PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, APRIL 1, 2019
6:00 PM
ELOY CITY COUNCIL CHAMBERS
595 NORTH C STREET
ELOY, ARIZONA 85131
For a
WORK SESSION

AGENDA

I. Call to Order

II. Invocation

III. Pledge of Allegiance

IV. Roll Call

V. Business

A. Council review and discuss projected revenues, property tax rate, capital expenditures and vehicle leasing for proposed budget for Fiscal Year 2019-2020.

VI. Adjournment

POSTED BY THURSDAY, MARCH 28, 2019, BY 5:00 P.M.. AT ELOY CITY HALL, ELOY POST OFFICE, TROY THOMAS COMMUNITY CENTER, TOLTEC COMMUNITY/SENIOR CENTER AND CITY WEBSITE: www.eloyaz.gov

Mary Myers, CMC
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT LORENA LaSALDE-RIOS, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE

MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.A.

Date: 4/1/2019

Date submitted: 3/27/2019 **Date requested:** 4/1/2019	**Action:** Other	**Subject: Council review and discuss projected revenues, property tax rate, capital expenditures and vehicle leasing for proposed budget for Fiscal Year 2019-2020.**

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:

Council review and discuss projected revenues, capital expenditures and vehicle leasing for proposed budget for Fiscal Year 2019-2020, along with seeking guidance on the property tax rate.

DISCUSSION:

Development of the FY 2019-20 budget occurs in four stages – a Council work session for goal setting; revenue-forecasting session; Council workshop on the proposed annual budget; and the adoption of the tentative/final budget.

On February 2nd, City staff met with Council to discuss goals and objectives for FY 2019-20. The goals and objectives from the Council retreat are used in the development of the budget while reviewing all programs and operations to ensure maximum efficiencies. The focus continues to be on reducing expenses, maintaining of the City's revenue base, improving infrastructure, enhancing the appearance of the community, and ensuring that the current level of city services is maintained.

The next stage of the budget process is presenting Council with revenue estimates for FY 2019-20. Revenues will become more refined as the budget development process continues to move through each of these reviews.

City Taxes

City sales tax is the City's main source of revenue. On an annual basis, 35-40% of revenue received in the general fund is from city sales tax. City sales taxes are comprised of many different taxing categories but the major local taxing categories are retail sales, restaurant/bar, hotel/motel, and construction sales tax.

For FY 2019-20, the city is anticipating the collection of $4.495 million in city sales tax. This projection does not include one-time revenues associated with construction or the one-time incentive payment to Robson Ranch. The calculation of one-time revenue will be later in the budget process. For fiscal year 2019-20, staff anticipates that city sales tax to remain stable with approximately 1-2% growth over last fiscal year.

Property Tax

Property tax is another source of funding for city services. For the last several years, property tax valuations have been increasing; however, property tax rates have tend to decrease during those periods. Property tax is an important source of local revenue. This tax is considered the most stable source of revenue to the city because it is not subject to the same fluctuations sometimes experienced with other tax revenues, such as retail sales tax.

The property tax that is being recommended is $1.1310 per $100 of assessed valuation, up .01 cent from $1.1210 in FY 2018-19. This rate of $1.1310 will collect approximately $1,179,045 for FY 2019-20, up $63,225 from FY 2018-19 due to increased valuations and new construction.

State Shared Revenues

State shared revenues are urban revenue, state sales tax, vehicle license tax and highway user revenue. Each of these revenue categories are distributed to cities and towns based upon population levels. On an annual basis state shared revenues are approximately 40-43% of the general fund's budget. The highway user revenue, which is from gasoline tax, is the primary funding source for the City's Streets Division's personnel, programs and activities.

Based upon information from the League, revenues should increase anywhere from 2-4% over last year's final figures. The final projections for State shared revenues will happen at the beginning of May.

Utility Revenues

Utility Revenues consist of fees and charges from Water, Sewer and Sanitation services. In the FY 2019-20 budget, staff does not plan to increase fee or charges for Water and Sewer. The last time Water and Sewer rates and fees were adjusted were in October 2015. This rate increase was part of a three (3) year rate plan which Council adopted in May 2013. Staff will be conducting a utility rate study in FY 2019-20. This study could recommend a future rate increase based upon the study. Staff plans to present this study to Council towards the end of 2019. In Sanitation, staff will be

reviewing landfill fees and charges to determine if the current fees and charges cover the costs of operations and maintenance.

Capital Projects

In the FY 2019-20 budget, staff is recommending funding $8,956,600 in capital related projects. These projects range from road projects, community studies, vehicle purchases, and construction of a new police facility. The funding sources to pay for these capital projects will come from impact fees, one-time construction revenue, grants, and general fund savings (fund balance).

Vehicle Leasing Options

In FY 2019-20, staff is proposing a vehicle leasing option program through Enterprise Fleet Management. By looking at a leasing option program instead of a straight out purchase program, the city can obtain more vehicles sooner rather than over a longer period due to available cash flow. Staff would like to explore the leasing of up to five vehicles through this program for various departments of the city. There is an option to purchase these vehicle outright should leasing of the vehicles is not in the best interest of the city. Enterprise Fleet Management has several municipal clients such as the City of Cottonwood, Town of Sahuarita, City of Douglas, Pinal County, Arizona Water, and Arizona State University to name a few.

FISCAL IMPACT:
No Fiscal Impact at this time.

Approved as to Form:

Stephen R. Cooper, City Attorney

CAPITAL IMPROVEMENT PLAN (CIP)

CITY OF ELOY

5 YEAR CIP

- APPROXIMATELY 264 CAPITAL ITEMS
- CAPITAL ITEMS RANGE FROM VEHICLES TO EQUIPMENT TO LAND TO STUDIES
- THOSE 264 CAPITAL ITEMS TOTAL $45,291,156

5 YEAR CIP SUMMARY

Capital Improvement Plan Summary

Divisions	2020	2021	2022	2023	2024
Airport	$1,000,000	$ 3,465,000	$ 4,800,000	$ 400,000	$ -
City Manager	$ -	$ -	$ 30,000	$ 3,000,000	$ -
Community Development	$ 464,000	$ 664,000	$ 175,000	$ -	$ -
Finance	$ 85,000	$ 210,000	$ 15,000	$ 15,000	$ 170,000
Community Services	$ 378,000	$ 402,500	$ 330,000	$ 2,030,000	$ 100,000
Public Safety	$5,865,000	$ 1,075,055	$ 670,717	$ 386,491	$ 449,680
Sanitation	$ 60,000	$ 85,000	$ -	$ -	$ -
Sewer	$ -	$ 1,305,000	$ 585,000	$ 510,000	$ 555,000
Streets	$ 989,600	$ 1,588,113	$ 3,969,000	$ 2,130,000	$ 1,161,000
Water	$ 115,000	$ 1,370,000	$ 1,615,000	$ 1,865,000	$ 1,208,000
Total Capital Improvement Plan	**$8,956,600**	**$ 10,164,668**	**$12,189,717**	**$10,336,491**	**$ 3,643,680**

CIP SUMMARY FOR FY 2019-2020

CAPTIAL IMPROVEMENT PLAN
FUNDING SUMMARY

DEPARTMENT	2020	General Fund Reserves	Operating Expense	One-Time General	One-Time Streets/HURF	Grants	Impact Fees	Water Reserves	Sanitation Expense
Airport	$ 1,000,000	$ -	$ 55,000	$ 450,000	$ -	$ 495,000		$ -	$ -
City Manager	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -
Community Development	$ 464,000	$ -	$ -	$ 464,000	$ -	$ -		$ -	$ -
Finance	$ 85,000	$ -	$ 25,000	$ -	$ -	$ -	$ 45,000	$ -	$ 15,000
Community Services	$ 378,000	$ -	$ -	$ 378,000	$ -	$ -	$ -	$ -	$ -
Public Safety	$ 5,865,000	$ 5,600,000	$ -	$ 265,000	$ -	$ -	$ -	$ -	$ -
Sanitation	$ 60,000	$ 60,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sewer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Streets	$ 989,600	$ -	$ -	$ -	$ 860,000	$ 129,600	$ -	$ -	$ -
Water	$ 115,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 115,000	$ -
	$ 8,956,600	**$ 5,660,000**	**$ 80,000**	**$ 1,557,000**	**$ 860,000**	**$ 624,600**	**$ 45,000**	**$ 115,000**	**$ 15,000**

FY 2019-2020 FUNDING

		2020	Fuding Source
Airport			
AUTO - 074 - Construction of Misc Drainage Improvements	$	250,000	Airport Grants -FAA
AUTO - 077 - Relocation of Taxiway A and new MITL	$	300,000	Airport Grants -FAA
AUTO - 262 - Construct Airport T-Hangers and Tie-downs	$	450,000	City One-Time Construction Funds
Total: Airport	**$**	**1,000,000**	
Community Development			
AUTO - 088 - Shedd Road Landscape Enhancement	$	211,000	City One-Time Construction Funds
AUTO - 238 - Infrastructure Improvements Plan/Development Impact Fee Study	$	85,000	Impact Fees
AUTO - 239 - Municipal Airport Business Plan	$	23,000	City One-Time Construction Funds
AUTO - 240 - Dustbowl Theatre Implementation Project	$	100,000	City One-Time Construction Funds
AUTO - 263 - Water Tower Improvements	$	25,000	City One-Time Construction Funds
AUTO - 264 - Community Survey	$	20,000	City One-Time Construction Funds
Total: Community Development	**$**	**464,000**	

FY 2019-2020 FUNDING

		2020	Fuding Source
Finance			
AUTO - 051 - Desktop CPU Replacement	$	15,000	General Operation Funds
AUTO - 054 - Security Appliance	$	10,000	General Operation Funds
AUTO - 234 - Utility Rate Study	$	60,000	Impact Fees and Sanitation Operating
Total: Finance	**$**	**85,000**	
Parks and Recreation			
AUTO - 008 - Visitor Center Park	$	125,000	City One-Time Construction Funds
AUTO - 094 - Senior Center Improvements	$	20,000	City One-Time Construction Funds
AUTO - 154 - Park basketball pole and backboard replacement-Jones/Trekell	$	18,000	City One-Time Construction Funds
AUTO - 232 - Ballfield light replacement	$	200,000	Grant along with City One-Time Funds
AUTO - 235 - Lawn Mower Purchase	$	15,000	City One-Time Construction Funds
Total: Parks and Recreation	**$**	**378,000**	

FY 2019-2020 FUNDING

		2020	Fuding Source
Public Safety			
AUTO - 004 - New Police Vehicles and Equipment	$	140,000	City One-Time Construction Funds
AUTO - 007 - Public Safety Complex Remodel	$	5,600,000	General Fund Reserves
AUTO - 059 - Police Radio Improvements	$	125,000	City One-Time Construction Funds
Total: Public Safety	**$**	**5,865,000**	
Sanitation			
AUTO - 254 - Landfill Compactor - Transmission Rebuild and Steel Teeth Replacement	$	60,000	General Fund Reserves
Total: Sanitation	**$**	**60,000**	
Streets			
AUTO - 113 - 5th Street Reconstruction_ Madison St to 11 Mile Corner Rd	$	75,000	Street Funds and Streets One-Time
AUTO - 125 - Toltec Area Drainage Study	$	85,000	Street Funds and Streets One-Time
AUTO - 128 - Toltec Road Chip Seal, Pretzer Rd. to 1/2 Mi. S of Harmon Rd.	$	150,000	Street Funds and Streets One-Time
AUTO - 149 - Pavement Preservation Program	$	300,000	Street Funds and Streets One-Time
AUTO - 225 - Sunland Gin Rd and Arica Rd Intersection	$	150,000	Street Funds and Streets One-Time
AUTO - 226 - Frontier St and Main St Intersection - Traffic/Pedestrian Safety Improvements	$	100,000	Street Funds and Streets One-Time
AUTO - 257 - Battaglia Road - Sunshine to SR87 (Grant Funded)	$	129,600	Grant Funds from the HURF Exchange
Total: Streets	**$**	**989,600**	

FY 2019-2020 FUNDING

Water			
AUTO - 047 - Hydraulic Valve Exerciser Trailer	$	65,000	Water Reserve
AUTO - 123 - Valve Replacement	$	50,000	Water Reserve
Total: Water	**$**	**115,000**	

City of Eloy

FY2019 – 2020 REVENUE OUTLOOK

REVENUE OUTLOOK

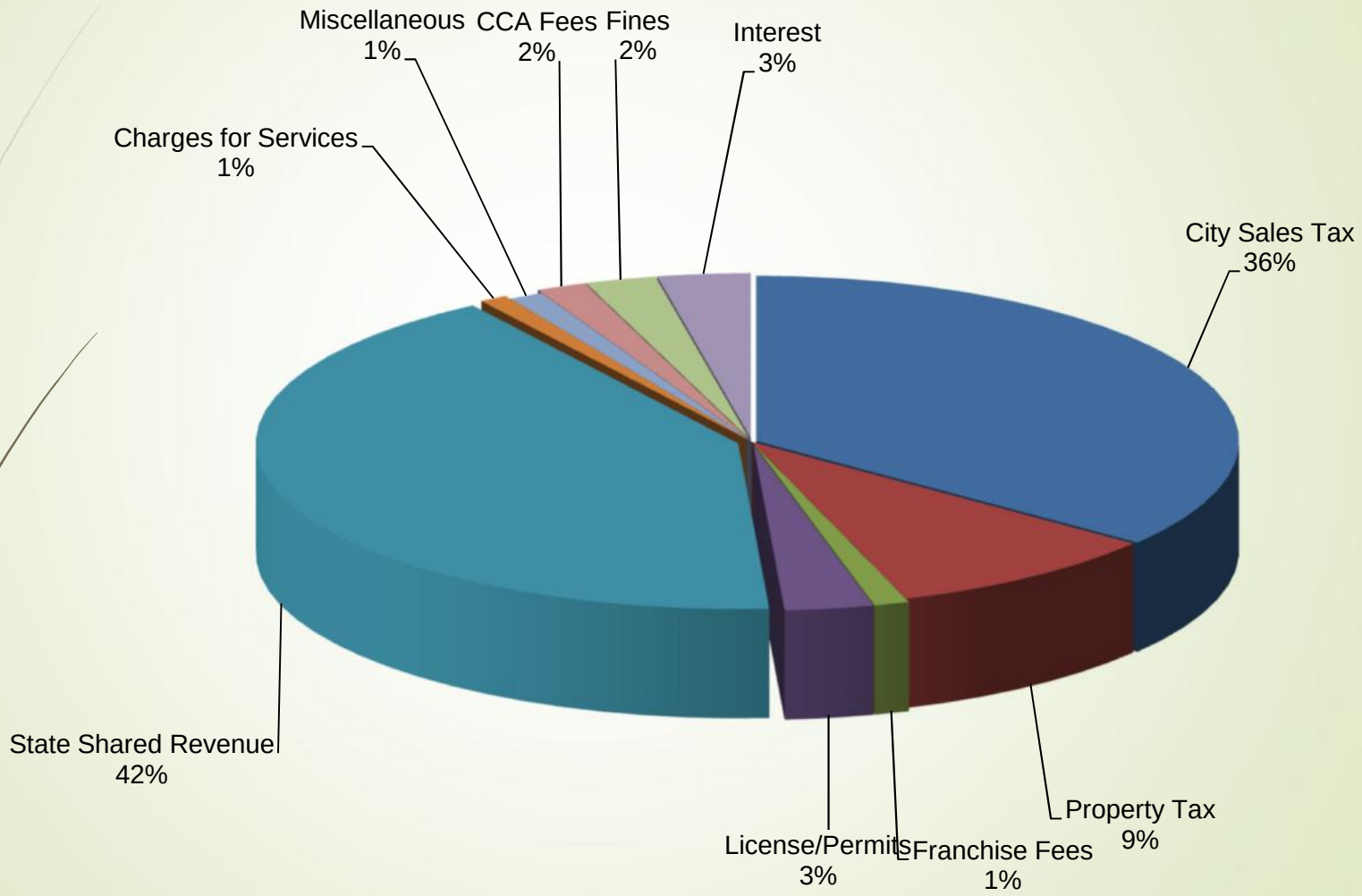
- GENERAL FUND
- STREETS FUND
- WATER FUND
- SEWER FUND
- SANITATION FUND
- AIRPORT FUND
- CEMETERY FUND

GENERAL FUND REVENUE

General Fund Revenues are comprised of nine main revenue categories. Those categories are:

- City Sales Tax (Local Tax)
- Property Tax (Primary Property Tax, No Secondary Property Tax)
- Franchise Fees (Ex. APS Franchise Fee)
- License/Permits (Ex. Residential and Commercial Building Permits)
- State Shared Revenues (Ex. State Income Tax and Sales Tax)
- Charges for Services (Ex. Plan Review Fee, Police Fees, and Recreation Fees)
- Fines (Ex. Court Fines and Library Fines)
- Interest (PFM and Great Western Bank Interest)
- Miscellaneous Revenue (Ex. CoreCivic Pass Thru, Insurance Recovery)

WHERE DOES THE GENERAL FUND MONEY COME FROM?



GENERAL FUND REVENUES

- In the last two years, **Total** General Fund Revenues have increased by approximately 8.1%. Growth in the General Fund has been in the areas of construction tax, state shared revenues and residential permits. In addition, minimal positive growth and stability in key local tax categories have also contributed to the increase. In FY 19-20, several questions could effect the upcoming budget process.

  - **Local Sales Tax** – Any new businesses? (Xpress Fuel and C-Store)
  - **Property Tax** – Should property tax rate allow for the maximum allowable limit or keep the property rate the same?
  - **State Shared Revenue** –Will there be any sweeps to our State Sales Tax or State Income Tax or decrease due to population estimates?
  - **CoreCivic Pass Thru** – How will the release of inmates at La Palma affect tax base?
  - **State Economy** – Will economy stay strong or start to rescind?

GENERAL FUND BUDGET VS ACTUAL

FISCAL YEAR	G.F. BUDGETED REVENUES	G.F. ACTUAL REVENUES	VARIANCE
2019-2020	$12,661,560 **(Budget-does not include one-time revenue)**	$0 (Not estimated)	$0
2018-2019	$13,115,915	$13,822,850 (Projected)	$706,935
2017-2018	$12,539,580	$13,682,666	$1,143,086
2016-2017	$12,272,655	$12,559,428	$286,773
2015-2016	$11,611,195	$12,639,982	$1,048,462

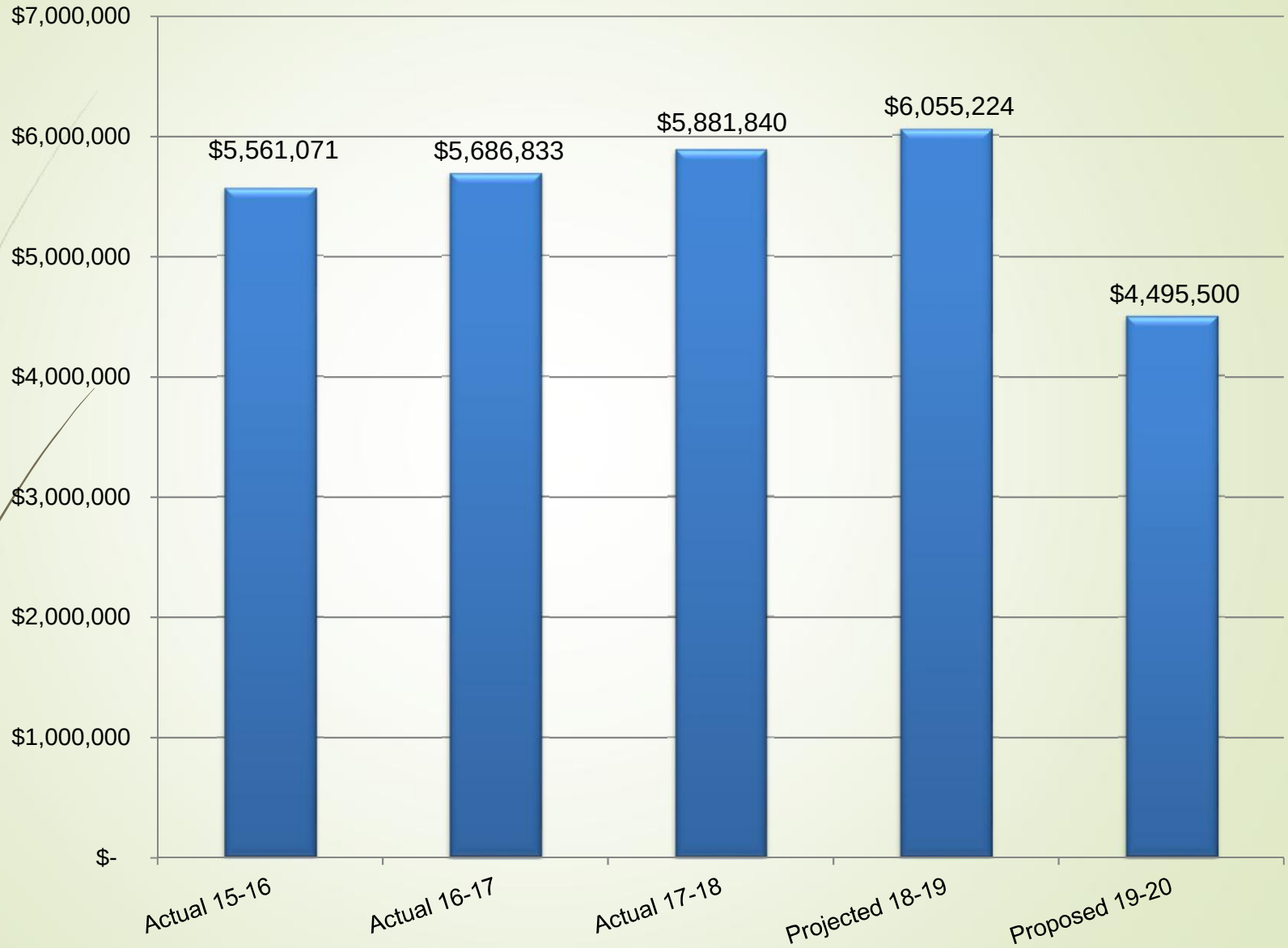
GENERAL FUND BUDGET VS ACTUAL

GENERAL FUND	ACTUAL FISCAL YEAR 2015-2016	ACTUAL FISCAL YEAR 2016-2017	ACTUAL FISCAL YEAR 2017-2018	PROJECTED REVENUE 2018-2019	PROPOSED REVENUE 2019-2020
LOCAL SALES TAX	$ 5,342,377	$ 5,270,435	$ 5,906,087	$ 6,055,224	$ 4,495,500
PROPERTY TAX	$ 996,015	$ 1,068,486	$ 1,092,108	$ 1,103,820	$ 1,179,425
FRANCHISE FEE'S	$ 145,408	$ 180,793	$ 80,569	$ 148,369	$ 149,250
LICENSE/PERMITS	$ 439,952	$ 306,849	$ 432,800	$ 435,713	$ 376,250
STATE SHARED REVENUE	$ 4,474,703	$ 4,571,398	$ 4,871,601	$ 5,046,343	$ 5,285,785
CHARGES FOR SERVICES	$ 247,767	$ 173,279	$ 220,583	$ 201,056	$ 118,200
FINES	$ 216,802	$ 279,500	$ 331,383	$ 307,026	$ 302,100
CCA PASS THRU	$ 572,158	$ 564,080	$ 565,785	$ 202,500	$ 212,500
INTEREST	$ 145,877	$ 44,151	$ 102,223	$ 258,500	$ 395,000
MISCELLANEOUS	$ 58,923	$ 100,457	$ 79,527	$ 64,300	$ 147,550
TOTAL GENERAL FUND REVENUES	**$ 12,639,982**	**$ 12,559,428**	**$ 13,682,666**	**$ 13,822,850**	**$ 12,661,560**
FUND BALANCE	$ 14,692,428	$ 15,847,397	$ 17,097,687	**$ 12,875,435**	

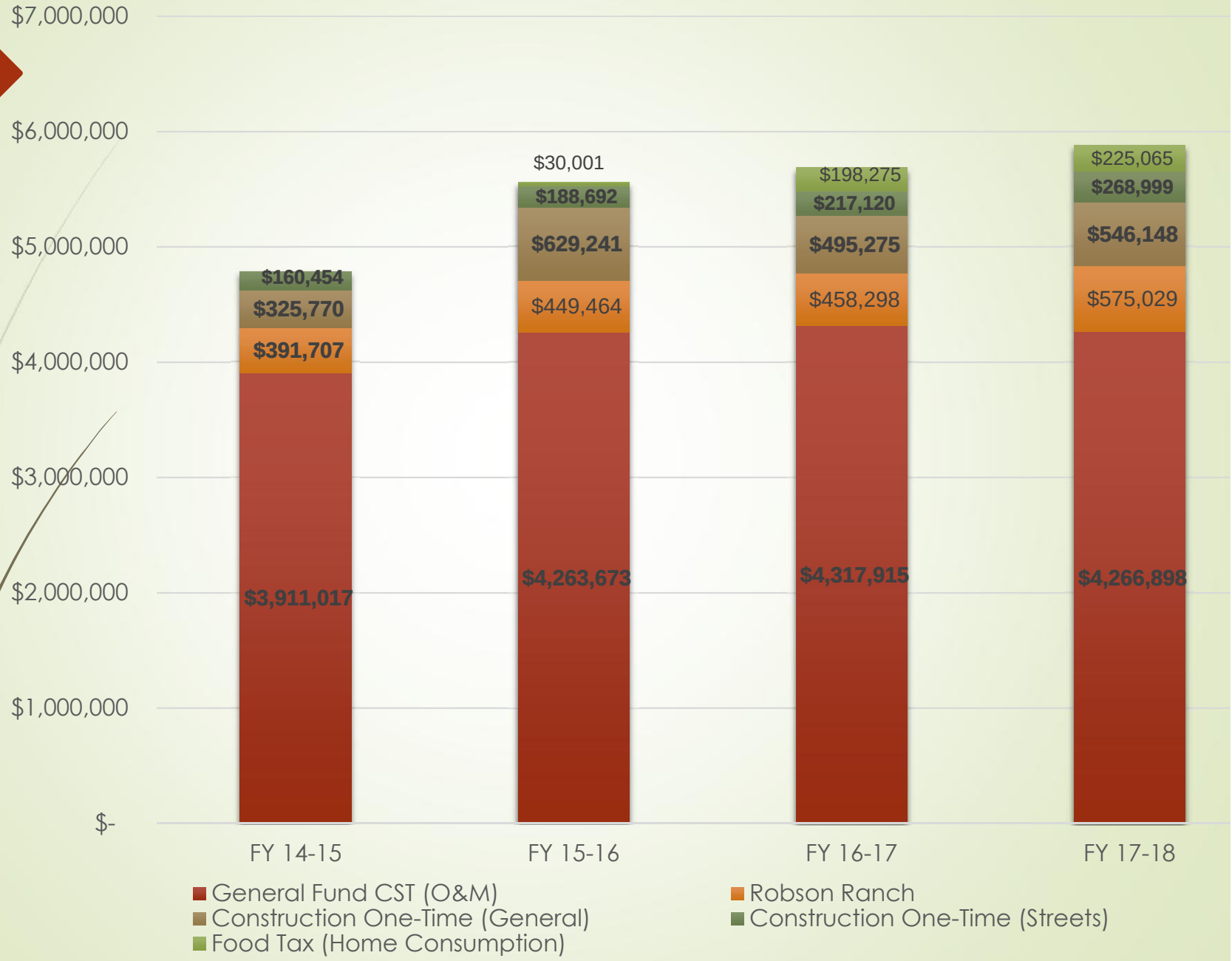
City Sales Tax

- In the F.Y. 18-19 Budget, City Sales Tax accounted for 41% of the General Fund Revenue.
- Over the last 4 years, the average collection of all City Sales Taxes has been $5.796 million.
- Of that $5.796 million, $5.346 million is considered General Fund, $224,937 is for Streets One-Time Fund and $225,130 is for Food Tax.
- Of the $5.346 million to the General Fund, $4.146 million would be considered for ongoing maintenance and operations while $450,000 would be allocated to the Robson Ranch Incentive Agreement and $750,000 would be for Construction One-Time.
- Factors to consider in FY 19-20 in regards to City Sales Tax:
  - ✓ Building a new truck stop and C store
  - ✓ Possible loss of inmates at the La Palma Facility
  - ✓ Completion of I-10 construction

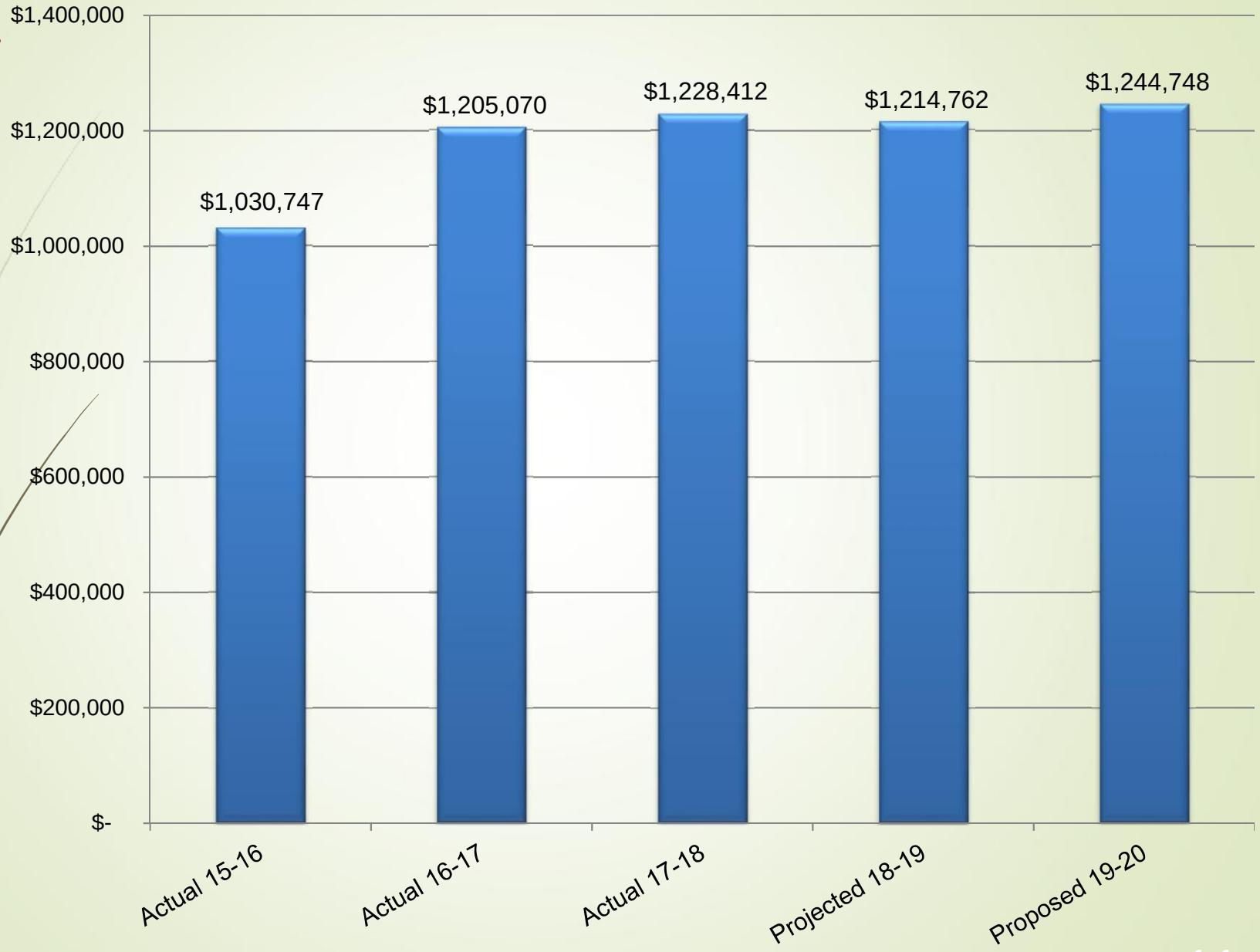
TOTAL COLLECTION OF CITY SALES TAX
(Does not include estimated construction for FY 19-20)



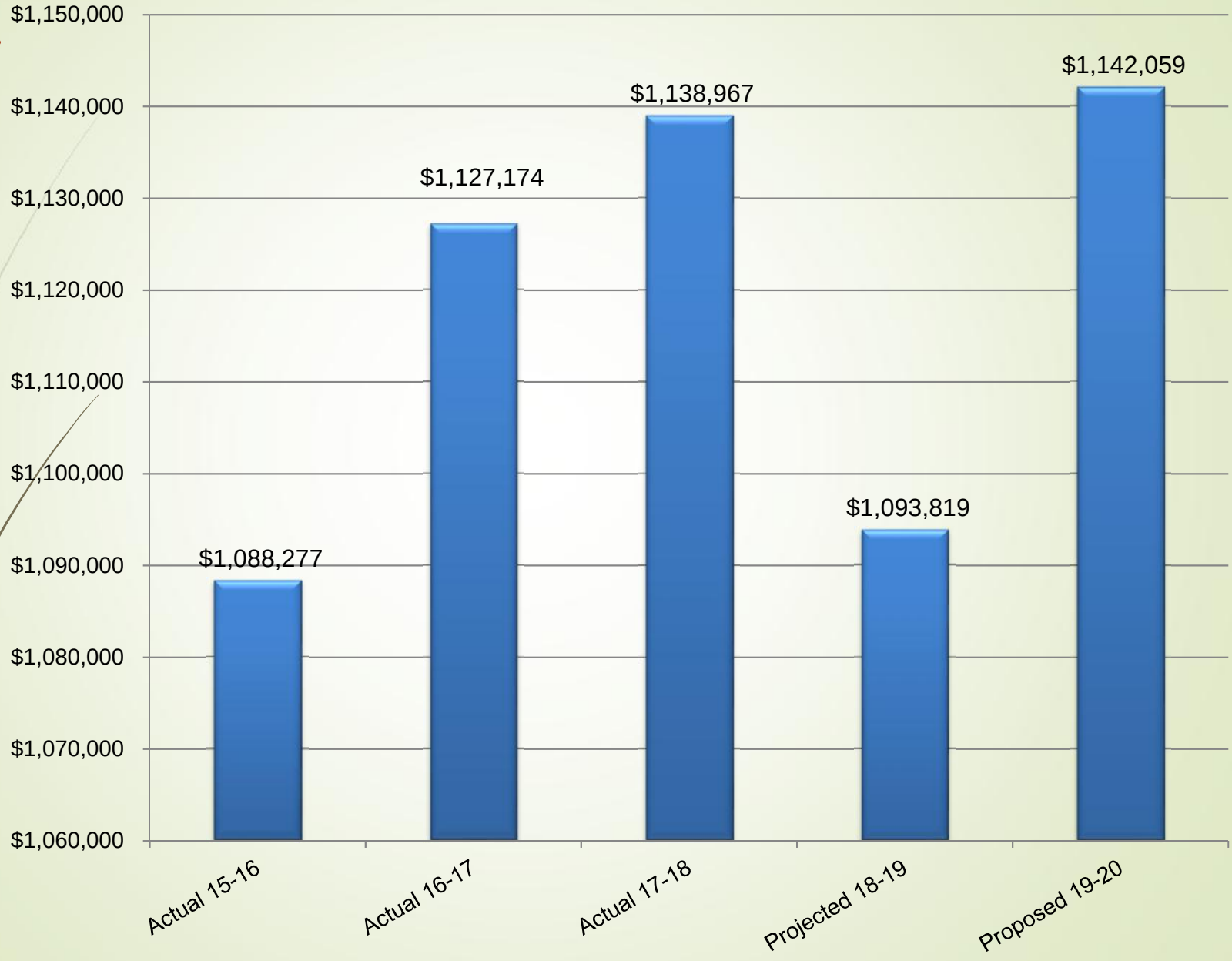
CITY SALES TAX-BREAKDOWN



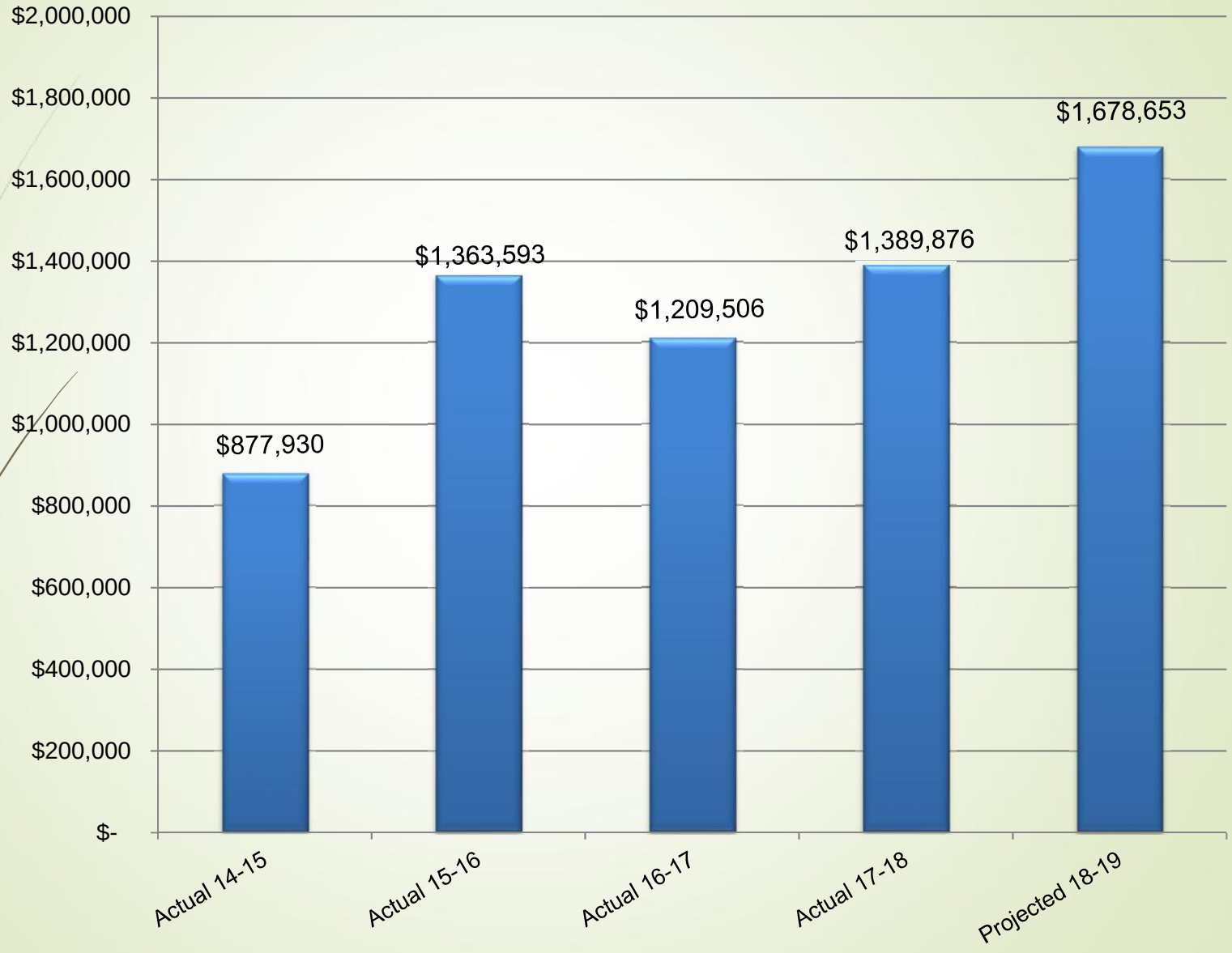
RETAIL


$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
$1,030,747
$1,205,070
$1,228,412
$1,214,762
$1,244,748
Actual 15-16
Actual 16-17
Actual 17-18
Projected 18-19
Proposed 19-20

RESTARUANT AND BAR



CONSTRUCTION SALES TAX



Property Tax

- Property Tax Comparison
- Historical Tax Rate and Valuations

Property Tax Rate Comparison Sheet

Per Schedule B of Auditor General Form 2018/19

	City of Eloy	City of Casa Grande	City of Coolidge	Town of Florence	City of Maricopa
Maximum allowable Primary Property Tax Levy	$ 1,138,223	$ 4,269,559	$ 872,106	$ 1,104,481	$ 13,223,548
Property Tax Levy Amounts					
Primary Property Taxes	$ 1,138,223	$ 3,572,996	$ 872,106	$ 1,104,481	$ 12,544,974
Secondary Property Taxes	$ -	$ 2,130,500	$ -	$ -	$ 2,941,920
Total Levy Amounts	$ 1,138,223	$ 5,703,496	$ 872,106	$ 1,104,481	$ 15,486,894
Property Tax Rates					
Primary Property Tax Rate	$ 1.1210	$ 0.9999	$ 1.9082	$ 1.1060	$ 4.7845
Secondary Property Tax Rate	$ -	$ 0.5916	$ -	$ -	$ 1.1220
Total Property Tax Rates	**$ 1.1210**	**$ 1.5915**	**$ 1.9082**	**$ 1.1060**	**$ 5.9065**

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

			Possible Options for Primary Property Tax	
	2016-2017	**2017-2018**	**2018-2019**	**2018-2019**
Actual current primary property tax levy: (line F.1. actual levy from prior year's final levy limit worksheet)	$ 1,050,275	$ 1,097,370	$ 1,138,223	$ 1,138,223
Net assessed valuation: (line C.4. from current year's worksheet)	$ 91,318,323	$ 99,538,514	$ 104,248,340	$ 104,248,340
Value of new construction:	$ 2,171,940	$ 1,650,169	$ 1,599,830	$ 1,599,830
Net assessed value minus new construction: (line B.4. from current year's levy limit worksheet)	$ 89,146,383	$ 97,888,345	$ 102,648,510	$ 102,648,510
MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING: (1,012,475/83,992,110*100)	$ 1.1781	$ 1.1210	$ 1.1089	$ 1.1089
Growth in property tax levy capacity associated with new construction:	$ 25,587	$ 18,499	$ 17,740	$ 17,740
MAXIMUM PRIMARY PROPERTY TAX LEVY WITHOUT A TRUTH IN TAXATION HEARING:	$ 1,075,821	$ 1,115,827	$ 1,156,009	$ 1,156,009
Proposed primary property tax levy:	$ 1,097,370	**$ 1,115,820**	**$ 1,179,049**	**$ 1,156,000**
Proposed increase in primary property tax levy, exclusive of new construction	$ 21,549	$ (7)	$ 23,040	$ (9)
Proposed percentage increase in primary property tax levy:	2.00%	0.00%	1.99%	0.00%
Proposed primary property tax rate:	**$ 1.2017**	***$ 1.1210***	***$ 1.1310***	***$ 1.1089***
Proposed increase in primary property tax rate:	$ 0.0236	$ (0.0000)	$ 0.0221	$ (0.0000)
Proposed primary property tax levy on a home valued at $100,000	$ 120.17	$ 112.10	$ 113.10	$ 110.89
Primary property tax levy on a home valued at $100,000 if the tax rate was not raised:	$ 117.81	$ 112.10	$ 110.89	$ 110.89
Proposed primary property tax levy increase on a home valued at $100,000:	$ 2.36	$ (0.00)	$ 2.21	$ (0.00)

Property Tax Information Sheet

Assuming all taxing juridiscation rates stay the same except for the City of Eloy in 2019.

Levy Type	Taxing Authority	Tax Rate	Example 2015 - Robson	Example 2016 - Robson	Example 2017 - Robson	Example 2018 - Robson	Example 2019 - Robson	Proposed Tax Rate for 2019	
PRIMARY PROPERTY TAX									
Prm	Pinal County	3.8300	$ 894.56	$ 908.76	$ 933.34	$ 853.08	$ 853.08		
Prm	Toltec ESD	2.2621	$ 665.74	$ 735.38	$ 570.24	$ 503.86	$ 503.86		
Prm	Pinal County Jr. College	2.1766	$ 406.88	$ 537.16	$ 538.54	$ 484.82	$ 484.82		
Prm	**City of Eloy**	**1.1310**	**$ 244.60**	**$ 288.74**	**$ 289.84**	**$ 249.70**	***$ 251.93***	**1.131**	
Prm	Casa Grande UHS	2.1372	$ 448.70	$ 519.34	$ 540.28	$ 476.04	$ 476.04		
Prm	School Equalization	0.4741	$ 108.40	$ 117.66	$ 117.58	$ 105.60	$ 105.60		
	Total Primary Tax	**12.0110**	**$2,768.88**	**$ 3,107.04**	**$ 2,989.82**	**$ 2,673.10**	**$ 2,675.33**	**2.23**	**Annual Diffrence**
SECONDARY PROPERTY TAX									
Sec	Eloy Fire	2.4999	$ 525.96	$ 587.06	$ 602.92	$ 556.82	$ 556.82		
Sec	Casa Grande UHS	0.9407	$ 201.14	$ 220.32	$ 226.84	$ 209.56	$ 209.56		
Sec	Toltec ESD	0.5699	$ 134.20	$ 146.56	$ 141.32	$ 126.94	$ 126.94		
Sec	Pinal County Jr. College	0.1857	$ 75.20	$ 79.72	$ 74.74	$ 41.35	$ 41.35		
Sec	Pinal County Flood	0.1693	$ 36.20	$ 39.76	$ 40.82	$ 37.72	$ 37.72		
Sec	Central Az Water Cons.	0.1400	$ 29.82	$ 32.88	$ 33.78	$ 31.18	$ 31.18		
Sec	Pinal County Library	0.0965	$ 20.66	$ 22.66	$ 23.28	$ 21.50	$ 21.50		
Sec	Fire Dist Assist Tax	0.0643	$ 14.36	$ 15.44	$ 15.54	$ 14.32	$ 14.32		
Sec	CAVIT	0.0500	$ 10.64	$ 11.74	$ 12.06	$ 11.14	$ 11.14		
	Total Secondary Tax	**4.7163**	**$1,048.18**	**$ 1,156.14**	**$ 1,171.30**	**$ 1,050.54**	**$ 1,050.54**	**0.00**	**Annual Diffrence**
PLOT	Pinal AMA (special tax)	1.0000	$ 2.04	$ 10.56	$ 14.88	$ 15.36	$ 15.36		
	TOTAL TAX	**16.7273**	**$3,819.10**	**$ 4,273.73**	**$ 4,176.00**	**$ 3,739.00**	**$ 3,741.23**	**2.23**	**Annual Diffrence**

Limited Cash Value	222,741
Net Assessed LCV	22,274

Property Tax Information Sheet

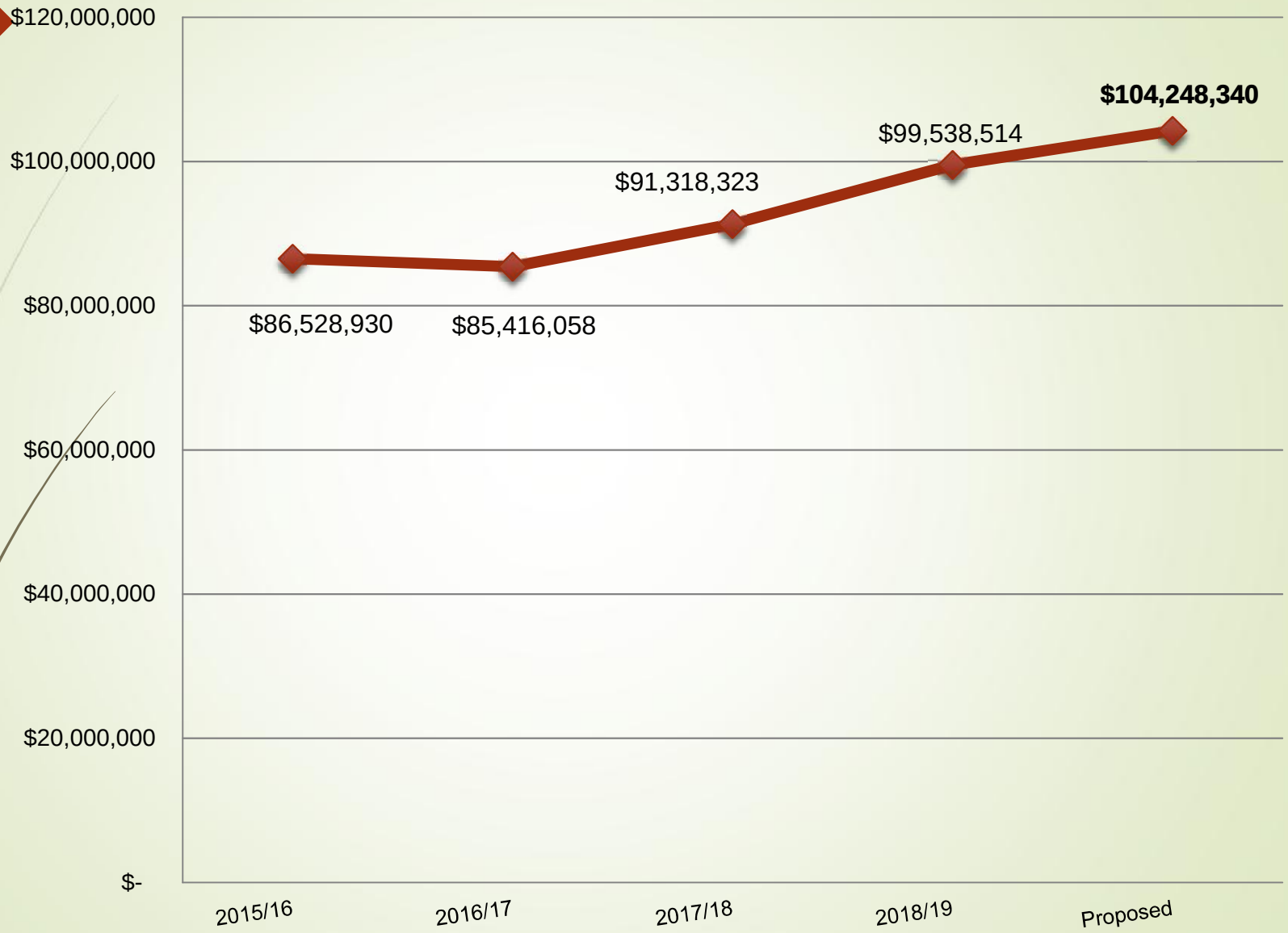
Assuming all taxing juridiscation rates stay the same except for the City of Eloy in 2019.

Levy Type	Taxing Authority	Tax Rate	Example 2015 - Eloy	Example 2016 - Eloy	Example 2017 - Eloy	Example 2018 - Eloy	Example 2019 - Eloy	Proposed Tax Rate for 2019	
PRIMARY PROPERTY TAX									
Prm	Pinal County	3.7006	$ 162.94	$ 161.00	$ 165.52	$ 166.18	$ 166.18		
Prm	Eloy ESD	3.4879	$ 104.90	$ 97.34	$ 103.94	$ 156.64	$ 156.64		
Prm	Santa Cruz UHS	2.3434	$ 94.46	$ 106.46	$ 101.96	$ 105.24	$ 105.24		
Prm	Pinal County Jr. College	2.1766	$ 93.70	$ 95.18	$ 95.52	$ 97.76	$ 97.76		
Prm	**City of Eloy**	**1.1310**	**$ 47.68**	**$ 51.16**	**$ 51.40**	**$ 50.34**	**$ 50.79**	**1.131**	
Prm	School Equalization	0.4741	$ 20.58	$ 20.84	$ 20.84	$ 21.30	$ 21.30		
	Total Primary Tax	**13.3136**	**$ 524.26**	**$ 531.97**	**$ 539.18**	**$ 597.46**	**$ 597.91**	**0.45**	**Annual Diffrence**
SECONDARY PROPERTY TAX									
Sec	Eloy ESD	2.6665	$ 106.82	$ 122.16	$ 112.68	$ 119.76	$ 119.76		
Sec	Eloy Fire	0.1294	$ -	$ -	$ 5.54	$ 5.82	$ 5.82		
Sec	Eloy Fire	2.4999	$ 100.62	$ 104.02	$ 106.92	$ 112.26	$ 112.26		
Sec	Santa Cruz UHS	0.9631	$ 80.76	$ 62.78	$ 44.78	$ 43.26	$ 43.26		
Sec	Pinal County Jr. College	0.1857	$ 14.24	$ 14.12	$ 13.26	$ 8.34	$ 8.34		
Sec	Pinal County Flood	0.1693	$ 6.92	$ 7.04	$ 7.24	$ 7.60	$ 7.60		
Sec	Central Az Water Cons.	0.1400	$ 5.70	$ 5.84	$ 6.00	$ 6.28	$ 6.28		
Sec	Pinal County Library	0.0965	$ 3.96	$ 4.02	$ 4.12	$ 4.32	$ 4.32		
Sec	Fire Dist Assist Tax	0.0643	$ 2.66	$ 2.72	$ 2.74	$ 2.88	$ 2.88		
Sec	CAVIT	0.0500	$ 2.04	$ 2.08	$ 2.14	$ 2.24	$ 2.24		
	Total Secondary Tax	**6.9647**	**$ 323.72**	**$ 324.78**	**$ 305.42**	**$ 312.76**	**$ 312.76**	**0.00**	**Annual Diffrence**
	TOTAL TAX	**20.2783**	**$ 847.98**	**$ 856.77**	**$ 844.60**	**$ 910.22**	**$ 910.67**	**0.45**	**Annual Diffrence**
	Limited Cash Value		44,913						
	Net Assessed LCV		4,491						
	Net Assessed FCV		4,491						

WHERE YOUR TAX DOLLARS GO – ELOY

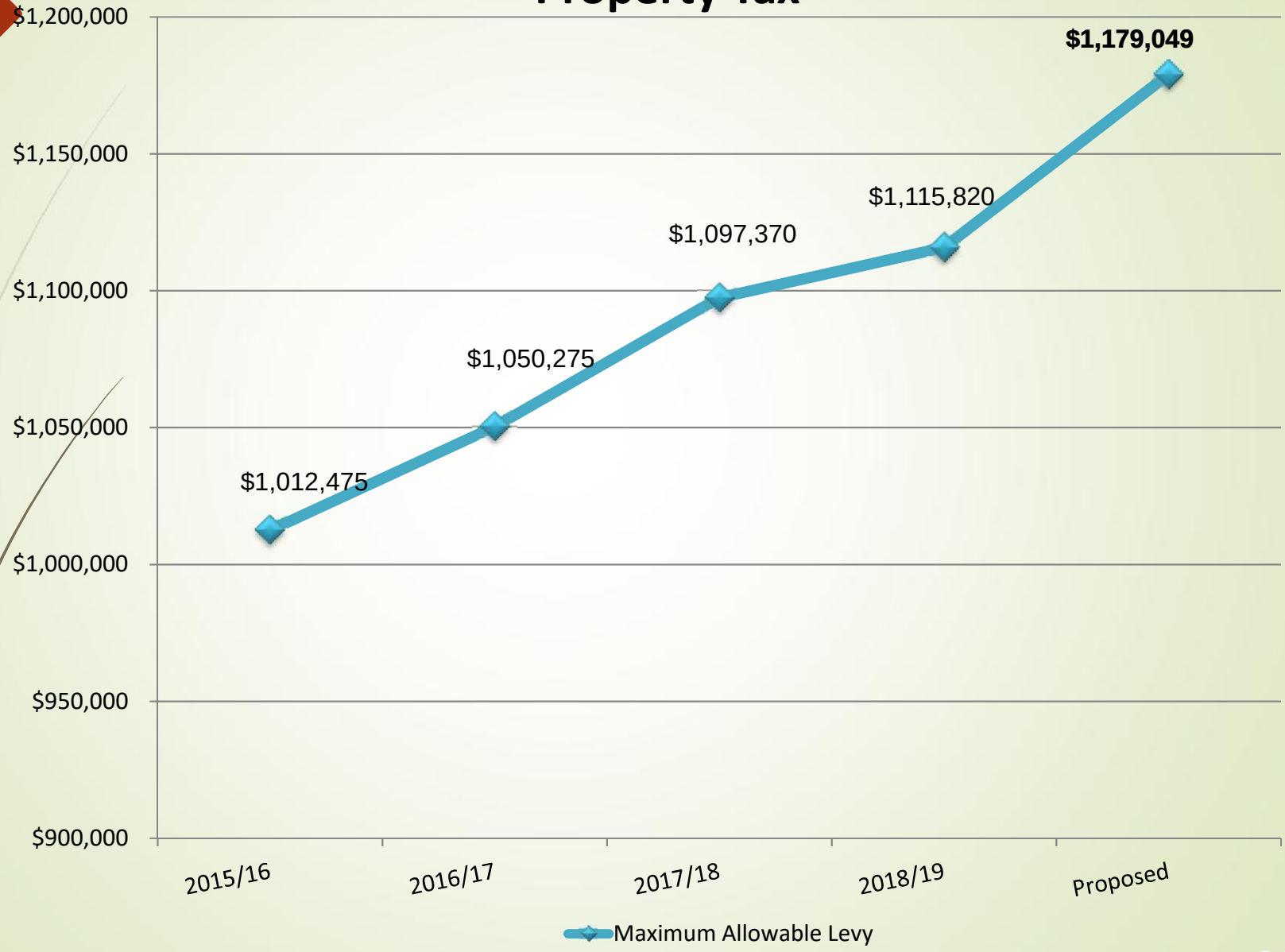
WHERE YOUR TAX DOLLARS GO – TOLTEC/ROBSON

Assessed Valuation

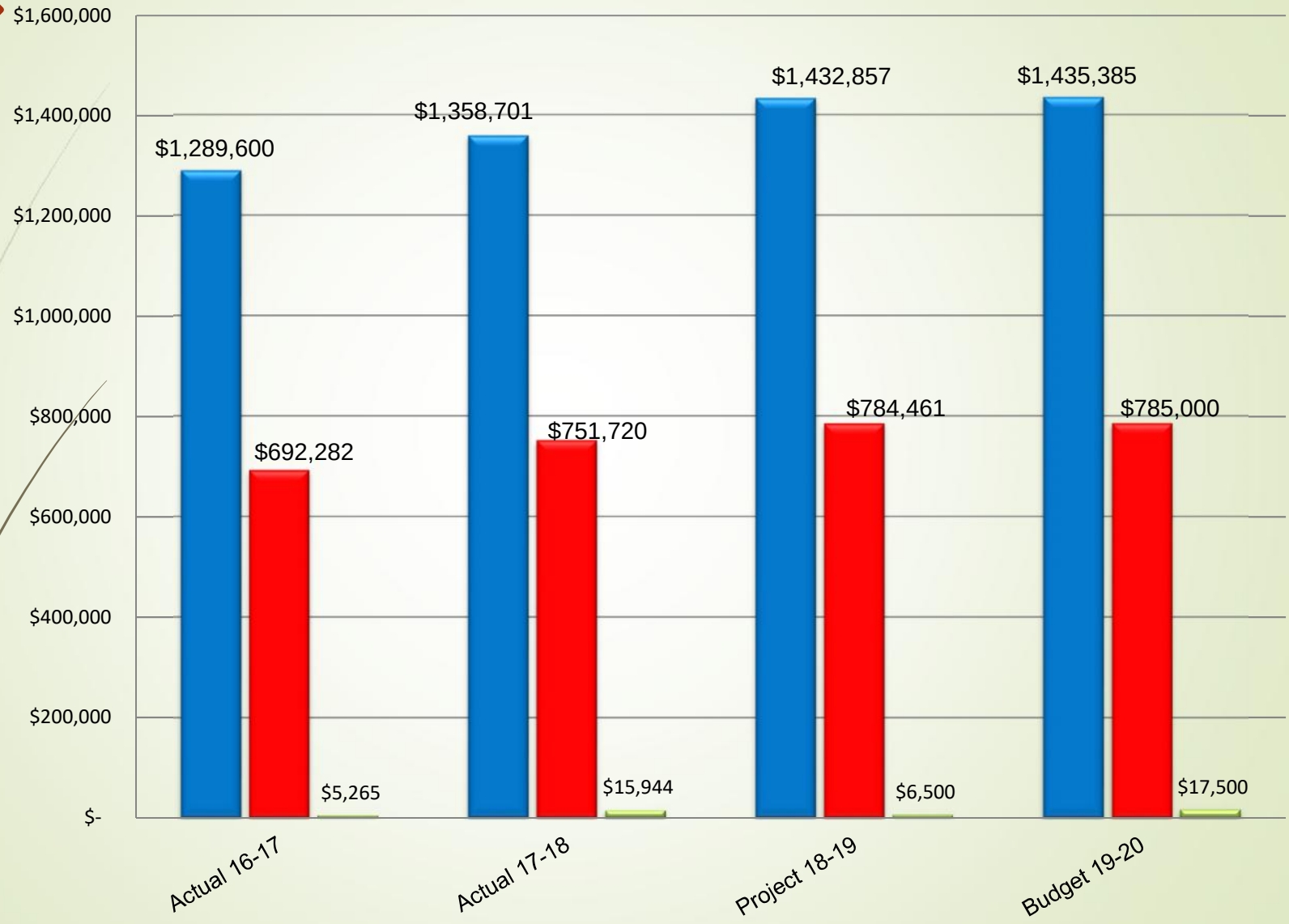


PROPERTY TAX RATE

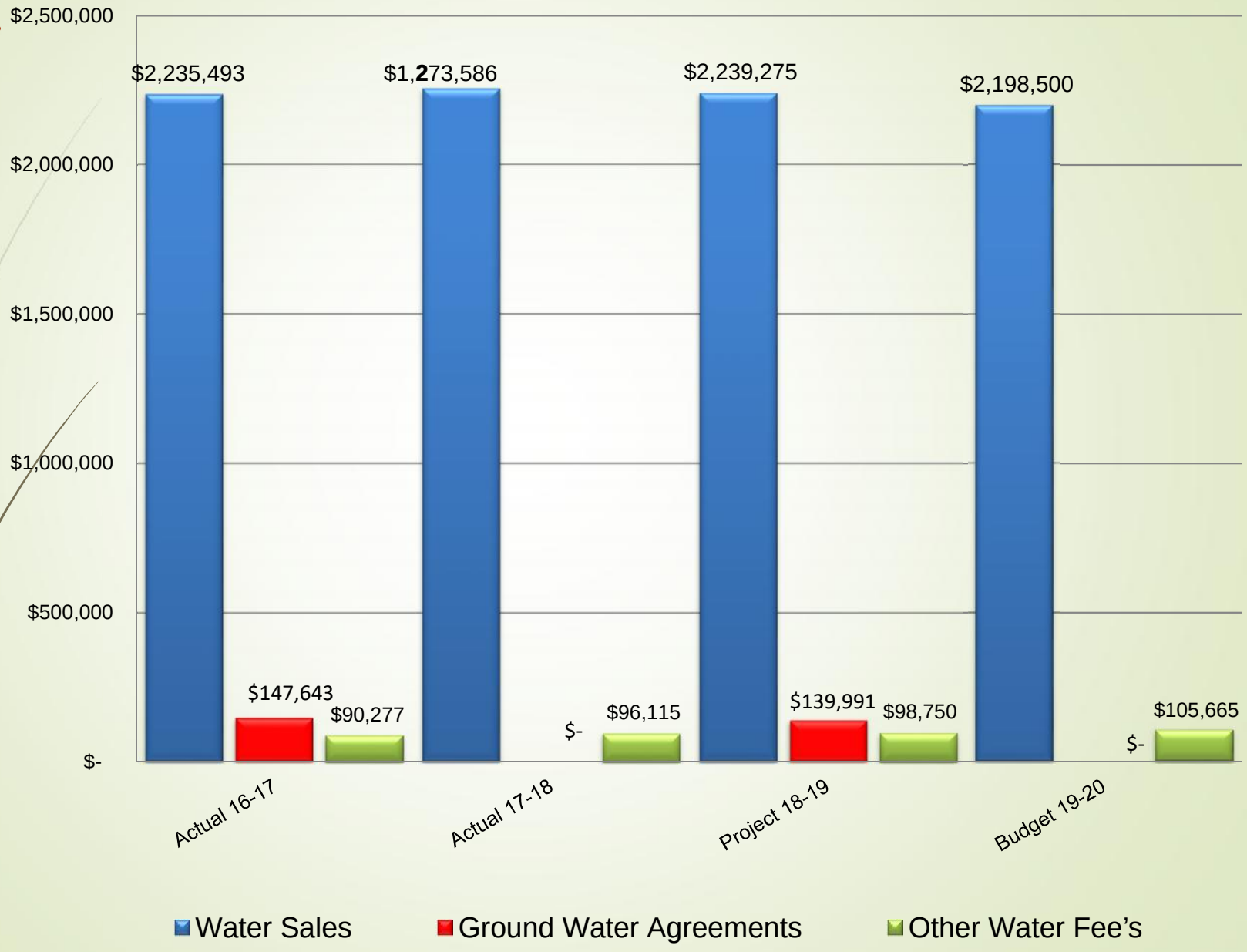
Maximum Levy Limit
Property Tax



STREETS FUND



WATER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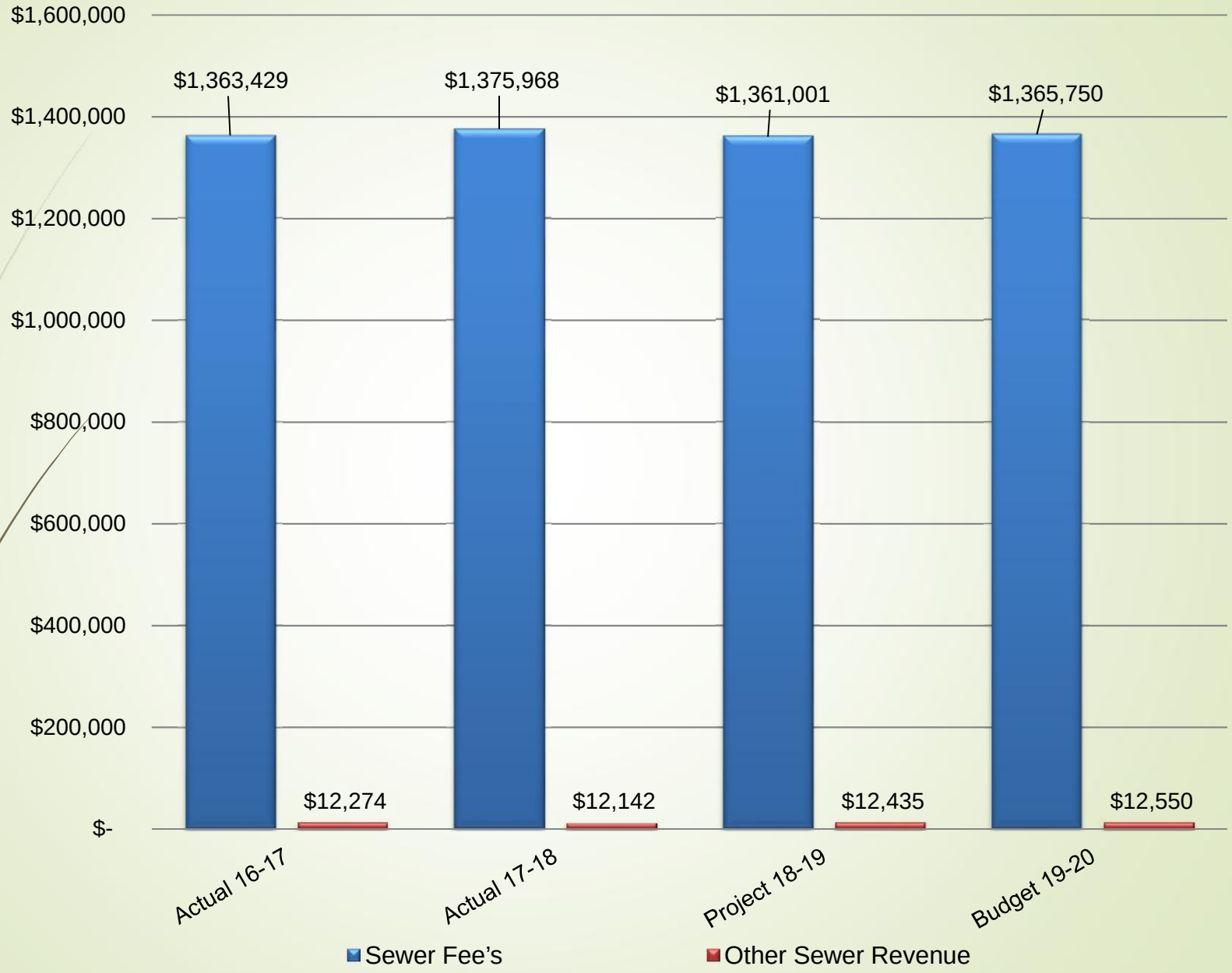
$96,115
$2,239,275
$139,991
$98,750
$2,198,500
$-
$105,665
Actual 16-17
Actual 17-18
Project 18-19
Budget 19-20
Water Sales
Ground Water Agreements
Other Water Fee's

SEWER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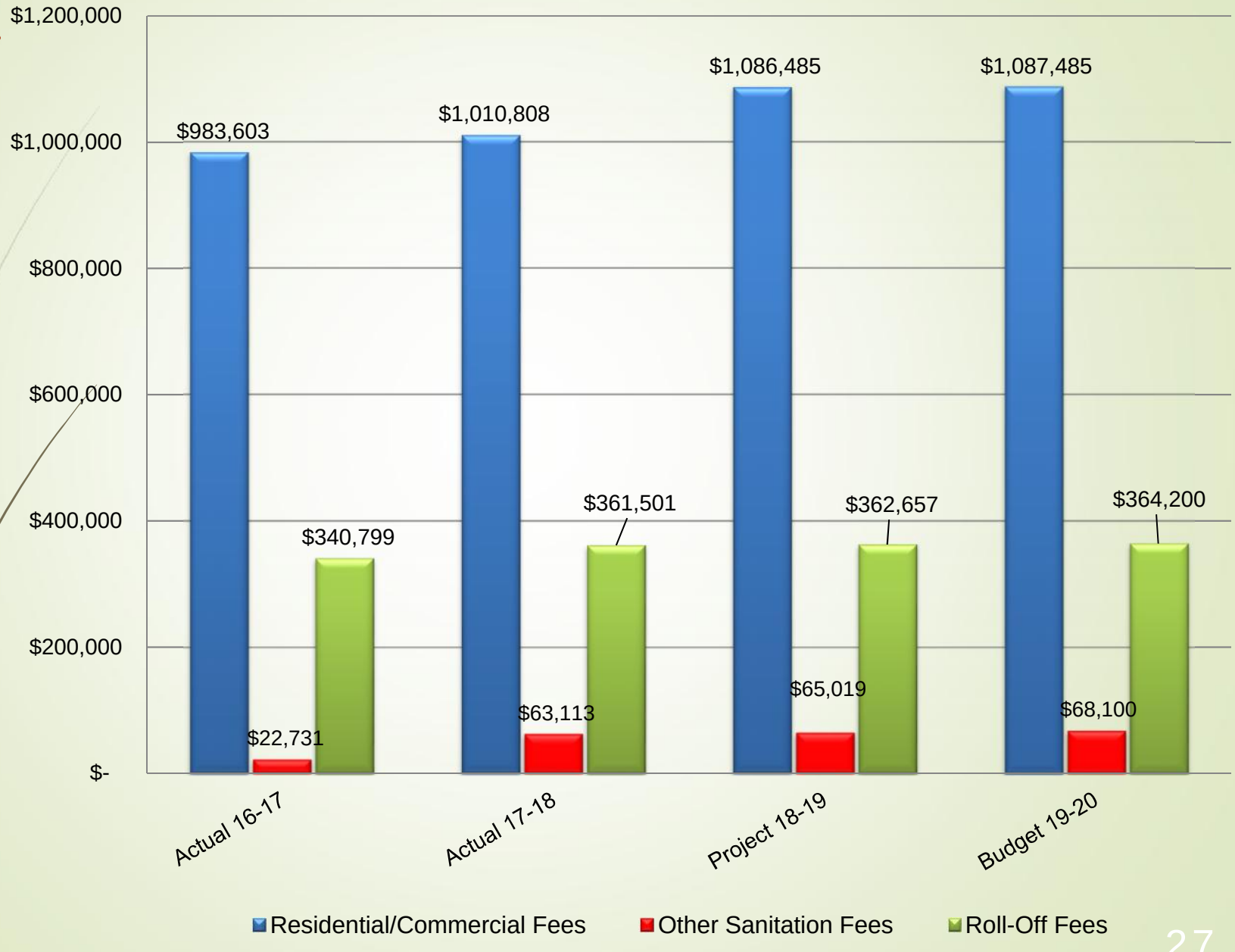
$1,375,968
$1,361,001
$1,365,750
$12,274
$12,142
$12,435
$12,550
Actual 16-17
Actual 17-18
Project 18-19
Budget 19-20
Sewer Fee's
Other Sewer Revenue

SANITATION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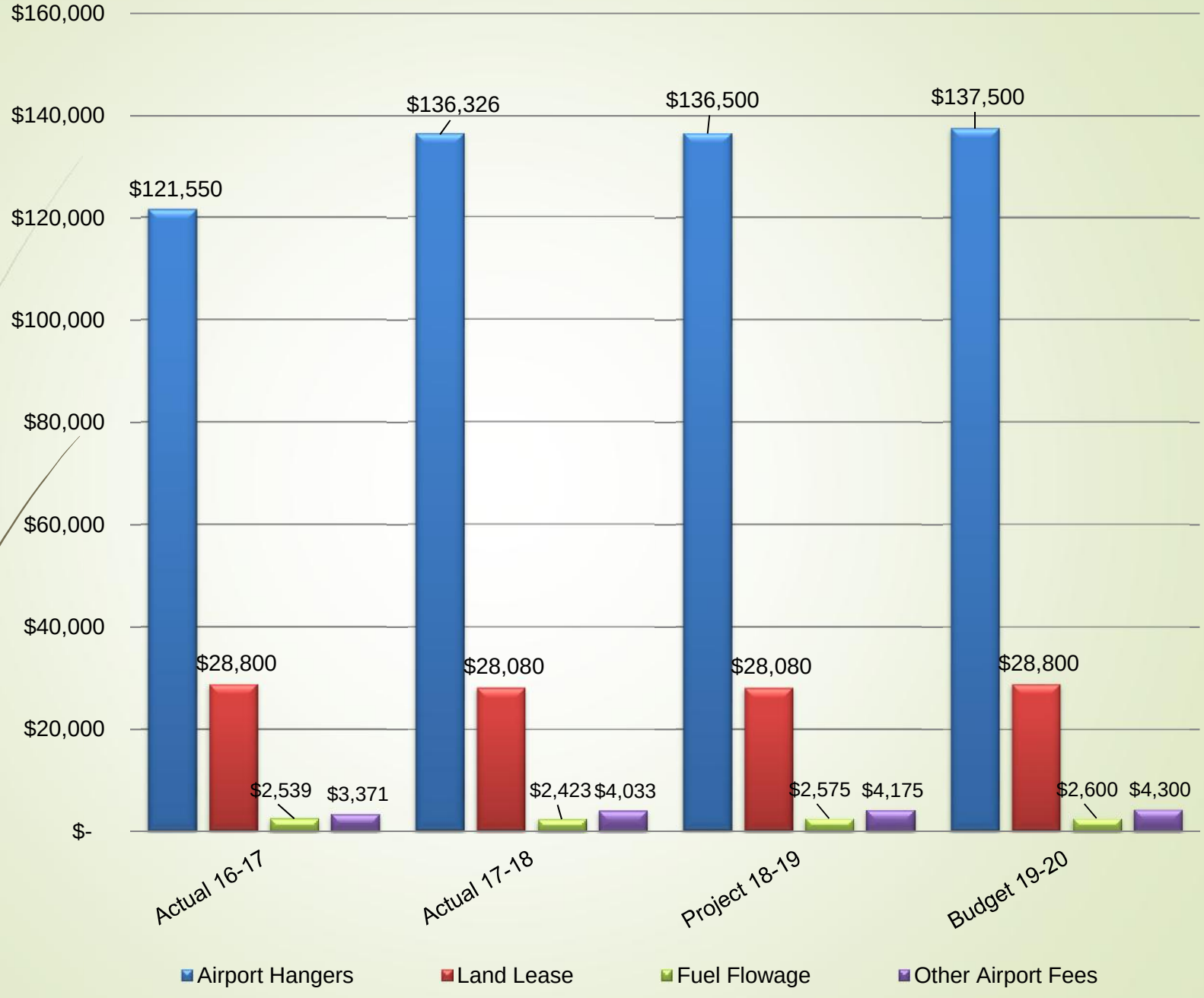
$65,019
$362,657
$1,087,485
$68,100
$364,200
Actual 16-17
Actual 17-18
Project 18-19
Budget 19-20
Residential/Commercial Fees
Other Sanitation Fees
Roll-Off Fees

AIRPORT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$28,080
$2,575
$4,175
$137,500
$28,800
$2,600
$4,300
Actual 16-17
Actual 17-18
Project 18-19
Budget 19-20
Airport Hangers
Land Lease
Fuel Flowage
Other Airport Fees

CEMETERY

$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$-
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$22,727
$37,304
$34,664
$26,118
$34,830
$28,735
$28,750
$39,000
$31,500
$25,000
Actual 16-17
Actual 17-18
Project 18-19
Budget 19-20
Other Fees
Plot Sales
Cemetery Fees

ELOY, ARIZONA

City of Eloy
Fleet Analysis

Fleet Analysis

- Aging Fleet
  - 55% of the fleet is 10 years old
  - Maintenance costs for old vehicles are more expensive
  - Fuel Economy is poor which leads to higher operating costs
  - Safety Ratings are not up to current standards
  - Image
- Replacement Concerns
  - Cash flow constraints
  - Capital budget drives fleet replacements
  - Policies (which department gets the vehicle first)

Effects of an Aging Fleet

- Safety Concerns
  - Aged Fleet Inventory Typically Lacks Even Basic Safety Features like a back up camera, airbags, and stability control features.
- Increased Operating Expenses
  - Older Vehicles Typically Cost 2-3 Times As Much To Maintain
- Reduced Resale Values
  - 70%-80% Reduction In Surplus Values vs. Optimal Cycle Point.
    - Currently, all surplus vehicles are sold at auction and a typical vehicle sale is about $2,000 - $3,000 plus commission. Through Enterprise they sell on open market getting maximum resale.

(All of these factors lead to a higher total cost of ownership, reduced reliability and increase safety risks)

Enterprise Partners

- City of Cottonwood
- Town of Sahuarita
- Arizona State University
- Town of Camp Verde
- City of Douglas
- Northwest Fire District
- Pinal County
- Golden Ranch Fire District
- Roosevelt Irrigation District
- Arizona Water

Fleet Analysis

- Benefits
  - Enterprise has a lot of purchasing power and some vehicles are cheaper than state contracts
  - Enterprise open end lease does NOT have mileage restrictions or wear/tear penalties
  - Enterprise staff will represent the City (as an advisor) to maximize resale value because of their knowledge
  - Ordering of vehicles comes with all equipment (ready upon delivery)
  - Significantly lower maintenance costs
  - Fuel Efficiency
  - Safety standards
  - Employee moral increases
  - Enterprise staff will represent the City (as an advisor) to maximize resale value
- Cons
  - Leasing come with interest costs which makes it more costly than outright purchasing
  - Terminology

City of Eloy
2019/2020 Fleet Analysis

(Does not include applicable fees or taxes)

Class	Year	Make	Model	Trim Level	Quantity	State Contract Dealer Capitalized Price	State Contract Dealer Total Capitalized Cost	Enterprise Capitalized Price	Enterprise Total Capitalized Cost	Term	Annual Mileage	Monthly Lease Payment	Annual Cost Per Vehicle	Total Cost of Lease over Term
Midsize Sedan	2019	Chevrolet	Malibu	LS	1	18,968.00	18,968.00	18,913.00	18,913.00	60	7500	$340.29	$4,083.48	$20,417.40
Midsize SUV	2019	Ford	Explorer	Base FWD	1	26,986.00	26,986.00	27,889.00	27,889.00	60	7500	$497.58	$5,970.96	$29,854.80
Midsize SUV	2019	Chevrolet	Tahoe	LS 4x2	1	39,211.00	39,211.00	39,211.00	39,211.00	60	7500	$665.73	$7,988.76	$39,943.80
3/4 Ton Pick Up	2019	Chevrolet	Silverado 2500	LT 4x4 Double Cap	1	29,376.00	29,376.00	29,046.00	29,046.00	60	7500	$523.82	$6,285.84	$31,429.20
Passenger Van	2019	Chevrolet	Express 3500	LS 12 Passenger Seating	1	28,842.00	28,842.00	27,865.00	27,865.00	60	7500	$500.56	$6,006.72	$30,033.60
							144,161.00		148,240.00				$30,480.96	$157,058.40
Other Vehicle Options														
3/4 Ton Pick Up	2019	Ford	F250 SuperCab	XL 4x4 SuperCab	1	29,200.00	29,200.00	30,560.00	30,560.00	60	7500	$547.29	$6,567.48	$32,837.40
Passenger Van	2019	Ford	Transit 350	XL Sliding Pass Door, Low Roof Wagon - 12 Passenger Seating	1	29,796.00	29,796.00	31,667.00	31,667.00	60	7500	$566.75	$5,870.28	$34,005.00

Any Questions