20%	4%	

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Development Services Admin	\$ 482,851	\$ 463,391	\$ 507,395	\$ 543,890	\$ 550,228	\$ 6,338	1%
Traffic	\$ 293,594	\$ 437,847	\$ 543,492	\$ 790,011	\$ 987,699	\$ 197,688	25%
Planning	\$ 503,097	\$ 583,036	\$ 606,748	\$ 823,258	\$ 684,793	\$ (138,465)	(17%)
Building Safety	\$ 862,703	\$ 783,424	\$ 849,637	\$ 914,488	\$ 899,052	\$ (15,436)	(2%)
Engineering	\$ 494,596	\$ 519,053	\$ 553,731	\$ 611,516	\$ 700,055	\$ 88,539	14%
Neighborhood Preservation	\$ 142,331	\$ 130,453	\$ 175,526	\$ 197,843	\$ 233,771	\$ 35,928	18%
Department Total	\$ 2,779,173	\$ 2,917,204	\$ 3,236,528	\$ 3,881,006	\$ 4,055,598	\$ 174,592	4%
		\$ Change from Prior	\$ 138,031	\$ 319,324	\$ 644,478	\$ 174,592	
		% Change from Prior	5%	11%	20%	4%	



Development Services -Admin

Operating Expenditures – Development Services Admin

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 433,372	\$ 437,721	\$ 492,663	\$ 510,190	\$ 524,028	\$ 13,838	3%
Supplies & Services	\$ 49,479	\$ 25,670	\$ 14,732	\$ 33,700	\$ 26,200	\$ (7,500)	(22%)
Division Total	\$ 482,851	\$ 463,391	\$ 507,395	\$ 543,890	\$ 550,228	\$ 6,338	1%
	\$ Change from Prior	\$ (19,460)	\$ 44,004	\$ 36,495	\$ 6,338		
	% Change from Prior	(4%)	9%	7%	1%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The FY 2016/17 budget included one-time costs of \$13K to implement off-site storage which has been removed from the FY 2017/18 budget and has been replaced with the ongoing off-site storage costs of \$5K, creating the \$8K savings. No other budgets have changed in this category.

Program Performance – Development Services Admin

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Land Use & Economic Development	Percentage of citizens ranking the overall quality of new development in Queen Creek as “Good” to “Excellent” ¹	84%	80%	Next Survey Fall 2017	80%
Capital Improvement Program	Percentage of citizens ranking the overall appearance of Queen Creek roads, parks, trails, and public facilities as “Good” to “Excellent” ¹	86%	80%	Next Survey Fall 2017	80%
Financial Management	Valuation of New Projects - Commercial/Industrial ²	\$32,483,854	\$45,000,000	\$45,000,000	\$40,000,000
	Valuation of New Projects – Residential ^{2&3}	\$399,870,272	\$360,000,000	\$400,000,000	\$380,000,000

Analysis of Performance

1. Complete results of the 2016 biennial citizen survey can be found at QueenCreek.org ([2016 Survey](#)) It is the Town's practice to conduct a biennial survey 3rd party. The survey is now conducted every 18 months. The next survey is scheduled for Fall 2017.
2. Valuation data represents the total dollar valuation of private development work permitted in the Town. This includes new buildings, remodeling, alterations, repairs, tenant improvements and miscellaneous structures on residential and commercial properties. Valuations are determined using rate tables published by the International Code Council and adopted annually by the Town.
3. Lower total valuation of residential projects is reflective of the transition to slightly smaller homes built at a higher density. This results in lower per home project valuations.



Development Services - Traffic

Operating Expenditures - Traffic

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 216,600	\$ 293,401	\$ 336,089	\$ 346,814	\$ 425,389	\$ 78,575	23%
Supplies & Services	\$ 76,995	\$ 144,445	\$ 207,403	\$ 443,197	\$ 312,310	\$ (130,887)	(30%)
Operating Projects	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	N/A
Division Total	\$ 293,594	\$ 437,847	\$ 543,492	\$ 790,011	\$ 987,699	\$ 197,688	25%
	\$ Change from Prior	\$ 144,252	\$ 105,645	\$ 246,519	\$ 197,688		
	% Change from Prior	49%	24%	45%	25%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. Salaries and benefits for a new Signal Technician are also included.

Supplies & Services:

The maintenance and repair budget for signals, signage, and accident related incidents accounts for \$220K, which is 71% of the \$309K budget for this category.

Overall, this category has been reduced by 30% as a result of one time budgets in FY 2016/17 being removed for FY 2017/18. These one-time budgets were for school safety zone upgrades (\$43K), traffic signal backup battery systems (\$53K), the corridor safety analysis (\$9K), traffic signal and ITS maintenance (\$16K), and traffic accident repairs (\$16K). In addition, grant application assistance of \$24K has been removed from the budget, the budget for traffic impact studies has been reduced by \$2K, and \$32K was included for an update to the pavement markings standard for FY 2017/18. The budget also includes a reduction in memberships and training to bring those more in line with historical spending.

Operating Projects:

Expenditure authority has been included in FY 2017/18 as a placeholder for the potential installation of a traffic control signal monitoring system for crash avoidance technology (red light running).



Development Services - Traffic

Program Performance - Traffic

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Capital Improvement Plan	Percentage of residents rating the overall traffic speeds and flow within the Town as "Good" to "Excellent" ¹	42%	65%	Next Survey Fall 2017	65%
	Town-wide level of service: A – F ²	Next LOS evaluation in FY17/18	Next LOS evaluation in FY17/18	Next LOS evaluation in FY17/18	D
	Level of service at intersection at Ellsworth Loop at Rittenhouse Rd: A – F	Next LOS evaluation in FY17/18	AM Peak: D PM Peak: D	Next LOS evaluation in FY17/18	AM Peak: D PM Peak: D
	Level of service at intersection at Ellsworth Loop Rd at Ocotillo Rd: A - F	Next LOS evaluation in FY17/18	AM Peak: C PM Peak: C	Next LOS evaluation in FY17/18	AM Peak: C PM Peak: C
	Level of service at intersection at Rittenhouse Rd at Ocotillo Rd: A - F	Next LOS evaluation in FY17/18	AM Peak: C PM Peak: D	Next LOS evaluation in FY17/18	AM Peak: C PM Peak: D
	Level of service at intersection at 188 St and Germann Rd: A - F	Next LOS evaluation in FY17/18	AM Peak: B PM Peak: B	Next LOS evaluation in FY17/18	AM Peak: B PM Peak: B
	Level of service at intersection at Rittenhouse Rd and Germann Rd: A - F	Next LOS evaluation in FY17/18	AM Peak: B PM Peak: C	Next LOS evaluation in FY17/18	AM Peak: B PM Peak: C

Analysis of Performance

1. Complete results of the 2016 biennial citizen survey can be found at QueenCreek.org ([2016 Survey](#)) It is the Town's practice to conduct a biennial survey third party. The next survey is scheduled for Fall 2017.
2. The level of service of an intersection is scored on a grading-type scale of "A" through "F" and is limited to major intersections in the Town. A level of service of "D" or better is acceptable given the increase of traffic volume and other variables that affect the quality of the traffic flow.



Development Services - Planning

Operating Expenditures - Planning

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 359,912	\$ 423,788	\$ 545,319	\$ 565,483	\$ 588,423	\$ 22,940	4%
Supplies & Services	\$ 143,185	\$ 159,248	\$ 61,428	\$ 257,775	\$ 96,370	\$ (161,405)	(63%)
Division Total	\$ 503,097	\$ 583,036	\$ 606,748	\$ 823,258	\$ 684,793	\$ (138,465)	(17%)
	\$ Change from Prior	\$ 79,938	\$ 23,712	\$ 216,510	\$ (138,465)		
	% Change from Prior	16%	4%	36%	(17%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The decrease in supplies and services is caused by \$200K in carry-forward included in the FY 2016/17 revised budget related to the General Plan update that has been removed from the FY 2017/18 base. These reductions were offset by an increase in contracted services of \$33K for the conversion of historical records to digital format, along with small increases to membership fees and dues related to professional memberships, and commission and committee support.

Program Performance - Planning

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Land Use & Economic Development	Average number of days from plan submittal to pre-application meeting ¹	12 days	11 days	12 days	14 days
	Percentage of Planning construction plan reviews completed within established timeframes ²	90%	100%	100%	100%
	Percentage of Planning case reviews completed within established timeframes ³	100%	100%	100%	100%
	Percentage of Planning inspections completed within established timeframes ⁴	100%	100%	100%	100%

Analysis of Performance

1. Increase is due to an increasing workload. As the Accela permitting and planning tool becomes fully functional, the technology efficiency should have a positive impact on this measure.
2. Established timeframe is 4-15 calendar days.
3. Established timeframe is 15 calendar days.
4. Established timeframe is 3 calendar days.



Development Services – Building Safety

Operating Expenditures – Building Safety

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 674,087	\$ 737,578	\$ 795,123	\$ 825,098	\$ 835,142	\$ 10,044	1%
Supplies & Services	\$ 188,616	\$ 45,847	\$ 54,514	\$ 89,390	\$ 63,910	\$ (25,480)	(29%)
Division Total	\$ 862,703	\$ 783,424	\$ 849,637	\$ 914,488	\$ 899,052	\$ (15,436)	(2%)
	\$ Change from Prior	\$ (79,279)	\$ 66,213	\$ 64,851	\$ (15,436)		
	% Change from Prior	(9%)	8%	8%	(2%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The smaller than anticipated increase in this category is the result of a vacant FTE being budgeted at a lower level than the previous incumbent.

Supplies & Services:

The largest line item in this category is for contracted services for on-going, as-needed building inspections, permitting, and plan review services budgeted at \$50K for FY 2017/18, which is a reduction of \$25K from FY 2016/17. The remaining variance is the result of realigning some accounts to match the budget to historical actuals.

Program Performance – Building Safety

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Land Use & Economic Development	Building Safety: Percentage of building permits processed in 5 days or less from plan review completion to applicant notification	100%	100%	100%	100%
	Building Safety: Percentage of Inspections completed within established timeframes ¹	100%	100%	100%	100%

Analysis of Performance

1. Established timeframe is by the end of the next business day after the requested inspection.



Development Services – Engineering

Operating Expenditures – Engineering

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 467,060	\$ 482,709	\$ 524,481	\$ 565,706	\$ 658,070	\$ 92,364	16%
Supplies & Services	\$ 27,535	\$ 36,344	\$ 29,250	\$ 45,810	\$ 41,985	\$ (3,825)	(8%)
Division Total	\$ 494,596	\$ 519,053	\$ 553,731	\$ 611,516	\$ 700,055	\$ 88,539	14%
	\$ Change from Prior	\$ 24,457	\$ 34,678	\$ 57,785	\$ 88,539		
	% Change from Prior	5%	7%	10%	14%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. A new Engineering Technician has been added to the budget, creating the additional increase.

Supplies & Services:

For FY 2017/18, the supplies and services category had a slight increase of \$1,325 related to staff’s professional development, additional Wi-Fi services, printing, and tools and equipment utilized by field staff. These increases were offset with minor reductions in other line items within this category.

Program Performance – Engineering

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Land Use & Economic Development	Percentage of Engineering construction plan reviews completed within established timeframes ¹	100%	100%	100%	100%
	Percentage of encroachment permit requests processed within established timeframes ²	94%	100%	98%	100%
	Percentage of final plat case reviews completed within established timeframes ¹	95%	100%	100%	100%

Analysis of Performance

1. Established timeframe for first review is 21 business days.
2. Established timeframes for street maintenance, construction projects, and private development construction permits is 2-5 business days. Timeframes for general franchise utilities is up to eight business days.



DS – Neighborhood Preservation

Operating Expenditures – Neighborhood Preservation

Division by Category	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Salaries & Fringes	\$ 131,703	\$ 122,560	\$ 168,209	\$ 174,743	\$ 212,361	\$ 37,618	22%
Supplies & Services	\$ 10,628	\$ 7,893	\$ 7,317	\$ 23,100	\$ 21,410	\$ (1,690)	(7%)
Division Total	\$ 142,331	\$ 130,453	\$ 175,526	\$ 197,843	\$ 233,771	\$ 35,928	18%
	\$ Change from Prior	\$ (11,878)	\$ 45,072	\$ 22,317	\$ 35,928		
	% Change from Prior	(8%)	35%	13%	18%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The increase in this category is the result of a Neighborhood Preservation Specialist position being reclassified to a Code Compliance Supervisor.

Supplies & Services:

Minor reductions in line items were made to realign budgets to historical spending.

Program Performance – Neighborhood Preservation

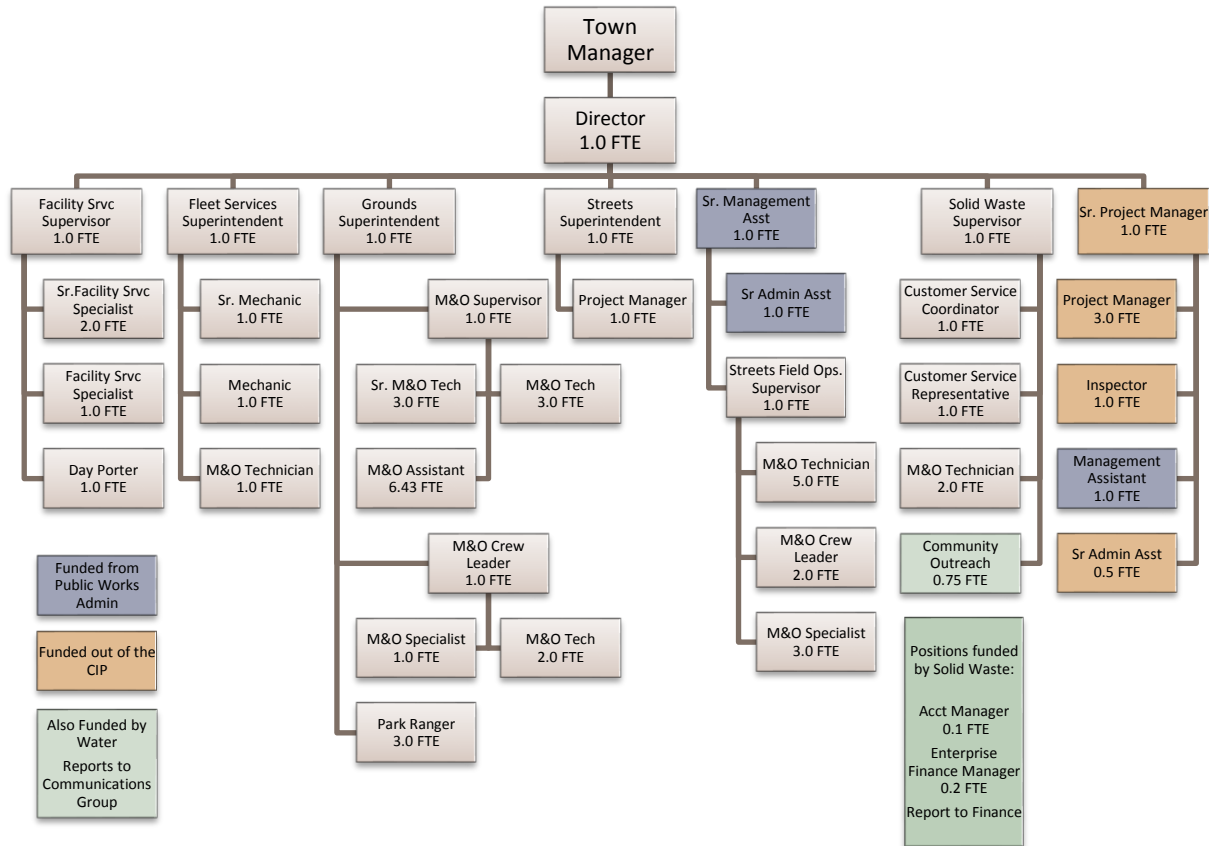
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Land Use & Economic Development	Total number of unique (individual) staff initiated actions completed monthly ¹	74	83	35	85
	Average calendar days between receiving complaint to first investigation ²	1 day or less	1 day or less	1 day or less	1 day or less
	Average number of cases managed per FTE inspector monthly	62	72	56	75

Analysis of Performance

1. This number was reduced for FY 2015/16 and FY 2016/17 to reflect a vacant part time position.
2. Complaints received late Thursday or on Friday may take more than one day to respond to based on Staff weekend work schedules.



Public Works



Department Description

The Public Works Department oversees the maintenance of facilities, fleet, streets, grounds, park rangers and provides solid waste services. The department actively implements the Capital Improvement Program (CIP), the pavement maintenance plans, and maintains public parks and grounds. This department is vital in managing Queen Creek’s rapid growth.

Solid Waste is a contracted program within the Public Works Department. The services provided through Solid Waste are refuse collection, recycling and community outreach. The Solid Waste program is funded by rate payers. The current rate for a residential customer who has one refuse bin and one recycling bin is \$16.22 per month.

Department Mission

To efficiently plan for, contract, operate and maintain all infrastructure, solid waste services, traffic control systems, town buildings, and equipment to provide excellent service, and to enhance the quality of life to the community in a cost-effective manner.



Public Works

Strategic Priorities

Effective Government



Superior Infrastructure



Quality Lifestyle



FY 2017/18 Objectives

- Develop a collaborative Capital Improvement Program (CIP) with the counties and adjacent communities for construction of the regional network of roads
- Annually develop a five-year comprehensive Capital Improvement Program
- Implement infrastructure plan for the Town's employment areas and selected state land
- Review options for establishing a fiber network in Queen Creek
- Ensure public property is welcoming, safe and well-maintained
- Continue to provide quality trash and recycling services while reducing impacts to the environment
- Develop a five-year comprehensive pavement maintenance program to ensure long-term viability of Queen Creek's road infrastructure

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Public Works	5.00	5.00	6.00	4.00	4.00
Facilities Maintenance	3.60	3.60	4.75	4.75	5.00
Fleet Maintenance	3.00	4.00	4.00	4.00	4.00
Street Maintenance	13.20	13.20	13.00	14.00	14.00
Parks & Grounds Maintenance	16.61	19.61	19.61	19.61	18.41
Parks Rangers	-	-	-	-	3.00
Solid Waste	3.78	4.54	4.75	4.75	4.75
CIP- Drainage & Transportation	-	-	-	5.50	5.50
Department FTE	45.19	50.10	52.11	56.61	58.66

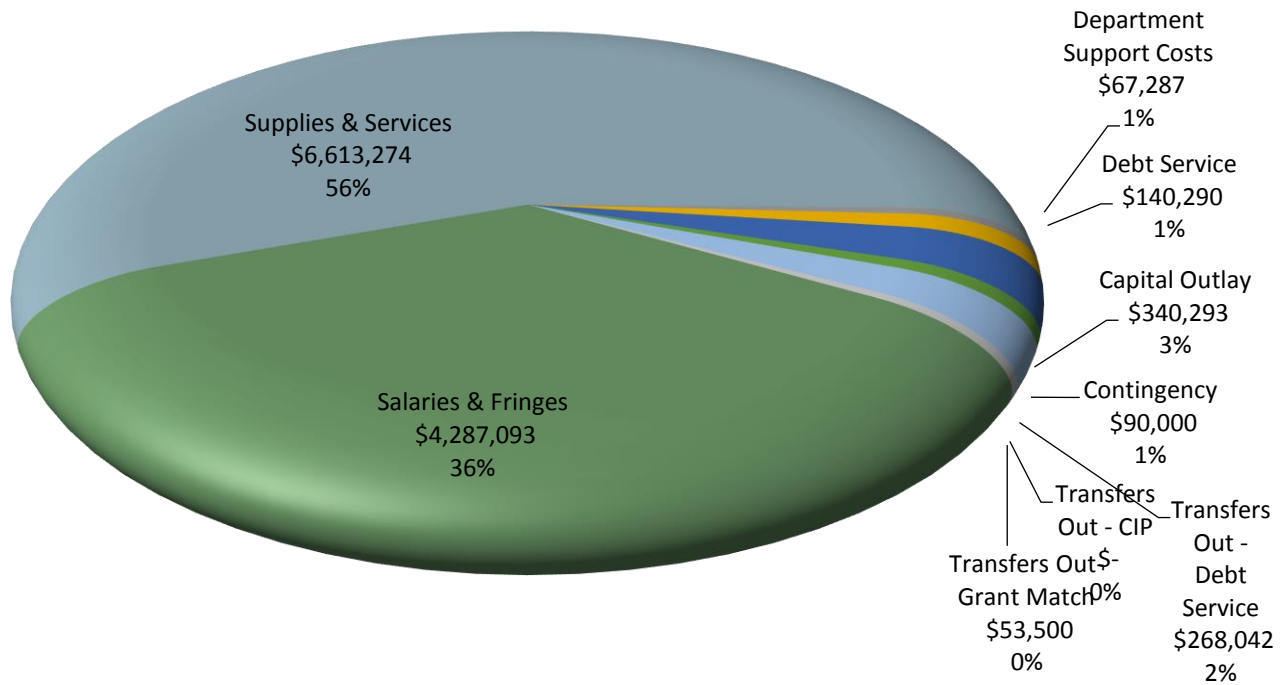
FTE Changes

The FY 2017/18 budget adds 2.05 FTE to the Public Works department. Within Facilities Maintenance, a 0.75 FTE position increased to full-time 1.0 FTE accounting for added custodial needs with the new Municipal Campus. In addition, 1.8 FTE has been added for Parks and Grounds Maintenance to absorb additional demand from new Town facilities and necessary right-of-way maintenance from the completion of various CIP projects. Lastly, a new Parks Rangers division has been created for FY 2017/18, shifting all Park Rangers (3.0 FTE) into their own division from the Parks & Grounds Maintenance Division.



Public Works

Public Works FY 17/18 Adopted Budget \$11.9M



Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 2,752,512	\$ 3,223,535	\$ 3,910,349	\$ 3,953,807	\$ 4,287,093	\$ 333,286	8%
Supplies & Services	\$ 3,065,505	\$ 4,015,837	\$ 4,507,395	\$ 6,541,251	\$ 6,613,274	\$ 72,023	1%
Department Support Costs	\$ 160,541	\$ 45,962	\$ 51,741	\$ 67,215	\$ 67,287	\$ 72	0%
Debt Service	\$ 75,385	\$ 162,467	\$ 146,068	\$ 140,289	\$ 140,290	\$ 1	0%
Capital Outlay	\$ 721,403	\$ 596,870	\$ 529,110	\$ 697,595	\$ 340,293	\$ (357,302)	(51%)
Contingency	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ -	0%
Subtotal Expenses	\$ 6,775,346	\$ 8,044,671	\$ 9,144,663	\$ 11,490,157	\$ 11,538,237	\$ 48,080	0%
Transfers Out - Debt Service	\$ -	\$ 310,330	\$ 310,010	\$ 308,869	\$ 268,042	\$ (40,827)	(13%)
Transfers Out - CIP	\$ -	\$ -	\$ -	\$ 129,700	\$ -	\$ (129,700)	(100%)
Transfers Out-Grant Match	\$ -	\$ -	\$ -	\$ -	\$ 53,500	\$ 53,500	N/A
Department Total	\$ 6,775,346	\$ 8,355,001	\$ 9,454,673	\$ 11,928,726	\$ 11,859,779	\$ (68,947)	(1%)
		\$ Change from Prior	\$ 1,579,654	\$ 1,099,672	\$ 2,474,052	\$ (68,947)	
		% Change from Prior	23%	13%	26%	(1%)	



Public Works

Expenditure by Fund

Fund	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
General Fund	\$ 2,870,101	\$ 3,285,640	\$ 3,636,283	\$ 3,558,608	\$ 4,054,311	\$ 495,703	14%
Streets/HURF	\$ 2,193,435	\$ 3,197,839	\$ 3,710,902	\$ 5,893,846	\$ 5,162,592	\$ (731,254)	(12%)
Solid Waste	\$ 1,711,811	\$ 1,871,521	\$ 2,107,488	\$ 2,605,971	\$ 2,642,876	\$ 36,905	1%
Department Total	\$ 6,775,346	\$ 8,355,001	\$ 9,454,673	\$ 12,058,426	\$ 11,859,779	\$ (198,647)	(2%)
	\$ Change from Prior	\$ 1,579,654	\$ 1,099,672	\$ 2,603,752	\$ (198,647)		
	% Change from Prior	23%	13%	28%	(2%)		

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Public Works Admin	\$ 303,044	\$ 537,081	\$ 722,301	\$ 509,049	\$ 662,764	\$ 153,715	30%
Facilities Maintenance	\$ 428,026	\$ 517,967	\$ 569,682	\$ 667,140	\$ 738,906	\$ 71,766	11%
Fleet Maintenance	\$ 960,889	\$ 837,852	\$ 791,128	\$ 757,965	\$ 854,644	\$ 96,679	13%
Streets & Pavement Maintenance	\$ 2,193,435	\$ 3,197,839	\$ 3,710,902	\$ 5,893,846	\$ 5,162,592	\$ (731,254)	(12%)
Grounds Maintenance	\$ 1,178,142	\$ 1,392,742	\$ 1,553,172	\$ 1,624,454	\$ 1,601,554	\$ (22,900)	(1%)
Parks Rangers	\$ -	\$ -	\$ -	\$ -	\$ 196,443	\$ 196,443	N/A
Solid Waste	\$ 1,711,811	\$ 1,871,521	\$ 2,107,488	\$ 2,605,971	\$ 2,642,876	\$ 36,905	1%
Department Total	\$ 6,775,346	\$ 8,355,001	\$ 9,454,673	\$ 12,058,426	\$ 11,859,779	\$ (198,647)	(2%)
	\$ Change from Prior	\$ 1,579,654	\$ 1,099,672	\$ 2,603,752	\$ (198,647)		
	% Change from Prior	23%	13%	28%	(2%)		

Public Works - Admin

Program Operating Budget - PW Admin

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 293,883	\$ 522,192	\$ 704,987	\$ 493,934	\$ 523,234	\$ 29,300	6%
Supplies & Services	\$ 9,161	\$ 14,888	\$ 17,314	\$ 15,115	\$ 139,530	\$ 124,415	823%
Division Total	\$ 303,044	\$ 537,081	\$ 722,301	\$ 509,049	\$ 662,764	\$ 153,715	30%
	\$ Change from Prior	\$ 234,036	\$ 185,221	\$ (213,252)	\$ 153,715		
	% Change from Prior	77%	34%	(30%)	30%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. Estimated vacation payouts for longer tenured employees is included as well, creating the additional variance.

Supplies & Services:

The increase in this category in FY 2017/18 is for building demolition expenses for properties to be vacated when the new Municipal Campus buildings are completed.



Public Works - Admin

Program Performance - PW Admin

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Capital Improvement Program	Percent of citizens ranking the overall appearance of Queen Creek roads, parks, trails and public facilities as “Good “ to “Excellent” (shared measure with Construction & Regulatory Compliance) ¹	82%	80%	Next Survey Fall 2017	80%
	Percent of design and construction contracts not exceeding 10% of bid award amount	95%	95%	95%	95%
	Percent of Town projects completed per adopted contractors construction schedule (excluding unforeseen delays)	95%	95%	100%	95%

Analysis of Performance

1. Complete results of the 2016 biennial citizen survey can be found at QueenCreek.org ([2016 Survey](#)) It is the Town's practice to conduct a biennial survey by a third party. The next survey is scheduled for Fall 2017.



Public Works – Facilities Maintenance

Program Operating Budget - Facilities Maintenance

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 236,321	\$ 228,742	\$ 329,602	\$ 325,614	\$ 365,821	\$ 40,207	12%
Supplies & Services	\$ 191,705	\$ 289,225	\$ 240,080	\$ 341,526	\$ 373,085	\$ 31,559	9%
Division Total	\$ 428,026	\$ 517,967	\$ 569,682	\$ 667,140	\$ 738,906	\$ 71,766	11%
	\$ Change from Prior	\$ 89,941	\$ 51,715	\$ 97,458	\$ 71,766		
	% Change from Prior	21%	10%	17%	11%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. Also, a part-time position has been converted from 0.75 FTE to 1.0 FTE to account for increased custodial demands as new Town facilities are completed and require service.

Supplies & Services:

The largest line item in this category is for the custodial contract, budgeted at \$144,500 for FY 2017/18. Repair and maintenance accounts for \$137K of the budget in this category. The increase in supplies and services is driven by additional costs for the newly completed Public Safety Administration and Community Chambers building (\$29K).

Program Performance - Facilities Maintenance

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Financial Management	Repair and maintenance expenditures per square foot: all facilities (total, in-house and contractual) ¹	\$2.61	\$3.03	\$2.67	\$2.83
	Custodial expenditures per square foot: all facilities (total, in-house and contractual) ¹	\$1.45	\$1.48	\$1.53	\$1.40

Analysis of Performance

1. FY 2017/18 target reflects the net increase of 46,740 square feet to maintain.



Public Works – Fleet Maintenance

Program Operating Budget - Fleet Maintenance

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 207,594	\$ 247,978	\$ 276,360	\$ 309,562	\$ 310,926	\$ 1,364	0%
Supplies & Services	\$ 246,858	\$ 272,397	\$ 243,093	\$ 216,310	\$ 213,425	\$ (2,885)	(1%)
Capital Outlay	\$ 506,437	\$ 317,476	\$ 271,675	\$ 232,093	\$ 330,293	\$ 98,200	42%
Division Total	\$ 960,889	\$ 837,852	\$ 791,128	\$ 757,965	\$ 854,644	\$ 96,679	13%
	\$ Change from Prior	\$ (123,037)	\$ (46,724)	\$ (33,163)	\$ 96,679		
	% Change from Prior	(13%)	(6%)	(4%)	13%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. A change in employee benefits elections to a lower cost plan is offsetting the increase in salaries.

Supplies & Services:

The line item with the largest budget in this category is for vehicle maintenance and repair at \$95K. The slight decrease in the supplies and services budget is the result of an overall decrease in the cost of fuel (\$10K) which was concurrently offset by an increase in professional development costs related to fire vehicle maintenance training not included in FY 2016/17. Fuel is the second largest line item in this category at \$50K for FY 2017/18.

Capital Outlay:

The capital budget fluctuates each year based on the vehicles and equipment that are replaced. Vehicles are replaced on a combination of factors involving age, mileage and performance. In FY 2017/18, 5 vehicles are being replaced which do not require the same level of outfitting as those purchased in FY 2016/17. There is also a one-time expense for the purchase of a hydraulic truck lift included for FY 2017/18, and an additional bucket truck, which is needed for the new Signal Technician position in Traffic.



Public Works – Street Maintenance

Program Operating Budget - Street Maintenance

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 878,839	\$ 909,274	\$ 1,025,876	\$ 1,132,202	\$ 1,173,058	\$ 40,856	4%
Supplies & Services	\$ 1,133,644	\$ 1,722,123	\$ 2,097,185	\$ 4,004,877	\$ 3,637,595	\$ (367,282)	(9%)
Debt Service	\$ 20,396	\$ 20,396	\$ 20,396	\$ 20,396	\$ 20,397	\$ 1	0%
Capital Outlay	\$ 160,555	\$ 235,716	\$ 257,435	\$ 427,502	\$ 10,000	\$ (417,502)	(98%)
Subtotal Expenses	\$ 2,193,435	\$ 2,887,509	\$ 3,400,892	\$ 5,584,977	\$ 4,841,050	\$ (743,927)	(13%)
Transfers Out - Debt Service	\$ -	\$ 310,330	\$ 310,010	\$ 308,869	\$ 268,042	\$ (40,827)	(13%)
Transfers Out - Grant Match	\$ -	\$ -	\$ -	\$ -	\$ 53,500	\$ 53,500	N/A
Division Total	\$ 2,193,435	\$ 3,197,839	\$ 3,710,902	\$ 5,893,846	\$ 5,162,592	\$ (731,254)	(12%)
	\$ Change from Prior	\$ 1,004,404	\$ 513,063	\$ 2,182,944	\$ (731,254)		
	% Change from Prior	46%	16%	59%	(12%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

Of the \$3.6M budgeted in this category, \$2.8M is for arterial and residential pavement preservation, targeted pavement repairs and upgrades, as well as concrete repairs. For FY 2017/18, the overall budget shows a decrease as a result of specific reconstruction projects being less than FY 2016/17. In FY 2016/17, \$1.2M of special projects were included, but the ongoing base requirement for reconstruction will be approximately \$0.6M. This difference is offsetting the following increases:

- An increase of funds for pavement preservation, asphalt and concrete repairs totaling \$340K
- A slight increase to the materials account to allow for a cost increase for the purchase of crack seal material (\$10K)
- An increase for concrete repairs maintenance services to allow for maintenance to the aging sidewalks and concrete at Town parks totaling \$100K for concrete repairs
- There are also one-time purchase requests for a grinder (\$5,000) to assist with sidewalk maintenance and safety barricades (\$5,000) for Town events
- The one-time budget of \$96K included in the FY 2016/17 budget to upgrade Town pavement markings and striping is now being included as an ongoing expense, adding to the base striping expense of \$80K for a total budget of \$180K. All Town arterial streets will now have thermo plastic material applied in place of the paint previously used for striping

Capital Outlay:

The FY 2017/18 budget does not have any replacement vehicles planned (excluding the two sweepers discussed below). FY 2016/17 included substantial capital outlay for vehicle replacements (\$81K), as well as new equipment (\$100K). Also included in FY 2016/17 is carryforward of \$0.2M for the Rittenhouse/Germann intersection improvements, which has been removed from the FY 2017/18 budget.

Transfers Out - Grants Match

For FY 2017/18 staff is requesting the replacement of two street sweepers. Staff will be applying for two MAG grants to cover the majority cost of these replacements, making the Town responsibility 6.4% plus all non-reimbursable upgrade costs. If the Town were not to be awarded the grants, the purchase of the street sweepers would no longer be requested.



Public Works – Street Maintenance

Program Performance – Street Maintenance

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Capital Improvement Program	Percentage of pavement in satisfactory or better condition per Pavement Condition Index (PCI) ¹	87%	85%	85%	85%
	Percentage of work orders completed within established turnaround times ²	98%	98%	100	100

Analysis of Performance

1. Pavement maintenance management software is used to track inventory and condition, and to predict and analyze future maintenance needs and condition.
2. Times have been established internally for repairing potholes, covering graffiti, picking up debris in roads, and repairing sidewalks. Measure is based on internal tracking.



Public Works – Parks/Grounds Maintenance

Program Operating Budget – Parks/Grounds Maintenance

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 883,620	\$ 1,031,057	\$ 1,195,922	\$ 1,292,470	\$ 1,299,175	\$ 6,705	1%
Supplies & Services	\$ 216,990	\$ 320,836	\$ 351,469	\$ 293,984	\$ 302,379	\$ 8,395	3%
Debt Service	\$ 23,121	\$ 23,121	\$ 5,780	\$ -	\$ -	\$ -	N/A
Capital Outlay	\$ 54,411	\$ 17,728	\$ -	\$ 38,000	\$ -	\$ (38,000)	(100%)
Division Total	\$ 1,178,142	\$ 1,392,742	\$ 1,553,172	\$ 1,624,454	\$ 1,601,554	\$ (22,900)	(1%)
	\$ Change from Prior	\$ 214,600	\$ 160,430	\$ 71,282	\$ (22,900)		
	% Change from Prior	18%	12%	5%	(1%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The Parks Rangers have been moved out of this division and into their own division. This change is offsetting the increase of 1.8 FTE needed for additional maintenance stemming from completed CIP projects.

Supplies & Services:

The largest line item in this category is general services at \$101K, or roughly 30% of the \$302K budget. General services include wash trimming, tree trimming, temporary labor, as well as new contracted right-of-way maintenance services for new segments of roadway in FY 2017/18. Landscape supplies is the second largest line item in this category and accounts for \$57K. Together these account for 52% of the supplies and services budget.

The increase in this category is driven by additional contracted services to outsource the continually growing right-of-way maintenance needs (\$35K) which has been offset with the removal of one-time expenses for San Marqui Park included in FY 2016/17 (\$12K), and a reduction in landscape supplies (\$14K).

Capital Outlay:

The FY 2016/17 budget included the purchase of a brush chipper which has been removed from FY 2017/18.



Public Works – Parks Rangers

Program Operating Budget – Parks Rangers

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 187,463	\$ 187,463	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 8,980	\$ 8,980	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 196,443	\$ 196,443	N/A
	\$ Change from Prior	\$ -	\$ -	\$ -	\$ 196,443		
	% Change from Prior	N/A	N/A	N/A	N/A		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The Parks Rangers were previously included with Grounds Maintenance, but have been moved into their own division starting with FY 2017/18.

Supplies & Services:

This budget is for the employee uniforms, training, membership and equipment for the Parks Ranger. Included in the FY 2017/18 budget is a one-time (\$3K) purchase of two iPads.



Public Works – Solid Waste

Program Operating Budget - Solid Waste

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 252,255	\$ 284,291	\$ 377,602	\$ 400,025	\$ 427,416	\$ 27,391	7%
Supplies & Services	\$ 1,267,148	\$ 1,396,368	\$ 1,558,253	\$ 1,669,438	\$ 1,938,280	\$ 268,842	16%
Department Support Costs	\$ 160,541	\$ 45,962	\$ 51,741	\$ 67,215	\$ 67,287	\$ 72	0%
Debt Service	\$ 31,867	\$ 118,950	\$ 119,892	\$ 119,893	\$ 119,893	\$ -	0%
Capital Outlay	\$ -	\$ 25,951	\$ -	\$ -	\$ -	\$ -	N/A
Contingency	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ -	0%
Subtotal Expenses	\$ 1,711,811	\$ 1,871,521	\$ 2,107,488	\$ 2,346,571	\$ 2,642,876	\$ 296,305	13%
Transfers Out - CIP	\$ -	\$ -	\$ -	\$ 129,700	\$ -	\$ (129,700)	(100%)
Division Total	\$ 1,711,811	\$ 1,871,521	\$ 2,107,488	\$ 2,476,271	\$ 2,642,876	\$ 166,605	7%
	\$ Change from Prior	\$ 159,710	\$ 235,967	\$ 368,783	\$ 166,605		
	% Change from Prior	9%	13%	17%	7%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

This category contains the contract to provide trash/recycling services to the Right Away Disposal (RAD) contract, which increased 8.5% to \$1.6M. This amount represents a \$230K increase in anticipation of new accounts coming online as growth occurs. The budget also includes \$135K for new trash and recycling carts, necessitated by population growth.

Transfers Out - CIP

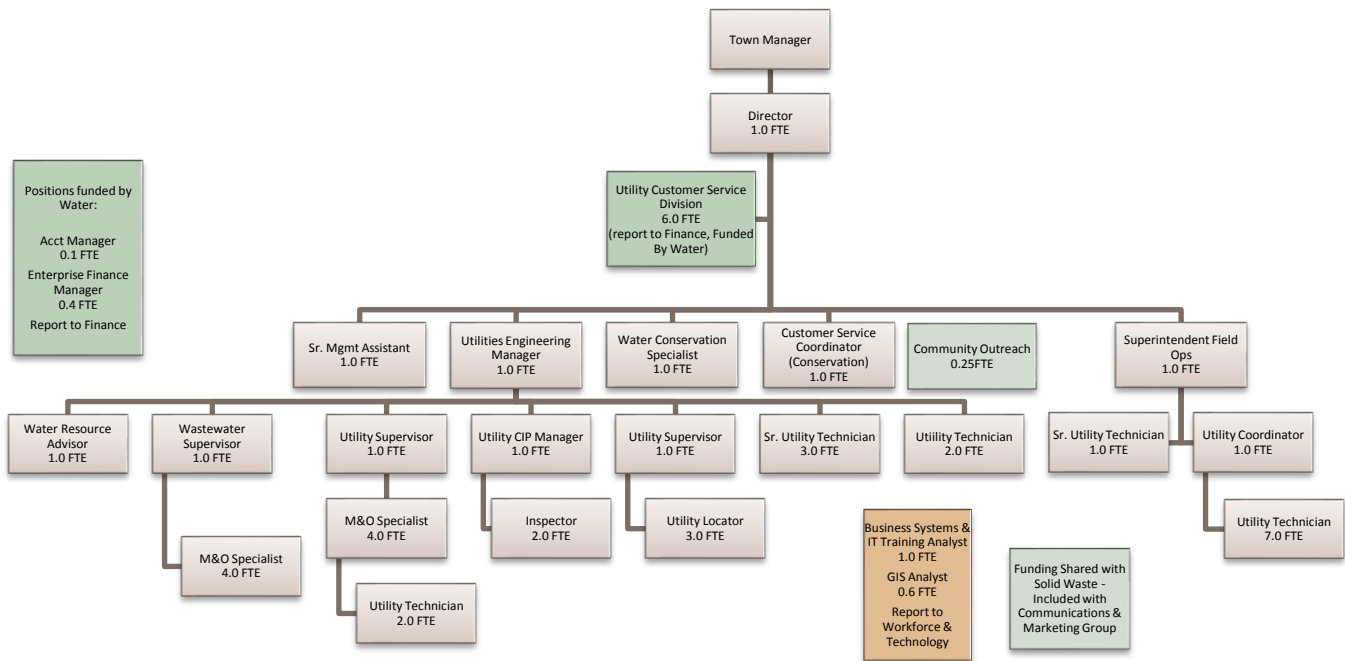
This FY 2016/17 revised budget is for Solid Waste's prorated portion of the new Utility Billing Software being purchased in conjunction with Water and Wastewater. This has been removed from FY 2017/18 creating the variance.

Program Performance – Solid Waste

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Environment	Weight of recycled material, as a percentage of solid waste (annually)	20%	22%	22%	23%



Utility Services – Water & Wastewater



Department Description and Programs

The Utility Services Department is composed of the water and sewer enterprise funds to account for the services provided to service area customers. The department is responsible for the operation and maintenance of Queen Creek’s potable water, irrigation, reclaimed water, and sewer facilities and infrastructure in a manner that satisfies all federal, state, county and local agency permits and ensures regulatory compliance through regular sample collection, laboratory testing and backflow prevention. The Town is the sole water utility provider to the residents of Queen Creek. All programs in these areas are funded through the water and sewer funds.

Department Mission

The Utility Services Department is committed to excellence in providing water and wastewater services for customers in a safe, reliable, and efficient manner that is environmentally friendly and maintains the quality of life of the community and its residents. The department strives to meet or exceed the expectations of Queen Creek residents, businesses, outside customers, and visitors whom we serve.

Strategic Priority

Secure Future



FY 2017/18 Objectives

- Continue development of sustainable long-range plans for water, reclaimed water and wastewater by adjusting projections for community growth
- Ensure a continued safe and sustainable water supply that fully implements the General Plan



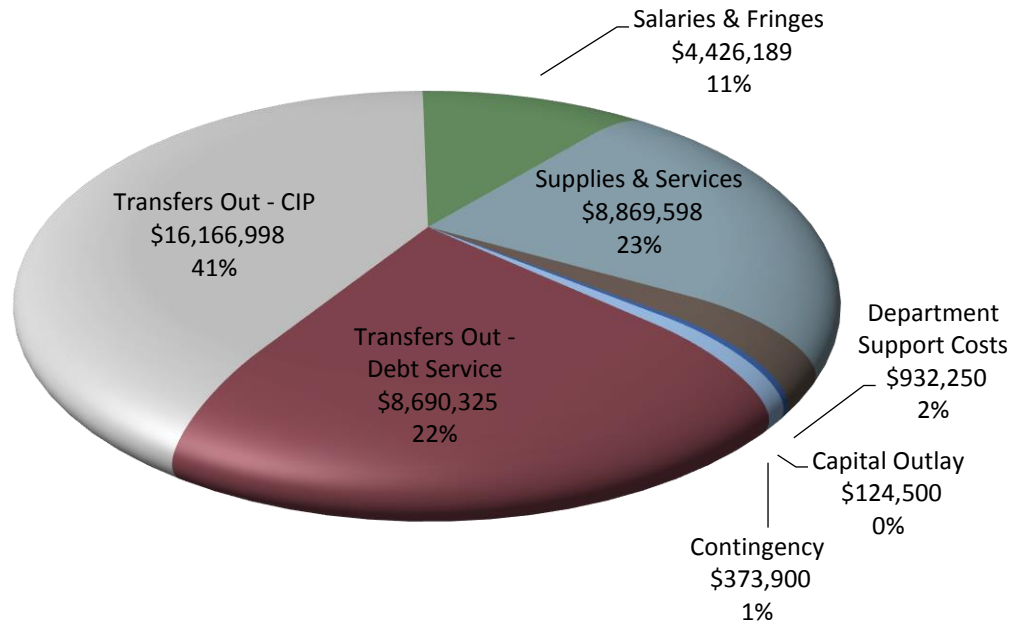
Utility Services – Water & Wastewater

Staffing by Division					
Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Water	37.86	38.86	39.25	34.25	36.25
Sewer	3.40	5.40	5.00	5.00	5.00
Department FTE	41.26	44.26	44.25	39.25	41.25

FTE Changes

In FY 2016/17, the Utilities Customer Service Division, while directly funded from Utility Services, moved under the Finance Department, which resulted in a functional reporting reduction of 5.0 FTE. For the FY 2017/18 budget, 2.0 FTEs have been added: 1.0 FTE for a Utility Locator and 1.0 FTE for a Utility Services Technician. A Geographic Information Systems (GIS) Analyst has been added to the IT division which will be 60% funded by enterprise funds as the position will partially serve the Utilities department.

Utilities - Water/Wastewater/Stormwater
FY 17/18 Adopted Budget \$41.4M





Utility Services – Water & Wastewater

Department Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 2,660,636	\$ 3,153,710	\$ 3,926,238	\$ 3,985,864	\$ 4,426,189	\$ 440,325	11%
Supplies & Services	\$ 5,122,739	\$ 5,461,914	\$ 7,209,328	\$ 9,450,852	\$ 8,869,598	\$ (581,254)	(6%)
Department Support Costs	\$ 305,058	\$ 722,304	\$ 792,466	\$ 940,259	\$ 932,250	\$ (8,009)	(1%)
Debt Service	\$ 2,465,442	\$ -	\$ (78,472)	\$ -	\$ -	\$ -	N/A
Capital Outlay	\$ 292,498	\$ 221,636	\$ 411,417	\$ 407,950	\$ 124,500	\$ (283,450)	(69%)
Operating Projects	\$ 6,860	\$ 1,660	\$ -	\$ -	\$ -	\$ -	N/A
Contingency	\$ -	\$ -	\$ -	\$ 375,000	\$ 373,900	\$ (1,100)	(0%)
Subtotal Expenses	\$ 10,853,233	\$ 9,561,224	\$ 12,260,977	\$ 15,159,925	\$ 14,726,437	\$ (433,488)	(3%)
Transfers Out - Debt Service	\$ -	\$ 7,743,250	\$ 8,336,274	\$ 8,035,659	\$ 8,690,325	\$ 654,666	8%
Transfers Out - CIP	\$ -	\$ 1,703,773	\$ 3,386,058	\$ 7,989,354	\$ 16,956,174	\$ 8,966,820	112%
Transfers Out-Operating	\$ 356,004	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	N/A
Department Total	\$ 11,209,237	\$ 19,008,246	\$ 23,983,308	\$ 31,184,938	\$ 41,372,936	\$ 10,187,998	33%
	\$ Change from Prior	\$ 7,799,009	\$ 4,975,062	\$ 7,201,630	\$ 10,187,998		
	% Change from Prior	70%	26%	30%	33%		

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Water	\$ 9,372,124	\$ 13,519,862	\$ 16,513,400	\$ 19,900,317	\$ 29,649,853	\$ 9,749,536	49%
Sewer	\$ 1,837,114	\$ 5,456,017	\$ 7,415,418	\$ 11,202,117	\$ 11,473,083	\$ 270,966	2%
Stormwater	\$ -	\$ 32,367	\$ 54,490	\$ 82,505	\$ 250,000	\$ 167,495	203%
Department Total	\$ 11,209,237	\$ 19,008,246	\$ 23,983,308	\$ 31,184,938	\$ 41,372,936	\$ 10,187,998	33%
	\$ Change from Prior	\$ 7,799,009	\$ 4,975,062	\$ 7,201,630	\$ 10,187,998		
	% Change from Prior	70%	26%	30%	33%		



Utility Services – Water & Wastewater

Program Performance – Utilities

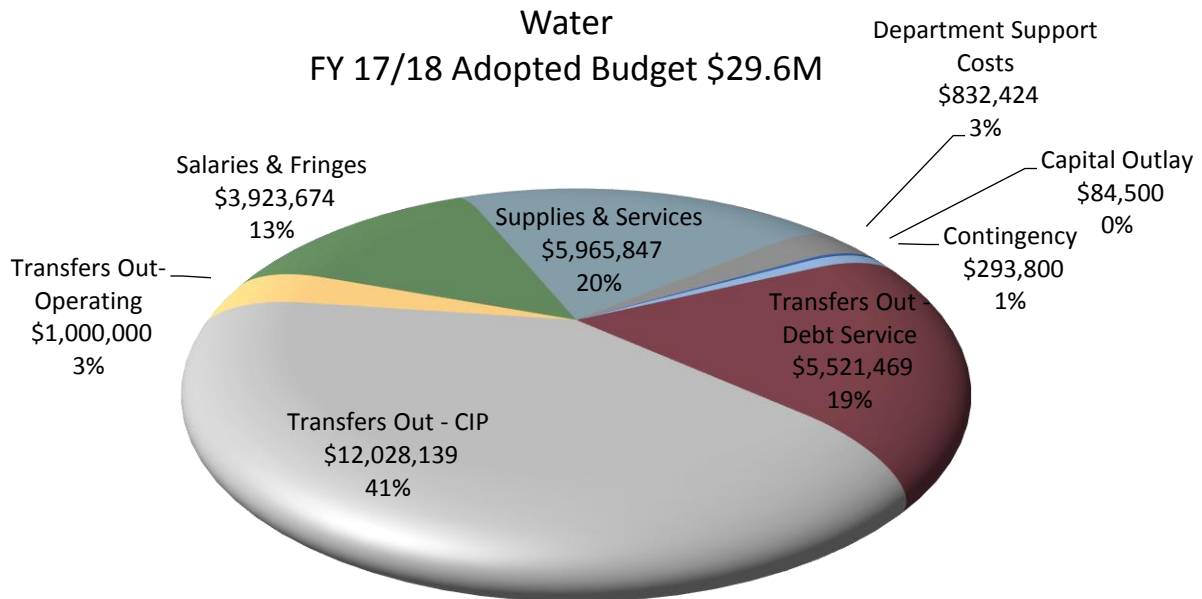
Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Environment	Number of violations of state and federal drinking water standards	0	0	0	0
	Total water service costs (dollars) per million gallons-annually ¹	\$1,398	\$1,575	\$1,850	\$1,850
Financial Management, Internal Services & Sustainability	Percentage of lost/unaccounted for water (non-metered water due to leaks, theft of water, meter inefficiencies, etc.) ²	6.42%	6.50%	6.50%	6.50%
	Number of sanitary sewer overflows	0	0	0	0
	Total wastewater service costs (dollars) per million gallons generated annually ³	\$4,180	\$3,100	\$5,260	\$5,450

Analysis of Performance

1. Water service costs per million gallons is based only on the direct operation and maintenance costs of the water utility and does not include loan payments or fund transfer outs. Expenditures are decreasing while pumping is increasing leading to more efficient operations.
2. Lost and unaccounted for water limit of 10% is set by Arizona Department of Water Resources (ADWR). The average lost and unaccounted for water by large Arizona municipal providers is between 6% and 7% per ADWR.
3. Based only on the direct operation and maintenance costs of the wastewater utility. For FY 2015/16 and Projected FY 2016/17, wastewater flows and collection system operating expenditures are minimally increasing and are fairly stable. However, operating expenditures are significantly increasing due to an aging treatment plant requiring costlier repairs and replacements as evidenced by the performance measure escalation.



Utility Services – Water Operating



Water Operating Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 2,398,071	\$ 2,840,012	\$ 3,476,592	\$ 3,500,241	\$ 3,923,674	\$ 423,433	12%
Supplies & Services	\$ 3,628,083	\$ 3,906,083	\$ 5,315,848	\$ 6,677,800	\$ 5,965,847	\$ (711,953)	(11%)
Department Support Costs	\$ 228,709	\$ 643,836	\$ 704,988	\$ 852,189	\$ 832,424	\$ (19,765)	(2%)
Debt Service	\$ 2,465,442	\$ -	\$ (78,472)	\$ -	\$ -	\$ -	N/A
Capital Outlay	\$ 288,954	\$ 221,636	\$ 411,417	\$ 320,950	\$ 84,500	\$ (236,450)	(74%)
Operating Projects	\$ 6,860	\$ 1,660	\$ -	\$ -	\$ -	\$ -	N/A
Contingency	\$ -	\$ -	\$ -	\$ 296,200	\$ 293,800	\$ (2,400)	(1%)
Subtotal Expenses	\$ 9,016,120	\$ 7,613,228	\$ 9,830,372	\$ 11,647,380	\$ 11,100,245	\$ (547,135)	(5%)
Transfers Out - Debt Service	\$ -	\$ 4,768,260	\$ 5,333,022	\$ 4,813,562	\$ 5,521,469	\$ 707,907	15%
Transfers Out - CIP	\$ -	\$ 1,138,375	\$ 1,350,006	\$ 3,439,375	\$ 12,028,139	\$ 8,588,764	250%
Transfers Out - Operating	\$ 356,004	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	N/A
Department Total	\$ 9,372,124	\$ 13,519,862	\$ 16,513,400	\$ 19,900,317	\$ 29,649,853	\$ 9,749,536	49%
	\$ Change from Prior	\$ 4,147,738	\$ 2,993,538	\$ 3,386,917	\$ 9,749,536		
	% Change from Prior	44%	22%	21%	49%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. The remainder of the variance is attributed to the reclassification of a vacant CSR FTE to the Utilities Customer Service Manager position.

Supplies and Services:

The overall budget for supplies and services has decreased by 11%. The decrease is largely due to moving the budget for meter/parts purchases line item of \$1.1M in FY 2016/17 to the FY 2017/18 CIP fund in conjunction with



Utility Services – Water Operating

the recently approved FlexNet program. The largest line item in the supplies and services category is for electricity, which is budgeted at \$1.7M for FY 2017/18 – an increase of \$262K or 10%.

Capital Outlay:

The capital outlay category of the budget is for new purchases as well as anticipated replacement of aging equipment and rolling stock. There is an overall decrease of 75% caused by the replacement of six vehicles and one trailer in FY 2016/17 and only 1 vehicle replacement in FY 2017/18.

Transfers Out – Debt Service:

The budget in this category represents the non-growth share of debt service and is adjusted annually per the debt service schedules. Please refer to the Debt Section for more details.

Transfers Out – CIP:

The budget in this category represents the non-growth share of the Infrastructure Improvements that are planned for FY 2017/18. Please refer to the CIP Section for more details.

New Division Breakouts effective FY 2017/18

In FY 2017/18, the Water Operating Fund is being separated into ten divisions, representing the various functions of the water utility. The divisions will more easily capture costs by function, which will aide in analysis, reporting purposes, and rate studies.

Program Operating Budget – Water by New Divisions

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Water (All Operations)	\$ 9,372,124	\$ 7,613,228	\$ 9,830,372	\$ 11,647,380	\$ -	\$ (11,647,380)	(100%)
Water Admin	\$ -	\$ -	\$ -	\$ -	\$ 3,713,378	\$ 3,713,378	N/A
Customer Service	\$ -	\$ -	\$ -	\$ -	\$ 1,083,357	\$ 1,083,357	N/A
Engineering	\$ -	\$ -	\$ -	\$ -	\$ 277,584	\$ 277,584	N/A
Field Operations - Meters	\$ -	\$ -	\$ -	\$ -	\$ 752,005	\$ 752,005	N/A
GIS	\$ -	\$ -	\$ -	\$ -	\$ 395,590	\$ 395,590	N/A
Irrigation	\$ -	\$ -	\$ -	\$ -	\$ 248,799	\$ 248,799	N/A
CIP	\$ -	\$ -	\$ -	\$ -	\$ 319,372	\$ 319,372	N/A
Conservation	\$ -	\$ -	\$ -	\$ -	\$ 357,816	\$ 357,816	N/A
Distribution	\$ -	\$ -	\$ -	\$ -	\$ 4,064,782	\$ 4,064,782	N/A
Water Resources	\$ -	\$ -	\$ -	\$ -	\$ 887,562	\$ 887,562	N/A
Water Debt Transfers	\$ -	\$ 4,768,260	\$ 5,333,022	\$ 4,813,562	\$ 5,521,469	\$ 707,907	15%
Water CIP Transfers	\$ -	\$ 1,138,375	\$ 1,350,006	\$ 3,439,375	\$ 12,028,139	\$ 8,588,764	250%
Department Total	\$ 9,372,124	\$ 13,519,862	\$ 16,513,400	\$ 19,900,317	\$ 29,649,853	\$ 9,749,536	49%
	\$ Change from Prior	\$ 4,147,738	\$ 2,993,538	\$ 3,386,917	\$ 9,749,536		
	% Change from Prior	44%	22%	21%	49%		



Utility Services – Water Operating

Program Operating Budget – Water Admin

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 525,446	\$ 525,446	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 982,208	\$ 982,208	N/A
Department Support Costs	\$ -	\$ -	\$ -	\$ -	\$ 832,424	\$ 832,424	N/A
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 79,500	\$ 79,500	N/A
Contingency	\$ -	\$ -	\$ -	\$ -	\$ 293,800	\$ 293,800	N/A
Subtotal Expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,713,378	\$ 2,713,378	N/A
Transfers Out - Operating	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 3,713,378	\$ 3,713,378	N/A
	\$ Change from Prior	\$ -	\$ -	\$ -	\$ 3,713,378		
	% Change from Prior	N/A	N/A	N/A	N/A		

Budget Notes

The Water Admin Division represents the management and associated costs of the water utility. The accounts representing the majority of the budget include \$318K for mainline agreements, \$97K liability insurance, \$72K vehicle fuel, and \$80K for vehicle/equipment purchases. Operating Contingency is also included in the Admin division.

Program Operating Budget – Water Customer Service

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 446,633	\$ 446,633	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 636,724	\$ 636,724	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 1,083,357	\$ 1,083,357	N/A
	\$ Change from Prior	\$ -	\$ -	\$ -	\$ 1,083,357		
	% Change from Prior	N/A	N/A	N/A	N/A		

Budget Notes

The Water Customer Service Division includes utility billing for water, sewer and solid waste. The majority of the supplies and services budget encompasses \$420K for bank and credit card fees and \$176K for third party billing services.

Program Operating Budget – Water Engineering

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 153,084	\$ 153,084	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 124,500	\$ 124,500	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 277,584	\$ 277,584	N/A
	\$ Change from Prior	\$ -	\$ -	\$ -	\$ 277,584		
	% Change from Prior	N/A	N/A	N/A	N/A		

Budget Notes

The Water Engineering Division is responsible for the oversight of the Utilities Capital Improvement Program. The Supplies and Services budget consists of professional and technical services from outside engineering firms.



Utility Services – Water Operating

Program Operating Budget – Water Field Ops (Meters)

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 690,565	\$ 690,565	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 61,440	\$ 61,440	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 752,005	\$ 752,005	N/A
\$ Change from Prior		\$ -	\$ -	\$ -	\$ 752,005		
% Change from Prior		N/A	N/A	N/A	N/A		

Budget Notes

The Field Ops (Meters) Division is responsible for the installation, maintenance and monthly reading of meters and their associated components. The Supplies and Services budget consists of shop supplies and Meter Reading software support.

Program Operating Budget – Water GIS

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 381,590	\$ 381,590	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 14,000	\$ 14,000	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 395,590	\$ 395,590	N/A
\$ Change from Prior		\$ -	\$ -	\$ -	\$ 395,590		
% Change from Prior		N/A	N/A	N/A	N/A		

Budget Notes

The Water GIS (Geographic Information Systems) Division provides visual and spatial data of the Town’s water system. The location based mapping assists with identifying buried assets, optimizing performance, and extending the life-span of the utility’s assets. The Supplies and Services budget is made up of \$12K for Blue Stake services and \$2K in software support. This budget also includes 0.6 FTE for a new GIS analyst position that functionally reports to Information Technology but will be assigned to GIS duties for Water. A new Utility Location 1.0 FTE is also included for FY 2017/18.

Program Operating Budget – Water Irrigation

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 93,799	\$ 93,799	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 155,000	\$ 155,000	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 248,799	\$ 248,799	N/A
\$ Change from Prior		\$ -	\$ -	\$ -	\$ 248,799		
% Change from Prior		N/A	N/A	N/A	N/A		

Budget Notes

The Water Irrigation Division provides Flood Irrigation Services to approximately 350 residential customers as well as schools and contractors. The Supplies and Services budget contains funds for \$15K in repairs to the system and \$140K for a 3rd party contract to administer the program.



Utility Services – Water Operating

Program Operating Budget – Water Construction and Inspection

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 294,372	\$ 294,372	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 319,372	\$ 319,372	N/A
\$ Change from Prior		\$ -	\$ -	\$ -	\$ 319,372		
% Change from Prior		N/A	N/A	N/A	N/A		

Budget Notes

The Water Construction and Inspection Division is responsible for managing in-house construction and inspection services. The supplies and services budget of \$25K is designated for outside Engineering services as necessary.

Program Operating Budget – Water Conservation

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 203,365	\$ 203,365	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 154,451	\$ 154,451	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 357,816	\$ 357,816	N/A
\$ Change from Prior		\$ -	\$ -	\$ -	\$ 357,816		
% Change from Prior		N/A	N/A	N/A	N/A		

Budget Notes

The Water Conservation Division provides programs to educate residents on how to sustainably manage their water usage. The programs include reaching out to HOA's, schools, businesses, and residential customers. Programs and associated expenses included in the Supplies and Services budget consist of \$59K for education, \$30K for a consultant to deliver educational presentations to HOAs, \$19K for signage, and \$27K for promotional items.

Program Operating Budget – Water Distribution

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 1,006,032	\$ 1,006,032	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 3,053,750	\$ 3,053,750	N/A
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 4,064,782	\$ 4,064,782	N/A
\$ Change from Prior		\$ -	\$ -	\$ -	\$ 4,064,782		
% Change from Prior		N/A	N/A	N/A	N/A		

Budget Notes

The Water Distribution Division is responsible for the maintenance and repairs of the Town's water delivery system. The majority of the Supplies and Services budget is attributed to \$1.8M for electricity at the well sites, \$0.5M operations and maintenance for well sites, and \$0.4M well site repairs and parts. A new Utility Services Technician 1.0 FTE is included in the FY 2017/18 budget.



Utility Services – Water Operating

Program Operating Budget – Water Resources

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ -	\$ 128,788	\$ 128,788	N/A
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ 758,774	\$ 758,774	N/A
Division Total	\$ -	\$ -	\$ -	\$ -	\$ 887,562	\$ 887,562	N/A
	\$ Change from Prior	\$ -	\$ -	\$ -	\$ 887,562		
	% Change from Prior	N/A	N/A	N/A	N/A		

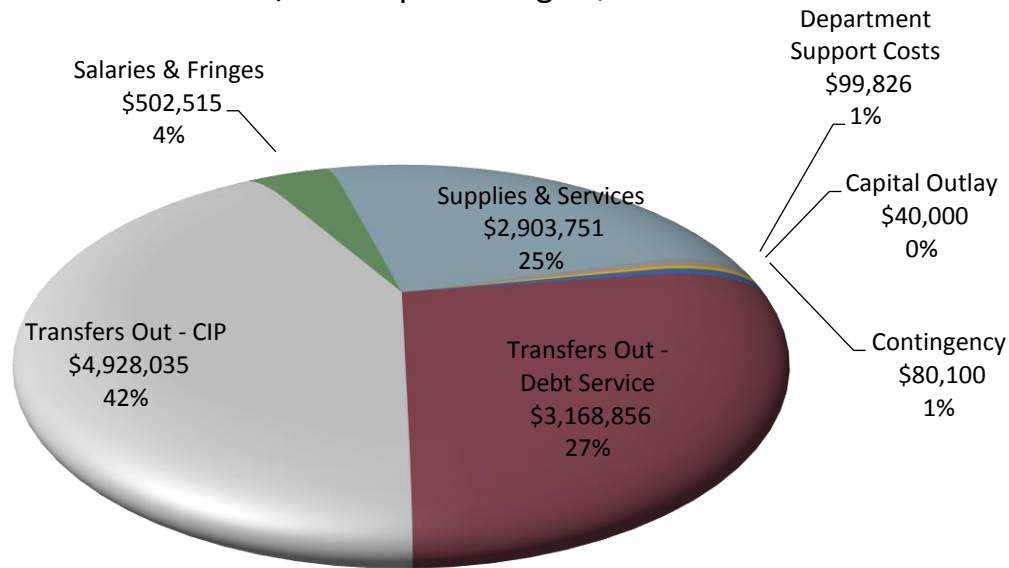
Budget Notes

The Water Resources Division manages the Town’s water supplies and plans for the community’s future water needs. The Supplies and Services budget includes \$565K to purchase the annual CAP water allotment, \$70K for Arizona Department of Environmental Quality (ADEQ) map fees, \$55K for Arizona Department of Water Resources (ADWR) groundwater withdrawal fees, and \$54K for testing/sampling.



Utility Services – Sewer/Wastewater Operating & Stormwater

Sewer/Wastewater/Stormwater
FY 17/18 Adopted Budget \$11.9M



Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 262,565	\$ 313,698	\$ 449,646	\$ 485,623	\$ 502,515	\$ 16,892	3%
Supplies & Services	\$ 1,494,657	\$ 1,555,831	\$ 1,893,480	\$ 2,773,052	\$ 2,903,751	\$ 130,699	5%
Department Support Costs	\$ 76,349	\$ 78,468	\$ 87,479	\$ 88,070	\$ 99,826	\$ 11,756	13%
Capital Outlay	\$ 3,544	\$ -	\$ -	\$ 87,000	\$ 40,000	\$ (47,000)	(54%)
Contingency	\$ -	\$ -	\$ -	\$ 78,800	\$ 80,100	\$ 1,300	2%
Subtotal Expenses	\$ 1,837,114	\$ 1,947,997	\$ 2,430,605	\$ 3,512,545	\$ 3,626,192	\$ 113,647	3%
Transfers Out - Debt Service	\$ -	\$ 2,974,990	\$ 3,003,251	\$ 3,222,097	\$ 3,168,856	\$ (53,241)	(2%)
Transfers Out - CIP	\$ -	\$ 565,398	\$ 2,036,052	\$ 4,549,979	\$ 4,928,035	\$ 378,056	8%
Department Total	\$ 1,837,114	\$ 5,488,385	\$ 7,469,908	\$ 11,284,621	\$ 11,723,083	\$ 438,462	4%
	\$ Change from Prior	\$ 3,651,271	\$ 1,981,524	\$ 3,814,713	\$ 438,462		
	% Change from Prior	199%	36%	51%	4%		

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Sewer	\$ 1,837,114	\$ 5,456,017	\$ 7,415,418	\$ 11,202,117	\$ 11,473,083	\$ 270,966	2%
Stormwater	\$ -	\$ 32,367	\$ 54,490	\$ 82,505	\$ 250,000	\$ 167,495	203%
Department Total	\$ 1,837,114	\$ 5,488,385	\$ 7,469,908	\$ 11,284,621	\$ 11,723,083	\$ 438,462	4%
	\$ Change from Prior	\$ 3,651,271	\$ 1,981,524	\$ 3,814,713	\$ 438,462		
	% Change from Prior	199%	36%	51%	4%		



Utility Services – Sewer/Wastewater Operating & Stormwater

Program Operating Budget – Sewer/Wastewater

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 262,565	\$ 313,698	\$ 449,646	\$ 485,623	\$ 502,515	\$ 16,892	3%
Supplies & Services	\$ 1,494,657	\$ 1,523,464	\$ 1,838,990	\$ 2,690,548	\$ 2,653,751	\$ (36,797)	(1%)
Department Support Costs	\$ 76,349	\$ 78,468	\$ 87,479	\$ 88,070	\$ 99,826	\$ 11,756	13%
Capital Outlay	\$ 3,544	\$ -	\$ -	\$ 87,000	\$ 40,000	\$ (47,000)	(54%)
Contingency	\$ -	\$ -	\$ -	\$ 78,800	\$ 80,100	\$ 1,300	2%
Subtotal Expenses	\$ 1,837,114	\$ 1,915,629	\$ 2,376,115	\$ 3,430,041	\$ 3,376,192	\$ (53,849)	(2%)
Transfers Out - Debt Service	\$ -	\$ 2,974,990	\$ 3,003,251	\$ 3,222,097	\$ 3,168,856	\$ (53,241)	(2%)
Transfers Out - CIP	\$ -	\$ 565,398	\$ 2,036,052	\$ 4,549,979	\$ 4,928,035	\$ 378,056	8%
Division Total	\$ 1,837,114	\$ 5,456,017	\$ 7,415,418	\$ 11,202,117	\$ 11,473,083	\$ 270,966	2%
	\$ Change from Prior	\$ 3,618,904	\$ 1,959,401	\$ 3,786,699	\$ 270,966		
	% Change from Prior	197%	36%	51%	2%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The decrease in the Supplies and Services budget is mainly attributable to a decrease in the line item for the Operations and Maintenance of the Greenfield Water Reclamation Plant (GWRP) of \$30K or 2%. The GWRP accounts for \$1.9M or 71% of the \$2.6M budget for supplies and services in FY 2017/18.

Capital Outlay:

The capital outlay category of the budget is for new purchases as well as anticipated replacement of aging equipment and rolling stock. There is an overall decrease of 59% from last fiscal year. The decrease between budget years is caused by equipment purchase of one vehicle in FY 2016/17 with no anticipated need for vehicle replacement in FY 2017/18. The budget in FY 2017/18 represents construction services and equipment replacement as necessary.

Transfer Out – Debt Service

The budget in this category represents the non-growth share of debt service and is adjusted annually per the debt service schedules. Please refer to the Debt Section for more details.

Transfers Out – CIP

The budget in this category represents the non-growth share of the Infrastructure Improvements that are planned for FY 2017/18.



Utility Services – Sewer/Wastewater Operating & Stormwater

Program Operating Budget – Stormwater

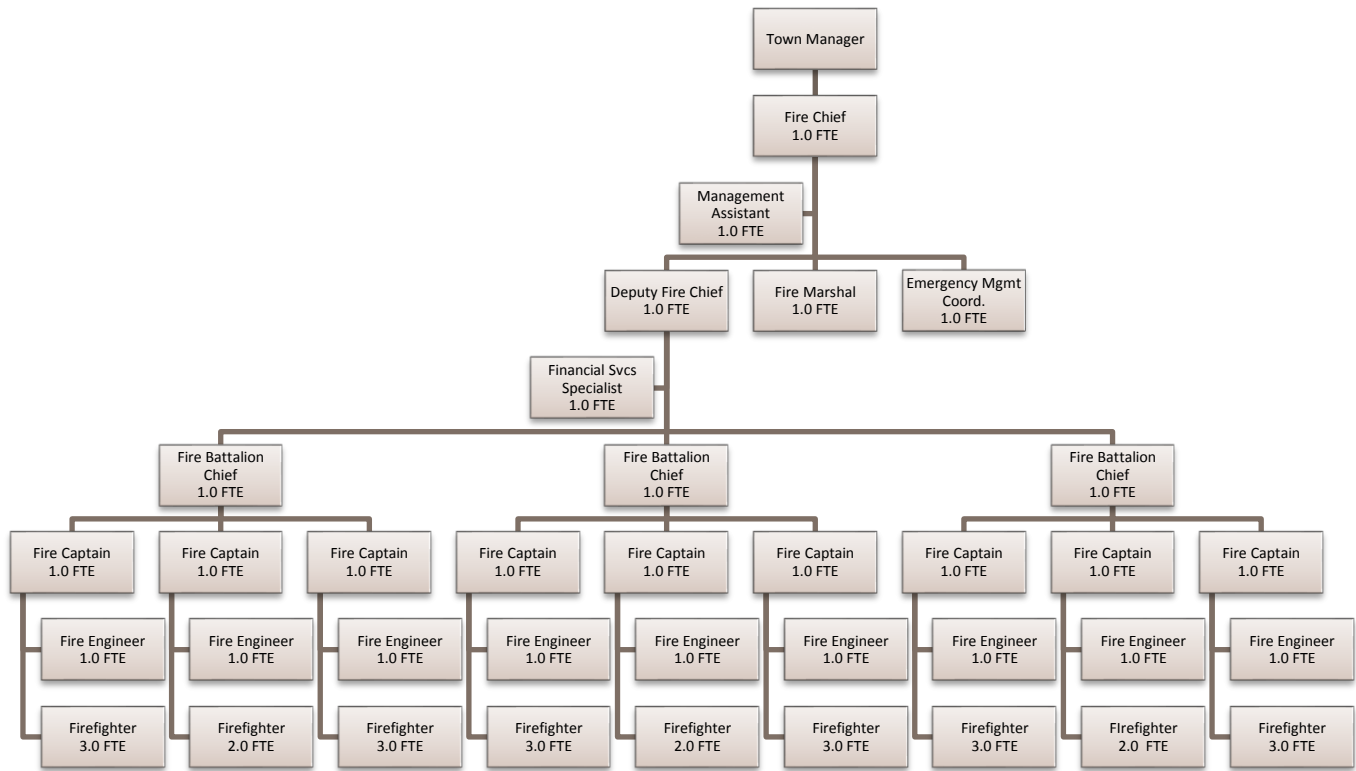
Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Supplies & Services	\$ -	\$ 32,367	\$ 54,490	\$ 82,505	\$ 250,000	\$ 167,495	203%
Division Total	\$ -	\$ 32,367	\$ 54,490	\$ 82,505	\$ 250,000	\$ 167,495	203%
	\$ Change from Prior	\$ 32,367	\$ 22,123	\$ 28,014	\$ 167,495		
	% Change from Prior	N/A	68%	51%	203%		

Budget Notes and Changes

The overall budget for Supplies and Services has increased \$0.2M which represents compliance costs to obtain the new Stormwater Permit as required by the Arizona Department of Environmental Quality.



Fire & EMS



Department Description and Programs

The Emergency Services Department provides programs and services that fall into two broad categories:

1) Emergency Services

Emergency services are provided to the citizens of Queen Creek by the Operations, Medical and Public Safety Divisions. These divisions are responsible for 911 responses to fires, medical emergencies, hazardous materials emergencies and technical rescue, as well as disaster response to a major or widespread incident in the Town. The Operations Division also conducts code enforcement, public safety education and safety preparations for special events.

Queen Creek’s contract for police services with the Maricopa County Sheriff’s Office (MCSO) is also administered by the department. These services consist of patrol, crime prevention, investigations, school resource officers and district command oversight.

2) Non-Emergency Services

Non-emergency services support the response capabilities for the department’s paramedic engine companies and include the Administration, Training, and Resource Management Divisions.

Department Mission

- Prevent or minimize the loss of life and property for our citizens through emergency planning and the response of skilled fire crews
- Provide the highest level of emergency medical services to each Queen Creek citizen and family



Fire & EMS

Department Mission (cont'd)

- Successfully mitigate the potential damage of man-made or natural disasters in cooperation with neighboring communities, county governments, and the State of Arizona
- Promote fire, safety, and medical training for families and businesses throughout the community
- Foster goodwill within the community by developing mutual respect and trust
- Safeguard the economic and environmental base of the Town and its neighbors

Strategic Priority

Safe Community



FY 2017/18 Objectives

- Monitor and continue to evaluate the changing health care delivery system related to Emergency Medical Services; community para-medicine and pilot programs
- Continue with existing programs related to community para-medicine such as flu shot clinics and back to school shot clinics partnership with private sector
- Continue efforts towards a reduction in overall response times
- Develop a comprehensive response plan for hostile events within the community. These response plans will include working with regional fire department partners and Maricopa County Sheriff Office, District 6
- Complete specifications for future ladder truck purchase

Staffing by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Recommended
Administration	3.00	4.00	4.00	4.00	4.00
Operations	28.00	28.00	28.00	43.00	43.00
Training	1.00	1.00	1.00	1.00	1.00
Fire Prevention Bureau	-	-	1.00	1.00	1.00
Resource Management	1.00	1.00	1.00	1.00	1.00
Medical	1.00	1.00	1.00	1.00	1.00
Public Safety	1.00	1.00	-	-	-
Department FTE	35.00	36.00	36.00	51.00	51.00

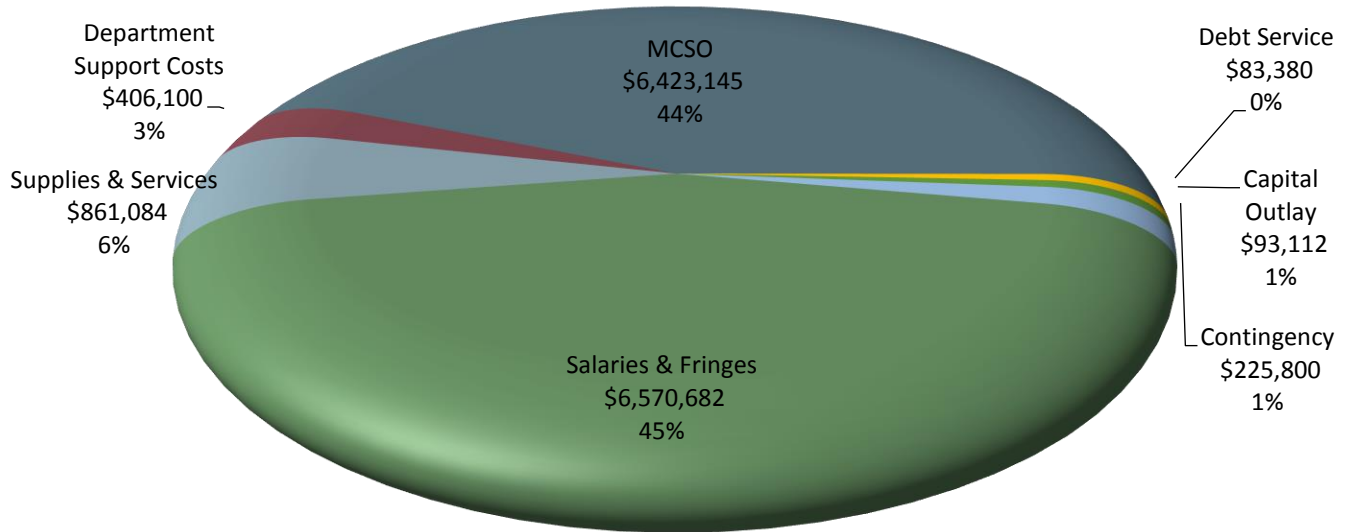
FTE Changes

There are no changes anticipated for staffing levels for FY 2017/18. The increase in FY 2016/17 was attributed to the hiring of 15.0 FTEs required for the opening of Fire Station #3.



Fire & EMS

Fire/EMS & Public Safety FY 17/18 Recommended Budget \$14.7M



Department Expenditure by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 3,507,862	\$ 5,386,271	\$ 4,575,768	\$ 5,486,982	\$ 6,570,682	\$ 1,083,700	20%
Supplies & Services	\$ 797,537	\$ 765,708	\$ 716,797	\$ 815,197	\$ 861,084	\$ 45,887	6%
Department Support Costs	\$ 297,835	\$ 284,238	\$ 320,882	\$ 348,448	\$ 406,100	\$ 57,652	17%
MCSO	\$ 3,482,290	\$ 4,679,529	\$ 5,468,842	\$ 6,018,778	\$ 6,423,145	\$ 404,367	7%
Debt Service	\$ -	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,380	\$ -	0%
Capital Outlay	\$ 609,582	\$ 223,351	\$ 245,598	\$ 141,154	\$ 93,112	\$ (48,042)	(34%)
Contingency	\$ -	\$ -	\$ -	\$ 187,500	\$ 225,800	\$ 38,300	20%
Subtotal Expenses	\$ 8,695,106	\$ 11,422,478	\$ 11,411,267	\$ 13,081,439	\$ 14,663,303	\$ 1,581,864	12%
Transfers Out-Operating	\$ 95,300	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Department Total	\$ 8,790,406	\$ 11,422,478	\$ 11,411,267	\$ 13,081,439	\$ 14,663,303	\$ 1,581,864	12%
	\$ Change from Prior	\$ 2,632,072	\$ (11,211)	\$ 1,670,172	\$ 1,581,864		
	% Change from Prior	30%	(0%)	15%	12%		



Fire & EMS

Expenditure by Division

Division	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Fire Administration	\$ 979,487	\$ 891,831	\$ 1,032,448	\$ 1,199,384	\$ 1,323,618	\$ 124,234	10%
Operations	\$ 2,908,536	\$ 4,610,154	\$ 3,579,419	\$ 4,497,022	\$ 5,492,860	\$ 995,838	22%
Training	\$ 129,917	\$ 153,491	\$ 218,261	\$ 219,227	\$ 216,899	\$ (2,328)	(1%)
Fire Prevention	\$ -	\$ -	\$ 156,431	\$ 163,841	\$ 182,696	\$ 18,855	12%
Resource Management	\$ 958,671	\$ 673,076	\$ 696,095	\$ 639,344	\$ 642,854	\$ 3,510	1%
Medical	\$ 213,468	\$ 295,729	\$ 259,771	\$ 278,843	\$ 316,231	\$ 37,388	13%
Public Safety (MCSO)	\$ 3,600,328	\$ 4,798,197	\$ 5,468,842	\$ 6,018,778	\$ 6,423,145	\$ 404,367	7%
Wildland	\$ -	\$ -	\$ -	\$ 65,000	\$ 65,000	\$ -	0%
Department Total	\$ 8,790,406	\$ 11,422,478	\$ 11,411,267	\$ 13,081,439	\$ 14,663,303	\$ 1,581,864	12%
		\$ Change from Prior \$ 2,632,072	\$ (11,211)	\$ 1,670,172	\$ 1,581,864		
		% Change from Prior 30%	(0%)	15%	12%		

Program Performance - Non-Emergency

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Fire: 250 Medical: 150 Rescue: 25	Number of training hours in emergency response per operations employee ¹	Fire: 267 Medical: 71 Rescue: 26	Fire: 250 Medical: 75 Rescue: 25	Fire: 250 Medical: 75 Rescue: 26	Fire: 250 Medical: 75 Rescue: 25
	Number of annual commercial occupancy inspections, by Risk Category. ²	High: 132 Medium: 32 Low: 55	High: 104 Medium: 41 Low: 91	High: 104 Medium: 49 Low: 138	High: 145 Medium: 39 Low: 70
Public Safety /Community Involvement	Child car seat installations	64	60	65	70
	Public Education program hours	399	260	188	200

Analysis of Performance

1. To perform emergency response training required to meet National Fire Protection Association (NFPA) standards, state statutes, federal mandates, Insurance Services Office (ISO), and local requirements.
2. High-risk occupancies inspections are conducted by the Fire Marshal once every year. Medium and Low risk occupancies are inspected by Fire Operations staff once every two years and once every three years, respectively.



Fire & EMS

Program Performance – Fire Emergency

Key Result Area	Program Performance	Actual FY 2015/16	Target FY 2016/17	Projected 2016/17	Target FY 2017/18
Public Safety	Number of emergency response incidents / response time.	3,030/ 4:49	3,387/ 4:00	3,042/ 5:07	3,200/ 4:00
Public Safety & Community Involvement	CERT Basic Training Class Delivered ¹	1	1	1	1
	Disaster Management and Awareness Training Classes Delivered ²	4	8	4	8

Analysis of Performance

1. Community Emergency Response Team (CERT) is a disaster training program designed to teach citizens basic emergency preparedness skills to help themselves, their families, and their neighbors in the event of a catastrophic disaster where emergency services personnel will be unable to respond immediately.
2. Deliver disaster preparedness and awareness training classes, demonstrations and presentations to the community (CERT continuing education).

Program Operating Budget – Fire Admin

Division by Category	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	From Prior Revised	
	Actual	Actual	Actual	Revised	Adopted	Dollar Change	% Change
Salaries & Fringes	\$ 195,360	\$ 333,281	\$ 483,629	\$ 488,002	\$ 507,674	\$ 19,672	4%
Supplies & Services	\$ 390,993	\$ 274,312	\$ 227,937	\$ 175,434	\$ 184,044	\$ 8,610	5%
Department Support Costs	\$ 297,835	\$ 284,238	\$ 320,882	\$ 348,448	\$ 406,100	\$ 57,652	17%
Contingency	\$ -	\$ -	\$ -	\$ 187,500	\$ 225,800	\$ 38,300	20%
Division Total	\$ 884,187	\$ 891,831	\$ 1,032,448	\$ 1,199,384	\$ 1,323,618	\$ 124,234	10%
	\$ Change from Prior	\$ 7,644	\$ 140,617	\$ 166,936	\$ 124,234		
	% Change from Prior	1%	16%	16%	10%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance.

Supplies & Services:

The largest line item in this budget is for liability insurance at \$74K, which is 40% of the \$184K budget. The main driver of the increase in this category is related to the increase in administration costs for the Town of Gilbert contract specific to apparatus maintenance (\$7K).

Support Costs:

Support costs (overhead) are the charges from the General Fund for services such as Human Resources, Finance, Payroll, Information Technology (IT), Town Manager and Town Clerk. The rise is driven by the increase in IT licensing and software support costs in support of newer technologies recently implemented.



Fire & EMS

Program Operating Budget – Fire Operations

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 2,809,517	\$ 4,511,691	\$ 3,425,203	\$ 4,298,682	\$ 5,299,925	\$ 1,001,243	23%
Supplies & Services	\$ 98,857	\$ 91,349	\$ 104,422	\$ 157,777	\$ 160,323	\$ 2,546	2%
Capital Outlay	\$ 162	\$ 7,113	\$ 49,794	\$ 40,563	\$ 32,612	\$ (7,951)	(20%)
Division Total	\$ 2,908,536	\$ 4,610,154	\$ 3,579,419	\$ 4,497,022	\$ 5,492,860	\$ 995,838	22%
	\$ Change from Prior	\$ 1,701,618	\$ (1,030,735)	\$ 917,603	\$ 995,838		
	% Change from Prior	59%	(22%)	26%	22%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well a 5% step program based on employee performance. The employer contribution rate for pensions also increased due to revised actuarial assumptions. The remainder of the increase is attributed to the full year budget for the new 15 firefighters hired for the opening of Fire Station #3.

Supplies & Services:

The Fire Operating supplies and services budget includes increases for dispatch services provided by the City of Mesa. With new Fire Station #3 it is anticipated to see an increase in call volume from 3,042 calls annually to 3,346 (10%). The City of Mesa is also increasing the cost per call by \$1.10 from \$25.50 to \$26.60.

With additional calls for service, this correlates to additional radio air-time thus increasing our assessment in the TOPAZ Regional Wireless Cooperative network.

Capital Outlay:

The decrease in this category is the result of a decrease in the capital assessment of the TOPAZ network. This decrease is due to lower negotiated costs and are included in the FY 2017/18 budget at the appropriate level.

Program Operating Budget – Fire Training

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 114,339	\$ 134,027	\$ 201,797	\$ 168,544	\$ 167,701	\$ (843)	(1%)
Supplies & Services	\$ 15,577	\$ 19,464	\$ 16,464	\$ 50,683	\$ 49,198	\$ (1,485)	(3%)
Division Total	\$ 129,917	\$ 153,491	\$ 218,261	\$ 219,227	\$ 216,899	\$ (2,328)	(1%)
	\$ Change from Prior	\$ 23,575	\$ 64,770	\$ 966	\$ (2,328)		
	% Change from Prior	18%	42%	0%	(1%)		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well as a 5% step program based on employee performance. The decrease in this category is the result of employee turnover.

Supplies & Services:

The supplies and services category in the Fire Training division decreased due to one-time training costs related to the Fire Academy for the 15 new members included in the revised FY 2016/17 budget. However extra training funds have been included for the new members for usage of the Chandler training facility as well as funds for



Fire & EMS

additional license fees to add these new members to the departments online training program Target Safety where they required safety training. With one-time costs being removed, this category is decreasing overall.

Program Operating Budget – Fire Prevention

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 141,362	\$ 145,515	\$ 164,315	\$ 18,800	13%
Supplies & Services	\$ -	\$ -	\$ 15,069	\$ 18,326	\$ 18,381	\$ 55	0%
Division Total	\$ -	\$ -	\$ 156,431	\$ 163,841	\$ 182,696	\$ 18,855	12%
		\$ Change from Prior	\$ -	\$ 156,431	\$ 7,410	\$ 18,855	
		% Change from Prior	N/A	N/A	5%	12%	

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well a 5% step program based on employee performance. The employer contribution rate for pensions also increased due to revised actuarial assumptions.

Supplies & Services:

This category is essentially unchanged from FY 2016/17 to FY 2017/18.

Program Operating Budget – Fire Resource

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 128,925	\$ 133,071	\$ 151,298	\$ 154,990	\$ 165,150	\$ 10,160	7%
Supplies & Services	\$ 220,326	\$ 240,387	\$ 265,613	\$ 300,383	\$ 333,824	\$ 33,441	11%
Debt Service	\$ -	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,380	\$ -	0%
Capital Outlay	\$ 609,420	\$ 216,238	\$ 195,804	\$ 100,591	\$ 60,500	\$ (40,091)	(40%)
Division Total	\$ 958,671	\$ 673,076	\$ 696,095	\$ 639,344	\$ 642,854	\$ 3,510	1%
		\$ Change from Prior	\$ (285,595)	\$ 23,019	\$ (56,751)	\$ 3,510	
		% Change from Prior	(30%)	3%	(8%)	1%	

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well a 5% step program based on employee performance.

Supplies & Services:

The largest line item in this category is for fire apparatus maintenance and repair at \$84K, which is a \$25K increase over the FY 2016/17 budget in anticipation of preventative maintenance for the new additional apparatus for the new station. Utilities (combined water, gas and electricity) for the fire stations are the second highest line item in this category, at \$70K, which is an increase of \$38K as a result of the two new fire stations. Other increases in this category include maintenance and repair costs (\$5K), facility supplies (\$5K), gasoline (\$10K), and equipment related costs (\$12K). These increases were offset by the removal of one-time expenses for personal protective equipment included in the FY 2016/17 revised budget (\$62K) for new fire personnel that have been removed from the FY 2017/18 budget.



Fire & EMS

Capital Outlay:

Capital expenses are reset annually. The one-time expenses for FY 2016/17 for outfitting the new station with appliances, furniture, exercise equipment, and tools has been removed from the FY 2017/18 budget.

Program Operating Budget – Fire Medical

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 141,683	\$ 155,533	\$ 172,479	\$ 181,249	\$ 215,917	\$ 34,668	19%
Supplies & Services	\$ 71,785	\$ 140,197	\$ 87,291	\$ 97,594	\$ 100,314	\$ 2,720	3%
Division Total	\$ 213,468	\$ 295,729	\$ 259,771	\$ 278,843	\$ 316,231	\$ 37,388	13%
	\$ Change from Prior	\$ 82,261	\$ (35,959)	\$ 19,072	\$ 37,388		
	% Change from Prior	39%	(12%)	7%	13%		

Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to the Employment Cost Index), as well a 5% step program based on employee performance.

Supplies & Services:

The largest line item in this category is for medical equipment at \$34K, an increase of \$6K from FY 2016/17. The second largest line item is for paramedic and medical related trainings at \$22K, an increase of \$7K from the FY 2016/17 budget. Decreases for gym memberships (\$10K) now that the new fire stations have workout facilities is offsetting these increases.

Program Operating Budget – Public Safety/Maricopa County Sheriff’s Office

Division by Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 118,038	\$ 118,667	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 3,482,290	\$ 4,201,954	\$ 5,468,186	\$ 6,018,778	\$ 6,394,955	\$ 376,177	6%
Capital Outlay	\$ -	\$ 477,575	\$ 656	\$ -	\$ 28,190	\$ 28,190	N/A
Division Total	\$ 3,600,328	\$ 4,798,197	\$ 5,468,842	\$ 6,018,778	\$ 6,423,145	\$ 404,367	7%
	\$ Change from Prior	\$ 1,197,869	\$ 670,645	\$ 549,936	\$ 404,367		
	% Change from Prior	33%	14%	10%	7%		

Budget Notes and Changes

Supplies & Services:

The contract with Maricopa County Sheriff’s Office (MSCO) for law enforcement services will increase in the upcoming budget year. The primary drivers are pension costs and overtime hours. Another notable change is the inclusion of a placeholder for a Traffic Sergeant mid-year (\$150K) to implement an enhanced traffic program pending the outcome of a pilot program. The remainder of the increases in this category are related to the operating and maintenance cost of the new public safety building.

Capital Outlay:

Capital outlay needs are re-evaluated annually. Included in the FY 2017/18 budget is a new speed trailer for traffic enforcement.



Centralized Services

Department Description and Programs

The Centralized Services group of the General Fund contains expenditures for resources used by all departments or those that cannot be applied to individual departments. They are not reported in individual departments' base budgets due to the high cost and variable nature of the expenses. These include obligations such as:

- Town support of local non-profit agencies that provide events and services for residents
- Town liability and casualty insurance premiums
- The Town's charge from ADOR to administer the transaction privilege tax collection system
- Town dues and memberships in the Maricopa Association of Governments (MAG), League of Arizona Cities and Towns, and Alliance for Innovation
- The Town's annual assessment as a member of the Phoenix-Mesa Gateway Airport Authority
- Taxes on property owned by the Town
- Utility payments for Town facilities
- Transportation Development Agreements
- Transfers to fund debt service and capital programs

FY 2017/18 Objectives

- Monitor and control overhead expenditures, providing efficient and effective services to internal stakeholders, ensuring security and protection of Town interests, and ensuring payment of Town obligations

Expenditures by Type

Expense Category	FY 2013/14 Actual	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted	From Prior Revised	
						Dollar Change	% Change
Census Expenses (non-personnel)	\$ -	\$ 3,887	\$ 37,980	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 1,387,368	\$ 1,673,654	\$ 1,597,444	\$ 1,752,484	\$ 1,748,214	\$ (4,270)	(0%)
Non-Profit Support	\$ 13,040	\$ 14,810	\$ 16,225	\$ 38,830	\$ 37,600	\$ (1,230)	(3%)
Transportation Development Agreements	\$ 1,955,264	\$ 2,102,240	\$ 2,231,209	\$ 6,380,548	\$ 150,000	\$ (6,230,548)	(98%)
Economic Development Agreements	\$ -	\$ 2,230,916	\$ 62,466	\$ -	\$ -	\$ -	N/A
Capital Outlay	\$ 161,996	\$ 372,802	\$ -	\$ 30,000	\$ -	\$ (30,000)	(100%)
Contingency	\$ -	\$ -	\$ -	\$ 633,200	\$ 732,300	\$ 99,100	16%
Subtotal Expenses	\$ 3,517,669	\$ 6,398,309	\$ 3,945,324	\$ 8,835,062	\$ 2,668,114	\$ (6,166,948)	(70%)
Transfers Out - Debt Service	\$ -	\$ 1,075,008	\$ 1,377,990	\$ 1,468,384	\$ 4,755,735	\$ 3,287,351	224%
Transfers Out - Transportation CIP Placeholder	\$ -	\$ 10,088,780	\$ 8,500,000	\$ -	\$ 2,981,946	\$ 2,981,946	N/A
Department Total	\$ 3,517,669	\$ 17,562,097	\$ 13,823,314	\$ 10,303,446	\$ 10,405,795	\$ 102,349	1%
	\$ Change from Prior	\$ 14,044,428	\$ (3,738,783)	\$ (3,519,868)	\$ 102,349		
	% Change from Prior	399%	(21%)	(25%)	1%		

*Non-Profit historical actuals are only reflective of monetary support. In-kind services are an absorbed expense in the appropriate departmental budget.

Budget Notes and Changes

Supplies & Services:

The annual total budget for utilities expenses in FY 2017/18 is \$1.0M, or 60% of the supplies and services category budget. This budget is remaining unchanged from FY 2016/17 since any increase anticipated is being offset by a decrease in the Town's cost for parks irrigation water based on a rate correction that was found in FY 2016/17 that will save the Operating Budget approximately \$50K annually. The second largest account in this category is for Town's liability insurance which is budgeted to increase 5%. The total budget for this line item is \$217K. Other



Centralized Services

items included in this budget: Phoenix Mesa Gateway Airport assessment, lobbying services, Department of Revenue sales tax collection services, Town-wide dues and taxes.

Non-Profit Support:

Annually the Town accepts applications from non-profit groups requesting support for the programs they offer to the Queen Creek community. In February 2014, Town Council established a total funding level of not more than 0.2% of the General Fund expenditures be allocated to fund non-profit agency requests in total for both monetary as well as in-kind services. It is Council's objective that funding provided offers direct benefit to Queen Creek residents. The maximum funding level established for FY 2017/18 is \$37,600. The total award recommendation for F7 2017/18 is \$37,599. The Town will consider providing monetary support and/or in-kind services for FY 2017/18 not to exceed the amounts specified for the following agencies:

Entity	Program Name	FY 16/17 Approved	FY 17/18 Approved
Monetary Support			
Child Crisis Center	Family Resource Center	\$ -	No request
Child Crisis Center	Arizona Adoption and Foster Care	2,500	No request
Child Crisis Center	Children's Placement Services	-	\$ 3,090
American Legion	Legion Programs	3,500	3,090
American Legion Axillary Unit #129	Girls State Program	1,500	1,500
San Tan Historical Society	Historical Site Restoration	4,475	3,090
Pan de Vida Foundation	Health and Community Fair	6,000	3,090
American Cancer Society	Relay for Life	1,500	1,500
About Care	Support Services for the Homebound	No request	2,560
Community Alliance Against Family Abuse	Domestic Violence & Sexual Awareness & Prevention in QC	No request	2,560
Total Monetary Support		\$19,475	\$20,480
In-Kind Support			
Hoofbeats with Heart	Jump for a Cause	4,000	No request
Queen Creek 4H	Various Events & Shows	5,660	6,200
Queen Creek 4H	Meeting Space (9 meetings annually)	1,260	1,460
Pan de Vida Foundation	Health and Community Fair	2,791	3,519
American Legion	Office Space	3,000	3,000
San Tan Historical Society	Grant Search Assistance/Project Radius	1,637	1,440
American Cancer Society	Relay for Life	1,000	1,500
Total In-Kind Support		\$19,348	\$17,119
Total Town Support – Monetary and In-Kind		\$38,823	\$37,599



Centralized Services

Transportation Development Agreements:

These agreements are with the major retail developers for sales tax reimbursements. The budgeted amount represents the non-growth share of these agreements which accounts for 25% of the agreements. The remaining 75% is funded by the construction sales tax fund. Two development agreements were paid off in FY 2016/17, creating the large budget reduction in FY 2017/18, and resulted in a total savings of \$10.8M for the Town. One agreement exists at a cost of \$150K in the Operating Budget for FY 2017/18.

CIP Transfers:

For FY 2017/18, a \$6.5 million “placeholder” is included for infrastructure pay-as-you-go funding/debt service until a final decision is made regarding capital improvements funding. A final decision is expected once the Transportation Master Plan, Parks Master Plan, impact fee programs, and Debt Management Plan are updated.

Debt Transfers:

The non-growth share of debt service is transferred from the Operating Budget to the Debt Service fund. The FY 2017/18 budget anticipates the following debt transfers:

- \$0.3M for the 2016 Refunded Improvement District Debt related to the Ellsworth Loop Road project
- \$0.3M for the 2016 Refunded 2007 Excise Tax Bond
- \$0.2M for the 2016 Refunded 2004B GADA Loan (Town Buildings)
- \$0.1M for the 2016 Refunded 2005B GADA Loan (Library)
- \$0.3M for the 2016 Refunded 2006A GADA Loan (Library)

Contingency:

The amount budgeted for FY 2017/18 is based on 3% of operating expenses in the General Fund and the HURF fund.



Capital Program & Debt

Capital Program Overview

FY 2017/18 Five-Year Capital Improvement Summary

FY 2017/18 Capital Funding Sources

FY 2017/18 Capital Funding Uses

Capital Budgets Year to Year Comparison

Major Funding Sources for CIP

CIP Impacts on Operations and Maintenance Forecast

Major Projects in Progress

Five-Year Forecast CIP Funds:

Transportation

General Capital Fund

Utility Enterprise Funds

Development Fee Funds

Other Funds:

Municipal Town Center

Special Assessment

Construction Sales Tax

Healthcare Self-Insurance Fund

SLIDs

Community Events

Grants

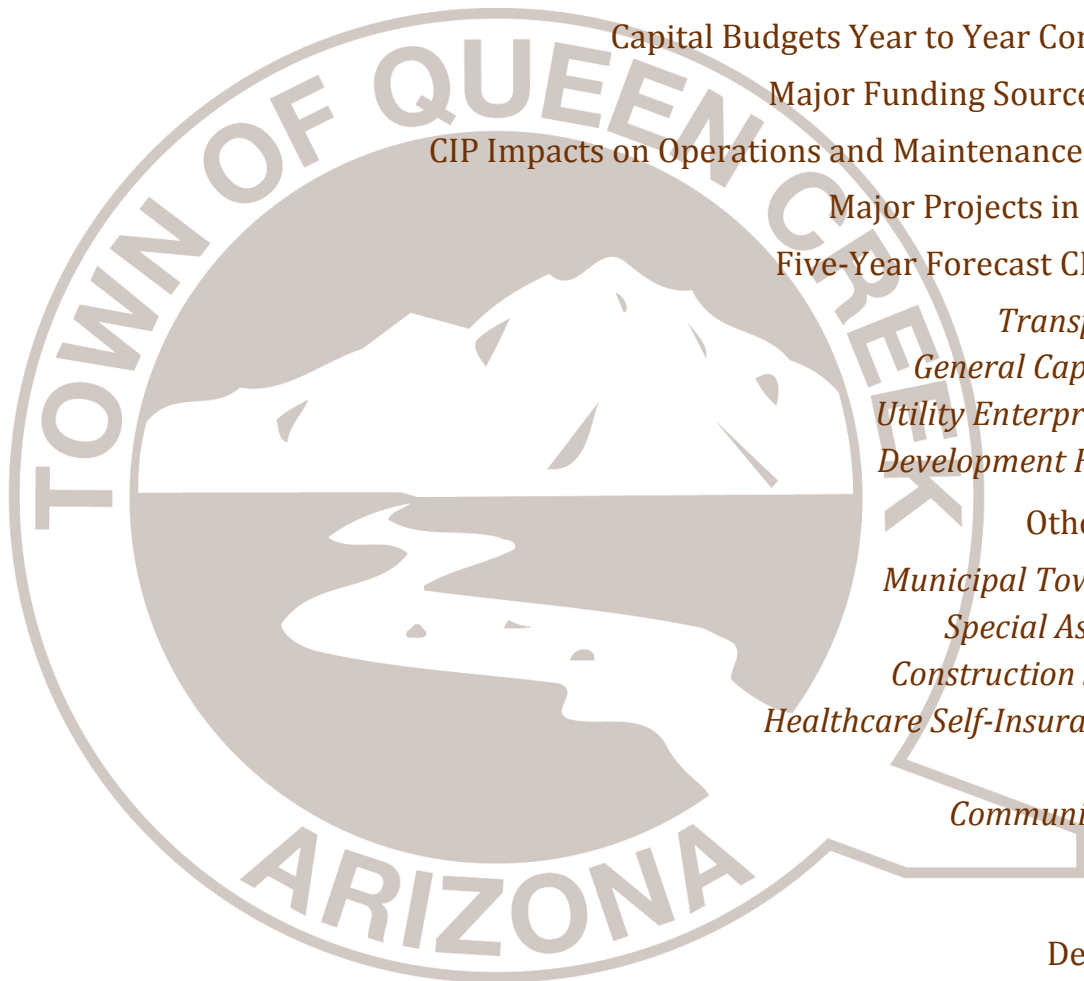
Debt Limits

Debt Guidelines/Summary

Debt by Type

Outstanding Debt Service

Debt Service by Fund





Capital Program Overview

Capital Program Mission

With community input, Queen Creek will plan for sustainable infrastructure improvements that strengthen economic viability and quality of life, providing fiscal stewardship of public funds and balancing construction with the ability to effectively maintain and operate our current assets in a cost-effective and safe manner.

Capital Program Summary FY 2018-FY 2022

The capital budget process determines which major projects will be financed and constructed. Capital projects are those with high monetary value (typically more than \$50,000) that add to the capital assets or infrastructure of the Town. These projects are long-term in nature (more than one year) and are generally financed on a long-term basis.

Funding for capital programs is appropriated annually. However, due to the fact that these projects are rarely completed within the fiscal year, carry-forward contingencies are budgeted to cover purchase orders that remain open at the end of the fiscal year and for projects that were not expended or encumbered by fiscal year end.

During the annual budget cycle, the Town of Queen Creek prepares a five-year infrastructure/capital improvements program (IIP/CIP) budget. The CIP shown in this budget document provides estimates for the fiscal years ranging from FY 2017/18 through FY 2021/22 and identifies fiscal year needs and financing sources. The FY 2017/18 CIP program is balanced including the use of revenues, fund balances, transfers and new debt issues; however, future years contain undetermined funding requirements that will be addressed prior to projects moving forward.

The Town of Queen Creek's capital program budget for FY 2017/18 amounts to \$57.2 million in expenditure authority for capital improvements related to General Government and Transportation. That amount includes \$17.0 million in appropriations for capital projects approved in prior years' budgets, and \$13.9 million in contingency. Water and Wastewater CIP includes \$54.3 million in expenditure authority for capital improvements, which includes \$16.5 million in appropriations for capital projects approved in prior years' budgets and \$3.0M in contingency. In total, the budget for new appropriations for capital improvements for FY 2017/18 is \$63.0 million. Other capital expenditures for studies as well as the growth portion of debt are shown in each of the capital and development fund's five-year financial forecast later in this section.

The Town Council adopts the five-year CIP on the same date as final adoption of the annual operating budget. Capital projects are scheduled throughout the five-year plan; however, only those projects scheduled during the first year of the CIP are financed and adopted as part of the annual budget. Details of the capital programs are presented in the following section along with funding sources.



Five-Year Capital Improvement Summary

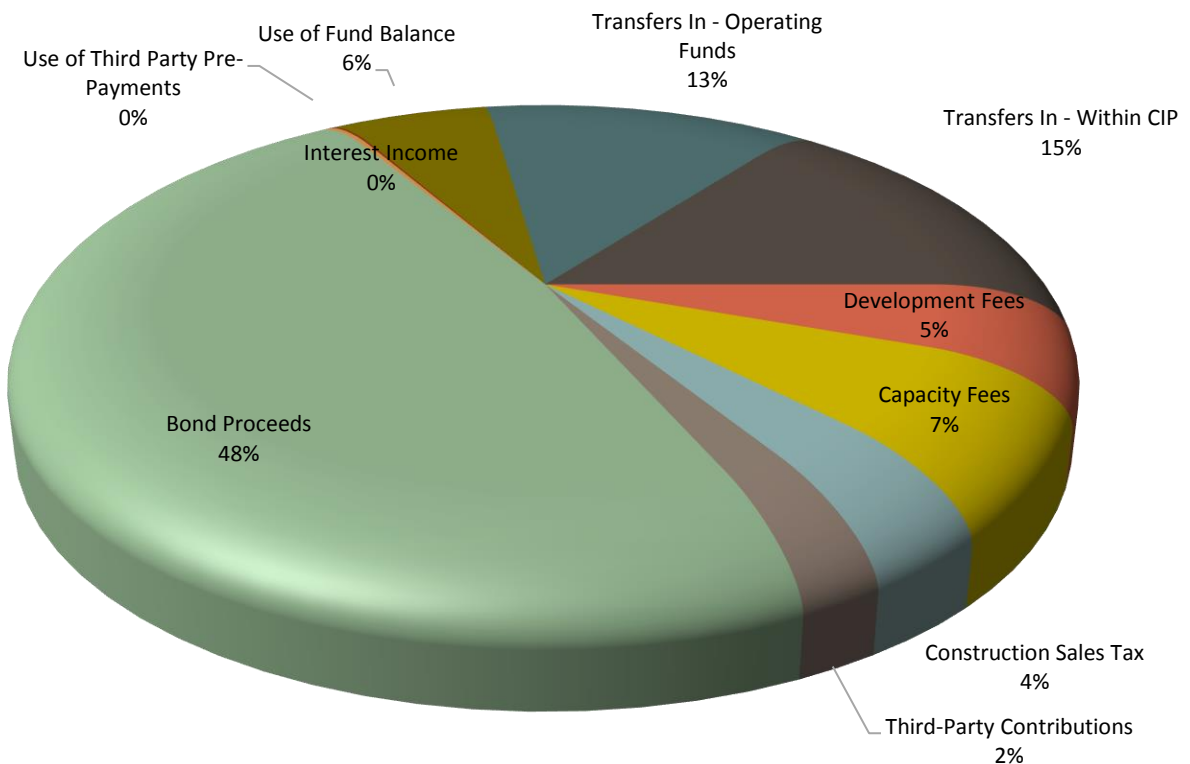
Summary 5-Year CIP	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
New Single Family Home Permits	1,041	1,187	1,247	1,095	904	5,474
Revenues by Source						
Development Fees	\$ 8,460,998	\$ 9,643,883	\$ 11,004,498	\$ 9,477,651	\$ 7,940,496	\$ 46,527,526
Capacity Fees	11,190,250	12,757,690	13,404,060	11,763,890	9,711,680	\$ 58,827,570
Construction Sales Tax	5,455,850	6,302,510	6,594,800	5,782,880	4,990,030	\$ 29,126,070
Third-Party Contributions	3,555,000	2,589,000	6,325,333	-	4,250,000	\$ 16,719,333
Bond Proceeds	75,000,000	-	-	20,000,000	-	\$ 95,000,000
Short Term Financing	-	-	-	-	-	\$ -
Interest Income	384,500	223,495	307,523	497,105	543,785	\$ 1,956,408
CIL - Formerly Restricted	177,421	-	175,000	508,617	1,222,901	\$ 2,083,939
Total Revenues	\$ 104,224,019	\$ 31,516,579	\$ 37,811,214	\$ 48,030,143	\$ 28,658,892	\$ 250,240,846
Transfers In - Operating	\$ 19,938,120	\$ 16,992,771	\$ 16,861,485	\$ 11,208,012	\$ 9,561,501	\$ 74,561,888
Transfers In -Within CIP	22,785,376	15,898,399	11,437,915	8,097,882	8,388,097	66,607,668
Total Sources by Type	\$ 146,947,515	\$ 64,407,749	\$ 66,110,613	\$ 67,336,036	\$ 46,608,490	\$ 391,410,402
Sources by Fund						
Drainage & Transportation	\$ 83,890,534	\$ 10,326,220	\$ 14,214,423	\$ 28,202,787	\$ 10,966,999	\$ 143,639,141
General CIP	-	1,050,000	4,400,000	-	-	20,127,172
Construction Sales Tax Fund	5,455,850	6,302,510	6,594,800	5,782,880	4,990,030	46,843,998
Wastewater Capital/Capacity	16,314,099	14,391,020	16,312,128	8,403,683	9,483,850	64,088,808
Water Capital/Capacity	32,596,534	22,556,620	10,163,241	15,069,198	12,772,772	92,805,331
Transportation Development Fund	1,779,197	1,991,836	2,349,257	1,892,460	1,509,364	9,652,753
Public Safety Development Fund	252,820	281,972	332,937	268,934	216,509	1,366,946
Fire Development Fund	665,278	767,816	4,047,232	773,405	586,339	6,867,619
Town Buildings Development Fund	645,512	765,966	860,838	751,788	636,566	3,618,446
Parks Development Fund	4,482,681	4,961,569	5,683,856	5,149,476	4,531,617	27,695,548
Library Development Fund	865,010	1,012,219	1,151,901	1,041,427	914,444	4,850,314
Total Sources by Fund	\$ 146,947,515	\$ 64,407,749	\$ 66,110,613	\$ 67,336,036	\$ 46,608,490	\$ 421,556,077
Uses by Fund						
Drainage & Transportation	\$ 56,480,816	\$ 18,220,766	\$ 30,490,817	\$ 16,412,986	\$ 13,456,464	\$ 150,001,513
General CIP	700,000	1,050,000	4,400,000	-	-	\$ 28,865,733
Construction Sales Tax Fund	5,455,850	6,302,510	6,594,800	5,782,880	4,990,030	\$ 46,096,824
Wastewater Capital/Capacity	28,075,813	13,150,514	8,162,376	1,613,729	6,766,500	\$ 60,526,840
Water Capital/Capacity	46,773,286	22,556,620	9,599,844	15,460,504	12,249,049	\$ 108,699,115
Transportation Development Fund	1,647,345	1,646,376	1,646,411	1,751,200	1,646,728	\$ 7,129,080
Public Safety Development Fund	50,000	-	-	-	-	\$ 50,000
Fire Development Fund	473,319	1,250,000	1,590,000	3,756,000	240,000	\$ 8,242,638
Town Buildings Development Fund	295,696	296,497	293,458	295,336	295,594	\$ 1,534,221
Parks Development Fund	15,852,193	1,353,114	528,012	525,459	529,470	\$ 22,229,948
Library Development Fund	423,777	410,859	411,169	411,141	411,373	\$ 2,143,765
Total Uses by Fund	\$ 156,228,094	\$ 66,237,256	\$ 63,716,886	\$ 46,009,235	\$ 40,585,208	\$ 435,519,679
Change in Fund Balance	\$ (9,280,579)	\$ (1,829,507)	\$ 2,393,726	\$ 21,326,801	\$ 6,023,282	\$ (13,963,602)



Funding Sources FY 2017/18

CIP FY 2017/18 Funding - \$156.2M

Capital Funding by Source	FY 2017/18 Requested	% of Total
Development Fees	\$ 8,460,998	5%
Capacity Fees	11,190,250	7%
Construction Sales Tax	5,455,850	3%
Third-Party Contributions	3,555,000	2%
Bond Proceeds	75,000,000	48%
Interest Income	384,500	0%
Use of Third Party Pre-Payments	177,421	0%
Use of Fund Balance	9,280,579	6%
Total Revenues	\$ 113,504,598	73%
Transfers In - Operating Funds	\$ 19,938,120	13%
Transfers In - Within CIP	22,785,376	15%
Total Sources	\$ 156,228,094	100%

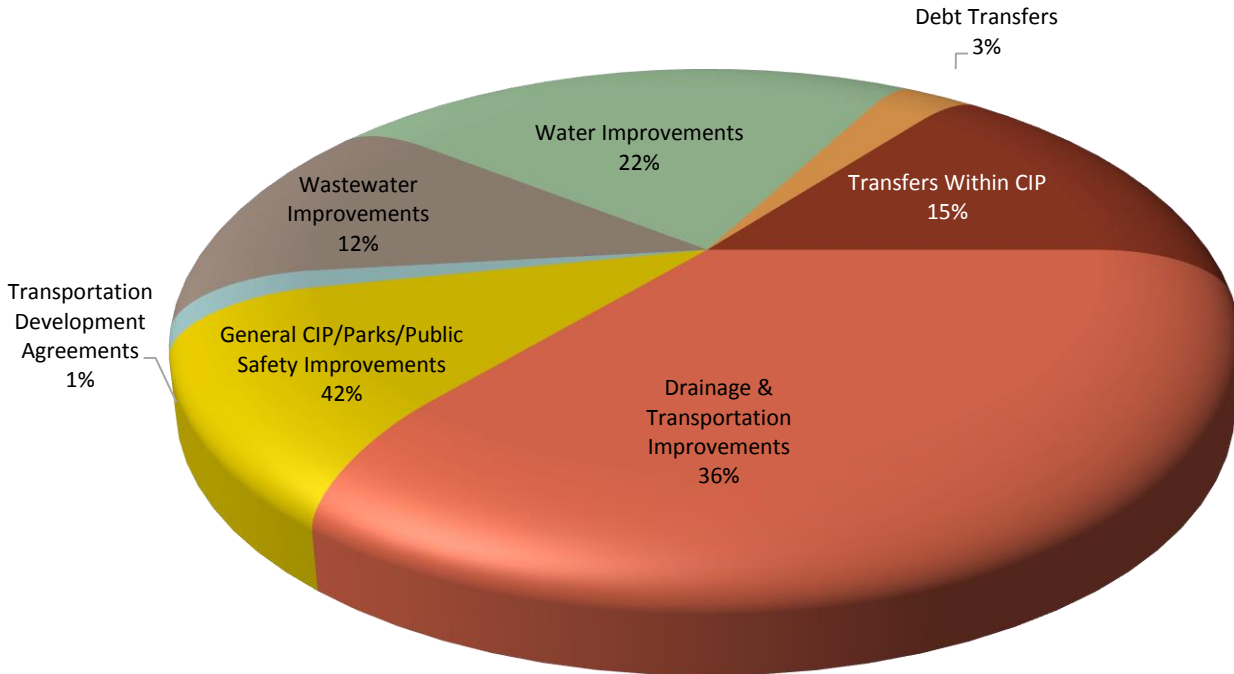




Expenditures/Uses FY 2017/18

CIP Expenditures/Uses FY 2017/18 - \$156.2M

Capital Expenditures by Program	FY 2017/18 Requested	% of Total
Drainage & Transportation Improvements	\$ 56,480,816	36%
General CIP/Parks/Public Safety Improvements	16,563,309	11%
Transportation Development Agreements	2,265,871	1%
Wastewater Improvements	19,356,071	12%
Water Improvements	34,677,925	22%
Total Expenses	\$ 129,343,992	83%
Debt Transfers	4,098,726	3%
Transfers Within CIP	22,785,376	15%
Total Uses	\$ 156,228,094	100%





Capital Budgets Year to Year Comparison

Capital Funding by Source	FY 2016/17 Revised	FY 2017/18 Requested	% Change
Development Fees	\$ 7,706,864	\$ 8,460,998	10%
Capacity Fees	9,440,740	11,190,250	19%
Construction Sales Tax	5,707,958	5,455,850	(4%)
Third-Party Contributions	2,555,000	3,555,000	39%
Bond Proceeds	13,000,000	75,000,000	477%
Interest Income	241,400	384,500	59%
Use of Third Party Pre-Payments	3,838,704	177,421	(95%)
Use of Fund Balance	26,574,043	9,280,579	(65%)
Total Revenues	\$ 69,064,709	\$ 113,504,598	64%
Transfers In - Operating Funds	\$ 32,652,025	\$ 19,938,120	
Transfers In - Within CIP	12,837,445	22,785,376	
Total Sources	\$ 114,554,179	\$ 156,228,094	

Capital Expenditures by Program	FY 2016/17 Revised	FY 2017/18 Requested	% Change
Drainage & Transportation Improvements	\$ 28,501,939	\$ 56,480,816	98%
General CIP/Parks/Public Safety Improvements	27,257,824	16,563,309	(39%)
Transportation Development Agreements	19,141,644	2,265,871	(88%)
Wastewater Improvements	9,524,409	19,356,071	103%
Water Improvements	13,416,558	34,677,925	158%
Total Expenses	\$ 97,842,375	\$ 129,343,992	32%
Debt Transfers	3,874,359	4,098,726	
Transfers Within CIP	12,837,445	22,785,376	
Total Uses	\$ 114,554,179	\$ 156,228,094	



Major Funding Sources for CIP

Capacity Charges

Capacity charges are a tool used by municipalities to pay the proportionate share of costs for utility infrastructure needs attributable to new growth. With the recent purchase of the H2O, Inc water company, the Town's service area extends beyond the Town's incorporated boundaries. Since development fee legislation only allows for fees in service areas within municipal boundaries, it is more appropriate to implement capacity charges, which are the only method allowed by state statute to collect for system improvement both inside and outside town boundaries. Like development fees, capacity charges are one-time charges paid at the time of building permit issuance for new construction and are based on meter size.

Capacity charges are assessed for both the water and wastewater functions and were approved by Council effective May 2, 2014. Future revenue projections are based on projected development activity at the 2014 rates. Studies are underway to update the charges based on Queen Creek's recently updated Infrastructure Improvement Plans that capture the growth related projects over the next ten years, which serves as a basis for setting the fees.

Total projected capacity charges revenue anticipated for FY 2017/18 amounts to \$11.2 million. This represents a 19% increase from the FY 2016/17 budget as a result of growth projections being updated.

Development Fees (Impact Fees)

Development impact fees are one-time payments assessed by the Town to help offset costs associated with providing necessary public services to new development. Currently, the Town of Queen Creek assesses six development fees, each housed in a separate fund, which will be discussed in further detail later in this section. Total projected development fee revenues anticipated for FY 2017/18 amount to \$8.5 million.

In 2011, Arizona's Fiftieth Legislature passed Senate Bill 1525, which legislated a series of significant changes to the calculation, collection, and use of development fees. This legislation fundamentally moved away from the principle of new growth paying for itself, and shifted the burden of paying for this infrastructure on to existing residents and businesses. In addition, city and town councils previously had the ability to determine what constitutes "necessary public services" for their communities; the new bill now narrowly defines what these are allowed to include. The law took effect on January 1, 2012 and included a series of implementation dates, with a requirement that all development fee programs become fully compliant by August 1, 2014. In response to the established deadlines, the Town Council passed Resolution 892-11 on December 21, 2011, which dropped fees from \$15,007 to \$13,883 per single family home. The last change for development fees under SB 1525 went into effect August 1, 2014, and further reduced the fees to \$6,794 from \$8,941 (excluding the sewer fee, which has been replaced with a capacity fee).

Future revenue projections are based on projected development activity at the 2014 rates. Studies are underway to update the fees based on Queen Creek's recently updated Infrastructure Improvement Plan that captures the growth related projects over the next ten years, which is the basis for setting the fees.

The following is a table of fees collected by category for a single-family home with a standard three-quarter inch water meter. Commercial construction impact fees vary depending on type of commercial development and size of water connection.



Major Funding Sources for CIP

Category	FY 2017/18 Development Fees
Library	\$ 723
Parks, Open Space & Recreational Facilities	\$ 3,681
Transportation	\$ 1,263
Public Safety (Police Services)	\$ 167
Town Buildings & Vehicles	\$ 470
Fire	\$ 490
Subtotal Impact Fees	\$ 6,794
Wastewater Capacity Fee*	\$ 5,082
Water Capacity Fee*	\$ 4,014
Total single family home fee	\$ 15,890

* Capacity fees effective date was May 2, 2014. Amounts included to reflect all fees collected at time of permitting.

Construction Sales Tax

Construction sales tax in the Town of Queen Creek is 4.25%, with 2.0% dedicated to financing projects in the Drainage and Transportation Fund. Effective in FY 2016/17, this funding source is also utilized to reimburse major development for the growth share of their contributions to transportation. This funding source also pays the growth share of debt service related to the Ellsworth Loop Road construction. For FY 2017/18, dedicated construction sales tax is projected at \$5.5 million.

Building Permit Activity

Since impact fees, capacity charges and construction sales tax are dependent on new construction, building permit activity is tracked and monitored throughout the year, with projections for future permitting estimated as part of the annual budget process. A table and chart of single family home activity, total building activity and total valuation of permits since FY 2001 follows.

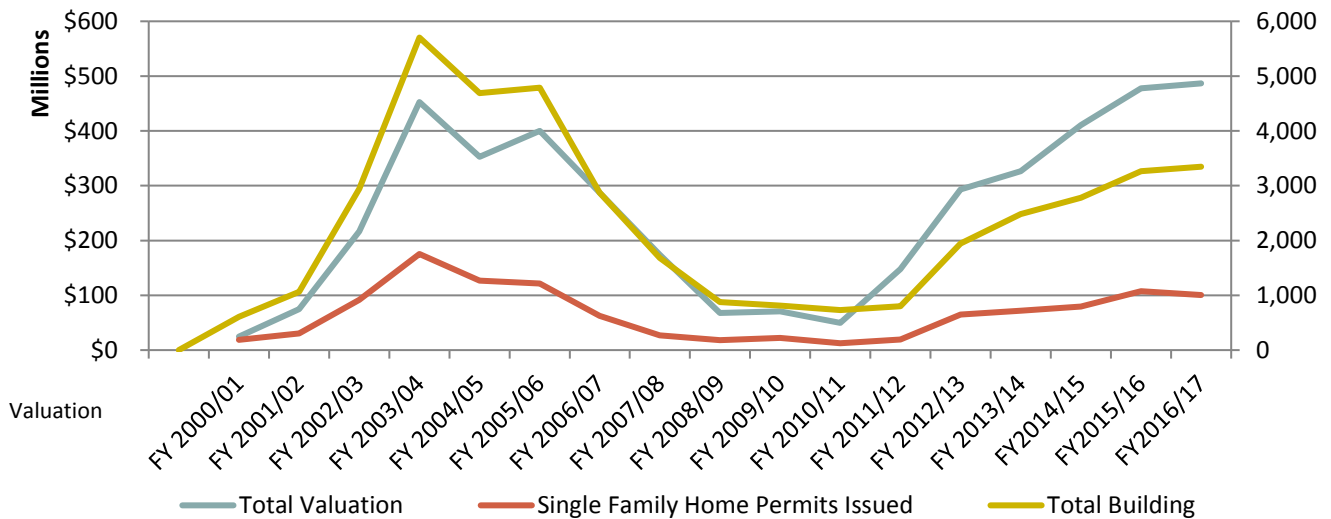
The increase in valuation in FY 2011/12 was due to commercial permitting of light industrial, office/institution and charter schools in the Town. In FY 2016/17, 80% of total valuation can be attributed to new single family homes (\$390,870,730). Total building permits includes all single-family homes, commercial permits, fencing, pools and all necessary specialty building permits.



Major Funding Sources for CIP

Fiscal Year	Single-Family Home Permits Issued	Total Building Permits Issued	Total Valuation
FY 2000/01	188	609	\$24,656,951
FY 2001/02	307	1,061	\$74,891,686
FY 2002/03	920	2,943	\$216,559,217
FY 2003/04	1,754	5,703	\$452,591,435
FY 2004/05	1,265	4,692	\$352,657,045
FY 2005/06	1,215	4,789	\$400,141,504
FY 2006/07	627	2,876	\$287,343,796
FY 2007/08	268	1,684	\$174,150,962
FY 2008/09	180	875	\$68,056,680
FY 2009/10	224	812	\$70,811,968
FY 2010/11	125	731	\$49,554,857
FY 2011/12	193	801	\$147,525,972
FY 2012/13	647	1,946	\$292,920,680
FY 2013/14	719	2,485	\$326,593,909
FY 2014/15	792	2,783	\$410,805,749
FY 2015/16	1,073	3,265	\$477,847,810
FY 2016/17	1,003	3,347	\$486,694,589

Building Permit Activity





CIP Impacts on Operations & Maintenance

The CIP has direct and often substantial impacts on the operating budget expenditures. Once completed, most capital projects require ongoing costs for operation and maintenance. Examples of this include: utilities and maintenance for new facilities and street lights; regular sweeping for roadways as well as occasional crack filling, patching, and replacement; rights-of-way (such as medians and shoulders) require irrigation, weeding, and ongoing maintenance. Some projects even require additional employees be added to staff in order to maintain levels of service.

Departments submitting capital projects estimate the operations and maintenance costs of each project based on operating costs and levels of service the Town has adopted. Additionally, departments consider if a project has the potential of producing revenues or savings in other areas of the organization.

Net operating costs are part of new project requests and are included in the long-range forecasts of the respective operating fund. Operating budget impact is a key criterion in deciding which projects to fund and when. When the Town cannot afford the additional operations and maintenance costs of a project, the project will not be funded. Departments must submit a supplemental request to obtain the additional budget allocation needed to operate and maintain capital projects. Supplemental requests for CIP operation and maintenance costs, like all expenditures, must compete with other funding requests.

Since substantial CIP funding has been approved over the past couple of years, the Town (in an effort to adequately plan for long-term maintenance and operations cost) has budgeted resources to hire a consultant to conduct a study of all maintenance and operation costs for the Town's infrastructure. The study will include existing roads, buildings, parks, trails, utilities and other facilities or assets that currently require maintenance and operations. The study will also include maintenance and operations forecasts for currently approved CIP and have a component which identifies costs associated with projects which currently have no funding (unfunded projects). The Town will use the results of the study to:

- Ensure current maintenance and operation practices are sufficient for existing infrastructure
- Funded CIP maintenance and operations are planned for adequately
- Establish base-line maintenance and operations forecasts for potential future CIP considerations

The following are projections of operating and maintenance costs of projects that have recently been completed or are in the FY 2017/18 budget. It is not anticipated that a savings or new revenue stream will be realized through any FY 2017/18 capital projects. The most significant increase to O&M for the new year is the completion of Fire Station #3, scheduled to open in August 2017.



CIP Impacts on Operations & Maintenance

	FY 17/18 Requested	FY 18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 Year Projection
Street Improvements						
A0107 Ocotillo Rd: Power to Recker	\$ 24,600	\$ 25,338	\$ 26,098	\$ 26,881	\$ 27,688	130,605
A0114 Ocotillo: Crismon to 218 th	4,100	4,223	4,350	4,480	4,615	21,767
A0206 Ellsworth Rd: Ryan to Germann	4,100	4,223	4,350	4,480	4,615	21,767
A0208 Ellsworth & Empire Rd Improvements	-	-	8,200	8,446	8,699	25,345
A0510 Riggs Rd: Ellsworth to Meridian	-	-	73,800	76,014	78,294	228,108
A0702 Crismon Road: Queen Creek to Germann	24,600	25,338	26,098	26,881	27,688	130,605
A1403 Power Rd: Ocotillo to Brooks Farms	-	18,450	19,004	19,574	20,161	77,188
A1404 Power Rd: Brooks Farms to Chandler Hts	-	-	-	6,150	6,335	12,485
A0306 Rittenhouse Rd: Village Loop to Alliance	-	-	-	57,810	59,544	117,354
TBD Ocotillo: Signal Butte to Meridian	-	-	-	-	24,600	24,600
TBD Germann: Ellsworth to Crismon	-	-	-	24,600	25,338	49,938
TBD Town Center Street N/S: Duncan to Ocotillo	-	-	-	3,280	3,378	6,658
TBD Duncan St: Ellsworth Loop to Ellsworth	-	-	4,920	5,068	5,220	15,207
TBD Aldecoa: Ellsworth Loop to Ellsworth	-	-	4,920	5,068	5,220	15,207
A0402 Hawes Road @ Creekview Ranches	-	4,100	4,223	4,350	4,480	17,153
A1002 Queen Creek Road - Ellsworth to Sig Butte	-	-	-	-	12,300	12,300
TBD Chandler Hts: Power to Sossaman	-	-	-	24,600	25,338	49,938
TBD Chandler Hts: Sossaman to Hawes	-	-	-	-	24,600	24,600
TBD 196th: Ocotillo to Appleby	-	12,300	12,669	13,049	13,441	51,459
TBD Appleby: Sossaman to 196th	-	4,100	4,223	4,350	4,480	17,153
A1702 220th: Queen Creek to Ryan	-	12,300	12,669	13,049	13,441	51,459
Intersection Improvements						
I0010 Ellsworth & Queen Creek	\$ 6,150	\$ 6,335	\$ 6,525	\$ 6,720	\$ 6,922	\$ 32,651
TBD Ocotillo @ Victoria Traffic Signal	1,500	1,545	1,591	1,639	1,688	7,964
TBD Ocotillo @ Scotland Ct Traffic Signal	-	1,500	1,545	1,591	1,639	6,275
TBD Ellsworth @ Via De Palmas Traffic Signal	1,500	1,545	1,591	1,639	1,688	7,964
Parks and Trail Improvements						
TE001/ D1213 QC Wash Desert Mountain Park to Ellsworth Rd. & Chandler Heights	\$ 8,490	\$ 8,659	\$ 8,919	\$ 9,186	\$ 9,462	44,716
Town Buildings						
Municipal Complex	\$ 309,483	\$ 318,767	\$ 328,331	\$ 338,180	\$ 348,326	\$ 1,643,087
Fire Station 1 (Replacement)	20,665	21,285	21,923	22,581	23,259	109,713
Fire Station 3 (New)	2,000,000	2,060,000	2,121,800	2,185,454	2,251,018	10,618,272
Public Works Corp Yard	9,050	9,322	9,601	9,889	10,186	48,048
Fire Station 4 (New)	-	-	-	2,200,000	2,266,000	4,466,000
Total General Government	\$ 2,414,238	\$ 2,539,329	\$ 2,707,349	\$ 5,105,010	\$ 5,319,660	\$ 18,085,587



CIP Impacts on Operations & Maintenance

	FY 17/18 Requested	FY 18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 Year Projection
Water Projects						
WA007 Sossaman - 2 Wells	95,000	97,850	100,786	103,809	106,923	\$ 504,368
WA079/ WA080/ Well Sites (3 Secondary Wells) WA081	190,000	195,700	201,571	207,618	213,847	1,008,736
WA002 Heritage Loop to Ellsworth Loop - Ocotillo Rd	430	430	430	430	860	2,581
WA004 Ocotillo Rd: Crismon to Rittenhouse	275	275	275	275	550	1,650
WA050 Cloud Rd: Power to Sossaman	-	-	963	963	1,926	3,852
WA059 Crismon Rd: Empire to Hunt	-	-	-	422	845	1,267
WA062 Ocotillo: 186th to Sossaman	-	706	706	706	1,413	3,532
WA063 Germann Rd: Sossaman to 196th	-	-	-	367	733	1,100
WA065 Sossaman Rd: Via Del Jardine to Empire	-	-	-	-	5,083	5,083
WA066 Riggs Rd: Sossaman to Hawes Rd	-	1,001	1,001	1,001	2,003	5,007
WA067 Riggs Rd: Ellsworth to Rittenhouse	-	3,867	3,867	3,867	7,733	19,333
WA069 Signal Butte Rd: Riggs to Empire w/PRV	-	-	-	1,000	2,000	3,000
WA070 Ellsworth Rd: Empire to San Tan w/ PRV	-	710	710	710	1,421	3,552
WA077 Ironwood @ Ocotillo & Marilyn	-	-	648	648	1,295	2,591
WA099 Encanterra Shea Line Install (NMID)	-	559	559	559	1,118	2,795
WA100 Ellsworth Rd: Ryan to Germann	482	482	482	482	964	2,891
WA101 Riggs Rd: Recker to Power	1,000	1,000	1,000	1,000	2,000	6,000
WA104 Ellsworth @ Rittenhouse Tie-in	-	-	187	187	374	748
WA108 Encanterra Hash Knife Rd Water Line	-	-	530	530	1,061	2,121
WA109 Schnepf Well to Gantzel Tank Transmission	1,231	1,231	1,231	1,231	2,462	7,386
WA118 Ocotillo Rd: Rittenhouse to Crismon	-	-	417	417	833	1,667
WA119 Rittenhouse Rd: Combs to Cloud	-	-	741	741	1,482	2,964
WA120 Empire Blvd: Gary to Crismon	-	-	2,004	2,004	4,007	8,014
WA121 Ironwood: Pima to Westbrooke	-	-	-	345	691	1,036
WA122 Box Canyon Lower Tank #2 ; Power Rd: Hunt	-	-	-	-	4,962	4,962
WA123 Crismon Rd: Queen Creek to Germann	1,000	1,000	1,000	1,000	2,000	6,000
WA124 Germann Rd: Ellsworth to Crismon	-	-	1,000	1,000	2,000	4,000
WA129 Hunt Hwy: Power to Sossaman 12&18"	-	-	1,000	1,000	2,000	4,000
WA131 Ryan Rd: Crismon to Signal Butte	-	1,000	1,000	1,000	2,000	5,000
WA132 Villages Water Reconstruction	-	924	924	924	1,849	4,622
WA135 Red Fern Road Water Line	758	758	758	758	1,515	4,545
WA137 Ryan Rd: Ellsworth to Crismon	-	1,000	1,000	1,000	2,000	5,000
WA140 Empire Blvd: Ellsworth to Pegasus	1,000	1,000	1,000	1,000	2,000	6,000
WA141 Orchard Ranch Booster to Bellerio	495	495	495	495	989	2,968
WA143 Meridian Rd: Combs to Red Fern Phase II	-	644	644	644	1,288	3,220
WA144 West Park Water Lines	-	1,212	1,212	1,212	2,424	6,061
WA145 West Park Well & Equipment	-	TBD	TBD	TBD	TBD	-
WA146 West Park Lake	-	TBD	TBD	TBD	TBD	-
WA147 Gary: Combs to Empire	-	-	1,017	1,017	2,034	4,068
WA149 Duncan St: Ellsworth Loop to Ellsworth & North to Ocotillo	-	189	189	189	379	947
WA150 Aldecoa: Ellsworth Loop to Ellsworth	-	-	184	184	368	736
WA153 220th: Queen Creek to Ryan	366	366	366	366	731	2,193
MF005 Corp Yard Interim Building & Improvements	5,058	5,209	5,366	5,526	5,692	26,851
TBD Meridian: Ocotillo to Ironwood Crossings 1&2	-	253	253	253	506	1,265
TBD Thompson: Empire to Borgata	-	-	483	483	966	1,932
Total Water Utility	\$ 297,093	\$ 317,862	\$ 335,998	\$ 347,364	\$ 397,327	\$ 1,695,644



CIP Impacts on Operations & Maintenance

	FY 17/18 Requested	FY 18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 Year Projection
Waste Water Projects						
WW010 Power Rd - Lift Station to Ocotillo	\$ 1,001	\$ 1,001	\$ 1,788	\$ 1,001	\$ 1,001	\$ 5,793
WW015 Cloud Rd: Ellsworth to 220th	1,925	1,925	3,437	1,925	1,925	11,136
WW025 Ocotillo Rd: Sonoqui to 190th	-	-	2,472	1,384	1,384	5,241
WW027 Cloud Rd: 220th to Rittenhouse	1,314	1,314	2,347	1,314	1,314	7,603
WW029 Signal Butte: Riggs to Cloud	-	-	-	-	638	638
WW035 Ryan Rd: Ellsworth to Crismon	-	1,276	2,279	1,276	1,276	6,107
WW048 RWCD Tie IN	24	24	43	24	24	140
WW050 Ellsworth Rd 24" Sewer Crossing @ Ryan	29	29	52	29	29	168
WW051 Meridian & Combs Rd. Sewer	473	473	844	473	473	2,735
WW052 Riggs Rd & Sossaman Intersection	-	169	302	169	169	810
WW053 Ryan Rd: Crismon to Signal Butte	-	1,276	2,279	1,276	1,276	6,107
WW054 Ocotillo Rd: Ellsworth Loop to Heritage Loop	550	550	983	550	550	3,184
WW055 Ocotillo Rd: Eritenhouse to Crismon	439	439	784	439	439	2,541
WW056 Chandler Heights: Sossaman Intersection	179	179	320	179	179	1,038
WW057 Queen Creek & Ellsworth Intersection	-	53	95	53	53	254
WW060 Riggs Rd: Crismon to Rittenhouse	2,575	2,575	4,599	2,575	2,575	14,897
WW061 Sossaman & Riggs to Box Canyon	-	-	-	3,770	3,770	7,540
WW062 Empire & Ellsworth to Thompson & Borgata	-	2,912	5,201	2,912	2,912	13,937
WW063 Aldecoa: Ellsworth to Ellsworth Loop	-	-	345	193	193	732
WW064 Power: Ocotillo to Chandler Heights	-	-	-	1,534	1,534	3,068
WW067 Riggs Rd: Ellsworth to Crismon	1,399	1,399	2,498	1,399	1,399	8,092
WW068 Meridian Rd: Combs to Red Fern Phase II	-	447	799	447	447	2,140
WW069 West Park Sewer Line	-	1,102	1,968	1,102	1,102	5,274
WW072 Duncan St: Ellsworth Loop to Ellsworth	-	230	410	230	230	1,099
TBD Queen Creek Rd: Ellsworth to Signal Butte	-	-	-	-	556	556
WWT06 GWRP 2018 Plant Expansion	-	-	-	-	-	-
MF005 Corp Yard Interim Building & Improvements	893	919	947	975	1,005	4,738
Total Wastewater Utility	\$ 10,800	\$ 18,292	\$ 34,793	\$ 25,229	\$ 26,453	\$ 115,567
Total All	\$ 2,722,131	\$ 2,875,483	\$ 3,078,140	\$ 5,477,603	\$ 5,743,440	\$ 19,896,798

Major Projects in Progress

A0002 – Ocotillo Road from Ellsworth Loop to Heritage Loop Road

The Ocotillo Road from Ellsworth Loop to Heritage Loop Road project consists of an alignment study, design, and construction of the roadway. Construction will include a new intersection at the Ocotillo and Ellsworth roads intersection. The project will also include widening the road to four lanes with a center turn lane, bike lanes, and sidewalks. A new traffic signal at the intersection of Ocotillo Road and Heritage Loop Road will also be included. In conjunction with the roadway work, a parklet on the northwest corner of Ocotillo Road/Ellsworth Road intersection will be construction. This project will provide congestion mitigation, aesthetic improvements and pedestrian sidewalks.



Design: October 2013 – Winter 2016
Construction: Spring 2016 – Summer 2017
Status: Construction nearing completion

Projected Inception to Date Expenses: \$5.3M
FY 2016/17 Budget Carry forward: \$0.7M
FY 2017/18 Budget (new): \$-
Estimated Project Total: \$6.0M

Major Projects in Progress

I0010- Ellsworth & Queen Creek Road Intersection

Intersection improvement includes continuing the design radius through the intersection to reduce the compound curve at the intersection. The project, involving Ellsworth Loop, Ellsworth Road and Queen Creek Road from Fulton Parkway south to Barnes Parkway, involves reconstruction of the intersections and approaching streets, adding a cul-de-sac turnaround on Ellsworth Road, a new connector street and a landscape buffer separating Ellsworth Road and Ellsworth Loop. Utilities coordination with irrigation and electricity is necessary. The project has been divided into two phases. Phase I is complete.



Design: Fall 2015 – Winter 2016

Construction: Spring 2016 – Fall 2018

Status: Phase 1 Complete; Phase 2 under design coordination with affected utilities such as Queen Creek Irrigation District and Salt River Project (Electricity); Right of way and easement acquisition continues

Projected Inception to Date Expenses: \$1.7M

FY 2016/17 Budget Carry forward: \$1.8M

FY 2017/18 Budget (new): \$1.8M

Estimated Project Total: \$5.3M



Major Projects in Progress

A0702 - Crismon Rd: Queen Creek Rd. to Germann Rd.

Project consists of half-street paving, curb and gutter, intersection and streetlight improvements to extend Crismon Road north from Queen Creek Road to Germann Road with one lane in each direction

Design: Spring 2016-Summer 2017

Construction: Summer 2017

Status: Currently in design

Projected Inception to Date Expenses: \$0.3M

FY 2016/17 Budget Carry forward: \$3.3M

FY 2017/18 Budget (new): \$-

Estimated Project Total: \$3.6M

A0510 – Riggs Road: Ellsworth to Meridian

This project is in conjunction with Maricopa County to improve the Riggs Road corridor. Between Ellsworth Road and Meridian Road, the north half of a future six-lane roadway will be constructed with one lane provided in each direction. This is a multi-phase project.



Design: Winter 2017-Fall 2017

Construction: Fall 2017 – Fall 2019

Status: Currently in design; Right of Way acquisition complete

Projected Inception to Date Expenses: \$3.5M

FY 2016/17 Budget Carry forward: \$3.3M

FY 2017/18 Budget (new): \$10.1M

Estimated Project Total: \$19.3M



Major Projects in Progress

A1403 – Power Road: Ocotillo to Brooks Farms

Project consists of widening the roadway to three lanes in each direction with a center turn lane, curb and sidewalks. Improvements will also include undergrounding utilities, irrigation and a box culvert crossing at Sonoqui Wash

Design: Spring 2017-Winter 2018

Construction: Spring 2018 – Winter 2019

Status: Currently in design

Projected Inception to Date Expenses: \$0.2M

FY 2016/17 Budget Carry forward: \$0.9M

FY 2017/18 Budget (new): \$3.7M

Estimated Project Total: \$4.8M

A0208 – Hunt Highway/Ellsworth Rd & Empire Road Improvements

Project consists of widening of Hunt Highway/Ellsworth Road south of Empire Boulevard. Improvements include widening the roadway and installing curb and gutter, raised median islands, sidewalk and street lights on the east side of the road, a traffic signal, and box culvert on Empire Road

Design: Spring 2017-Summer 2017

Construction: Fall 2017 – Winter 2018

Status: Currently in design

Projected Inception to Date Expenses: \$0.2M

FY 2016/17 Budget Carry forward: \$3.1M

FY 2017/18 Budget (new): \$ -M

Estimated Project Total: \$3.3M

WA002 – Heritage Loop to Ellsworth Loop Water Improvements

The Heritage Loop to Ellsworth Loop project consists of water line improvements in Ocotillo Road and Old Ellsworth Road associated with the Loop to Loop Roadway Construction Project.

Design: Spring 2016

Construction: Summer 2016 – Summer 2017

Status: Utility construction is 90% completed. The entire roadway and utility project is expected to be completed in July of 2017

Projected Inception to Date Expenses: \$0.6M

FY 2016/17 Budget Carry forward: \$0.1M

FY 2017/18 Budget (new): \$ -M

Estimated Project Total: \$0.7M

WA007 - Sossaman West Well

The Sossaman West Will project consists of drilling a new potable water well on Town owned property. The property will be improved with a site wall, new electrical service, discharge piping, and connection piping to the Town's potable water system. The well will be improved with casing, pump and motor, water chlorination equipment, SCADA equipment, and electrical controls.

Design: Winter 2015

Construction: Spring 2015 – Summer 2018

Status: Testing of water quality and construction of improvements continues to move forward in an effort to secure usable water

Projected Inception to Date Expenses: \$1.5M

FY 2016/17 Budget Carry forward: \$0.1M

FY 2017/18 Budget (new): \$2.2M

Estimated Project Total: \$3.8M



Major Projects in Progress

WA066 - Riggs Rd - Sossaman to Hawes Rd Water Improvements

Construction of a water line from Sossaman Road to Hawes Road.

Design: Spring 2017-Summer 2017

Construction: Summer 2017 – Winter 2018

Status: Design complete; construction pending

Projected Inception to Date Expenses: \$0.1M

FY 2016/17 Budget Carry forward: \$-M

FY 2017/18 Budget (new):\$0.4M

Estimated Project Total: \$0.5M

WA081 - Shea North Well

The Shea North well project will evaluate the water quality of the well, inspect and repair the well casing, install a pump and motor, install SCADA equipment, and install new electrical power. The project will also add additional improvements to facilitate moving water from the Shea North Well to the Shea South Tank site.

Design: Summer 2016-Fall 2016

Construction: Fall 2016 – Summer 2017

Status: Design complete; construction nearing completion

Projected Inception to Date Expenses: \$0.6M

FY 2016/17 Budget Carry forward: \$0.1M

FY 2017/18 Budget (new):--M

Estimated Project Total: \$0.7M

WA131 - Ryan Rd: Crismon to Signal Butte Water Improvements

This project consists of water line construction from Crismon to Signal Butte long Ryan Road.

Design: Winter 2017 - Spring 2017

Construction: Summer 2017 – Winter 2018

Status: Design complete; construction bids under review

Projected Inception to Date Expenses: \$0.1M

FY 2016/17 Budget Carry forward: \$-M

*FY 2017/18 Budget (new):*0.5M

Estimated Project Total: \$0.6M

WA137 - Ryan Rd: Ellsworth to Crismon Water Improvements

This projects consists of water line construction from Ellsworth to Crismon along Ryan Road.

Design: Winter 2017 - Spring 2017

Construction: Summer 2017 – Winter 2018

Status: Design complete; construction bids under review

Projected Inception to Date Expenses: \$0.2M

FY 2016/17 Budget Carry forward: \$-M

*FY 2017/18 Budget (new):*0.5M

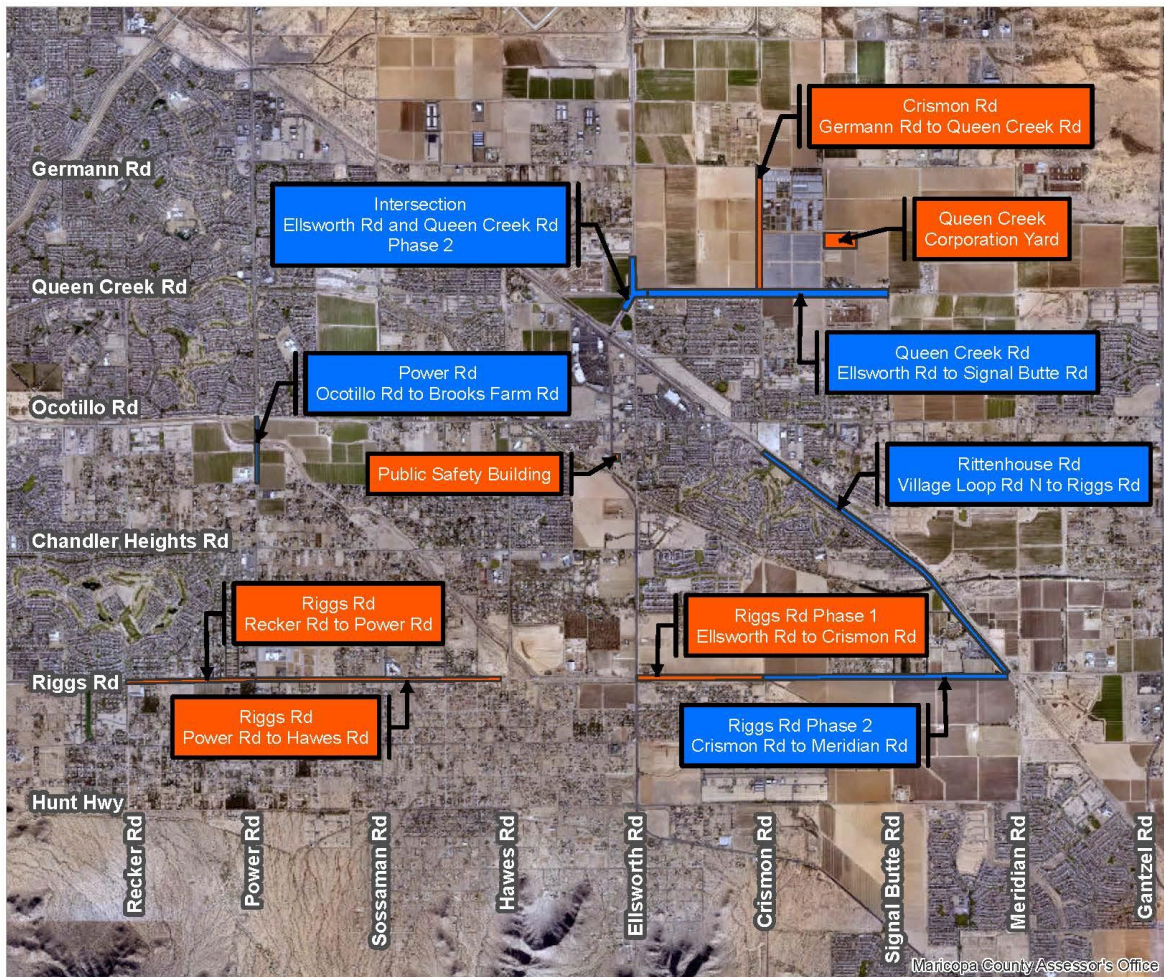
Estimated Project Total: \$0.7M



Transportation Improvements Map

TOWN OF
QUEEN CREEK
ARIZONA

INVESTING IN THE QC - CREATING A STRONGER COMMUNITY
Capital Improvement Program Overview Map



Project Status

- Design
- Construction

Funded Capital Improvement Projects:

These projects are scheduled to be completed within the next 2-3 years.

For more information visit: <http://www.queencreek.org/departments/public-works/capital-improvement-programs>

July 20, 2017





Capital Funds Five-Year Projections

Transportation Infrastructure Improvement Fund

Transportation IIP	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES							
Bond Issue: Non-Growth Projects	-	50,000,000	-	-	-	-	\$ 50,000,000
Bond Issue : Growth Projects	-	25,000,000	-	-	20,000,000	-	\$ 45,000,000
Transfers In - Operating Budget	-	2,981,946	4,740,973	4,740,973	4,740,973	3,333,751	\$ 20,538,616
Transfer In - Construction Sales Tax (Growth Projects)	1,611,473	2,176,167	3,185,247	3,765,117	2,953,197	2,160,347	\$ 14,240,075
Transfers In - Impact Fees	-	-	-	-	-	-	\$ -
Third Party Contributions	1,555,000	3,555,000	2,400,000	5,533,333	-	4,250,000	\$ 15,738,333
Interest Income	-	-	-	-	-	-	\$ -
Use of Third Party Prepayments	3,838,704	177,421	-	175,000	508,617	1,222,901	\$ 2,083,939
TOTAL REVENUES/SOURCES	\$ 7,005,177	\$ 83,890,534	\$ 10,326,220	\$ 14,214,423	\$ 28,202,787	\$ 10,966,999	\$ 147,600,963
EXPENDITURES/USES							
Projects	26,882,930	24,813,960	17,467,500	29,712,500	15,608,617	12,625,000	\$ 100,227,577
Maricopa County Flood Control Final Payment	188,354	-	-	-	-	-	\$ -
Project Management Expenses	397,995	602,179	626,266	651,317	677,369	704,464	\$ 3,261,596
Real Estate Consulting	100,000	100,000	100,000	100,000	100,000	100,000	\$ 500,000
CIP Software	193,116	27,000	27,000	27,000	27,000	27,000	\$ 135,000
Contingency	485,675	30,937,677	-	-	-	-	\$ 30,937,677
Transportation Master Plan	60,399	-	-	-	-	-	\$ -
Entry Monuments	87,658	-	-	-	-	-	\$ -
TOTAL EXPENDITURES/USES	\$ 28,396,128	\$ 56,480,816	\$ 18,220,766	\$ 30,490,817	\$ 16,412,986	\$ 13,456,464	\$ 135,061,850

Annual Result	(21,390,951)	27,409,718	(7,894,546)	(16,276,394)	11,789,801	(2,489,465)
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Beginning Balance	\$ (314,687)	\$ (4,705,638)	\$ 22,704,080	\$ 14,809,534	\$ (1,466,859)	\$ 10,322,941
Projected Ending Fund Balance	\$ (21,705,638)	\$ 22,704,080	\$ 14,809,534	\$ (1,466,859)	\$ 10,322,941	\$ 7,833,476
Balance Adj - Allowance for Unexpended	\$ 17,000,000					

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the major transportation projects in the Town. A new debt issue of \$75M is planned for FY 2017/18 given the number and size of projects planned in the near future. These projects are listed in the next table. Funding for these projects comes from the operating budget, a portion of construction sales tax, and third parties. The FY 2017/18 budget also includes project management costs, as well as some additional professional services. Given the size of the transportation IIP, the contingency amount included for FY 2017/18 is \$32M. This will provide the budget authority necessary for contracts carrying forward from FY 2016/17 as well as any unplanned projects that may arise after budget adoption.

Strategic Priorities that relate to the Drainage & Transportation fund are



Superior Infrastructure



Capital Funds Five-Year Projections

Transportation Project List

QUEEN CREEK TRANSPORTATION INFRASTRUCTURE IMPROVEMENT PLAN FY 2017/18							
Project Title	Project Total	FY2018	FY2019	FY2020	FY2021	FY2022	Beyond 5
Ocotillo: Ellsworth Loop to Heritage Loop	5,581,022	-	-	-	-	-	-
Ocotillo UPRR Crossing	2,366,890	-	-	-	-	-	-
Ocotillo Road : Power to Recker	3,895,807	-	-	-	-	-	-
Ocotillo Rd West of Railroad to 218th	3,092,698	-	-	-	-	-	-
Ellsworth Rd: Ryan to Germann	3,974,349	-	-	-	-	-	-
Rittenhouse Rd, Sossaman to QC Marketplace	6,536,564	-	-	-	-	-	-
Ellsworth @ Queen Creek Alignment	5,305,000	1,775,000	-	-	-	-	-
Chandler Heights @ Sossaman Intersection	720,544	-	-	-	-	-	-
Power Road: Chandler Heights to Riggs	6,650,000	-	-	-	-	600,000	6,050,000
Power Road: Ocotillo to Brooks Farms	4,825,000	3,664,960	-	-	-	-	-
Power Road: Brooks Farms to Chandler Heights	4,100,000	-	1,000,000	3,100,000	-	-	-
Power Road: Riggs to Hunt Hwy	8,250,000	-	-	-	250,000	1,750,000	6,250,000
Riggs Road: Ellsworth to Meridian	19,347,500	10,055,000	6,530,000	-	-	-	-
Riggs Road: Hawes to Power (QC Irrigation)	1,270,000	-	-	-	-	-	-
Rittenhouse Rd Village Loop North to Alliance Lumber	9,000,000	575,000	4,525,000	3,900,000	-	-	-
Meridian Road: Combs to Queen Creek Wash	7,000,000	-	-	-	-	-	7,000,000
Ocotillo Road: Signal Butte to Meridian	7,000,000	-	550,000	3,575,000	2,875,000	-	-
Signal Butte: Ocotillo to Queen Creek	5,000,000	-	-	-	-	-	5,000,000
Hawes Road: Ocotillo to Rittenhouse	3,000,000	-	-	-	375,000	2,625,000	-
Town Center Street N/S: Duncan to Ocotillo	925,000	250,000	675,000	-	-	-	-
Duncan St: Ellsworth Loop to Ellsworth	750,000	750,000	-	-	-	-	-
Aldecoa: Ellsworth Loop to Ellsworth	825,000	825,000	-	-	-	-	-
Germann Rd: Ellsworth to Crismon	8,300,000	-	737,500	7,562,500	-	-	-
Hunt Hwy: Power to Sossaman	7,050,000	-	-	-	650,000	3,125,000	3,275,000
Hawes Road @ Creekevview Ranches	244,000	244,000	-	-	-	-	-
Ocotillo Road: West of Sossaman Rd to Hawes Rd	6,500,000	-	-	-	-	-	6,500,000
Queen Creek Road - Ellsworth to Signal Butte	10,000,000	1,225,000	1,075,000	4,000,000	3,700,000	-	-
220th: Queen Creek to Ryan	1,396,896	-	-	-	-	-	-
Crismon Road: Queen Creek to Germann	3,478,700	-	-	-	-	-	-
Chandler Hts-Power to Sossman	7,400,000	-	850,000	6,550,000	-	-	-
Chandler Hts-Sossaman to Hawes	7,400,000	-	-	850,000	6,550,000	-	-
Chandler Hts - Hawes to Ellsworth	2,950,000	-	-	-	400,000	2,550,000	-
Ryan Road: Crismon to Signal Butte	3,182,228	-	-	175,000	808,617	1,975,000	-
Ocotillo @ Victoria Traffic Signal	375,000	-	-	-	-	-	-
196th: Ocotillo to Appleby 2	2,450,000	2,450,000	-	-	-	-	-
Ellsworth: Rittenhouse to UPRR-N	1,925,000	400,000	1,525,000	-	-	-	-
Appleby 2 - Sossaman to 196Th	2,300,000	2,300,000	-	-	-	-	-
Signal: Riggs & Haws	300,000	-	-	-	-	-	-
Signal: Ellsworth @ Via de Palmas	300,000	-	-	-	-	-	-
Signal: Ocotillo & Scotland Court	300,000	300,000	-	-	-	-	-
Project Management Costs	5,202,573	400,000	420,000	462,000	508,200	559,020	2,853,353
Total	180,469,771	25,213,960	17,887,500	30,174,500	16,116,817	13,184,020	36,928,353



Capital Funds Five-Year Projections

General Capital Improvement Fund

General CIP Fund	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES							
Bond Proceeds-Growth Projects	13,000,000	-	-	-	-	-	\$ -
Operating Budget	677,172	-	861,000	3,608,000	-	-	\$ 4,469,000
Interest Income	-	-	-	-	-	-	\$ -
Fire District Contribution for Fire CIP	1,000,000	-	189,000	792,000	-	-	\$ 1,981,000
TOTAL REVENUES	\$ 14,677,172	\$ -	\$ 1,050,000	\$ 4,400,000	\$ -	\$ -	\$ 5,450,000
EXPENDITURES							
CONSTRUCTION SERVICES							
Public Safety							
Public Safety Admin Building	7,844,945	-	-	-	-	-	\$ -
Fire Station #411	5,372,785	-	-	-	-	-	\$ -
Northwest Fire Station (#413)	3,900,592	-	-	-	-	-	\$ -
Fire Station #412 - Replacement Modulars	21,256	-	-	-	-	-	\$ -
Fire Station #412 Permanent Replacement	-	-	350,000	4,400,000	-	-	\$ 4,750,000
Pumper (Type 1) Replacement	-	-	700,000	-	-	-	\$ 700,000
General Government Buildings							
Community Chambers	3,272,839	-	-	-	-	-	\$ -
Corp Yard - Phase 1 (Non-Utilities)	1,718,474	200,000	-	-	-	-	\$ 200,000
MSB Remodel	70,086	-	-	-	-	-	\$ -
Parks							
San Tan Regional Park Improvements	-	500,000	-	-	-	-	\$ 500,000
Trails							
QC Wash	445,674	-	-	-	-	-	\$ -
OTHER							
Contingency/Carry Forward	69,082	-	-	-	-	-	\$ -
TOTAL EXPENDITURES	\$ 22,715,733	\$ 700,000	\$ 1,050,000	\$ 4,400,000	\$ -	\$ -	\$ 6,150,000
Annual Result	(8,038,561)	(700,000)	-	-	-	-	-
Beginning Balance	8,738,561	700,000	(0)	(0)	(0)	(0)	
Projected Ending Fund Balance	700,000	(0)	(0)	(0)	(0)	(0)	

Fund Description and Relation to Corporate Strategic Plan

General Capital Improvement is the Town's primary capital fund for municipal facilities. Revenues into this fund are primarily bond proceeds and transfers in from operating and development fee funds. There is only one project planned for FY 2017/18, with funding provided by the Operating Budget.

Strategic Priorities that relate to the General Government CIP fund are:



Effective Government



Superior Infrastructure



Safe Community



Capital Funds Five-Year Projections

Utility Enterprise Funds

The funding mechanisms for utility infrastructure improvements are capacity charges collected from new construction permits from improvements attributed to growth, and user rates for improvements attributed to non-growth (repair/replacement of existing infrastructure). Capacity fees are also used to make debt service payments on the growth share of capital that was financed, as identified in the current Capacity Fee Study from 2014.

Wastewater CIP

Wastewater Capacity Fee & Capital Fund							
	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES							
Wastewater Capacity Fee	3,781,000	5,630,860	6,419,580	6,744,830	5,919,510	4,886,850	\$ 29,601,630
Interest Income	-	86,000	86,000	86,000	86,000	86,000	\$ 430,000
Developer Contribution	-	-	-	-	-	-	\$ -
Repayment of Interfund Loan from Water Capacity	-	-	-	4,039,714	1,322,354	-	\$ 5,362,068
Transfers in from Sewer Operating Budget	4,886,878	4,928,036	3,942,720	2,720,792	537,910	2,255,500	\$ 14,384,957
TOTAL REVENUES/SOURCES	\$ 8,667,878	\$ 10,644,896	\$ 10,448,300	\$ 13,591,336	\$ 7,865,774	\$ 7,228,350	\$ 49,778,655
EXPENDITURES/USES							
PROJECTS							
Wastewater Projects	9,273,756	10,197,239	7,885,440	5,441,584	1,075,819	4,511,000	\$ 29,111,082
New Corporate Yard - Phase 1	250,000	300,000	-	-	-	-	\$ 300,000
OTHER							
Interfund loan transfer to Water Capacity	-	3,050,538	1,322,354	-	-	-	\$ 4,372,892
Capacity Fee Update	653	100,000	-	-	-	-	\$ 100,000
Contingency/Carryover	-	8,758,832	-	-	-	-	\$ 8,758,832
TOTAL EXPENDITURES/USES	\$ 9,524,409	\$ 22,406,609	\$ 9,207,794	\$ 5,441,584	\$ 1,075,819	\$ 4,511,000	\$ 42,642,806
Annual Result	(856,531)	(11,761,714)	1,240,506	8,149,752	6,789,955	2,717,350	
Beginning Balance	\$ 7,608,854	\$ 13,252,322	\$ 1,490,609	\$ 2,731,115	\$ 10,880,867	\$ 17,670,821	
Projected Ending Fund Balance	\$ 6,752,322	\$ 1,490,609	\$ 2,731,115	\$ 10,880,867	\$ 17,670,821	\$ 20,388,171	
Balance Adj - Allowance for Unexpended	\$ 6,500,000						

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Wastewater Capacity fees, which, like impact fees, are assessed at the time of building permit issuance and are based on water meter size. The capacity fee for a single family home with a ¾" meter is \$5,082. Capacity fees are used towards growth projects identified in the Wastewater Infrastructure Improvement Plan (IIP). The non-growth share is funded by a transfer in from the Wastewater/Sewer Operating Fund. To address short term cash flow issues in the Water capital fund, there is a transfer out included for an inter-fund loan. Since the Town is currently in the process of recalculating the capacity fee based on the update to the IIP, an estimation of a 50% split between growth and non-growth share was used in determining the operating transfer in. A list of projects follows.

Strategic priorities that relate to the Wastewater Capacity/CIP Fund are:



Effective Government



Secure Future



Superior Infrastructure



Capital Funds Five-Year Projections

Queen Creek Sewer Infrastructure Improvement Plan FY 2017/18								
Project Title	Proj #	Project						
		Total	FY2018	FY2019	FY2020	FY2021	FY2022	Beyond 5
Power Rd - Lift Station to Ocotillo	WW010	\$ 677,541	-	-	-	-	-	-
Cloud Rd: Ellsworth to 220th	WW015	\$ 550,000	-	-	-	-	-	-
Ocotillo Rd: Sonoqui to 190th	WW025	\$ 1,405,400	725,000	637,500	-	-	-	-
Power Rd: Chandler Heights to South of Riggs	WW026	\$ 260,708	-	-	-	-	25,000	150,000
Cloud Rd: 220th to Rittenhouse	WW027	\$ 750,000	-	-	-	-	-	-
Signal Butte: Riggs to Cloud	WW029	\$ 500,000	-	-	-	500,000	-	-
Ryan Rd: Ellsworth to Crismon	WW035	\$ 1,100,000	200,000	-	-	-	-	-
RWCD Tie IN	WW048	\$ 504,619	-	-	-	-	-	-
Ellsworth Rd 24" Sewer Crossing @ Ryan	WW050	\$ 133,062	-	-	-	-	-	-
Meridian & Combs Rd. Sewer	WW051	\$ 654,259	-	-	-	-	-	-
Riggs Rd & Sossaman Intersection	WW052	\$ 313,673	300,000	-	-	-	-	-
Ryan Rd: Crismon to Signal Butte	WW053	\$ 1,025,000	100,000	-	-	-	25,000	-
Ocotillo Rd: Ellsworth Loop to Heritage Loop	WW054	\$ 479,999	-	-	-	-	-	-
Ocotillo Rd: Eritenhouse to Crismon	WW055	\$ 73,989	-	-	-	-	-	-
Chandler Heights: Sossaman Intersection	WW056	\$ 83,548	-	-	-	-	-	-
Queen Creek & Ellsworth Intersection	WW057	\$ 50,000	50,000	-	-	-	-	-
GWRP Capital Construction	WW058	\$ 2,237,952	566,804	254,065	92,039	92,039	-	-
Sewer Dosing Sites	WW059	\$ 300,000	300,000	-	-	-	-	-
Riggs Rd: Crismon to Rittenhouse	WW060	\$ 1,650,000	-	-	-	-	-	-
Sossaman & Riggs to Box Canyon	WW061	\$ 2,421,900	-	250,000	2,171,900	-	-	-
Empire & Ellsworth to Thompson & Borgata	WW062	\$ 1,250,000	1,250,000	-	-	-	-	-
Aldecoa: Ellsworth to Ellsworth Loop	WW063	\$ 325,000	125,000	200,000	-	-	-	-
Power: Ocotillo to Chandler Heights	WW064	\$ 325,000	-	25,000	150,000	-	-	-
Power: Riggs to Hunt Hwy	WW065	\$ 375,000	-	-	-	75,000	300,000	-
Hawes: Ocotillo to Rittenhouse - Road Construction	WW066	\$ 75,000	-	-	-	25,000	50,000	-
Riggs Rd: Ellsworth to Crismon	WW067	\$ 1,000,000	-	-	-	-	-	-
Meridian Rd: Combs to Red Fern Phase II	WW068	\$ 300,000	300,000	-	-	-	-	-
West Park Sewer Line	WW069	\$ 941,168	941,168	-	-	-	-	-
Power Road T Lock Sleeving	WW070	\$ 700,000	700,000	-	-	-	-	-
Water Resources Mater Plan	WW071	\$ 400,000	400,000	-	-	-	-	-
Duncan St: Ellsworth Loop to Ellsworth	WW072	\$ 300,000	300,000	-	-	-	-	-
Ocotillo Rd: Signal Butte to Meridian - Road Reconstruction	WW073	\$ 75,000	-	25,000	50,000	-	-	-
Chandler Heights: Hawes to Ellsworth - Road Reconstruction	WW074	\$ 75,000	-	-	-	25,000	50,000	-
Utilities Corp Yard Building and Improvements	WW075	\$ 2,100,000	-	-	-	-	2,100,000	-
Ryan to Germann @ Barney Property Sewer Line	WW076	\$ 1,586,000	-	-	-	-	1,586,000	-
Sewer Line Improvements	WW077	\$ 1,500,000	-	-	-	-	250,000	1,250,000
Manhole Rehabilitation	WW078	\$ 300,000	-	-	-	-	50,000	250,000
Meridian Rd: Combs to Queen Creek Wash - Road Construction	WW079	\$ 50,000	-	-	-	-	-	50,000
Crismon: Riggs to Empire	WW080	\$ 700,000	-	-	-	-	-	700,000
Signal Butte: Riggs to Empire	WW081	\$ 700,000	-	-	-	-	-	700,000
Empire: Ellsworth to 209th	WW082	\$ 650,000	-	-	-	-	-	-
Queen Creek Rd: Ellsworth to Signal Butte Road Reconstruction		\$ 125,000	50,000	25,000	25,000	25,000	-	-
Utility Billing		\$ 265,987	-	-	-	-	-	-
GWRP 2018 Plant Expansion	WWT06	\$ 13,724,444	3,814,267	6,393,875	2,877,645	258,780	-	-
GWRP 2027 Plant Expansion (10% of \$40M)		\$ 4,000,000	-	-	-	-	-	4,000,000
GWRP 2027 Plant Expansion (90% of \$40M)		\$ 36,000,000	-	-	-	-	-	36,000,000
Corp Yard Interim Building & Improvements	MF005	\$ 550,000	300,000	-	-	-	-	-
Sewer Master Plan		\$ 300,000	-	-	-	-	-	-
Project Management		\$ 750,000	75,000	75,000	75,000	75,000	75,000	375,000
Capacity Fee Study		\$ 200,000	100,000	-	-	-	-	100,000
TOTAL		\$ 84,814,249	\$ 10,597,239	\$ 7,885,440	\$ 5,441,584	\$ 1,075,819	\$ 4,511,000	\$ 43,575,000



Capital Funds Five-Year Projections

Water CIP

Water Capacity Fee & Capital Fund	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES							
Water Capacity Fee	5,659,740	5,559,390	6,338,110	6,659,230	5,844,380	4,824,830	\$ 29,225,940
Interest Income	-	69,000	0	0	11,268	3,442	\$ 83,710
Interfund Loan		3,050,538	1,322,354				\$ 4,372,892
Transfer in from Water Operating Budget	6,759,998	12,028,139	7,448,078	1,752,006	4,606,775	3,972,250	\$ 29,807,247
TOTAL REVENUES/SOURCES	\$ 12,419,738	\$ 20,707,067	\$ 15,108,542	\$ 8,411,236	\$ 10,462,423	\$ 8,800,522	\$ 63,489,789
EXPENDITURES/USES							
DEBT SERVICE TRANSFERS							
2014 WIFA Loan - H2O purchase	343,891	205,893	212,386	219,085	225,995	233,123	\$ 1,096,482
2014 Schnepf Trust Loan - H2O purchase	548,413	-	-	85,028	91,830	99,176	\$ 276,034
PROJECTS							
Water Projects	13,019,996	22,517,606	14,896,156	3,504,011	9,213,550	7,944,500	\$ 58,075,823
New Corporate Yard - Phase 1	250,000	1,300,000					\$ 1,300,000
OTHER							
Capacity Fee Update	10,323	100,000	-	-	-	-	\$ 100,000
Interfund loan repayment				4,039,714	1,322,354		\$ 5,362,068
Contingency/Carryover	136,239	10,760,319	-	-	-	-	\$ 10,760,319
TOTAL EXPENDITURES/USES	\$ 14,308,862	\$ 34,883,818	\$ 15,108,542	\$ 7,847,838	\$ 10,853,729	\$ 8,276,799	\$ 76,970,726
Annual Result	(1,889,124)	(14,176,752)	0	563,398	(391,306)	523,723	
Balance Adj - Allowance for Unexpended							
Beginning Balance	\$ 6,065,876	\$ 14,176,752	\$ 0	\$ 0	\$ 563,398	\$ 172,092	
Projected Ending Fund Balance	\$ 4,176,752	\$ 0	\$ 0	\$ 563,398	\$ 172,092	\$ 695,815	
Balance Adj - Allowance for Unexpended	\$ 10,000,000						

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Water Capacity fees, which, like impact fees, are assessed at the time of building permit issuance and are based on meter size. The capacity fee for a single family home with a ¾" meter is \$4,014. The debt service transfers represent the growth share of debt service related to the purchase of the H2O Water Company. Capacity fees are also used towards growth projects identified in the Water Infrastructure Improvement Plan (IIP). The non-growth share is funded by a transfer in from the Water Operating Fund. Since the Town is currently in the process of recalculating the capacity fee based on the update to the IIP, an estimation of a 50% split between growth and non-growth share was used in determining the operating transfer in. A list of projects follows.

Strategic priorities that relate to the Water Development/CIP Fund are:



Secure Future: Environment



Superior Infrastructure



Capital Funds Five-Year Projections

Queen Creek Water Infrastructure Improvement Plan FY 2017/18

Project Title	Proj#	Project						
		Total	FY2018	FY2019	FY2020	FY2021	FY2022	Beyond 5
Heritage Loop to Ellsworth Loop	WA002	\$ 690,000	-	-	-	-	-	-
Ocotillo Rd: Crismon to Rittenhouse	WA004	\$ 300,000	-	-	-	-	-	-
Well Site Security	WA005	\$ 460,000	230,000	230,000	-	-	-	-
Sossaman West Well	WA007	\$ 3,765,806	2,191,393	-	-	-	-	-
Emergency Generator Controls	WA017	\$ 1,105,000	105,000	1,000,000	-	-	-	-
Box Canyon Lower Tank #1	WA018	\$ 1,897,000	150,000	1,747,000	-	-	-	-
Barney Well, Reservoir, Booster Station	WA020	\$ 3,000,000	-	3,000,000	-	-	-	-
Sossaman Well Transmission - To Power	WA027	\$ 216,000	-	-	-	-	-	-
Fire Hydrant Installation Project	WA049	\$ 275,000	25,000	25,000	25,000	25,000	25,000	125,000
Cloud Rd: Power to Sossaman	WA050	\$ 405,420	-	400,000	-	-	-	-
Interconnect #4 RR Crossing	WA058	\$ 381,980	-	296,000	-	-	-	-
Crismon Rd: Empire to Hunt	WA059	\$ 172,800	-	-	172,800	-	-	-
Ocotillo: 186th to Sossaman	WA062	\$ 444,000	444,000	-	-	-	-	-
Germann Rd: Sossaman to 196th	WA063	\$ 450,000	-	100,000	350,000	-	-	-
Sossaman Rd: Via Del Jardine to Empire	WA065	\$ 2,616,300	-	-	200,000	2,416,300	-	-
Riggs Rd: Sossaman to Hawes Rd	WA066	\$ 520,000	439,560	-	-	-	-	-
Riggs Rd: Ellsworth to Rittenhouse	WA067	\$ 2,646,719	1,500,000	-	-	-	-	-
Meridian: Combs to Red Fern	WA068	\$ -	-	-	-	-	-	-
Signal Butte Rd: Riggs to Empire w/PRV	WA069	\$ 724,000	-	-	724,000	-	-	-
Ellsworth Rd: Empire to San Tan w/ PRV	WA070	\$ 324,000	324,000	-	-	-	-	-
Ironwood @ Ocotillo & Marilyn	WA077	\$ 250,000	50,000	200,000	-	-	-	-
Church Farms East Well & Tank	WA078	\$ 2,237,600	987,600	900,000	-	-	-	-
Church Farms West Well	WA079	\$ 774,519	150,000	-	-	-	-	-
Ironwood Secondary Well	WA080	\$ 143,319	-	-	-	-	-	-
Shea North Well	WA081	\$ 673,847	-	-	-	-	-	-
QC Plaza Downtown	WA086	\$ 2,250	-	-	-	-	-	-
MSB Remodel	WA088	\$ 440,064	424,338	-	-	-	-	-
Kenworth Rd Water Line Relocation	WA090	\$ 2,897	-	-	-	-	-	-
Orchard Ranch Power Service Upgrade/Wall/Site Work	WA096	\$ 253,584	-	-	-	-	-	-
Schnepf Well Power and VFD Upgrade	WA097	\$ 121,264	-	-	-	-	-	-
Ocotillo & Meridian PRV	WA098	\$ 70,400	-	-	-	-	-	-
Encanterra Shea Line Install (NMID)	WA099	\$ 797,638	482,034	-	-	-	-	-
Ellsworth Rd: Ryam to Germann	WA100	\$ 103,645	-	-	-	-	-	-
Riggs Rd: Recker to Power	WA101	\$ 256,600	-	-	-	-	-	-
Ellsworth Intersection Improvements @ Queen Creek	WA103	\$ 250,000	250,000	-	-	-	-	-
Ellsworth @ Rittenshouse Tie-in	WA104	\$ 500,900	25,000	411,756	-	-	-	-
Sossaman and Chandler Heights Intersection	WA105	\$ 3,751	-	-	-	-	-	-
Utilities Billing System	WA107	\$ 1,831,500	-	-	-	-	-	-
Encanterra Hash Knife Rd Water Line	WA108	\$ 169,571	-	-	-	-	-	-
Schnepf Well to Gantzel Tank Transmission	WA109	\$ 354,235	-	-	-	-	-	-
Meridian Road Realignment	WA110	\$ 47,402	-	-	-	-	-	-
Pecans Irrigation Pum and VFD	WA114	\$ 28,282	-	-	-	-	-	-
Sossaman East Well	WA115	\$ 941,850	-	-	-	941,850	-	-
Meridian & Queen Creek PRV	WA116	\$ 100,000	-	100,000	-	-	-	-
Ocotillo Rd: Rittenhouse to Crismon	WA118	\$ 358,800	-	358,800	-	-	-	-
Rittenhouse Rd: Combs to Cloud	WA119	\$ 550,800	100,000	450,800	-	-	-	-
Empire Blvd: Gary to Crismon	WA120	\$ 800,000	100,000	700,000	-	-	-	-
Ironwood: Pima to Westbrooke	WA121	\$ 269,100	-	-	269,100	-	-	-
Box Canyon Lower Tank #2 ; Power Rd: Hunt to Phillips	WA122	\$ 4,109,000	-	-	-	4,109,000	-	-
Crismon Rd: Queen Creek to Germann	WA123	\$ 425,000	-	-	-	-	-	-
Germann Rd: Ellsworth to Crismon	WA124	\$ 500,000	-	500,000	-	-	-	-
Queen Creek Rd: Crismon to Meridian - Road Reconstruction	WA125	\$ 50,000	50,000	-	-	-	-	-
Power Rd: Ocotillo to Chandler Hghts - Road Reconstruction	WA126	\$ 75,000	-	25,000	14,311	-	-	-
Power Rd: Riggs to Hunt - Road Reconstruction	WA127	\$ 575,000	-	-	-	75,000	500,000	-
Public Safety Facility Site Improvements	WA128	\$ 100,000	-	-	-	-	-	-
Hunt Hwy: Power to Sossaman 12&18"	WA129	\$ 1,521,900	-	1,500,000	-	-	-	-
Hawes Rd: Ocotillo to Rittenhouse - Road Reconstruction	WA130	\$ 75,000	-	-	-	25,000	50,000	-
Ryan Rd: Crismon to Signal Butte	WA131	\$ 573,260	500,000	-	-	-	-	-
Villages Water Reconstruction	WA132	\$ 600,000	500,000	-	-	-	-	-



Capital Funds Five-Year Projections

Queen Creek Water Infrastructure Improvement Plan FY 2017/18

Project Title	Proj#	Project							Beyond 5
		Total	FY2018	FY2019	FY2020	FY2021	FY2022		
Rancho Jardines Water Reconstruction	WA133	\$ 1,000,000	200,000	200,000	200,000	200,000	200,000	-	
Repair & Replacement Master Plan	WA134	\$ 100,000	-	-	-	-	-	-	
Red Fern Road Water Line	WA135	\$ 48,121	-	-	-	-	-	-	
Ryan Rd: Ellsworth to Crismon	WA137	\$ 654,438	500,000	-	-	-	-	-	
Hastings Well Rehab	WA138	\$ 200,000	-	-	-	-	-	-	
Flexnet - Meter & MXU Replacement	WA139	\$ 11,681,728	800,000	626,800	648,800	671,400	694,500	3,961,400	
Empire Blvd: Ellsworth to Pegasus	WA140	\$ 400,000	-	-	-	-	-	-	
Orchard Ranch Booster to Bello	WA141	\$ 225,000	-	-	-	-	-	-	
Power Master Plan	WA142	\$ 100,000	-	-	-	-	-	-	
Meridian Rd: Combs to Red Fern Phase II	WA143	\$ 300,000	300,000	-	-	-	-	-	
West Park Water Lines	WA144	\$ 1,061,329	1,061,329	-	-	-	-	-	
West Park Well & Equipment	WA145	\$ 1,000,000	400,000	-	-	-	-	-	
West Park Lake	WA146	\$ 2,278,352	2,278,352	-	-	-	-	-	
Gary: Combs to Empire	WA147	\$ 650,000	-	650,000	-	-	-	-	
Orchard Ranch Irrigation Improvements	WA148	\$ 350,000	-	350,000	-	-	-	-	
Duncan St: Ellsworth Loop to Ellsworth & North to Ocotillo	WA149	\$ 300,000	300,000	-	-	-	-	-	
Aldecoa: Ellsworth Loop to Ellsworth	WA150	\$ 350,000	200,000	150,000	-	-	-	-	
CAP Water Allotment	WA151	\$ 5,300,000	5,300,000	-	-	-	-	-	
Queen Creek Rd: Ellsworth to Signal Butte - Road Reconstruction	WA152	\$ 125,000	50,000	25,000	25,000	25,000	-	-	
220th: Queen Creek to Ryan	WA153	\$ 150,000	-	-	-	-	-	-	
Corp Yard Interim Building & Improvements	MF005	\$ 1,550,000	1,300,000	-	-	-	-	-	
Jorde - Empire East Well	WA154	\$ 700,000	700,000	-	-	-	-	-	
Jorde - Empire West Well	WA155	\$ 700,000	700,000	-	-	-	-	-	
Meridian: Ocotillo to Ironwood Crossings 12"	WA156	\$ 300,000	300,000	-	-	-	-	-	
Thompson: Empire to Borgata		\$ 750,000	-	750,000	-	-	-	-	
Chandler Heights: Power to Sossaman - Road Reconstruction		\$ 675,000	-	75,000	600,000	-	-	-	
Ocotillo: Signal Butte to Meridian - Road Reconstruction		\$ 125,000	-	25,000	100,000	-	-	-	
Chandler Heights: Sossaman to Hawes - Road Reconstruction		\$ 675,000	-	-	75,000	600,000	-	-	
Chandler Heights: Hawes to Ellsworth - Road Reconstruction		\$ 75,000	-	-	-	25,000	50,000	-	
Water Line Replacement Improvements		\$ 1,500,000	-	-	-	-	250,000	1,250,000	
Well Site Upgrades		\$ 600,000	-	-	-	-	100,000	500,000	
Well Rehabilitation (Pecan North)		\$ 250,000	-	-	-	-	250,000	-	
Redfern: Meridian to Green Acres		\$ 400,000	-	-	-	-	400,000	-	
Coyote: Pima to Germann		\$ 400,000	-	-	-	-	400,000	-	
Power Rd: Chandler Heights to Riggs - Road Reconstruction		\$ 125,000	-	-	-	-	25,000	100,000	
Utilities Corp Yard Building and Improvements		\$ 4,900,000	-	-	-	-	4,900,000	-	
Crismon: Riggs to Empire		\$ 500,000	-	-	-	-	-	500,000	
Meridian Rd: Combs to Queen Creek - Road Reconstruction		\$ 400,000	-	-	-	-	-	400,000	
Ocotillo Rd: Sossaman to Haws - Road Reconstruction		\$ 700,000	-	-	-	-	-	700,000	
Sossaman Tank #2		\$ 1,734,200	-	-	-	-	-	1,734,200	
Signal Butte rd: Ocotillo to Queen Creek - Road Reconstruction		\$ 700,000	-	-	-	-	-	700,000	
Santan Well & Tank w/ Signal Butte Road 12-inch Water Line		\$ 2,975,200	-	-	-	-	-	2,975,200	
Sherry: Kenworthy to Schnepf		\$ 600,000	-	-	-	-	-	600,000	
Combs: Schnepf to Coyote		\$ 400,000	-	-	-	-	-	400,000	
Pima: Kenworthy to Schnepf		\$ 750,000	-	-	-	-	-	750,000	
Hashknife: Kenworthy to Schnepf		\$ 500,000	-	-	-	-	-	500,000	
Schnepf: Hashknife to Combs		\$ 500,000	-	-	-	-	-	500,000	
Pima: Ironwood to Kenworthy		\$ 750,000	-	-	-	-	-	750,000	
Jackrabbit: Ranch to Germann		\$ 300,000	-	-	-	-	-	300,000	
Ranch: Kenworthy to Schnepf		\$ 500,000	-	-	-	-	-	500,000	
Master Plan		\$ 600,000	300,000	-	-	-	-	300,000	
Project Management		\$ 1,000,000	100,000	100,000	100,000	100,000	100,000	500,000	
Capacity Fee Study		\$ 200,000	100,000	-	-	-	-	100,000	
TOTAL		\$ 94,440,371	\$ 23,917,606	\$ 14,896,156	\$ 3,504,011	\$ 9,213,550	\$ 7,944,500	\$ 18,145,800	



Capital Funds Five-Year Projections

Development Fee Funds

Development impact fees charged by the Town are used to pay for the growth portion of new infrastructure. Impact fees are collected for the library, municipal government buildings, parks, transportation, public safety and fire. The following five-year projections are provided to show the revenues anticipated and the transfers out from the various development funds to cover growth share of debt for completed capital improvements, as well as any the growth share of new capital anticipated along with projected fund balances.

Transportation Development

Transportation Development Fund	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
Beginning Balance							
REVENUES/SOURCES							
Transportation Development Fee	1,630,004	1,770,197	1,991,836	2,349,257	1,892,460	1,509,364	\$ 9,513,113
Interest Income	10,000	33,408	-	-	-	-	\$ 33,408
TOTAL REVENUES/SOURCES	\$ 1,640,004	\$ 1,803,604	\$ 1,991,836	\$ 2,349,257	\$ 1,892,460	\$ 1,509,364	\$ 9,546,521
EXPENDITURES/USES							
DEBT SERVICE TRANSFERS							
2016 Refinancing of 2007 Excise Tax Bond	331,937	288,062	287,093	287,128	286,917	287,445	\$ 1,481,137
FY 2017/18 Bond Issue (\$25 Million)		1,359,283	1,359,283	1,359,283	1,359,283	1,359,283	\$ 5,437,132
OTHER							
Update Infrastructure Improvement Plan & Impact Fee Calc	105,811	-	-	-	105,000	-	\$ 210,811
TOTAL EXPENDITURES/USES	\$ 437,748	\$ 1,647,345	\$ 1,646,376	\$ 1,646,411	\$ 1,751,200	\$ 1,646,728	\$ 7,129,080
Annual Result	1,202,256	156,259	345,460	702,846	141,260	(137,364)	
Beginning Balance	\$ 468,122	\$ 1,670,378	\$ 1,826,637	\$ 2,172,097	\$ 2,874,943	\$ 3,016,203	
Projected Ending Fund Balance	\$ 1,670,378	\$ 1,826,637	\$ 2,172,097	\$ 2,874,943	\$ 3,016,203	\$ 2,878,839	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Transportation Impact Fee assessed on new building activity in Queen Creek. The current fee for a single family home is \$1,263 and is collected when a building permit is issued. The debt service transfers represent the growth share of the 2016 Refinancing of the 2007 Excise Tax Bond related to roadway improvements. A new \$50 million debt issue is anticipated for the growth share of transportation projects. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure. The Town is in the process of updating its Transportation Infrastructure Improvement Plan based on current development needs.

Strategic priorities that relate to the Transportation Development Fund are:



Superior Infrastructure



Capital Funds Five-Year Projections

Parks, Open Space and Recreation

PARKS & OPEN SPACE RECREATION DEVELOPMENT FUND	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES							
Parks Development Fee	3,918,590	4,327,181	4,948,269	5,598,356	4,960,876	4,250,517	\$ 24,085,198
Interest Income	171,400	155,500	13,000	85,200	188,300	280,700	\$ 722,700
Operating Budget - Park Infrastructure Non-Growth	-	3,327,977	-	-	-	-	\$ 3,327,977
TOTAL REVENUES	\$ 4,089,990	\$ 7,810,658	\$ 4,961,269	\$ 5,683,556	\$ 5,149,176	\$ 4,531,217	\$ 28,135,875
EXPENDITURES							
DEBT SERVICE TRANSFERS							
2016 Refinancing of the 2007 Excise Tax Bond	534,132	463,529	461,971	462,027	461,686	462,537	\$ 2,311,750
2016 Refinancing of the 2008A GADA Loan	68,266	63,674	66,143	65,985	63,773	66,933	\$ 326,508
PROJECTS							
West Park Improvements 40 acres (30 acres Growth, 10 Non Growth Acres)	2,889,808	14,264,990	-	-	-	-	\$ 14,264,990
Trail Improvements - Crismon Rd to Meridian	200,000	1,060,000	-	-	-	-	\$ 1,060,000
Trail Improvements - Railroad Crossing to Town's Eastern Boundary	-	-	825,000	-	-	-	\$ 825,000
OTHER							
Update Infrastructure Improvement Plan & Impact Fee Calc	82,100	-	-	-	-	-	\$ -
Parks Master Plan Update	196,864	-	-	-	-	-	\$ -
TOTAL EXPENDITURES	\$ 3,971,170	\$ 15,852,193	\$ 1,353,114	\$ 528,012	\$ 525,459	\$ 529,470	\$ 18,788,248
Annual Result	118,820	(8,041,535)	3,608,155	5,155,544	4,623,717	4,001,747	
Beginning Balance	\$ 8,572,247	\$ 8,691,067	\$ 649,532	\$ 4,257,687	\$ 9,413,231	\$ 14,036,947	
Projected Ending Fund Balance	\$ 8,691,067	\$ 649,532	\$ 4,257,687	\$ 9,413,231	\$ 14,036,947	\$ 18,038,694	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Parks Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$3,681 and is collected when a building permit is issued. The Town is in the process of updating its Parks Master Plan to identify the needs for the growing community, which will also be the basis for an update to the Impact Fees.

The FY 2017/18 budget allows for the construction of the Town's next park, West Park. West Park will be about 46 acres. A lake will be built on approximately 6 acres. Parking, driveways, a splash pad and maintenance building make up approximately 10 acres. The remaining 30 acres will include baseball fields, multipurpose fields, basketball and volleyball courts, two playgrounds, passive play areas, a skate/wheel park and walking paths.

Only the costs of \$17.2 million to improve the 40 acres are included in this budget (\$2.9 million in FY 16-17 and \$14.3 million in FY 17-18). The costs to improve 30 acres will be paid by impact fees (\$13.8 million); the \$3.3 million for the remaining 10 acres (including the splash pad) will be paid from the Operating Budget. The other costs (lake, streets, water and wastewater infrastructure) are budgeted in those respective funds.

Trail improvements of \$1.1M is related to the expanded trails in Queen Creek Wash originally scheduled to be completed from Crismon Road to Meridian in FY 2017/18.

The debt service transfers represent the growth share of debt related to Parks land and Horseshoe Park as well as the new debt issue for West Park. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure.

Strategic priorities that relate to the Parks Development Fund are:



Superior Infrastructure



Capital Funds Five-Year Projections

Public Safety

PUBLIC SAFETY DEVELOPMENT FUND	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES							
Public Safety Development Fee	220,283	238,820	267,972	318,937	254,934	202,509	\$ 1,283,172
Interest Income	10,000	30,900	14,000	14,000	14,000	14,000	\$ 86,900
TOTAL REVENUES/SOURCES	\$ 230,283	\$ 269,720	\$ 281,972	\$ 332,937	\$ 268,934	\$ 216,509	\$ 1,370,072
EXPENDITURES/USES							
OTHER							
Update Infrastructure Improvement Plan & Impact Fee	-	50,000	-	-	-	-	\$ 50,000
TOTAL EXPENDITURES/USES	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Annual Result	230,283	219,720	281,972	332,937	268,934	216,509	
Beginning Balance	\$ 1,313,863	\$ 1,544,146	\$ 1,763,866	\$ 2,045,838	\$ 2,378,775	\$ 2,647,709	
Projected Ending Fund Balance	\$ 1,544,146	\$ 1,763,866	\$ 2,045,838	\$ 2,378,775	\$ 2,647,709	\$ 2,864,218	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Public Safety Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$167 and is collected when a building permit is issued. Included in FY 2017/18 is budget authority to complete a review and update of this fee to ensure that proper growth projections are included in the calculation.

Strategic priorities that relate to the Public Safety Development Fund are:



Superior Infrastructure



Capital Funds Five-Year Projections

Fire

Fire Development Fund	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES							
Fire Development Fee	593,888	648,278	744,316	833,332	710,405	583,039	\$ 3,519,370
Interest Income	20,000	17,000	23,300	13,700	62,800	3,200	\$ 120,000
Loan/Bond Proceeds	-	-	-	3,200,000	-	-	\$ 3,200,000
TOTAL REVENUES	\$ 613,888	\$ 665,278	\$ 767,616	\$ 4,047,032	\$ 773,205	\$ 586,239	\$ 6,839,370
EXPENDITURES							
DEBT SERVICE							
Apparatus Lease/Purchase	173,319	173,319	-	-	-	-	\$ 173,319
Debt Service	-	-	-	-	256,000	240,000	\$ 496,000
Projects							
Southeast Fire Station	-	250,000	-	350,000	3,500,000	-	\$ 4,100,000
Northeast Fire Station	-	-	-	350,000	-	-	\$ 350,000
Pumper (Type 1)	-	-	-	890,000	-	-	\$ 890,000
Ladder Truck	-	-	1,250,000	-	-	-	\$ 1,250,000
OTHER							
Impact Fee Update	-	50,000	-	-	-	-	\$ 50,000
TOTAL EXPENDITURES/USES	\$ 1,173,319	\$ 473,319	\$ 1,250,000	\$ 1,590,000	\$ 3,756,000	\$ 240,000	\$ 7,309,319
Annual Result	(559,431)	191,959	(482,384)	2,457,032	(2,982,795)	346,239	
Beginning Balance	\$ 1,534,551	\$ 975,120	\$ 1,167,079	\$ 684,695	\$ 3,141,727	\$ 158,932	
Projected Ending Fund Balance	\$ 975,120	\$ 1,167,079	\$ 684,695	\$ 3,141,727	\$ 158,932	\$ 505,171	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Fire Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$490 and is collected when a building permit is issued. Included in FY 2017/18 is budget authority to complete a review and update of this fee to ensure that proper growth projections are included in the calculation. The FY 2017/18 budget also includes expenditure authority to acquire land for the Town's next planned fire station in the Southeast portion of Town. The debt service in this fund is for fire apparatus (capital lease) acquired in 2008.

Strategic priorities that relate to the Fire Development Fund are:



Superior Infrastructure



Capital Funds Five-Year Projections

Town Buildings & Vehicles

TOWN BUILDINGS & VEHICLES DEVELOPMENT FUND	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES							
Town Buildings & Vehicles Development Fee	574,342	626,512	719,466	804,938	684,588	560,266	\$ 3,395,770
Interest Income	20,000	19,000	46,500	55,900	67,200	76,300	\$ 264,900
TOTAL REVENUES	\$ 594,342	\$ 645,512	\$ 765,966	\$ 860,838	\$ 751,788	\$ 636,566	\$ 3,660,670
EXPENDITURES							
DEBT SERVICE TRANSFERS							
2016 Refinancing of 2004 GADA Loan- Municipal Services Building	271,060	224,384	225,425	222,377	224,307	224,434	\$ 1,120,927
2016 Refinancing of the 2007 Excise Tax Bond - Buildings	82,174	71,312	71,072	71,081	71,029	71,160	\$ 355,654
OTHER							
Update Infrastructure Improvement Plan & Impact Fee Calc	-	-	-	-	-	-	\$ -
TOTAL EXPENDITURES	\$ 353,234	\$ 295,696	\$ 296,497	\$ 293,458	\$ 295,336	\$ 295,594	\$ 1,534,221
Annual Result	241,108	349,816	469,469	567,380	456,452	340,972	
Beginning Balance	\$ 1,732,794	\$ 1,973,902	\$ 2,323,718	\$ 2,793,187	\$ 3,360,567	\$ 3,817,019	
Projected Ending Fund Balance	\$ 1,973,902	\$ 2,323,718	\$ 2,793,187	\$ 3,360,567	\$ 3,817,019	\$ 4,157,991	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Town Buildings Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$470 and is collected when a building permit is issued. The debt service transfers represent the growth share of debt related Town building improvements. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure.

Strategic priorities that relate to the Town Buildings Development Fund are:



Superior Infrastructure



Capital Funds Five-Year Projections

Library

LIBRARY DEVELOPMENT FUND	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES							
Library Development Fee	769,757	850,010	972,024	1,099,678	974,390	834,801	\$ 4,730,903
Interest Income	10,000	15,000	39,972	51,995	66,805	79,406	\$ 253,179
TOTAL REVENUES	\$ 779,757	\$ 865,010	\$ 1,011,996	\$ 1,151,673	\$ 1,041,195	\$ 914,207	\$ 4,984,081
EXPENDITURES							
DEBT SERVICE TRANSFERS							
2016 Refinancing of the 2005B GADA Loan	91,538	75,935	77,323	78,178	78,925	79,059	\$ 389,420
2016 Refinancing of the 2006A GADA Loan	333,650	279,358	280,232	279,680	278,944	278,944	\$ 1,397,158
2016 Refinancing of the 2007 Excise Tax Bond	61,631	53,484	53,304	53,311	53,272	53,370	\$ 266,741
OTHER							
Impact Fee Calculation Update	-	15,000	-	-	-	-	\$ 15,000
TOTAL EXPENDITURES	\$ 486,819	\$ 423,777	\$ 410,859	\$ 411,169	\$ 411,141	\$ 411,373	\$ 2,068,319
Annual Result	292,938	441,233	601,137	740,504	630,054	502,834	
Beginning Balance	\$ 1,264,443	\$ 1,557,381	\$ 1,998,614	\$ 2,599,751	\$ 3,340,255	\$ 3,970,309	
Projected Ending Fund Balance	\$ 1,557,381	\$ 1,998,614	\$ 2,599,751	\$ 3,340,255	\$ 3,970,309	\$ 4,473,143	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Library Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$723 and is collected when a building permit is issued. The debt service transfers represent the growth share of debt service for the Library. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure. Also included in FY 2017/18 is budget authority to complete a review and update of this fee to ensure that proper growth projections are included in the calculation.

Strategic priorities that relate to the Library Development Fund are:



Superior Infrastructure



Other Funds

Municipal Town Center Fund

TOWN CENTER FUND	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES							
Retail Sales Tax 0.25%	611,237	694,520	783,990	867,450	943,720	1,009,850	\$ 4,299,530
Signage Revenue	25,000	20,000	20,000	20,000	20,000	20,000	\$ 100,000
Interfund Loan (transfer in) Property Purchases	3,200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 5,000,000
Interest Income	10,000	21,000	21,000	21,000	21,000	21,000	\$ 105,000
TOTAL REVENUES	\$ 3,846,237	\$ 1,735,520	\$ 1,824,990	\$ 1,908,450	\$ 1,984,720	\$ 2,050,850	\$ 9,504,530
EXPENDITURES							
BUSINESS EXPENSES							
QC Inc/Chamber Annex	22,000	14,700	15,100	15,600	16,100	16,600	\$ 78,100
Gangplank	8,000	8,000	8,000	8,000	10,000	10,000	\$ 44,000
CONSTRUCTION SERVICES							
Town Center Design Guidelines (TC010)	6,882	-	-	-	-	-	\$ -
Town Center Plan Update (TC004)	30,000	-	-	-	-	-	\$ -
Town Center Branding (TC005)	25,000	-	-	-	-	-	\$ -
Façade Improvements (TC001)	100,000	50,000	50,000	50,000	50,000	50,000	\$ 250,000
Monument Signage (TC003)	90,000	-	-	-	-	-	\$ -
TC Decorative Elements/Art (TC006)	50,000	25,000	25,000	25,000	25,000	25,000	\$ 125,000
TC Parking/Parking Study (TC002)	60,000	-	-	-	-	-	\$ -
Library Parking (TC009)	211,019	-	-	-	-	-	\$ -
TC Lighting/Electric Upgrades (A0002)	194,012	-	-	-	-	-	\$ -
Design Elements for NWC Ellsworth/Ocotillo (TC008)	434,445	-	-	-	-	-	\$ -
LAND							
Property 304-67-056B&D	1,600,000	-	-	-	-	-	\$ -
Property 304-67-009L&F	1,600,000	-	-	-	-	-	\$ -
Interfund Loan Interest Payment (2 parcels FY17)	33,333	80,000	80,000	80,000	80,000	80,000	\$ 400,000
Property Purchase	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	\$ 5,000,000
Various Properties Loan Pmt (interest only)	-	25,000	50,000	75,000	100,000	125,000	\$ 375,000
OTHER							
Block Party	40,000	40,000	40,000	40,000	40,000	40,000	\$ 200,000
Trunk or Treat	24,650	25,000	25,000	25,000	25,000	25,000	\$ 125,000
Town Center/Banner Signage	10,000	10,000	10,000	10,000	10,000	10,000	\$ 50,000
TOTAL EXPENDITURES	\$ 4,539,341	\$ 1,277,700	\$ 1,303,100	\$ 1,328,600	\$ 1,356,100	\$ 1,381,600	\$ 6,647,100
Annual Result	(693,104)	457,820	521,890	579,850	628,620	669,250	
Beginning Balance	\$ 2,134,995	\$ 1,441,891	\$ 1,899,711	\$ 2,421,601	\$ 3,001,451	\$ 3,630,071	
Projected Ending Fund Balance	\$ 1,441,891	\$ 1,899,711	\$ 2,421,601	\$ 3,001,451	\$ 3,630,071	\$ 4,299,321	

Fund Description and Relation to Corporate Strategic Plan

This fund is used to run beautification and business-related projects in Town Center. The funding mechanism for these projects is primarily the 0.25% dedicated sales tax charged within the major retail developments in Town Center. Included in the FY 2017/18 budget is includes continued operations of the Chamber of Commerce annex, the Façade Improvement program, decorative elements for Town Center, and funding for special events. Also included in the budget \$1.0M as a placeholder for land acquisition, with a corresponding inter-fund loan and related debt service payments.

Strategic priorities that relate to the Municipal Town Center Fund are:



Secure Future



Quality Lifestyle



Other Funds

Special Assessment Fund

Special Assessment Fund	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES						
Property Assessment	1,702,406	1,745,495	1,742,298	1,743,304	1,743,453	\$ 8,676,956
TOTAL REVENUES/SOURCES	\$ 1,702,406	\$ 1,745,495	\$ 1,742,298	\$ 1,743,304	\$ 1,743,453	\$ 8,676,956
	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
EXPENDITURES/USES						
Debt Service						
2016 Refunding of 2006 ID Bonds - Ellsworth Loop Rd	1,702,406	1,745,495	1,742,298	1,743,304	1,743,453	\$ 8,676,956
TOTAL EXPENDITURES	\$ 1,702,406	\$ 1,745,495	\$ 1,742,298	\$ 1,743,304	\$ 1,743,453	\$ 8,676,956
Annual Result	-	-	-	-	-	-
Beginning Balance	\$ 118,642	\$ 118,642	\$ 118,642	\$ 118,642	\$ 118,642	
Projected Ending Fund Balance	\$ 118,642	\$ 118,642	\$ 118,642	\$ 118,642	\$ 118,642	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the debt service for the 2006 Improvement District Bond for the construction of Ellsworth Loop Road, which was refinanced in 2016, resulting in significant savings. Debt service is paid by property owners within the Improvement District. The Town owned share of property in the district accounts for 48% of the debt service. Of the transfer in, 75% comes from the construction sales tax and 25% comes from the Operating Budget.

Strategic priorities that relate to the Special Assessment Fund are:



Effective Government



Other Funds

Construction Sales Tax Fund

Construction Sales Tax Fund	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES							
Construction Sales Tax	5,707,958	5,455,850	6,302,510	6,594,800	5,782,880	4,990,030	\$ 29,126,070
Interest Income							\$ -
Interfund Loan	17,000,000	-	-	-	-	-	\$ -
TOTAL REVENUES/SOURCES	\$ 22,707,958	\$ 5,455,850	\$ 6,302,510	\$ 6,594,800	\$ 5,782,880	\$ 4,990,030	\$ 29,126,070
EXPENDITURES/USES							
Development Agreements							\$ 737,580
Transportation Development Agreements	19,141,644	450,000	287,580	-	-	-	\$ 9,079,355
Interfund Loan Payment		1,815,871	1,815,871	1,815,871	1,815,871	1,815,871	\$ 5,069,060
Transfers to Debt Service							\$ 14,253,884
2006 ID Bonds - Ellsworth Loop Rd	1,207,667	1,013,812	1,013,812	1,013,812	1,013,812	1,013,812	\$ 29,139,879
Transfers to CIP							
Transportation Projects (Growth Projects)	1,611,473	2,177,872	3,186,224	3,767,186	2,957,331	2,165,271	\$ 14,253,884
TOTAL EXPENDITURES	\$ 21,960,784	\$ 5,457,555	\$ 6,303,487	\$ 6,596,869	\$ 5,787,014	\$ 4,994,954	\$ 29,139,879
Annual Result	747,174	(1,705)	(977)	(2,069)	(4,134)	(4,924)	
Beginning Balance	771,292	1,518,465	1,516,760	1,515,783	1,513,714	1,509,580	
Projected Ending Fund Balance	1,518,465	1,516,760	1,515,783	1,513,714	1,509,580	1,504,656	

Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the dedicated 2.0% construction sales tax rate. Construction sales tax is used to pay the growth share (75%) of the Transportation Development Agreements and debt related to the Improvement District. In FY 2016/17, in order to pay off two major development agreements, an inter-fund loan from Water is for \$17M, with annual payments back to the Water Fund of \$1.8M. The remaining construction sales tax after these obligations are accounted for is transferred to the Transportation Infrastructure Improvement Fund to be used to fund the growth share of projects.

Strategic priorities that relate to the Construction Sales Tax Fund are:



Superior Infrastructure



Other Funds

Healthcare Self-Insurance Fund

Healthcare Self-Insurance Fund	FY16/17 Revised	FY17/18 Requested	FY18/19 Requested	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	Total 5 year Projection
REVENUES/SOURCES							
Employer Premiums - Medical	\$ 1,866,843	\$ 2,219,400	\$ 2,330,400	\$ 2,446,900	\$ 2,569,200	\$ 2,697,700	\$ 12,263,600
Employee Premiums - Medical	619,915	698,405	733,300	770,000	808,500	848,900	\$ 3,859,105
Employer Premiums - Dental	126,408	206,670	217,000	227,900	239,300	251,300	\$ 1,142,170
Employee Premiums - Dental	55,246	62,140	65,200	68,500	71,900	75,500	\$ 343,240
Employer Premiums - Vision	17,463	19,350	20,300	21,300	22,400	23,500	\$ 106,850
Employee Premiums - Vision	4,797	5,270	5,500	5,800	6,100	6,400	\$ 29,070
HSA Funding	368,802	395,500	415,300	436,100	457,900	480,800	\$ 2,185,600
Insurance Premiums	37,682	40,000	42,000	44,100	46,300	48,600	\$ 221,000
Interest	-	10,000	10,500	11,000	11,600	12,200	\$ 55,300
Stop Loss Reimbursement	150,000	150,000	157,500	165,400	173,700	182,400	\$ 829,000
TOTAL REVENUES/SOURCES	\$ 3,247,156	\$ 3,806,735	\$ 3,997,000	\$ 4,197,000	\$ 4,406,900	\$ 4,627,300	\$ 19,654,791
EXPENDITURES/USES							
Claims & Ins Payments							
Medical Claims	\$ 1,656,630	\$ 1,850,000	\$ 1,998,000	\$ 2,157,840	\$ 2,330,467	\$ 2,516,905	\$ 10,853,212
Fixed Expense	255,645	270,000	291,600	314,928	340,122	367,332	\$ 1,583,982
HSA Contributions	368,802	395,500	415,275	436,039	457,841	480,733	\$ 2,185,387
Short Term Disability Premiums	22,123	23,200	24,360	25,578	26,857	28,200	\$ 128,195
Dental Premiums	181,654	268,810	282,200	296,400	311,200	326,800	\$ 1,485,410
Vision Premiums	22,260	24,620	25,800	27,100	28,500	29,900	\$ 135,920
Flexible Spending premiums	1,654	1,700	1,785	1,874	1,968	2,066	\$ 9,394
Life Insurance Premiums	51,815	54,400	57,120	59,976	62,975	66,124	\$ 300,594
Wellness Initiatives	5,707	6,000	6,300	6,615	6,946	7,293	\$ 33,154
ACA Fees	20,199	21,200	22,260	23,373	24,542	25,769	\$ 117,143
TOTAL EXPENDITURES	\$ 2,586,489	\$ 2,915,430	\$ 3,124,700	\$ 3,349,723	\$ 3,591,417	\$ 3,851,121	\$ 16,832,391
Annual Result	660,667	891,305	872,300	847,277	815,483	776,179	
Beginning Balance	\$ 712,804	\$ 1,373,471	\$ 2,264,776	\$ 3,137,076	\$ 3,984,353	\$ 4,799,836	
Projected Ending Fund Balance	\$ 1,373,471	\$ 2,264,776	\$ 3,137,076	\$ 3,984,353	\$ 4,799,836	\$ 5,576,015	

Fund Description and Relation to Corporate Strategic Plan

This fund is used to account for the Town's self-insured medical benefits, as well as dental, vision and other insurances. Revenue to this fund is mainly derived from premiums charged to both the Town and employees. The premiums are collected each payroll for the Town's portion through an expense to the departments for the Town's share and payroll deductions for the employees' share. Revenues are also collected through insurance recoveries and interest earned. This fund provides payment of actual healthcare expenses, as well as claims administration and other benefit plan expenses.

Strategic priorities that relate to the Healthcare Self-Insurance Fund are:



Effective Government



Other Funds

Street Light Improvement Districts Fund (SLIDs)

Queen Creek uses SLIDs to recover the electric costs of streetlights installed within subdivisions throughout the community. SLIDs are funded through a special levy placed on the secondary property tax collections, with expenditures in the fund being primarily electrical costs. Each year the appropriation is based on anticipated actual electrical consumption within the districts for the upcoming year. At the time of budget development, the Town is anticipating 85 districts for FY 2017/18.

The expenditure budget will remain unchanged for FY 2017/18 at \$625,000.

A contract is in place with the local utility company, who owns the streetlights, to conduct all maintenance and operations of the lights in the SLIDs; however, this contract is set to expire in 2018 and will not be renewed by the utility company. Hence, the Town could have a substantial capital outlay for the purchase of the utility owned streetlights that may need to be addressed in FY 2018/19.

Community Events Fund

This fund was established to run recurring Town events. Currently, the Town runs the following annual events out of this fund:

- Trunk or Treat (October)
- Holiday Tree Lighting (December)
- Spring into QC (Springtime)
- 4Th of July Fireworks
- Founder's Day (September)
- Town Center Block Party (February)

Revenues are generated through contributions and donations. With some exception, it is anticipated that events will be put on only to the extent to which they have collected contributions and donations in excess of the Town provided minimum funding. The General Fund provides \$25,000 in funding towards the events and the Block Party is specifically funded by a transfer from the Town Center Fund. Beginning in FY 2017/18, the Trunk or Treat event is expanding and moving from Desert Mountain Park to Town Center. The additional cost associated with having the event in Town Center will be paid by the Town Center Fund.

The total budget for all events in this fund is \$162,650 for FY 2017/18.

Grants Fund

A grants fund has been established to house anticipated grant revenue and equivalent expenses. If a grant is not received, then expenses do not occur. However, the Town does need to have sufficient expenditure authority to take advantage of grant opportunities. The following are grants anticipated for FY 2017/18:

Queen Creek Fire and Medical is planning to apply for the following 3 grants:

- Assistance to Firefighters Grant –a radio grant (portable radios and apparatus radios) to upgrade from a current two radio to one radio configuration (Combining UHF and VHF into one radio) (\$181K). – no cost sharing required
- Self-Contained Breathing Apparatus (SCBA) replacements. The current SCBA's are getting closer to their end of life over the next few years and we are looking for opportunity to replace them through grant process. (\$240K) – no cost sharing

The Solid Waste division is planning to apply for a Public Space Recycling and Education/Outreach Program Grant with the Gila River Indian Community (GRIC) (\$158K). This grant could potentially cover costs associated



Other Funds

with the recycling center move, as well as new public space trash/recycling bins, and public outreach programs. There is no cost-sharing required for this grant.

The Streets Division is planning to apply for a street sweeper replacement through Maricopa Association of Governments (MAG). The grant is anticipated at \$267K with a cost sharing component of \$53K included in the HURF operating budget to fund the Town's share if the grant is awarded.

Taking into account these grants, as well as providing expenditure authority for any new grant opportunities, The FY 2017/18 grants budget is set at \$2.0M



Debt

Debt Capacity Analysis – Arizona Constitutional Limit

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a municipality’s net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a municipality’s net assessed valuation. The Town of Queen Creek has no outstanding general obligation debt at this time.

The Town of Queen Creek’s net valuation for FY 2017/18 is \$317,408,401. This includes both Maricopa County and Pinal County assessed values.

20% Debt Margin Limit:	\$ 63,481,680
Bonded Debt Outstanding:	<u>0</u>
Unused 20% Limitation Borrowing Capacity:	\$ 63,481,680
6% Debt Margin Limit:	\$ 19,044,504
Bonded Debt Outstanding:	<u>0</u>
Unused 6% Limitation Borrowing Capacity:	\$ 19,044,504

Debt Guidelines

The objective of the Town of Queen Creek’s debt management is two-fold: maintain the Town’s ability to incur present and future debt at the most beneficial interest rates for financing the adopted CIP, and ensure debt issuance does not adversely affect the Town’s ability to finance essential Town services.

Analysis of every new debt issuance will be performed to ensure adequate debt capacity, as well as the Town’s ability to repay the debt. In addition, debt management policies of the Town will be followed.

Short-term borrowing or lease purchase contracts will be considered for financing major operating capital equipment when it is determined to be in the Town’s best financial interest. Long-term debt will not be issued to finance current operations.

The Town has no immediate plans to issue General Obligation (GO) Bonds. While the Town prefers to rely on pay-as-you-go for financing CIP projects, there are some anticipated debt issuances in FY 2017/18 for the growth portion of transportation.

Town Debt by Type

General Obligation Bonds:

The Town does not currently have any General Obligation Bonds outstanding. GO Bonds are “full faith and credit” bonds, secured by ad valorem taxes levied without limit against all taxable property within the Town. The issuance of GO bonds, and the projects funded by GO bonds require voter approval.



Debt

Pledged Revenue Bonds

The Town may issue debt secured by a pledge of excise taxes and state-shared revenue. The Town's bond rating for Excise Tax Bonds was recently upgraded by S&P and Fitch. The Town's rating is at AA for both S&P and Fitch. The Town refunded its outstanding Governmental Debt in FY 2016/17 using a single issuance, resulting in \$12.5M in savings. The refunded debt is secured by a pro-rata share of each bonds outstanding debt prior to the refunding. For the refunded bonds \$32,965,000 of the total original principal amount and \$31,165,000 of the total outstanding principal as of June 30, 2017 is secured by excise taxes and state-shared revenue. Additionally, the Town has a second outstanding bond of which \$3,845,000 and \$3,595,000 of the total outstanding principal as of June 30, 2017.

The 2016 refunding bond issuance is secured by a pledge of excise taxes and state shared revenues for the following purposes:

Greater Arizona Development Authority (GADA)

Infrastructure Revenue Bonds, Series 2004B

\$4,305,000 of the total bond issue is attributable to this original issuance, which has a final maturity date in 2029. The Town used these funds for construction of a development service building and the acquisition of land for municipal purposes.

Greater Arizona Development Authority (GADA)

Infrastructure Revenue Bonds, Series 2005B

\$1,470,000 of the total bond issue is attributable to this original issuance, which has a final maturity date in 2030. The Town used these funds for the acquisition of land for a library and other municipal purposes.

Greater Arizona Development Authority (GADA)

Infrastructure Revenue Bonds, Series 2006A

\$7,995,000 of the total bond issue is attributable to this original issuance, which has a final maturity date in 2036. The Town used these funds for the construction of a library.

Town of Queen Creek, Arizona

Excise Tax and State Shared Revenue Obligations, Series 2007

\$18,210,000 of the total bond issue is attributable to this original issuance, which has a final maturity date in 2032. The Town issued the Series 2007 Bonds to provide funds for certain street intersection improvements, library improvements, park improvements and Town Hall improvements, as well as to refinance and repay in full certain outstanding lease-purchase obligations.

Greater Arizona Development Authority (GADA)

Infrastructure Revenue Bonds, Series 2008A

\$985,000 of the total bond issue is attributable to this original issuance, which has a final maturity date in 2023. This portion of the issue has a final maturity in 2023. Queen Creek used these funds for the Horseshoe Park Equestrian Centre.



Debt

The remaining bond issuance is supported by the following revenue source:

Greater Arizona Development Authority (GADA)
Infrastructure Revenue 2003 Refunding Bonds, Series 2014A

\$3,845,000 of the total \$10,395,000 bond issue was loaned to the Town of Queen Creek. This portion of the issue has a final maturity date in 2028. These bonds were issued to refund the 2003A issue used for wastewater system improvements.

Improvement District Bonds

Improvement District (ID) bonds issued by the Town are secured by special assessments levied upon the real property included within the improvement district. These bonds do not constitute a general obligation of the Town and are not backed by general taxing power, but the Town is contingently liable for their payment in the event that the property owners within the District do not make payments. Additionally, the Town is liable for payments on property within the Improvement District that is directly owned by the Town. The Town’s current bond rating in Improvement District Bonds is A3 from Moody’s, A- from S&P, and A- from Fitch.

Statutory provision requires that ID bonds bear a single-interest rate, have a final maturity no longer than twenty-five years and three months, and pay principal on January 1. The Town currently has one outstanding issue of ID bonds.

In conjunction with the Town’s refunding of its outstanding Governmental Debt in FY 2016/17, the Town included its portion of the Improvement District bonds in the amount refunded.

Additionally, the Town worked to separately refund the remaining Improvement District bonds for parcels owned by private parties.

Improvement District No. 001: Improvement Bonds - Town

\$15,025,000 of the total bond issue is attributable to this original issuance which has a final maturity date in 2032. The bonds have \$14,215,000 of principal outstanding as of June 30, 2017.

Improvement District No. 001: Improvement Bonds - Private

The \$18,445,000 Ellsworth Road Improvement District Bonds were issued on November 30, 2016, with an interest rate of 2.45% and a final maturity of January 1, 2030. This re-issuance resulted in \$4.8M in savings. The bonds have \$18,445,000 of principal outstanding as of June 30, 2017.

In both instances the bonds were used to provide funds for improvement costs, such as the construction and installation of certain street improvements, railroad facilities relocation, storm drain facilities and pump state, water and sanitary sewer facilities, landscaping, lighting, irrigation, and related improvements and related appurtenances.

Water Infrastructure Finance Authority Loans

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent agency of the state of Arizona that is authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest rates on loans for up to 100% of eligible project costs.



Debt

The Town has four WIFA loans, all secured by a pledge of the new revenues of the respective Water and Sewer funds. Total outstanding principal balance is \$66,568,099 as of June 30, 2016. The most recent WIFA loan was issued in FY 2013/14 to finance \$16 million of the H2O water company purchase. The purchase total was over \$25 million, and the remaining debt for this purchase is discussed below.

Other Loans/Debt

The Town entered into a purchase agreement for acquiring H2O Water Company, which has been financed in part through the 2013 WIFA loan (\$16 M), and the remaining balance to be paid through issuance of a 30-year tax exempt municipal revenue bond to H2O. The original principal amount for this portion of the purchase is \$19,425,089. Interest-only payments are scheduled until FY 2019/20.

The Town has also utilized lease purchase agreements for equipment in Grounds, Streets, and Fire. Original combined amount of these loans is \$2,580,922; the current outstanding balance as of June 30, 2017 is \$517,238.



Debt

The following is a summary of Town debt by type:

Issue Date	Final Maturity Date	Bond Issue/Loan Type	Original Principal	6/30/17 Outstanding Principal
Pledged Revenue Bonds				
10/1/2016	2029	2016 Refunding - GADA - Infrastructure Revenue Bonds, Series 2004B	4,305,000	4,015,000
10/1/2016	2030	2016 Refunding - GADA - Infrastructure Revenue Bonds, Series 2005B	1,470,000	1,385,000
10/1/2016	2036	2016 Refunding - GADA - Infrastructure Revenue Bonds, Series 2006A	7,995,000	7,675,000
10/1/2016	2033	2016 Refunding - Excise Tax and State Shared Revenue Obligations, Series 2007	18,210,000	17,240,000
10/1/2016	2023	2016 Refunding - GADA- Infrastructure Revenue Bonds, Series 2008A	985,000	850,000
3/26/2014	2028	GADA - Infrastructure Revenue Refunding Bonds, Series 2014A	3,845,000	3,595,000
<i>Subtotal Pledged Revenue Bonds</i>			\$ 36,810,000	\$ 34,760,000
Improvement District Bonds				
10/1/2016	2032	2016 Refunding - Improvement District No 001 Bonds, 2006	15,025,000	14,215,000
11/30/2016	2030	2016I Refunding - Improvement District No 001 Bonds, 2006	18,445,000	18,445,000
<i>Subtotal Improvement District Bonds</i>			\$ 33,470,000	\$ 32,660,000
WIFA Loans				
8/15/1998	2019	WIFA Loan 1998 - Initial Sewer Buy-In Loan	4,400,000	626,514
3/28/2005	2025	WIFA Loan 2005 - Sewer Buy-in GWRP	34,000,000	24,101,775
3/27/2008	2028	WIFA Loan 2008 - QC Water company acquisition	40,000,000	27,654,403
11/1/2013	2033	WIFA Loan 2013 - H2O company acquisition	16,000,000	14,185,407
<i>Subtotal WIFA Loans</i>			\$ 94,400,000	\$ 66,568,099
Other				
2013	2044	Schnepf Trust - H2O Acquisition	19,425,089	19,425,089
2008	2018	2008 Oshkosh Capital - Fire Equipment	1,937,932	165,033
2013	2020	2013 Zions Bank - HURF- Dump Truck	124,294	42,571
2014	2021	2015 Oshkosh Capital - Fire Equipment	518,696	309,634
<i>Subtotal Other Debt</i>			\$ 22,006,011	\$ 19,942,327
Total All Debts/Loans			\$ 186,686,011	\$ 153,930,426

The following table provides the FY 2017/18 annual debt service payment breakouts. The source of payment for debt service is provided on the following pages.

Loan/Bond Type	Interest Rate	Original Amount of Loan/Bond	6/30/17 Outstanding Balance	FY 2017/18				Maturity Date (year)
				Annual Principal Amount	Annual Interest Amount	Annual Admin. Fee Amount	Annual Debt Service Amount	
1998 WIFA Loan Initial Sewer Buy-In Loan	3.88%	\$ 4,400,000	\$ 626,514	\$ 307,295	\$ 7,597	\$ 4,788	\$ 319,680	2019
2016 Refunding - 2004 GADA Loan Town Hall Bldgs	2-5%	4,305,000	4,015,000	265,000	176,200	500	441,700	2029
2016 Refunding - 2005 GADA Loan Library	2-5%	1,470,000	1,385,000	80,000	61,700	500	142,200	2030
2005 WIFA Loan Sewer Buy-in - GWRP	2.21%	34,000,000	24,101,775	1,631,268	495,699	337,058	2,464,025	2025
2016 Refunding - 2006 GADA Loan Library	2-5%	7,995,000	7,675,000	270,000	336,800	500	607,300	2036
2016 Refunding - 2006 ID Bonds Ellsworth Loop Road	2-5%	15,025,000	14,215,000	705,000	645,750	1,000	1,351,750	2032
2016I Refunding - 2006 ID Bonds Ellsworth Loop Road	2.45%	18,445,000	18,445,000	1,265,000	436,406	1,000	1,702,406	2030
2016 Refunding - 2007 Excise Tax Bonds: Parks, Transportation, Town Buildings, Library	2-5%	18,210,000	17,240,000	850,000	783,550	2,050	1,635,600	2033
2016 Refunding - 2008 GADA Loan HPEC Facility	2-5%	985,000	850,000	125,000	35,700	500	161,200	2023
2008 WIFA Loan QC Water company acquisition	4.04%	40,000,000	27,654,403	1,836,505	655,129	387,268	2,878,902	2028
2008 Oshkosh Capital - Fire Equipment	5.02%	1,937,932	165,033	165,033	8,285	-	173,318	2018
2013 Zions Bank - HURF- Dump Truck	2.50%	124,294	42,571	19,453	943	-	20,396	2020
2014 WIFA Loan H2O company acquisition	3.15%	16,000,000	14,185,407	643,414	223,052	202,284	1,068,750	2033
2014 Schnepf Trust H2O company acquisition	8.00%	19,425,089	19,425,089	-	1,012,001	767,706	1,779,707	2044
2014A GADA Revenue Refunding (Sewer Buy-in -GWRP)	2-5%	3,845,000	3,595,000	225,000	160,150	-	385,150	2028
2015 Oshkosh Capital - Fire Equipment	5.02%	518,696	309,634	73,967	9,413	-	83,380	2021
Totals		\$ 186,686,011	\$ 153,930,426	\$ 8,461,935	\$ 5,048,375	\$ 1,705,154	\$ 15,215,464	



Debt

Debt Service Expenses by Fund

The following tables provide debt service payment amounts by fund, followed by a five-year debt service projection for the Town's outstanding bonds, loans, and lease purchases.

Source of Annual Debt Service Payments	
General Fund	\$ 1,237,677
HPEC	\$ 300,477
HURF/Streets	\$ 288,438
Fire/EMS	\$ 83,380
Sewer Operating	\$ 3,168,856
Water Operating	\$ 5,521,468
Water Capacity	\$ 205,893
Parks Development	\$ 527,203
Town Buildings Development	\$ 295,696
Library Development	\$ 408,777
Transportation Development	\$ 288,062
Fire Development	\$ 173,318
Construction Sales Tax	\$ 1,013,813
Improvement District Assessment	\$ 1,702,406
TOTAL	\$ 15,215,464



Debt

	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Loan/Bond Type	Annual Debt Service Amount	Annual Debt Service Amount	Annual Debt Service Amount	Annual Debt Service Amount	Annual Debt Service Amount
2016 Refunding - 2004B GADA - Town Buildings	217,316	218,325	215,373	217,243	217,366
2016 Refunding - 2005B GADA - Library	66,265	67,477	68,222	68,875	68,991
2016 Refunding - 2006A GADA - Library	327,942	328,968	328,320	327,456	327,456
2016 Refunding - 2006 ID Bonds - Ellsworth Loop Rd	337,938	337,650	337,900	336,600	336,850
2016 Refunding - 2007 Excise Tax Bond	288,220	287,251	287,286	287,075	287,603
Subtotal General Fund	\$ 1,237,681	\$ 1,239,671	\$ 1,237,101	\$ 1,237,249	\$ 1,238,266
2016 Refunding - 2007 Excise Tax Bond	202,951	202,268	202,293	202,144	202,516
2016 Refunding - 2008A GADA - HPEC	97,526	101,307	101,065	97,677	102,517
Subtotal HPEC Fund	\$ 300,477	\$ 303,575	\$ 303,358	\$ 299,821	\$ 305,033
2016 Refunding - 2007 Excise Tax Bond	268,042	267,141	267,174	266,977	267,469
2013 Zions Bank - HURF Dump Truck	20,396	20,396	3,216		
Subtotal HURF Fund	\$ 288,438	\$ 287,537	\$ 270,390	\$ 266,977	\$ 267,469
1998 WIFA Loan Initial Sewer Loan	319,681	319,218	-	-	-
2005 WIFA Loan Sewer Buy-in - GWRP	2,464,025	2,461,784	2,459,461	2,457,051	2,454,552
2014A GADA Revenue Refunding (Sewer Buy-in GWRP)	385,150	392,900	392,700	392,100	388,350
Subtotal Sewer Operating Fund	\$ 3,168,856	\$ 392,900	\$ 392,700	\$ 392,100	\$ 388,350
2008 WIFA Loan QC Water Co Acquisition	2,878,903	2,875,909	2,872,794	2,869,554	2,866,183
2014 WIFA Loan H2O Water Co Acquisition	862,858	855,724	848,365	840,774	832,944
2014 Schnepf Trust H2O Water Co Acquisition	1,779,707	1,683,207	1,719,636	1,711,845	1,703,439
Subtotal Water Operating Fund	\$ 5,521,468	\$ 5,414,840	\$ 5,440,795	\$ 5,422,173	\$ 5,402,566
2014 WIFA Loan H2O Water Co Acquisition	205,892	212,386	219,085	225,995	233,123
2014 Schnepf Trust H2O Water Co Acquisition	-	-	85,028	91,830	99,176
Subtotal Water Capacity Fund	\$ 205,892	\$ 212,386	\$ 219,085	\$ 225,995	\$ 233,123
2016 Refunding - 2007 Excise Tax Bond	222,494	221,746	221,773	221,609	222,018
2016 Refunding - 2007 Excise Tax Bond - HPEC	241,035	240,225	240,254	240,077	240,519
2016 Refunding - 2008A GADA - HPEC	63,674	66,143	65,985	63,773	66,933
Subtotal Parks & Open Space Development Fund	\$ 527,203	\$ 528,114	\$ 528,012	\$ 525,459	\$ 529,470
2016 Refunding - 2004B GADA - Town Buildings	224,384	225,425	222,377	224,307	224,434
2016 Refunding - 2007 Excise Tax Bond	71,312	71,072	71,081	71,029	71,160
Subtotal Town Buildings Development Fund	\$ 295,696	\$ 296,497	\$ 293,458	\$ 295,336	\$ 295,594
2016 Refunding - 2007 Excise Tax Bond	288,062	287,093	287,128	286,917	287,445
Subtotal Transportation Development Fund	\$ 288,062	\$ 287,093	\$ 287,128	\$ 286,917	\$ 287,445
2016 Refunding - 2005B GADA - Library	75,935	77,323	78,178	78,925	79,059
2016 Refunding - 2006A GADA - Library	279,358	280,232	279,680	278,944	278,944
2016 Refunding - 2007 Excise Tax Bond	53,484	53,304	53,311	53,272	53,370
Subtotal Library Development Fund	\$ 408,777	\$ 697,952	\$ 698,297	\$ 698,058	\$ 698,818
2015 Oshkosh Capital - Fire Equipment	83,380	83,380	83,380	83,380	-
Subtotal EMS-Fire Fund	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,380	\$ -
2008 Oshkosh Capital - Fire Equipment	173,318	-	-	-	-
Subtotal Fire Development Fund	\$ 173,318	\$ -	\$ -	\$ -	\$ -
2016 Refunding - 2006 ID Bonds - Ellsworth Loop Rd	1,013,812	1,012,950	1,013,700	1,009,800	1,010,550
Subtotal Construction Sales Tax	\$ 1,013,812	\$ 1,012,950	\$ 1,013,700	\$ 1,009,800	\$ 1,010,550
2016 Refunding - 2006 ID Bonds - Ellsworth Loop Rd	1,702,406	1,745,495	1,742,298	1,743,304	1,743,453
Subtotal Special Assessment ID Fund	\$ 1,702,406	\$ 1,745,495	\$ 1,742,298	\$ 1,743,304	\$ 1,743,453
Total Debt Service	\$ 15,215,466	\$ 14,996,299.00	\$ 14,767,063	\$ 14,748,533	\$ 14,666,420



FY 2017/18
Adopted Budget



Outstanding Debt Schedules

Town of Queen Creek Outstanding Debt FY2018- FY2044								
Principal, Interest and Fees Combined								
Year	2016 Refunding Bond				Excise Tax Bond 2007		2016I Refunding Bond	Bond
	GADA 2004B \$4,305,000	GADA 2005B \$1,470,000	GADA 2006A \$7,995,000	GADA 2008 \$985,000	Parks -52% \$18,210,000	ID Bond 2006 \$15,025,000	ID Bond 2006 \$18,445,000	GADA 2014A \$3,845,000
	Town Buildings	Library	Library	HPEC	Buildings -8% Library -6% Streets -34%			Sewer
FY17-18	\$ 441,700	\$ 142,200	\$ 607,300	\$ 161,200	\$ 1,635,600	\$ 1,351,750	\$ 1,702,406	\$ 385,150
FY18-19	443,750	144,800	609,200	167,450	1,630,100	1,350,600	1,745,495	392,900
FY19-20	437,750	146,400	608,000	167,050	1,630,300	1,351,600	1,742,298	392,700
FY20-21	441,550	147,800	606,400	161,450	1,629,100	1,346,400	1,743,304	392,100
FY21-22	441,800	148,050	606,400	169,450	1,743,453	1,347,400	1,632,100	388,350
FY22-23	444,400	149,050	603,800	163,250	1,637,500	1,349,600	1,737,805	384,100
FY23-24	443,150	138,800	602,550		1,630,750	1,346,850	1,736,361	384,100
FY24-25	444,550	139,800	603,950		1,637,550	1,346,050	1,743,938	386,500
FY25-26	440,350	145,600	604,750		1,632,350	1,343,850	1,740,534	385,000
FY26-27	445,750	141,000	604,950		1,630,550	1,340,250	1,741,211	387,500
FY27-28	441,500	145,250	605,700		1,634,800	1,340,250	1,740,909	384,250
FY28-29	441,500	144,000	605,450		1,739,626	1,337,750	1,635,800	385,000
FY29-30		147,500	604,200		1,628,550	1,337,750	527,370	
FY30-31			606,950		1,628,300	1,335,000		
FY31-32			608,450		1,629,550	1,334,500		
FY32-33			608,700					
FY33-34			607,900					
FY34-35			606,300					
FY35-36			608,900					
FY36-37								
FY37-38								
FY38-39								
FY39-40								
FY40-41								
FY41-42								
FY42-43								
FY43-44								
Total	\$ 5,307,750	\$ 1,880,250	\$ 11,519,850	\$ 989,850	\$ 24,698,079	\$ 20,159,600	\$ 21,169,531	\$ 4,647,650



Outstanding Debt Schedules

Town of Queen Creek Outstanding Debt FY2018- FY2044								
Principal, Interest and Fees Combined								
Loans					Capital Leases			
WIFA 1998	WIFA 2005	WIFA 2008	WIFA 2014	Subordinate Lien (Schneff Trust)	Oshkosh Capital 2008	Zions Lease 2013	Oshkosh Capital 2014	
\$4,400,000	\$34,000,000	\$40,000,000	\$16,000,000	\$19,425,089	\$1,937,932	\$124,294	\$518,696	
Sewer	Sewer	QC Water	H2O	H2O	Fire	HURF	Fire	FY Total
\$ 319,681	\$ 2,464,025	\$ 2,878,903	\$ 1,068,750	\$ 1,779,707	\$ 173,318	\$ 20,396	\$ 83,380	\$ 15,215,466
319,218	2,461,784	2,875,909	1,068,110	1,683,206		20,396	83,380	14,996,298
	2,459,461	2,872,794	1,067,450	1,804,664		3,216	83,380	14,767,063
	2,457,051	2,869,554	1,066,769	1,803,675			83,380	14,748,533
	2,454,552	2,866,183	1,066,066	1,802,615				14,666,419
	2,451,961	2,862,675	1,065,342	1,801,479				14,650,962
	2,449,273	2,859,027	1,064,594	1,800,259				14,455,714
	2,446,486	2,855,230	1,063,823	1,798,947				14,466,824
	2,443,596	2,851,281	1,063,027	1,797,539				14,447,877
	2,440,598	2,847,172	1,062,207	1,796,027				14,437,215
	2,437,489	2,842,897	1,061,361	1,794,401				14,428,807
	2,434,266	2,838,449	1,060,487	1,792,656				14,414,984
			1,059,587	1,790,778				7,095,735
			1,058,658	1,788,759				6,417,667
			1,057,699	1,786,589				6,416,788
			1,056,711	1,784,253				3,449,664
			1,057,469	1,781,742				3,447,111
				1,779,041				2,385,341
				1,776,134				2,385,034
				1,773,005				1,773,005
				1,769,637				1,769,637
				1,766,012				1,766,012
				1,762,109				1,762,109
				1,757,907				1,757,907
				1,753,380				1,753,380
				1,748,504				1,748,504
				1,743,254				1,743,254
\$ 638,899	\$ 29,400,542	\$ 34,320,074	\$ 18,068,110	\$ 48,016,279	\$ 173,318	\$ 44,008	\$ 333,520	



FY 2017/18
Adopted Budget



Appendix

Acronyms

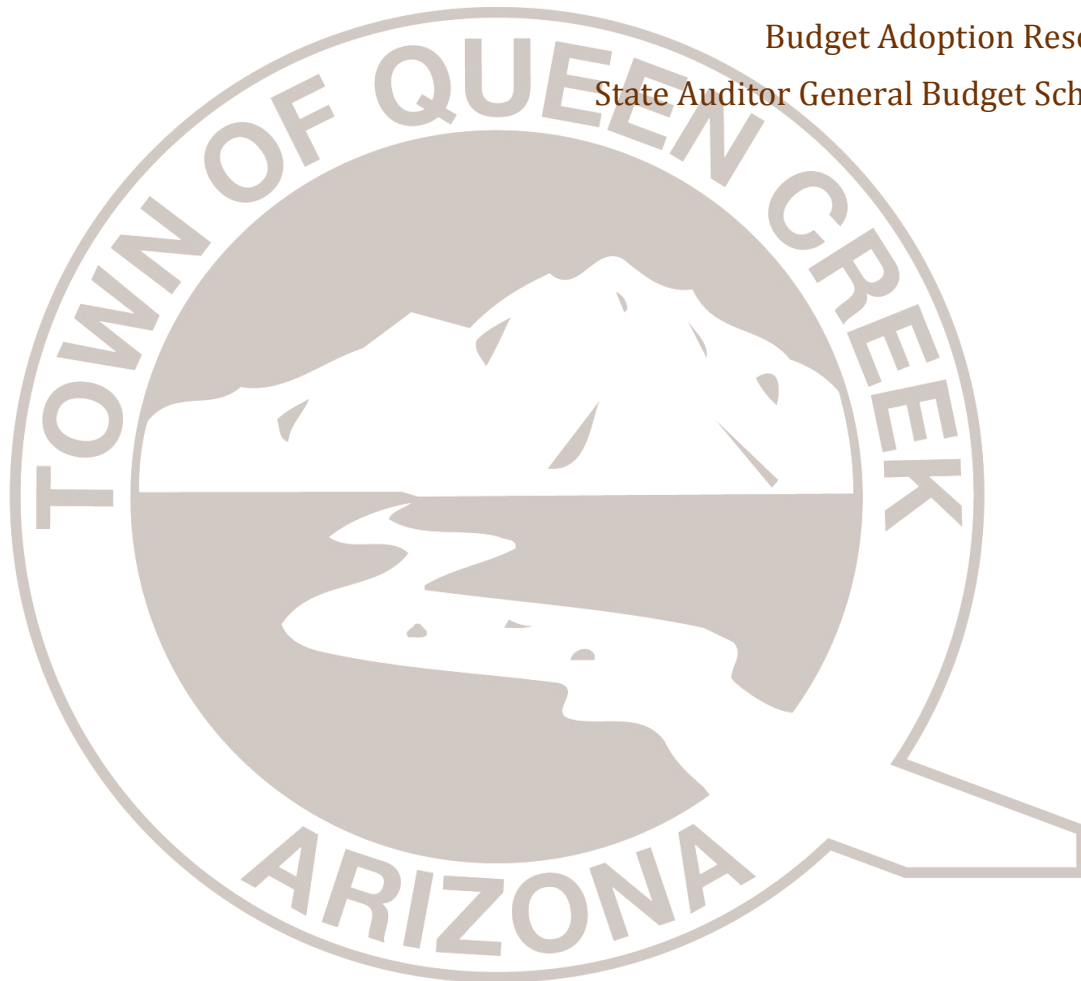
Glossary

Position Listing

Notice of Pending Financial Statement Filing

Budget Adoption Resolution

State Auditor General Budget Schedules





Acronyms

ACMA – Arizona City/County Management Association

ADEQ – Arizona Department of Environmental Quality

ADOT – Arizona Department of Transportation

ADOR – Arizona Department of Revenue

ADWR – Arizona Department of Water Resources

A.R.S – Arizona Revised Statute

ASRS – Arizona State Retirement System

CAAG – Central Arizona Association of Governments

CAFR – Comprehensive Annual Financial Report

CAP – Central Arizona Project

CDBG – Community Development Block Grant

CERT - Community Emergency Response Team

CIL- Cash-in-Lieu

CIP – Capital Improvement Program

CMAQ – Congestion Mitigation & Air Quality

CMR – Communications, Marketing & Recreation

CPI – Consumer Price Index

CSP – Corporate Strategic Plan

CY – Calendar Year

DEQ – Department of Environmental Quality

EEO – Equal Employment Opportunity

EMS – Emergency Medical Services

EMT – Emergency Medical Technician

EOC – Emergency Operations Center

FASB – Financial Accounting Standards Board

FICA – Federal Insurance Contribution Act

FMLA – Family and Medical Leave Act

FTE – Full-Time Equivalent

FY – Fiscal Year

GAAP – General Accepted Accounting Principles

GADA – Greater Arizona Development Authority

GASB – Government Accounting Standards Board

GIS – Geographic Information System

GFOA – Government Finance Officers Association

GFOAz – Government Finance Officers Association of Arizona

GWRP – Greenfield Water Reclamation Plant

HR – Human Resources

HPEC – Horseshoe Park Equestrian Centre

HURF – Highway User Revenue Fund

ICMA – International City Managers Association

IIP – Infrastructure Improvement Plan

IT – Information Technology

KRA – Key Result Area

LEED – Leading Through Education & Environmental Design

LTAf – Local Transportation Assistance Fund

MAG – Maricopa Association of Governments

MCsO – Maricopa County Sheriff's Office

M&O – Maintenance & Operations

O & M – Operations & Maintenance

OSHA – Occupational Safety and Health Administration

PMGAA – Phoenix Mesa Gateway Airport Authority

PRV – Pressure Reducing Valve

PSPRS – Public Safety Personnel Retirement System

SLID – Street Light Improvement District

TIP – Transportation Improvement Plan

WIFA – Water Infrastructure Financing Authority



Glossary

A

Account – An organizational budget/operating unit within a Town department or division.

Accrual – A liability due to an expense for which no invoice has yet been received.

Actual – As used in the fund summaries and division summaries within the budget document, represents the actual cost results of operations.

Adopted Budget – Represents the current fiscal year budget and spending limit as approved by formal action of the Town Council.

Amortization – Recognition of expense of a debt by regular intervals over a specific period of time.

Allocation – A part of a lump sum appropriation that is designated for expenditure by specific organization units and/or for special purposes, activities, or subjects.

Appropriation – Authorization by the Town Council which permits the Town to incur obligations to make expenditures for a specific purpose.

Assessed Valuation – A value that is established for real and personal property used as a basis for levying property taxes. Property values are established by the County Assessor and the State as a basis for levying taxes.

Asset – A resource owned or held by a government that has monetary value.

Available Fund Balance – Funds remaining from the prior year that are available for appropriation in the current year.

B

Balanced Budget – A budget that contains ongoing revenues equal to the ongoing expenditures of the Town.

Base Budget – The ongoing expense necessary to maintain desired service levels. Changes in demand and activity level may create the need for additional resources or make available resources for other purposes.

Bond – A long-term “IOU” or promise to pay. It is a promise to repay a specified amount of money (the face value of the bond) on a particular date (maturity date). Bonds are used primarily for financing capital projects.

Bond Rating – The measure of the quality and safety of a bond. It indicates the likelihood that a debt issuer will be able to meet scheduled repayments and dictates the interest rate paid.

Budget Amendment – A change of budget appropriation between expenditure accounts that is different from the original adopted budget. Budget amendments do not change the legal spending limit adopted by the Town Council.

Budget Calendar – A schedule of key dates and milestones in preparation, adoption and administration of the budget.

Budget Message – The opening section of the budget document, which provides a general summary of the most important aspects of the budget, changes from the previous fiscal year, key issues impacting the budget and recommendations regarding the financial policy for the upcoming period.

Budgetary Control – The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.



Glossary

C

Capital Budget – The first year of the five-year Capital Improvement Program (CIP) becomes the fiscal commitment to develop projects for the current fiscal year. The capital budget reflects appropriations for items that have a high monetary value (\$50,000 or more), are long-term in nature, add to the capital assets or infrastructure of the Town, and are financed on a long-term basis.

Capital Improvement Program – The Capital Improvement Program (CIP) is a comprehensive projection of capital investment projects, which identifies priorities as to need, method of financing, and project costs and revenues over a five-year period. It is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the annual capital budget. The capital improvement program for the ensuing year must be formally adopted during the budget approval process.

Capital Outlay – Payments made in cash or cash equivalents over a period of more than one year; they are also known as capital expenditures. Capital outlays are used to acquire assets or improve the useful life of existing assets.

Carry Over / Carry Forward – Year-end unused expenditure authority from the prior fiscal year budget included in new year budget to cover obligations that cross fiscal years for approved capital projects or other one-time expenses.

Cash-in-lieu – Funding for capital projects the Town requires from developers in lieu of them constructing necessary off-site improvements related to their development project.

Citizen Corps – a program under the Department of Homeland Security that provides training for the population of the United States to assist in the recovery after a disaster or terrorist attack.

Commodities – Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants, etc.

Consumer Price Index (CPI) – A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency – A budgetary reserve set aside for emergency or unanticipated expenses and/or revenue shortfalls. The Town Council must approve all contingency expenditures.

Contractual Services – Expenditures for services such as rentals, insurance, maintenance, etc. that are generally purchased by the Town through an approved contract.

D

Debt Service – The cost of paying principal, interest and related service charges on borrowed money according to a predetermined payment schedule.

Department – A major administrative division of the Town with overall management responsibility for an operation or a group of related operations.

Depreciation – Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Impact Fee – Fee charged to new development to offset the cost of Town improvements that are required due to new growth.

Disbursement – The expenditure of money from an account.



Glossary

Division – An organized unit within a department.

E

Encumbrance – The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

Enterprise Fund – A governmental accounting fund in which the services provided, such as water or sewer or sanitation, are financed and operated similarly to those of a private business. The rate schedules for the services are established to ensure that user revenues are adequate to meet necessary expenditures.

Estimated Revenue – The projected amount of revenues to be collected during a fiscal year.

Expenditure – Actual outlay of funds for an asset, good, or service obtained regardless of when expense is actually paid.

Expenditure Limitation – An amendment to the Arizona State Constitution that limits annual expenditures of all municipalities. The limit is set by the Economic Estimates Commission based on population growth and inflation. All municipalities have the option of adopting Home Rule, under which voters approve a four-year expenditure limit based on revenues received.

F

Fiscal Year – The time period designated by a government or organization signifying the beginning and end of the financial reporting period. Queen Creek has established July 1 to June 30 as the municipal fiscal year.

Fixed Assets – Assets of a long-term character intended to be held or used, such as land, buildings, machinery, furniture and other equipment.

Franchise Fees – Annual fees paid by utilities (natural gas and cable TV) for use of Town public rights-of-way. Franchise fees are typically a set percentage of gross revenue within the Town.

Fringe Benefits – Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the Town's share of costs for social security, pension plans, medical and life insurance plans.

Full-Time Equivalent (FTE) – A calculation used to convert hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per fiscal year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Fund – An accounting entity that has a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

Fund Balance – Difference between assets and liabilities reported in a government fund.

Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. In the case of the Town, this would be the Council and Mayor.

Non-spendable – Portions of fund balance that include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.



Glossary

Restricted – Portion of fund balance that reflects constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unassigned – Residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

G

General Fund – The primary general purpose fund supported by taxes, fees, and other non-enterprise revenues.

General Plan – A planning and legal document that outlines the community vision in terms of land use.

Generally Accepted Accounting Principles (GAAP) – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Government Funds – Refers to the use of fund accounting in which funds are set up for specific sources of revenues. Its main purpose is stewardship of financial resources received and expended in compliance with legal or other requirements.

Grants – State, federal or other subsidies received in aid of a public undertaking that do not need to be repaid.

H

Highway User Fuel Tax (HURF) – Gasoline tax shared with municipalities; a portion is distributed based upon the population of the town and a portion is distributed based upon the origin of the sale of fuel. The Arizona State Constitution requires that this revenue be used solely for street and highway purposes.

I

Improvement Districts – Improvement districts are composed of property owners who desire improvements that will benefit all properties within the district. Bonds are issued to finance these improvements, which are repaid by assessments on affected property owners.

Indirect Cost – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned, such as administrative support, facility maintenance or custodial services.

Inter-Fund Transfer – The movement of monies between funds of the same governmental entity.

Internal Service Funds – A group of funds that account for services provided to other divisions and departments within the Town government.

J

Journal Entry – An entry into the financial system that transfers actual amounts from one account, department, or fund to another.

L

Liability – An obligation of the Town to convey something of value in the future.



Glossary

M

Modified Accrual Basis – Under the modified accrual basis of accounting recommended for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

O

Objective – A mission, purpose, or standard that can be reasonably achieved within the expected timeframe and with available resources. Along with goals, objectives are basic planning tools underlying all strategic activities. They serve as the basis for policy and performance appraisals.

Operating Budget – The annual spending plan for a government's recurring non-capital expenses, including personnel salaries, fringe benefits, professional development, supplies, equipment, repairs and administrative expenses. The operating budget is distinct from expenses to build or acquire permanent infrastructure.

Operating Expense – Cost for necessary resources needed by a department to provide services and perform desired tasks.

Operating Revenue – Funds that a government receives as income to pay for ongoing operations, including taxes, user fees, interest earnings and grants. Operating revenues are used to pay for recurring, non-capital expenses.

Ordinance – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

P

Performance Management – A results-oriented system that allows the Town to set goals and targets for programs and services and assess whether those targets are being met on a recurring basis.

Property Tax – Total property tax levied by a municipality on the assessed value of a property within Town limits. In Arizona, the property tax system is divided into primary and secondary.

Primary Property Tax – A limited tax levy used for operations based on primary assessed valuation and primary tax rate. The tax rate is restricted to a 2% annual increase.

Secondary Property Tax – An unlimited tax levy restricted to voter-approved budget overrides. The tax is based on the secondary assessed valuation and secondary tax rate.

Property Tax Levy – The total amount that can be raised by property tax for purposes outlined in the Tax Levy Ordinance.

Property Tax Rate – The amount of tax stated in terms of a unit of the tax base expressed as dollars per \$100 of assessed valuation.

Proprietary Funds – These funds call for the services rendered under these accounts to be paid for by their patrons who use them, working like a business. Proprietary funds aren't eligible to make a profit. Therefore, the ideal situation is for its costs to balance out with its revenue.

Program – A group of related activities performed by one or more divisions or departments of the Town for the purpose of accomplishing a service the Town is responsible for delivering.



Glossary

R

Reserve/Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. The Town Council must approve all contingency expenditures.

Revenue – The income of a government from all sources appropriated for the payment of the public expenses during a specified period of time. For Queen Creek, revenues may include receipts from taxes, intergovernmental sources, user fees, voter-authorized bonds, development fees and grants.

Roll-Up/Roll-Up Code – A set of like accounts linked together for the purpose of interactive budget management. An individual expense line under a designated roll-up code can be overdrawn as long as the sum of the whole has an available budget appropriation.

S

Scenario – A tool used by the Town to understand different ways that future events might affect the projected budget.

State Shared Revenue – The portion of revenues collected by the state that are allocated to municipalities based on population data.

Special Revenue Fund – An account composed of receipts from specific revenues. Such funds are authorized by statutory or charter provisions to pay for specific activities with continuing revenues.

Street Light Improvement District (SLID) – A special district to fund the energy costs of streetlights placed in residential subdivisions. An assessment is levied against the property owners to cover the costs of electrical billings received and paid by the Town.

T

Transfers – The authorized exchanges of cash or other resources between funds, departments and/or capital projects.

Trust Funds – Established to administer resources received and held by the Town as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the Town by virtue of law or other similar authority.

U

User Fees or Charges – The payment of a fee for direct receipt of a public service by the party who benefits from the service.

V

Variance – Comparison of actual expenditure and revenues from one year to the next and comparison of budget-to-actual in current fiscal year.

W

Working Capital – A financial metric that represents operating liquidity available to the Town. It is calculated as current assets minus current liability.



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
General Fund				
Town Manger				
TOWN MANAGER	1.00	1.00	1.00	1.00
ASSISTANT TOWN MANAGER	1.00	1.00	1.00	1.00
ASSISTANT TO THE TOWN MANAGER	1.00	1.00	1.00	1.00
EXECUTIVE ADMIN ASSISTANT	1.00	1.00	1.00	1.00
COUNCIL ASSISTANT	1.00	1.00	1.00	1.00
INTERGOVERNMENTAL RELATIONS COORDINATOR	-	-	1.00	1.00
SR. MANAGEMENT ASSISTANT	-	-	-	-
Total Town Manger	5.00	5.00	6.00	6.00
Town Clerk				
TOWN CLERK	1.00	1.00	1.00	1.00
TOWN CLERK ASSISTANT	1.00	1.00	1.00	1.00
Total Town Clerk	2.00	2.00	2.00	2.00
Total Town Manager/Legal Services/Clerk	7.00	7.00	8.00	8.00
Finance				
FINANCE DIRECTOR	1.00	1.00	1.00	1.00
SR. ACCOUNTANT	-	1.00	1.00	1.00
ACCOUNTING ADMINISTRATOR	1.00	-	-	-
ACCOUNTING MANAGER* (1.0 FTE; 30% Enterprise Funded)	-	0.70	0.70	0.70
ACCOUNTANT	1.00	1.00	1.00	1.00
FINANCIAL SERVICES SPECIALIST	1.50	1.00	1.00	2.00
PROCUREMENT OFFICER	1.00	2.00	2.00	2.00
PAYROLL SPECIALIST	-	0.50	1.00	1.00
OFFICE AIDE	0.475	0.475	0.475	0.475
PROCUREMENT MANAGER	-	-	-	1.00
FINANCIAL SERVICES SPECIALIST* (0.5 FTE; 60% Enterprise Funded)	-	0.40	0.20	0.20
ENTERPRISE FINANCE MANAGER* (1.0 FTE; 100% Enterprise Funded)	-	-	-	-
CUSTOMER SERVICE MANAGER* (1.0 FTE; 100% Enterprise Funded)	-	-	-	-
CUSTOMER SERVICE SUPERVISOR* (1.0 FTE; 100% Enterprise Funded)	-	-	-	-
CUSTOMER SERVICE REPRESENTATIVE* (4.0 FTE; 100% Enterprise Funded)	-	-	-	-
Total Finance	5.98	8.08	8.38	10.38
Budget				
BUDGET ADMINISTRATOR	1.00	1.00	1.00	1.00
SR. FINANCIAL SERVICES ANALYST	1.00	1.00	1.00	3.00
Total Budget	2.00	2.00	2.00	4.00
Total Finance	7.98	10.08	10.38	14.38
Workforce & Technology				
Human Resources				
DEPARTMENT DIRECTOR	1.00	1.00	-	-
SR. HUMAN RESOURCES ANALYST	2.00	2.00	-	-
HUMAN RESOURCES PROGRAM MANAGER	-	-	2.00	2.00
HUMAN RESOURCES TECHNICIAN	1.00	-	-	-
HUMAN RESOURCES SPECIALIST	-	1.00	1.00	1.00
Total Human Resources	4.00	4.00	3.00	3.00



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Workforce & Technology cont'd				
Information Technology				
TECHNOLOGY SUPERVISOR	1.00	1.00	1.00	1.00
SR. DEVELOPER/IT PROJECT MANAGER	1.00	1.00	1.00	1.00
SR. SYSTEMS ADMINISTRATOR	-	1.00	1.00	1.00
APPLICATION & DESKTOP SUPPORT ANALYST	1.00	1.00	1.00	1.00
BUSINESS SYSTEMS & IT TRAINING ANALYST	1.00	1.00	1.00	1.00
GIS COORDINATOR	1.00	1.00	1.00	1.00
IT ANALYST II	1.00	-	-	-
SR. NETWORK & SECURITY ANALYST	-	1.00	1.00	1.00
GIS ANALYST* (1.0 FTE; 60% Enterprise Funded)	-	-	-	0.40
BUSINESS SYSTEMS & IT TRAINING ANALYST* (1.0 FTE; 100% Enterprise Funded)	-	-	-	-
SR. FINANCIAL SERVICES ANALYST	-	-	-	-
Total Information Technology	6.00	7.00	7.00	7.40
Total Workforce & Technology	10.00	11.00	10.00	10.40
Communications, Marketing & Recreation Services				
Communications & Marketing				
DIRECTOR	1.00	1.00	1.00	1.00
PUBLIC INFORMATION OFFICER	1.00	1.00	1.00	1.00
MARKETING SPECIALIST	1.00	1.00	1.00	1.00
DIGITAL MEDIA SPECIALIST	1.00	1.00	1.00	1.00
Total Communications & Marketing	4.00	4.00	4.00	4.00
Recreation Programs				
RECREATION SUPERINTENDENT	1.00	1.00	1.00	1.00
MANAGEMENT ASSISTANT I	1.00	1.00	1.00	1.00
CUSTOMER SERVICE COORDINATOR	1.00	1.00	1.00	1.00
RECREATION COORDINATOR	2.00	2.00	2.00	2.00
RECREATION TECHNICIAN (PT)	1.25	1.25	1.25	1.25
RECREATION POSITIONS (Seasonal)	1.17	2.46	2.46	2.46
Total Recreation Programs	7.42	8.71	8.71	8.71
Total Communications, Marketing & Recreation Services	11.42	12.71	12.71	12.71
Economic Development				
Economic Development				
DEPARTMENT DIRECTOR	1.00	1.00	1.00	1.00
ECONOMIC DEVELOPMENT COORDINATOR	1.00	1.00	1.00	1.00
ECONOMIC DEVELOPMENT RESEARCH ASSISTANT	1.00	-	-	-
ECONOMIC DEVELOPMENT RESEARCH ANALYST	-	1.00	1.00	1.00
SR. ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
MANAGEMENT ASSISTANT II	1.00	-	-	-
SR. FINANCIAL SERVICES ANALYST	1.00	1.00	1.00	-
Total Economic Development	6.00	5.00	5.00	4.00
Total Economic Development	6.00	5.00	5.00	4.00



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Development Services				
Development Services Administration				
DEPARTMENT DIRECTOR	1.00	1.00	1.00	1.00
SPECIAL PROJECTS MANAGER	1.00	1.00	1.00	1.00
SR. FINANCIAL SERVICES ANALYST	1.00	1.00	1.00	1.00
SR. ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
Total Development Services Administration	4.00	4.00	4.00	4.00
Planning				
PLANNING ADMINISTRATOR	1.00	1.00	1.00	1.00
SR. PLANNER	1.00	1.00	1.00	1.00
PLANNER	1.00	1.00	1.00	1.00
PRINCIPAL PLANNER	1.00	1.00	1.00	1.00
PLANNING ASSISTANT	1.00	1.00	1.00	1.00
Total Planning	5.00	5.00	5.00	5.00
Traffic				
TRAFFIC SIGNAL TECHNICIAN	1.00	1.00	1.00	2.00
SR. TRAFFIC ENGINEERING ANALYST	1.00	1.00	1.00	1.00
TRAFFIC ENGINEER	1.00	1.00	1.00	1.00
Total Traffic	3.00	3.00	3.00	4.00
Engineering				
SR. INSPECTOR	1.00	1.00	1.00	1.00
INSPECTOR	1.00	1.00	1.00	1.00
ENGINEER	1.00	1.00	1.00	1.00
TOWN ENGINEER	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN	1.00	1.00	1.00	2.00
Total Engineering	5.00	5.00	5.00	6.00
Building Safety				
BUILDING OFFICIAL	1.00	1.00	1.00	1.00
INSPECTOR	3.00	3.00	2.00	2.00
MANAGEMENT ASSISTANT I	1.00	1.00	1.00	1.00
SR. INSPECTOR	1.00	1.00	1.00	1.00
DEVELOPMENT SERVICES COORDINATOR	1.00	1.00	1.00	1.00
PERMIT TECHNICIAN	2.00	2.00	2.00	2.00
PLANS EXAMINER	1.00	1.00	1.00	1.00
Total Building Safety	10.00	10.00	9.00	9.00
Neighborhood Preservation				
NEIGHBORHOOD PRESERVATION SUPERVISOR	1.00	1.00	1.00	1.00
NEIGHBORHOOD PRESERVATION SPECIALIST	0.475	1.00	1.00	1.00
NEIGHBORHOOD PRESERVATION SPECIALIST (PT)	0.475	0.475	0.475	0.475
Total Neighborhood Preservation	1.95	2.48	2.48	2.48
Total Development Services	28.95	29.48	28.48	30.48



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Public Works				
Public Works Administration				
DIRECTOR	1.00	1.00	1.00	1.00
CIP PROJECT SUPERVISOR	-	1.00	-	-
SR. PROJECT MANAGER	1.00	-	-	-
SR. MANAGEMENT ASSISTANT	1.00	1.00	1.00	1.00
SR. ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
MANAGEMENT ASSISTANT II	-	1.00	1.00	1.00
PROJECT MANAGER	1.00	1.00	-	-
Total Public Works Administration	5.00	6.00	4.00	4.00
Facilities Maintenance				
DAY PORTER	0.75	0.75	0.75	1.00
FACILITY SERVICES COORDINATOR	1.00	1.00	1.00	1.00
SR. FACILITY SERVICES SPECIALIST	1.00	2.00	2.00	2.00
FACILITY SERVICES SPECIALIST	1.00	1.00	1.00	1.00
Total Facilities Maintenance	3.75	4.75	4.75	5.00
Fleet Maintenance				
FLEET SERVICES SUPERINTENDENT	1.00	1.00	1.00	1.00
MECHANIC	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS TECHNICIAN	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS SPECIALIST	1.00	1.00	1.00	1.00
Total Fleet Maintenance	4.00	4.00	4.00	4.00
Parks & Grounds Maintenance				
PARKS SUPERINTENDENT	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS SUPERVISOR	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS CREW LEADER	1.00	1.00	1.00	1.00
SR. MAINTENANCE & OPERATIONS TECHNICIAN	3.00	3.00	3.00	3.00
MAINTENANCE & OPERATIONS TECHNICIAN	5.00	5.00	5.00	5.00
MAINTENANCE & OPERATIONS SPECIALIST	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS ASSISTANT	3.00	3.00	3.00	6.00
PARK RANGER (FT)	2.00	2.00	2.00	-
MAINTENANCE & OPERATIONS ASSISTANT (PT)	1.61	1.61	1.61	0.43
PARK RANGER (PT)	1.00	1.00	1.00	-
Total Parks & Grounds Maintenance	19.61	19.61	19.61	18.43
Parks Rangers				
PARK RANGER (FT)	-	-	-	2.00
PARK RANGER (PT)	-	-	-	1.00
Total Parks & Grounds Maintenance	-	-	-	3.00
Total Public Works	32.36	34.36	32.36	34.43
Total General Fund	103.71	109.61	106.91	114.38



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Other Operating Funds				
Drainage & Transportation Fund - Public Works				
Capital Improvements Program (CIP)				
CIP PROJECT MANAGER	-	-	1.00	1.00
PROJECT MANAGER	-	-	3.00	3.00
CIP INSPECTOR	-	-	1.00	1.00
SR. ADMIN ASSISTANT	-	-	0.50	0.50
Total CIP Program - Drainage & Transportation Fund	-	-	5.50	5.50
HURF/Streets Fund - Public Works				
STREETS & ENVIRONMENTAL SERVICES SUPERVISOR	1.00	1.00	1.00	1.00
ENVIRONMENTAL PROGRAMS SUPERVISOR	0.20	-	-	-
FIELD OPERATIONS SUPERVISOR	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS CREW LEADER	2.00	2.00	2.00	2.00
MAINTENANCE & OPERATIONS SPECIALIST	4.00	4.00	4.00	4.00
MAINTENANCE & OPERATIONS ASSISTANT	2.00	2.00	2.00	2.00
MAINTENANCE & OPERATIONS TECHNICIAN	3.00	3.00	4.00	4.00
Total HURF/Streets Fund - Public Works	13.20	13.00	14.00	14.00
Solid Waste Fund - Public Works				
ENVIRONMENTAL PROGRAMS SUPERVISOR	0.80	1.00	1.00	1.00
CUSTOMER SERVICE COORDINATOR	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS TECHNICIAN	1.00	1.00	1.00	1.00
CUSTOMER SERVICE REPRESENTATIVE	1.00	1.00	1.00	1.00
COMMUNITY OUTREACH COORDINATOR	0.74	0.75	0.75	0.75
ENTERPRISE FINANCE MANAGER	-	0.20	0.20	0.20
ACCOUNTING MANAGER	-	0.10	0.10	0.10
Total Solid Waste Fund - Public Works	4.54	5.05	5.05	5.05
Horseshoe Park Equestrian Centre (HPEC) Fund - Economic Development				
HPEC GENERAL MANAGER	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS SUPERVISOR	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS SPECIALIST	4.00	4.00	4.00	4.00
SR. ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
Total HPEC Fund	7.00	7.00	7.00	7.00
Utilities				
Water Fund				
UTILITIES DIRECTOR	1.00	1.00	1.00	1.00
WATER RESOURCES ENGINEER	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	1.00	1.00	-	-
MANAGEMENT ASSISTANT	1.00	1.00	1.00	1.00
WATER CONSERVATION SPECIALIST/CUST SUPP	1.00	1.00	1.00	1.00
CUSTOMER SERVICE COORDINATOR	2.00	2.00	2.00	2.00
CUSTOMER SERVICE REPRESENTATIVE	3.00	3.00	4.00	4.00
COMMUNITY OUTREACH COORDINATOR	0.26	0.25	0.25	0.25
FIELD OPERATIONS SUPERINTENDENT	2.00	2.00	2.00	2.00
UTILITY SERVICES SUPERVISOR	2.00	2.00	2.00	2.00



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Utilities				
Water Fund cont'd				
UTILITY SERVICES COORDINATOR	2.00	2.00	2.00	2.00
WATER SERVICES SUPERVISOR	1.00	1.00	1.00	1.00
INSPECTOR	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS SPECIALIST	3.00	3.00	3.00	3.00
SR. UTILITY SERVICES TECHNICIAN	4.60	5.00	5.00	5.00
UTILITY CUSTOMER SERVICE SUPERVISOR	1.00	1.00	1.00	1.00
UTILITY LOCATOR	2.00	2.00	2.00	3.00
UTILITY SERVICES TECHNICIAN	10.00	10.00	10.00	11.00
ENTERPRISE FINANCE MANAGER	-	0.40	0.40	0.40
ACCOUNTING MANAGER	-	0.10	0.10	0.10
FINANCIAL SERVICES SPECIALIST	-	0.30	0.15	0.15
CUSTOMER SERVICE MANAGER	-	-	1.00	1.00
GIS ANALYST	-	-	-	0.60
Total Water Fund	38.86	40.05	40.90	43.50
Sewer Fund				
ENTERPRISE FINANCE MANAGER	-	0.40	0.40	0.40
ACCOUNTING MANAGER	-	0.10	0.10	0.10
FINANCIAL SERVICES SPECIALIST	-	0.30	0.15	0.15
UTILITY SERVICES COORDINATOR	1.00	1.00	1.00	1.00
SR. UTILITY SERVICES TECHNICIAN	0.40	-	-	-
UTILITY SERVICES TECHNICIAN	1.00	1.00	1.00	1.00
MAINTENANCE & OPERATIONS SPECIALIST	3.00	3.00	3.00	3.00
Total Sewer Fund	5.40	5.80	5.65	5.65
Total Utilities - Water & Sewer Funds	44.26	45.85	46.55	49.15
Emergency Services Fund				
Fire Administration				
FIRE CHIEF	1.00	1.00	1.00	1.00
FIRE MARSHALL	1.00	1.00	1.00	1.00
FIRE SERVICES SPECIALIST	1.00	1.00	1.00	1.00
FINANCIAL SERVICES SPECIALIST	1.00	1.00	1.00	1.00
Total Fire Admin	4.00	4.00	4.00	4.00
Fire Operations				
DEPUTY FIRE CHIEF	1.00	1.00	1.00	1.00
FIRE CAPTAIN	6.00	6.00	9.00	9.00
FIRE ENGINEER	6.00	6.00	9.00	9.00
FIREFIGHTER	15.00	15.00	24.00	24.00
Total Fire Operations	28.00	28.00	43.00	43.00
Fire Training & Safety				
FIRE BATTALION CHIEF	1.00	1.00	1.00	1.00
Total Fire Training & Safety	1.00	1.00	1.00	1.00
Fire Support Services & Resources				
FIRE BATTALION CHIEF	1.00	1.00	1.00	1.00
Total Fire Support & Resources	1.00	1.00	1.00	1.00



Position Listing

Queen Creek Authorized Positions	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Revised	FY 2017/18 Adopted
Emergency Services Fund cont'd				
<i>Fire - Medical</i>				
FIRE BATTALION CHIEF	1.00	1.00	1.00	1.00
Total Fire - Medical	1.00	1.00	1.00	1.00
<i>Public Safety</i>				
EMERGENCY MANAGEMENT COORDINATOR	1.00	1.00	1.00	1.00
Total Fire - Public Safety	1.00	1.00	1.00	1.00
Total Emergency Services Fund	36.00	36.00	51.00	51.00
Summary				
Total Queen Creek FTE	208.70	216.51	236.03	246.08
Elected Officials	7.00	7.00	7.00	7.00
Total All	215.70	223.51	243.03	253.08
# - Change from Prior FY	15.91	7.81	19.52	10.05
% - Change from Prior FY	8%	4%	9%	4%



Pending Financial Statement Filing



Notice of Pending Financial Statement Filing

Date: April 26, 2017

Arizona Revised Statutes (A.R.S.) §9-481 requires cities and towns to file a copy of their financial statements with the Office of the Auditor General pursuant to A.R.S. §41-1279.07 within 9 months after the close of each fiscal year. These financial statements must be posted in a prominent location on the City's or Town's official website within 7 business days of filing the reports with the Auditor General.

This form is posted on our website in place of the financial statements until the financial statements are filed with the Office of the Auditor General. A copy of this form has been sent to the Office of the Auditor General, the Speaker of the House of Representatives, and the President of the Senate.

If the financial statements are not completed as prescribed, on or before the adoption process of our budget pursuant to A.R.S. §§42-17103 and 42-17105, this form will be published in the budget for the subsequent fiscal year to notify taxpayers that the required financial statements are pending, the reasons for the delay, and the estimated date of completion.

Entity name: Town of Queen Creek

Fiscal reporting year: 2016

Reasons for delayed report(s):

In June 2016, the Town became aware that our bank statement had not been properly reconciled. Although a monthly reconciliation was performed, it was later determined that it was not being done correctly. Since becoming aware of this situation, the Town's Finance staff worked in collaboration with our auditors to reconcile the Town's bank statement. The Town discovered numerous transactions from prior years that had not been recorded in the accounting system, causing the cash balance to be overstated. As of the date of this Notice, the Town believes it has corrected the issues that were causing the reconciliation problems, and the Town has put into place new practices to eliminate the possibility that they will occur again.

Estimated date of completion: June 30, 2017

Contact name: Dan Olsen **Title:** Accounting Manager

Phone number: 480-358-3171 **Email:** dan.olsen@queencreek.org

22350 S. Ellsworth Road, Queen Creek, AZ 85142 | P: 480-358-3000 | F: 480-358-3001 | www.queencreek.org
11/15



Budget Adoption Resolution

RESOLUTION 1148-17

TOWN OF QUEEN CREEK Resolution for the adoption of the Budget Fiscal Year 2018

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the Town Council did, on May 17, 2017, in accordance with adopted financial policies, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, and did also make an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Queen Creek, and

WHEREAS, in accordance with said chapter of said title, and following due public notice, the Council met on June 7, 2017, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies, and

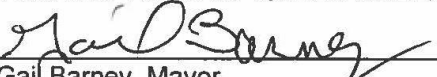
WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the Town Council would meet on June 7, 2017, at the office of the Council for the purpose of hearing taxpayers and making tax levies as set forth in said estimates, and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate exceed that amount as computed in A.R.S. §42-17051(A), therefore be it:

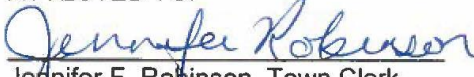
RESOLVED, that the said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced, or changed, are hereby adopted as the budget of the Town of Queen Creek for the fiscal year 2017/2018.

Passed by the Mayor and Queen Creek Town Council, this 7th day of June 2017.

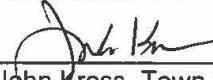
FOR THE TOWN OF QUEEN CREEK:


Gail Barney, Mayor


ATTESTED TO:


Jennifer F. Robinson, Town Clerk

REVIEWED BY:


John Kross, Town Manager

APPROVED AS TO FORM:


Dickinson Wright, PLLC
Attorneys for the Town



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Summary Schedule of Estimated Revenues and Adopted Expenditures/Expenses
Fiscal Year 2018

Fiscal Year	S c h	FUNDS							Total All Funds	
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds		
2017	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	25,345,328	51,138,793	6,872,121	51,129,257		49,570,483	-	184,055,982
2017	Actual Expenditures/Expenses**	E	25,345,328	51,138,793	6,872,121	34,129,257		33,070,483	-	150,555,982
2018	Fund Balance/Net Position at July 1***		22,119,615	752,175	263,539	(12,761,557)		80,835,183	712,804	91,921,759
2018	Primary Property Tax Levy	B		6,189,464						6,189,464
2018	Secondary Property Tax Levy	B		-						-
2018	Estimated Revenues Other than Property Taxes	C	37,805,201	26,227,528	1,702,407	78,732,421		41,586,040	3,806,735	189,860,332
2018	Other Financing Sources	D	-	-	-	-		-	-	-
2018	Other Financing (Uses)	D	-	-	-	-		-	-	-
2018	Interfund Transfers In	D	-	7,312,232	9,217,087	5,158,113		45,226,935	-	66,914,367
2018	Interfund Transfers (Out)	D	13,931,413	8,571,890	-	-		44,411,064	-	66,914,367
2018	Reduction for Amounts Not Available:									
2018	LESS: Amounts for Future Debt Retirement:									-
2018	Total Financial Resources Available		45,993,403	31,909,509	11,183,033	71,128,977	-	123,237,094	4,519,539	287,971,555
2018	Budgeted Expenditures/Expenses	E	20,531,283	41,246,905	10,919,494	57,180,816		80,299,527	2,915,430	213,093,455

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2017	2018
1.	\$ 184,055,982	\$ 213,093,455
2.		
3.	184,055,982	213,093,455
4.		
5.	\$ 184,055,982	\$ 213,093,455
6.	\$	\$

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).



Auditor General Budget Schedules

TOWN OF QUEEN CREEK Tax Levy and Tax Rate Information Fiscal Year 2018

	<u>2017</u>	<u>2018</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>8,823,660</u>	<u>10,493,244</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>5,379,190</u>	\$ <u>6,189,464</u>
B. Secondary property taxes		
C. Total property tax levy amounts	\$ <u>5,379,190</u>	\$ <u>6,189,464</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>5,379,190</u>	
(2) Prior years' levies	<u>71,619</u>	
(3) Total primary property taxes	\$ <u>5,450,809</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u> </u>	
(2) Prior years' levies	<u> </u>	
(3) Total secondary property taxes	\$ <u> </u>	
C. Total property taxes collected	\$ <u>5,450,809</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>1.9500</u>	<u>1.9500</u>
(2) Secondary property tax rate	<u> </u>	<u> </u>
(3) Total city/town tax rate	<u>1.9500</u>	<u>1.9500</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>84</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
GENERAL FUND			
Local taxes			
City Sales Tax	\$ 17,613,170	\$ 19,108,287	\$ 20,681,790
Sales Tax Recovery	90,000	90,000	
Licenses and permits			
Business Licenses	84,872	84,872	87,420
Liquor License	10,000	10,000	10,000
Building Revenue	5,105,600	5,105,600	5,704,000
Intergovernmental			
State Sales Tax	3,258,371	3,258,371	3,560,500
Urban Revenue Sharing	4,235,175	4,235,175	4,552,500
Charges for services			
Recreation User Fees	531,410	531,410	522,000
Interest on investments			
Interest Income	200,000	200,000	259,000
Miscellaneous			
Telecommunications	126,150	126,150	150,000
Building Lease Revenue	52,660	52,660	55,020
Gas Franchises	93,220	93,220	96,020
Cable Licenses	214,240	214,240	223,600
Miscellaneous	125,000	125,000	100,000
Departmental Support Revenue	1,753,926	1,753,926	1,803,351
Total General Fund	\$ 33,493,794	\$ 34,988,911	\$ 37,805,201
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway Users Revenue	\$ 2,091,787	\$ 2,091,787	\$ 2,277,000
Pinal County Taxes	22,466	22,466	23,590
Vehicle License Tax	1,345,029	1,345,029	1,441,000
Interest Income	10,000	10,000	22,000
Total Highway User Revenue Fund	\$ 3,469,282	\$ 3,469,282	\$ 3,763,590
Municipal Town Center Fund			
City Sales Tax	\$ 590,620	\$ 611,237	\$ 694,520
Signage Revenue	25,000	25,000	20,000
Interest Income	10,000	10,000	21,000
Total Municipal Town Center Fund	\$ 625,620	\$ 646,237	\$ 735,520
Construction Sales Tax Fund			
2% Construction Sales Tax	\$ 4,664,890	\$ 5,707,958	\$ 5,455,850
Total Construction Sales Tax Fund	\$ 4,664,890	\$ 5,707,958	\$ 5,455,850
Grants & Contingency Fund			
Grants	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Contingency			
Total Grants & Contingency Fund	2,000,000	2,000,000	2,000,000



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
Parks Development Fund			
Parks Development Fee	\$ 3,918,590	\$ 3,918,590	\$ 4,327,181
Loan Proceeds	14,000,000		
Interest Income	40,000	171,400	155,500
Total Parks Development Fund	\$ 17,958,590	\$ 4,089,990	\$ 4,482,681
Town Buildings & Vehicle Fund			
Town Building & Vehicle Development Fee	\$ 574,342	\$ 574,342	626,512
Interest Income	20,000	20,000	19,000
Total Town Buildings & Vehicle Fund	\$ 594,342	\$ 594,342	\$ 645,512
Transportation Development Fee Fund			
Transportation Development Impact Fee	\$ 1,630,004	\$ 1,630,004	1,770,197
Interest Income	10,000	10,000	9,000
Total Transportation Development Fee Fund	\$ 1,640,004	\$ 1,640,004	\$ 1,779,197
Library Development Fee Fund			
Library Development Impact Fee	\$ 769,757	\$ 769,757	\$ 850,010
Interest Income	10,000	10,000	15,000
Total Library Development Fee Fund	\$ 779,757	\$ 779,757	\$ 865,010
Public Safety Development Fee Fund			
Public Safety Development Fees	\$ 220,283	\$ 220,283	\$ 238,820
Interest Income	10,000	10,000	14,000
Total Public Safety Development Fee Fund	\$ 230,283	\$ 230,283	\$ 252,820
Emergency Services Fund			
City Sales Tax	\$ 2,200,800	\$ 2,390,008	\$ 2,584,150
County Island Fire District	1,318,234	1,318,234	1,422,330
Fire Inspections	65,000	65,000	75,000
PSPRS Premium Tax Credit	75,000	75,000	77,500
Interest Income	15,000	15,000	
IGA - School District	64,000	64,000	64,000
Wildland Reimbursement	65,000	65,000	65,000
Miscellaneous			28,000
Total Emergency Services Fund	\$ 3,803,034	\$ 3,992,242	\$ 4,315,980
Fire Development Fee Fund			
Fire Development Fees	\$ 593,888	\$ 593,888	\$ 648,278
Interest Income	20,000	20,000	17,000
Total Fire Development Fee Fund	\$ 613,888	\$ 613,888	\$ 665,278
Streetlight Improvement Districts			
Special Assessment	\$ 601,680	\$ 601,680	\$ 625,500
Total Streetlight Improvement Districts	\$ 601,680	\$ 601,680	\$ 625,500
Community Events Fund			
Contributions/Donations	\$ 75,000	\$ 75,000	\$ 75,000
Total Community Events Fund	\$ 75,000	\$ 75,000	\$ 75,000
Horseshoe Park & Equestrian Center (HPEC) Fund			
Park Revenues	\$ 530,000	\$ 530,000	\$ 565,590
Total HPEC Fund	\$ 530,000	\$ 530,000	\$ 565,590
Total Special Revenue Funds	\$ 37,586,370	\$ 24,970,663	\$ 26,227,528



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
DEBT SERVICE FUNDS			
Special Assessment Fund			
Property Assessments	\$ 1,774,020	\$ 1,774,020	\$ 1,702,407
Interest Income			
Total Special Assessment Fund	\$ 1,774,020	\$ 1,774,020	\$ 1,702,407
Total Debt Service Funds	\$ 1,774,020	\$ 1,774,020	\$ 1,702,407
CAPITAL PROJECTS FUNDS			
Drainage & Transportation Fund			
Reimbursement from Government Agency	\$	\$	\$ 3,555,000
Developer Contribution	2,766,596	2,766,596	177,421
Bond Proceeds	45,000,000		75,000,000
Total Drainage & Transportation Fund	\$ 47,766,596	\$ 2,766,596	\$ 78,732,421
Total Capital Projects Funds	\$ 47,766,596	\$ 2,766,596	\$ 78,732,421
INTERNAL SERVICE FUNDS			
Healthcare Self-Insurance			
Premiums	\$	\$	\$ 3,646,735
Stop Loss Reimbursement			150,000
Interest Income			10,000
Total Healthcare Self-Insurance	\$	\$	\$ 3,806,735
ENTERPRISE FUNDS			
Sewer Utility Funds			
User Fees	\$ 5,743,100	\$ 5,743,100	\$ 6,300,000
Developer Contribution			
Capacity Fee	3,781,000	3,781,000	5,630,860
Interest Income	100,000	100,000	117,591
Total Sewer Utility	\$ 9,624,100	\$ 9,624,100	\$ 12,048,451
Water Fund			
Water Revenues/User Fees	\$ 18,932,500	\$ 18,932,500	\$ 20,665,000
Capacity Fee	5,659,740	5,659,740	5,559,390
Miscellaneous	296,530	296,530	345,692
Interest Income	40,000	73,333	324,000
Total Water Fund	\$ 24,928,770	\$ 24,962,103	\$ 26,894,082
Solid Waste Fund			
User Fees	\$ 2,179,900	\$ 2,179,900	\$ 2,499,828
Recycling	20,000	20,000	20,000
Cart Fees	135,000	135,000	96,679
Interest Income			1,000
Miscellaneous			26,000
Total Solid Waste	\$ 2,334,900	\$ 2,334,900	\$ 2,643,507
Total Enterprise Funds	\$ 36,887,770	\$ 36,921,103	\$ 41,586,040
TOTAL ALL FUNDS	\$ 157,508,550	\$ 101,421,293	\$ 189,860,332

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2018

FUND	OTHER FINANCING 2018		INTERFUND TRANSFERS 2018	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Debt Service	\$	\$	\$	4,755,735
Infrastructure (CIP)				2,981,946
Emergency Services Fund				4,157,859
Horseshoe Park & Equestrian Center Fund				1,163,780
HURF				847,093
Community Events				25,000
Total General Fund	\$	\$	\$	\$ 13,931,413
SPECIAL REVENUE FUNDS				
Library Development Fee Fund	\$	\$	\$	408,777
Emergency Services Fund			4,157,859	
Grants Fund			53,500	
Parks Development				527,203
Public Safety Development Fee Fund				
Town Buildings & Vehicles Development Fee				295,696
Fire Development Fee Fund				
Transportation Development Fund				1,647,345
Construction Sales Tax				5,005,850
Town Center			1,000,000	65,000
HURF			847,093	321,542
Community Events			90,000	
Horseshoe Park & Equestrian Center Fund			1,163,780	300,477
Total Special Revenue Funds	\$	\$	\$ 7,312,232	\$ 8,571,890
DEBT SERVICE FUNDS				
Special Assessment Fund	\$	\$	\$	\$
Debt Service			9,217,087	
Total Debt Service Funds	\$	\$	\$ 9,217,087	\$
CAPITAL PROJECTS FUNDS				
Drainage & Transportation Fund	\$	\$	\$ 5,158,113	
General CIP				
Total Capital Projects Funds	\$	\$	\$ 5,158,113	\$
ENTERPRISE FUNDS				
Water Fund	\$	\$	\$ 1,815,871	18,549,608
Water Capacity				12,095,361
Water CIP			23,917,607	
Water Debt			5,727,362	
Sewer/Wastewater Fund				8,096,891
Sewer/Wastewater Capacity				5,669,204
Sewer/Wastewater CIP			10,597,239	
Sewer/Wastewater Debt			3,168,856	
Total Enterprise Funds	\$	\$	\$ 45,226,935	44,411,064
TOTAL ALL FUNDS	\$	\$	\$ 66,914,367	\$ 66,914,367



Auditor General Budget Schedules

TOWN OF QUEEN CREEK Expenditures/Expenses by Fund Fiscal Year 2018

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017	ACTUAL EXPENDITURES/ EXPENSES* 2017	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018
GENERAL FUND				
Town Council	\$ 420,857	\$ -	\$ 420,857	\$ 434,432
Town Manager	877,690	68,732	946,422	1,059,779
Legal Services	325,000	-	325,000	400,000
Town Clerk	273,747	-	273,747	324,544
Finance	1,345,174	90,000	1,435,174	1,900,609
Workforce & Technology	2,333,905	372,245	2,706,150	2,934,347
Communications, Marketing & Recreation	1,704,402	359,999	2,064,401	1,854,339
Economic Development	898,901	-	898,901	840,210
Development Services	3,695,201	185,805	3,881,006	4,055,598
Public Works	3,551,282	7,326	3,558,608	4,059,311
Centralized Services	3,284,514	5,550,548	8,835,062	2,668,114
Total General Fund	\$ 18,710,673	\$ 6,634,655	\$ 25,345,328	\$ 20,531,283
SPECIAL REVENUE FUNDS				
HURF				
Public Works	\$ 5,190,723	\$ 394,254	\$ 5,584,977	\$ 4,841,050
Municipal Town Center Fund				
Economic Development	1,595,000	2,879,691	4,474,691	1,212,700
Streetlight Improvement District				
General Operations	601,680	-	601,680	625,000
Grants & Contingency Fund				
General Operations	2,000,000	-	2,000,000	2,000,000
Construction Sales Tax Fund				
Capital	2,184,000	16,957,644	19,141,644	450,000
Parks Development Fund				
Comm, Marketing & Recreation	21,165,000	(17,796,228)	3,368,772	15,324,990
Town Buildings & Vehicles Fund				
General Operations	10,000	(10,000)	-	-
Transportation Development Fund				
Public Works	-	105,811	105,811	-
Library Development Fund				
Comm, Marketing & Recreation	10,000	(10,000)	-	15,000
Public Safety Development Fund				
Emergency Management Services	50,000	(50,000)	-	50,000
Fire Development Fund				
Emergency Management Services	1,223,319	(50,000)	1,173,319	473,319
Emergency Services Fund				
Emergency Management Services	13,076,439	5,000	13,081,439	14,663,303
Community Events Fund				
Comm, Marketing & Recreation	162,650	-	162,650	162,650
HPEC Fund				
Economic Development	1,258,635	152,175	1,410,810	1,428,893
LTAFF				
Public Works	-	33,000	33,000	-
Total Special Revenue Funds	\$ 48,527,446	\$ 2,611,347	\$ 51,138,793	\$ 41,246,905
DEBT SERVICE FUNDS				
Special Assessment Fund				
General Operations	\$ 3,384,243	\$ -	\$ 3,384,243	\$ 1,702,407
Debt Service Fund				
General Operations	10,267,878	(6,780,000)	3,487,878	9,217,087
Total Debt Service Funds	\$ 13,652,121	\$ (6,780,000)	\$ 6,872,121	\$ 10,919,494



Auditor General Budget Schedules

TOWN OF QUEEN CREEK Expenditures/Expenses by Fund Fiscal Year 2018

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017	ACTUAL EXPENDITURES/ EXPENSES* 2017	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018
CAPITAL PROJECTS FUNDS				
Drainage & Transportation				
Public Works	\$ 28,743,104	\$ 1,934,692	\$ 30,677,796	\$ 56,480,816
Carryforward Allowance			(17,000,000)	
General CIP -				
General Operations	25,000,000	(4,548,539)	20,451,461	700,000
Carryforward Allowance				
Total Capital Projects Funds	\$ 53,743,104	\$ (2,613,847)	\$ 34,129,257	\$ 57,180,816
ENTERPRISE FUNDS				
Sewer/Wastewater Funds				
Sewer Operating	\$ 3,323,315	\$ 189,230	\$ 3,512,545	\$ 3,626,192
Sewer Capacity	-	653	653	-
Sewer Capital	11,182,882	(1,659,096)	9,523,786	19,356,071
Sewer Debt	3,222,097	-	3,222,097	3,168,856
Carryforward Allowance			(6,500,000)	
Subtotal Sewer/Wastewater	\$ 17,728,294	\$ (1,469,213)	\$ 9,759,081	\$ 26,151,119
Water Funds				
Water Operating	\$ 11,445,654	\$ 396,753	\$ 11,842,407	\$ 11,100,245
Water Capacity	-	10,323	10,323	-
Water Capital	12,132,050	1,274,185	13,406,235	34,677,925
Water Debt	5,705,866	-	5,705,866	5,727,362
Carryforward Allowance			(10,000,000)	
Subtotal Water	\$ 29,283,570	\$ 1,681,261	\$ 20,964,831	\$ 51,505,532
Solid Waste Fund				
Public Works	2,410,774	(64,203)	2,346,571	2,642,876
Total Enterprise Funds	\$ 49,422,638	\$ 147,845	\$ 33,070,483	\$ 80,299,527
INTERNAL SERVICE FUNDS				
Healthcare / Self-Insurance Fund				
Healthcare	\$ -	\$ -	\$ -	\$ 2,915,430
Subtotal Healthcare	\$ -	\$ -	\$ -	\$ 2,915,430
Total Internal Service Funds	\$ -	\$ -	\$ -	\$ 2,915,430
TOTAL ALL FUNDS	\$ 184,055,982	\$ -	\$ 150,555,982	\$ 213,093,455

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.



Auditor General Budget Schedules

TOWN OF QUEEN CREEK Expenditures/Expenses by Department Fiscal Year 2018

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES	EXPENDITURE/ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/EXPENSES*	ADOPTED BUDGETED EXPENDITURES/EXPENSES
	2017	2017	2017	2018
Town Council				
General Fund	\$ 420,857	\$	\$ 420,857	\$ 434,432
Town Council Total	\$ 420,857	\$	\$ 420,857	\$ 434,432
Town Manager				
General Fund	\$ 877,690	\$ 68,732	\$ 946,422	\$ 1,059,779
Town Manager Total	\$ 877,690	\$ 68,732	\$ 946,422	\$ 1,059,779
Legal Services				
General Fund	\$ 325,000	\$	\$ 325,000	\$ 400,000
Legal Services Total	\$ 325,000	\$	\$ 325,000	\$ 400,000
Town Clerk				
General Fund	\$ 273,747	\$	\$ 273,747	\$ 324,544
Town Clerk Total	\$ 273,747	\$	\$ 273,747	\$ 324,544
Finance				
General Fund	\$ 1,345,174	\$ 90,000	\$ 1,435,174	\$ 1,900,609
Finance Total	\$ 1,345,174	\$ 90,000	\$ 1,435,174	\$ 1,900,609
Communications, Marketing & Recreation				
General Fund	\$ 1,704,402	\$ 359,999	\$ 2,064,401	\$ 1,854,339
Parks Development Fund	21,165,000	(17,796,228)	3,368,772	15,324,990
Library Development Fund	10,000	(10,000)		15,000
Community Events Fund	162,650		162,650	162,650
Communications, Marketing & Recreation Total	\$ 23,042,052	\$ (17,446,229)	\$ 5,595,823	\$ 17,356,979
Development Services				
General Fund	\$ 3,695,201	\$ 185,805	\$ 3,881,006	\$ 4,055,598
Development Services Total	\$ 3,695,201	\$ 185,805	\$ 3,881,006	\$ 4,055,598
Public Works				
General Fund	\$ 3,551,282	\$ 7,326	\$ 3,558,608	\$ 4,059,311
HURF	5,190,723	394,254	5,584,977	4,841,050
Solid Waste Fund	2,410,774	(64,203)	2,346,571	2,642,876
LTAF		33,000	33,000	
Transportation Development Fund		105,811	105,811	
Drainage & Transportation Fund	28,743,104	1,934,692	13,677,796	56,480,816
Public Works Total	\$ 39,895,883	\$ 2,410,880	\$ 25,306,763	\$ 68,024,053
Workforce & Technology				
General Fund	\$ 2,333,905	\$ 372,245	\$ 2,706,150	\$ 2,934,347
Workforce & Technology Total	\$ 2,333,905	\$ 372,245	\$ 2,706,150	\$ 2,934,347
Economic Development				
General Fund	\$ 898,901	\$	\$ 898,901	\$ 840,210
Municipal Town Center Fund	1,595,000	2,879,691	4,474,691	1,212,700
Horseshoe Park Fund	1,258,635	152,175	1,410,810	1,428,893
Economic Development Total	\$ 3,752,536	\$ 3,031,866	\$ 6,784,402	\$ 3,481,803
Emergency Management Services (EMS)				
Emergency Services Fund	\$ 13,076,439	\$ 5,000	\$ 13,081,439	\$ 14,663,303
Public Safety Development Fund	50,000	(50,000)		50,000
Fire Development Fund	1,223,319	(50,000)	1,173,319	473,319
EMS Total	\$ 14,349,758	\$ (95,000)	\$ 14,254,758	\$ 15,186,622



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Expenditures/Expenses by Department
Fiscal Year 2018

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES	EXPENDITURE/ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/EXPENSES*	ADOPTED BUDGETED EXPENDITURES/EXPENSES
	2017	2017	2017	2018
Utilities Department				
Sewer Utility Fund	\$ 3,323,315	\$ 189,230	\$ 3,512,545	\$ 3,626,192
Sewer Capacity Fund		653	653	
Sewer Capital Fund	11,182,882	(1,659,096)	3,023,786	19,356,071
Sewer Debt Fund	3,222,097		3,222,097	3,168,856
Water Operating Fund	11,445,654	396,753	11,842,407	11,100,245
Water Capacity Fund		10,323	10,323	
Water Capital Fund	12,132,050	1,274,185	13,406,235	34,677,925
Water Debt Fund	5,705,866		5,705,866	5,727,362
Utilities Department Total	\$ 47,011,864	\$ 212,048	\$ 40,723,912	\$ 77,656,651
Centralized Services/General Operations				
General Fund	\$ 3,284,514	\$ 5,550,548	\$ 8,835,062	\$ 2,668,114
General CIP	25,000,000	(4,548,539)	20,451,461	700,000
Construction Sales Tax	2,184,000	16,957,644	19,141,644	450,000
Town Buildings & Vehicle Development	10,000	(10,000)		
Grants & Contingency Fund	2,000,000		2,000,000	2,000,000
Streetlight Improvement Districts	601,680		601,680	625,000
Special Assessments Fund	3,384,243		3,384,243	1,702,407
Debt Service Fund	10,267,878	(6,780,000)	3,487,878	9,217,087
Healthcare / Self-Insurance				2,915,430
Centralized Services/General Operations Total	\$ 46,732,315	\$ 11,169,653	\$ 57,901,968	\$ 20,278,038
Total All Departments	\$ 184,055,982	\$ -	\$ 160,555,982	\$ 213,093,455

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.



Auditor General Budget Schedules

TOWN OF QUEEN CREEK
Full-Time Employees and Personnel Compensation
Fiscal Year 2018

FUND	Full-Time Equivalent (FTE) 2018	Employee Salaries and Hourly Costs 2018	Retirement Costs 2018	Healthcare Costs 2018	Other Benefit Costs 2018	Total Estimated Personnel Compensation 2018
GENERAL FUND						
Town Council	7.0	\$ 221,510	83,772	64,643	24,379	= \$ 394,304
Town Manager	6.0	773,569	-	59,679	56,409	= 889,657
Town Clerk	2.0	178,191	20,494	19,849	15,730	= 234,264
Finance	14.4	1,168,591	131,118	135,358	103,602	= 1,538,669
Communications, Marketing & Rec	12.7	846,141	87,118	80,127	83,028	= 1,096,414
Development Services	30.5	2,367,640	263,690	358,517	251,166	= 3,241,013
Public Works	34.4	1,940,754	273,552	411,526	318,541	= 2,944,373
Workforce & Technology	10.4	925,625	106,318	98,367	83,818	= 1,214,128
Economic Development	4.0	375,633	43,110	44,841	32,861	= 496,445
Non-Departmental		-	-	-	-	= -
Total General Fund	121.4	\$ 8,797,654	\$ 1,009,172	\$ 1,272,907	\$ 969,534	= \$ 12,049,267
SPECIAL REVENUE FUNDS						
Emergency Services	51.0	\$ 4,651,071	673,035	641,564	559,112	= \$ 6,524,782
HPEC	7.0	462,085	51,898	66,125	58,711	= 638,819
HURF	14.0	841,647	21,220	31,008	16,629	= 910,504
Total Special Revenue Funds	72.0	\$ 5,954,803	\$ 746,153	\$ 738,697	\$ 634,452	= \$ 8,074,105
Capital Funds						
Drainage & Transportation	5.5	\$ 434,715	45,894	60,485	46,495	= \$ 587,589
ENTERPRISE FUNDS						
Sewer Utility Fund	5.7	\$ 349,281	38,425	69,589	45,220	= \$ 502,515
Water Fund	43.5	2,849,103	314,913	439,122	321,736	= 3,924,874
Solid Waste Fund	5.1	307,253	35,023	53,587	31,553	= 427,416
Total Enterprise Funds	54.2	\$ 3,505,637	\$ 388,361	\$ 562,298	\$ 398,509	= \$ 4,854,805
TOTAL ALL FUNDS	253.1	\$ 18,692,809	\$ 2,189,580	\$ 2,634,387	\$ 2,048,990	= \$ 25,565,766