

**RESOLUTION NO. 4026-1056**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ADOPTING A TENTATIVE BUDGET, ADOPTING THE ESTIMATED AMOUNTS REQUIRED TO MEET THE PUBLIC EXPENSES FOR THE CITY OF PRESCOTT FOR THE FISCAL YEAR 2010-11, AUTHORIZING AND DIRECTING PUBLICATION OF STATEMENTS AND SCHEDULES OF THE TENTATIVE BUDGET, TOGETHER WITH NOTICE OF HEARING ON SAID BUDGET AND NOTICE OF DATE OF FINAL ADOPTION OF SAID BUDGET, AND NOTICE OF DATE OF ESTABLISHMENT OF THE EXPENDITURE LIMITATION, AND NOTICE OF THE DATE FOR FIXING A TAX LEVY**

**RECITALS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the statements and schedules attached are hereby adopted as the estimated amounts required to meet the public expenses for the City of Prescott and as the tentative budget for the fiscal year 2010-11. Copies of said statements and schedules have been distributed to the Council and are on file in the office of the City Manager. Said copies are attached hereto for the purpose of publication only, except that they are hereby ordered to be entered into the minutes of the City Council of the City of Prescott.

SECTION 2. THAT, the Clerk is hereby authorized and directed to publish in the manner prescribed by law, the attached statements and schedules as said tentative budget, together with a copy of this Resolution as notice of the meetings of the City Council, to wit:

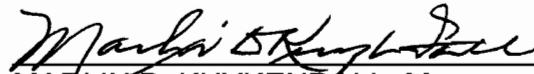
- A. That the City Council will meet on the 22nd day of June, 2010, at 3:00 P.M., in the Council Chambers of the Municipal Offices Building, 201 South Cortez Street, Prescott, Arizona, at a Regular Meeting to hold a public hearing when and where any citizen may appear and be heard or submit written comments in favor of or against any proposed use within the budget, expenditure limitation, or the tax levy; at said time and place or after said hearing for the purpose of finally adopting the budget and establishment of the expenditure limitation for the fiscal year 2010-11 for the City of Prescott. The proposed budget may be examined on weekdays at 201 South Cortez Street, Prescott, Arizona, between 8:00 A.M. and 5:00 P.M.
- B. That the City Council will further meet at a Special Meeting on the 13th day of July, 2010, at 3:00 P.M. in the Council Chambers of the Municipal Building, 201 South Cortez Street, Prescott, Arizona, for the purpose of

adopting the property tax levy for fiscal year 2010-11 for the City of Prescott.

SECTION 3. THAT, upon the recommendation by the City Manager and with the approval of the Council, expenditures may be made from the appropriation for contingencies. The transfers of any sums within or without any specific appropriations shall conform to Article VI, Section 11, Prescott City Charter.

SECTION 4. THAT, money from any fund may be used for any of these appropriations except money specifically restricted by State Law, City Charter, codes, ordinance, or resolution.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 8<sup>th</sup> day of June, 2010.

  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

  
ELIZABETH A. BURKE, City Clerk

  
GARY D. KIDD, City Attorney

**CITY OF PRESCOTT, ARIZONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2011**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2010	ACTUAL EXPENDITURES/EXPENSES ** 2010	FUND BALANCE/ NET ASSETS*** July 1, 2010**	PROPERTY TAX REVENUES 2011	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2011	OTHER FINANCING 2011		INTERFUND TRANSFERS 2011		TOTAL FINANCIAL RESOURCES AVAILABLE 2011	BUDGETED EXPENDITURES/EXPENSES 2011
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 31,112,233	\$ 30,166,088	\$ 18,373,655	\$ 1,251,978	\$ 27,659,851	\$	\$	\$ 300,000	\$ (1,026,670)	\$ 48,612,154	\$ 31,628,601
2. Special Revenue Funds	53,628,238	29,874,130	17,195,311		26,768,837	8,013,193		1,274,106	(477,611)	53,729,058	39,218,402
3. Debt Service Funds Available	1,986,840	1,986,840	224,111	1,573,160	427,331					2,224,602	1,985,491
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	1,986,840	1,986,840	224,111	1,573,160	427,331					2,224,602	1,985,491
6. Capital Projects Funds											
7. Permanent Funds	100,000	85,000	791,126		10,000					801,126	110,000
8. Enterprise Funds Available	84,190,196	43,374,366	35,918,505		39,408,202	46,008,668		170,234	(240,059)	121,745,668	71,055,479
9. Less: Designation for Future Debt Retirement											
10. Total Enterprise Funds	84,190,196	43,374,366	35,918,505		39,408,202	46,008,668		170,234	(240,059)	121,745,668	71,055,479
11. Internal Service Funds	9,801,186	8,719,095	8,124,693		6,491,806					14,616,499	8,933,733
12. TOTAL ALL FUNDS	\$ 180,818,693	\$ 114,205,519	\$ 80,627,401	\$ 2,825,138	\$ 100,766,027	\$ 54,021,861	\$	\$ 1,744,340	\$ (1,744,340)	\$ 241,729,107	\$ 152,931,705

**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 or voter-approved alternative expenditure limitation

	2010	2011
1. Budgeted expenditures/expenses	\$ 180,818,693	\$ 152,931,705
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	180,818,693	152,931,705
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 180,818,693	\$ 152,931,705
6. EEC or voter-approved alternative expenditure limitation	\$	\$

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in 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 in this column represent Fund Balance/Net Asset amounts except for amounts invested in capital assets, net of related debt, and reserved/restricted amounts established as offsets to assets presented for informational purposes (i.e., prepaids, inventory, etc.).

**CITY OF PRESCOTT, ARIZONA**  
**Summary of Tax Levy and Tax Rate Information**  
**Fiscal Year 2011**

	<b>2010</b>	<b>2011</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 1,338,494	\$ 1,383,159
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 1,235,701	\$ 1,251,978
B. Secondary property taxes	1,646,680	1,573,160
C. Total property tax levy amounts	\$ 2,882,381	\$ 2,825,138
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 1,203,915	
(2) Prior years' levies	31,786	
(3) Total primary property taxes	\$ 1,235,701	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 1,599,529	
(2) Prior years' levies	47,151	
(3) Total secondary property taxes	\$ 1,646,680	
C. Total property taxes collected	\$ 2,882,381	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.1695	0.1737
(2) Secondary property tax rate	0.2002	0.2093
(3) Total city/town tax rate	0.3697	0.3830

B. Special assessment district tax rates  
Secondary property tax rates - As of the date the proposed budget was prepared, the City of Prescott did not operate any special districts for which secondary property taxes are levied.

\* 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.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Fund Type of Revenues Other Than Property Taxes**  
**Fiscal Year 2011**

SOURCE OF REVENUES	ESTIMATED REVENUES 2010	ACTUAL REVENUES* 2010	ESTIMATED REVENUES 2011
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
Privilege and Use Tax	\$ 12,677,500	\$ 11,943,100	\$ 11,922,500
Franchise Taxes	1,608,902	1,673,000	1,700,240
<b>Licenses and permits</b>	<b>397,750</b>	<b>304,243</b>	<b>300,750</b>
<b>Intergovernmental</b>			
State	10,812,411	10,739,981	9,261,684
Local Jurisdictions	2,344,708	2,101,656	2,392,833
<b>Charges for services</b>	<b>540,720</b>	<b>918,739</b>	<b>1,150,800</b>
<b>Fines and forfeits</b>	<b>442,500</b>	<b>468,842</b>	<b>455,500</b>
<b>Interest on investments</b>	<b>200,000</b>	<b>200,000</b>	<b>350,000</b>
<b>In-lieu property taxes</b>	<b>74,142</b>	<b>73,280</b>	<b>73,280</b>
<b>Miscellaneous</b>	<b>324,124</b>	<b>75,314</b>	<b>52,264</b>
<b>Total General Fund</b>	<b>\$ 29,422,757</b>	<b>\$ 28,498,155</b>	<b>\$ 27,659,851</b>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Highway User Revenue Fund</b>			
Intergovernmental - State	\$ 3,118,684	\$ 3,034,402	\$
Intergovernmental - Local Jurisdictions	284,544	255,209	
Miscellaneous	232,721	231,361	
<b>Total Highway User Revenue Fund</b>	<b>\$ 3,635,949</b>	<b>\$ 3,520,972</b>	<b>\$</b>
<b>Streets and Open Space Fund</b>			
Streets and Open Space Tax	\$ 12,195,000	\$ 11,470,000	\$ 11,450,000
Intergovernmental - Federal		12,737	478,000
Intergovernmental - State	1,000,000	1,510,000	3,017,275
Intergovernmental - County	2,010,000	1,500,000	1,487,924
Interest Earned	120,000	50,000	51,000
Intergovernmental - Local Jurisdictions	157,420	1,893	124,149
Miscellaneous	480,000	369,989	1,539,011
<b>Total Local Transportation Assistance Fund</b>	<b>\$ 15,962,420</b>	<b>\$ 14,914,619</b>	<b>\$ 18,147,359</b>
<b>Transient Occupancy Tax</b>			
Transient Occupancy Tax	\$ 491,817	\$ 447,553	\$ 460,980
Fees/Donations	38,000	59,000	82,000
Miscellaneous	100	1,308	
<b>Total Transient Occupancy Tax Fund</b>	<b>\$ 529,917</b>	<b>\$ 507,861</b>	<b>\$ 542,980</b>
<b>Capital Improvement Fund</b>			
Interest Earned	\$ 250,000	\$ 150,000	\$
Miscellaneous	500	29,700	
<b>Total Capital Improvement Fund</b>	<b>\$ 250,500</b>	<b>\$ 179,700</b>	<b>\$</b>
<b>Impact Fees Fund</b>			
Impact Fees	\$ 322,700	\$ 668,850	\$ 645,400
Miscellaneous	97,820	75,235	75,235
<b>Total Impact Fees Fund</b>	<b>\$ 420,520</b>	<b>\$ 744,085</b>	<b>\$ 720,635</b>
<b>Grants Fund</b>			
Miscellaneous Grants	13,512,539	1,360,679	7,357,863
<b>Total Grants Fund</b>	<b>\$ 13,512,539</b>	<b>\$ 1,360,679</b>	<b>\$ 7,357,863</b>
<b>Total Special Revenue Funds</b>	<b>\$ 34,311,845</b>	<b>\$ 21,227,916</b>	<b>\$ 26,768,837</b>

\* 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.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Fund Type of Revenues Other Than Property Taxes**  
**Fiscal Year 2011**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2010</b>	<b>ACTUAL REVENUES* 2010</b>	<b>ESTIMATED REVENUES 2011</b>
<b>DEBT SERVICE FUNDS</b>			
Special Assessments	\$ 332,151	\$ 332,151	\$ 337,151
Interest Earned	121,464	106,464	90,180
<b>Total Debt Service Funds</b>	<b>\$ 453,615</b>	<b>\$ 438,615</b>	<b>\$ 427,331</b>
<b>PERMANENT FUNDS</b>			
Acker Trust	25,000	10,000	10,000
	\$ 25,000	\$ 10,000	\$ 10,000
<b>Total Permanent Funds</b>	<b>\$ 25,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>
<b>ENTERPRISE FUNDS</b>			
Water Fund	\$ 16,040,675	\$ 13,864,032	\$ 15,267,790
Wastewater Fund	6,958,609	7,006,315	8,338,096
Solid Waste/Transfer Station Fund	9,400,449	8,642,331	8,276,042
Golf Course Fund	3,377,007	2,771,893	2,965,117
Airport Fund	2,960,681	1,633,412	4,502,107
Parking Garage Fund	64,500	57,732	59,050
<b>Total Enterprise Funds</b>	<b>\$ 38,801,921</b>	<b>\$ 33,975,715</b>	<b>\$ 39,408,202</b>
<b>INTERNAL SERVICE FUNDS</b>			
Central Garage Fund	\$ 3,709,176	\$ 3,845,618	\$ 1,601,468
Self-Insurance Fund	2,044,627	2,023,677	2,046,517
Facilities Maintenance Fund	990,793	991,293	956,047
Engineering Fund	1,903,222	1,820,479	1,887,774
<b>Total Internal Service Funds</b>	<b>\$ 8,647,818</b>	<b>\$ 8,681,067</b>	<b>\$ 6,491,806</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 111,662,956</b>	<b>\$ 92,831,468</b>	<b>\$ 100,766,027</b>

\* 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.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2011**

<b>FUND</b>	<b>OTHER FINANCING 2011</b>		<b>INTERFUND TRANSFERS 2011</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>GENERAL FUND</b>				
	\$	\$	\$ 300,000	\$ (1,026,670)
<b>Total General Fund</b>	\$	\$	\$ 300,000	\$ (1,026,670)
<b>SPECIAL REVENUE FUNDS</b>				
Streets and Open Space Fund	\$ 8,013,193	\$	\$ 400,059	\$ (300,000)
Impact Fee Funds				(160,000)
Transient Occupancy Tax				(17,611)
Grants Fund			874,047	
<b>Total Special Revenue Funds</b>	\$ 8,013,193	\$	\$ 1,274,106	\$ (477,611)
<b>ENTERPRISE FUNDS</b>				
Water Fund	\$ 10,808,668	\$	\$	\$
Wastewater Fund	35,200,000			
Solid Waste Fund				(240,059)
Parking Garage			17,611	
Golf Course Fund				
Airport Fund			152,623	
<b>Total Enterprise Funds</b>	\$ 46,008,668	\$	\$ 170,234	\$ (240,059)
<b>TOTAL ALL FUNDS</b>	<b>\$ 54,021,861</b>	<b>\$</b>	<b>\$ 1,744,340</b>	<b>\$ (1,744,340)</b>

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Department of Expenditures/Expenses Within Each Fund Type**  
**Fiscal Year 2011**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2010	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2010	ACTUAL EXPENDITURES/ EXPENSES* 2010	BUDGETED EXPENDITURES/ EXPENSES 2011
<b>GENERAL FUND</b>				
City Council	\$ 55,941	\$	\$ 54,278	\$ 118,134
City Clerk	75,150	40,000	105,815	172,987
City Court	525,193		507,098	523,160
City Manager	1,760,663		1,675,149	2,923,062
Legal Department	277,292		268,664	306,928
Budget & Finance	1,746,610		1,370,172	749,922
Administrative Services	236,756		214,978	908,976
Community Development	1,638,460		1,619,540	1,618,515
Parks, Recreation & Library	5,452,628		5,367,755	5,361,906
Police Department	9,863,514	(240,000)	9,509,290	9,067,321
Fire Department	7,045,674	200,000	7,184,388	6,911,841
Regional Communications	2,434,352		2,288,962	2,965,848
<b>Total General Fund</b>	<b>\$ 31,112,233</b>	<b>\$</b>	<b>\$ 30,166,088</b>	<b>\$ 31,628,601</b>
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Fund	\$ 3,882,857	\$	\$ 3,649,120	\$
1% Streets and Open Space	29,388,936		20,297,821	29,332,099
Transient Occupancy Tax	594,393		462,507	656,643
Capital Improvement Fund	4,614,042		3,696,282	
Impact Fee Fund	191,700		100,000	825,000
Grants Fund	14,956,310		1,668,400	8,404,660
<b>Total Special Revenue Funds</b>	<b>\$ 53,628,238</b>	<b>\$</b>	<b>\$ 29,874,130</b>	<b>\$ 39,218,402</b>
<b>DEBT SERVICE FUNDS</b>	<b>\$ 1,986,840</b>	<b>\$</b>	<b>\$ 1,986,840</b>	<b>\$ 1,985,491</b>
<b>PERMANENT FUNDS</b>				
Trust Funds	100,000		85,000	110,000
<b>Total Permanent Funds</b>	<b>\$ 100,000</b>	<b>\$</b>	<b>\$ 85,000</b>	<b>\$ 110,000</b>
<b>ENTERPRISE FUNDS</b>				
Water Fund	\$ 55,707,840	\$	\$ 21,595,240	\$ 39,000,607
Wastewater Fund	12,880,361		8,062,928	16,490,321
Solid Waste/Transfer Station Fund	9,082,788		8,467,303	8,047,453
Golf Course Fund	3,372,782		3,320,820	2,964,510
Airport Fund	3,069,265		1,851,322	4,476,306
Parking Garage Fund	77,160		76,753	76,282
<b>Total Enterprise Funds</b>	<b>\$ 84,190,196</b>	<b>\$</b>	<b>\$ 43,374,366</b>	<b>\$ 71,055,479</b>
<b>INTERNAL SERVICE FUNDS</b>				
Central Garage Fund	\$ 4,689,818	\$	\$ 3,927,555	\$ 4,099,615
Self-Insurance Fund	2,223,627		1,983,677	2,006,493
Engineering Fund	1,898,948		1,819,879	1,861,925
Facilities Maintenance Fund	988,793		987,984	965,700
<b>Total Internal Service Funds</b>	<b>\$ 9,801,186</b>	<b>\$</b>	<b>\$ 8,719,095</b>	<b>\$ 8,933,733</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 180,818,693</b>	<b>\$</b>	<b>\$ 114,205,519</b>	<b>\$ 152,931,705</b>

\* 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.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Department of Expenditures/Expenses**  
**Fiscal Year 2011**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2010</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2010</b>	<b>ACTUAL EXPENDITURES/ EXPENSES * 2010</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2011</b>
<b>Public Works:</b>				
1% Streets and Open Space	\$ 29,388,936	\$	\$ 20,297,821	\$ 25,426,271
Streets (HURF) Fund	2,582,799		2,554,781	
Engineering	1,898,948		1,819,879	1,861,925
Water Fund	55,707,840		21,595,240	39,000,607
Wastewater Fund	12,880,361		8,062,928	16,490,321
<b>Department Total</b>	<b>\$ 102,458,884</b>	<b>\$</b>	<b>\$ 54,330,649</b>	<b>\$ 82,779,124</b>
<b>Field Operations:</b>				
Streets (HURF) Fund	\$ 1,300,058	\$	\$ 1,094,339	\$
1% Streets and Open Space				3,863,078
Solid Waste/Transfer Station	9,082,788		8,467,303	8,047,453
<b>Department Total</b>	<b>\$ 10,382,846</b>	<b>\$</b>	<b>\$ 9,561,642</b>	<b>\$ 11,910,531</b>

\* 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.