

PRESCOTT CITY COUNCIL WORKSHOP A G E N D A

**PRESCOTT CITY COUNCIL
WORKSHOP
TUESDAY, JANUARY 19, 2010
1:30 P.M.**

**Prescott City Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its **Workshop** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

◆ **CALL TO ORDER**

◆ **ROLL CALL:**

MAYOR AND CITY COUNCIL:

Mayor Kuykendall
Councilman Blair
Councilman Hanna
Councilman Lamerson

Councilwoman Linn
Councilwoman Lopas
Councilwoman Suttles

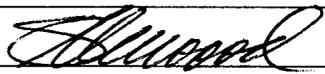
1. [Presentation on Midyear Budget Report.](#)
2. Adjournment.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ .m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Elizabeth A. Burke, City Clerk

COUNCIL AGENDA MEMO – January 19, 2010
DEPARTMENT: FINANCE
AGENDA ITEM: Midyear Budget Report

Approved By:	Date:
Department Head:	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood 	<i>01/12/10</i>

Summary

This workshop will review the 2010 budget and performance through the first six months of the year. This discussion provides an overview of the City's thirty budgetary departments in nineteen different funds. A fund is an accounting entity defined as a self-balancing set of accounts and a budgetary department is a functional unit that the Council has appropriated monies to in the budgetary process.

The funds and departments are divided into two broad categories, Proprietary and Governmental.

Proprietary

There are ten proprietary funds each of which is its own budgetary department. Proprietary funds are used to report functions for which a user fee is charged to cover the cost of providing the goods or services. If the customers are external to the organization enterprise funds are used and if the customers are internal to the organization internal service funds are used.

Enterprise funds

- 1. Water
- 2. Wastewater
- 3. Solid Waste/Transfer Station
- 4. Golf Course
- 5. Airport
- 6. Parking Garage

Internal Service funds

- 1. Central Garage
- 2. Self-Insurance
- 3. Engineering
- 4. Facilities Maintenance

Governmental

The other nine funds and twenty budgetary departments are considered governmental because their primary funding source is taxes and their function is governmental in nature. As a comparison, in a proprietary fund you use water and pay a fee based on the amount of water used; in a governmental fund taxes are assessed and there is no direct correlation to the amount of taxes you pay and the amount of services you receive.

These governmental funds are divided into three types: Debt Service, Special Revenue and General.

Debt Service fund

The Debt Service fund is used to account for the retirement of debt where there is a dedicated funding source accumulated to meet future debt service requirements. The City uses a debt service fund to account for general obligation bonds, repaid with secondary property tax, and special assessment bonds, repaid by assessments on individual parcels.

Special Revenue funds

Seven of our funds and budgetary departments are considered Special Revenue funds because the proceeds of specific revenue sources are restricted or committed to expenditures for specific purposes or for a grant. Here are the funds and their restrictions:

1. Highway User-transportation
2. 1% Streets and Open Space-transportation and open space
3. Transient Occupancy Tax-tourism promotion and recreation development
4. Capital Improvement-economic development and capital facilities
5. Impact Fees-purpose the impact fee was assessed
6. Grants-purpose of the grant
7. Acker-purpose in the trust document

General Fund

The General Fund accounts for all financial resources except those required to be accounted for in the previously discussed funds. The primary source of funding is taxes, both locally collected and those collected by other governments on behalf of the City. In addition to the taxes, there are some minor user fees accounted for in this fund. Several of the administrative functions accounted for in this fund are partially funded by the other funds of the City. The twelve budgetary departments accounted for in this fund are:

AGENDA ITEM: Midyear Budget Report

1. City Council
2. City Clerk
3. City Court
4. City Manager
5. Legal Department
6. Budget & Finance
7. Administrative Services
8. Community Development
9. Parks, Recreation and Library
10. Police
11. Fire
12. Regional Communications

During this workshop we will review the fiscal year 2010 budget and the activities in the first six months as well as the budget challenges that we are facing.