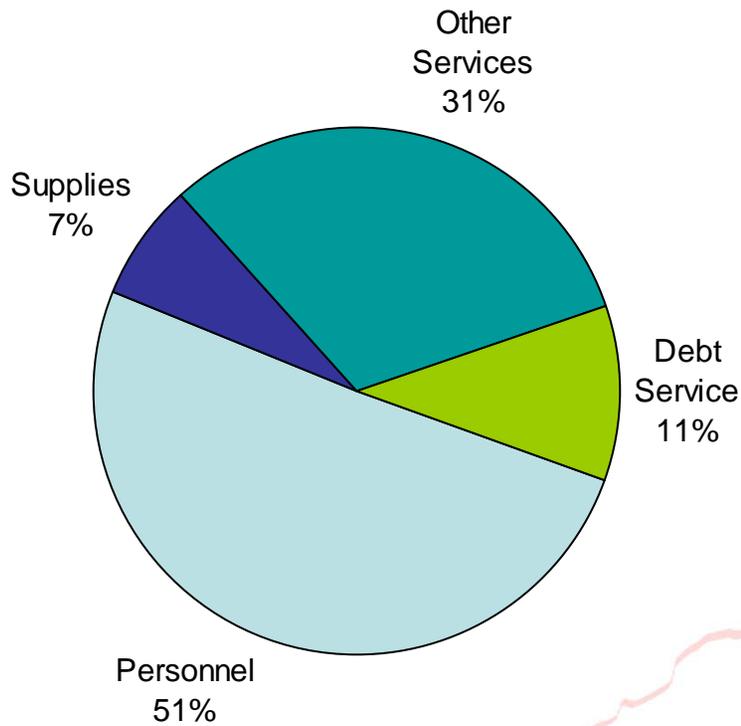


# City of Prescott Tentative Budget Fiscal Year 2013

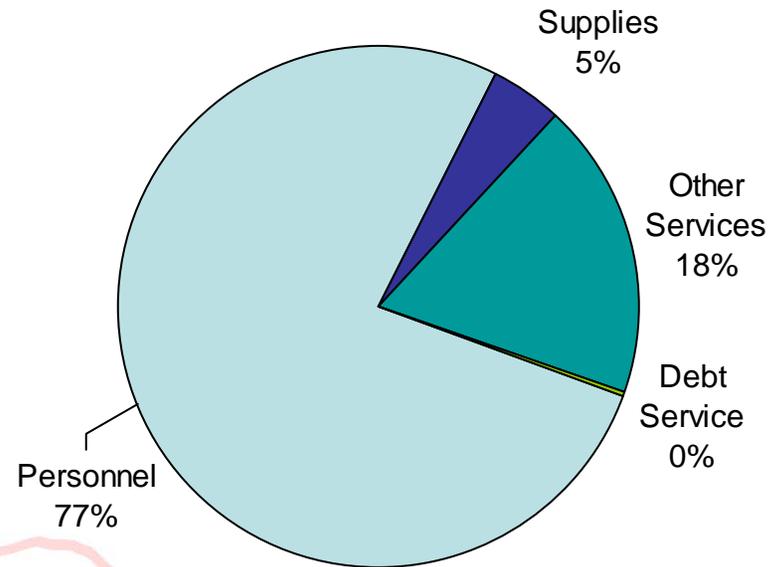


# General Fund Operating Budget

## Total City



## General Fund



# Total City Budget

	FY12	FY13	%
	<u>Budget</u>	<u>Budget</u>	<u>Change/ Budget</u>
Operating	77,804,538	77,382,169	-0.5%
Capital Outlay/Projects	<u>84,802,593</u>	<u>82,677,127</u>	-2.5%
Total	162,607,131	160,059,296	-1.6%



# Upcoming Budget Process Steps

June 12                      Tentative Budget Adoption  
Publishing of Tentative Budget

June 26                      Public Hearings on:  
Budget  
Expenditure Limitation  
Property Tax Levy

June 26                      Final Budget Adoption

July 10                      Adopt Property Tax Levies



## COUNCIL AGENDA MEMO – June 12, 2012

**DEPARTMENT:** Budget and Finance

**AGENDA ITEM:** Resolution No.4130-1240 adopting the Tentative Budget for Fiscal Year 2013 and setting the Public Hearing for the Final Budget, Expenditure Limitation and Tax Levy for the City of Prescott

**Approved By:**

**Date:**

**Finance Director:** Mark Woodfill

**City Manager:** Craig McConnell

Workshops were held on May 17<sup>th</sup> and 24<sup>st</sup> for presentation and discussion of the proposed budget.

The remaining steps in the fiscal year 2013 budget process are as follows:

June 12	Adopt tentative budget	Set the public hearing date for: <ul style="list-style-type: none"><li>• Final budget</li><li>• Expenditure limitation</li><li>• Tax levy</li></ul> Set the date for adoption of the tax levy, and authorize the publishing of the tentative budget forms in the paper for two consecutive weeks
June 26	Public Hearing	Public hearing on the budget, expenditure limitation and property tax levy
June 26	Final adoption	Sets the final budget for FY 13 Establishes the expenditure limitation for FY 13 Adopts the Capital Improvement Program Approves the City job roster Identifies unfunded capital items
July 10	Adoption of Tax Levy	

Attached is the resolution for adoption of the tentative budget, including related schedules. This resolution specifies the date of June 26, 2012, for the public hearing on the final budget, expenditure limitation, and the tax levy; and sets forth the tentative FY 2013 budget.

**Recommended Action:** **MOVE** to adopt Resolution No. 4130-1240

**RESOLUTION NO. 4130-1240**

**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 2012-13, 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**

**ENACTMENTS:**

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 2012-13. 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 26th day of June, 2012, 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 2012-13 for the City of Prescott. The proposed budget may be examined on weekdays at 201 South Cortez Street, Prescott, Arizona, between 8:00 A.M. and 5:00 P.M.
- B. That the City Council will further meet at a Special Meeting on the 10th day of July, 2012, 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 2012-13 for the City of Prescott.

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

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

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 12<sup>th</sup> day of June, 2012.

\_\_\_\_\_  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
ELIZABETH A. BURKE, City Clerk

\_\_\_\_\_  
GARY D. KIDD, City Attorney

**CITY OF PRESCOTT, ARIZONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2013**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2012	ACTUAL EXPENDITURES/EXPENSES ** 2012	FUND BALANCE/ NET ASSETS*** July 1, 2012**	PROPERTY TAX REVENUES 2013	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2013	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013		TOTAL FINANCIAL RESOURCES AVAILABLE 2013	BUDGETED EXPENDITURES/EXPENSES 2013
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 30,232,488	\$ 29,129,638	\$ 15,829,797	\$ 1,095,856	\$ 28,596,140	\$	\$	\$ 20,000	\$ 590,183	\$ 44,951,610	\$ 29,983,800
2. Special Revenue Funds	43,896,538	27,684,368	20,504,352		21,767,113			410,240	76,480	42,605,225	34,336,039
3. Debt Service Funds Available	3,003,209	1,973,889		1,584,975	1,392,635					2,977,610	2,969,610
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	3,003,209	1,973,889		1,584,975	1,392,635					2,977,610	2,969,610
6. Capital Projects Funds											
7. Permanent Funds	408,482	407,471									
8. Enterprise Funds Available	75,841,948	50,074,486	25,573,472		46,061,391	11,619,451		236,423		83,490,737	83,382,116
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	75,841,948	50,074,486	25,573,472		46,061,391	11,619,451		236,423		83,490,737	83,382,116
11. Internal Service Funds	9,224,466	7,237,359	4,488,673		6,935,661					11,424,334	9,387,731
12. TOTAL ALL FUNDS	\$ 162,607,131	\$ 116,507,210	\$ 66,396,294	\$ 2,680,831	\$ 104,752,940	\$ 11,619,451	\$	\$ 666,663	\$ 666,663	\$ 185,449,516	\$ 160,059,296

**EXPENDITURE LIMITATION COMPARISON**

	2012	2013
1. Budgeted expenditures/expenses	\$ 162,607,131	\$ 160,059,296
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	162,607,131	160,059,296
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 162,607,131	\$ 160,059,296
6. EEC or voter-approved alternative expenditure limitation	\$	\$

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

\* Includes Expenditure/Expense Adjustments Approved in current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Asset amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**CITY OF PRESCOTT, ARIZONA**  
**Summary of Tax Levy and Tax Rate Information**  
**Fiscal Year 2013**

	<b>2012</b>	<b>2013</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 1,415,244	\$ 1,472,037
2. Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 1,255,878	\$ 1,095,856
B. Secondary property taxes	1,583,350	1,584,975
C. Total property tax levy amounts	\$ 2,839,228	\$ 2,680,831
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 1,218,202	
(2) Prior years' levies	37,676	
(3) Total primary property taxes	\$ 1,255,878	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 1,532,683	
(2) Prior years' levies	50,667	
(3) Total secondary property taxes	\$ 1,583,350	
C. Total property taxes collected	\$ 2,839,227	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.1978	0.1978
(2) Secondary property tax rate	0.2455	0.2854
(3) Total city/town tax rate	0.4433	0.4832
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.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Fund Type of Revenues Other Than Property Taxes**  
**Fiscal Year 2013**

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
Privilege and Use Tax	\$ 11,924,000	\$ 12,051,000	\$ 12,625,000
Franchise Taxes	1,735,747	1,669,021	1,719,092
<b>Licenses and permits</b>	306,600	333,516	332,600
<b>Intergovernmental</b>			
State	8,492,939	8,492,939	9,471,571
Local Jurisdictions	2,126,637	2,030,336	2,189,619
<b>Charges for services</b>	1,089,850	1,137,343	1,399,458
<b>Fines and forfeits</b>	450,750	505,300	504,800
<b>Interest on investments</b>	324,500	263,100	263,250
<b>In-lieu property taxes</b>	67,000	67,000	67,000
<b>Miscellaneous</b>	26,450	52,351	23,750
<b>Total General Fund</b>	<b>\$ 26,544,473</b>	<b>\$ 26,601,906</b>	<b>\$ 28,596,140</b>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Streets and Open Space Funds</b>			
Streets and Open Space Tax	\$ 11,545,000	\$ 11,449,000	\$ 12,076,486
Intergovernmental - Federal	680,000	201,568	
Intergovernmental - State	2,577,894	2,656,256	2,808,792
Intergovernmental - County	2,174,800	187,188	960,000
Intergovernmental - Local Jurisdictions	7,800	28	
Interest Earned	50,000	175,000	50,000
Miscellaneous	536,109	600,769	654,901
	<b>\$ 17,571,603</b>	<b>\$ 15,269,809</b>	<b>\$ 16,550,179</b>
<b>Transient Occupancy Tax</b>			
Transient Occupancy Tax	\$ 526,624	\$ 541,441	\$ 557,684
Fees/Donations	123,500	143,000	
Miscellaneous	1,500	1,500	1,500
	<b>\$ 651,624</b>	<b>\$ 685,941</b>	<b>\$ 559,184</b>
<b>Impact Fee Fund</b>			
Impact Fees	\$ 564,725	\$ 353,440	\$ 306,120
Miscellaneous	76,710	60,704	61,058
	<b>\$ 641,435</b>	<b>\$ 414,144</b>	<b>\$ 367,178</b>
<b>Grants Fund</b>			
Miscellaneous Grants	5,572,458	3,284,378	4,280,572
	<b>\$ 5,572,458</b>	<b>\$ 3,284,378</b>	<b>\$ 4,280,572</b>
<b>Acker Trust</b>			
Interest Earned	10,000	10,000	10,000
	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>
<b>Total Special Revenue Funds</b>	<b>\$ 24,447,120</b>	<b>\$ 19,664,272</b>	<b>\$ 21,767,113</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Fund Type of Revenues Other Than Property Taxes**  
**Fiscal Year 2013**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2012</b>	<b>ACTUAL REVENUES* 2012</b>	<b>ESTIMATED REVENUES 2013</b>
<b>DEBT SERVICE FUNDS</b>			
Special Assessments	\$ 1,360,044	\$ 1,360,044	\$ 1,340,044
Interest Earned	74,065	67,065	52,591
<b>Total Debt Service Funds</b>	<b>\$ 1,434,109</b>	<b>\$ 1,427,109</b>	<b>\$ 1,392,635</b>
<b>ENTERPRISE FUNDS</b>			
Water	\$ 16,246,099	\$ 16,270,164	\$ 16,093,795
Wastewater	8,979,404	8,970,908	9,840,700
Solid Waste/Transfer Station	8,186,900	8,267,692	8,294,520
Golf Course	2,824,478	2,675,694	2,895,740
Airport	10,574,818	5,061,763	8,936,636
Parking Garage	40,540	41,523	
<b>Total Enterprise Funds</b>	<b>\$ 46,852,239</b>	<b>\$ 41,287,744</b>	<b>\$ 46,061,391</b>
<b>INTERNAL SERVICE FUNDS</b>			
Fleet Maintenance	\$ 1,751,468	\$ 1,790,468	\$ 1,941,000
Self-Insurance	2,146,127	2,121,127	2,257,978
Facilities Maintenance	1,052,160	1,814,316	1,616,735
Engineering	1,833,183	1,052,160	1,119,948
<b>Total Internal Service Funds</b>	<b>\$ 6,782,938</b>	<b>\$ 6,778,071</b>	<b>\$ 6,935,661</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 106,060,879</b>	<b>\$ 95,759,102</b>	<b>\$ 104,752,940</b>

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2013**

<b>FUND</b>	<b>OTHER FINANCING 2013</b>		<b>INTERFUND TRANSFERS 2013</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>GENERAL FUND</b>				
Grants	\$	\$	\$	\$ 590,183
Parking Garage			20,000	
<b>Total General Fund</b>	\$	\$	\$ 20,000	\$ 590,183
<b>SPECIAL REVENUE FUNDS</b>				
Grants	\$	\$	\$ 353,760	\$
Transient Occupancy Tax				20,000
Streets and Open Space			56,480	
Street Impact Fee				56,480
<b>Total Special Revenue Funds</b>	\$	\$	\$ 410,240	\$ 76,480
<b>ENTERPRISE FUNDS</b>				
Airport	\$	\$	\$ 236,423	\$
Water		11,619,451		
<b>Total Enterprise Funds</b>	\$	\$ 11,619,451	\$ 236,423	\$
<b>TOTAL ALL FUNDS</b>	\$	\$ 11,619,451	\$ 666,663	\$ 666,663

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Department of Expenditures/Expenses Within Each Fund Type**  
**Fiscal Year 2013**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES* 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
<b>GENERAL FUND</b>				
City Council	\$ 52,066	\$	\$ 34,699	\$ 39,104
City Clerk	105,681		82,748	78,451
City Court	522,912		484,527	549,961
City Manager	2,545,517		2,540,688	697,175
Legal	282,631		282,581	246,865
Budget & Finance	556,443		466,566	561,948
Field & Facilities				138,381
Administrative Services	608,523		335,144	
Community Development	1,494,238		1,416,526	1,308,228
Parks, Recreation & Library	4,855,207		4,759,098	
Parks & Recreation				3,056,449
Library				2,248,752
Police Department	9,428,774		9,198,828	12,445,791
Fire Department	6,865,658		6,840,026	7,222,605
Regional Dispatch	2,914,838		2,688,208	
Economic Enterprises				1,390,090
<b>Total General Fund</b>	<b>\$ 30,232,488</b>	<b>\$</b>	<b>\$ 29,129,638</b>	<b>\$ 29,983,800</b>
<b>SPECIAL REVENUE FUNDS</b>				
Streets and Open Space	\$ 35,850,323	\$	\$ 23,393,108	\$ 27,446,609
Transient Occupancy Tax	780,468		695,125	611,905
Impact Fee Fund	1,424,475		99,000	1,427,350
Grants Fund	6,046,272	(205,000)	3,497,135	4,634,878
Trust Funds				215,297
<b>Total Special Revenue Funds</b>	<b>\$ 44,101,538</b>	<b>\$ (205,000)</b>	<b>\$ 27,684,368</b>	<b>\$ 34,336,039</b>
<b>DEBT SERVICE FUNDS</b>				
	\$ 3,003,209	\$	\$ 1,973,889	\$ 2,969,610
<b>PERMANENT FUNDS</b>				
Trust Funds	\$ 203,482	\$ 205,000	\$ 407,471	\$
<b>Total Permanent Funds</b>	<b>\$ 203,482</b>	<b>\$ 205,000</b>	<b>\$ 407,471</b>	<b>\$</b>
<b>ENTERPRISE FUNDS</b>				
Water	\$ 34,255,216	\$	\$ 19,746,052	\$ 32,355,874
Wastewater	19,272,161		13,584,238	30,119,790
Solid Waste/Transfer Station	8,690,134		8,689,370	8,944,146
Golf Course	2,821,974		2,817,054	2,841,390
Airport	10,725,278		5,158,921	9,120,916
Parking Garage	77,185		78,851	
<b>Total Enterprise Funds</b>	<b>\$ 75,841,948</b>	<b>\$</b>	<b>\$ 50,074,486</b>	<b>\$ 83,382,116</b>
<b>INTERNAL SERVICE FUNDS</b>				
Fleet Maintenance	\$ 4,196,457	\$	\$ 2,293,520	\$ 4,267,953
Self-Insurance	2,105,121		2,103,753	2,243,329
Engineering	1,856,509		1,814,317	1,618,817
Facilities Maintenance	1,066,379		1,025,769	1,257,632
<b>Total Internal Service Funds</b>	<b>\$ 9,224,466</b>	<b>\$</b>	<b>\$ 7,237,359</b>	<b>\$ 9,387,731</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 162,607,131</b>	<b>\$</b>	<b>\$ 116,507,210</b>	<b>\$ 160,059,296</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**CITY OF PRESCOTT, ARIZONA**  
**Summary by Department of Expenditures/Expenses**  
**Fiscal Year 2013**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED</b>	<b>ACTUAL EXPENDITURES/ EXPENSES *</b>	<b>BUDGETED EXPENDITURES/ EXPENSES</b>
	<b>2012</b>	<b>2012</b>	<b>2012</b>	<b>2013</b>
<b>Public Works:</b>				
Streets and Open Space	\$ 32,541,450	\$	\$ 20,108,784	\$ 23,605,636
Engineering	1,856,509		1,814,317	1,618,817
Water	34,255,216		19,746,052	32,355,874
Wastewater	19,272,161		13,584,238	30,119,790
<b>Department Total</b>	<b>\$ 87,925,336</b>	<b>\$</b>	<b>\$ 55,253,391</b>	<b>\$ 87,700,117</b>
<b>Field Operations:</b>				
Streets and Open Space	\$ 3,308,873	\$	\$ 3,284,324	\$
Solid Waste/Transfer Station	8,690,134		8,689,370	
<b>Department Total</b>	<b>\$ 11,999,007</b>	<b>\$</b>	<b>\$ 11,973,694</b>	<b>\$</b>
<b>Field &amp; Facilities</b>				
Rodeo Grounds/General Fund	\$	\$	\$	\$ 29,056
Parking Garage/General Fund				104,325
Streets and Open Space				3,840,973
Solid Waste/Transfer Station				8,944,146
Fleet Maintenance				4,267,953
Facilities Maintenance				1,257,632
<b>Department Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 18,444,085</b>
<b>Airport and Economic Enterprises</b>				
Economic Dev/General Fund	\$	\$	\$	\$ 121,355
Elks/General Fund				257,834
Tourism/General Fund				181,408
Special Events/General Fund				129,493
Airport				9,120,916
<b>Department Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 9,811,006</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.