

CITY OF PRESCOTT ARIZONA

**ANNUAL BUDGET
for the fiscal year
July 1, 2005 - June 30, 2006**

Mayor

Rowle P. Simmons

Council

Robert Bell

Steve Blair

Jim Lamerson

Robert Roecker

John Steward

Mary Ann Suttles

City Manager

Steve Norwood

Budget & Finance Director

Mark Woodfill

Budget Analyst

Jodi Fisher



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

City of Prescott

Arizona

For the Fiscal Year Beginning

July 1, 2004

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Prescott, Arizona for its annual budget for the fiscal year beginning July 1, 2004.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Vision, Mission & Beliefs



PRESCOTT VISION 2020

Prescott is a beautiful, growing city that has a vibrant historic downtown, is the regional economic center for the Tri-Cities and is a 1st class tourist destination.

Prescott is a livable, dynamic community where there is a range of housing choices for all, where residents and guests enjoy an active lifestyle with great recreation and leisure amenities, where people have quality living, where the community acts as a responsible environmental steward and where there is pride in our hometown.

The Gem of Arizona.

CITY OF PRESCOTT MISSION STATEMENT

The mission of the City of Prescott is to provide superior city services, to create a financially sustainable city and serve as the leader of the region.

CITY OF PRESCOTT CORE BELIEFS

We believe in:

- Acting with integrity
- Having personal commitment and loyalty
- Working as a team
- Solving problems
- Taking pride in excellent results
- High level of productivity
- Being nice

CITY OF PRESCOTT ORGANIZATIONAL CHART - FY2006

Citizens Boards & Commissions

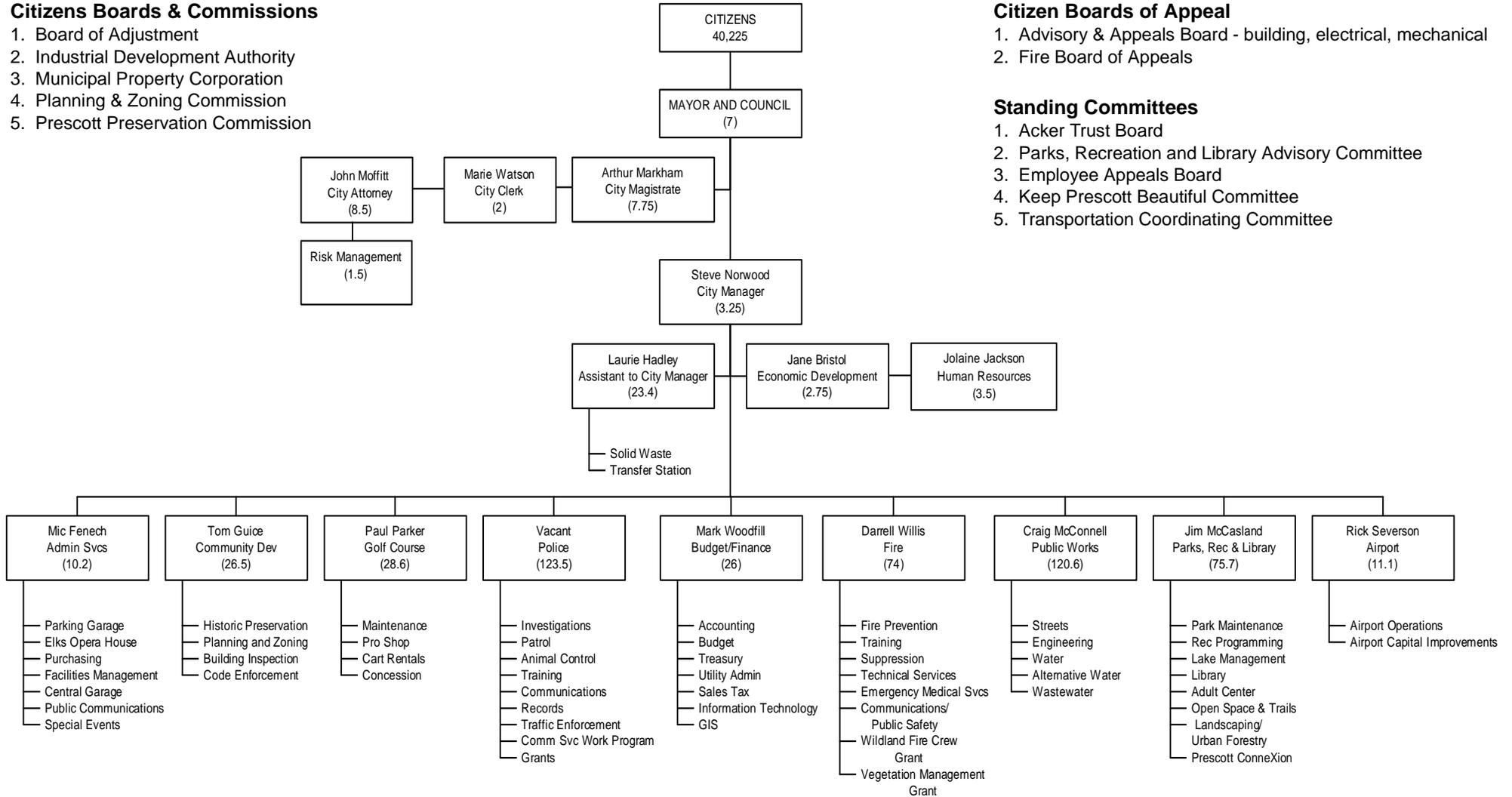
1. Board of Adjustment
2. Industrial Development Authority
3. Municipal Property Corporation
4. Planning & Zoning Commission
5. Prescott Preservation Commission

Citizen Boards of Appeal

1. Advisory & Appeals Board - building, electrical, mechanical
2. Fire Board of Appeals

Standing Committees

1. Acker Trust Board
2. Parks, Recreation and Library Advisory Committee
3. Employee Appeals Board
4. Keep Prescott Beautiful Committee
5. Transportation Coordinating Committee



Readers' Guide

The City of Prescott FY2005-06 Annual Budget contains a narrative description of revenue sources, our financial policies, and programs and services planned for the upcoming fiscal year. Multi-year comparisons for each City department and fund, staffing allocations, and planned expenditures by organizational sub-unit and type are also included. To further enhance and clarify the presentation, graphs appear throughout the document. Presenting the budget in distinct levels of detail allows the user to choose the degree of specificity best suited to his/her needs.

Copies of the budget document in book form or on CD are available in the Prescott Public Library, on the City of Prescott website - www.cityofprescott.net, or by contacting the City of Prescott Budget and Finance Department at (928) 777-1242.

City Manager's Budget Transmittal and Budget Summary

The City Manager's Budget Transmittal and Budget Summary provide an in-depth look at the City Manager's priorities and outlook for the upcoming fiscal year. These priorities reflect months of working with the Mayor and City Council, City Staff, and community groups, as well as referencing many other guiding documents including the Community Strategic Plan and the 2003 General Plan.

Community Profile and Trends

This section provides a look at Prescott's major service level trends over the past several years along with a brief demographic history.

FY2005-06 Budget Process, Amendments and Basis of Presentation

This segment elaborates on our budget process as well as major assumptions included in the preparation of the FY2005-2006 Annual Budget. A narrative describing each significant revenue source is presented. The planned budget accomplishments, financial policies, and a brief description of the basis of accounting are provided.

Department Program Summaries

Each City Department's/Division's missions, goals, strategies, performance measures, prior year highlights, funding, and staffing levels are contained in this section. Significant budget changes in Departments and Divisions are explained as well.

Capital Improvement Plan

In this area, projects to be completed throughout the next five years as well as outlay for new and replacement capital items are identified.

Schedules

The schedules provided in the Annual Budget consist of Resolutions, Legal Schedules required by the State of Arizona to be prepared and published, Salary and Pay Range Schedules, a Schedule of Outstanding Debt Principal, and results of our first biennial Citizens' Survey.

Readers' Guide

Glossary

Definitions of the terms used throughout the budget document are presented in the Glossary. If you need further clarification of any of the terms used in this document, please contact the City of Prescott Budget and Finance Department.

FY06 Budget Transmittal Message

TO THE HONORABLE MAYOR, CITY COUNCIL, AND RESIDENTS OF THE CITY OF PRESCOTT:

The premise behind the FY2005-06 budget policies was to effectively manage today's resources for tomorrow - to manage our current resources so that we are able to deliver the same quality and level of services while maintaining a balanced budget now and into the future. This foresight was put to the test as the Prescott City Council underwent their annual goal setting session in January 2005. However, the true test of the Council is not just to have foresight, but also to set realistic goals and produce results. Several key projects the Council listed as priorities in the FY2004-05 budget were accomplished and there is no reason to think we cannot be as successful in FY2005-06. Some of those projects include the completion of the water model and master plan, city unpaved streets policy implemented, a review of utility rates and fees, successful implementation of the new land development code, and health benefit cost containment for our employees.

We believe the FY2005-06 budget reflects continuing strength in the City's economy, reinforced by positive trends at the state and national levels. Modest improvements projected in the City's revenues will allow Prescott to balance its budget, meet its most pressing needs and fund the City Council's highest priorities for the 2005-06 fiscal year. These needs include the library expansion, new adult center, additional police officers, costs related to the Federal mandated arsenic abatement, continued work on the water ranch and water conservation position, and continued emphasis on economic vitality and revitalization.

With improved economic conditions, the City has an opportunity to address projects not funded in recent budgets. At the same time, our long-range financial outlook requires us to remain conservative and focus only on the highest Council and citizen priorities. All areas of the City have pent-up demands, and it is not possible to address them all. The revenue forecasts used in this budget, like last year's, are cautiously optimistic. The budget also takes a conservative approach to revenues resulting from economic development and revitalization. As we look at the level of public and private investment in our community, it is clear the economy of Prescott continues to hold great promise, however, the overall uncertainty surrounding the sustainability of the economic recovery requires us to remain attentive as we monitor and manage the City's fiscal matters in the coming year.

With responsible management, we will be able to accomplish great things as we have done in years past. For example, in 2005 the City purchased the area's largest water ranch, thusly-securing ample water for Prescott's future and helping us achieve the goal of safe yield. The long awaited downtown parking garage opened on time and has met with great success in terms of usage and revenues. We unveiled Northern Arizona's largest and most comprehensive Regional Communications Center, dispatching emergency services to eight agencies within Yavapai County. Both Willow and Watson Lakes received over \$3.5 million worth of upgrades and improvements, including boat launches, picnic ramadas, restrooms and preservation of the archaeological Indian pit-house ruins at Willow Lake. The City's General Plan won voter approval by nearly a 3-1 margin. The final phase of Willow Creek Road was completed, providing greater business access and new water and sewer infrastructure to the Northwest portions of Prescott. Internally, the City's GIS and Information Technology Division made great strides in improving our internal and external uses including a new website for our citizenry to use. Overall, FY2004-05 was a highly successful year.

As in years past, the focus of the proposed budget is the General Fund, the City's largest fund, which supports basic services. Under the proposed budget, the General Fund expenditures will increase \$4 million, from the current fiscal year of \$24 million to \$28 million. Our Capital Improvement Budget will be funded at \$117 million, an increase of \$14 million dollars. Some of our specific project goals are to complete over forty million dollars of road improvements including new water and sewer infrastructure, an operating arsenic treatment plant, continued development of the water ranch, and the opening of an expanded and upgraded library facility, as well as a new adult center.

FY06 Budget Transmittal Message

The primary goals of this challenging budget development process have been to:

- ✓ - Use conservative and realistic revenue forecasts.
- ✓ - Limit staff increases to high priority service areas and redeploy existing staff, where possible.
- ✓ - Focus on continuing high priority programs and projects and eliminate or reduce funding to less critical programs.
- ✓ - Continue to fund needed investment in the City's infrastructure and facilities.
- ✓ - Continue to plan for the future through the cautious use of City resources for strategic economic development investments that demonstrate a clear return to the community.
- ✓ - Maintain a sensible level of financial reserves.

We utilized a new style of openness and frank discussion in this budget process. We have held meetings with all employees to inform them about finances and to listen to their comments. Department Heads met often with me to review and discuss budget choices. Working with the City Council goals in mind, they put together recommendations for citywide priorities. They developed cooperatively a list of recommendations for the use of available money for capital projects, for changes in the operating budget, for compensation, and for other key issues. This budget focuses upon the future.

It is appropriate to thank the City staff, especially Finance Director Mark Woodfill, Budget Analyst Jodi Fisher, and the entire Budget and Finance staff, who have put much time and expertise into the development of the proposed budget and balanced Five-year Capital Plan. Departments have worked closely with the Budget staff and senior management in developing, documenting and reviewing every component of this proposal. The staff has embraced the City Council's goals in building a financial plan that delivers the highest quality services at the most reasonable cost to the residents and businesses of Prescott.

/s/ Steven Norwood
City Manager

2005-06 Budget Summary

Concepts presented in the Prescott Community Strategic Plan encourage the City to invest any available funds in projects that would return, and eventually exceed, its investment while still providing basic services during the investment period. Strategic investments, in turn, would insure the ability to provide basic services in the future. In order to fulfill that objective, we will continue to strengthen five-year planning efforts in all funds and target all available excess resources to economic investments including the downtown commercial area, economic development incentives in accordance with the Council adopted economic development policy while, at the same time, maintaining the flexibility to respond to unknown opportunities.

In formulating the FY2005-2006 budget, recommendations were keyed on feedback from Mayor and Council through its goals, policies, and guidelines, input from various advisory committees, 2003 General Plan, community input (from individuals, neighborhood groups or service clubs), downtown groups, as well as corridor and area plans.

Future goals identified as part of the 2003 General Plan are as follows:

- ✓ Population: Achieving a Balanced Community
- ✓ Balanced Mix of Land Uses
- ✓ Meeting Housing Needs
- ✓ Balancing Community Values
- ✓ Managing Current and Projected Traffic
- ✓ Preserving and Protecting the Environment
- ✓ Historic Preservation
- ✓ Adequate Water Resources for Future Needs
- ✓ Strong Economic Base

On January 6-8, a Council retreat was held for the purpose of defining the FY2006 goals which are listed below:

Stonger Local Economy and Expanded Tax Base

- > More quality jobs with family wages
- > More diverse economy which is less retail dependent
- > Development of our airport as an "economic engine"
- > Continue as the Regional Retail Center
- > Make land available for developing business/commercial sites

Better Mobility through Improved Roads and Transportation System

- > Improved condition and quality of city streets
- > All city streets and alleys paved
- > Air Service to alternative Hubs
- > Effective and functioning Municipal Planning Organization
- > Sidewalks on major arterials

Managed Growth for a Balanced Community

- > More affordable (workforce) housing units
- > Well-planned annexed areas with mixed and balanced uses
- > Preservation of Prescott's historic charm and character
- > Growth paying for growth
- > Development consistent with Land Development Code

Polished City - Beautiful and Clean

- > Cleaner and well-maintained streets, alleys and rights-of-way
- > Reduced number of blighted homes and buildings
- > Effective solid waste collection and management

2005-06 Budget Summary

- > Redevelopment of aging commercial centers
- > Well maintained Parks and Recreational areas

First Class Utility System

- > Water supply for the next 100 years
- > Sewers for all residences and businesses
- > Well-maintained water treatment and distribution system
- > Well-maintained wastewater collection and treatment facility
- > Effective storm water management system

Alive Downtown

- > Cleaner downtown with improved infrastructure
- > More commercial offices with people working downtown
- > More activity venues for attracting residents and events
- > More people living downtown
- > More evening activities with businesses open beyond 5:30

Achievements of FY2005:

It is always difficult to select from the hundreds of accomplishments identified by our management team on behalf of their department employees. The City Council provides leadership, guidance, overall goal setting and tremendous support. The City's management and executive team provide administrative leadership and team management. The real "heavy lifting" is done by our outstanding employees providing direct support services in each department.

Success 1: Water Ranch Acquisition

Value to our Citizens:

- ✓ Assured water for our future
- ✓ Supports growth consistent with the voter approved General Plan
- ✓ Will help achieve Safe Yield Status
- ✓ Potential for Improved Water Quality

Success 2: Parking Garage Completion

Value to our Citizens:

- ✓ Convenient and Increased Parking Opportunities
- ✓ Supports Local Downtown Businesses
- ✓ Visual Improvement in Downtown and Whiskey Row Alley

Success 3: Willow Creek Road Completion

Value to our Citizens:

- ✓ Used pay-as-you-go approach
- ✓ Improved mobility and traffic flow
- ✓ Delivered on City's Commitment to Road Improvement
- ✓ Easier access to Willow Creek Park(s) and Retail
- ✓ Improved Appearance and Aesthetics

Success 4: General Plan Ratification and New Land Development Code

Value to our Citizens:

- ✓ Provides Document for Managing Growth
- ✓ Prepares City for the Future
- ✓ Simplifies Planning Process
- ✓ Citizen Driven Plans
- ✓ Provides for Predictable Developments

2005-06 Budget Summary

Success 5: Opening of Regional Communications Center

Value to our Citizens:

- ✓ Improved Public Safety Services in Prescott and the Region
- ✓ Improved Relations among Public Safety Agencies
- ✓ Cost Savings for the City
- ✓ Better Technology and Better Prepared for Future

Success 6: Lakes Projects Completion

Value to our Citizens:

- ✓ Improves Recreation Opportunities for Citizens
- ✓ Preserves Scenery and Views
- ✓ Supports Tourism and helps Generate Revenues
- ✓ Follow Through on Promise made by the City to its Citizens

Success 7: Information Technology and GIS Improvements

Value to our Citizens:

- ✓ Better flow of Information within the Organization
- ✓ Increased Customer Service
- ✓ Increased Staff Efficiency
- ✓ Easy Access to Information on City's Website
- ✓ Better Mapping of City

Success 8: Retail and Restaurant Expansions

Value to our Citizens:

- ✓ Increased choices for citizens
- ✓ Better shopping and eating establishments
- ✓ Keeps sales tax local
- ✓ Continues pay-as-you-go on 1% sales tax for streets and open space

SUMMARY

The FY2005-2006 budget consists of two different components - the operating budget and the capital budget. The operating budget is \$66,356,475 representing a 7% increase from FY2004-2005. The operating budget is comprised of the costs to continue operations from year to year without any capital expenditures. It encompasses all the basic services provided to Prescott's residents: police and fire protection; parks, recreation, and library services; water; sewer; solid waste collection including recycling; streets maintenance; planning and zoning; building inspection; economic development and administrative services. The operating budget has been prepared without an increase in taxes.

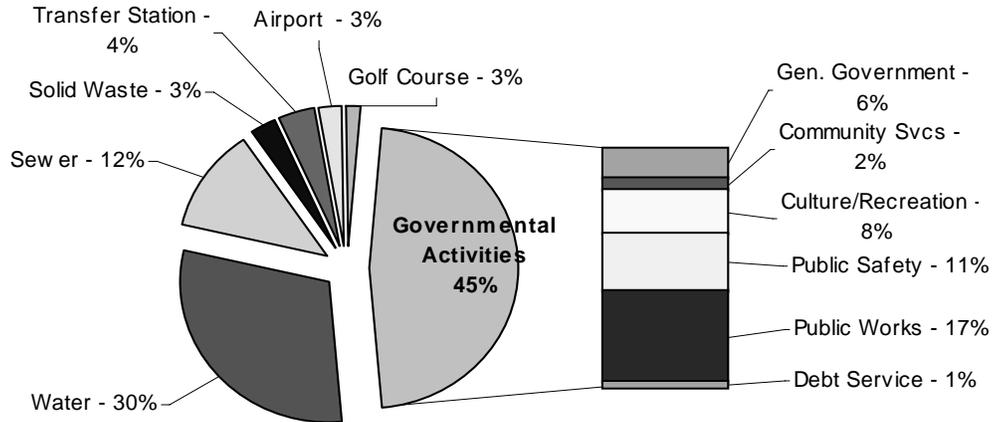
The second component, the capital budget, is set at \$117,322,507, a 14% increase over FY2004-2005. It includes projects and new programs that are included in the five-year plan and considered affordable within current revenue sources or planned debt issuance. Capital budgets tend to rise and fall each year depending on the timing of projects - especially if a city, such as Prescott, is primarily on a "pay-as-you-go" program. The wide variation between the estimated ending in FY2004-2005 and the budgeted amount for FY2005-2006 is the result of some large projects budgeted in FY2004-2005 were not completed as planned and have been carried over to FY2005-2006.

The operational and capital components bring the total budget for FY2005-2006 to \$183,678,982.

The following pie chart shows how the FY2005-2006 expenditures of \$183,678,982 are spread percentage wise among the various Enterprise Funds and Governmental Funds.

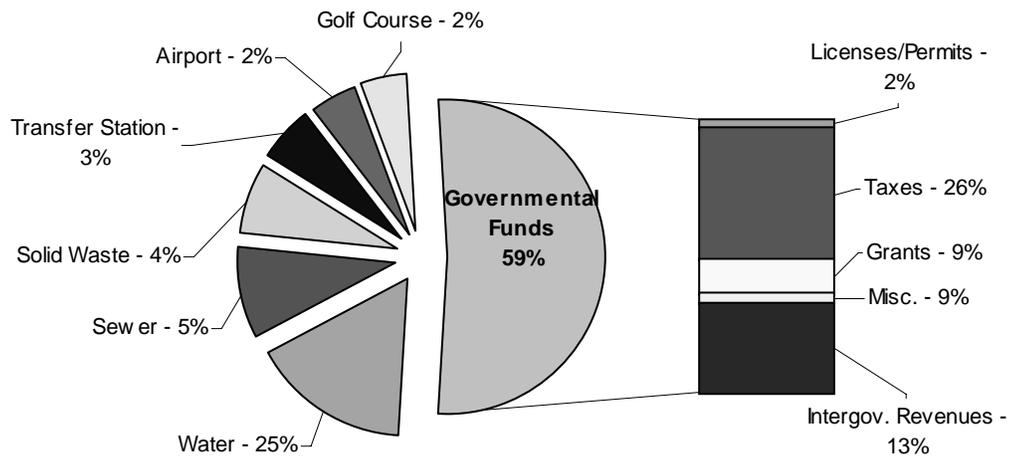
2005-06 Budget Summary

City of Prescott Expenditures



FY2005-2006 revenues of \$93,013,026 are shown below in the same format for your easy comparison.

City of Prescott Revenues



The ensuing table summarizes beginning fund balances, revenues, expenditures, other financing sources, transfers in and out, and ending fund balances for the City's major fund types. The fund balance levels are sufficient to maintain adequate cash flow and a reserve to cover unanticipated expenditures and revenue shortfalls.

2005-06 Budget Summary

Summary of Revenues and Expenditures FY2005-2006

| | FY05 Estimate | | FY06 Budget | | | Total |
|---|----------------------|---------------------|-----------------------|---------------------|---------------------|----------------------|
| | Total | General Fund | Special Revenue Funds | Other Funds | Enterprise Funds | |
| Beginning Balance, 7/1 | \$ 62,615,670 | \$ 7,275,601 | \$ 29,905,607 | \$ 3,146,086 | \$ 22,497,982 | \$ 62,825,276 |
| Revenues | | | | | | |
| Taxes | 30,432,340 | 16,068,320 | 13,763,433 | 2,029,176 | | 31,860,929 |
| Intergovernmental Revenues | 29,068,085 | 10,988,769 | 8,030,455 | | 3,621,947 | 11,652,402 |
| Licenses and Permits | 6,794,488 | 1,242,050 | 1,431,050 | | 3,958,000 | 5,389,050 |
| Charges for Services | 30,116,039 | 457,800 | 207,482 | 7,149,885 | 21,159,712 | 28,517,079 |
| Fines and Forfeitures | 325,862 | 321,900 | | | | - |
| Rentals | 1,672,107 | 170,000 | | | 1,850,753 | 1,850,753 |
| Gifts and Donations | 42,249 | - | 1,450,000 | | | 1,450,000 |
| Interest Income | 1,588,523 | 125,000 | 282,500 | 258,227 | 540,800 | 1,206,527 |
| Miscellaneous | 2,070,924 | 72,180 | 201,400 | 112,000 | 265,618 | 651,198 |
| Total Revenues | 102,110,617 | 29,446,019 | 25,366,320 | 9,549,288 | 31,396,830 | 95,758,457 |
| Expenditures | | | | | | |
| Current Operating | | | | | | |
| General Government | 3,582,715 | 4,073,552 | | | | 4,073,552 |
| Community Services | 1,662,231 | 1,794,997 | | | | 1,794,997 |
| Culture and Recreation | 5,520,342 | 5,120,057 | 526,441 | 20,000 | | 5,666,498 |
| Public Safety | 13,605,652 | 16,255,020 | | | | 16,255,020 |
| Water | 7,338,603 | | | | 8,699,699 | 8,699,699 |
| Sewer | 5,248,124 | | | | 4,940,040 | 4,940,040 |
| Solid Waste | 4,510,356 | | | | 4,776,170 | 4,776,170 |
| Transfer Station | 3,323,015 | | | | 3,663,262 | 3,663,262 |
| Airport | 1,602,702 | | | | 1,829,266 | 1,829,266 |
| Golf Course | 5,129,587 | | | | 2,801,817 | 2,801,817 |
| Parking Garage | - | | | | 126,450 | 126,450 |
| Public Works | 4,129,296 | | 4,438,584 | | | 4,438,584 |
| Internal Services | 5,048,248 | | | 5,617,609 | | 5,617,609 |
| Debt Service | 2,192,786 | | | 2,185,721 | | 2,185,721 |
| Capital Outlay | 57,424,551 | 1,168,413 | 43,571,891 | 6,362,799 | 65,707,194 | 116,810,297 |
| Total Expenditures | 120,318,208 | 28,412,039 | 48,536,916 | 14,186,129 | 92,543,898 | 183,678,982 |
| Other Financing Sources (Uses) | | | | | | |
| Bond Issue | 14,728,794 | | | | 37,200,000 | 37,200,000 |
| Loan Proceeds | 305,462 | | | | | - |
| Lease/Purchase Proceeds | 3,322,771 | 800,000 | | 3,800,000 | 5,250,000 | 9,850,000 |
| Transfers In | 5,499,229 | - | 4,520,114 | 419,299 | 8,650 | 4,948,063 |
| Transfers Out | (5,439,059) | (2,108,482) | (2,839,581) | - | - | (4,948,063) |
| Total Other Financing Sources (Uses) | 18,417,197 | (1,308,482) | 1,680,533 | 4,219,299 | 42,458,650 | 47,050,000 |
| Ending Balance, 6/30 | \$ 62,825,276 | \$ 7,001,099 | \$ 8,415,544 | \$ 2,728,544 | \$ 3,809,564 | \$ 21,954,751 |

Financial Issues:

State shared revenues continue to climb as is evident in the estimated revenues to be received during FY2006. The City's share of the state income tax is up 13.7% over FY2005 estimated endings. This, along with a 13.4% increase projected in the City's share of the state sales tax, will go toward maintaining basic service levels in the general fund service areas.

2005-06 Budget Summary

Sales tax revenues exhibit strong growth with estimated revenues for FY2006 at 6.1% over FY2005 revised estimates. The continued outlook for Prescott is good with the construction of a 146,000 square foot (116,000 under roof - 30,000 garden center) Lowes Building Supply Store beginning in FY2006 with a projected opening in FY2007. Villages at the Boulders anticipates the opening of three retail stores during the upcoming fiscal year. Also, the potential annexation of 43 acres located at the southeast corner of Pioneer Parkway and Willow Creek Road could result in the opening of a retail/power center within the Prescott city limits.

Our property tax revenue is \$2,745,431 (Primary \$1,048,406, Secondary \$1,685,025). Prescott's net assessed values for 2005 of \$466,996,077 represents 24.8% of the county's total net assessed values.

All fund balance reserves have been maintained at the levels required by the policy and there is no plan to reduce or utilize any of the reserves.

Employee Compensation and Related Issues:

The significant increases in costs of benefits that had to be addressed this year were:

Health insurance increases for employees (paid by the City) and for dependents (paid by the employee) were budgeted at 10%. At the time of the printing of the Budget Book it has become known that the increase will only be approximately 8%.

The City's share of Public Safety Personnel Retirement costs increased. Police went from 17.28% to 20.99% of gross pay for FY2006. Fire went from 12.74% to 16.60% of gross pay in FY2006. Employees' share did not increase.

Both the City's and Employees' share of Arizona State Retirement costs increased by 1.70% going from 5.70% to 7.40%.

The revised Tuition Assistance Policy that went into effect during FY2005 received a tremendous response requiring increased funding in this area.

The payroll budgets include a 3% salary adjustment. The City has been able to maintain funding for merit increases, market sensitive benchmark adjustments, the pay-for-performance awards for exemplary employees funded at .5% of salaries, and the 35% subsidy for employees' dependent coverage. As in years past, funding has been allocated for an employee recognition breakfast, employee picnic, Christmas party planned by employees, as well as service awards dinner.

In addition, the Police pay plan continues to be defined.

The City continues to have a large number of major projects planned or underway which, directly and indirectly, places an increased workload on existing staff. Population growth as well has affected our ability to deliver the current level of services. Achievement of Councils goals has, of course, been a factor in staffing decisions. Listed below are staffing changes approved for FY2006.

New regular staff positions for FY2006 total 20 full time equivalents and consist of the following:

Willow & Watson Lakes - Maintenance Worker

This position is a result of the completion of the improvements at Willow and Watson Lakes. The new maintenance worker will be responsible for providing assistance to the public and everyday maintenance at the newly constructed lake amenities.

2005-06 Budget Summary

Library Network - Information Technology Librarian

The Information Technology Librarian will assist the system administrator with customer support for the members of the Yavapai Library Network, including all areas of the Dynix and Horizon integrated library systems with an emphasis on acquisitions and cataloging. In addition, the employee would create a training program to help new members and refresh existing members' knowledge. Partial funding will be received through the Yavapai Library Network for this position.

Landscape & Urban Forestry - Landscape Maintenance Worker - .5 full time equivalent

This is not a new position, but a conversion of a 1/2 time temporary staff position to a 1/2 time regular position. It is believed that there is no off season and the help of this position will allow us to fulfill the needs to enhance the public areas and achieve the goals of high productivity and worker safety.

Police - Police Officers - 4 new

The Prescott Community growing in size every year. In conjunction with the growth comes an increase in crime. Adding the new officers would allow the Prescott Police Departments superior customer service to increase due to the ability to enhance the proactive patrolling along with a more effective warrant service.

Police - Police Sergeant

The addition of a Police Sergeant will allow the Prescott Police Department to better manage the officers in the patrol division in order to further enhance the high level of customer service the community demands.

Police Communications - Dispatchers - 7.5 full-time equivalents (transfer from CYFD)

With the opening of the Regional Dispatch Center it was necessary to transfer "ownership" of employees to the City of Prescott from the other participating entities. These dispatchers will now be compensated by the City of Prescott and the City will be reimbursed by the Central Yavapai Fire District for this compensation.

Central Garage - Fleet Maintenance Supervisor

City Council identified the Central Garage Expansion as a priority for the upcoming fiscal year. This, in addition to the absorption of all maintenance for the City Fire vehicles, the new computerized tracking system and the planning requirements for the upcoming expansion, makes it necessary to incorporate a lead person to be accountable and able to streamline the day to day running of the mechanic and service functions.

Engineering - Traffic Engineer

The new Traffic Engineer will supervise the Traffic Engineering section located with the Engineering Services Division of the Public Works Department. This is a civil engineering position requiring professional registration and considerable specialized transportation/traffic engineering experience.

Alternative Water Sources - Water Conservation Coordinator

This position is recommended as part of a complete water conservation program. In order to have a successful conservation program, a staff person is needed to educate the public and coordinate incentive and regulatory programs. Duties will require close cooperation with the Water Conservation Committee.

2005-06 Budget Summary

Sewer Fund - Wastewater Collection Supervisor

The Wastewater Collection Supervisor will oversee and participate in the daily activities of the wastewater collection operation. This position was previously a part of Wastewater Collection but was eliminated when it was vacated through a retirement. Through the elimination of the position, a burden was placed on the Wastewater Superintendent by requiring more field time resulting in decreased time to complete administrative duties. This problem should be alleviated by the reinstatement of this position.

Streets (HURF) - Street Maintenance Supervisor

To implement the Maintenance Management System (MMS), an additional supervisory position is required. This action provides for the number of employees each supervisor oversees to be established at standard and acceptable levels. Current manpower levels exceed a workable span of control. This is due in part to the additional duties being assigned to the Division related to the implementation of Phase II of the National Pollutant Discharge Elimination System (NPDES) requirements.

The City's staffing level now stands at 530.0 regular employees and 46.7 seasonal/temporary employees. This total includes the Assistant City Manager who is not funded during FY2006. Also included in the total are the seven Mayor and Council positions.

For an easy reference to determine which departments had changes in funded positions, please see the following chart.

2005-06 Budget Summary

Regular Staff Positions

| Regular FTEs | FY04 | FY05 | FY06 |
|-------------------------------|---------|---------|---------|
| General Government | 32.800 | 34.600 | 35.250 |
| Administrative Services | 4.500 | 4.500 | 3.900 |
| Budget/Finance | 22.700 | 22.200 | 22.500 |
| Community Development | 27.000 | 26.500 | 26.500 |
| Parks, Rec & Library | 65.150 | 65.275 | 75.700 |
| Police Dept + Grants | 110.750 | 111.500 | 123.550 |
| Fire Dept + Grants | 63.000 | 84.000 | 84.000 |
| Total General Fund + Grants | 325.900 | 348.575 | 371.400 |
| Central Garage | 7.100 | 8.200 | 9.200 |
| Self Ins & W/C Funds | 2.600 | 2.400 | 2.000 |
| Facilities Maintenance | - | 6.550 | 5.200 |
| Engineering Fund | 23.450 | 23.500 | 24.600 |
| Total Internal Service Funds | 33.150 | 40.650 | 41.000 |
| Water Department | 35.340 | 34.670 | 35.500 |
| Wastewater Department | 27.000 | 28.500 | 29.500 |
| Solid Waste | 14.460 | 16.130 | 15.800 |
| Transfer Station | 6.200 | 6.200 | 6.600 |
| Airport Operations | 12.750 | 12.800 | 11.100 |
| Golf Course | 28.400 | 28.600 | 30.200 |
| Parking Garage | - | 1.000 | 1.100 |
| Total Enterprise Funds | 124.150 | 127.900 | 129.800 |
| Streets (HURF) | 34.500 | 33.500 | 34.500 |
| Total Regular Staff Positions | 517.700 | 550.625 | 576.700 |

The City has continued its partnership with Yavapai College, Yavapai County, and the town of Chino Valley in the self-insured employee and dependent health insurance program known as the Yavapai Combined Trust. This partnership has enabled each of our organizations to keep employee benefit costs at a more affordable level compared with purchasing insurance in the private market. Nevertheless, due to rising medical costs, it was necessary to include a 10% increase for premiums in the FY2005-2006. Additionally, as part of its employee compensation and benefit package, the City will maintain the subsidy toward dependent insurance coverage with the Trust at 35% of the cost of the "Preferred Plan". The City will continue to provide a monthly subsidy of \$45 toward the cost of dependent health insurance purchased outside the Yavapai Combined Trust for those employees enrolled as of June 30, 2002. New enrollment for this benefit was discontinued as of July 1, 2002.

Capital Investments to Maintain Quality Basic Services:

With a few modifications, the capital investments included in the FY2005-2006 budget are part of the Five-Year Capital Improvement Plan adopted during the FY2004-2005 budget process.

Water Fund

The major funding allocation in the Water Fund is \$23,500,000 for consulting, pilot testing, and installation of a treatment plant to address the new arsenic rule instituted by the Environmental Protection Agency that goes into effect January 23, 2006.

2005-06 Budget Summary

Other notable projects in the Water Fund include

- \$5,500,000 for the design of a pipeline, reservoirs, wells and related infrastructure to deliver water from the Big Chino Ranch that was purchased during FY2005
- Funding for water improvements and upgrades as part of the Copper Basin Road (\$1,600,000) and Iron Springs Road (\$1,500,000) street projects.
- \$1,250,000 for the Recovery Wells at the Airport Recharge Facility

Each year the City plans several ongoing capital projects such as replacement of undersized water service lines, the small reservoir maintenance program, meter replacement program, fire hydrant upgrades along with miscellaneous equipment replacements.

Sewer Fund

Within the Sewer Fund, the largest allocation is \$6,415,000 for potential improvement districts of which the Prescott North Sewer Improvement District is the largest at \$4.7 million. Funding for sewer main replacements/improvements necessitated by street projects are also budgeted in this fund.

Like the Water Department, the Sewer Department each year plans several ongoing capital projects such as recharge cell cleaning at the Wastewater Treatment Plant, lift station rehabilitation, manhole rehabilitation, etc. Equipment purchases are minimal: a forklift (\$25,000).

Solid Waste Fund

There are no capital expenditures anticipated during FY2006 for this fund. Replacement vehicles are budgeted to be replaced out of the Vehicle Replacement Fund.

Transfer Station

\$3.9 million has been budgeted in this fund for the potential construction of a new Transfer Station. The current facility is at capacity and could create a safety risk to our customers should transactions increase.

Airport Fund

Infrastructure projects totaling \$1.1 million are grant funded for FY2005-2006 with the City's share of these grants being \$50,447. One notable project in this fund is the New Shade Hangar construction budgeted at \$1,350,000.

Golf Course

No specific capital outlay and projects were provided for in the FY2005-2006 budget.

Parking Garage

There are no anticipated capital purchases for FY2005-2006.

Streets

Street maintenance operations continue to be funded at a level \$4.0 million. Maintenance operations include snow removal, striping (in-house and contractual), signage, signal maintenance, installation of new street lights including maintenance through Arizona Public Service, drainage improvements, brush and weed removal, crack sealing, pothole patching, unpaved road grading, and electricity for the street light system and traffic signals.

1% Tax - Streets and Open Space Fund

Included in the FY2005-2006 budget is \$3.0 million for potential open space purchases. Also in this fund, is over \$22.3 million in street projects such as construction of the Iron Springs Road Widening project (\$7.5 million), Copper Basin Road construction (\$2.6 million), and Williamson Valley Road Widening project (\$1.7 million).

2005-06 Budget Summary

General Fund

There are other departments/divisions providing basic services (administration, city court, legal department, parks programs and maintenance, library services, building inspection, planning and zoning, economic development, police, fire, etc.). All have been funded to provide quality service at the levels currently offered to Prescott residents.

The only notable capital outlay in the General Fund for FY2005-2006 is the purchase of a Human Resources/Payroll software system. This integrated software system will include Human Resources, Payroll, Time and Attendance, and Employee self-service packages that should help all involved to work together more efficiently.

FUTURE ISSUES

The City of Prescott faces a number of issues in the coming years. Some of these issues are high priority and need addressed soon; others can wait until funds are available.

Development of Long Term Water Policy

The 2005-2009 Water Management Policy anticipated to be adopted in Fall 2005 is to be replaced with subsequent Long Term Water Policy providing for water management after 2009. The post-2009 policy will, for the first time, provide for importation of Big Chino Sub-basin groundwater into the Prescott Active Management Area; and specifically address monitoring of Big Chino groundwater, strategies for mitigation of pumping from the Big Chino Ranch, and safe yield in the Little Chino aquifer.

Annexation and Development Agreement - Point of Rocks Ranch and Granite Dells Ranch

The Pre-Annexation agreement of January 2004 with the owners of these properties provides a general framework for subsequent preparation of a more detailed development agreement encompassing land use, utilities, transportation, and drainage master plans within the three year agreement term. The City's interest is to assure that the master plans, and hence development contemplated, are consistent with its General Plan, adequate in terms of various level of service standards, and adequately financed.

Workforce Housing Strategy and City Plan

As a newly designated Entitlement community, in 2005 the City completed the HUD required Consolidated Plan outlining community housing needs. The approved "Annual Allocation Plan" provides funding for First-Tiem Homebuyers program. The city also plays an active role in supporting projects seeking funding from the Arizona Department of Housing for both rental and homeownership opportunities.

Sewer Extension Policy

The Sewer Model Project in progress and scheduled to be completed in early 2006, includes a systemwide master plan for addressing existing and future capital, maintenance, and operational needs. The City's objective is to maximize return flow to its wastewater treatment plants from all areas for which it is supplying potable water, consistent with water management policies which encompass treated plant effluent as a resource for aquifer recharge and other uses. The sewer model and systemwide master plan will provide a basis for determining the economics of extending sewer facilities into developed, but unsewered areas.

Utility Rates Evaluation and Revision

The City's objective is to have water and sewer rates and fees sufficient for funding ongoing operations, as well as short and long term capital needs. Capital needs include both current system repair and rehabilitation, as well as those driven by growth, which are to be financed by fees specifically applicable to the new development.

Conference Center Development

Currently there is no conference center within the city limits of Prescott. A conference center would allow the city to compete in the meeting conference market.

Community Profiles

History

Prescott was founded in 1863 and incorporated in 1883. During the late 1800s, Prescott twice served as the territorial capital, and the Governor's Mansion is now preserved at the Sharlot Hall Museum.

In 1864, the town site of Prescott was surveyed and laid out along Granite Creek where gold had been panned. The town was designated the capital of the new territory of Arizona after Arizona was separated from New Mexico. President Lincoln wanted the territorial capital in the northern part of the territory, far away from the Confederate sympathizing cities to the south.

Lincoln also decided to populate this new capital with Northerners and Midwesterners and this decision resulted in Prescott being the most Midwestern-looking city in Arizona. Victorian homes and peaked roof homes were built, a far cry from the adobe structures that were more common in the Southwest.

The early economy of the area centered on cattle ranching and mining. In July of 1900, a fire destroyed much of Prescott's commercial district. Within hours, make-shift shelters were erected on the Courthouse Plaza and business began rebuilding. Following the fire, most buildings in the downtown area were reconstructed of brick, providing today's rich architectural heritage.

Dubbed "Everybody's Hometown", Prescott is culturally diverse from its downtown Courthouse Plaza, famous Whiskey Row, preservation emphasis with 711 buildings on the National Register of Historic Places, World's Oldest Rodeo, Prescott Fine Arts Association, Sharlot Hall Museum, Phippen Art Museum, Folk Arts Fair, Frontier Days, and Territorial Days to its official designation by the State of Arizona as "Arizona's Christmas City".

Location

Located in the mountains of north central Arizona approximately 90 miles northwest of Phoenix and 90 miles southwest of Flagstaff, the City borders the Prescott National Forest to the south and west. The average elevation is 5,400 feet. The local climate is mild, with average high temperatures ranging from fifty degrees to ninety degrees F and the average precipitation recorded at 19.8 inches, most of which is rain. Prescott and the nearby towns of Chino Valley, Prescott Valley and the newly incorporated Dewey-Humboldt form what is known locally as the Quad-City area.

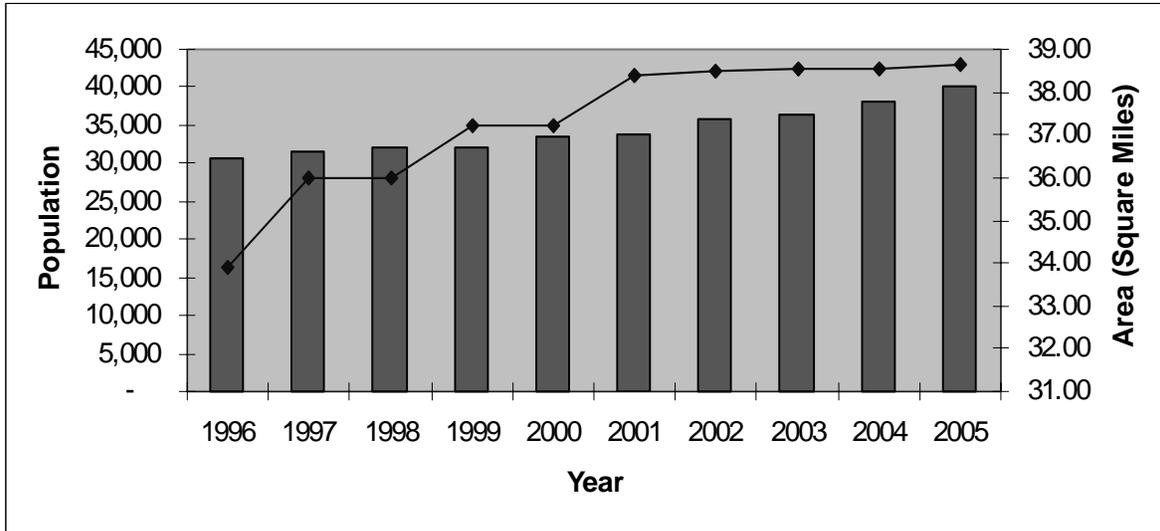
City Government

The council-manager form of governmental was also adopted in 1958. The Mayor is elected on a nonpartisan ballot to represent the entire City for a two-year term. The six members of Council are elected at large for four year terms on a nonpartisan ballot. Three of the six positions and the Mayor's position are up for reelection at the same time. Under the provisions of the City Charter, the Council appoints a City Manager who is responsible for carrying out its established policies and administering operations.

Community Profiles

Demographics

The City of Prescott is the largest city in Yavapai County and the base of county government operations.



| Population and Area | | | | |
|---------------------|------------|----------------|----------------|--------------------|
| Year | Population | Population | | Land Area |
| | | Yavapai County | as % of County | |
| 1996 | 30,606 | 146,414 | 20.9% | 33.88 square miles |
| 1997 | 31,428 | 151,924 | 20.7% | 35.98 square miles |
| 1998 | 32,037 | 157,686 | 20.3% | 35.98 square miles |
| 1999 | 32,086 | 162,943 | 19.7% | 37.24 square miles |
| 2000 | 33,581 | 167,517 | 20.0% | 37.24 square miles |
| 2001 | 33,938 | 173,743 | 19.5% | 38.40 square miles |
| 2002 | 35,815 | 179,138 | 20.0% | 38.51 square miles |
| 2003 | 36,375 | 184,576 | 19.7% | 38.52 square miles |
| 2004 | 38,180 | 190,628 | 20.0% | 38.52 square miles |
| 2005 | 40,225 | 196,760 | 20.4% | 38.63 square miles |

Community Profiles

| Racial/Ethnic Composition, 2000 | |
|---------------------------------|-------|
| White, Non-Hispanic | 92.9% |
| Hispanic | 8.2% |
| Black | 0.5% |
| Native American | 1.3% |
| Asian/Pacific Islander | 0.9% |
| Other | 3.3% |

| Land Use, 2000 | |
|----------------|-----|
| Residential | 77% |
| Industrial | 10% |
| Commerical | 9% |
| Other | 4% |

| Population Sex and Age, 2000 | | |
|------------------------------|--------|---------|
| Total | Male | Female |
| 33,938 | 16,703 | 17,235 |
| | Number | Percent |
| Under 5 | 1,264 | 3.8 |
| 5 to 19 | 1,413 | 4.2 |
| 10 to 14 | 1,638 | 4.8 |
| 15 to 19 | 2,290 | 6.7 |
| 20 to 24 | 2,581 | 7.6 |
| 25 to 34 | 2,756 | 8.1 |
| 35 to 44 | 3,660 | 10.8 |
| 45 to 54 | 4,713 | 13.9 |
| 55 to 59 | 2,279 | 6.7 |
| 60 to 64 | 2,259 | 6.7 |
| 65 to 74 | 4,689 | 13.8 |
| 75 to 84 | 3,332 | 9.8 |
| 85 and over | 1,064 | 3.1 |
| Median Age - 47.8 years | | |
| Median Income - \$34,041 | | |

Economy

Although small in population, 40,225, the City is not dependent on any one company or industry for economic vitality. The region is diverse in nature and benefits from the following industries who are the major employers in the City of Prescott:

| Major Employers | |
|---|-------|
| (Based on number of full-time equivalent positions) | |
| Yavapai County | 1,680 |
| Yavapai Regional Medical Center | 1,300 |
| Prescott Unified School District | 792 |
| Wal-Mart Stores | 782 |
| Veteran's Administration Medical Center | 625 |
| City of Prescott | 508 |
| Embry Riddle Aeronautical University | 475 |
| Yavapai College | 400 |
| State of Arizona | 300 |
| Fann Contracting | 260 |
| West Yavapai Guidance Clinic | 240 |

Community Profiles

| Personal Income (thousands of dollars) | | Annual Unemployment Rate | |
|--|-----------|----------------------------------|------|
| (Yavapai County - Calendar Year) | | (Yavapai County - Calendar Year) | |
| 1996 | 2,450,411 | 1996 | 4.8% |
| 1997 | 2,640,465 | 1997 | 4.8% |
| 1998 | 2,859,137 | 1998 | 4.0% |
| 1999 | 3,099,004 | 1999 | 3.3% |
| 2000 | 3,214,577 | 2000 | 3.4% |
| 2001 | 3,443,871 | 2001 | 2.8% |
| 2002 | 3,713,436 | 2002 | 3.0% |
| 2003 | 3,927,080 | 2003 | 3.7% |
| 2004 | N/A | 2004 | 3.3% |

| Per Capita Personal Income | | School Enrollment | |
|----------------------------|----------|-------------------|-------|
| 1996 | \$17,515 | 1996 | 5,414 |
| 1997 | 18,034 | 1997 | 5,195 |
| 1998 | 18,820 | 1998 | 5,242 |
| 1999 | 19,653 | 1999 | 5,149 |
| 2000 | 19,728 | 2000 | 5,046 |
| 2001 | 20,383 | 2001 | 5,049 |
| 2002 | 21,379 | 2002 | 5,031 |
| 2003 | 21,936 | 2003 | 5,000 |
| 2004 | N/A | 2004 | 5,113 |

Financial

| | FY2002 | FY2003 | FY2004 | FY2005 | FY2006 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Operating Budget (000s) | \$ 41,571 | \$ 44,230 | \$ 46,694 | \$ 57,338 | \$ 66,356 |
| Total Regular Employees (Note 1) | 453.08 | 482.675 | 485.425 | 509.375 | 530.00 |
| Total Employees per 1000 | 13.35 | 13.81 | 12.94 | 12.91 | 13.18 |
| Assessed Valuation (000s) | 307,858 | 340,963 | 384,740 | 419,846 | 466,996 |
| Property Tax Rate | 0.7856 | 0.7205 | 0.6487 | 0.6146 | 0.5658 |
| City Prop Tax Paid Per Capita | \$ 73.34 | \$ 72.25 | \$ 69.40 | \$ 68.07 | \$ 68.25 |
| City Sales Tax Rate | 2% | 2% | 2% | 2% | 2% |
| City Sales Tax Paid Per Capita | \$ 268.42 | \$ 277.94 | \$ 304.34 | \$ 317.47 | \$ 330.44 |

Note 1: Regular Employees does not include part-time temporary or seasonal employees.

Community Profiles

City Services

Neighborhood Resources

| | |
|----------------------------------|---------|
| Parks | 24 |
| Playgrounds | 7 |
| Golf Courses | 2 |
| Other Recreational Facilities | 11 |
| Open Space (acres) | 10 |
| Libraries | 1 |
| Circulation of Library Materials | 962,922 |

Public Safety

| | |
|--------------------|--------|
| Police Employees | 123.55 |
| Calls for Services | 36,284 |
| Part 1 Crimes | 2,080 |
| Part 2 Crimes | 3,521 |
| Fire Stations | 5 |
| Fire Employees | 74 |
| Responses | 6,444 |
| Inspections | 1,856 |

Building Inspections

| | |
|--------------------------|-----------|
| Number of Permits Issued | 2,039 |
| Value of Permits | 2,000,000 |

Transportation

| | |
|--------------------------------------|-------|
| Total Miles of Streets (paved miles) | 221 |
| Potholes Repaired | 8,250 |

Refuse Collection

| | |
|-------------------------|--------|
| Household Accounts | 14,865 |
| Commerical Accounts | 1,635 |
| Refuse Collected (tons) | 33,876 |

Transfer Station

| | |
|-----------------------|--------|
| Transactions Per Year | 84,330 |
| Tons Per Year | 63,494 |

Airport (Calendar Year 2004)

| | |
|-----------------------------|---------|
| Passenger Aircraft Landings | 1,697 |
| Passengers | 15,600 |
| FAA Traffic Count | 272,855 |

City of Prescott Water

| | |
|---|---------|
| Miles of Water Mains | 505 |
| Number of Connections | 19,205 |
| Millions of Gallons of Potable Water Storage Capacity | 2,639 |
| Acre Feet of Potable Water Delivered Annually | 8,099.6 |

City of Prescott Wastewater

| | |
|---------------------------|--------|
| Miles of Wastewater Lines | 647 |
| Number of Connections | 16,091 |

Budget Process

BUDGET PROCESS, BUDGET AMENDMENTS AND BASIS OF PRESENTATION

FY2005-2006 BUDGET PROCESS

Each year, using a modified zero-based budgeting process, the City of Prescott's budget is developed by the Budget and Finance Department in conjunction with the individual departments, the City Manager, the Mayor and Council, citizen advisory groups, and general citizen input.

| FY2005-06 Budget Calendar | |
|---------------------------|--|
| January 6-8 | Held Council Retreat on Goals and Objectives. |
| January | Provided Department/Divisions with Budget Preparation Manual for FY2005-06. |
| April 18-May 2 | Review of base budgets, capital, new personnel, and issues by Manager, Budget Department, and each Department. |
| May 31 | Budget presented to full Council and public at a workshop. |
| June 14 | Council adopted tentative budget and set June 28 as date for public hearing on final budget, expenditure limitation, and tax levy. |
| June 24 and 27 | Published tentative budget and public hearing notice. |
| June 28 | Public hearing on final budget, Council adoption of final budget and five-year capital improvement program, and establishment of expenditure limitation. |
| July 12 | Council adopted property tax levy ordinance. |

The Budget and Finance Department produced a new Budget Preparation Manual in January to assist department/division heads, supervisors, and budget coordinators in developing and entering their FY2006 budgets. Along with the FY2006 budget preparation detail, forms, instructions, and information regarding the preparation of the Five-Year Capital Improvement Program (2007-2011) were provided to all department heads at this time.

Base budgets (the costs associated with providing current levels of service for the following year) were submitted by the departments electronically by March 4 to the Budget and Finance Department. The deadline for decision packages (requests for new positions, capital equipment or new programs not submitted in the Five-Year Capital Plan) was March 18. Payroll forecasts were entered by the Budget and Finance Department. Input was provided by the departments concerning temporary/seasonal employment needs as well as overtime requirements. Lists of capital outlay and projects budgeted for in FY2005 but not expected to be received or completed by June 30, 2005, were needed to determine estimated expenditures in FY2005 and the carry forward amounts for FY2006.

Meetings with each department, the City Manager, and the Budget and Finance Department for the purpose of internal review of bases, additional decision packages, and any issues that may effect the budget were held during the weeks of April 18 through May 2. During these meetings the Capital Improvement Plan issues were also discussed and any reductions or movement from year to year was determined.

After these meetings were completed, a proposed balanced budget was prepared for submittal to the full Council and public at workshops held on May 31, 2005.

Expenditure Limit Hearing: The City currently operates under the Home Rule Option which has been approved by the voters. As part of that process, a public hearing is mandatory. At the Council meeting of June 14, 2005, the hearing date was set for June 28, 2005.

Budget Process

Tentative Adoption: On June 14, 2005, Council adopted the tentative budget and set June 28, 2005, as the date for the public hearing on the final budget, expenditure limitation, and tax levy for fiscal year 2006. Upon tentative adoption, the budget becomes the City Council's program of services for the ensuing fiscal year. The Council may later reduce or adjust the budget; however, the total may not be increased.

Final Budget Adoption. Adoption of Five-Year Capital Improvement Plan, and establishment of Expenditure Limitation: On June 28, 2005, the final budget and the five-year capital improvement plan were adopted and the expenditure limitation was established (Resolution 3685).

Property Tax Levy: Adoption of the property tax levy ordinance follows fourteen days later, or July 12, 2005, in accordance with State Law.

AMENDING THE BUDGET

Control of each legally adopted annual budget, according to City Charter, is at the department level. The City Manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditure (line items) within an office, department or agency. The City Manager generally gives authority to department heads to exceed one line item as long as other line items are reduced by a like amount. These arrangements are usually made directly between the requesting department and the Budget and Finance Department.

At the request of the City Manager, the Council may transfer any unencumbered appropriation balance or portion thereof between one office, department or agency to another.

Pursuant to Arizona Revised Statutes, "No expenditure shall be made for a purpose not included in such budget . . ." Thus a Council Contingency is included within the General Fund to accommodate most unplanned expenditures. The other option in amending the budget, according to state law, is for the Council to declare an emergency and then transfer the monies from one project to another. In essence, any approved Council transfers do amend the budget although the budget is never reprinted. All transfers are reflected on the following year's legal schedules as required by the Auditor General's Office.

BUDGET BASIS

The City of Prescott budget as adopted is substantially consistent with generally accepted accounting principles (GAAP) with major differences being (1) encumbrances are treated as expenditures at fiscal year end; (2) certain liabilities, such as vacation and sick pay, are not accrued at year end for budget purposes; (3) interest expense has been accrued for GAAP in some general fund departments, but not expenses in the budget comparisons; (4) depreciation is not budgeted as an expenditure in budgetary accounting; and (5) capital outlay is an expenditure in budgetary accounting and an asset in GAAP.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City of Prescott uses the following funds in its budget process:

The **GENERAL FUND** is established for the revenue and expenditures necessary to carry out basic governmental activities of the City such as police protection, recreation, planning, legal services, administrative services, etc. General Fund expenditures are made primarily for current day-to-day operating expenses and operating equipment. Capital expenditures for large-scale public improvements, such as parks or streets, are accounted for elsewhere in the Special Revenue Funds, Capital Project Funds, Enterprise Funds or Expendable Trust Funds.

Budget Process

SPECIAL REVENUE FUNDS are used to account for revenues derived from specific taxes or other earmarked revenue sources. These funds are usually required by statute, charter provision or ordinance to finance particular functions or activities. The Special Revenue Funds listed below are used by the City of Prescott.

Highway Users Fund - This fund is used to account for the operation of the Street Department. Financing is provided by the City's share of State gasoline taxes. State law requires these gasoline taxes to be used to maintain or construct streets.

Streets and Open Space - 1% Additional Tax - In September, 1995, the voters approved increasing the sales tax rate from 1.0% to 2.0% for the purpose of street repairs and improvements for a ten year period effective January 1, 1996. In May, 2000, the voters expanded the use of the funds to include open space acquisitions and extended the sunset to January 1, 2016. The accumulation and expenditure of these funds are accounted for in this area.

Transient Occupancy Tax Fund - In 1987 the voters established a two percent (2.0%) transient occupancy (hotel/bed) tax. By ballot provision, these revenues can only be used for tourism promotion and development of recreational facilities.

Grants Funds - This represents a group of funds which expend grant monies received for various projects. Grant funds must be used for the stated purpose of the grant and must meet grantor expenditure guidelines.

Impact Fee Fund - This fund represents a group of accounts which expend impact fees received to offset the cost of growth related projects.

Capital Improvement Fund - This fund, established by Council policy, receives revenues from the sale of unrestricted municipal property and transfers of General Fund unobligated reserves for the purpose of general capital improvements for infrastructure improvements, special capital projects as approved by Council or improvements to existing City facilities.

CAPITAL PROJECTS FUNDS are established to account for the purchase or construction of major capital facilities other than those financed by Proprietary Funds or Trust Funds.

DEBT SERVICE FUNDS are established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The City of Prescott's Debt Service Fund was established during FY1999 to pay for the principal and interest of general obligation debt for the police station construction and the Watson and Willow Lakes water rights and land purchase as well as improvement district bond payments.

ENTERPRISE FUNDS are established to account for operations that (1) are financed and operated in a manner similar to private business operations where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City of Prescott has seven enterprises as follows:

Water Fund - To account for the provision of water services to the residents of the City and some residents of the County. All activities necessary to provide for water services are accounted for in this fund.

Budget Process

Sewer Fund - Previously this fund was combined with the Water Fund. However, beginning in FY94 this fund accounts for the provision of sewer services to the residents of the City. All activities necessary to provide for sewer services are accounted for in this fund.

Golf Course Fund - To account for the provision of year-around golf to the residents of the City, County and visitors to the area. Beginning in FY94, the Golf Course was established as a separate department. Prior to FY94 the Golf Course was under the direction of Recreation Services.

Airport Fund - To account for the provision of airport services to the general aviation and commercial flying public. Services include fueling, hangar and tie down rentals, etc.

Solid Waste Fund - To account for sanitation, landfill, and recycling services provided to City and County residents. All activities necessary to provide these services are accounted for in this fund. Since April of 1994, only fill materials have been accepted at the City's landfill.

Transfer Station Fund - To account for the operations of the City's transfer station. This facility was opened in September, 1991 and all activities necessary to provide this service are accounted for in this fund.

Parking Garage Fund - To account for the operations of the City's parking garage. This facility was opened in June, 2005 and all activities necessary to maintain and operating the parking garage facility are accounted for in this fund.

EXPENDABLE TRUST FUNDS are used to account for assets held by a government unit in a trustee capacity for others. Expendable trust funds are those whose principal and income may be expended in the course of their designated operations. The City of Prescott maintains the Acker Trust Fund to account for assets willed to the City of Prescott by J.S. Acker. Revenue from investments and land sales are to be expended for cultural and recreational purposes only.

The City also maintains the Flexible Spending Account, Miscellaneous Gifts Trust Fund and Employee Relations Fund as expendable trust funds.

INTERNAL SERVICE FUNDS are used to account for services and commodities furnished by one department or agency to other departments or agencies of the City on a cost-reimbursement basis. The City's Central Garage, Engineering Services, General Liability Self Insurance, Workers' Compensation Insurance, and Facilities Maintenance Fund are operated as Internal Service Funds.

GENERAL BUDGET, DEBT & INVESTMENT POLICIES

BUDGET POLICY

Background

The focus of the City of Prescott's budget policy is the process by which a budget is formulated from departmental requests to the Mayor and Council adoption, including the adoption of the Five-Year Capital Improvement Plan and other issues presented to the Mayor and Council during the budget process.

A budget policy addresses the authorization levels for the approval of the annual budget and all budget adjustments for revenues and expenditures of all funds.

Standards

Generally accepted accounting principles (GAAP)

Government Finance Officers Association's (GFOA) Criteria for Distinguished Budget Award

Constitution of the State of Arizona

Arizona Revised Statutes (ARS)

Prescott City Code

City of Prescott Charter

Fund Reserves

Sound financial policy requires the establishment of appropriate fund balance levels to maintain adequate cash flow and a reserve to cover unanticipated expenditures and revenue shortfalls.

The following General Fund balances will be maintained through the budgeting process:

- Reserve of amounts for inventories, advances to other funds, or other amounts unavailable for appropriation.
- Designation of amounts re-appropriated from unencumbered balances for the completion of projects in subsequent periods.
- An unreserved and undesignated balance equal to 20% of the Fund's operating revenues: 10% to be used for the cash flow need due to timing differences between receipts and disbursements during the fiscal year and 10% that can only be used with approval of the City Council to cover unanticipated expenditure and revenue shortfalls.

All other fund equities will be maintained to meet the objectives of the fund.

Budget Objectives

The Mayor and Council of the City of Prescott annually set priorities for the City and the budget objectives will be consistent with such priorities.

The budget objectives will provide policy direction for the formulation of the City of Prescott's proposed budget and the budget schedule will identify important dates throughout the budget preparation and adoption period.

The following issues shall be considered in the development of budget objectives:

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- Adoption of budget and five-year capital improvement program
- Anticipated property tax rate levels
- Provision of employee compensation including pay for performance bonuses for City employees and market sensitive salary benchmark adjustments that will ensure that the City continues to retain and attract outstanding employees. The dependent health insurance subsidy shall be equal to thirty-five percent (35%) of the cost of the dependent health insurance of the "Preferred Plan" if purchased within the Yavapai Combined Trust. The City will continue to provide a monthly subsidy of \$45.00 towards the cost of dependent health insurance purchased outside of the Yavapai Combined Trust for those employees enrolled as of June 30, 2002. Enrollment for this benefit will be discontinued as of July 1, 2002. This subsidy shall be funded as a part of the base budget.
- Compliance with financial policies and maintenance of bond ratings.

The following items will be considered in conjunction with the budget preparation and adoption process unless it has been determined that the issues must be considered in a more expeditious manner.

- Ordinance changes involving fee/rate changes
- New positions or changes involving fee/rate changes
- Requests for long-term financing

The operating budget will be balanced with current revenues along with beginning fund balances less required reserves as established by City Council, greater than or equal to current expenditures.

In order to present the full cost of providing goods and services, it is necessary that all indirect costs be allocated to the service levels. General fund internal support and administrative costs will be allocated to the Enterprise Funds, Internal Service Funds, and Special Revenue Funds that benefit from the services being provided. The City's cost allocation plan will be maintained in accordance with generally accepted accounting principles for governmental organizations. The internal support and administrative systems below will be allocated based on the following factors:

- A method that allocates costs in proportion to the support or benefit received
- A method that is clearly understood and easy to explain
- A measure that is readily available and easy to apply

| General Fund Function | Allocation Basis |
|------------------------------|---|
| City Council | Total City budget |
| City Clerk | Total City budget |
| City Manager | Total City budget |
| City Attorney | Total City budget |
| Purchasing | Total City budget |
| Budget and Finance | Direct allocations, remainder - total City budget |
| Human Resources | Full-time equivalent employees in each fund |
| Information Technology | Number of computers in each division |

Five-Year Capital Improvement Program (CIP)

CIP is a program for capital expenditures and a means of funding facilities, projects, equipment and vehicles with a unit cost greater than \$5,000 during the next five fiscal years.

The operating impact of proposed capital projects, including personnel, operating expenditures, capital outlay and debt service, as applicable, will be identified in the CIP document and considered in preparing the Five-Year Capital Improvement Program.

Financing of capital expenditures from available funds, pay-as-you-go-funding, is the least costly and most desirable method to cover capital expenditure. Every effort will be made in the CIP to accumulate funds to allow this method of funding.

Necessary capital expenditures, which are unable to be funded from available resources, will follow financing options and methods outlined in the Debt Management Policy.

Utility projects will be primarily funded by user fees as resources are available.

The program will identify all major budget assumptions, including the anticipated collection of revenues, use of fund balance, expenditures, future operating costs of capital improvements and proposed changes in service levels and fees.

The program will clearly illustrate proposed service levels and the means to finance such service levels over the five-year period.

Compliance with debt and fund balance policies shall be maintained for each year of the program.

The funding of on-going programs with nonrecurring revenues will need to be supplanted with on-going revenues and/or corresponding decrease in another on-going expenditure as identified in the five-year capital improvement program in order for on-going programs to continue.

Budget Preparation

The Finance Department and City Manager will establish a budget schedule by December 1 that will include important dates throughout the budget preparation period.

All departments will submit their budget requests to the Finance Department in accordance with the budget preparation schedule. Budget requests will include, but not be limited to, detail as to personnel, operating and capital requests, including five-year capital improvement program requests and performance measures.

The Planning and Zoning Commission shall review the City Manager's Proposed Five-Year Capital Improvement Program (CIP).

Budget workshops to provide detailed information on important budgetary issues will be scheduled with the Finance Subcommittee that consists of three council members.

Public workshops on the budget, CIP, ordinance changes and property tax rates shall be held in accordance with the budget calendar.

A public hearing on Expenditure Limitation and tentative adoption of the budget will occur on or before the third Monday in July. Mayor and Council will convene to adopt tentative budget and Expenditure Limitation.

Tentative budget and public hearing notices along with a notice of final budget adoption meeting shall be advertised once a week for two consecutive weeks following the adoption of the tentative budget.

If the proposed primary tax levy, excluding amounts attributable to new construction, is greater than the amount levied by the City the previous year, notification of the public hearing will be published. The following requirements will be met:

- The notice has to be published twice in a newspaper of general circulation in the city. The first publication shall be at least fourteen but no more than twenty days before the date on which the proposed

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levy will be discussed. The second publication must be at least seven but not more than ten days before the hearing.

- The notice has to be published in a location other than the classified or legal advertising section of the newspaper.
- The notice must be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.
- The headline of the notice must read "Truth in Taxation Hearing - Notification of Tax Increase" in at least 18-point type and the text must be in substantially the same form as the statute.
- In lieu of publishing the notice, the City has the option of mailing the notice to all registered voters in the city at least ten but not more than twenty days before the hearing on the proposed levy.

A public hearing on budget adoption and property tax levy will occur on or before the 7th day before the tax levy is adopted.

Adoption of property tax levy will occur on or before the third Monday in August.

Budget Adoption

Following the public hearing on final budget adoption, Mayor and Council will convene to adopt the Final Budget and Five-Year Capital Improvement Program.

The budget is legally enacted through adoption of an appropriations resolution for all governmental and proprietary fund types, which places legal restrictions on expenditures at the department level.

For all funds, the level of control is at the department level as established by the City of Prescott Charter.

Although legal limits on expenditures are established at the department level, effective administrative control over expenditures is maintained through the establishment of a more detailed line-item budget.

At all times, the City will maintain compliance with the Arizona Revised Statutes in appropriating, advertising public notices, ordinance changes, requests for bond financing and any other legal restrictions imposed upon localities.

All appropriations and encumbrances unexpended at year-end lapse and are not available in the following year. Included with the budget resolutions is approval for the reappropriation of all encumbered balances.

As part of the adopted budget, all ordinance changes and other budgetary issues requiring Mayor and Council approval will be presented to the Mayor and Council for consideration.

All new positions and reclassifications approved in the budget will be effective July 1 of the new fiscal year unless presented differently to the Mayor and Council.

The Adopted Budget Document will be forwarded to the Government Finance Officers Association (GFOA) and other interested parties within 90 days of budget adoption for the Distinguished Budget Award program.

Budget Amendments

The City Manager may transfer any unencumbered appropriation between divisions within a department. Council will be notified of this transaction. Only the Council may transfer any unencumbered appropriation balance or portion thereof from one department to another.

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If fund deficits are anticipated within a fiscal year, recommended spending reductions will be proposed by the City Manager and presented to the Mayor and Council during the fiscal year, in a timely manner, in order to sufficiently offset the deficit.

Budgetary Accounting

Budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP) with the major differences being:

- Accrued compensated absences are not recognized as expenditures for budgetary purposes.
- Capital outlays for Proprietary Funds are treated as expenditures.
- Debt service principal payments are treated as expenditures for Proprietary funds.
- Capital grants in Enterprise Funds are budgeted as revenue.
- Depreciation is not budgeted as an expenditure.

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DEBT POLICY

Background

A debt policy addresses the level of indebtedness the City of Prescott can reasonably expect to incur without jeopardizing its existing financial position and to ensure the efficient and effective operation of the City.

The debt policy shall conform to Federal and State Regulations.

A debt policy also addresses the purposes for the types of debt that will be issued.

The debt policy is to be used in conjunction with the Adopted Budget, the Capital Improvements Program and other financial policies as directed by Mayor and Council.

Planning and Performance

The planning, issuance and review of outstanding and proposed debt issuances will ensure that compliance with the debt policy is maintained.

The City may issue debt for the purpose of acquiring or constructing capital projects including buildings, machinery, equipment, furniture and fixtures.

Debt issuances will be pooled together when feasible to minimize issuance costs.

The City will prepare and adopt annually a Five-Year Capital Improvement Program to identify and establish an orderly plan to meet the City's infrastructure needs with all debt-related projects and the debt service impact upon operations identified, appropriately adjusted by inflation to properly reflect costs incurred in the applicable future fiscal year.

All issuance subject to arbitrage constraints shall be monitored by the applicable personnel and have arbitrage liability calculations performed in a timely manner.

Investment of bond proceeds shall at all times be in compliance with the City's Investment Policy and meet all requirements of bond proceeds covenants.

Debt shall be within statutory and sound financial management limits.

Types of Debt

Interfund Borrowing. The borrowing by one fund from another is an acceptable means of meeting cash flow needs.

- Short-term interfund borrowing, defined as paid back in less than one year, will occur due to occasional cash shortages in a fund. All funds borrowing from the City's available cash pool on a short-term basis should be charged an interest rate equivalent to the State Treasurers Pool for the prior month.
- Long-term borrowing, defined as paid back in more than one year, must come from a specific fund and be established by Council action. This action would include the fund borrowing the cash, fund lending the cash, terms (length of repayment period and amount of payments) of loan, and interest rate to be paid.

Lease Purchase Financing. It is legal to use lease purchasing for any lawful or necessary short-term or long-term projects; however, it is the objective not to use lease purchase financing for future equipment replacements, additions or building acquisitions. It is recognized that future events such as new services

of unfunded legal mandates may require the City to provide unanticipated services or programs and that this financing technique may have to be utilized to fund start-up capital costs of such new services or programs. If this is the case, the City can first look to its own cash pool to ascertain if a fund would have sufficient moneys to lend, with interest, over the desired term of the needed financing.

General Obligation Bonds. General Obligation Bonds may be used for any lawful project approved by the voters. Pursuant to Arizona Constitution, principal outstanding may not exceed:

- 20% of net secondary assessed value for water, sewer, lighting, parks, open spaces and recreational purposes; or
- 6% of net secondary assessed value for all other purposes.
- This type of debt issuance is generally the lowest cost financing approach since the debt repayment is backed by property taxes. However, it is the policy of this Council that if general obligation debt is issued for a project with a revenue stream (i.e., water/sewer project), that revenues from the appropriate enterprise fund be used to pay for the debt repayment and not property taxes. Debt repayment for non-revenue supported projects such as park improvements would have to be repaid through property taxes.

Utility Revenue bonds. These voter-approved bonds may be used for acquiring, constructing or improving "utility undertakings" including water, sewer, gas, electric light or power, airport buildings and facilities, and garbage disposal systems. Utility revenue bonds are not a general or full faith and credit obligation of the City and are secured by revenues of the applicable utility undertaking. Debt repayment is from revenues from the appropriate enterprise. A limitation on these bonds is that the prior year's net revenues must exceed maximum annual debt service by a specific factor. These bonds would be appropriate to use if the City wanted to preserve general obligation capacity for future needs.

Municipal Property Corporation Bonds. These non-voter approved bonds are for all city-approved projects. In essence, the City makes annual payments equal to debt service under a lease-purchase or loan agreement with the Municipal Property Corporation. City payments may be guaranteed by pledge of excise taxes, enterprise revenues or annual appropriations. After the debt is retired, the City receives ownership of the financed project. The Municipal Property Corporation bonds are appropriate to use for (1) mandated projects that the City has no choice, but to complete, (2) projects that are a matter of public safety and welfare which can be backed by a sufficient revenue stream to allow retirement of the debt, or (3) projects which meet a stated economic development goal of the City. Examples of mandates include a required upgrade of a wastewater treatment plant or a landfill closure. Current City of Prescott limitations on this financing technique is that the prior year's excise tax revenues must exceed maximum annual debt service by two times. Examples of public safety and welfare projects include water storage tanks, water transmission and distribution lines, sewer plant expansions and sewer collection system.

Street and Highway Revenue Bonds (HURF Bonds). These voter-approved bonds can be used for improving, construction or maintaining City streets and highways as well as for acquisition of necessary rights of way for street projects. Debt repayment is through use of HURF revenues. The legal limit on the amount of bonds that can be issued is governed by the amount of HURF receipts in that the maximum annual debt service may not exceed two-thirds (three times coverage) of the most recent year's receipts as long as the bonds are rated "A" or above. If the bonds are rated below "A", the maximum annual debt service may not exceed 50% of the most recent year's receipts (two times coverage). Recommendation for issuance of these bonds should be carefully considered since if the maximum allowable were issued (approximately \$15 million), there would not be sufficient yearly revenues available after debt repayment to operate the streets department.

Improvements District Bonds. These bonds are issued for numerous governmental purposes including financing streets, curbs, gutters, sidewalks, streetlights, sewer systems, etc. Although the bonds are not subject to voter authorization, they may be rejected by a majority of property owners within the boundaries of the designated district. The debt repayment is through assessments levied against property located within the district and the debt is backed by a contingent liability of the City's general fund. One restriction

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is that the improvements to be made cannot be of general benefit to the City as a whole. These bonds are recommended to be issued to bring unpaved streets to a paved status and installing sewer systems within neighborhoods.

INVESTMENT OF MUNICIPAL FUNDS

CITY OF PRESCOTT INVESTMENT POLICY

I. SCOPE OF POLICY

This investment policy shall govern the investment activities of all funds of the City of Prescott, excluding any specific funds cited hereafter. This policy serves to satisfy the state statute requirement to define and adopt a formal investment policy.

A. FUND INCLUDED:

All financial assets of all current funds of the City of Prescott, Arizona and any new funds created in the future, unless specifically exempted, will be administered in accordance with the objectives and restrictions set forth in this policy. These funds are accounted for in the City's Comprehensive Annual Financial Report.

B. POOLING OF FUNDS:

Except for cash in certain restricted and special funds, the City of Prescott will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. PRUDENCE

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio of funds, rather than a consideration as to the prudence of a single investment. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion to the City Manager and the City Council of the City of Prescott, and appropriate action is taken in accordance with the terms of this policy.

III. OBJECTIVES OF POLICY

The primary objectives in priority order of investment activities shall be preservation and safety of principal, liquidity, and yield:

A. SAFETY:

The foremost and primary objective of the City's investment program is the preservation and safety of capital in the overall portfolio. The objectives will be to mitigate credit risk and interest rate risk. To control credit risk, investments should be limited to the safest types of securities, financial institutions, broker/dealers intermediaries and advisers which the City will do business.

To control interest rate risk, the City will structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations and monitoring credit rating of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act.

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B. LIQUIDITY:

The City's investment portfolio will remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow funding requirements, by investing in securities with active secondary markets and by diversification of maturities and call dates. Furthermore, since all possible cash demands cannot be anticipated, a small portion of the portfolio may also be placed in money market mutual funds or local government investment pools which offer same day liquidity for short term funds.

C. YIELD:

The City's investment portfolio will be designed with the objective of regularly exceeding the average rate of return on three month U.S. Treasury Bills. The investment program will seek to augment returns above this threshold consistent with risk constraints identified herein, cash flow characteristics of the portfolio and prudent investment principles. The care of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1. A security swap that would improve the quality, yield or target duration in the portfolio.
2. Liquidity needs of the portfolio require that the security be sold.
3. If market conditions present an opportunity for the City to benefit from the sale.

D. RISK OF LOSS:

All participants in the investment process will seek to act responsibly as custodians of the public trust. Investment officials will avoid any transactions that might impair public confidence in the City's ability to govern effectively. The governing body recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

IV. INVESTMENT STRATEGY

The City of Prescott intends to pursue an active vs. passive portfolio management philosophy. Active management means that the financial markets will be monitored by investment officials and investments will be purchased and sold based on the City's parameters for liquidity and based on market conditions. All marketable securities purchased by the City shall have active secondary markets, unless a specific cash outflow is being matched with an investment that will be held to maturity to meet that obligation. Securities may be purchased as a new issue or in the secondary markets. Securities may be sold before they mature if market conditions present an opportunity for the city to benefit from the trade or if changes in the market warrant the sale of securities to avoid future losses. Securities may be purchased with the intent from the beginning, to sell them prior to maturity or with the expectation that the security would likely be called prior to maturity under the analyzed market scenario. Market and credit risk shall be minimized by diversification. Diversification by market sector and security types, as well as maturity will be used to protect the city from credit and market risk in order to meet liquidity requirements.

The portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value between asset groups shall be analyzed and pursued as part of the active investment program within the restrictions set forth by this policy.

V. RESPONSIBILITY AND CONTROL

A. DELEGATION:

Oversight management responsibility for the investment program has been delegated to the Chief Financial Officer, to establish written procedures and controls for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for the daily cash management operation, the execution of investment transactions, overall portfolio management and investment reporting.

B. SUBORDINATES:

All persons involved in investment activities shall be referred to as "investment officials". No person shall engage in an investment transaction except as provided under the terms of this policy, the procedures established by the Chief Financial Officer and the explicit authorization by the City Manager to withdraw, transfer, deposit and invest the City's funds. The City Council, by resolution, has authorized the City Manager to appoint these individuals. The Chief Financial Officer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate investment officials.

C. CONFLICTS OF INTEREST:

Investment officials and employees involved in the investment process will refrain from personal business activity that could conflict with proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials and employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City. THIS POLICY EXPRESSLY INCORPORATES THE PROVISIONS OF TITLE 38, CHAPTER 3, ARTICLE 8, ARIZONA REVISED STATUTES.

D. DISCLOSURE:

Investment officials and employees shall disclose to the City Manager any material financial interest in financial institutions that conduct business with the City of Prescott. Investment officials and employees shall further disclose any material, personal investment positions that could be related to the performance of the City's investment portfolio. Investment officials and employees shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales. An investment official who is related within the second degree by affinity or consanguinity to individuals seeking to sell an investment to the city shall file a statement disclosing that relationship.

E. INVESTMENT TRAINING:

Investment officials shall have a finance, accounting or related degree and knowledge of treasury functions. Investment training must take place not less than once in a two year period and receive no less than ten hours of instruction relating to investment responsibilities from an independent source such as Government Finance Officers Association, Municipal Treasurers Association, American Institute of Certified Public Accountants, Arizona Finance Officers Association, Arizona Society of Public Accounting or other professional organizations. The Chief Financial Officer and all investment officials of the City shall attend at least one training session relating to their cash management and investment responsibilities within 12 months after assuming these duties for the City. Training must include education in investment controls, security risks, strategy risks, market risks, and compliance with State investment statutes.

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VI. AUTHORIZED INVESTMENTS

Funds of the City of Prescott, Arizona may be invested in the following investments. Investments not specifically listed below are not authorized:

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of this state or its agencies;
3. Collateralized Mortgage Obligations and pass-through securities directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, the State of Arizona or the United States or its instrumentalities;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state, rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Certificates of deposit that are issued by a state or national bank or savings and loan domiciled in the State of Arizona and that are guaranteed or insured by the Federal Deposit Insurance Corporation or are secured as to principal by obligations described in the preceding clauses or in any other manner and amount provided by law for City deposits;
7. Fully Collateralized Repurchase or Reverse Repurchase Agreements that have a defined termination date and are fully secured by obligations described in the preceding paragraphs (1) through (5) of this section of the policy;
8. The pooled investment funds established by the state treasurer pursuant to ARS 35-326;
9. Money Market Mutual Funds investing exclusively in obligations authorized by the preceding paragraphs (1) through (5) of this section of the policy.

VII. INVESTMENT REPORTS

The Chief Financial Officer shall submit quarterly an investment report including a management summary that provides an analysis of the status of the current investment portfolio with comparison to the average three-month US Treasury Bill.

VIII. PORTFOLIO AND INVESTMENT ASSET PARAMETERS

A. BIDDING PROCESS FOR INVESTMENTS:

Investment officials for the City may accept bids for certificates of deposit and for all marketable securities either orally, in writing, electronically, or in any combination of these methods. The investment official will strive to receive two to three price quotes on marketable securities being sold, but may allow one broker/dealer to sell at a predetermined price under certain market conditions. Investments purchased shall be shopped competitively between approved financial institution and broker/dealers. Security swaps are allowed as long as maturity extensions, credit quality changes and profits or losses taken are within the other guidelines set forth in this policy.

B. MAXIMUM MATURITIES:

The City of Prescott will manage its investments to meet anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than seven years from the date of purchase. The City shall adopt weighted average maturity limitations consistent with the investment objectives.

C. MAXIMUM DOLLAR-WEIGHTED AVERAGE MATURITY:

Under most market conditions, the composite portfolio will be managed to achieve a two year dollar-weighted average maturity. However, under certain market conditions, investment officials may need to shorten or lengthen the average life or duration of the portfolio to protect the city. The maximum-dollar weighted average maturity based on the stated final maturity, authorized by this investment policy for the composite portfolio of the City shall be three years.

D. PRICING:

Market price for investments acquired for the City's Investment Portfolio shall be priced using independent pricing sources and market value monitor at least monthly.

IX. SELECTION OF DEPOSITORY, FINANCIAL INSTITUTIONS AND BROKER/DEALERS

A. BIDDING PROCESS:

Depositories shall be selected through the City's banking services procurement process, which shall include a formal request for proposal (RFP) issued at least every five years with a typical contract being for two (2) years with an option to extend the contract for three (3) additional one (1) year terms. In selecting depositories, the credit worthiness of institutions shall be considered, and the Chief Financial Officer shall conduct a comprehensive review of prospective depositories credit characteristics and financial history. No public deposit shall be made except in a qualified public depository as established by state depository laws. The depository bank bid will not include bids for investment rates on certificates of deposit. Certificate of deposit rates will be shopped competitively between qualified financial institutions in accordance with the manner in which all other types of investment assets are purchased.

B. INSURABILITY:

Banks and Savings and Loan Associations seeking to establish eligibility for the City's competitive certificate of deposit purchase program, shall submit financial statements, evidence of federal insurance and other information as required by the investment officials of the City of Prescott.

C. AUTHORIZED DEPOSITORY, FINANCIAL INSTITUTIONS AND BROKER/DEALERS:

The Chief Financial Officer will maintain a list of financial institutions authorized to provide investment services. All financial institutions and broker/dealers or bank/dealers who desire to become a qualified bidder for investment transactions must supply the Chief Financial Officer with the following:

1. Audited financial statements.
2. Proof of National Association of Security Dealers certification where applicable.
3. Proof of state registration where applicable.
4. Completed broker/dealer questionnaire.

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5. Certification of having read the City of Prescott's investment policy.

A current audited financial statement is required to be on file for each financial institution and broker/dealer which the City of Prescott uses.

X. COLLATERALIZATION OF CITY'S DEPOSITS

A. INSURANCE OR COLLATERAL PLEDGED:

Collateralization shall be required on depository bank deposits, certificates of deposit, and repurchase (and reverse) agreements in accordance with the "Public Funds Collateral Act" and depository laws (see Appendix B). In order to anticipate market changes and provide a level of security for all funds, the collateralization level will not be less than 102% of market value of principal and accrued interest, less an amount of \$100,000, which represents insurance by the FDIC or FSLIC on certain types of bank deposits. Evidence of the pledged collateral shall be documented by a safekeeping agreement or a master repurchase agreement with the collateral pledged clearly listed in the agreement and safekeeping confirmations. The master repurchase agreement must be executed and in place prior to the investment of funds. Collateral shall be monitored daily to ensure that the market value of the securities pledged equals or exceeds the related deposit or investment balance.

B. COLLATERAL DEFINED:

The City of Prescott shall accept only the following insurance and securities as collateral for cash deposits, certificates of deposit, and repurchase agreements:

1. FDIC insurance coverage.
2. Obligations of the United States of America, its agencies and instrumentalities, including agency and instrumentality issued mortgage backed collateral.
3. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Arizona or the United States of America or its agencies and instrumentalities.
4. Obligations of states, agencies thereof, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of no less than A or its equivalent.

C. COLLATERAL SAFEKEEPING AGREEMENT:

The City shall not accept, as depository collateral, any security that is not specifically allowed to be held as a direct investment by the City's portfolio and that the maximum maturity of the collateral securities may not be greater than five years. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City and retained. The safekeeping agreement must clearly define the responsibility of the safekeeping bank. The safekeeping institution shall be the Federal Reserve Bank or an institution not affiliated with the financial institution or broker/dealer that is pledging the collateral. The safekeeping agreement shall include the authorized signatures of the City and the firm pledging collateral.

D. AUDIT OF PLEDGED COLLATERAL:

All collateral shall be subject to verification and audit by the Chief Financial Officer or the City's independent auditors.

XI. SAFEKEEPING AND CUSTODY OF INVESTMENT ASSETS

All security transactions, including collateral for repurchase (reverse) agreements, entered into by the City shall be conducted using the delivery vs. payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the correct security was received by the safekeeping bank. The safekeeping or custody bank is responsible for matching up instructions from the City's investment officials on an investment settlement with what is wired from the broker/dealer, prior to releasing the City's designated funds for a given purchase. The security shall be held in the name of the City or held on behalf of the City in a bank nominee name. Securities will be held by a third party custodian designated by the Chief Financial Office and evidenced by safekeeping receipts. The safekeeping bank's records shall assure the notation of the City's ownership of or explicit claim on the securities. The original copy of all safekeeping receipts shall be delivered to the City. A safekeeping agreement must be in place which clearly defines the responsibilities of the safekeeping bank.

Policies

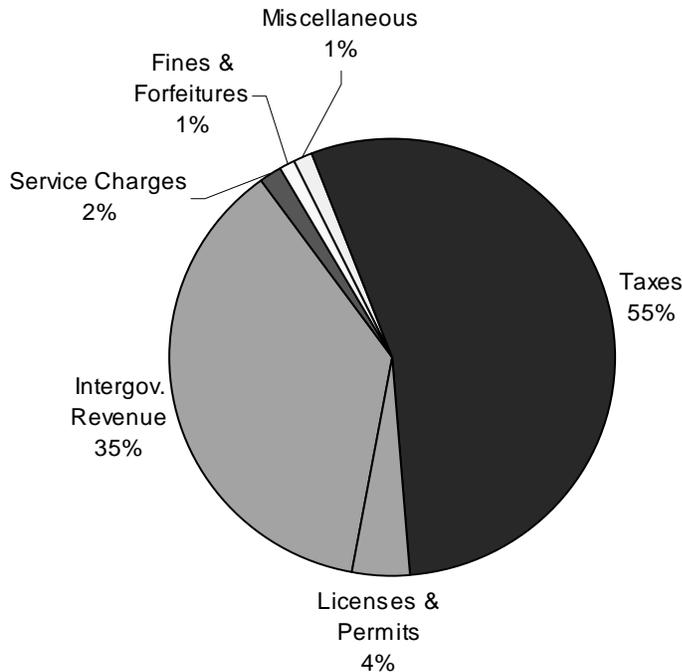
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GENERAL FUND

| | |
|--|------------|
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General Fund Summary

General Fund pays for basic governmental services including legal, manager, council, finance and administrative services, police, fire, library, parks and recreation, and community development. Revenues are from the local city sales tax, intergovernmental state shared revenues, primary property tax, franchise taxes, licenses and permits, service charges, and fines and forfeitures.



The General Fund budget for FY2006 totals \$28,412,039. Current year projected revenues total \$27,544,375 and a debt issue is budgeted for the Payroll/Human Resources Software in the amount of \$800,000. Cash available as of July 1, 2005 is estimated at \$7,275,601. 20%, or approximately \$7.1 million, of the available cash will continue to be held as a reserve pursuant to adopted Council financial policies. Necessary transfers for FY06 include the General Fund's portion of certain grant matches totaling \$367,918, rebates per Economic Development agreements for \$1,125,000, and \$8,650 for the Parking Garage Fund. Also, according to Council policy, all excess General Fund revenues over expenditures at the end of the fiscal year will be transferred to the Capital Improvement Fund. That amount is estimated at \$530,914. Total transfers for FY06 are \$2,032,482.

Total General Fund revenue and expenditure activity for the past two years and projections for FY2006 are as follows:

General Fund Summary

| General Fund | | | |
|-------------------------------|------------------------|---------------------------|------------------------|
| | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
| Beginning Fund Balance, 7/1 | \$ 8,470,297 | \$ 8,974,121 | \$ 7,275,601 |
| Revenues | 26,101,585 | 27,544,375 | 29,446,019 |
| Other Funding Sources | - | 30,000 | 800,000 |
| Expenditures | (22,509,144) | (23,833,836) | (28,412,039) |
| Transfers to other Funds | (3,088,617) | (5,439,059) | (2,032,482) |
| Ending Fund Balance | \$ 8,974,121 | \$ 7,275,601 | \$ 7,077,099 |
| Undesignated Balance, 6/30 | 1,295,019 | - | - |
| Restricted Fund Balance, 6/30 | 7,494,102 | 7,250,601 | 7,077,099 |
| Designated Fund Balance, 6/30 | 185,000 | 25,000 | - |

General Fund revenues for FY2006 are projected to total \$29,446,019, which is an 6.9% increase over the revised estimates for FY2005 projected at \$27,544,375.

General Fund Summary

GENERAL FUND REVENUES

| Revenue Source | FY04 Actual | FY05 Budget | FY05 Revised Est. | FY06 Projection | % Change from FY05 Rev. Est. |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------------------|
| Taxes | | | | | |
| Prop. Tax - Primary | 914,175 | 1,000,493 | 1,000,493 | 1,048,406 | 4.8% |
| Sales Tax | 11,418,890 | 12,530,809 | 12,524,251 | 13,291,933 | 6.1% |
| Sales & Use Tax Audits | 30,084 | 45,000 | 127,526 | 50,000 | -60.8% |
| Penalties, Interest, Etc. | 98,619 | 88,500 | 143,497 | 105,000 | -26.8% |
| Use Tax | 386,718 | 350,000 | 375,789 | 375,000 | -0.2% |
| Franchise Taxes | 1,147,098 | 1,120,424 | 1,120,424 | 1,142,832 | 2.0% |
| Total Taxes | 13,995,585 | 15,135,226 | 15,291,980 | 16,013,171 | 4.7% |
| Licenses & Permits | | | | | |
| Sales & Use Tax | 51,614 | 56,000 | 56,000 | 56,000 | 0.0% |
| Building Permits | 813,092 | 750,000 | 762,142 | 775,000 | 1.7% |
| Plan Checks | 316,299 | 260,000 | 310,234 | 290,000 | -6.5% |
| Animal Licenses/Permits | 30,897 | 25,000 | 28,754 | 30,000 | 4.3% |
| All Other Licenses | 109,886 | 85,800 | 111,224 | 91,050 | -18.1% |
| Total Licenses/Permits | 1,321,789 | 1,176,800 | 1,268,354 | 1,242,050 | -2.1% |
| Intergovernmental Revenue | | | | | |
| State Shared Sales Tax | 2,855,210 | 2,930,562 | 2,930,562 | 3,324,444 | 13.4% |
| Library Network Sharing | 126,175 | 126,175 | 126,006 | 143,006 | 13.5% |
| State Revenue Sharing | 3,060,168 | 3,123,749 | 3,123,749 | 3,551,883 | 13.7% |
| Auto Lieu Tax | 2,191,848 | 2,250,000 | 2,319,186 | 2,365,570 | 2.0% |
| Library District | 309,128 | 309,128 | 324,584 | 334,322 | 3.0% |
| Fire Dept | 275,764 | 272,964 | 280,111 | 283,462 | 1.2% |
| Animal Shelter | 85,436 | 153,643 | 90,074 | 87,356 | -3.0% |
| Joint Dispatch | 307,199 | 371,970 | 341,499 | 863,796 | 152.9% |
| Yav Cty/City Court | 34,337 | 34,662 | 34,662 | 34,930 | 0.8% |
| Total Intergovernmental Revenue | 9,245,266 | 9,572,853 | 9,570,433 | 10,988,769 | 14.8% |
| Fines & Forfeitures | 321,468 | 322,350 | 325,862 | 321,900 | -1.2% |
| Service Charges | 807,172 | 434,380 | 605,726 | 457,800 | -24.4% |
| Miscellaneous Revenues | | | | | |
| Interest Earned | 35,765 | 125,000 | 160,000 | 125,000 | -21.9% |
| In Lieu Property Tax | 23,465 | 25,000 | 55,149 | 55,149 | 0.0% |
| Rents | 213,784 | 170,000 | 170,000 | 170,000 | 0.0% |
| Miscellaneous | 137,290 | 39,451 | 96,871 | 72,180 | -25.5% |
| Total Miscellaneous Revenues | 410,305 | 359,451 | 482,020 | 422,329 | -12.4% |
| Total General Fund | \$ 26,101,585 | \$ 27,001,060 | \$ 27,544,375 | \$ 29,446,019 | 6.9% |

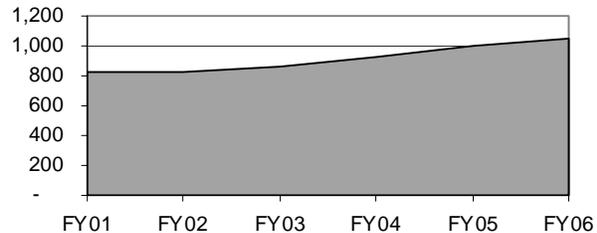
General Fund Summary

Property Tax: The primary property tax levy for FY2005-06 is \$1,048,406. This increase is caused by new construction not increased property valuations. The primary property tax levy remaining fairly constant and the property values increasing has the effect of a reduction in the tax rate. The current financial policy of the City Council calls for a slight reduction of the primary property tax rate each year. The FY06 estimated primary rate is \$0.2245 per \$100 assessed valuation.

Annual Primary Property Tax Levies

| Fiscal Year | Primary Levy | % Change from Prev. Year | Primary Tax Rate |
|-------------|--------------|--------------------------|------------------|
| 2000-01 | 820,000 | 0.0% | 0.2906 |
| 2001-02 | 820,000 | 0.0% | 0.2627 |
| 2002-03 | 858,120 | 4.6% | 0.2517 |
| 2003-04 | 929,147 | 8.3% | 0.2415 |
| 2004-05 | 1,000,493 | 7.7% | 0.2383 |
| 2005-06 | 1,048,406 | 4.8% | 0.2245 |

Primary Property Tax Rates

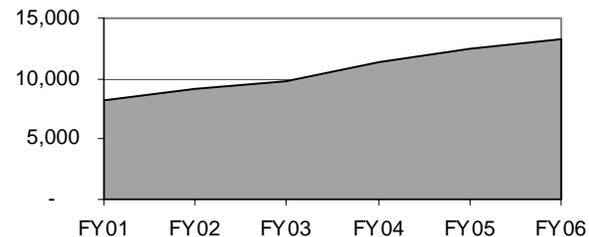


Transaction Privilege Tax (Sales Tax): All Arizona cities and towns have a transaction privilege tax which is commonly referred to as a sales tax. However, the transaction privilege tax is far more extensive than retail sales. It includes taxation of residential and commercial rentals; taxation of utilities and communications; taxation of retail sales; construction activities; and auto dealerships, to mention a few. Thus, even if retail sales do not increase due to a competing regional environment, this revenue category can still increase. Sales tax is projected at 6.1% over FY2005 revised estimates which should yield \$13,291,933. The growth rate is based on a continued population growth within the City of 3% as well as a continued strong transaction privilege tax economy throughout FY2006.

City Sales Tax (Without Use Tax or Audits)

| Fiscal Year | Revenues | % Change from Prev. Yr. |
|----------------|------------|-------------------------|
| 2000-01 | 8,279,122 | 4.5% |
| 2001-02 | 9,109,803 | 10.0% |
| 2002-03 | 9,715,516 | 6.6% |
| 2003-04 | 11,418,890 | 17.5% |
| 2004-05 (est.) | 12,524,251 | 9.7% |
| 2005-06 (est.) | 13,291,933 | 6.1% |

City Sales Tax (in 000s)



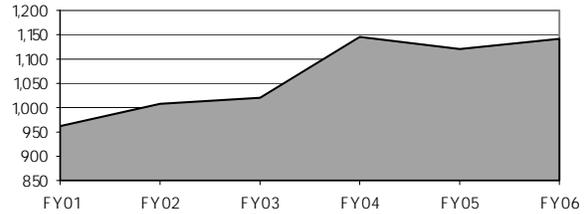
Franchise Taxes: Franchise taxes are from Cable One, Citizens Arizona Gas and Arizona Public Service. Franchise rates for Citizens Arizona Gas and Arizona Public Service are set (by the voters) at 2.0% of gross revenues while the negotiated rate for the cable company is 4.0% of gross revenues. From the table below it can be observed the projection for FY2006 is 2.0% over FY2005 revised estimates.

General Fund Summary

Franchise Taxes

| Fiscal Year | Revenues | % Change from Prev. Yr. |
|----------------|-----------|-------------------------|
| 2000-01 | 960,603 | 23% |
| 2001-02 | 1,008,081 | 5% |
| 2002-03 | 1,020,608 | 1% |
| 2003-04 | 1,147,098 | 12% |
| 2004-05 (est.) | 1,120,424 | -2% |
| 2005-06 (est.) | 1,142,832 | 2% |

Franchise Taxes (in 000s)



State Sales Tax (Transaction Privilege Tax): Through May 31st, 2001, citizens of Prescott, through collection by local businesses, pay the State 5.0% on retail purchases and varying rates on other transactions. State sales tax was increased to 5.6% on June 1, 2001. A portion of that sales tax is returned to the City based on Prescott's population compared to the incorporated population of the State. Cities and towns share in 25.0% of two percent of the State's 5.6 percent.

State Shared Sales Tax

| Fiscal Year | Prescott's Share of Total Distributed to Cities | Prescott's \$ Share of Total Distributed to Cities | % Change from Prev. Yr. |
|----------------|---|--|-------------------------|
| 2000-01 | 0.90% | 2,831,939 | 3.7% |
| 2001-02 | 0.84% | 2,615,277 | -7.7% |
| 2002-03 | 0.84% | 2,654,216 | 1.5% |
| 2003-04 | 0.84% | 2,855,210 | 7.6% |
| 2004-05 (est.) | 0.84% | 2,930,562 | 2.6% |
| 2005-06 (est.) | 0.84% | 3,324,444 | 13.4% |

State Income Tax: The State of Arizona collects income taxes and shares that revenue with incorporated cities and towns based on population.

The City of Prescott's share of State income tax is estimated to be \$3,551,883 which is an increase of \$428,134 or 13.7%. The State has estimated state income tax 2% higher than last year's estimate. This is the only one of the state shared revenues which can be accurately forecast since it is drawn from collections two years ago. From 1973 through FY92, cities in Arizona shared in 15% of the State personal and corporate income tax collected two years prior and distributed in proportion to the cities' share of State population. Beginning in FY93, the cities' share was lowered to 12.8%. This change was enacted by the State, along with revisions to the individual and corporate State income tax in 1990, and was designed to keep the cities' share revenue neutral. The portion of the State tax which will be distributed to cities and towns in FY2006 is estimated at \$425.2 million and represents individual and corporate income tax collections by the State in the 2003-04 fiscal year.

The following table shows the City of Prescott's % allocation, \$ share and % change since 2000-01.

General Fund Summary

State Income Tax

| Fiscal Year | Prescott's % of State Collection | Prescott's \$ of State Collection | % Change from Previous Year |
|----------------|----------------------------------|-----------------------------------|-----------------------------|
| 2000-01 | 0.90% | 3,615,495 | 5.0% |
| 2001-02 | 0.84% | 3,539,777 | -2.1% |
| 2002-03 | 0.84% | 3,612,061 | 2.0% |
| 2003-04 | 0.84% | 3,060,168 | -15.3% |
| 2004-05 (est.) | 0.84% | 3,123,749 | 2.1% |
| 2005-06 (est.) | 0.84% | 3,551,883 | 13.7% |

Vehicle License Tax (Auto Lieu Tax): Prescott's share of the vehicle tax for 2005-06 is estimated at a higher level than the FY2005 revised estimate. Twenty-five percent of the net revenues collected for the licensing of motor vehicles by a particular county is distributed back to incorporated cities and towns within that county. License fees are collected by the State and distributed to Counties, cities and towns. A city or town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county. The only stipulation on the use of this revenue is that it must be expended for a public purpose.

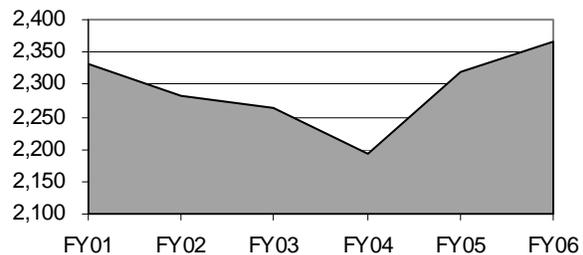
A factor in the decrease of revenue in this category for FY2004 is the repayment to Yavapai County for previous years' Vehicle License Tax revenue received by the City of Prescott from Yavapai County. These revenue payments were made in error.

The following chart illustrates the City's actual collections and percentage change since FY2001.

Vehicle License Tax

| Fiscal Year | Revenues | % Change from Prev. Yr. |
|----------------|-----------|-------------------------|
| 2000-01 | 2,331,436 | 4.6% |
| 2001-02 | 2,282,337 | -2.1% |
| 2002-03 | 2,264,660 | -0.8% |
| 2003-04 | 2,191,848 | -3.2% |
| 2004-05 (est.) | 2,319,186 | 5.8% |
| 2005-06 (est.) | 2,365,570 | 2.0% |

Vehicle License Tax (in 000s)



General Government

MAYOR AND COUNCIL

Division Mission: The Mayor and Council serve as the legislative and policy-making body of the municipal government and have responsibility for enacting City ordinances, appropriating funds to conduct City business, and providing policy direction to the administrative staff.

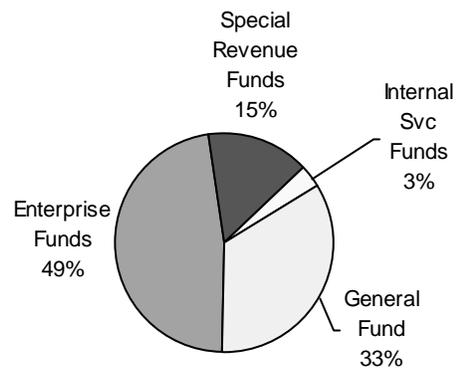
Mayor and Council Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 48,626 | \$ 50,526 | \$ 48,587 |
| Supplies | 2,832 | 12,425 | 7,100 |
| Other Services & Charges | 50,345 | 81,403 | 86,202 |
| Total | \$ 101,803 | \$ 144,354 | \$ 141,889 |
| Cost Recovery | \$ (74,984) | \$ (82,311) | \$ (94,448) |

Mayor and Council Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 7.00 | 7.00 | 7.00 |
| Mayor | 1.00 | 1.00 | 1.00 |
| Councilmembers | 6.00 | 6.00 | 6.00 |

Mayor and Council Funding Sources



Significant Expenditure Changes:

A decrease in the FY2006 budget under the FY2005 estimated endings can be observed in the Supplies category of the Mayor and council area of the budget. This is a result of several items being purchased in FY2005 for the remodel of the City Council Chambers and Council offices.

Anticipated fees for a goal setting retreat and strategic planning session are budgeted in the Other Services & Charges section; thus, an increase is observed.

CITY MANAGER

Division Mission:

The City Manager provides professional administration of the policies and objectives established by the City Council; develops alternative solutions to community problems for Council consideration; and plans programs that meet the future public needs of the City. The City Manager also oversees the City economic development efforts, which provides resources for businesses look-

General Government

ing to open a new location, expand an existing business or learn of networking groups and business services.

Prior Year Results and Outcomes: See Budget Transmittal Letter

City Manager Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 281,095 | \$ 312,299 | \$ 317,021 |
| Supplies | 6,861 | 7,000 | 6,000 |
| Other Services & Charges | 68,608 | 59,293 | 58,040 |
| Capital Outlay/Projects | 81,114 | 22,000 | - |
| Total | \$ 437,678 | \$ 400,592 | \$ 381,061 |
| Cost Recovery | \$ (175,360) | \$ (357,111) | \$ (265,306) |

City Manager Staffing Summary

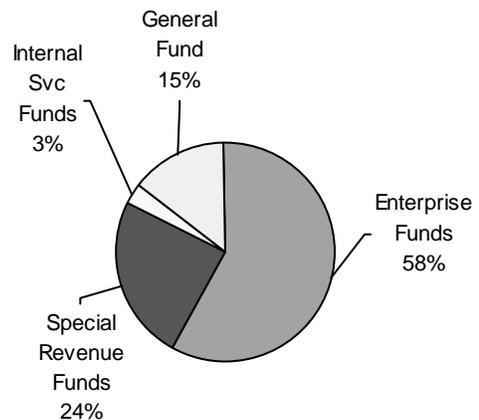
| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 3.00 | 4.25 | 4.25 |
| City Manager | 1.00 | 1.00 | 1.00 |
| Asst. City Manager* | 0.00 | 1.00 | 1.00 |
| Asst. to City Manager** | 1.00 | 1.00 | 0.70 |
| Management Analyst*** | 0.00 | 0.00 | 0.30 |
| Executive Assistant | 1.00 | 1.00 | 1.00 |
| Secretary | 0.00 | 0.25 | 0.25 |

*Asst City Manager not funded in FY2006.

**Asst. to City Manager is also funded 30% from the Transfer Station.

***Management Analyst is also charged to Alt Water Fund (50%), Transfer Station (10%), and Engineering (10%).

City Manager Funding Sources



Significant Expenditure Changes:

There are no significant expenditure changes observed in this division.

CITY CLERK

Division Mission:

The mission of the City Clerk's Office is to act in a professional and administrative capacity and serve the City Council by processing, maintaining and protecting the official records of the City of Prescott; provide courteous and timely customer service to Council, staff and public; and conduct and oversee all municipal elections in an efficient and effective manner.

General Government

| Goal: To provide legislative documents in a timely manner. | | | |
|--|-------------|---------------|---------------|
| Strategy: Prepare and post weekly agendas and prepare council meeting minutes to meet legal requirements. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of Special and Regular Council Meetings requiring Minutes | 35 | 40 | 45 |
| Number of meetings requiring agendas | 64 | 80 | 76 |
| Number of hours spent in Council meetings | 130 | 140 | 145 |
| Number of hours spent in preparing minutes | 100 | 100 | 100 |
| Number of hours to prepare agendas | 460 | 460 | 470 |

| Goal: Conduct Municipal Elections in efficient, effective and legal manner. | | | |
|---|------------------------------|---------------|---------------|
| Strategy: Prepare legal notices and necessary documents for any election that may be called. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Elections | 2 | 0 | 2 |
| Number of Registered Voters | 20,054 | N/A | 20,100 |
| Number of total ballots Verified - | 10,858 (1) 13,109 (2) | N/A | 12,000 |
| Cost for election | \$15,333 (1) \$23,474 (2) | N/A | \$25,000 |
| Cost per voter | \$1.41 (1) \$1.79 (2) | N/A | \$1.60 |

| Goal: To maintain, preserve and make available legislative documents in a timely manner. | | | |
|---|-------------|---------------|---------------|
| Strategy: Complete all documentation and actions from Council meetings within three days of meeting. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of Ordinances/% processed within 3 days | 80/100% | 95/100% | 92/100% |
| # of Resolutions/% processed within 3 days | 72/100% | 85/100% | 87/100% |
| # of Liquor Licenses including Special Events/% processed within 3 days | 22/100% | 24/100% | 25/100% |
| # of Contracts, Leases and Agreements/% processed within 3 days | 239/98% | 260/98% | 270/98% |

General Government

| | | | |
|---|---------|---------|---------|
| Goal: To maintain, preserve and make available legislative documents in a timely manner. | | | |
| # of Board, Committee, and Commission Appointments/% processed timely | 12/100% | 15/100% | 15/100% |

Prior Year Results and Outcomes:

The Primary Election was held on September 9, followed by the General Election on November 4, 2003. Both elections were mail ballot elections with 10,858 ballots cast in the Primary with Mayor Simmons and Councilman Blair being re-elected along with Councilwoman Suttles coming back after 8 years, for a total cost of \$15,333. The General Election had Proposition 200 and Proposition 201 being for a Smoke free workplace, which received the most votes, versus the Freedom of Choice to allow smoking, and 13,109 ballots were verified with Councilman Lamerson receiving the most votes, for a total cost of \$23,474.

During the year the following items have been processed:

7 Site Plans were approved for Bradshaw Crossings Apartments, Iron Springs Preserve Apartments, Lamb Nissan, Prescott Adult Center, Prescott Gateway Mall Amendment, Shops at the Boulders, and Village at the Boulders; **20 Subdivisions or Replats** were recorded, **2 Special Use Permits** and **6 Comprehensive Sign Packages** were approved. **5 General Plan Amendments** were adopted and **18 Rezoning Ordinances** were adopted.

Boards - 21 appointments made to the various Boards, Commissions and Committees of the City which required interviews, appointment letters & thank you letters for serving, Council action and revision of 5 membership lists.

Contracts - 323 contracts, agreements or leases have been prepared which were entered in a Q & A system for tracking and record keeping purposes, and required documentation such as signing, recording, payment approval, bonds, insurance, or follow-up on expiration or completion dates or options or insurance renewal.

Council Actions - 76 Ordinances were adopted which required publication, distribution and file preparation; 87 Resolutions were adopted which required file preparation & copy, 22 Liquor Licenses processed requiring posting & Council hearings, etc., with 14 Special Event liquor licenses approved and 5 Extension of Premises processed; 85 bids or request for proposals requiring publication, bid opening, Council action with approximately 60 contract files needed.

Codifiers - 10 Ordinances were submitted to be codified in the Prescott City Code which is now on line as well as in book format.

Council Policies - 9 Council Policies were adopted or amended by resolution.

Records - 20 cubic feet of storage has been destroyed in accordance with approved destruction schedules.

Minutes - Since July 1, 2004, 50 Regular and Special Council meetings have been held which required official minutes to be prepared for Council approval.

General Government

Meetings - Besides Regular, Special and Executive Sessions the Council held various Workshops since July of 2004, which included Housing Affordability Issues, Yavapai County regarding jointly owned Sundog property, Willow Lake Park entrance, willow Lake Road, Side Road interchange agreement and Union Street parking garage, ADOT regarding SR69/89 Interchange, City of Flagstaff Affordable Housing Program, North Prescott Sewer Project, Checkpoint on Airport Terminal Plans, Water Management Strategies and Safe Yield and Alternative Expenditure Limitation - Home Rule Option.

More Meetings - The Council also held 2 Hassayampa Community Facilities District meetings adopting the annual budgets for each district.

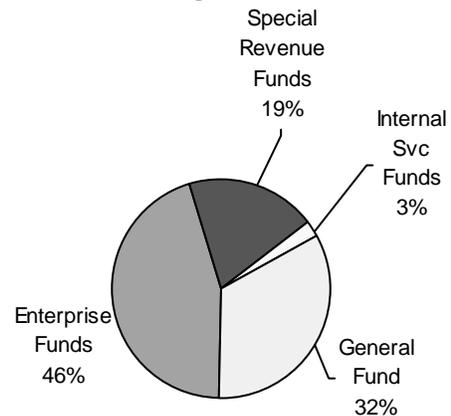
City Clerk Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 134,785 | \$ 135,908 | \$ 144,996 |
| Supplies | 2,086 | 2,200 | 2,200 |
| Other Services & Charges | 99,822 | 38,960 | 65,397 |
| Total | \$ 236,693 | \$ 177,068 | \$ 212,593 |
| Cost Recovery | \$ (133,411) | \$ (140,135) | \$ (141,834) |

City Clerk Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 2.00 | 2.00 | 2.00 |
| City Clerk | 1.00 | 1.00 | 1.00 |
| Deputy City Clerk | 1.00 | 1.00 | 1.00 |

City Clerk Funding Sources



Significant Expenditure Changes:

The slight increase in personnel services can be attributed to cost of living adjustment and the health care and retirement contribution increase. The other area that shows an increase is in Other Services & Charges for the reason that there was no election held during FY05, but it is anticipated that there will be two during FY2006.

CITY COURT

Division Mission:

The Municipal Court provides prompt and effective judicial services, adjudicating violations of the Arizona Revised Statutes and Prescott City Code occurring within the city limits.

General Government

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Utilize aggressive, court-driven case management to decrease litigant time and costs. | | | |
| Strategy: Utilize case management system to identify problems and monitor caseload status. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Case Disposition Rate (Calendar year) | 100% | 98% | 98% |
| Strategy: Conduct trial management conference on each jury trial to minimize last-minute delays. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Trial rate (3-10% delays nationwide) | 1.2% | .74% | 1% |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Emphasize enforcement of court orders and collection efforts | | | |
| Strategy: Serve victims through court-ordered restitution. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Restitution \$ collected by the Court for crime victims | \$22,674 | \$25,225 | \$27,700 |
| Strategy: Use a collection agency on previously uncollectable accounts. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| \$ Collected by collection agency for consolidated court on old and uncollectable accounts (calendar year) | \$214,688 | \$220,000 | \$230,000 |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Continue project to reconnect court to local community. | | | |
| Strategy: Expand restorative justice concept by aggressive assignment of community service in lieu of jail. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Community Work Program | | | |
| Defendants assigned | 1,825 | 2,480 | 2,500 |
| Hours Completed | 18,030 | 23,016 | 23,750 |
| Minimum Wage Value | \$92,854 | \$118,532 | \$122,312 |
| Incarceration Savings @ \$60.00/day | \$154,560 | \$197,280 | \$203,580 |
| Strategy: Expand Domestic Recovery Court, providing periodic judicial review of defendant's progress during counseling programs to include second-offense DUI and drug offenders. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Domestic Violence related crimes | 242 | 254 | 266 |

General Government

| | | | |
|--|-----|-----|-----|
| Goal: Continue project to reconnect court to local community. | | | |
| DUI related crimes | 335 | 350 | 360 |

Prior Year Results and Outcomes: Continued aggressive court-driven case management resulting in decreased time and coats.

Continued project to reconnect the court to the local community by use of:

- Civility/Aggressive Behavior Offenders Class with Court follow-up to ensure participation
- Domestic Recovery/Drug/Alcohol Court providing periodic judicial review of defendants' progress during various counseling programs

Expanded restorative justice concept by aggressive assignment of community service in lieu of jail.

Continued emphasis of enforcement of court orders and collection efforts.

Continued very successful use of a collection agency on previously uncollectable accounts.

Continued handling juvenile criminal traffic cases allowing juveniles and their parents to take care of cases at one court rather than having to go to both City Court and the Juvenile Probation Department

**City Court
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|-------------------|-------------------|-------------------|
| Personnel | \$ 286,799 | \$ 324,100 | \$ 358,635 |
| Supplies | 4,577 | 10,000 | 8,000 |
| Other Services & Charges | 117,621 | 115,016 | 119,792 |
| Cost Recovery | (8,336) | (7,300) | (7,000) |
| Total | \$ 400,661 | \$ 441,816 | \$ 479,427 |

**City Court
Staffing Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 6.75 | 7.75 | 7.75 |
| Magistrate | 1.00 | 1.00 | 1.00 |
| Court Administrator | 1.00 | 1.00 | 1.00 |
| Senior Court Clerk | 1.00 | 1.00 | 1.00 |
| Court Clerk | 3.75 | 4.75 | 4.75 |

Significant Expenditure Changes: Overall, the City Court saw a slight increase in the FY2006 budget over the FY2005 estimated endings. This increase is due mainly to the annual salary

General Government

adjustment along with the increase in health care costs and retirement contributions.

LEGAL DEPARTMENT

Division Mission:

To provide quality legal services, representation and counsel to the Prescott Police Department and other City officials in criminal matters; to successfully prosecute criminal and traffic cases occurring within the City limits, keeping in mind societal concerns and the rights of (and harm caused to) victims.

To provide quality legal services, representation and counsel to the City of Prescott government, its elected and appointed officials and employees in civil matters.

To undertake active enforcement of the City Codes and regulations.

| Goal: To provide quality legal services, representation and counsel to the City of Prescott government, its elected and appointed officials and employees in civil matters. | | | |
|---|-------------|-------------------------------------|---------------|
| Strategy: To maintain an adequate law library, research and resource materials, and maintain continuing legal education for the departmental staff. To attend and advise the City Council, employees, Boards and Commissions on legal matters; to prepare and/or review all ordinances, resolutions, contracts, and other legal documents prior to consideration by the Council or City staff. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Civil cases resolved vs. losses (settled) | N/A | 109 resolved 2 settled 1 loss | 100 resolved |
| Restitution obtained for the City | N/A | \$84,681.11 | \$60,000 |
| Hearings/depositions conducted | 60 | 119 | 90+ |
| Percentage of Council meetings, Board of Adjustment Meetings and P&Z Commission hearings attended by legal counsel | 100% | 100% | 100% |
| Percentage of contracts, ordinances and resolutions reviewed prior to action by Council or Staff | 99% | 99% | 99% |

| |
|---|
| Goal: To successfully prosecute violations of misdemeanors, traffic violations and City Code violations; to provide ongoing training to the Police Department; to pursue restitution in criminal cases; to pursue community service in criminal cases. |
| Strategy: To provide, either in person or via memo, advice to Police Department personnel advising of new laws, tactics and procedures, or suggested changes to same; to maintain a current law library concerning criminal matters. |

General Government

Goal: To successfully prosecute violations of misdemeanors, traffic violations and City Code violations; to provide ongoing training to the Police Department; to pursue restitution in criminal cases; to pursue community service in criminal cases.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---------------------------|----------------|------------------|------------------|
| Restitution ordered | N/A | \$85,829.05 | \$80,000+ |
| Community service ordered | N/A | 1,792 days | 1,800+ days |
| Conviction rate | N/A | 99.92% | 99.0% |

Prior Year Results and Outcomes:

The 12-month period ending January 30, 2005 turned out to be a very busy, yet very productive year for the City's Legal Department.

We were able to resolve a total of 109 civil cases. Of the 109 cases, 2 cases were settled and only 1 cases resulted in a "loss". During the year, attorneys in the Civil Division conducted 119 hearings and depositions.

It is difficult to put a dollar value on the cases which were won (where we were the defendants); suffice it to say that those cases which were "won" resulted in the City not paying any money to the Plaintiff. And in those "proactive" cases where we sought money due and owing the City, we were able to obtain \$84,681.11 in restitution to the City.

In the Criminal Division, a total of 3,542 cases were processed. Of all of these cases, there was only 1 not guilty verdict! 58 cases actually went to trial before a judge alone, and we conducted 3 jury trials (all of which resulted in a guilty verdict). The Criminal Division was able to obtain \$431,896.40 in fines, \$85,829.05 in restitution, \$762.48 in payments to the City for disclosure costs, 1,792 total days of community service, and 3,564 days of jail. Over the course of the year, the Criminal Division also conducted 1,975 hearings and 38 depositions! Notwithstanding this case load, our conviction rate during this period was an impressive 99.92%!

General Government

Legal Department Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 596,964 | \$ 644,038 | \$ 695,106 |
| Supplies | 5,223 | 5,125 | 6,600 |
| Other Services & Charges | 54,502 | 44,324 | 58,920 |
| Cost Recovery | (104,402) | (160,000) | (384,199) |
| Total | \$ 552,287 | \$ 533,487 | \$ 376,427 |

Legal Department Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 8.50 | 8.50 | 8.50 |
| City Attorney | 1.00 | 1.00 | 1.00 |
| Chief Asst. City Attorney | 1.00 | 1.00 | 1.00 |
| Sr. Asst. City Attorney | 1.00 | 1.00 | 1.00 |
| Prosecutor | 1.00 | 1.00 | 1.00 |
| Investigator | 1.00 | 1.00 | 1.00 |
| Legal Asst. | 1.00 | 1.00 | 1.00 |
| Legal Secretary | 2.00 | 2.50 | 2.50 |
| Secretary | 0.50 | 0.00 | 0.00 |

Significant Expenditure Changes:

The annual salary adjustment and the increase in costs relating to health insurance coverage and retirement contributions are reflected in the Personnel section of the budget. Supplies is also showing an increase as a result of a potential purchase of a digital camcorder for the Legal Department. The costs for the search for a new City Attorney along with the additional supplies necessary for this attorney affect both the Supplies and Other Services & Charges category.

Cost Recovery has increased dramatically due to the new methodology for figuring these numbers. In years past, the Legal Department charged each area an hourly cost for work performed. Beginning FY2006, the cost recovery is based on each areas budget compared to the citywide budget as a whole.

ECONOMIC DEVELOPMENT

Division Mission:

To lead in building a stronger and more diversified economy by promoting increased public/private sector collaboration, delivering business development initiatives focused on new investment and quality job growth, enhancing

General Government

the competitiveness of Prescott's business climate, and driving regional initiatives.

| Goal: Facilitate the development of additional retail opportunities within the city limits. | | | |
|--|-------------|---------------|---------------|
| Strategy: Assist in the continuing efforts to redevelop Village at the Boulders and former Fry's shopping center on West Gurley, and discuss business opportunities throughout the city with potential clients. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Meetings with clients and property owners | 25 | 25 | 26 |
| New transaction privilege tax licenses issued | 886 | 890 | 850 |
| Retail square footage built | 565,000 | 570,000 | 600,000 |

| Goal: Continue to ensure the viability and vitality of downtown Prescott. | | | |
|--|-------------|---------------|---------------|
| Strategy: Work with the Prescott Downtown Partnership, private property owners, business owners and others to develop signature events downtown, and encourage private investment downtown. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Taxable sales in downtown area | \$142.0M | \$146.0M | \$149.0M |
| Number of transaction privilege tax licenses issued in the downtown area | 150 | 200 | 220 |
| New downtown events | 1 | 1 | 1 |

| Goal: Assist in the development of the Embry Riddle Aeronautical University Technology Park and the Deep Well Ranch Airpark as viable economic development assets in northern Arizona. | | | |
|---|-------------|---------------|---------------|
| Strategy: Work with appropriate state and regional agencies, the property owners, prospective developers, and city staff to determine needs and facilitate the development of the initial phases of the more than 200 acres of industrially zoned land within the parks. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Meetings with state and regional officials | 6 | 8 | 8 |
| Meetings with property owners and developers | 6 | 10 | 12 |
| Apply for federal and state grants to assist development. | 1 | 2 | 1 |
| Meetings with prospective employers for relocation or expansion | 2 | 5 | 10 |

General Government

Goal: Increase outreach efforts to local employers and regional economic development professionals to foster improved mutual understanding of issues or challenges facing the employer, the city, and the region.

Strategy: Schedule face-to-face meetings with employers at a neutral location to discuss issues and use the information gained to better assist our clients. Schedule meetings with our regional economic development colleagues.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---|-------------|---------------|---------------|
| Meetings with local business owners | 10 | 12 | 15 |
| Meetings with regional economic development professionals | 0 | 2 | 4 |

Goal: Aggressively market the Prescott region as “the” place to do business in central Arizona.

Strategy: Advertise, send mailings to targeted industries, attend trade shows, maintain and keep current the Economic Development web site and provide excellent service to prospective clients.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---|-------------|---------------|---------------|
| Formal information requests fulfilled | 86 | 120 | 150 |
| Trade shows attended | 3 | 3 | 4 |
| Unique web site visitors | 6,822 | 7,300 | 8,000 |
| New non-residential square footage built (non-retail) | 241,366 | 250,000 | 255,000 |

Prior Year Results and Outcomes:

Wal-Mart Supercenter opens at Village at the Boulders.

Willow Crossroads on Willow Creek Road leases out retail space and/or land to Subway, Jack in the Box, Wells Fargo, and others.

Redevelopment of 300,000 square foot Village at the Boulders continues, with announcements of leased space expected in FY2006.

Assisted in preparation of a grant to the U.S. Department of Commerce, Economic Development Administration to fund infrastructure for the ERAU Technology Park.

Arizona Tile fully leases the 8,000 square feet of retail space on Highway 69 at Holiday Hills Drive previously constructed in FY2005.

Worked with Prescott Chamber of Commerce to produce a special section on Prescott for America West Magazine.

Worked with Community Development staff to begin annexation of 46 acres at Willow Creek Road and Pioneer Parkway for retail development.

General Government

Worked with Lowe's organization to prepare a development agreement and assist them in the site plan approval process leading to the construction of a 138,000 square foot home improvement store.

Began business retention/expansion surveys in cooperation with Prescott Chamber of Commerce.

Assisted Public Works Department in their effort to outreach to business community for development of a Wastewater Pretreatment Program.

Assisted Parks, Recreation and Library Department to find reduced-rate rents for Library functions during major remodeling project.

Participated in the completion of the Yavapai Economic Region Strategic Plan.

Attracted Arizona Association for Economic Development Board Retreat to downtown Prescott.

Assisted Finance Department in community tour with representatives of Moody's Investors Service.

Worked with Arizona Cardinals officials to ensure several days of Training Camp 2005 in Prescott.

Economic Development Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 114,785 | \$ 180,714 | \$ 191,105 |
| Supplies | 3,235 | 1,631 | 1,850 |
| Other Services & Charges | 161,984 | 117,430 | 106,374 |
| Capital Outlay/Projects | 50,000 | 50,000 | 80,000 |
| Total | <u>\$ 330,004</u> | <u>\$ 349,775</u> | <u>\$ 379,329</u> |
| Capital Outlay/Projects | | | |
| Rodeo | | | \$ 30,000 |
| Feasibility Study | | | 25,000 |
| Downtown Christmas Lights | | | <u>25,000</u> |

Economic Development Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 2.00 | 2.75 | 2.75 |
| Economic Dev Director | 0.00 | 1.00 | 1.00 |
| Business Dev Manager | 0.00 | 1.00 | 1.00 |
| Economic Dev. Coord. | 2.00 | 0.00 | 0.00 |
| Secretary | 0.00 | 0.75 | 0.75 |

General Government

Significant Expenditure Changes: Personnel costs reflect the annual salary adjustment and the increase in costs relating to health insurance and Arizona State retirement contributions.

The Other Services account shows a decrease from FY05, this is due to less funding in the Economic Development line item in this budget. This line item is the cost center for miscellaneous items such as business lunches/meetings, miscellaneous industrial permits, Prescott Downtown Partnership contract, NACOG assessment, new tourism events, Mayor's State-of-City Luncheon/Awards, marketing items and brochures, PV/CV/Prescott Workforce/Wage Update and Arizona Department of Commerce trade show participation.

Projects in this area include the Prescott Frontier Days Rodeo contribution (\$30,000), Feasibility Study (\$25,000), and the Downtown Christmas Lights (\$25,000). More information on these projects can be located in the Capital Improvement Program section of this book.

HUMAN RESOURCES

Division Mission: Human Resources provides services which are responsive to both the individual employee needs and the City's mission, vision and core values. Human Resources facilitates and helps foster a culture, which encourages the effective development of the City's most valuable asset, it's employees.

| Goal: To maintain sustainable employment levels to ensure consistent delivery of services for the citizens of Prescott. | | | |
|--|-------------|---------------|---------------|
| Strategy: Ensure a fair and equitable workplace that views employees as our most valuable asset. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of grievances | 4 | 2 | 3 |
| Turnover Rate (FT turnover/# of FT budgeted employees) | 8.8% | 9.1% | 11.0% |

| Goal: For all employees and supervisors to have access to comprehensive information on the City policies and practices. | | | |
|--|-------------|---------------|---------------|
| Strategy: Create comprehensive policy manual that is a one stop shop for information. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| % completion of new manual | 5% | 50% | 90% |

General Government

| Goal: To raise the level of supervisor performance thereby raising the overall performance of the organization. | | | |
|--|-------------|---------------|---------------|
| Strategy: Provide targeted supervisory training on a variety of legal, management and personal growth topics. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of training sessions offered | N/A | 12 | 24 |
| Total # of attendees for all sessions | N/A | 204 | 360 |

Prior Year Results and Outcomes

Sponsor four blood drives annually. The City received the prestigious “platinum” award from United Blood Services based on our exceptional participation level.

Held 2nd Annual Benefits Fair with theme entitled “A New You - One Step at a Time” held at the Prescott Armory. The Fair is a partnership with Yavapai College, Yavapai County and the Town of Chino Valley.

Conducted customized Performance Management training for City Department Supervisors and Managers.

Partnered with Prescott High School to provide interview skills training for senior students in the Economics classroom.

Conducted “mock interviews” for Yavapai College office administration class to help students gain real world interview experience in a “safe” environment.

Staff serves as President Elect for local professional association, PAHRA (Prescott Area Human Resources Association).

Presented to the Arizona Building Officials State Conference on the “Selection process, Interviewing A-Z.”

Assisted with the IGA and transition of Dispatchers from Central Yavapai Fire Department to the new Regional Dispatch facility.

Participate/facilitate/direct employee events including volunteer appreciation picnic, employee recognition dinner, City holiday party, city fair, employee picnic and benefits fair.

General Government

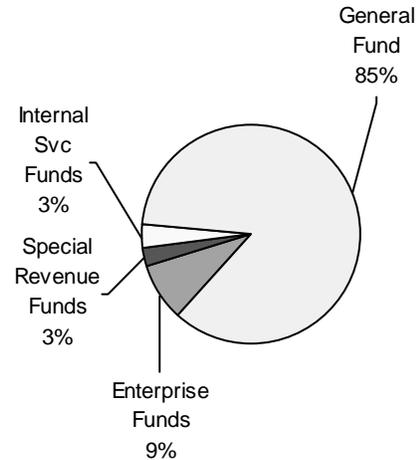
Human Resources Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 165,164 | \$ 153,987 | \$ 182,648 |
| Supplies | 2,705 | 6,025 | 7,525 |
| Other Services & Charges | 42,116 | 67,775 | 198,038 |
| Debt Service | - | - | 89,784 |
| Insurance/Retirements | 440,227 | 348,377 | 595,699 |
| Total | \$ 650,212 | \$ 576,164 | \$ 1,073,694 |
| Cost Recovery | \$ (75,039) | \$ (120,122) | \$ (160,021) |

Human Resources Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 2.80 | 2.35 | 3.00 |
| Admin Srv Director | 0.80 | 0.35 | 0.00 |
| Human Resources Manager | 0.00 | 1.00 | 1.00 |
| Human Resources Analyst | 1.00 | 0.00 | 1.00 |
| Human Resources Asst. | 1.00 | 1.00 | 0.00 |
| Administrative Assistant | 0.00 | 0.00 | 1.00 |

Human Resources Funding Sources



Significant Expenditure Changes:

The Personnel category shows a 19% increase. This reflects the City reorganization which removes the Human Resources Division from Administrative Services Department and created it as a stand alone Department. The removal of a portion of the Administrative Services Director's salary, the addition of an Administrative Assistant, and the increase in health insurance and retirement contribution costs lead to the change in this category.

FY06 budget for Supplies is 25% higher than the FY05 estimated endings. The purchase of a digital camera and costs involved with updating the mandated federal labor postings is the cause for this increase.

An 192% increase can be observed in the Other Services & Charges section. This is a result of the tuition assistance being budgeted in this area. A large number of employees are expected to take advantage of this benefit. Another reason for the increase in the area is Employee Recognition events and programs that were moved from another fund into the General Fund. This department will be charged for these events/programs and will in turn cost recover the charges from the other funds.

Debt Service that is shown for FY2006 is for the purchase of an Integrated Human Resources/Payroll Software System. It has been placed in this area due to the methodology for cost recovery where it is based on number of employees for each area.

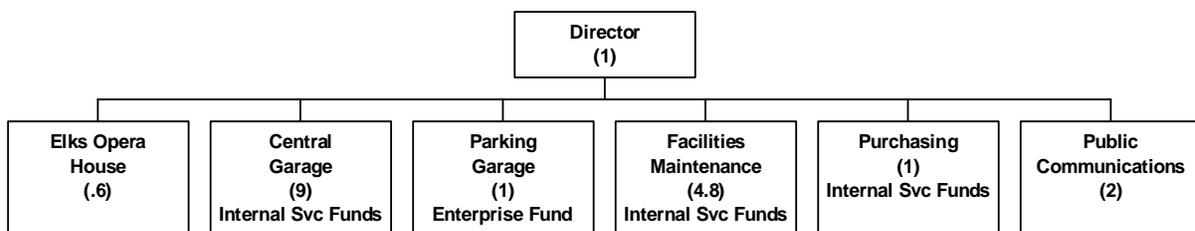
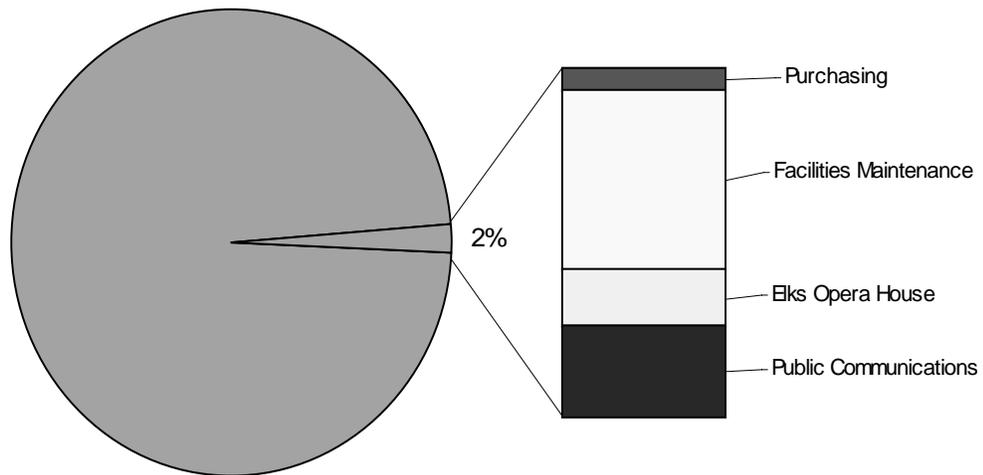
A significant increase can be observed in Insurance/Retirements. It is anticipated that there will be eleven (11) retirements during FY2006.

Administrative Services

During FY2005, the Administrative Services Department was reorganized to include Central Purchasing, Elks Opera House, Parking Garage, Public Communications, Fleet Maintenance and Facilities Maintenance. Human Resources and Risk Management are no longer a function of this department.

For additional information on Facilities Maintenance and Fleet Maintenance, see the Internal Services Funds section of this document. The Parking Garage information can be located in the Enterprise Funds section.

Department Mission: The delivery of internal services to the organization in order to facilitate and enhance the City's overall mission of providing superior customer service to our citizens and visitors.



Administrative Services

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Personnel | \$ 281,164 | \$ 235,469 | \$ 266,859 |
| Supplies | 21,720 | 14,574 | 21,100 |
| Other Services & Charges | 264,790 | 415,348 | 429,468 |
| Cost Recovery | (77,481) | (121,612) | (208,412) |
| Capital Outlay/Projects | 526 | 32,330 | - |
| Total | \$ 490,719 | \$ 576,109 | \$ 509,015 |
| Authorized Staffing Level | 5.55 | 4.85 | 4.05 |
| Purchasing | 0.00 | 2.00 | 1.10 |
| Public Communications | 2.00 | 2.00 | 2.10 |
| Elks Opera House | 0.00 | 0.85 | 0.85 |
| Building Maintenance* | 3.55 | 0.00 | 0.00 |

**Personnel for Building Maintenance were transferred to an Internal Service Fund beginning FY05.

PURCHASING

Division Mission: To assist City departments in the timely acquisition of goods and services in a manner that complies with State law, the City Charter and all applicable ordinances, rules and policies and promotes environmental stewardship practices where practical.

| Goal: For each Purchasing employee to have comprehensive instructions regarding all tasks pertaining to his job function. | | | |
|--|----------------|------------------|----------------|
| Strategy: Develop a comprehensive Desk manual for each position in Purchasing. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Budget |
| % completion of new manual | 0% | 0% | 10% |

| Goal: Establish and maintain excellence in customer service. | | | |
|---|----------------|------------------|----------------|
| Strategy: Process properly completed requisitions within 48 hours of receipt and formal sealed requests (greater than \$10,000) within two (2) weeks of receiving complete specifications. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Budget |
| All properly completed requisitions processed into purchase orders within 48 hours of receipt. | 0 | 0 | 90% |

Administrative Services

| | | | |
|--|---|---|-----|
| Goal: Establish and maintain excellence in customer service. | | | |
| All formal sealed requests processed within two (2) weeks of receiving complete specifications | 0 | 0 | 80% |

Prior Year Results and Outcomes:

Created Central Purchasing Division.

Processed 317 purchase orders.

Processed 26 formal bids.

Negotiated savings of \$25,500 total (\$1,000 - Point of Sale System at Golf Course; \$10,000 - Grace Sparkes Memorial Activity Center Maple Flooring; \$500 - HP Printer for IT; \$14,000 - Painting of Central Garage Bays).

Hosted first annual Purchasing Open House to improve citywide communications and visibility.

Reduced number of printed purchase order copies from four (4) to two (2) saving approximately 1,500 sheets of paper and associated toner annually.

Reworked Accounts Payable processing of purchase orders to eliminate the need for staff to file a requestor signed "goldenrod" copy for future matching with the invoice. Also ensures that goods are received prior to authorizing payment.

Established utilization of State contracts resulting in an estimated savings of \$53,096 annually (\$16,508 - office supplies; \$36,588 - janitorial supplies) based on FY05 spending to date.

Purchasing Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ - | \$ 85,923 | \$ 106,688 |
| Supplies | 251 | 6,000 | 6,500 |
| Other Services & Charges | 517 | 2,904 | 3,587 |
| Cost Recovery | - | - | (81,179) |
| Total | \$ 768 | \$ 94,827 | \$ 35,596 |

Purchasing Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 0.00 | 2.00 | 1.10 |
| Administrative Svcs Director | 0.00 | 0.00 | 0.10 |
| Purchasing Manager | 0.00 | 1.00 | 1.00 |
| Administrative Asst. | 0.00 | 1.00 | 0.00 |

Significant Expenditure Changes:

As in other divisions, the Purchasing Division personnel reflects the increased costs of health insurance and retirement contributions. It can also be

Administrative Services

observed that beginning FY2006, a portion of the Administrative Services Director's salary is charged to this division and the Administrative Assistant has been moved from this division to Human Resources. This was part of the reorganization.

New in FY2006 is Cost Recovery for this division. The methodology for the cost recovery is based upon the budget for each department compared to the City as a whole. This will disperse the costs of running the Purchasing Division throughout the whole entity.

PUBLIC COMMUNICATIONS

Division Mission: To provide superior communication services to city residents, businesses and visitors in keeping with the City's mission and vision; showcase and market Prescott's assets to advance the vision of Prescott as the "gem of Arizona."

Prior Year Results and Outcomes: Elks Opera House Centennial celebration, which garnered national recognition from the City, County Communications and Marketing Association in an awards competition for local government special events.

City Fair/Garage on Granite groundbreaking; drew thousands to downtown Prescott for city information, an antique car parade and fireworks on the top floor of the garage.

Conducted business support marketing campaigns for businesses affected by major road projects such as the Iron Springs Road/Black Drive/Gail Gardner Way Extension.

Published and direct mailed four quarterly issues of Quality Time.

Maintained timely and fresh content on both the external and internal city web sites.

Facilitated positive local, state and national media attention for city projects, services and activities.

Administrative Services

**Public Communications
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 104,253 | \$ 109,143 | \$ 119,812 |
| Supplies | 2,051 | 3,700 | 9,000 |
| Other Services & Charges | 115,236 | 126,870 | 129,454 |
| Cost Recovery | (77,481) | (121,612) | (127,233) |
| Total | \$ 144,059 | \$ 118,101 | \$ 131,033 |

**Public Communications
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 2.00 | 2.00 | 2.10 |
| Administrative Svcs Director | 0.00 | 0.00 | 0.10 |
| Marketing Manager | 1.00 | 1.00 | 1.00 |
| Marketing Assistant | 1.00 | 1.00 | 1.00 |

**Significant
Expenditure Changes:**

Increased costs of health insurance and retirement contributions are reflected in Personnel. It can also be observed that beginning FY2006, a portion of the Administrative Services Director's salary is charged to this division as a result of the reorganization.

The rise in Supplies costs is a result of the budgeting of funds for the replacement of a laptop computer and a light package to be used in the Police studio and for remote video production purposes.

ELKS OPERA HOUSE

Division Mission:

To work towards the Elks Opera House Foundation assuming operations of the theater, while maintaining and improving the facility for all users.

| Goal: To continue to offer a safe, attractive and productive facility to the groups paying rental fees to the City, and to contribute to the City's "Alive Downtown". | | | |
|--|----------------|------------------|------------------|
| Strategy: Have workdays where maintenance issues can be resolved. Utilize park maintenance staff when available, and use community service workers on some projects. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Work days utilizing volunteers | 4 | 6 | 4 |
| Use of Park Maintenance for projects | 6 | 8 | 6 |
| Use of Community Service workers | 10 | 0 | 10 |

Administrative Services

Goal: To adopt a business plan that will reduce the City's financial contribution by 20% annually each year for five years, until such time as the Elks Opera House Foundation can take over management.

Strategy: Encourage the Elks Opera House Foundation, by having set goals for them to obtain, so that they may eventually assume control of the opera house.

| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---|-------------|---------------|---------------|
| City's Elks Opera House budget | \$89,000 | \$85,000 | \$70,040 |
| EOH Foundation contribution to operating budget | 0 | 0 | \$17,510 |

Prior Year Results and Outcomes:

Elks Opera House had some big events this year including the Centennial Celebration and Rosanne Cash. The Centennial Celebration was very successful and had a couple full houses during the week-long celebration. Rosanne Cash was a sell-out and the artist loved the theater.

On the renovation/restoration front, we had new carpeting donated for the stairs to the balcony, by the Elks Opera House Foundation. Community Service workers painted some of the less attractive walls.

A five-year Business Plan has been submitted to the Elks Opera House Foundation. Hopefully, a plan will be adopted by the end of the fiscal year.

Elks Opera House Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|-------------|---------------|-------------|
| Personnel | \$ 36,073 | \$ 40,403 | \$ 40,359 |
| Supplies | 3,348 | 4,874 | 5,600 |
| Other Services & Charges | 32,335 | 28,132 | 37,946 |
| Capital Outlay/Projects | - | 32,330 | - |
| Total | \$ 71,756 | \$ 105,739 | \$ 83,905 |

Elks Opera House Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|-------------|---------------|-------------|
| Authorized Staffing Level | 0.00 | 0.85 | 0.85 |
| Administrative Svcs Director* | 0.00 | 0.10 | 0.10 |
| Recreation Supervisor* | 0.00 | 0.50 | 0.50 |
| Maintenance Worker (temp) | 0.00 | 0.25 | 0.25 |

*Administrative Services Director is also charged to Purchasing (10%), Public Communications (10%), Central Garage (20%), Building Maintenance (40%), and Parking Garage (10%).

**50% of Recreation Supervisor charged to Recreation.

Administrative Services

Significant Expenditure Changes: The increases in the Supplies and Other Services & Charges categories reflect the increasing maintenance and utility costs involved with operating the Elks Opera House.

BUILDING MAINTENANCE

Division Mission: To provide safe, clean and well-maintained buildings and facilities for use by employees and the general public.

Building Maintenance Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 118,034 | \$ - | \$ - |
| Supplies | 15,632 | - | - |
| Other Services & Charges | 107,102 | 257,442 | 258,481 |
| Capital Outlay/Projects | 628 | - | - |
| Total | \$ 241,396 | \$ 257,442 | \$ 258,481 |

Building Maintenance Staffing Level Summary

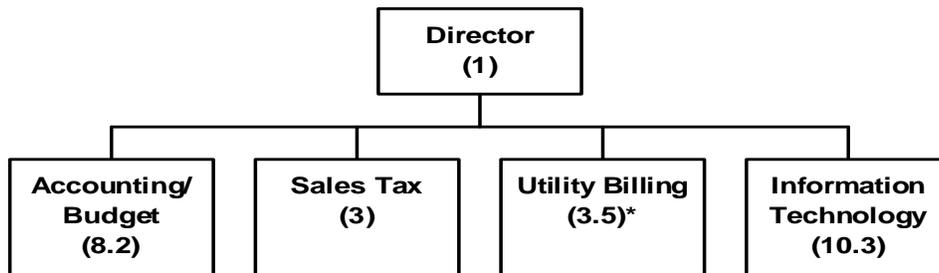
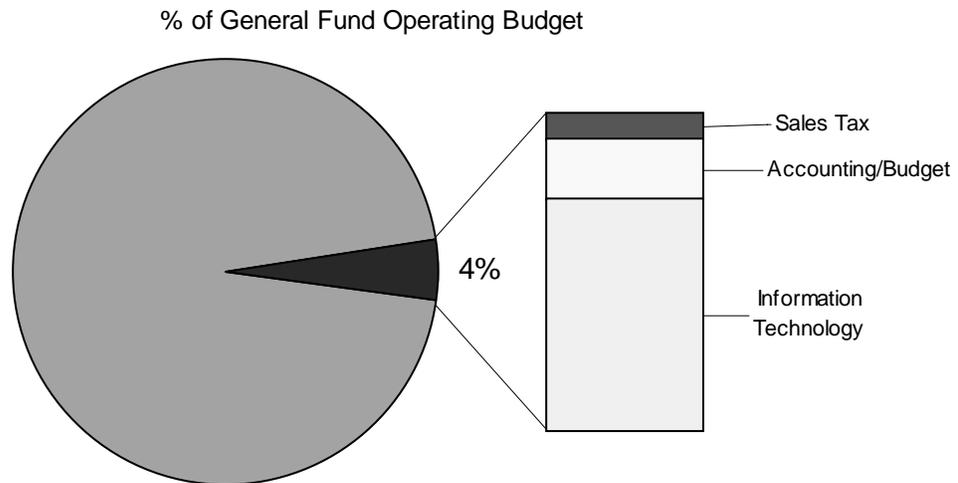
| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 3.55 | 0.00 | 0.00 |
| Admin Serv. Director | 0.00 | 0.00 | 0.00 |
| Public Works Director | 0.05 | 0.00 | 0.00 |
| Lead Custodian | 1.00 | 0.00 | 0.00 |
| Custodian | 2.50 | 0.00 | 0.00 |

Note: All custodial employees were moved to an Internal Service fund effective FY05.

Significant Expenditure Changes: This account previously tracked custodial services. In the City's FY05 budget, an actual Building Maintenance Division was created. This account will be used as an account to recover costs associated with the General Fund.

Budget and Finance

Department Mission: The Finance Department will continue to lead in government accountability, providing creative solutions to problems while efficiently managing city resources.



*Charged in Water Fund, but reports to Finance Director.

Budget and Finance

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Personnel | \$ 1,215,003 | \$ 1,295,505 | \$ 1,467,958 |
| Supplies | 59,577 | 317,757 | 287,400 |
| Other Services & Charges | 337,697 | 296,424 | 335,116 |
| Cost Recovery | (673,500) | (772,327) | (908,748) |
| Capital Outlay/Projects | 137,067 | 6,156 | 886,000 |
| Total | \$ 1,075,844 | \$ 1,143,515 | \$ 2,067,726 |
| Authorized Staffing Level | 22.70 | 22.20 | 22.50 |
| Sales Tax | 3.00 | 3.00 | 3.00 |
| Accounting/Budget | 9.60 | 9.10 | 9.10 |
| Information Technology | 10.10 | 10.10 | 10.40 |

TRANSACTION PRIVILEGE TAX AND LICENSING

Division Mission:

To enforce the tax code by educating the public, providing clear interpretation of the tax code, and performing compliance audits; to administer the collection of privilege tax; to issue transaction privilege tax licenses as well as nonprofit and transient merchant/peddler/solicitor licenses; to maintain the privilege tax and licensing records; to keep apprised of proposed legislation affecting the city's tax revenue; and to provide technical support to the director of Budget and Finance for special financial projects.

| Goal: Efficiently provide taxpayer forms and information. | | | |
|--|----------------|------------------|------------------|
| Strategy: Have outsourced tax forms for a quicker more efficient delivery of tax returns. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Compliance with promised response time to taxpayer inquiries | 100% | 100% | 100% |

| Goal: Promote accurate privilege tax self-assessments through compliance audits and education. | | | |
|---|----------------|------------------|----------------|
| Strategy: Conduct education seminars for the various taxable activities. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of information handouts available for selected areas of taxation, business related matters | 28 | 28 | 28 |
| Number of Privilege Tax & Desk Audits | 43 | 75 | 80 |
| Prescott initiated Audit Assessments which have gone to hearing. | 1 | 0 | 0 |

Budget and Finance

Prior Year Results and Outcomes: Successfully completed 43 field and desk reviews for a total of \$87,000. Collections were 84.9% of assessed amounts.

Maintained the service level of getting privilege tax forms out in 3 days or less from the close of the reporting period. 10 of the 12 months, forms were mailed within two working days.

In FY05 there were 886 new licenses issued: 46 were commercial rental, 186 were residential rentals and the balance of 654 new licenses issued were the various taxable classifications such as retail sales and construction contracting.

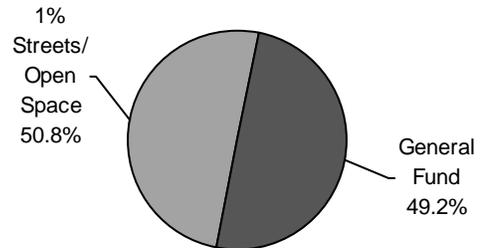
Transaction Privilege Tax & Licensing Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 139,952 | \$ 157,494 | \$ 171,315 |
| Supplies | 1,554 | 1,800 | 1,800 |
| Other Services & Charges | 29,670 | 40,471 | 39,269 |
| Total | \$ 171,176 | \$ 199,765 | \$ 212,384 |
| Cost Recovery | \$ (88,067) | \$ (98,757) | \$ (107,960) |

Transaction Privilege Tax & Licensing Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 3.00 | 3.00 | 3.00 |
| Privilege Tax Supervisor | 1.00 | 1.00 | 1.00 |
| Privilege Tax Auditor | 1.00 | 1.00 | 1.00 |
| Accounting Technician | 1.00 | 1.00 | 1.00 |

Transaction Privilege Tax & Licensing Funding Sources



Significant Expenditure Changes: The annual salary adjustment and the increase in costs relating to health insurance coverage for employees and retirement contributions are reflected in the Personnel section of the budget.

ACCOUNTING/BUDGET

Division Mission: To provide accurate and meaningful financial solutions and information that meet our customer's expectations.

Goal: Leverage technology to deliver efficient, economic and innovative financial solutions.

Strategy: Provide effective and efficient accounting and financial support through the use of innovative and creative approaches.

Budget and Finance

| Goal: Leverage technology to deliver efficient, economic and innovative financial solutions. | | | |
|---|--------------------|--------------------|----------------------|
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Budget |
| Cost to deliver financial services as a percentage of the total City operating budget | 1.30% | 1.29% | 1.29% |
| Payroll checks processed per FTE payroll staff | 15,073 | 15,527 | 15,990 |
| City credit card purchases Volume Dollars | 1,814 \$259,293 | 2,230 \$312,706 | 3,500 \$1,000,000 |
| Checks issued per FTE accounts payable staff | 11,782 | 13,150 | 12,000 |

| Goal: Produce a comprehensive, user-friendly budget document that meets the criteria prescribed by the Government Finance Officers Association | | | |
|---|-------------|---------------|---------------|
| Strategy: Follow the guidelines set forth by the GFOA | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Receive GFOA award | Yes | Yes | Yes |

| Goal: Encourage involvement and distinction in reporting. | | | |
|---|-------------|---------------|---------------|
| Strategy: Coordinate the annual financial audit and maintain reporting accuracy, consistency and integrity. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Annual financial audit and single audit opinions from external auditors are unqualified and concluded by November 30th. | Yes | Yes | Yes |
| Comprehensive Annual Financial Report in conformance with GAAP and GFOA financial reporting excellence benchmarks | Yes | Yes | Yes |

| Goal: Safeguard the City's cash and maximize yields. | | | |
|--|-------------|---------------|-------------|
| Strategy: Manage the City's investments in accordance with the investment policy and while obtaining high yields. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Budget |
| Average yield on investments (that exceeds the benchmarks below) | 2.60% | 2.80% | 3.00% |
| Three month U.S. Treasury Bill average | .97% | 1.77% | 2.00% |
| Federal Funds average | 1.00% | 1.67% | 1.75% |

Budget and Finance

Prior Year Results and Outcomes:

Modified the annual budget report to meet the standards established by the Government Finance Officers Association's awards program. Received the Distinguished Budget Presentation Award (highest form of recognition) for the third year in a row.

Received the Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association (GFOA) of the United States and Canada for the City's Comprehensive annual Financial Report.

Our budget and financial reports are now available on the City's website and on business card CD's. This change has reduced printing and mailing costs and resulted in increased distribution.

By actively managing the City's idle cash, we were able to earn an average of 2.8%. This rate exceeded both the 3-month Treasury bill rate and the federal funds rate by 1.03%.

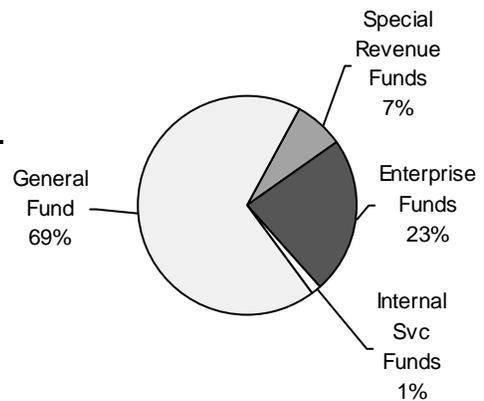
Accounting/Budget Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--|-------------------|-------------------|---------------------|
| Personnel | \$ 503,967 | \$ 520,026 | \$ 584,664 |
| Supplies | 9,207 | 4,557 | 6,500 |
| Other Services & Charges | 55,928 | 79,528 | 93,350 |
| Mail & Copy Center | 2,550 | (15,038) | - |
| Capital Outlay/Projects | - | 20,000 | 800,000 |
| Total | \$ 571,652 | \$ 609,073 | \$ 1,484,514 |
| Cost Recovery | \$ (457,541) | \$ (418,023) | \$ (466,891) |
| Capital Outlay/Projects HR & Payroll Software | | | \$ 800,000 |

Accounting/Budget Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 9.60 | 9.10 | 9.10 |
| Finance Director | 1.00 | 0.90 | 0.90 |
| Asst. Finance Director | 0.00 | 1.00 | 1.00 |
| Senior Accountant | 1.00 | 0.00 | 0.00 |
| Accountant | 1.00 | 0.00 | 0.00 |
| Customer Serv. Mgr. | 0.00 | 1.00 | 1.00 |
| Sr Budget Analyst (temp) | 0.60 | 0.20 | 0.20 |
| Budget Analyst | 1.00 | 1.00 | 1.00 |
| Payroll Specialist | 0.00 | 1.00 | 1.00 |
| Accounting Technician | 2.00 | 2.00 | 1.00 |
| Account Clerk | 1.00 | 2.00 | 2.00 |
| Office Support Specialist | 1.00 | 0.00 | 0.00 |
| Administrative Assistant | 1.00 | 0.00 | 1.00 |

Accounting/Budget Funding Sources



Budget and Finance

Significant Expenditure Changes:

The Personnel category shows a 12% increase due to the annual salary adjustment and the increased costs relating to health insurance and retirement contributions.

Supplies also shows an increase in this division. This is the result of additional funding budgeted in other operating supplies for purchase of small pieces of office equipment that become necessary during the fiscal year.

The Other Services category reflects a 17% increase. The main reasons for this are additional funding in Accounting & Auditing and Postage & Freight Charges. During FY2006 the City will be in the first year of a three year contract for independent auditors. In Postage & Freight a potential postage rate increase is reflected in the budget.

INFORMATION TECHNOLOGY

Division Mission:

The information Technology Division will provide and deliver quality and innovative information solutions and services in a timely manner through the appropriate use of technology within a long-range plan that enables departments within the city to meet their goals in the most cost-effective and efficient manner possible..

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Provide the City a stable, secure, and accessible network. | | | |
| Strategy: To maintain city network up time at 100% during the fiscal year. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| % of up time | 100 | 100 | 100 |
| Strategy: To have no security breaches during the fiscal year. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of security breaches | 0 | 0 | 0 |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Provide user training and support to maximize user productivity. | | | |
| Strategy: To train 15% of the users during the fiscal year. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| % of users trained | 5% | 15% | 25% |

| | | | |
|---|--|--|--|
| Goal: Assist the departments in cost effective automation solutions. | | | |
| Strategy: To implement 100% of the approved projects successfully. | | | |

Budget and Finance

| Goal: Assist the departments in cost effective automation solutions. | | | |
|---|-------------|---------------|---------------|
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of projects approved for implementation | N/A | N/A | N/A |
| % of approved projects implemented successfully | 100% | 100% | 100% |

| Goal: Provide up-to-date technology road map for the City. | | | |
|---|---------------|---------------|---------------|
| Strategy: To review and update technology plan annually. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Reviewed and updated technology plan | Plan Creation | Update | Update |

Prior Year Results and Outcomes:

Upgraded over 100 personal computers which is more than in any prior year.

Captured over 500,000 pieces of spam from entering our system.

Launched LiveTime work order system to track work and increase accountability.

Supported Regional Dispatch Center Project - components include computers, wiring, servers, network and phones.

Launched IMS website making GIS data available to all employees.

Developed Parcel History tool for tracking parcel changes.

Integrated Fire and Public Works into Permit/Project tracking software (CRW) currently used by Community Development.

Budget and Finance

Information Technology Expenditure Summary

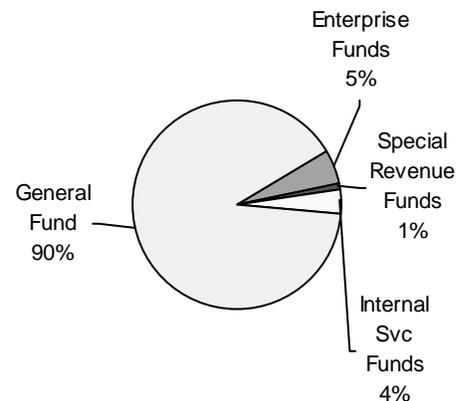
| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---|----------------|------------------|----------------|
| Personnel | \$ 571,084 | \$ 618,076 | \$ 711,979 |
| Supplies | 48,816 | 311,400 | 279,100 |
| Other Services & Charges | 252,099 | 176,425 | 202,497 |
| Projects/Capital Outlay | 134,517 | 1,194 | 86,000 |
| Total | \$ 1,006,516 | \$ 1,107,095 | \$ 1,279,576 |
| Cost Recovery | \$ (127,892) | \$ (127,557) | \$ (333,897) |
| Capital Outlay/Projects | | | |
| Blue Coat Proxy Firewall | | | \$ 41,000 |
| Network Intrusion Detection/Prevention System | | | 45,000 |
| Total Capital Outlay/Projects | | | \$ 86,000 |

Information Technology Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 10.10 | 9.10 | 9.10 |
| Inform. Technology Mgr. | 1.00 | 0.00 | 0.00 |
| Network Engineer | 1.00 | 0.00 | 0.00 |
| Operations Manager | 0.00 | 1.00 | 1.00 |
| Applications Manager | 0.00 | 1.00 | 1.00 |
| IT Programmer | 1.00 | 0.00 | 0.00 |
| IT Technician | 3.00 | 0.00 | 0.00 |
| Info Tech Specialist | 2.00 | 6.00 | 6.00 |
| Asst. City Mgr/Director* | 0.10 | 0.00 | 0.00 |
| Finance Director | 0.00 | 0.10 | 0.10 |
| Account Clerk | 0.00 | 0.50 | 0.50 |
| Info Tech Intern | 0.00 | 0.50 | 0.50 |
| Administrative Asst. | 1.00 | 0.00 | 0.00 |
| GIS Coordinator | 1.00 | 0.00 | 0.00 |
| Temporary Employees | 0.00 | 0.00 | 0.30 |

*10% of Asst. City Manager/Director is charged to Risk Management and 80% to Administrative Svcs./Personnel.

Information Technology Funding Sources



Significant Expenditure Changes:

The 15% increase in the Information Technology Division is a result of the annual payroll adjustment along with higher costs for health insurance and retirement contributions. It also reflects a larger overtime budget because of the City's new on-call policy.

For Supplies there is a notable decrease in the FY06 budget over FY05 estimated endings (10%). Several projects were completed in this division during FY05 that are not necessary during FY06; thus, the reduction in materials to necessary for the City's information technology systems.

Budget and Finance

It is anticipated that there will be a new employee in this division as a result of a retirement. An increase in Travel and Training can be observed to provide funding for the training of this employee. Also in the Other Services category, there is more funding for maintaining the network. Additional buildings have been added to the network forcing the need for increased maintenance.

A large increase can be viewed in the Cost Recovery category. The cost of operating the Information Technology Division is partially recovered from funds and departments other than the General Fund. The computation methodology was re-evaluated and is reflected in the FY2006 budget.

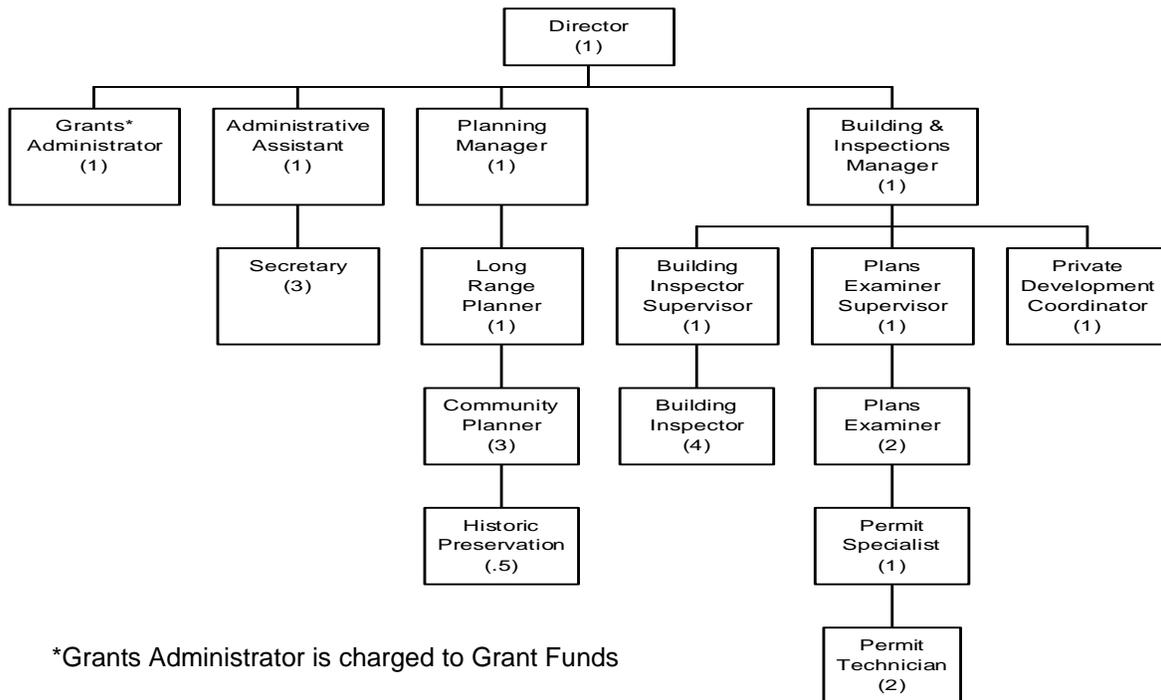
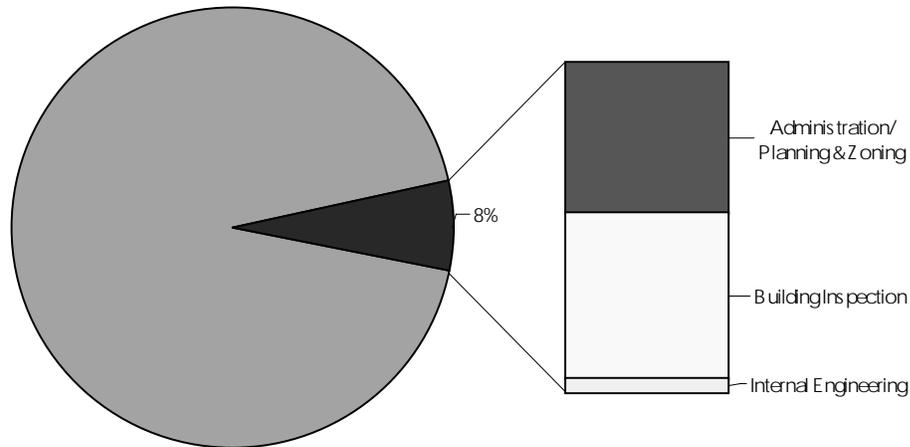
Information regarding the capital outlay for this division, the Blue Coat Proxy Firewall and the Network Intrusion Detection and Prevention System, can be found in the Capital Improvement Program section of this book.

Community Development

Department Mission:

The Community Development Department is charged with providing superior customer service through the use of innovative & collaborative problem solving in protecting and enhancing the community's historic, environmental, economic, cultural and physical resources. This is accomplished through establishing and maintaining effective working relationships with the development community in the promotion of orderly physical growth to achieve a balance of compatible land uses that are constructed to safe and acceptable standards in accordance with city code.

% of General Fund Operating Budget



*Grants Administrator is charged to Grant Funds

Community Development

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Personnel | \$ 1,380,479 | \$ 1,420,937 | \$ 1,540,267 |
| Supplies | 38,985 | 28,135 | 36,650 |
| Other Services & Charges | 252,721 | 213,159 | 218,080 |
| Capital Outlay/Projects | 91,698 | 10,668 | 31,000 |
| Total | \$ 1,763,883 | \$ 1,672,899 | \$ 1,825,997 |
| Authorized Staffing Level | 26.00 | 25.50 | 25.50 |
| Administration/P&Z | 11.80 | 11.30 | 11.30 |
| Building Inspections | 14.20 | 14.20 | 14.20 |

ADMINISTRATION/PLANNING & ZONING

Division Mission:

The Community Development Department is responsible for planning, building safety and code enforcement. The department's goal is to promote the orderly physical growth of the community. This is accomplished through land use and related regulations designed to protect and enhance the community lifestyle by providing environmental, cultural, economic and aesthetic resources.

| Goal: Continue to provide and improve public participation opportunities for city planning processes. | | | |
|--|----------------|------------------|------------------|
| Strategy: Provide timely and complete notification to interested parties through public notices, property owner mailings, property postings, agenda postings on the City's website, display ads and area meetings as warranted. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Public Notices | 32 | 50 | 75 |
| Neighborhood Mailings | 110 | 120 | 150 |
| Property Postings | 45 | 50 | 75 |

| |
|---|
| Goal: Continue efforts to increase efficiency and ability to enforce the Property Maintenance Ordinance (PMO) and Zoning Codes. |
| Strategy: Use of Clean and Lien Fund to proactively enforce PMO and Building Codes to reduce the number of blighted homes and dilapidated buildings. |
| Frequently publish public information bulletins and newsletters to educate residences and businesses of code requirements. |
| Use of Civil citations to bring violations and repeat offenders into code compliance. |

Community Development

Goal: Continue efforts to increase efficiency and ability to enforce the Property Maintenance Ordinance (PMO) and Zoning Codes.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|----------------------------------|-------------|---------------|---------------|
| Number of cases opened | 756 | 900 | 1000 |
| Closure rate | 572 | 675 | 750 |
| Quarterly Newsletters | 0 | 4 | 5 |
| Number of Civil Citations Issued | 0 | 24 | 36 |

Prior Year Results and Outcomes:

In conjunction with new Land Development Code, revamped and updated the citywide Zoning Map. This included citywide mailings and 3 public workshops. Compliance with the new LDC's zoning classification (and 24 districts compressing to 21 districts) resulted in numerous "rezonings".

Following minor amendments to the General Plan, as necessary, accomplished several staff-initiated zoning map refinements with property owner consent (e.g. Pioneer Park, VA Center, 5th Street, SR 89 properties). One is still in process along Greenways Trail near Sonora/Campbell Streets.

Assisted Public Works with land use and growth data as input for the Carollo water model study and the Lima and Associates 2020 Regional Transportation Plan. Helped provide staff support to the Council Water Allocation Committee.

Coordinated 139 Development Review Committee meeting reviews, providing potential applicants early feedback intended to better facilitate their projects.

Formed an area-wide planning committee and began organizing the 2005 AZ Planning Association conference in downtown Prescott. City of Prescott Planning Manager is the VP for the AzPA 2005 Planning Conference.

Served as primary contact for Storm Ranch developers as they assess platting and possible annexation of additional properties for development within the City of Prescott.

Project managed another comprehensive amendment to the Prescott Lakes development agreement and master plan, and a re-lotting plan for Suncor's 200 acres.

Held a Council workshop on affordable housing options and opportunities. Community Development Director attended an affordable housing conference to further City efforts to encourage workforce housing.

Completed 2 of the 7 current Community Development Block Grant projects. The grants-based projects totaling \$1.119 million are administered by the Grant Administrator.

Community Development

Administration/Planning & Zoning Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Personnel | \$ 661,899 | \$ 655,687 | \$ 709,615 |
| Supplies | 26,504 | 16,300 | 21,250 |
| Other Services & Charges | 72,481 | 64,859 | 90,821 |
| Capital Outlay/Projects | 72,828 | 10,668 | 31,000 |
| Total | \$ 833,712 | \$ 747,514 | \$ 852,686 |
| Capital Outlay/Projects | | | |
| Repair/Demolition Fund | | | \$ 25,000 |
| Neighborhood Cleanup | | | 6,000 |
| Total Capital Outlay/Projects | | | \$ 25,000 |

Administration/Planning & Zoning Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 11.80 | 11.30 | 11.30 |
| Director* | 0.80 | 0.80 | 0.80 |
| Planning Manager | 1.00 | 1.00 | 1.00 |
| Planner | 4.00 | 4.00 | 4.00 |
| Administrative Assistant | 0.00 | 1.00 | 1.00 |
| Administrative Secretary | 2.00 | 0.00 | 0.00 |
| Historic Preservation Spec. | 0.50 | 0.50 | 0.50 |
| Secretary | 1.00 | 2.00 | 2.00 |
| Econ. Dev. Coordinator | 0.50 | 0.00 | 0.00 |
| Code Enforcement Officer | 1.00 | 2.00 | 2.00 |
| Grants Administrator | 1.00 | 0.00 | 0.00 |

*20% of Community Development Director's position charged to Building Department.

Significant Expenditure Changes:

Health care costs and retirement contributions account for the increase in Personnel. Supplies increased 30% due to the inclusion of the funding for five new plaques signifying Landmark Designation of Historic Properties. This was previously budgeted in the Economic Development Division. Other Services & Charges increased due to the Arizona Planning Conference that will be sponsored by the city. Additional funding was allocated to travel and training along with other professional services for this conference.

BUILDING INSPECTION

Division Mission:

Provide superior plan review and inspection services through application of nationally recognized construction codes in a cost effective manner by

Community Development

encouraging a working partnership with the construction community and our neighboring jurisdictions.

| Goal: Use plans examiners' time more efficiently by reducing number of resubmittals. | | | |
|---|-------------|---------------|---------------|
| Strategy: Have Counter Techs review plans for completeness prior to acceptance. Educate designers as to plan deficiencies. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of resubmittals | 85% | 80% | 70% |

| Goal: Reduce number of "status" permits. Status permits are those which have not had any inspection activity in 6 or more months. | | | |
|---|-------------|---------------|---------------|
| Strategy: Use the CRW permit program to assigning permits to an inspector, who will monitor each project's activity by running CRW activity reports. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of status permits to total active permits | 25% | 22% | 20% |

| Goal: Use inspectors' time more efficiently by reducing the number of reinspections. | | | |
|--|-------------|---------------|---------------|
| Strategy: Improve quality of plans (see strategy associated with plan check resubmittals). Educate contractors relating to construction deficiencies. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of reinspections | 21% | 20% | 18% |

Prior Year Results and Outcomes:

The Building Inspection Division had another busy year issuing over 2,000 permits. This is about 2% more than FY04. Of these 2,000 permits over 560 were for single family structures. This is an increase of 11% over FY04.

The commercial permit activity also was very busy. Some of the larger projects that received permits in FY05 were;

- The Parking Garage
- The McCormick Place Office building
- ERAU Visitors Center - 13,555 sq. ft.
- ERAU Classroom - 20,413 sq. ft.
- Olive Garden

There were permits issued for nine miscellaneous office buildings, two medical offices, two retail and two banks.

Among the projects receiving Certificates of Occupancy, the larger were:

- Wal-Mart at the Boulders
- ERAU Administration
- Hassayampa Hotel remodel and addition
- Best Buy
- Cost Plus

Community Development

Additionally, 12 miscellaneous office projects also received Certificates of Occupancy.

As can be expected with the increase in permit activity the inspection work load also increased. The five inspectors completed over 29,000 inspections at 13,800 stops. This is an increase of over 11% from the number of inspections completed in FY04. A project like the Parking Garage would normally require special attention, but in this case because it is a City project, the inspector has taken a more personal interest, even assisting with non-code related items, such as parking for the workers.

The Division received its' second review from the Insurance Service Organization. In the three years from the last review we were able to increase our score from a grade 4 to a grade 3. Insurance companies look at the ISO grade to set their rates. The better the score, the lower the rates. The grades run from a low of grade 10 to a high of grade 1.

The Plan Examiners began a program to educate the designers in order to improve the quality of the plans. It is hoped that by doing this there will be less corrections being required on the plans. This should improve the turn around time for the plan review.

Several of the office staff took part in different educational opportunities offered in state through the Arizona Building Officials, or on the internet as offered by the International Code Council, and out of state in Colorado and Salt Lake City Utah.

Building Inspection Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 718,580 | \$ 765,250 | \$ 830,652 |
| Supplies | 12,481 | 11,835 | 15,400 |
| Other Services & Charges | 62,163 | 99,053 | 51,984 |
| Capital Outlay/Projects | 18,870 | - | - |
| Total | \$ 812,094 | \$ 876,138 | \$ 898,036 |

Community Development

Building Inspections Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 14.20 | 14.20 | 14.20 |
| Comm. Devel. Director* | 0.20 | 0.20 | 0.20 |
| Building Inspection Mgr | 1.00 | 1.00 | 1.00 |
| Plans Examiner Supv. | 1.00 | 1.00 | 1.00 |
| Plans Examiner | 2.00 | 2.00 | 2.00 |
| Building Insp. Supv. | 1.00 | 1.00 | 1.00 |
| Building Inspector | 4.00 | 4.00 | 4.00 |
| Private Develop. Coord. | 1.00 | 1.00 | 1.00 |
| Secretary | 2.00 | 2.00 | 2.00 |
| Permit Specialist | 1.00 | 1.00 | 1.00 |
| Permit Tech | 1.00 | 1.00 | 1.00 |

*80% of Community Development Director's position charged to Administration.

Significant Expenditure Changes:

As with all divisions, the annual salary adjustment and the increase in costs relating to health insurance and retirement contributions are reflected in the Personnel section of the budget.

The Supplies category increased due to the budgeting of funds for the purchase of new building code books for the building inspectors and other personnel. Gas and oil also affected this budget.

A reduction in the costs recovered for insurance and vehicle replacement charges contribute to the lower FY06 budget for the Other Services and Charges category.

INTERNAL ENGINEERING

Division Mission:

This division provides an account within the General Fund for the Engineering Services Division to bill its charges.

Internal Engineering Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Other Services & Charges | \$ 118,077 | \$ 49,247 | \$ 75,275 |

Community Development

Significant

Expenditure Changes:

This amount includes \$56,352 for 30% of 80% of the Development Services Manager's and Engineering Tech's salaries. The remainder is budgeted for other Internal Engineering charges billed to the General Fund on an as used basis.

Parks, Recreation & Library

Department Mission:

To preserve, protect and enhance the parklands, trails, lakes and public open spaces of the City of Prescott for the benefit of citizens and visitors, acting as conscientious stewards of the environment.

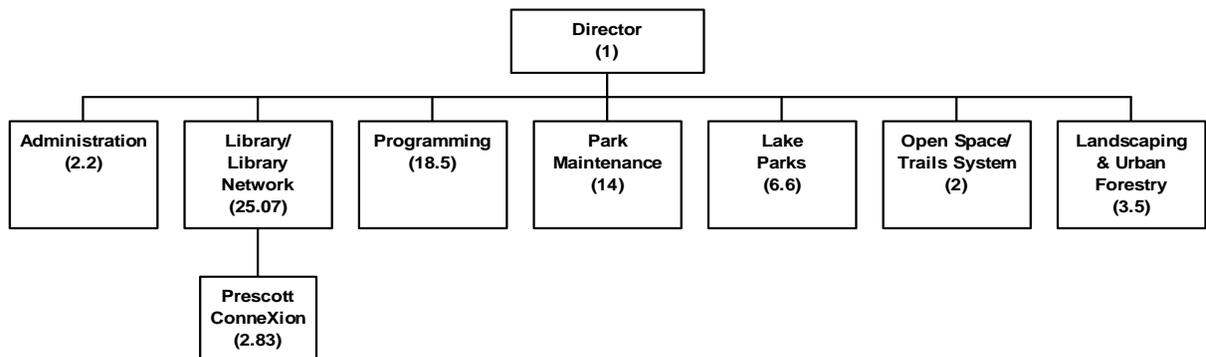
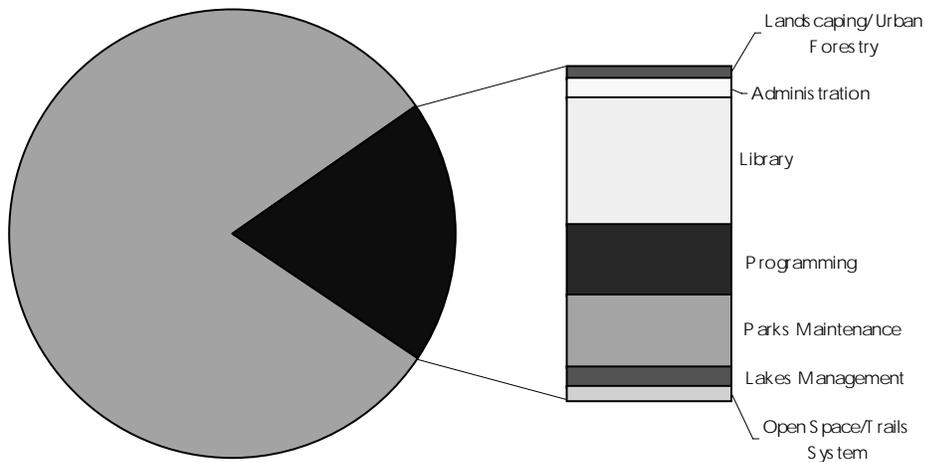
To provide a leisure services system that is responsive to and directed by the diverse and changing needs of our patrons.

To plan for the future growth and expansion of park facilities, lake properties, open spaces, trails, activity centers, and library services.

To operate well-maintained facilities including parks, recreation centers, library facilities and the Elks Opera House, supporting our image of a polished city - beautiful and clean.

To promote Prescott's reputation as a first class tourist destination by offering great recreation and leisure amenities.

% of General Fund Operating Budget



Parks, Recreation & Library

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------------|----------------|------------------|----------------|
| Personnel | \$ 2,622,800 | \$ 2,865,079 | \$ 3,337,586 |
| Supplies | 368,628 | 454,023 | 471,028 |
| Other Services & Charges | 1,008,629 | 1,297,014 | 1,311,443 |
| Capital Outlay/Projects | 26,256 | 138,601 | 9,500 |
| Total | \$ 4,026,313 | \$ 4,754,717 | \$ 5,129,557 |
| Authorized Staffing Level | 65.150 | 64.875 | 75.500 |
| Supervision | 4.000 | 3.200 | 3.200 |
| Library/Library Network | 22.920 | 21.920 | 25.070 |
| Prescott ConneXion | 2.330 | 2.830 | 2.830 |
| Programming | 15.500 | 13.625 | 18.500 |
| Park Maintenance | 13.000 | 13.000 | 14.000 |
| Open Space | 2.000 | 2.000 | 2.000 |
| Watson & Willow Lakes | 3.000 | 3.400 | 4.600 |
| Goldwater Lake | 1.400 | 1.400 | 1.800 |
| Landscaping/Urban Forestry | 1.000 | 3.500 | 3.500 |

ADMINISTRATION

- Division Mission:**
- To facilitate improved maintenance of park facilities through improved communications between staff members.
 - To promote Prescott's reputation as a first class tourist destination.
 - To manage a well-trained, professional staff.
 - to provide a wide variety of recreational opportunities to our diverse group of park patrons.

| | | | |
|--|------------------------|--------------------------|--------------------------|
| Goal: To oversee and enable the department staff to meet and exceed goals and priorities set by Council, as well as, individual goals set by divisions consistent with the City's Core Beliefs. | | | |
| Strategy: Hold bi-weekly Team Leader meetings to establish and follow through with all capital improvement projects for the department. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Completion of capital improvement projects | 80% | 95% | 100% |
| Strategy: Empower staff to achieve excellent customer service by recognizing employee successes and needs. | | | |

Parks, Recreation & Library

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: To oversee and enable the department staff to meet and exceed goals and priorities set by Council, as well as, individual goals set by divisions consistent with the City's Core Beliefs. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Holding departmental meetings | N/A | 10 | 20 |
| Strategy: Encourage and promote good team chemistry to better provide quality service to our customers. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Hold informal employee gatherings | 1 | 2 | 2 |

Prior Year Results and Outcomes:

Stroh Rogers Architects completed the new Adult Center building design. Future users of the facility, the Adult Center of Prescott Inc. and Meals on Wheels, Inc., had some conflicting visions on how the space should be designed. These conflicts were negotiated to satisfactory solutions with the help of department staff.

Employees of each division contributed to the success of the Arizona Cardinals Training Camp. For a week in August, Ken Lindley Field hosted a professional football team for their demanding pre-season workout clinic. Preparation for this weeklong event began many months before this, however. Department staff and Economic Development staff persuaded the Cardinals of our competence to provide the level of service and amenities a professional sports team demands. We delivered on all that was promised. Employees of the Maintenance Division and Landscaping Division worked side by side with turf professionals from the Arizona Cardinals field crew to enhance field conditions. This memorable week was a great success for football fans and for tourism income.

Department staff has successfully negotiated a contract for the inaugural tour of the Ladies Professional Softball Association Tour. This event, scheduled to take place from June 2-5, 2005, features members of the United States Olympic Team of 2004, Gold Medallists at the recent Summer Olympics in Athens, Greece. Other stops on their tour include Richmond VA, Portland OR, and Denver CO.

Construction on the Willow & Watson Lakes improvement project has been seven years in the making. The Grand Opening Celebration was held on June 10, 2005.

Parks, Recreation & Library

Administration Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 254,658 | \$ 231,849 | \$ 255,796 |
| Supplies | 3,600 | 4,740 | 4,750 |
| Other Services & Charges | 17,308 | 31,939 | 34,376 |
| Total | \$ 275,566 | \$ 268,528 | \$ 294,922 |

Administration Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 4.00 | 3.20 | 3.20 |
| Director | 1.00 | 1.00 | 1.00 |
| Lake Parks Supt.* | 1.00 | 0.20 | 0.20 |
| Park Security Ranger | 1.00 | 1.00 | 1.00 |
| Admin Asst. | 0.00 | 1.00 | 1.00 |
| Secretary | 1.00 | 0.00 | 0.00 |

*Lake Parks Supt. now charged .4 in Goldwater Lake and Watson/Willow Lakes respectively.

Significant Expenditure Changes:

This department's overall FY2006 budget only increased 9% increase over the FY2005 estimated endings. The personnel budget is affected by the annual salary adjustment and the increase in costs relating to health insurance coverage for employees and retirements contributions. Other Services & Charges observed an increase due to Maintenance to Building and Structures.

LIBRARY AND LIBRARY NETWORK

Division Mission:

The Prescott Public Library mission is to be the learning center of our community and the place people turn to for the discovery of ideas, the joy of reading and the power of information. Community needs drive our services and we take a personal interest in ensuring that they are delivered in a welcoming, convenient and responsive manner. To be a destination of choice for area residents and visitors, a keystone of Prescott's Alive Downtown. To continue library services to the Prescott community during construction.

The Yavapai Library Network mission is to provide efficient, convenient, responsive and cost-effective library services to the region via centralized hardware, software, and system administration. To lead Yavapai County and Arizona libraries by demonstrating appropriate and innovative use of technology to meet community needs. To maintain Prescott Public Library's leader-

Parks, Recreation & Library

ship of a nationally known consortium of school, academic, museum and public libraries. To increase access to information for all Yavapai County libraries, schools, offices and homes.

| Goal: Be the learning center of our community and the place people turn to for the discovery of ideas, the joy of reading and the power of information. | | | |
|--|-------------|---------------|---------------|
| Strategy: To remain responsive to community needs as demonstrated by the number of items (books, videos, CD's, & magazines) checked out as well as by the number of active library cardholders. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Maintain high circulation per 1,000 population. ICMA 2000 Median = 9,879 | 19,980 | 20,300 | 13,500 |
| Maintain high number of registered borrowers as a percentage of Service Area Population. ICMA 2000 Median = 69% | 93.5% | 94% | 75% |

| Goal: Continue library services to the Prescott community during construction. | | | |
|---|-------------|---------------|---------------|
| Strategy: Develop creative approaches that minimize the impact of library construction on the Prescott community. Accommodate a core collection of library materials, provide library services for children and adults, maintain volunteer opportunities like the Friends of the Library book sale, and continue to meet community needs for comfortable accessible leisure space. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Gate Count | 473,993 | 483,472 | 322,315 |
| Circulation | 943,107 | 961,969 | 641,313 |
| Book Sales | \$65,843 | \$66,000 | \$44,000 |
| Number of volunteers | 102 | 107 | 71 |
| Number of volunteer hours | 13,072 | 13,700 | 9,133 |

| Goal: Be a destination of choice for area residents and visitors, a keystone of Prescott's Alive Downtown. | | | |
|---|-------------|---------------|---------------|
| Strategy: Expand and renovate library facilities to meet community needs for comfortable leisure space, meeting room space and evening activity. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| % of library expansion complete | 5% | 5% | 100% |
| % of formal pledges or funds in hand (\$800,000 capital campaign) | 10% | 100% | N/A |

Parks, Recreation & Library

Goal: Provide efficient, convenient, responsive and cost-effective library services to the region via centralized hardware, software, and system administration.

Strategy: Migration of the Yavapai Library Network's bibliographic database from outdated text-based software to a state-of-the-art graphical interface. New software and hardware and operating systems will be implemented in stages to minimize disruption to patrons and staff.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|--|-------------|---------------|---------------|
| % of migration from Dynix to Horizon completed | 0% | 5% | 90% |
| % of Network members with adequate telecommunications bandwidth and infrastructure | 65% | 90% | 100% |
| % of Network members with adequate workstations for staff and public | 80% | 90% | 100% |

Goal: Increase utilization of the Yavapai County Library Network.

Strategy: Promote use of resources and facilities of the Networks 33+ libraries, as well as of library services available 24/7.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|--|-------------|---------------|---------------|
| Uses of Remote Patron Authentication | 38,973 | 40,532 | 42,153 |
| Number of Intra-Network Requests | 193,254 | 200,984 | 209,024 |
| Circulation of materials by Network member libraries | 2,094,128 | 2,136,010 | 2,178,731 |

Goal: Maintain Prescott Public Library's leadership of a nationally known consortium of school, academic, museum and public libraries.

Strategy: Accept new members, with a focus on schools and special collections, such as the Yavapai County Law Library. Growth of the Network enhances regional resource sharing while reducing the City of Prescott's share of Network operating and maintenance costs. Pursue grants to cover start-up costs for local schools.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|--|-------------|---------------|---------------|
| Prescott's share of Network costs | 18.38% | 18.01% | 17.65% |
| Yavapai Library Network Members | 33 | 33 | 38 |
| Special Collections | 5 | 6 | 7 |
| Titles in iPAC with Accelerated Reader (AR) information for area schools | 13,365 | 14,702 | 16,172 |

Goal: Lead Yavapai County and Arizona libraries by demonstrating appropriate and innovative use of technology to meet community needs.

Strategy: Reduce lines and busy signals for Prescott Public Library borrowers via use of self-service technology.

Parks, Recreation & Library

Goal: Lead Yavapai County and Arizona libraries by demonstrating appropriate and innovative use of technology to meet community needs.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|--|----------------|------------------|------------------|
| Increase calls to the automated library clerk (TeleCirc) Number of calls received | 10,125 | 10,328 | 10,534 |
| Increase in self-placed holds - Number of holds placed | 63,415 | 69,757 | 76,732 |
| Increase in self-renewal of library materials. Number of items renewed | 65,219 | 71,741 | 78,915 |
| Increase use of self-checkout - Number of items checked out | 122,984 | 125,444 | 127,953 |

Prior Year Results and Outcomes:

Prescott area residents like to read and use other library services. Ninety-one percent of service area residents have library cards. Each resident will visit the Prescott Public library an average of 10 times a year and checks out a total of 20 items. The average Arizonan visits his library four times each year and checks out a total of seven items.

In FY2005, the downtown library introduced wireless technology throughout the facility. Residents and tourists alike can check their e-mail from the comfort of an armchair in one of the library's bay windows. Thanks to a federal grant, six laptops are available for library users to check out and use in the building, helping to reduce lines for public use computers.

Residents of outlying areas of the City were served when the library partnered with local businesses and the Fire Department to place book returns in convenient locations on the north, east, south and west sides of Prescott.

The Yavapai Library Network, headquartered at Prescott Public Library, celebrated the milestone of checking out over two million items to Yavapai County residents in the last year. Resource sharing among public, academic and school libraries continues to reduce costs for everyone.

**Library/Library Network
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 884,519 | \$ 877,491 | \$ 1,078,555 |
| Supplies | 158,273 | 175,516 | 183,262 |
| Other Services & Charges | 218,385 | 287,551 | 289,638 |
| Capital Outlay/Projects | 11,075 | - | - |
| Library Network | 191,118 | 227,761 | 279,030 |
| Total | \$ 1,463,370 | \$ 1,568,319 | \$ 1,830,485 |

Parks, Recreation & Library

Library/Library Network Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 22.92 | 21.92 | 25.07 |
| Director | 1.00 | 1.00 | 1.00 |
| Assistant Director | 1.00 | 1.00 | 1.00 |
| Librarian | 6.50 | 6.50 | 7.50 |
| Administrative Assistant | 1.00 | 1.00 | 0.00 |
| Library Specialist | 2.00 | 2.00 | 2.00 |
| Library Assistant | 5.00 | 5.00 | 5.00 |
| Library Clerk | 1.00 | 1.00 | 1.00 |
| Maintenance Technician | 1.00 | 0.00 | 1.00 |
| Secretary | 0.00 | 0.00 | 1.00 |
| Custodian | 0.00 | 0.00 | 0.50 |
| Clerks (Temporary) | 2.75 | 2.75 | 3.40 |
| Systems Coord. - Network | 1.00 | 1.00 | 1.00 |
| Library Resource Analyst* | 0.67 | 0.67 | 0.67 |

*.33 of Library Resource Analyst charged to Prescott
ConneXion.

Significant Expenditure Changes:

The Library Division saw a 23% increase in their personnel category. This is a result of moving the Custodian and Maintenance Technician back in the the division from the Building Maintenance Fund along with the increase in temporary funding for library clerks. These factors plus the market adjustments and increase in health insurance and retirements cost led to this large increase.

A slight increase was observed in the Supplies area This is due to the rising costs of library books, gas and oil, and materials to maintain buildings.

The Library Network shows an increase due largely to the new librarian position. Reimbursement for this new position will be received from the Yavapai County Library District.

PRESCOTT CONNEXION

Division Mission:

To provide a dynamic popular reading, video and recorded books collection, and a convenient pickup and drop-off point for materials from other Network libraries.

To provide convenient Passport Application Acceptance services to the region.

Parks, Recreation & Library

To provide popular services, such as public Internet access, to citizens and visitors.

To provide meeting, event, display and brochure spaces that can be used by citizens and city officials for various purposes.

| Goal: Provide convenient Passport Application Acceptance services to the region. | | | |
|---|-------------|---------------|---------------|
| Strategy: Promote availability of passport services, and increase ability to process passport applications by training more staff to accept passport applications. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of passport applications accepted | 255 | 260 | 286 |
| Number of trained staff members | | | |
| Full-time | 1 | 1 | 1 |
| Part-time | 0 | 1.5 | 1.5 |

| Goal: Provide a dynamic popular reading, video and recorded books collection, and a convenient pickup and drop-off point for materials from other Network libraries. | | | |
|---|-------------|---------------|---------------|
| Strategy: Acquire, process and display materials citizens will appreciate. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Circulation of materials | 57,381 | 58,529 | 59,699 |
| Number of library cards issued | 913 | 931 | 950 |
| Holds filled | 8,497 | 8,667 | 8,840 |

| Goal: Provide popular services, such as public Internet access, to citizens and visitors | | | |
|---|-------------|---------------|---------------|
| Strategy: Maximize use of the Prescott ConneXion through promotion of popular services and through increased professionalism of ConneXion staff. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of visitors | 51,635 | 56,799 | 62,478 |

| Goal: Provide meeting, event, display and brochure spaces that can be used by citizens and city officials for various purposes. | | | |
|--|-------------|---------------|---------------|
| Strategy: Promote and sponsor events that will utilize the community spaces at the Prescott ConneXion | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| City-sponsored and community events | 18 | 22 | 25 |

Parks, Recreation & Library

Prior Year Results and Outcomes: Prescott ConneXion circulation and gate count are also on the rise as more local residents adopt the ConneXion as their library of choice. A more open, inviting look for the facility, a wide range of public programs and the passport application acceptance program all brought more people into the Prescott ConneXion. FY2005 visits to the ConneXion are up 15% from FY2004.

Prescott ConneXion Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 73,781 | \$ 96,000 | \$ 106,025 |
| Supplies | 3,297 | 4,308 | 4,405 |
| Other Services & Charges | 16,250 | 15,488 | 16,572 |
| Total | \$ 93,328 | \$ 115,796 | \$ 127,002 |

Prescott ConneXion Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 2.33 | 2.83 | 2.83 |
| Library Specialist | 1.00 | 1.00 | 1.00 |
| Library Resource Analyst* | 0.33 | 0.33 | 0.33 |
| Library Assistant | 0.00 | 1.50 | 1.50 |
| Clerks (Temporary) | 1.00 | 0.00 | 0.00 |

*.67 of Library Resource Analyst charged to Library/Library Network.

Significant Expenditure Changes: Despite the enormous increase in visitors at the Prescott ConneXion, the budget has remained static. The increase in personnel costs reflects the increase in health care and retirement contribution costs.

RECREATION PROGRAMMING

Division Mission: To offer a variety of recreational opportunities in an affordable and cost effective manner. Through superior customer service and high performance, various programs, classes, leagues, and special events will be planned, implemented, and evaluated to satisfy the recreational, social, and cultural needs of the community and its welcomed guests. The Division will strive to promote and attract tourism, partnerships and co-sponsorships. To utilize staff and volunteers in providing services that can maintain and boost Prescott as a livable and dynamic community.

| |
|--|
| Goal: Increase utilization and generate additional revenues for the City's recreational facilities. |
|--|

| |
|--|
| Strategy: Implement new fee structure to be more comparable with other area facilities. |
|--|

Parks, Recreation & Library

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Increase utilization and generate additional revenues for the City's recreational facilities. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Compare rental revenue annually | \$195,571 | \$205,000 | \$230,000 |
| Strategy: Highlighting one recreation facility in each Quality Time publication, to create a greater awareness and interest in our recreation facilities. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Compare actual reservations annually | 480 | 475 | 550 |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Increase youth participation by promoting Prescott's "active lifestyle" | | | |
| Strategy: Plan, implement and evaluate a wider range of youth related activities on a year-round basis. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of youth involved in City of Prescott programs | 2,275 | 2,600 | 3,000 |
| Strategy: Partner with other youth agencies to ensure that all kids have the opportunity to participate, such as PUSD, YMCA, Big Brothers, and Boys and Girls Clubs. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of programs that are offered with partners | 4 out of 41 | 7 out of 47 | 15 out of 45 |

| | | | |
|---|--------------------|-----------------------------|---|
| Goal: To complete new Adult Center building and move from current site. | | | |
| Strategy: Work with contractor and Adult Center Board to facilitate successful communication of needs and wants. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Adult Center progress | N/A | Finalize construction plans | Finalize construction and occupy new facility by June 2006. |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Involvement with other organizations to increase the economic impact on the community. | | | |
| Strategy: Actively participate in the Amateur Softball Association National Convention that will be held in Tucson, to promote Prescott. Assist ASA Commissioner with hospitality at the convention. Bid through ASA for national tournaments. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| | | | |

Parks, Recreation & Library

| | | | |
|---|--|---|---|
| Goal: Involvement with other organizations to increase the economic impact on the community. | | | |
| Facilitate a study each year to compare impact on local economy. | N/A | Finalized report that indicated over \$4 million community impact | Economic impact study will be performed December 2005. |
| Strategy: Successfully run the following tournaments/events in 2005 to further our wonderful reputation in the region: Lisa Fernandez tournament, National 50+, Best of the West, Senior Olympics and Adventure Triathlon. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| National tournaments held in Prescott annually | Conducted the Men's Fastpitch 50+ and Women's C Fastpitch National | Conducted the Men's 16" Slow Pitch National Championship | Have been awarded the Men's 50+ Fastpitch National Championship |

Prior Year Results and Outcomes:

Approximately 8,000 people attended the 4th of July Celebrations held at Pioneer Park. The City funded the greatest fireworks display of record. Afternoon activities included a variety of "inflatable games", various musical entertainment, and a community bar-b-que.

Thirty-two teams competed in the ASA 16" Slow-Pitch Softball Class A National Championships over Labor Day weekend. The City of Prescott later received the "Award of Excellence" from the ASA National Office, for conducting one of the highest rated tournaments throughout the Nation.

The first-ever Tiny Tot Olympics was conducted at Ken Lindley Park. Amazingly, 75 youngsters, 2-5 years of age, participated. There were 6 separate events conducted. Participants competed in 1-year age groups. Overall, there were close to 500 in attendance.

Summer Tween & Summer Open Gym Programs were administered during the summer months at Prescott High, Miller Valley Elementary, and Mile High Middle School facilities.

Revised Recreation Fee Structure - Staff was part of a Departmental team that revised recreational fees & developed a programming cost recovery plan. The Parks and Recreation Advisory Board fully supported the recommendation of the team.

Staff developed an economical impact study determining the amount of money brought into the community during 2004 pertaining to City-sponsored and co-sponsored sporting events. Over \$4 million dollars in economic impact was generated.

Parks, Recreation & Library

Grace Sparkes Activity Center Gym Floor Project was initiated and completed during FY2005. Through volunteer, internal, and contracted services, new maple flooring was installed inside the gymnasium. Overall results were outstanding, and the image of the gymnasium improved greatly.

The Arizona Cardinals trained for a week on Ken Lindley Field. In addition, a "Kids Zone" and a "Junior Cardinals Training Camp" were conducted with active involvement of staff.

With the help of a grant from the United States Tennis Association (USTA), a first-ever Youth Tennis League was conducted and a Northern Arizona Tennis District was established.

The annual Halloween Carnival recorded the largest attendance on record, with approximately 1,500 enjoying the festivities.

The main meeting room inside the Grace Sparkes Activity Center was sound-proofed with acoustical tiling. The overall image was improved.

The Programming Division was awarded several significant softball tournaments for 2005 and 2006, including a Women's Professional Fast-Pitch event, an ASA Regional Girl's Fast-Pitch Softball Tourney, and an ASA Men's 50 and Over Fast-Pitch Softball National Championship.

Hosted December City Council Meetings - Visual improvements were accomplished to successfully host 3 City Council Meetings inside Grace Sparkes Activity Center during the month of December.

Staff was heavily engaged in starting up an Adult and Youth Flag Football league. Additionally, staff programmed flag football at various school sites during lunch times.

Youth Theatre Program - "Annie" was conducted at the Elks Opera House Theatre. 65 youngsters performed 6 shows to the public.

The Senior Olympics program continued to expand, generated additional revenue, and gained additional Statewide acclaim. Nearly 1,000 participants registered for this 3-week program.

Various improvements were accomplished and the Elks Opera House such as front lobby completed, new carpet installed on stairs, stage floor painted, curtains sewed, and house wallpaper removed and repainted.

During the summer, 65 events with audiences ranging from 20-1,800 enjoyed Courthouse Square activities.

During FY2005, the Teen Zone was closed for the majority of the year, due to a lack of attendance. The Recreation Division did open the Zone during summer months and during school breaks. Efforts were shifted to provide more special event field trips and camps for the youth.

Two new events identified as examples of performance measure that did not evolve were the Halloween Softball Tournament and the Arizona Cardinals Youth Flag Football State Championships.

Parks, Recreation & Library

Recreation Programming Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--|----------------|------------------|----------------|
| Personnel | \$ 600,063 | \$ 650,675 | \$ 751,672 |
| Supplies | 55,581 | 61,750 | 75,500 |
| Other Services & Charges | 124,533 | 218,379 | 229,367 |
| Capital Outlay/Projects | 6,481 | 85,345 | 9,500 |
| Total | \$ 786,658 | \$ 1,016,149 | \$ 1,066,039 |
| Capital Outlay/Projects | | | |
| Grace Sparkes Activity Center Assessment | | | 9,500 |
| Total Capital Outlay/Projects | | | \$ 9,500 |

Recreation Programming Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 15.500 | 13.625 | 18.500 |
| Superintendent | 1.000 | 1.000 | 0.000 |
| Adult Center Coordinator | 1.000 | 1.000 | 1.000 |
| Recreation Supervisor* | 0.500 | 0.500 | 1.500 |
| Recreation Coordinator | 3.000 | 3.000 | 3.000 |
| Recreation Leader | 0.000 | 2.000 | 2.000 |
| Admin. Secretary | 1.000 | 1.000 | 1.000 |
| Maintenance Tech. | 1.000 | 1.000 | 1.000 |
| Custodian | 1.625 | 0.000 | 1.000 |
| Summer Inst. (Seasonal/Temp) | 6.375 | 4.125 | 8.000 |

*50% of one Recreation Supervisor charged to Elks Opera House.

Significant Expenditure Changes:

The Personnel category in this division increased in FY06 due to shifting the custodian from the Facilities Maintenance Fund to the Recreation Programming Division. Another element is the rising cost of health insurance coverage and retirement contributions.

Supplies increased as a result of moving some charges from the Other Services & Charges category into the Supplies category. An example would be materials used to maintain buildings. Previously, these charges were lumped in with the maintenance of the buildings.

The Other Services section increased from FY05 (\$218,379) to FY06 (\$229,367). This is caused by the inclusion of the vehicle replacement charges to this fund.

PARKS MAINTENANCE

Parks, Recreation & Library

Division Mission: Our mission is to provide daily upkeep of existing park facilities, athletic fields, parks, lakes, trails, streetscapes and planters, and to construct and maintain park facilities in a safe, aesthetically pleasing and efficient manner. We strive to encourage pride and a sense of personal ownership by staff in the appearance and function of our park facilities. The Park Maintenance Division is responsible for maintenance services for 610 acres of public Parks, Recreation facilities and Unified School District facilities identified in the IGA.

| Goal: To provide a parks system for our diverse group of park patrons that is safe, aesthetically pleasing and functional. | | | |
|---|-------------|---------------|---------------|
| Strategy: Provide daily upkeep of existing facilities and develop new facilities in an economically responsible manner. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Acreage of developed parkland | 601 | 605 | 605 |
| FTE Park Maintenance staff | 13.00 | 13.00 | 13.00 |

| Goal: Establish playground inspection program and upgrade playground maintenance. | | | |
|--|-------------|---------------|---------------|
| Strategy: Create a monthly safety inspection program and follow through with needed maintenance in a prompt and efficient manner. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Inspect each playground monthly | 0 | 0 | 12 |

| Goal: Improve the maintenance service level at all park facilities. | | | |
|---|-------------|---------------|---------------|
| Strategy: Changing the work culture and attitudes in the Park Maintenance Division through the use of positive reinforcement, employee involvement, and encouraging employee to exceed customer expectation in everything we do. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Conduct monthly staff meetings soliciting employee input | 0 | 5 | 12 |
| Create an employee of the month award | 0 | 4 | 12 |

Prior Year Results and Outcomes: Prepared and maintained Ken Lindley field for NFL Arizona Cardinals football pre-season camp August 22-27. This included drainage work, aerification, top dressing and an enhanced fertility program to prevent damage to the field and to restore it to its original condition.

The portable stage/band shell was set-up by the division for 16 special events. The number of reservations continues to increase annually. The division strives to provide each special event with superior customer service helping to ensure the success of their event.

Parks, Recreation & Library

Prepared and maintained Ken Lindley and Pioneer Park ball fields for National ASA 16" softball tournament September 3-5.

Removed existing gymnasium floor from the Grace Sparkes Activity Center.

Removed existing asphalt, curb and gutter, and subgrade soil from the parking lot at the Park and Recreation Department Administrative Office in preparation for installation of new asphalt by the Public Works department.

Demolished and removed existing restroom facility at Heritage Park provided a cost saving for the department's budget.

Aerified, topdressed, and overseeded the athletic fields at Pioneer Park Athletic Complex.

Provided support to Recreation Services Division for Special Events, Tournaments, and Recreation athletic programming.

Parks Maintenance Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 464,166 | \$ 521,513 | \$ 534,636 |
| Supplies | 89,575 | 111,927 | 114,800 |
| Other Services & Charges | 442,825 | 462,605 | 458,017 |
| Capital Outlay/Projects | 8,700 | 29,756 | - |
| Total | \$ 1,005,266 | \$ 1,125,801 | \$ 1,107,453 |

Parks Maintenance Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 13.00 | 13.00 | 14.00 |
| Parks Maintenance Supt. | 1.00 | 1.00 | 1.00 |
| Maintenance Specialist | 3.00 | 3.00 | 3.00 |
| Maintenance Worker | 3.00 | 3.00 | 3.00 |
| Equipment Operator | 1.00 | 1.00 | 1.00 |
| Seasonal Maintenance | 5.00 | 5.00 | 6.00 |

Significant Expenditure Changes:

As in the other divisions, the Personnel category increased due to the annual payroll adjustment and the increased costs of health insurance and retirement contributions. There are no other significant expenditure changes in this division.

Parks, Recreation & Library

WATSON AND WILLOW LAKES

Division Mission: Provide a pleasant, safe environment, adjusting policies and plans to balance the needs of the public and the requirements of safety.

Prior Year Results and Outcomes: Construction of improvements to these recreation facilities was completed in Spring 2005. As portions of the project were completed, we opened each area to public use. The Grand Opening Celebration was held June 11, 2005. These new attractions include:

- Four new restrooms
- Two new boat launch ramps
- Two new "courtesy docks" for ease in launching and securing watercraft
- Hundreds of additional paved parking spaces
- New paved roadways throughout both parks
- Eight new picnic ramadas
- A self-guided tour of a significant preserved archaeological site
- 36 new picnic tables
- 12 new barbecue grills

Watson and Willow Lakes Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 59,849 | \$ 88,890 | \$ 146,372 |
| Supplies | 17,847 | 27,502 | 25,450 |
| Other Services & Charges | 37,291 | 46,037 | 38,547 |
| Total | \$ 114,987 | \$ 162,429 | \$ 210,369 |

Watson and Willow Lakes Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 3.00 | 3.40 | 4.60 |
| Lake Parks Supt.* | 0.00 | 0.40 | 0.40 |
| Maintenance Worker | 2.00 | 2.00 | 3.00 |
| Maintenance Worker - temp | 1.00 | 1.00 | 1.20 |

*Supt also charged .2 to Admin and .4 to Goldwater Lake.

Significant Expenditure Changes: In addition to the annual salary adjustment and the increased health care and retirement contribution costs, the increase in the Personnel category is the result of the addition of a maintenance worker for FY2006. This position is needed to help out with the newly completed amenities at Willow and Watson Lakes.

Parks, Recreation & Library

GOLDWATER LAKE

Division Mission: To preserve and maintain Goldwater Lake Park in peak condition for the benefit of Prescott citizens and visitors, offering hiking, picknicking, ramada rental, dock fishing, boating, special events and children's play areas.

To provide a safe, pleasant environment making improvements and enhancements as needed to better serve the diverse and changing needs of our patrons.

Prior Year Results and Outcomes: As an alternative to replacing both 25-year old floating docks, staff investigated the possibility of repairing the existing structures. Individual floats have been purchased and installed by department staff. Railings have been replaced using in-house labor as well. This rehabilitation project has saved the City thousands of dollars from the budgeted \$50,000 replacement funds.

Constructed a small building at the entrance, a "contact station" where we will have an employee greeting each park visitor, collecting a parking fee and dispensing information. An annual pass will be available for frequent visitors. This revenue-producing activity will start on July 1, 2005. Staff has established a parking area along Senator Highway for walk-in visitors, to the delight of early morning fishermen to whom 6:00 a.m. is "too late in the day." This also serves as overflow parking during busy summer weekends. The cost of establishing the parking area and pedestrian trail to the lake was minimal, utilizing department staff and equipment.

Goldwater Lake Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 43,859 | \$ 72,323 | \$ 77,864 |
| Supplies | 6,917 | 10,194 | 8,675 |
| Other Services & Charges | 11,390 | 13,435 | 13,818 |
| Total | \$ 62,166 | \$ 95,952 | \$ 100,357 |

Goldwater Lake Staffing Level Summary

| | FY03 Actual | FY04 Estimate | FY05 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.40 | 1.80 | 1.80 |
| Lake Parks Supt* | 0.00 | 0.40 | 0.40 |
| Maintenance Technician | 1.00 | 1.00 | 1.00 |
| Maint. Worker - Temp. | 0.40 | 0.40 | 0.40 |

*Lake Parks Supt now also charged .2 to Admin and .4 to Watson/Willow Lakes

Parks, Recreation & Library

Significant Expenditure Changes: The annual pay plan adjustment along with the rising cost of health insurance and retirement contributions has resulted in an 8% increase in the Personnel category.

There are no significant expenditure changes in the Supplies and Other Services categories.

OPEN SPACE/TRAILS SYSTEM

Division Mission: The mission of the Trails and Open Space Division is to compliment the City's vision "as a responsible environmental steward" in providing high quality recreational and transportation trails for residents and visitors, and conserving lands that have unique biological, historical, scenic, geological, and recreational characteristics. This mission is also complimentary to the City's mission "to service as the Leader of the Region", as there is great potential to establish an example for other communities to follow. The outdoor recreation opportunities provided by the division have social, health, and fitness benefits to Prescott's current and future generations.

| Goal: To preserve, protect and enhance the open spaces and trails of the City of Prescott for the benefit of its citizens and the ecological health of the region. | | | |
|---|-------------|---------------|---------------|
| Strategy: To plan for the future growth and expansion of public open spaces and trails. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Trail miles per resident | 0.8 | 1.5 | 2.0 |
| Staff | 2 | 2 | 2 |
| Open space acreage per resident | .023 | .023 | .023 |

Prior Year Results and Outcomes:

- Completed another 1/2-mile of Willow Lake Trail to new visitor amenities.
- Completed one mile of Lower Granite Creek Discovery Trail.
- Completed enhancements to entire Mile-High Trail System (now totaling over 26 miles)
- Completed repairs to Greenways trail system after major flooding.
- Completed negotiations with Embry Riddle Aeronautical University for trail easement for establishing 1-1/2 miles of the Prescott Circle Trail.
- Completed trail registers for six trails to gather information about trail users.
- Completed additional enhancements to Prescott Peavine National Recreation Trail, to include connection to Prescott Valley's Iron King Trail.
- Completed many improvements to the Acker Park trail system.

Parks, Recreation & Library

Extensively used three different labor sources totaling over 3500 hours of trail work (e.g., Yavapai County Juvenile Probation, Prescott Police community Service, college groups, etc.)

Worked closely with the Prescott Bicycle Advisory Committee (PBAC) in developing the long-awaited Prescott Bicycling Opportunities Map. 5000 were printed for free city-wide distribution.

Successfully negotiated and completed donated rights-of-way transactions (i.e., easements, land donations, and one land exchange) with 12 property owners for the Mile-High Trail System.

10-acre Boyle/DeBusk Open Space Preserve

Successfully completed electrical upgrades, landscaping, and workshop in garage to the 777-sq ft meeting cottage.
Enhanced the hiking trails within Preserve

White Spar Creekside Parcels

Removed 165 dead (beetle killed) ponderosa pine trees
Completed visitor amenities at Granite Creek (northern) parcel

Downtown Greenways (a.k.a., West Granite Creek Park)

Continued enhancements and tree plantings

Mayor's Open Space Acquisition Advisory Committee

Served as staff liaison and provided tours and extensive information to committee who met multiple times

Open Space/Trails System Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 112,522 | \$ 121,527 | \$ 126,482 |
| Supplies | 15,707 | 21,605 | 21,450 |
| Other Services & Charges | 16,176 | 55,339 | 46,064 |
| Capital Outlay | - | 4,000 | - |
| Total | \$ 144,405 | \$ 202,471 | \$ 193,996 |

Open Space/Trails System Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 2.00 | 2.00 | 2.00 |
| Open Space Coordinator | 1.00 | 1.00 | 1.00 |
| Maintenance Specialist | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

The increase in Personnel is a result of the annual salary adjustment and the increasing costs of health insurance and retirement contributions.

Parks, Recreation & Library

The decrease in the contingency line item can be linked to the lower budget observed in the Other Services & Charges category. This money is set aside for stewardship priorities that are identified during the fiscal year.

LANDSCAPING AND URBAN FORESTRY

Division Mission:

The mission of Landscaping and Urban Forestry is to maintain the City trees and landscaping to the highest professional standards; to continue to engage in team efforts with other departments to insure that the trees, landscapes and right-of-ways reflect our commitment to excellence; to continue with the leadership role for our region dealing with arboricultural issues and education; and to provide staff with the training and encouragement that will produce a high level of productivity that will lead to superior customer service.

| Goal: Continue the service to the public of education concerning arboricultural issues. | | | |
|--|-------------|---------------|---------------|
| Strategy: Speak to citizens and groups about tree related issues. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Citizens and groups contacted about tree issues | 25 | 30 | 35 |

| Goal: Continue high level of productivity of landscape staff. | | | |
|---|-------------|---------------|---------------|
| Strategy: Have training sessions monthly to improve knowledge and increase safety awareness. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of training sessions held covering landscape, arboriculture and safety | 5 | 12 | 16 |

| Goal: Improve weed control in planters and right-of-ways. | | | |
|---|-------------|---------------|---------------|
| Strategy: Use proper herbicides to reduce weed population, help to manage staff in streets department to improve efforts to mow weeds. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of square feet treated with herbicides to improve weed control, reduce hoeing and mowing. | 210,000 | 300,000 | 350,000 |

| | | | |
|--|--|--|--|
| Goal: Improve aesthetics of downtown planters. | | | |
| Strategy: Replant 1/4 of planters to a low water use design with emphasis on four-season color and improved aesthetics. | | | |

Parks, Recreation & Library

Goal: Improve aesthetics of downtown planters.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---------------------------------------|--------------------|----------------------|----------------------|
| Number of downtown planters replanted | 13 | 13 | 13 |

Prior Year Results and Outcomes

More than a dozen of the downtown landscapes have been restored with plans formulated to renovate more of these areas in the upcoming fiscal year.

Due to an increase in rainfall that has reduced the impact of long-term drought the rate of loss of ponderosa pine trees has declined. Other species of trees are also healthier as a result of the moisture. This has allowed us to focus on the removal and trimming of trees that are not in the public right-of-way. An example of this is that we were able to remove over 40 dead ponderosas at Goldwater Lake Park that endangered the telephone line that services the Groom Creek area. Because fewer trees were dying near public streets more structural and aesthetic pruning was done on landscape trees. Our forecast was to trim and remove a total of 200 trees. We were able to remove 213 trees and trimmed 172 trees for an overall total of 385 trees trimmed or removed.

Public contacts have been close to estimates. A very positive aspect is that due to the increased moisture fewer of these have been related to dying trees. Many of this years contacts were related to trees becoming uprooted in the storms and advice was given about how to mitigate this damage and save these trees. It was estimated that there would be 75 contacts with an actual total of 76 contacts made by staff.

The attendance to public meetings fell slightly short of expectations with 12 forecast and only 10 actually attended.

Parks, Recreation & Library

Landscaping and Urban Forestry Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------|-------------------|-------------------|
| Personnel | \$ 54,764 | \$ 126,859 | \$ 145,387 |
| Supplies | 16,022 | 34,081 | 30,300 |
| Other Services & Charges | 9,781 | 18,832 | 23,247 |
| Capital Outlay/Projects | - | 19,500 | - |
| Total | \$ 80,567 | \$ 199,272 | \$ 198,934 |

Landscaping and Urban Forestry Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.00 | 3.50 | 3.50 |
| Urban Forester | 1.00 | 1.00 | 1.00 |
| Landscape Maint Worker | 0.00 | 1.00 | 1.50 |
| Landscape Maint Tech | 0.00 | 1.00 | 1.00 |
| Maint Worker (Seasonal) | 0.00 | 0.50 | 0.00 |

Significant Expenditure Changes:

This division converted one half-time seasonal maintenance worker to a full-time regular. The annual salary adjustment and the increased costs in health insurance coverage and retirement contributions combined with the conversion of this employee result in an increase in the Personnel category.

A reduction in the amount needed for small tools and equipment cause the Supplies area to be smaller in FY2006 compared to FY2005 estimated endings.

The Landscaping and Urban Forestry Division is another division that shows an increase in the Other Services and Charges category as a result of the newly established vehicle replacement charges. Each division is charged a "rental fee" for each vehicle they operate to go into the city-wide Vehicle Replacement Fund to pay for replacement vehicles as needed.

PRESCOTT COMMUNITY ACCESS CHANNEL

Division Mission:

Through the Prescott Community Access Channel, all City Council study sessions and regular meetings are televised on a weekly basis. Special programs concerning city issues are televised as well. Funding is provided one percent of cable

Prescott Community Access Channel Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------|----------------|------------------|----------------|
| Contractual Services | \$ 71,935 | \$ 73,920 | \$ 75,354 |

Parks, Recreation & Library

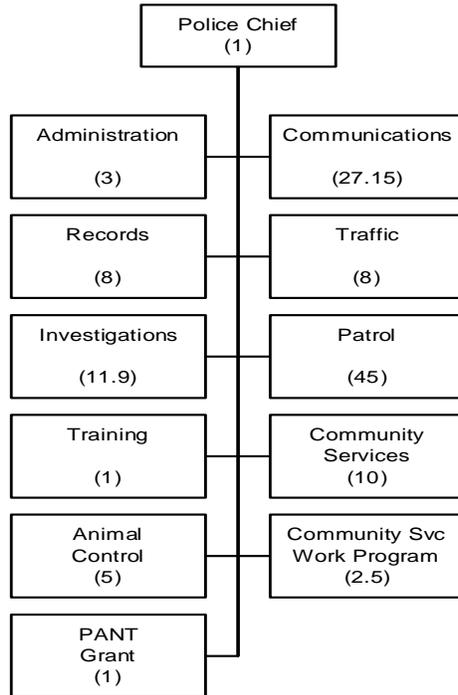
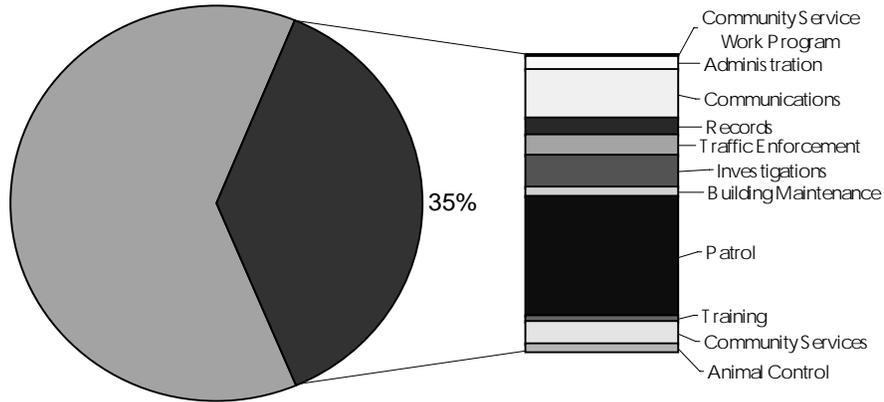
**Significant
Expenditure Changes:**

The City receives 4% of the cable company's gross revenues and 25% of this amount is allocated to the Prescott Community Access Channel. This expenditure remains fairly level from year to year.

Police Department

Department Mission: The Prescott Police Department is dedicated to providing our community with professional services through innovative and creative approaches. We are committed to providing quality public safety by resolving problems, promoting public awareness and responding to citizen needs.

% of General Fund Operating Budget



Police Department

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Personnel | \$ 6,093,288 | \$ 6,890,231 | \$ 8,870,342 |
| Supplies | 188,200 | 223,201 | 277,275 |
| Other Services & Charges | 431,119 | 960,198 | 924,901 |
| Capital Outlay/Projects | 72,047 | 50,367 | 229,413 |
| Total | \$ 6,784,654 | \$ 8,123,997 | \$ 10,301,931 |
| Authorized Staffing Level | 109.75 | 110.50 | 122.55 |
| Administration | 4.00 | 4.00 | 4.00 |
| Communications | 20.25 | 19.75 | 27.15 |
| Records | 8.00 | 8.00 | 8.00 |
| Community Services | 10.00 | 10.00 | 10.00 |
| Traffic Enforcement | 7.00 | 8.00 | 8.00 |
| Investigations | 13.00 | 12.25 | 11.90 |
| Patrol | 40.00 | 40.00 | 45.00 |
| Training | 1.00 | 1.00 | 1.00 |
| Animal Control | 4.00 | 5.00 | 5.00 |
| Com. Svcs. Work Program | 2.50 | 2.50 | 2.50 |

In addition, there is 1 police officer charged to the Grants Fund.

ADMINISTRATION

Division Mission: The Police Department Administration is committed to providing the support needed to maintain an ethical department with a well-trained professional and motivated work force.

| Goal: Coordinate the services across all divisions of the Police Department to sustain a highly productive staff of public safety professionals. | | | |
|--|----------------|------------------|------------------|
| Strategy: The Police Administration will insure the community receives efficient public safety responses to reduce loss and injury in a fiscally responsible way. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| UCR Part I | 2,545 | 2,800 | 3,000 |
| UCR Part II | 3,850 | 3,900 | 4,000 |
| Calls for Service | 35,627 | 36,500 | 37,500 |

Police Department

Prior Year Results and Outcomes:

The Prescott Police Department continues to participate in the Northern Arizona Regional Academy (NARTA) and serves on the Board of Directors. Our Department personnel continues to contribute a significant number of hours to provide quality class instruction, as well as a full time class advisor to each of the classes held during the year. During the year, our Department has hired three new officers who received their training at NARTA. Two additional applicants are currently in training at NARTA.

Continued to serve as a member of the Board of Directors for the Partners Against Narcotics Trafficking. Continued operational support of PANT through our assignment of personnel to assist in this special investigative and enforcement unit.

Continued participation with the Tri-City Gang Task Force through the liaison assignment of a Community Policing Sergeant.

Continued our efforts in the participation in the Yavapai Silent Witness as the house agency for this countywide program.

Adapted our involvement in the National Night Out crime prevention neighborhood event to coordinate various crime prevention events with other agencies.

Continued expansion efforts in the Neighborhood Watch, Multi-housing, Business Block Watch, Crime Watch and Bicycle Safety crime prevention events with other agencies.

Continued our Community Service Work Program, in which court assigned violators perform a wide range of community service work projects for numerous community organizations and groups.

Continued to enhance our presence on the World Wide Web through our Police Department by providing resources and crime statistical information for our citizens and site visitors.

Maintained an extremely active volunteer program that consists of our Citizens on Patrol (COP), who assist patrol officers with support activities; Volunteers in Policing (VIP), who assist Department personnel in Records, Investigations and Audio/Video operations. The Cold Case Unit, also comprised of volunteers, has been formed to investigate unsolved, high profile cases.

Participated in the Tri-City management committee involved in the drafting of intergovernmental agreements for the Regional Public Safety Communications Center. Continued to participate in the Prescott and Prescott Valley Police Department combined communications operation. This fully operational joint dispatch is located within the Prescott Police Department headquarters building.

Finalized and implemented a public safety step plan with the City Manager, Finance and Human Resources.

Renovations and technical upgrades are underway at 216 South Cortez, which will house the Regional Public Safety Communication Center.

Police Department

Continue to work with the consultant/contractor to assist with the improvements and expansion of our radio infrastructure.

Completion of our map interface with our computer aided dispatch system has now given us the ability to view "real time" computer maps as to the location of a 911 call. This allows dispatch to provide directions to the location to our officers, increasing response time.

Successfully pursued grants that have allowed us to continue participating in DUI saturation patrols, partnering with Prescott Valley Police Department for education and enforcement of auto theft, seatbelt and child restraint safety, purchase and issue body armor to our officers. Continue to seek additional grant funding opportunities in support of police services to our community.

Applied for, received and administered the Community Oriented Policing Services (COPS) Small Community Methamphetamine Grant to purchase specialized equipment to combat the production and distribution of Methamphetamine for Partners Against Narcotics Trafficking (PANT). These grant funds were also identified for the purchase of technology for improving investigation, enforcement and prosecution of Methamphetamine cases.

Hired a Regional Communications Director to oversee the Regional Public Safety Communications Center.

Promoted a Lieutenant for more efficient coverage and customer service for the department and the community.

Administration

Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 337,782 | \$ 371,359 | \$ 404,853 |
| Supplies | 3,327 | 3,898 | 12,775 |
| Other Services & Charges | 38,593 | 65,806 | 58,864 |
| Total | \$ 379,702 | \$ 441,063 | \$ 476,492 |

Administration

Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 4.00 | 4.00 | 4.00 |
| Police Chief | 1.00 | 1.00 | 1.00 |
| Assistant Chief | 1.00 | 1.00 | 1.00 |
| Police Research Analyst | 1.00 | 1.00 | 1.00 |
| Administrative Assistant | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

The annual salary adjustment and the increase in costs relating to health insurance coverage and retirement contributions account for the increase in Personnel from FY2006 over FY2005.

Police Department

Supplies also show an increase in the FY2006 budget over the FY2005 estimated ending. This is a result of the shifting of budgeted expenditures that were previously in the Building Maintenance Division. The Other Services & Charges category shows a decrease from the previous years estimated ending due to the payment to the Family Advocacy Center for FY2004 and FY2005 being made during FY2005.

RECORDS

Division Mission:

The Records Division is dedicated to continuously provide a high quality of service to the citizens of Prescott and the surrounding communities. We will communicate and problem solve within the Department and with other criminal justice agencies. We will provide a working environment that enhances our commitment to customer service through excellence in reputation, honesty and integrity.

| Goal: Maintain statistics on crimes reported. | | | |
|--|-------------|---------------|---------------|
| Strategy: Accurately enter crimes reported to the Prescott Police Department. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of part one crimes processed | 2,545 | 2,800 | 3,000 |
| Number of part two crimes processed | 3,850 | 3,900 | 4,000 |
| Number of accidents processed | 1,822 | 1,900 | 1,950 |
| Number of citations processed | 27,714 | 28,000 | 29,000 |

| Goal: Implement and participate in the FBI National Incident Based Reporting System (NIBRS). | | | |
|---|-------------|---------------|-------------------|
| Strategy: Department-wide training hours needed to implement NIBRS | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Hours training per employee per hour (apx 80 employees) | 0 | 640 | 100 |
| Strategy: Conduct State testing and begin NIBRS reporting by January 1, 2006. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Time of test prior to formal implementation | 0 | 3 months | none |
| Start date for formal implementation | 0 | 1/1/06 | program continues |

Police Department

| Goal: Improve accuracy and completeness of criminal history records on arrests through the Arizona Automated Fingerprint Identification System (AZAFIS). | | | |
|---|-------------|---------------|---------------|
| Strategy: Report to Yavapai County Sheriff Office and the courts corrections made. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Corrections reported to YCSO and courts | 1,000 | 750 | 500 |

| Goal: Maintain the high level of accuracy obtained on Federal, State and associated press audits. | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|
| Strategy: The Records Division will be responsible for the timely, accurate and completeness of data collection, dissemination and retention of police-related information. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| State ACJIS audit results | 100% compliance | 100% compliance | 100% compliance |
| FBI audit results | Model Agency Classification | Model Agency Classification | Model Agency Classification |
| Associated Press Audit results | Compliant on Records Release Laws | Compliant on Records Release Laws | Compliant on Records Release Laws |

Prior Year Results and Outcomes:

To decrease the noise level from the lobby, glass windows were installed at the front counter.

Completed scanning the 2000/2001 felony reports and purged the 2000/2001 misdemeanor reports.

Updated the Record's Operation Manual Imaging Section.

The State ACJIS Access Integrity Unit audited our Department in July. Records received 100% compliance on the audit.

Implemented a new policy on fingerprint cards and disposition sheets to comply with the State's requirements of checking submissions made by YCSO to the State's Criminal History Unit.

Updated the Records Operation Manual to include the new procedures for Fingerprint Cards, Disposition Sheets and Review and Challenge of Criminal Histories.

Implemented the new Record's Release Policy and updated the Record's Operation Manual.

Submitted a National Incident Based Reporting System conversion plan to the Administration Staff.

Police Department

The Associated Press Managing Editors of Arizona conducted an audit. The Records division was among the agencies in the State that were in compliance with Records Releases.

The FBI Uniform Crime Report audit was successful. This division of the City of Prescott Police Department ranked with their "Model Agencies" across the nation.

Maintained Terminal Operator Certifications for all Records personnel.

Records was instrumental in solving numerous Silent Witness cases.

Worked with Marvin Woodfill and City Legal on a paperless warrant project.

Records Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 410,192 | \$ 443,106 | \$ 479,352 |
| Supplies | 8,244 | 9,034 | 12,000 |
| Other Services & Charges | 48,391 | 40,763 | 57,571 |
| Total | \$ 466,827 | \$ 492,903 | \$ 548,923 |

Records Staffing Level Summary

| | FY03 Actual | FY04 Estimate | FY05 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 8.00 | 8.00 | 8.00 |
| Lieutenant | 1.00 | 1.00 | 1.00 |
| Records Supervisor | 1.00 | 1.00 | 1.00 |
| Records Clerk | 6.00 | 6.00 | 6.00 |

Significant Expenditure Changes:

The annual payroll adjustment as well as the higher costs for health insurance and retirement contributions have pushed Personnel up 8%. Other Services depicts an increase of 41% as a result of shifting the fees on transmission space, tower rent and access fees that were charged out of the Communications Division in FY2005.

COMMUNICATIONS

Division Mission:

The Prescott Police Department communication division is dedicated to being highly responsive, efficient and effective public safety answering point. The Division processes all requests for Police/Fire/Medical responses in the most

Police Department

complete manner possible for three law enforcement departments and seven fire departments/districts.

| Goal: To show professional commitment in providing the tri-city communities a timely, efficient and appropriate response to calls requesting service. To provide the highest degree of customer service to public safety agencies and surrounding area. Maintain efficiency in a received to dispatched call time in order to ensure timeliness of public safety response. | | | |
|---|------------------|------------------|------------------|
| Strategy: Maintain appropriate staffing levels to respond efficient to calls for service. Maintain and report computerized response times. Hold regular meetings to update and modify the operations manual. Train personnel in newly developed procedures and dispatching techniques. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Calls for service. Prescott Prescott Valley | 35,627 24,219 | 36,695 24,945 | 37,795 25,693 |
| 911 Calls - Prescott and Prescott Valley | 34,103 | 39,000 | 44,000 |
| Warrants Entered Prescott Prescott Valley | 1,072 549 | 1,100 600 | 1,150 625 |
| All other phone calls | 324,326 | 330,000 | 336,000 |
| Avg. time from receipt of call to time of dispatch priority calls | 146 seconds | 156 seconds | 166 seconds |

| Goal: Continue with warrant entry for Prescott and Prescott Valley Police Departments. | | | |
|---|--------------|---------------|---------------|
| Strategy: Enter warrants in a timely manner within legal guidelines. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Warrants Entered Prescott Prescott Valley | 1,072 549 | 1,100 600 | 1,150 625 |

Prior Year Results and Outcomes:

Phase I - 911 addressing project completed.

All Communications personnel maintained ACJIS Terminal Operator Certification.

Five Dispatchers completed CPR Training and Certification.

Keri Sanders received a Bronze Pace Award for talking a woman out of suicide.

Audra Hey was awarded Civilian Employee of the Year.

Policies and procedures in Dispatch Operations Manual updated.

Police Department

Communications personnel actively participated in the City of Prescott fair and Yavapai College job fair.

Housed and maintained NEI files for Prescott and Prescott Valley.

Two Dispatchers served as TIP Volunteers.

Sharon Martinez served on the Crisis Debriefing Team - 5 Dispatch related calls.

911 Service Plan with the Arizona Department of Administration was updated.

911 Service Plan budget for the Arizona Department of Administration was completed.

Received grant money from the Arizona Department of Administration for 911 Local Network Management.

Sharon Martinez accepted the position of Main Street Address Guide (MSAG) Coordinator for the Prescott Side of Yavapai County.

Work continued with Yavapai County Addressing Department on Phase II - 911 addressing project.

Several Dispatchers actively participated in cadet training at NARTA.

Communications Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 733,802 | \$ 865,511 | \$ 1,541,043 |
| Supplies | 2,885 | 7,000 | 14,500 |
| Other Services & Charges | 53,347 | 69,417 | 62,783 |
| Capital Outlay/Projects | - | - | 42,000 |
| Total | \$ 790,034 | \$ 941,928 | \$ 1,660,326 |
| Capital Outlay/Projects | | | |
| SSL VPN Remote Access | | | 42,000 |
| Total Capital Outlay/Projects | | | \$ 42,000 |

Police Department

Communications Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 20.25 | 19.75 | 27.15 |
| Regional Comm. Dir | 1.00 | 1.00 | 1.00 |
| Dispatch Supervisor | 1.00 | 1.00 | 1.00 |
| Dispatch Shift Supervisor | 2.00 | 2.00 | 2.00 |
| Police Dispatcher | 15.25 | 15.25 | 22.75 |
| Police Dispatcher - temp | 1.00 | 0.50 | 0.40 |

Significant Expenditure Changes:

Seven and one-half dispatchers were transferred to this position from Central Yavapai Fire District for FY2006 as part of the Regional Dispatch Center. These positions, along with the annual salary adjustment and increase in costs relating to health insurance and retirement contributions have brought about a significant increase in the Personnel category.

Increases in both Supplies and Other Services & Charges can be linked to the increased number of employees and the institution of the Regional Communications Center.

Information on the SSL VPN Remote Access can be found in the Capital Improvement Program section of the budget book.

TRAFFIC ENFORCEMENT

Division Mission:

The Traffic Division is dedicated to providing safe and efficient travel on the roadways within the city and on our state highways. This division will be responsive to citizen and community needs and will work as a team with them to solve their concerns.

| Goal: To provide efficient motor vehicle accident investigation with properly trained and professional Traffic officers. | | | |
|---|----------------|------------------|------------------|
| Strategy: Respond and investigate motor vehicle accidents. These accidents are investigated on city streets, state highways and on private property. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Accident Investigation | 1,341 | 1,300 | 1,350 |

Police Department

| Goal: To enhance safety on our roadways with enforcement of state and city traffic codes. | | | |
|---|-------------|---------------|---------------|
| Strategy: Enforcement of state and city traffic codes. This will be accomplished with six traffic officers and a sergeant. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Citations/Warnings | 11,383 | 13,200 | 15,200 |

| Goal: To gain compliance of traffic laws and safety with public education. | | | |
|--|-------------|---------------|---------------|
| Strategy: Public education is designed to gain voluntary compliance without the need for constant enforcement and presence by the police. Education is provided through speaking engagements and educational items that are given to schools, neighborhood watch groups, homeowners associations, public interest groups and the media. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Public Education Engagements | 90 | 100 | 110 |

| Goal: To provide access to parking spaces in the downtown area for merchants and customers alike with enforcement of the city and state parking codes. | | | |
|---|-------------|---------------|---------------|
| Strategy: A full time parking officer will enforce the city codes regarding parking regulations in the downtown area. Enforcement is required to promote parking space turnover for availability by merchants and their customers alike. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Parking citations | 6,288 | 5,900 | 6,000 |

| Goal: To build effective working relationships with our neighborhoods and business community. To be responsive to their needs and concerns. | | | |
|--|-------------|---------------|---------------|
| Strategy: The Traffic Division creates a working relationship with our community by providing traffic control at numerous special events throughout the year, along with answering calls from citizens who have traffic related concerns. These situations are handled with both enforcement and education. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Special Events/Calls for Special Enforcement and education | 1,200 | 1,250 | 1,300 |

Prior Year Results and Outcomes: Added one Motor Officer for a total of one Sergeant, six Motor Officers and one Parking Enforcement Officer.

Motors officers attended various training courses which included:
Drug Recognition Course
Drug Recognition Expert Course
A summit hosted by the Governor's Office of Highway Safety
Commerical Vehicle Crash Investigation

Police Department

Motor Instructor School
General Instructor School
Map Scenes course, used in conjunction with the AIMS (Accident Investigation Measuring System)

A new 2005 Kawasaki motorcycle was added to the Motors Division.

An outdated radio was replaced by a new radio.

A new printer was acquired for use with the Intoxilyzer 8000 Breath Testing equipment.

The Intoxilyzer 8000 was linked to the Department of Public Safety computer system in order to obtain data from our 8000 by outside sources.

All radar units in the department were recertified.

Traffic Enforcement represented the department at the annual Tri-City Safety Awareness night held at Castle Golf in Prescott Valley.

Traffic Enforcement provided traffic control at 13 different parades, races and various other special events.

The Motors Division provided four Child Safety Seat Inspection Events held at WalMart, Gateway Mall and local businesses.

Motor Officers provided 116 hours of instruction at the NARTA (Northern Arizona Regional Training Academy).

Traffic Enforcement provided 31 Child Safety Seat inspections.

Parking Enforcement wrote 11,383 traffic contacts.

Traffic Enforcement investigated 1,341 traffic crashes.

Motor Officers made 145 DUI arrests.

Traffic Enforcement Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--|------------------------|--------------------------|------------------------|
| Personnel | \$ 457,822 | \$ 531,019 | \$ 639,870 |
| Supplies | 15,552 | 20,650 | 23,000 |
| Other Services & Charges | 31,508 | 35,003 | 51,651 |
| Capital Outlay/Projects | - | - | 18,000 |
| Total | \$ 504,882 | \$ 586,672 | \$ 732,521 |
| Capital Outlay/Projects | | | |
| Motorcycle for new officer (carryover) | | | 18,000 |
| Total Capital Outlay/Projects | | | \$ 18,000 |

Police Department

**Traffic Enforcement
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 7.00 | 8.00 | 8.00 |
| Sergeant | 1.00 | 1.00 | 1.00 |
| Police Officer | 5.00 | 6.00 | 6.00 |
| Parking Control Officer | 1.00 | 1.00 | 1.00 |

**Significant
Expenditure Changes:**

The Traffic Enforcement Division's estimated FY05 budget went from \$586,672 to \$732,521 in FY06. One source of this increase is the approval of changes to sworn personnels pay plan.

In addition to changes in the pay plan, the Personnel section reflects the annual salary adjustment, increased costs relating to health insurance and retirement contributions.

In Other Services and Charges we observe an increase in internal repair work charged to this division by Central Garage and vehicle replacement charges. Beginning FY05, replacement vehicles are purchased by the Fleet Maintenance Fund.

\$18,000 has been carried over from FY2005 for the purchase of a new motorcycle for this division.

BUILDING MAINTENANCE

Division Mission:

To maintain the Police Department facility in the most efficient manner possible within available financial means, through scheduled inspections, servicing and repairs; to provide a clean, safe working environment for all employees.

**Building Maintenance
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Supplies | \$ 4,444 | \$ 210 | \$ - |
| Other Services & Charges | 78,919 | 135,840 | 237,127 |
| Capital Outlay/Projects | (69) | - | 60,000 |
| Total | \$ 83,294 | \$ 136,050 | \$ 297,127 |
| Capital Outlay/Projects | | | |
| Remodel Dispatch Space | | | 60,000 |
| Total Capital Outlay/Projects | | | \$ 60,000 |

Police Department

Significant Expenditure Changes: Starting in FY2005, a Facilities Maintenance Fund was created that is the funding source for the maintenance of all city facilities. This budget area represents the cost of maintaining the police department buildings. The large increase in this budget can be mainly contributed to the opening of the Regional Communications Center.

Additional information regarding the Remodel of the Dispatch Space can be found in the Capital Improvement Program section of the FY2006 budget book.

INVESTIGATIONS

Division Mission: In being responsive to the needs of the residents and visitors of Prescott, the Investigation Division is committed to timely and quality follow up on cases assigned; to involve the public in helping solve crimes; to assist other law enforcement agencies as requested and to assist prosecutors in providing a factual basis for criminal prosecutions.

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: In being responsive to the needs of the residents and visitors of Prescott, the Investigations Division will provide investigative services to the Prescott Community in a cooperative effort to solve crime. The major focus is to investigate serious crimes involving threats to personal safety and financial loss. | | | |
| Strategy: Arrange scheduling to give time for out of office public contact, conduct surveillance and do special details. To utilize special equipment, to conduct onstreet interviews and work with other agencies in the field. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Increased investigative time away from the station. | 25% | 25% | 30% |
| Strategy: Emphasis on the investigation of Part I crimes. Investigation of Part II crimes and misdemeanor cases as they relate to Part I crimes. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Cases assigned | 1,695 | 1,818 | 2,150 |
| Ratio of cases cleared to cases assigned | 47% | 48% | 50% |
| Part I Cleared | 36% | 39% | 40% |
| Strategy: Utilize the CVSA (Computer Voice Stress Analyzer), truth verification equipment, as an investigative tool to verify suspects' and victims' stories in criminal cases. Additionally, the CVSA is used in the hiring process (civilians and volunteers) and internal investigations. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Total number of CVSA tests including criminal investigations and pre-employment | 30 | 54 | 60 |

Police Department

Goal: In being responsive to the needs of the residents and visitors of Prescott, the Investigations Division will provide investigative services to the Prescott Community in a cooperative effort to solve crime. The major focus is to investigate serious crimes involving threats to personal safety and financial loss.

Strategy: Utilize the VIP program extensively for the Pawn Shop detail. The pawn slips are maintained in a file for future investigative purposes and are entered into a database. Maintain a computer program that will have the ability to compare pawned property to reported stolen property for the purpose of identifying suspects.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|--|----------------|------------------|------------------|
| Pawn items reviewed, entered and evaluated | 9,800 | 10,000 | 10,500 |

Goal: Provide training to Police Department personnel, City employees, community members, businesses and organizations.

Strategy: Conduct training sessions for department personnel to increase job knowledge and investigative techniques. Provide training to schools, businesses and organizations to improve awareness and provide techniques to prevent or detect criminal activity.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---|----------------|------------------|------------------|
| Number of training hours provided to department personnel | 90 | 90 | 100 |

Goal: Store, track and process all property submitted in the most efficient and accurate manner and maintain the integrity of the Property/Evidence unit.

Strategy: Maintain our customer service and efficiency by maintaining an organized property room. Improve our tracing of all items processed through the property and evidence unit. This, along with bar coding will increase our ability to track all property in an accurate and efficient manner.

| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
|------------------------------------|----------------|------------------|------------------|
| Number of property items impounded | 7,952 | 8,125 | 8,200 |
| Number of property items released | 1,455 | 1,565 | 1,500 |
| Number of property items destroyed | 4,793 | 5,200 | 5,500 |

Prior Year Results and Outcomes:

Cold Case Unit was put into place. Seven volunteers were invited to participate in the newly formed Cold Case Unit. The unit has now been assigned to investigate an unsolved homicide case from 2000.

In addition to the Cold Case Unit volunteers, three volunteers have joined Investigations - two to assist with the pawn detail and one to assist with the Sex Offender Notification program.

The pawn shop detail volunteers have reviewed, examined and entered approximately 9,000 pawned items this year.

Police Department

One Community Service Officer accepted a position outside the City of Prescott and a replacement has been hired. The second position, which had been classified as a part-time temporary position, was reclassified as a part-time permanent position.

Two vehicles, a 2005 Ford Explorer and a 2005 Crown Victoria have been purchased. These vehicles replaced one 1995 Ford Taurus and one 1994 Ford Taurus.

The recording devices in the two Investigations interview rooms have been replaced with a digital system. This system will now record two DVDs, two VHS and two cassette tapes at the same time and can be done in both interview rooms at the same time.

The Investigations Division provided training to the Patrol Division in the areas of interviewing and interrogation, interaction with the Family Advocacy Center and the investigation of identity theft and fraud.

The Prescott Police Department played an integral part in developing the web portal for the Amber Alert system that has been set into place. Lt. Kabbel and Sgt. Hodap have been involved in the Amber Alert Oversight Committee.

Two new desktop computers have been added to the Investigations Division.

The Investigations Division continues to participate and support the activities of the Yavapi Family Advocacy Center, Tri-City Gang Task Force, Elder Abuse Advocacy Center, Domestic Violence Task Force and the Citizen's Advisory Board for the Juvenile Court Center.

Hosted a Gang seminar in the City of Prescott in which over 30 different agencies participated.

Outfitted two Investigations vehicles with emergency lights for more proactive activities.

To provide additional customer service, the Investigations Division adopted a revised work schedule; two Investigators are on duty from 8:00a.m. to 5:00p.m., three work from 8:00a.m. to 4:00p.m. and one works from 10:00a.m. to 6:00p.m.

Investigations Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 707,301 | \$ 785,003 | \$ 1,023,790 |
| Supplies | 17,569 | 23,644 | 28,300 |
| Other Services & Charges | 30,438 | 84,962 | 56,587 |
| Capital Outlay/Projects | 47,698 | - | 57,413 |
| Total | \$ 803,006 | \$ 893,609 | \$ 1,166,090 |

Police Department

**Investigations
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 10.75 | 12.25 | 11.90 |
| Sergeant | 1.00 | 0.00 | 0.00 |
| Lieutenant | 0.00 | 1.00 | 1.00 |
| Police Officer | 6.00 | 6.00 | 6.00 |
| Secretary | 1.00 | 1.00 | 1.00 |
| Property/Evidence Tech | 2.00 | 2.00 | 2.00 |
| Community Services Officer | 0.75 | 1.50 | 1.50 |
| Temp Admin Staff | 0.00 | 0.75 | 0.40 |

One more detective is provided for in the Prescott Area Narcotics Task Force Grant.

**Significant
Expenditure Changes:**

Personnel in Investigations shows the most significant increase of 30%. This is attributable to the annual salary adjustment, implementation of the new police pay plan, and the increased costs of health insurance and public safety retirements.

The decrease in Other Services & Charges is the result of reduced vehicle replacement charges for this division.

PATROL

Division Mission:

The Patrol Division is dedicated to providing Public Safety services and being responsive to citizen needs for the City of Prescott using dedicated professionals and volunteers..

| Goal: Utilize the Citizen on Patrol Program to augment community based policing and patrol functions. | | | |
|---|----------------|------------------|------------------|
| Strategy: To use Citizen on Patrol volunteers to assist with traffic control. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Traffic control | 170 | 200 | 220 |
| Strategy: To use Citizen on Patrol volunteers to assist with Crime Scene Security. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Crime scene security | 20 | 25 | 35 |
| Strategy: To use Citizen on Patrol volunteers to assist with neighborhood patrol and property watches. | | | |

Police Department

| Goal: Utilize the Citizen on Patrol Program to augment community based policing and patrol functions. | | | |
|--|-------------|---------------|---------------|
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Citizen Patrol Volunteer Hours | 5,797 | 6,700 | 7,300 |
| Property watches | 544 | 600 | 650 |
| Strategy: To use Citizen on Patrol volunteers to assist with Special Events. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Special events | 16 | 20 | 25 |

| Goal: Increase the Community Based Policing concept in an effort to promote public awareness and community involvement in crime prevention and detection. | | | |
|---|-------------|---------------|---------------|
| Strategy: Develop partnerships and networks with the business community and citizens to be proactive in community problem solving through interaction with clubs, organizations, and citizenry groups. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Neighborhood contacts | 2,069 | 2,500 | 3,000 |
| Business contacts | 3,908 | 4,400 | 4,750 |
| Problem solving | 3 | 8 | 10 |
| Meetings attended | 17 | 25 | 35 |

| Goal: To use our resources in traffic enforcement and crime prevention in an effort to reduce vehicle collisions, traffic violations and criminal traffic violations creating a safer driving environment. Enforce Arizona and City of Prescott criminal codes to identify and arrest criminal offenders. | | | |
|--|-------------|---------------|---------------|
| Strategy: Use crime analysis and mapping to target selected areas for crime and traffic enforcement. Investigate crimes reported or "on-view" and arrest offenders based on probable cause. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Accidents investigated | 611 | 725 | 750 |
| Citations/warnings | 7,653 | 8,000 | 8,500 |
| Arrests | 2,781 | 2,800 | 3,000 |
| Calls for Service | 35,627 | 36,500 | 37,500 |

| | | | |
|--|--|--|--|
| Goal: Support the Patrol Division by providing a specialized resource that has the ability to enhance law enforcement tactics and community relations. | | | |
| Strategy: Utilize the K-9 to assist School Resource Officers, Special Tactical Unit, Prescott Area Narcotics Task Force, and other agencies with calls dealing with drug enforcement and high-risk patrol situations. | | | |

Police Department

| Goal: Support the Patrol Division by providing a specialized resource that has the ability to enhance law enforcement tactics and community relations. | | | |
|---|-------------|---------------|---------------|
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Narcotics calls for service | 0 | 4 | 15 |
| High-risk calls for service | 0 | 4 | 15 |
| Building searches | 0 | 3 | 10 |
| Strategy: Make the K-9 available for community contacts and special engagements. | | | |
| Performance Measure | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Community contacts/special engagements | 0 | 5 | 20 |

Prior Year Results and Outcomes:

Officers continue to reinforce the Community Based Policing philosophy by attending Block Watch meetings, participating in the school lunch program in the schools, in addition to assisting other departments within the City.

Continue to support the NARTA Academy by assigning two officers to act as Recruit Training Officers.

One Officer medically retired due to an on duty injury to his leg.

One Officer with 20 years of service retired from the Patrol Division.

Four new officers were trained and assigned to the Patrol Division.

Implemented a backup weapon policy in order for officers to carry a secondary weapon while on duty.

New K-9 Officer selected from the Patrol Division.

Purchased a canine, along with all related equipment and vehicle.

Canine has completed certification training for narcotic detection, along with Patrol related functions.

Purchased 30 new X26 Tasers to provide better service to the Prescott community.

Thirty officers have been trained on the use of the X26 Tasers.

Two Citizens on Patrol members have left the COP Program after each served more than ten years of dedicated service.

Purchased seven new Patrol vehicles with updated lighting equipment to better serve the citizens of Prescott.

Four citizens have completed the Citizens on Patrol Academy.

Police Department

Patrol Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 2,680,328 | \$ 2,961,151 | \$ 3,611,696 |
| Supplies | 86,541 | 96,504 | 117,250 |
| Other Services & Charges | 104,210 | 463,145 | 322,388 |
| Capital Outlay/Projects | - | 50,367 | 52,000 |
| Total | \$ 2,871,079 | \$ 3,571,167 | \$ 4,103,334 |

Capital Outlay/Projects

| | |
|-------------------------------|-----------|
| Two New Police Vehicles | 52,000 |
| Total Capital Outlay/Projects | \$ 52,000 |

Patrol Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 40.00 | 40.00 | 45.00 |
| Lieutenant | 1.00 | 1.00 | 1.00 |
| Sergeant | 5.00 | 6.00 | 7.00 |
| Administrative Sergeant | 1.00 | 0.00 | 0.00 |
| Officer | 32.00 | 32.00 | 36.00 |
| Secretary | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

The Patrol Division experienced a 14.9% increase in the FY06 budget (\$4,103,334) over the FY05 revised estimate (\$3,571,167).

Staffing increased by four police officers and one sergeant. Supplies and Capital Outlay/Projects also show an impact due to the addition of the new police personnel. Along with the additional officers, the Personnel category was heavily impacted by the annual salary adjustment, the increase in costs relating to health insurance and public safety retirement, and a new step plan for police personnel.

Other Services decreased substantially due to the reconfiguration of the newly established Vehicle Replacement Fund. Charges for this division for replacement vehicles were reduced significantly.

RESERVES

Division Mission:

To supplement the patrol division personnel and to maintain a high quality of public service at a substantially reduced cost.

Police Department

**Reserves
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Other Services & Charges | 12 | - | - |
| Total | \$ 12 | \$ - | \$ - |

Significant Expenditure Changes: It is not anticipated that this account will be used during FY2006.

TRAINING

Division Mission: To support and promote professional level services training to the members of the Prescott Police Department to enhance a professional workforce. To maintain appropriate records; complete assigned background investigations; assist in facilitating the needs of the Northern Arizona Regional Training Academy.

| Goal: To provide training opportunities that enhance professionalism, customer service and leadership. To identify and recruit suitable candidates to become productive members of the Police Department. | | | |
|--|----------------|------------------|------------------|
| Strategy: Provide essential training that conforms to Arizona Police Officer Standards and Training (AzPOST). Provide and maintain effective, safe and fiscally responsible training and equipment. Attract candidates from all segments of our community and elsewhere. Select the best qualified available candidates through valid, consistent and fair selection processes. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| AzPOST in-service training hours (does not include OSHA or firearms) | 3,117 | 3,200 | 3,500 |
| AzPOST firearms requirement and OSHA required hours | 145 | 150 | 160 |
| NARTA training provided (man-hours) | 250 | 300 | 300 |
| Officer only applications processed | 84 | 100 | 200* |
| Background (sworn & civilian) investigations completed | 12 | 27 | 40 |
| New officers hired | 1 | 10 | 10 |
| *Open application process established | | | |

Prior Year Results and Outcomes: Managed events for the recruiting and selection of police officer candidates.
Completed background investigations of 17 police officer candidates.

Police Department

Completed background investigations of 30 other city personnel working within the Police Department.

Coordinated instruction required by OSHA for department personnel.

Coordinated instruction required to sustain AzPOST certification of sworn police personnel.

Participated in organizational meetings and provided direct instruction in support of the Northern Arizona Regional Training Academy (NARTA).

Participated in organizational meetings and provided direct instruction in support of AzPOST General Instructor Programs.

Hosted classes and telecourses produced by AzPOST for law enforcement personnel of northern Arizona.

Coordinated the department Field Training Program.

Identified fiscally effective sources and coordinated the purchase of munitions required for the functions of the department.

Identified fiscally effective sources and coordinated the purchase of equipment and uniforms for the functions of the department.

Facilitated acquisition and maintenance of equipment for department gym and firearms range.

Training Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 52,179 | \$ 53,877 | \$ 110,261 |
| Supplies | 17,911 | 25,715 | 29,300 |
| Other Services & Charges | 8,899 | 23,919 | 22,150 |
| Total | \$ 78,989 | \$ 103,511 | \$ 161,711 |

Training Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 1.00 | 1.00 | 1.00 |
| Training Coordinator | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

The Police Training FY2006 budget is up 56% over FY2005 estimated ending. This is largely in part to the overtime required to meet the OSHA mandated 24 hours of Hazardous Materials First Responder training for sworn personnel.

Police Department

COMMUNITY SERVICES

Division Mission: The Community Services Division is dedicated to providing the community with efficient, responsive, and accountable resources for addressing concerns and problems. To be a resource for the Prescott Police Department in the areas of special enforcement, training, patrol, and community based policing projects.

| Goal: To build positive relationships and interaction between youth and police. | | | |
|--|-------------|---------------|---------------|
| Strategy: To maintain the School Resource Officer program in the public school system, as well as provide an approachable and available officer to students and faculty for the purposes of mentoring and enforcement. Conduct Law Related Education and Character building classes to our youth. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Schools covered | 3 | 3 | 3 |
| Character and Law related education classes taught | 158 | 135 | 160 |
| Number of students in Character and Law Related Education classes | 3,950 | 3,375 | 4,000 |

| Goal: To increase existing Crime Prevention Programs within the City of Prescott. | | | |
|--|-------------|---------------|---------------|
| Strategy: Increase Block Watch programs within the City of Prescott. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Current Block Watch Programs | 442 | 448 | 450 |
| Strategy: Promote the use of Yavapai Silent Witness. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Silent Witness calls | 383 | 360 | 380 |
| Felony arrests resulting from Silent Witness calls | 65 | 55 | 65 |

| Goal: To maintain the DARE program to reach more students and citizens in the City of Prescott. | | | |
|---|-------------|---------------|---------------|
| Strategy: Maintain the expanded DARE program which currently contacts children from Kindergarten through the Eighth grade. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Schools in which DARE curriculum is taught | 7 | 7 | 7 |
| Number of DARE classes taught | 427 | 461 | 462 |
| Number of students in DARE classes | 10,944 | 11,525 | 11,550 |

Police Department

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: To increase our response to neighborhood concerns and expand the Community Policing Concept and services to internal and external customers within the City of Prescott. | | | |
| Strategy: Form partnerships within the community to develop innovative solutions to community concerns. This will include using a community based policing model and community concern forms, and will increase officer presence through special assignments. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of Community Concern forms addressed | 23 | 20 | 35 |
| Strategy: Educate the community on the Community Policing Concept, and continue a flow of information to partners involved in solving community concerns. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of Speaker Requests (educational) completed | 78 | 97 | 85 |

Prior Year Results and Outcomes:

DRE (Drug Recognition Expert) Certification maintained and One DRE certified as an instructor and coordinates department DREs.

The Community Services Division helped coordinate and participated in a Countywide Crime Prevention Fair, which was a kickoff to National Night Out. The division also visited Block Watch parties during National Night Out.

The Community Services Division coordinated and participated in the annual Shop with a Cop event, which afforded 57 children the opportunity to shop for Christmas with an officer.

The Crime Prevention Specialist of the Community Services Division coordinated the 20th annual Silent Witness Golf Tournament to raise money for Silent Witness. This year's event raised over \$8,000.

Continued our efforts in the Catch 22 program in which 22 felons are highlighted in 22 days and a cash reward of \$500 is offered for information leading to an arrest.

The Community Services Division was responsible for handling approximately 97 requests for speakers, not including the classes taught by the DARE Officers or School Resource Officers.

The DARE program continues to have two full time officers assigned and instructs DARE to Kindergarten through Eighth grade.

The School Resource Officer program continues to have two full time officers assigned - one full time at Prescott High School and one who splits his time between the two middle schools.

Police Department

**Community Services
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 490,970 | \$ 597,055 | \$ 738,417 |
| Supplies | 9,767 | 10,200 | 13,150 |
| Other Services & Charges | 11,699 | 11,066 | 18,635 |
| Capital Outlay/Projects | 24,418 | - | - |
| Total | \$ 536,854 | \$ 618,321 | \$ 770,202 |

**Community Services
Staffing Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 10.00 | 10.00 | 10.00 |
| Sergeant | 1.00 | 1.00 | 1.00 |
| Police Officer | 7.00 | 7.00 | 7.00 |
| Crime Prevention Officer | 1.00 | 1.00 | 1.00 |
| Secretary | 1.00 | 1.00 | 1.00 |

**Significant
Expenditure Changes:**

Along with the annual payroll adjustment, the increase in costs of health insurance and public safety retirement, and the new pay plan lead to the 23% increase in the Personnel category in the Community Services division. The rise in Other Services & Charges is a result of the vehicle replacement charges that will be recovered from this division.

ANIMAL CONTROL

Division Mission:

It is the mission of the Animal Control Division to promote and protect the health, safety and welfare of both animals and people by providing professional animal control services that meet the communities expectations of animal welfare.

Goal: Education of the public and our officers concerning laws about animals to include maintenance of a clean and humane atmosphere for impounded animals, our employees, and the public, returning as many animals as possible to owners and increasing adoptions.

Strategy: Enforce City Codes and State Statutes related to Animal Control by routinely/proactively patrolling the community and responding to calls for service, including dog license requirements and rabies vaccinations and clinic.

| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
|--|----------------|------------------|------------------|
| Dogs licensed for the City of Prescott | 4,690 | 4,700 | 4,750 |

Police Department

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Education of the public and our officers concerning laws about animals to include maintenance of a clean and humane atmosphere for impounded animals, our employees, and the public, returning as many animals as possible to owners and increasing adoptions. | | | |
| Total animal related citations and warnings given | 500 | 550 | 575 |
| Animals Impounded (Includes Yavapai County & Prescott Valley) | 2,806 | 2,835 | 2,865 |
| Animals Returned to Owners (Includes Yavapai County & Prescott Valley) | 1,385 | 1,400 | 1,425 |
| Animals Euthanized (Includes Yavapai County & Prescott Valley) | 895 | 900 | 925 |
| Strategy: To work closely with the Yavapai Humane Society and animal support groups to promote animal safety for citizens and animals and help in controlling animal population by making use of the Humane Society's veterinary center for spay/neuter and rabies vaccinations and increase the number of adoptions from the Prescott Animal Control Center. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Animals Adopted (Includes Yavapai County & Prescott Valley) | 418 | 450 | 475 |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Maintain service contracts with Yavapai County and Prescott Valley and to contract with Yavapai Humane Society to enhance the community effort to promote animal and citizen safety and expand capacity to house and adopt animals from a healthy atmosphere. | | | |
| Strategy: Contract with Yavapai County, Prescott Valley and the Yavapai Humane Society to obtain operating funds to improve regional services and create a quarantine/segregation area along with improving the current facility. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Dogs Impounded by Yavapai County | 1,435 | 1,450 | 1,475 |
| Dogs Impounded by Prescott Valley | 436 | 450 | 475 |

Prior Year Results and Outcomes:

Animal Control has provided all levels of service to the Community from enforcement of the laws regarding the containment of animals and noise problems to assisting with injury cases, to the operation of the Animal Shelter and licensing of dogs.

One new Animal Control Officer was added to the staff and this puts the personnel back to where it was many years ago. The new officer has worked as a veterinary technician for many years.

Dogs licensed in the City of Prescott for the license year actually decreased from 4,717 dogs for 2003 to 4,690 for 2004.

The annual rabies clinic resulted in the vaccination of 129 dogs.

Police Department

Participated in the National Adoptathon weekend and kept the kennels open on a normally closed day resulting in the adoption of four dogs that day.

The Yavapai Humane Society has added to their staff by now having a veterinarian and technician on staff and they have offered to allow the Center to make use of their veterinarian for spay/neuters and rabies vaccinations for adopted dogs from the Center.

Participated in the City Fair again and presented program to a large amount of school age students.

IT installed a new "small telephone system" at the Center to replace the old original telephone system that had plagued us with problems from time to time.

Overall adoptions have increased by approximately 33% over last year.

Animal Control Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 141,029 | \$ 187,939 | \$ 221,269 |
| Supplies | 15,356 | 19,746 | 19,800 |
| Other Services & Charges | 21,887 | 27,083 | 31,353 |
| Total | \$ 178,272 | \$ 234,768 | \$ 272,422 |

Animal Control Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 4.00 | 5.00 | 5.00 |
| Supervisor | 1.00 | 1.00 | 1.00 |
| Animal Control Officer | 3.00 | 4.00 | 4.00 |

Significant Expenditure Changes:

The primary factor in the increase in the Animal Control FY2006 budget over the FY2005 estimated ending is the annual salary adjustment and the increase in costs relating to health insurance and retirement contributions. This along with the addition of vehicle replacement charges comprise an increase of 16% in the operating budget for this division.

COMMUNITY SERVICE WORK PROGRAM

Division Mission:

To provide the city of Prescott with monitored labor services performed by court assigned Community Service workers. To provide an alternative to the incarceration of City Court misdemeanor violators within the Yavapai County Jail.

Police Department

| Goal: Continue to offer life skills training. | | | |
|--|--------------------|----------------------|----------------------|
| Strategy: Build partnerships within the community to provide Life Skills training to community service workers. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Life Skills classes taught | 1 | 4 | 12 |

| Goal: Continue to supply court assigned Community Service workers to the public. | | | |
|--|--------------------|----------------------|----------------------|
| Strategy: Schedule defendants assigned to community service through the courts to assigned work program crews and off-crew details. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Defendants assigned | 1,825 | 2,480 | 2,500 |
| Hours completed | 18,030 | 23,016 | 23,750 |

| Goal: To supply a community service work program that is cost effective to the City of Prescott. | | | |
|--|--------------------|----------------------|----------------------|
| Strategy: Conduct work with court assigned community service workers saving the City of Prescott at a rate of \$5.15 per hour. Wash City vehicles with community service work crews in lieu of a commercial vehicle washing outlet. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Vehicles washed | 1,287 | 1,141 | 1,100 |
| Vehicle wash savings @ \$9.95 each | \$12,805.65 | \$11,352.95 | \$10,945 |
| Labor wage savings @ \$5.15/hour. | \$92,854.50 | \$118,532.40 | \$122,312.50 |

Prior Year Results and Outcomes: Four Life Skills classes were taught to 32 defendants.

A total of 1,141 city vehicles were washed at a savings to the City of \$11,352.95 (\$9.95 each).

Work crews assisted with the following events: Cinco de Mayo, Frontier Days Rodeo and Parade, COP City Picnic, Empty Bowls, Prescott Fire Department Brush removal, and Prescott Parks and Recreation trails and parks.

A total of 21,756 work hours were expended by community service workers on approximately 90 City and community organizations' projects.

Approximately 56,350 pounds of debris/trash were disposed of at the Transfer Station.

2,283 individuals were sentenced to community service.

Police Department

Defendants served 3,108 days of community service.

Community Service Work Program Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 81,883 | \$ 94,211 | \$ 99,791 |
| Supplies | 6,604 | 6,600 | 7,200 |
| Other Services & Charges | 3,216 | 3,194 | 5,792 |
| Total | \$ 91,703 | \$ 104,005 | \$ 112,783 |

Community Service Work Program Staffing Summary

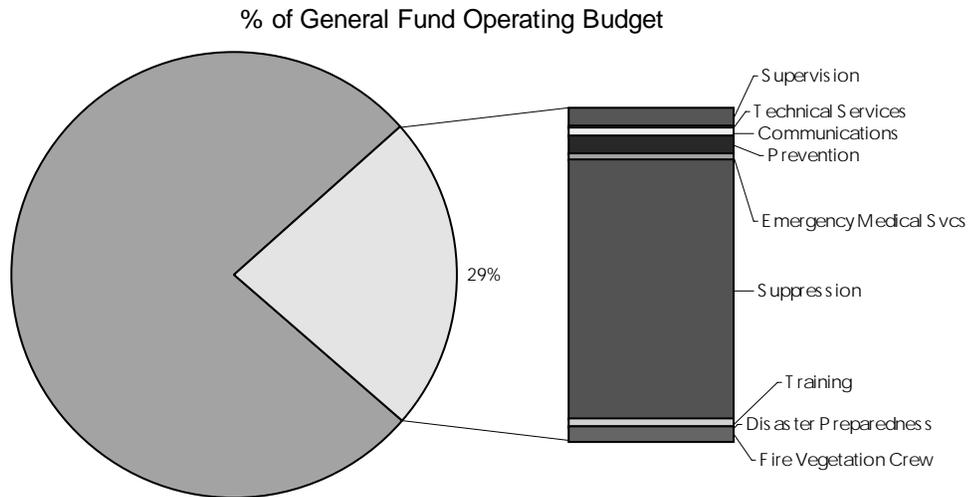
| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 2.50 | 2.50 | 2.50 |
| Com. Serv. Worker Coord. | 1.00 | 1.00 | 1.00 |
| Com. Serv. Worker Monitor | 1.00 | 1.00 | 1.00 |
| Secretary | 0.50 | 0.50 | 0.50 |

Significant Expenditure Changes:

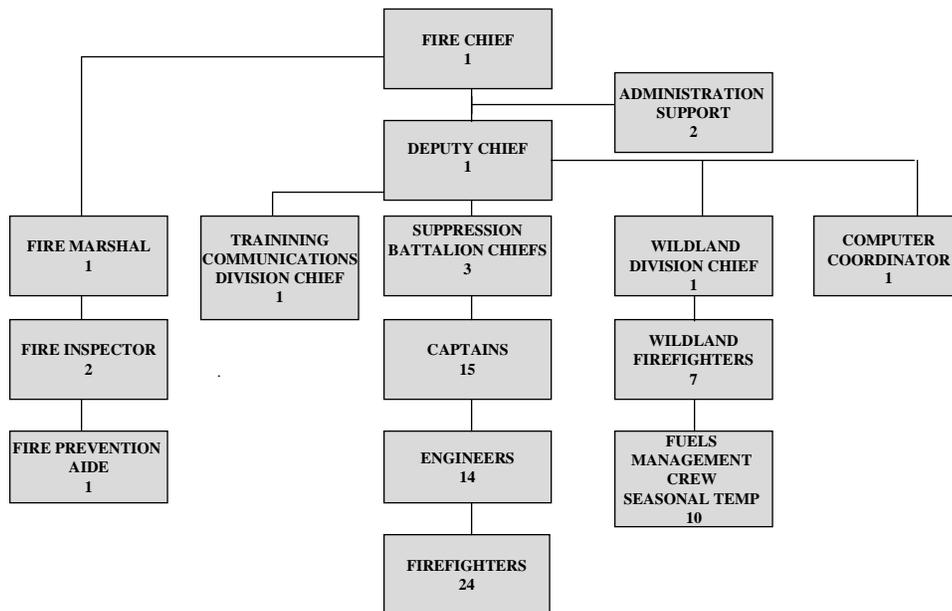
The annual salary adjustment along with the raise in costs relating to health insurance coverage and retirement contributions account for the increase in the Community Service Work Program's FY2006 budget. Also, cost recovery charges for the Vehicle Replacement Fund affected this budget.

Fire Department

Department Mission: The Prescott Fire Department is dedicated to superior customer service by providing the most efficient and effective life safety services to our beautiful and growing city, preserving our reputation as a livable, dynamic community.



**PRESCOTT FIRE DEPARTMENT
ORGANIZATIONAL CHART**



Fire Department

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Personnel | \$ 4,162,784 | \$ 5,096,074 | \$ 5,733,293 |
| Supplies | 156,347 | 190,636 | 193,580 |
| Other Services & Charges | 496,667 | 705,312 | 691,629 |
| Cost Recovery | (6,309) | (460,000) | (436,000) |
| Debt Service | 54,893 | - | - |
| Capital Outlay/Projects | 1,319,102 | 107,000 | 12,500 |
| Total | \$ 6,183,484 | \$ 5,639,022 | \$ 6,195,002 |
| | | | |
| Authorized Staffing Level | 63.00 | 84.00 | 84.00 |
| | | | |
| Supervision | 4.00 | 4.00 | 4.00 |
| Communications | 1.00 | 1.00 | 1.00 |
| Prevention | 3.00 | 4.00 | 4.00 |
| Suppression | 54.00 | 53.00 | 56.00 |
| Training | 1.00 | 1.00 | 1.00 |
| Fire Vegetation Crew | 0.00 | 21.00 | 18.00 |

SUPERVISION

Division Mission: To administer an all-risk public safety and disaster preparedness program that provides superior customer services, action and accountability, teamwork, loyalty and problem solving with a high level of productivity.

| Goal: To provide leadership, guidance and administrative services that support a superior customer service oriented, all-risk emergency management department. | | | |
|--|----------------|------------------|------------------|
| Strategy: Fire administration will ensure the prompt delivery of emergency services as well as the mitigation of emergencies, while maintaining financial responsibility. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| To minimize fire loss to structures within the City of Prescott | \$1,384,083 | \$1,500,000 | \$1,600,000 |
| To minimize the number of industrial injuries and lost time. # Injuries/# hours of lost time. | 8/0 | 14/104 | 8/200 |
| To minimize the number of unscheduled vehicle breakdowns. | 5 | 5 | 5 |
| To design a new fire station in the downtown area and provide financing options to the City. | 5% complete | 100% complete | N/A |

Fire Department

Goal: To provide leadership, guidance and administrative services that support a superior customer service oriented, all-risk emergency management department.

| | | | |
|--|-----|--------------|---------------|
| To provide a customer friendly administrative center during Iron Springs Road construction and the completion of Station 76. | N/A | 50% complete | 100% complete |
|--|-----|--------------|---------------|

Prior Year Results and Outcomes:

Purchased property for Central Prescott Fire Station #76.

Transitioned fleet maintenance to City fleet services.

Made a presentation at a National Firewise Conference on the Prescott “success”.

Implemented a public safety pay plan.

Supervision Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 277,614 | \$ 304,231 | \$ 356,399 |
| Supplies | 7,260 | 7,700 | 8,150 |
| Other Services & Charges | 20,232 | 14,012 | 21,180 |
| Total | \$ 305,106 | \$ 325,943 | \$ 385,729 |

Supervision Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 4.00 | 4.00 | 4.00 |
| Fire Chief | 1.00 | 1.00 | 1.00 |
| Deputy Chief | 1.00 | 1.00 | 1.00 |
| Administrative Asst. | 1.00 | 1.00 | 1.00 |
| Secretary | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

Supervision experienced no change in staffing levels. The rise in personnel costs reflect the annual salary adjustment and the increase in costs relating to health insurance coverage and retirement contributions.

Other Services and Charges shows an increase due to the inclusion of the vehicle replacement charges for the newly established vehicle replacement fund.

Fire Department

COMMUNICATIONS

Division Mission: To provide superior customer services by processing all requests for emergency fire, medical and other life threatening situations in the most expeditious manner possible while transitioning into a regional communications center..

Goal: To provide superior customer service through communications support by processing telephone, radio and data communications in the most expeditious and complete manner possible through the intergovernmental cooperation of six fire departments, and to transition into a Joint Communications Center.

Strategy: The communications division will supervise all incoming and outgoing emergency communications, provide quality control and regular review and procedure update to ensure effective communications are maintained.

| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
|---|----------------|------------------|------------------|
| To process all emergency requests for service in 50 seconds or less, 90% of the time. | 98% | 99% | 99% |
| # of incidents dispatched for six fire agencies. | 15,883 | 17,000 | 18,000 |
| # of telephone calls received in dispatch. | 61,800 | 65,000 | 68,000 |
| % of completion of Regional Communications Center | 10% | 95% | 100% |

Prior Year Results and Outcomes: Completed the move of the Fire Dispatch Center to a Regional Communications Center.

Dispatched 17,000 emergency fire incidents for 6 jurisdictions.

Answered 65,000 telephone calls.

Implemented a \$2,000,000 plan in communications infrastructure improvements.

Communications Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 56,342 | \$ 60,100 | \$ 83,759 |
| Supplies | 3,020 | 2,200 | 1,500 |
| Other Services & Charges | 154,162 | 165,455 | 46,249 |
| Capital Outlay/Projects | 5,289 | 5,000 | 5,000 |
| Total | \$ 218,813 | \$ 232,755 | \$ 136,508 |
| Capital Outlay/Projects | | | |
| Public Safety Radios | | | \$ 5,000 |

Fire Department

Communications Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.00 | 1.00 | 1.00 |
| Info. Technology Tech | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

Personnel costs reflect the annual salary adjustment and the increase in costs relating to health insurance and retirement contributions. There is also standby pay for the one employee in this division to adhere to the city policy requirements.

The decrease in both the Supplies and Other Services & Charges categories reflect this division being incorporated in the Regional Communications Center.

PREVENTION

Division Mission:

To provide superior life safety, property conservation, public education, code enforcement, plan review and fire investigative services to maintain a livable and dynamic community.

| Goal: To provide risk mitigation services in the areas of public education, code enforcement, fire investigation, plan review and complaint investigation. | | | |
|---|----------------|------------------|------------------|
| Strategy: Using the most current codes and work policies, conduct a full service risk mitigation program that is customer friendly and reduces the threat of fire and other emergencies. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of complaints | 43 | 70 | 100 |
| # of existing (3,121) business inspections conducted: | 713 | 1,106 | 1,200 |
| # of plan reviews completed: | | | |
| Commercial | 343 | 420 | 450 |
| Subdivision | 105 | 92 | 100 |
| Suppression systems | 146 | 202 | 200 |
| Residential | 561 | 668 | 700 |
| Miscellaneous | 79 | 66 | 70 |
| # of students trained in life safety | | | |
| 1st Grade Public | 1,400 | 1,400 | 1,400 |
| 7th Grade Firetrap | 250 | 250 | 270 |
| Engine Pub-Ed | 450 | 450 | 450 |
| FP Week at Mall | 0 | 150 | 250 |
| Miscellaneous | 402 | 235 | 325 |

Fire Department

Goal: To provide risk mitigation services in the areas of public education, code enforcement, fire investigation, plan review and complaint investigation.

| | | | |
|-----------------------------------|-----|-----|-----|
| # of new construction inspections | | | |
| Certificates of Occupancy | 37 | 48 | 60 |
| Vegetation | 296 | 512 | 600 |
| Suppression Systems | 275 | 390 | 420 |
| Miscellaneous | 104 | 412 | 550 |

Prior Year Results and Outcomes: Added one new Fire Inspector and replaced one fire prevention aide.

Developed a work plan for new employees.

Improved fire prevention Standard Operating Guidelines.

Conducted 1,106 business inspections.

Reviewed 1,448 plans for construction.

Trained 2,485 students in life safety procedures.

**Prevention
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|-------------------|-------------------|-------------------|
| Personnel | \$ 207,976 | \$ 277,011 | \$ 315,414 |
| Supplies | 6,400 | 9,450 | 9,150 |
| Other Services & Charges | 17,784 | 12,488 | 23,858 |
| Capital Outlay/Projects | 22,902 | - | - |
| Total | \$ 255,062 | \$ 298,949 | \$ 348,422 |

**Prevention
Staffing Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 3.00 | 4.00 | 4.00 |
| Fire Marshal | 1.00 | 1.00 | 1.00 |
| Fire Inspector | 1.00 | 2.00 | 2.00 |
| Fire Prevention Aide | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes: This division was impacted by the increase in retirement and health care costs. Also, meeting the requirements of the new standby policy put into effect, forced an increase in the Personnel category.

The rise in Other Services and Charges can be attributed to the internal cost recovery areas of vehicle replacement charges and computer service. These were new charges for this division during FY2006.

Fire Department

SUPPRESSION

Division Mission: To provide superior customer service in fire protection, emergency medical services, hazardous materials and technical rescue response, with a well-trained professional workforce that is responsive to citizen needs and has a high level of productivity.

| Goal: To provide a highly motivated, rapid response force to all-risk emergency incidents, limiting damage and injuries in the most effective ways possible. | | | |
|---|-------------|---------------|---------------|
| Strategy: To be strategically located and respond to emergencies efficiently, as well as providing for community services and excellent customer service. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| To respond to all emergencies within 50 seconds of notification, 90% of the time. | 78% | 80% | 95% |
| Travel time to incidents will not exceed 5 minutes, 90% of the time for the first due unit on code 3 calls. | 82% | 85% | 85% |
| Number of emergency incidents responded to. | 6,076 | 6,250 | 6,500 |

Prior Year Results and Outcomes: Implemented a Shift Qualified Firefighter program with the Wildland Firefighters increasing staffing and decreasing overtime costs.

Responded to 6,250 calls for emergency service.

Took delivery of 3 replacement vehicles including one wildland firefighting engine.

Suppression Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|--------------|---------------|--------------|
| Personnel | \$ 3,531,802 | \$ 3,808,253 | \$ 4,236,043 |
| Supplies | 106,810 | 104,375 | 110,225 |
| Other Services & Charges | 246,063 | 252,395 | 460,509 |
| Capital Outlay/Projects | 1,290,911 | 2,000 | 7,500 |
| Debt Service | 54,893 | - | - |
| Total | \$ 5,230,479 | \$ 4,167,023 | \$ 4,814,277 |
| Capital Outlay/Projects | | | |
| SCBA Fit Test Equipment | | | 7,500 |
| Total Capital Outlay/Projects | | | \$ 7,500 |

Fire Department

**Suppression
Staffing Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 54.00 | 53.00 | 56.00 |
| Battalion Chief | 3.00 | 3.00 | 3.00 |
| Captain | 15.00 | 15.00 | 15.00 |
| Engineer | 15.00 | 14.00 | 14.00 |
| Firefighter | 21.00 | 21.00 | 24.00 |

**Significant
Expenditure Changes:**

This division experienced an increase in personnel services for many reasons which include the rising cost of retirement contributions and health insurance costs. Another reason for the large increase is the shifting of three firefighters from the Wildland Fire Crew Division to the Suppression Division.

As in other divisions, the expansion of the vehicle replacement program has adversely affected the Other Services and Charges category. This program charges a monthly fee for each vehicle owned by the division. These monies will go into the city-wide Vehicle Replacement Fund to replace vehicles when scheduled.

TRAINING

Division Mission:

To provide for the educational needs of a well-trained, professional and motivated work force that acts with integrity, solves customers problems and works as a team.

| Goal: To provide a regional all-risk training program that improves service and provides for maximum safety of both the Prescott and Central Yavapai Fire Department personnel. | | | |
|--|----------------|------------------|------------------|
| Strategy: To provide for regularly scheduled in-service training that meets NFPA, OSHA, and State emergency service training requirements. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of man hours of training | 19,588 | 24,000 | 25,000 |
| % of proficiency drills completed and passed | 100% | 100% | 100% |
| # of wildland fire training classes provided | 37 | 40 | 40 |

**Prior Year Results and
Outcomes:**

24,000 man-hours of in-service training.

Conducted 40 specialized wildfire-training classes.

Conducted proficiency testing of all personnel with 100% passing.

Fire Department

Training Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 71,767 | \$ 100,490 | \$ 113,916 |
| Supplies | 5,719 | 7,380 | 7,380 |
| Other Services & Charges | 7,816 | 10,822 | 9,922 |
| Cost Recovery | (5,254) | - | - |
| Total | \$ 80,048 | \$ 118,692 | \$ 131,218 |

Training Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.00 | 1.00 | 1.00 |
| Training Officer | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes: The only area showing a significant increase is in Personnel. This reflects the annual salary adjustment along with changes in retirement contributions and health care costs.

EMERGENCY MEDICAL SERVICES

Division Mission: To provide superior customer services, coordination, training, and support services to facilitate professional pre-hospital care that is responsive to citizen needs.

| Goal: To provide Basic and Advanced Life Support to those in need of medical care. | | | |
|---|----------------|------------------|------------------|
| Strategy: To provide rapid ALS service and community based training programs in First Aid and CPR. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of citizens trained in CPR and First Aid | 1,550 | 1,550 | 1,550 |
| # Advanced Life Support | 2,682 | 2,735 | 2,790 |
| # Basic Life Support calls responded to | 1,376 | 1,400 | 1,428 |

Prior Year Results and Outcomes: Specified and purchased 6 new cardiac defibrillators and monitors.

Training 1,550 citizens in first-aid/CPR.

Treated 2,735 Advanced Life Support patients.

Treated 1,400 Basic Life Support patients.

Fire Department

Emergency Medical Services Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|------------------|-------------------|------------------|
| Personnel | \$ 17,099 | \$ 28,633 | \$ 33,279 |
| Supplies | 22,289 | 15,816 | 19,500 |
| Other Services & Charges | 18,872 | 26,444 | 32,253 |
| Cost Recovery | (1,055) | - | - |
| Capital Outlay/Projects | - | 100,000 | - |
| Total | \$ 57,205 | \$ 170,893 | \$ 85,032 |

Significant Expenditure Changes:

The Personnel area shows a 16% increase over FY2005 estimated endings that correlates to the increasing employee costs. The rise in the Supplies category can be attributed to the budgeting for small tools and equipment to be used by the Bicycle Medic Team that was previously budgeted in another area. Other Services and Charges is larger because of a small contingency that was budgeted for FY2006.

TECHNICAL SERVICES

Division Mission:

To provide superior customer services, regional leadership, training, and specialized equipment to facilitate well-trained, professional, hazardous materials, swiftwater, lake rescue and high angle rescue team.

| Goal: To respond and mitigate emergency situations that deal with specialized technical operations. These situations are over and above the training and equipment capabilities of the basic fire department engine company. | | | |
|---|----------------|------------------|------------------|
| Strategy: To provide specialized training in technical rescue and to provide a framework of interagency cooperation and support of specialized rescue operations. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Conduct monthly technical rescue training exercises | 12 | 15 | 18 |
| Meet OSHA requirements for training and equipment standards | 80% | 85% | 90% |
| Maintain membership and attend quarterly Local Emergency Planning Meetings. | 4 | 4 | 4 |

Prior Year Results and Outcomes:

Implemented new technical rescue training to all firefighters on a monthly basis.

Responded to 4 swiftwater rescue incidents.

Maintained FAA certification for Airport protection needs.

Fire Department

Technical Services Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Supplies | \$ 4,575 | \$ 7,140 | \$ 6,100 |
| Other Services & Charges | 17,119 | 15,335 | 22,594 |
| Total | \$ 21,694 | \$ 22,475 | \$ 28,694 |

Significant Expenditure Changes: Increase in Other Services & Charges for this division is related to the Vehicle Replacement Charges. This is a new charge for this division to contribute for division owned vehicles to the city-wide Vehicle Replacement Fund.

FIRE VEGETATION CREW

Division Mission: To provide superior customer services and to maintain regional leadership in wildland fire mitigation and protection through a well-trained, professional workforce which acts as a responsible environmental steward.

| Goal: To provide wildland fire mitigation services to the community. | | | |
|--|----------------|------------------|------------------|
| Strategy: To reduce the threat from wildland fire through education, risk assessments, fuel reduction, and response to wildland fire. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Conduct interagency training simulations | 2 | 2 | 2 |
| Conduct residential risk assessments. Number of assessments conducted. | 533 | 550 | 550 |
| Conduct defensible space treatments on private property. Number of homes treated. | 513 | 525 | 550 |
| Tons of flammable vegetation removed. | 2,125 | 2,125 | 2,150 |

Prior Year Results and Outcomes: Implemented a seasonal 20-person wildland firefighting crew, one of only 4 in the nation sponsored by fire departments.

Awarded for the third year in a row State Fire Assistance Grant to continue defensible space program.

Established 10 full time wildland firefighters.

Took delivery of new chipper truck.

Implemented an integrated mapping program with GIS.

Fire Department

Conducted 550 residential risk assessments.

Conducted 279 defensible space treatments.

Removed 2,500 tons of flammable vegetation.

Fire Vegetation Crew Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 184 | \$ 517,356 | \$ 594,483 |
| Supplies | 274 | 36,575 | 31,575 |
| Other Services & Charges | 148 | 192,708 | 59,759 |
| Cost Recovery | - | (460,000) | (436,000) |
| Total | \$ 606 | \$ 286,639 | \$ 249,817 |

Fire Vegetation Crew Staffing Summary

| | FY03 Actual | FY04 Estimate | FY05 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 0.00 | 13.70 | 14.62 |
| Wildland Division Chief* | 0.00 | 0.17 | 0.42 |
| Fuels Management Super* | 0.00 | 0.17 | 0.42 |
| Fuels Tech/Wildland FF* | 0.00 | 1.36 | 3.36 |
| Fire Engineer | 0.00 | 1.00 | 0.00 |
| Battalion Chief | 0.00 | 1.00 | 0.42 |
| Wildland Crew (Seasonal) | 0.00 | 10.00 | 10.00 |

*Five months of the year charged here; seven months charged in Fire Crew Grant.

Significant Expenditure Changes:

The increase in Personnel for this division is related to the annual salary adjustment, increased health care and retirement contribution costs, and the adjustment of the personnel split between the general fund and the associated grant. In FY2006, this split went from 17%/83% to 42%/58%.

There is a decrease in Supplies due to charges for gas, oil and lubricants being charged to the grant as opposed to this General Fund division. The decrease observed in Other Services & Charges is caused by the reduction in vehicle replacement charges for this division in FY2006.

Fire Department

DISASTER PREPAREDNESS

Division Mission: To provide local and regional leadership in disaster preparedness services to the community that will mitigate any potential emergency as well as providing for emergency management services during any disaster.

| Goal: To participate with Yavapai Division of Emergency Management as a unified emergency management partner to mitigate and train for potential disasters. | | | |
|--|--------------------|----------------------|----------------------|
| Strategy: To prepare for and conduct annual disaster management training sessions and to maintain an updated disaster management operations manual. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Conduct at least two disaster preparedness exercises | 2 | 3 | 3 |
| Update disaster operations manual | 1 | 1 | 1 |
| Conduct annual disaster preparedness training programs | 4 | 4 | 4 |

Prior Year Results and Outcomes: Successfully managed a declared disaster in December by opening the Emergency Operations Center, coordinating resources for 48 hours, and submitting required paperwork for FEMA reimbursement.

Conducted 3 disaster preparedness exercises.

Participated in one WMD Statewide exercise.

Disaster Preparedness Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|--------------------|----------------------|--------------------|
| Other Services & Charges | \$ 14,471 | \$ 15,653 | \$ 15,305 |

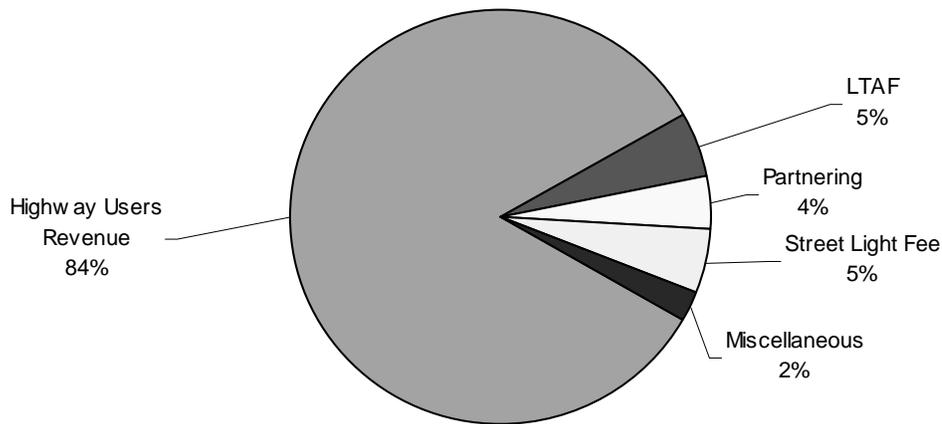
Significant Expenditure Changes: This charge, which is based on population, is in accordance with an agreement with Yavapai County.

SPECIAL REVENUE FUNDS

| | |
|---|------------|
| STREETS (HURF) | 155 |
| STREETS AND OPEN SPACE - ADDITIONAL 1% TAX | 161 |
| TRANSIENT OCCUPANCY TAX | 165 |
| IMPACT FEE FUND | 167 |
| CAPITAL IMPROVEMENT FUND | 171 |
| GRANTS | 173 |

Streets (HURF) Fund

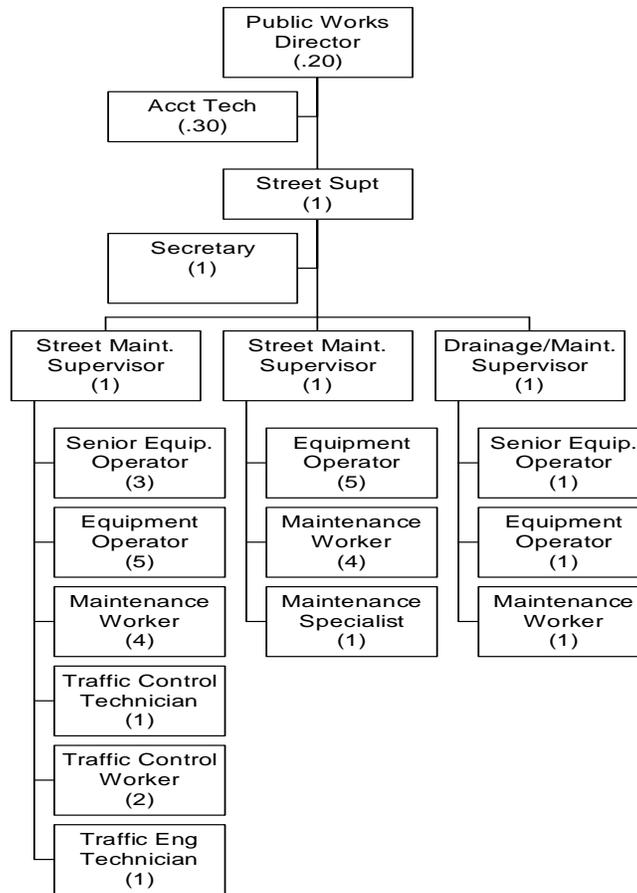
Revenues from this fund are from Highway Users, Local Transportation Assistance (lottery) funds, street light fee established during FY95, County partnering money, and State partnering money. State statutes limit the uses of Highway Users funds and Local Transportation Assistance funds to street and transportation purposes. The County partnering money is specific to the uses of the required intergovernmental agreements with the County as is the State partnering money to the uses of the required intergovernmental agreements with the State. The street light fee revenues are used to offset the cost of paying for the electricity and maintenance of the street light system as well as paying for installation of new street lights.



The following table illustrates the activity of this fund for FY04, Revised Estimates for FY05 and FY06 Budget Projections.

| | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|--|------------------------|---------------------------|------------------------|
| Beginning Unrestricted Cash Balance, 7/1 | \$ 1,106,532 | \$ 483,024 | \$ 701,856 |
| Revenues | 4,487,312 | 4,005,357 | 4,002,706 |
| Expenditures | (5,268,231) | (3,786,525) | (4,485,863) |
| Transfers In/Out (Net) | 157,411 | - | - |
| Ending Unrestricted Cash Balance, 6/30 | \$ 483,024 | \$ 701,856 | \$ 218,699 |

Streets (HURF) Fund



| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|-------------------------------------|---------------------|---------------------|---------------------|
| Highway Users Revenue | \$ 3,190,899 | \$ 3,150,561 | \$ 3,341,684 |
| Local Trans. Assistance (LTAF) | 192,984 | 196,420 | 199,896 |
| Developer Reimbursements/Partnering | 157,062 | 80,800 | - |
| Street Light Fee | 197,927 | 203,414 | 207,482 |
| Intergovernmental Partnering | 591,996 | 280,273 | 168,144 |
| Interest Earnings | 8,618 | 9,498 | 7,500 |
| Miscellaneous | 147,826 | 84,391 | 78,000 |
| Total | \$ 4,487,312 | \$ 4,005,357 | \$ 4,002,706 |

Arizona Highways Users Revenue: The 2005-06 revenue estimate of \$3,341,684 is provided by the State and is higher than the FY05 revised estimate by \$191,123. The distribution formula provides for 50.0% of the Highway Users Revenues to go to the Arizona Department of Transportation, 20.0% to the counties and 30.0% to the cities and towns. Revenue allocated from the 30.0% share to incorporated cities is distributed on the basis of (a) one-half based on the city's population relative to statewide population of incorporated cities and towns and (b) one-half, first, on the basis of county origin of sales of motor vehicle fuel, and secondly, on the basis of the City's population relative to county-wide population of incorporated cities.

Streets (HURF) Fund

Local Transportation Assistance Funds: The State anticipates the City will receive \$199,896 from lottery funds during FY06. This is a \$3,476 increase from FY05 estimates. LTA Funds are disbursed based on estimates developed by the Department of Economic Security population figures. The LTA Funds are distributed to incorporated cities and towns in proportion to the population of each city to the total population of all cities and towns with the minimum distribution being \$10,000. The funds may be used for any transportation purpose. The law also provides that up to 10.0% of the City's lottery funds can be used for cultural, educational, historical, recreational or scientific projects and out-patient disability program. For LTA Funds to be used for these non-transit purposes, they must be matched with non-public funds and the total LTA fund must reach the \$23 million minimum. Council adopted Resolution No. 2867 stating that for the next year LTA, including the 10% portion, will be used for transportation-related purposes and projects.

Street Light Fee: This fee, which was implemented during FY95, is projected to bring in \$207,482. The fee is based on \$.75 per residence or commercial unit and \$.75 per unit for multi-family structures.

Intergovernmental Partnering: Intergovernmental Partnering revenues included in this fund relate to the Central Yavapai Municipal Planning Organization monies that will be reimbursed to the City of Prescott.

Miscellaneous: These budgeted revenues include the engineering inspection fees and platting fees that are required of the developers to pay for incoming subdivisions or projects.

STREETS DEPARTMENT

Department Mission: To preserve and maintain the City streets and related drainage infrastructure effectively and efficiently with a community customer service orientation; to prepare for and respond to events and emergencies, applying resources as necessary to expedite return to normal operating conditions.

| Goal: Deliver maintenance of City streets and related infrastructure effectively and efficiently, at budgeted levels of service. | | | |
|--|----------------|------------------|------------------|
| Strategy: Complete the installation and application of the automated maintenance management system (MMS) linked to geographic information system (GIS), pavement management system (PMS), and the City's cost accounting/financial management system. | | | |
| Phase I - Assessment of Maintenance Practices/Procedures (Completed) | | | |
| Phase II - MMS Specifications, Procurement, and Installation (Completed) | | | |
| Phase III - MMS Operational (including linkage to cost accounting system) | | | |
| Phase IV - PMS and GIS Linkages Operational | | | |
| Workload Indicators | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Lane-miles of paved street maintained | 255 | 512 | 530 |
| Lane-miles of unpaved streets and alleys graded | 194 | 75 | 75 |
| Lineal feet of piped drainageways | 52,000 | 53,560 | 55,160 |
| Lineal feet of open drainageways | 885,000 | 929,250 | 975,712 |

Streets (HURF) Fund

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Deliver maintenance of City streets and related infrastructure effectively and efficiently, at budgeted levels of service. | | | |
| # of drainage structures | 689 | 789 | 889 |
| # of work requests from public | 1,604 | 1,450 | 1,500 |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Ratio of [scheduled: total work] accomplished Target: 75% | 30% | 35% | 60% |
| Pavement condition index (PCI) of major thoroughfare system Target: 8.0 | 8.0 | 8.2 | 8.1 |
| Average response time to minor work requests from public Target: 5 working days | 14 | 12 | 10 |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Reduce inventory of unpaved, City-maintained streets and alleys | | | |
| Strategy: Implementation of City Policy providing: <ul style="list-style-type: none"> - goal of eliminating unpaved inventory - 100% of City funding of budgeted annual program - 100% City funding of alleys, beginning with those in downtown business district relied upon for commercial deliveries, as set forth in budgeted annual program | | | |
| Workload Indicators | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Centerline length of unpaved alleys (LF) | 46,926 | 46,926 | 43,726 |
| Centerline length of unpaved alleys paved (LF) | 2,069 | 3,650 | 3,700 |
| Centerline length of unpaved Streets (Miles) | 14.9 | 14.2 | 13.5 |
| Centerline length of unpaved Streets paved for the first time (Miles) | 0.33 | 0.69 | 0.75 |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Enhance sidewalk system along major thoroughfares. | | | |
| Strategy: Annual structural inspection of sidewalk system. Increase budget for sidewalk repair; provide 50-50 funding incentive for property owners. Adopt and implement level of service for cyclical sweeping. Adopt and implement level of service for adjacent vegetation control. Create annual program/budget for eliminating gaps. | | | |
| Workload Indicators | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Lineal feet of sidewalks along major thoroughfare system. | 106,468 | 121,428 | 131,428 |
| Lineal feet of remaining gaps to be eliminated. | 5,000 | 0 | 0 |

Streets (HURF) Fund

| Goal: Enhance sidewalk system along major thoroughfares. | | | |
|---|----------------|------------------|------------------|
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Square feet of sidewalk repaired Target: 800 | 1,500 | 1,000 | 800 |
| Lineal feet of gaps eliminated Target: 1,000 | 1,500 | 1,500 | 0 |
| Number of cycles sidewalk swept Target: 4 | 6 | 6 | 4 |
| Number of cycles vegetation control Target: 21 | 15 | 21 | 21 |

Prior Year Results and Outcomes:

- Responded to 1,610 citizens' requests for services.
- Responded with 3,286 hours of weather related activities.
- Provided 1,182 hours of work related to special events.
- Maintained roadway markings by painting 915,713 feet of striping.
- Maintained 25 bridges.
- Contracted for updates and inventory information and made operational the City's Pavement Management System.
- Contracted and implemented a Maintenance Management System for the Streets division.

Streets Department Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---|----------------|------------------|----------------|
| Personal Services | \$ 1,507,865 | \$ 1,559,466 | \$ 1,783,544 |
| Supplies | 448,432 | 438,340 | 472,800 |
| Other Services & Charges | 1,398,057 | 1,480,111 | 1,829,892 |
| Capital Outlay/Projects | 1,913,873 | 308,608 | 399,627 |
| Total | \$ 5,268,227 | \$ 3,786,525 | \$ 4,485,863 |
| Projects | | | |
| NPDES Phase II Implementation/Compliance | | | \$ 100,000 |
| CYMPO Projects and Match | | | 167,318 |
| Drainage Master Plan | | | 75,000 |
| Landscaping Granite Creek | | | 35,309 |
| New Vehicle for Street Maintenance Supervisor | | | 22,000 |
| Total Capital Outlay/Projects | | | \$ 399,627 |

Streets (HURF) Fund

Streets Department Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 34.50 | 33.50 | 34.50 |
| Public Works Director* | 0.20 | 0.20 | 0.20 |
| Street Maint. Superintendent | 1.00 | 1.00 | 1.00 |
| Street Maint. Supervisor | 1.00 | 1.00 | 2.00 |
| Drainage/Maint. Supervisor | 1.00 | 1.00 | 1.00 |
| Maintenance Specialist | 1.00 | 1.00 | 1.00 |
| Traffic Control Technician | 1.00 | 1.00 | 1.00 |
| Senior Equipment Operator | 4.00 | 4.00 | 4.00 |
| Traffic Control Worker | 2.00 | 2.00 | 2.00 |
| Equipment Operator | 11.00 | 11.00 | 11.00 |
| Maintenance Worker | 9.00 | 9.00 | 9.00 |
| Secretary | 1.00 | 1.00 | 1.00 |
| Traffic Engineering Tech | 1.00 | 1.00 | 1.00 |
| Traffic Engineer | 1.00 | 0.00 | 0.00 |
| Accounting Technician** | 0.30 | 0.30 | 0.30 |

*Also charged 40% Eng.; 20% Water Utilities; 20% Sewer Utilities

**Also charged 30% Water Utilities; 30% Sewer Utilities; 5% Engineering
5% Construction Services

Significant Expenditure Changes:

In addition to rising health care costs and retirement contributions, personnel service costs increased due to an anticipated retirement and the budgeting of a new Street Maintenance Supervisor in FY2006.

The increase in the Supplies budget can be attributed to the growing construction and maintenance materials along with the soaring gas prices. Vehicle replacement charges is forcing an increase in the Other Services category. During FY2005, these charges were made to the 1% Streets and Open Space fund. Other professional services also showed an increase due to the budgeting of a contract in the amount of \$200,000 for the annual striping of streets, \$30,000 for tree removal in right-of-way, and \$61,000 for the pavement maintenance system and maintenance management system.

Several capital outlay and projects are mentioned in the foregoing box. More information can be found in the Capital Improvement Program section of this book.

1% Streets and Open Space

Department Mission: On September 26, 1995 the voters of Prescott approved increasing the sales tax rate from 1.0% to 2.0% for the purpose of street repairs and improvements for a ten year period effective January 1, 1996.

Total revenue from the 1% sales tax increase was initially projected at \$54.5 million for the ten-year authorization, assuming no growth in collections, or about \$5.5 million per year. Collections have outpaced the initial forecast -- by FY04, the annual revenue had increased to \$10.9 million.

Revenue collected through FY04 totaled approximately \$68.1 million, funding expenditures for right-of-way acquisition, engineering road construction and rehabilitation, inspection and testing, and program administration of about \$61.3 million. Projected revenue/expenditures for the ten-year program are now anticipated to total \$100 million.

In May 2000 voters approved extension of the 1% sales tax through December 2015, with the use of proceeds expanded to include acquisition of open space. A schedule for acquisition of specific properties, and associated financing plan, have not yet been adopted.

Prior Year Results and Outcomes:

Provided construction management and/or inspection services on the following City projects completed during FY2005:

- ✓ Sixth Street Reconstruction - Moeller Street to Hillside Drive
- ✓ Willis Street Reconstruction - Marina Street to Granite Creek Bridge
- ✓ Granite Street - Gurley Street to Goodwin Street
- ✓ Gail Gardner Way - Iron Springs Road to Willow Creek Road
- ✓ Black Drive - Gail Gardner Way to Willow Creek Road
- ✓ Gail Gardner Way Extension - Black Drive to Willow Creek Road
- ✓ Willow Creek Road Phase IV - Commerce Drive to Haas Boulevard

Managed right-of-way acquisition for major capital projects to be constructed in FY2006:

- ✓ Iron Springs Road - Gail Gardner Way to Williamson Valley Road
- ✓ Copper Basin Road - White Spar Road to Sheriffs Posse Trail

Inspected street and utilities infrastructure for 45 private development projects within the City including subdivisions and commercial projects.

Inspected work performed under 395 right-of-way construction permits.

Completed in-house designs for reconstruction of Willis Street (including water and sewer improvements), E. Gurley Street (including water and sewer improvements), and the Parks & Recreation Department parking lot.

Completed in-house designs for paving of Hillside Drive, Northside Drive, and Fairway View Drive (including water and sewer improvements).

Completed in-house designs for the paving of four (4) alley segments.

Completed in-house designs for water improvements at Yavapai College, on Allen Way and at the intersection of Rosser Street and SR 89.

Completed in-house design for drainage improvements at Willow Creek Park.

Awarded a design contract for the reconstruction of Mt. Vernon Avenue.

1% Streets and Open Space

Awarded a design contract for the reconstruction of Ruth Street and Demerse Street.

Awarded a design contract for Park Avenue.

| | Beginning Cash, 7/1 | Revenues | Open Space | Streets | Ending Cash, 6/30 |
|---------------|------------------------|------------|-------------|--------------|----------------------|
| FY1996 | 97,722 | 2,030,042 | - | (286,857) | 1,840,907 |
| FY1997 | 1,840,907 | 6,111,952 | - | (4,914,692) | 3,038,167 |
| FY1998 | 3,038,167 | 7,403,428 | - | (5,277,022) | 5,164,573 |
| FY1999 | 5,164,573 | 7,494,722 | - | (4,349,309) | 8,309,986 |
| FY2000 | 8,309,986 | 8,519,686 | - | (5,654,362) | 11,175,310 |
| FY2001 | 11,175,310 | 10,371,737 | (2,027,186) | (18,363,434) | 1,156,427 |
| FY2002 | 1,156,427 | 11,686,536 | (13,047) | (11,680,504) | 1,149,412 |
| FY2003 | 1,149,412 | 9,986,265 | (31,997) | (3,151,725) | 7,951,955 |
| FY2004 | 7,951,955 | 11,654,661 | (1,518,267) | (8,373,487) | 9,714,862 |
| FY2005 | 9,714,862 | 14,819,494 | - | (10,961,911) | 13,572,445 |

Summary of Fund

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------------|----------------|------------------|-----------------|
| Beginning Cash, 7/1 | \$ 7,951,955 | \$ 9,714,862 | \$ 13,572,445 |
| Revenues | | | |
| 1% Tax | 11,517,650 | 12,718,908 | 13,402,933 |
| Partnering | 12,226 | 809,342 | 301,792 |
| Int. Earning | 24,238 | 295,000 | 120,000 |
| Miscellaneous | - | 696,244 | - |
| Total Revenues | \$ 11,554,114 | \$ 14,519,494 | \$ 13,824,725 |
| Adjustments/Other Revenue Sources | | | |
| Transfers In/Out (Net) | 100,547 | (18,500) | (315,000) |
| Total Adjustments/Other Sources | \$ 100,547 | \$ (18,500) | \$ (315,000) |
| Expenditures | \$ (9,891,754) | \$ (10,643,411) | \$ (25,722,791) |
| Ending Cash, 6/30 | \$ 9,714,862 | \$ 13,572,445 | \$ 1,359,379 |

1% Streets and Open Space

**Streets Projects and Open Space - 1% Sales Tax
Expenditure and Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------|----------------|------------------|----------------|
| Supplies | \$ - | \$ 80,000 | \$ 20,000 |
| Other Services | 273,444 | 571,379 | 332,348 |
| Capital Outlay/Projects | 9,618,310 | 9,992,032 | 25,370,443 |
| Total | \$ 9,891,754 | \$ 10,643,411 | \$ 25,722,791 |

**Streets Projects and Open Space 1% Tax
Capital Outlay/Projects**

| | |
|---------------------------------------|--------------|
| Open Space | \$ 3,000,000 |
| Iron Springs Road Widening | 7,512,000 |
| Copper Basin Road | 2,607,143 |
| Williamson Valley | 1,728,580 |
| ROW Iron Springs Road | 1,111,682 |
| SR89 Widening ROW | 879,478 |
| Ruth Street & Demerse | 800,000 |
| Alley Paving | 775,000 |
| Gail Gardner/Fair Street Repairs | 748,815 |
| Unpaved Streets | 600,000 |
| Rosser Reconstruction | 600,000 |
| E Gurley Street | 562,500 |
| SR89A/Side Road | 500,000 |
| Pavement Intersection Rebuilds | 450,000 |
| Downer Trail (North of Sierry Peaks) | 450,000 |
| Prescott Lakes Median | 300,000 |
| Downer Trail (Oregon to Farview) | 300,000 |
| Rosser Street Traffic Calming | 280,000 |
| Willow Creek Road Phase IV | 228,240 |
| Reconstruct Whiskey Row Alley | 220,000 |
| Pavement Preservation | 150,000 |
| Loop Road | 147,000 |
| Ponderosa | 131,252 |
| Willow Lake Villas - Drainage | 107,000 |
| Traffic Calming - Various Streets | 100,000 |
| SR69 CYMPO Project Assessment | 100,000 |
| South Side Traffic Circ Analysis | 95,000 |
| Lee Blvd Detention Basin Modification | 79,000 |
| CYMPO Projects | 74,000 |
| Willis | 69,510 |
| Sandretto/Willow Creek Intersection | 63,000 |
| Marina | 62,000 |
| Crack Sealer | 60,000 |

Continued on next page

1% Streets and Open Space

Streets Projects and Open Space 1% Tax Capital Outlay/Projects

| | |
|-------------------------------------|----------------------|
| Reconstruct Granite | 57,000 |
| Sidewalks | 50,000 |
| Signal Replacement Equipment | 50,000 |
| Engineering & Safety Projects | 50,000 |
| Montana Drive ROW Enhancements | 50,000 |
| Gail Gardner Way Ext | 43,330 |
| Watson Woods Drainage Channel | 40,000 |
| Reconstruct - 6th Street to Moeller | 37,850 |
| Traffic Sign Design - Various | 30,000 |
| Public Communications | 25,000 |
| Pavement Maintenance Program | 20,000 |
| Black Drive | 10,063 |
| 2030 Transportation Study | 10,000 |
| PAC Parking Lot & Road Repair | 6,000 |
| Total Capital Outlay/Projects | <u>\$ 25,370,443</u> |

Significant Expenditure Changes:

The Supplies category shows a \$60,000 decrease from the FY2005 estimated ending. This is a result of the maintenance management software project being nearly complete. The \$20,000 budgeted in FY2006 is a carry-over for this project.

Other Services experienced a decrease brought primarily by the newly established fleet replacement fund being moved into the Street Department Fund.

Capital Outlay/Projects - This allocation includes, but is not limited to, \$3,000,000 for Open Space Purchases, the completion of Willow Creek Road, Gail Gardner extension, Ruth and Demerse reconstruction, paving of unpaved streets and alleys and limited traffic calming mitigation. Details on these projects and others in this department are included in the Capital Improvement Program section of the FY2006 budget book.

Transient Occupancy Tax

The Transient Occupancy Tax (Bed Tax) Fund is limited by ballot language to tourism promotion and recreational development.

Traditionally the portion of revenues allocated towards recreation development has been used to improve or expand parks, which serve tourists.

Bed tax revenue for FY06 is estimated to produce \$360,500. Interest earnings, audits and penalties are projected to yield \$5,000 during FY06.

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------------|--------------|---------------|--------------|
| Beginning Cash Balance, 7/1 | \$ 187,331 | \$ 497,064 | \$ 258,071 |
| Revenues | | | |
| Transient Occupancy Tax | 324,124 | 350,000 | 360,500 |
| Loan Proceeds | - | 305,462 | - |
| Audits, Penalties and Interest | (184) | 9,771 | 5,000 |
| Miscellaneous | 184,000 | - | - |
| Total | \$ 507,940 | \$ 665,233 | \$ 365,500 |
| Expenditures/Transfers: | | | |
| Tourism | \$ (139,611) | \$ (216,772) | \$ (230,250) |
| Recreation Development | \$ (58,596) | \$ (687,454) | \$ (296,191) |
| Ending Cash Balance, 6/30 | \$ 497,064 | \$ 258,071 | \$ 97,130 |

Expenditures:

The City is again entering into contractual arrangements for tourism promotion and \$180,250 has been allocated from Transient Occupancy Tax revenues for this purpose.

Also, the following items have been budgeted in tourism related expenditures:

| | |
|--------------------------------------|-----------|
| Performing Arts Groups | \$ 30,000 |
| Fourth of July Fireworks/Celebration | 15,000 |
| Elks Opera House Marketing | 5,000 |

Budgeted in FY2006 for recreational development are the following projects totaling \$296,191.

Transient Occupancy Tax

| | |
|--|------------|
| <u>Skate Park</u> | \$ 152,731 |
| Payment to contractor as per agreement | |
| <u>Goldwater Lake Park Improvements</u> | 112,000 |
| Carryover from FY05 for restrooms, pavement chip seal, dock replacement, contact station and security lighting. New for FY06 includes boat launch road repair and picnic table replacement. | |
| <u>Restroom/Concession - Yavapai College</u> | 20,000 |
| Partnership between Yavapai College to fund construction of a restroom and concession facility at the Yavapai Baseball Complex. | |
| <u>Partnering Programs</u> | 11,460 |
| Carryover of \$11,460 from FY2005 as contingency for potential opportunities | |

Impact Fees Fund

The City currently has nine impact fee accounts; however, Water and Sewer buy-in fees are included within the Water and Sewer Funds. The remaining seven impact fees cover the areas of Park Development, Recreational Development, Library, Police, Fire, Streets, and Public Buildings.

During FY06 impact fee revenues are based on 600 building permits for residential units. A basis of 700 building permits was used for the FY05 revised estimates. The current policy is that if the residential growth does not produce the required revenues to fund the planned projects, the projects will have to be delayed.

Park Development Impact Fee. This fund was originally the Neighborhood Parks Fund and was changed to Park Development Fund at the time the overall impact fee system was developed. Primarily, it has been used to expand the use of existing facilities for growth related purposes.

| Park Development Impact Fee | | | |
|------------------------------------|---------------|-----------------|---------------|
| | FY04 | FY05 | FY06 |
| | Actual | Estimate | Budget |
| Beginning Cash Balance, 7/1 | \$ 969,107 | \$ 1,385,078 | \$ 1,671,691 |
| Revenues | 438,471 | 540,500 | 469,000 |
| Expenditures/Transfers | (22,500) | (253,887) | (787,409) |
| Ending Cash Balance, 6/30 | \$ 1,385,078 | \$ 1,671,691 | \$ 1,353,282 |

Effective March 1, 2002 the fee charged on every residential unit building permit was increased from \$500 to \$715. Projected FY06 revenues are based on 600 residential building permits at \$715 each. Combining that revenue with the beginning cash balance of \$1,671,691 and estimated interest earnings of \$40,000 provides a total available for FY06 of \$2,140,691.

FY06 commitments total \$368,110 which includes grant matches of \$104,610 for ISTE A II Grant, Greenways Multi-Use Trail System and Phase II of Rails to Trails. The remaining allocations are as follows:

\$180,000 has been allocated for Sundog Trailhead Enhancements.

Another \$419,299 transfer to the Watson/Willow Lake Capital Project is included in this area.

\$52,500 has been budgeted per an agreement with the developers of Prescott Lakes subdivision (M3). This account comprises the entire Prescott Lakes Parks System including the petroglyph areas.

Included in the Park Development impact fee budget is \$31,000 for architecture, engineering and design of a ten acre park site in Prescott Lakes Subdivision.

Future year revenues are dedicated towards park property acquisition and implementation of the Prescott Lakes Park.

Recreational Development Impact Fee. Effective March 1, 2002 the fee charged on every residential unit building permit was increased from \$400 to \$401. All fees collected (except those prior to July 1, 1996, and interest earnings) were dedicated toward the commitment to the YMCA for the new community center partnership arrangement. During FY01, the City fulfilled its obligation towards the \$1,000,000 commitment.

Impact Fees Fund

Recreational Development Impact Fee

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 675,520 | \$ 859,797 | \$ 962,497 |
| Revenues | 246,379 | 302,700 | 1,062,825 |
| Interfund Loan from CIF | - | - | 400,000 |
| Expenditures/Transfers | (62,102) | (200,000) | (2,420,225) |
| Ending Cash Balance, 6/30 | \$ 859,797 | \$ 962,497 | \$ 5,097 |

Revenues for FY2006 include impact fees (\$240,600) and interest (\$22,000) plus donations and contributions toward the new Adult Center Building in the amount of \$400,000. Also included is an Interfund Loan from the Capital Improvement Fund in the amount \$400,000. Besides the loan, a \$400,225 transfer from the Capital Improvement Fund is budgeted.

It is anticipated that in FY2006 construction of a new Adult Center Building will commence. \$2,420,225 is budgeted in the Recreational Development Impact Fee Fund with another \$410,575 to be budgeted in the Grants Fund for a CDBG Grant during FY05 for completion of the project. Another \$500,000 for this project will be reflected in the Public Buildings Impact Fee.

Fire Impact Fee. Effective March 1, 2002 the fee increased from \$128 to \$167. Revenues in this area consist of fire impact fees (\$100,200), rent from Life Line ambulance (\$20,400), and interest earned (\$8,000).

Fire Impact Fee

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 242,369 | \$ 359,001 | \$ 353,301 |
| Revenues | 116,632 | 144,300 | 128,600 |
| Expenditures/Transfers | - | (150,000) | - |
| Ending Cash Balance, 6/30 | \$ 359,001 | \$ 353,301 | \$ 481,901 |

There are no budgeted expenditures for FY2006.

Library Impact Fee. Effective March 1, 2002 the Library Impact fee increased from \$208 to \$253. FY06 expected revenues include impact fees in the amount of \$164,500 along with interest earned in the amount of \$10,000.

Library Impact Fee

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 402,029 | \$ 478,082 | \$ 602,182 |
| Revenues | 156,053 | 192,100 | 174,450 |
| Expenditures/Transfers | (80,000) | (68,000) | (750,000) |
| Ending Cash Balance, 6/30 | \$ 478,082 | \$ 602,182 | \$ 26,632 |

Impact Fees Fund

Planned expenditures for FY06 include \$50,000 for a grant match for the State Library Grants in Aid. Also, included in this budget is a transfer of impact fees to the Capital Improvement Fund in the amount of \$700,000 for the Library Expansion.

Police Impact Fee. Effective March 1, 2002 the fee charged on every residential unit building permit was increased from \$48 to \$84. At the end of FY05, it is estimated that \$74,231 will be available for growth related expenditures. Anticipated revenues for FY06 encompass impact fees totalling \$50,400 and interest earnings of \$5,000.

| Police Impact Fee | | | |
|-----------------------------|---------------|-----------------|---------------|
| | FY04 | FY05 | FY06 |
| | Actual | Estimate | Budget |
| Beginning Cash Balance, 7/1 | \$ 255,533 | \$ 307,631 | \$ 74,231 |
| Revenues | 52,098 | 66,600 | 55,400 |
| Expenditures/Transfers | - | (300,000) | - |
| Ending Cash Balance, 6/30 | \$ 307,631 | \$ 74,231 | \$ 129,631 |

No expenditures are anticipated during FY06.

Street Impact Fee. This impact fee increased from \$456 to \$469 per residential unit effective March 1, 2002. Forecasted revenues for FY06 are made up of street impact fees (\$281,400) and interest earnings (\$8,000).

| Street Impact Fee | | | |
|-----------------------------|---------------|-----------------|---------------|
| | FY04 | FY05 | FY06 |
| | Actual | Estimate | Budget |
| Beginning Cash Balance, 7/1 | \$ 383,850 | \$ 120,633 | \$ 156,933 |
| Revenues | 286,783 | 336,300 | 289,400 |
| Expenditures/Transfers | (550,000) | (300,000) | (400,000) |
| Ending Cash Balance, 6/30 | \$ 120,633 | \$ 156,933 | \$ 46,333 |

\$400,000 is to be transferred out in FY2006 to reimburse the 1% Tax -Streets and Open Space Fund for the Willow Creek Road project.

Impact Fees Fund

Public Buildings Impact Fee. This impact fee was the latest to be adopted by the City Council and has been set at the rate of \$275 per residential unit. The Public Buildings Impact Fee was implemented to provide funding for adequate public buildings to support the expanding population. Revenues projected for FY06 include impact fees in the amount of \$165,000 and interest earnings in the amount of \$10,000.

| | Public Buildings Impact Fee | | |
|-----------------------------|------------------------------------|-----------------|---------------|
| | FY04 | FY05 | FY06 |
| | Actual | Estimate | Budget |
| Beginning Cash Balance, 7/1 | \$ 260,289 | \$ 427,725 | \$ 533,616 |
| Revenues | 167,748 | 203,500 | 175,000 |
| Expenditures/Transfers | (312) | (97,609) | (640,000) |
| Ending Cash Balance, 6/30 | \$ 427,725 | \$ 533,616 | \$ 68,616 |

During FY2006, \$140,000 is budgeted for the Animal Control Expansion project and \$500,000 to go towards the construction of the new Adult Center.

Capital Improvement Fund

The Capital Improvement Fund was originally created by Council Resolution 2620 during FY94. This Resolution was rescinded and a new policy was adopted to define the purpose of this fund. Proceeds from the sale of unneeded real estate are deposited into this fund unless the sale of property is Acker Trust or enterprise fund related. The primary source of funding has been the transfer of excess revenues over expenditures from the General Fund. The funding in this account is considered "non-renewable" so it is understood by Council that once all the money has been spent, it will take time to rebuild the balance in this account.

| CAPITAL IMPROVEMENT FUND | | | |
|---|------------------------|---------------------------|------------------------|
| | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
| Beginning Fund Balance, 7/1 | \$ 13,660,297 | \$ 14,571,901 | \$ 11,047,307 |
| Sources of Income | | | |
| Library Expansion Donations | \$ - | \$ - | \$ 1,050,000 |
| Contribution from 1% Streets and Open Space Fund | - | 500,000 | - |
| Partnering (County contribution for Parking Garage) | - | 250,000 | - |
| Miscellaneous | 2,835 | 2,359 | - |
| Interest Earned | 73,268 | 300,000 | 150,000 |
| Transfer In | 3,103,066 | 5,167,131 | 3,120,914 |
| Total Sources of Income | \$ 3,179,169 | \$ 6,219,490 | \$ 4,320,914 |
| Expenditures/Transfers Out | | | |
| Economic Development and Projects | \$ 1,082,990 | \$ 1,893,202 | \$ 2,125,000 |
| Downtown Parking Garage | 990,517 | 5,784,714 | 51,000 |
| Library Expansion | - | 4,070 | 5,100,000 |
| Whiskey Row Alley Rehabilitation | - | 350,000 | - |
| Misc Economic Incentives | - | 50,000 | - |
| Neighborhood Svcs Projects | 8,826 | - | - |
| Radio Frequency Infrastructure | 14,321 | 25,000 | 2,075,000 |
| Dispatch Center Bldg Improvements | - | 835,000 | 465,000 |
| Downtown Fire Station | - | 500,000 | 46,000 |
| Area Drainage Master Plan | 31,760 | - | - |
| City Hall/Brown Bldg Purchase & Remodel | 290 | - | - |
| Interfund Load for Adult Center | - | - | 400,000 |
| Transfer to Impact Fees for Adult Center | - | - | 400,225 |
| Transfer to Airport for Grants | 138,861 | 302,098 | 50,447 |
| Total Expenditures/Transfers Out | \$ 2,267,565 | \$ 9,744,084 | \$ 10,712,672 |
| Ending Fund Balance, 6/30 | \$ 14,571,901 | \$ 11,047,307 | \$ 4,655,549 |

Sources of Income:

The beginning cash balance of slightly above \$11 million has been the result of previous years transfers from the General Fund of excess revenues over expenditures. These transfers were made in accordance with Council policy.

Capital Improvement Fund

Current year sources of income include estimated interest income of \$150,000. Also included are transfers in from the General Fund and 1% Streets and Open Space totaling \$1,840,000 for rebate payments to Westcor and Ehert Car Dealership and various economic incentive agreements as defined in council approved agreements. \$700,000 for a transfer from Library Impact Fees and \$1,050,000 in donations and contributions for the Library Expansion project is budgeted in FY2006.

Expenditures:

The list of FY05 expenditures appears on the preceding page.

The \$2,125,000 allocation for Economic Development and Projects is comprised of economic development incentives and reimbursements as well as potential opportunities that may arise.

A \$51,000 carry over has been budgeted for completion of the downtown parking garage. This project was scheduled for FY2002; however, archeological discoveries delayed construction until FY2005.

A carry over allocation of \$2,075,000 for radio frequency infrastructure is for placement of buildings and utilities on five to seven sites on City-owned property. These locations will be identified as capable of supporting Public Safety radio transmission needs. The purpose of the project is to eliminate voice "dead spots" from which police and fire currently cannot communicate, and to provide for the use of data transmissions that Public Safety is not currently capable of using. The data transmissions may be for uses such as car computers and automatic vehicle locators.

Another carry over is \$465,000 for completion of improvements to the Dispatch Center Building. This building, formerly the Social Security Building, was given to the City by the Federal Government for use as a dispatch center.

\$46,000 has been carried over for funding the relocation of administrative office for the Prescott Fire Department. The new offices were deemed necessary as a result of the loss of property during right-of-way acquisitions for the widening of Iron Springs Road.

In addition, a \$400,225 transfer to Recreation Impact Fees for the Adult Center Construction, and a \$50,447 transfer to Airport for the City's grant matches were budgeted in FY2006.

Grant Funds

The total Grants Fund, excluding Airport grants, is funded at \$4,616,096 of which total matches are anticipated at a level of \$522,528. The General Fund transfer is estimated at \$367,918 with the Park Development Impact Fee providing the remaining \$154,610.

| GRANT AND PURPOSE | TOTAL PROJECT | CITY'S SHARE |
|---|------------------|--------------|
| Judicial Collection Enhancement Fund - Provides funding for court collection efforts. | 20,000 | -0- |
| Governor's Office of Highway Safety - Traffic Enforcement - Provides funding for overtime involving traffic safety and related equipment. | 40,800 | -0- |
| Seatbelt Enforcement Grant - Provides funding to offset officers' overtime costs associated with special seatbelt enforcement assignments | 16,000 | -0- |
| DUI Enforcement Tri City Grant - Provides funding for officers' overtime costs and equipment associated with special DUI traffic enforcement assignments and underage youth liquor enforcement. | 43,113 | -0- |
| Arizona Department of Administration - Local Network Management - Provides funding for emergency telecommunications. | 4,500 | |
| Prescott Area Narcotics Task Force - Provides funding for a unified narcotics enforcement team in Yavapai County to investigate, apprehend, and prosecute drug violators and to solve violent and gang related crimes that occur within the communities. This grant represents one Prescott officer. | 84,071 | -0- |
| Mobile Data Computer/AVL - Provides the funding for mobile computers to locate vehicles. | 261,090 | 82,840 |
| Bureau of Justice Assistance Equipment Grant - Provides funding for a police car, bullet proof vests, and other operational equipment. 2006 Grant Bullet Proof Vests | 15,300 14,602 | -0- 7,301 |
| Miscellaneous Police Department Grants - Budget to enable the Police Department to take advantage of grant opportunities that may arise during the fiscal year. | 75,000 | -0- |
| Fire Department Vegetation Management Crew - Provides staffing for a ten-month, 13-member community wide vegetation management plan to prevent and suppress wildfires. Also includes equipment, supplies and services. | 508,277 | 216,139 |

Grant Funds

| | | |
|--|--|--|
| Federal Emergency Management Grants - Homeland Security grant provides funding for a wide range of activities aimed to increase security and prepare for emergencies. These fund help defray the increased cost of security required by the federal government. FY05 Equipment Grant - Fire FY06 Communications - Police FY06 Communications - Fire | 150,000 325,000 250,000 | 30,000 -0- -0- |
| Community Development Block Grant (CDBG) - Provides funding for the following: Adult Center/Meals on Wheels Project Aware Transitional Housing Habitat for Humanity NAZCARE The Center for Adult Day Care West Yavapai Guidance Clinic Administration - State Housing Administration - Entitlement Housing Assistance Unprogrammed | 410,575 241,000 100,000 35,000 40,000 81,000 84,705 65,704 229,964 32,852 | -0- -0- -0- -0- -0- -0- -0- -0- -0- -0- |
| State Library Grants in Aid - Provides partial funding for Library ADA project and multipurpose room. YLN School Expansion Spanish Language and Cultural Diversity | 100,000 40,223 12,008 | 50,000 -0- -0- |
| ISTEA II Grant - Provides funding to purchase seven miles of abandoned Atchison, Topeka and Sante Fe Railroad right-of-way north of Prescott for conversion into a multi-use trail. City share is from Park Development Fees. | 318,392 | 63,678 |
| Greenways Multi-Use Trail System - Provides funding to continue development of the trail system and to provide enhancements to existing trails. City share is from Park Development Fees. | 508,895 | 29,007 |
| Rails to Trails Phase II - Grant will fund physical improvements to the rail-trail system. City share is from Park Development Fees. | 209,209 | 11,925 |
| Prescott East Trails ROW - Provides funding for land acquisition. Construction will be performed in-house and with volunteers. | 15,000 | -0- |
| Public Transit - Money will be used as pass through funds to qualified non-profit agencies to subsidize capital costs to provide public transit services such as the voucher program. | 114,441 | 22,888 |
| State Historic Office of Preservation - Funding will provide historic signage. | 9,375 | 3,750 |
| Rural Economic Development Grant - Provides funding for rural economic development projects. | 10,000 | 5,000 |
| Economic Strengths Projects - Arizona Department of Commerce reimbursement grant. This will provide funds for improvements on: ERAU - Business Park | 150,000 | -0- |
| TOTAL | \$4,616,096 | \$522,528 |

OTHER FUNDS

| | |
|-------------------------------|------------|
| CAPITAL PROJECTS FUNDS | 175 |
| EXPENDABLE TRUST FUNDS | 176 |
| INTERNAL SERVICE FUNDS | 179 |
| DEBT SERVICE FUND | 195 |

Capital Projects Funds

Capital Projects Funds are established to account for the purchase or construction of major capital facilities other than those financed by Enterprise Funds or Trust Funds. The City of Prescott will use Willow/Watson Lakes Development Fund during FY06.

WILLOW/WATSON LAKES DEVELOPMENT

Division Mission: Continue commitments of Intergovernmental Agreement with Chino Valley Irrigation District.

Continue implementation of the master plan for development of recreational facilities at Willow and Watson Lakes.

Summary of Fund

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 1,312,315 | \$ 916,357 | \$ 179,656 |
| Revenues | | | |
| Interfund Loan | \$ - | \$ 180,000 | \$ 419,299 |
| Interest Income | 12,678 | 11,000 | 7,000 |
| Total Revenues | \$ 12,678 | \$ 191,000 | \$ 426,299 |
| Expenditures | \$ (408,636) | \$ (927,701) | \$ (419,299) |
| Ending Cash Balance, 6/30 | \$ 916,357 | \$ 179,656 | \$ 186,656 |

Significant Expenditure Changes: The FY2006 budgeted amount of \$419,299 is a carryover for developing the two lakes. Improvements were substantially completed in the spring of FY2005. The remaining projects to be finished include the Willow Lake South Shore Access and the Dam Engineering project.

Expendable Trust Funds

Expendable Trust Funds are used to account for assets held by the City of Prescott in a trustee capacity for others. The City will use three trust funds during FY06: Acker Trust Fund, Miscellaneous Gift Trust Fund, and Employee Relations Trust.

ACKER TRUST FUND

Division Mission: Account for assets willed to the City of Prescott by J.S. Acker. Revenue from investments and land sales are to be expended for cultural and recreation purposes only.

Prior Year Results and Outcomes: Continued scholarship program for music at Prescott High School.
Continued support for the Artists in Residence program with Yavapai College. Visited local schools and conducted work shops with music students.
Provided Prescott Fine Arts scholarships for attendance at music camps and continuing music education.

Summary of Fund

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 543,559 | \$ 527,746 | \$ 525,746 |
| Revenues | | | |
| Interest Income | \$ 3,014 | \$ - | \$ - |
| Miscellaneous | 2,973 | 13,000 | 13,000 |
| Total Revenues | \$ 5,987 | \$ 13,000 | \$ 13,000 |
| Expenditures | \$ (21,800) | \$ (15,000) | \$ (20,000) |
| Ending Cash Balance, 6/30 | \$ 527,746 | \$ 525,746 | \$ 518,746 |

Significant Expenditure Changes: The Acker Trust goal is to always maintain a balance and to spend only the interest earnings off the principal. For FY06, an expenditure allowance in the amount of \$20,000 will be made to cover annual scholarships and bequests.

MISCELLANEOUS GIFTS & DONATIONS

Division Mission: Provide an account to track any contributions for miscellaneous gifts which the City may receive as well as the expenditures made.

Prior Year Results and Outcomes: Shop-with-a-Cop (Police Gift Fund)

Expendable Trust Funds

- Coordinated and participated in the seventh annual Shop-with-a-Cop program which provides an opportunity for disadvantaged children to shop for Christmas gifts. This year's project resulted in financial aid in the amount of \$12,700 for needy children.

Summary of Fund

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 159,313 | \$ 172,715 | \$ 164,342 |
| Revenues | | | |
| Gifts and Donations | 49,426 | 42,249 | 60,000 |
| Interest Income & Misc. | 149 | - | - |
| Total Revenues | \$ 49,575 | \$ 42,249 | \$ 60,000 |
| Expenditures | \$ (36,173) | \$ (50,622) | \$ (60,500) |
| Ending Cash Balance, 6/30 | \$ 172,715 | \$ 164,342 | \$ 163,842 |

Significant Expenditure Changes:

Throughout the year, the City receives gifts and donations. Some of them are for a specific purpose such as the DARE program and library bequests, and some are unspecified.

The City is budgeting \$60,500 this year to provide spending authority for any donations/bequests that may be received.

EMPLOYEE RELATIONS TRUST

Division Mission:

More emphasis is being placed on employee recognition through recommendations of the Employee Council and Employee Relations Committee. Remaining in the City/Employee Health Insurance Trust (before the time the city joined the Yavapai Combined Trust) was \$56,875. This amount represented the balance of the reserve after all final claims were paid. It was decided beginning in FY95 to use the money as an Employee Relations Trust to fund various employee recognition programs and celebrations. It is anticipated that during FY2005, this funding will be completely used.

Prior Year Results and Outcomes:

Held eighth annual Employee Appreciation Breakfast in March with city council members and management staff serving breakfast to employees. More employees were fed this year than the previous six years, and employees are eagerly anticipating next year's celebration.

Funding was again provided for the annual employee picnic held at Granite Creek Park last September which was attended by several hundred employees and family members.

Expendable Trust Funds

| Summary of Fund | | | |
|-----------------------------|------------|-------------|--------|
| | FY04 | FY05 | FY06 |
| | Actual | Estimate | Budget |
| Beginning Cash Balance, 7/1 | \$ 15,908 | \$ 9,909 | \$ - |
| Revenues | | | |
| Interest Income/Misc. | \$ 307 | \$ 288 | \$ - |
| Employee Contributions | 2,801 | 4,066 | - |
| Transfers In | - | 3,256 | - |
| Total Revenues | \$ 3,108 | \$ 7,610 | \$ - |
| Expenditures | \$ (9,107) | \$ (17,519) | \$ - |
| Ending Cash Balance, 6/30 | \$ 9,909 | \$ - | \$ - |

Significant Expenditure Changes: This fund was exhausted during FY2005. In future years funding for employee appreciation programs will be through the general fund.

Internal Service Funds

Internal Service Funds are established to account for services and commodities furnished by one department to other departments of the City on a cost reimbursement basis. The City has the following Internal Service Funds: General Self Insurance Fund, Workers' Compensation Self Insurance Fund, Central Garage, and Engineering Services.

GENERAL SELF INSURANCE

Division Mission: The Risk Management program is designed to reduce, eliminate or transfer liability for loss exposures associated with city operations, and to manage and properly dispose of liability claims against the city. Risk Management assesses and purchases appropriate insurance coverage with adequate self-insured retention levels. Additionally, the division strives to improve city operations through an internal review function and employee training.

From August 17, 1986, through June 20, 1992, the City of Prescott was totally self insured. For the period of July 1, 1992, through September 30, 1993, the City was insured with the Arizona Municipal Risk Retention Pool. Effective October 1, 1993, the City again became totally self insured except for property insurance and airport liability insurance.

During FY95 the City settled an extraordinary claim in the amount of \$3.5 million. In order to pay for the claim, the City used \$1.0 million of cash available from the Self Insurance Fund and borrowed \$2.5 internally from the Alternative Water Sources Fund. The self insurance fund will pay back the Alternative Water Sources Fund the \$2.5 million over 20 years at no interest. As a result of this settlement, the City decided to re-enter the insurance market, purchase excess insurance above an approximate level of \$.5 million and keep the cash balance of the self insurance fund at approximately \$1 million.

| | | | |
|---|------------------------|--------------------------|--------------------------|
| Goal: Administer the city self-insurance programs. | | | |
| Strategy: Manage liability claims with initial contact of claimant within 48 hours of notice of claim and resolve with a minimum of assistance from independent adjustors. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Total liability claims | 76 | 80 | 75 |
| Strategy: Conduct inspection/department assessment for one city department with loss control consultant to identify and minimize liability and property loss exposures. | | | |
| Inspection/Department assessments completed | N/A | 2 | 4 |

| | | | |
|--|--|--|--|
| Goal: Update and revise city safety manual to comply with OSHA standards. | | | |
| Strategy: Identify each department related to each standard and provide the standard as site-specific policy; provide listing of site-specific OSHA-required training; coordinate training objectives with departments utilizing Safety Team expertise and outside contractors; and identify OSHA's top five penalty categories and top five most frequently cited categories and provide training to minimize liability. | | | |

Internal Service Funds

| Goal: Update and revise city safety manual to comply with OSHA standards. | | | |
|--|-------------|---------------|---------------|
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Safety standards completed | N/A | 7 | 7 |
| Number of safety training classes | 32 | 40 | 50 |

| Goal: Reactivate the Safety Review Committee in a revised format to detect potential work hazards and defects and lead safety meetings to promote safe work habits. | | | |
|---|-------------|-------------------------------|---------------|
| Strategy: Revise and update by-laws and standard procedures to change Safety Review <i>Committee</i> to Safety <i>Team</i> concept; recruit members for every department; and train members on investigation procedures for accidents, hazard identification and unsafe work techniques. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Members active on Safety Team | 10 | Suspended for re-organization | 12 |
| Safety Team investigations, resolutions | N/A | 4 | 6 |

Prior Year Results and Outcomes:

Evaluated programs and options relating to Self Insured Retention (SIR) and excess insurance to determine the most appropriate levels of coverage based upon premiums and risk factors. The City realized a savings of approximately \$18,000, while maintaining the same coverage levels. The Airport and Community Services premiums remained the same. Property and liability insurance certificates monitored and distributed to appropriate personnel.

Special Events insurance requirements revised to encourage events in Prescott. All certificates of insurance for special events reviewed for correct coverage.

Customer service emphasized with claims administration to reduce claims going to litigation. Established rapport with court system to assist the City in receiving restitution through court order. Claims paid were \$245,368; however, one claim was \$100,000 plus expenses and a regulator failure resulted in approximately \$40,000 paid in claims that the Legal Department is pursuing for reimbursement. Risk Management collected \$10,939.28 for restitution of damages to City property.

Provided safety/loss control training to City staff. There are now 39 certified HAZWOPER first responders. Assisted with topic selections for divisions' safety meetings and monitored participation; there were 73 documented safety meetings. Workplace Violence training provided to 4 departments by Risk Manager.

Partnered with the Utilities/Water Production Division and provided outside training through Workplace Specialists to certify staff in Chlorine Awareness, Lock Out/Tag Out, Confined Space, Hot-Work Permit and supply written programs specific to the department. Respiratory fitness examinations were

Internal Service Funds

accomplished through Dr. Halterman's office resulting in 15 personnel qualified for respirator training.

Accompanied Workplace Safety Specialist, Bill Fox, doing safety and health audits and risk assessments of all 29 water tank/reservoirs and 33 booster pumping stations owned by the City of Prescott. The audit consisted of driving and walking tours at each site to observe conditions, facilities and hazards/exposures. Written reports submitted and recommendations are being implemented.

Completed the brochure for Backwater Prevention Valve Information to be given to all citizens when they apply for water service. Sewer backups should be occurring less as citizens are educated about the code/need for the backwater prevention valve.

Attended 3-day seminar on OSHA requirements and expectations.

Provided funding for training and equipment for 3 trench rescue technicians. (Fire)

Assisted Police Department with acquiring code light bars for the Investigators vehicles.

Assisted with organization of co-training by and for police and fire personnel with regard to protocol for first arrivals at a fire scene.

Internal Service Funds

General Self Insurance Fund Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 1,044,829 | \$ 952,289 | \$ 599,692 |
| Revenues | | | |
| Interest Income & Misc. | 6,185 | 35,000 | 35,000 |
| Total Revenues | \$ 6,185 | \$ 35,000 | \$ 35,000 |
| Expenditures | | | |
| Personnel | \$ 67,814 | \$ 87,310 | \$ 80,539 |
| Supplies | 2,902 | 2,515 | 3,445 |
| Other Services & Charges | 724,472 | 1,013,377 | 725,753 |
| Cost Recovery | (821,463) | (840,605) | (811,464) |
| Loan Payments | 125,000 | 125,000 | 125,000 |
| Capital Outlay/Projects | - | - | 3,750 |
| Total Expenditures | \$ 98,725 | \$ 387,597 | \$ 127,023 |
| Ending Cash Balance, 6/30 | \$ 952,289 | \$ 599,692 | \$ 507,669 |

Note 1: Loan payments are automatically transferred each year and are not reflected in the budget totals. However, to present the correct cash picture, the loan payments have been deducted.

| | | | |
|---------------------------|------|------|------|
| Authorized Staffing Level | 1.35 | 1.20 | 1.00 |
| Admin Serv Dir | 0.10 | 0.20 | 0.00 |
| Risk Manager* | 0.50 | 0.50 | 0.50 |
| Benefits Specialist* | 0.00 | 0.50 | 0.50 |
| Risk Management Spec. | 0.50 | 0.00 | 0.00 |
| Safety Officer | 0.25 | 0.00 | 0.00 |

*50% of the Risk Manager and Benefits Specialist positions appear in Workers' Compensation Fund.

Significant Expenditure Changes:

The Personnel section shows a small decrease due to no longer charging a portion of the Administrative Services Director's salary to this division. Other Services and Charges shows a significant decrease because of large claims that were paid out during FY2005.

The \$3,750 in Capital Outlay and Projects is for 50% of the Risk Management Software that was approved by Council during the budget process. The remaining 50% is budgeted in the Workers' Compensation Fund. More information regarding this item can be found in the Capital Improvement Program section of the FY2006 Budget Book.

Internal Service Funds

WORKERS' COMPENSATION SELF INSURANCE

Division Mission: This account was established in July 1, 1996, to pay workers' compensation claims against the city. After a self-insurance feasibility study was performed by an independent actuarial, it was decided to leave State Compensation Fund. The goal of this division is twofold: to provide an increasingly safe work environment and to provide adequate self-insurance and purchase insurance to cover work related injuries to city employees. The workers' compensation funds are appropriated from the employee related workers' compensation expense.

| Goal: Encourage safe work behaviors. | | | |
|--|-------------|---------------|---------------|
| Strategy: Provide training by professional practitioners on back safety and prevention of common muscular/soft tissues injuries to "industrial athletes". Encourage Safety Team members to identify unsafe work behaviors and recommend solutions. Expand Safe-Start training. Provide ergonomic assessments. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Departments trained | 2 | 3 | 6 |
| Back and muscular related injuries | 12 | 16 | 12 |
| Ergonomic assessments | 4 | 6 | 6 |

| Goal: Partner with Prescott Fire Department to complete installation of automatic external defibrillator (AED) units throughout the city and train employees to use AED units and CPR. | | | |
|---|-------------|---------------|---------------|
| Strategy: Inventory AED units; provide and install AED units in police vehicles and all city facilities; and document trained employees and update training as required. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of AED units | N/A | 12 | 16 |
| Number of CPR/AED certified employees | N/A | 20 | 20 |

| Goal: Increase in-house administration of workers' compensation claims to reduce reliance on outside third-party administration. Emphasize a "hands on" case management and return-to-work program. | | | |
|---|-------------|---------------|---------------|
| Strategy: Simplify reporting procedures by supervisors to encourage immediate reporting; initiate and maintain contact with employees as well as third-party administrator assuring employee care is immediate and return-to-work is optimized; train supervisors and employees on reporting procedures and return-to-work policy. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Total workers' compensation claims | 74 | 70 | 65 |

Internal Service Funds

| | | | |
|--|-----------|-----------|-----------|
| Goal: Increase in-house administration of workers' compensation claims to reduce reliance on outside third-party administration. Emphasize a "hands on" case management and return-to-work program. | | | |
| Days lost | 106 | 100 | 80 |
| Costs incurred | \$128,538 | \$130,000 | \$125,000 |

Prior Year Results and Outcomes:

Evaluated programs and options relating to Self Insured Retention (SIR) and excess workers' compensation insurance to determine most appropriate levels of coverage based upon premiums and risk factors.

Implemented aggressive administration by risk management to build rapport with workforce and prevent litigation. Contracted attorney fees were \$2,309 less this year with only 2 claims going to hearing with the Industrial Commission.

Attended the Industrial Commission seminar to enhance knowledge of the Commissions rules and procedures. New case law is also covered at this seminar.

Provided Hep B vaccinations to all new employees in high-risk areas.

Conducted 4 office ergonomic assessments and provided chairs, foot rests, back supports and other miscellaneous equipment to mitigate injury.

Provided 3 sessions by Dr. Bennett relating to industrial and aging workforce injuries: Airport, Transfer Station and Streets Division.

Provided personal first aid kits for all vehicles in Building Inspection, Code Enforcement, Engineering and all new offices.

Hosted 2 appreciation luncheons: Collections Division and Wastewater Treatment Plant for exceptional performance during extreme storm conditions with no injuries.

Internal Service Funds

**Workers' Compensation Fund
Expenditure and Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ 706,053 | \$ 822,242 | \$ 908,304 |
| Revenues | | | |
| Interest Income & Misc. | \$ 4,676 | \$ 31,736 | \$ 30,000 |
| Total Revenues | \$ 4,676 | \$ 31,736 | \$ 30,000 |
| Expenditures | | | |
| Personnel | \$ 47,352 | \$ 87,225 | \$ 80,539 |
| Supplies | 72 | 200 | 1,400 |
| Other Services & Charges | 426,535 | 533,628 | 549,828 |
| Cost Recovery | (585,472) | (675,379) | (638,545) |
| Capital Outlay/Projects | - | - | 3,750 |
| Total Expenditures | \$ (111,513) | \$ (54,326) | \$ (3,028) |
| Ending Cash Balance, 6/30 | \$ 822,242 | \$ 908,304 | \$ 941,332 |
| Authorized Staffing Level | | | |
| Authorized Staffing Level | 1.25 | 1.20 | 1.00 |
| Administrative Svcs Director | 0.00 | 0.20 | 0.00 |
| Risk Manager* | 0.50 | 0.50 | 0.50 |
| Benefits Specialist* | 0.00 | 0.50 | 0.50 |
| Risk Management Spec. | 0.50 | 0.00 | 0.00 |
| Safety Officer | 0.25 | 0.00 | 0.00 |
| *50% of Benefits Specialist and Risk Manager are charged to the Self Insurance Fund. | | | |

**Significant
Expenditure Changes:**

There are no significant expenditure changes in this division. The small decrease in the Personnel category reflects removing a portion of the Administrative Services Director salary from this area.

The \$3,750 in Capital Outlay and Projects is for 50% of the Risk Management Software that was approved by Council during the budget process. The remaining 50% is budgeted in the Self-Insurance Fund. More information regarding this item can be found in the Capital Improvement Program section of the FY2006 Budget Book.

Internal Service Funds

CENTRAL GARAGE

Division Mission: To provide effective and efficient fleet maintenance/repair and acquisition services to maximize equipment availability and serviceability for internal customer departments.

| Goal: Maximize equipment availability and serviceability. | | | |
|---|--------------------|----------------------|----------------------|
| Strategy: Use fleet management software integrated with Streets Division maintenance management system (MMS) and City's cost accounting/financial management system. | | | |
| Balance in-house mechanic and parts activities with vendor sublet services to achieve competitive, cost effective operation. | | | |
| Monitor equipment utilization, cumulative operating and repair costs, and market value of units to be disposed. | | | |
| Workload Indicators | FY04 Actual | FY05 Estimate | FY06 Forecast |
| # of pieces of rolling stock | 376 | 425* | 434* |
| # light vehicle preventive maintenance services | 409 | 427 | 489 |
| # heavy duty preventive maintenance services | 142 | 141 | 201 |
| # off-road equipment preventive maintenance services | 24 | 23 | 25 |
| # emergency road service calls | 60 | 69 | 74 |
| *FY05 and FY06 include Prescott Fire Department fleet. | | | |
| Performance Measures | | | |
| Average equipment availability (%) Target: 95% minimum | 96 | 96 | 97 |
| Ratio of [sublet/vendor services costs: total expenditures] Target: 6% | 9.92% | 7.65% | 6.64% |

Prior Year Results and Outcomes: Provided maintenance services to the City fleet in accordance with O.E.M. recommendations.

Continued to provide customer support for all city departments through researching their service, vehicle, equipment needs, writing vehicle/equipment specifications, preparing vehicle procurement documents, and delivering vehicles and equipment specific to their needs for all city departments.

In March 2005 the Central Garage began providing fleet maintenance for 40 plus fire fleet vehicles, within the constraints of our current extremely overcrowded fleet maintenance facility.

Internal Service Funds

Contracted services with architectural firm to provide a preliminary design and cost estimate for a new fleet maintenance facility to be constructed during FY2006.

Provided staff with initial training on the fire fleet with additional training and certifications planned in FY2006 as time and budget constraints allow.

Central Garage Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---|------------------------|--------------------------|------------------------|
| Beginning Cash Balance, 7/1 | \$ 102,125 | \$ 142,329 | \$ 281,419 |
| Beginning Designated Cash Balance, 7/1 | \$ - | \$ 139,276 | \$ 634,826 |
| Funding Sources | | | |
| Debt Issue | - | - | 3,800,000 |
| Proceeds from Sale of Assets | 1,444 | - | 52,000 |
| Interest Income | (513) | 1,878 | 2,000 |
| Transfers In | 137,832 | 330,550 | - |
| Total Funding Sources | \$ 138,763 | \$ 332,428 | \$ 3,854,000 |
| Expenditures | | | |
| Personnel | 348,526 | 428,741 | 539,598 |
| Supplies | 335,827 | 356,000 | 384,696 |
| Other Services & Charges | 54,118 | 108,612 | 140,610 |
| Cost Recovery | (795,528) | (2,637,853) | (2,737,198) |
| Debt Service | 307 | - | 142,000 |
| Capital Outlay/Projects | 16,033 | 1,442,288 | 5,883,000 |
| Total Expenditures | \$ (40,717) | \$ (302,212) | \$ 4,352,706 |
| Ending Cash Balance, 6/30 | \$ 142,329 | \$ 281,419 | \$ 199,003 |
| Ending Designated Cash Balance, 6/30 | \$ 139,276 | \$ 634,826 | \$ 218,536 |
| Capital Outlay/Projects | | | |
| Central Garage Expansion | | | \$ 3,800,000 |
| Vehicle Replacements (as approved by Fleet Mnt Manager) | | | 2,063,000 |
| Replace In-Ground Lift (carryover) | | | 13,000 |
| Computers | | | 7,000 |
| Total Capital Outlay/Projects | | | 5,883,000 |

Internal Service Funds

Central Garage Staffing Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 7.10 | 8.20 | 9.20 |
| Admin Svcs Director* | 0.00 | 0.20 | 0.20 |
| Public Works Director | 0.05 | 0.00 | 0.00 |
| Equipment Maint. Supt. | 1.00 | 1.00 | 1.00 |
| Fleet Maintenance Supv. | 0.00 | 0.00 | 1.00 |
| Equipment Mechanic | 5.00 | 5.00 | 5.00 |
| Parts Specialist | 1.00 | 1.00 | 1.00 |
| Service Technician | 0.00 | 1.00 | 1.00 |
| Accounting Technician | 0.05 | 0.00 | 0.00 |

*40% of Admin Svcs Director is charged to Building Maintenance, and 10% to Purchasing, Elks Opera House, Public Communications, and Parking Garage.

Significant

Expenditure Changes:

Increases in personnel services are linked to an increase in health care costs and retirement contributions along with salary adjustments. In addition to these increases, a new Fleet Maintenance Supervisor position was added to this department.

Supplies for FY2006 is slightly higher than FY2005 estimated endings. This is a result of the increasing costs of parts. Additionally, more parts will be needed due to the inclusion of the fire department fleet.

Other Services and Charges also observed a FY06 budget that was 29.5% higher than the FY2005 estimated ending. This is a product of the expansion of the vehicle replacement charges and facilities maintenance charges.

Information regarding the capital projects and outlay can be found in the Capital Improvement Program section of this year's budget book.

ENGINEERING SERVICES

Division Mission:

To provide and/or procure professional engineering and other associated services necessary for City streets and/or stormwater management projects, to include surveying, design, contracting and quality assurance; and to implement provision of the City Development Code pertaining to engineering and quality assurance.

To provide timely and effective construction management and inspection of new City public infrastructure (streets, drainage and utilities) including permitted work in right-of-way, private development and capital improvement

Internal Service Funds

projects; and to attain quality construction products through the consistent and accurate interpretation and application of City standards.

| Goal: Provide quality design and construction phase technical support services for capital improvement and private development projects (e.g., roadway, sidewalk, curb & gutter, drainage, traffic control improvements, etc.) | | | |
|---|-------------|---------------|---------------|
| Strategy: Prepare complete sets of design bid documents in-house for capital improvement projects to utilize design staff to fullest. | | | |
| Manage preparation of design bid documents for capital improvement projects by outside engineering firms. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Ratio of actual number of in-house designs completed vs. total number planned. Target: 80% | 7/7 = 100% | 16/16 = 100% | 12/12 = 100% |
| Ratio of actual number of designs completed by outside services vs. total number planned. Target: 66% | 8/11 = 73% | 10/13 = 77% | 13/15 = 87% |

| Goal: To attain quality construction of public infrastructure. | | | |
|---|-------------|---------------|---------------|
| Strategy: Deploy competent inspection and management forces to oversee public project construction and actively participate in the resolution of construction issues; encourage continuing education in construction technologies and interpersonal communication skills to promote capable performance in the development of effective working relationships with City departments, design engineers, contractors and the public. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of capital projects managed and inspected | 13 | 17 | 17 |
| Number of private projects inspected | 46 | 58 | 60 |
| Number of right-of-way permits issued and inspected | 432 | 455 | 460 |

Prior Year Results and Outcomes:

Completed in-house designs for reconstruction of Willis Street (including water and sewer improvements), E. Gurley Street (including water and sewer improvements), and the Parks & Recreation Department parking lot.

Completed in-house design for landscaping in the medians on Prescott Lakes Parkway.

Completed in-house designs for paving of Hillside Drive, Northside Drive, and Fairway View Drive (including water and sewer improvements).

Completed in-house designs for the paving of four (4) alley segments.

Completed in-house designs for water improvements at Yavapai College, on Alley Way and at the intersection of Rosser Street and SR 89.

Internal Service Funds

Completed in-house design for drainage improvements at Willow Creek Park.

Awarded a design contract for the reconstruction of Mt. Vernon Avenue.

Awarded a design contract for the reconstruction of Ruth Street and Demerse Street.

Awarded a design contract for Park Avenue.

Provided construction management and/or inspection services on the Following City projects completed during FY2005:

- Sixth Street Reconstruction - Moeller Street to Hillside Drive
- Willis Street Reconstruction - Marina Street to Granite Creek Bridge
- Granite Street - Gurley Street to Goodwin Street
- Gail Gardner Way - Iron Springs Road to Willow Creek Road
- Black Drive - Gail Gardner Way to Willow Creek Road
- Gail Gardner Way Extension - Black Drive to Willow Creek Road
- Willow Creek Road Phase IV - Commerce Drive to Haas Boulevard
- Chino Valley Pump Station Expansion Project
- Short Street and Meany Street Water Main Construction
- Willow Lake/Watson Lake Utilities Improvements

Managed right-of-way acquisition for major capital projects to be constructed in FY2006:

- Iron Springs Road - Gail Gardner Way to Williamson Valley Road
- Copper Basin Road - White Spar Road to Sheriffs Posse Trail

Inspected street and utilities infrastructure for 45 private development projects within the City including subdivisions and commercial projects.

Inspected work performed under 395 right-of-way construction permits.

Internal Service Funds

Engineering Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|------------------------|--------------------------|------------------------|
| Beginning Cash Balance, 7/1 | \$ 89,662 | \$ 181,727 | \$ 186,232 |
| Revenues | | | |
| Interest Income & Misc. | \$ 3,065 | \$ 7,371 | \$ 5,600 |
| Total Revenues | \$ 3,065 | \$ 7,371 | \$ 5,600 |
| Expenditures | | | |
| Personnel | \$ 1,319,466 | \$ 1,481,261 | \$ 1,725,634 |
| Supplies | 53,412 | 47,564 | 55,500 |
| Other Services & Charges | 167,795 | 193,609 | 344,878 |
| Cost Recovery | (1,657,168) | (1,733,980) | (2,150,012) |
| Capital Outlay/Projects | 27,495 | 14,412 | 24,000 |
| Total Expenditures | \$ (89,000) | \$ 2,866 | \$ - |
| Ending Cash Balance, 6/30 | \$ 181,727 | \$ 186,232 | \$ 191,832 |
| Capital Outlay/Projects | | | |
| Survey Equipment Replacement | | | 24,000 |
| Total Capital Outlay/Projects | | | \$ 24,000 |

Internal Service Funds

Engineering

Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 23.45 | 23.50 | 24.60 |
| Public Works Director* | 0.40 | 0.40 | 0.40 |
| Engineering Services Manager | 1.00 | 1.00 | 1.00 |
| Construction Services Mgr. | 1.00 | 1.00 | 1.00 |
| Traffic Engineer | 0.00 | 0.00 | 1.00 |
| Development Services Mgr. | 1.00 | 1.00 | 1.00 |
| Management Analyst | 0.00 | 0.00 | 0.10 |
| Supervisory Inspector | 1.00 | 1.00 | 1.00 |
| Senior Engineering Technician | 0.00 | 1.00 | 1.00 |
| Construction Project Mgr | 1.00 | 1.00 | 1.00 |
| Traffic Signal Supervisor | 1.00 | 1.00 | 1.00 |
| Construction Contracts Spec. | 1.00 | 1.00 | 1.00 |
| CAD Technician | 1.00 | 1.00 | 1.00 |
| Registered Land Surveyor | 1.00 | 1.00 | 1.00 |
| Construction Inspector | 8.00 | 7.00 | 7.00 |
| Engineering Tech | 1.00 | 1.00 | 1.00 |
| Traffic Signal Specialist | 2.00 | 2.00 | 2.00 |
| Accounting Technician** | 0.05 | 0.10 | 0.10 |
| Administrative Assistant | 0.00 | 1.00 | 1.00 |
| Permit Technician | 1.00 | 1.00 | 1.00 |
| Maintenance Tech | 1.00 | 0.00 | 0.00 |
| Secretary | 1.00 | 1.00 | 1.00 |

*Also charged 20% Streets, 20% Water Utilities, and 20% Sewer Utilities.

**Also charged 30% Water Utilities, 30% Sewer Utilities, and 30% Streets

Significant Expenditure Changes:

In addition to the increases in health insurance costs, retirement contributions and salary adjustments, a new traffic engineer approved for FY2006 led to the FY2006 budget being larger than the FY2005 estimated ending. Another factor for the increase is the budgeting of temporary salaries for a construction project manager to oversee the Copper Basin Road and Iron Springs Road project.

Supplies went up \$7,936 mainly as a result of supplies necessary for the new Traffic Engineer that was added to this division.

In Other Services category, the budget went up 78% with the most notable increase being in the computer service charges, Personnel division charges, vehicle replacement charges, insurance and facilities maintenance charges. Also included in Other Professional Services is monies to provide for a technical review of City contract documents and specifications to streamline and update to industry and other agency standards.

Internal Service Funds

BUILDING MAINTENANCE

Division Mission: To provide maintenance and custodial services to all city owned facilities.

Building Maintenance Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Beginning Cash Balance, 7/1 | \$ - | \$ (463) | \$ (105,610) |
| Revenues | | | |
| Interest Income & Misc. | \$ - | \$ - | \$ - |
| Total Revenues | \$ - | \$ - | \$ - |
| Expenditures | | | |
| Personnel | \$ 393 | \$ 232,609 | \$ 103,150 |
| Supplies | - | 22,514 | 52,110 |
| Other Services & Charges | 70 | 262,521 | 656,429 |
| Cost Recovery | - | (423,647) | (812,666) |
| Capital Outlay/Projects | - | 11,150 | - |
| Total Expenditures | \$ 463 | \$ 105,147 | \$ (977) |
| Ending Cash Balance, 6/30 | \$ (463) | \$ (105,610) | \$ (104,633) |

Building Maintenance Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 0.00 | 6.55 | 5.20 |
| Administrative Services Director* | 0.00 | 0.05 | 0.40 |
| Maintenance Specialist** | 0.00 | 0.00 | 0.80 |
| Maintenance Tech | 0.00 | 1.00 | 0.00 |
| Lead Custodian | 0.00 | 1.00 | 0.50 |
| Custodian | 0.00 | 4.50 | 3.50 |

*Also charged 20% Central Garage, and 10% to Parking Garage, Elks Opera House, Public Communications and Purchasing.

**Remaining 20% is charged to Airport Fund.

Internal Service Funds

Significant

Expenditure Changes:

Under the City Manager's direction, this department was created in FY2005 to consolidate all maintenance and custodial costs for all City owned facilities. Previously all costs were paid out of the departments/division budgets. Several changes were made for FY2006 to attempt to meet the City's needs.

A decrease can be observed in Personnel due to the shifting of employees to areas where they will best serve the city. Increases are exhibited in both the Supplies and Other Services categories. This is a result of adding more City facilities to the responsibilities of this department.

Debt Service Fund

The Debt Service Fund was created during FY99 primarily as the result of the voter-approved general obligation issue for the purchase of Watson and Willow Lakes in September, 1998. Added to the debt service payments for the aforementioned project are the debt service for the Police Station Building approved by the voters in 1989 and special assessment payments for Improvement Districts previously issued and to be issued in the future.

As part of the issuance of the bonds for the purchase of Watson and Willow Lakes, the remainder of the debt for the police station was also refunded without extending the life of the debt service (final payment still to be made in FY2009). There was a savings by the reissuance due to a lower interest rate being available than when the bonds were originally issued in FY1989.

Total principal and interest payments for FY06 will be \$2,184,253 to be offset by property tax revenues for the two general obligation issues and assessments paid by property owners for Improvement Districts. Fiscal agents' fees amount to \$1,468.

| Debt Service Expenditure Summary | | | |
|---|------------------------|--------------------------|------------------------|
| | FY04 Actual | FY05 Estimate | FY06 Budget |
| Principal | \$ 1,470,151 | \$ 1,530,051 | \$ 1,587,151 |
| Interest | 722,730 | 661,304 | 597,102 |
| Fiscal Agents Fee | 1,431 | 1,431 | 1,468 |
| Total | \$ 2,194,312 | \$ 2,192,786 | \$ 2,185,721 |

Legal Debt Margins:

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, lighting, parks, open space and recreational purposes may not exceed 20% of a city's net secondary assessed valuation. Outstanding general obligation bonded debt for other general municipal purposes may not exceed 6% of a city's net secondary assessed valuation. As of June 30, 2005, the City is well within its debt limits, having \$80.4 million in borrowing capacity in the 20% category, and \$25.5 million in borrowing capacity in the 6% category. Calculations for these figures are included in the following chart:

| <u>Legal Debt Limitation</u> | <u>General Obligation Bonds</u> | |
|--|--|----------------------------------|
| | All Others 6% | Water & Sewer 20% |
| Secondary Assessed Valuation - \$447,810,098 | \$ 26,868,606 | \$ 89,562,020 |
| <u>Outstanding Debt</u> | | |
| Municipal facilities & refunding bond series 1998 | 1,315,000 | 9,080,000 |
| Total outstanding debt | 1,315,000 | 9,080,000 |
| Total margin available | <u>\$ 25,553,606</u> | <u>\$ 80,482,020</u> |
| Total debt applicable to the limit as a percentage | 4.9% | 10.1% |

Debt Service Fund

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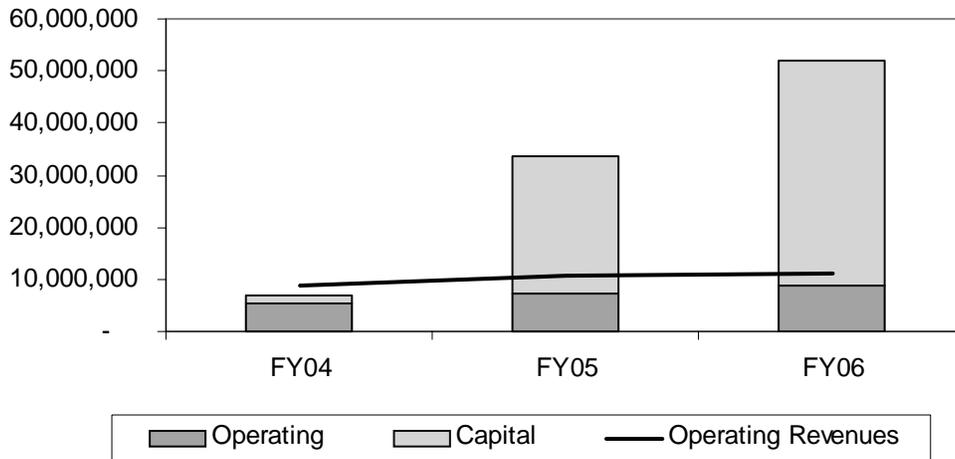
ENTERPRISE FUNDS

| | |
|--|------------|
| WATER AND ALTERNATIVE WATER FUNDS | 197 |
| SEWER FUND | 220 |
| SOLID WASTE FUND | 234 |
| TRANSFER STATION FUND | 241 |
| AIRPORT FUND | 245 |
| GOLF COURSE FUND | 251 |
| PARKING GARAGE | 261 |

Water Fund

The purpose of the Water Fund is to insure a safe and reliable supply of water to our customer base through the protection of existing supplies, the acquisition of new supplies, and the continued maintenance and upgrade of the existing water delivery infrastructure. All activities necessary to provide this service are accounted for in this fund. Emphasis will continue to be placed on upgrading the City's water system during FY06 through replacement of various undersized water lines as part of our regular maintenance program plus an expanded program to keep up with replacing water lines prior to streets being repaired and/or replaced, routine maintenance projects such as small reservoir maintenance, pressure reducing valve upgrades and fire hydrant upgrades.

Water Fund - Revenues vs Expenditures
Excluding Alternative Water Sources



The water fund budget for FY06 totals \$52,158,799 including \$8,805,939 in Alternative Water Sources. Current year revenues are estimated at \$41,051,448 (Alternative Water Sources - \$4,634,350).

Combined Water and Alternative Water Sources Historical Activity

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------------------|----------------|------------------|-----------------|
| Unrestricted Beginning Cash, 7/1 | \$ 7,416,757 | \$ 9,721,570 | \$ 9,611,574 |
| Restricted Beginning Cash, 7/1 | \$ 4,859,567 | \$ 4,159,061 | \$ 6,035,332 |
| Water Utilities Revenues | \$ 8,226,291 | \$ 9,804,776 | \$ 36,417,098 |
| Water Utilities Expenditures | \$ (5,921,478) | \$ (9,914,772) | \$ (43,352,860) |
| Alternate Water Revenues | \$ 376,302 | \$ 25,770,839 | \$ 4,634,350 |
| Alternate Water Expenditures | \$ (1,076,808) | \$ (23,894,568) | \$ (8,805,939) |
| Unrestricted Ending Cash, 6/30 | \$ 9,721,570 | \$ 9,611,574 | \$ 2,675,812 |
| Restricted Ending Cash, 6/30 | \$ 4,159,061 | \$ 6,035,332 | \$ 1,863,743 |
| Interfund Loan Receivable | \$ 1,400,000 | \$ 1,275,000 | \$ 1,150,000 |

Water Fund

Note: Ending Restricted cash is to explore Alternative Water Sources; Interfund Loan Receivable is due to the Alternative Water Source Account from the General Self Insurance Fund as a result of a loan made by the Alternative Water Source Account to the General Self Insurance Fund in the amount of \$2.5 million during fiscal years 1995 and 1996.

Combined Water and Alternative Water Sources Fund Revenues

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|---------------------------------|---------------------|----------------------|----------------------|
| Water Utilities | | | |
| Water Sales | \$ 6,303,294 | \$ 6,500,000 | \$ 6,695,000 |
| Meters, Taps & Services | 374,003 | 350,000 | 350,000 |
| Water Buy-In Fees | 1,292,638 | 1,300,000 | 1,300,000 |
| Improvement District | - | - | 900,000 |
| Bond Proceeds | 95,382 | 1,216,385 | 26,635,000 |
| New Turn On Fees | 132,083 | 130,000 | 130,000 |
| Interest Earned | 99,754 | 286,000 | 275,000 |
| Miscellaneous Revenues | 67,488 | 64,891 | 174,598 |
| Plan Reviews/Inspections | 11,649 | 107,500 | 107,500 |
| Rechargeable Effluent Fee | (150,000) | (150,000) | (150,000) |
| Total Water Utilities | 8,226,291 | 9,804,776 | 36,417,098 |
| Alternative Water Sources | | | |
| MPC Bond Issue | - | 12,767,505 | - |
| Intergovernmental Contributions | - | 10,963,000 | 2,524,500 |
| Alternative Water Impact Fee | - | 1,471,334 | 1,525,000 |
| Alternative Water Source Fee | 356,601 | 495,000 | 509,850 |
| Interest Earned | 19,701 | 74,000 | 75,000 |
| Total Alternative Water Sources | 376,302 | 25,770,839 | 4,634,350 |
| Total Revenues | \$ 8,602,593 | \$ 35,575,615 | \$ 41,051,448 |

Explanation of Water Fund Revenues:

Water Sales. Water rates were last changed effective September 1, 1995. The City, recognizing that the revenue structure and debt picture of the Water Fund were changing, took a proactive stance and hired the firm of Raftelis Environment Consulting Group to conduct an outside water rate study to determine recommended differentials between outside consumers and inside consumers. At the time the study was undertaken, the City charged Chino Valley customers 30.0% difference (maximum allowable pursuant to State Statute) and double inside rates for those customers living outside Chino Valley or incorporated Prescott city limit boundaries. The outside water rate report completed by Raftelis indicated a maximum differential in water rates of 39.0% for outside water users versus inside water users compared to the previous double rate. The actual cost to the water fund to reduce the outside rates and keep Chino rates the same was \$301,134.

The goal became, to the extent possible, to keep inside customer total water bills (combination of water and alternative water source fee) the same, keep a 30.0% differential for Chino Valley customer bills and 39.0% differential for other outside city customers while still keeping the total water revenues in the water fund at approximately the same level in order to protect the viability and integrity of the ten year water plan.

In order to accomplish this goal, and after three different options were presented, it was decided to raise the three different rates by 6.8% and then reduce the alternative water source fee for 1000 gallons from \$.30 to a sliding scale ranging from \$.10/1000 gallons to \$.16/1000 gallons for inside users. Chino rates

Water Fund

would still be 30.0% higher and outside rates 39.0% higher. With the reduction in the alternative water source rates, the inside residents were held harmless from an increase in rates due to reducing outside customers' billings.

Water sales are projected at \$6,695,000 for FY06 compared to \$6,500,000 for FY05 representing a 3.0% change. This revenue is very weather sensitive.

| Water Sales | | |
|--|-----------------|------------------------------------|
| Fiscal Year | Revenues | % Change from Previous Year |
| 1994-95 | 4,348,551 | 0.1% |
| 1995-96 | 4,931,188 | 13.4% |
| 1996-97 | 4,847,505 | -1.7% |
| 1997-98 | 4,867,355 | 0.4% |
| 1998-99 | 5,042,781 | 3.6% |
| 1999-2000 | 5,277,371 | 4.7% |
| 2000-01 | 5,540,084 | 5.0% |
| 2001-02 | 5,982,575 | 8.0% |
| 2002-03 | 6,219,200 | 4.0% |
| 2003-04 | 6,303,294 | 1.4% |
| 2004-05 (est) | 6,500,000 | 3.1% |
| 2005-06 (est) | 6,695,000 | 3.0% |
| <p>*Note: Since water sales are extremely weather sensitive, the lower than normal rainfall in spring of 1996 caused an increase in water sales.</p> | | |

Meters, Taps & Services. This fee is for costs involved with the City installing new water meters. The fee is based on a cost plus 10% fee with a minimum charge at \$420 for a 5/8" meter.

Buy-in Fees. Buy-in fees were adjusted during FY95 from \$47 to \$63 per fixture unit. This adjustment was predicated upon growth related projects needed in future years. Buy-in fees are projected at \$1,300,000 for FY06.

Improvement District Bonds. Funding for the formation of improvement district. Proceeds of the bonds will pay for the construction of water service extensions and will be paid back proportionately from benefiting property owners.

Bond Proceeds. Proceeds from a bond issue that will fund capital improvements on water infrastructure. During FY2006 the major funding need is for the Arsenic Treatment Plant at \$23,500,000. The remainder is for miscellaneous water projects that are necessary, but do not have funding available. The monies to repay this debt issue come from existing water fees.

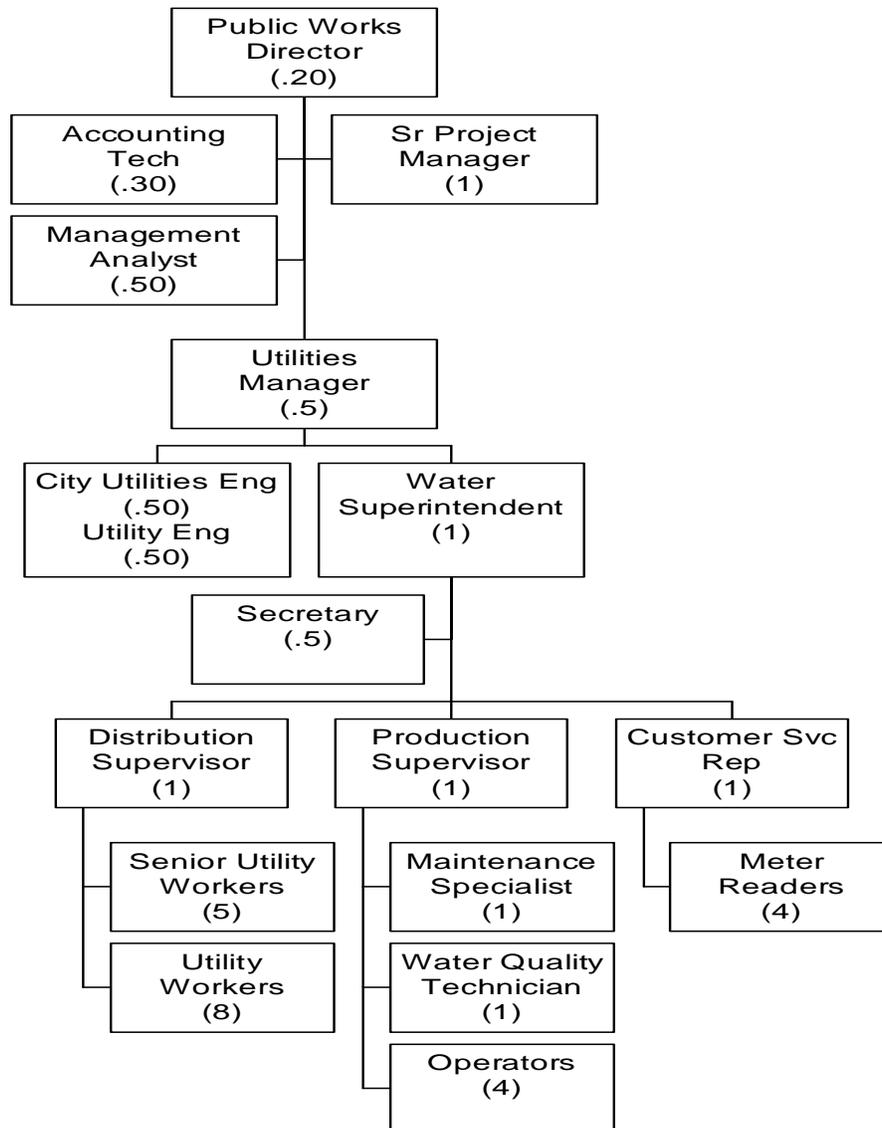
Rechargeable Effluent Fee. This is the fee charged by the Sewer Fund to the Water Fund for treating the effluent which is eventually discharged into the recharge ponds providing the Water Fund with recharge credits. The charge was increased to \$150,000 in FY98 because the City is entering into an effluent delivery business and will be selling a portion of previously recharged effluent.

Intergovernmental Contributions. This category is for reimbursements made to the City of Prescott from the Town of Prescott Valley for expenditures made regarding the Big Chino Ranch that was purchased during FY2006. As per an intergovernmental agreement, the Town of Prescott Valley is responsible for 46% of the costs involved with the water ranch.

Water Fund

Alternative Water Impact Fee. Effective July 12, 2004, the City of Prescott instituted the Alternative Water Impact Fee to help cover new development impact on the City's water system. The fee will go toward the recovery of costs related to the research and implementation of alternative water sources. This impact fee is based on the customer class and service line size. It is anticipated that the City will receive \$1,471,334 in revenues during FY05.

Alternative Water Sources. This is a surcharge fee based on water consumption. During FY04, a study was conducted by Rick Giardina and Associates on City of Prescott's fees to cover the research and implementation costs of alternative water sources. As a result of this study the Alternative Water Sources Fee was increased. This increase from a sliding scale ranging from \$.10/1000 gallons to \$.16/1000 gallons to a scale of \$.21/1000 gallons to \$.33/1000 gallons will be phased in over the next four fiscal years with the final phase occurring FY08. The budget (\$494,365) reflects the incremental increase for FY05.



Note: Utility Billing personnel report to Finance Director. Also, Water Conservation Coordinator reports to City Manager. Therefore, these personnel are not reflected on the Water Department organizational chart.

Water Fund

**Consolidated Departmental Expenditure
and Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Personnel | \$ 1,737,396 | \$ 1,761,837 | \$ 1,970,359 |
| Supplies | 135,054 | 367,614 | 685,670 |
| Other Services & Charges | 3,035,535 | 3,476,009 | 3,993,704 |
| Cost Recovery | (139,459) | (186,595) | (206,526) |
| Capital Outlay/Projects | 1,670,499 | 26,470,737 | 43,459,100 |
| Debt Service | 559,261 | 1,919,738 | 2,256,492 |
| Total | \$ 6,998,286 | \$ 33,809,340 | \$ 52,158,799 |
| Authorized Staffing Level | 35.39 | 34.67 | 35.50 |
| Utility Billing* | 3.55 | 3.50 | 3.50 |
| Meter Reading | 5.00 | 5.00 | 5.00 |
| Water Utilities Admin. | 1.50 | 2.00 | 2.00 |
| Water Production | 8.00 | 7.50 | 7.50 |
| Water Distribution | 16.00 | 15.00 | 15.00 |
| Alternative Water | 1.34 | 1.67 | 2.50 |

*Utility Billing personnel report to the Budget/Finance Director.

WATER DEPARTMENT - LEGAL DIVISION

Division Mission: This division provides an account for the Legal Department to charge its time for Water Fund related matters.

**Legal - Water Fund
Expenditures Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------|----------------|------------------|----------------|
| Personnel | \$ 245 | \$ - | \$ - |
| Other Services | 12,180 | 69,340 | 175,527 |
| Total | \$ 12,425 | \$ 69,340 | \$ 175,527 |

Significant Expenditure Changes: Effective FY2006, the methodology for cost recovering legal services was altered. It is now based on the percentage of a department's budget in comparison to the total city budget. This accounts for the large increase in other services.

Water Fund

UTILITY BILLING

Division Mission: To accurately and efficiently process all monies received by the City including revenues generated by other departments such as the golf course, recreational services and airport as well as receive all payments for utility billing, sales tax and license fees, building permits and impact fees. To generate all billing for water, sewer and sanitation services in a timely manner. To provide good customer service in response to customer requests for new service, transfer of service and explanation of charges and complaints.

| Goal: Continue to provide good customer service to the rapidly growing number of customers. | | | |
|---|-------------|----------------|----------------|
| Strategy: Utilize modern technology by providing services on-line such as applications, rate schedules and sure-pay forms. Offer electronic check by phone to customers and explore the availability of electronic payment via the internet. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate* | FY06 Forecast* |
| Number of utility accounts per month per employee | 5,375 | 6,730 | 8,360 |
| Number of phone calls received per month per employee | 3,400 | 3,800 | 4,000 |
| Number of walk-in customer contacts per employee per month | 5,850 | 5,700 | 5,600 |
| *During FY2005, this number is based on .5 less employees in this division. | | | |

| Goal: Continue to increase customer usage of surepay automatic payment system by 10 sign-ups per week. | | | |
|---|-------------|---------------|---------------|
| Strategy: Offer sign-up form to customers semi-annually through the City Page inserted in monthly utility bills and via the internet. Offer new customer surepay at time of initial sign-up. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of surepay customers | 3,840 | 4,190 | 4,550 |

| Goal: Maintain consistent monthly billing cycles for utility customers. | | | |
|--|-------------|---------------|-------------|
| Strategy: Initiate program for meter readers that will enable them to know by what date meter should be read. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Utility bills sent | 225,781 | 242,422 | 250,900 |

Prior Year Results and Outcomes: Continued to provide same level of good customer service even though the number of our customers continues to increase.

Water Fund

Processed a total of 242,422 utility bills in routine monthly billing cycles.

Increased the number of surepay customers by almost 6%.

**Utility Billing
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 137,604 | \$ 144,085 | \$ 154,366 |
| Supplies | 5,007 | 6,800 | 11,000 |
| Other Services & Charges | 260,747 | 140,685 | 146,465 |
| Cost Recovery | (139,459) | (186,595) | (206,526) |
| Total | \$ 263,899 | \$ 104,975 | \$ 105,305 |

**Utility Billing
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 3.55 | 3.50 | 3.50 |
| Utility Billing Supervisor | 1.00 | 1.00 | 1.00 |
| Accounting Clerk | 2.50 | 2.50 | 2.50 |
| Clerk (Temp) | 0.05 | 0.00 | 0.00 |

**Significant
Expenditure Changes:**

Personnel Services reflect the citywide increase in health care and Arizona State Retirement costs. This year's Supplies category includes the purchase and installation of payment drop boxes to be placed around the community. These drop boxes will be placed adjacent to library book returns to allow for the combination of personnel resources to empty the containers.

METER READING

Division Mission:

To provide exceptional customer service while efficiently and effectively performing monthly reading of water meters.

| Goal: Read all City water meters accurately on a monthly basis. | | | |
|---|----------------|------------------|------------------|
| Strategy: Provide an average of 99.9% accurate reads on a monthly basis. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of meters read | 3,950 | 4,100 | 4,200 |
| Percentage of accurate reads | 99.9% | 99.9% | 99.9% |

Water Fund

| Goal: Provide exceptional customer service. | | | |
|---|-------------|---------------|-------------|
| Strategy: Respond to customer requests quickly and safely. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Average response times for emergency offs | 15 min. | 15 min. | 15 min. |
| Respond to customer service requests within one day | 95% | 95% | 95% |

| Goal: Safely read all large meters in vaults and meters located in remote or difficult access areas. Assure that all meters are accurate meeting AWWA Standards. | | | |
|--|-------------|---------------|---------------|
| Strategy: Continue to implement the conversion to remote-read, including existing large meters in vaults and small meters that are included in the meter replacement program. Meters are to be changed out based upon age and use analysis. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Replace 500 meters per year | 638 | 500+ | 500+ |
| Percentage replaced | 100% | 100% | 100% |

Prior Year Results and Outcomes:

766 new meters were added to the system in FY2005.

Estimated meter reads less than 2.24% (414) average monthly (i.e.: meters that cannot be physically read in a particular month and area due to construction/landscaping activities, vehicles parked on top of meter boxes, dogs in yard, bees in box, etc.).

A total of 18,384 meters are currently read on a monthly basis.

Continued cross training with Water Production forces.

Continued with implementing radio-read meter system in all new developments and subdivisions to increase efficiencies and meter reading accuracy.

Water Accountability Issue - Addressed Utility Billings "0" reads and replacement of "dead meters", and researching of locations where no bills were being sent.

Replaced 22 "dead" (non-recording) meters in the system.

Water Fund

**Meter Readers
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Personnel | \$ 201,064 | \$ 213,479 | \$ 228,278 |
| Supplies | 15,750 | 196,200 | 218,200 |
| Other Services & Charges | 20,476 | 66,730 | 44,301 |
| Capital Outlay/Projects | 239,050 | - | 1,500,000 |
| Total | \$ 476,340 | \$ 476,409 | \$ 1,990,779 |
| | | | |
| Capital Outlay/Projects | | | |
| Water Meter Changeout Program | | | 1,500,000 |
| Total Capital Outlay/Projects | | | \$ 1,500,000 |

**Meter Readers
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------------|----------------|------------------|----------------|
| Authorized Staffing Levels | 5.00 | 5.00 | 5.00 |
| | | | |
| Customer Service Rep. | 1.00 | 1.00 | 1.00 |
| Meter Reader | 4.00 | 4.00 | 4.00 |

**Significant
Expenditure Changes:**

The Meter Reading Division's personnel services reflect an increase in health care and retirement costs. The additional monies in other services and charges reflect an increase in budgeted funds for the purchase of all meters and associated appurtenances needed for installation in new development. The decrease in Other Services and Charges reflects the "fine tuning" of the vehicle replacement charges.

More information on the Water Meter Changeout Program can be located in the Capital Improvement Plan section of this book.

WATER UTILITIES ADMINISTRATION

Division Mission:

To provide exceptional customer service to the citizens and business community, and to ensure the design and construction of public and private water infrastructure is in compliance with all local, State and Federal standards.

| |
|--|
| <p>Goal: To attain quality design and construction of public utilities infrastructure, in full compliance with all applicable state and federal standards relative to design, implementation, and operations.</p> |
| <p>Strategy: Manage preparation of design plans and bid documents by in-house and external engineering firms for capital improvement, reahabilitation/repair and other projects.</p> |

Water Fund

| | | | |
|---|--------------------|----------------------|--------------------|
| Goal: To attain quality design and construction of public utilities infrastructure, in full compliance with all applicable state and federal standards relative to design, implementation, and operations. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of Capital Projects Managed/Designed | 25 | 20 | 24 |
| Percentage of Capital Projects on time and within budget | 50% | 90% | 90% |
| Strategy: Respond to customer requests in a timely manner while providing accurate answers to the requests. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of Meetings | 680 | 748 | 822 |
| Number of Calls | 3,120 | 3,400 | 3,780 |
| Response to inquiries within 48 hours | 90% | 95% | 95% |
| Strategy: Review private and commercial development in a timely manner while providing accurate information and comments relative to the proposed development. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of Private Developments Reviewed within 3 weeks | 42 | 45 | 50 |
| Percentage of Private Developments Reviewed within 3 weeks | 80% | 90% | 95% |
| Number of Commercial Developments Reviewed within 2 weeks | 170 | 190 | 210 |
| Percentage of Commercial Developments Reviewed within 2 weeks | 95% | 95% | 95% |

Prior Year Results and Outcomes:

Completed the water model project. This will assist in identifying deficiencies in the existing water system and future capital improvements.

Completed installation of a new 1,000 horsepower water booster pump at the Chino Valley Booster Station.

Completed the structural analysis for the Willow Creek Dam and received approval from the Arizona Department of Water Resources. This dam has now been removed from the unsafe dam list.

Processed and reviewed 49 private development projects that required utilities. This is a 16% increase from the previous year. The private development projects are requiring a minimum of three (3) reviews per project.

Issued 41 Approvals to Construct for private development projects.

Water Fund

Issued 43 Approvals to Operate for private development projects. This is a decrease of 5% from the previous year.

Responded to over 3,300 phone calls from customers, developers and City staff requesting information of utility infrastructure and what the requirements are to obtain city services. This is a 70% increase from the previous year.

Assisted the Street Division with utility infrastructure installation during the construction of six (6) street projects and the design of ten (10) streets that are planned for reconstruction in FY2006.

**Water Utilities Administration
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 127,823 | \$ 171,058 | \$ 199,194 |
| Supplies | 2,079 | 4,453 | 8,570 |
| Other Services & Charges | 196,549 | 567,136 | 599,112 |
| Capital Outlay/Projects | 83,027 | 719,700 | 24,041,500 |
| Total | \$ 409,478 | \$ 1,462,347 | \$ 24,848,376 |

| | | | |
|---|--|--|--------------|
| Capital Outlay/Projects | | | |
| Arsenic Treatment Plant | | | \$23,500,000 |
| Water Production/Distribution Warehouse | | | 335,000 |
| Rate Analysis | | | 80,000 |
| Maintenance Management | | | 70,000 |
| Retaining Wall | | | 50,000 |
| Copier | | | 6,500 |
| Total Capital Outlay/Projects | | | \$24,041,500 |

**Water Utilities Administration
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|------------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.50 | 2.00 | 2.00 |
| Public Works Dir* | 0.20 | 0.20 | 0.20 |
| Utilities Manager** | 0.50 | 0.50 | 0.50 |
| City Utilities Engineer** | 0.50 | 0.50 | 0.50 |
| Accounting Technician*** | 0.30 | 0.30 | 0.30 |
| Utilities Engineer (Civil)** | 0.00 | 0.50 | 0.50 |

*Director is also charged 20% to Streets, 20% to Sewer, and 40% to Engineering.

**Charged 50% here & 50% to Sewer Administration.

***Also charged 30% to Sewer Administration, 30% to Streets, 5% to Engineering, and 5% to Construction Services.

Water Fund

Significant Expenditure Changes:

Personnel reflects the increases in health insurance and retirement costs. It also includes the car allowance for the Utilities Manager that was approved for FY2006. The Other Services category shows an increase due to auditing and accounting charges. These charges fluctuate yearly because they are based on the percentage of the Water Fund budget in comparison to the total City budget.

The capital outlay/project list is shown in the foregoing list. More information can be found regarding these projects in the Capital Improvement Program section of this book.

WATER FUND IMPROVEMENTS

Division Mission: This division is used to track the expenses for water projects not necessarily related to a specific division.

| Goal: To complete water department projects in a timely manner within budget. | | | |
|---|--------------------|----------------------|----------------------|
| Strategy: Monitor budget and project performance for those projects not necessarily related to a division. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of water projects completed within authorized budget. | 100% | 100% | 100% |

Prior Year Results and Outcomes:

Completed design for replacement of water mains located within various street rehabilitation projects; construction was completed with the street projects.

Water Fund

**Water Fund Improvements
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------------------|----------------|------------------|----------------|
| Capital Outlay/Projects | 544,593 | 938,946 | 7,983,000 |
| Total | \$ 544,593 | \$ 938,946 | \$7,983,000 |
| | | | |
| Capital Outlay/Projects | | | |
| Copper Basin Road | | | \$1,600,000 |
| Iron Springs Road | | | 1,500,000 |
| Mullen Way Improvement District | | | 900,000 |
| Capital Contingencies | | | 900,000 |
| Willow Creek 14" Transmission Main | | | 598,000 |
| Unpaved Streets | | | 500,000 |
| Rosser Street | | | 430,000 |
| Gail Gardner Way - Const | | | 350,000 |
| Downer Trail - Oregon to Sierry Peaks | | | 345,000 |
| Granite Crk & Willow Crk Dam | | | 200,000 |
| Water Line Replacement - 1% Streets | | | 150,000 |
| Alley Paving Project | | | 150,000 |
| E Gurley (Arizona to Bradshaw) | | | 140,000 |
| Ruth/Demerse - Const | | | 115,000 |
| Williamson Valley Road | | | 85,000 |
| Bradshaw Dr - Const | | | 20,000 |
| Total Capital Outlay/Projects | | | \$7,983,000 |

Significant Expenditure Changes: Please see the preceding box for the list of projects comprising this \$7,983,000 allocation. More information on these projects can be found in the Capital Improvement Program in this book.

WATER PRODUCTION

Division Mission: To deliver high quality drinking water efficiently and effectively, meeting all applicable local, State and Federal drinking water standards.

| | | | |
|---|------------------------|--------------------------|------------------------|
| Goal: Meet all drinking water quality standards. | | | |
| Strategy: Monitor water quality by sampling as required by the Arizona Department of Environmental Quality and taking any action required to meet standards. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of water quality samples collected (calendar year) | 880 | 880+ | 880+ |

Water Fund

| | | | |
|---|------|------|------|
| Goal: Meet all drinking water quality standards. | | | |
| Percentage of samples meeting requirements | 100% | 100% | 100% |

| | | | |
|--|--------------------|----------------------|--------------------|
| Goal: Maintain an adequate water supply to meet peak demands with reserve capacity. | | | |
| Strategy: Monitor reservoir and storage tank levels throughout the City and maintain adequate storage capacities. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Total acre feet pumped | 8,090 | 8,000 | 8,000 |
| Peak day gallons | 12,500,000 | 12,900,000 | 13,500,000 |
| Maximum storage levels maintained % of time. | 90% | 95% | 95% |

| | | | |
|---|--------------------|----------------------|--------------------|
| Goal: Produce the water efficiently and effectively. | | | |
| Strategy: Monitor the existing pump performance and explore new technologies to maximize pumping effectiveness and efficiency. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Pump stations improved | 3 | 4 | 4 |
| Pressure Reducing Stations improved | 1 | 6 | 6 |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Comply with all Arizona Department of Environmental Quality regulations. | | | |
| Strategy: Maintain the operation, maintenance and water quality requirements necessary to meet the compliance requirements of the Arizona Department of Environmental Quality. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Compliance with Arizona Department of Environmental Quality | 100% | 100% | 100% |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Meet new Environmental Protection Agency arsenic compliance requirements by 1/23/06. | | | |
| Strategy: Realize full-fledged, detailed design and construction of Arsenic Treatment Facilities. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Take monthly Arsenic samples for tracking and trending | 100% | 100% | 100% |

Prior Year Results and Outcomes: Produced 8,090 acre-feet in 2004, a 0.26% decrease from last year.
 Maintained full compliance with ADEQ/EPA water quality requirements.

Water Fund

Met goal of maintaining water loss below 10%, as required by ADWR (7.66% actual).

Received Approval to Operate the Market Place Well (Well #6) in Chino Valley from ADEQ, increasing well field production capacity and reserve of water sources.

Resumed the City-wide Cross Connection/Backflow Protection Program established by City Resolution No. 2471, and EPA/ADEQ requirements.

Generated and established OSHA Mandated Written Programs (Asbestos Cement Pipe, Respirator Protection, Confined Space, Excavation/Trenching, Hot Work Permit Program, Hazcom/MSDS, & Lockout/Tagout), and provided associated training for Water Division. Provided written programs to Risk Management Division.

Installation of Magmeters at all wellheads per ADWR requirements (tracking of City well pumpage) were realized.

RTU panels for SCADA for well sites #2, #3, #4, & #5 (#1 will be hardwired since it is at the Chino Control Room site) have been installed. The Supervisory Control & Data Acquisition (SCADA) will allow automatic control (sequencing), lead/lag, & alternate) of wells dictated by Chino Forebay Levels, thus improving water system reliability and efficiencies.

Health and Safety Audits/Inspections (Loss Control Services) performed for all Water Facilities (wells, booster stations, and storage tank sites). **Applicable to OSHA inspections/requirements. Risk Management Division and Public Works reviewing results in order to address any deficiencies.

Established FCC Licensing of non-verbal frequencies for control of in-town Booster Station Facilities.

Monitored (sampled) arsenic levels from all wells relative to the upcoming (January 2006) EPA Standard.

Water Fund

Water Production Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------------------|----------------|------------------|----------------|
| Personnel | \$ 397,510 | \$ 451,892 | \$ 483,803 |
| Supplies | 24,309 | 41,274 | 124,600 |
| Other Services & Charges | 1,394,894 | 1,768,265 | 2,269,289 |
| Capital Outlay/Projects | 389,563 | 1,551,268 | 1,960,100 |
| Total | \$2,206,276 | \$3,812,699 | \$4,837,792 |
| Capital Outlay/Projects | | | |
| Indian Hills Reservoir | | | \$ 500,000 |
| Copper Basin Reservoir | | | 500,000 |
| Storage Tank Maintenance | | | 390,000 |
| Booster Station Upgrade | | | 125,000 |
| Combination Drives for Chino Boosters | | | 115,000 |
| Portable Generator | | | 110,000 |
| Telemetry/SCADA Program | | | 93,000 |
| Well Rehab Program | | | 80,000 |
| PRV Upgrade | | | 35,000 |
| Confined Space Trailer w/Equipment | | | 12,100 |
| Total Capital Outlay/Projects | | | \$1,960,100 |

Water Production Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 8.00 | 7.50 | 7.50 |
| Water Superintendent | 0.50 | 0.50 | 0.50 |
| Water Prod. Supervisor | 1.00 | 1.00 | 1.00 |
| Water Operator | 6.00 | 4.00 | 4.00 |
| Water Quality Tech. | 0.00 | 1.00 | 1.00 |
| Maintenance Specialist | 0.00 | 1.00 | 1.00 |
| Secretary | 0.50 | 0.00 | 0.00 |

Superintendent also charged 50% to Water Distribution.

Significant Expenditure Changes:

Personnel services 7% increase is due to the increase in health care costs and retirement contributions. Supplies saw an immense increase due to materials to maintain the Water Production facilities and infrastructure. The category, Other Services and Charges, also showed a substantial increase because of increasing maintenance and utility costs along with the inclusion of the newly figured vehicle maintenance charges.

Refer to the Water Production Expenditure Summary for a listing of the \$1,838,000 in Capital Outlay and Projects. More detail on these projects can be found in the Capital Improvement Program section of the budget book.

Water Fund

WATER DISTRIBUTION

Division Mission: To deliver superior customer service through the maintenance and operation of the City's water system.

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Provide exceptional customer service for requests and emergencies. | | | |
| Strategy: Respond to emergencies within 15 minutes during working hours and 30 minutes after hours. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Respond to emergencies within 15 minutes during working hours and 30 minutes after hours. | 80% | 85% | 90% |
| Strategy: Same day service on customer service requests. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| One day customer service | 95% | 96% | 97% |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Ensure adequate fire protection. | | | |
| Strategy: Replace or install a total of 30 new fire hydrants per year. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of fire hydrants replaced | 30% | 80% | 90% |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Reduce water losses. | | | |
| Strategy: Replace a minimum of 100 services and 10 broken main line valves per year. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Services repaired or replaced | 28 | 40 | 48 |
| Main line valves repaired or replaced | 7 | 24 | 36 |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Maintain accurate water maps. | | | |
| Strategy: Assist GIS personnel with mapping of distribution components. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Survey all water system facilities and provide information to Information Technology Division and maintenance management system. | 0 | 30% | 50% |

Water Fund

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Reduce interruption of water service. | | | |
| Strategy: Dedicate 1-2 person crew to exercise 15-20 main valves/day. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Exercise 15-20 valves/day | 0 | 40% | 90% |

Prior Year Results and Outcomes:

Responded to over 824 customer service calls (no water, leaks, low/high pressure, water quality - taste/odor, etc).

Responded to and performed 5,029 bluestakes (marking of water facilities).

Installed/repaired/replumbed (modified) 119 service lines.

Repaired and or replaced 47 fire hydrants to maintain fire service protection.

Repaired over 238 water leaks to minimize water loss, downtime and customer inconvenience.

Repaired over 17 line breaks due to construction projects.

Performed 47 live water taps on mains throughout city for new development.

Performed 76 Backflow Inspections on City-owned facilities (repaired 4 backflows).

Repaired/replaced 12 water system main line valves.

Performed 23 flow tests for Fire Department or outside contractors/developers for fire flow capacities.

Performed 108 repairs/modifications on meter assemblies throughout city system.

Abandoned 10 water lines (mains or service lines) due to condition and/or no longer in use.

Sent out 1,215 backflow protection device annual inspection letters for EPA/ADEQ compliance measures.

Water Fund

**Water Distribution
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Personnel | \$ 711,611 | \$ 710,455 | \$ 742,174 |
| Supplies | 77,779 | 116,135 | 316,600 |
| Other Services & Charges | 364,444 | 448,616 | 299,294 |
| Capital Outlay/Projects | 389,031 | 115,823 | 599,500 |
| Total | \$ 1,542,865 | \$ 1,391,029 | \$ 1,957,568 |
| | | | |
| Capital Outlay/Projects | | | |
| Small Water Main Upgrades | | | \$ 400,000 |
| Material Bunkers | | | 44,500 |
| New Water Service Lines | | | 40,000 |
| Fire Hydrants | | | 40,000 |
| Trailer Mounted Vacuum Unit | | | 29,000 |
| Trailer Mounted Valve Machine | | | 26,000 |
| Leak Detection Program | | | 15,000 |
| Excavation Shoring Equipment | | | 5,000 |
| Total Capital Outlay/Projects | | | \$ 599,500 |

**Water Distribution
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 16.00 | 15.00 | 15.00 |
| | | | |
| Water Superintendent | 0.50 | 0.50 | 0.50 |
| Water Distribution Supv. | 1.00 | 1.00 | 1.00 |
| Senior Utility Worker | 5.00 | 5.00 | 5.00 |
| Utility Worker | 7.00 | 8.00 | 8.00 |
| Utility Locator | 2.00 | 0.00 | 0.00 |
| Secretary | 0.50 | 0.50 | 0.50 |

Note: Superintendent also charged to Water Production; Secretary to Sewer Collection.

**Significant
Expenditure Changes:**

As in other divisions, Personnel services costs increased due to health care costs and retirement contributions.

Supplies FY06 budget shows an increase over the FY05 estimated ending because of the shifting of materials to maintain buildings from the Other Services and Charges category to the Supplies category. Vehicle replacement charges also forced an increase in the Other Services and Charges category.

More information regarding the capital outlay and projects can be found at the end of this book in the Capital Improvement Program.

Water Fund

PRIVATE DEVELOPMENT

Division Mission: This Division has been restructured and, beginning in FY04, provides an account in which to charge plan reviews of water infrastructure installations for new private developments. These plan reviews are performed by the Development Services Manager and Engineering Aide; a proportionate share of their salaries is charged here in the Internal Engineering Services line item.

Private Development Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Supplies | \$ 4,704 | \$ - | \$ - |
| Other Services & Charges | 35,565 | 40,672 | 47,127 |
| Total | \$ 40,269 | \$ 40,672 | \$ 47,127 |

Significant Expenditure Changes: This division was restructured in FY04 and provides for an account in which to charge plan reviews of water infrastructure installations for new private development. Plans are reviewed by the Development Services Manager and Engineering Aide whose time is charged at 80% of 25% of their salaries.

INSURANCE/RETIREMENTS

Division Mission: Provide an account to pay for costs of retirement bonuses for Water Department retirees.

Insurance/Retirements - Water Fund Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Other Services & Charges | \$ - | \$ 9,952 | \$ - |

Significant Expenditure Changes: There are no anticipated retirements in the Water Fund during FY06.

DEBT SERVICE

Division Mission: This division provides an account in which to charge the water fund debt service.

Water Fund

**Debt Service - Water Fund
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Other Services & Charges | \$ 4,209 | \$ 26,709 | \$ 3,725 |
| Debt Service | 421,124 | 1,581,694 | 1,403,661 |
| Total | \$ 425,333 | \$ 1,608,403 | \$ 1,407,386 |

Significant Expenditure Changes: The decrease in the FY06 budget is a result of costs incurred during FY05 and savings made in association with the refunding of the MPC 1993-E and 1998-F bonds.

ALTERNATIVE WATER SOURCES

Division Mission: The Alternative Water Sources account was established in 1982 through the implementation of a surcharge on water sales. The purpose of the surcharge is to accumulate funds to help pay for costs associated with obtaining alternative water sources in order to comply with the State of Arizona groundwater laws. This account also received proceeds from the sale of the City's Central Arizona Project water rights and paid for the Chino Valley Irrigation District's shareholder water rights.

| Goal: To promote resource conservation through improved public education and accountability. | | | |
|---|------------------------------------|------------------|---|
| Strategy: Continue to expand water conservation program in the water service area. Expand water conservation public education through classroom and group presentations. | | | |
| Performance Measures | FY03 Actual | FY04 Estimate | FY05 Budget |
| Continue water buy-in incentive program | \$31,831 | \$45,000 | \$45,000 |
| Number of public education presentations | 2 | 4 | 5 |
| Expand water conservation and information presence on internet site | Internet web-site developed/active | | Provide online lake level information and applications for programs |

Prior Year Results and Outcomes: Pumped 8,099 acre-feet of groundwater and recharged 863.9 acre-feet from Watson and Willow Lakes for a net of 7,235.7 acre-feet, an increase of 3.7%.

Water Fund

Purchased the JKW Ranch to import approximately 8,717 acre-feet of groundwater from the Big Chino basin into the Prescott Active Management Area.

Based upon the citizen's water conservation committee recommendation, City council approved rescinding the water conservation incentive program.

The Chino Valley Irrigation District (CVID) purchased and used 1,500 acre-feet of recovery credits from the City of Prescott.

Submitted application to the Arizona Department of Water Resources (ADWR) to increase the assured water supply designation by 3,318 acre-feet.

Alternate Water Sources Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------------|----------------|------------------|----------------|
| Personnel | \$ 161,539 | \$ 60,916 | \$ 162,544 |
| Supplies | 5,426 | 2,752 | 6,700 |
| Other Services & Charges | 746,209 | 347,856 | 408,864 |
| Debt Service | 138,137 | 338,044 | 852,831 |
| Capital Outlay/Projects | 25,497 | 23,145,000 | 7,375,000 |
| Total | \$ 1,076,808 | \$ 23,894,568 | \$ 8,805,939 |
| Capital Outlay/Projects | | | |
| Water Ranch | | | \$ 5,500,000 |
| Recovery Wells at Airport | | | \$ 1,250,000 |
| Surface Water Recharge Pipeline | | | 625,000 |
| Total Capital Outlay/Projects | | | \$ 7,375,000 |

Alternate Water Sources Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.34 | 1.67 | 2.50 |
| Senior Project Manager | 0.00 | 1.00 | 1.00 |
| Management Analyst* | 0.00 | 0.67 | 0.50 |
| Water Conservation Coord. | 0.00 | 0.00 | 1.00 |
| Water Resources Coord. | 0.67 | 0.00 | 0.00 |
| Administrative Asst. | 0.67 | 0.00 | 0.00 |

*Remainder of Management Analyst is charged .3 to City Manager's Office, .1 to Transfer Station and .1 Engineering.

Water Fund

**Significant
Expenditure Changes:**

In addition to the increase in health care costs and retirement contributions, personnel services experienced an increase as a result of the addition of a Senior Project Manager at the end of FY2005 and a Water Conservation Coordinator that is anticipated during FY2006. These positions also affected the Supplies category.

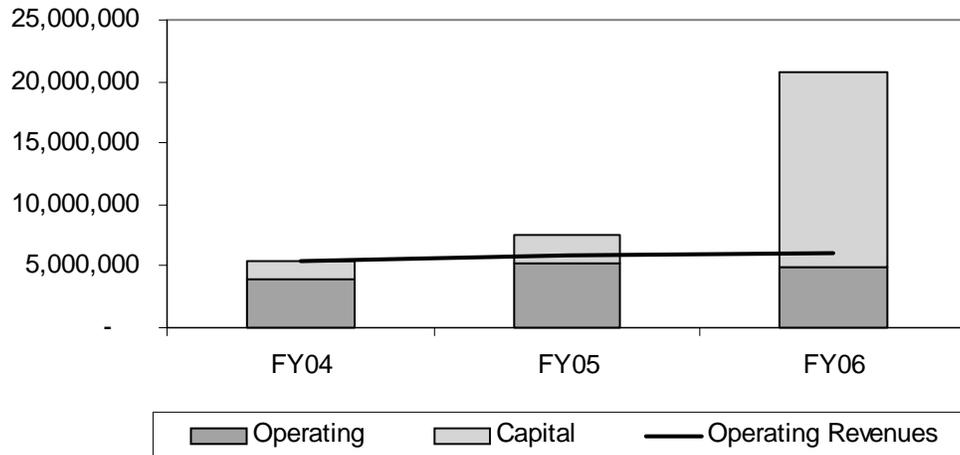
Other Services saw a 17.5% gain which is attributed mainly to the inclusion of the Water Conservation Program. Monies were budgeted for public education and rebate incentives in this area.

Debt Service is higher in FY06 than FY05 because of the Water Ranch bond issue. Only six months of debt service is recorded during FY05 as opposed to a full year during FY06.

Sewer Fund

Department Mission: To deliver superior customer service through the maintenance and operation of the City's sewer system.

Sewer Fund - Revenues vs Expenditures



Current year revenues are estimated at \$15,780,107 while current year expenditures are estimated at \$20,790,240.

Sewer Fund Historical Activity

| | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|-----------------------------|----------------|-------------------|-----------------|
| Beginning Cash Balance, 7/1 | \$ 6,010,425 | \$ 6,134,002 | \$ 5,259,675 |
| Revenues | \$ 5,450,276 | \$ 6,599,691 | \$ 15,780,107 |
| Expenditures | \$ (5,326,699) | \$ (7,474,018) | \$ (20,790,240) |
| Ending Cash Balance, 6/30 | \$ 6,134,002 | \$ 5,259,675 | \$ 249,542 |

Sewer Fund

Sewer Fund Revenues

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|---------------------------|---------------------|---------------------|----------------------|
| Plan Reviews & Checks | \$ 3,750 | \$ 14,500 | \$ 28,500 |
| Sewer User Charges | 3,662,948 | 3,965,832 | 4,084,807 |
| Septage Disposal Fees | 109,959 | 79,125 | 80,000 |
| Effluent Sales | 255,398 | 222,500 | 222,500 |
| Rechargeable Effluent Fee | 319,592 | 315,000 | 335,000 |
| Sewer Connections | 11,992 | 10,000 | 10,000 |
| Bond Proceeds | - | 744,904 | 9,665,000 |
| Interest Earned | 25,349 | 144,319 | 140,800 |
| Sewer Buy-In Fees | 1,052,331 | 1,100,000 | 1,133,000 |
| Miscellaneous | 8,957 | 3,511 | 80,500 |
| Total Revenue | \$ 5,450,276 | \$ 6,599,691 | \$ 15,780,107 |

Explanation of Sewer Fund Revenue Sources:

Effluent Sales to Other Funds: This is the charge to the Golf Course for effluent used for watering the two golf courses. This charge to the Golf Course is adjusted annually to become more compatible with charges to private consumers purchasing the City's effluent product. It was increased from \$145,000 to \$165,000 for FY04 and to \$185,000 in FY06.

Sewer User Charges: Sewer fees are projected to increase 3.0% over FY05 revised estimates. No rate increase is anticipated in this fund for FY06.

Revenues from Sewer User Charges

| Fiscal Year | Revenues | % Change |
|----------------|-----------|----------|
| 1995-96 | 2,895,869 | 2.34% |
| 1996-97 | 3,092,315 | 6.78% |
| 1997-98 | 3,092,296 | 0.00% |
| 1998-99 | 3,195,239 | 3.33% |
| 1999-2000 | 3,430,830 | 7.37% |
| 2000-01 | 3,553,223 | 3.57% |
| 2001-02 | 3,553,662 | 0.01% |
| 2002-03 | 3,656,594 | 2.90% |
| 2003-04 | 3,662,948 | 0.17% |
| 2004-05 (est.) | 3,965,832 | 8.27% |
| 2005-06 (est.) | 4,084,807 | 3.00% |

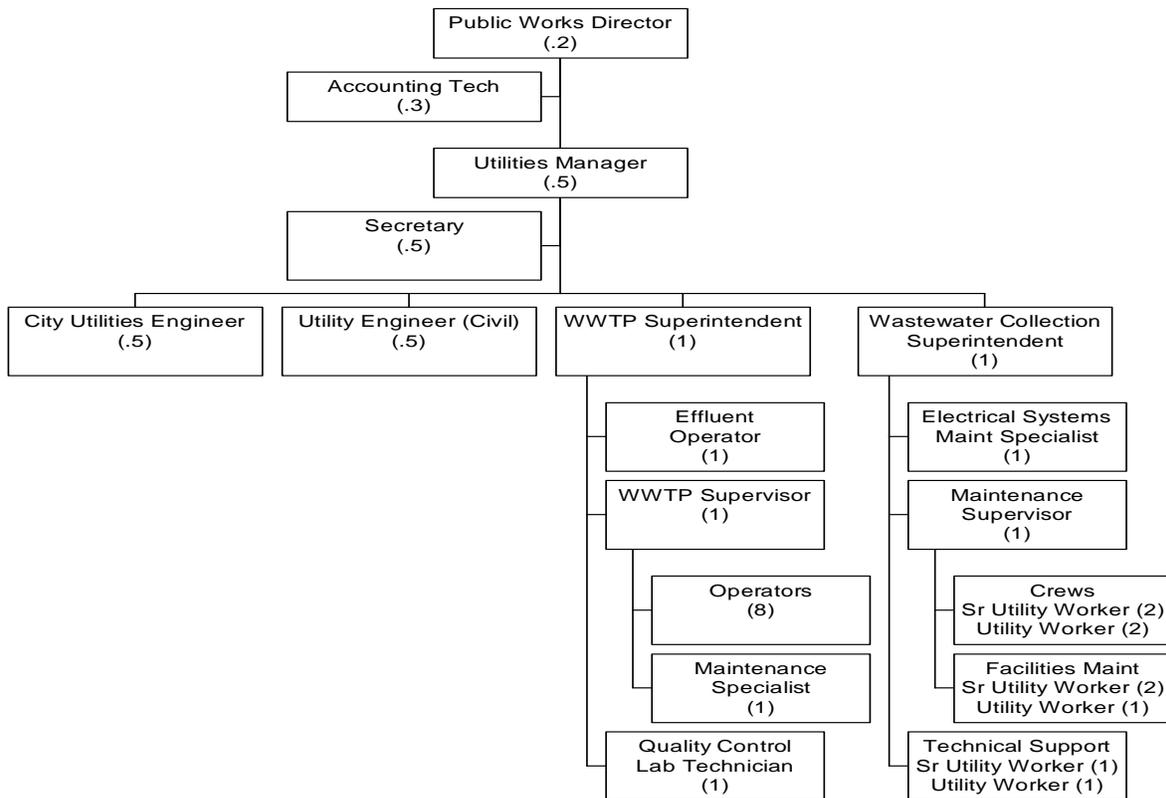
Effluent Disposal Fees: These are the fees collected at the wastewater treatment plant from septic pumpers and private recreational vehicles.

Rechargeable Effluent Fee: This is the tenth year of this revenue source to the sewer fund. This is the charge to the Water Fund for treating effluent which is being discharged into the water table for recharge credits.

Buy-In Fees: Buy-in fees were increased from \$37.00 to \$56.00 per fixture unit during FY95. As part of an overall analysis of the sewer fund, it was decided to place more emphasis on new connections to the

Sewer Fund

sewer system paying for growth related capital projects rather than to increase the rates placing the burden on existing sewer customers. The FY05 Sewer Buy-in fees projected revenues are a 3.0% increase over FY04 budgeted revenues. The City serves a smaller area with its sewer system than its water system and, therefore, does not have as many connections each year.



Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|---------------------|---------------------|----------------------|
| Personnel | \$ 1,411,653 | \$ 1,577,437 | \$ 1,812,905 |
| Supplies | 157,905 | 284,785 | 281,263 |
| Other Services & Charges | 1,319,001 | 1,592,787 | 1,652,207 |
| Capital Outlay/Projects | 1,354,071 | 2,225,894 | 15,850,200 |
| Debt Service | 1,084,069 | 1,793,115 | 1,193,665 |
| Total | \$ 5,326,699 | \$ 7,474,018 | \$ 20,790,240 |
| Authorized Staffing Level | 27.00 | 28.50 | 29.50 |
| Sewer Utilities Admin. | 1.50 | 2.00 | 2.00 |
| WWTP | 12.00 | 12.00 | 12.00 |
| Sewer Collection | 12.50 | 13.50 | 14.50 |
| Effluent Delivery | 1.00 | 1.00 | 1.00 |

Sewer Fund

SEWER UTILITIES ADMINISTRATION

Division Mission: To provide exceptional customer service to the citizens and business community, and to ensure the design and construction of public and private sewer infrastructure is in compliance with all local, State and Federal standards.

| | | | |
|---|------------------------|--------------------------|------------------------|
| Goal: To attain quality design and construction of public utilities infrastructure, in full compliance with all applicable state and federal standards relative to design, implementation, and operations. | | | |
| Strategy: Manage preparation of design plans and bid documents by in-house and external engineering firms for capital improvement, reahabilitation/repair and other projects. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of Capital Projects Managed/Designed | 25 | 20 | 24 |
| Percentage of Capital Projects on time and within budget | 50% | 90% | 90% |
| Strategy: Respond to customer requests in a timely manner while providing accurate answers to the requests. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of Meetings | 680 | 748 | 822 |
| Number of Calls | 3,120 | 3,400 | 3,780 |
| Response to inquiries within 48 hours | 90% | 95% | 95% |
| Strategy: Review private and commercial development in a timely manner while providing accurate information and comments relative to the proposed development. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Number of Private Developments Reviewed within 3 weeks | 42 | 45 | 50 |
| Percentage of Private Developments Reviewed within 3 weeks | 80% | 90% | 95% |
| Number of Commercial Developments Reviewed within 2 weeks | 170 | 190 | 210 |
| Percentage of Commercial Developments Reviewed within 2 weeks | 95% | 95% | 95% |

Prior Year Results and Outcomes: Completed the installation of a new wastewater lift station, located at HWY 89A and Granite Creek. This project was completed and satisfied a litigation settlement.

Sewer Fund

Completed the cleaning and rehabilitation of the effluent recharge cells #4 and #8 located at the Airport Wastewater Treatment Plant.

Completed the construction of the new Wastewater Collection Building on time and under budget.

Completed the North Prescott Sewer Improvement District feasibility study to determine estimated costs to construct this improvement district.

Processed and reviewed 49 private development projects that required utilities. This is a 16% increase from the previous year. The private development projects are requiring a minimum of three (3) reviews per project.

Issued 41 Approvals to Construct for private development projects.

Issued 43 Approvals to Operate for private development projects.

Responded to over 3,300 phone calls from customers, developers and City staff requesting information of water and sewer infrastructure and what the requirements are to obtain city services.

Assisted the Street Division with utility infrastructure installation during the construction of six (6) street projects and the design of ten (10) streets that are planned for reconstruction in FY2006.

Sewer Utilities Administration Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 126,883 | \$ 170,509 | \$ 198,748 |
| Supplies | 676 | 5,800 | 5,800 |
| Other Services & Charges | 202,064 | 234,590 | 315,232 |
| Capital Outlay/Projects | - | 11,000 | 440,000 |
| Total | \$ 329,623 | \$ 421,899 | \$ 959,780 |
| Capital Outlay/Projects | | | |
| Sewer Model | | | \$ 250,000 |
| Pretreatment Analysis | | | 80,000 |
| Rate Analysis | | | 50,000 |
| Maintenance Management | | | 60,000 |
| Total Capital Outlay/Projects | | | \$ 440,000 |

Sewer Fund

Sewer Utilities Administration Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 1.50 | 2.00 | 2.00 |
| Public Works Director** | 0.20 | 0.20 | 0.20 |
| Accounting Technician*** | 0.30 | 0.30 | 0.30 |
| City Utilities Engineer* | 0.50 | 0.50 | 0.50 |
| Utilities Manager* | 0.50 | 0.50 | 0.50 |
| Utilities Engineer (Civil)* | 0.00 | 0.50 | 0.50 |

*Also charged 50% in Water Fund.

**Also charged 20% Streets, 40% Engineering, and 20% Water.

***Also charged 30% Water Utilities, 30% Streets, 5% Engineering, and 5% Construction Services

Significant Expenditure Changes:

The increase observed in the Personnel category for this division is due to the rising costs of health insurance and retirement contributions. Other Services and Charges exhibited an increase for FY2006 over FY2005 revised estimates. This is because of cost recovery charges for this division to administration, auditing and accounting, liability insurance and facilities maintenance.

Additional information regarding the capital outlay/projects can be located in the Capital Improvement Program portion of the budget book.

SEWER DEPARTMENT - LEGAL

Division Mission:

Provide an account for the Legal Department to charge time spent on Sewer Fund activities.

Legal - Sewer Fund Expenditures Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------|----------------|------------------|----------------|
| Personnel | 245 | - | - |
| Other Service & Charges | 2,483 | 12,976 | 46,975 |
| Total | \$ 2,728 | \$ 12,976 | \$ 46,975 |

Significant Expenditure Changes:

Effective FY2006, the methodology for cost recovering legal services was altered. Legal Service charges are now based on the percentage of a department's budget in comparison to the total city budget. This accounts for the large increase in other services.

Sewer Fund

SEWER IMPROVEMENTS

Division Mission: To monitor the expenses associated with sewer projects not necessarily related to a specific division.

| Goal: To complete sewer department projects in a timely manner within budget. | | | |
|---|-------------|---------------|---------------|
| Strategy: Monitor budget and project performance for those projects not necessarily related to a division. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of sewer projects completed within authorized budget. | 100% | 100% | 100% |

Prior Year Results and Outcomes: Completed Whiskey Row Alley sewer rehabilitation in conjunction with the construction of the Parking Garage.

Sewer Fund Improvements Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---|-------------|---------------|---------------|
| Capital Outlay/Projects | 183,881 | 1,027,291 | 12,702,000 |
| Total | \$ 183,881 | \$ 1,027,291 | \$ 12,702,000 |
| Capital Outlay/Projects | | | |
| Prescott North Sewer Improvement District | | | \$ 4,700,000 |
| Iron Springs Road Sewer | | | 950,000 |
| Copper Basin Road Sewer | | | 900,000 |
| Mullen Way Sewer Improvement District | | | 900,000 |
| Willow Creek Sewer Rehab | | | 782,000 |
| Unpaved Streets - Sewer | | | 670,000 |
| Rosser Street | | | 630,000 |
| Alley Paving Project - Sewer | | | 600,000 |
| E Gurley (Arizona to Bradshaw) | | | 500,000 |
| Gail Gardner Way Sewer | | | 500,000 |
| North Prescott Regional Force Main | | | 500,000 |
| Ruth Street/Demerse Sewer | | | 400,000 |
| Downer Trail | | | 350,000 |
| 1% Streets - Sewer | | | 150,000 |
| 69/89 Sewer Extension | | | 100,000 |
| Williamson Valley Road | | | 70,000 |
| Total Capital Outlay/Projects | | | \$ 12,702,000 |

Significant Expenditure Changes: As noted in the Sewer Fund Improvements Expenditure Summary, there are 16 large-scale projects. The most costly are the replacement of the Prescott

Sewer Fund

North Sewer Improvement District (\$4,700,000) and the sewer work associated with the Iron Springs Road project (\$950,000).

Information regarding all sewer improvement projects listed above can be found in the Capital Improvement Program section of the budget book.

WASTEWATER TREATMENT PLANTS

Division Mission: The City of Prescott Wastewater Division mission is to produce treated wastewater effluent meeting State standards efficiently and effectively.

| Goal: To treat all wastewater to ADEQ standards and maintain full compliance for the Sundog and Airport wastewater treatment plants. | | | |
|---|-------------|---------------|---------------|
| Strategy: To effectively apply wastewater process knowledge in plant treatment operation. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Sundog WWTP effluent for reuse/recharge | 3,060 ac ft | 3,100 ac ft | 3,200 ac ft |
| Airport WWTP effluent for reuse/recharge | 835 ac ft | 850 ac ft | 875 ac ft |
| Sundog WWTP sludge treated and disposed of | 4,000 tons | 4,100 tons | 4,200 tons |
| Airport WWTP sludge treated and disposed of | 2,200 tons | 2,300 tons | 2,400 tons |

Prior Year Results and Outcomes: Produced 3,984.0 ac-ft of effluent water for reuse and recharge.

Treated an average of 3.5 million gallons per day (23,920 ac-ft) of wastewater at the Sundog and Airport Wastewater Treatment Plants.

Received safety award from the Arizona Water Pollution Control Association for 3 consecutive years.

The Sundog Wastewater Treatment Plant has been nominated for plant of the year by the Arizona Water Pollution Control Association.

Sewer Fund

Wastewater Treatment Plant Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------------------|----------------|------------------|----------------|
| Personnel | \$ 608,512 | \$ 668,496 | \$ 710,101 |
| Supplies | 103,868 | 105,214 | 101,180 |
| Other Services & Charges | 781,280 | 805,594 | 857,306 |
| Capital Outlay/Projects | 190,865 | 185,407 | 983,200 |
| Total | \$ 1,684,525 | \$ 1,764,711 | \$ 2,651,787 |
| Capital Outlay/Projects | | | |
| Airport WWTP Centrafuge and Building | | | \$ 510,000 |
| Digester Cleaning | | | 250,000 |
| WWTP SCADA System | | | 95,000 |
| Recharge Cell Rehab | | | 90,000 |
| WWTP Meters | | | 23,200 |
| Sundog WWTP Security Gate | | | 15,000 |
| Total Capital Outlay/Projects | | | \$ 983,200 |

Wastewater Treatment Plant Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 12.00 | 12.00 | 12.00 |
| WWTP Superintendent | 1.00 | 1.00 | 1.00 |
| WWTP Supervisor | 1.00 | 1.00 | 1.00 |
| WWTP Operator | 8.00 | 8.00 | 8.00 |
| Wastewater Lab Tech | 1.00 | 1.00 | 1.00 |
| WWTP Maint. Spec. | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

Increases in Personnel costs are directly associated with the increase in health care costs and retirement contributions along with the annual salary adjustment.

Capital projects are listed in the foregoing box. More information regarding these projects can be found in the Capital Improvement Program section of this book.

SEWER COLLECTION

Division Mission:

This division will maintain and operate all municipal sewers; respond to calls involving clogged, plugged or broken sewer mains on a 24 hr-basis; replace lines washed out by flooding; maintain and repair sewer lift stations; clean

Sewer Fund

mainlines for preventive maintenance purposes; and provide 24-hour response time to blue-stake locating services for other utilities.

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Maintain sewer mains free of system back-ups and overflows. | | | |
| Strategy: Clean a minimum of 300 miles of sewer mains per year. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of sewer mains cleaned per year. | 76% | 80% | 85% |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Operate and maintain lift stations to prevent mechanical failures. | | | |
| Strategy: Clean sewer lift stations on a quarterly basis. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of sewer lift stations cleaned on a quarterly basis. | 100% | 100% | 100% |

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Provide emergency response for sewer back-ups to minimize overflows and property damage. | | | |
| Strategy: Respond to emergencies within 30 minutes during working hours and 45 minutes after hours. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of emergencies responded to in 30 minutes during working hours and 45 minutes after hours. | 95% | 95% | 95% |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Provide superior customer service for all requests and daily operations. | | | |
| Strategy: Customer service requests receive next day service. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Percentage of customer service requests receiving next day service. | 70% | 75% | 80% |

| | | | |
|---|--------------------|----------------------|----------------------|
| Goal: Realize a sewer model and a maintenance management system as the basis for system enhancements and operational improvements. | | | |
| Strategy: Assist with the development of the sewer model and maintenance management system. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Support technical contractors for the Sewer Model and Maintenance Management System Projects | N/A | 100% | 100% |

Prior Year Results and Outcomes: Completed construction and moved Wastewater Collection Operations to the new facility on Sundog Ranch Road.

Sewer Fund

Responded to approximately 600 customer service calls, an increase of 80 calls from the previous year.

Inspected and cleaned over 708,000 lineal feet of sewer main lines to identify problem areas requiring repairs and maintenance.

Conducted approximately 7,540 Blue Stake locates.

Installed 59 sewer service taps for new construction.

Conducted 30 dye tests to determine sewer service connections for customers.

Completed installation of emergency power backup at Timber Ridge #1 lift station.

Sewer Collection Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------------|----------------|------------------|----------------|
| Personnel | \$ 613,885 | \$ 686,229 | \$ 791,892 |
| Supplies | 51,025 | 170,052 | 171,483 |
| Other Services & Charges | 288,764 | 445,430 | 340,480 |
| Capital Outlay/Projects | 979,325 | 995,001 | 1,670,000 |
| Total | \$ 1,932,999 | \$ 2,296,712 | \$ 2,973,855 |
| Capital Outlay/Projects | | | |
| Antelope Hills Improvement District | | | \$ 815,000 |
| Sewer Mainline Replacement/Rehab | | | 550,000 |
| Chemical Root Control | | | 130,000 |
| Lift Station Rehab Program | | | 100,000 |
| Manhole Rehab Program | | | 50,000 |
| Forklift | | | 25,000 |
| Total Capital Outlay/Projects | | | \$ 1,670,000 |

Sewer Collection Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 12.50 | 13.50 | 14.50 |
| Wastewater Coll. Supt. | 1.00 | 1.00 | 1.00 |
| Wastewater Coll. Supv. | 0.00 | 0.00 | 1.00 |
| Senior Utility Worker | 5.00 | 5.00 | 5.00 |
| Utility Worker | 5.00 | 6.00 | 6.00 |
| Secretary* | 0.50 | 0.50 | 0.50 |
| Maintenance Specialist | 0.00 | 1.00 | 1.00 |
| Electrician | 1.00 | 0.00 | 0.00 |

*Also charged 50% to Water Distribution.

Sewer Fund

Significant Expenditure Changes: Personnel services increased by 15% due to the addition of the Wastewater Collection Supervisor position, the annual salary adjustment and the citywide increase in employee health insurance costs and retirement contributions. Staffing level reflects this new position, taking the total authorized personnel from 13.5 to 14.5.

The 24% decrease in Other Services and Charges can be mainly attributed to the line item for vehicle replacement charges. The vehicle replacement line item is not considered capital as it is not intended for the addition of new fleet vehicles or equipment. This category will fluctuate in the coming years as this program is defined.

Detail for the capital outlay and projects can be located at the end of the FY2006 budget book in the Capital Improvement Program area.

EFFLUENT DELIVERY

Division Mission: Our mission is to distribute and account for effluent produced, as well as the surface water from Watson and Willow Lakes delivered and recharged, and to reduce groundwater withdrawn. This division is responsible for the operation and maintenance of the Watson and Willow Dams, effluent and surface water diversions, for the purpose of regulating and monitoring of flows to downstream users.

| Goal: To provide effluent water meeting State standards for re-use and recharge. | | | |
|---|---------------|---------------|---------------|
| Strategy: Monitor the production of effluent and distribute according to contractual agreements. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Deliver effluent water to meet contractual demands (2,240 ac-ft) | 1,562.7 ac ft | 1,601.8 ac ft | 1,641.8 ac ft |
| Maximize effluent recharge | 2,375.7 ac ft | 2,435.1 ac ft | 2,496 ac ft |

| Goal: To provide surface water for recharge. | | | |
|--|-------------|---------------|---------------|
| Strategy: Recharge 1500 acre-feet of surface water - weather dependent. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Amount of surface water recharged - weather dependent | 902.8 ac ft | 1,500 ac ft | 1,500 ac ft |

| | | | |
|--|--|--|--|
| Goal: Divert surface water to downstream users as needed. | | | |
| Strategy: Monitor lake levels and communicate with downstream users to provide and adjust flows to meet their requirements and maintain limits. | | | |

Sewer Fund

| | | | |
|--|--------------------|----------------------|----------------------|
| Goal: Divert surface water to downstream users as needed. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Deliver the required downstream surface water diversion rights as needed in a timely manner. | 100% | 100% | 100% |

| | | | |
|--|--------------------|----------------------|--------------------|
| Goal: To promote use of treated effluent water in irrigation and construction. | | | |
| Strategy: Closely monitor effluent recharge and reuse to ensure most efficient use. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |
| Effluent use monitored (acre-feet - calendar year) | 3,938.4 ac ft | 4,227 ac ft | 4,288 ac ft |

Prior Year Results and Outcomes: Delivered 2,377.4 acre-feet of effluent water to the recharge facility.

Recovered 46.7 acre-feet of effluent credits to supplement effluent delivered to golf courses and for construction water.

Delivered 1,606 acre-feet of effluent water to the following golf courses and for construction:

- Antelope Hills Golf Course - 809 acre-feet
- Prescott Lakes - 476 acre-feet
- Hassayampa Golf Course - 189 acre-feet
- Construction Use - 132 acre-feet

Effluent Delivery Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|------------------------------------|--------------------|----------------------|--------------------|
| Personnel | \$ 53,431 | \$ 52,203 | \$ 55,613 |
| Supplies | 2,336 | 3,719 | 2,800 |
| Other Services & Charges | 44,410 | 45,479 | 45,235 |
| Capital Outlay/Projects | - | 7,195 | 55,000 |
| Total | \$ 100,177 | \$ 108,596 | \$ 158,648 |
| Capital Outlay/Projects | | | |
| 18" Effluent Line Meter Relocation | | | 55,000 |
| Total Capital Outlay/Projects | | | \$ 55,000 |

Effluent Delivery Staffing Level Summary

| | FY03 Actual | FY04 Estimate | FY05 Budget |
|---------------------------|--------------------|----------------------|--------------------|
| Authorized Staffing Level | 1.00 | 1.00 | 1.00 |
| Water Operator | 1.00 | 1.00 | 1.00 |

Sewer Fund

Significant Expenditure Changes: There are no significant expenditure changes in this division.

INSURANCE/RETIREMENTS

Division Mission: Provide an account to pay for costs of retirement bonuses paid retirees.

Insurance/Retirements Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------|----------------|------------------|----------------|
| Personnel | 8,697 | 8,697 | 56,551 |
| Total | \$ 8,697 | \$ 8,697 | \$ 56,551 |

Significant Expenditure Changes: There is one anticipated retirement during FY2006.

SEWER FUND DEBT SERVICE

Division Mission: This division provides an account in which to charge the sewer fund debt service expense.

Sewer Fund Debt Service Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------|----------------|------------------|----------------|
| Other Services | \$ - | \$ 8,191 | \$ - |
| Debt Service | 1,084,069 | 1,793,115 | 1,193,665 |
| Total Debt Service | \$ 1,084,069 | \$ 1,801,306 | \$ 1,193,665 |

Significant Expenditure Changes: Debt service for FY2006 is 33% under FY2005 estimated endings due to bond refundings that occurred during FY2005.

Solid Waste Fund

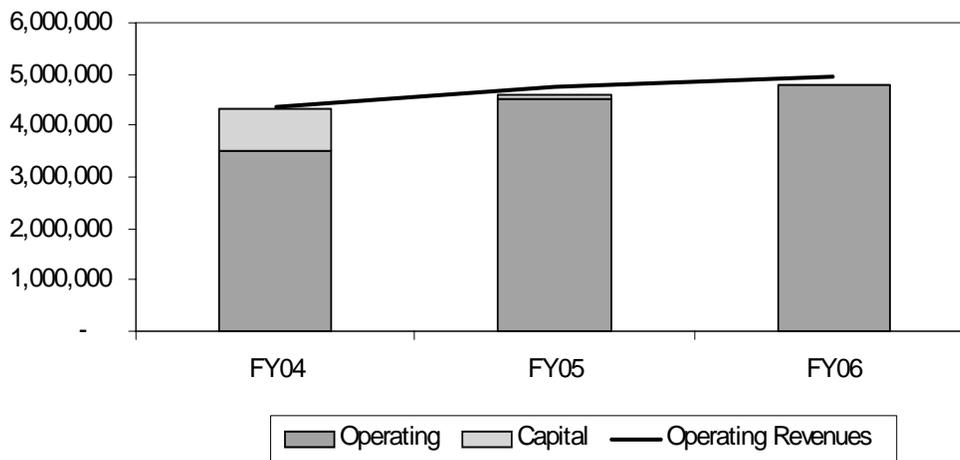
The purpose of the Solid Waste Fund is to account for the financial activities of providing refuse collection and disposal, recycling and related services to the citizens of Prescott.

The City is responsible for providing sanitation collection services to its residents according to Arizona State law. Pickup is provided weekly for residential customers and pickup for commercial customers ranges from once per week to six times per week depending on the individual commercial customer's needs.

During FY92 the Landfill was closed to residential and commercial customers with the exception of continuing to accept construction debris from city accounts and private contractors. In actuality, very few private construction firms are using the landfill because the construction debris has to be separated. The partial closing was necessary because the landfill had almost reached capacity. The collected sanitation is now taken to the City's Transfer Station and then hauled by a contracted firm to a private disposal site. Sludge is hauled to private disposal sites.

Voluntary curbside recycling began in 1992, following a very successful pilot program. Recyclables are collected on a weekly basis with the City providing the containers to the customers. In June 1996, the City added plastics to items collected for recycling purposes. During FY99, the City mailed a survey along with the utility bills asking the public their opinions on expanding the residential recycling program. As a result of the favorable responses, Council approved expanding and automating the program to enable collection and transportation of commingled recyclable materials. The new program commenced in spring of FY2000.

Solid Waste Fund - Revenues vs Expenditures



Current revenues are estimated at \$4,945,063 including \$146,080 from the landfill closure surcharge. This amount is reserved for future year landfill closure costs. At the end of FY06 the Solid Waste Fund is expected to have a positive cash balance of \$1,910,940.

Solid Waste Fund activity for the past two years and current year is as follows:

Solid Waste Fund

Solid Waste Fund Historical Activity

| | FY03 Actual | FY04 Estimate | FY05 Budget |
|----------------------------------|----------------|------------------|----------------|
| Unrestricted Beginning Cash, 7/1 | \$ 1,557,532 | \$ 1,582,191 | \$ 1,582,834 |
| Restricted Beginning Cash, 7/1 | \$ (11,575) | \$ 17,388 | \$ 159,213 |
| Revenues | \$ 4,359,370 | \$ 4,735,517 | \$ 4,945,063 |
| Expenditures | \$ (4,305,748) | \$ (4,593,049) | \$ (4,776,170) |
| Unrestricted Ending Cash, 6/30 | \$ 1,582,191 | \$ 1,582,834 | \$ 1,691,739 |
| Restricted Ending Cash, 6/30 | \$ 17,388 | \$ 159,213 | \$ 219,201 |

Note 1: Ending restricted balances are for future landfill closure costs.

Solid Waste Fund

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|----------------------------|---------------------|---------------------|---------------------|
| Refuse Collection Charges | \$ 4,106,387 | \$ 4,430,352 | \$ 4,635,583 |
| Landfill Closure Surcharge | 135,315 | 141,825 | 146,080 |
| Interest Earned | 15,280 | 49,940 | 50,000 |
| Recycling Revenue | 50,844 | 58,400 | 58,400 |
| Tipping Fees | 51,544 | 55,000 | 55,000 |
| Total Revenue | \$ 4,359,370 | \$ 4,735,517 | \$ 4,945,063 |

Explanation of Revenue Sources:

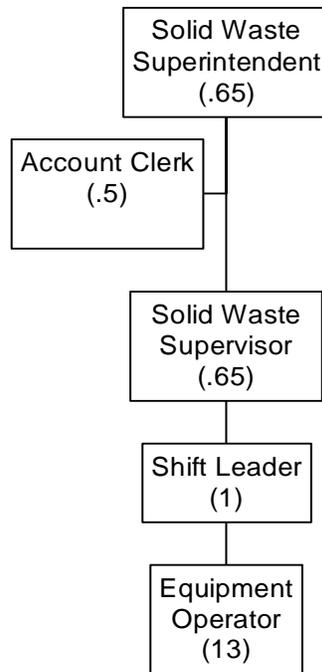
Refuse Collection Charges: FY06 collection charges are expected to yield \$4,635,583 which represents a 4.6% growth over FY05 revised estimates. Residential rates are \$12.50 per month structured as follows: \$9.00 to pay for the collection and disposal of solid waste; \$3.00 for the voluntary recycling program; and \$.50 for a landfill closure surcharge.

The **landfill closure surcharge** became effective September 1, 1993 and is designed to help defray the long term costs of closing the City's existing landfill. The landfill closure plan has been approved by the State. The State granted the City a small landfill exemption which avoids full closure requirements. After the landfill has been closed, this fee will be reevaluated.

Tipping fees: When City departments use the landfill to dispose of inert debris, these departments are billed for their usage. With the closure of the MSW (municipal solid waste) landfill in FY99, the City opened a new site for inert debris disposal.

Recycling Revenue: Revenues received from the sale of recyclables obtained from residents and commercial vendors. FY2006 are estimated to remain at the same levels as FY2005.

Solid Waste Fund



Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 717,968 | \$ 807,553 | \$ 843,993 |
| Supplies | 2,100,961 | 2,455,701 | 2,751,200 |
| Other Services & Charges | 678,084 | 1,247,102 | 1,180,977 |
| Capital Outlay/Projects | 808,735 | 82,693 | - |
| Total | \$ 4,305,748 | \$ 4,593,049 | \$ 4,776,170 |
| | | | |
| Authorized Staffing Level | 14.71 | 16.23 | 15.80 |
| | | | |
| Sanitation | 10.86 | 12.53 | 15.80 |
| Landfill | 0.25 | 0.10 | 0.00 |
| Recycling | 3.60 | 3.60 | 0.00 |

Solid Waste Fund

SANITATION

Division Mission: To provide comprehensive solid waste management programs which incorporate modern technologies in order to maximize the protection of the environment and efficiently utilize the disposal system.

| Goal: To collect an average of 125 carts per man hour per fiscal year. | | | |
|---|-------------|---------------|---------------|
| Strategy: Provide weekly collections of all residential accounts within the City limits. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of carts collected per man hour | 140 | 134 | 135 |

| Goal: Provide for effective and efficient collection of all residential, recycle and commercial accounts with minimum number of incidents, such as personal property damage, accidents, etc. | | | |
|---|-------------|---------------|---------------|
| Strategy: Provide for continued training for operators and provide incentives for "accident free" drivers. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Total number of pickups (commercial & residential) | NA | 1,500,000 | 1,850,000 |
| Total number of incidents | N/A | 20 | 15 |

| Goal: Increase the number of commercial accounts utilizing the recycle program by 5% during the fiscal year. | | | |
|---|-------------|---------------|---------------|
| Strategy: Contact high volume commercial users and demonstrate the cost savings that can be associated with the diversion of recyclable out of their commercial waste. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of commercial accounts | N/A | 32 | 50 |

| Goal: Provide effective and efficient weekly curbside collection of recyclables from all participating customers within the City of Prescott to reduce the volume of material sent to Greywolf Landfill. | | | |
|---|-------------|---------------|---------------|
| Strategy: Encourage participation in recycling by providing excellent customer service. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of tons diverted | 2,500 | 2,629 | 3,000 |

Prior Year Results and Outcomes: Using existing staff successfully completed the spring and fall cleanups, Christmas tree pick up, free brush disposal weekends, and assisted the Fire Department with their fire-wise programs.

Solid Waste Fund

Sanitation Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 539,646 | \$ 620,802 | \$ 843,993 |
| Supplies | 2,061,656 | 2,417,901 | 2,751,200 |
| Other Services & Charges | 464,972 | 654,991 | 1,050,459 |
| Capital Outlay/Projects | 683,533 | 14,475 | - |
| Total | \$ 3,749,807 | \$ 3,708,169 | \$ 4,645,652 |

Sanitation Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 10.86 | 12.53 | 15.80 |
| Solid Waste Super.* | 0.35 | 0.35 | 0.65 |
| Solid Waste Supv.* | 0.35 | 0.35 | 0.65 |
| Shift Leader | 0.00 | 1.00 | 1.00 |
| Sanitation Equip. Oper. | 9.00 | 10.00 | 13.00 |
| Secretary** | 0.50 | 0.50 | 0.50 |
| Water Resource Coord. | 0.33 | 0.33 | 0.00 |
| Administrative Asst. | 0.33 | 0.00 | 0.00 |

*Also charged 35% Transfer Station

**Also charged 50% Transfer Station.

Significant Expenditure Changes:

Comparisons of this division is somewhat skewed due to the combining of the Sanitation and Recycling Divisions during FY2005. For this reason, all of the categories appear to increase considerably when, in fact, none of the categories show significant expenditure changes.

LANDFILL

Division Mission:

To operate an affordable and accessible alternative to existing disposal methods for inert debris materials in conformance with ADEQ and EPA regulations.

| | | | |
|---|------------------------|--------------------------|------------------------|
| Goal: Provide for an accessible site for Prescott businesses and residential customers for the disposal of inert debris materials to reduce the volume of materials sent to Greywolf Landfill. | | | |
| Strategy: Analyze each load of debris into the Transfer Station and divert the maximum amount of inert material. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Budget |

Solid Waste Fund

| | | | |
|---|--|--|--|
| Goal: Provide for an accessible site for Prescott businesses and residential customers for the disposal of inert debris materials to reduce the volume of materials sent to Greywolf Landfill. | | | |
|---|--|--|--|

| | | | |
|-------------------------|-------|-------|-------|
| Number of tons diverted | 3,973 | 5,170 | 5,200 |
|-------------------------|-------|-------|-------|

Prior Year Results and Outcomes: Continued operation of an inert debris site, diverting approximately 5,170 tons of material out of the local landfill.

**Landfill
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 2,149 | \$ 923 | \$ - |
| Supplies | 2,310 | - | - |
| Other Services & Charges | 5,902 | 3,180 | 130,518 |
| Capital Outlay/Projects | 106,352 | - | - |
| Total | \$ 116,713 | \$ 4,103 | \$ 130,518 |

**Landfill
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--|----------------|------------------|----------------|
| Authorized Staffing Level | 0.25 | 0.10 | 0.00 |
| Equipment Operator transferred from Transfer Station as needed | 0.25 | 0.10 | 0.00 |

Significant Expenditure Changes: Other Services and Charges experienced an increase mainly attributed to the budgeting of contingency funds should the landfill require maintenance or post-closure work during the fiscal year.

RECYCLING

Division Mission: To operate an efficient, customer friendly curbside and drop-off residential recycling program that maximizes waste diversion from landfill operations.

Prior Year Results and Outcomes: Operated and maintained sites for the collection of over 1,900 white goods and 5,500 gallons of used oil annually.

Collected and diverted over 2,100 tons of recyclable material from transfer station disposal, saving more than \$123,500 in related fees.

Instituted a recycling program for our commercial customers.

Solid Waste Fund

Recycling Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 176,173 | \$ 185,828 | \$ - |
| Supplies | 36,995 | 37,800 | - |
| Other Services & Charges | 207,210 | 588,931 | - |
| Capital Outlay/Projects | 18,850 | 68,218 | - |
| Total | \$ 439,228 | \$ 880,777 | \$ - |

Recycling Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 3.60 | 3.60 | 0.00 |
| Solid Waste Supt.* | 0.30 | 0.30 | 0.00 |
| Solid Waste Supv.* | 0.30 | 0.30 | 0.00 |
| Sanitation Equip. Oper. | 3.00 | 3.00 | 0.00 |

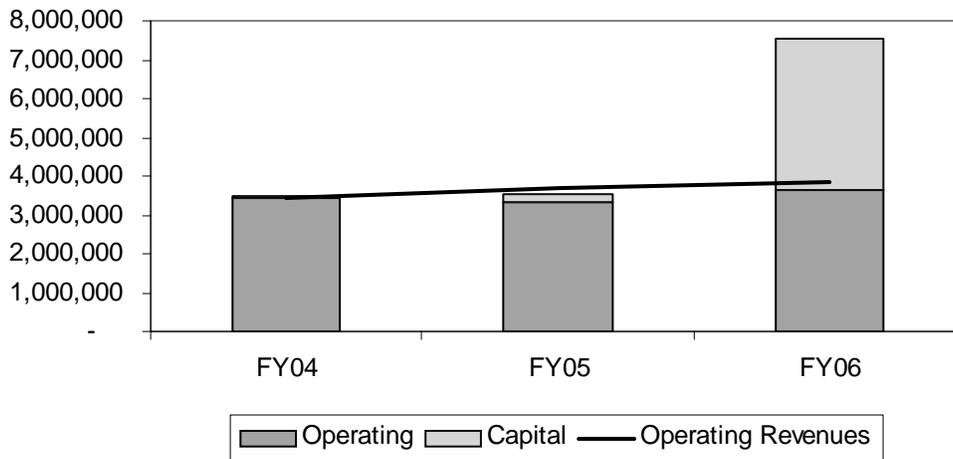
Significant Expenditure Changes: Beginning FY2006, the Recycling Division has been consolidated with the Sanitation Division.

Transfer Station

During FY92 a transfer station was constructed in partnership with Yavapai County. All vehicles, including the City's sanitation trucks, are weighed at the station and are charged accordingly. This fund accounts for the payments of tipping fees and hauling costs to private companies for the transporting and disposal of solid waste and collects tipping fees from individuals, contractors and private collection companies opting to use the transfer station.

The City and County are partners in the transfer station operations. The City is ultimately responsible for 65.0% of any losses or gains with the County responsible for the remaining 35.0%.

Transfer Station Fund - Revenues vs Expenditures



FY06 funding sources are projected at \$7,720,500 with current year expenditures projected at \$7,563,262. This fund is expected to carry a positive balance at the end of FY06 in the approximate amount of \$331,341.

Transfer Station and Regional Landfill activity for the past two years and FY2006 is as follows:

| Transfer Station and Regional Landfill Fund Historical Activity | | | |
|--|------------------------|--------------------------|------------------------|
| | FY04 Actual | FY05 Estimate | FY06 Budget |
| Beginning Cash Balance, 7/1 | \$ 24,226 | \$ (11,385) | \$ 174,083 |
| Revenues/Other Funding | \$ 3,431,966 | \$ 3,708,483 | \$ 7,720,520 |
| Expenditures | \$ (3,467,577) | \$ (3,523,015) | \$ (7,563,262) |
| Ending Cash Balance, 6/30 | \$ (11,385) | \$ 174,083 | \$ 331,341 |

Explanation of Revenue Sources:

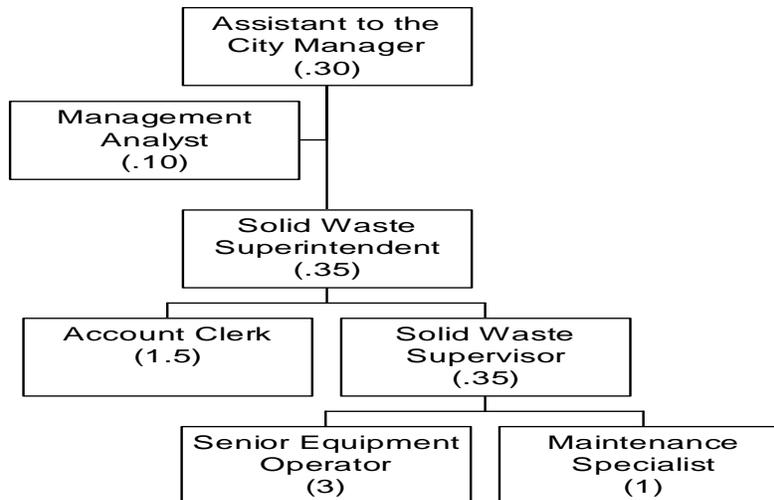
Tipping Fees: Effective 1/01/2005 the tipping fee rate went from \$55.00 per ton to \$57.25 per ton for vehicles under 10,000 gross base weight and \$62.98 for vehicles over 10,000 gross vehicle weight. It is mainly commercial vehicles that exceed the 10,000 gross vehicle weight.

Transfer Station

Miscellaneous Fees: This category includes the annual charge for charge accounts and the monies received from Yavapai County for the storage of tires on the Transfer Station property.

Transfer Station/Regional Landfill Revenues

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|-----------------------|--------------|----------------|--------------|
| Transfer Station Fees | \$ 3,425,756 | \$ 3,700,000 | \$ 3,811,000 |
| Miscellaneous | 6,210 | 8,483 | 9,520 |
| Total Revenue | \$ 3,431,966 | \$ 3,708,483 | \$ 3,820,520 |



TRANSFER STATION/REGIONAL LANDFILL

Division Mission: To provide appealing and well maintained facilities and equipment in order to provide waste disposal services promptly and efficiently to our citizens and to enhance the professionalism of the City of Prescott within the County.

| Goal: To operate and maintain the transfer station at its current level of service, specifically while the expansion is being constructed. | | | |
|---|-------------|---------------|---------------|
| Strategy: Use existing transfer station to handle the approximate 210 tons per day without interruption. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of tons per day/annual | 232/72,000 | 248/77,000 | 260/80,000 |

Transfer Station

| Goal: Provide a convenient permanent household hazardous waste (HHW) product disposal site at the Transfer Station for area residents to reduce pollution of area landfills, streams and waterways. | | | |
|--|----------------|------------------|--|
| Strategy: Pursue ADEQ funding for certified storage units at the existing transfer station as part of the transfer station expansion project. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Purchase certified storage units | N/A | N/A | Units purchased and operational |
| Train operators to process HHW | N/A | N/A | Have 40 hour training complete |
| Contract with vendors for household hazardous waste disposal | N/A | N/A | Link up with State contracts for vendors |

Prior Year Results and Outcomes: Successfully managed an increase in annual customer visits from 74,000 to 80,000 and an increase in tonnage from 67,000 to 77,000.

Completed the Master Plan for the Transfer Station expansion and entered into the design phase

Transfer Station Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Personnel | \$ 323,773 | \$ 323,088 | \$ 422,840 |
| Supplies | 23,235 | 48,735 | 40,000 |
| Other Services & Charges | 3,093,639 | 2,951,192 | 3,037,247 |
| Capital Outlay/Projects | 26,930 | 200,000 | 3,900,000 |
| Debt Service | - | - | 163,175 |
| Total | \$ 3,467,577 | \$ 3,523,015 | \$ 7,563,262 |
| Capital Outlay/Projects | | | |
| Transfer Station Expansion | | | 3,900,000 |
| Total Capital Outlay/Projects | | | \$ 3,900,000 |

Transfer Station

Transfer Station Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 6.20 | 6.20 | 6.60 |
| Assistant to the City Mgr | 0.00 | 0.00 | 0.30 |
| Management Analyst**** | 0.00 | 0.00 | 0.10 |
| Solid Waste Supervisor* | 0.35 | 0.35 | 0.35 |
| Solid Waste Superint.* | 0.35 | 0.35 | 0.35 |
| Senior Equipment Oper. | 3.00 | 3.00 | 3.00 |
| Sanitation Equip. Oper. | 1.00 | 1.00 | 1.00 |
| Accounting Clerk** | 1.00 | 1.00 | 1.50 |
| Secretary | 0.50 | 0.50 | 0.00 |

*Remainder of Superintendent's and Supervisor's position is charged to Sanitation.

**50% of one Accounting Clerk is charged to Sanitation.

***Assistant to the City Manager is charged to City Manager's Office.

****Remainder of Management Analyst is charged to City Manager's Office (30%), Alternate Water Sources (50%) and Engineering (10%).

Significant Expenditure Changes:

Personnel costs are projected to increase 30.9% over FY05 estimated ending. These costs are associated with the rising cost of health care coverage and retirement contributions. Also affecting this category is the inclusion of 30% of the Assistant to the City Manager's and 10% of the Management Analyst's salary during FY06.

There was only one request in capital outlay/projects for FY06 of \$3,900,000, which is for the construction of the new transfer station. The current facility is handling more customers, waste and recycle than it was designed to accommodate.

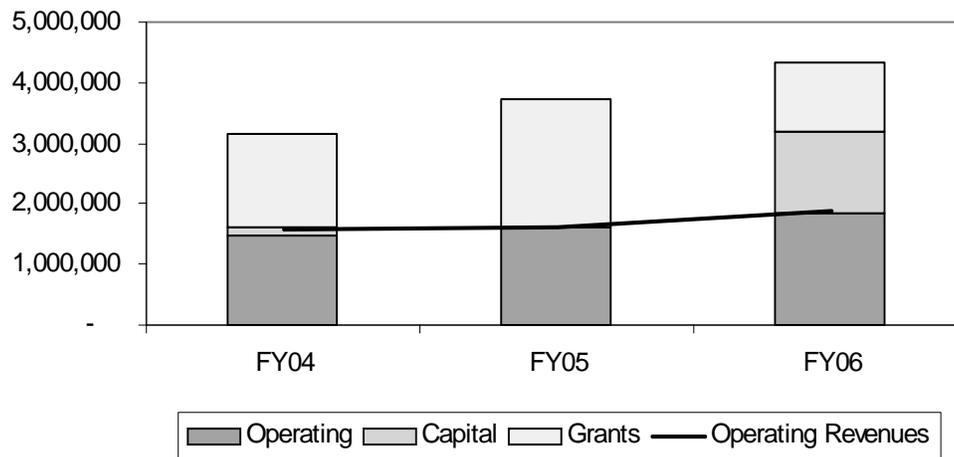
Airport Fund

The Airport fund accounts for the financial activities at Ernest A. Love Field, Prescott's municipal airport. In addition to the sale of 100 octane gas and jet fuel, the terminal houses a waiting area, a restaurant, rent-a-car agencies and Great Lakes airlines.

T-hangar and tie down rentals are available to accommodate approximately 260 planes based at Love Field. Other facilities at the airport include charter flight schools, aircraft maintenance operations, and a U.S. Forest Service firefighting operations base.

Embry-Riddle Aeronautical University, the world's only accredited 100% aviation-oriented university, has established flight operations at Love Field.

Airport Fund - Revenues vs Expenditures



The total Airport budget, including grant and airport operations capital projects, is \$4,327,160. Revenues are estimated to be sufficient to cover operational expenditures.

Airport Fund revenues and expenditures for FY04, FY05 and projected for FY06 are as follows:

| Airport Fund Historical Activity | | | | |
|---|------------------------|--------------------------|------------------------|--|
| | FY04 Actual | FY05 Estimate | FY06 Budget | |
| Beginning Cash Balance, 7/1 | \$ 56,583 | \$ 15,431 | \$ (13,307) | |
| Revenues | \$ 3,114,466 | \$ 3,692,581 | \$ 4,384,205 | |
| Expenditures | \$ (3,155,618) | \$ (3,721,319) | \$ (4,327,160) | |
| Ending Cash Balance, 6/30 | \$ 15,431 | \$ (13,307) | \$ 43,738 | |

Airport Fund

Airport Fund Revenues

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|-----------------------------|----------------|-------------------|----------------|
| 100 Octane Gas | \$ 1,635,575 | \$ 1,588,726 | \$ 1,503,176 |
| Jet Fuel | 728,904 | 1,104,030 | 1,034,092 |
| Less: Cost of fuel sales | (1,659,550) | (2,008,437) | (1,766,702) |
| Oil Sales | 10,923 | 5,034 | 8,000 |
| Tie Down Fees | 36,517 | 30,407 | 33,144 |
| Hangar Rentals | 551,352 | 564,168 | 736,601 |
| Rentals/Concessions | 259,940 | 307,008 | 327,000 |
| Airport Security | 15,369 | - | - |
| Landing Fees | 10,205 | 8,281 | 10,000 |
| Interest Earnings | (16,943) | 39 | - |
| Miscellaneous | 2,047 | (2,292) | 1,000 |
| Total Operating Revenues | \$ 1,574,339 | \$ 1,596,964 | \$ 1,886,311 |
| Add: Other Sources | | | |
| Lease/Purchase Proceeds | - | - | 1,350,000 |
| FAA & ADOT Grants | 1,401,266 | 1,793,519 | 1,097,447 |
| Transfer In/Grants Received | 138,861 | 302,098 | 50,447 |
| Total Other Sources | \$ 1,540,127 | \$ 2,095,617 | \$ 2,497,894 |
| Total Combined Sources | \$ 3,114,466 | \$ 3,692,581 | \$ 4,384,205 |

Explanation of Revenue Sources:

100 Octane and Jet Fuel Sales: Total net fuel revenues are expected to yield \$770,566. Jet Fuel sales can be very cyclical due to the major customer being the U.S. Forest Service and Forest Service sales depend upon the number of forest fires during the summer season. Thus, beginning in FY00 the City decided to reduce revenue projections to exclude summer fuel sales to the Forest Service, which may result in understated revenue projections while still providing a more reliable revenue source to base operating expenditures.

Tie Downs: Tie downs are projected to yield \$33,144 during FY05. There are tie downs available for rent.

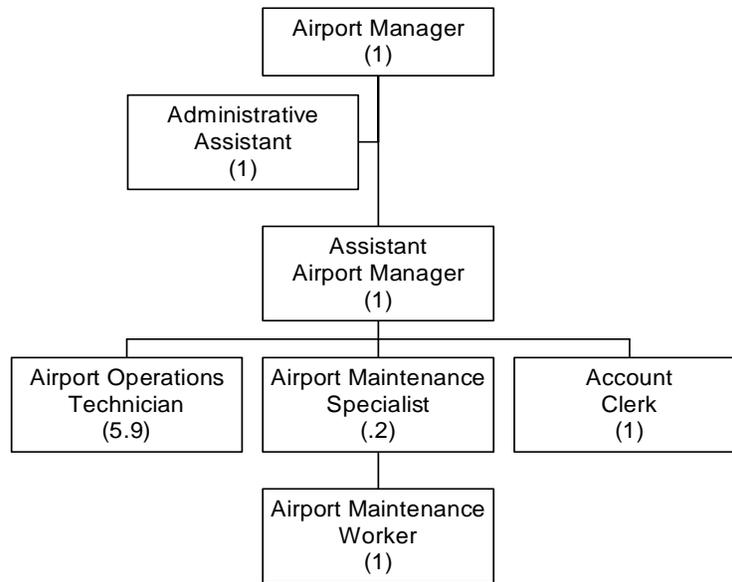
Hangar Rentals, Shades and Storage Unit Fees: Based upon fair market appraisals for vacant property as well as facilities at the airport, rates were adjusted for hangars, shades and storage units during FY97. Additionally, the rates were changed to be exclusive of tax rather than inclusive of tax.

Hangar Rental revenue is expected to increase in FY06 as a result of new shade hangar construction planned during FY06.

Airport Rentals: This revenue source is anticipated to produce \$327,000. The majority of the leases for the property under this category are tied to an annual adjustment based on the consumer price index.

Landing Fees: Landing fees in the amount of \$5 per landing are assessed to all airlines and cargo carriers. Monies received from this fee is used to help fund maintenance and repairs of the runways.

Airport Fund



AIRPORT - OPERATIONS AND CAPITAL

Division Mission: Prescott Municipal Airport, as a public facility, will meet the region's air transportation needs for corporate travel, scheduled airline service, governmental, military and general aviation. The airport will also provide citizens interested in aviation an opportunity for education, recreation and personal enrichment.

| Goal: Continue to train staff to meet the requirements of Federal Aviation Regulation Part 139, the Airport Certification Manual and airport operations and aviation security training programs. Compliance with the requirements of FAR Part 139 (airport certification) and Transportation Security Administration Part 1542 (airport security) is mandatory. | | | |
|--|-------------|---------------|---------------|
| Strategy: Update, and develop, as needed, the required airport training programs. Increase staff training budget to provide adequate resources to conduct the training programs or send staff to training programs that are outside the scope or capability of the airport to conduct in-house. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Inspection discrepancy | 0 | 0 | 0 |
| Training Hours | 200 | 300 | 400 |

| |
|--|
| Goal: Provide the level of services necessary to attract, promote and retain corporate and business aviation use of the airport. |
| Strategy: Continue to increase the level of training provided to staff to increase performance levels including customer service. |

Airport Fund

Goal: Provide the level of services necessary to attract, promote and retain corporate and business aviation use of the airport.

| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
|-----------------------------|--------------------|----------------------|----------------------|
| Gallons of Jet Fuel Sales | 403,035 | 467,000 | 525,000 |
| Failed Inspections | 0 | 0 | 0 |
| Hours of Training | 500 | 600 | 650 |

Prior Year Results and Outcomes:

The Airport Department completed several construction projects that have improved the safety and security of our airport facilities. The new electrical vault and other lighting improvements to runway 21R and the adjoining taxiways were completed. The airport security fence project is underway and will be completed by July. The new fencing and automatic gates will control access to non-public areas of the airport at a cost of \$720,000. A combination of federal and state grants fund 97% of the cost of the fencing improvements.

Replacement of the 56 year-old passenger terminal was identified as a high priority by the City Council in response to an anticipated increase in demand for airline service. A contract for the design of the new air terminal was approved in the fall and final plans, specifications and costs for the project was completed in June 2005. Construction will follow as soon as funding sources are identified. Airline passenger enplanements for the calendar year 2004 increased 37% to a total of 7,889 enplaned passengers or approximately 16,000 total passengers.

The Prescott Air Fair air show was held in October 2004. This annual event featured several aerobatic performances as well as static displays of unique aircraft and military jets. An estimated 15,000 persons attended the one day event.

The old golf course clubhouse was reconditioned into a banquet room and the older portion of the building was torn down. This public/private partnership effort resulted in an improved appearance for the facility as well as opening additional meeting and banquet space for public use. The building and adjoining land is under the control of the airport.

Airport Fund

Airport Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|------------------------|--------------------------|------------------------|
| Personnel | \$ 578,714 | \$ 612,647 | \$ 605,907 |
| Supplies | 53,988 | 51,312 | 52,350 |
| Other Services & Charges | 343,851 | 406,221 | 492,399 |
| Capital Outlay/Projects | 129,242 | 23,000 | 1,350,000 |
| Grant Projects | 1,540,138 | 2,095,617 | 1,147,894 |
| Debt Service | 509,685 | 532,522 | 678,610 |
| Total | \$ 3,155,618 | \$ 3,721,319 | \$ 4,327,160 |
| Capital Outlay/Projects | | | |
| Shade Hangars | | | 1,350,000 |
| Total Capital Outlay/Projects | | | \$ 1,350,000 |
| Airport Grants | | | |
| AIP24 Taxi D&F Lighting | | | \$ 857,894 |
| Pavement Preservation | | | 290,000 |
| Total Airport Grants | | | \$ 1,147,894 |

Airport Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|----------------------------|------------------------|--------------------------|------------------------|
| Authorized Staffing Level | 12.75 | 12.80 | 11.10 |
| Airport Manager | 1.00 | 1.00 | 1.00 |
| Asst. Airport Manager | 1.00 | 1.00 | 1.00 |
| Airport Operations Tech. | 4.00 | 4.00 | 4.00 |
| Airport Oper. Tech. (temp) | 2.75 | 2.80 | 1.90 |
| Maintenance Specialist | 1.00 | 1.00 | 0.20 |
| Administrative Assistant | 0.00 | 0.00 | 1.00 |
| Admin. Secretary | 1.00 | 1.00 | 0.00 |
| Accounting Clerk | 1.00 | 1.00 | 1.00 |
| Maintenance Worker | 1.00 | 1.00 | 1.00 |

Significant Expenditure Changes:

Personnel services experienced the same citywide increase as all other departments due to the rising costs associated with health care and Arizona State Retirement. This was offset by the decrease in temporary employees and the transfer of a portion of the maintenance specialist to the Facilities Maintenance Fund.

Other Services experienced an 21.2% increase that is tied to an increase in computer services, city administrative costs, along with auditing and accounting costs. The change in methodology for cost recovering legal services and the inclusion of the vehicle replacement fund cost recovery also accounts for the large increase.

Airport Fund

Debt service increased this year due to the inclusion of new debt that will potentially be issued for the construction of new shade hangars.

Please refer to the foregoing summary box for a complete listing of capital outlay/projects and grant projects. More information can be located in the Capital Improvement Plan section of the budget book.

Golf Course

The purpose of the Golf Course Fund is to account for the financial activities of Antelope Hills North and South Golf Courses.

Antelope Hills North Golf Course is a championship 18-hole course located on Highway 89 at the intersection of Highway 89 and Willow Creek Road. The PGA-sanctioned course, which surrounds the City of Prescott's municipal airport, is open to the public year-round. Antelope Hills South Golf Course was completed during FY92. This 18 hole, par 72 course was opened for play July 1, 1992. The scenic landscaped course has views of Mingus Mountain, Granite Dells, Granite Mountain and a 100 mile view of the San Francisco peaks, the highest point in Arizona. The South course is state of the art and includes a computerized irrigation system, multi-tees, bent grass greens and three lakes.

Seventy-seven home sites were developed surrounding the course and all sites have been sold.

The clubhouse on Perkins Drive was built in 1993 and contains a restaurant, bar and full-line golf shop. The restaurant is operated by a concessionaire and is open daily to serve the public. Golfers are able to start on either course from the clubhouse.

Sewer effluent from the City's wastewater treatment plant is used to irrigate the golf course turf on both courses. A well organized golf maintenance and development program is carried out including daily upkeep of golf course greens, fairways, tees and rough.

Many changes have been made over the last several years in the golf course operations. The objective to achieve financial self-sufficiency is being met. Other objectives include no further borrowing by the Golf Course Fund from the General Fund or other city funds (except for incidental cash flow purposes). In FY98, the Golf Course completed payment to the General Fund of the approximately \$2 million previously borrowed. Golf Course objectives are being accomplished by using conservative estimates of increases in play while still insuring Prescott and Yavapai County residents receive preferred golf rates.

In September 1997, Council approved a change to the rate structure which established the same rates for City and County residents while keeping a differential for outside Yavapai County residents.

The overall cash strategy of the golf course fund is to pay its operations, capital needs and debt obligations in the following order:

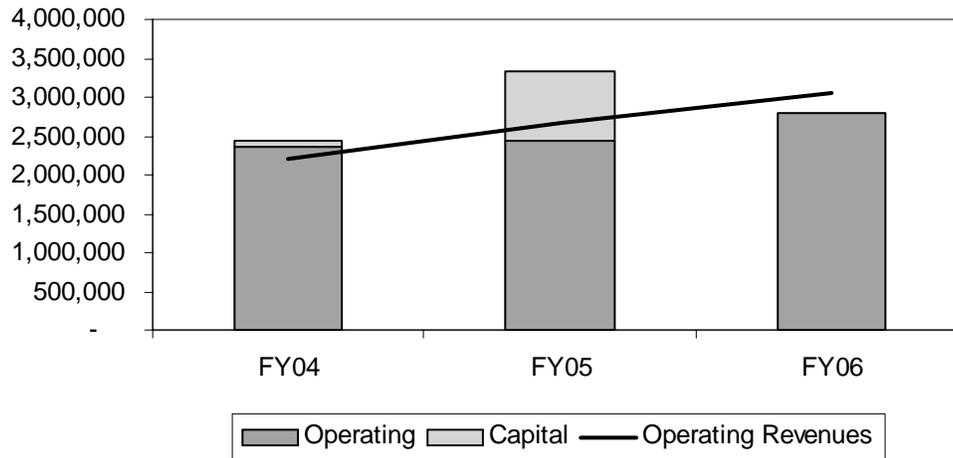
First, payment of operations of the golf course;

Second, payment of bonded debt principal and interest; and

Third, use of revenues exceeding expenses for capital improvement to the course.

Golf Course

Golf Course Fund - Revenues vs Expenditures



Golf Course revenues and expenditure activity for the past two years and current year is as follows:

| Golf Course Fund Historical Activity | | | |
|---|------------------------|--------------------------|------------------------|
| | FY04 Actual | FY05 Estimate | FY06 Budget |
| Beginning Cash Balance, 7/1 | \$ 2,936 | \$ (211,037) | \$ (245,471) |
| Revenues | \$ 2,215,323 | \$ 6,000,214 | \$ 3,057,634 |
| Expenditures | \$ (2,429,296) | \$ (6,034,648) | \$ (2,801,817) |
| Ending Cash Balance, 6/30 | \$ (211,037) | \$ (245,471) | \$ 10,346 |

Adopted Council financial policies require that any time an enterprise fund is in a deficit position, interest will be charged to that fund. Accordingly, interest will be charged to the Golf Course Fund as long as it is not operating in a full self-sufficient manner. Golf Course revenues are extremely reliant on weather.

At the end of each fiscal year, large debt service payments are made for the construction of the second course and the recently installed replacement irrigation system on the North course. The payments result in a negative cash balance for approximately two to three months into the next fiscal year at which time the golf course operates in a positive cash balance position until the following June.

Golf Course

Golf Course Fund Revenues

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|-------------------------|----------------|-------------------|----------------|
| Greens Fees | \$ 1,236,145 | \$ 1,391,456 | \$ 1,829,518 |
| Rentals | 587,972 | 630,931 | 787,152 |
| Inventory Sales | 338,370 | 351,388 | 386,527 |
| Concession/Restaurant | 48,703 | 48,228 | 54,437 |
| Sale of Assets | - | 255,000 | - |
| Lease/Purchase Proceeds | - | 3,322,771 | - |
| Miscellaneous | 2,847 | - | - |
| Interest Earnings | 1,286 | 440 | - |
| Total Revenues | \$ 2,215,323 | \$ 6,000,214 | \$ 3,057,634 |

Explanation of Revenue Sources:

Greens Fees: The Golf Course manager is projecting an increase in greens fees of 31% over the FY05 revised estimates. This projected increase is the result of a potential rate increase, restructuring of fees collected at the golf course, and an anticipated increase in rounds played.

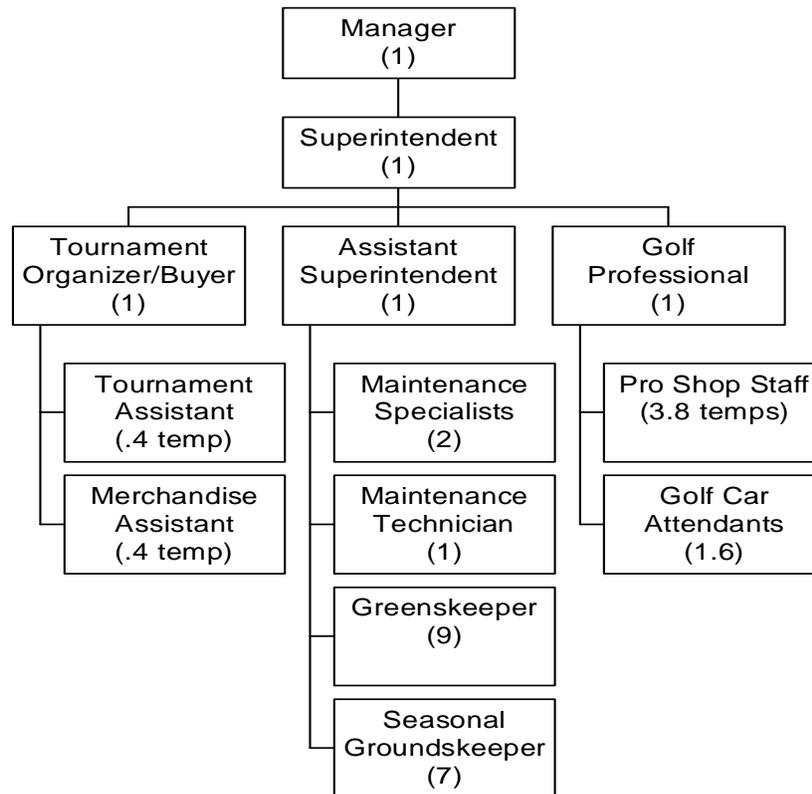
Rentals: Cart rental fees are expected to increase during FY06 because of the anticipated rate increase and an increase in rounds played.

Inventory Sales: FY2006 merchandise sales are expected to increase 10% over FY2005 due to an anticipated larger volume of rounds played at the golf course.

Concession/Restaurant: As per the concessionaire contract, operators of the Sand Trap Restaurant compensate the city with a portion of revenues received while running the city-owned restaurant at the golf course. It is anticipated that these revenues will increase during FY2006 with the increased patron traffic at the golf course.

Golf Course

Department Mission: To provide a positive golf experience and an enjoyable atmosphere for our customers while assuring revenues are more than sufficient to cover operating expenses, capital investments and debt payments



Golf Course

Consolidated Departmental Expenditure and Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-------------------------------|----------------|------------------|----------------|
| Personnel | \$ 810,312 | \$ 899,526 | \$ 1,004,414 |
| Supplies | 299,471 | 296,625 | 322,550 |
| Other Services & Charges | 535,884 | 607,053 | 604,400 |
| Capital Outlay/Projects | 64,763 | 905,061 | - |
| Debt Service | 718,866 | 3,326,383 | 870,453 |
| Total | \$ 2,429,296 | \$ 6,034,648 | \$ 2,801,817 |
| Authorized Staffing Level | 28.40 | 28.60 | 30.20 |
| Maintenance | 19.80 | 21.00 | 21.00 |
| Pro Shop | 8.60 | 7.60 | 7.60 |
| Golf Carts | 0.00 | 0.00 | 1.60 |

Note: The staff of the Maintenance Division consists of 14 regular full time employees. The remainder are seasonal and are the equivalent of 7 full time employees.

The Pro Shop has 3 regular full time employees with a seasonal staff of 4.6 full time equivalent employees.

The Golf Cart Division employs a temporary staff equivalent to 1.6 full time employees.

GOLF COURSE MAINTENANCE

Division Mission: To provide the best possible golf course conditions depending on the season through flexibility in scheduling, safety awareness, and staff dedication which will allow our fees to be perceived by the customer to be a value.

| Goal: To concrete at least seven golf cart paths from tee to green by the end of the fiscal year. | | | |
|--|----------------|------------------|------------------|
| Strategy: Prioritize locations to maximize impact on customer satisfaction. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Number of holes with concrete paths completed | N/A | 12 | 7 |

| Goal: To relieve at least 50% of standing water during the fiscal year under normal irrigation conditions. | | | |
|---|----------------|------------------|------------------|
| Strategy: Relieve standing water using sub-surface and surface drains. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| | | | |

Golf Course

Goal: To relieve at least 50% of standing water during the fiscal year under normal irrigation conditions.

| | | | |
|------------------------------|-----|-----|-----|
| % of standing water relieved | N/A | 50% | 75% |
|------------------------------|-----|-----|-----|

Prior Year Results and Outcomes:

Trimmed over 200 trees on the North Course.

Extensive drainage work on the South Course.

Built new Driving Range storage building to store all range equipment and new ice machine and water jugs for golf course drinking stations.

New ball dispenser and new ball washing equipment for driving range.

Installed new concrete cart paths on 10 different holes from green to next tee.

Leased new equipment including 2 Fairway/Rough Mowers, 2 Green Mowers, and a Skip Loader.

Golf Course Maintenance Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 439,073 | \$ 565,435 | \$ 656,328 |
| Supplies | 103,272 | 118,700 | 133,250 |
| Other Services & Charges | 386,309 | 444,951 | 430,277 |
| Capital Outlay/Projects | 13,177 | 405,061 | - |
| Debt Service | 641,869 | 2,973,728 | 749,367 |
| Total | \$ 1,583,700 | \$ 4,507,875 | \$ 1,969,222 |

Golf Course Maintenance Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 19.80 | 21.00 | 21.00 |
| Greens Superintendent | 1.00 | 1.00 | 1.00 |
| Asst Greens Super. | 1.00 | 1.00 | 1.00 |
| Golf Course Maint. Tech. | 1.00 | 1.00 | 1.00 |
| Greenskeeper | 7.80 | 9.00 | 9.00 |
| Maintenance Specialist | 2.00 | 2.00 | 2.00 |
| Seasonal Maint. Empl. | 7.00 | 7.00 | 7.00 |

Significant Expenditure Changes:

The Personnel category showed a significant increase due to the annual salary adjustment, increase in costs related to health insurance coverage for employees, and the increase in employee retirement contributions to Arizona State Retirement.

Golf Course

Debt service showed a large decrease from FY2006 over FY2005 due to a bond refunding that occurred in FY2005.

PRO SHOP

Division Mission: To provide excellent customer service, which will allow our fees to be perceived as a value while covering necessary cash outflows.

| Goal: To improve merchandise sales by at least \$.50 per round | | | |
|---|-------------|---------------|---------------|
| Strategy: Better train the staff to improve customer service and accumulate information regarding customers needs. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Merchandise purchased per round | N/A | \$2.25 | \$2.75 |

| Goal: To increase revenue on driving range by at least 5% during the fiscal year. | | | |
|---|-------------|---------------|---------------|
| Strategy: Consolidate range maintenance equipment closer to range and provide outside machine to dispense balls. | | | |
| Performance Measures | FY04 Actual | FY05 Estimate | FY06 Forecast |
| Driving range sales | \$115,000 | \$120,000 | \$126,000 |
| % of increase(decrease) | N/A | 4% | 5% |

Golf Course

Pro Shop Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ 298,595 | \$ 331,671 | \$ 321,640 |
| Supplies | 177,154 | 158,251 | 169,400 |
| Other Services & Charges | 109,040 | 118,101 | 136,963 |
| Total | \$ 584,789 | \$ 608,023 | \$ 628,003 |

Pro Shop Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 8.60 | 7.60 | 6.00 |
| General Manager | 1.00 | 1.00 | 1.00 |
| Golf Professional | 2.00 | 1.00 | 1.00 |
| Tournament Dir/Buyer | 0.00 | 1.00 | 1.00 |
| Assistant Pro | 1.00 | 0.00 | 0.00 |
| Seasonal Pro Shop Emp. | 4.60 | 4.60 | 3.00 |

Significant Expenditure Changes:

Personnel shows a significant decrease due to the transfer of 1.6 temporary employees to the Golf Cart Division. This move counteracts the increased costs incurred by increased retirement and health insurance costs in addition to the realignment of salaries.

The Supplies category FY06 budget is 7% over the FY05 estimated ending because of the revolving inventory line item. Pro Shop staff is expecting and increase in merchandise sales during the upcoming fiscal year.

Legal Services is the reason for the increase in Other Services and Charges. The methodology for cost recovery for the Legal Department was changed and is now based on the percentage of the Funds budget compared to the overall budget of the city. That percentage is then applied to the Legal Department budget and applied to the appropriate line item in each fund.

CONCESSIONS

Division Mission:

To maintain the physical aspects of the clubhouse in a quality manner. To assure that the concessionaire is operating the food and beverage business to maximize customer satisfaction in accordance with the "Concession Agreement".

Golf Course

Concessions Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Supplies | \$ 1,616 | \$ 9 | \$ - |
| Other Services & Charges | 34,250 | 32,407 | 31,286 |
| Debt Service | 4,077 | 8,156 | 8,156 |
| Capital Outlay/Projects | 51,586 | - | - |
| Total | \$ 91,529 | \$ 40,572 | \$ 39,442 |

Significant Expenditure Changes: There are no significant expenditure changes in this division.

GOLF CARTS

Division Mission: To provide a sufficient number of clean, mechanically sound, and attractive golf cars, which will entice more usage and are perceived by the customer to be a value.

Golf Carts Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|----------------|
| Personnel | \$ - | \$ 2,420 | \$ 26,446 |
| Supplies | 17,429 | 19,665 | 19,900 |
| Other Services & Charges | 6,285 | 11,594 | 5,874 |
| Debt Service | 72,920 | 344,499 | 112,930 |
| Capital Outlay/Projects | - | 500,000 | - |
| Total | \$ 96,634 | \$ 878,178 | \$ 165,150 |

Golf Carts Staffing Level Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 0.00 | 0.00 | 1.60 |
| Temp Golf Cart Attend | 0.00 | 0.00 | 1.60 |

Significant Expenditure Changes: The increase in the Personnel category for Golf Carts is due to the movement of 1.6 full-time equivalent temporary employees to this area.

Debt Service shows a significant decrease over FY2005 for the reason that lease purchase of the current golf carts matured. This increase is partially off-set by a guaranteed buy-back from Club Car.

Golf Course

INSURANCE/RETIREMENTS

Division Mission: Provide an account to pay for costs of retirement bonuses for Golf Course employees who retire.

Insurance/Retirements Expenditure Summary

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|-----------|------------------------|--------------------------|------------------------|
| Personnel | 72,644 | - | - |
| Total | \$ 72,644 | \$ - | \$ - |

Significant Expenditure Changes: There are no anticipated retirements for FY2006.

Parking Garage

The long awaited Parking Garage opened during the last week of fiscal year 2005. The following table shows the projected revenues for FY2006.

Parking Garage Fund Revenues

| Revenue Source | FY04 Actual | FY05 Rev. Est. | FY06 Budget |
|-------------------------------|----------------|-------------------|-------------------|
| Parking Revenue | \$ - | \$ - | \$ 107,800 |
| Miscellaneous | - | - | 10,000 |
| Transfer In from General Fund | - | - | 8,650 |
| Total Revenues | \$ - | \$ - | \$ 126,450 |

Explanation of Revenue Sources:

Parking Revenue: This would include monies received from the leasing of parking spaces to businesses and individuals. Also, parking fees for special events could be collected.

Miscellaneous: Miscellaneous revenue would comprise of compensation for advertising from businesses.

PARKING GARAGE OPERATIONS

Department Mission: To provide downtown visitors, tourists, and workers ample, convenient and safe off-street parking in a multi-story parking facility.

**Parking Garage
Expenditure Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|--------------------------|----------------|------------------|-------------------|
| Personnel | \$ - | \$ - | \$ 27,500 |
| Supplies | - | - | 5,000 |
| Other Services & Charges | 400 | - | 93,950 |
| Total | \$ 400 | \$ - | \$ 126,450 |

**Golf Carts
Staffing Level Summary**

| | FY04 Actual | FY05 Estimate | FY06 Budget |
|---------------------------|----------------|------------------|----------------|
| Authorized Staffing Level | 0.00 | 1.00 | 1.10 |
| Admin. Services Director | 0.00 | 0.00 | 0.10 |
| Lead Parking Ambassador | 0.00 | 1.00 | 1.00 |

Parking Garage

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CAPITAL IMPROVEMENT PROGRAM

Capital Improvement Program

The five-year capital improvement plan identifies projects to be completed throughout the next five years. The plan outlines project costs, funding sources, and future operating costs associated with each capital improvement. Because these projects typically span more than one fiscal year, the plan is updated annually to track existing projects and to identify new projects.

The five-year capital improvement plan is an important component of the City's budgeting process. It helps focus the budget process on a longer-term than just the next fiscal year. Here are some of the benefits from this longer-term approach:

- * Facilitates long-range financial planning, allowing us to look at not only what the community wants, but also what they can afford.
- * Enhances coordination of capital improvements among City departments and other governmental agencies.
- * Clearly identifies the Council's goals and their capital priorities to achieve those goals.

Long-range planning requires estimating and projecting of revenues as well as expenditures. Therefore, this is a dynamic process and will be reviewed and changed every year as the first step in the budgeting process. Organizational changes, funding uncertainties, unforeseen emergencies, project delays, or plans by other governmental units can throw off even the most carefully orchestrated capital plan.

To provide a complete capital picture, the City's plan includes all capital requests over \$5,000, including replacements. Management established the funding levels through review of available resources after projecting operational costs. Revenues and operating expenditures were projected using historic trends and anticipated changes.

In developing this financial plan, current Council policies were used. The annual review and update of a long-term plan is an excellent opportunity to reexamine Council goals and policies.

The following list describes the capital projects and capital outlay that were approved in the FY2006 Annual Budget.

| Arsenic Treatment Plant | |
|---|--------------|
| Description: Per the Environmental Protection Agency's (EPA's) Arsenic Rule (66 Federal Register 6976) of 10 parts per billion (ppb), effective January 23, 2006. This dictates the need for consulting, pilot testing, and installation of a treatment plant to address the new arsenic rule. | |
| FY2006 Budget: | \$23,500,000 |
| Average Yearly Operating Impact: | \$950,000 |

| Iron Springs Road Widening | |
|---|--------------|
| Description: This project provides for the widening of Iron Springs Road to a 5 lane section with (2 through lanes in each direction with a continuous left-turn lane), curb & gutter, sidewalk on both sides, width to accommodate bicyclists and significant drainage improvements. A 1000 LF segment of Williamson Valley Road (Iron Springs Road to Sidewinder Road) is included with the project to allow full construction of the approaches to the Williamson Valley Road/Iron Springs Road intersection. Budget includes funding for right-of-way purchases (\$1,111,682), water line improvements (\$1,500,000), wastewater line improvements (\$950,000) and construction costs (\$7,512,000). | |
| FY2006 Budget: | \$11,073,682 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

| | |
|--|-------------|
| Big Chino Ranch Pipeline | |
| Description: Design of a pipeline, reservoirs, wells, and related infrastructure to deliver water from the Big Chino Ranch to the City of Prescott. Implementation of a monitoring program and preliminary easement identification. | |
| FY2006 Budget: | \$5,500,000 |
| Average Yearly Operating Impact: | \$1,000,000 |

| | |
|--|-------------|
| Copper Basin Road | |
| Description: \$2,607,143 is for the reconstruction of Copper Basin Road including curb and gutter, sidewalk along one side, drainage improvements and left turn lanes at three intersections. Budget also includes the funding in the Water Fund (\$1,600,000) and Wastewater Fund (\$900,000) for water and wastewater line improvements. Additional funding will be requested in FY07 to complete this project. | |
| FY2006 Budget: | \$5,107,143 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-------------|
| Library Expansion | |
| Description: Building project to add an additional 14,000 square feet to the existing building. This project will provide more comfortable seating, more reading tables, more public workstations, a fully accessible elevator, new meeting rooms, conference room, soundproof study room along and new public restrooms. The Youth Services area will be expanded to include a childrens activity room and a family restroom. | |
| FY2006 Budget: | \$5,100,000 |
| Average Yearly Operating Impact: | \$61,377 |

| | |
|---|-------------|
| Prescott North Wastewater Improvement District | |
| Description: Conduct a feasibility analysis, develop conceptual plans, formation of the improvement district, formalize the construction plans and construct the North Prescott Wastewater Improvement District. This project is defined by the boundaries of Dunn Drive to the north, Shinnery Lane to the east, La Paloma Lane to the south and Nolte Drive to the west. | |
| FY2006 Budget: | \$4,700,000 |
| Average Yearly Operating Impact: | Diminimus |

| | |
|--|-------------|
| Transfer Station Expansion | |
| Description: Design and construct a new, more efficient transfer station that will handle the needs of the tri city area. This project would convert the existing Transfer Station into a household hazardous waste facility/commerical recycling facility. | |
| FY2006 Budget: | \$3,900,000 |
| Average Yearly Operating Impact: | \$4,500 |

Capital Improvement Program

| Central Garage Expansion | |
|--|-------------|
| Description: Funding for final design and construction of the Central Garage. Project will provide additional service bays and equipment necessary to maintain acceptable service levels. | |
| FY2006 Budget: | \$3,800,000 |
| Average Yearly Operating Impact: | \$10,000 |

| Open Space Acquisition | |
|--|-------------|
| Description: Continue to provide funding for the acquisition of open space. | |
| FY2006 Budget: | \$3,000,000 |
| Average Yearly Operating Impact: | \$0 |

| Adult Center Construction | |
|---|---|
| Description: Funding for the construction of the new Adult Center. | |
| FY2006 Budget: | \$2,920,225 |
| Average Yearly Operating Impact: | Operating costs for this project will be funded by Adult Center, Inc. |

| Economic Development & Projects | |
|--|-------------|
| Description: The Economic Development and Projects account provides funding for economic development incentives and reimbursements as well as potential opportunities that may arise. | |
| FY2006 Budget: | \$2,125,000 |
| Average Yearly Operating Impact: | \$0 |

| Radio Infrastructure | |
|---|-------------|
| Description: Improvement and construction of radio tower sites. Project also includes the addition of mobile data computers and automatic vehicle locators to about 50 public safety vehicles along with the inclusion of the radio frequency interface equipment needed to interface with a computer aided dispatch system. | |
| FY2006 Budget: | \$2,075,000 |
| Average Yearly Operating Impact: | \$40,000 |

| Vehicle Replacements | |
|---|-------------|
| Description: Provides funding for the replacement of vehicles and equipment as recommended by the fleet maintenance manager. | |
| FY2006 Budget: | \$2,063,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|-------------|
| Williamson Valley Road | |
| Description: This project will include the widening of Williamson Valley Road to a five-lane section from Sidewinder Road to Yakashba Drive then tapering to a four lane section from Yakashba Drive to the city limits. Also included in the budget figure is \$85,000 and \$70,000 for water and wastewater line improvements respectively. | |
| FY2006 Budget: | \$1,883,580 |
| Average Yearly Operating Impact: | \$ |

| | |
|---|-------------|
| Mullen Way Improvement District | |
| Description: Provide water (\$900,000) and wastewater (\$900,000) infrastructure to a recently annexed area located in the vicinity of Mullen Way/Copper Basin Road. This project is contingent on the approval and formation of the improvement district. | |
| FY2006 Budget: | \$1,800,000 |
| Average Yearly Operating Impact: | Diminimus |

| | |
|--|-------------|
| Unpaved Streets Project | |
| Description: Paving of unpaved City-maintained streets including improvements for drainage. | |
| FY2006 Budget: | \$1,770,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-------------|
| Rosser Street | |
| Description: Reconstruction of Rosser Street from Willow Creek Road to Campbell Avenue and from east of S Blooming Hills Drive to SR89. Also included is funding for water and wastewater improvements in the amount of \$430,000 and \$630,000 respectively. | |
| FY2006 Budget: | \$1,660,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-------------|
| Gail Gardner Way | |
| Description: Provide for the reconstruction of Gail Gardner Way from Iron Springs Road to Fair Street with associated upgrading of major City water mains (\$350,000) and wastewater collection mains (\$500,000). | |
| FY2006 Budget: | \$1,598,815 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

Alley Paving Project

Description: The Alley Paving Project provides funding for the paving of unpaved alleys. The FY2006 budget amount of \$1,525,000 includes \$150,000 for water improvements and \$600,000 for wastewater collection improvements.

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|-----------------------|-------------|
| FY2006 Budget: | \$1,525,000 |
|-----------------------|-------------|

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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Meter Changeout Program

Description: This project is to replace all meters in the City of Prescott water system with new radio read meters. These meters will send a signal that contains the meter read to a handheld or mobile data collector. The FY06 budget amount will provide funding for the first phase of the program.

| | |
|-----------------------|-------------|
| FY2006 Budget: | \$1,500,000 |
|-----------------------|-------------|

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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Downer Trail

Description: Two sections of Downer Trail are involved in this project - a new approximately 700 foot segment north of Sierry Peaks Drive and reconstruction of Downer Trail between Oregon Avenue and Fairview Lane.

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|-----------------------|-------------|
| FY2006 Budget: | \$1,445,000 |
|-----------------------|-------------|

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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Shade Hangars

Description: Funding provides for the construction of shade hangars at Ernest A. Love Field.

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|-----------------------|-------------|
| FY2006 Budget: | \$1,350,000 |
|-----------------------|-------------|

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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Ruth/Demerse

Description: Reconstruction of Ruth and Demerse Streets from Whipple Street to Montebello Lane. Project will be completed in three phases. Included in the budget figure is \$400,000 for wastewater improvements and \$115,000 for water improvements. Additional funding for the next phase will be requested for FY07.

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| FY2006 Budget: | \$1,315,000 |
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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Recharge Wells at Airport Recharge Facility

Description: Design and construction of two recharge wells at the Airport Recharge Facility. Additional funding will be requested in FY07 for completion of the project.

Capital Improvement Program

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|--|-------------|
| Recharge Wells at Airport Recharge Facility | |
| FY2006 Budget: | \$1,250,000 |
| Average Yearly Operating Impact: | \$150,000 |

| | |
|---|-------------|
| East Gurley Street | |
| Description: Reconstruction of East Gurley Street from Arizona Avenue to Aven Avenue. This project also includes water (\$140,000) and wastewater collection (\$500,000) improvements. | |
| FY2006 Budget: | \$1,202,500 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Capital Contingencies - Water | |
| Description: Contingency monies to cover cost overruns or unanticipated projects in the Water Fund. | |
| FY2006 Budget: | \$900,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| SR89 Widening - Right-of-Way | |
| Description: Financial participation by the City of Prescott in the Arizona Department of Transportation project to widen State Route 89. | |
| FY2006 Budget: | \$879,478 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| AIP24 Taxi D&F Lighting | |
| Description: Grant to provide funding for the reconstruction of lighting on Taxiways D & F. 95% Federal, 2.5% City and state share. | |
| FY2006 Budget: | \$857,894 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Antelope Hills Wastewater Improvement District | |
| Description: Currently there are no city wastewater services in the Antelope Hills area. This project would be to develop conceptual plans, form the improvement district, formalize the construction plans and construct the needed wastewater infrastructure. | |
| FY2006 Budget: | \$815,000 |
| Average Yearly Operating Impact: | Diminimus |

Capital Improvement Program

Integrated Payroll/Human Resources Software System

Description: Purchase of an integrated software system that includes Human Resources, Payroll, Time and Attendance, and Employee self-service packages. The system should help all involved work together. Operating impact is based on annual debt service for the lease/purchase proceeds necessary to purchase this product.

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| FY2006 Budget: | \$800,000 |
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| Average Yearly Operating Impact: | \$90,000 |
|---|----------|

Willow Creek Wastewater Line Rehabilitation

Description: Reconstruct and relocate portions of the wastewater collection system located in Willow Creek that were damaged during the floods of January 2005.

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|-----------------------|-----------|
| FY2006 Budget: | \$782,000 |
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| Average Yearly Operating Impact: | \$0 |
|---|-----|

Surface Water Recharge Pipeline

Description: Design and construction to replace existing surface water recharge pipeline and related infrastructure.

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|-----------------------|-----------|
| FY2006 Budget: | \$625,000 |
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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Willow Creek 14" Transmission Main

Description: This project is to relocate, replace and upgrade the existing 12" transmission main washed out during the January 2005 floods with a 14" main to meet capacity requirements.

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|-----------------------|-----------|
| FY2006 Budget: | \$598,000 |
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| Average Yearly Operating Impact: | \$0 |
|---|-----|

Wastewater Mainline Replacement/Rehabilitation

Description: Replacement, rehabilitation or installation of wastewater manholes in the wastewater collection system.

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|-----------------------|-----------|
| FY2006 Budget: | \$550,000 |
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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Airport Wastewater Treatment Plant Centrifuge and Building

Description: This project is to complete the design, construct and startup of a sludge dewatering centrifuge and building at the Airport Wastewater Treatment Plant.

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|-----------------------|-----------|
| FY2006 Budget: | \$510,000 |
|-----------------------|-----------|

Capital Improvement Program

Airport Wastewater Treatment Plant Centrifuge and Building

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|---|----------|
| Average Yearly Operating Impact: | \$13,000 |
|---|----------|

Greenways Multi Use Trails Grant

Description: Provides funding to continue development of the trail system and to provide enhancements to existing trails.

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| FY2006 Budget: | \$508,895 |
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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Fire Vegetation Crew Grant

Description: Provides staffing for a ten-month, 13-member community wide vegetation management plan to prevent and suppress wildfires. Also includes equipment, supplies and services.

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|-----------------------|-----------|
| FY2006 Budget: | \$508,277 |
|-----------------------|-----------|

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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Indian Hills Reservoir

Description: Upgrade the Indian Hills Reservoirs from the existing capacity of 450,000 gallons to 2,000,000 gallons. Additional funding will be requested in FY2007.

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| FY2006 Budget: | \$500,000 |
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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Copper Basin Reservoir

Description: This project is to locate, purchase land and install a new 1,000,000 gallon water reservoir located near the end of Copper Basin Road. Additional funding will be requested in FY2008 to complete the project.

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| FY2006 Budget: | \$500,000 |
|-----------------------|-----------|

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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

North Prescott Regional Force Main

Description: Evaluate the condition, design and replace the existing North Regional Force Main which is a 14" wastewater collection main that collects flow from eight different wastewater lift stations. Additional funding will be requested in FY2007.

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|-----------------------|-----------|
| FY2006 Budget: | \$500,000 |
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|---|-----|
| Average Yearly Operating Impact: | \$0 |
|---|-----|

Capital Improvement Program

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|---|-----------|
| SR89A/Side Road | |
| Description: This project provides for the design and construction of a grade-separated traffic interchange on SR89A to Side Road. It is anticipated that additional funding will be requested in FY2009 for the actual construction of this intersection. | |
| FY2006 Budget: | \$500,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| Dispatch Center Building Improvements | |
| Description: Funding for the completion of the remodeling of property and building to facilitate a regional communications center. Also includes the placement of necessary infrastructure to operate a dispatch center. | |
| FY2006 Budget: | \$465,000 |
| Average Yearly Operating Impact: | \$30,000 |

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|--|-----------|
| Pavement Intersection Rebuilds | |
| Description: This project is for the milling and overlaying of a number of intersection approaches to eliminate surface distresses. | |
| FY2006 Budget: | \$450,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Willow/Watson Lakes Development | |
| Description: FY2006 funding is for the completion of improvements at Willow and Watson Lakes. | |
| FY2006 Budget: | \$419,299 |
| Average Yearly Operating Impact: | \$0 |

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|---|-----------|
| CDBG - Adult Center | |
| Description: Grant to provide additional funding for the construction of the Adult Center. | |
| FY2006 Budget: | \$410,575 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Small Water Main Upgrades | |
| Description: This project will remove existing undersized 4" water lines with larger 6" lines to meet ADEQ regulations to provide fire fighting capabilities. | |
| FY2006 Budget: | \$400,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|-----------|
| Storage Tank Maintenance | |
| Description: Renovation of water storage tanks to maintain their water containment capabilities and minimize existing structural deficiencies. | |
| FY2006 Budget: | \$390,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|-----------|
| Production/Distribution Warehouse | |
| Description: Construction of a 50' x 100' steel industrial building, concrete approach aprons, pipe storage area and paving for housing of the supply warehouse for Water Utilities. | |
| FY2006 Budget: | \$335,000 |
| Average Yearly Operating Impact: | \$ |

| | |
|--|-----------|
| Federal Emergency Management Grants | |
| Description: Homeland Security Grants provide funding for a wide range of activities aimed to increase security and prepare for emergencies. These funds help defray the increased cost of security required by the federal government. | |
| FY2006 Budget: | \$325,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|-----------|
| ISTEA II Grant | |
| Description: Funding for the purchase of seven miles of abandoned Atchison, Topeka and Santa Fe Railroad right-of-way north of Prescott for conversion into a multi-use trail. | |
| FY2006 Budget: | \$318,392 |
| Average Yearly Operating Impact: | \$0 |

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|---|-----------|
| Prescott Lakes Median | |
| Description: This project will provide enhancements to the appearance of the medians on Prescott Lakes Parkway and reduce erosion. | |
| FY2006 Budget: | \$300,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Pavement Preservation - Airport | |
| Description: This project is for the seal coat, crack fill and pavement replacement at the terminal area, aircraft parking aprons and two taxiways. | |
| FY2006 Budget: | \$290,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|-----------|
| Rosser Street Traffic Calming | |
| Description: Construction of traffic calming improvements on Rosser Street from Willow Creek Road to State Route 89. | |
| FY2006 Budget: | \$280,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| CDBG - Housing Assistance | |
| Description: Funds the development of Work Force/Affordable Housing program. | |
| FY2006 Budget: | \$262,816 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Mobile Data Computer/AVL | |
| Description: Provide funding for mobile computers to locate vehicles. | |
| FY2006 Budget: | \$261,090 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Wastewater Model | |
| Description: Continue the development of a wastewater collection system computer model to analyze flows, system capacity and identify deficiencies for development into specific projects for inclusion in the Capital Improvement Program. | |
| FY2006 Budget: | \$250,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| Digester Cleaning | |
| Description: This project will remove all solids and liquids along with cleaning and re-coating the secondary digester at the Sundog Wastewater Treatment Plant. | |
| FY2006 Budget: | \$250,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| FEMA Homeland Security Grant | |
| Description: Homeland Security Grant to help defray the costs of increased security by the federal government. | |
| FY2006 Budget: | \$250,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|-----------|
| CDBG - Project Aware Transitional Housing | |
| Description: To help provide funding for site planning, design and construction of a "transitional housing" 4 unit apartment building. | |
| FY2006 Budget: | \$241,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| Willow Creek Road Phase IV | |
| Description: Funding for the completion of the reconstruction and widening of Willow Creek Road from Commerce Drive to Haas Boulevard. Monies are for the final surface layer of rubberized asphalt concrete friction course that will not be completed until Summer 2005. | |
| FY2006 Budget: | \$228,240 |
| Average Yearly Operating Impact: | \$0 |

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|--|-----------|
| Reconstruction Whiskey Row Alley | |
| Description: Completion of the reconstruction of the alley between Montezuma Street and Granite Street from Goodwin Street to Gurley Street, including drainage and enhancements to the appearance. | |
| FY2006 Budget: | \$220,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|-----------|
| Rails to Trails Phase II | |
| Description: Budget is to fund physical improvements to the rail-trail system. | |
| FY2006 Budget: | \$209,209 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| Granite Creek & Goldwater Lake Dam | |
| Description: Provide engineering and administration funds for the engineering and rehabilitation of Granite Creek and Goldwater Lake Dams. | |
| FY2006 Budget: | \$200,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Prescott Area Coalition of Tourism | |
| Description: To fund a contractual agreement for tourism promotion. | |
| FY2006 Budget: | \$180,250 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|-----------|
| Sundog Trailhead Enhancements | |
| Description: First of two phases to implement upgrades to the Sundog Trailhead of Prescott Peavine National Recreation Trail. This phase will include enlarging parking to better accommodate more vehicles and horse trailers, and paving the entire parking with the exception of the horse staging area. Additional funding will be requested in FY2007 for the second phase. | |
| FY2006 Budget: | \$180,000 |
| Average Yearly Operating Impact: | \$500 |

| | |
|--|-----------|
| CYMPO Projects and Match | |
| Description: Provision of funds to front payment for operational expenses by Central Yavapai Municipal Planning Organization and provision of the City of Prescott's share toward these expenses. | |
| FY2006 Budget: | \$167,318 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| FEMA Fire Equipment Grant | |
| Description: Homeland Security Grant to help defray the costs of increased security by the federal government. | |
| FY2006 Budget: | \$150,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| Water Line Replacements - 1% Street | |
| Description: To facilitate water system improvements in coordination with roadway construction projects. | |
| FY2006 Budget: | \$150,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| 1% Streets - Wastewater Line Reconstruction | |
| Description: To facilitate wastewater collection system improvements in coordination with roadway construction projects. | |
| FY2006 Budget: | \$150,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|-----------|
| Economic Strengths Grant | |
| Description: Arizona Department of Commerce reimbursement grant that will provide funds for improvements on ERAU Business Park. | |
| FY2006 Budget: | \$150,000 |

Capital Improvement Program

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|---|-----|
| Economic Strengths Grant | |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Pavement Preservation - Streets | |
| Description: Pavement preservation treatments on selected City streets, including patching, mill and fill, ACFC-AR, and rubber chip seal. | |
| FY2006 Budget: | \$150,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Loop Road Construction | |
| Description: Overlay Gateway Boulevard from State Route 69 to Lee Boulevard with a thin asphalt-rubber friction course. | |
| FY2006 Budget: | \$147,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| Animal Control Expansion | |
| Description: Funds to build an addition to the existing Animal Control Facility to accommodate increased number of animal impounds and provide isolation space to minimize disease transfer. | |
| FY2006 Budget: | \$140,000 |
| Average Yearly Operating Impact: | \$1,000 |

| | |
|--|-----------|
| Ponderosa (Gail Gardner Way) | |
| Description: This project provides for the completion of the widening and reconstruction of Gail Gardner Way (formerly Ponderosa Plaza Drive) from Iron Springs Road to Black Drive. Monies will cover the final rubberized asphalt concrete friction course. | |
| FY2006 Budget: | \$131,252 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Chemical Root Control | |
| Description: Apply chemical root control to the wastewater collection system. | |
| FY2006 Budget: | \$130,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|-----------|
| Maintenance Management System | |
| Description: The Maintenance Management System is for the purpose of establishing an automated system to plan, organize, and schedule maintenance through a network accessible database; establishing a systematic approach for continuous improvement; and training and guiding staff to fully utilize the system to plan, track and improve maintenance. (Water \$70,000 - Wastewater \$60,000) | |
| FY2006 Budget: | \$130,000 |
| Average Yearly Operating Impact: | \$2,000 |

| | |
|--|-----------|
| Booster Station Upgrade | |
| Description: New buildings or refurbishments of existing buildings/enclosures at wells and booster station sites. | |
| FY2006 Budget: | \$125,000 |
| Average Yearly Operating Impact: | \$5,000 |

| | |
|---|-----------|
| Combination Drives for Chino Boosters | |
| Description: Purchase of combination drives for realizing backup pumping capabilities when power outages occur and affect the critical booster pumps at the Chino Production Facility. | |
| FY2006 Budget: | \$115,000 |
| Average Yearly Operating Impact: | \$8,000 |

| | |
|--|-----------|
| FY05 Local Transportation Assistance Fund Grant | |
| Description: Money will be used as pass through funds to qualified non-profit agencies to subsidize capital costs to provide public transit services such as vehicle purchases and for new sidewalk construction. | |
| FY2006 Budget: | \$114,441 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Goldwater Lake Improvements | |
| Description: Funding for several improvements to Goldwater Lake. These projects include the contact station (\$8000), boat launch road repair (\$9000), picnic table replacements (\$26,000), and \$69,000 for restroom improvements, pavement chip seal, dock replacement and security lighting. | |
| FY2006 Budget: | \$112,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|--|
| Portable Generator | |
| Description: Portable generator is for realizing backup pumping capabilities when power outages occur and affect critical well pumps within the Chino Valley Well Field. | |

Capital Improvement Program

| | |
|---|-----------|
| Portable Generator | |
| FY2006 Budget: | \$110,000 |
| Average Yearly Operating Impact: | \$7,500 |

| | |
|--|-----------|
| Willow Lake Villas - Drainage | |
| Description: Construction of a detention basin and other drainage facilities in the area of Willow Lake Estates and Willow Lake Villas. | |
| FY2006 Budget: | \$107,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| NPDES Phase II Implementation/Compliance | |
| Description: This project deals with the funding of various tasks for the city to remain in compliance with federal regulations. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| 69/89 Widening and Gurley Street | |
| Description: Construct wastewater collection improvements on East Gurley Street from Bradshaw Drive to Sheldon Street. This project will be completed prior to the widening project that will be completed by Arizona Department of Transportation. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Lift Station Rehab Program | |
| Description: Rehabilitation of wastewater collection infrastructure including 68 lift stations. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|-----------|
| CDBG - Habitat for Humanity | |
| Description: This grant will help to provide funding for site preparation, utility services and building permit and impact/development fees involved for the construction of three single-family residences. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|-----------|
| State Library Grants in Aid | |
| Description: Provides partial funding for Library ADA project and multipurpose room. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|-----------|
| Traffic Calming - Various Streets | |
| Description: Construction of traffic calming improvements on various streets throughout the City. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| SR69 CYMPO Project Assessment | |
| Description: City contribution for CYMPO analysis of State Route 69 traffic issues and safety enhancement opportunities. | |
| FY2006 Budget: | \$100,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| Wastewater Treatment Plant SCADA System | |
| Description: The project is to complete the design, installation and startup of a Supervisory Control and Data Acquisition (SCADA) system at the Airport Wastewater Treatment Plant. | |
| FY2006 Budget: | \$95,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| South Side Traffic Circulation Analysis | |
| Description: Detailed traffic circulation analysis of the area south of Gurley Street between State Routes 89 and 69. | |
| FY2006 Budget: | \$95,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Telemetry/SCADA Program | |
| Description: Telemetry (SCADA) installations and upgrades at well, booster station and storage tank sites. | |
| FY2006 Budget: | \$93,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|----------|
| Recharge Cell Rehab | |
| Description: This program consists of removal of weeds, trees and brush growing in the recharge cells along with grading the cell bottom level to facilitate even percolation across the cell maximizing the recharge capability. Recharge cells are located at the Airport Recharge Facility. | |
| FY2006 Budget: | \$90,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| CDBG Admin State Housing Grant | |
| Description: Funding for administration of the CDBG program. | |
| FY2006 Budget: | \$84,705 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Narcotics Task Force | |
| Description: Provides funding for a unified narcotics enforcement team in Yavapai County to investigate, apprehend, and prosecute drug violators and to solve violent and gang related crimes that occur within the communities. | |
| FY2006 Budget: | \$84,071 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| CDBG West Yavapai Guidance Clinic | |
| Description: This grant is to provide funding for renovations to the Hillside Center located at 642 Dameron Drive. | |
| FY2006 Budget: | \$81,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Water Rate Analysis | |
| Description: Perform a water rate and fee analysis. | |
| FY2006 Budget: | \$80,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Well Rehab Program | |
| Description: Funding for maintenance/repair as needed of any of the six existing wells in Chino Valley that are the source of water supply for the City of Prescott. | |
| FY2006 Budget: | \$80,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|----------|
| Pretreatment Analysis | |
| Description: This project is to continue the development of a wastewater pretreatment program to ensure compliance with EPA and ADEQ requirements. It will include an analysis of businesses and sewage discharges. | |
| FY2006 Budget: | \$80,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Lee Boulevard Detention Basin Modification | |
| Description: Modify inlet and outlet aprons in the bottom of the existing retention basin on the southwest corner of Prescott Lakes Parkway and Lee Boulevard to eliminate standing water in the bottom of the basin; construct a decorative block wall along Lee Boulevard to reduce the visibility of the basin from motorists on Lee Boulevard. | |
| FY2006 Budget: | \$79,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Drainage Master Plan | |
| Description: Completion of the Phase II of the Drainage Master Plan to: 1) identify storm water drainage problems; 2) develop alternatives for correcting these problems; 3) generate a list of projects from the alternatives and estimates for each; and 4) study alternative funding sources and methods and make a recommendation for implementation. | |
| FY2006 Budget: | \$75,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Police Miscellaneous Grants | |
| Description: This budget is to enable the Police Department to take advantage of grant opportunities that may arise during the fiscal year. | |
| FY2006 Budget: | \$75,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| CYMPO Projects | |
| Description: City's proportionate share of funding towards projects initiated by Central Yavapai Municipal Planning Organization (CYMPO). | |
| FY2006 Budget: | \$74,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|----------|
| Willis Street | |
| Description: Reconstruction of Willis Street from Cortez Street to the bridge just east of McCormick Street. It includes selective replacement of curb, gutter and sidewalk along with drainage improvements. | |
| FY2006 Budget: | \$69,510 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| CDBG - Entitlement Admin | |
| Description: Grant funds for the Development of Consolidated Plan, Analysis of Impediments to Fair Housing and general administration. | |
| FY2006 Budget: | \$65,704 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| Sandretto/Willow Creek Intersection | |
| Description: Funding for the relocation of a signal pole, replacement of an existing curb return with one with a larger radius and replacement of a drainage structure, to facilitate turning movements. | |
| FY2006 Budget: | \$63,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Marina - E Side (Union to Goodwin) | |
| Description: To provide for streetscape, pedestrian, and driveway access improvements on the east side of Marina Street between Goodwin Street and Union Drive. | |
| FY2006 Budget: | \$62,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Crack Sealer | |
| Description: Budget is for the purchase of a 230 Gallon Diesel Metler Applicator with Compressor and Heated Hose to provide maintenance of city streets and related infrastructure. | |
| FY2006 Budget: | \$60,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| Remodel Dispatch Center | |
| Description: Remodel of area vacated by dispatch to expand the women's locker room into the lounge area, move the traffic division into the downsized lounge, move the lounge to the vacated communication area and expand property/evidence into the vacated traffic division office space. | |
| FY2006 Budget: | \$60,000 |

Capital Improvement Program

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|---|-----|
| Remodel Dispatch Center | |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Miscellaneous Gifts | |
| Description: Contingency funds for expenditures made as a result of a gift to the City of Prescott. | |
| FY2006 Budget: | \$60,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| 3TB Storage System | |
| Description: Purchase of computer hardware and software capable of 3 Terabyte storage with data-base capability. System will be used to store and categorize all of the Police Department In-Car Video and digital photography. | |
| FY2006 Budget: | \$57,413 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Reconstruct Granite Street | |
| Description: FY06 budgeted funds are for placement of the final layer of asphalt concrete friction course which remains to be completed with the Garage Project in conjunction with streetscape enhancements including planters, benches and pedestrian lighting. | |
| FY2006 Budget: | \$57,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| 18" Effluent Line Meter Relocation | |
| Description: This project will relocate an effluent meter and 12 inch pipe that serves the Antelope Hills Golf Course effluent. Relocating the meter will remove two parallel lines that are not needed. | |
| FY2006 Budget: | \$55,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Prescott Lakes Park System | |
| Description: Construction of the soft trail system. | |
| FY2006 Budget: | \$52,500 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

New Vehicles for Police Officers

Description: Purchase of additional fleet - two new vehicles - for the Police Department. These vehicles will accommodate the additional police officers approved in the FY2006 budget process.

FY2006 Budget: \$52,000

Average Yearly Operating Impact: \$2,000

Downtown Parking Garage Construction

Description: The FY2006 budget provides for the completion of the Downtown Parking Garage. The operating impact refers to the costs of maintaining and staffing the parking garage.

FY2006 Budget: \$51,000

Average Yearly Operating Impact: \$130,000

Retaining Wall

Description: Construction of a retaining wall for the east side of Water Production/Distribution building on Sundog Ranch Road.

FY2006 Budget: \$50,000

Average Yearly Operating Impact: \$0

Rate Analysis

Description: Perform a wastewater collection rate and fee analysis.

FY2006 Budget: \$50,000

Average Yearly Operating Impact: \$0

Manhole Rehab Program

Description: Replacement, rehabilitation or installation of wastewater collection manholes in the wastewater collection system.

FY2006 Budget: \$50,000

Average Yearly Operating Impact: \$0

Sidewalks - Arterial

Description: Construction of new sidewalk along City arterials where it does not currently exist.

FY2006 Budget: \$50,000

Average Yearly Operating Impact: \$0

Capital Improvement Program

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|--|----------|
| Signal Replacement Equipment | |
| Description: Provides funds for the annual replacement of signal equipment as needed. | |
| FY2006 Budget: | \$50,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Engineering & Safety Projects | |
| Description: Contingency funding for miscellaneous minor safety and maintenance projects. | |
| FY2006 Budget: | \$50,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Montana Drive Right-of-Way Enhancements | |
| Description: Construction of cement masonry unit wall and rip rap in the drainage basin/right-of-way adjacent to the Montana Drive and Willow Creek Road intersection. | |
| FY2006 Budget: | \$50,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| Downtown Fire Station | |
| Description: Funds to help cover costs incurred by the Fire Department Administration for loss of office space due to the taking of right-of-way for the Iron Springs Road construction project. | |
| FY2006 Budget: | \$46,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Network Intrusion Detection and Prevention System | |
| Description: This budget will help the Information Technology Division to provide an intrusion detection system that will augment a firewall and be able to detect and neutralize attacks on the network. | |
| FY2006 Budget: | \$45,000 |
| Average Yearly Operating Impact: | \$7,700 |

| | |
|---|----------|
| Material Bunkers | |
| Description: Material bunkers are necessary for temporary storage or staging of materials for water mains, service lines, fire hydrants and installation and repair. | |
| FY2006 Budget: | \$44,500 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

Gail Gardner Way Extension

Description: The final surface layer of rubberized asphalt concrete friction course for the new connector roadway from the intersection of Gail Gardner Way and Black Drive to the intersection of Willow Creek Road and Prescott Heights Drive.

FY2006 Budget: \$43,330

Average Yearly Operating Impact: \$0

DUI Enforcement Grant

Description: A grant that provides funding for officers' overtime costs and equipment associated with special DUI traffic enforcement assignments and underage youth liquor enforcement.

FY2006 Budget: \$43,113

Average Yearly Operating Impact: \$0

SSL VPN Remote Access

Description: Equipment to help provide outside access to the City of Prescott network without compromising the security of the system.

FY2006 Budget: \$42,000

Average Yearly Operating Impact: \$3,200

Blue Coat Proxy Firewall

Description: Equipment that will serve as a security mechanism which will allow City employees to browse the Internet in a secure fashion. Enhancements over the current system include timely and precise Internet access reporting for City business units, integrated anti-virus and anti-spyware capabilities, and individual based logging and accounting.

FY2006 Budget: \$41,000

Average Yearly Operating Impact: \$9,800

Governor's Office of Highway Safety Traffic Enforcement Grant

Description: Provides funding for overtime involving traffic safety and related equipment.

FY2006 Budget: \$40,800

Average Yearly Operating Impact: \$0

Yavapai Library Network School Membership Program

Description: Provides start-up funds to enable Prescott Unified School District to add five schools to the library network.

FY2006 Budget: \$40,223

Capital Improvement Program

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|--|-----|
| Yavapai Library Network School Membership Program | |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| Fire Hydrant Program | |
| Description: Program for replacing old, non-working fire hydrants where rebuilding or repair is not feasible. Additionally, this program entails installing new fire hydrants at locations that currently do not have fire hydrants and where fire flow protection is essential. | |
| FY2006 Budget: | \$40,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|-----------|
| New Water Service Lines | |
| Description: In-house installations of new service lines to existing properties where they have not been previously installed. Additionally, in areas where services need to be modified/upgraded to accommodate the housing in the 5,000 square footage and above range or in the Urban Wildland Interface Areas based upon fire protection requirements. | |
| FY2006 Budget: | \$40,000 |
| Average Yearly Operating Impact: | Diminimus |

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|---|----------|
| CDBG - The Center Adult Day Care | |
| Description: Grant to provide funding for parking lot improvements at the Adult Day Care Center. | |
| FY2006 Budget: | \$40,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Watson Woods Drainage Channel | |
| Description: Earth moving and various bank remediation to mitigate the impacts of slope erosion caused by the construction of the Prescott Lakes Parkway Bridge and Road. | |
| FY2006 Budget: | \$40,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Reconstruct 6th Street | |
| Description: Funds to apply the final surface layer, rubberized chip seal, to the reconstruction of 6th Street from Moeller Street to Hillside Drive. This project was substantially completed during FY2005. | |
| FY2006 Budget: | \$37,850 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|----------|
| Landscaping - Granite Creek | |
| Description: Landscaping along Granite Creek as a result of an agreement between Prescott Creeks' Preservation Association and the City of Prescott. | |
| FY2006 Budget: | \$35,309 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Pressure Regulating Valve Upgrade | |
| Description: Program to continue replacing and upgrading water pressure regulating stations throughout the City of Prescott's sixty-seven PRV stations. | |
| FY2006 Budget: | \$35,000 |
| Average Yearly Operating Impact: | \$1,000 |

| | |
|--|----------|
| CDBG - NAZCARE/New Hope Recovery Center | |
| Description: Grant to provide funding for renovations to lower level of structure including installation of ceiling heat ducts, electrical outlets, ADA bathroom and removal of architectural barriers. | |
| FY2006 Budget: | \$35,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Auxiliary Power/Natural Gas Engine Major Maintenance | |
| Description: Funds for major maintenance of the twenty-eight (28) backup natural gas engines/generators. | |
| FY2006 Budget: | \$32,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|--|--|--|
| 10 Acre Prescott Lakes Park | | | | |
| Description: Funds for architecture, engineering, and design of a ten acre park site in Prescott Lakes subdivision. Additional funds will be requested in future years for actual construction of the park. | | | | |
| FY2006 Budget: | \$31,000 | | | |
| Average Yearly Operating Impact: | \$0 | | | |

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|--|----------|--|--|--|
| Rodeo | | | | |
| Description: Contribution for the operations of Prescott Frontier Days Rodeo. | | | | |
| FY2006 Budget: | \$30,000 | | | |
| Average Yearly Operating Impact: | \$0 | | | |

Capital Improvement Program

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|--|----------|
| Traffic Sign Design - Various | |
| Description: Engineering of new signals and other traffic related items that arise throughout the year. | |
| FY2006 Budget: | \$30,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Performing Arts Groups | |
| Description: Funds for performing arts groups. | |
| FY2006 Budget: | \$30,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Vacuum Unit (Trailer Mounted) | |
| Description: Purchase of a trailer-mounted vacuum unit with air knife and water jet attachments. | |
| FY2006 Budget: | \$29,000 |
| Average Yearly Operating Impact: | \$2,000 |

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|---|----------|
| Valve Machine (Trailer Mounted) | |
| Description: Purchase of a trailer-mounted valve machine with small vacuum unit. | |
| FY2006 Budget: | \$26,000 |
| Average Yearly Operating Impact: | \$1,600 |

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|--|----------|
| Forklift 5000# | |
| Description: Funds to purchase a forklift to be utilized at the Sundog Ranch Road facility yards. | |
| FY2006 Budget: | \$25,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Repair/Demolition Fund | |
| Description: Provides funds for emergency abatement of a public nuisance if a property owner fails to repair or demolish a safety hazard on his/her property. | |
| FY2006 Budget: | \$25,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|----------|
| Feasibility Study | |
| Description: Conduct a feasibility and market study to identify the best sites for a hotel/conference center. With this information the city can pursue developers with an interest in constructing and/or operating the development. It is also possible that the study will conclude the project is not feasible. | |
| FY2006 Budget: | \$25,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Downtown Christmas Lights | |
| Description: Funds will be used to contribute to either the purchase of lights or to help the Prescott Downtown Partnership pay a contractor to put uplights on the Courthouse Plaza and remove and store lights at the completion of the holiday season. | |
| FY2006 Budget: | \$25,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Survey Equipment Replacement | |
| Description: Purchase of replacement survey equipment. | |
| FY2006 Budget: | \$24,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| Wastewater Treatment Plant Meters | |
| Description: Funds for the purchase of new meters at the Airport and Sundog Wastewater Treatment Plants to accurately track treated effluent. | |
| FY2006 Budget: | \$23,200 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| New Vehicle for Street Maintenance Supervisor | |
| Description: Purchase of a new vehicle for the Street Maintenance Supervisor that was approved during the FY2006 budget process. | |
| FY2006 Budget: | \$22,000 |
| Average Yearly Operating Impact: | \$1,700 |

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|--|----------|
| Bradshaw Drive - Water Line Reconstruction | |
| Description: Design for the construction of water improvements on Bradshaw Drive, Goodwin Street to Double D Drive. | |
| FY2006 Budget: | \$20,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|----------|
| Restroom/Concession - Yavapai College | |
| Description: This project is a partnership between the City of Prescott and Yavapai College to fund construction of a restroom and concession facility at the Yavapai Baseball complex. | |
| FY2006 Budget: | \$20,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Judicial Collection Enhancement Fund Grant | |
| Description: This grant provides funding for court collection efforts. | |
| FY2006 Budget: | \$20,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Pavement Maintenance Program | |
| Description: Professional services for ongoing updating of the condition of the City's maintained street system. | |
| FY2006 Budget: | \$20,000 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Acker Trust | |
| Description: Budget allowance to cover annual scholarships and bequests as directed by the Acker Trust Board. | |
| FY2006 Budget: | \$20,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Police Motorcycle | |
| Description: Purchase of an additional motorcycle for the Police Department. | |
| FY2006 Budget: | \$18,000 |
| Average Yearly Operating Impact: | \$1,000 |

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|--|----------|
| Seatbelt Enforcement Grant | |
| Description: Grant to provide funding to offset officers overtime costs associated with special seatbelt enforcement assignments. | |
| FY2006 Budget: | \$16,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|--|----------|
| JAG LLEBG FY06 Camera/PC | |
| Description: Grant to provide funding for crime scene camera and personal computer. | |
| FY2006 Budget: | \$15,300 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Sundog Wastewater Treatment Plant Security Gate | |
| Description: Funds to install a security gate at the Sundog Wastewater Treatment Plant. | |
| FY2006 Budget: | \$15,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Prescott East Trail Right-of-Way | |
| Description: Provides funding for land acquisition. Construction will be performed in-house and with volunteers. | |
| FY2006 Budget: | \$15,000 |
| Average Yearly Operating Impact: | \$0 |

| | |
|---|----------|
| Fireworks Display | |
| Description: Funds for the fireworks display during the annual Fourth of July Celebration. | |
| FY2006 Budget: | \$15,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Leak Detection Program | |
| Description: The Leak Detection Program would be the surveying of miles of underground water facilities and pinpointing leaks that are not detectable on the surface. These leaks would in turn be repaired. | |
| FY2006 Budget: | \$15,000 |
| Average Yearly Operating Impact: | \$4,000 |

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|--|----------|
| Bullet Proof Vests | |
| Description: Grant to provide funding for bullet proof vests. | |
| FY2006 Budget: | \$14,602 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

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|---|----------|
| In-Ground Lift Replacement | |
| Description: Replacement of existing in-ground vehicle lift in north vehicle service bay with a larger capacity above ground vehicle lift with electrical power. | |
| FY2006 Budget: | \$13,000 |
| Average Yearly Operating Impact: | \$250 |

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|--|----------|
| Confined Space Trailer w/Equipment | |
| Description: Purchase of a confined space trailer which includes air monitoring device, generator, Self-Contained Breathing Apparatus (SCBA), retrieval tripod, cones, barricades, etc. | |
| FY2006 Budget: | \$12,100 |
| Average Yearly Operating Impact: | \$500 |

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|--|----------|
| Spanish Language/Cultural | |
| Description: This grant funds conversational Spanish classes to help staff better communicate with a growing part of the library's constituency. It also enhances library's collection of materials in Spanish. | |
| FY2006 Budget: | \$12,008 |
| Average Yearly Operating Impact: | \$0 |

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|---|----------|
| Partnering Projects | |
| Description: Funds for potential recreation partnering projects. | |
| FY2006 Budget: | \$11,460 |
| Average Yearly Operating Impact: | \$0 |

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|--|----------|
| Black Drive | |
| Description: The FY2006 budget is to place the final rubberized asphalt concrete friction course as part of the reconstruction of Black Drive from Gail Gardner Way to Willow Creek Road. | |
| FY2006 Budget: | \$10,063 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|----------|
| REDI Telecom Grant | |
| Description: Rural Economic Development Grant to provide funding for rural economic development projects. | |
| FY2006 Budget: | \$10,000 |
| Average Yearly Operating Impact: | \$0 |

Capital Improvement Program

| | |
|--|----------|
| 2030 Transportation Study | |
| Description: The City's contribution toward the formulation of the 2030 Regional Transportation Plan. | |
| FY2006 Budget: | \$10,000 |
| Average Yearly Operating Impact: | \$0 |

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|---|---------|
| Grace Sparks Activity Center Assessment | |
| Description: Funds for a professional architectural firm to perform a Building Condition Assessment Study of Grace Sparks Activity Center. | |
| FY2006 Budget: | \$9,500 |
| Average Yearly Operating Impact: | \$0 |

| | |
|--|---------|
| National Register Nomination Grant | |
| Description: This grant will provide funds for national register nomination expenses. | |
| FY2006 Budget: | \$9,375 |
| Average Yearly Operating Impact: | \$0 |

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|---|---------|
| Risk Management System | |
| Description: Funding for the purchase of a web-based Risk Management Information System for claims data collection and analysis. | |
| FY2006 Budget: | \$7,500 |
| Average Yearly Operating Impact: | \$7,500 |

| | |
|--|---------|
| SCBA Fit Test Equipment | |
| Description: Quantitative fit test machine used to conduct mandatory OSHA annual fit testing for users of Self Contained Breathing Apparatus (SCBA) or Respirators in an environment that is Immediately Dangerous to Life and Health (IDLH). | |
| FY2006 Budget: | \$7,500 |
| Average Yearly Operating Impact: | \$200 |

| | |
|--|---------|
| Computers for Central Garage Shop Area | |
| Description: Funding for the purchase of additional desk and laptop computers, desks and work stations, additional vehicle/equipment related software for shop service bays and offices for fire fleet and current fleet vehicles and equipment being maintained by the Central Garage that we do not currently have diagnostic software. | |
| FY2006 Budget: | \$7,000 |
| Average Yearly Operating Impact: | \$1,000 |

Capital Improvement Program

| Copier | |
|---|---------|
| Description: Purchase of copy machine for Utilities/Water Division | |
| FY2006 Budget: | \$6,500 |
| Average Yearly Operating Impact: | \$1,000 |

| Neighborhood Cleanup | |
|---|---------|
| Description: Funding of tipping fees associated with six neighborhood cleanup projects throughout the fiscal year. | |
| FY2006 Budget: | \$6,000 |
| Average Yearly Operating Impact: | \$0 |

| Grace Sparks Activity Center Parking Lot & Road | |
|---|---------|
| Description: Funding to chip seal approximately 3,000 square yards of parking lot area surrounding Grace Sparks Activity Center. | |
| FY2006 Budget: | \$6,000 |
| Average Yearly Operating Impact: | \$0 |

| Public Safety Radios | |
|--|---------|
| Description: Purchase of portable radio equipment to replace broken and outdated equipment. | |
| FY2006 Budget: | \$5,000 |
| Average Yearly Operating Impact: | \$0 |

| Marketing of Elks Opera House | |
|--|---------|
| Description: Funding for the marketing of Elks Opera House. | |
| FY2006 Budget: | \$5,000 |
| Average Yearly Operating Impact: | \$0 |

| Excavation Shoring Equipment | |
|--|---------|
| Description: Shoring boxes and associated equipment | |
| FY2006 Budget: | \$5,000 |
| Average Yearly Operating Impact: | \$550 |

Capital Improvement Program

Local Network Management Contract

Description: Annual funding from a State of Arizona Department of Administration grant funding local area network expenses.

FY2006 Budget: \$4,500

Average Yearly Operating Impact: \$0

Bicycle Advisory Committee

Description: This budget is for the funding of Bike Month promotion, other special events, flyers, educational materials and miscellaneous administrative costs associated with the Bicycle Advisory Committee.

FY2006 Budget: \$500

Average Yearly Operating Impact: \$0

Five-Year Plan

| | <u>FY07</u> | <u>FY08</u> | <u>FY09</u> | <u>FY10</u> | <u>FY11</u> |
|--|-------------------|------------------|------------------|------------------|------------------|
| General Fund | | | | | |
| <u>Police Department</u> | | | | | |
| Radio Infrastructure | 2,000,000 | | | | |
| <u>Fire Department</u> | | | | | |
| Training Center | 2,000,000 | | | | |
| Station 76 Downtown | 3,100,000 | | | | |
| Station 77 Watson Lake | 1,400,000 | 325,000 | | | |
| Station 78 Dells Rch. | | | | 2,000,000 | |
| Total General Fund | 8,500,000 | 325,000 | - | 2,000,000 | - |
| % Streets and Open Space Fund | | | | | |
| Open Space | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| 14th Street & Demerse | 800,000 | 1,700,000 | | | |
| Williamson Valley - Design & R/W | 4,500,000 | | | | |
| Clark Ave - Gurley to Copper Basin | | 1,420,000 | | | |
| South Mt Vernon Ave - Gurley to Goodwin | 705,000 | | | | |
| Copper Basin Rd. R/W & Phase I | 2,200,000 | | | | |
| Total 1% Sales Tax | 11,205,000 | 6,120,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Water Fund | | | | | |
| Copper Basin Road | 850,000 | | | | |
| Williamson Valley | 580,000 | | | | |
| Cent Streets | 550,000 | 1,100,000 | 1,100,000 | 1,100,000 | 1,100,000 |
| Recharge Wells At Airport Recharge Facility | 1,000,000 | | | | |
| Water Change Out Program | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | |
| New Well (Consulting, Pilot Well, Drilling & Equipping) | | | 800,000 | | |
| Indian Hills Reservoirs | 2,550,000 | | | | |
| 2" Line Pioneer PS to Indian Hills Tanks | 1,100,000 | | | | |
| 6" Line Old South Reservoir to Pioneer PS | 870,000 | | | | |
| Copper Basin Reservoir - 1.0 Million Gallons New | | 1,350,000 | | | |
| 2" Line - HYW 89 - Copper Basin Rd | | 1,275,000 | | | |
| 2" Line Airport Second Feed | | 1,150,000 | | | |
| New Thumb Butte Reservoir - 1.25 Million Gallons | | 400,000 | 1,550,000 | | |
| 2" Line Hassayampa Village - Copper Basin to Thumb Butte | | | 1,550,000 | | |
| 2" Line Thumb Butte Rd - Idylwild To | | | 980,000 | | |
| 2" Line Thumb Butte Rd - Hassayampa Village to Lower TB PS | | | 800,000 | | |

Five-Year Plan

| | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| 2" Line Meadowbrook Rd - Thumb utte Rd to Thumb Butte Tank | | | 1,260,000 | | |
| Intermediate Storage Facility - eservoirs | | | 200,000 | | 9,535,000 |
| aisley New Reservoir - 1.25 Million allons | | 300,000 | 1,612,000 | | |
| irport New Reservoir - 2.0 Million allons | | 400,000 | 3,480,800 | | |
| 6" Line Willow Creek Rd - North | | | 1,168,000 | | |
| 8" Line Smoke Tree Ln - 30" main to | | | 1,387,000 | | |
| 6" Line Delano Ave - North | | | 1,248,000 | | |
| Intermediate Storage Facility - Piping | | | 1,343,000 | | |
| 2" Line Kyle St - Iron Springs Rd to rey Eagle | | | 1,423,000 | | |
| ew Chino Valley Pump Station | | | | | 5,200,000 |
| ew Pinnacle Circle Reservoir | | | 750,000 | | 2,450,000 |
| " Line Rancho Vista Dr to View Point d | | | 30,000 | | 750,000 |
| 2" Line Miller Valley Rd - Whipple St | | | | | 1,125,000 |
| 2" Line Sierry Peaks - Iron Springs | | | | | 1,010,000 |
| 2" Line Yakashba Dr - Williamson | | | | | 890,000 |
| 2" Line Rill Rd - Country Park PS to innacle Rd | | | 750,000 | | 625,000 |
| WK Ranch | 22,580,000 | 23,580,000 | 23,580,000 | | |
| Total Water Fund | 31,580,000 | 30,355,000 | 33,820,000 | 15,991,800 | 22,685,000 |
| ewer Fund | | | | | |
| Cent Streets | 500,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| orth Prescott Regional Force Main eplacement | 1,500,000 | | | | |
| ewer Mainline Replacement/ ehabilitaiton | 1,000,000 | 100,000 | 1,000,000 | 100,000 | 1,000,000 |
| ast Prescott Regional Force Main eplacement | 200,000 | 1,200,000 | | | |
| WTP Sludge Dryer | 915,000 | | | | |
| Total Sewer Fund | 4,115,000 | 2,300,000 | 2,000,000 | 1,100,000 | 2,000,000 |
| irport Fund | | | | | |
| onstruct Airline Terminal | | | 5,000,000 | | |
| acquisition of 40 acres for runway xtension | 1,475,000 | | | | |
| igh Speed Exits Runway 21L | | | 55,000 | 700,000 | |
| irport Fire Station | 100,000 | 560,000 | | | |
| unway Extension and Strengthening | 865,000 | 4,903,140 | | | |
| Total Airport Fund | 2,440,000 | 5,463,140 | 5,055,000 | 700,000 | - |
| OTAL | 57,840,000 | 44,563,140 | 43,875,000 | 22,791,800 | 27,685,000 |

APPENDIX

| | |
|-------------------------------------|------------|
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Budget Resolutions

RESOLUTION NO. 3677

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 2005-06, 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.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND 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 2005-06. 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 28th day of June, 2005, 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 2005-06 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. or on the Internet at www.cityofprescott.net.
- B. That the City Council will further meet at a Regular Meeting on the 12th day of July, 2005, 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 2005-06 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, APPROVED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 14th day of June, 2005.

/s/ ROWLE SIMMONS, Mayor

ATTEST:

/s/ MARIE L. WATSON, City Clerk

APPROVED AS TO FORM:

/s/ JOHN R MOFFITT, City Attorney

Budget Resolutions

RESOLUTION NO. 3685

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES FOR THE FISCAL YEAR 2006, AND DECLARING THAT THE SAME SHALL CONSTITUTE THE BUDGET FOR THE CITY OF PRESCOTT FOR SAID FISCAL YEAR AND ESTABLISHING THE EXPENDITURE LIMITATION AND ADOPTING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2007 THROUGH 2011.

WHEREAS, in accordance with the Provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes, the City Council did, on the 14th day of June, 2005, make an estimate of the different amounts required to meet the public expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property within the City of Prescott; and

WHEREAS, in accordance with said sections of said title, and following due public notice, the Council met on June 28, 2005, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures, establishing the expenditure limitation, or tax levies; and

WHEREAS, during the budgeting process for fiscal year 2006 the Council established a Capital Improvement Program for fiscal year 2007 through fiscal year 2011; and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the City Council would meet on July 12, 2005, in Prescott City Council Chambers at 201 South Cortez Street, Prescott, Arizona for the purpose of hearing taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by primary taxation, as specified therein, do not in the aggregate amount exceed that amount as computed in Arizona Revised Statutes, Title 42, Section 17051.A.

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

SECTION 1. THAT, the said estimates of revenue and expenditures shown on the accompanying schedules as now increased, reduced or changed by and the same are hereby adopted as the budget of the City of Prescott for the fiscal year 2006.

SECTION 2. THAT, the expenditure limitation for the City of Prescott for fiscal year 2006 be established at \$183,678,982.

SECTION 3. THAT, the Capital Improvement Program shown in the accompanying schedules be adopted by the City of Prescott for the fiscal years 2007 through 2011.

PASSED, APPROVED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 28th day of June, 2005.

/s/ ROWLE SIMMONS, Mayor

ATTEST: /s/ MARIE L WATSON, City Clerk
APPROVED AS TO FORM: /s/ JOHN R MOFFITT, City Attorney

Legal Schedules

Schedule A

CITY OF PRESCOTT, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2005-06

| FUND | ADOPTED BUDGETED EXPENDITURES/EXPENSES 2004-05* | ACTUAL EXPENDITURES/EXPENSES 2004-05** | FUND BALANCE/NET ASSETS** July 1, 2005** | DIRECT PROPERTY TAX REVENUES 2005-06 | ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2005-06 | OTHER FINANCING 2005-06 | | INTERFUND TRANSFERS 2005-06 | | TOTAL FINANCIAL RESOURCES AVAILABLE 2005-06 | BUDGETED EXPENDITURES/EXPENSES 2005-06 |
|---|---|--|--|--------------------------------------|--|-------------------------|------------|-----------------------------|----------------|---|--|
| | | | | | | SOURCES | <USES> | IN | <OUT> | | |
| 1. General Fund | \$ 24,464,490 | \$ 23,833,836 | \$ 7,275,601 | \$ 1,048,406 | \$ 28,397,613 | \$ 800,000 | \$ | \$ | \$ (2,108,482) | \$ 39,630,102 | \$ 28,412,039 |
| 2. Special Revenue Funds | 50,500,522 | 27,634,819 | 29,905,607 | | 25,366,320 | | | 4,520,114 | (2,859,551) | 62,631,622 | 48,536,916 |
| 3. Debt Service Funds Available | 2,193,145 | 2,192,786 | | 1,697,025 | 497,778 | | | | | 2,194,803 | 2,185,721 |
| 4. Less: Designation for Future Debt Retirement | | | | | | | | | | | |
| 5. Total Debt Service Funds | 2,193,145 | 2,192,786 | | 1,697,025 | 497,778 | | | | | 2,194,803 | 2,185,721 |
| 6. Capital Projects Funds | 1,242,000 | 927,701 | 1 | | 7,000 | | | 419,299 | | 426,300 | 419,299 |
| 7. Permanent Funds | 85,170 | 83,141 | 686,832 | | 73,000 | | | | | 759,832 | 80,500 |
| 8. Enterprise Funds Available | 79,468,968 | 59,155,389 | 22,497,982 | | 31,396,830 | | 42,450,000 | 8,650 | | 96,353,462 | 92,543,898 |
| 9. Less: Designation for Future Debt Retirement | | | | | | | | | | | |
| 10. Total Enterprise Funds | 79,468,968 | 59,155,389 | 22,497,982 | | 31,396,830 | | 42,450,000 | 8,650 | | 96,353,462 | 92,543,898 |
| 11. Internal Service Funds | 6,963,216 | 6,490,536 | 2,459,253 | | 7,274,485 | | 3,800,000 | | | 13,633,738 | 11,500,609 |
| 12. TOTAL ALL FUNDS | \$ 164,917,521 | \$ 120,318,208 | \$ 62,825,276 | \$ 2,745,431 | \$ 93,013,026 | \$ 47,050,000 | \$ | \$ 4,948,063 | \$ (4,948,063) | \$ 215,529,859 | \$ 183,678,982 |

EXPENDITURE LIMITATION COMPARISON

| | 2004-05 | 2005-06 |
|---|----------------|----------------|
| 1. Budgeted expenditures/ expenses | \$ 164,917,521 | \$ 183,678,982 |
| 2. Add/subtract: estimated net reconciling items | | |
| 3. Budgeted expenditures/ expenses adjusted for reconciling items | 164,917,521 | 183,678,982 |
| 4. Less: estimated exclusions | | |
| 5. Amount subject to the expenditure limitation | \$ 164,917,521 | \$ 183,678,982 |
| 6. EEC or voter-approved alternative expenditure limitation | \$ 164,917,521 | \$ 183,678,982 |

* Includes Expenditure/Expense Adjustments Approved in 2004-05 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.).

Legal Schedules

Schedule B

CITY OF PRESCOTT, ARIZONA Summary of Tax Levy and Tax Rate Information Fiscal Year 2005-06

| | <u>2004-05</u> <u>FISCAL YEAR</u> | <u>2005-06</u> <u>FISCAL YEAR</u> |
|--|--------------------------------------|--------------------------------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A). | \$ 2,143,733 | \$ 2,291,083 |
| 2. Amount received from primary property taxation in the 2004-05 fiscal year 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 | \$ 1,000,493 | \$ 1,048,406 |
| B. Secondary property taxes | 1,685,025 | 1,697,025 |
| C. Total property tax levy amounts | \$ 2,685,518 | \$ 2,745,431 |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) 2004-05 year's levy | \$ 972,378 | |
| (2) Prior years' levies | 28,115 | |
| (3) Total primary property taxes | \$ 1,000,493 | |
| B. Secondary property taxes | | |
| (1) 2004-05 year's levy | \$ | |
| (2) Prior years' levies | 52,080 | |
| (3) Total secondary property taxes | \$ 52,080 | |
| C. Total property taxes collected | \$ 1,052,573 | |
| 5. Property tax rates | | |
| A. City/Town tax rate | | |
| (1) Primary property tax rate | 0.2383 | 0.2245 |
| (2) Secondary property tax rate | 0.3763 | 0.3413 |
| (3) Total city/town tax rate | 0.6146 | 0.5658 |
| 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 assessment 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.

Legal Schedules

Schedule C
CITY OF PRESCOTT, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2005-06

| SOURCE OF REVENUES | ESTIMATED REVENUES 2004-05 | ACTUAL REVENUES 2004-05* | ESTIMATED REVENUES 2005-06 |
|--|----------------------------------|--------------------------------|----------------------------------|
| GENERAL FUND | | | |
| Local taxes | | | |
| Privilege and Use Tax | \$ 13,014,309 | \$ 13,171,063 | \$ 13,821,933 |
| Franchise Taxes | 1,120,424 | 1,120,424 | 1,142,832 |
| Licenses and permits | 1,176,800 | 1,192,405 | 1,180,650 |
| Intergovernmental | | | |
| State | 6,054,311 | 6,075,311 | 6,897,327 |
| County | 2,719,965 | 2,353,848 | 2,400,500 |
| Local Jurisdictions | 753,357 | 1,159,274 | 1,711,942 |
| Charges for services | 525,450 | 702,741 | 524,380 |
| Fines and forfeits | 276,500 | 284,761 | 284,000 |
| Interest on investments | 125,000 | 160,000 | 125,000 |
| In-lieu property taxes | 25,000 | 55,149 | 55,149 |
| Miscellaneous | 209,450 | 268,906 | 253,900 |
| Total General Fund | \$ 26,000,566 | \$ 26,543,882 | \$ 28,397,613 |
| SPECIAL REVENUE FUNDS | | | |
| Highway User Revenue Fund | | | |
| Intergovernmental - State | \$ 3,346,981 | \$ 3,346,981 | \$ 3,541,580 |
| Partnering | 256,295 | 361,073 | 168,144 |
| Miscellaneous | 241,996 | 297,303 | 292,982 |
| Total Highway User Revenue Fund | \$ 3,845,272 | \$ 4,005,357 | \$ 4,002,706 |
| Streets and Open Space Fund | | | |
| Streets and Open Space Tax | \$ 11,580,900 | \$ 12,718,908 | \$ 13,402,933 |
| Interest Earned | 100,000 | 295,000 | 120,000 |
| Partnering | 695,744 | | |
| Intergovernmental - County | 761,862 | 809,342 | 301,792 |
| Miscellaneous | 125,000 | 696,244 | |
| Total Streets and Open Space Fund | \$ 13,263,506 | \$ 14,519,494 | \$ 13,824,725 |
| Transient Occupancy Fund | | | |
| Transient Occupancy Tax | \$ 320,000 | \$ 350,000 | \$ 360,500 |
| Miscellaneous | 183,500 | 9,771 | 5,000 |
| Total Transient Occupancy Fund | \$ 503,500 | \$ 359,771 | \$ 365,500 |
| Capital Improvement Fund | | | |
| Sale of Property | \$ 500,000 | \$ 500,000 | \$ |
| Donations/Contributions | | | 1,050,000 |
| Intergovernmental - County | 250,000 | 250,000 | |
| Miscellaneous | 155,000 | 302,359 | 150,000 |
| Total Capital Improvement Fund | \$ 905,000 | \$ 1,052,359 | \$ 1,200,000 |
| Impact Fee Fund | | | |
| Impact Fees | \$ 1,182,000 | \$ 1,654,800 | \$ 1,431,050 |
| Miscellaneous | 294,300 | 131,200 | 523,400 |
| Total Impact Fee Fund | \$ 1,476,300 | \$ 1,786,000 | \$ 1,954,450 |
| Grants Fund | | | |
| Miscellaneous Grants | \$ 5,428,229 | \$ 1,973,737 | \$ 4,018,939 |
| Total Grants Fund | \$ 5,428,229 | \$ 1,973,737 | \$ 4,018,939 |
| Total Special Revenue Funds | \$ 25,421,807 | \$ 23,696,718 | \$ 25,366,320 |

Legal Schedules

CITY OF PRESCOTT, ARIZONA Summary by Fund Type of Revenues Other Than Property Taxes Fiscal Year 2005-06

| SOURCE OF REVENUES | ESTIMATED REVENUES 2004-05 | ACTUAL REVENUES 2004-05* | ESTIMATED REVENUES 2005-06 |
|-------------------------------------|----------------------------------|--------------------------------|----------------------------------|
| DEBT SERVICE FUNDS | | | |
| Special Assessments | \$ 331,407 | \$ 331,278 | \$ 332,151 |
| Interest Earned | 170,213 | 182,029 | 165,627 |
| Total Debt Service Funds | \$ 501,620 | \$ 513,307 | \$ 497,778 |
| CAPITAL PROJECTS FUNDS | | | |
| Willow/Watson Lake Development | \$ 10,000 | \$ 11,000 | \$ 7,000 |
| Total Capital Projects Funds | \$ 10,000 | \$ 11,000 | \$ 7,000 |
| PERMANENT FUNDS | | | |
| Employee Relations Trust | \$ 1,025 | \$ 4,354 | \$ |
| Acker Trust | 10,000 | 13,000 | 13,000 |
| Miscellaneous Gift Fund | 62,500 | 42,249 | 60,000 |
| Total Permanent Funds | \$ 73,525 | \$ 59,603 | \$ 73,000 |
| ENTERPRISE FUNDS | | | |
| Water Fund | \$ 24,028,396 | \$ 21,846,427 | \$ 10,366,948 |
| Wastewater Fund | 5,620,561 | 5,854,787 | 6,115,107 |
| Golf Course Fund | 2,619,321 | 2,677,443 | 3,057,634 |
| Airport Fund | 5,903,161 | 3,390,483 | 2,983,758 |
| Solid Waste Fund | 4,293,514 | 4,735,517 | 4,945,063 |
| Transfer Station Fund | 3,669,020 | 3,708,483 | 3,820,520 |
| Parking Garage Fund | | | 107,800 |
| Total Enterprise Funds | \$ 46,133,973 | \$ 42,213,140 | \$ 31,396,830 |
| INTERNAL SERVICE FUNDS | | | |
| Central Garage Fund | \$ 2,474,555 | \$ 2,639,731 | \$ 2,791,198 |
| Self-Insurance Fund | 870,537 | 875,605 | 846,464 |
| Facilities Maintenance Fund | 830,726 | 423,647 | 812,666 |
| Workers' Compensation Fund | 698,379 | 707,115 | 668,545 |
| Engineering Fund | 955,595 | 1,741,351 | 2,155,612 |
| Total Internal Service Funds | \$ 5,829,792 | \$ 6,387,449 | \$ 7,274,485 |
| TOTAL ALL FUNDS | \$ 103,971,283 | \$ 99,425,099 | \$ 93,013,026 |

* 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.

Legal Schedules

Schedule D

CITY OF PRESCOTT, ARIZONA Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Fiscal Year 2005-06

| FUND | OTHER FINANCING 2005-06 | | INTERFUND TRANSFERS 2005-06 | |
|-------------------------------------|----------------------------|-----------|--------------------------------|-----------------------|
| | SOURCES | <USES> | IN | <OUT> |
| GENERAL FUND | | | | |
| Finance Department | \$ 800,000 | \$ | \$ | \$ |
| Parking Garage | | | | (8,650) |
| Capital Improvement Fund | | | | (1,655,914) |
| Grants | | | | (443,918) |
| Total General Fund | \$ 800,000 | \$ | \$ | \$ (2,108,482) |
| SPECIAL REVENUE FUNDS | | | | |
| Capital Improvement Fund | \$ | \$ | \$ 3,120,914 | \$ (450,672) |
| Grants | | | 598,975 | |
| Impact Fees | | | 400,225 | (1,673,909) |
| 1% Streets and Open Space | | | 400,000 | (715,000) |
| Total Special Revenue Funds | \$ | \$ | \$ 4,520,114 | \$ (2,839,581) |
| CAPITAL PROJECTS FUNDS | | | | |
| Willow/Watson Lake Development | \$ | \$ | \$ 419,299 | \$ |
| Total Capital Projects Funds | \$ | \$ | \$ 419,299 | \$ |
| ENTERPRISE FUNDS | | | | |
| Water Fund | \$ 27,535,000 | \$ | \$ | \$ |
| Wastewater Fund | 9,665,000 | | | |
| Transfer Station | 3,900,000 | | | |
| Airport | 1,350,000 | | | |
| Parking Garage | | | 8,650 | |
| Total Enterprise Funds | \$ 42,450,000 | \$ | \$ 8,650 | \$ |
| INTERNAL SERVICE FUNDS | | | | |
| Central Garage | \$ 3,800,000 | \$ | \$ | \$ |
| Total Internal Service Funds | \$ 3,800,000 | \$ | \$ | \$ |
| TOTAL ALL FUNDS | \$ 47,050,000 | \$ | \$ 4,948,063 | \$ (4,948,063) |

Legal Schedules

Schedule E

CITY OF PRESCOTT, ARIZONA

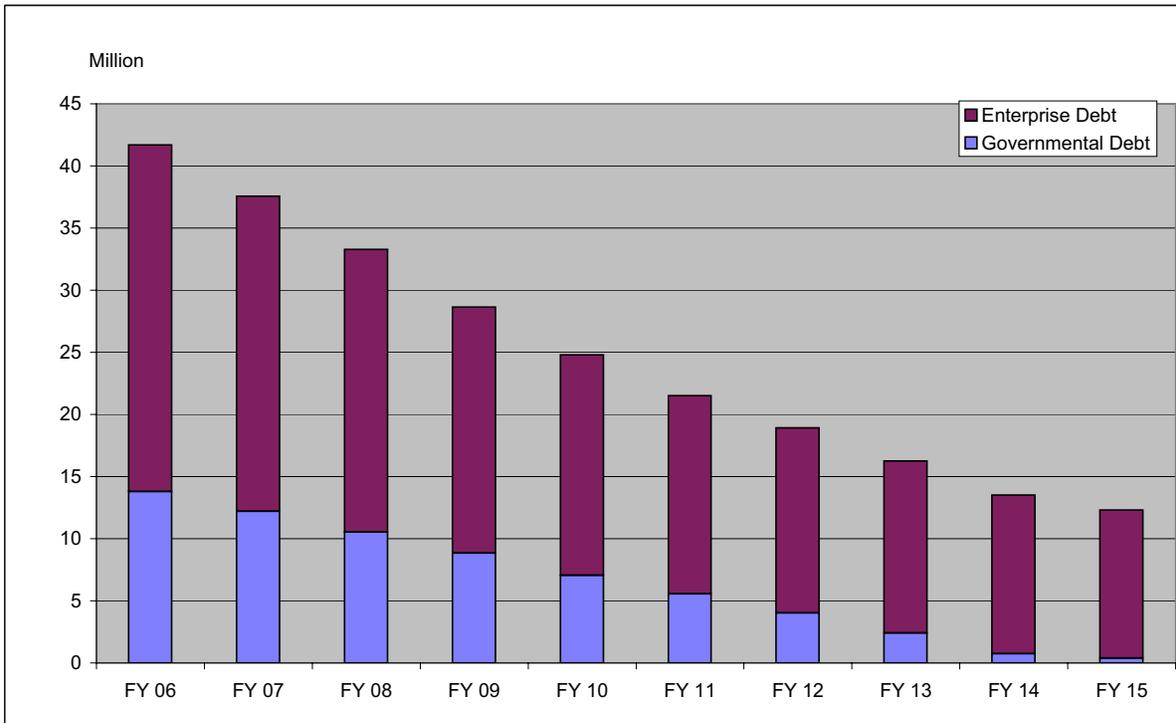
Summary by Department of Expenditures/Expenses Within Each Fund Type Fiscal Year 2005-06

| FUND/DEPARTMENT | ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2004-05 | EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2004-05 | ACTUAL EXPENDITURES/ EXPENSES 2004-05* | BUDGETED EXPENDITURES/ EXPENSES 2005-06 |
|-------------------------------------|---|---|---|--|
| GENERAL FUND | | | | |
| City Council | \$ 44,607 | \$ 25,000 | \$ 62,043 | \$ 47,441 |
| City Clerk | 67,449 | | 36,933 | 70,759 |
| City Court | 441,872 | | 441,816 | 479,427 |
| City Manager | 384,850 | 20,000 | 393,256 | 495,084 |
| Legal Department | 540,424 | | 533,487 | 376,427 |
| Budget & Finance | 1,118,946 | 35,000 | 1,143,515 | 2,067,726 |
| Administrative Services | 579,152 | | 576,109 | 509,015 |
| Human Resources | 499,106 | | 456,042 | 913,673 |
| Community Development | 1,806,078 | | 1,672,899 | 1,825,997 |
| Parks, Recreation & Library | 4,834,040 | | 4,754,717 | 5,129,557 |
| Police Department | 8,465,655 | (80,000) | 8,123,997 | 10,301,931 |
| Fire Department | 5,682,311 | | 5,639,022 | 6,195,002 |
| Total General Fund | \$ 24,464,490 | \$ | \$ 23,833,836 | \$ 28,412,039 |
| SPECIAL REVENUE FUNDS | | | | |
| Highway User Fund | \$ 4,407,280 | \$ | \$ 3,786,525 | \$ 4,485,863 |
| 1% Streets & Open Space | 20,385,356 | | 10,643,411 | 25,722,791 |
| Transient Occupancy Tax | 665,574 | 250,000 | 904,226 | 526,441 |
| Capital Improvement Fund | 16,799,045 | | 9,441,986 | 9,862,000 |
| Impact Fee Fund | 2,326,864 | | 619,008 | 3,323,725 |
| Grant Fund | 5,916,413 | | 2,239,663 | 4,616,096 |
| Total Special Revenue Funds | \$ 50,500,532 | \$ | \$ 27,634,819 | \$ 48,536,916 |
| DEBT SERVICE FUNDS | | | | |
| | \$ 2,186,645 | \$ 6,500 | \$ 2,192,786 | \$ 2,185,721 |
| CAPITAL PROJECTS FUNDS | | | | |
| Willow/Watson Lake Develop. | \$ 1,242,000 | \$ | \$ 927,701 | \$ 419,299 |
| Total Capital Projects Funds | \$ 1,242,000 | \$ | \$ 927,701 | \$ 419,299 |
| PERMANENT FUNDS | | | | |
| Trust Funds | \$ 85,170 | \$ | \$ 83,141 | \$ 80,500 |
| Total Permanent Funds | \$ 85,170 | \$ | \$ 83,141 | \$ 80,500 |
| ENTERPRISE FUNDS | | | | |
| Water Fund | \$ 45,796,885 | \$ (1,081,500) | \$ 33,809,340 | \$ 52,158,799 |
| Wastewater Fund | 12,256,182 | | 7,474,018 | 20,790,240 |
| Solid Waste | 4,886,497 | | 4,593,049 | 4,776,170 |
| Transfer Station | 3,569,957 | | 3,523,015 | 7,563,262 |
| Golf Course | 5,261,371 | 800,000 | 6,034,648 | 2,801,817 |
| Airport | 7,979,576 | | 3,721,319 | 4,327,160 |
| Parking Garage Operations | | | | 126,450 |
| Total Enterprise Funds | \$ 79,750,468 | \$ (281,500) | \$ 59,155,389 | \$ 92,543,898 |
| INTERNAL SERVICE FUNDS | | | | |
| Facilities Maintenance | \$ 835,726 | \$ | \$ 528,794 | \$ 811,689 |
| Engineering Services | 1,740,104 | | 1,736,846 | 2,150,012 |
| Central Garage/Vehicle Repl | 2,600,955 | | 2,500,641 | 7,089,904 |
| Self Insurance | 840,537 | 275,000 | 1,103,202 | 813,487 |
| Workers' Compensation | 670,894 | | 621,053 | 635,517 |
| Total Internal Service Funds | \$ 6,688,216 | \$ 275,000 | \$ 6,490,536 | \$ 11,500,609 |
| TOTAL ALL FUNDS | \$ 164,917,521 | \$ | \$ 120,318,208 | \$ 183,678,982 |

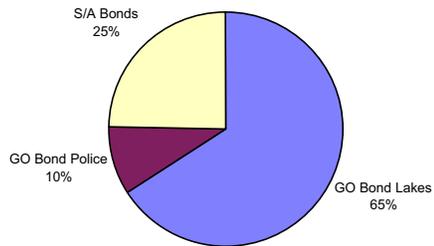
* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

Outstanding Debt Schedule

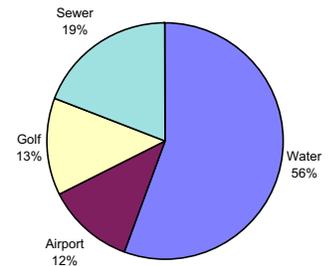
Outstanding Debt Principal



Governmental Debt



Enterprise Debt



Salary Ranges

Salary Ranges

Fiscal Year 2005-06 Budget

| Salary Range | Minimum | Midpoint | Maximum | Salary Range | Minimum | Midpoint | Maximum |
|--------------|-----------|-----------|-----------|--------------|------------|------------|------------|
| 11 | 11,472.55 | 13,767.06 | 16,061.57 | 61 | 39,432.40 | 47,318.88 | 55,205.36 |
| 12 | 11,759.37 | 14,111.25 | 16,463.11 | 62 | 40,418.21 | 48,501.85 | 56,585.49 |
| 13 | 12,053.35 | 14,464.02 | 16,874.69 | 63 | 41,428.66 | 49,714.39 | 58,000.12 |
| 14 | 12,354.69 | 14,825.63 | 17,296.57 | 64 | 42,464.38 | 50,957.26 | 59,450.13 |
| 15 | 12,663.55 | 15,196.26 | 17,728.97 | 65 | 43,525.99 | 52,231.19 | 60,936.39 |
| 16 | 12,980.14 | 15,576.17 | 18,172.20 | 66 | 44,614.14 | 53,536.97 | 62,459.80 |
| 17 | 13,304.64 | 15,965.57 | 18,626.50 | 67 | 45,729.50 | 54,875.40 | 64,021.30 |
| 18 | 13,637.26 | 16,364.71 | 19,092.16 | 68 | 46,872.74 | 56,247.29 | 65,621.84 |
| 19 | 13,978.19 | 16,773.83 | 19,569.47 | 69 | 48,044.56 | 57,653.47 | 67,262.38 |
| 20 | 14,327.65 | 17,193.18 | 20,058.71 | 70 | 49,245.67 | 59,094.81 | 68,943.94 |
| 21 | 14,685.84 | 17,623.01 | 20,560.18 | 71 | 50,476.81 | 60,572.17 | 70,667.53 |
| 22 | 15,052.99 | 18,063.59 | 21,074.19 | 72 | 51,738.73 | 62,086.48 | 72,434.22 |
| 23 | 15,429.31 | 18,515.17 | 21,601.03 | 73 | 53,032.20 | 63,638.64 | 74,245.08 |
| 24 | 15,815.04 | 18,978.05 | 22,141.06 | 74 | 54,358.00 | 65,229.60 | 76,101.20 |
| 25 | 16,210.42 | 19,452.51 | 22,694.59 | 75 | 55,716.95 | 66,860.34 | 78,003.73 |
| 26 | 16,615.68 | 19,938.82 | 23,261.95 | 76 | 57,109.87 | 68,531.85 | 79,953.82 |
| 27 | 17,031.07 | 20,437.29 | 23,843.50 | 77 | 58,537.62 | 70,245.15 | 81,952.67 |
| 28 | 17,456.85 | 20,948.22 | 24,439.59 | 78 | 60,001.06 | 72,001.27 | 84,001.48 |
| 29 | 17,893.27 | 21,471.93 | 25,050.58 | 79 | 61,501.09 | 73,801.31 | 86,101.53 |
| 30 | 18,340.60 | 22,008.72 | 25,676.84 | 80 | 63,038.63 | 75,646.36 | 88,254.08 |
| 31 | 18,799.12 | 22,558.95 | 26,318.77 | 81 | 64,614.59 | 77,537.51 | 90,460.43 |
| 32 | 19,269.10 | 23,122.92 | 26,976.74 | 82 | 66,229.96 | 79,475.95 | 92,721.94 |
| 33 | 19,750.83 | 23,701.00 | 27,651.16 | 83 | 67,885.70 | 81,462.84 | 95,039.98 |
| 34 | 20,244.60 | 24,293.52 | 28,342.44 | 84 | 69,582.84 | 83,499.41 | 97,415.98 |
| 35 | 20,750.71 | 24,900.85 | 29,050.99 | 85 | 71,322.41 | 85,586.89 | 99,851.37 |
| 36 | 21,269.48 | 25,523.38 | 29,777.27 | 86 | 73,105.48 | 87,726.58 | 102,347.67 |
| 37 | 21,801.22 | 26,161.47 | 30,521.71 | 87 | 74,933.11 | 89,919.73 | 104,906.35 |
| 38 | 22,346.25 | 26,815.50 | 31,284.75 | 88 | 76,806.43 | 92,167.72 | 107,529.00 |
| 39 | 22,904.90 | 27,485.88 | 32,066.86 | 89 | 78,726.59 | 94,471.91 | 110,217.23 |
| 40 | 23,477.52 | 28,173.03 | 32,868.53 | 90 | 80,694.75 | 96,833.70 | 112,972.65 |
| 41 | 24,064.46 | 28,877.35 | 33,690.24 | 91 | 82,712.12 | 99,254.55 | 115,796.97 |
| 42 | 24,666.07 | 29,599.29 | 34,532.50 | 92 | 84,779.93 | 101,735.92 | 118,691.90 |
| 43 | 25,282.72 | 30,339.27 | 35,395.81 | 93 | 86,899.43 | 104,279.32 | 121,659.20 |
| 44 | 25,914.79 | 31,097.75 | 36,280.71 | 94 | 89,071.92 | 106,886.31 | 124,700.69 |
| 45 | 26,562.66 | 31,875.19 | 37,187.72 | 95 | 91,298.72 | 109,558.47 | 127,818.21 |
| 46 | 27,226.72 | 32,672.07 | 38,117.41 | 96 | 93,581.19 | 112,297.43 | 131,013.67 |
| 47 | 27,907.39 | 33,488.87 | 39,070.35 | 97 | 95,920.72 | 115,104.87 | 134,289.01 |
| 48 | 28,605.07 | 34,326.09 | 40,047.10 | 98 | 98,318.73 | 117,982.48 | 137,646.22 |
| 49 | 29,320.20 | 35,184.24 | 41,048.28 | 99 | 100,776.70 | 120,932.04 | 141,087.38 |
| 50 | 30,053.21 | 36,063.85 | 42,074.49 | 100 | 103,296.13 | 123,955.36 | 144,614.58 |
| 51 | 30,804.54 | 36,965.45 | 43,126.36 | 101 | 105,878.53 | 127,054.24 | 148,229.94 |
| 52 | 31,574.65 | 37,889.58 | 44,204.51 | 102 | 108,525.50 | 130,230.60 | 151,935.70 |
| 53 | 32,364.02 | 38,836.83 | 45,309.63 | 103 | 111,238.63 | 133,486.36 | 155,734.08 |
| 54 | 33,173.12 | 39,807.75 | 46,442.37 | 104 | 114,019.60 | 136,823.52 | 159,627.44 |
| 55 | 34,002.44 | 40,802.93 | 47,603.42 | 105 | 116,870.09 | 140,244.11 | 163,618.13 |
| 56 | 34,852.50 | 41,823.00 | 48,793.50 | 106 | 119,791.84 | 143,750.21 | 167,708.58 |
| 57 | 35,723.81 | 42,868.57 | 50,013.33 | 107 | 122,786.64 | 147,343.97 | 171,901.30 |
| 58 | 36,616.90 | 43,940.28 | 51,263.66 | 108 | 125,856.31 | 151,027.57 | 176,198.83 |
| 59 | 37,532.32 | 45,038.79 | 52,545.25 | 109 | 129,002.71 | 154,803.25 | 180,603.79 |
| 60 | 38,470.63 | 46,164.76 | 53,858.88 | 110 | 132,227.77 | 158,673.33 | 185,118.88 |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|--------------|--------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| Mayor and Council | | | | | | |
| Mayor | 1.000 | 1.000 | 1.000 | 9,000 | 9,000 | 0 |
| Councilman | 6.000 | 6.000 | 6.000 | 6,000 | 6,000 | 0 |
| Total Mayor and Council | 7.000 | 7.000 | 7.000 | | | |
| City Manager | | | | | | |
| City Manager | 1.000 | 1.000 | 1.000 | 132,228 | 185,119 | 110 |
| Assistant City Manager | - | 1.000 | 1.000 | 86,899 | 121,659 | 93 |
| Assistant to the City Manager | 1.000 | 1.000 | 0.700 | 53,032 | 74,245 | 73 |
| Management Analyst | - | - | 0.300 | 44,614 | 62,460 | 66 |
| Executive Assistant | 1.000 | 1.000 | 1.000 | 30,053 | 42,074 | 50 |
| Secretary | - | 0.250 | 0.250 | 24,064 | 33,690 | 41 |
| Total City Manager | 3.000 | 4.250 | 4.250 | | | |
| City Clerk | | | | | | |
| City Clerk | 1.000 | 1.000 | 1.000 | 49,246 | 68,944 | 70 |
| Deputy City Clerk | 1.000 | 1.000 | 1.000 | 30,805 | 43,126 | 51 |
| Total City Clerk | 2.000 | 2.000 | 2.000 | | | |
| City Court | | | | | | |
| City Magistrate | 1.000 | 1.000 | 1.000 | Contract | | 0 |
| Court Administrator | 1.000 | 1.000 | 1.000 | 49,246 | 68,944 | 70 |
| Senior Court Clerk | 1.000 | 1.000 | 1.000 | 27,227 | 38,117 | 46 |
| Court Clerk | 3.750 | 4.750 | 4.750 | 24,666 | 34,533 | 42 |
| Total City Court | 6.750 | 7.750 | 7.750 | | | |
| Legal Department | | | | | | |
| City Attorney | 1.000 | 1.000 | 1.000 | 89,072 | 124,701 | 94 |
| City Prosecutor | 1.000 | 1.000 | 1.000 | 69,583 | 97,416 | 84 |
| Senior Asst City Attorney | 1.000 | 1.000 | 1.000 | 63,039 | 88,254 | 80 |
| Chief Assistant City Attorney | 1.000 | 1.000 | 1.000 | 63,039 | 88,254 | 80 |
| Detective | 1.000 | 1.000 | 1.000 | 35,724 | 50,013 | 57 |
| Legal Assistant | 1.000 | 1.000 | 1.000 | 33,173 | 46,442 | 54 |
| Legal Secretary | 2.000 | 2.500 | 2.500 | 28,605 | 40,047 | 48 |
| Secretary | 0.500 | - | - | 24,064 | 33,690 | 41 |
| Total Legal Department | 8.500 | 8.500 | 8.500 | | | |
| Economic Development | | | | | | |
| Economic Dev Director | - | 1.000 | 1.000 | 60,001 | 84,001 | 78 |
| Business Dev Manager | - | 1.000 | 1.000 | 49,246 | 68,944 | 70 |
| Economic Dev Coordinator | 2.000 | - | - | 44,614 | 62,460 | 66 |
| Secretary | 0.750 | 0.750 | 0.750 | 24,064 | 33,690 | 41 |
| Total Economic Development | 2.750 | 2.750 | 2.750 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|--------------|--------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| Human Resources | | | | | | |
| Administrative Svcs Director | 0.800 | 0.350 | - | 73,105 | 102,348 | 86 |
| Human Resources Manager | - | 1.000 | 1.000 | 58,538 | 81,953 | 77 |
| Human Resources Analyst | 1.000 | - | 1.000 | 39,432 | 55,205 | 61 |
| Human Resources Asst | 1.000 | 1.000 | - | 28,605 | 40,047 | 48 |
| Administrative Assistant | - | - | 1.000 | 28,605 | 40,047 | 48 |
| Total Human Resources | 2.800 | 2.350 | 3.000 | | | |
| Administrative Services | | | | | | |
| <u>Purchasing</u> | | | | | | |
| Administrative Svcs Director | - | - | 0.100 | 73,105 | 102,348 | 86 |
| Purchasing Manager | 1.000 | 1.000 | 1.000 | 46,873 | 65,622 | 68 |
| Administrative Assistant | 1.000 | 1.000 | - | 28,605 | 40,047 | 48 |
| Total | 2.000 | 2.000 | 1.100 | | | |
| <u>Public Communications</u> | | | | | | |
| Administrative Svcs Director | - | - | 0.100 | 73,105 | 102,348 | 86 |
| Marketing Manager | 1.000 | 1.000 | 1.000 | 40,418 | 56,585 | 62 |
| Marketing Assistant | 1.000 | 1.000 | 1.000 | 27,907 | 39,070 | 47 |
| Total | 2.000 | 2.000 | 2.100 | | | |
| <u>Elks Opera House</u> | | | | | | |
| Administrative Svcs Director | - | - | 0.100 | 73,105 | 102,348 | 86 |
| Recreation Supervisor | 0.500 | 0.500 | 0.500 | 40,418 | 56,585 | 62 |
| Temporary Employees | - | - | 0.100 | | N/A | |
| Total | 0.500 | 0.500 | 0.700 | | | |
| Total Administrative Services | 4.500 | 4.500 | 3.900 | | | |
| Finance Department | | | | | | |
| <u>Tax & Licensing</u> | | | | | | |
| Privilege Tax Supervisor | 1.000 | 1.000 | 1.000 | 45,730 | 64,021 | 67 |
| Privilege Tax Auditor | 1.000 | 1.000 | 1.000 | 43,526 | 60,936 | 65 |
| Accounting Technician | 1.000 | 1.000 | 1.000 | 28,605 | 40,047 | 48 |
| Total | 3.000 | 3.000 | 3.000 | | | |
| <u>Accounting Services</u> | | | | | | |
| Finance Director | 1.000 | 0.900 | 0.900 | 82,712 | 115,797 | 91 |
| Assistant Finance Director | - | 1.000 | 1.000 | 64,615 | 90,460 | 81 |
| Senior Accountant | 1.000 | - | - | 48,045 | 67,262 | 69 |
| Customer Service Manager | - | 1.000 | 1.000 | 48,045 | 67,262 | 69 |
| Budget Analyst | 1.000 | 1.000 | 1.000 | 43,526 | 60,936 | 65 |
| Payroll Specialist | - | 1.000 | 1.000 | 43,526 | 60,936 | 65 |
| Accountant | 1.000 | - | - | 35,724 | 50,013 | 57 |
| Accounting Technician | 2.000 | 2.000 | 2.000 | 28,605 | 40,047 | 48 |
| Office Support Specialist | 1.000 | - | - | 28,605 | 40,047 | 48 |
| Administrative Assistant | 1.000 | - | - | 28,605 | 40,047 | 48 |
| Accounting Clerk | 1.000 | 2.000 | 2.000 | 24,064 | 33,690 | 41 |
| Temporary Employees | 0.600 | 0.200 | 0.200 | | N/A | |
| Total | 9.600 | 9.100 | 9.100 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|---------------|---------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| <u>Information Technology</u> | | | | | | |
| Finance Director | - | 0.100 | 0.100 | 82,712 | 115,797 | 91 |
| Asst City Mgr/Director | 0.100 | - | - | 74,933 | 104,906 | 87 |
| Application Mgr/GIS Coordinator | - | 1.000 | 1.000 | 55,717 | 78,004 | 75 |
| Operations Manager | - | 1.000 | 1.000 | 55,717 | 78,004 | 75 |
| Information Technology Mgr | 1.000 | - | - | 53,032 | 74,245 | 73 |
| Network Engineer | 1.000 | - | - | 48,045 | 67,262 | 69 |
| IT Programmer | 1.000 | - | - | 48,045 | 67,262 | 69 |
| GIS Coordinator | 1.000 | - | - | 43,526 | 60,936 | 65 |
| IT Technician | 3.000 | - | - | 40,418 | 56,585 | 62 |
| Administrative Assistant | 1.000 | - | - | 28,605 | 40,047 | 48 |
| Account Clerk | - | 0.500 | 0.500 | 24,064 | 33,690 | 41 |
| Info Tech Intern | - | 0.500 | 0.500 | 33,280 | 62,400 | 00 |
| GIS Specialist | - | 1.000 | 1.000 | 33,280 | 62,400 | 00 |
| Info Tech Specialist | 2.000 | 6.000 | 6.000 | 33,280 | 62,400 | 00 |
| Temporary Employees | - | - | 0.300 | N/A | | |
| Total | 10.100 | 10.100 | 10.400 | | | |
| Total Finance Department | 22.700 | 22.200 | 22.500 | | | |
| | | | | | | |
| Community Development | | | | | | |
| <u>Administration/Planning & Zoning</u> | | | | | | |
| Comm. Devel. Director | 0.800 | 0.800 | 0.800 | 73,105 | 102,348 | 86 |
| Planning Manager | 1.000 | 1.000 | 1.000 | 63,039 | 88,254 | 80 |
| Econ. Dev. Coordinator | 0.500 | - | - | 44,614 | 62,460 | 66 |
| Planner | 4.000 | 4.000 | 4.000 | 43,526 | 60,936 | 65 |
| Historic Preservation Spec. | 0.500 | 0.500 | 0.500 | 43,526 | 60,936 | 65 |
| Grants Administrator | 1.000 | - | - | 42,464 | 59,450 | 64 |
| Administrative Assistant | - | 1.000 | 1.000 | 28,605 | 40,047 | 48 |
| Code Enforcement Officer | 1.000 | 2.000 | 2.000 | 27,907 | 39,070 | 47 |
| Administrative Secretary | 2.000 | - | - | 25,283 | 35,396 | 43 |
| Secretary | 1.000 | 2.000 | 2.000 | 24,064 | 33,690 | 41 |
| Total | 11.800 | 11.300 | 11.300 | | | |
| <u>Building Inspections</u> | | | | | | |
| Comm. Devel. Director | 0.200 | 0.200 | 0.200 | 73,105 | 102,348 | 86 |
| Building Inspection Mgr | 1.000 | 1.000 | 1.000 | 46,873 | 65,622 | 68 |
| Plans Examiner Supv. | 1.000 | 1.000 | 1.000 | 43,526 | 60,936 | 65 |
| Building Insp. Supv. | 1.000 | 1.000 | 1.000 | 43,526 | 60,936 | 65 |
| Private Develop. Coord. | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Plans Examiner | 2.000 | 2.000 | 2.000 | 40,418 | 56,585 | 62 |
| Building Inspector | 4.000 | 4.000 | 4.000 | 34,853 | 48,794 | 56 |
| Permit Specialist | 1.000 | 1.000 | 1.000 | 33,173 | 46,442 | 54 |
| Permit Tech | 1.000 | 2.000 | 2.000 | 28,605 | 40,047 | 48 |
| Secretary | 2.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Total | 14.200 | 14.200 | 14.200 | | | |
| <u>CDBG Administration</u> | | | | | | |
| Grants Administrator | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Total | 1.000 | 1.000 | 1.000 | | | |
| Total Community Development | 27.000 | 26.500 | 26.500 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | |
|---|-----------------|---------|---------|--------------|---------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max |
| Parks, Recreation & Library | | | | | |
| <u>Administration</u> | | | | | |
| Recreation Services Director | 1.000 | 1.000 | 1.000 | 73,105 | 102,348 |
| Lake Parks Superintendent | 1.000 | 0.200 | 0.200 | 46,873 | 65,622 |
| Park Security Ranger | 1.000 | 1.000 | 1.000 | 30,805 | 43,126 |
| Administrative Asst | - | 1.000 | 1.000 | 28,605 | 40,047 |
| Secretary | 1.000 | - | - | 24,064 | 33,690 |
| Total | 4.000 | 3.200 | 3.200 | | |
| <u>Library/Library Network</u> | | | | | |
| Library Director | 1.000 | 1.000 | 1.000 | 60,001 | 84,001 |
| Assistant Director | 1.000 | 1.000 | 1.000 | 49,246 | 68,944 |
| Systems Coordinator - Network | 1.000 | 1.000 | 1.000 | 40,418 | 56,585 |
| Librarian | 6.500 | 6.500 | 7.500 | 37,532 | 52,545 |
| Library Resource Analyst | 0.670 | 0.670 | 0.670 | 34,002 | 47,603 |
| Administrative Asst | 1.000 | - | - | 28,605 | 40,047 |
| Library Specialist | 2.000 | 2.000 | 2.000 | 29,320 | 41,048 |
| Maintenance Technician | 1.000 | 1.000 | 1.000 | 25,283 | 35,396 |
| Library Assistant | 5.000 | 5.000 | 5.000 | 25,283 | 35,396 |
| Secretary | - | - | 1.000 | 24,064 | 33,690 |
| Custodian | - | - | 0.500 | 18,799 | 26,319 |
| Library Clerk | 1.000 | 1.000 | 1.000 | 17,893 | 25,051 |
| Clerks (Temporary) | 2.750 | 2.750 | 3.400 | | N/A |
| Total | 22.920 | 21.920 | 25.070 | | |
| <u>Prescott ConneXion</u> | | | | | |
| Librarian | - | 1.000 | 1.000 | 37,532 | 52,545 |
| Library Resource Analyst | 0.330 | 0.330 | 0.330 | 34,002 | 47,603 |
| Library Specialist | 1.000 | - | - | 29,320 | 41,048 |
| Library Assistant | - | 1.500 | 1.500 | 25,283 | 35,396 |
| Clerks (Temporary) | 1.000 | - | - | | N/A |
| Total | 2.330 | 2.830 | 2.830 | | |
| <u>Recreation Programming</u> | | | | | |
| Superintendent | 1.000 | 1.000 | - | 46,873 | 65,622 |
| Recreation Supervisor | 0.500 | 0.500 | 1.500 | 40,418 | 56,585 |
| Adult Center Coordinator | 1.000 | 1.000 | 1.000 | 36,617 | 21,264 |
| Recreation Coordinator | 3.000 | 3.000 | 3.000 | 36,617 | 21,264 |
| Administrative Secretary | 1.000 | 1.000 | 1.000 | 25,283 | 35,396 |
| Maintenance Technician | 1.000 | 1.000 | 1.000 | 25,283 | 35,396 |
| Recreation Leader | - | 2.000 | 2.000 | 24,064 | 33,690 |
| Custodian | 1.625 | - | 1.000 | 18,799 | 26,319 |
| Summer Instructional (Temp/Seasonal) | 6.375 | 4.125 | 8.000 | | N/A |
| Total | 15.500 | 13.625 | 18.500 | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|--|-----------------|---------------|---------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| <u>Parks Maintenance</u> | | | | | | |
| Assistant Parks & Rec Director | - | - | 1.000 | 63,039 | 88,254 | 80 |
| Parks Maintenance Supt. | 1.000 | 1.000 | - | 46,873 | 65,622 | 68 |
| Maintenance Specialist | 3.000 | 3.000 | 3.000 | 29,320 | 41,048 | 49 |
| Equipment Operator | 1.000 | 1.000 | 1.000 | 25,915 | 36,281 | 44 |
| Maintenance Worker | 3.000 | 3.000 | 3.000 | 19,269 | 26,977 | 32 |
| Maintenance Crew (Seasonal) | 5.000 | 5.000 | 6.000 | N/A | | |
| Total | 13.000 | 13.000 | 14.000 | | | |
| <u>Watson and Willow Lakes</u> | | | | | | |
| Lake Parks Superintendent | - | 0.400 | 0.400 | 46,873 | 65,622 | 68 |
| Maintenance Worker | 2.000 | 2.000 | 3.000 | 19,269 | 26,977 | 32 |
| Maintenance Worker (Temporary) | 1.000 | 1.000 | 1.200 | N/A | | |
| Total | 3.000 | 3.400 | 4.600 | | | |
| <u>Goldwater Lake</u> | | | | | | |
| Lake Parks Superintendent | - | 0.400 | 0.400 | 46,873 | 65,622 | 68 |
| Maintenance Technician | 1.000 | 1.000 | 1.000 | 25,283 | 35,396 | 43 |
| Maintenance Worker (Temporary) | 0.400 | 0.400 | 0.600 | N/A | | |
| Total | 1.400 | 1.800 | 2.000 | | | |
| <u>Open Space/Trails System</u> | | | | | | |
| Trails/Parks Superintendent | - | - | 1.000 | 46,873 | 65,622 | 68 |
| Open Space Coordinator | 1.000 | 1.000 | - | 42,464 | 59,450 | 64 |
| Maintenance Specialist | 1.000 | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Total | 2.000 | 2.000 | 2.000 | | | |
| <u>Landscaping and Urban Forestry</u> | | | | | | |
| Urban Forester | 1.000 | 1.000 | 1.000 | 36,617 | 21,264 | 58 |
| Landscape Maintenance Worker | - | 1.000 | 1.500 | 25,283 | 35,396 | 43 |
| Landscape Maintenance Tech | - | 1.000 | 1.000 | 19,269 | 26,977 | 32 |
| Maintenance Worker (Seasonal) | - | 0.500 | - | N/A | | |
| Total | 1.000 | 3.500 | 3.500 | | | |
| Total Parks, Recreation & Library | 65.150 | 65.275 | 75.700 | | | |
| | | | | | | |
| Police Department | | | | | | |
| <u>Administration</u> | | | | | | |
| Police Chief | 1.000 | 1.000 | 1.000 | 82,712 | 115,797 | 91 |
| Assistant Chief | 1.000 | 1.000 | 1.000 | 71,322 | 99,851 | 85 |
| Police Research Analyst | 1.000 | 1.000 | 1.000 | 37,532 | 52,545 | 59 |
| Administrative Assistant | 1.000 | 1.000 | 1.000 | 28,605 | 40,047 | 48 |
| Total | 4.000 | 4.000 | 4.000 | | | |
| <u>Records</u> | | | | | | |
| Lieutenant | 1.000 | 1.000 | 1.000 | 73,778 | 89,762 | Police 91 |
| Records Supervisor | 1.000 | 1.000 | 1.000 | 40,418 | 56,585 | 62 |
| Records Clerk | 6.000 | 6.000 | 6.000 | 28,605 | 40,047 | 48 |
| Total | 8.000 | 8.000 | 8.000 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|----------------|----------------|--------------|--------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| <u>Communications</u> | | | | | | |
| Regional Communications Director | 1.000 | 1.000 | 1.000 | 55,717 | 78,004 | 75 |
| Dispatch Supervisor | 1.000 | 1.000 | 1.000 | 37,532 | 52,545 | 59 |
| Dispatch Shift Supervisor | 2.000 | 2.000 | 2.000 | 36,617 | 21,264 | 58 |
| Police Dispatcher | 15.250 | 15.250 | 22.750 | 31,575 | 44,205 | 52 |
| Dispatcher (Temporary) | 1.000 | 0.500 | 0.400 | N/A | | |
| Total | 20.250 | 19.750 | 27.150 | | | |
| <u>Traffic</u> | | | | | | |
| Sergeant | 1.000 | 1.000 | 1.000 | 58,308 | 70,940 | Police |
| Police Officer | 5.000 | 6.000 | 6.000 | 38,224 | 56,311 | Police |
| Parking Control Officer | 1.000 | 1.000 | 1.000 | 25,915 | 36,281 | 44 |
| Total | 7.000 | 8.000 | 8.000 | | | |
| <u>Investigations</u> | | | | | | |
| Lieutenant | - | 1.000 | 1.000 | 73,778 | 89,762 | Police |
| Sergeant | 1.000 | - | - | 58,308 | 70,940 | Police |
| Police Officer | 6.000 | 6.000 | 6.000 | 38,224 | 56,311 | Police |
| Property/Evidence Tech | 2.000 | 2.000 | 2.000 | 30,805 | 43,126 | 51 |
| Community Services Officer | 1.500 | 1.500 | 1.500 | 29,320 | 41,048 | 49 |
| Secretary | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Temporary Employees | 1.500 | 0.750 | 0.400 | N/A | | |
| Total | 13.000 | 12.250 | 11.900 | | | |
| <u>Patrol</u> | | | | | | |
| Lieutenant | 1.000 | 1.000 | 1.000 | 73,778 | 89,762 | Police |
| Sergeant | 5.000 | 6.000 | 7.000 | 58,308 | 70,940 | Police |
| Administrative Sergeant | 1.000 | - | - | | | |
| Officer | 32.000 | 32.000 | 36.000 | 38,224 | 56,311 | Police |
| Secretary | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Total | 40.000 | 40.000 | 45.000 | | | |
| <u>Training</u> | | | | | | |
| Training Coordinator | 1.000 | 1.000 | 1.000 | 37,532 | 52,545 | 59 |
| Total | 1.000 | 1.000 | 1.000 | | | |
| <u>Community Services</u> | | | | | | |
| Sergeant | 1.000 | 1.000 | 1.000 | 58,308 | 70,940 | Police |
| Police Officer | 7.000 | 7.000 | 7.000 | 38,224 | 56,311 | Police |
| Crime Prevention Officer | 1.000 | 1.000 | 1.000 | 35,724 | 50,013 | 57 |
| Secretary | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Total | 10.000 | 10.000 | 10.000 | | | |
| <u>Animal Control</u> | | | | | | |
| Supervisor | 1.000 | 1.000 | 1.000 | 35,724 | 50,013 | 57 |
| Animal Control Officer | 3.000 | 4.000 | 4.000 | 27,907 | 39,070 | 47 |
| Total | 4.000 | 5.000 | 5.000 | | | |
| <u>Community Service Work Program</u> | | | | | | |
| Com. Serv. Worker Coordinator | 1.000 | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Com. Serv. Worker Monitor | 1.000 | 1.000 | 1.000 | 25,915 | 36,281 | 44 |
| Secretary | 0.500 | 0.500 | 0.500 | 24,064 | 33,690 | 41 |
| Total | 2.500 | 2.500 | 2.500 | | | |
| <u>Narcotics Task Force Grant</u> | | | | | | |
| Police Officer | 1.000 | 1.000 | 1.000 | 38,224 | 56,311 | Police |
| Total | 1.000 | 1.000 | 1.000 | | | |
| Total Police Department | 110.750 | 111.500 | 123.550 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|---------------|---------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| Fire Department | | | | | | |
| <u>Administration</u> | | | | | | |
| Fire Chief | 1.000 | 1.000 | 1.000 | 82,712 | 115,797 | 91 |
| Deputy Chief | 1.000 | 1.000 | 1.000 | 71,322 | 99,851 | 85 |
| Administrative Assistant | 1.000 | 1.000 | 1.000 | 28,605 | 40,047 | 48 |
| Secretary | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Total | 4.000 | 4.000 | 4.000 | | | |
| <u>Communications</u> | | | | | | |
| Info Technology Technician | 1.000 | 1.000 | 1.000 | 40,418 | 56,585 | 62 |
| Total | 1.000 | 1.000 | 1.000 | | | |
| <u>Prevention</u> | | | | | | |
| Fire Marshal/Division Chief | 1.000 | 1.000 | 1.000 | 68,951 | 83,890 | Fire |
| Senior Fire Inspector | - | 1.000 | 1.000 | 40,418 | 56,585 | 62 |
| Fire Inspector | 1.000 | 1.000 | 1.000 | 32,364 | 45,310 | 53 |
| Fire Prevention Aide | 1.000 | 1.000 | 1.000 | 25,283 | 35,396 | 43 |
| Total | 3.000 | 4.000 | 4.000 | | | |
| <u>Suppression</u> | | | | | | |
| Battalion Chief | 3.000 | 3.000 | 3.000 | 68,951 | 83,890 | Fire |
| Captain | 15.000 | 15.000 | 15.000 | 57,240 | 69,641 | Fire |
| Engineer | 15.000 | 14.000 | 14.000 | 47,047 | 57,240 | Fire |
| Firefighter | 21.000 | 21.000 | 24.000 | 36,601 | 52,095 | Fire |
| Total | 54.000 | 53.000 | 56.000 | | | |
| <u>Training</u> | | | | | | |
| Training Division Chief | 1.000 | 1.000 | 1.000 | 68,951 | 83,890 | Fire |
| Total | 1.000 | 1.000 | 1.000 | | | |
| <u>Fire Vegetation Crew</u> | | | | | | |
| Wildland Division Chief | - | 1.000 | 1.000 | 53,032 | 74,245 | 73 |
| Engineer | - | 1.000 | 1.000 | 47,047 | 57,240 | Fire |
| Fuels Management Supervisor | - | 1.000 | 1.000 | 35,550 | 50,599 | Fire |
| Squad Boss | - | - | 1.000 | 27,893 | 36,705 | Fire |
| Fuels Tech/Wildland Firefighter | - | 8.000 | 4.000 | 25,789 | 35,293 | Fire |
| Seasonal Wildland Fire Crew | - | 10.000 | 10.000 | | N/A | |
| Total | - | 21.000 | 18.000 | | | |
| Total Fire Department | 63.000 | 84.000 | 84.000 | | | |
| Highway Users Revenue Fund | | | | | | |
| Public Works Director | 0.200 | 0.200 | 0.200 | 82,712 | 115,797 | 91 |
| Traffic Engineer | 1.000 | - | - | 60,001 | 84,001 | 78 |
| Street Maint. Superintendent | 1.000 | 1.000 | 1.000 | 48,045 | 67,262 | 69 |
| Street Maint. Supervisor | 1.000 | 1.000 | 2.000 | 42,464 | 59,450 | 64 |
| Drainage/Maint. Supervisor | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Traffic Engineering Technician | 1.000 | 1.000 | 1.000 | 35,724 | 50,013 | 57 |
| Maintenance Specialist | 1.000 | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Traffic Control Technician | 1.000 | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Senior Equipment Operator | 4.000 | 4.000 | 4.000 | 28,605 | 40,047 | 48 |
| Accounting Technician | 0.300 | 0.300 | 0.300 | 28,605 | 40,047 | 48 |
| Traffic Control Worker | 2.000 | 2.000 | 2.000 | 26,563 | 37,188 | 45 |
| Equipment Operator | 11.000 | 11.000 | 11.000 | 25,915 | 36,281 | 44 |
| Secretary | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Maintenance Worker | 9.000 | 9.000 | 9.000 | 19,269 | 26,977 | 32 |
| Total Highway Users Fund | 34.500 | 33.500 | 34.500 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|---------------|---------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| Water Fund | | | | | | |
| <u>Utility Billing</u> | | | | | | |
| Senior Utility Billing Clerk | 1.000 | 1.000 | 1.000 | 33,173 | 46,442 | 54 |
| Accounting Clerk | 2.500 | 2.500 | 2.500 | 24,064 | 33,690 | 41 |
| Temporary Account Clerk | 0.050 | - | - | N/A | | |
| Total | 3.550 | 3.500 | 3.500 | | | |
| <u>Meter Reading</u> | | | | | | |
| Customer Service Representative | 1.000 | 1.000 | 1.000 | 27,227 | 38,117 | 46 |
| Meter Reader | 4.000 | 4.000 | 4.000 | 24,666 | 34,533 | 42 |
| Total | 5.000 | 5.000 | 5.000 | | | |
| <u>Water Administration</u> | | | | | | |
| Public Works Director | 0.200 | 0.200 | 0.200 | 82,712 | 115,797 | 91 |
| Utilities Manager | 0.500 | 0.500 | 0.500 | 69,583 | 97,416 | 84 |
| City Utilities Engineer | 0.500 | 0.500 | 0.500 | 63,039 | 88,254 | 80 |
| Utilities Engineer (Civil) | - | 0.500 | 0.500 | 57,110 | 79,954 | 76 |
| Accounting Technician | 0.300 | 0.300 | 0.300 | 28,605 | 40,047 | 48 |
| Total | 1.500 | 2.000 | 2.000 | | | |
| <u>Water Production</u> | | | | | | |
| Water Superintendent | 0.500 | 0.500 | 0.500 | 51,739 | 72,434 | 72 |
| Water Production Supervisor | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Water Quality Technician | - | 1.000 | 1.000 | 30,053 | 42,074 | 50 |
| Water Operator | 6.000 | 4.000 | 4.000 | 30,053 | 42,074 | 50 |
| Maintenance Specialist | - | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Secretary | 0.500 | - | - | 24,064 | 33,690 | 41 |
| Total | 8.000 | 7.500 | 7.500 | | | |
| <u>Water Distribution</u> | | | | | | |
| Water Superintendent | 0.500 | 0.500 | 0.500 | 51,739 | 72,434 | 72 |
| Water Distribution Supervisor | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Senior Utility Worker | 5.000 | 5.000 | 5.000 | 28,605 | 40,047 | 48 |
| Utility Worker | 7.000 | 8.000 | 8.000 | 25,915 | 36,281 | 44 |
| Utility Locator | 2.000 | - | - | 25,283 | 35,396 | 43 |
| Secretary | 0.500 | 0.500 | 0.500 | 24,064 | 33,690 | 41 |
| Total | 16.000 | 15.000 | 15.000 | | | |
| <u>Alternate Water Sources</u> | | | | | | |
| Senior Project Manager | - | 1.000 | 1.000 | 61,501 | 86,102 | 79 |
| Management Analyst | - | 0.670 | 0.500 | 44,614 | 62,460 | 66 |
| Water Resources Coordinator | 0.670 | - | - | 42,464 | 59,450 | 64 |
| Administrative Assistant | 0.670 | - | - | 28,605 | 40,047 | 48 |
| Water Conservation Coordinator | - | - | 1.000 | 42,464 | 59,450 | 64 |
| Total | 1.340 | 1.670 | 2.500 | | | |
| Total Water Fund | 35.390 | 34.670 | 35.500 | | | |
| Wastewater Fund | | | | | | |
| <u>Wastewater Utilities Administration</u> | | | | | | |
| Public Works Director | 0.200 | 0.200 | 0.200 | 82,712 | 115,797 | 91 |
| Utilities Manager | 0.500 | 0.500 | 0.500 | 69,583 | 97,416 | 84 |
| City Utilities Engineer | 0.500 | 0.500 | 0.500 | 63,039 | 88,254 | 80 |
| Utilities Engineer (Civil) | - | 0.500 | 0.500 | 57,110 | 79,954 | 76 |
| Accounting Technician | 0.300 | 0.300 | 0.300 | 28,605 | 40,047 | 48 |
| Total | 1.500 | 2.000 | 2.000 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|---------------|---------------|--------------|--------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| <u>Wastewater Treatment Plant</u> | | | | | | |
| WWTP Superintendent | 1.000 | 1.000 | 1.000 | 51,739 | 72,434 | 72 |
| WWTP Supervisor | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| WWTP Operator | 8.000 | 8.000 | 8.000 | 34,002 | 47,603 | 55 |
| WWTP Lab Technician | 1.000 | 1.000 | 1.000 | 34,002 | 47,603 | 55 |
| WWTP Maintenance Specialist | 1.000 | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Total | 12.000 | 12.000 | 12.000 | | | |
| <u>Wastewater Collection</u> | | | | | | |
| Wastewater Collection Superintendent | 1.000 | 1.000 | 1.000 | 51,739 | 72,434 | 72 |
| Wastewater Collection Supervisor | - | - | 1.000 | 42,464 | 59,450 | 64 |
| Maintenance Specialist | - | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Senior Utility Worker | 5.000 | 5.000 | 5.000 | 28,605 | 40,047 | 48 |
| Electrician | 1.000 | - | - | 27,907 | 39,070 | 47 |
| Utility Worker | 5.000 | 6.000 | 6.000 | 25,915 | 36,281 | 44 |
| Secretary | 0.500 | 0.500 | 0.500 | 24,064 | 33,690 | 41 |
| Total | 12.500 | 13.500 | 14.500 | | | |
| <u>Effluent Delivery</u> | | | | | | |
| Water Operator | 1.000 | 1.000 | 1.000 | 30,053 | 42,074 | 50 |
| Total | 1.000 | 1.000 | 1.000 | | | |
| Total Wastewater Fund | 27.000 | 28.500 | 29.500 | | | |
| Solid Waste Fund | | | | | | |
| <u>Sanitation</u> | | | | | | |
| Solid Waste Superintendent | 0.650 | 0.650 | 0.650 | 51,739 | 72,434 | 72 |
| Management Analyst | - | 0.330 | - | 44,614 | 62,460 | 66 |
| Water Resource Coordinator | 0.330 | - | - | 42,464 | 59,450 | 64 |
| Solid Waste Supervisor | 0.650 | 0.650 | 0.650 | 40,418 | 56,585 | 62 |
| Shift Leader | - | 1.000 | 1.000 | 30,053 | 42,074 | 50 |
| Administrative Assistant | 0.330 | - | - | 28,605 | 40,047 | 48 |
| Sanitation Equipment Operator | 12.000 | 13.000 | 13.000 | 25,915 | 36,281 | 44 |
| Secretary | 0.500 | - | - | 24,064 | 33,690 | 41 |
| Accounting Clerk | - | 0.500 | 0.500 | 24,064 | 33,690 | 41 |
| Total | 14.460 | 16.130 | 15.800 | | | |
| <u>Landfill</u> | | | | | | |
| Sanitation Equipment Operator | 0.250 | 0.100 | - | 25,915 | 36,281 | 44 |
| Total | 0.250 | 0.100 | - | | | |
| Total Solid Waste Fund | 14.710 | 16.230 | 15.800 | | | |
| Transfer Station Fund | | | | | | |
| Assistant to the City Manager | - | - | 0.300 | 53,032 | 74,245 | 73 |
| Solid Waste Superintendent | 0.350 | 0.350 | 0.350 | 51,739 | 72,434 | 72 |
| Management Analyst | - | - | 0.100 | 44,614 | 62,460 | 66 |
| Solid Waste Supervisor | 0.350 | 0.350 | 0.350 | 40,418 | 56,585 | 62 |
| Maintenance Specialist | - | 1.000 | 1.000 | 29,320 | 41,048 | 49 |
| Senior Equipment Operator | 3.000 | 3.000 | 3.000 | 28,605 | 40,047 | 48 |
| Sanitation Equipment Operator | 1.000 | - | - | 25,915 | 36,281 | 44 |
| Secretary | 0.500 | 0.500 | - | 24,064 | 33,690 | 41 |
| Accounting Clerk | 1.000 | 1.000 | 1.500 | 24,064 | 33,690 | 41 |
| Total Transfer Station Fund | 6.200 | 6.200 | 6.600 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|---------------|---------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| Airport Fund | | | | | | |
| Airport Manager | 1.000 | 1.000 | 1.000 | 60,001 | 84,001 | 78 |
| Assistant Airport Manager | 1.000 | 1.000 | 1.000 | 46,873 | 65,622 | 68 |
| Maintenance Specialist | 1.000 | 1.000 | 0.200 | 29,320 | 41,048 | 49 |
| Administrative Assistant | - | - | 1.000 | 28,605 | 40,047 | 48 |
| Administrative Secretary | 1.000 | 1.000 | - | 25,283 | 35,396 | 43 |
| Airport Operations Technician | 4.000 | 4.000 | 4.000 | 25,283 | 35,396 | 43 |
| Accounting Clerk | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Maintenance Worker | 1.000 | 1.000 | 1.000 | 19,269 | 26,977 | 32 |
| Airport Operations Tech (Temporary) | 2.750 | 2.800 | 1.900 | N/A | | |
| Total Airport Fund | 12.750 | 12.800 | 11.100 | | | |
| Golf Course Fund | | | | | | |
| <u>Maintenance</u> | | | | | | |
| Greens Superintendent | 1.000 | 1.000 | 1.000 | 46,873 | 65,622 | 68 |
| Asst Greens Superintendent | 1.000 | 1.000 | 1.000 | 30,053 | 42,074 | 50 |
| Maintenance Specialist | 2.000 | 2.000 | 2.000 | 29,320 | 41,048 | 49 |
| Golf Course Maintenance Tech | 1.000 | 1.000 | 1.000 | 25,283 | 35,396 | 43 |
| Greenskeeper | 7.800 | 9.000 | 9.000 | 19,269 | 26,977 | 32 |
| Maintenance Employees (Seasonal) | 7.000 | 7.000 | 7.000 | N/A | | |
| Total | 19.800 | 21.000 | 21.000 | | | |
| <u>Pro Shop</u> | | | | | | |
| General Manager | 1.000 | 1.000 | 1.000 | 60,001 | 84,001 | 78 |
| Golf Professional | 2.000 | 1.000 | 1.000 | 27,227 | 38,117 | 46 |
| Tournament Director/Buyer | - | - | 1.000 | 27,227 | 38,117 | 46 |
| Assistant Pro | 1.000 | 1.000 | - | 27,227 | 38,117 | 46 |
| Pro Shop Employees (Seasonal) | 4.600 | 4.600 | 4.600 | N/A | | |
| Total | 8.600 | 7.600 | 7.600 | | | |
| <u>Golf Carts</u> | | | | | | |
| Seasonal Employees | - | - | 1.600 | N/A | | |
| Total | - | - | 1.600 | | | |
| Total Golf Course Fund | 28.400 | 28.600 | 30.200 | | | |
| Parking Garage Fund | | | | | | |
| Administrative Services Director | - | - | 0.100 | 73,105 | 102,348 | 86 |
| Lead Parking Ambassador | - | 1.000 | 1.000 | 18,799 | 26,319 | 31 |
| Total Parking Garage Fund | - | 1.000 | 1.100 | | | |
| Central Garage | | | | | | |
| Public Works Director | 0.050 | - | - | 82,712 | 115,797 | 91 |
| Administrative Services Director | - | 0.200 | 0.200 | 73,105 | 102,348 | 86 |
| Equipment Maintenance Superintendent | 1.000 | 1.000 | 1.000 | 46,873 | 65,622 | 68 |
| Fleet Maintenance Supervisor | - | - | 1.000 | 42,464 | 59,450 | 64 |
| Equipment Mechanic | 5.000 | 5.000 | 5.000 | 33,173 | 46,442 | 54 |
| Accounting Technician | 0.050 | - | - | 28,605 | 40,047 | 48 |
| Parts Specialist | 1.000 | 1.000 | 1.000 | 25,915 | 36,281 | 44 |
| Service Technician | - | 1.000 | 1.000 | 25,283 | 35,396 | 43 |
| Total Central Garage Fund | 7.100 | 8.200 | 9.200 | | | |

Authorized Positions

| Authorized Positions Job Classifications | Number of FTE's | | | Salary Range | | Range Number |
|---|-----------------|----------------|----------------|--------------|---------|-----------------|
| | 2003-04 | 2004-05 | 2005-06 | Min | Max | |
| Engineering Fund | | | | | | |
| Public Works Director | 0.400 | 0.400 | 0.400 | 82,712 | 115,797 | 91 |
| Engineering Services Manager | 1.000 | 1.000 | 1.000 | 63,039 | 88,254 | 80 |
| Construction Services Manager | 1.000 | 1.000 | 1.000 | 63,039 | 88,254 | 80 |
| Traffic Engineer | - | - | 1.000 | 60,001 | 84,001 | 78 |
| Development Services Manager | 1.000 | 1.000 | 1.000 | 44,614 | 62,460 | 66 |
| Management Analyst | - | - | 0.100 | 44,614 | 62,460 | 66 |
| Supervisory Inspector | 1.000 | 1.000 | 1.000 | 44,614 | 62,460 | 66 |
| Senior Engineering Technician | - | 1.000 | 1.000 | 44,614 | 62,460 | 66 |
| Construction Project Manager | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Traffic Signal Supervisor | 1.000 | 1.000 | 1.000 | 42,464 | 59,450 | 64 |
| Construction Contracts Specialist | 1.000 | 1.000 | 1.000 | 39,432 | 55,205 | 61 |
| CAD Technician | 1.000 | 1.000 | 1.000 | 35,724 | 50,013 | 57 |
| Registered Land Surveyor | 1.000 | 1.000 | 1.000 | 35,724 | 50,013 | 57 |
| Construction Inspector | 8.000 | 7.000 | 7.000 | 34,853 | 48,794 | 56 |
| Engineering Technician | 1.000 | 1.000 | 1.000 | 32,364 | 45,310 | 53 |
| Traffic Signal Specialist | 2.000 | 2.000 | 2.000 | 29,320 | 41,048 | 49 |
| Accounting Technician | 0.050 | 0.100 | 0.100 | 28,605 | 40,047 | 48 |
| Administrative Assistant | - | 1.000 | 1.000 | 28,605 | 40,047 | 48 |
| Permit Technician | 1.000 | 1.000 | 1.000 | 26,563 | 37,188 | 45 |
| Maintenance Tech | 1.000 | - | - | 25,283 | 35,396 | 43 |
| Secretary | 1.000 | 1.000 | 1.000 | 24,064 | 33,690 | 41 |
| Total Engineering Fund | 23.450 | 23.500 | 24.600 | | | |
| Self-Insurance Fund | | | | | | |
| Administrative Services Director | 0.100 | 0.200 | - | 73,105 | 102,348 | 86 |
| Risk Manager | 0.500 | 0.500 | 0.500 | 45,730 | 64,021 | 67 |
| Safety Officer | 0.250 | - | - | 36,617 | 21,264 | 58 |
| Benefits Specialist | - | 0.500 | 0.500 | 34,002 | 47,603 | 55 |
| Risk Management Specialist | 0.500 | - | - | 34,002 | 47,603 | 55 |
| Total Self-Insurance Fund | 1.350 | 1.200 | 1.000 | | | |
| Workers' Compensation Fund | | | | | | |
| Administrative Services Director | - | 0.200 | - | 73,105 | 102,348 | 86 |
| Risk Manager | 0.500 | 0.500 | 0.500 | 45,730 | 64,021 | 67 |
| Safety Officer | 0.250 | - | - | 36,617 | 21,264 | 58 |
| Benefits Specialist | - | 0.500 | 0.500 | 34,002 | 47,603 | 55 |
| Risk Management Specialist | 0.500 | - | - | 34,002 | 47,603 | 55 |
| Total Workers' Compensation | 1.250 | 1.200 | 1.000 | | | |
| Building Maintenance Fund | | | | | | |
| Administrative Services Director | - | 0.050 | 0.400 | 73,105 | 102,348 | 86 |
| Maintenance Specialist | - | - | 0.800 | 29,320 | 41,048 | 49 |
| Maintenance Technician | - | 1.000 | - | 25,283 | 35,396 | 43 |
| Lead Custodian | - | 0.500 | 0.500 | 22,905 | 32,067 | 39 |
| Custodian | - | 5.000 | 3.500 | 18,799 | 26,319 | 31 |
| Total Building Maintenance Fund | - | 6.550 | 5.200 | | | |
| Total City-wide Authorized Full-Time Equivalents | 518.000 | 550.725 | 575.100 | | | |

Glossary

GLOSSARY OF TERMS

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Actual - Actual, as used in the fund summaries and department and division summaries within the budget document, represents the actual costs results of operations. This category is presented on a GAAP basis, with the exception that depreciation and amortization are not budgeted and principal payments on debt in the enterprise funds are budgeted as expenses.

Adopted Budget - Formal action made by City Council which sets the spending limits for the fiscal year.

Appropriation - An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

Assessed Valuation - A value placed upon real estate or other property by the County Assessor and the State as a basis for levying ad valorem property taxes.

Asset - Resources owned or held by a government which have monetary value.

Authorized Positions - Employee positions, which are authorized in the adopted budget, to be filled during the year.

Balanced Budget - Arizona State law requires a "balanced" budget, which is "all-inclusive". Arizona State Revised Statute (42-17151) defines a "balanced" budget as follows:

"Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year."

Base Budget Allowances - Ongoing expense for personnel, commodities, and contractual services.

Beginning Balance - The beginning balance is the residual funds brought forward from the previous fiscal year (ending balance).

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Bonds - Bonds are debt instruments which require repayment of a specified principal amount on a certain date (maturity data), together with interest at a stated rate, or according to a formula for determining the interest rate.

Budget - A budget is a plan of financial operation embodying an estimate of proposed expenditures and the means of financing them.

Budget Basis - This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: GAAP, cash, or modified accrual.

Budget Calendar - The schedule of key dates which a government follows in the preparation and adoption of the budget.

Glossary

Budgetary Control - The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

C.Y.M.P.O. - Central Yavapai Metropolitan Planning Organization

Capital Assets - Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Improvements - Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs.

Capital Project - Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.

Capital Outlay - Items costing more than \$5,000 and having a useful life of more than one year are defined as capital outlay.

Carryover - Any equipment, contractual, commodity, or capital project that has been previously approved by the Mayor and Council but for various reasons has not been implemented on schedule. Under the State laws and generally accepted accounting principals only those costs relating to work actually done on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and, therefore, a violation of State budget law, such project and the associated projected costs are included in the subsequent year's budget.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Commodities - Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants, etc.

Community Development Block Grant (CDBG) - Grant funds allocated by the Federal Government to the City of Prescott to use for the prevention and removal of slum and blight, and to benefit low and moderate income persons. The City of Prescott disburses these funds via an application process open to all non-profit organizations and City of Prescott departments.

Compression - A problem that occurs when, due to market conditions, the bottom of the pay range moves up more rapidly than salaries of the incumbents.

Consumer Price Index (CPI) - A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

Contingency - An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as flood emergencies, Federal mandates, shortfalls in revenue and similar eventualities.

Contractual Services - Contractual Services are services provided to the City by firms, individuals, or other City departments.

Cost Center - An organizational budget/operating unit within each City division or department.

Glossary

Cost-of-living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

D.A.R.E. - Drug Abuse Resistance Education

Debt Service - Payment of interest and principal on an obligation resulting from the issuance of bonds and/or lease purchase contracts.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department - A major administrative division of the City which indicates overall management responsibility for an operation or group of related operations within a functional area.

Development-related Fees - Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Disbursement - The expenditure of monies from an account.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Division - A functional unit within a department consisting of one or more cost centers engaged in activities supporting the unit's mission and objectives.

Employee Benefits - Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for Social Security and the various pension, medical, and life insurance plans.

Encumbrance - A reservation of funds to cover purchase orders, contracts or other funding commitments which are yet to be fulfilled. The budget basis of accounting considers an encumbrance to be the equivalent of an expenditure.

Enterprise Funds - Funds which are accounted for in a manner similar to a private business enterprise. Usually the governmental entity intends for enterprise funds to fully recover their costs (including depreciation) through user fees. The City of Prescott has six such self-supporting funds: Airport, Water, Wastewater, Golf, Solid Waste, and Transfer Station.

Estimate - As used throughout the budget document, represents the most recent estimate for current year revenue and expenditures. The estimates used are prepared using several months of actual expenditure and revenue experience and are prepared to consider the impact of unanticipated price or other economic changes.

Expenditures - Refers to current cash operating expenses and encumbrances.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Expenditure Limitation - The Arizona State Legislature imposed constitutional amendment which limits the annual expenditures of all municipalities. This limit is set by the Economic Estimates Commission based on population growth and inflation.

Glossary

Fiscal Year - The time period designated by the City satisfying the beginning and ending period for recording financial transactions. The City of Prescott has specified July 1 to June 30 as its fiscal year.

Fixed Assets - Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Full-Time Equivalent Position - A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be equivalent to .5 of a full-time position.

Fund - An independent governmental accounting entity with a self-balancing group of accounts including assets, liabilities and fund balance.

Fund Balance - The excess of the assets of a fund over its liabilities, reserves, and carryover.

GAAP - Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Fund - A fund used to account for all general-purpose transactions of the City which do not require a special type of fund.

General Obligation Bonds (G.O. Bonds) - Bonds that require voter approval and finance a variety of public capital projects such as streets, buildings, parks and improvements. The bonds are backed by the "full faith and credit" of the issuing government.

Goal - A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a given time period.

Grant - A grant is a contribution by one government unit or funding source to another. The contribution is usually made to aid in the support of a specified function, i.e., library materials, drug enforcement, but it is sometimes for general purposes.

Highway User Revenue Fund (HURF) - Highway user revenues are a gasoline tax collected by the state and distributed to counties and cities based on the county of origin and population. These revenues are to be used for highways and streets maintenance and construction.

Impact Fees - Fees charged to developers or individuals to cover, in whole or in part, the anticipated costs of improvements that will be necessary as a result of the development.

Improvement Districts - Consists of property owners desiring improvements to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property. Improvement District debt is paid for by a compulsory levy (special assessment) made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure - The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Glossary

Interfund Transfers - Transfer of resources between funds that are not recorded as revenues to the fund receiving or expenditures to the fund providing.

Intergovernmental Revenue - Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Internal Service Charges - The charges to user departments for internal services provided by another government agency, such as data processing, or insurance funded from a central pool.

Levy - To impose taxes for the support of government activities.

Long-term Debt - Debt with a maturity of more than one year after the date of issuance.

Mandate - Legislation passed by the State or Federal government requiring action or provision of services and/or programs. Examples include the Americans With Disabilities Act which requires actions such as physical facility improvements and provision of specialized transportation services.

Municipal Property Corporation (MPC) - The Municipal Property Corporation is a non-profit corporation established to issue bonds to fund City capital improvement projects.

Net Budget - The legally adopted budget less all interfund transfers and interdepartmental charges.

Objective - Desired output oriented accomplishments which can be measured and achieved within a given time frame. Achievement of the objective advances the activity organization toward a corresponding goal.

Obligations - Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget - A budget for general expenditures such as salaries, utilities, and supplies.

Operating Expenses - The cost for personnel, materials and equipment required for a department to function.

Operating Funds - Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

Pay-As-You-Go Capital Projects - Pay-as-you-go capital projects are capital projects whose funding source is derived from City revenue sources other than through the use of debt.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure - Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel - All employer's costs related to compensating employees of the City of Prescott, including employee fringe benefit costs such as City portion of retirement, social security, and health and industrial insurance.

Primary Property Tax - A limited tax levy used to support general government operations. The total levy for primary property taxes is restricted to a 2% annual increase, plus allowances for previously unassessed property (primarily new construction).

Glossary

Program - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the City is responsible.

Property Tax - A levy upon each \$100 of assessed valuation of property within the City of Prescott. Arizona has two types of property taxes. Primary property taxes support the City of Prescott's general fund, and secondary property taxes pay general obligation debt.

Reserve - An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers and beginning fund balances.

Revenue - Sources of income financing the operations of government.

SCADA - Supervisory Control and Data Acquisition

Secondary Property Tax - An unlimited tax levy restricted to general bonded debt obligations.

Service Level - Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Assessment - A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

State-Shared Revenues - Revenues levied and collected by the State but shared on a predetermined basis with local governments.

Tax Levy - The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate - The amount of tax levied for each \$100 of assessed valuation.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers - Transfers are the authorized exchanges of cash or other resources between funds.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

U/W/I - Urban Wildland Interface

Unrestricted Fund Balance - The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

Glossary

User Charges - The payment of a fee for direct receipt of a public service by the party benefiting from the service.

Workload Indicator - A unit of work to be done (e.g., number of permit applications received, the number of household receiving refuse collection service, or the number of burglaries to be investigated).