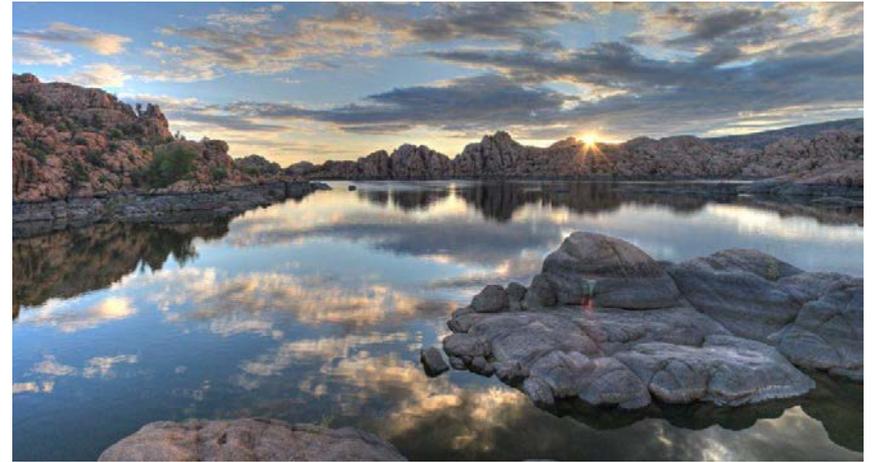


City of Prescott Fiscal Year 2017 Budget



Annual Budget Workshop Part 1 – May 12, 2016



Prescott – A Full Service City

- ❑ Police and Fire
- ❑ Solid Waste
- ❑ Streets
- ❑ Utilities
- ❑ Airport
- ❑ Parks, Trails, and Golf
- ❑ Planning and Building
- ❑ Economic Development
- ❑ Library



FY17 Budget Process to Date

- 1/01/16 Implementation of FY 16 Mid-Year Budget Adjustments
- 1/05/16 Review of City-owned real property for potential disposal
- 2/02/16 FY16 Mid-Year Budget Review
- 2/16/16 Presentation of Market Compensation Plan
- 3/01/16 Presentation of proposed building, fire, and planning fees
- 3/15/16 Delivery of Fire and EMS Services
- 4/05/16 Delivery of Police Services
- 5/12/16 Annual Council Budget Workshop Part 1 (General Fund, Tourism, Golf Course)*
- 5/26/16 Annual Council Budget Workshop Part 2 (Streets, Utilities, Solid Waste, Airport)

Types of City Funds

□ Governmental Funds

- General – the primary operating fund of the City; monies can be used for any lawful public purpose
- Special Revenue – revenues legally restricted by purpose(s)
- Debt Service – revenues tied to servicing debt incurred

□ Proprietary Funds

- Enterprise – used when fees are charged to external users for services; City “enterprises” have some similarities to private businesses; “enterprise funds” are useful to provide separate accounting of revenues earned, expenses incurred, and identify net “income”
- Internal Service – used for centralized services when costs are allocated to the entire government

City Funds – Purposes and Restrictions

Expenditures from these Funds are **Restricted** by Purpose

Cannot be used to provide General Fund services

General Fund

FY 17 Budget
\$35.6 million

Police

Fire

Recreation Services

Library

Community
Development

General Government

Streets & Open Space Fund

FY 17 Budget
\$44.0 million

1% Restricted
Privilege Tax
decreases to 0.75%
January 1, 2016

Can **ONLY** be used
for Streets and
purchase of Open
Space

Restricted to Streets
maintenance and
improvements after
January 1, 2016

Enterprise Funds

FY 17 Budget
\$70.1 million

Each of these funds
can only be used to
provide services in
direct relation to the
fees charged

Water

Sewer

Solid Waste

Golf Course

Airport

Other Restricted Funds

FY 17 Budget
\$18.2 million

Transient Occupancy
(Bed) Tax

Development Impact
Fees (DIF)

Grants, Trust, Debt
Service

Internal Service
Funds (Facilities and Fleet
Maintenance, Liability and
Workers' Compensation
Insurance, Engineering)

Introduction to the FY17 Budget

- ❑ The annual budget process consists of reviewing and confirming the City's most important short and long term goals (outcomes); forecasting revenues; and allocating available resources to deliver desired services and amenities within a balanced budget that maintains adequate reserves
- ❑ Under extreme pressure from the City's unfunded obligations to the Public Safety Personnel Retirement Systems (for police and fire) that total over \$7 million and are growing, the primary budget focus for FY 17 is once again on the General Fund and the services it supports
- ❑ The General Fund and FY 17 Budget
 - The funding structure is severely limited by state law; economic development incentives are likewise very restricted
 - 86% of the General Fund revenue comes from City and state-assessed taxes which have no correlation to service demand
 - Regional competition for sales tax is increasing; the City's proportional share of State Shared Revenue is decreasing
 - Primary property tax revenue is minor (only 5% of General Fund, and minimal increases are allowed by state law); over 90% of the property tax paid in the City goes to the Prescott Unified School District, Yavapai College, and Yavapai County

Introduction to the FY17 Budget (cont'd)

- 76.4% of FY 17 General Fund expenses will be for public safety, up from 74.5% in FY 16; and 82% of the costs of public safety are for personnel
 - FY 16 mid-year adjustments (a combination of General Fund expense reductions and fee increases) effective January 1, 2016, have been built in for FY 17
 - The draft FY 17 budget includes the SAFER firefighter grant for which the City has applied, but does not assume approval of a citizens' public safety funding initiative; if the latter is successful, the budget can be adjusted via a transfer of appropriation
- City enterprises not relying upon General Fund support (Water, Wastewater, Solid Waste), in contrast, are in good financial condition

Scenario 4 – General Fund Reductions, Revenue Enhancements, and Cost Recovery (11-10-15)

Department	Personnel Expense Reductions	Other Expense Reductions	Addl. Revenue or Cost Recovery		FY 16 Total	% Budget
			FY 16	FY 17		
Police	Freeze (2) vacant sworn 177,380 Overtime reduction 50,000 Unfund misc. non-sworn 120,000 Retain SRO and Police Aide positions	Associated with position reductions 20,000 Other expense reductions 25,000	Comml vehic. insp. recovery 6,500 Code enf. in ROW recovery 11,000		409,880	3.4%
Fire	Freeze (3) vacant firefighters; evaluate service models/staffing for FY 17 266,124	Associated with frozen positions 15,000		Fire Code permit fees/other rev. increases 85,680	281,124	3.1%
Library	Unfund various part-time positions but retain Youth Services 50,000	Reduce various materials 40,000	Address Library with Yavapai Co.	Meeting room or other fees 25,000	90,000	3.8%
Recreation Services	9,901	Misc. reductions 48,950	Lakes/ Reservoirs recovery 15,200	Increase fees 80,000	74,051	2.4%
Economic Initiatives	Unfund Special Events Manager (shift function to Recreation Services) 80,112	Discontinue 4 th of July event fin. support (issue RFP); retain summer concerts 40,000		Evaluate in-house manager/ contract for Airport leases	120,112	25.4%
Community Dev.				Incr. fees 200,000 (but no PAC fee)		
General Government	Transfer Council Asst. to Rec. Services Unfund Communications Manager Replace both with Mgt. Analyst 29,076				29,076	15.7%
Human Resources	Unfund vacant HR Specialist 34,200	Reduce recognition 20% 2,880			37,080	8.2%
Information Tech.				Eval. cost recovery		
Finance						
Addl. Cost Recovery from Other Funds				500,000 (including IT)		
Business License/Tax				1,000,000		
Totals				Depends upon fees and recoveries set	1,041,323	

- Notes: 1. Amounts are annualized; personnel/other expense reductions effective January 1, 2016; FY 17 revenue enhancements effective NLT July 1, 2016
2. Additional reductions needed in FY 17 presently forecast at \$230,000 (plus any PSPRS increase identified in November 2015 per new actuarials)
3. Implementation of Class & Comp Study/Pay Plans in FY 17 could cost as much as \$1,000,000 additional in General Fund
4. Continual expense reductions/revenue enhancements will be required over the next 22 fiscal years to pay off the PSPRS unfunded obligation

Strategic Goals Forming the Framework for Conducting the Business of the City and Planning the Community's Future

- Stronger local economy and expanded tax base
- Better mobility through improved roads and transportation system
- Managed growth for a balanced community
- Polished city – beautiful and clean
- First-class utility system
- Alive downtown
- Financially sustainable city

Achievement of the majority of these goals in the future, directly tied to the condition of the General Fund, is being pressured by a lack of assured funding to support them



Key FY 17 Budget Focus Areas

- ❑ Market compensation for employees (all funds) – enable careers and enhance retention
- ❑ Public Safety Personnel Retirement System obligations
- ❑ Public safety response and alternatives
- ❑ Other General Fund services and amenities – avoid community deterioration and loss of sales/privilege tax revenue
- ❑ Resources and partnerships for important economic development projects and improvements
 - Airport terminal
 - Downtown hotel and redevelopment
 - Rodeo Grounds lease, master plan, opportunities for public-private partnerships; long-deferred electrical improvements

Key FY 17 Budget Focus Areas (cont'd)

- ❑ Creation of a \$3.8 million restricted reserve (Streets & Open Space funding) for future acquisition of open space property and easements
- ❑ Aggressive tourism development - marketing and events
- ❑ Business License; level the sales/privilege tax playing field
- ❑ Optimize vehicle/equipment fleet; reduce unnecessary inventory
- ❑ Rehabilitation, replacement, improvement of street, water, and wastewater infrastructure
- ❑ Conservative, responsible water resource management
- ❑ Closer, more effective relationship with development community to facilitate new construction in growth areas

The Public Safety Personnel Retirement System (PSPRS) as it Affects Prescott and Other Cities and Counties – a Review

- ❑ Prescott's Police and Fire Public Safety Personnel Retirement System (PSPRS) unfunded long-term liabilities currently total over \$71 million; without additional General Fund revenue, the cost to pay them off is projected to be \$168 million or more over the next 20 years
- ❑ Prescott didn't create PSPRS; the unfunded sum is neither the fault of the City nor its public safety employees – we have each contributed the annual payments required by PSPRS
- ❑ PSPRS is a defined benefit pension which means retirement benefits are based on a formula reflecting years of service and salary. It is organized as an agent multiple-employer plan which means all 256 agencies that are part of PSPRS are administered by the retirement system but are accounted for individually.
- ❑ From FY 08 through FY 17 (the current fiscal year), mandated PSPRS employer contributions for Prescott increased from \$1,799,409 to \$6,243,785 (\$4.4 million)
- ❑ Prescott's FY 17 employer-paid rates are 72.05% for Police and 75.77% for Fire (these markups on hourly labor rates are paid to PSPRS)
- ❑ During the 2016 session, the Legislature passed PSPRS "reform" legislation which includes Proposition 124, the May 17th statewide special election measure
- ❑ The unfunded long-term PSPRS liabilities will be little affected, if at all, by the reform legislation

FY17 Pension Costs and Increases

			Estimated		Estimated	Estimated	Estimated	
		Increase in	Increase in	Estimated	Avg	Average	Average	
	FY 16	Contribution	FY 17	FY 17 Budget	Employee	Increase per	Annual Cost	
	Rate	Rates	Budget	Amount	Pay	Employee	per Employee	
Az State Retirement System								
(Employees 366)								
City	11.47%	11.48%	0.01%	\$ 2,000	\$ 2,269,296	\$ 54,533	\$ 5	\$ 6,260
Employee	11.47%	11.48%	0.01%				5	6,260
Public Safety Retirement System								
Fire (Employees 55)								
City Actuarial Rate	74.49%	75.77%	1.28%	\$ 820,314	\$ 3,197,641	\$ 76,731	\$ 9,461	\$ 58,139
City Alternative 3 year phase-in	63.44%	69.82%	6.38%	569,212	2,946,539	76,731	4,895	53,573
Employee	11.65%	11.65%	0.00%					
Police (Employees 63)								
City Actuarial Rate	66.97%	72.05%	5.08%	\$ 756,814	\$ 3,046,144	\$ 67,108	\$ 11,361	\$ 48,351
City Alternative 3 year phase-in	55.12%	64.43%	9.31%	434,654	2,723,984	67,108	6,248	43,238
Employee	11.65%	11.65%	0.00%					
Total Actuarial Rate <i>(FY 17 Budget uses this rate)</i>				<u>\$ 1,579,128</u>	<u>\$ 8,513,081</u>			
Total Alternative 3 year phase-in				<u>\$ 1,005,867</u>	<u>\$ 7,939,820</u>			

Efficiency and Cost Reductions

Actions were taken from Fiscal Year 2008 through Fiscal Year 2015 to increase revenue and reduce expenditures

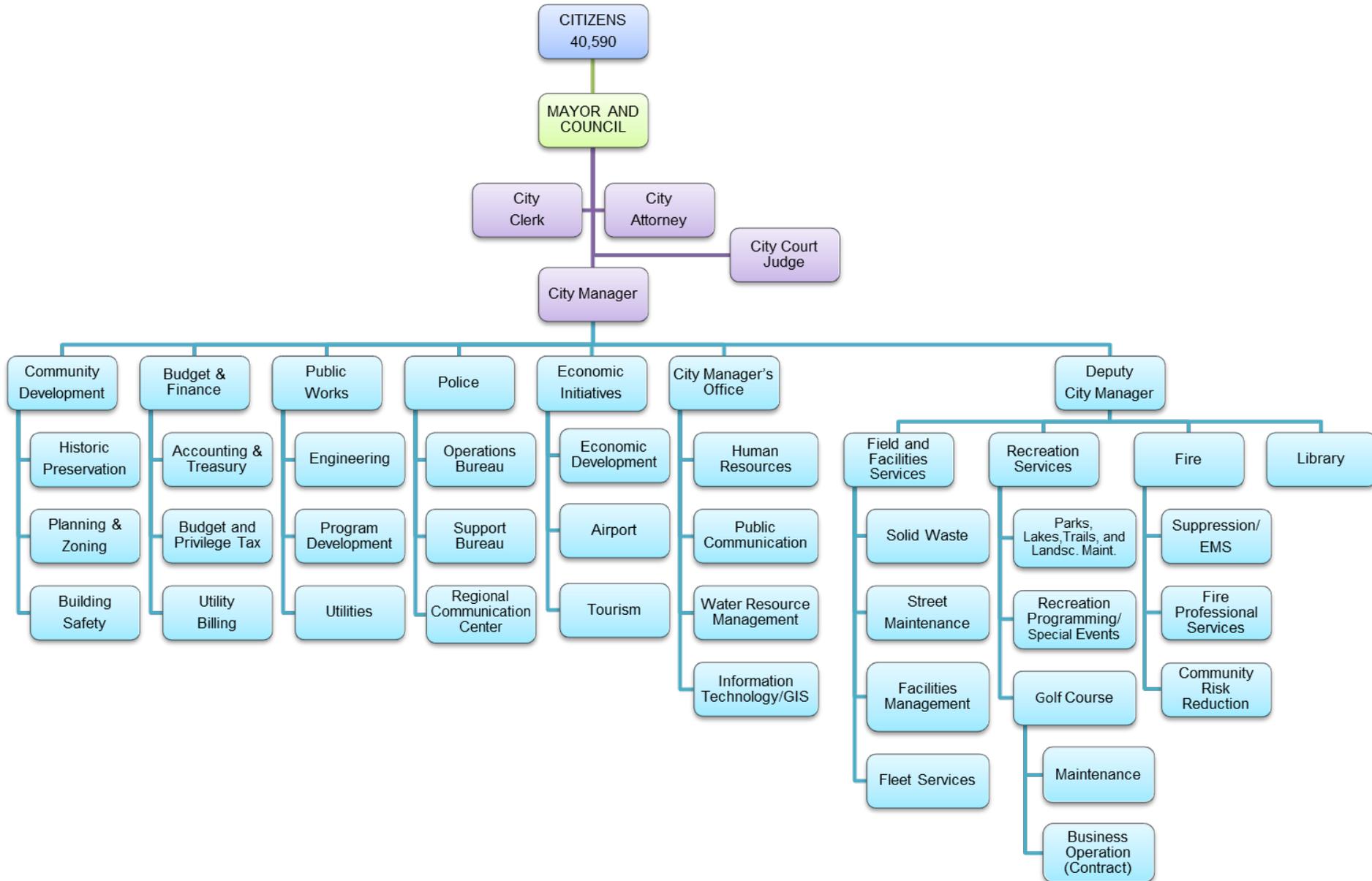
- User fees
- Entrepreneurial initiatives
- Public-private partnerships
- Asset and maintenance management
- Elimination of programs
- Reduction of personnel

A detailed list of the specific actions taken was presented in a Budget Workshop on February 12, 2015.

City Organization and Personnel

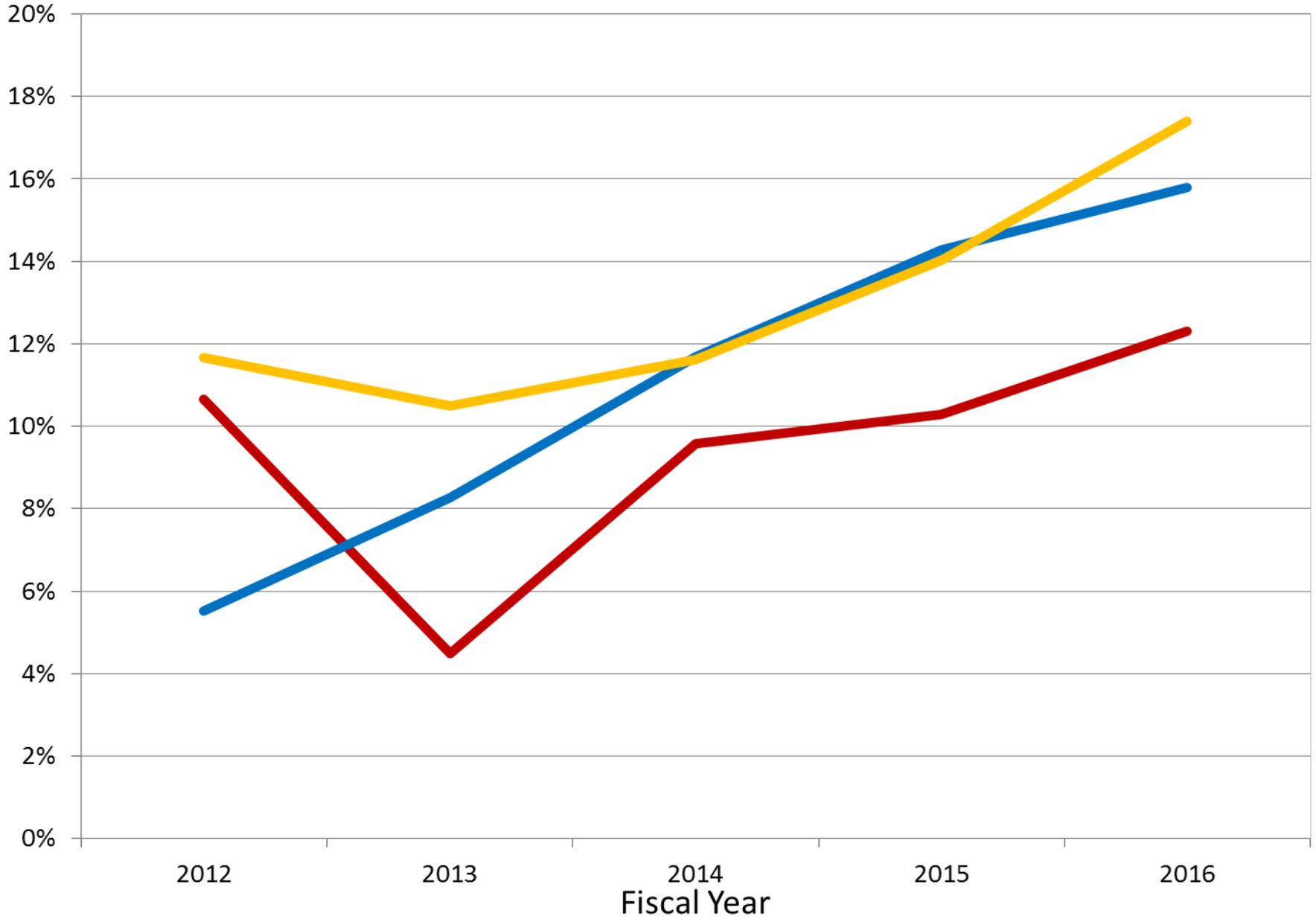


FY17 City of Prescott Organization



Estimated Employee Turnover

Fire Department PD Sworn Positions City Overall



FY 17 Market Compensation Pay Plan

(Updated from the 2/16/16 Presentation)

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Dispatch Partners</u>
Initial Implementation Cost Estimate				
Salary Change	\$ 1,078,886.45	\$ 679,473.60	\$ 1,758,360.05	\$ -
Benefits Cost	617,944.97	158,301.54	776,246.51	-
Total Cost	1,696,831.42	837,775.14	2,534,606.56	-
Cost Recovery	(91,491.65)	22,597.04	(68,894.61)	68,894.61
Net Cost of Implementation	\$ 1,605,339.77	\$ 860,372.18	\$ 2,465,711.95	\$ 68,894.61
FY17 Merit Adjustments				
Salary Change	\$ 183,876.89	\$ 114,935.74	\$ 298,812.63	\$ -
Benefits Cost	79,350.06	26,282.39	105,632.45	-
Total	263,226.95	141,218.13	404,445.08	-
Cost Recovery	(44,892.53)	32,916.81	(11,975.72)	11,975.72
Net Cost of FY17 Merit Adjustment	\$ 218,334.42	\$ 174,134.94	\$ 392,469.36	\$ 11,975.72
Subsequent full years cost	\$ 447,646.52	\$ 298,518.86	\$ 746,165.38	\$ 19,059.04

	<u>Number of Employees</u>	<u>% of Employees</u>
Employees with no change in pay at initial implementation (7/1/2016)	118	25.7%
Employees at or over pay grade max		
Before implementation	46	10.0%
After initial implementation (7/1/2016)	24	5.2%
At end of FY17 (6/30/2017)	30	6.5%

Position Changes

FY16 Mid-year New (2.0 FTE)

Police

- 1.0 Victim Advocate – Police (Grant Funded)

City Manager

- 1.0 Management Analyst – City Manager’s Office

FY 17 New (9.5 FTE) – Includes Elimination of Temporary Positions

City Clerk

- 0.5 Secretary

City Manager

- 1.0 Network Engineer – IT

Economic Initiatives

- 1.0 Airport Operations Technician

Community Development

- 1.0 Plans Examiner/Building Inspector

Field and Facilities

- 1.0 Maintenance Specialist – Facilities
- 1.0 Accounting Clerk – Solid Waste

Regional Communications

- 1.0 Administrative Supervisor

Fire

- 3.0 Firefighters – Fire Department (SAFER Grant)

FY 16 Mid-Year Reductions (12.0 FTE)

City Manager

- 1.0 Communication and Public Affairs Manager
- 1.0 Assistant to City Council
- 1.0 HR Specialist

Economic Initiatives

- 1.0 Special Events Manager

Fire

- 3.0 Firefighter

Police

- 2.0 Police Officer
- 1.0 Animal Control
- 0.5 Public Safety Specialist
- 1.0 Code Enforcement Officer

Library

- 0.5 Library Assistant

FY 17 Additional Reductions (4.0 FTE)

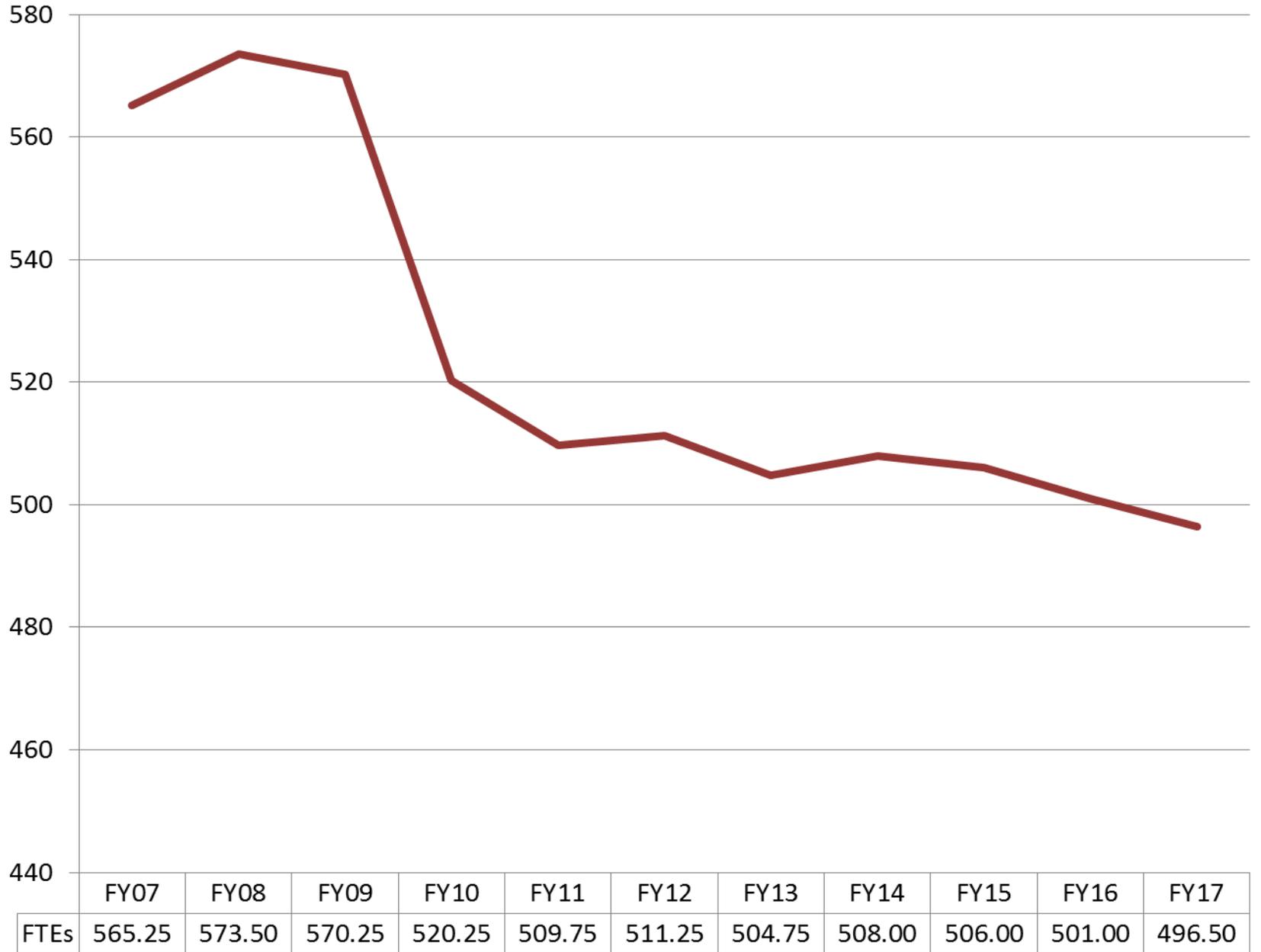
Police

- 1.0 Lieutenant
- 1.0 Police Officer
- 1.0 Crime Prevention Specialist
- 1.0 Property Custodian

FY16 Total Budgeted Personnel = 501.0

FY17 Total Budgeted Personnel = 496.5

Total Full Time Equivalent Positions



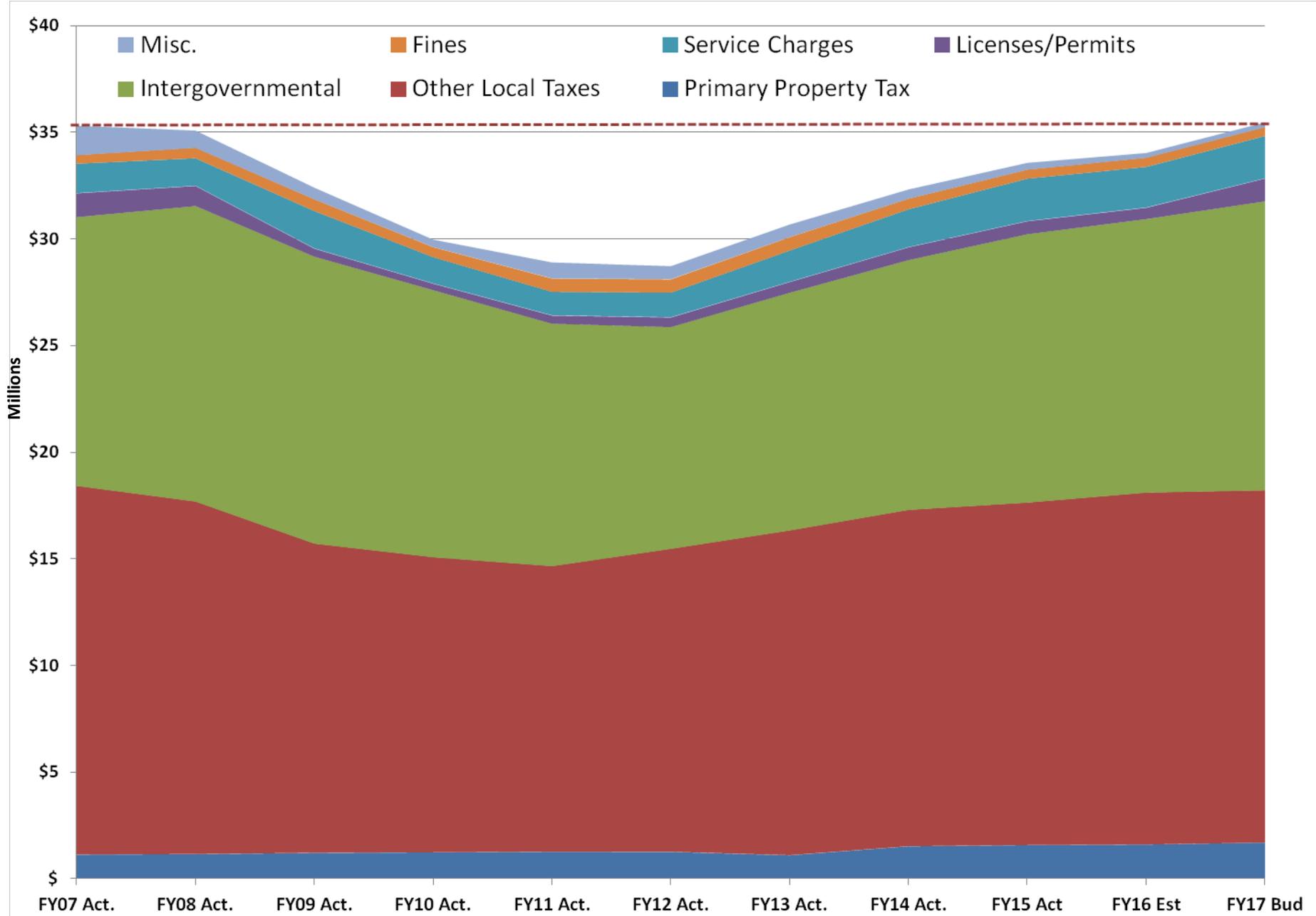
General Fund



General Fund Revenue and Sources



General Fund Revenues FY07-17



General Fund Revenues

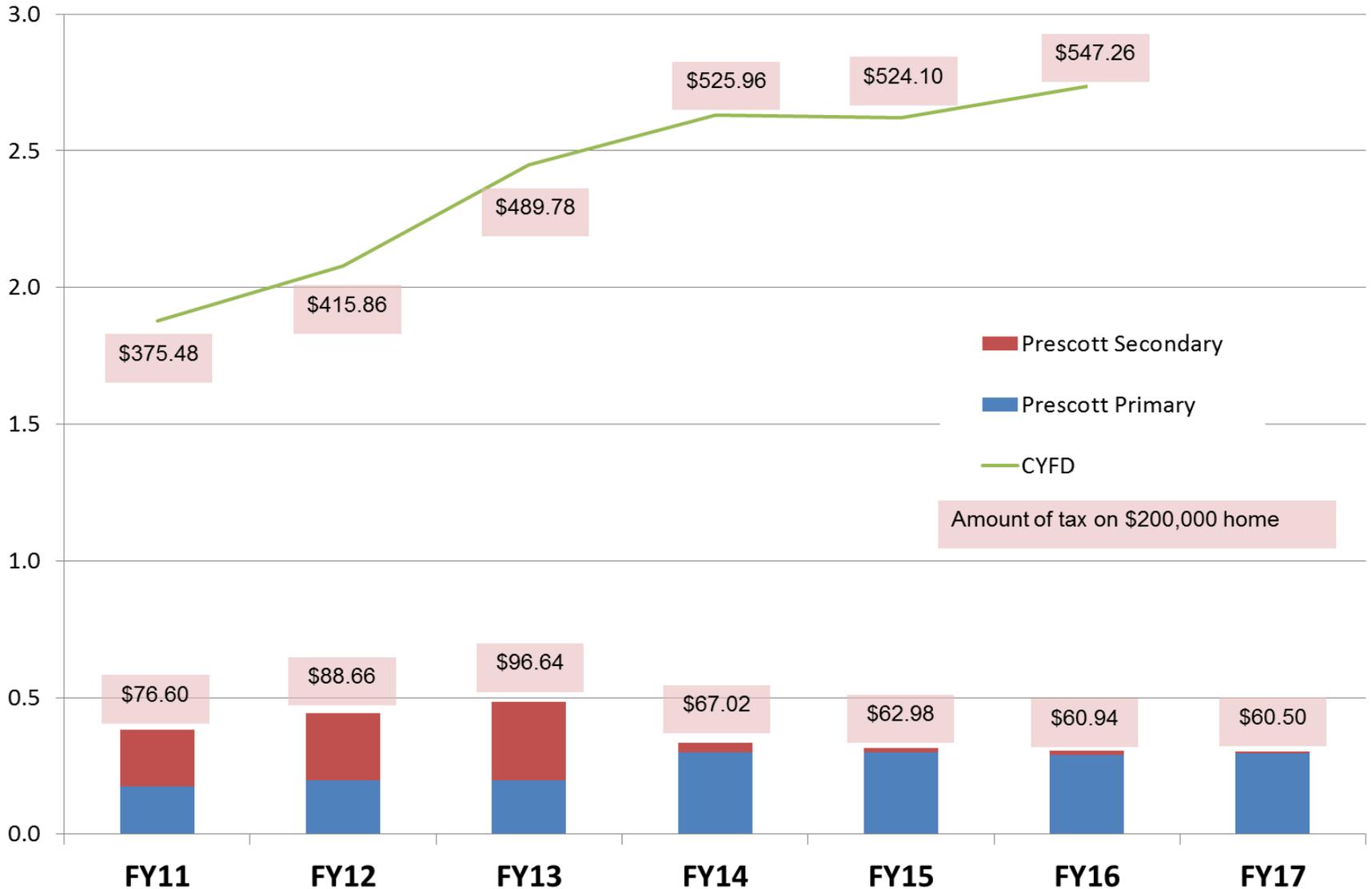
	FY16	FY17		% Chg	% of
	Budget	Budget	Change	Budget	Total
Local Taxes					
Privilege & Use Tax	\$ 13,840,000	\$ 14,900,000	\$ 1,060,000	7.7%	42.1%
Franchise Taxes	1,610,000	1,630,000	20,000	1.2%	4.9%
Property Tax - Primary	1,596,518	1,684,903	88,385	5.5%	4.9%
Total Local Taxes	\$ 17,046,518	\$ 18,214,903	1,168,385	6.9%	51.8%
Intergovernmental Revenues					
State Sales Tax	\$ 3,806,325	\$ 3,945,830	\$ 139,505	3.7%	11.6%
State Income Tax	4,797,092	5,128,724	331,632	6.9%	14.6%
State Vehicle License Tax	2,361,145	2,499,006	137,861	5.8%	7.2%
Joint Dispatch	1,279,864	1,414,664	134,800	10.5%	3.9%
Library	567,270	565,856	(1,414)	-0.2%	1.7%
Fire Contracts	355,623	355,623	-	0.0%	1.1%
Total Intergovernmental Revenues	\$ 13,167,319	\$ 13,909,703	\$ 742,384	5.6%	40.0%
Licenses and Permits	\$ 495,600	\$ 1,063,600	568,000	114.6%	1.5%
Service Charges	1,464,300	1,630,400	166,100	11.3%	4.5%
Fines and Forfeitures	492,400	415,900	(76,500)	-15.5%	1.5%
Miscellaneous and Interest Earnings	231,100	233,100	2,000	0.9%	0.7%
Total General Fund Revenue	\$ 32,897,237	\$ 35,467,606	\$ 2,570,369	7.8%	

Property Tax

- ❑ There are significant state limitations on the amount of property tax the City is allowed to assess
- ❑ The City of Prescott assesses two types of property tax
 - Primary, used for general governmental operations, including public safety
 - Secondary, which pays debt service on voter-approved debt (each issue has a specified end date); the City's current secondary property tax pertains to the recreational development improvements at Watson and Willow Lakes
- ❑ Property owners surrounding Prescott do not pay any City property tax (primary or secondary) but for fire protection are subject to the separate Central Yavapai Fire District (CYFD) property tax

Property Tax Rates

Prescott (Total Primary + Secondary) Compared to CYFD



Property Tax Rate Comparison – Residential

Property Tax on \$200,000 Residence Tax Year 2016

TAXING ENTITY	COUNTY			CITY			DIFFERENCE
	PRIMARY	SECONDARY	TAX DUE	PRIMARY	SECONDARY	TAX DUE	
YAVAPAI COUNTY & AHCCCS/ALTCS	386.34	-	386.34	386.34	-	386.34	-
SCHOOL EQUALIZATION	101.08	-	101.08	101.08	-	101.08	-
PRESCOTT UNIFIED SCHOOL #1	558.02	53.50	611.52	558.02	53.50	611.52	-
JTED	-	10.00	10.00	-	10.00	10.00	-
YAVAPAI COMMUNITY COLLEGE	374.42	43.60	418.02	374.42	43.60	418.02	-
FIRE DISTRICT ASSISTANCE***	-	20.00	20.00	-	20.00	20.00	-
YAVAPAI COUNTY LIBRARY DISTRICT	-	33.34	33.34	-	33.34	33.34	-
YAVAPAI FLOOD CONTROL DISTRICT	-	41.20	41.20	-	41.20	41.20	-
CENTRAL YAVAPAI FIRE DISTRICT	-	547.26	547.26	-	-	-	(547.26)
CITY OF PRESCOTT	-	-	-	58.20	2.74	60.94	60.94
TOTAL	1,419.86	748.90	2,168.76	1,478.06	204.38	1,682.44	(486.32)

*** The Fire District Assistance Tax (FDAT) is a state mandated tax, levied on all properties within a county, to provide additional financial support to each fire district in the county. All property owners in the county pay the tax, regardless of whether the property is located within or receiving service from a fire district. Revenue from the tax can be used for all maintenance and operations as well as to repay general obligation bonds.

Property Tax Rate Comparison - Commercial

Property Tax on \$200,000 Commercial Tax Year 2016

TAXING ENTITY	COUNTY			CITY			DIFFERENCE
	PRIMARY	SECONDARY	TAX DUE	PRIMARY	SECONDARY	TAX DUE	
YAVAPAI COUNTY & AHCCCS/ALTCS	714.73	-	714.73	714.73	-	714.73	-
SCHOOL EQUALIZATION	187.00	-	187.00	187.00	-	187.00	-
PRESCOTT UNIFIED SCHOOL #1	1,032.34	98.98	1,131.31	1,032.34	98.98	1,131.31	-
JTED	-	18.50	18.50	-	18.50	18.50	-
YAVAPAI COMMUNITY COLLEGE	692.68	80.66	773.34	692.68	80.66	773.34	-
FIRE DISTRICT ASSISTANCE***	-	37.00	37.00	-	37.00	37.00	-
YAVAPAI COUNTY LIBRARY DISTRICT	-	61.68	61.68	-	61.68	61.68	-
YAVAPAI FLOOD CONTROL DISTRICT	-	76.22	76.22	-	76.22	76.22	-
CENTRAL YAVAPAI FIRE DISTRICT	-	1,012.43	1,012.43	-	-	-	(1,012.43)
CITY OF PRESCOTT	-	-	-	107.67	5.07	112.74	112.74
TOTAL	2,626.74	1,385.47	4,012.21	2,734.41	378.10	3,112.51	(899.69)

*** The Fire District Assistance Tax (FDAT) is a state mandated tax, levied on all properties within a county, to provide additional financial support to each fire district in the county. All property owners in the county pay the tax, regardless of whether the property is located within or receiving service from a fire district. Revenue from the tax can be used for all maintenance and operations as well as to repay general obligation bonds.

Property Tax Rate

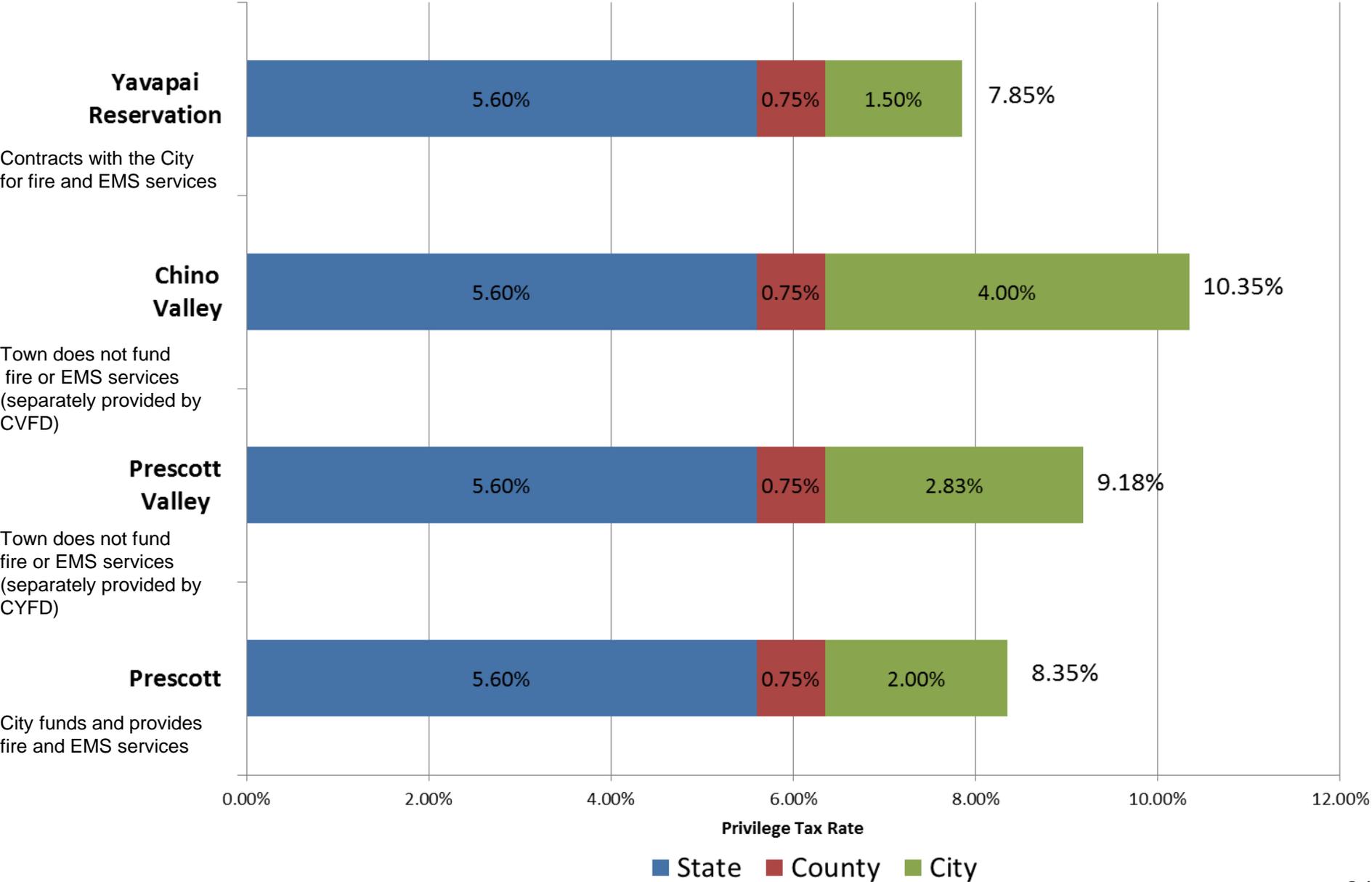
	Fiscal Year 2016	Fiscal Year 2017	Change
City Tax Rate per \$100 Assessed Val.			
Primary Tax Rate	0.2910	0.2953	0.0043
Secondary Tax Rate	0.0137	0.0072	(0.0065)
Total Tax Rate	0.3047	0.3025	(0.0022)

Breakdown of Total Transaction Privilege Tax (Sales Tax) Currently Levied in the Prescott Area

City ("Local")	General Fund	1.00%
	Streets	1.00%
Yavapai County	Excise Tax	0.50%
	Jail Tax	0.25%
State of Arizona		<u>5.60%</u>
	Total in Prescott	<u>8.35%</u>
	Total in Prescott Valley	9.18%
	Total in Chino Valley	10.35%
	Total on Yavapai Reservation	7.85%

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

Sales Tax Rates by Community

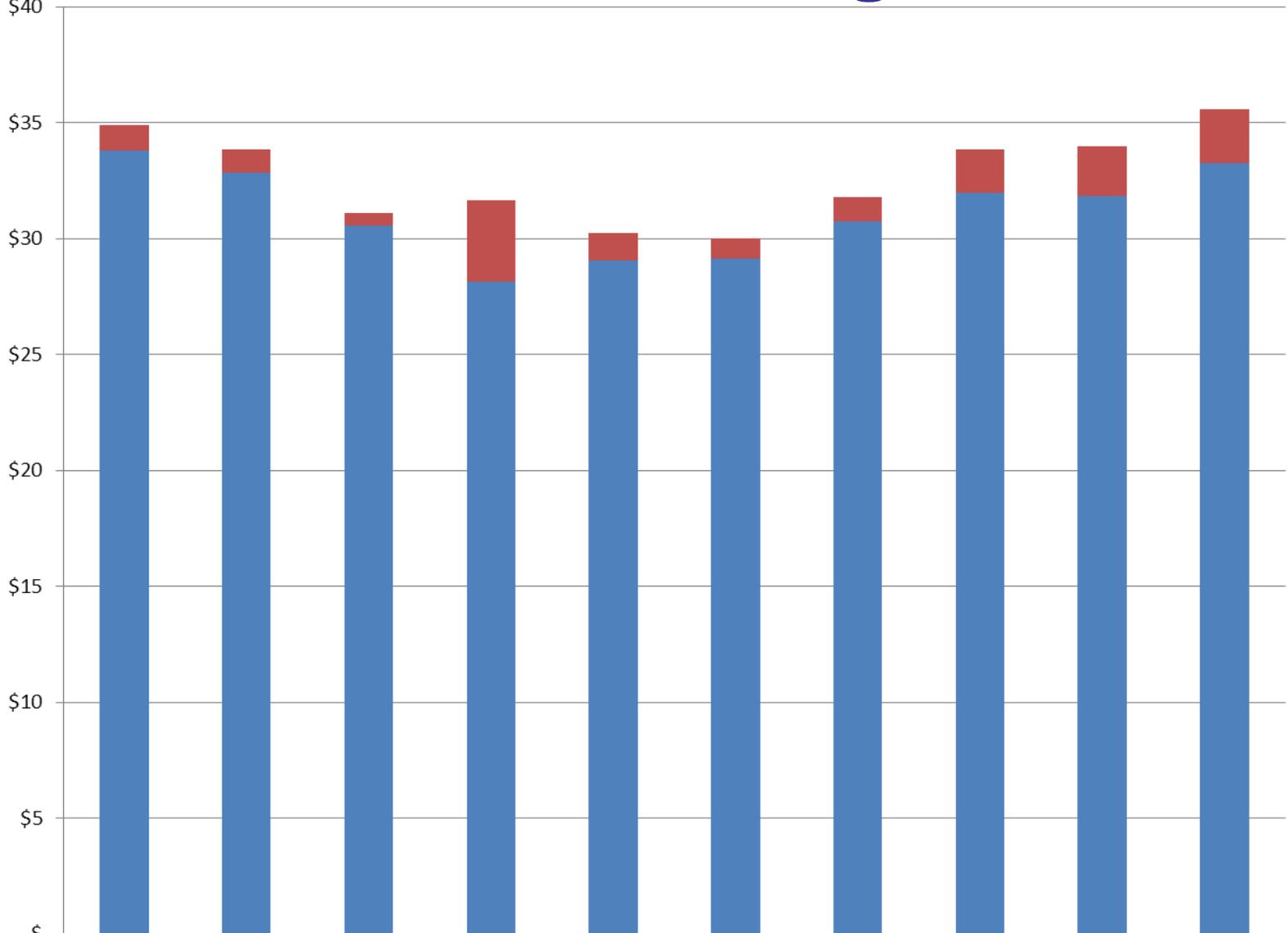


General Fund Expenditures Operating and Capital



General Fund Budgets

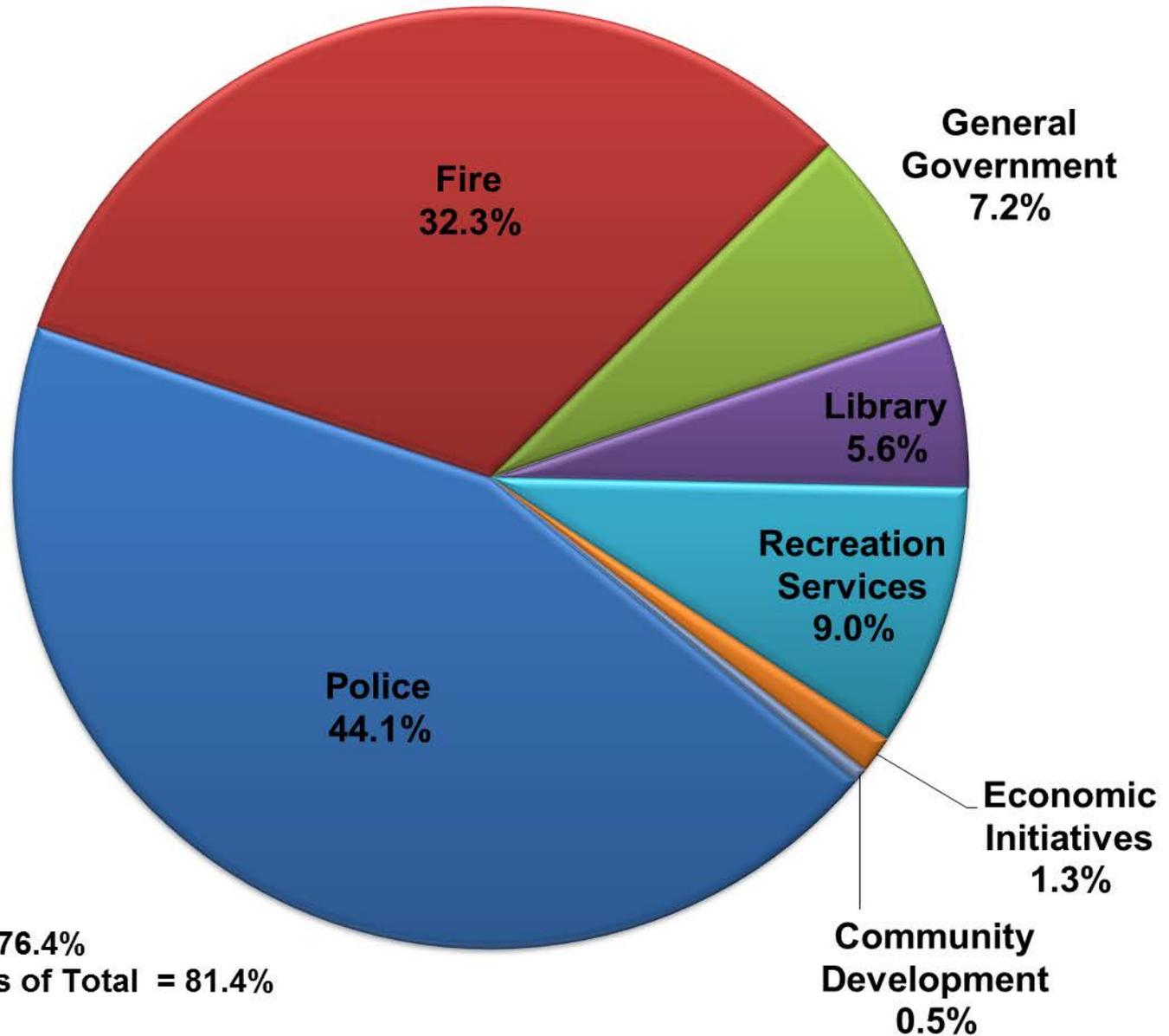
Millions \$



	FY08 Budget	FY09 Budget	FY10 Budget	FY11 Budget	FY12 Budget	FY13 Budget	FY14 Budget	FY15 Budget	FY16 Budget	FY17 Budget
Capital Outlay/Projects	1,077,874	1,026,888	537,243	3,510,027	1,186,594	861,961	1,070,201	1,857,571	2,118,024	2,333,300
Operating Budget	33,812,632	32,830,521	30,574,990	28,118,573	29,045,894	29,121,839	30,726,547	31,963,718	31,838,861	33,256,302

FY 17 General Fund Operating Expenditures

Net of Program Revenues and Cost Allocations



Public Safety = 76.4%

Personnel Costs of Total = 81.4%

General Fund

Operating Expenditures by Department

Less Internal Cost Allocations

	FY16	FY17	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
City Council	\$ 40,761	\$ 47,343	16.1%
City Clerk	135,864	111,261	-18.1%
City Court	600,161	609,675	1.6%
City Manager (HR, IT, Pub Comm)	187,515	182,668	-2.6%
Legal Department	329,225	299,589	-9.0%
Field and Facilities (Rodeo, Pkg Gar)	105,386	221,739	110.4%
Economic Initiatives	473,107	355,882	-24.8%
Finance Department	393,421	733,301	86.4%
Community Development	1,118,073	1,232,038	10.2%
Recreation Services	3,104,676	3,041,608	-2.0%
Library	2,360,794	2,231,555	-5.5%
Police Department	12,166,621	12,806,283	5.3%
Regional Communications	1,279,864	1,414,664	10.5%
Fire Department	9,186,340	9,586,268	4.4%
Non-Departmental	357,053	382,428	7.1%
Total General Fund Operating	\$ 31,838,861	\$ 33,256,302	0.7%

City Council

Operating Expenditures

	FY16	FY17	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Personnel	\$ 49,654	\$ 49,791	0.3%
Supplies	3,000	3,000	0.0%
Other Services and Charges			
Internal Charges (HR, IT, Insurance)	32,565	10,778	-66.9%
Facilities Maintenance	25,337	24,926	-1.6%
League of Arizona Cities Dues	23,200	23,200	0.0%
Northern Arizona Council of Gov'ts	6,900	6,900	0.0%
Travel/Conferences	11,500	15,000	30.4%
Lobbyist Services	-	45,000	
Postage, Copier Charges and Misc.	3,760	5,400	43.6%
Total City Council Budget	<u>\$ 155,916</u>	<u>\$ 183,995</u>	18.0%
Less Internal Cost Allocations	<u>(115,155)</u>	<u>(136,652)</u>	18.7%
Total General Fund Cost	<u>\$ 40,761</u>	<u>\$ 47,343</u>	16.1%

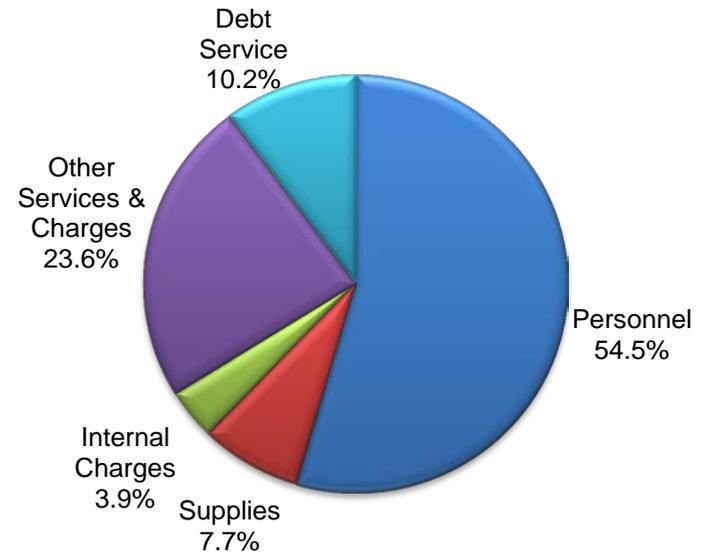
City Manager

Expenditures and Funding Sources

Department Summary Operations Expenditures by Division and Capital

	FY15 Actual	FY16 Budget	FY17 Budget
City Manager's Office	\$ 684,750	\$ 709,026	\$ 694,789
Information Technology	1,531,309	1,851,279	1,947,207
Human Resources	667,505	755,160	699,622
Water Resource Management	895,648	2,180,394	1,229,880
Subtotal Operations	3,779,212	5,495,859	4,571,498
Capital	939,797	482,074	976,181
Total	\$ 4,719,009	\$ 5,977,933	\$ 5,547,679

**City Manager Department FY17
Operating Expenditure Budget by Type**



Department Summary Funding Sources

	FY15 Actual	FY16 Budget	FY17 Budget
General Fund	\$ 1,908,514	\$ 2,078,887	\$ 1,202,867
Special Revenue Funds	281,762	258,328	783,748
Enterprise Funds	2,339,512	3,432,485	3,367,684
Internal Service Funds	189,221	208,234	193,380
Total	\$ 4,719,009	\$ 5,977,933	\$ 5,547,679

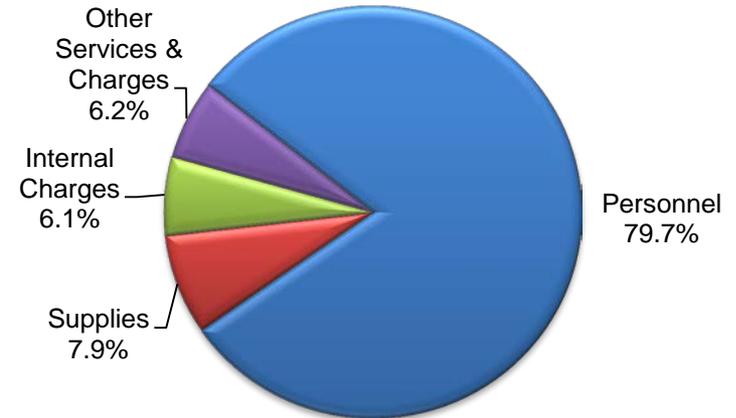
Police Department Expenditures and Funding Sources

Department Summary Operations Expenditure by Division and Capital

	FY15 Actual	FY16 Budget	FY17 Budget
Police Administration	\$ 1,557,895	\$ 2,381,533	\$ 1,715,073
Operations Bureau	7,844,772	8,453,961	9,682,414
Support Bureau	<u>2,565,154</u>	<u>3,025,600</u>	<u>3,197,098</u>
Subtotal Operations ¹	11,967,821	13,861,094	14,594,585
Capital	<u>27,799</u>	<u>47,000</u>	<u>78,000</u>
Total	\$ 11,995,620	\$ 13,908,094	\$ 14,672,585

¹Includes increase in PSPRS and market compensation pay as well as potential operating grants

**Police Department FY17
Operating Expenditure Budget by Type**



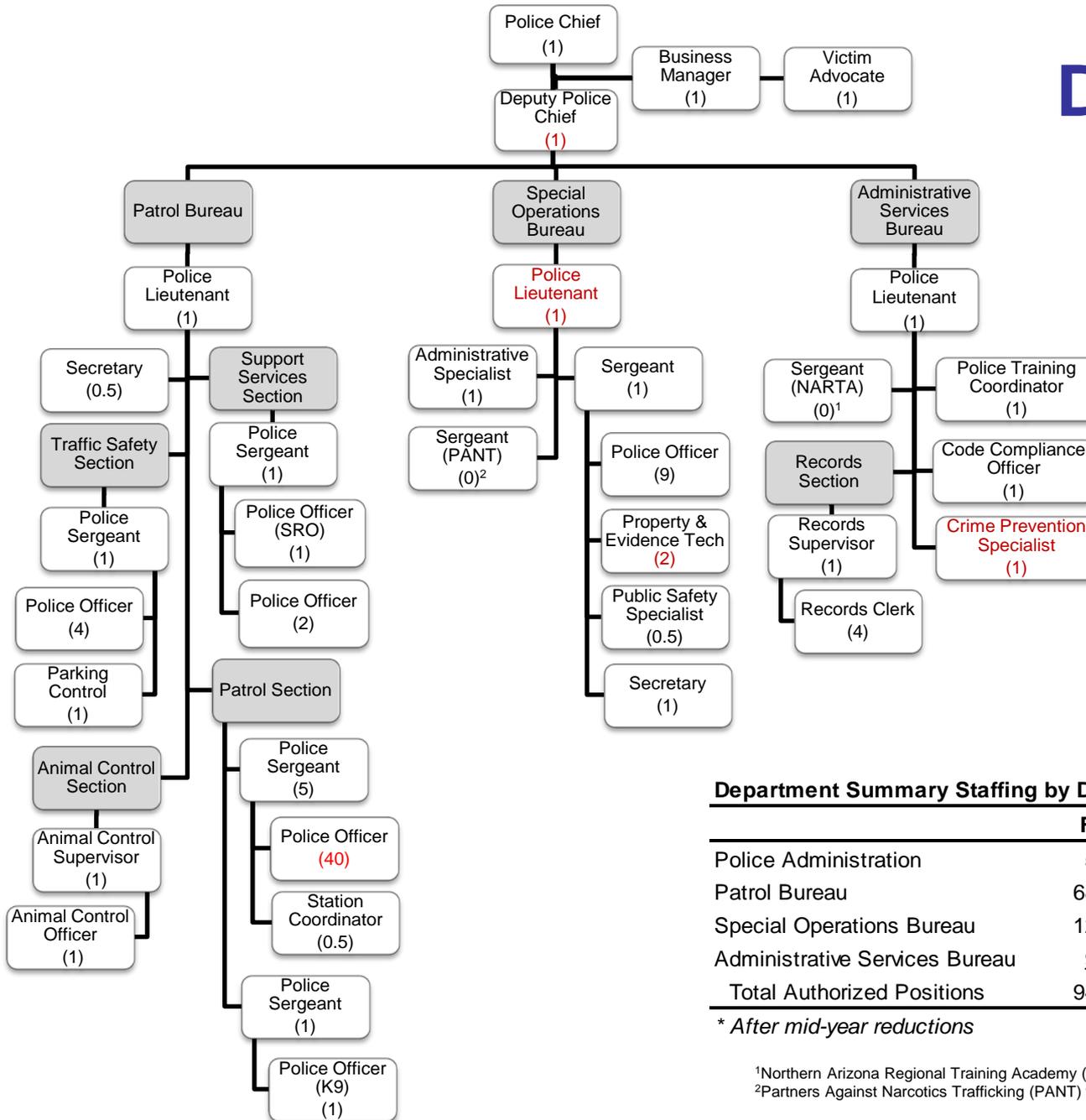
Department Summary Funding Sources

	FY15 Actual	FY16 Budget	FY17 Budget
General Fund Source of Funds			
Tax Base	\$ 10,983,387	\$ 11,712,721	\$ 12,446,283
Licenses and Permits	26,977	27,000	27,000
Fines and Forfeitures	<u>353,218</u>	<u>426,900</u>	<u>353,000</u>
General Fund Budget	11,363,582	12,166,621	12,826,283
Special Revenue Funds	<u>632,038</u>	<u>1,741,473</u>	<u>1,846,302</u>
Total	\$ 11,995,620	\$ 13,908,094	\$ 14,672,585

Department Estimated Future Cost Increases

	FY18 Projected	FY19 Projected	FY20 Projected
Market Compensation Pay Plan	\$ 172,500	\$ 176,000	\$ 179,500
PSPRS Unfunded Liability	<u>106,400</u>	<u>110,700</u>	<u>115,100</u>
Total	\$ 278,900	\$ 286,700	\$ 294,600

Police Department Personnel 1/1/2016



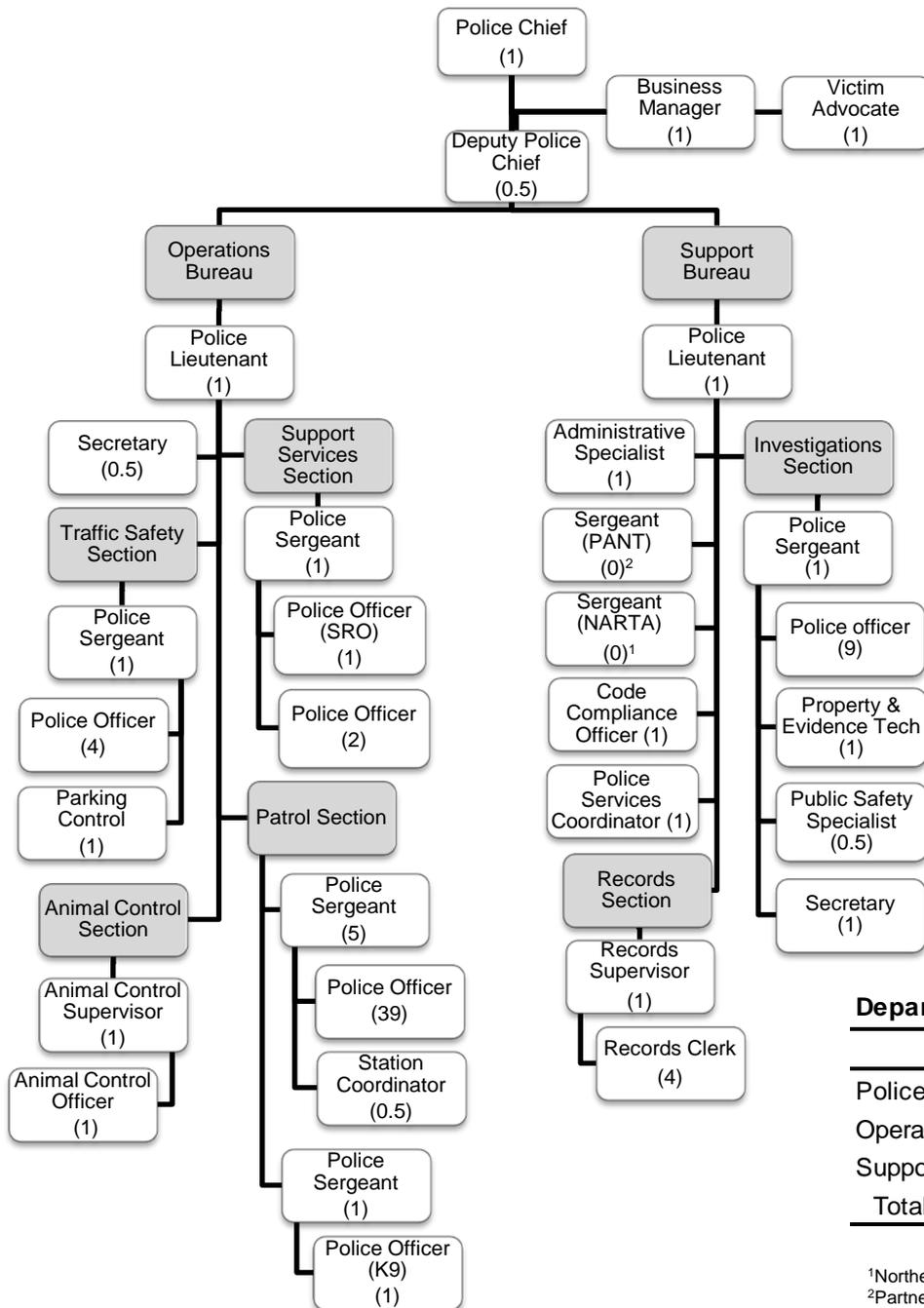
Department Summary Staffing by Division

	FY15	FY16	FY16*
Police Administration	5.50	4.50	4.00
Patrol Bureau	68.00	64.50	60.00
Special Operations Bureau	12.00	14.00	15.50
Administrative Services Bureau	9.00	8.00	8.00
Total Authorized Positions	94.50	91.00	87.50

* After mid-year reductions

¹Northern Arizona Regional Training Academy (NARTA) at Yavapai College funds this position
²Partners Against Narcotics Trafficking (PANT) funds this position through grant reimbursements

Police Department Personnel 7/1/2016



FY17 Reductions

- 1.0 Police Lieutenant (Reg. Comm.)
- 1.0 Police Officer (Patrol)
- 1.0 Property & Evidence Technician
- 1.0 Crime Prevention Specialist

FY17 Cost Recovery Change

- 0.5 Deputy Police Chief now charged to Regional Communications

No. of sworn officers (includes Reg. Comm.)

- FY15 - 75
- FY16 - 72
- FY17 - 68

Department Summary Staffing by Division

	FY15	FY16	FY17
Police Administration	5.50	4.50	3.50
Operations Bureau	68.00	64.50	59.00
Support Bureau	<u>21.00</u>	<u>22.00</u>	<u>21.50</u>
Total Authorized Positions	94.50	91.00	84.00

¹Northern Arizona Regional Training Academy (NARTA) at Yavapai College funds this position

²Partners Against Narcotics Trafficking (PANT) funds this position through grant reimbursements

Police Department

FY 17 Key Information

❑ Fleet reductions

- FY16 - Four vehicles (2 trucks, 1 SUV, 1 trailer)
- FY17 - Four vehicles (1 SUV, 1 truck, 1 armored vehicle, 1 ATV)

❑ FY17 Budget Reductions (Total \$472,150)

- \$340,000 personnel
- \$50,000 training
- \$62,150 miscellaneous line-items
- \$20,000 specialty pay

❑ Prescott Regional Communications Center

- Administrative Supervisor position added
- Computer Aided Dispatch replacement

❑ Fleet Replacement Schedule for Police Cars

- Prior schedule = 5 yrs/100,000 miles
- Current schedule = 6 yrs/150,000 miles

Note: Front line emergency vehicles will be absorbed into city fleet when the vehicle is 5-years old or 100,000 miles. The vehicle will be replaced at 6-years old or 150,000 miles.

Police Department

Code Enforcement - Volunteers

- ❑ Recruit two well-trained volunteers
 - One on weekend duty
 - One on weekday duty
- ❑ Assign volunteers to property management complaints
 - Tall weeds
 - Trash complaints
 - Water leaking
 - Home occupation, etc.
- ❑ Volunteer duties
 - Warn violators and seek compliance – goal of 90% compliance
 - If violation still exists upon follow-up, Chief Compliance Officer will respond to document and take further action

Fire Department Expenditures and Funding Sources

Department Summary Operations Expenditure by Division and Capital

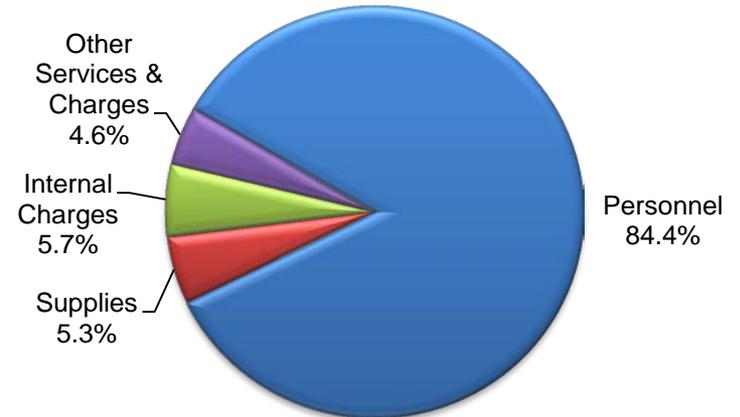
	FY15 Actual	FY16 Budget	FY17 Budget
Fire Admin	\$ 762,772	\$ 1,158,266	\$ 741,721
Suppression/EMS	7,622,603	8,087,244	9,512,900
Fire Professional Services	205,392	272,148	280,334
Community Risk Reduction	770,793	1,021,440	1,381,318
Subtotal Operations ¹	9,361,560	10,539,098	11,916,273
Capital	867,852	1,499,400	1,752,000
Total	\$ 10,229,412	\$ 12,038,498	\$ 13,668,273

¹Includes increase in PSPRS and market compensation pay as well as potential operating grants

Department Summary Funding Sources

	FY15 Actual	FY16 Budget	FY17 Budget
General Fund Source of Funds			
Tax Base	\$ 9,141,274	\$ 9,692,717	\$ 9,154,645
Licenses and Permits	1,525	500	500
Charges for Services	447,925	440,123	473,123
General Fund Budget	9,590,724	10,133,340	9,628,268
Special Revenue Funds	361,068	1,444,410	3,535,275
Enterprise Funds	277,620	460,748	504,730
Total	\$ 10,229,412	\$ 12,038,498	\$ 13,668,273

**Fire Department FY17
Operating Expenditure Budget by Type**

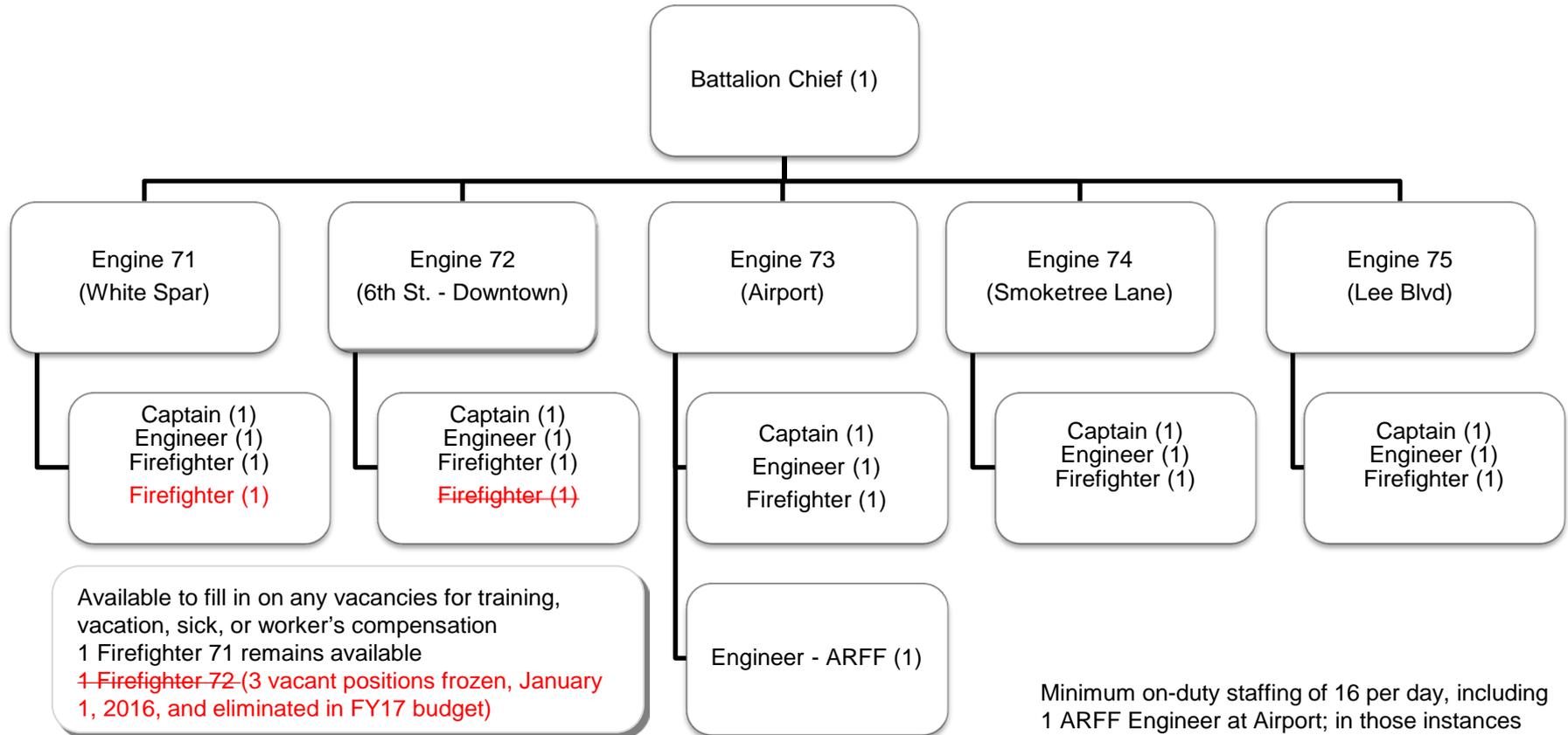


Department Estimated Future Cost Increases

	FY18 Projected	FY19 Projected	FY20 Projected
Market Compensation Pay Plan	\$ 154,500	\$ 157,600	\$ 160,800
PSPRS Unfunded Liability	104,100	108,300	112,600
Total	\$ 258,600	\$ 265,900	\$ 273,400

Fire Department

Staffing Scenario if SAFER Grant Not Awarded



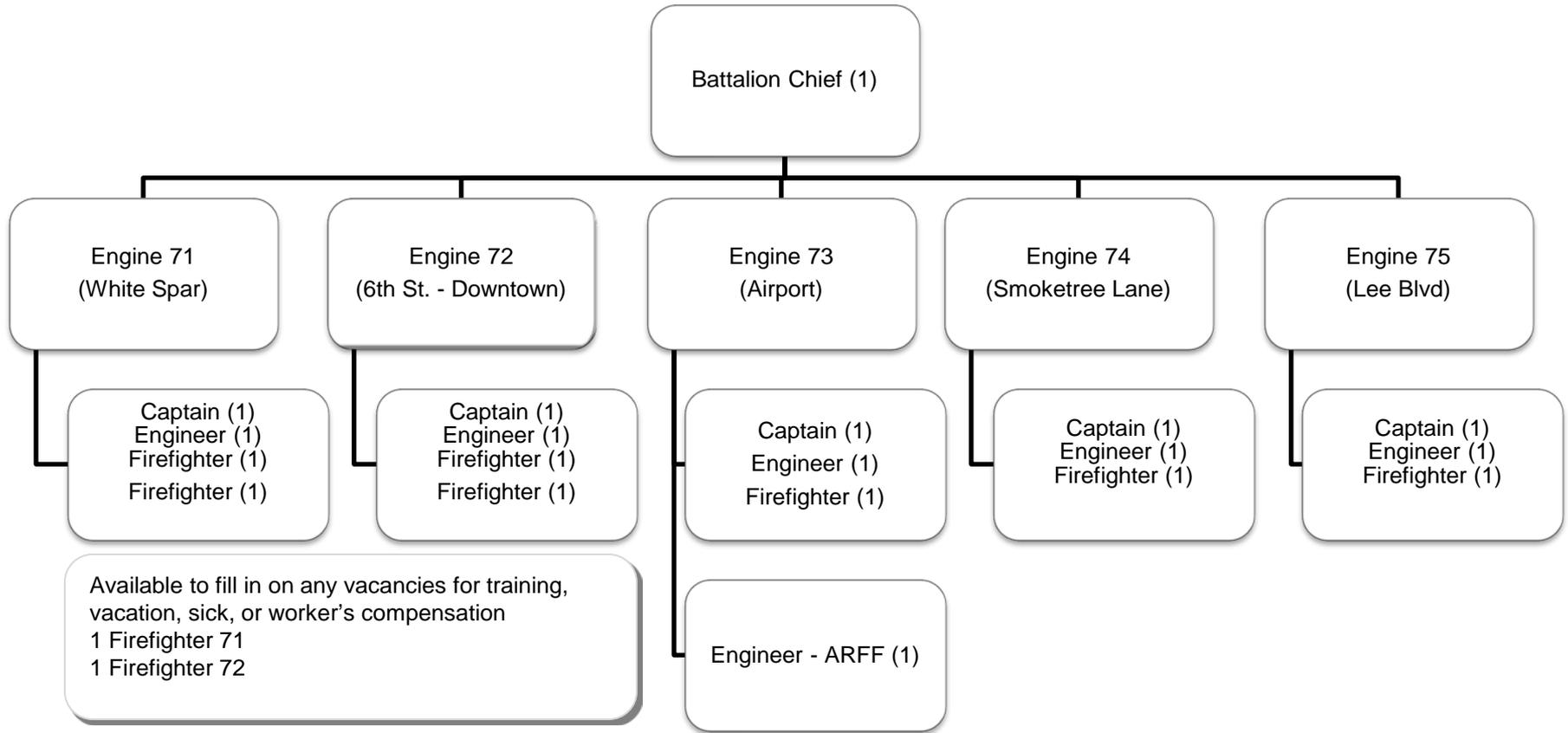
Minimum on-duty staffing of 16 per day, including 1 ARFF Engineer at Airport; in those instances where 2-persons are not available due to vacation, sick, education, or workers comp it results in one of the stations being staffed with a rescue apparatus in lieu of a fire engine or commonly referred as being browned out.

Department Summary Staffing by Division

	FY15	FY16	FY17
Fire Department Administration	5.00	3.00	2.00
Suppression/EMS	57.00	57.00	54.00
Fire Professional Services	1.00	2.00	2.00
Community Risk Reduction	<u>8.00</u>	<u>6.00</u>	<u>7.00</u>
Total Authorized Positions	71.00	68.00	65.00

Fire Department

Personnel/Organization Chart (with SAFER)



Department Summary Staffing by Division

	FY15	FY16	FY17
Fire Department Administration	5.00	3.00	2.00
Suppression/EMS	57.00	57.00	48.00
Suppression/EMS (SAFER Gran	0.00	0.00	9.00
Fire Professional Services	1.00	2.00	2.00
Community Risk Reduction	<u>8.00</u>	<u>6.00</u>	<u>7.00</u>
Total Authorized Positions	71.00	68.00	68.00

Restoration of staffing to a minimum crew size of 19 available personnel with minimum daily staffing of 17 in order to fully staff 1-BC, 1-ARFF Engineer, and 5/3-person engine companies (1 Captain, 1 Engineer, and 1 Firefighter).

Fire Department

FY 17 Key Information

- ❑ In conjunction with Airport Operations, provide Aircraft Rescue Firefighting (ARFF) coverage during commercial aviation flight times (6:00 am to 10:00 pm) in lieu of 24 hrs. Issue RFP for contract ARFF coverage to evaluate potential cost reduction.
- ❑ Bid out fuels reduction grant work in lieu of in-house personnel
- ❑ Evaluate re-establishment of a Reserve Firefighter Program (First-year start up costs for medical/physical determinations, PPE/uniforms, salary costs for fire academy, with goal employing 1 reserve to fill a vacancy each day for an entire year). Estimated (unfunded) annual cost: \$252,000 (15 personnel).
- ❑ Replace Computer Aided Dispatching/Records Management Systems and upon implementation refine Emergency Medical Dispatching calls for service tier types.
- ❑ Evaluate service billing options as presented by Fire Recovery USA (estimated annual gross billing for motor vehicle accident responses \$143,258, with net revenue of \$114,606 based upon FY15 response data).

Fire Department

Fleet Availability and Status

- ❑ The FY 2016 Vehicle Replacement Fund included replacement of the current Battalion Chief vehicle, and retention of the replaced vehicle as a reserve. This vehicle replacement has been placed on hold and may be revisited in FY 2018.
- ❑ The current Fire Department fleet maintains the crew buggies and other support vehicles previously used by and for wildfire response by the Granite Mountain Interagency Hotshot Crew. These vehicles will be reviewed for disposition in FY 2017.
- ❑ Current front-line and reserve fleet ratios are appropriate based on risk assessment and emergency calls throughout the city based on the size and call volume associated with emergency responses.
- ❑ There is an on-going need to maintain a sufficient fleet size in instances where a major fire occurs in either the downtown area or other areas requiring a high fire flow. This includes a reserve Type I engine company and Type I ladder company. These reserve resources are deployed by shifting existing on or off-duty personnel, called back, who are trained to utilize the equipment, in order to provide appropriate response without full-time staffing of the necessary but scarcely utilized resources.

Recreation Services

Expenditures and Funding Sources

Department Summary Expenditure by Division

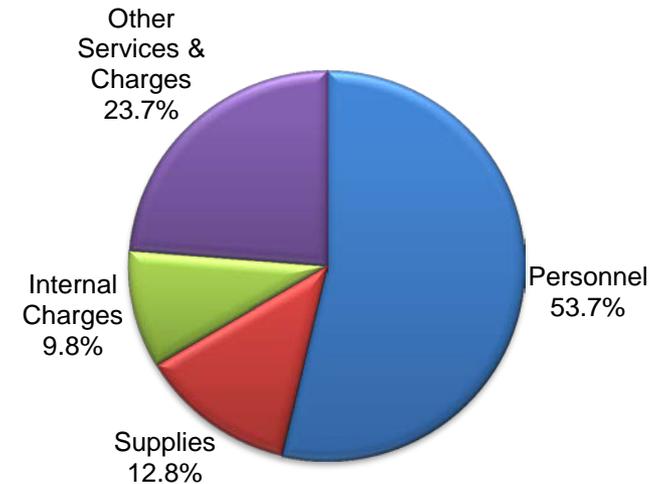
	FY15 Actual	FY16 Budget	FY17 Budget
Parks, Lakes, Trails, and Lands.	\$ 3,615,780	\$ 4,138,978	\$ 3,945,095
Recreation Programming	569,614	701,928	844,101
Subtotal Operations	4,185,394	4,840,906	4,789,196
Capital	97,794	1,310,000	3,988,200
Total	\$ 4,185,394	\$ 4,840,906	\$ 8,777,396

Department Summary Funding Sources

	FY15 Actual	FY16 Budget	FY17 Budget
General Fund Source of Funds			
Tax Base	\$ 2,265,024	\$ 2,648,476	\$ 2,691,308
Licenses & Permits	470	600	600
Charges for Services	556,725	510,600	474,500
Miscellaneous	12,444	15,000	20,000
General Fund Budget	2,834,663	3,174,676	3,186,408
Special Revenue Funds	161,933	1,565,455	4,132,826 ¹
Enterprise Funds	1,286,590	1,410,775	1,458,162
Total	\$ 4,283,186	\$ 6,150,906	\$ 8,777,396

¹Increase includes \$3,800,000 for Open Space Acquisitions

**Recreation Services FY17
Operating Expenditure Budget by Type**



Recreation Services

FY 17 Key Information

- ❑ Outsourcing the management of special events, including the Prescott's Great Outdoors and the July 4th celebration, reduced recreation revenues as well as expenditures with an overall positive impact to the General Fund
 - Contracting out the 4th of July festival is expected to be a \$40,000 cost savings
- ❑ Contracted out the Downtown Summer Concert Series (saving labor costs)
- ❑ Increased parking fees at designated park areas (implemented February 26, 2016) \$80,000 of additional parking fee revenue
- ❑ Budgeted for additional pay kiosks in FY17; estimated revenue with full implementation \$70,000
- ❑ Working on inaugural Fall mountain bike race with private event promoter

Library

Expenditures and Funding Sources

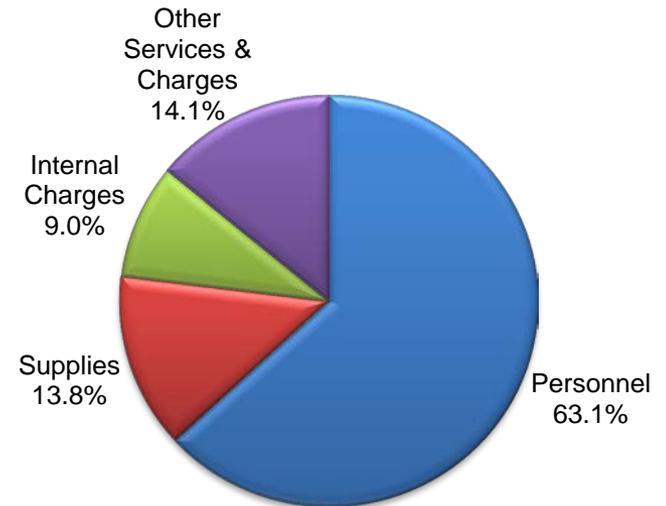
Department Summary Expenditure by Division

	FY15 Actual	FY16 Budget	FY17 Budget
Public Services	\$ 1,091,097	\$ 1,086,527	\$ 1,247,357
Support Services	1,184,890	1,385,156	1,173,365
Subtotal Operations	2,275,987	2,471,683	2,420,722
Capital	31,069	-	-
Total	\$ 2,307,056	\$ 2,471,683	\$ 2,420,722

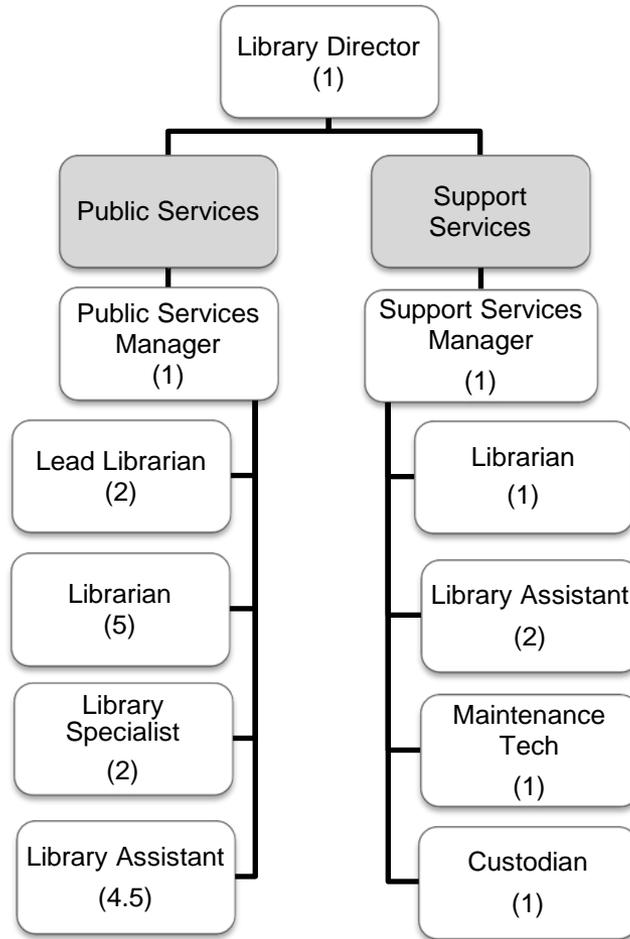
Department Summary Funding Sources

	FY15 Actual	FY16 Budget	FY17 Budget
General Fund Funding Sources			
Tax Base	\$ 1,628,665	\$ 1,729,024	\$ 1,583,999
Intergovernmental Revenues	565,065	567,270	565,856
Charges for Services	20,377	16,000	34,800
Fines and Forfeitures	44,480	48,500	46,900
General Fund Budget	2,258,586	2,360,794	2,231,555
Special Revenue Funds	48,470	110,889	189,167
Total	\$ 2,307,056	\$ 2,471,683	\$ 2,420,722

**Library FY17
Operating Expenditure Budget by Type**



Library Personnel



Department Summary Staffing by Division

	FY15	FY16	FY17
Public Services	16.00	16.00	15.50
Support Services	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Total Authorized Positions	22.00	22.00	21.50

Library

FY17 Key Information

□ FY 2016 Mid-Year Adjustments

- Reduced \$50,000 in part-time salaries
- Adjusted business hours with a net reduction of three hours per week:
 - Mon, Fri, Sat: 9 am – 5 pm
 - Tue, Wed, Thu: 9 am – 7 pm
 - Closed Sunday
- Reduced \$40,000 in other line item expenses
- Adjusted fees to add meeting rooms. All fees including meeting room rentals will generate approximately \$81,700 annually.

□ FY 2017 replace fluorescent lights with LEDs

- Total cost \$100,000
- APS rebate \$14,000
- Annual electricity savings \$12,000
- 7.2 year payback

Library

Yavapai County Free Library District – Funding Issues and Considerations

- ❑ In the FY16 tax year, the Yavapai County Free Library District (YCFLD) collected \$914,569 from properties within the City limits (\$548,631,551 x 0.1667%)
- ❑ The District disbursed \$565,856 in direct contribution to Prescott for library operations, and provided direct services for a variety of operations through the Yavapai Library Network (YLN) with an estimated value of \$155,000
 - Other direct benefits include network maintenance and operation, RFID tags, shared countywide databases and subscriptions. Indirect benefits include processing books between libraries, leadership role of YLN and negotiations of countywide services
- ❑ For a library to be eligible for Library Services and Technology Act (LSTA) funding from the Arizona State Library, core library services must be offered free of charge
- ❑ The Yavapai County Free Library District (YCFLD) receives some LSTA general support money from the Arizona State Library, and follows the eligibility guidelines set forth by the Arizona State Library

Library Services & Fees – Requirements to Maintain State & County Funding

Services	Fee Not Allowed	Fee is Allowed	Current City Fee
Admission to the library building	x		
Issuance of a library card to residents within the service area (identified by agreement as Yavapai County)	x		\$2.00 Charge for Lost Card Replacement
Issuance of a library card to persons not resident in the service area		x	No current fee for non-residents. Requests from non-Yavapai County residents are rare
Issuance of a library card to temporary residents of the service area	x		
Checking out books or other printed materials	x		
Checking out non-book materials	x		
Use of public access computers by residents	x		
Use of WiFi connection in library	x		
Printing from public access computers		x	\$0.10/BW Page \$0.50/Color Page
Use of library meeting rooms		x	Charges Begin July 1, 2016 - See Note (a) for detailed fees
Providing test-proctoring services		x	\$15/Test Session
Use of Interlibrary Loan Services	x		
Fees for loss of library items		x	Cost of Lost Item
Service charge for lost items		x	\$5.00
Fines for return of items beyond the due date		x	\$0.25/Day Max of \$10.00 Items 60 days overdue roll to lost status. Accounts of \$50 or more not paid after 77 days are sent to a collection agency. If sent to the collection agency a \$20 fee applies
Postage Cost for Materials sent to/from library capped at \$6.00/item		x	\$2.00 per item (current fee exceeds actual postage)

Note (a) Charges for Use of library meeting rooms

Space	1-2 Hours	2-4 Hours	4+ Hours
Computer Training Lab	\$30	\$50	\$75
Founders Suite A	\$15	\$25	\$40
Founders Suite B	\$15	\$25	\$40
Founders Suite A & B	\$30	\$50	\$75

Under Development

Business Center	\$30	\$50	\$75
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Community Development Expenditures and Funding Sources

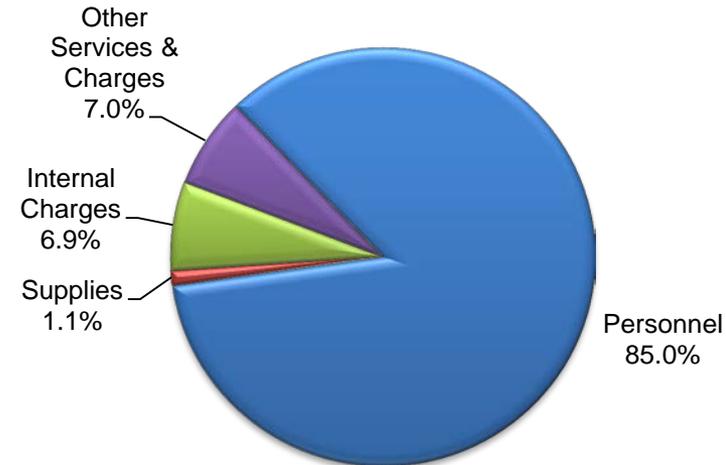
Department Summary Operations Expenditure by Division and Capital

	FY15 Actual	FY16 Budget	FY17 Budget
Admin, Planning & Zoning	\$ 585,257	\$ 539,725	\$ 479,678
Building Safety	538,468	578,898	758,394
Subtotal Operations	1,123,725	1,118,623	1,238,072
Capital	340,921	748,245	588,943
Total	\$ 1,464,646	\$ 1,866,868	\$ 1,827,015

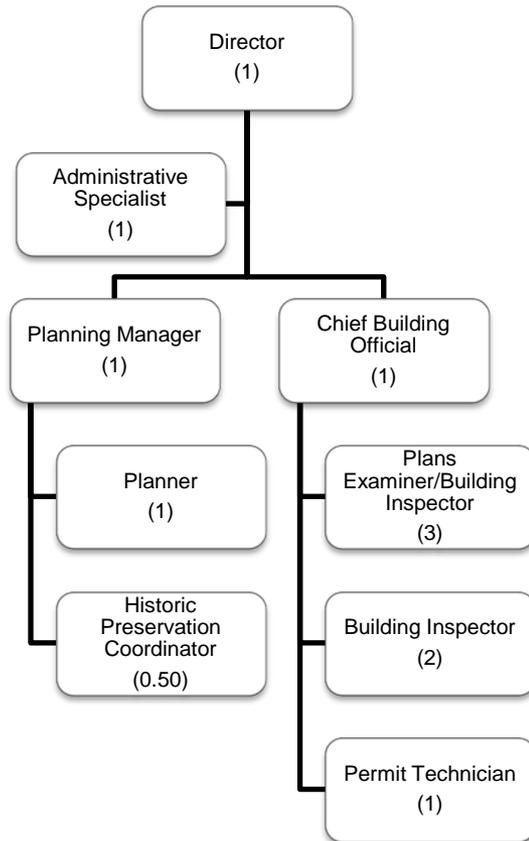
Department Summary Funding Sources

	FY15 Actual	FY16 Budget	FY17 Budget
General Fund Source of Funds			
Tax Base	\$ 386,017	\$ 407,273	\$ 257,838
Licenses & Permits	470,804	440,000	658,000
Charges for Services	260,779	270,800	441,200
General Fund Budget	1,117,600	1,118,073	1,357,038
Special Revenue Funds	347,046	748,795	469,977
Total	\$ 1,464,646	\$ 1,866,868	\$ 1,827,015

Community Development FY17 Operating Expenditure Budget by Type



Community Development Personnel



Department Summary Staffing by Division

	FY15	FY16	FY17
Admin, Planning & Zoning	4.60	4.00	4.00
Building Safety	<u>6.50</u>	<u>6.50</u>	<u>7.50</u>
Total Authorized Positions	11.10	10.50	11.50

General Fund FY16 Capital Outlay/Projects

<u>Page</u>	<u>Description</u>	<u>Funding</u>	<u>FY17</u> <u>Budget</u>
	<u>City Manager - Human Resources</u>		
15	Time and Attendance Software and Equipment	G, CR	\$ 51,500
	<u>Community Development</u>		
154	Permitting and Inspection Software Implementation	G	125,000
	<u>Field and Facilities</u>		
90	Rodeo Grounds Electrical Improvements (\$1,400,000 two year project)	G	925,000
	<u>Fire Department</u>		
16	Center for Public Safety Excellence Technical Assistance Program	G	42,000
	<u>Police Department</u>		
22	High Capacity Copier	G	20,000
	<u>Regional Communications</u>		
27	Public Safety Software System Upgrade	G, P	1,000,000
28	Recording System for Dispatch	G, P	25,000
	<u>Recreation Services</u>		
29	Open Space Acquisitions	S	3,800,000
30	Pay Station replacement and addition of new Pay Stations	G	125,000
31	Golf Course Replacement Equipment and Vehicles	GC	43,400
32	Acker Park Improvements (reimbursed with developer funds)	G	19,800
	Total		<u>\$ 6,176,700</u>
	Funding Summary		
	General Fund	(G)	\$ 1,804,720
	Cost Recovery	(CR)	16,080
	Partners	(P)	<u>512,500</u>
	Subtotal General Fund Budget		2,333,300
	Streets	(S)	3,800,000
	Golf Course	(GC)	43,400
	Total		<u>\$ 6,176,700</u>

FY17 Vehicle Replacement Fund

(More Detail during the 5/26 Workshop)

<u>Department</u>	<u>Vehicle Being Replaced</u>	<u>FY17 Budget</u>
<u>Field and Facilities</u>		
Facilities Management	1995 Ford Van	\$ 25,000
<u>Police Department</u>		
Patrol	2008 Ford Crown Vic	65,000
Patrol	2011 Chevy Tahoe	65,000
Patrol	TBD by Review	65,000
Investigations	2004 Ford Explorer SUV 4x4	28,000
Total - Vehicle Replacement Fund		<u>\$ 248,000</u>

FY17 Ending Balance in Vehicle Replacement Fund – \$1,023,850

General Fund Summary

	<u>FY16</u>	<u>FY17</u>	<u>%</u>
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
General Fund Operations			
Revenues	\$32,897,237	\$35,467,606	8%
Transfers In - Bed Tax (Parking Garage, Event OT)	45,000	45,000	0%
Total Revenues/Operating Transfers In	<u>32,942,237</u>	<u>35,512,606</u>	8%
Operating Expenditures	<u>31,838,861</u>	<u>33,256,302</u>	4%
Operating Income	<u>1,103,376</u>	<u>2,256,304</u>	104%
Capital Expenditures and Transfers Out			
Capital Expenditures	2,118,024	2,333,300	10%
Lease Purchase Financing	(1,000,000)	-	-100%
Capital Project Cost Recovery	(36,782)	(16,080)	-56%
Transfers Out			
Airport Operations	269,483	308,445	14%
Governmental Grant Operations	<u>280,737</u>	<u>437,444</u>	56%
Total Operating Transfers	<u>550,220</u>	<u>745,889</u>	36%
Airport Capital	380,000	510,000	34%
Airport Capital Grant Match	<u>321,303</u>	<u>119,929</u>	-63%
Total Capital Transfers	<u>701,303</u>	<u>629,929</u>	-10%
Net Capital and Transfers Out	<u>2,332,765</u>	<u>3,693,038</u>	58%
Net Change in Fund Balance	(1,229,389)	(1,436,734)	17%
Fund Balance - Beginning	<u>27,976,354</u>	<u>29,579,623</u>	
Fund Balance - Ending	<u>\$26,746,965</u>	<u>\$28,142,889</u>	5%
Ending Balance - Detail			
Reserve Policy	\$ 6,579,448	\$ 7,093,522	8%
Retirement Reserve	2,712,539	2,144,861	-21%
Internal Loan	5,138,515	4,342,335	-15%
Unassigned	<u>12,316,463</u>	<u>14,562,171</u>	18%
Total Ending Fund Balance	<u>\$26,746,965</u>	<u>\$28,142,889</u>	5%

General Fund – Fund Balance and Reserves

	FY16	FY17	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Fund Balance Reserve Policy (based on Operating Revenue)			
10% Reserve for unanticipated expenditures and revenue shortfalls	\$ 3,289,724	\$ 3,546,761	7.8%
10% Reserve for timing differences between receipts and disbursements	<u>3,289,724</u>	<u>3,546,761</u>	7.8%
Total reserve per policy	<u>6,579,448</u>	<u>7,093,522</u>	7.8%
Reserve for Internal Loans			
Golf Course-operating deficit	4,316,788	4,316,788	0.0%
Grant Fund-delayed grant reimbursements	25,547	25,547	0.0%
Structured loan for water and wastewater projects	<u>796,180</u>	<u>-</u>	-100.0%
Total reserve for internal loans	5,138,515	4,342,335	-15.5%
Reserve for Existing Retirement Liability	2,712,539	2,144,861	-20.9%
Unassigned-available for one time capital and projects	<u>12,316,463</u>	<u>14,562,171</u>	18.2%
Total Fund balance	<u>\$26,746,965</u>	<u>\$28,142,889</u>	

Transient Occupancy (Bed) Tax



Transient Lodging (Bed) Tax

	FY16	FY17	%
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Revenues			
Bed Tax Revenues (3% levy)	\$ 680,000	\$ 820,000	21%
Liquor License	70,000	70,000	0%
Interest Earnings	2,000	2,000	0%
Total Revenues	<u>\$ 752,000</u>	<u>\$ 892,000</u>	19%
Expenditures			
Tourism	\$ 142,400	\$ 232,381	63%
Marketing and Promotion	290,000	290,000	0%
Bandwagon Refurbishing	12,000	-	-100%
Parks Tourism Venues/Amenities	30,000	30,000	0%
Special Events Overtime (transfer to GF)	25,000	25,000	0%
Parking Garage (transfer to GF)	20,000	20,000	0%
Open Space Management	10,000	10,000	0%
Tournaments	30,000	30,000	0%
Tourism & Community Events	67,400	70,000	4%
PDP Contract	20,000	44,000	120%
Support for the Arts	35,000	35,000	0%
Courthouse Lighting	30,000	30,000	0%
Sharlot Hall Museum	25,000	25,000	0%
Prescott Frontier Days Rodeo	20,000	20,000	0%
Museum Marketing Support - Phippen	15,000	15,000	0%
Museum Marketing Support - Smoki	15,000	15,000	0%
Prescott Creeks Match	12,500	12,500	0%
Sister Cities	-	3,500	
Total Expenditures	<u>\$ 799,300</u>	<u>\$ 907,381</u>	14%
Appropriated Use of Fund Balance	\$ 143,193	\$ 297,841	108%
Ending Fund Balance			
Net Change in Fund Balance	\$ (190,493)	\$ (313,222)	
Fund Balance - Beginning	383,715	313,222	
Fund Balance - Ending	193,222	-	

Grant Applications and Funding



FY17 Grant Applications – All Departments

	FY17 Budget	City Share	Grant Share
<u>General Government</u>			
Community Development - CDBG	\$ 463,943	\$ 27,222	\$ 436,721
Economic Initiatives - ACA Grant Award	250,000	25,000	225,000
City Manager - Yavapai Gaming Compact	100,000		100,000
City Court - JCEF and Fill the Gap	29,000	-	29,000
Community Development -Historic Preservation	750	-	750
<u>Library</u>			
Library Special Projects	100,000	-	100,000
<u>Fire Department</u>			
FEMA Assistance to Firefighters Grant	1,639,300	163,930	1,475,370
SAFER Grant	956,087	-	956,087
Hazardous Fuels	275,000	25,000	250,000
Fire Miscellaneous	193,750	3,750	190,000
State Fire Assistance	183,040	91,520	91,520
AZ Homeland Security	90,000	-	90,000
County Title III Grant (Firewise)	75,000	-	75,000
Wildfire Academy Tohon	50,000	-	50,000
Wildfire Academy Gila River	50,000	-	50,000
State Farm Smoke Detectors	5,000	-	5,000
<u>Public Works</u>			
Corsair Avenue Extension	1,300,000	-	1,300,000

FY17 Grant Applications (cont'd)

	FY17 Budget	City Share	Grant Share
<u>Police</u>			
Police Miscellaneous Grant	\$ 300,000	\$ -	\$ 300,000
COPS Hiring Recovery	270,000	67,500	202,500
Justice and Mental Health	270,000	20,000	250,000
Technology-Crime Scenes/Investigations	250,000	-	250,000
OVW Victim Advocacy Coordinator	174,195	30,114	144,081
Narcotics Task Force	125,000	-	125,000
Vehicle Impound	80,000	-	80,000
RICO	60,000	-	60,000
Safety Equipment	58,000	-	58,000
AZHS Communications	50,000	-	50,000
GOHS DUI Enforcement	42,000	-	42,000
STOP Grant - 2017	21,250	4,250	17,000
TRACS IGA with ADOT	21,000	-	21,000
GOHS Traffic Enforcement	18,000	-	18,000
JAG Edward Byrne Memorial	15,000	-	15,000
Alzheimer's Grant	15,000	-	15,000
Bullet Proof Vests	12,000	6,000	6,000
Canine Grant	8,700	-	8,700
STOP Grant - Year 2	2,280	380	1,900
Total Grants	\$ 7,553,295	\$ 464,666	\$ 7,088,629

Impact Fees



Impact Fees

- ❑ Current law has significantly reduced the amount of funding which can be made available for new capacity (facilities and other infrastructure) needed to serve growth
- ❑ In communities with aging infrastructure, single rehabilitation projects (pipes, streets, treatment plants) usually include both “existing deficiency” and “new growth” components
- ❑ Due to the restrictions on uses of impact fees, and linkages to sensitive user rates (water, sewer), the funding and financing of capital costs is increasingly difficult

Park Impact Fee

- ❑ Park Impact Fees, in place from 1995 to 2014, were set on an “incremental expansion approach”, meaning that the park assets in place at the time of the fee studies were used to develop a cost per citizen to set the fee.
- ❑ State law requires that impact fee revenue can only be used to maintain the capacity of existing services (identified in the study that set the fees) to respond to increases in population and not to create new services or levels that did not exist and were not included in the study.
- ❑ The major park services and levels that were identified in the study included:
 - Park land
 - Park amenities (tables, grills, benches, trash cans, etc.)
 - Playgrounds
 - Tennis courts
 - Walkways/trails within the park
 - Park restrooms
 - Athletic fields
- ❑ Identified projects in the 5-year Capital Plan – \$600,000 Kuebler Field Expansion

FY17 Governmental Impact Fees

	<u>Parks</u>	<u>Fire</u>	<u>Library</u>	<u>Police</u>	<u>Streets</u>	<u>Public Buildings</u>
Revenues						
Interest	\$ 4,000	\$ 5,000	\$ 3,000	\$ 5,000	\$ 400	\$ 1,000
Rent - Fire Station 75	-	24,359	-	-	-	-
Total Revenues	<u>4,000</u>	<u>29,359</u>	<u>3,000</u>	<u>5,000</u>	<u>400</u>	<u>1,000</u>
Expenditures and Transfers						
Transfers Out	-	-	-	-	400	-
Total Expenditures and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>
Ending Fund Balance						
Net Change in Fund Balance	4,000	29,359	3,000	5,000	-	1,000
Fund Balance Beginning, 7/1	722,020	864,953	451,241	852,662	-	172,234
Fund Balance Ending, 6/30	<u>\$ 726,020</u>	<u>\$ 894,312</u>	<u>\$ 454,241</u>	<u>\$ 857,662</u>	<u>\$ -</u>	<u>\$ 173,234</u>

Note: These impact fees are no longer being collected.

FY17 Other Special Revenue Funds

	<u>Acker Trust</u>	<u>Gifts & Donations</u>
Revenues		
Gifts/Donations	\$ -	\$ 140,000
Interest	5,000	-
Total Revenues	<u>5,000</u>	<u>140,000</u>
Expenditures		
Scholarships	10,000	-
Gift/Donation Expenditures	-	255,084
Total Expenditures	<u>10,000</u>	<u>255,084</u>
Ending Fund Balance		
Net Change in Fund Balance	(5,000)	(115,084)
Fund Balance Beginning, 7/1	567,663	213,480
Fund Balance Ending, 6/30	<u>\$ 562,663</u>	<u>\$ 98,396</u>

Debt Service Fund

	FY16	FY17	%
	Budget	Budget	Change
Revenues			
Secondary Property Taxes	\$ 75,000	\$ 41,000	-45%
Special Assessments Billings	5,045	5,045	0%
Interest	1,880	1,243	-34%
Total Revenues	81,925	47,288	-42%
Expenditures			
GO Bonds	190,200	187,700	-1%
Special Assessment Bonds	5,925	5,788	-2%
Total Expenditures	196,125	193,488	-1%
Ending Fund Balance			
Net Change in Fund Balance	(114,200)	(146,200)	28%
Fund Balance Beginning, 7/1	260,807	147,107	-44%
Fund Balance Ending, 6/30	\$ 146,607	\$ 907	-99%

GO Bond debt service for recreational development improvements of Watson and Willow Lakes which is set to expire in FY17

Golf Course Enterprise Fund



Golf Course Fund

	<u>FY16</u>	<u>FY17</u>	<u>%</u>
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
Revenues			
Greens Fees	\$ 1,524,817	\$ 1,442,066	-5.4%
Cart Rentals	532,660	551,012	3.4%
Pro Shop	132,000	130,029	-1.5%
Food and Beverage	908,555	980,424	7.9%
Contingency	300,000	300,000	0.0%
Total Revenues	<u>3,398,032</u>	<u>3,403,531</u>	0.2%
Expenditures			
Billy Casper Golf Operations	1,684,743	1,730,252	2.7%
Course Maintenance	1,410,775	1,414,762	0.3%
Capital Expenditures	-	43,400	
Cart Debt Service	-	-	
Contingency	300,000	300,000	0.0%
Total Expenditures	<u>3,395,518</u>	<u>3,488,414</u>	2.7%
Net Income (Loss)	<u>\$ 2,514</u>	<u>\$ (84,883)</u>	

Upcoming Steps in the FY 17 Budget Process

- 5/26/2016 Annual Budget Workshop - Part 2
(Streets, Utilities, Solid Waste, Airport)
- 6/7/2016 Tentative budget adoption
Publishing of tentative budget
- 6/21/2016 Public hearing on budget and alternative
expenditure limitation
Public hearing for truth in taxation (if needed)
Roll call vote for primary property tax increase
(if needed)
Adoption of Final Budget by Council (separate
meeting)
- 7/5/2016 Adopt property tax levies