

## RESOLUTION NO. 4175-1337

**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 2014, 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 2014. 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 25th day of June, 2013, 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 2014 for the City of Prescott. In compliance with sections 42-17104 and 42-17107, Arizona Revised Statutes, a Truth in Taxation hearing will be combined with the expenditures and tax levy hearing provided for in this paragraph. 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 9th day of July, 2013, 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 2014 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 11<sup>th</sup> day of June, 2013.

  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

  
LYNN MULHALL, City Clerk

APPROVED AS TO FORM:

  
JON PALADINI, City Attorney

**CITY OF PRESCOTT, ARIZONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2014**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2013	ACTUAL EXPENDITURES/EXPENSES** 2013	FUND BALANCE/NET POSITION*** July 1, 2013**	PROPERTY TAX REVENUES 2014	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2014	OTHER FINANCING 2014		INTERFUND TRANSFERS 2014		TOTAL FINANCIAL RESOURCES AVAILABLE 2014	BUDGETED EXPENDITURES/EXPENSES 2014
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 30,083,800	\$ 29,576,884	\$ 17,976,466	Primary: \$ 1,518,465	\$ 29,633,919	\$	\$	\$ 20,000	\$ 766,883	\$ 48,381,967	\$ 31,796,748
2. Special Revenue Funds	32,836,039	20,534,511	20,246,445	Secondary:	24,840,777			435,314	78,883	45,443,653	32,152,858
3. Debt Service Funds Available	2,969,610	1,968,611	350,974	187,200	389,534					927,708	565,734
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	2,969,610	1,968,611	350,974	187,200	389,534					927,708	565,734
6. Capital Projects Funds											
7. Permanent Funds											
8. Enterprise Funds Available	84,882,116	59,287,612	48,409,997		40,987,154	35,151,180		390,452		124,938,783	99,838,620
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	84,882,116	59,287,612	48,409,997		40,987,154	35,151,180		390,452		124,938,783	99,838,620
11. Internal Service Funds	9,287,731	7,553,387	4,305,886		6,163,913					10,469,799	8,769,651
12. TOTAL ALL FUNDS	\$ 160,059,296	\$ 118,921,005	\$ 91,289,768	\$ 1,705,665	\$ 102,015,297	\$ 35,151,180	\$	\$ 845,766	\$ 845,766	\$ 230,161,910	\$ 173,123,611

**EXPENDITURE LIMITATION COMPARISON**

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

	2013	2014
1. Budgeted expenditures/expenses	\$ 160,059,296	\$ 173,123,611
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	160,059,296	173,123,611
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 160,059,296	\$ 173,123,611
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 Position 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**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2014**

	<b>2013</b>	<b>2014</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 1,472,037	\$ 1,518,465
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 lev. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 1,095,856	\$ 1,518,465
B. Secondary property taxes	1,584,975	187,200
C. Total property tax levy amounts	\$ 2,680,831	\$ 1,705,665
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 1,077,257	
(2) Prior years' levies	18,599	
(3) Total primary property taxes	\$ 1,095,856	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 1,561,142	
(2) Prior years' levies	23,833	
(3) Total secondary property taxes	\$ 1,584,975	
C. Total property taxes collected	\$ 2,680,831	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.1978	0.2741
(2) Secondary property tax rate	0.2854	0.0367
(3) Total city/town tax rate	0.4832	0.3108
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**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2014**

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
Privilege and Use Tax	\$ 12,625,000	\$ 13,190,000	\$ 13,520,000
Franchise Taxes	1,719,092	1,641,156	1,658,979
<b>Licenses and permits</b>	<b>332,600</b>	<b>393,340</b>	<b>444,800</b>
<b>Intergovernmental</b>			
State	9,471,571	9,471,571	9,960,938
Local Jurisdictions	2,189,619	2,085,032	2,099,794
<b>Charges for services</b>	<b>1,399,458</b>	<b>1,398,345</b>	<b>1,226,058</b>
<b>Fines and forfeits</b>	<b>504,800</b>	<b>492,415</b>	<b>476,350</b>
<b>Interest on investments</b>	<b>263,250</b>	<b>133,350</b>	<b>133,250</b>
<b>In-lieu property taxes</b>	<b>67,000</b>	<b>67,000</b>	<b>67,000</b>
<b>Miscellaneous</b>	<b>23,750</b>	<b>1,049,175</b>	<b>46,750</b>
<b>Total General Fund</b>	<b>\$ 28,596,140</b>	<b>\$ 29,921,384</b>	<b>\$ 29,633,919</b>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Streets and Open Space Funds</b>			
Streets and Open Space Tax	\$ 12,076,486	\$ 12,796,500	\$ 13,153,000
Intergovernmental - State	2,808,792	2,808,792	2,810,513
Intergovernmental - County	960,000	196,721	1,897,491
Interest Earned	50,000	100,000	100,000
Miscellaneous	654,901	575,425	556,201
<b>Total Streets and Open Space Funds</b>	<b>\$ 16,550,179</b>	<b>\$ 16,477,438</b>	<b>\$ 18,517,205</b>
<b>Transient Occupancy Tax</b>			
Transient Occupancy Tax	\$ 557,684	\$ 583,000	\$ 600,000
Miscellaneous	1,500	1,500	1,500
<b>Total Transient Occupancy Tax</b>	<b>\$ 559,184</b>	<b>\$ 584,500</b>	<b>\$ 601,500</b>
<b>Impact Fee Fund</b>			
Impact Fees	\$ 306,120	\$ 383,051	\$ 382,650
Miscellaneous	61,058	57,959	57,259
<b>Total Impact Fee Fund</b>	<b>\$ 367,178</b>	<b>\$ 441,010</b>	<b>\$ 439,909</b>
<b>Grant Funds</b>			
Miscellaneous Grants	4,280,572	1,668,246	5,276,163
<b>Total Grant Funds</b>	<b>\$ 4,280,572</b>	<b>\$ 1,668,246</b>	<b>\$ 5,276,163</b>
<b>Acker Trust</b>			
Interest Earned	10,000	6,000	6,000
<b>Total Acker Trust</b>	<b>\$ 10,000</b>	<b>\$ 6,000</b>	<b>\$ 6,000</b>
<b>Total Special Revenue Funds</b>	<b>\$ 21,767,113</b>	<b>\$ 19,177,194</b>	<b>\$ 24,840,777</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**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2014**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2013</b>	<b>ACTUAL REVENUES* 2013</b>	<b>ESTIMATED REVENUES 2014</b>
<b>DEBT SERVICE FUNDS</b>			
Special Assessments	\$ 1,340,044	\$ 340,044	\$ 350,044
Interest Earned	52,591	56,591	39,490
<b>Total Debt Service Funds</b>	<b>\$ 1,392,635</b>	<b>\$ 396,635</b>	<b>\$ 389,534</b>
<b>ENTERPRISE FUNDS</b>			
Water	\$ 16,093,795	\$ 16,989,049	\$ 18,155,875
Wastewater	9,840,700	9,925,510	10,598,000
Solid Waste/Transfer Station	8,294,520	6,559,290	6,361,520
Golf Course	2,895,740	2,574,515	2,709,500
Airport	8,936,636	9,837,686	3,162,259
<b>Total Enterprise Funds</b>	<b>\$ 46,061,391</b>	<b>\$ 45,886,050</b>	<b>\$ 40,987,154</b>
<b>INTERNAL SERVICE FUNDS</b>			
Fleet Maintenance	\$ 1,941,000	\$ 2,013,393	\$ 1,946,000
Self-Insurance	2,257,978	2,196,850	1,395,414
Engineering	1,616,735	1,627,420	1,636,415
Facilities Maintenance	1,119,948	1,122,953	1,186,084
<b>Total Internal Service Funds</b>	<b>\$ 6,935,661</b>	<b>\$ 6,960,616</b>	<b>\$ 6,163,913</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 104,752,940</b>	<b>\$ 102,341,879</b>	<b>\$ 102,015,297</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**  
**Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2014**

<b>FUND</b>	<b>OTHER FINANCING 2014</b>		<b>INTERFUND TRANSFERS 2014</b>	
	<b>SOURCES</b>	<b>&lt;USES&gt;</b>	<b>IN</b>	<b>&lt;OUT&gt;</b>
<b>GENERAL FUND</b>				
Parking Garage	\$	\$	\$ 20,000	\$
Grants				766,883
<b>Total General Fund</b>	\$	\$	\$ 20,000	\$ 766,883
<b>SPECIAL REVENUE FUNDS</b>				
Streets and Open Space Funds	\$	\$	\$ 58,883	\$
Street Impact Fees				58,883
Transient Lodging Tax				20,000
Grants			376,431	
<b>Total Special Revenue Funds</b>	\$	\$	\$ 435,314	\$ 78,883
<b>ENTERPRISE FUNDS</b>				
Water	\$ 11,000,000	\$	\$	\$
Wastewater	24,151,180			
Airport			390,452	
<b>Total Enterprise Funds</b>	\$ 35,151,180	\$	\$ 390,452	\$
<b>TOTAL ALL FUNDS</b>	\$ 35,151,180	\$	\$ 845,766	\$ 845,766

**CITY OF PRESCOTT, ARIZONA**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2014**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
<b>GENERAL FUND</b>				
City Council	\$ 39,104	\$	\$ 36,673	52,508
City Clerk	78,451		59,384	109,317
City Court	549,961		527,030	558,207
City Manager	697,175		695,824	681,299
Legal	246,865	100,000	331,899	373,999
Budget & Finance	561,948		502,000	407,690
Field & Facilities	138,381		105,757	187,879
Community Development	1,308,228		1,251,520	1,308,807
Parks & Recreation	3,056,449		3,040,293	3,026,679
Library	2,248,752		2,191,013	2,260,241
Police Department	12,445,791		12,231,531	13,218,663
Fire Department	7,222,605		7,213,884	8,276,837
Economic Enterprises	1,390,090		1,390,076	1,334,622
<b>Total General Fund</b>	<b>\$ 29,983,800</b>	<b>\$ 100,000</b>	<b>\$ 29,576,884</b>	<b>\$ 31,796,748</b>
<b>SPECIAL REVENUE FUNDS</b>				
Streets and Open Space	\$ 27,446,609	\$	\$ 17,842,914	\$ 24,497,428
Transient Occupancy Tax	611,905		541,026	819,552
Impact Fees	1,427,350		94,950	887,501
Grants	4,634,878	(1,500,000)	1,840,324	5,652,594
Trust Funds	215,297		215,297	295,783
<b>Total Special Revenue Funds</b>	<b>\$ 34,336,039</b>	<b>\$ (1,500,000)</b>	<b>\$ 20,534,511</b>	<b>\$ 32,152,858</b>
<b>DEBT SERVICE FUNDS</b>	<b>\$ 2,969,610</b>	<b>\$</b>	<b>\$ 1,968,611</b>	<b>\$ 565,734</b>
<b>ENTERPRISE FUNDS</b>				
Water	\$ 32,355,874	\$	\$ 19,244,147	\$ 47,678,230
Wastewater	30,119,790		21,472,456	37,193,226
Solid Waste/Transfer Station	8,944,146		5,237,562	8,528,658
Golf Course	2,841,390		2,781,584	2,887,860
Airport	9,120,916	1,500,000	10,551,863	3,550,646
<b>Total Enterprise Funds</b>	<b>\$ 83,382,116</b>	<b>\$ 1,500,000</b>	<b>\$ 59,287,612</b>	<b>\$ 99,838,620</b>
<b>INTERNAL SERVICE FUNDS</b>				
Fleet Maintenance	\$ 4,267,953	\$	\$ 2,799,370	\$ 4,378,693
Self-Insurance	2,243,329	(100,000)	2,026,850	1,375,414
Engineering	1,618,817		1,617,920	1,687,960
Facilities Maintenance	1,257,632		1,109,247	1,327,584
<b>Total Internal Service Funds</b>	<b>\$ 9,387,731</b>	<b>\$ (100,000)</b>	<b>\$ 7,553,387</b>	<b>\$ 8,769,651</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 160,059,296</b>	<b>\$</b>	<b>\$ 118,921,005</b>	<b>\$ 173,123,611</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**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2014**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2013</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2014</b>
<b>Public Works:</b>				
Streets and Open Space	\$ 23,605,636	\$	\$ 14,422,229	\$ 20,751,379
Engineering	1,618,817		1,617,920	1,687,960
Water	32,355,874		19,244,147	47,678,230
Wastewater	30,119,790		21,472,456	37,193,226
<b>Department Total</b>	<b>\$ 87,700,117</b>	<b>\$</b>	<b>\$ 56,756,752</b>	<b>\$ 107,310,795</b>
<b>Field &amp; Facilities:</b>				
Streets and Open Space	\$ 3,840,973	\$	\$ 3,420,685	\$ 3,746,049
Solid Waste/Transfer Station	8,944,146		5,237,562	8,528,658
General Fund	138,381		105,757	187,879
Fleet Maintenance	4,267,953		2,799,370	4,378,693
Facilities Maintenance	1,257,632		1,109,247	1,327,584
<b>Department Total</b>	<b>\$ 18,449,085</b>	<b>\$</b>	<b>\$ 12,672,621</b>	<b>\$ 18,168,863</b>
<b>Airport and Economic Ent</b>				
General Fund	\$ 1,390,090	\$	\$ 1,390,076	\$ 1,334,622
Airport	9,120,916	1,500,000	10,551,863	3,550,646
<b>Department Total</b>	<b>\$ 10,511,006</b>	<b>\$ 1,500,000</b>	<b>\$ 11,941,939</b>	<b>\$ 4,885,268</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**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2014**

FUND	Full-Time Equivalent (FTE) 2014	Employee Salaries and Hourly Costs 2014	Retirement Costs 2014	Healthcare Costs 2014	Other Benefit Costs 2014	Total Estimated Personnel Compensation 2014
<b>GENERAL FUND</b>	333.00	\$ 19,243,931	\$ 4,539,132	\$ 2,479,309	\$ 1,651,152	\$ 27,913,524
<b>SPECIAL REVENUE FUNDS</b>						
Streets and Open Space	38.90	\$ 1,909,435	\$ 215,149	\$ 306,533	\$ 266,973	\$ 2,698,090
Transient Occupancy Tax	1.00	85,377	9,853	9,484	8,403	113,117
Grants	5.25	492,719	111,104	50,058	53,487	707,368
Trust	0.40	7,800			1,779	9,579
<b>Total Special Revenue Funds</b>	45.55	\$ 2,495,331	\$ 336,106	\$ 366,075	\$ 330,642	\$ 3,528,154
<b>DEBT SERVICE FUNDS</b>						
<b>Total Debt Service Funds</b>	-	\$ -	\$ -	\$ -	\$ -	\$ -
<b>ENTERPRISE FUNDS</b>						
Water	42.75	\$ 2,193,269	\$ 239,929	\$ 338,224	\$ 210,220	\$ 2,981,642
Wastewater	35.30	1,813,318	206,676	292,232	189,059	2,501,285
Solid Waste/Transfer Station	29.10	1,209,451	136,327	224,960	153,952	1,724,690
Golf course	38.00	1,114,196	128,578	131,203	107,297	1,481,274
Airport	10.75	494,819	57,102	59,683	48,239	659,843
<b>Total Enterprise Funds</b>	155.90	\$ 6,825,053	\$ 768,612	\$ 1,046,302	\$ 708,767	\$ 9,348,734
<b>INTERNAL SERVICE FUNDS</b>						
Fleet Maintenance	9.40	\$ 505,606	\$ 52,106	\$ 77,426	\$ 51,656	\$ 686,794
Engineering	17.50	1,038,365	115,969	142,554	95,370	1,392,258
Facilities Maintenance	8.75	356,280	37,314	43,906	38,487	475,987
<b>Total Internal Service Funds</b>	35.65	\$ 1,900,251	\$ 205,389	\$ 263,886	\$ 185,513	\$ 2,555,039
<b>TOTAL ALL FUNDS A</b>	570.10	\$ 30,464,566	\$ 5,849,239	\$ 4,155,572	\$ 2,876,074	\$ 43,345,451

See Note

Note:  
Full-Time Equivalent (FTE) includes 508 FTE permanent employees and estimated 62.10 FTE temporary employees.