2016-2017 Preliminary Budget

April 26, 2016

Timeline

- Council budget worksessions in April - June
- Adopt preliminary budget on June 28th - State law requires adoption of Preliminary Budget on or before 3rd Monday in July). The Preliminary Budget sets the maximum limits for expenditures.
- Adoption of the Final Budget on July 26th – required by the first Monday in August.
- Adoption of the Property Tax Levy on August 9th - deadline for the adoption of the property tax levy is the third Monday in August.

Major Operational Funds

- General Fund – provides services that are available to all 4,097 citizens (examples: Police, Library, Parks, Public Works, Transit, Community Development-Planning and Zoning)
- HURF (Streets) – provides services that are available to all 4,097 citizens (examples: street & sidewalk repair and maintenance, new road construction, transportation planning)
- Capital Projects – Funded by the 1% construction tax

Preliminary Budget Assumptions

- ASRS retirement contribution rates to 11.48%, an increase of .01% for employer contribution.
- 2% health insurance premium increase.
- Workers Compensation Experience Modification decreased mod to .76 from 1.14.
- Public Safety Personnel Retirement System (PSPRS) current contribution rate of 29.84%, an increase of 3.76%.
- COLA of 3% (GF = $46,000; Streets = $3,788)
- Maximum Property Tax Levy

Preliminary Budget Assumptions

- 5.21% Increase in State Shared Income Tax.
- 4.16% Increase in Motor Vehicle Tax.
- 2.02% Increase in State Sales Tax.
- 4.70% Increase in HURF Tax
- Local Sale Tax same as 15/16.
- Construction Tax same as 15/16.

Percentage of increase based upon budget to budget number, not compared to actual.

Council Alternate Choices

Requests Not Funded:

Sanitation Fund Transfer for Streets, up to $20,000

Clerk social media records archiving = $2,400

HR employee Appreciation +$1,500 = $2,500

HR Town Wide Training +$1,500 = 2,500

PW Building Maint/Imp +$4,000 = $24,000

Library FT employee vs. PT employee =$16,100

Police Reserve Officer @10 Week = $9,900

Individual Merit Wage Requests = $16,800

Funding Options:

COLA: Each 1% COLA: GF = $15,300; ST = $1,263

Adjust Additional Street Transfer = $8,450

Adjust Property Tax Rate.

GENERAL FUND

Contingency

Expenditure	2014-2015	2015-2016		2016-2017
Category	Actual	Projected	Budget	Budget
Contingency Projects	$0.00	$5,000.00	$250,000.00	$250,000.00
Development, Growth	$0.00	$5,000.00	$125,000.00	$125,000.00
PD Equipment & Depreciation	$24,750.00	$29,610.25	$29,610.25	$29,610.25
PSPRS Liability Reserve	$0.00	$23,165.00	$23,165.00	$20,100.00
Designated Funds - Police	$65,243.72	$13,799.00	$14,306.00	$0.00
Designated Funds - Special Projec	$35,159.39	$64,101.00	$64,101.00	$0.00
Designated Funds - Streets	$0.00	$143,108.91	$143,108.91	$0.00
Sanitation Transfer - Streets	$40,000.00	$40,000.00	$40,000.00	$0.00
Streets Fund Transfer (10% LST)	$66,000.00	$91,220.50	$91,220.50	$91,220.50
Additional Tranfer to Streets				$8,450.00
Transfer CIP Construction Tax	$49,534.56	$34,500.00	$51,500.00	$51,500.00
Department Totals	$280,687.67	$449,504.66	$832,011.66	$575,880.75

Contingency sets up the possibility of expenses depending on revenues, designated funds and transfers to other funds. The Streets transfer represents 10% of the local sales tax budget plus an additional $8,450 transfer. Police equipment depreciation is 5% of the local sales tax budget. Designated Funds will be approved later in the budget process. PSPRS Liability is based upon the difference of the Before Phase-in number and After phase-in number.

Administration

Expenditure	2014-2015	2015-2016		2016-2017
Category	Actual	Projected	Budget	Budget
Salaries	$189,561.60	$187,632.95	$187,632.95	$193,265.90
Fringes	$73,552.82	$75,238.62	$75,238.62	$76,982.37
Operational Expenses	13,734.36	16,282.50	16,200.00	14,875.00
Department Totals	$276,848.78	$279,154.07	$279,071.57	$285,123.27
Town Manager and Finance				

Town Clerk

Expenditure	2014-2015	2015-2016		2016-2017
Category	Actual	Projected	Budgeted	Budget
Salaries	$70,112.29	$68,338.04	$68,338.04	$69,952.43
Fringes	$21,019.29	$21,742.23	$21,742.23	$22,213.90
Operating Expenses	$20,354.47	$11,363.25	$12,075.00	$22,000.00
Department Totals	$111,486.05	$101,443.52	$102,155.27	$114,166.33

1/2 Clerk & Deputy Clerk and Council Salaries, Travel/education. Includes $10,000 for the elections.

Human Resources

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Salaries	$34,566.53	$34,253.54	$34,253.54	$35,285.33
Fringes	$12,281.21	$10,887.28	$10,887.28	$11,166.08
Operating Expenses	$8,187.39	$7,114.50	$7,650.00	$9,150.00
Department Totals	$55,035.13	$52,255.32	$52,790.82	$55,601.41

Includes funds for new hire expenses and employee trainings. Employee Appreciation = $1,000, Health Management and Advertising increases.

Town Wide Expenses

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Legal - Municipal	$21,051.03	$21,200.00	$40,000.00	$35,000.00
Legal - Court	$50,539.56	$50,000.00	$30,000.00	$35,000.00
Workers Comp (not PD or PW)	$7,037.24	$3,820.45	$3,820.45	$2,414.25
ITC Contract	$45,720.00	$49,327.20	$53,040.00	$44,000.00
Audit Services	$23,000.00	$20,000.00	$24,000.00	$26,000.00
Liability & Property Insurance	$56,092.01	$56,965.00	$56,000.00	$56,000.00
ADOR Administration Fee	$0.00	$8,898.00	$8,898.00	$8,779.00
General Operations	$20,858.23	$16,658.50	$18,815.00	$18,430.00
Police IT	$722.50	$10,100.00	$17,600.00	$20,000.00
ITC Operations	$29,863.07	$37,000.00	$37,400.00	$39,910.00
Department Totals	$254,883.64	$273,969.15	$289,573.45	$285,533.25

Most costs are shared by all funds and offset by the Admin Fee. Workers Comp decrease from 1.14 mod to .76. Updated ADOR fee & new PD IT costs.

Community Development

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Salaries	$241,130.01	$250,062.43	$250,062.43	$263,410.47
Fringe	$100,781.73	$110,173.78	$110,173.78	$123,455.15
Operations	$ 14,665.08	$ 18,397.07	$ 19,158.00	$ 18,443.00
Department Totals	$356,576.82	$378,633.28	$379,394.21	$405,308.62

Planning, zoning, permits & inspections. GIS at 95% from 90% last year. Hired a CD Tech positon to replace Admin position.

Community Services

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Salaries	$81,889.35	$82,046.74	$82,046.74	$84,517.68
Fringes	$33,750.09	$33,619.84	$33,619.84	$34,426.38
Park Programing	$2,986.67	$9,865.00	$9,800.00	$10,050.00
CS Operations	$2,235.60	$2,852.00	$2,940.00	$3,350.00
Department Totals	$120,861.71	$128,383.58	$128,406.58	$132,344.06

Department oversees Library, Parks, Volunteer Services and IT. Liaison with Magistrate Court. Budget includes Parks & Rec programing of $6,500 along with funding for holiday functions

Library

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Salaries	$35,852.64	$38,339.60	$38,339.60	$39,495.14
Fringes	$13,251.95	$14,754.03	$14,754.03	$15,113.47
Operations	$20,104.84	$18,749.25	$19,325.00	$22,399.00
Department Totals	$69,209.43	$71,842.88	$72,418.63	$77,007.62

Yavapai County Library IGA funds projected about $34,000 - increased Book & materials portions. $6,000 included for IT charges and $1,300 new courrier

Court

Expenditure	2014-2015	2015-2016		20016-2017
Category	Actual	Projected	Budgeted	Budget
Salaries	$54,122.62	$55,933.95	$55,933.95	$68,191.06
Contract Labor	$0.00	$0.00	$0.00	$0.00
Fringes	$16,393.21	$17,076.57	$17,076.57	$19,580.95
Operations	$10,127.71	$11,063.50	$11,400.00	$12,625.00
Department Totals	$80,643.54	$84,074.02	$84,410.52	$100,397.01

Currently Judge, Senior Court Clerk. Hired a part time Court Clerk averaging 15 hours a week

Police

Expenditure	2014-2015	2015-2016		2016-2017
Category	Actual	Projected	Budgeted	Budget
Salaries	$456,618.10	$472,277.97	$472,277.97	$474,736.76
Fringes	$146,860.52	$190,893.22	$187,913.22	$177,594.83
PSPRS Retirement	$84,360.94	$86,909.97	$89,889.97	$114,651.36
Worker's Comp	$32,404.00	$19,097.77	$19,097.77	$10,844.25
Dispatching Contract	$76,698.45	$78,110.00	$76,900.00	$74,775.67
Animal Control Expenses	$80.11	$279.00	$300.00	$250.00
Animal Shelter Services	$8,025.00	$8,025.00	$8,025.00	$8,025.00
Equipment Purchase	$6,699.53	$7,440.00	$8,000.00	$8,000.00
Equipment Repair	$9,190.51	$7,440.00	$8,000.00	$8,000.00
Gasoline	$22,485.95	$17,795.00	$23,250.00	$20,000.00
Telephone	$10,519.78	$12,276.00	$13,200.00	$15,000.00
Trama Intervention Progra	$2,650.00	$2,650.00	$2,650.00	$0.00
General Operations	$34,176.63	$29,841.00	$28,162.00	$37,192.00
Department Totals	$890,769.52	$933,034.93	$937,665.93	$949,069.87

5% of local sales tax in contengency with $8,000 for both equipment purchases & repair. SRO Officer paid 65% by COPS Grant for first 6 months and then Clarkdale 100% responsible . GIITEM Officer paid by GITTEM and RICO funds. No Reserve Officers scheduled. PSPRS proposed with contribution Phase-in during 2016-17 at a 29.84% rate. Telephone includes data support.

Public Works

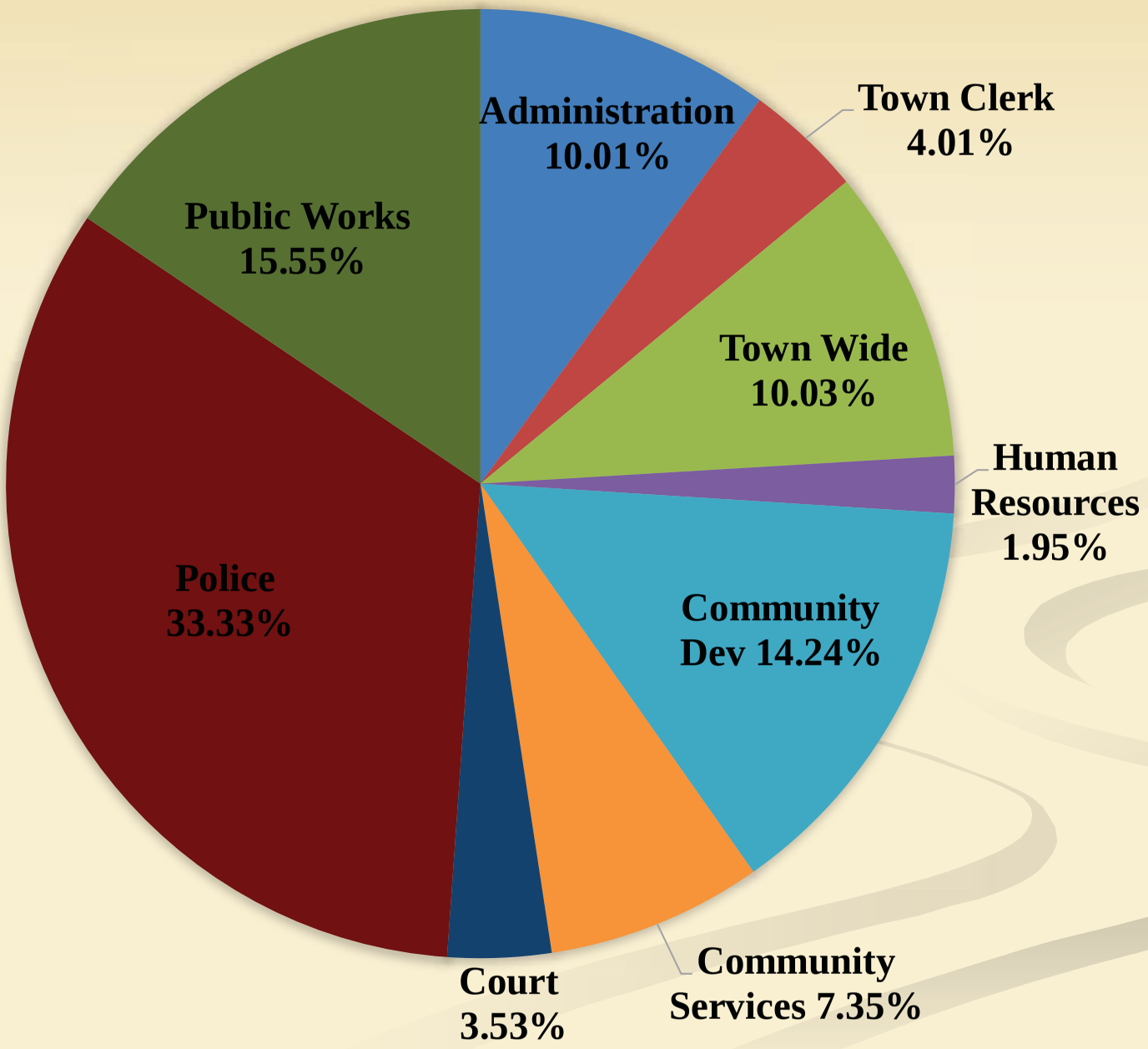
Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Salaries	$159,015.16	$153,226.50	$162,108.90	$157,878.91
Fringes	$78,427.72	$79,821.35	$79,821.35	$80,937.96
Worker's Comp	$10,458.00	$5,257.32	$5,257.32	$3,309.63
GADA Debt Service	$39,470.40	$38,747.00	$38,747.00	$37,275.00
Transit Contract	$33,698.75	$33,500.00	$33,500.00	$33,500.00
Water Use	$31,827.73	$33,480.00	$36,000.00	$36,000.00
Buildings	$14,705.63	$20,935.00	$24,000.00	$20,000.00
Electrical	$32,964.99	$31,221.96	$33,572.00	$33,600.00
General Operations	42,673.20	37,483.70	38,590.00	40,090.00
Department Totals	$443,241.58	$433,672.83	$451,596.57	$442,591.50

Salary savings due to reduction in Facility Ambasador projected hours, now recovered by charging renter and is offset in revenues

General Fund Expenditures

Expenditure	2015-2016		2016-2017	Change
Category	Projected YE	Budget	Budget	%
Contingency	$449,504.66	$832,011.66	$575,885.75	0.00%
Administration	$279,154.07	$279,071.57	$285,123.27	2.17%
Town Clerk	$101,443.52	$102,155.27	$114,166.33	11.76%
Human Resources	$52,255.32	$52,790.82	$55,601.41	5.32%
Town Wide	$273,969.15	$289,573.45	$285,533.25	-1.40%
Community Services	$128,383.58	$128,406.58	$132,344.06	3.07%
Library	$71,842.88	$72,418.63	$77,007.62	6.34%
Community Dev.	$378,633.28	$379,394.21	$405,308.62	6.83%
Court	$84,074.02	$84,410.52	$100,397.01	18.94%
Police	$933,034.93	$937,665.93	$949,069.87	1.22%
Public Works	$433,672.83	$451,596.57	$442,591.50	-1.99%
Department Totals	$3,185,968.24	$3,609,495.21	$3,423,028.70	-5.17%

General Fund Expenses



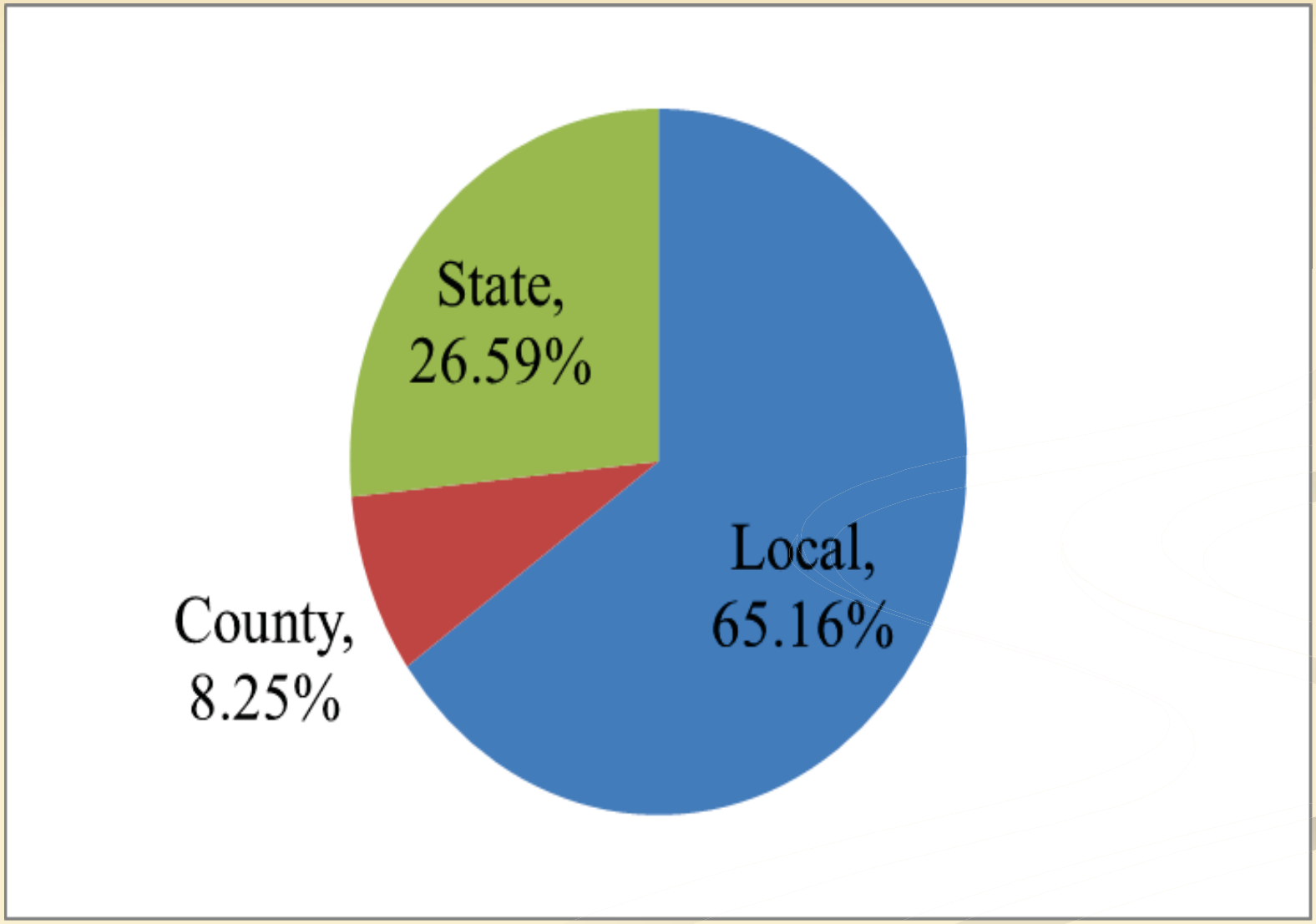
General Fund Revenues

Revenue Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budget	2016-2017 Budget	Change %
LOCAL REVENUES					
Local Sales Tax (except const)	$814,540.31	$839,229.00	$912,205.00	$912,205.00	0.00%
Construction Sales Tax	$33,350.32	$29,500.00	$51,500.00	$51,500.00	0.00%
Property Tax	$431,726.51	$490,000.00	$490,000.00	$505,000.00	3.06%
Administration Fee	$166,954.12	$166,368.20	$166,368.20	$168,635.00	1.36%
Franchise Royalties	93,580.44	92,000.00	92,000.00	92,000.00	0.00%
Building & Grading Permits	55,864.45	54,000.00	48,000.00	53,600.00	11.67%
Court Fines	30,076.24	25,650.00	25,650.00	40,000.00	55.95%
Designated Funds	100,403.11	221,008.91	221,515.91	0.00	-100.00%
Contingencies/Develop & Growth	0.00	5,000.00	350,000.00	350,000.00	0.00%
Facility Rental/Ambassador	13,242.75	13,672.00	20,195.00	12,975.26	-35.75%
Sanitation Transfer for Streets	30,000.00	40,000.00	40,000.00	0.00	-100.00%
Miscellaneous	$36,157.75	$32,550.00	$43,275.00	$44,377.56	2.55%
Total Local Revenues	**$1,805,896.00**	**$2,008,978.11**	**$2,460,709.11**	**$2,230,292.82**	-9.36%

County & State Revenues

COUNTY REVENUES					
Motor Vehicle Licenses	$238,461.57	$237,937.00	$237,937.00	$247,825.34	4.16%
Yavapai County Library District	$34,089.35	$34,000.00	$34,000.00	$34,611.38	1.80%
Total County Revenues	**$272,550.92**	**$271,937.00**	**$271,937.00**	**$282,436.72**	3.86%
STATE REVENUES					
State Sales Tax	$374,419.79	$383,571.00	$383,571.00	$391,306.16	2.02%
State Income Tax Sharing	$495,967.20	$493,278.00	$493,278.00	$518,993.00	5.21%
Total State Revenues	**$870,386.99**	**$876,849.00**	**$876,849.00**	**$910,299.16**	3.81%
Total Expenses	**$2,981,632.25**	**$3,206,572.11**	**$3,653,730.10**	**$3,423,028.70**	
Total Revenues	**$2,988,479.91**	**$3,157,764.11**	**$3,609,495.11**	**$3,423,028.70**	

General Fund Revenue Shares



Property Tax

- 2% Increase in Net Assessed Values.
- $28,546,654 in 2016 to 29,164,544
- 2015/2016 Property Tax Levy was $490,000
- 2016/2017 Allowable Levy Limit is $505,480
- Property Tax History:

Year	Assessed Value	Change	Tax Levy	Tax Rate		Budget
2006/2007	29,020,722		327,383	1.1281		$ 27,239,050
2007/2008	34,671,810	19%	246,169	0.7100		$ 27,717,051
2008/2009	40,828,272	18%	288,949	0.7100		$ 12,490,318
2009/2010	44,281,580	9%	403,892	0.9121	TT	$ 33,699,902
2010/2011	45,249,916	2%	412,724	0.9121		$ 29,583,717
2011/2012	37,661,550	-17%	412,395	1.0950		$ 30,427,968
2012/2013	30,930,102	-18%	412,391	1.3333		$ 27,181,907
2013/2014	27,388,845	-11%	438,220	1.6000	TT	$ 20,306,579
2014/2015	28,088,359	3%	442,083	1.5739		$ 17,358,758
2015-2016	28,546,654	2%	490,000	1.7165	Max	$ 16,720,460

Property Tax Comparison

	Tax Rate	Assessed Value Divided by 100	Town Levy	Residential Home Value $100,000	Residential Home Value $200,000	Residential Home Value $300,000	Commercial Value (23%) $100,000	Commercial Value (23%) $200,000	Commercial Value (23%) $300,000
				Town Levy Value Per Rate			Town Levy Per Rate		
	1.6000	291,645	$466,632.00	$160.00	$320.00	$480.00	$368.00	$736.00	$1,104.00
	1.6500	291,645	$481,214.25	$165.00	$330.00	$495.00	$379.50	$759.00	$1,138.50
Same Levy as last yer	1.6802	291,645	$490,021.93	$168.02	$336.04	$504.06	$386.45	$772.89	$1,159.34
Truth in Taxation limit	1.6973	291,645	$495,009.06	$169.73	$339.46	$509.19	$390.38	$780.76	$1,171.14
Plus $2,500	1.7060	291,645	$497,546.37	$170.60	$341.20	$511.80	$392.38	$784.76	$1,177.14
Plus $2,500	1.7147	291,645	$500,083.68	$171.47	$342.94	$514.41	$394.38	$788.76	$1,183.14
Plus $2,500	1.7234	291,645	$502,620.99	$172.34	$344.68	$517.02	$396.38	$792.76	$1,189.15
16-17 Maximum Rate	1.7332	291,645	$505,479.11	$173.32	$346.64	$519.96	$398.64	$797.27	$1,195.91

2015-2016 Tax Levy was 490,000 = 1.7165 Rate

2016-2017 Truth in Taxation Levy is $495,009.06 = 1.6973 Rate

2016-2017 Maximum Tax Rate is 505,480 = 1.7332 Rate

Assessed Value = 29,164,544 2% increase

Property Tax Options

Levy	$ 495,009	$ 497,546	$ 500,084	$ 502,621	$ 505,000
Increase	$ 1	$ 2,537	$ 5,075	$ 7,612	$ 9,991
% Levy Increase	0%	0.51%	1.03%	1.54%	2.02%
Tax Rate	$ 1.6973	$ 1.7060	$ 1.7147	$ 1.7234	$ 1.7316
Rate Increase	$ -	$ 0.0087	$ 0.0174	$ 0.0261	$ 0.0343
$100,000 Property	$ 169.73	$ 170.60	$ 171.47	$ 172.34	$ 173.16
Increase on Property	$ -	$ 0.87	$ 1.74	$ 2.61	$ 3.43

Council Alternate Choices

Requests Not Funded:

Sanitation Fund Transfer for Streets, up to $20,000

Clerk social media records archiving = $2,400

HR employee Appreciation +$1,500 = $2,500

HR Town Wide Training +$1,500 = 2,500

PW Building Maint/Imp +$4,000 = $24,000

Library FT employee vs. PT employee =$16,100

Police Reserve Officer @10 Week = $9,900

Individual Merit Wage Requests = $16,800

Funding Options:

COLA: Each 1% COLA: GF = $15,300; ST = $1,263

Adjust Additional Street Transfer = $8,450

Adjust Property Tax Rate.

VERDE RIVER RAPS

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
Salaries	$28,261.75	$16,000.00	$27,730.56	$28,562.48
Fringes	$4,488.13	$3,007.00	$3,904.33	$3,363.50
Poker Run	$2,646.38	$0.00	$0.00	$0.00
Operations	$8,794.69	$9,550.57	$12,500.00	$12,100.00
Total Expenses	**$44,190.95**	**$28,557.57**	**$44,134.89**	**$44,025.98**
Verde River Rap Revenues				
Outfitter Fees	$33,663.82	$10,000.00	$39,135.00	$38,300.00
Day Use Fees	$5,557.18	$5,000.00	$5,000.00	$4,170.00
Membership Fees	$460.00	$800.00	$0.00	$800.00
Poker Run	$5,007.00	$4,850.00	$0.00	$0.00
Special Event Permit	$50.00	$800.00	$100.00	$750.00
Miscellaneous		$0.00	$0.00	$5.98
Transfers	$0.00	$7,210.00	$0.00	$0.00
Total Revenues	**$44,738.00**	**$28,660.00**	**$44,235.00**	**$44,025.98**

Operations for Verde River RAPS which is offset by outfitter fees and daily and membership fees.

HURF – STREETS

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budgeted	2016-2017 Budget
STREET EXPENDITURESS				
Salaries	$104,216.70	$104,115.65	$104,115.65	$107,250.69
Contract Labor	$0.00	$0.00	$0.00	$0.00
Fringes	$71,772.93	$67,342.14	$67,342.14	$63,973.29
Equipment Purchase	$9,294.75	$9,000.00	$9,000.00	$24,000.00
Street Improvements	$22,914.95	$92,735.00	$92,735.00	$107,000.00
Designated Funds	$47,326.42	$259,906.42	$205,786.46	$0.00
Operations	$67,679.86	$94,829.00	$94,829.00	$94,850.00
Reimbursement Fee Transfer	$35,204.76	$36,802.18	$36,802.18	$38,507.40
Total Expenses	**$358,410.37**	**$664,730.39**	**$610,610.43**	**$435,581.38**
STREET REVENUES				
Interest Income	$1,139.11	$660.00	$500.00	$651.38
Misc Income	$6,679.88	$325.00	$0.00	$0.00
Transfer from GF Sales Tax	$66,000.00	$91,220.50	$91,220.50	$91,220.50
Additional Transfer from GF	$0.00	$0.00	$0.00	$8,450.00
Transfer in from Santation Fund	$0.00	$0.00	$0.00	$0.00
Transfer from Cemetery - Backhoe		$0.00	$0.00	$16,000.00
Designated Funds	$67,500.00	$261,238.46	$205,786.46	$0.00
Total Revenues	**$141,318.99**	**$353,443.96**	**$297,506.96**	**$116,321.88**
STATE SHARED REVENUES				
Highway User Revenue Fund	$319,804.17	$313,102.00	$313,102.00	$319,259.50
Total State Shared Revenues	**$319,804.17**	**$313,102.00**	**$313,102.00**	**$319,259.50**
TOTAL REVENUES	**$461,123.16**	**$666,545.96**	**$610,608.96**	**$435,581.38**

Lease Purchase of new backhoe. Sale of current backhoe to Cemetery. Additional transfer of $8,450 from General Fund

CAPITAL PROJECTS

Expenditure Category	2014-2015 Actual	2015-2016 Projected	2015-2016 Budget	2016-2017 Budget
Miscellaneous	$0.00	$0.00	$0.00	$0.00
Equipment Purchase	$5,202.00	$0.00	$0.00	$42,000.00
Public Safety Projects	$0.00	$0.00	$0.00	$9,500.00
MPC Principal	$35,000.00	$28,500.00	$28,500.00	$0.00
MPC Principal From Reserve	$0.00	$60,000.00	$60,000.00	$0.00
MPC Interest	$8,237.48	$6,033.00	$6,033.00	$0.00
Administration Fees	$1,100.00	$1,000.00	$1,000.00	$0.00
CIP Project Expenses	$0.00	$0.00	$615,967.00	$600,000.00
Designated Funds	$7,911.97	$37,244.03	$37,297.00	$0.00
Total Expenses	**$57,451.45**	**$132,777.03**	**$748,797.00**	**$651,500.00**
CAPITAL PROJECTS REVENUES				
Government Agreements	$0.00	$0.00	$600,000.00	$600,000.00
Interest Income	$6.71	$0.00	$0.00	$0.00
Const Tax Transfer	$33,084.56	$29,500.00	$51,500.00	$51,500.00
Transfer from GF	$16,450.00	$5,000.00	$0.00	$0.00
Capital Transfer from Sanitation	$0.00	$0.00	$0.00	$0.00
Debt Service Reserve Fund Tran	$0.00	$60,000.00	$60,000.00	$0.00
Designated Funds	$20,156.52	$20,156.00	$37,297.00	$0.00
Total Revenues	**$69,697.79**	**$114,656.00**	**$748,797.00**	**$651,500.00**

MPC Loan paid off. Budgeting for new server ($27,000) and new phone router ($15,000). Public Safety projects would be an impound yard for about $7,000 and antenna for $2,500 if we collect all projected construction tax.

QUESTIONS

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