



PARKER AUTHORITY FOR REINVESTMENT STUDY SESSION AGENDA
November 13, 2023
Immediately following the Adjournment of the Town Council Study Session

1. Study Session Items

A. Proposed 2024 Budget - Feazell/Brown - 20 minutes

2. Authority Board Items



Parker Authority for Reinvestment Study Session Memorandum

TO: Honorable Mayor and Councilmembers
FROM: Weldy Feazell, PAR & Economic Development Director
Mary Lou Brown, Finance Director
DATE: November 13, 2023
SUBJECT: Proposed 2024 Budget

ISSUE:

The P3 2024 Budget has been completed and is now available for the Board's consideration.

FISCAL/BUDGET IMPACT:

The budget for 2024 includes total revenue of \$5,945,000 and total appropriations of \$10,569,191. The ending fund balance is \$1,731,228. The budget document also includes the breakdown by tax district.

BACKGROUND:

The PAR 2024 budget reflects ongoing revenue growth; however, the repeal of the Gallagher amendment in 2020 paved the way for reduced residential assessment rates. The state legislature reduced the assessment rates for certain property types, including commercial and multi-family residential, by varying amounts between 2022 and 2024. Additionally, it is unclear if there will be any impact on property tax increments should Proposition HH be approved by the voters. While commercial properties make up the bulk of the three tax districts, reduced assessment rates across the board will have an impact on revenues.

Major activities for the 2024 budget include the continuation of the infrastructure and placemaking projects for which financing was obtained in 2020. The Pilgrim's Place sidewalk project is continuing in the Parker Central Area. The Cottonwood Urban Renewal area has several CIP projects in the budget for 2024 for roadway improvements to Beckett Drive and several regional stormwater improvement projects. Individual project costs are budgeted in the Town's Public Improvement Fund using the loan proceeds that were transferred to the Town from PAR.

RECOMMENDATION:

This item is presented in study session in order to provide time for the Board to ask questions prior to the presentation of the 2024 Budget for approval.

REQUESTED DIRECTION:

Staff is available to answer questions about the P3 2024 Budget in advance of submission to the P3 Board for approval.

ATTACHMENT:

1. Exhibit A with Resolution



Parker Authority for Reinvestment 2024 Adopted Budget



PARKER AUTHORITY FOR REINVESTMENT SUMMARY

Revenue and Expenditures by Category

	2020	2021	2022	2023	2023	2024	Compound
	Actual	Actual	Actual	Amended Budget	Projected	Budget	Annual Growth
Beginning Fund Balances	\$ 2,583,098	\$ 5,424,033	\$ 7,259,504	\$ 9,304,845	\$ 9,304,845	\$ 6,355,419	25%
Revenues							
Parker Central Tax District	1,753,954	2,363,594	2,680,439	3,132,000	3,000,000	3,300,000	17%
Cottonwood Tax District	1,534,654	1,515,031	1,649,044	1,485,000	1,700,000	1,870,000	5%
Parker Road Tax District	566,591	564,565	711,046	702,900	702,900	775,000	8%
Loan Proceeds	20,935,000	-	-	-	-	-	n/a
Interest	775	-	-	-	-	-	n/a
Total Revenues	\$ 24,790,974	\$ 4,443,190	\$ 5,040,529	\$ 5,319,900	\$ 5,402,900	\$ 5,945,000	-30%
Expenditures							
Supplies	357	279	66	1,500	750	1,500	43%
Purchased Services	21,289,452	619,665	895,396	970,983	6,135,074	7,758,150	-22%
Utilities/Insurance	13,712	17,157	12,517	17,500	13,500	13,500	-10%
Debt Services	257,748	1,633,060	1,637,860	1,576,105	1,576,105	1,584,199	57%
Capital Outlay	-	-	2,757	-	236,000	150,000	n/a
Contributions	388,770	337,559	446,592	1,240,897	390,897	1,061,842	29%
Total Expenditures	\$ 21,950,039	\$ 2,607,720	\$ 2,995,188	\$ 3,806,985	\$ 8,352,326	\$ 10,569,191	-17%
Ending Fund Balances	\$ 5,424,033	\$ 7,259,504	\$ 9,304,845	\$ 10,817,760	\$ 6,355,419	\$ 1,731,228	-25%

The PAR 2024 budget reflects ongoing revenue growth; however, the repeal of the Gallagher amendment in 2020 paved the way for reduced residential assessment rates. The state legislature reduced the assessment rates for certain property types, including commercial and multi-family residential, by varying amounts between 2022 and 2024. Additionally, it is unclear if there will be any impact on property tax increment should Proposition HH be approved by the voters. While commercial properties make up the bulk of the three tax districts, reduced assessment rates across the board will have an impact on revenues.

Major activities for the 2024 budget include the continuation of the infrastructure and placemaking projects for which financing was obtained in 2020. The Pilgrim's Place sidewalk project is continuing in the Parker Central Area. The Cottonwood Urban Renewal area has several CIP projects in the budget for 2024 for roadway improvements to Beckett Drive and several regional stormwater improvement projects. Individual project costs are budgeted in the Town's Public Improvement Fund using the loan proceeds that were transferred to the Town from PAR.

PAR is leading the project with a local contractor on the development of the My Mainstreet Project and will be contributing some future funding for the project.

The basis of accounting for PAR's financial statements uses a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available, and expenditures are recorded in the period that the expenditure occurs and becomes a liability.

The basis of the PAR budget differs from the basis of accounting only by the assumptions that are made in regards to the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when they become both measurable and available, and expenditures when incurred. Cash is not necessarily received or expended at the same time.

PARKER AUTHORITY FOR REINVESTMENT DETAIL

Parker Central Tax District

	2020 Actual	2021 Actual	2022 Actual	2023 Amended Budget	2023 Projected	2024 Budget	Compound Annual Growth
Revenues							
Parker Central Tax District	\$ 1,753,954	\$ 2,363,594	\$ 2,680,439	\$ 3,132,000	\$ 3,000,000	\$ 3,300,000	17%
Loan Proceeds	12,855,000	-	-	-	-	-	n/a
Interest	775	-	-	-	-	-	n/a
Total Revenues	\$ 14,609,729	\$ 2,363,594	\$ 2,680,439	\$ 3,132,000	\$ 3,000,000	\$ 3,300,000	-31%
Expenditures							
Supplies	119	93	22	500	250	500	43%
Purchased Services	12,967,705	253,746	529,649	526,551	5,523,158	5,214,360	-20%
Utilities/Insurance	5,232	6,397	4,755	6,500	4,500	4,500	-4%
Debt Services	143,996	1,025,396	1,027,780	1,024,936	1,024,936	1,026,940	63%
Capital Outlay	-	-	2,757	-	200,000	75,000	n/a
Contributions	268,828	305,036	411,025	915,897	315,897	986,842	38%
Total Expenditures	\$ 13,385,880	\$ 1,590,668	\$ 1,975,988	\$ 2,474,384	\$ 7,068,741	\$ 7,308,142	-14%
Beginning Fund Balance	1,636,501	2,860,350	3,633,276	4,337,727	4,337,727	268,986	-36%
Revenue Over (Under) Exp	1,223,849	772,926	704,451	657,616	(4,068,741)	(4,008,142)	n/a
Ending Fund Balance Adj	-	-	-	-	-	-	
Ending Fund Balance	\$ 2,860,350	\$ 3,633,276	\$ 4,337,727	\$ 4,995,343	\$ 268,986	\$ (3,739,156)	n/a

PARKER AUTHORITY FOR REINVESTMENT DETAIL

Cottonwood Tax District

	2020	2021	2022	2023	2023	2024	Compound
	Actual	Actual	Actual	Amended Budget	Projected	Budget	Annual Growth
Revenues							
Cottonwood Tax District	\$ 1,534,654	\$ 1,515,031	\$ 1,649,044	\$ 1,485,000	\$ 1,700,000	\$ 1,870,000	5%
Loan Proceeds	8,080,000	-	-	-	-	-	n/a
Total Revenues	\$ 9,614,654	\$ 1,515,031	\$ 1,649,044	\$ 1,485,000	\$ 1,700,000	\$ 1,870,000	-34%
Expenditures							
Supplies	119	93	22	500	250	500	43%
Purchased Services	8,168,509	190,088	189,596	214,431	421,308	2,344,430	-27%
Utilities/Insurance	4,240	5,380	3,881	5,500	4,500	4,500	1%
Debt Services	113,752	607,664	610,080	551,169	551,169	557,259	49%
Capital Outlay	-	-	-	-	36,000	75,000	n/a
Contributions	113,692	-	-	275,000	25,000	25,000	-32%
Total Expenditures	\$ 8,400,312	\$ 803,225	\$ 803,579	\$ 1,046,600	\$ 1,038,227	\$ 3,006,689	-23%
Beginning Fund Balance	951,652	2,165,994	2,877,800	3,723,265	3,723,265	4,385,038	47%
Revenue Over (Under) Exp	1,214,342	711,806	845,465	438,400	661,773	(1,136,689)	n/a
Ending Fund Balance Adj	-	-	-	-	-	-	
Ending Fund Balance	\$ 2,165,994	\$ 2,877,800	\$ 3,723,265	\$ 4,161,665	\$ 4,385,038	\$ 3,248,349	11%

PARKER AUTHORITY FOR REINVESTMENT DETAIL

Parker Road Tax District

	2020	2021	2022	2023	2023	2024	Compound
	Actual	Actual	Actual	Amended Budget	Projected	Budget	Annual Growth
Revenues							
Parker Road Tax District	\$ 566,591	\$ 564,565	\$ 711,046	\$ 702,900	\$ 702,900	\$ 775,000	8%
Total Revenues	\$ 566,591	\$ 564,565	\$ 711,046	\$ 702,900	\$ 702,900	\$ 775,000	8%
Expenditures							
Supplies	119	93	22	500	250	500	43%
Purchased Services	153,238	175,831	176,151	230,001	190,608	199,360	7%
Utilities/Insurance	4,240	5,380	3,881	5,500	4,500	4,500	n/a
Debt Services	-	-	-	-	-	-	n/a
Contributions	6,250	32,523	35,567	50,000	50,000	50,000	68%
Total Expenditures	\$ 163,847	\$ 213,827	\$ 215,621	\$ 286,001	\$ 245,358	\$ 254,360	11%
Beginning Fund Balance	(5,055)	397,689	748,427	1,243,852	1,243,852	1,701,394	n/a
Revenue Over (Under) Exp	402,744	350,738	495,425	416,899	457,542	525,140	7%
Ending Fund Balance Adj	-	-	-	-	-	-	
Ending Fund Balance	\$ 397,689	\$ 748,427	\$ 1,243,852	\$ 1,660,751	\$ 1,701,394	\$ 2,222,034	54%

PAR RESOLUTION NO. 2023-05

TITLE: A RESOLUTION TO ADOPT THE 2024 BUDGET FOR THE PARKER AUTHORITY FOR REINVESTMENT AND TO MAKE APPROPRIATIONS FOR THE SAME

WHEREAS, upon due and proper notice, posted in accordance with the Local Government Budget Law, said proposed budget was open for inspection by the public at the Parker Town Hall, and a Public Hearing was held on December 4, 2023 and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Parker Authority for Reinvestment that:

Section 1. The 2024 budget for the Parker Authority for Reinvestment, which is attached hereto as **Exhibit A** and incorporated by this reference, is hereby adopted and monies are appropriated as the same are budgeted.

Section 2. The budget herein approved shall be signed by the Chair and Clerk and made part of the public records of the Parker Authority for Reinvestment.

RESOLVED AND PASSED on the _____ day of _____, 2023

Jeff Toborg, Chair

ATTEST:

By: _____
Chris Vanderpool, Clerk