

# City of Prescott Fiscal Year 2014 Budget

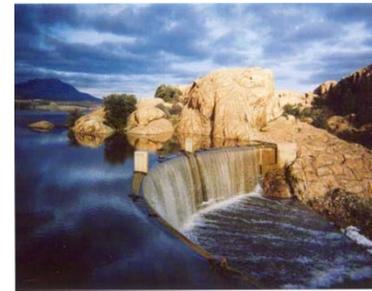


**Budget Workshop – May 21, 2013**



# Prescott – A Full Service City

- Police and Fire
- Solid Waste
- Streets
- Utilities
- Airport
- Parks & Recreation
- Planning & Building
- Library



CITY OF **PRESCOTT**  
ARIZONA  
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# Approach to Building the FY 14 Budget

- ❑ Balance the FY 14 budget without significant reductions in services/levels of services
- ❑ Critically review and implement organizational alternatives for fulfilling departmental missions more effectively/efficiently
- ❑ Anticipate formulation during FY 14 of an Airport area-focused economic development vision and strategies integrating the “inside the fence” Airport property and the facilities development Master Plan, proximate privately owned properties, and ERAU
- ❑ Identify and pursue entrepreneurial opportunities for net new revenue generation
- ❑ Update the City’s tourism development approach; consider “next level” opportunities and investment funding mechanisms; transition from General Fund support
- ❑ Work closely with the Yavapai County Board of Supervisors on items of mutual interest
- ❑ Commence review of public safety response models, in particular fire suppression and EMS services, to identify cost reduction opportunities

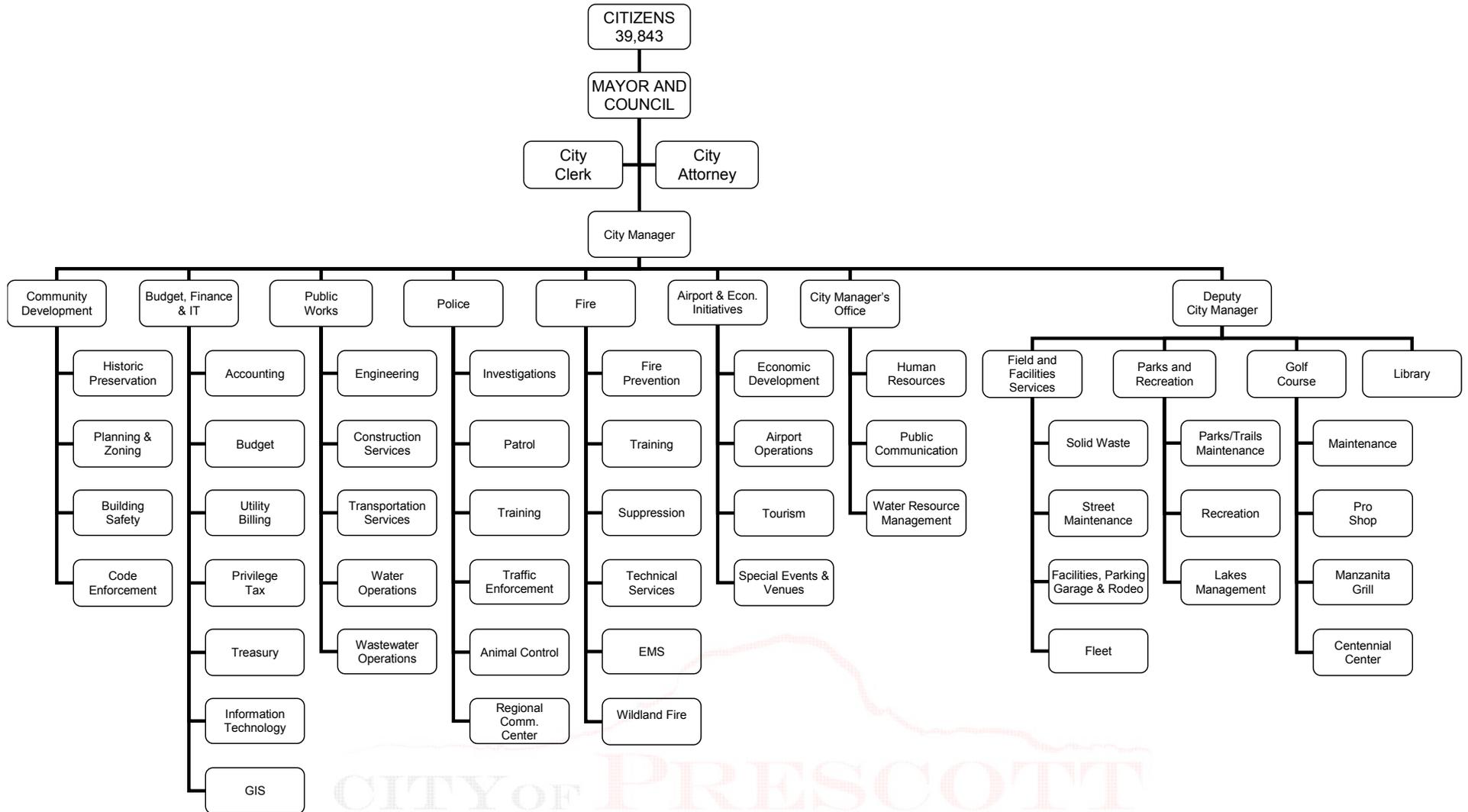


# FY 14 Budget Process to Date

- 2/05/13 FY 13 Mid-Year Budget Review
- 2/12/13 Public Works Capital Program Update
- 3/19/13 Airport – Vision/Strategies & Economic Dev. Focus
- 4/02/13 Arizona Municipal Risk Retention Pool Presentation
- 5/07/13 Preliminary Discussion of FY 14 Budget
- 5/21/13 Annual Budget Workshop



# FY 2014 City of Prescott Organization



# FY 2014

## Key Budget Issues and Considerations

- ❑ Stabilization and growth of the regional, state, and national economies
- ❑ Transaction Privilege Tax (TPT) – the financial impact of “reform” legislation, if passed, on municipalities (General Fund; Streets)
- ❑ Property tax capacity and revenue stream diversification
- ❑ Employee pay and benefits; compression; funding/ impact of mandated public safety retirement system increase
- ❑ Airport Area – “revisioning,” annexations, economic development, Antelope Hills Golf Course
- ❑ Tourism - the continuing importance to the City economy; keeping downtown attractive; identifying new venues for selected existing and new events (e.g., Watson Lake)
- ❑ Public safety response alternatives, particularly EMS
- ❑ Strengthening relationships with regional partners

# Personnel, Pay, and Benefits



# Retirement Costs, Overtime, and Assignment Pay

	FY 13 Rate	FY 14 Rate	Increase in Contribution Rates	Estimated Increase in FY 14 Budget	Estimated Average Increase per Employee	Estimated Average Annual Cost per Employee	Average Overtime per Employee	Average Assignment Pay per Employee
<u>Az State Retirement System</u>								
(Employees 368)								
City	11.14%	11.54%	0.40%	\$ 78,000	\$ 182	\$ 5,239	\$ 1,643	(See Note 1)
Employee	11.14%	11.54%	0.40%		182	5,239		
<u>Public Safety Retirement System</u>								
Fire (Employees 66)								
City	33.92%	43.47%	9.55%	\$ 303,000	\$ 6,055	\$ 27,560	\$ 3,491	\$ 3,670
Employee	9.55%	10.35%	0.80%		507	6,562	(See Note 2)	
Police (Employees 71)								
City	41.18%	43.98%	2.80%	\$ 119,000	\$ 1,803	\$ 26,294	\$ 4,576	\$ 2,700
Employee	9.55%	10.35%	0.80%		515	6,188		
Total				<u>\$ 500,000</u>				

## Notes

- Eleven non-PSRS employees each receive assignment pay up to \$2,080 per year (1 bilingual in City Court; and 2 bilingual, 4 lead workers, and 4 trainers in Regional Dispatch)
- \$3,491 is for unscheduled overtime only. Average total overtime per employee consisting of [scheduled shift] + [unscheduled] = \$5,456.

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# Pay and Benefits for FY 14

- ❑ The City will continue to be competitive as an employer among its municipal peers
- ❑ Changes in FY 14 to the cost of health insurance and coverages provided through the Yavapai Combined Trust will be minor
- ❑ The City's Pay Plan will be increasingly market-driven, resembling those of comparable governments
  - Occupational families which are unique or nearly unique to the public sector compete with similar governments (public safety, parks and recreation, library)
  - Others compete in broader public-private markets (administrative personnel, engineers, inspectors, equipment operators, other trades)
- ❑ Our public safety pay plans have traditionally been structured as a series of fixed % steps
- ❑ Non-public safety pay has been based upon ranges (max and min) for each job type, through which employees move via merit increases

## Pay and Benefits for FY 14 (cont'd)

- ❑ The last year of a City cost of living adjustment was FY 08; merit and step increases were suspended after FY 09
- ❑ Pay compression throughout the City workforce is an issue which needs to be addressed
- ❑ Work-related training and travel is included in each departmental budget
- ❑ Education assistance for personal development not directly related to an employee's job was last funded in FY 08 at \$50,000 total (including \$30,000 for General Fund departments)
- ❑ This draft FY 14 budget does not include funding for tuition assistance; should there be interest in resumption of this benefit, it could be considered in FY 15



# Employee Pay Adjustments for FY 14

*As discussed at the May 7<sup>th</sup> Workshop, the ability to fund FY 14 pay adjustments such as the following will depend upon both the primary property tax levy of the City, and whether the Arizona Legislature changes construction sales tax to point of sale and/or makes other major modifications. Specific percentages can be recommended to Council prior to adoption of the final budget, as both of these factors become more certain.*

## Public Safety (PSPRS Personnel)

- Retain the step plan for sworn Police Officers and Firefighters; evaluate whether to retain step plan for FY 15 Budget
- Apply a variable compression percentage increase based on year of hire (FY 12 or earlier) – effective the first pay period in FY 14 (July 2013)

## Other Departments (ASRS Personnel)

- Apply a variable compression percentage increase based on year of hire (FY 12 or earlier) – effective the first pay period in FY 14 (July 2013)
- Make available a second component of funding for merit increases, budgeted at 75% of the total personnel (awarded to employees with superior performance)

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# Position Changes - FY 14 Budget

## General Fund

### New (3.0)

- ½ Secretary - City Clerk
- ¾ Public Safety Specialist (Investigations) to full-time – Police
- 1 Administrative Specialist (Quartermaster) – Police
- ¾ Marketing Coordinator to full-time Group Sales Manager – Tourism (Bed Tax)
- 1 Risk Management Technician - Legal

### Eliminated (2.0)

- 1 Elks Business Manager – Economic Enterprises
- 1 CDBG Grants Administrator to ½ time – Community Development
- ½ Administrative Assistant – Finance

Net: 1 Position Added

## Other Funds

### New (3.25)

- 1 Operations & Maintenance Supervisor – Airport
- 1 Water Protection Inspector (Pre-Treatment) – Water
- 1 Environmental Coordinator (NPDES/Stormwater) – Streets
- ¼ Utility Billing specialist – Finance (Water)

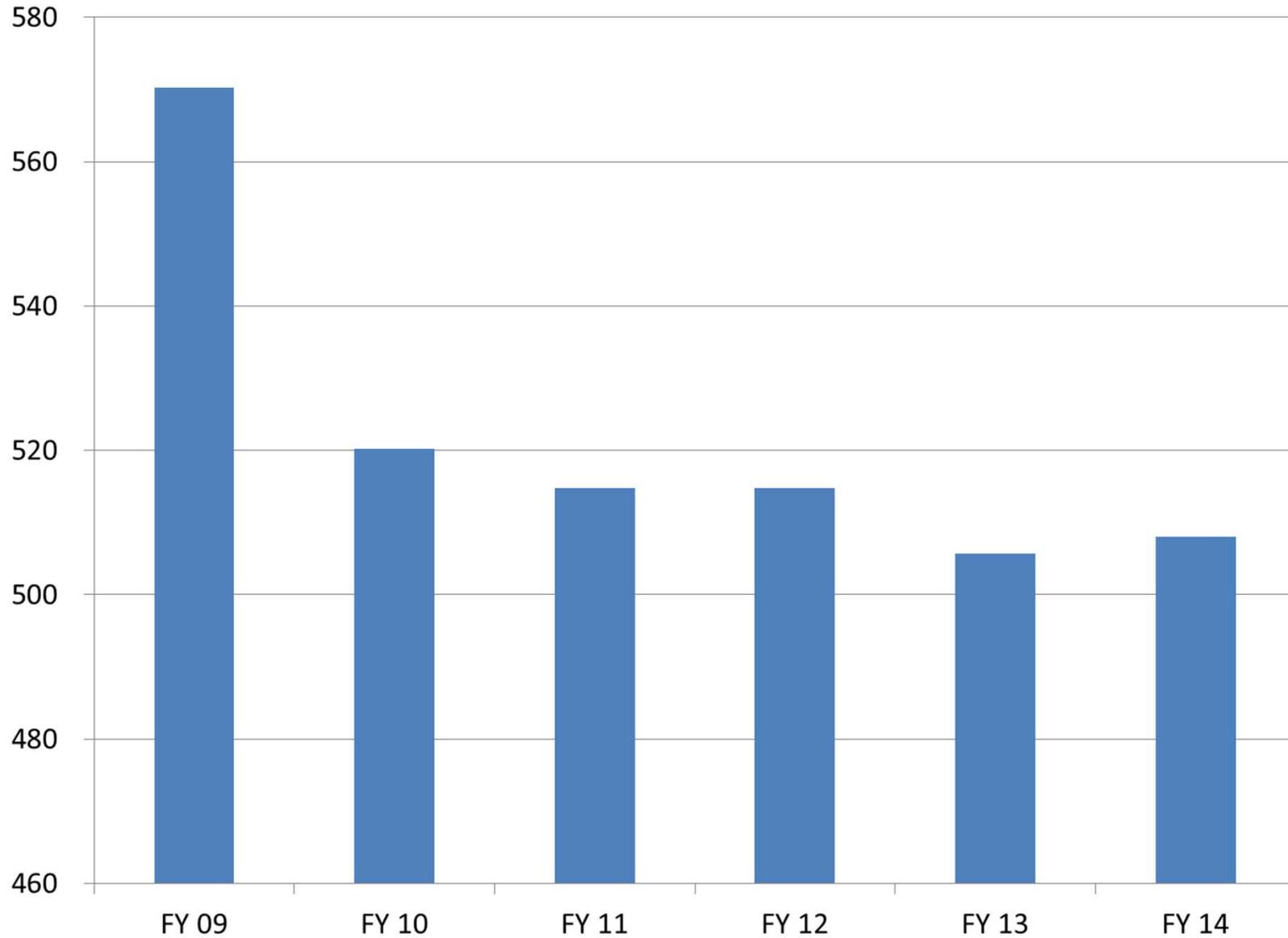
### Eliminated (2.0)

- 1 Risk Manager – Risk
- 1 Risk Management Analyst - Risk

Net: 1.25 Positions Added

**FY 14 Total Personnel = 508**

# Total Full Time Equivalent Positions



# General Fund



# General Fund

## Key Items, Issues, and Considerations

- ❑ The funding structure is severely limited by state law
- ❑ Continued attacks on funding sources and revenue amounts by the Arizona Legislature through tax code revisions and changes to state-shared revenue distributions
- ❑ 86% of the General Fund revenue comes from City and State assessed taxes which have no correlation to service demand
- ❑ 69% of General Fund expenses are for public safety, year after year pressuring other City programs and services directly related to the overall quality of life in our community
- ❑ Trauma Intervention Program – increase of \$10,000 to \$23,906/year
- ❑ Regional economic development – GPREP request for \$40,000
- ❑ New five-year IGA with Yavapai County for Consolidated Court
- ❑ Yavapai Humane Society request for: (1) sheltering services contract increase from \$59,334 to \$77,700/year; and (2) additional \$15,000 to complete new building
- ❑ Financial support required for Airport infrastructure and operations
- ❑ Downtown parking enforcement hardware (MDC)/software

# General Fund Revenue and Sources



# General Fund Revenues

	FY 2013 Budget	FY 2014 Budget	% Chg Budget	% of Total
<b>Local Taxes</b>				
Sales/Use Tax	\$ 12,625,000	\$ 13,520,000	7.1%	43.4%
Primary Property Tax	1,095,856	1,518,465	38.6%	4.9%
Franchise Taxes	1,719,092	1,658,979	-3.5%	5.3%
<b>Total Local Taxes</b>	<b>15,439,948</b>	<b>16,697,444</b>	<b>8.1%</b>	<b>53.6%</b>
<b>Intergovernmental Revenues</b>				
State Sales Tax	3,331,681	3,442,737	3.3%	11.1%
State Income Tax	4,069,508	4,445,081	9.2%	14.3%
State Vehicle License Tax	2,070,382	2,073,120	0.1%	6.7%
Joint Dispatch	1,226,681	1,215,787	-0.9%	3.9%
Library	582,123	550,931	-5.4%	1.8%
Other	380,816	333,076	-12.5%	1.1%
<b>Total Intergovernmental</b>	<b>11,661,191</b>	<b>12,060,732</b>	<b>3.4%</b>	<b>38.7%</b>
<b>Licenses and Permits</b>	<b>332,600</b>	<b>444,800</b>	<b>33.7%</b>	<b>1.4%</b>
<b>Service Charges</b>	<b>1,277,500</b>	<b>1,104,100</b>	<b>-13.6%</b>	<b>3.5%</b>
<b>Fines and Forfeitures</b>	<b>504,800</b>	<b>476,350</b>	<b>-5.6%</b>	<b>1.5%</b>
<b>Miscellaneous and Interest</b>	<b>475,958</b>	<b>343,958</b>	<b>-27.7%</b>	<b>1.1%</b>
<b>Total General Fund Revenue</b>	<b>\$ 29,691,997</b>	<b>\$ 31,127,384</b>	<b>4.8%</b>	

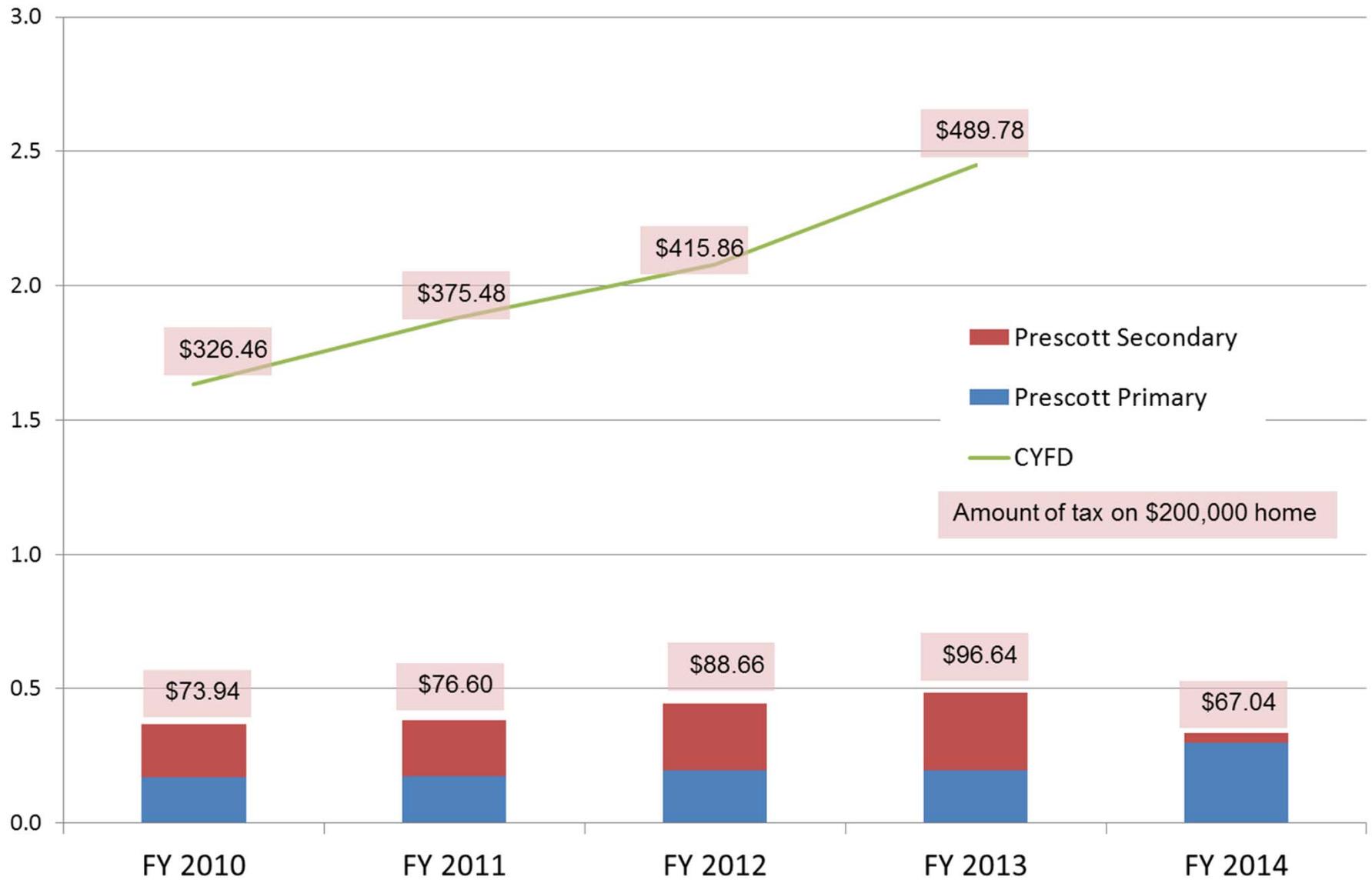
# Property Tax

- ❑ There are significant state limitations on the amount of property tax the City is allowed to assess
- ❑ The City of Prescott assesses two types of property tax
  - Primary, used for general governmental operations, including public safety
  - Secondary, which pays debt service on voter-approved debt (each issue has a specified end date); the City's current secondary property tax pertains to Watson and Willow Lakes
- ❑ Property owners surrounding Prescott do not pay any City property tax (primary or secondary) but for fire protection are subject to Central Yavapai Fire District (CYFD) tax
- ❑ As drafted, Senate Bill 1470 would enable a property tax election specifically to generate public safety funding for a municipality, but not if a property tax is already in place

# Primary Property Tax Capacity and Use

- ❑ Arizona's tax structure makes municipalities extremely reliant on Sales Tax to fund governmental operations, including public safety
- ❑ The proposed \$422,609 increase in primary property tax is comprised of \$160,022 from a reduction in the FY 13 levy and \$262,587 from new construction and the allowed 2% annual growth on the levy which has not been levied by the City
- ❑ Primary property tax proposed to be levied in FY 14 would yield about \$1.5 million, only 5% of the City's \$31.1 million General Fund budget
- ❑ Sales Tax is very dependent on economic fluctuations
- ❑ A diversified revenue/tax structure is critical to sound financial management
- ❑ In the past, the City chose to minimize the amount of primary property tax levied, either for reasons of political philosophy or in recognition of falling property values and/or other adverse economic influences
- ❑ Because of maturity of the initial lakes purchase bond the secondary property tax for FY 14 will be reduced to a minimal amount
- ❑ With this lower secondary property tax, the capacity in the primary property tax which has not been used in prior years can be assessed while still maintaining a substantial reduction in the total property tax paid by Prescott property owners to the City
- ❑ The increase in the primary property tax will help diversify the City's revenue structure to the extent allowable this year under state law

## Property Tax Rates City of Prescott Compared to CYFD



# Property Tax Rate Comparison

## Property Tax on \$200,000 Residence Tax Year 2012

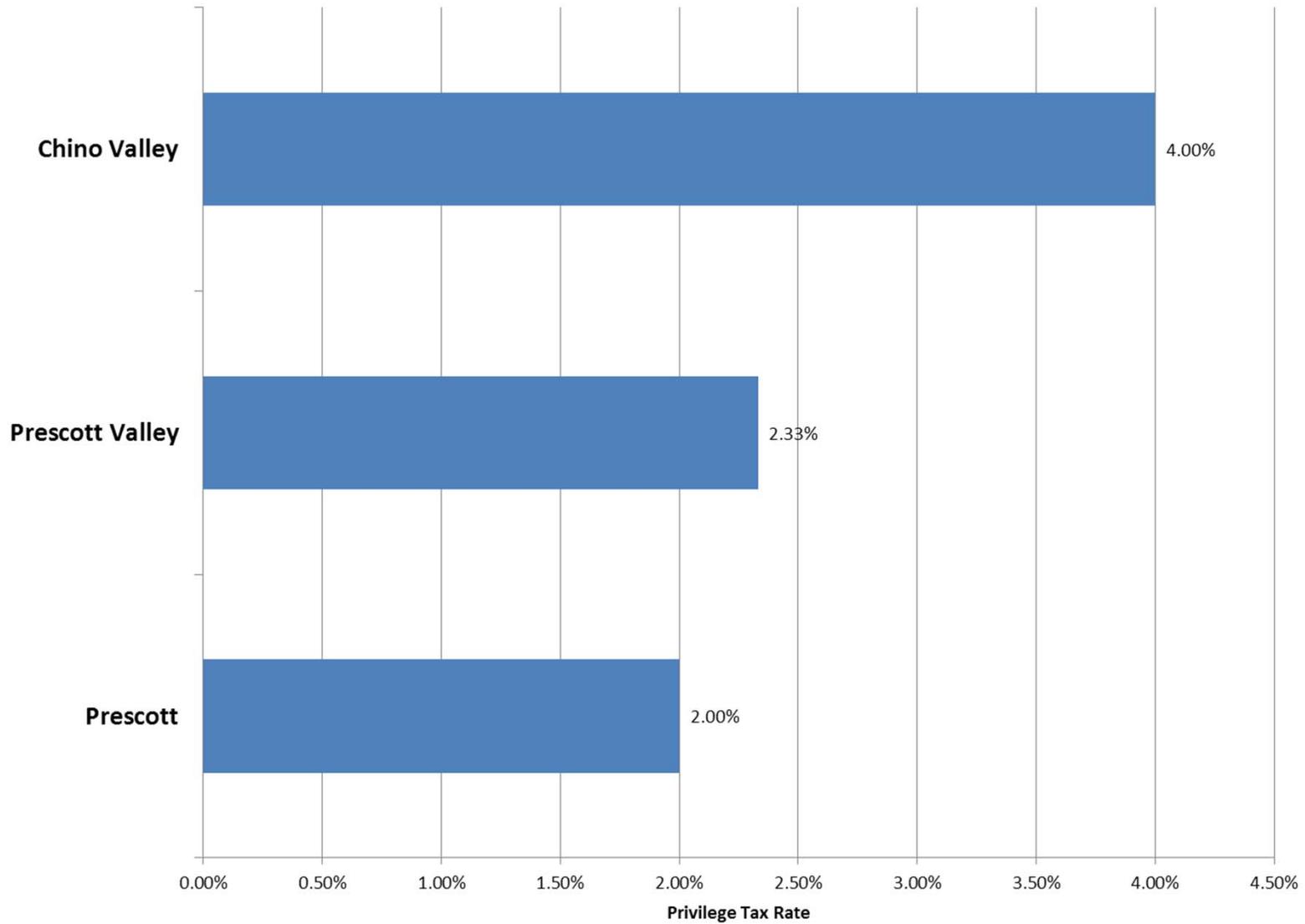
TAXING ENTITY	COUNTY RESIDENCE			CITY RESIDENCE			DIFFERENCE	
	PRIMARY	SECONDARY	TAX DUE	PRIMARY	SECONDARY	TAX DUE		
YAVAPAI COUNTY & AHCCCS/ALTCS	328.52	-	328.52	328.52	-	328.52	-	19.1%
SCHOOL EQUALIZATION	94.34	-	94.34	94.34	-	94.34	-	5.5%
PRESCOTT UNIFIED SCHOOL #1	625.96	76.78	702.74	625.96	76.78	702.74	-	40.8%
JTED	-	10.00	10.00	-	10.00	10.00	-	0.6%
YAVAPAI COMMUNITY COLLEGE	334.50	43.00	377.50	334.50	43.00	377.50	-	21.9%
FIRE DISTRICT ASSISTANCE***	-	20.00	20.00	-	20.00	20.00	-	1.2%
YAVAPAI COUNTY LIBRARY DISTRICT	-	33.20	33.20	-	33.20	33.20	-	1.9%
YAVAPAI FLOOD CONTROL DISTRICT	-	59.26	59.26	-	59.26	59.26	-	3.4%
CENTRAL YAVAPAI FIRE DISTRICT	-	489.78	489.78	-	-	-	(489.78)	0.0%
CITY OF PRESCOTT	-	-	-	39.56	57.08	96.64	96.64	5.6%
<b>TOTAL</b>	<b>1,383.32</b>	<b>732.02</b>	<b>2,115.34</b>	<b>1,422.88</b>	<b>299.32</b>	<b>1,722.20</b>	<b>(393.14)</b>	<b>100.0%</b>

\*\*\*FIRE DISTRICT ASSISTANCE HAS NOTHING TO DO WITH EITHER CYFD OR CITY

	FY12	FY13	DIFFERENCE
City Tax Rate per \$100 Assessed Val.			
Primary Tax Rate	0.1978	0.1978	-
Secondary Tax Rate	0.2455	0.2854	0.0399
<b>Total Tax Rate</b>	<b>0.4433</b>	<b>0.4832</b>	<b>0.0399</b>



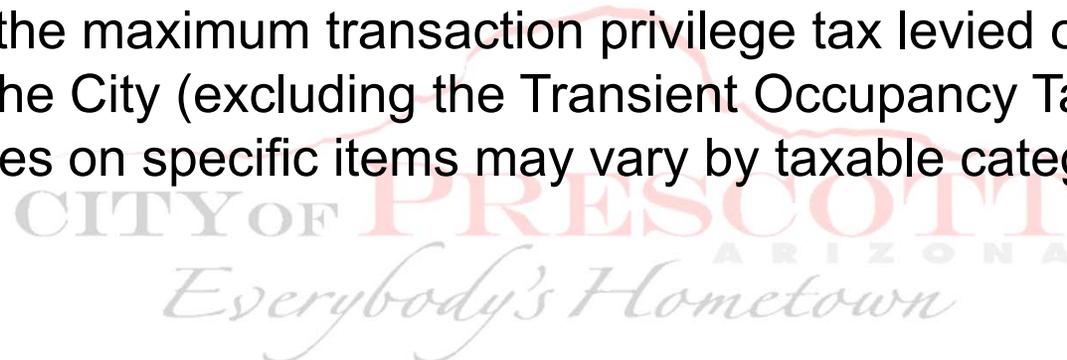
# Local Sales Tax Rate Comparison



# Breakdown of Total Transaction Privilege Tax Levied in Prescott

City ("Local")	General Fund	1.00%
	Streets & Open Space	1.00%
Yavapai County	Regional Roads	0.75%
State of Arizona		<u>5.60%</u>
	Total in Prescott	<u>8.35%</u>
	Total in Prescott Valley	8.68%
	Total in Chino Valley	9.68%

Note: This is the maximum transaction privilege tax levied on sales within the City (excluding the Transient Occupancy Tax of 3%). The rates on specific items may vary by taxable category.



# TPT (Sales Tax) Legislation

## Reform or Further Stressing of Municipalities' Abilities to Provide Services?

### Current Proposal

- ❑ Effective January 2015 (would not affect FY 14 Budget)
- ❑ New FY 14 expenses requiring recurring funding must be considered from standpoint that the funding may not be there in FY 15

### Key Provisions

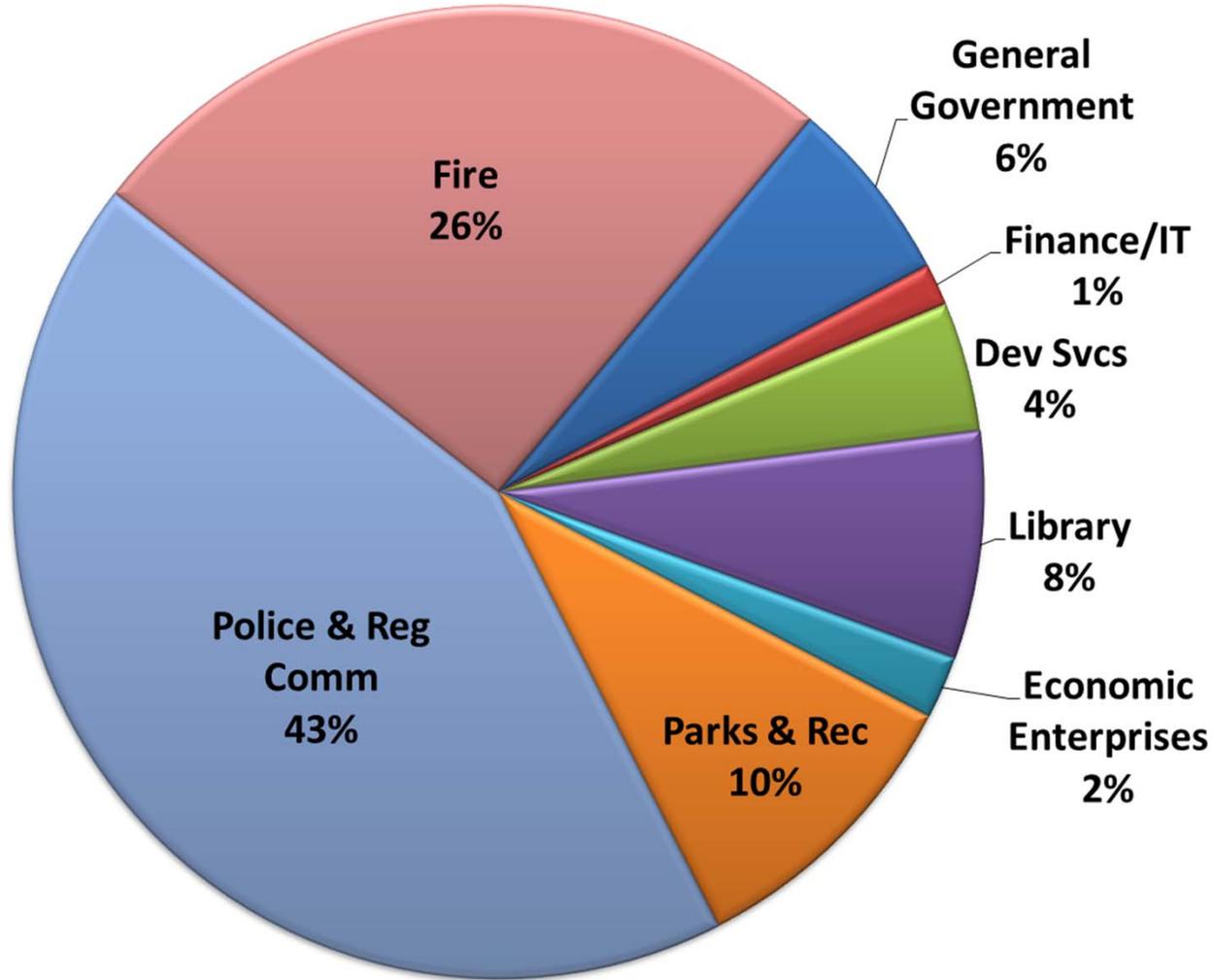
- ❑ Audit and collection authority is retained at local level, with process changes and addition of a statewide portal for online tax remittance
- ❑ Prime contracting is retained for state and local taxation but with a caveat (would have been a \$1.5 Million total hit to City revenue, 50/50 to the General Fund and Streets and Open Space Fund)
- ❑ Service Contractors/Trades are singled out for a tax change exempting them from prime contracting and instead paying a tax on materials at the point of sale. This results in a tax/revenue reduction and slippage to point of sale (outside of City)
- ❑ Factors that influence impact on the City
  - Definition of service types and contractor types – if too broad will create greater slippage from prime contracting
  - Shared Use Tax – If State agrees to share 40% of Use tax, the distribution formula should not be based solely on population, but also point of sale loss

# General Fund Expenditures

## Operating and Capital



# General Fund Operating Expenditures



**Public Safety = 69%**

**Personnel Costs of Total = 76%**

# General Fund

## Operating Expenditures by Department

	FY13	FY14	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
City Council	\$ 39,104	\$ 47,508	21.5%
City Clerk	78,451	109,317	39.3%
City Court	549,961	558,207	1.5%
City Manager (HR, Pub Comm)	697,175	665,299	-4.6%
Legal Department	246,865	373,999	51.5%
Field and Facilities (Rodeo, Pkg Gar)	103,381	104,338	0.9%
Economic Enterprises (Tourism,ED,Spec Events)	1,390,090	1,324,622	-4.7%
Finance/Information Technology	415,008	407,690	-1.8%
Development Services	1,288,728	1,289,307	0.0%
Parks and Recreation	2,926,449	2,896,679	-1.0%
Library	2,248,752	2,260,241	0.5%
Police Department	12,122,646	12,944,215	6.8%
Fire Department	7,045,229	7,745,125	9.9%
<b>Total General Fund Operating</b>	<b><u>\$29,151,839</u></b>	<b><u>\$30,726,547</u></b>	<b>5.4%</b>

# General Fund FY14 Capital Outlay/Projects

<u>Page No.</u>	<u>Description</u>	<u>Budgeted Amount</u>
	<u>General Government</u>	
5	Applicant Tracking System (HR)	\$ 16,000
6	City Hall Conference Room (Council)	5,000
	<u>Field and Facilities</u>	
7	Mackin Building Patio	50,000
C/O	High-Definition Cameras (Parking Garage)	30,000
C/O	Rodeo Grounds Improvements (Carryover)	3,541
	<u>Community Development</u>	
8	Neighborhood Cleanup	12,500
9	General Plan Update (Carryover)	7,000
	<u>Parks &amp; Recreation</u>	
10	Roughrider Parking Lot Pavement Preservation	80,000
11	City Playgrounds ADA Compliance	20,000
12	Partnering Projects	30,000
	<u>Police</u>	
C/O	Digital Evidence Management/Server	69,500
C/O	Mechanical Mobile Evidence Storage System	57,000
C/O	Emergency Services/Alarm Monitoring	41,265
13	PRCC CAD Server Replacement	40,000
14	Night Vision Equipment	32,000
15	Investigations Interview Room Upgrade	15,000
16	Simunition Training Equipment	15,000
C/O	Walk-In Cooler (carryover)	3,000
	<u>Fire</u>	
17	215 N McCormick Remodel	437,277
18	Fire Station Refurbishment	80,000
19	UTV	14,435
	Total General Capital/Projects	<b><u>\$1,058,518</u></b>

# General Fund CIP FY15-19

Page No.	Capital Outlay/Project	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
<b><u>Parks &amp; Recreation</u></b>						
11	City Playgrounds - Compliance w/ADA & National Playground Safety Institute	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ -
20	NJCAA National Soccer Tournament Preparations	15,000	-	-	-	-
21	Watson Lake Park - RV Camping and boat storage	115,000	-	-	-	-
22	50% matching funds - Baseball Tomorrow Fund - Bill Valley Field Lights (lower	63,600	-	-	-	-
23	Connection to City Sewer - Boyle-DeBusk building	-	20,000	-	-	-
24	Heritage Park - Ballfield Light Replacement	-	225,000	-	-	-
25	Grade Tractor	-	80,000	-	-	-
26	Roughrider Park Lower Field Stadium Seating Concrete Cap	-	80,000	-	-	-
27	Willow Lake - southshore parking	-	155,000	-	-	-
28	Goldwater Lake - Original Park - Asphalt Replacement, Drainage Improve, & ADA Parking	-	100,000	-	-	-
29	Gateway Mall Trail connector to Prescott Circle Trail (ROW lease on state land)	-	25,000	-	-	-
30	Park-wide fence replacement (wood - round rail) - Phase I	-	20,000	-	-	-
31	Roughrider Park/Heritage Park Permanent Fence Replacement	-	-	45,000	-	-
32	Community Skatepark - lighting	-	-	45,000	-	-
33	Goldwater Lake Expansion	-	-	500,000	-	-
34	Rosser Street Neighborhood Park	-	-	250,000	-	-
35	Basketball standards replacement - Activity Center	-	-	20,000	-	-
36	Ken Lindley Field - ballfield light replacement	-	-	-	195,000	-
37	Heritage Park - Fields #3 & #4	-	-	-	75,000	-
38	Trailhead for Circle Trail (Northwest Prescott) - State Land Lease	-	-	-	25,000	-
39	Mountain Bike Competitive Track - Pioneer Park	-	-	-	50,000	-
40	Boundary fence replacement - natural parklands	-	-	-	40,000	-
41	Roughrider Park - ballfield light replacement (upper)	-	-	-	130,000	-
42	Willow Creek Park - Upgrades and Irrigation	-	-	-	262,000	-
	<i>Total General Fund Requests</i>	<b>\$ 213,600</b>	<b>\$ 725,000</b>	<b>\$ 880,000</b>	<b>\$ 777,000</b>	<b>\$ -</b>

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# General Fund CIP FY15-19

Page No.	Capital Outlay/Project	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
<b><u>Police/Regional Dispatch</u></b>						
43	Police headquarter building expansion	\$ -	\$3,685,882	\$ -	\$ -	\$ -
44	Walk in freezer maint/replacement	15,000	-	-	-	-
45	Indoor shooting and prop house	22,000	-	-	-	-
46	Dispatch work station additions	-	100,000	-	-	-
47	Command vehicle	-	492,035	-	-	-
48	Police handguns	-	-	40,000	-	-
	Total Police/Regional Dispatch	\$ 37,000	\$4,277,917	\$ 40,000	\$ -	\$ -
<b><u>Fire Department</u></b>						
17	215 N McCormick	450,000	-	-	-	-
49	Cardiac Monitors	300,000	-	-	-	-
18	Station Refurbishment	80,000	80,000	80,000	80,000	80,000
50	Hydraulic Extrication Tool	-	-	15,000	-	-
51	SCBAs	390,000	-	-	-	-
52	Diesel Exhaust Systems Scrubbers	115,000	-	-	-	-
53	Station 7 Parking Lot	45,000	-	-	-	-
54	Auto Locators and Mobile Data Computers	24,000	36,000	15,000	15,000	15,000
55	Radios	20,000	20,000	20,000	20,000	20,000
56	Training Center Exterior Lighting	20,000	-	-	-	-
57	Inflatable Fire Education House	8,300	-	-	-	-
58	BullEx Laser Fire Extinguisher Training Simulator	-	5,600	-	-	-
59	Fire Station 78	-	-	2,450,000	-	-
60	Mobile Fire Safety Training House	-	-	30,000	30,000	-
61	Fire Station 76	-	-	-	1,320,000	-
62	Fire Station 77	-	-	-	-	2,450,000
63	Breathing Air Compressor	-	-	-	-	50,000
	Total Fire Department	\$1,452,300	\$ 141,600	\$2,610,000	\$ 1,465,000	\$ 2,615,000
	Total General Fund	\$1,742,900	\$5,144,517	\$3,530,000	\$ 2,242,000	\$ 2,615,000



# General Fund Unfunded Capital

Page No.	Title	FY2014 Request	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
65	Rodeo Grounds rehab	\$609,357	\$27,300	\$270,000	\$882,532	\$350,000	\$ -



# General Fund Summary

	<b>FY 2013</b>	<b>FY 2014</b>
	<b>Budget</b>	<b>Budget</b>
<b>General Fund Operations</b>		
Revenues	\$ 29,691,997	\$ 31,127,384
Transfers In-Bed Tax(Parking Garage)	20,000	20,000
Total Revenues/Transfers In	29,711,997	31,147,384
Operating Expenditures	29,151,839	30,726,547
<b>Operating Income</b>	<b>560,158</b>	<b>420,837</b>
<b>Capital Expenditure and Transfers Out</b>		
Capital Expenditures	831,961	1,058,518
<b>Transfers Out</b>		
Golf Course	-	4,049,333
Airport Grants Match	236,423	390,452
Governmental Grants Match	356,260	376,431
Total Capital and Transfers Out	1,424,644	5,874,734
<b>Net Change in Fund Balance</b>	<b>(864,486)</b>	<b>(5,453,897)</b>
<b>Fund Balance - Beginning</b>	<b>17,040,296</b>	<b>17,976,466</b>
<b>Fund Balance - Ending</b>	<b>\$ 16,175,810</b>	<b>\$ 12,522,569</b>
<b>Ending Balance - Detail</b>		
Capital Reserve	\$ 4,936,351	\$ 1,003,883
Restricted	8,376,276	8,779,244
Available	2,863,183	2,739,442

# City Council

## Operating Expenditures

	FY 2013	FY 2014	% Chg
	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Personnel Services	\$ 51,483	\$ 49,936	-3.0%
Office Supplies	3,000	3,000	0.0%
Travel	7,500	15,000	100.0%
Other Professional Services	4,000	4,000	0.0%
Postage, Copier Charges and Misc.	8,000	8,000	0.0%
Sharlot Hall Support	10,000	-	-100.0%
Memberships	25,745	30,000	16.5%
Facilities, Computer Service and Other Internal Charges	50,190	54,419	8.4%
Sister Cities	4,500	4,500	0.0%
<b>Total Budget</b>	<u>\$164,418</u>	<u>\$168,855</u>	<u>2.7%</u>
Cost Recovered from Other Revenue Centers	(125,314)	(121,347)	-3.2%
<b>Total General Fund Cost</b>	<u>\$ 39,104</u>	<u>\$ 47,508</u>	<u>21.5%</u>

# Library

## Advisory Committee Recommendations

- Make meeting rooms available to the public at no charge as a basic service provided by the Library (2012 estimate was \$7,500 annual revenue vs. Library budget of \$2.5 million)
- Charge postage recovery fees for interlibrary loans of materials
- Increase the cost of color printing at public access computers from \$0.25 to \$0.50 per page
- Increase the cost of a replacement library card from \$1.00 to \$2.00
- Implement a \$15 fee for proctoring tests (no current fee)
- Retain current late fees (established 2008) for FY 14; consider increase in FY 15

# Special Revenue Funds



# Streets and Open Space Fund

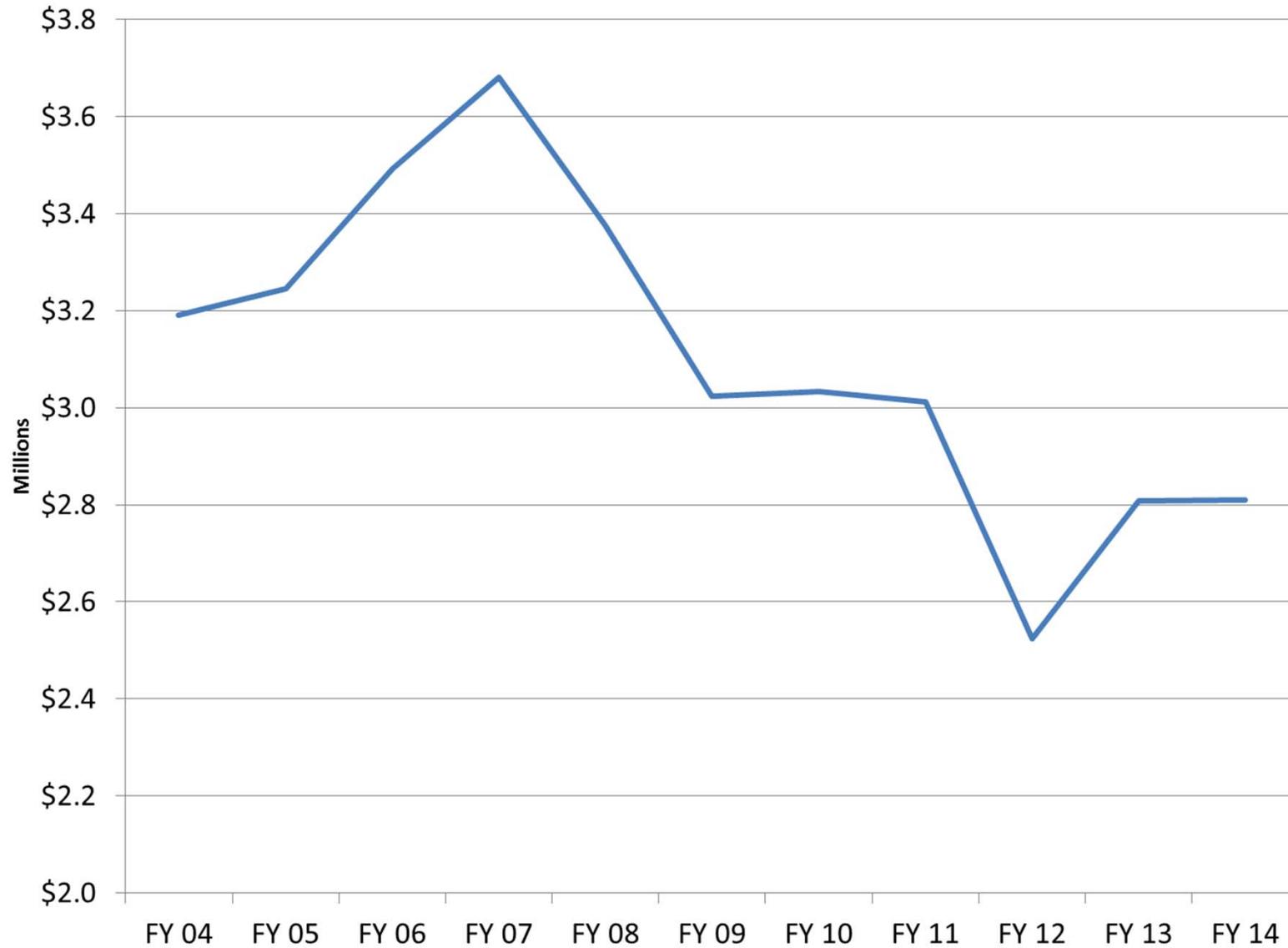


# Streets and Open Space

## Key Items, Issues, and Considerations

- ❑ The one percent (1%) tax will decrease to three-fourths of one percent (0.75%) effective January 1, 2016, and cease to be a funding source for open space acquisition
- ❑ Maintenance and rehabilitation needs are constantly increasing due to the age and condition of our streets
- ❑ While the major capacity (widening) projects on existing arterial streets have been completed, no funding source exists for new streets/capacity either within the current City limits or peripheral growth areas
- ❑ Funding from HURF (fuel taxes collected and distributed by the state) has declined during the last six (6) years
- ❑ The State Highway System is severely underfunded

# HURF Revenue History



# HURF, Streets & Open Space

	FY13 Budget	FY14 Budget	% Change
<b>Revenues</b>			
Sales Tax	\$ 12,076,486	\$ 13,153,000	8.9%
Highway Users Revenue Funds	2,808,792	2,810,513	0.1%
Partnering	960,000	1,897,491	97.7%
Charges for Services	235,889	237,389	0.6%
Interest Income	50,000	100,000	100.0%
Miscellaneous	419,012	318,812	-23.9%
<b>Total Revenues</b>	<b>16,550,179</b>	<b>18,517,205</b>	<b>11.9%</b>
<b>Other Funding Sources</b>			
Transfers In	56,480	58,883	4.3%
<b>Total Revenues and Other Sources</b>	<b>16,606,659</b>	<b>18,576,088</b>	<b>11.9%</b>
<b>Expenditures</b>			
Operating	5,381,582	5,259,174	-2.3%
Debt Service	2,281,504	2,267,091	-0.6%
Open Space	500,000	500,000	0.0%
Motor Vehicles/Equipment	530,000	120,000	-77.4%
Street Projects	18,753,523	16,351,163	-12.8%
<b>Total Expenditures</b>	<b>27,446,609</b>	<b>24,497,428</b>	<b>-10.7%</b>
<b>Net Change in Fund Balance</b>	<b>(10,839,950)</b>	<b>(5,921,340)</b>	
<b>Fund Balance - Beginning</b>	<b>17,120,404</b>	<b>15,729,600</b>	
<b>Fund Balance - Ending</b>	<b>\$ 6,280,454</b>	<b>\$ 9,808,260</b>	

# HURF, Streets & Open Space FY14 Projects

Page No.	Project Description	Budgeted Amount
N/A	Open Space	\$ 500,000
	Motor Vehicles/Equipment:	
70	Sign Maintenance Truck	60,000
71	Organic Debris Chipper	33,000
72	Attenuator Truck	27,000
	Subtotal Motor Vehicles/Equipment	120,000
	Street Capital Outlay/Projects:	
73	Pavement Maintenance and Rehabilitation	4,503,809
74	Park Ave Gurley to Copper Basin	3,617,616
75	Side Road Connector Roundabout @ SR89 DA (Design)	3,200,000
76	Walker Road Rehabilitation SR 69 - City Limits	705,000
77	Blackhawk Subdivision Drainage Improvements	550,000
78	Willow Creek Road Realignment	500,000
79	Rosser Street Reconstruction Phase IV	300,000
80	SR69 Design Concept Report	300,000
81	Yavapai Hills Drainage Improvements	270,000
82	NPDES PHII Implementation	225,000
83	Sidewalk Replacement Program	200,000
84	City Shop UST Release Cleanup	191,806
85	Willow Creek Channel Improvements	190,000
86	Annual Pavement Markings	150,000
87	Paving at Sundog Ranch Rd Solid Waste/Street Maint Yard	140,576

# HURF, Streets & Open Space FY14 Projects

Page No.	Project Description	Budgeted Amount
88	FEMA Flood Insurance Rate Map Update	\$ 122,491
89	FEMA Comment Resolution	120,000
90	Willow Creek Wall Repair	100,000
91	Prescott Heights Master Drainage Study	100,000
	Montezuma at North Fork Granite Creek and Rustic Timbers	
92	Lane at Butte Creek	85,000
93	Robinson Drive	80,000
94	As-Built/ Mylar Scanning Project	72,000
95	Willow and Watson Lake Enhancement Program (algae study)	70,000
96	Willow Creek And Tributaries Analysis	70,000
97	Intersection Signalization	68,000
98	Sundog Welding Shop	50,000
99	Unpaved Streets	51,500
100	Engineering & Safety Projects	50,000
101	CYMPO City Matching Funds	49,842
102	Sundog Electrical Infrastructure and Security Lighting	45,000
103	Overland Trail Bridge	40,000
104	Pavement Management System	30,000
105	Sidewalks - ADA Compliance	26,523
106	Signal Replacement Equipment	25,000
107	Traffic Calming - Various Streets	25,000
108	Street Lights	10,000
109	Traffic Signal Design - Various Locations	10,000
9	General Plan Update	7,000
	<b>Subtotal Street Projects</b>	<b>16,351,163</b>
	<b>Total Capital Outlay/Projects</b>	<b>\$ 16,971,163</b>

# HURF, Streets & Open Space CIP FY15-19

Page No.	Title	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
73	Pavement Maintenance and Rehabilitation	\$ 4,638,923	\$4,778,091	\$4,921,434	\$5,069,077	\$5,221,149
N/A	Open Space	500,000	-	-	-	-
82	NPDES PHII Implementation	225,000	225,000	225,000	225,000	225,000
85	Willow Creek Channel Improvements	750,000	750,000	-	-	-
86	Annual Pavement Markings	150,000	150,000	150,000	150,000	150,000
87	Paving at Sundog Ranch Rd Solid Waste/Street Maint '	43,130	59,289	-	-	-
108	Street Lights	10,000	10,000	10,000	10,000	10,000
97	Intersection Signalization Project	-	325,000	-	325,000	-
103	Overland Trail Bridge Reconstruction	210,000	-	-	-	-
99	Unpaved Streets And Alleys	53,045	54,636	56,275	57,964	59,703
100	Engineering & Safety Project	50,000	50,000	50,000	50,000	50,000
104	Pavement Management Program	30,000	30,000	30,000	30,000	30,000
105	Sidewalks - Extensions - ADA Ramps	27,318	28,138	28,982	29,851	30,747
106	Signal Replacement Equipment	25,000	25,000	25,000	25,000	25,000
101	CYMPO City Matching Funds	51,337	52,877	54,463	56,097	57,780
107	Traffic Calming Various Streets	25,000	25,000	25,000	25,000	25,000



# HURF, Streets & Open Space CIP FY15-19

Page No.	Title	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
109	Traffic Signal Design - Various Locations	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -
78	Willow Creek Road Realignment	5,500,000	-	-	-	-
79	Rosser Street Reconstruction Phase IV	2,000,000	-	-	-	-
83	Sidewalk Replacement Program	206,000	212,180	218,545	225,101	231,854
91	Prescott Heights Master Drainage Study	250,000	250,000	-	-	-
93	Robinson Drive	-	1,160,000	-	-	-
110	Crystal Lane Realignment	35,000	250,000	-	-	-
111	Sundog Connector Road	-	1,420,635	-	-	-
112	Haisley Road Pavement Reconstruction	-	-	-	1,416,800	-
113	Thumb Butte Road Improvements	-	-	-	45,000	317,080
114	Summit Ave. South	-	-	-	45,000	317,080
115	Carlton Street East	-	-	-	45,000	311,640
116	McCormick Street	-	-	-	45,000	311,640
117	Sierry Peaks Pavement Reconstruction	-	-	-	-	860,000
118	Eastwood Drive Reconstruction	-	-	-	-	690,000
		<b>\$14,789,753</b>	<b>\$9,855,846</b>	<b>\$5,804,699</b>	<b>\$7,874,890</b>	<b>\$8,923,673</b>



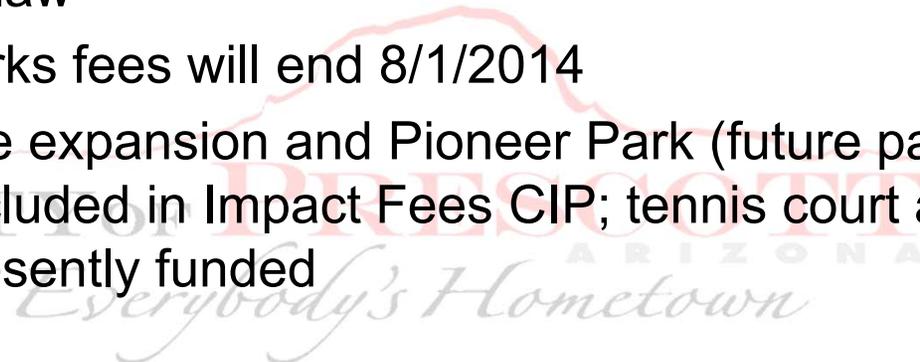
# Impact Fees



# Impact Fees

## Key Items, Issues, and Considerations

- ❑ Current law has significantly reduced the amount of funding which can be made available for new capacity (facilities and other infrastructure) needed to serve growth
- ❑ In communities with aging infrastructure, single rehabilitation projects (pipes, streets, treatment plants) usually include both “existing deficiency” and “new growth” components
- ❑ Due to the restrictions on uses of impact fees, and linkages to sensitive user rates (water, sewer), the funding and financing of capital costs is increasing difficult
- ❑ A new impact fee study is in progress for Police, Fire, and Streets, as required by law
- ❑ Library and Parks fees will end 8/1/2014
- ❑ Goldwater Lake expansion and Pioneer Park (future partnering) projects are included in Impact Fees CIP; tennis court at Yavapai College not presently funded



# Governmental Impact Fees

	Public					
	Parks	Streets	Buildings	Library	Fire	Police
	(\$715)	(\$469)	(Eliminated)	(\$253)	(\$525)	(\$589)
<b>Revenues</b>						
Impact Fees	\$ 107,250	\$ 70,350	\$ -	\$ 37,950	\$ 78,750	\$ 88,350
Interest	15,000	200	1,700	4,000	6,000	6,000
Rent	-	-	-	-	24,359	-
<b>Total Revenues</b>	<b>122,250</b>	<b>70,550</b>	<b>1,700</b>	<b>41,950</b>	<b>109,109</b>	<b>94,350</b>
<b>Expenditures</b>						
Goldwater Lake Day Use Expansion (Page 120)	800,000	-	-	-	-	-
Impact Fee Ordinance Implementation Project	-	29,167	-	-	29,167	29,167
Transfers Out (Willow Crk Rd - Increased Capacity)	-	58,883	-	-	-	-
<b>Total Expenditures</b>	<b>800,000</b>	<b>88,050</b>	<b>-</b>	<b>-</b>	<b>29,167</b>	<b>29,167</b>
<b>Net Change in Fund Balance</b>	<b>(677,750)</b>	<b>(17,500)</b>	<b>1,700</b>	<b>41,950</b>	<b>79,942</b>	<b>65,183</b>
<b>Fund Balance - Beginning</b>	<b>1,496,738</b>	<b>17,500</b>	<b>174,689</b>	<b>375,643</b>	<b>654,068</b>	<b>693,537</b>
<b>Fund Balance - Ending</b>	<b>\$ 818,988</b>	<b>\$ -</b>	<b>\$ 176,389</b>	<b>\$ 417,593</b>	<b>\$ 734,010</b>	<b>\$ 758,720</b>

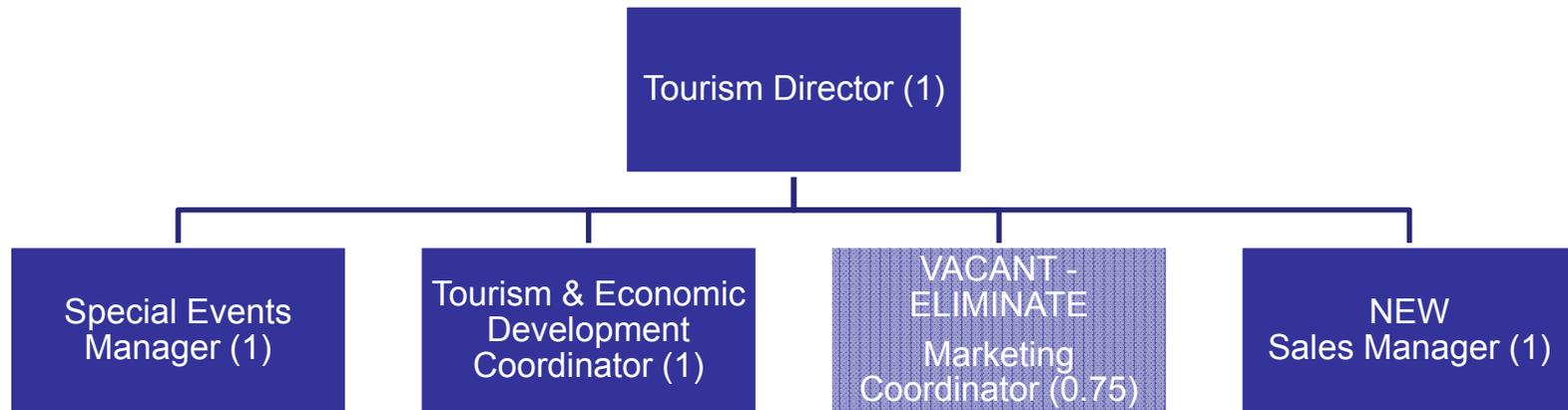
# Transient Occupancy (Bed Tax) and Tourism



# Transient Lodging (Bed) Tax

	FY13	FY14
	<u>Budget</u>	<u>Budget</u>
<b>Beginning Cash Balance, 7/1</b>	\$ 72,721	\$ 238,052
Funding Sources		
Transient Occupancy Tax & Interest	559,184	601,500
<b>Available Balance</b>	<u>631,905</u>	<u>839,552</u>
Expenditures/Transfers:		
Marketing & Promotion	250,000	290,000
Events & Other Support	225,000	230,000
Contingency	64,405	192,052
Recreation Tourism Amenities	30,000	30,000
Museum Marketing Support	-	30,000
Special Events Overtime	20,000	25,000
Transfer out to Parking Garage	20,000	20,000
Prescott Creeks Match	12,500	12,500
Open Space Management	10,000	10,000
<b>Total Expenditures</b>	<u>631,905</u>	<u>839,552</u>
<b>Ending Cash Balance, 6/30</b>	<u>\$ -</u>	<u>\$ -</u>

# Tourism – A Strategic Enhancement



- Eliminate vacant part-time Marketing Coordinator position
- Reclassify to a full-time Sales Manager (addition of 0.25 FTE)
- Enhancement will enable the City to implement strategic interest of local hospitality industry stakeholders in generating increased leisure and group market sales during target expansion periods (mid-week and off-season), attracting conferences, meetings, scheduled group tours, and independent (fly/drive) tour programs
- Some responsibilities of the eliminated marketing position would be divided among existing personnel, with others outsourced to a vendor with specialized technological capabilities operating within a tourism-oriented network of like professionals

# Other Special Revenue Funds



# Other Special Revenue Funds FY 14 Budget

	<b>Acker Trust</b>	<b>Gifts &amp; Donations</b>
<b>Beginning Balance</b>	\$ 580,835	\$ 285,783
<b>Revenues/Transfers In</b>		
Interest	6,000	-
<b>Total Revenues/Transfers In</b>	6,000	-
<b>Expenditures</b>		
Scholarships	10,000	
Gift/Donation Expenditures		285,783
<b>Total Expenditures</b>	10,000	285,783
<b>Ending Balance, 6/30</b>	\$ 576,835	\$ -



# Grant Applications and Funding



# Grant Applications – All Departments

	FY14 Budget	City Share	Grant Share
<b><u>General Government</u></b>			
<i>Miscellaneous Grant Opportunities</i>	\$ 500,000	\$ -	\$ 500,000
<i>JCEF and Fill the Gap</i>	81,950	-	81,950
<i>ADA Dexter</i>	36,638	-	36,638
<i>CDBG West Yavapai Guidance Clinic</i>	5,000	-	5,000
<i>CDBG Entitlement Admin</i>	47,416	-	47,416
<i>Meals on Wheels</i>	27,862	-	27,862
<i>Coalition for Compassion</i>	10,000	-	10,000
<i>Prescott Area Women's Shelter</i>	76,000	-	76,000
<i>Adult Care Service</i>	40,000	-	40,000
<i>Cornucopia</i>	3,900	-	3,900
<i>Habitat for Humanity</i>	30,000	-	30,000
<i>CDBG Fair Housing Education Program</i>	1,500	-	1,500
<i>Historic Preservation Project</i>	675	-	675
<b><u>Library</u></b>			
<i>Library Special Projects</i>	50,000	-	50,000
<b><u>Fire Department</u></b>			
<i>State Fire Assistance</i>	456,700	228,350	228,350
<i>2012 Hazardous Fuels</i>	224,810	22,481	202,329
<i>Fire Miscellaneous</i>	100,000	-	100,000
<i>Wildfire Academy Tohon</i>	100,000	-	100,000
<i>Wildfire Academy Gila River</i>	50,000	-	50,000
<i>FEMA AFG</i>	1,000,000	100,000	900,000
<i>FEMA AFT Burn Trailer</i>	186,000	18,600	167,400
<i>AZ Homeland Security</i>	100,000	-	100,000
<i>County Homeland Grants</i>	10,000	-	10,000

# Grant Applications (cont'd)

	FY14 Budget	City Share	Grant Share
<b><u>Public Works</u></b>			
<i>Lincoln Elementary - Safe Roads to School</i>	\$ 285,515	\$ -	\$ 285,515
<i>Taylor Hicks &amp; Miller Valley - SRTS</i>	335,523	-	335,523
<i>Mile High &amp; Mountain Oak Charter - SRTS</i>	312,847	-	312,847
<i>Washington Elementary - SRTS</i>	190,659	-	190,659
<b><u>Police</u></b>			
<i>COPS Hiring Recovery</i>	402,339	-	402,339
<i>Police Miscellaneous Grant</i>	350,000	-	350,000
<i>RICO</i>	199,832	-	199,832
<i>Vehicle Impound</i>	82,250	-	82,250
<i>AZHS Communications</i>	128,333	-	128,333
<i>GOHS DUI Enforcement</i>	41,250	-	41,250
<i>Narcotics Task Force</i>	30,000	-	30,000
<i>GOHS Traffic Enforcement</i>	17,500	-	17,500
<i>JAG Edward Byrne Memorial</i>	3,386	-	3,386
<i>Canine Grant</i>	4,500	-	4,500
<i>Bullet Proof Vests</i>	14,000	7,000	7,000
<i>Gang Task Force (GITTEM)</i>	66,209	-	66,209
<i>Alzheimer's Grant</i>	50,000	-	50,000
	<b>\$ 5,652,594</b>	<b>\$ 376,431</b>	<b>\$ 5,276,163</b>

# Debt Service Fund

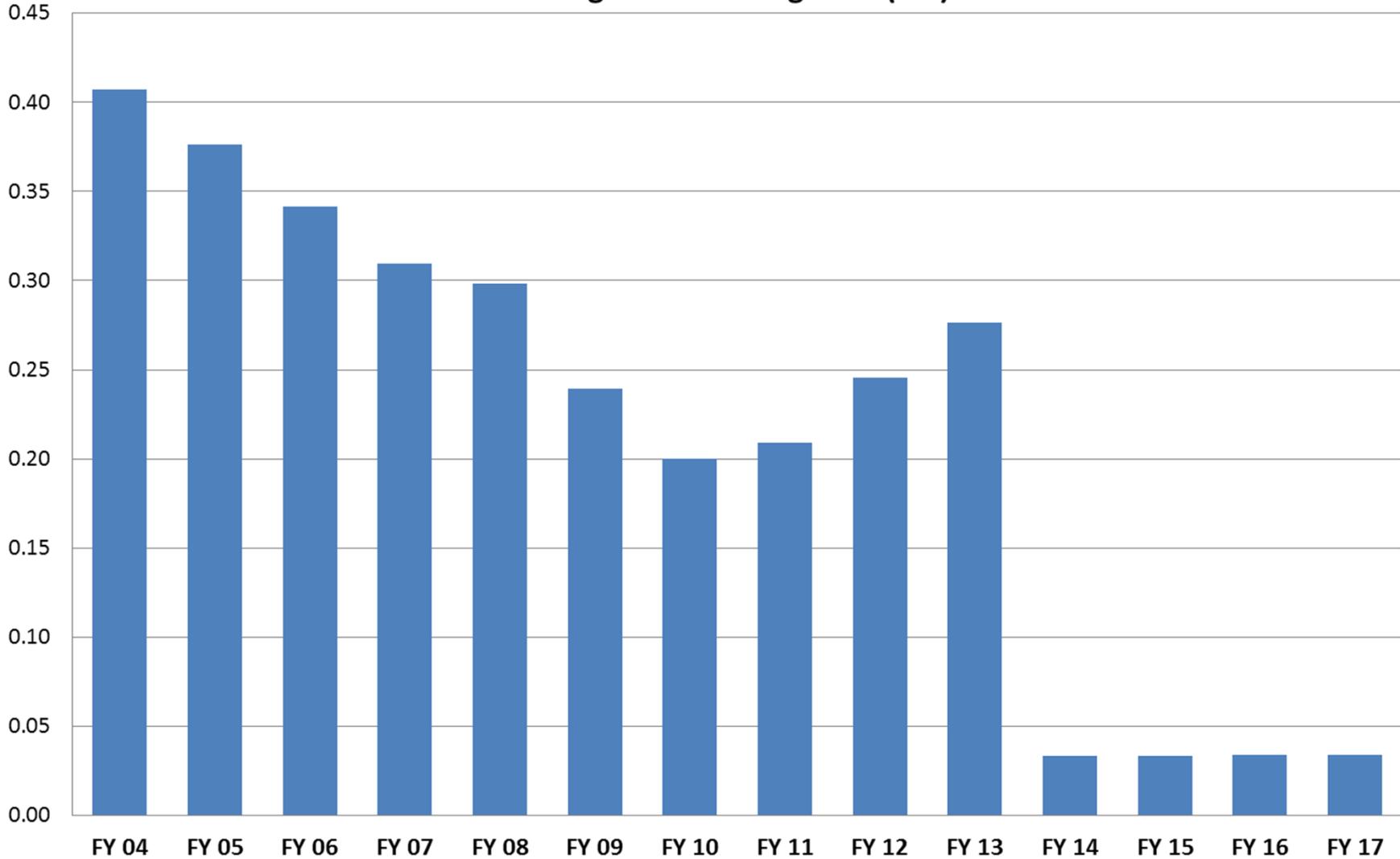


# Debt Service

	<b>FY13</b>	<b>FY14</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>
<b>Revenues</b>		
Secondary Property Taxes	\$ 1,584,975	\$ 187,200
Special Assessments Billings	1,384,635	377,534
Interest	8,000	12,000
<b>Total Revenues</b>	<b><u>\$ 2,977,610</u></b>	<b><u>\$ 576,734</u></b>
<b>Expenditures</b>		
GO Bonds	1,584,975	188,200
Special Assessment Bonds	1,384,636	377,534
<b>Total Expenditures</b>	<b><u>\$ 2,969,611</u></b>	<b><u>\$ 565,734</u></b>



**City of Prescott  
Secondary Tax Rates  
Used for Servicing General Obligation (GO) Bonds**



# Enterprise Funds



# Water

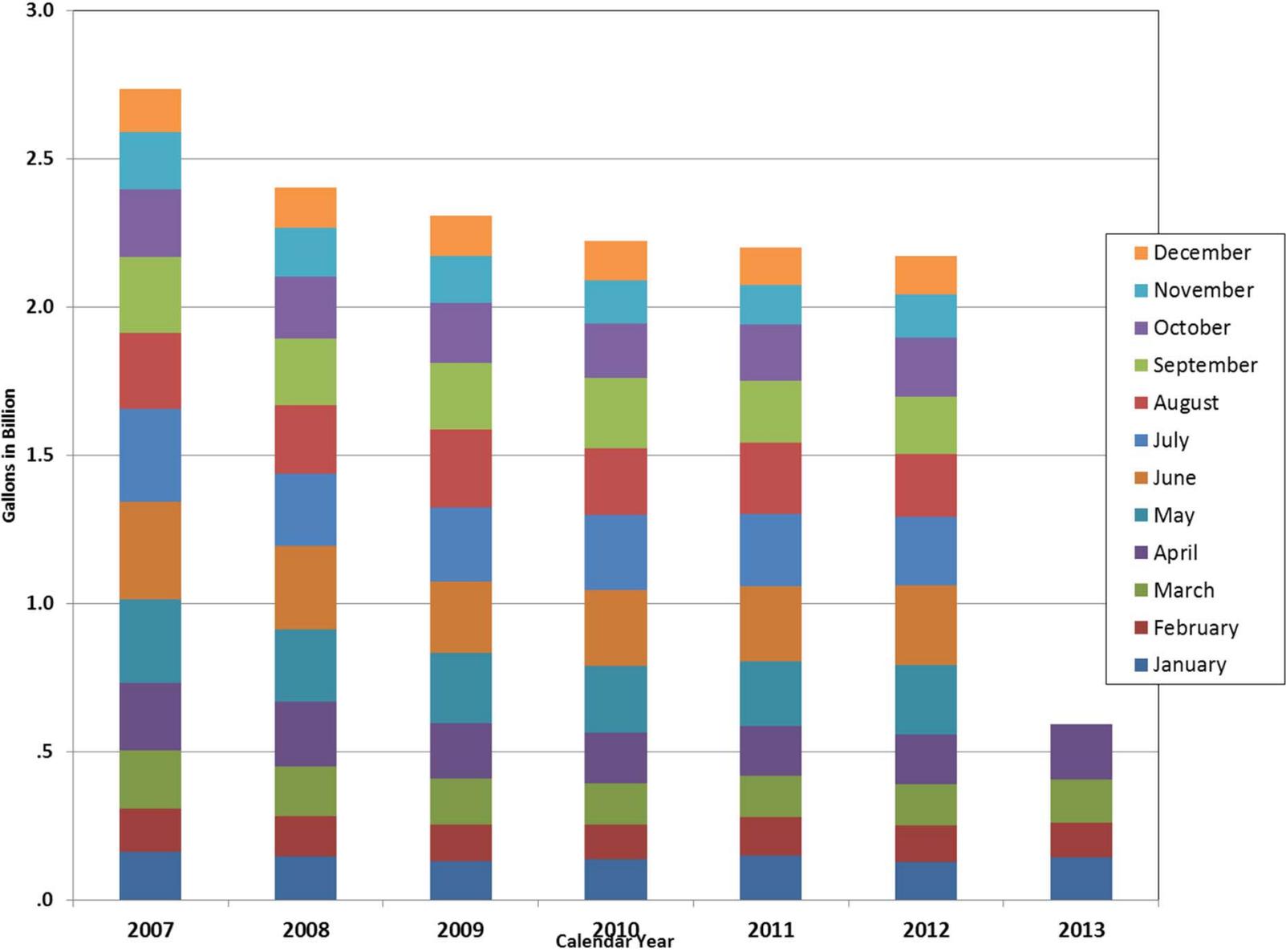


# Water Fund

## Key Items, Issues, and Considerations

- ❑ Restrictions on collection and use of impact fees complicate planning, funding, and delivery of system capital projects
- ❑ If needed projects are to proceed, and less/fewer impact fees are available for funding, the burden on existing rate payers must necessarily increase
- ❑ If necessary rehabilitation projects are deferred, the result will be more frequent, expensive failures like those experienced in the recent past (Elks Hill and Cortez/Willis major breaks, winter freeze/thaw breaks and outages, etc.)
- ❑ A water rate study and adoption process will follow the current impact fees study in FY 14
- ❑ The availability and cost of water will become more significant factors in economic development
- ❑ Ever-increasing federal and state regulatory requirements (e.g., Watson Lake TMDL) will continue to affect water cost and delivery

# Water Consumption/Sales



# Water Fund

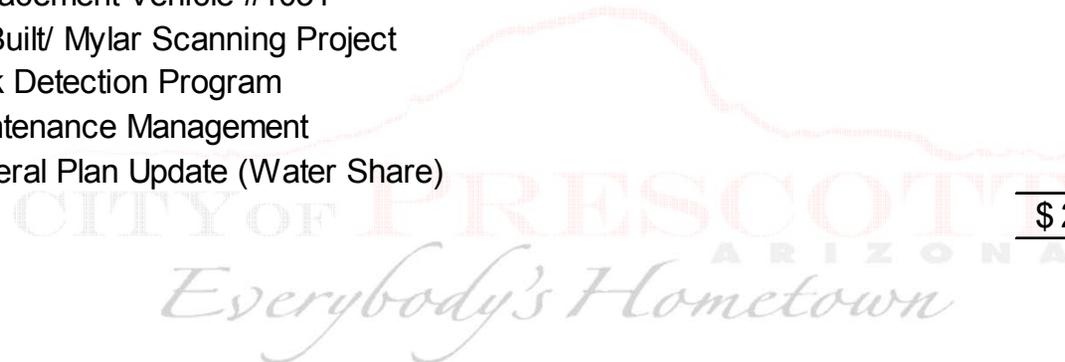
	FY13	FY14	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<b>Revenues</b>			
Water Sales	\$ 12,451,181	\$ 13,500,000	8.4%
Water System Impact Fee	689,628	1,030,000	49.4%
Water Resource Development Fee	569,441	927,000	62.8%
Alt Water Source Fees	1,610,099	1,658,402	3.0%
Water Connection Fees	170,000	170,000	0.0%
Interest Income	265,100	267,000	0.7%
Miscellaneous	35,600	25,100	-29.5%
<b>Total Revenues</b>	<b>15,791,049</b>	<b>17,577,502</b>	<b>11.3%</b>
<b>Other Funding Sources</b>			
Bond Proceeds	11,619,451	11,000,000	-5.3%
Intergovernmental Contributions	302,746	578,373	91.0%
<b>Total Other Funding Sources</b>	<b>11,922,197</b>	<b>11,578,373</b>	<b>-2.9%</b>
<b>Total Revenues and Other Sources</b>	<b>27,713,246</b>	<b>29,155,875</b>	<b>5.2%</b>
<b>Expenditures</b>			
Operating	10,122,876	11,446,328	13.1%
Debt Refunding	-	11,000,000	
Capital Projects	22,232,998	25,231,902	13.5%
<b>Total Expenditures</b>	<b>32,355,874</b>	<b>47,678,230</b>	<b>47.4%</b>
<b>Net Change in Fund Balance</b>	<b>(4,642,628)</b>	<b>(18,522,355)</b>	
<b>Fund Balance - Beginning</b>	<b>16,850,340</b>	<b>31,073,916</b>	
<b>Fund Balance - Ending</b>	<b>\$ 12,207,712</b>	<b>\$ 12,551,561</b>	
<b>Ending Balance - Detail</b>			
Operations/Alt Water	\$ 20,270,537	\$ 22,596,542	
Water Resource Development	(280,762)	103,901	
Water System Impact	(7,782,062)	(10,148,882)	

# Water Fund Capital FY14

Page No.	Title	FY2014 Request
124	A/P Zone New Zone 101 Pump Station	\$ 2,500,000
125	A/P Recovery Wells	2,383,000
126	Prescott Canyon Reservoir/Piping - (Zone 56 1.25MG)	2,273,814
127	New Thumb Butte Reservoir (Zone 27)	1,915,259
128	Small Water Main Upgrades	1,913,300
129	A/P Zone 12 New Reservoir (Exhibit E Obligation)	1,750,000
130	18" Line Smoke Tree Lane - 30" Main at Willow Creek to Birchwood Cove	1,665,000
131	Yavapai Hills Lower Pump Station (Zone 7)	1,250,000
132	Pres Resort Pump Sta Upgrade (Zone 56 P.S.)	1,212,000
133	Park Avenue	1,000,000
134	12" Line Thumb Butte Road - Hassayampa Village Rd to Lower Thumb Butte PS (Zone 27)	828,506
135	Dam Repairs	812,388
136	White Spar Water Main Replacement	685,000
137	SR69 Corridor All Phases	635,000
138	Copper Basin Reservoir (Zone 19)	625,054
139	Lower Thumb Butte Pump Sta (Zone 27)	475,000
140	Storage Tank Maintenance	400,000
141	SR89 & Side Road Connector Roundabout	350,000
142	Hassayampa Pump Station - (Zone 19)	306,693
143	Chino Piping Reconfiguration	300,000
144	Big Chino Water Ranch	367,196
145	Willow Creek Transmission Main Scour Protection	200,000
146	Telemetry (SCADA)	193,000
147	Capital Contingencies	165,000

# Water Fund Capital FY14

Page No.	Title	FY2014 Request
148	Impact Fee Ordinance Implementation and User Rates Project	\$ 134,796
149	A/P Zone 12 Tank Res Trans (Exhibit E Obligation)	125,000
150	Booster Station Upgrade	109,000
151	City Shop UST Release Cleanup	104,316
152	Mt Club System Cross Conn	75,000
153	Replacement Vehicle #958	62,000
154	Replacement Vehicle #959	62,000
155	Willow and Watson Lake Enhancement Program (algae study)	50,000
156	Production Well Maintenance	46,000
157	P R V Upgrade	43,000
158	Heckthorn Water Main	40,000
159	Water Model Update	30,000
160	Fire Hydrants	29,480
161	36" and 18" Emergency Check Valves	25,000
C/O	City-Wide Evapo-Tranportation Weather Station	25,000
162	Replacement Vehicle #1031	20,000
163	As-Built/ Mylar Scanning Project	18,100
164	Leak Detection Program	14,000
165	Maintenance Management	11,000
9	General Plan Update (Water Share)	3,000
		<u>\$ 25,231,902</u>



# Water Fund CIP FY15-19

Page No. Title	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
125 A/P Recovery Wells	\$ 1,197,000	\$ -	\$ -	\$ 133,000	\$ 1,197,000
128 Small Water Main Upgrades	1,239,000	2,030,000	1,315,000	2,154,000	1,396,000
137 SR69 Corridor All Phases	1,650,000	-	-	-	-
140 Storage Tank Maintenance	176,000	182,000	188,000	194,000	200,000
144 Big Chino Water Ranch	347,850	347,850	347,850	347,850	347,850
146 Telemetry (SCADA)	193,000	-	-	-	-
147 Capital Contingencies	170,000	176,000	182,000	188,000	194,000
150 Booster Station Upgrade	112,000	115,000	119,000	123,000	127,000
152 Mt Club System Cross Conn	425,000	-	-	-	-
156 Production Well Maintenance	48,000	50,000	52,000	54,000	56,000
157 P R V Upgrade	45,000	47,000	49,000	51,000	55,000
158 Heckthorn Water Main	400,000	-	-	-	-
159 Water Model Update	-	-	-	-	232,000
160 Fire Hydrants	31,000	32,000	33,000	34,000	35,000
161 36" and 18" Emergency Check Valves	250,000	-	-	-	-
164 Leak Detection Program	15,000	16,000	17,000	18,000	19,000
166 12" Line Virginia St. - Virginia St. Pump Station to Foothills Pump Station (Zone 16)	625,000	-	-	-	-
167 Haisley New Reservoir (Zone 16)	513,000	1,419,000	-	-	-
168 Haisley A (Virginia) Pump Station Rehabilitation (Zone 16)	500,000	-	-	-	-
169 12" Line Meadowbrook, Forest Hills - Thumb Butte Rd to Thumb Butte Tank	160,000	1,100,000	-	-	-
170 12" Skyline, Horizon, Lookout - Upper Thumbbutte PS to Upper Thumbbutte Tank	75,000	375,000	-	-	-
171 Forebay Improvements	-	5,000,000	8,400,000	-	-
172 Upper Rancho Vista Pump Station Rehabilitation (Zone 21)	-	478,000	-	-	-
173 Mingus Tank Reservoir Replacement	-	300,000	1,500,000	-	-
174 Robinson Drive	-	250,000	-	-	-
175 Mingus Pump Station Rehabilitation	-	100,000	500,000	-	-
176 Intermediate Pump Stations and Reservoirs w/Forebay Modifications	-	-	-	-	16,000,000
177 Zone 101 New Tank Reservoir Transmission Piping	-	-	-	-	2,116,800
178 A/P Main Feed- New Intermediate Storage to Zone 12 PS	-	-	-	-	350,100
179 12" Line Sundog Connector	-	-	-	-	309,000
180 Zone 101 New Tank Reservoir	-	-	-	-	300,000
	<b>\$8,171,850</b>	<b>\$ 12,017,850</b>	<b>\$ 12,702,850</b>	<b>\$ 3,296,850</b>	<b>\$ 22,934,750</b>

# Wastewater



# Wastewater Fund

## Key Items, Issues, and Considerations

- ❑ Similar issues and considerations as those for the Water Fund
  - New restrictions on collection and use of impact fees
  - Maintaining scheduled implementation of necessary projects will place more burden on existing rate payers
  - Federal and state regulatory requirements
- ❑ Implementation of the Wastewater Capital Program is behind that of the Water CIP (Water Model and identified CIP were done first, rates put in place to fund)
- ❑ Several large projects, to respond to new conditions and regulations (Airport Water Reclamation Facility) and proceed with long deferred improvements (Sundog Trunk main), are and will continue to dominate the Wastewater CIP, with no financial capacity left for others

# Wastewater Fund

	FY13	FY14	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<b>Revenues</b>			
Wastewater Service Fees	\$ 8,890,000	\$ 9,600,000	8.0%
Wastewater Impact Fees	275,000	325,000	18.2%
Effluent Sales	599,000	599,000	0.0%
Interest Income	45,000	47,000	4.4%
Miscellaneous	29,200	24,500	-16.1%
Wastewater Connection Fees	2,500	2,500	0.0%
<b>Total Revenues</b>	<u>9,840,700</u>	<u>10,598,000</u>	7.7%
<b>Other Funding Sources</b>			
Debt Proceeds	18,750,000	24,151,180	28.8%
<b>Total Revenues and Other Sources</b>	<u>28,590,700</u>	<u>34,749,180</u>	21.5%
<b>Expenditures</b>			
Operating	7,748,390	9,814,083	26.7%
Capital Outlay/Projects	22,371,400	27,379,143	22.4%
<b>Total Expenditures</b>	<u>30,119,790</u>	<u>37,193,226</u>	23.5%
<b>Net Change in Fund Balance</b>	(1,529,090)	(2,444,046)	
<b>Fund Balance - Beginning</b>	<u>4,960,410</u>	<u>12,787,319</u>	
<b>Fund Balance - Ending</b>	<u>\$ 3,431,320</u>	<u>\$ 10,343,273</u>	
Ending Balance - Detail			
Wastewater Operations	\$ 4,772,346	\$ 7,978,768	
Wastewater Impact	(1,341,025)	2,364,505	

# Wastewater Fund Capital FY14

Page No.	Title	FY2014 Request
183	Airport Phase 1	\$24,151,180
184	Park Avenue	950,000
185	Sewer Mainline Repl/Rehab	550,000
186	Replacement Vactor #1003	350,000
187	SR89 & Side Road Connector Roundabout	240,000
188	Capital Contingencies	170,000
189	Lift Station Rehabilitation	157,000
190	Sundog Effluent Pond Maintenance	150,000
191	Sundog Trunk Main	143,362
192	Chemical Root Control	106,090
193	WW Collection Model Update	100,000
194	WW SCADA System	75,000
148	Impact Fee Ordinance Implementation	67,398
151	City Shop UST Release Cleanup	40,380
195	SR69-Prescott Lakes Parkway WW Improvements	40,000
196	Replacement Vehicle #844	30,000
197	Willow and Watson Lake Enhancement Program	30,000
163	As-Built/Mylar Scanning Project	14,733
165	Maintenance Management	11,000
9	General Plan Update (Wastewater share)	3,000
		<u>\$27,379,143</u>

# Wastewater Fund CIP FY15-19

Page No.	Title	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
183	Airport Phase 1	\$2,000,000	\$ -	\$ -	\$ -	\$ -
188	Capital Contingencies	176,000	182,000	188,000	194,000	200,000
189	Lift Station Rehabilitation	111,000	115,000	119,000	123,000	127,000
191	Sundog Trunk Main	-	-	-	-	3,250,000
192	Chemical Root Control	109,273	112,551	115,927	119,405	122,987
193	WW Collection Model Update	-	-	-	-	232,000
194	WW SCADA System	75,000	-	-	-	-
195	SR69-Prescott Lakes Parkway WW Improvements	450,000	-	-	-	-
196	Sundog Equalization Basin	750,000	-	-	-	5,000,000
197	Sundog Digester Cleaning	-	328,000	-	-	-
174	Robinson Drive	-	200,000	-	-	-
200	Brush-Lincoln Trunk Main	-	100,000	720,000	-	-
201	Sundog Collector/Sundog Ranch Rd	-	-	-	-	395,000
		<b>\$3,671,273</b>	<b>\$1,037,551</b>	<b>\$1,142,927</b>	<b>\$436,405</b>	<b>\$9,326,987</b>



# Solid Waste



# Solid Waste Fund

	FY13	FY14	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<b>Revenues</b>			
Refuse Collection Fees	\$ 4,851,000	\$ 4,600,000	-5.2%
Tipping Fees	2,800,000	1,240,000	-55.7%
Landfill Closure Surcharge	120,000	120,000	0.0%
Recycling Revenue	415,000	320,000	-22.9%
Interest Income	100,000	75,000	-25.0%
Miscellaneous	8,520	6,520	-23.5%
<b>Total Revenues</b>	<u>8,294,520</u>	<u>6,361,520</u>	-23.3%
<b>Expenditures</b>			
Operating	8,256,620	6,343,388	-23.2%
Capital	687,526	2,185,270	217.8%
<b>Total Expenditures</b>	<u>8,944,146</u>	<u>8,528,658</u>	-4.6%
<b>Other Use of Funds</b>			
Transfers Out	85,200	-	-100.0%
<b>Total Expenditures and Other Uses</b>	<u>9,029,346</u>	<u>8,528,658</u>	-5.5%
<b>Net Change in Fund Balance</b>	(734,826)	(2,167,138)	
<b>Fund Balance - Beginning</b>	<u>6,978,112</u>	<u>8,299,840</u>	
<b>Fund Balance - Ending</b>	<u>\$ 6,243,286</u>	<u>\$ 6,132,702</u>	

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# Solid Waste Fund Capital FY14

Page No.	Title	FY2014 Request
204	Landfill Cap Repair	\$ 600,000
205	Autocar WX64 FL Refuse Truck	268,000
87	Transfer Station Paving	228,270
C/O	Sundog Welding Shop	150,000
206	Peterbilt 359 Truck Tractor	140,000
207	Transfer Station Stand Alone Scale	120,000
208	Transfer Station Scale Replacement	120,000
209	Autocar WX64 ASL Refuse Truck	110,000
210	Autocar WX64 ASL Refuse Truck	110,000
211	Transfer Station Floor Repair	100,000
C/O	Inert Debris Recycling	75,000
212	Sundog Electrical Infrastructure and Security Lighting	45,000
213	Dodge 1/2t Reg. Cab LWB Pickup w/ Tilt bed	45,000
214	Compactor Replacement	27,000
215	Rolloff Compactor	25,000
216	Security Camera Replacement	22,000
		<b>\$ 2,185,270</b>



# Solid Waste CIP FY15-19

Page No.	Title	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
204	Landfill Cap Repair	\$400,000	\$ -	\$ -	\$ -	\$ -
87	Transfer Station Paving	43,130	59,289	-	-	-
217	Household Hazardous Waste Collection Day	60,000	-	-	-	-
218	Recycling Education and Outreach	20,000	-	20,000	-	20,000
		<b>\$523,130</b>	<b>\$ 59,289</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 20,000</b>



# Airport



# Airport Fund

	<b>FY13</b>	<b>FY14</b>	<b>%</b>
	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
<b>Revenues</b>			
Tie Down and Hangar Rentals	\$ 1,318,188	\$ 1,223,499	-7.2%
Fuel Flowage Fee	82,860	91,655	10.6%
Miscellaneous	57,122	50,547	-11.5%
Total Revenues	1,458,170	1,365,701	-6.3%
<b>Other Funding Sources</b>			
Capital Grants	7,478,466	1,796,558	-76.0%
Transfers In	236,423	390,452	65.1%
Total Other Funding Sources	7,714,889	2,187,010	-71.7%
<b>Total Revenues and Other Sources</b>	<b>9,173,059</b>	<b>3,552,711</b>	<b>-61.3%</b>
<b>Expenditures</b>			
Operating	1,396,028	1,363,546	-2.3%
Capital Projects/Grants	7,724,888	2,187,100	-71.7%
Total Expenditures	9,120,916	3,550,646	-61.1%
<b>Net Change in Fund Balance</b>	<b>52,143</b>	<b>2,065</b>	
<b>Fund Balance - Beginning</b>	<b>201,043</b>	<b>119,895</b>	
<b>Fund Balance - Ending</b>	<b>\$ 253,186</b>	<b>\$ 121,960</b>	

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# Airport Capital Outlay/Grants FY14

Page No.	Title	FY2014 Request
221	ARFF Truck Replacement	\$1,000,000
222	RW 21L-3R Runway Safety Improvements (AIP 32 & 33)	260,000
223	ADOT APMS	210,000
224	Taxiway E Lights, Electrical Vault Relocation, Emergency Gen Repl	200,000
225	RSAT - Airport Perimeter Roads	200,000
226	Airspace Obstruction Mitigation	115,000
227	Law Enforcement Officers	96,100
228	Terminal Bathroom Renovations	45,000
229	"F" Hangar Fire Sprinkler System Repairs	40,000
230	Terminal Building - Modular Roof Repairs	15,000
231	Copier Machine	6,000
		<u>\$2,187,100</u>
	<i>Less Federal Share</i>	<i>(1,306,250)</i>
	<i>Less State Share</i>	<i>(490,308)</i>
		<u>\$ 390,542</u>



# Airport CIP FY15-19

Page No.	Title	FY2015 Projected	FY2016 Projected	FY2017 Projected	FY2018 Projected	FY2019 Projected
222	RW 21L-3R Runway Safety Improvements (AIP 32 & 33)	\$ 1,100,000	\$ 2,531,234	\$ 3,480,399	\$ 75,000	\$ 100,000
223	ADOT APMS	96,100	96,100	-	-	-
224	Taxiway E Lights, Electrical Vault Relocation, Emergency Gen Repl	30,000	150,000	-	-	-
226	Airspace Obstruction Mitigation	2,300,000	-	-	-	-
227	Law Enforcement Officers	1,500,000	5,500,000	-	-	-
228	Terminal Bathroom Renovations	345,000	-	-	-	-
232	Replacement Airline Terminal	805,000	805,000	1,988,350	13,306,650	-
233	Stormwater Pollution Prevention Plan	-	30,000	150,000	-	-
234	Runway Protection Zone (RPZ) Land Acquisition	-	345,000	3,501,750	-	-
235	Runway 12-30 Relocation	-	650,000	3,250,000	3,250,000	-
236	RSAT Security Upgrades	-	157,895	1,500,000	-	-
237	Extend Runway 21L, Taxiway C & D	-	-	-	1,725,000	17,250,000
		<b>\$ 6,176,100</b>	<b>\$ 10,265,229</b>	<b>\$ 13,870,499</b>	<b>\$ 18,356,650</b>	<b>\$ 17,350,000</b>
<i>Less Federal Share</i>		<i>(4,608,650)</i>	<i>(7,013,900)</i>	<i>(9,326,241)</i>	<i>(13,774,772)</i>	<i>(15,525,000)</i>
<i>Less State Share</i>		<i>(1,275,218)</i>	<i>(2,559,241)</i>	<i>(3,445,571)</i>	<i>(789,708)</i>	<i>(862,500)</i>
		<b>\$ 292,232</b>	<b>\$ 692,088</b>	<b>\$ 1,098,687</b>	<b>\$ 3,792,170</b>	<b>\$ 962,500</b>



# Golf Course



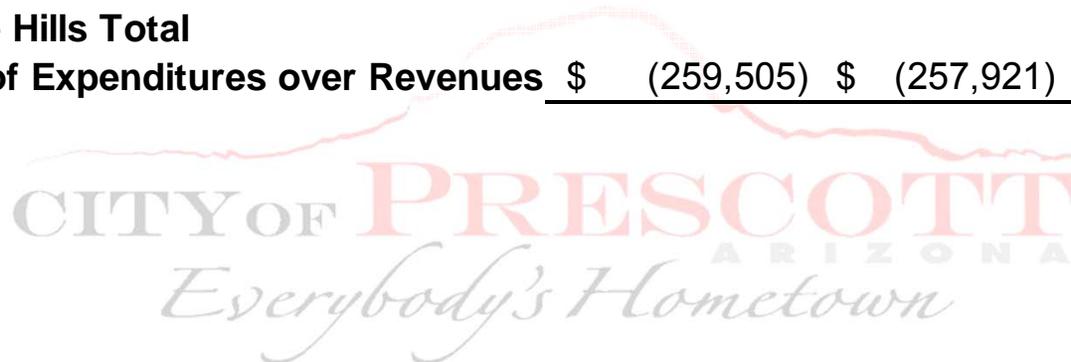
# Golf Course Fund Actual

	YTD as of <u>3/31/2012</u>	YTD as of <u>3/31/2013</u>	<u>Change</u>
<b>Course Operations</b>			
<b>Revenues</b>			
Green Fees	\$ 769,310	\$ 750,930	\$(18,380)
Cart Rental	319,109	325,065	5,956
Proshop Revenue	82,473	85,336	2,863
Driving Range	65,821	67,636	1,815
Miscellaneous	1,353	1,526	173
Total	<u>1,238,066</u>	<u>1,230,493</u>	<u>(7,573)</u>
<b>Expenditures</b>			
Personnel	735,627	742,695	7,068
Operating Supplies	257,570	262,713	5,143
Other Services and Charges	397,088	346,935	(50,153)
Debt Service	109,301	106,412	(2,889)
Total	<u>1,499,586</u>	<u>1,458,755</u>	<u>(40,831)</u>
<b>Excess of Expenditures over Revenues</b>	<u>\$ (261,520)</u>	<u>\$ (228,262)</u>	<u>\$ 33,258</u>

# Golf Course Fund

## Actual

	<u>YTD as of</u>	<u>YTD as of</u>	<u>Change</u>
	<u>3/31/2012</u>	<u>3/31/2013</u>	
<b>Manzanita Grille/Centennial Center</b>			
<b>Revenues</b>			
Food Sales	\$ 360,752	\$ 401,880	\$ 41,128
Beverage Sales	193,305	115,429	(77,876)
Room Rental	3,108	21,752	18,644
Miscellaneous	1,714	12,834	11,120
Total	558,879	551,895	(6,984)
<b>Expenditures</b>			
Personnel	272,194	282,821	10,627
Operating Supplies	205,183	219,823	14,640
Other Services and Charges	79,487	78,910	(577)
Total	556,864	581,554	24,690
<b>Excess of Expenditures over Revenues</b>	\$ 2,015	\$ (29,659)	\$(31,674)
 <b>Antelope Hills Total</b>			
<b>Excess of Expenditures over Revenues</b>	\$ (259,505)	\$ (257,921)	\$ 1,584



# Golf Course Fund

	FY13 <u>Budget</u>	FY14 <u>Budget</u>	% <u>Change</u>
<b>Golf Operations</b>			
Revenues			
Greens Fees	\$ 1,268,415	\$ 1,300,000	2.5%
Cart Rentals	510,104	504,000	-1.2%
Pro Shop	295,221	190,000	-35.6%
Total Revenues	<u>2,073,740</u>	<u>1,994,000</u>	-3.8%
Expenditures			
Operating Expenditures	1,975,367	2,008,351	1.7%
Debt Service	136,327	131,998	-3.2%
Total Expenditures	<u>2,111,694</u>	<u>2,140,349</u>	1.4%
Net Income (Loss) Golf Operations	<u>(37,954)</u>	<u>(146,349)</u>	
<b>Manzanita Grille/Centennial Center</b>			
Revenues	822,000	715,500	-13.0%
Expenditures	729,696	747,511	2.4%
Net Income (Loss) Manzanita Grille	<u>92,304</u>	<u>(32,011)</u>	
Total Net Income (Loss)	54,350	(178,360)	
Transfer from General Fund	-	4,049,333	
<b>Net Change in Fund Balance</b>	54,350	3,870,973	
<b>Fund Balance - Beginning</b>	<u>(3,663,907)</u>	<u>(3,870,973)</u>	
<b>Fund Balance - Ending</b>	<u>\$ (3,609,557)</u>	<u>\$ -</u>	

# Golf Course Fund

## Key Items, Issues, and Considerations

- ❑ Continued operating deficit (golf operations)
- ❑ Loan from General Fund estimated to total \$4.05 million by the end of FY 14
- ❑ Local competition among courses
- ❑ National and local decline in golf – decreasing rounds
- ❑ More clarity regarding the fit of Antelope Hills as a threshold asset into a higher level Airport Area business and tourism economy, and how to operate the golf, food service, and meeting venues
- ❑ Policy for dealing with current and future operating deficits financially

# Operating Deficit

## Actions Taken to Balance Revenues/Expenditures

- ❑ Rates adjusted to pre-2010 levels to improve revenue position effective May 2012
- ❑ Funds allocated to recognize importance of marketing/promotion. Work continues with Tourism Division to promote out-of-town play, and with Golf Tournament and Marketing Coordinator to attract tournaments
- ❑ Quarterly financial reports provided to Council
- ❑ Staffing adjusted seasonally to accommodate summer versus winter activity
- ❑ Food and Beverage Operation put out for Contract, but none of the interested parties made a proposal. Comments received included:
  - The three year lease term with City option to renew was too short
  - The restaurateur's concept/business model was not a good fit with the City's objective of a dining facility primarily oriented to a golf course operation
  - The restaurateur was interested in operating as a simple tenant ("operate a normal restaurant"), not according to a City contract stipulating certain services and performance requirements
  - Review of the operation raised the question of whether out-sourcing only the restaurant was the most effective approach – the restaurateur felt that operation of the entire Antelope Hills complex should be outsourced

# Management and Operation

## Long Term Vision for Golf Course and Airport Area

- ❑ Several operational models have been discussed
  - Contract out pro-shop
  - Contract out maintenance
  - Contract out management of entire operation (long term lease (20 years) for complete privatization or cost-reimbursement model with City maintaining some financial risk)
- ❑ These models address Antelope Hills primarily from an operational/financial perspective and do not fully consider that the facility and related land are part of a much broader economic context.
- ❑ In order to maximize the value of the facility, it is important to extend future consideration of options to reflect Antelope Hills' unique geographic position and economic development attributes, i.e., its "highest and best" future role within the entire Airport Area and City economy, not limiting the approach to only address today's operational/financial issues.
- ❑ A possible step is an RFP for some type of public-private development partnership.

# Accounting Alternatives

Continue accounting the Golf Course as an Enterprise Fund but with changes

- Eliminate (retire) the current General Fund “loan” using the General Fund Capital Reserve
- Do not allow differences between Golf Course revenues and expenses to accumulate in the future; fund shortfalls, if any, from the General Fund

OR

Continue accounting the Golf Course as an Enterprise Fund as it is presently being done

- Maintain the existing General Fund “loan” and allow it to further accumulate in the future

# Internal Service Funds

	<b>FY13</b>	<b>FY14</b>	<b>% Budget</b>
	<b><u>Budget</u></b>	<b><u>Budget</u></b>	<b><u>Change</u></b>
<b>Engineering Services</b>			
Operating Expenditures	\$ 1,618,817	\$ 1,687,960	4.3%
<b>Fleet Maintenance</b>			
Operating Expenditures	2,257,453	2,326,693	3.1%
Capital - Floor Scrubber/Vehicle Lift (Pages 239, 240)	10,500	52,000	395.2%
Vehicle Replacements	2,000,000	2,000,000	0.0%
<b>Self-Insurance</b>			
Operating Expenditures	2,243,329	1,375,414	-38.7%
<b>Facilities Maintenance</b>			
Operating Expenditures	1,101,632	1,184,116	7.5%
Capital - Facilities Improvements/Maint Mgmt (C/O)	156,000	143,468	-8.0%



# Total City Budget

	<b>FY13</b>	<b>FY14</b>	<b>%</b>
	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
Operating Expenditures	\$ 77,371,070	\$ 77,247,934	-0.2%
Debt Refunding	-	11,000,000	
Capital Outlay/Projects	82,688,226	84,863,994	2.6%
Total	<u>\$ 160,059,296</u>	<u>\$ 173,111,928</u>	8.2%



# Total City Budget

	FY2013	FY2014	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<b>Revenues</b>			
General Fund	\$ 29,691,997	\$ 31,127,384	4.8%
Streets	16,550,179	18,517,205	11.9%
Impact Fees	367,178	439,909	19.8%
Transient Lodging	559,184	601,500	7.6%
Grants	4,280,572	5,276,163	23.3%
Expendable Trust Funds	10,000	6,000	-40.0%
Debt Service (GO/Spec. Asses.)	2,977,610	576,734	-80.6%
Water	16,093,795	18,155,875	12.8%
Wastewater	9,840,700	10,598,000	7.7%
Solid Waste/Transfer Station	8,294,520	6,361,520	-23.3%
Airport	8,936,636	3,162,259	-64.6%
Golf Course	2,895,740	2,709,500	-6.4%
Internal Service Funds	6,935,661	6,112,913	-11.9%
Total Revenues	<u>107,433,772</u>	<u>103,644,962</u>	-3.5%
<b>Debt Proceeds</b>			
WIFA Loans	30,369,451	24,151,180	-20.5%
Debt Refunding	-	11,000,000	
Total Debt Issues	<u>30,369,451</u>	<u>35,151,180</u>	15.7%
<b>Total Revenues and Debt Proceeds</b>	<u>137,803,223</u>	<u>138,796,142</u>	0.7%
<b>Total Expenditures</b>	<u>160,059,296</u>	<u>173,111,928</u>	8.2%
<b>Net Change in Fund Balance</b>	(22,256,073)	(34,315,786)	
<b>Fund Balance - Beginning</b>	<u>68,873,413</u>	<u>91,289,768</u>	
<b>Fund Balance - Ending</b>	<u>\$ 46,617,340</u>	<u>\$ 56,973,982</u>	

# Upcoming Budget Process Steps

- |               |   |
|---------------|---|
| June 4, 2013  | Opportunity for additional discussion of budget at Regular Workshop Meeting |
| June 11, 2013 | Tentative budget adoption<br>Publishing of tentative budget                 |
| June 25       | Public hearing on budget  |
| June 25       | Public hearing for truth in taxation  |
| June 25       | Roll call vote for primary property tax increase                            |
| June 25       | Adoption of Final Budget by Council (separate meeting)                      |
| July 9        | Adopt Property Tax Levies   |