



Annual Budget Fiscal Year 2016-2017 Sedona, Arizona



**The Mission of the City of Sedona government is
to provide exemplary municipal services
that are consistent with
our values, history, culture, and unique beauty.**

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Introduction

INTRODUCTION

The City budget can be an imposing document of charts and numbers. On closer inspection and beyond the numbers, the budget represents the investment and return for customers. The investment is in the form of local sales tax, State shared revenue, and other financial resources. The return is the new traffic signal, park improvement, or new service scheduled for the new fiscal year. The purpose of this section of the budget is to move beyond the technical jargon and assist the reader in understanding the most important sections of the document.



What is a Budget?

In the simplest terms, a budget is a plan for the coordination of resources and expenditures.

Developing a budget is often a complex process of balancing various interests and demands for services with available resources. The complex process has shaped various types of budgeting, of which four primary budget types have evolved: 1) line-item budgeting, 2) performance (or program) budgeting, 3) zero-based budgeting, and 4) target-based budgeting.

This is the first year of a phased three-year implementation of performance (or program) budgeting for the City. Previously, the City primarily used the line-item budgeting approach. The line-item method of budgeting focuses on how much is spent in each line item (e.g., office supplies, utility costs, equipment repairs, etc.). The performance (or program) budgeting method focuses on the City's goals, the performance measurements in achieving those goals and the values obtained for the resources utilized. We expect this method will provide a better focus for basing Council decisions on the value and effectiveness of programs and services provided.

Budget as a Policy Guide

The budget functions as a policy guide by indicating the City's priorities. The budget is connected to a mission statement and goals, and the amount of resources allocated to a specific department, program, or service indicates what is considered important by city officials and in turn the citizens. The budget document includes the City's financial policies to provide citizens with information on the policies that guide use of public funds.

Budget as a Financial Plan

The most basic element of the budget, displaying the balance between revenues and expenditures, acts as a financial plan. It outlines what revenues are expected and how the City intends to use those resources. Examining revenue and expenditure trends from past budgets, helps form a financial plan for future budgets, which ensures the City is accurate in projections to help maintain strong fiscal standing.

Budget as an Operations Guide

As an operations guide, the budget outlines the estimated amount of work to be done and services to be provided and the cost associated with doing so. The budget identifies which departments are responsible for particular programs and services and the amount of resources they have to perform their responsibilities.

Budget as a Communications Tool

As a communication tool, the budget serves to hold the City accountable. The budget provides the public with information regarding how their tax money is to be spent. Citizens can see whether elected officials are setting priorities based on their demands by reviewing the amount of resources being allocated to specific programs and services. Citizens also can see if their tax money is being used efficiently and effectively.

MEET THE CITY COUNCIL



From left to right: Councilor Scott Jablow, Councilor Angela LeFevre (resigned), Councilor Jon Thompson, Mayor Sandy Moriarty, Councilor John Martinez, Vice Mayor Mark Dinunzio (resigned), Councilor Jessica Williamson

Sandy Moriarty – Mayor



Mayor Moriarty was born and raised in Seattle, Washington, where she graduated from the University of Washington with a B.A. in Economics. She moved to Sedona in January 1972, when Sedona was a town of about 4,000. Sandy worked for the local branch of the Phoenix CPA firm, Walker & Armstrong, LLP, for 31 years and is now a self-employed accountant.

Soon after coming to Sedona, Sandy became involved in getting Sedona incorporated. After serving on three committees over a 15-year

period, Sandy celebrated the voters' approval of the incorporation of Sedona in a December 1987 election, and in January of 1988, the City of Sedona became a reality. Sandy is proud to have been a member of the first appointed City Council.

Sandy has always followed City government in Sedona and over the years has volunteered for organizations including AYSO (youth soccer), Good Morning Sedona, Southwest Public Recycling Association and the Verde Valley Wine Consortium. She is a founder of Sedona Recycles, Inc., and of Sedona Winefest. She served on the City's Wastewater & Effluent Disposal & Land Use (WEDLU) Task Force, on the Housing Commission, and on the City's Service Contract Review Work Group.

She is proud to serve as Mayor of the city she loves.

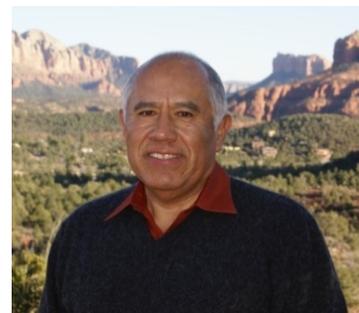
MEET THE CITY COUNCIL - continued

John Martinez – Vice Mayor

Vice Mayor Martinez is from a large, Southern California family. Three of his siblings were born in Los Angeles, as was John, and four were born in La Puente. All eight children finished La Puente High School, and went on to graduate from various colleges, encouraged by parents who did not have the opportunity to complete high school.

John graduated from California State University of Long Beach with a degree in Finance. He worked during the day and went to school at night. He worked as a janitor for Snappy Taco and a forklift driver at Mattel Toys. Upon graduation from college, he began his career in finance, first as a Financial Analyst with Beckman Instruments, then Plant Controller at Hunt-Wesson Foods, Director of Manufacturing Accounting for ConAgra Foods, and a Sarbanes-Oxley auditor for Boeing.

He moved to the Sedona area in 2005 and was hired as the Director of Finance for Nutri-Health Supplements located in Cottonwood, AZ.



John met Carol, the love of his life for the past 34 years, while employed with Beckman Instruments.

John provides consulting expertise for small companies that require budgeting and forecasting assistance. John was selected to serve on the Budget Oversight Commission and was the Vice-Chairman.

Scott Jablow – Councilor



Councilor Jablow holds a degree in criminal justice and worked for the Port Authority of New York & New Jersey for over 30 years — first as a police officer and later a Senior Police Accident investigator receiving specialized training through Northwestern University and the U.S. Department of Transportation.

Councilor Jablow holds a degree in criminal justice and worked for the Port Authority of New York & New Jersey for over 30 years — first as a police officer and later a Senior

Throughout his career Scott received specialized training from the Federal Bureau of Investigation. Scott also served in the Police Emergency Aircraft Rescue Fire Fighting Unit. As a community leader on Long Island, Scott received three prestigious awards for his work: a Legislative Resolution by the New York State Assembly, a New York State Proclamation from the New York Senate Majority Leader, and a Town Citation by the Town of Hempstead Supervisor. Prior to his election to the City Council in 2014, Scott served on the board of the Sedona Fire District, the City of Sedona's Planning & Zoning Commission, and the City's Personnel Board.

MEET THE CITY COUNCIL - continued

Tom Lamkin – Councilor

Councilor Lamkin moved to Sedona four years ago with his wife, Polly. He is currently retired and lives in the Chapel area. Prior to retirement, he worked for IBM and Hewlett-Packard holding several positions in sales management. Tom enjoyed working with many customers ranging from small businesses to Fortune 500 corporations. He was successful in bringing people and resources together to provide solutions that helped the businesses grow and developed long term relationships.

Upon settling in Sedona, he embraced the volunteerism that thrives here and became a volunteer City of Sedona Park Ranger. He enjoys walking uptown a few days a week and speaking with tourists who ask for help or need more information about Sedona. He is also the current president for the local Sedona-Bell Rock Kiwanis Club which serves the children of Sedona through activities coordinated with the schools and other volunteer organizations.

When the Councilor position he now occupies opened up due to a vacancy caused by the resignation of a City Councilor, Tom interviewed for the position. He felt now was a good time to serve the City of Sedona more directly. He was fortunate to be selected and appointed by the City Council to the position and has enjoyed utilizing the skills learned during his career for the benefit of the residents. Tom is honored to represent the people of Sedona and is always available to listen to their needs.



Jon Thompson – Councilor



Councilor Thompson (“JT”) and his wife Felicia spent their honeymoon in Sedona 45 years ago, then returned for their 25th wedding anniversary determined to make this their retirement home. They realized that dream when they finally built their house in West Sedona in 2006.

JT earned a B.A. degree from California Lutheran University, and holds an M.A. in English from Stanford, where he was a Wallace Stegner Fellow in the Creative Writing program. He has been a Managing Editor for a major college textbook publisher, but most of his career was spent in the technical writing field in Silicon Valley. JT has held positions from Senior Manager through VP at high-tech

companies, including Apple Computer, Silicon Graphics, Crossworlds, IBM, and two pre-IPO startups.

He has been a volunteer litter lifter with Keep Sedona Beautiful and volunteered at the Verde Valley Medical Center, the Sedona City Clerk’s office, and Chamber Music Sedona. He was proud to serve on the Citizens Steering Committee for the Community Plan update, the final 2 ½ years as Chair. That exceptional experience created the desire to continue serving our magnificent city and was the primary reason JT decided to seek a City Council seat.

He spends much of his free time advocating for a whole-foods, plant-based diet and lifestyle as a member of Healthy World – Sedona.

Felicia and JT are the proud parents of two sons. Jeff is a graduate of Cal Poly San Luis Obispo and a VP at Glass Lewis & Co. in San Francisco. Chris earned a BA from UCLA and a Masters from Juilliard. He is a percussionist with Alarm Will Sound.

MEET THE CITY COUNCIL - continued

Jessica Williamson – Councilor



Councilor Williamson grew up in southern California, but was raised 100 miles up the coast in Santa Barbara. She

attended the University of California at Santa Barbara with a B.A. in Sociology.

Jessica moved to New York City with her husband so he could attend Columbia University. They lived in NYC for 30 years, and Jessica worked for the City of New York for the majority of the time. Her last job was as Director of Departmental Affairs at the NYC Department of Design and Construction. DDC was the agency in charge of cleaning up the World Trade Center after the horrendous 9/11 attacks and Jessica spent time stationed at the site as part of the cleanup team.

Jessica and her family moved to Sedona in 2003.

Sedona's stunning natural beauty still takes Jessica's breath away. A five minute drive from

her house takes her to Fay Canyon or the Dawa Trail. She never gets tired of the vista as she drives down Cook's Hill. During the summer she takes her dog down to Red Rock Crossing. Once Verde Valley School Road becomes dirt, it is like driving on a magical roadway, it is so beautiful. Jessica and her dog walk along the Templeton Trail enjoying the shade and the trees and the rocks and the river. Sometimes the blackberries are ripe. Jessica throws sticks into the water and her dog leaps in to retrieve them. She's seen river otters there, and blue herons and lots of ducks. In season, the flowers are wondrous.

When her first dog died a few years ago, Jessica and her husband agreed that they would put off getting another one, but within a month they had a new puppy. He is simply a silly and goofy creature. Jessica takes him to the Sedona Dog Park where he often sits around with a tennis ball in his mouth until the spirit moves him to play.

Jessica gardens, with mixed success, and tries to grow tomatoes, basil, and peppers every year. Jessica likes to read (she belongs to a political book club). She tries to work out at least three times a week, but she also likes to cook and makes a very tasty cheesecake.

The seventh councilor seat is currently vacant.

COUNCIL PRIORITIES

Biannually, the City Council meets to establish a set of priorities that will guide their efforts for the following 24 months. Annually, they meet to discuss the status of those goals and objectives and/or update as necessary.



The City Council established the current list of priorities as part of the fiscal year 2015-16 budget process. In October 2015, a mid-year review was completed and priorities were ranked to help clarify which priorities staff should attempt to complete first. In January 2016, the list was reviewed again in light of the fiscal year 2016-17 budget preparation. At that time Council further categorized priorities as either “high,” “medium,” or “low.” Those priorities are included below.

Funding has been included in the fiscal year 2016-17 budget for all priorities with financial implications. The funding sources are identified below.

High Priority Items:

- Construct Barbara Antonsen Park (*included in Capital Improvements Program*)
- Complete Comprehensive Traffic Study (*included in Capital Improvements Program*)
- Implement Economic Development Plan (*included as a program under City Manager's Office*)
- Explore Consolidation of Trash and Recycling Services through a City-Managed Single Hauler Contracted System (*included in City Manager's Office budget and a contingency was budgeted for possible implementation*)
- Implement Paid Parking on Main Street in Uptown (*included funding in the General Services Department to be allocated to the applicable departments and programs when more information available*)
- Create Wireless Master Plan (*included in Community Development Department budget*)
- Construct Uptown Crosswalk Safety and Pedestrian Access Improvements (*included in Capital Improvements Program*)
- Monitor Chamber of Commerce Tourism Efforts

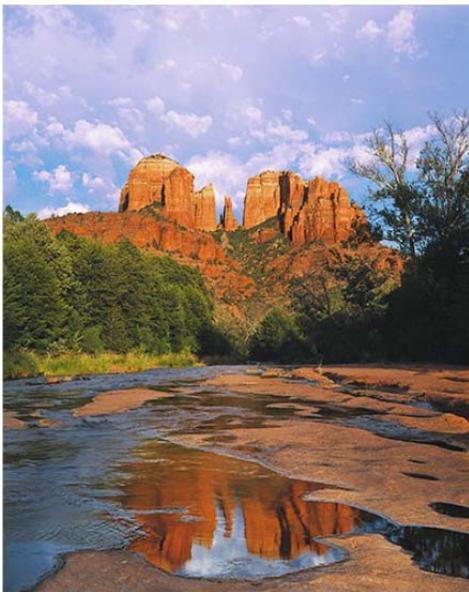
Medium Priority Items:

- Enforcement of Illegal Multi-family Units
- Complete Brewer Road Master Plan (*included in Capital Improvements Program*)
- Revise City Sign Code (*included in Community Development Department budget*)
- Parks Land Acquisition (*included in Capital Improvements Program*)
- Complete Schnebly Hill Community Focus Area (CFA) Plan (*included in Community Development Department budget*)
- Explore Financial Sustainability/Long-Term Revenue Options

Low Priority Items:

- Revise Housing In-Lieu Fee Policy
- Explore Alternative Expenditure Limit Options for fiscal year 2017-18

VISION STATEMENT



- To be a city that is constantly vigilant over the preservation of its natural beauty, scenic vistas, pristine environment, and cultural heritage.
- To be a city that retains its small-town character and creates its manmade improvements in strict harmony with nature.
- To be a city that is animated by the arts and lives with a spirit of volunteerism to help achieve our common goals.
- To be a city that offers equal opportunities for all and fosters a sense of community.
- To be a city that welcomes and accommodates all of its visitors and future residents with a spirit of fellowship.
- To be a city that retains and enhances a strong and vital economy which preserves existing lifestyles without exploiting the natural beauty.
- To be a city that lives up to the challenges of proper stewardship of one of the earth's great treasures.

BUDGET RESOLUTION

RESOLUTION NO. 2016-22

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017.

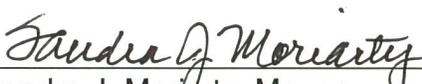
WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on May 24, 2016, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year and also an estimate of revenues from sources other than property taxes; and

WHEREAS, in accordance with said sections of said statute, and following due public notice, the City Council met on May 24, 2016 and June 28, 2016, at which meetings any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses and other revenue sources; and

WHEREAS, publication has been duly made as required by law of said estimates, together with a notice that the City Council met on May 24, 2016, and June 28, 2016, at the City Council Chambers for the purpose of hearing taxpayers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the said estimates of revenues and expenditures/expense shown on the accompanying Official Budget Forms attached hereto and incorporated herein, as now increased, reduced, or changed by the Council, are hereby adopted as the budget of the City of Sedona, Arizona for the Fiscal Year 2016-2017.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 28th day of June, 2016.



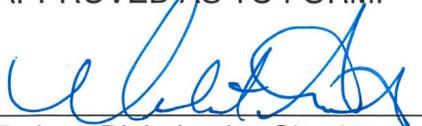
Sandra J. Moriarty, Mayor

ATTEST:



Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:



Robert Pickels, Jr., City Attorney

CITY MANAGER'S BUDGET MESSAGE



102 Roadrunner Drive
Sedona, AZ 86336
www.sedonaaz.gov

City of Sedona
Mayor, City Councilors, and City Residents

The City of Sedona's fiscal year 2016-17 budget presents a fiscally sound financial plan that maintains the integrity of the of the City's financial condition while still meeting the high service level demands of the community. The fiscal year 2016-17 budget includes the priorities set by the Council and the ongoing priorities to public safety, quality service, investment in the community, and investment in City employees.

The total budget is \$38,360,866. The budget is balanced between expenditures, revenues and one-time available fund balances above the policy operating reserve levels.

Capital improvement expenditures represent \$10.4 million or 27 percent of the total proposed budget. The capital improvement expenditures are financed primarily with available fund balances – a one-time resource. A small portion is financed with Yavapai and Coconino County Flood Control monies and other participant support.

The City continues to experience a steady economic recovery, and revenues continue to trend upward. The sales and bed tax revenues have reached and exceeded levels experienced by the City before the recession and economic downturn.

FY 2015-16 Accomplishments

Some of the Council priorities from fiscal year 2015-16 were anticipated to be multi-year projects and are in progress. Their continuation has been included in the fiscal year 2016-17 budget. A few of the priorities accomplished during fiscal year 2015-16 are below.

- In the Sedona Community Plan, Community Focus Areas (CFAs) are locations where the City intends to play a proactive planning role to implement the community's vision. Work on the CFAs was completed for the following areas: Soldier Pass Road and the Western Gateway. Funds are included in the fiscal year 2016-17 budget for the Schnebly Hill CFA. Funds for the Brewer Road Master Plan are included in the Community Facilities District (CFD) budgets for fiscal year 2016-17.
- Local artists expressed an interested in street performances. A Street Performance Program was developed that included designation of performance sites to help ensure public safety by maintaining clearance for pedestrian walkways, building entries and exits, and crosswalks.
- Enhancements were made to the City's website to improve its user friendliness and appearance.
- An ordinance was adopted allowing the long-term rental of accessory dwelling units (ADUs).
- An ordinance was adopted addressing human rights with the intent to promote diversity and prohibit discrimination based on certain characteristics.

CITY MANAGER'S BUDGET MESSAGE - continued

Highlighted FY 2016-17 Priorities

The City Council has evaluated the priorities established and has designated them as high, medium, and low. The following discusses a few of the fiscal year 2016-17 priorities in more detail. See the Council Priorities section for a complete list.

- Comprehensive Traffic Study (continued priority) – As a major destination for travelers, Sedona has long experienced traffic congestion that can seem out of proportion with the population and has progressively worsened with time. Traffic conditions will predictably continue to deteriorate as the City approaches buildout if no action is taken to address the current situation and future needs. The Sedona Community Plan discusses the goal to create a more walkable and bike-able community with less dependence on cars, while recognizing that the City's circulation system must continue to accommodate vehicles. Funding for a transportation master plan update has been included in the Capital Improvement Program.
- Economic Development Plan (continued priority) – The City's economy is primarily based on tourism. With this significant tourism base, the economy is highly subject to seasonal fluctuations as well as general recessionary trends. To address concerns of long-term sustainability and to create a healthier, robust economy that is not as dependent on tourism, the goals identified in the Sedona Community Plan focus on the need to diversify the City's economic base. A consultant was hired to develop an economic development implementation plan. A full-time Economic Development Director position has been included in the budget to carry out the plan and work on additional development activities.
- Long-Term Funding of Capital Improvement Projects – The projects in the City's Six-Year Capital Improvement Program represent the priorities and needs of the City. Projects in the first year of the Program are fully funded within the fiscal year 2016-17 budget. The City believes there is adequate funding for the projects identified in the second and third years of the Program. The non-Wastewater projects include funding from Yavapai and Coconino County Flood Control monies and other participant support, RICO monies, development impact fees, and community facilities district fees. However, the significant part of funding for these projects is the use of available fund balances. Plans are in progress for a committee comprised of Sedona citizens and City staff to review long-term funding options for future capital improvements.

Significant Changes

The significant changes in the fiscal year 2016-17 budget are as follows:

- Preliminary implementation of a program budgeting methodology
 - This is the first year of a planned 3-year implementation of a program budgeting methodology. In the past, the City's budget process utilized a "line item" method of budgeting. This method focuses on how much is spent in each line item (e.g., office supplies, utility costs, equipment repairs, etc.). The program budgeting methodology focuses on the City's goals, the performance measurements in achieving those goals and the values obtained for the resources utilized.
 - In this first year, departments identified each of the significant services and programs that are offered, and the accounting structure has been modified to better account for the revenues and expenditures of those services and programs. This first step will be instrumental in building historical data that can be used in later years for measuring and benchmarking performance. As a result, many of the changes from fiscal year 2015-16 are a result of a reallocation of resources between program account codes.

CITY MANAGER'S BUDGET MESSAGE - continued

- Salary and benefit increases
 - The budget includes a 1.8 percent cost-of-living adjustment (COLA) and 2.5 percent merit increases. The COLA is based on the annual Consumer Price Index (CPI) adjustment for the Western Region as of December 2015.
 - In addition, funding has been included for market value adjustments. For each one percent increase in wages, the overall cost to the City is approximately \$90,000. The recommended budget includes \$450,000 as a placeholder and will be distributed based on further review and analysis.
 - There were only modest changes in employee benefit categories. These are discussed in more detail in the Budget Overview section.
- Approved Decision Packages represent approximately \$380,000. Other Decision Packages of approximately \$325,000 have been included but are contingent upon additional analysis before the final decisions on how they will be implemented are made. The total increase for these Decision Packages is approximately \$705,000.
 - Included in the approved Decision Packages are two new positions and the reclassification of three positions. See the Budget Overview section for additional information on these and other approved Decision Packages.
 - Included in the contingently approved Decision Packages are a new full-time position, two part-time positions, and an assigned vehicle program for patrol officers. See the Budget Overview section for additional information on these and other contingently approved Decision Packages.
- The budget includes \$285,000 of General Fund fiscal year 2015-16 budgeted projects to be carried over to fiscal year 2016-17. These include a comprehensive update of the City's Land Development Code (continued Council priority) and the development of a wireless master plan (continued Council priority). See the Budget Overview section for additional information on the budget carryovers.
- Fiscal year 2016-17 is an election year, and \$65,100 has been included. Of this amount, \$30,000 represents the election costs associated with the renewal of two franchise agreements. These are 25-year agreements that are due for renewal.
- Based on the commitment to ongoing streets rehabilitation, a decision was made to limit the Streets Fund (funded primarily with State gas tax dollars) to rehabilitation and pavement preservation only. This has been increased to \$1.15 million to cover the estimated 4.5 to 5 miles per year necessary to maintain the condition of the City's streets. All other streets-related costs have been moved to the General Fund, including sidewalks, drainage, traffic control, etc. The amount budgeted in the General Fund for fiscal year 2016-17 is approximately \$818,000.
- As a result of unexpected increases in bed tax revenues over the past couple of years, the amount designated for destination marketing (55 percent of bed tax revenues) has exceeded the amounts budgeted by approximately \$300,000. In case bed taxes again exceed our estimates, a contingency placeholder has been included in both revenues and expenditures of \$550,000 (\$300,000 for 55 percent destination marketing amount and \$250,000 for 45 percent City share).
- Since a decision has not yet been made regarding the trash and recycling program, \$100,000 was included as a contingency for a placeholder in case start-up costs are needed.
- The paid parking program has been added with an estimated \$100,000 in revenues and \$90,000 in expenditures.
- An additional \$45,000 has been added for the transit program as an estimate of grant matching requirements and the possible addition of a circulator route.

CITY MANAGER'S BUDGET MESSAGE - continued

Citizens Budget Work Group

I would like to recognize the participation of the Sedona citizens who make up this year's Citizens Budget Work Group: Ronald Budnick, Lou Harper, Charlotte Hosseini, Janice Howes, John Martinez, Ronald Martinez, Robert O'Donnell, and Hollie Ploogh. This was the third year this particular work group was assembled and embedded in the City's budget development process.

The Citizens Budget Work Group members have been involved in each step of the budget preparation process, shadowing staff in their work. The work group members participated in the City Manager's budget review meetings for both the Capital Improvement Program (CIP) and each of the departmental operating budgets. They also gave input on the various policy recommendations incorporated into the fiscal year 2016-17 budget and the priority rankings of the various supplemental budget requests.

I believe the Citizens Budget Work Group creates a greater level of transparency in the City's budget process. Each member brought their unique perspectives and added value to the overall process.

Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the City of Sedona for its annual budget for the fiscal year beginning July 1, 2015. This is the third year the City has received this award. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

Conclusion

Overall, the City's financial condition remains strong and holds the promise of continuing prosperity. I believe the fiscal year 2016-17 budget presents a well-thought-out financial plan that balances the needs and wants of the City with its available resources.

I appreciate the City Council's leadership and support in providing clear direction to staff on our critical priorities. I want to thank all of the department heads for the team effort in achieving the City Council priorities and providing exceptional customer service to our community.

Sincerely,



Justin Clifton
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

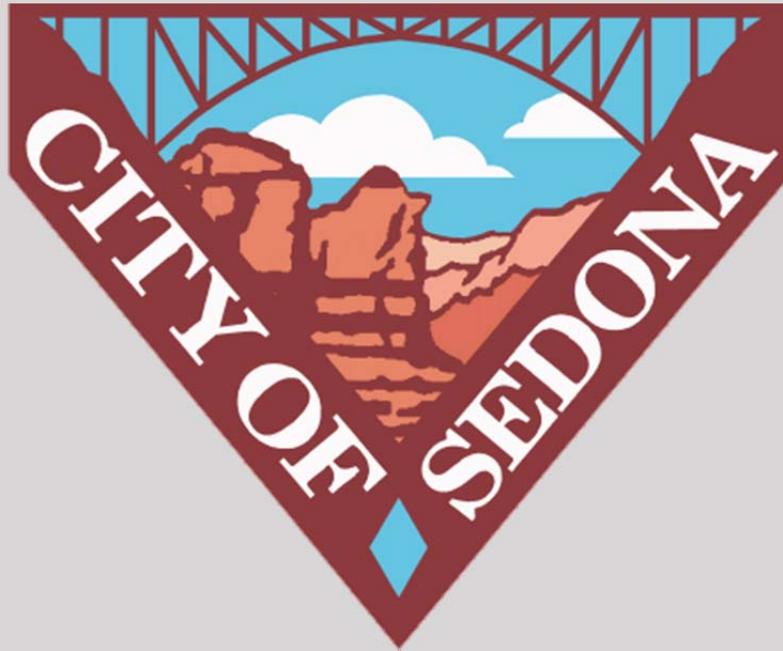
PRESENTED TO

**City of Sedona
Arizona**

For the Fiscal Year Beginning

July 1, 2015

Executive Director



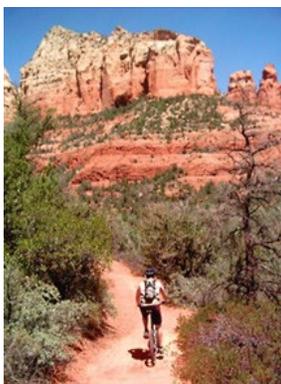
Community Profile

ABOUT SEDONA

The City of Sedona is located approximately one and a half hours north of Phoenix in Yavapai and Coconino Counties. Because of its stunning natural surroundings, this small community of roughly 10,000 residences has become one of Arizona's premier centers for international tourism, recreation, retirement, luxury resorts, and the arts.

The name Sedona originates from the City's first postmaster, Theodore Carlton Schnebly, whose wife, Sedona Arabelle Miller Schnebly (1877-1950) was celebrated for her hospitality and industriousness.

Today, the City of Sedona's main attraction is its array of red sandstone formations, which appear to glow in brilliant shades of orange and red when illuminated by the rising or setting sun. The red rocks form a popular backdrop for many activities, ranging from spiritual pursuits to the hundreds of hiking and mountain biking trails.



Located in the high southwestern desert under the rim of the Colorado Plateau at an elevation of 4,500 feet, Sedona is blessed with four mild seasons, plenty of sunshine and clean air. Because of Sedona's pleasant climate, sightseeing, hiking, golf, tennis, horseback riding, and jeep touring are year-round activities. The City is also known for its festivals, art exhibits, International Film Festival, and parades.

The citizens of Sedona are proud of their beautiful environment and work diligently to preserve its uniqueness and special qualities. Driven by a conviction in the future of their community and a dedication to volunteerism, Sedona's residences are active in the City government.

The community was incorporated as a City under Arizona Revised Statutes (ARS) in 1988. It encompasses an area of 18.5 square miles, approximately half of which is under jurisdiction of the U.S. Forest Service.

The City of Sedona is administered under the Council-Manager form of government. The City Council consists of six councilors and a mayor.

The six council members are elected at large and serve four-year overlapping terms. The Mayor is elected by the citizens and serves a two-year term. Since incorporation, Sedona has had a council-manager form of government as defined by local ordinance. Sedona is recognized by the International City/County Management Association.

The City departments are the City Council, the City Manager's Office, Human Resources, Financial Services, Information Technology, the City Attorney's Office, the City Clerk's Office, Parks & Recreation, Community Development, Public Works & Engineering, Wastewater, Police, and the Municipal Court. In addition, the City tracks other costs that are of a more city-wide nature in the budgetary department, General Services.

Other typical municipal services not provided by the City are provided as follows: water service is private, the library is a not-for-profit organization with some contract funding from the City, fire service is a special district, and refuse collection is private.

Already a major tourist attraction, Sedona has been ranked the #6 Small City in the 14th annual Top 25 Arts Destinations 2011 readers' poll by "American Style" magazine. Sedona has appeared on American Style magazine's Top 25 Destinations list twelve times since the poll's inception.

Of added municipal interest, the City is a part of two counties and is traversed by two state arteries. There is no property tax levied by the City. Currently, the City operates from State Shared Revenue and other local sources of revenue including sales and bed taxes.



DEMOGRAPHICS



The following tables provide additional demographic statistics for the City of Sedona and its citizenry:

Gender (2010 census)

Male.....	46.7%
Female	53.3%

Age Composition (2010 census)

Under 5	3.0%
5-14	6.5%
15-19	3.9%
20-24	2.9%
25-54	31.5%
55-64	23.0%
65+	29.2%
Median Age	56.1

Race/Ethnic Origin (2010 census)

White	81.6%
Hispanic or Latino (any race).....	14.3%
American Indian	0.6%
Asian	1.9%
African American.....	0.5%
Other	1.1%

Population (US Census)

1980	5,481*
1990	7,720
1995	8,990
2000	10,192
2010	10,031
2015	10,388

* DES/AZ Dept of Commerce estimate

Occupational Composition (2009)*

Labor Force.....	7,062
Employment.....	6,480

* Bureau of Labor Statistics – AZ Dept of Commerce

Employment Distribution (2007)*

Retail and Office	47.8%
Service Occupations.....	24.3%
Lodging	17.2%
Public	1.8%
Industrial/Construction	7.5%
Schools	1.3%

* Verde Valley Multimodal Transportation Study (2009)

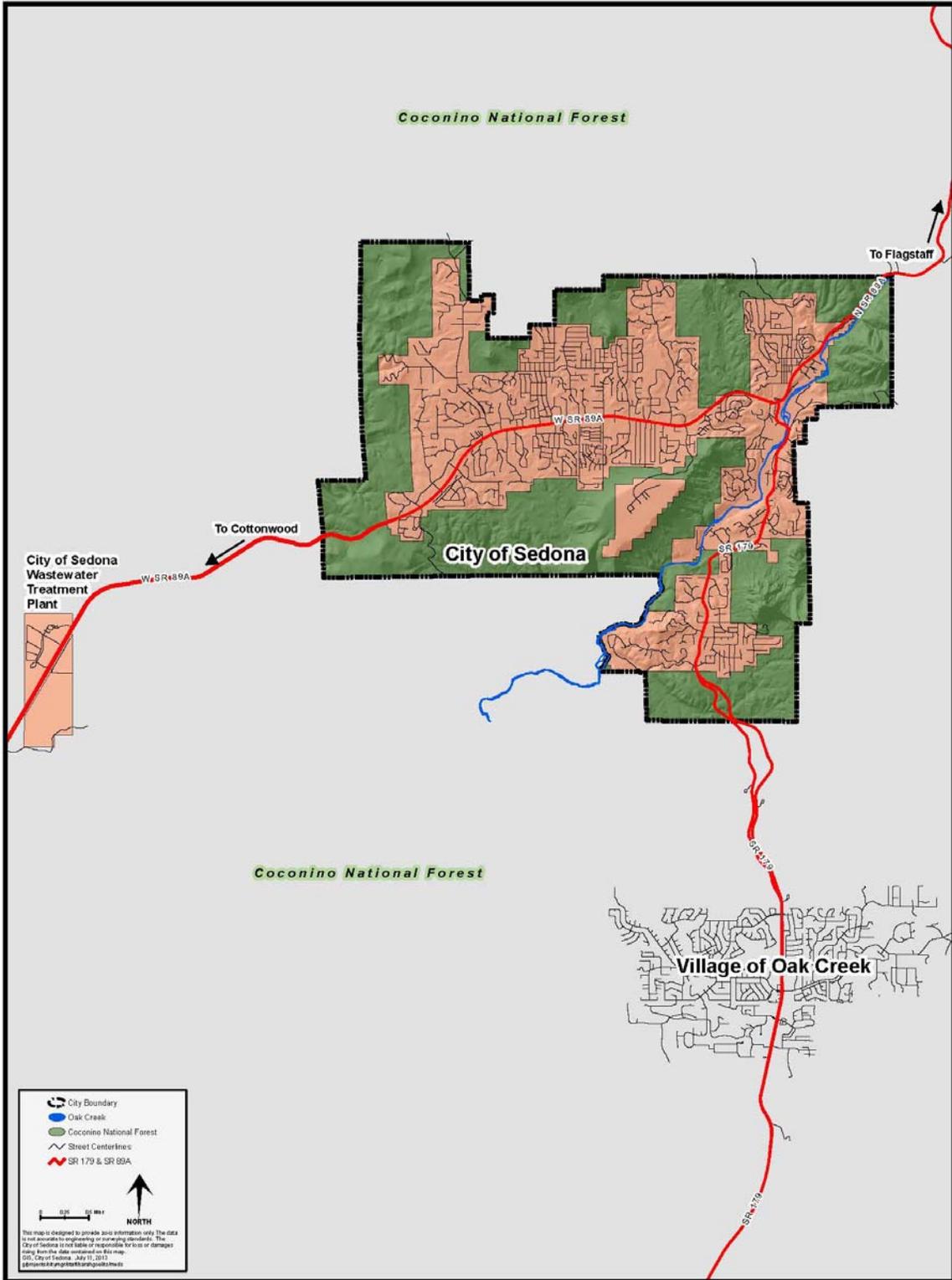
Median Household Income (2010 Census)

Yavapai County.....	\$44,000
Coconino County	\$48,540

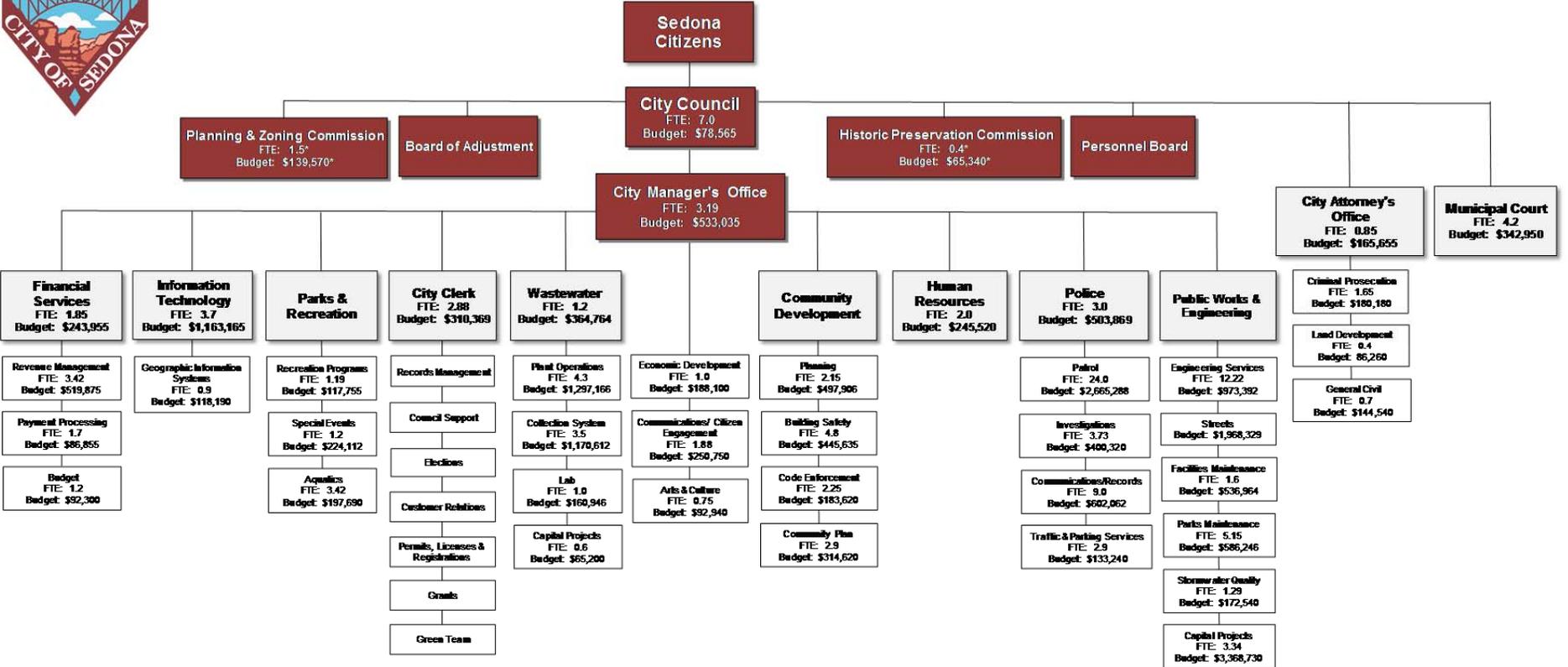
Land Use (2010)

Residential	33.1%
Commercial, Lodging.....	4.0%
Public/Semi-Public.....	4.1%
Parks/Public Open Space.....	1.0%
Private Open Space.....	2.2%
National Forest.....	48.5%
State Trust Lands	0.1%
Other (e.g., Hwy/Streets, R-O-W)...	7.0%

AREA MAP



ORGANIZATION CHART



* The Planning & Zoning Commission and Historic Preservation Commission positions are unpaid. The FTE counts and budgets represent the support provided by the Community Development Department.



Budget Introductory Section

FUND STRUCTURE AND BASIS FOR BUDGETING

The budget of the City is organized on the basis of funds, each of which is considered to be a separate accounting entity, and are created and maintained for specific purposes. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The City uses funds to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The fund categories used by the City are as follows: governmental funds and proprietary funds.

Governmental Funds – The governmental funds account for activities primarily supported by taxes, grants, and similar revenues sources.

Proprietary Funds – The proprietary funds account for activities that receive significant support from fees and charges.

The governmental fund types used by the City are as follows: General Fund, special revenue funds, and capital projects funds.

General Fund – The General Fund is the primary operating fund that supports day-to-day City operations, including general City government, police services, public works, parks and recreation, and outside service contracts. Only one General Fund is permitted.

Special Revenue Funds – The special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The City's special revenue funds include:

- The **Streets Fund** is used to account for the City's allocation of State shared gas tax monies, referred to as Highway User Revenue Fund (HURF) revenues. The HURF revenues are used to fund a portion of the annual streets rehabilitation and pavement preservation program. Other streets related costs are reported in the General Fund.
- The **Grants & Donations Funds** account for the various grants and donations received by the City that vary annually based on availability of funding opportunities.

Capital Projects Funds – The capital projects funds account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The City's capital projects funds include:

- The **Capital Improvements Fund** accounts for acquisition and construction of the City's major capital facilities, other than those financed by enterprise funds or restricted funding sources accounted for in other funds.

FUND STRUCTURE AND BASIS FOR BUDGETING - continued

- The **Development Impact Fees Funds** account for development impact fees earmarked for certain costs incurred by the City, generally for capital acquisition or related debt service necessitated by new development. Development impact fees must meet the requirements of the Arizona Revised Statutes.
- The **Art in Public Places Fund** accounts for monies transferred from capital projects to be used for art improvements. Council policy requires one percent of certain capital projects budgets to be designated for art in public places.

The only proprietary fund type used by the City is enterprise funds.

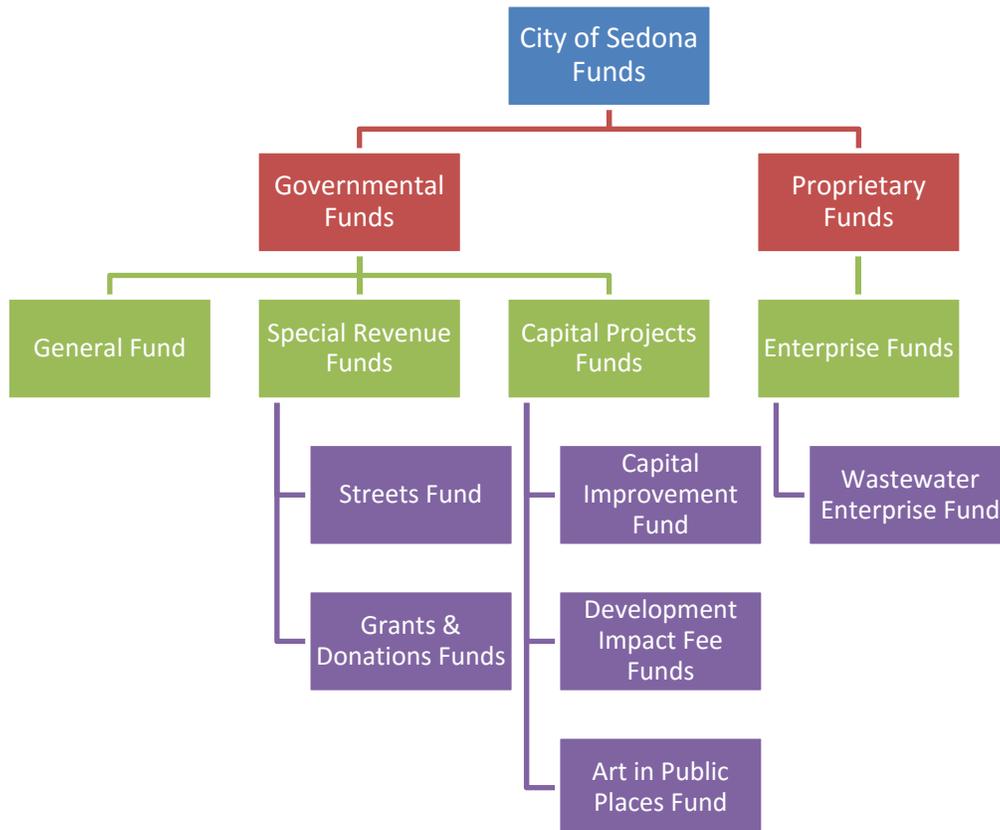
Enterprise Funds – Enterprise funds account for any activity for which a fee is charged to external users for good or services. The City’s has one enterprise fund as follows:

- The **Wastewater Enterprise Fund** accounts for monies collected through monthly wastewater and one-time capacity fees, transfers of sales tax revenues to subsidize the fund, and accumulated reserves. The Wastewater Fund supports the operations of the wastewater plant and collections system, new wastewater capital projects, and annual debt service.

Fund Structure

The City reports the General Fund, Streets Fund, Capital Improvements Fund and Wastewater Enterprise Fund as major governmental funds in its financial statements. The other funds are consolidated in the City’s financial statements as nonmajor funds. The City uses the various funds to segregate the financial activity within the City either due to regulatory reasons or as designated internally. All City funds are subject to appropriation.

The following chart is an illustration of the fund structure:



FUND STRUCTURE AND BASIS FOR BUDGETING - continued

The following table indicates the relationships between the funds and departments:

Department	General Fund	Streets Fund	Grants & Donations Funds	Capital Projects Funds	Wastewater Enterprise Fund
City Council	X				
City Manager's Office	X				X
Human Resources	X				X
Financial Services	X				X
Information Technology	X				X
City Attorney's Office	X				X
City Clerk's Office	X				X
Parks & Recreation	X		X	X	
General Services*	X				
Community Development	X		X	X	
Public Works & Engineering	X	X		X	X
Wastewater					X
Police	X		X	X	
Municipal Court	X				

* The City tracks other costs that are of a more city-wide nature in the budgetary department, General Services.

Basis of Accounting

The basis of accounting refers to the timing of when revenues and expenditures/expenses are recognized and reported. The City utilizes the modified accrual basis of accounting and the full accrual basis of accounting. The recognition of revenues and expenditures/expenses under each method are described below.

Basis of Accounting	Revenues	Expenditures/Expenses
Modified Accrual	Recognized in the period when they become both "measurable" and "available"* to finance expenditures of the current period	Generally recorded when a liability is incurred; however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized to the extent they are due and payable
Full Accrual	Recorded when they are earned (whether or not cash is received at the time)	Recorded when goods and services are received (whether cash disbursements are made at the time or not)

* Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

FUND STRUCTURE AND BASIS FOR BUDGETING - continued

The basis of accounting methods used in the City’s budget and the City’s financial statements are as follows:

Funds	Budget Basis	Financial Statement Basis
Wastewater Enterprise Fund	Modified Accrual	Full Accrual
All Other Funds	Modified Accrual	Modified Accrual

The budget basis of accounting for the City’s Wastewater Enterprise Fund differs from the financial statement basis of accounting primarily due to State laws. The major differences are as follows:

- Depreciation expense is not included in the budget.
- Capital outlays are budgeted as expenditures. They are reported as assets in the City’s financial statements.
- Principal payments on debt are budgeted as expenditures. They are reported as reductions of the liability in the City’s financial statements.



COMPREHENSIVE FINANCIAL POLICIES

The City of Sedona is committed to managing its finances prudently. The following City financial policies establish the framework for Sedona's overall fiscal planning and management. They set forth the guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated. Sedona's publicly adopted financial policies show the public, the credit rating industry, and prospective investors (bond buyers) the City's commitment to sound financial management and fiscal integrity. The financial policies also improve the City's fiscal stability by helping City officials plan fiscal strategy with a consistent approach. Adherence to adopted financial policies promotes sound financial management, which can increase public confidence in the City's ability to provide the services desired by the community.

Fiscal Planning, Budgeting, and Operations Management

This policy seeks to govern the preparation, monitoring and analysis of the City's budget, incorporating a long-term perspective and a system of identifying resources and allocating those resources among competing purposes.

- The City will present an annual operating budget that is balanced, whereby ongoing revenues will be sufficient to fund ongoing expenditures with no use of General Fund reserves to support recurring operational expenses.
- Reserves may be used to fund one-time capital outlay projects or other one-time expenditures.
- The budget will not postpone expenditures, use one-time (non-recurring) revenue sources to fund ongoing (recurring) uses, or use external borrowing for operational requirements.
- Budgeting will be done on a modified accrual basis. Under the modified accrual basis, expenditures are recorded when the goods or services are actually received, rather than when the invoices are paid. The exception to this general rule is interest on general long-term debt, which is recognized when due. Revenues are recorded in the accounting period in which they become measurable and available.
- All departments will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources and future service requirements.
- The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged.

COMPREHENSIVE FINANCIAL POLICIES -continued

- Addition of personnel will only be requested to meet strategic plan objectives, program initiatives, and policy directives after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, necessary personnel cost reductions will be achieved through attrition.
- No revenues will be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
- Balanced revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will encompass five years and will be updated annually.
- The City will follow an aggressive, but humane, policy of collecting revenues. All adjusted uncollectible accounts will be pursued to the limit of collection ability.

Capital Management

- The purpose of the Capital Improvement Program (CIP) is to systematically identify, plan, schedule, finance, track and monitor capital projects to ensure cost effectiveness as well as conformance to established policies.
- The City will prepare and adopt a six-year Capital Improvement Program. The program will be updated annually and include the direct costs of the project as well as any associated ongoing operation.
- CIP projects include infrastructure, equipment purchases or construction resulting in or making improvements to a capitalized asset costing more than \$50,000 and having a useful life of five or more years.
- The first year of the six-year Capital Improvement Program will become the adopted capital budget for the current fiscal year.
- The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.
- Future operating, maintenance, and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources, and included in the operating budget.
- When current revenues are available for CIP projects, consideration will first be given to those capital assets that have the shortest useful life and for assets whose nature makes them comparatively more difficult to finance.
- Using cash for projects with shorter lives and bonds/financing for projects with longer lives facilitates "intergenerational equity," wherein projects with long useful lives are paid over several generations using the project through debt service payments.

Debt Management

- The City may use debt to finance CIP projects according to the priorities established by the City. The projects to be financed should have an economic average life of at least five years. The City will attempt to use a pay-as-you-go method prior to issuing debt for this purpose.
- The City will strive to maintain or improve its credit ratings, although not at the expense of significantly delaying important CIP projects.
- The City will utilize the most cost-effective financing strategies available while still maintaining flexibility for future project financing. This includes investigating other financing alternatives such as State or federal aid or using new financing techniques.



COMPREHENSIVE FINANCIAL POLICIES -continued

- The City will endeavor to maintain an open line of communication between the rating agencies and the marketplace in general, in part by providing full on-going financial disclosure as required by law.
- The City will follow prudent borrowing principals and not engage in any transactions involving significant market risk.

Long Range Forecasting

- The City will annually update a five-year long-range forecast, incorporating both projected revenues and expenditures for the City's major funds.
- The five-year revenue forecast will only include revenue that is reasonably considered to be sustainable over at least that five-year period.
- Expenditure projections will include anticipated operating impacts of whatever capital improvement expenditures are programmed in the six-year Capital Improvement Program.
- The process of long-range forecasting will also serve to define the critical issues and priorities and incorporate the City's Community Plan and long-term vision.

Grants

- This policy establishes under what conditions grants will be pursued and with what administrative or legislative approvals.
- The City shall apply for only those grants that are consistent with the objectives and high priority needs previously identified by the City Council.
- The potential for incurring ongoing costs, to include the assumption of support for grant-funded positions from local revenues, will be considered prior to applying for a grant.
- The City shall attempt to recover all allowable costs – direct and indirect – associated with the administration and implementation of programs funded through grants. The City may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.
- All grant submittals shall be reviewed for their cash matching requirements, their potential impact on the operation budget, and the extent to which they meet the City's policy objectives.
- If there is a cash matching requirement, the source of funding shall be identified prior to application.
- The City shall terminate grant-funded programs and associated positions when grant funds are no longer available, unless alternate funding is identified.

User Fee Cost Recovery and Indirect Cost Allocations

- This policy encourages full cost recovery of most publicly provided services that benefit specific individuals or organizations and the utilization of user fees to augment general tax revenues.
- The City shall establish user fees and charges for certain services provided to users receiving a specific benefit.
- The City will conduct a cost of service study to identify the full cost of providing a service for which fees are charged. The calculation of full cost will include all reasonable and justifiable direct and indirect cost components. Fees and charges will be established to recover the full cost of service, unless the percentage of full cost recovery has been reduced by specific action of the City Council. It is recognized that occasionally competing policy objectives may result in reduced user fees and charges that recover only a portion of service costs.

COMPREHENSIVE FINANCIAL POLICIES -continued

- User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary.

Accounting, Auditing, and Financial Reporting

- This policy dictates the system of internal accounting and internal and external financial reporting that will be adhered to as the City conducts its financial transactions. The City's accounting and financial reporting systems will be maintained in conformance with all State and federal laws, GAAP, standards of the Governmental Accounting Standards Board (GASB), and best practices/advisories of the Government Finance Officers Association (GFOA).
- An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR).
- The City's CAFR will be submitted to the GFOA's Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.
- Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

Capital Expenditures (Capital Assets)

- The City has a policy of capitalizing all assets greater than \$5,000.
- Termed as "capital assets," these capital expenditures are primarily purchased out of the departmental capital outlay accounts.
- All assets are depreciated utilizing the straight-line method and based on useful lives the City has established, with a minimum life of one year.
- The Financial Services Department is responsible for verifying the actual physical existence of capital assets annually through asset audits of City departments.

Cash Management

- The City Manager and Financial Services Department manage the City's investment portfolio and ensures compliance with the City's Investment Policy.
- The City's investment policy is to invest public funds with maximum security in a manner that will provide the highest return while meeting the daily cash flow demands of the City and conforming to all applicable State statutes.
- The primary objectives, in priority order, are safety of principal, liquidity, and attaining a market rate of return.
- The City is permitted to invest in certificates of deposit, direct U.S. Treasury debt, securities guaranteed by the U.S. Government, and the State of Arizona's Local Government Investment Pool.
- Temporary idle cash during the year was invested in the State Treasurer's Investment Pool.

Risk Management

- The City is exposed to various risks of loss related to public and property liability and worker's compensation. Public liability includes public officials' errors and omissions, automobile and general liability.

COMPREHENSIVE FINANCIAL POLICIES -continued

- The City participates in the Arizona Municipal Risk Retention Pool. The policy insures up to \$2,000,000 per incident plus excess liability of up to \$10,000,000. Coverage is provided on a claims made basis with a \$50,000 deductible.
- The City's liability insurance program is administered by the City Attorney's Office. Worker's Compensation claims are reviewed by the Human Resources Department and handled through the Arizona Municipal Workers Compensation Pool.
- The City of Sedona has an aggressive safety program, which promotes employee safety on the job and focuses on risk control techniques designed to minimize accident related losses.

Fund Balance

- To ensure financial stability, the City of Sedona desires to manage its financial resources by establishing fund balance/net position ranges for selected funds. This will ensure the City maintains a prudent level of financial resources to provide sufficient cash flow for daily financial needs, secure and maintain investment grade bond ratings, offset significant economic downturns and revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.
- The City shall maintain an unassigned fund balance range for the General Fund of not less than 50 percent and not more than 75 percent of the total adopted budgeted operating expenditures of the General Fund budget.
- Streets Fund: The restricted fund balance range for the Streets Fund shall be not less than 10 percent and not more than 50 percent of the total budgeted revenues of the Fund.
- Enterprise Funds: The fund balance range for the Enterprise Funds, including maintenance, operations and administration shall be not less than 25 percent (90 days) and not more than 33.3 percent (120 days) of the total budgeted operating expenses of the Fund. This shall be in addition to a separate fund balance with a target equal to the average of one year of enterprise fund debt service repayment requirements. For the purpose of calculation, this reserve shall be in addition to all other required reservation of net assets including, but not limited to, amounts restricted for debt service, amounts reserved for replacement of capital assets, amounts set aside for resource development, and/or required bond covenants.
- Capital Projects Funds: The capital projects fund was created to account for resources designated to construct or acquire capital assets and major improvements. Occasionally, these projects may extend beyond a single fiscal year. Therefore, although no specific reserve requirement is established for the capital projects funds, at a minimum, the fiscal year-end assigned and unassigned fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund all outstanding capital projects funds' obligations for the next fiscal year. This will follow the City's Capital Plan.
- If it is determined there is a surplus (an amount in excess of the upper limit of the fund balance range for any fund), the funds may be designated or appropriated at the next budget cycle to eliminate shortfalls in related funds, reduction or avoidance of debt, applied to a replacement program, to fund one-time capital needs, or for tax, fee, or rate stabilization.
- If it is determined there is a shortfall (an amount below the lower limit of the fund balance range for any fund), the fund balance is to be replenished through a distribution of surplus from other related funds, or an appropriation during the next annual budget process of at least 20 percent of the lower limit.

BUDGET PROCESS AND CALENDAR

The City of Sedona budget process hinges on a wide range of participants including our citizens; City Council; the City Manager, executive leadership team, management, and staff; partner agencies; other local governmental entities; and the Citizen's Budget Committee. All of these stakeholders who participate in the budget process have a role in making recommendations to the City Council regarding the best uses of the City's financial resources

Policy/Strategy Phase

As illustrated by the table, the budget process began with a Capital Improvement Program (CIP) kickoff meeting and a Council Budget Retreat in late 2015 and early 2016.

During the City Council budget retreat, staff provided a five-year forecast of revenues and expenditures for the City's major funds, identified required reserve balances, discussed anticipated changes in staffing requirements and expenditures levels, and obtained Council input on upcoming priorities. This was an opportunity for the City Council to provide key policy directives and goals for consideration during the fiscal year 2016-17 budget process.

FY 2016-17 Budget Calendar	
December 17, 2015	Staff CIP Committee Kickoff Meeting
January 7, 2016	City Council FY 16-17 Budget Retreat
January 14, 2016	Operating Budget Kickoff Meeting with Department and Division Heads
January 21, 2016	Deadline to Submit CIP Requests
January 28, 2016	CIP Committee Review of Project Submittals
February 17, 2016	Citizen's Budget Committee Kickoff Meeting
February 17-18, 2016	City Manager and Citizen's Budget Committee Review of CIP Requests
February 18, 2016	Operating Base Budgets and Decision Packages Due
March 2016	CIP Funding/Budget Balancing – Financial Services and City Manager's Office
March 15-16, 2016	Review of Operating Base Budgets and Decision Package Requests with City Manager, Citizen's Budget Committee, and Departments
March 17, 2016	Planning & Zoning Commission Public Meeting on CIP
April 6, 2016	Review of Final Funded CIP with City Manager, Citizen's Budget Committee, and CIP Committee
April 21, 2016	Proposed Budget Distributed to City Council
April 27-28, 2016	City Council Work Sessions
May 24, 2016	City Council Adoption of Tentative Budget
June 10 and 17, 2016	Published Public Notice
June 28, 2016	City Council Final Adoption of FY 16-17 Budget

Budget Development Phase

Department heads and program managers used this information to begin work on their base budgets for continuing operations. In March 2016, the City Manager and the Citizen's Budget Committee met with each department and conducted a line-item review of all Operating Base Budgets and Decision Packages. From there, the City Manager developed his recommended budget.

BUDGET PROCESS AND CALENDAR - continued

ARS SECTION 42-17103:

State statute dictates that all Arizona counties, cities, and towns are obliged to publish and make a summary of total revenues and expenses readily available within 7 days after presenting before a governing body. Platforms for distribution include a county's, city's, or town's official website, administrative offices, and library.

In addition, estimates are required to be posted in the government's official newspaper, or a local newspaper of general circulation, once a week for two consecutive weeks following adoption of the tentative budget. After a final budget adoption, original revenues and expenses estimates, along with the final budget, are to be archived on the organization's website for no less than sixty months.

Budget Review Phase

The City Council then held a series of public work sessions on the budget on April 27th and 28th. During these sessions, the City Council heard from the City Manager, Assistant City Manager, Director of Financial Services, Department Heads, and program managers regarding department objectives, accomplishments, and significant expenditure changes. They also offered an opportunity for input from the public. Following these and other listed meetings, Council approved the Tentative Budget, which set a budget cap, on May 24, 2016. Arizona Revised Statutes (ARS) §42-17101 requires tentative budget adoption on or before the third Monday in July.

Budget Adoption Phase

Per ARS §42-17103, subsequent to the approval of the Tentative Budget, the City must publish the expenditure and revenue summaries and make the expenditure and revenue detail available to any

citizen for public inspection. The City of Sedona published its notice of public hearing and budget summaries in the Sedona Red Rock News on June 10th and 17th. The full budget detail was made available at the Sedona Public Library, at Sedona City Hall, and on the City's Website. This process came to a close on June 28th, when the City Council adopted the Final Budget.

State Imposed Expenditure Limitation

Provisions of the State imposed expenditure limitation appear in both the State Constitution and the Arizona Revised Statutes. The constitution sets forth the framework in some detail for the expenditure limit and the remaining details are provided in State law.

The State imposed limitation uses actual payment of local revenues for fiscal year 1979-80 as the base limit. The Economic Estimates Commission had determined this base limit for every city and town based on information supplied by each community in 1980. This base consists of those expenditures "controlled" by the State limitation and does not include those revenues specifically exempted from the limitation.

Home Rule

Any city or town can adopt its own "alternative" expenditure limitation that is free from any ties to the State imposed limitation if a majority of the qualified electors voting on the issue at a city/town regular election vote in favor of the alternative limitation.

BUDGET PROCESS AND CALENDAR - continued

The City of Sedona has operated under Home Rule for over nineteen years. Voters last approved the Home Rule Option, August 26, 2014. Normally, Home Rule is considered every four years but a legislative change requiring a consolidated election schedule for cities and towns required this most recent election only two years after the prior vote. The next time the Sedona voters will consider Home Rule, should be 2018. Home Rule allows the City Council to set its budget locally, rather than basing the City's budget on a State imposed expenditure limitation.

Budget Implementation/Monitoring/Amendment Phase

In July, the city staff begins the process of implementing the newly adopted budget and is accountable for budgetary control throughout the fiscal year as follows:

- Actual revenues and expenditures are compared to the adopted budget and monitored throughout the year.
- City management and City Council are provided monthly financial updates and reports disclosing actual revenues, expenditures, and fund balances compared to the adopted budget.

The City's operating budget is adopted at a department level and the capital improvement plan is adopted at a project level. Any amendments to the budget require approval as follows:

Amendment	Required Approval
Use of Contingency Reserve	City Council
Inter-fund Transfers	City Council
Inter-department or Inter-project Transfers	City Manager
Intra-fund/intra-department Transfers	Department Head



CONSOLIDATED FINANCIAL SCHEDULE

Fund/Function	Beginning Fund Balances	Revenues						Other Financing Sources (Uses)			Ending Fund Balances	
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues	Total Revenues	Transfers In	Transfer Out		Expenditures
General Fund												
General Revenues		\$19,514,930		\$406,000	\$2,872,701		\$187,500	\$22,981,131		(\$10,302,455)		
General Government						\$55,300	\$706,925	\$762,225			\$6,300,036	
Public Safety					\$20,000		\$4,950	\$25,700	\$50,650		\$5,038,212	
Public Works & Streets								\$0			\$2,016,088	
Culture & Recreation							\$48,700	\$16,000	\$64,700		\$1,944,355	
Economic Development								\$0			\$1,923,019	
Debt Service								\$0			\$707,366	
Contingencies			\$550,000					\$550,000		(\$2,500,000)	\$900,000	
Total General Fund	\$17,650,256	\$19,514,930	\$550,000	\$406,000	\$2,892,701	\$108,950	\$936,125	\$24,408,706	\$0	(\$12,802,455)	\$18,829,076	\$10,427,431
Special Revenue Funds												
Streets Fund	\$378,138				\$799,000			\$799,000	\$351,000		\$1,150,000	\$378,138
Grants & Donations Funds	\$164,184		\$300,000		\$80,000		\$40,500	\$420,500			\$420,500	\$164,184
Total Special Revenue Funds	\$542,322	\$0	\$300,000	\$0	\$879,000	\$0	\$40,500	\$1,219,500	\$351,000	\$0	\$1,570,500	\$542,322
Capital Projects Funds												
Development Impact Fees Funds	\$2,727,228						\$201,000	\$201,000		(\$3,260)	\$2,543,860	\$381,108
Capital Improvements Fund	\$6,053,968				\$665,976		\$300,000	\$965,976	\$8,569,787	(\$26,750)	\$3,312,786	\$12,250,195
Art in Public Places Fund	\$63,048						\$11,849	\$11,849	\$30,010		\$0	\$104,907
Total Capital Projects Funds	\$8,844,244	\$0	\$0	\$0	\$665,976	\$0	\$512,849	\$1,178,825	\$8,599,797	(\$30,010)	\$5,856,646	\$12,736,210
Wastewater Enterprise Fund												
Wastewater Administration							\$5,880,844	\$523,020	\$6,403,864	\$3,881,668	\$264,764	
Wastewater Operations								\$0			\$2,611,224	
Utility Billing								\$0			\$347,580	
Departmental Allocations								\$0			\$435,961	
Capital Projects								\$0			\$3,193,790	
Debt Service								\$0			\$5,151,325	
Contingencies								\$0			\$100,000	
Total Wastewater Fund	\$14,792,117	\$0	\$0	\$0	\$0	\$5,880,844	\$523,020	\$6,403,864	\$3,881,668	\$0	\$12,104,644	\$12,973,005
Total All Funds	\$41,828,939	\$19,514,930	\$850,000	\$406,000	\$4,437,677	\$5,989,794	\$2,012,494	\$33,210,895	\$12,832,465	(\$12,832,465)	\$38,360,866	\$36,678,968

POSITION LIST/HEAD COUNT

Department/Position	FY 2014-15		FY 2015-16		FY 2016-17		Change from FY 2015-16	
	Full-Time	Temporary/	Full-Time	Temporary/	Full-Time	Temporary/	Full-Time	Temporary/
		Part-Time		Part-Time		Part-Time		Part-Time
City Council								
Mayor (GF)		1.00		1.00		1.00	-	-
City Councillors (GF)		6.00		6.00		6.00	-	-
City Council Total	-	7.00	-	7.00	-	7.00	-	-
City Manager's Office								
City Manager (GF)	0.75		0.75		0.90		0.15	-
City Manager (WWF)	0.25		0.25		0.10		(0.15)	-
Assistant City Manager (GF)	0.80		0.80		0.90		0.10	-
Assistant City Manager (WWF)	0.20		0.20		0.10		(0.10)	-
Economic Development Director (GF)					1.00		1.00	-
Communications & Public Affairs Manager (GF)	1.00		1.00		1.00		-	-
Assistant to the City Manager (GF)	1.00						-	-
Citizen Engagement Coordinator (GF)		0.75		0.75		0.88	-	0.13
Arts and Culture Coordinator (GF)		0.75		0.75		0.75	-	-
Executive Assistant to the City Manager (GF)					0.90		0.90	-
Executive Assistant to the City Manager (WWF)					0.10		0.10	-
Administrative Assistant (GF)	0.90		0.90				(0.90)	-
Administrative Assistant (WWF)	0.10		0.10				(0.10)	-
Intern (GF)				0.33		0.19	-	(0.14)
City Manager's Office Total	5.00	1.50	4.00	1.83	5.00	1.82	1.00	(0.01)
Human Resources								
Human Resource Manager (GF)	0.90		0.90		0.90		-	-
Human Resources Manager (WWF)	0.10		0.10		0.10		-	-
Human Resource Specialist (GF)	0.90		0.90		0.90		-	-
Human Resource Specialist (WWF)	0.10		0.10		0.10		-	-
Human Resources Total	2.00	-	2.00	-	2.00	-	-	-
Financial Services								
Director of Financial Services (GF)	0.70		0.70		0.80		0.10	-
Director of Financial Services (WWF)	0.30		0.30		0.20		(0.10)	-
Financial Services Operations Manager (GF)	0.80						-	-
Financial Services Operations Manager (WWF)	0.20						-	-
Accounting Supervisor (GF)					0.80		0.80	-
Accounting Supervisor (WWF)					0.20		0.20	-
Senior Accountant (GF)			0.80				(0.80)	-
Senior Accountant (WWF)			0.20				(0.20)	-
Budget Analyst (GF)					0.80		0.80	-
Budget Analyst (WWF)					0.20		0.20	-
Lead Accounting Technician (GF)					1.40		1.40	-
Lead Accounting Technician (WWF)					0.60		0.60	-
Accounting Technician II (GF)					1.45		1.45	-
Accounting Technician II (WWF)					0.55		0.55	-
Accounting Technician I (GF)					0.50		0.50	-
Accounting Technician I (WWF)					0.50		0.50	-
Accounting Technician (GF)	3.40		2.85				(2.85)	-
Accounting Technician (WWF)	2.60		3.15				(3.15)	-
Temp Help (GF)						0.17	-	0.17
Financial Services Total	8.00	-	8.00	-	8.00	0.17	-	0.17
Information Technology								
Information Technology Manager (GF)	0.90		0.90		0.90		-	-
Information Technology Manager (WWF)	0.10		0.10		0.10		-	-
GIS Analyst (GF)	0.90		0.90		0.90		-	-
GIS Analyst (WWF)	0.10		0.10		0.10		-	-
System Administrator (GF)	0.90		0.90		0.90		-	-
System Administrator (WWF)	0.10		0.10		0.10		-	-
Database/WEB Developer (GF)	1.00		0.85		0.90		0.05	-
Database/WEB Developer (WWF)			0.15		0.10		(0.05)	-
IT Support/Help Desk Technician (GF)						0.54	-	0.54
IT Support/Help Desk Technician (WWF)						0.06	-	0.06
Information Technology Total	4.00	-	4.00	-	4.00	0.60	0.00	0.60
City Attorney's Office								
City Attorney (GF)	0.95		0.95		0.90		(0.05)	-
City Attorney (WWF)	0.05		0.05		0.10		0.05	-
Assistant City Attorney (GF)	0.90	0.60	0.90	0.60	1.00	0.60	0.10	-
Assistant City Attorney (WWF)	0.10		0.10				(0.10)	-
Legal Assistant (GF)	1.00		1.00		1.00		-	-
City Attorney's Office Total	3.00	0.60	3.00	0.60	3.00	0.60	0.00	-



POSITION LIST/HEAD COUNT - continued

Department/Position	FY 2014-15		FY 2015-16		FY 2016-17		Change from FY 2015-16	
	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time
City Clerk's Office								
City Clerk (GF)	1.00		1.00		1.00		-	-
Deputy Clerk (GF)	1.00		1.00		1.00		-	-
Records Clerk (GF)	0.75			0.66		0.66	-	-
Records Clerk (WWF)	0.25			0.22		0.22	-	-
City Clerk's Office Total	3.00	-	2.00	0.88	2.00	0.88	-	-
Parks & Recreation								
Parks and Recreation Manager (GF)	1.00		1.00		1.00		-	-
Recreation & Aquatics Supervisor (GF)	1.00		1.00		1.00		-	-
Recreation Coordinator II (GF)					1.00		1.00	-
Administrative Assistant (GF)	1.00		1.00				(1.00)	-
Recreation Assistant (GF)				0.10		0.15	-	0.05
Pool Manager (GF)		0.93		0.48		0.34	-	(0.14)
Head Lifeguard (GF)		0.71					-	-
Lifeguard (GF)		1.16		1.57		1.58	-	0.01
Pool Office Assistant (GF)				0.45		0.45	-	-
Water Exercise Instructor (GF)		0.25		0.15		0.15	-	-
Scorekeeper/Umpires (GF)				0.14		0.14	-	-
Parks & Recreation Total	3.00	3.04	3.00	2.89	3.00	2.81	-	(0.08)
Community Development								
Director of Community Development (GF)	1.00		1.00		1.00		-	-
Development Services Manager (GF)	1.00		1.00				(1.00)	-
Principal Planner (GF)					1.00		1.00	-
Econ Dev & Bus Relations Mgr (GF)			1.00				(1.00)	-
Chief Building Official (GF)	1.00				1.00		1.00	-
Building Inspector (GF)	0.95		1.95	0.10	1.00		(0.95)	(0.10)
Building Inspector (WWF)	0.05		0.05	0.01			(0.05)	(0.01)
Senior Planner (GF)	1.00		3.00		3.00		-	-
Assistant Planner (GF)	3.00		2.00		2.00		-	-
Plans Examiner (GF)					1.00		1.00	-
Senior Code Enforcement Officer (GF)			1.00		1.00		-	-
Code Enforcement Officer (GF)	2.00		1.00		1.00		-	-
Development Services Rep. (GF)	1.00		1.00		1.00		-	-
Administrative Assistant (GF)	1.00		1.00	0.60	1.00		-	(0.60)
Community Development Total	12.00	-	14.00	0.71	14.00	-	-	(0.71)
Public Works & Engineering								
Director of Public Works/City Engineer (GF)					0.81		0.81	-
Director of Public Works/City Engineer (WWF)					0.19		0.19	-
City Engineer/Asst. Dir. Of Comm Dev (GF)	0.71		0.80				(0.80)	-
City Engineer/Asst. Dir. Of Comm Dev. (WWF)	0.29		0.20				(0.20)	-
Engineering Supervisor (GF)	0.80		1.00		0.80		(0.20)	-
Engineering Supervisor (WWF)	0.20				0.20		0.20	-
Associate Engineer (GF)	2.00		3.00		3.00		-	-
Assistant Engineer (GF)	1.00		2.00		1.95		(0.05)	-
Assistant Engineer (WWF)					0.05		0.05	-
Chief Engineering Inspector (GF)	1.39		0.39		0.39		-	-
Chief Engineering Inspector (WWF)	0.61		0.61		0.61		-	-
City Maintenance Supervisor (GF)	0.90		0.90		0.90		-	-
City Maintenance Supervisor (WWF)	0.10		0.10		0.10		-	-
Engineering Services Inspector (GF)	1.06		1.06		0.96		(0.10)	-
Engineering Services Inspector (WWF)	0.94		0.94		1.04		0.10	-
Maintenance Worker II (GF)	0.90		0.90		1.90		1.00	-
Maintenance Worker II (WWF)	0.10		0.10		0.10		-	-
Administrative Supervisor (GF)	0.70		0.70		0.70		-	-
Administrative Supervisor (WWF)	0.30		0.30		0.30		-	-
Facilities Maintenance Manager (GF)	1.00		1.00		0.90		(0.10)	-
Facilities Maintenance Manager (WWF)					0.10		0.10	-
Administrative Assistant (GF)	0.50					0.60	-	0.60
Field Services Supervisor (GF)	0.80		1.00				(1.00)	-
Field Services Supervisor (WWF)	0.20						-	-
City Maintenance Worker I (GF)	4.45		5.45		5.50		0.05	-
City Maintenance Worker I (WWF)	1.55		0.55		0.50		(0.05)	-
Traffic Aide Worker (GF)	1.00		1.00		2.00		1.00	-
Public Works & Engineering Total	21.50	-	22.00	-	23.00	0.60	1.00	0.60

POSITION LIST/HEAD COUNT - continued

Department/Position	FY 2014-15		FY 2015-16		FY 2016-17		Change from FY 2015-16	
	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time
Police								
Police Chief (GF)	1.00		1.00		1.00		-	-
Commander (GF)	2.00		1.00		1.00		-	-
Lieutenant (GF)			1.00		1.00		-	-
Police Sergeant (GF)	4.00		4.00		5.00		1.00	-
Police Detective (GF)	2.00		2.00		2.00		-	-
Police Officer (GF)	18.00		18.00		17.00		(1.00)	-
Communication/Records Supervisor (GF)	1.00		1.00		1.00		-	-
Communications/Records Specialist (GF)	6.00		7.00		7.00		-	-
Administrative Assistant (GF)	1.00		1.00		1.00		-	-
Community Service Officer (GF)					2.00		2.00	-
Animal Control Officer (GF)	1.00			0.73			-	(0.73)
Police Records Technician (GF)	1.00		1.00		1.00		-	-
Property & Evidence Technician (GF)				0.73		0.73	-	-
Community Service Aides (GF)		3.50		2.90		2.90	-	-
Police Total	37.00	3.50	37.00	4.36	39.00	3.63	2.00	(0.73)
Municipal Court								
Magistrate Judge (GF)		0.60		0.60		0.60	-	-
Magistrate Judge Pro-Tem (GF)		0.10		0.10		0.10	-	-
Court Administrator (GF)	1.00		1.00		1.00		-	-
Court Clerk (GF)	2.00		2.00		2.00	0.60	-	0.60
Municipal Court Total	3.00	0.70	3.00	0.70	3.00	1.30	-	0.60
Wastewater								
Director of Wastewater (WWF)	1.00		1.00		1.00		-	-
Plant Chief Operator (WWF)	1.00		1.00		1.00		-	-
Chief Collections Operator (WWF)	1.00		1.00		1.00		-	-
Plant Chemist (WWF)	1.00		1.00		1.00		-	-
Mechanic/Electrician (WWF)	1.00		1.00		1.00		-	-
Collector Operator III (WWF)			1.00		1.00		-	-
Collector Operator II (WWF)	4.00						-	-
WW Plant Operator II (WWF)			1.00				(1.00)	-
Collector Operator I (WWF)			1.00				(1.00)	-
WW Plant Operator I (WWF)	1.00		2.00		1.00		(1.00)	-
Collector Operator - Entry (WWF)					1.00		1.00	-
WW Plant Operator - Entry (WWF)					2.00		2.00	-
Administrative Assistant (WWF)	0.50			0.60		0.60	-	-
Wastewater Total	10.50	-	10.00	0.60	10.00	0.60	-	-
City-Wide Totals								
General Fund	92.61	16.34	94.15	18.74	99.56	19.13	5.41	0.39
Wastewater Fund	19.39	-	17.85	0.83	16.44	0.88	(1.41)	0.05
Total City Headcount	112.00	16.34	112.00	19.57	116.00	20.01	4.00	0.44

(GF) = General Fund
(WWF) = Wastewater Enterprise Fund

Staffing Level Changes

The city staffing level changes were based on analyses of departmental needs and funding allocations. The fiscal year 2016-17 budget includes the following changes:

- An overall analysis was performed of the staffing allocations between the General Fund and the Wastewater Enterprise Fund. Several of the changes incorporated in the fiscal year 2016-17 budget are related to these reallocations.
- The Public Works/Engineering Department was previously a division under the Community Development Department. The Public Works/Engineering Department has now been designated as a separate department and the City Engineer/Assistant Director of Public Works position has been changed to Director of Public Works/City Engineer.

POSITION LIST/HEAD COUNT - continued

- Two positions were moved between departments:
 - The Economic Development Director position (formerly the Economic Development & Business Relations Manager position) was moved from the Community Development Department to the City Manager's Office. With the reclassification of the position from a manager level to a director level, the move to the City Manager's Office was deemed a more appropriate place for the position.
 - A part-time Administrative Assistant position was moved from the Community Development Department to the Public Works/Engineering Department. This was a result of the separation of the two departments.
- Three full-time positions were added:
 - A Chief Building Official position was added. The Chief Building Official position was originally eliminated during the economic downturn in 2009. Activity levels have increased since 2014 to pre-recession levels. With the return of the Chief Building Official position, it was determined that the part-time Building Inspector position would no longer be necessary and was eliminated.
 - A Maintenance Worker II position was added to better service the increased maintenance demands for city parks, right-of-ways, city facilities, and special event support.
 - A Police Sergeant position was added. Two Sergeant positions were eliminated during the economic downturn in 2010. The remaining four Sergeant positions were assigned to the Patrol Division, and the Police Chief and Commander assumed the duties of the Investigations Division Sergeant position. The added Sergeant position will be assigned to the Investigations Division to effectively provide supervisory support and oversight of the Division and allow the Police Chief and Commander positions to focus on their primary roles and responsibilities.
- Two part-time positions were added:
 - An IT Support/Help Desk Technician position was added. The existing Information Technology Department staff devotes a significant amount of time to Help Desk related activities. To better serve the needs of city staff and better manage the significant growth in systems and applications, the Help Desk and other support functions will be handled primarily with this new position.
 - A part-time Court Clerk was added. During the recession, one vacant full-time court clerk position was eliminated. To address the increase in caseload experienced by the court, a part-time position has been added.
- Three positions were reclassified:
 - Two Community Service Officer positions were added with the elimination of a Police Officer position and a part-time Animal Control Officer position. This restructuring will give the Police Department better flexibility with addressing the service demands for code enforcement activities, animal control functions, neighborhood nuisances, special events support, and traffic control activities.
 - One Accounting Technician position was eliminated and a Budget Analyst position added to better address the workload needs of the Financial Services Department.
- Other adjustments included position title changes and adjustments to the hours of some part-time and temporary positions.



Budget Summary

BUDGET OVERVIEW

This budget summary presents an overview of the City's costs for providing services and the resources being used to pay for those services. The City of Sedona fiscal year 2016-17 financial plan presents a fiscally sound and balanced budget that maintains the integrity of the City's financial condition while still meeting the high service level demands of the community. The financial plan is balanced not only financially, but also equally as important, balances the allocation of resources among operating requirements, capital needs, debt burden, and strong reserves for future needs and contingencies.

The City Council has established priorities for fiscal year 2016-17 that include financial management, capital projects and infrastructure improvements, economic development, and enhanced community engagement and outreach. Specific projects within these priority areas have been funded and included in the fiscal year 2016-17 budget.

Sedona's total budget appropriation is comprised of four major elements:

1. The **General Fund** or *general operating budget* for on-going expenditures.
2. The **Special Revenue Funds** which include the *Streets Fund* for expenses for streets rehabilitation and pavement preservation projects, and the *Grants & Donations Funds* for federal, State and other grants and contributions that are restricted for a specific use.
3. The **Capital Projects Funds** for expenditures related to construction and/or acquisition of capital assets.
4. The **Wastewater Enterprise Fund** for expenditures for the operations and related improvements to the City's wastewater system and related debt service.

Economic Overview and Long-Range Forecasts

In fiscal year 2015-16, the City of Sedona saw continued improvements in the economy. Sales tax is the City's largest revenue source and the source from which the majority of the City's General Fund budget is funded. This is the operating budget which accounts for the day-to-day costs of providing most City services, except wastewater services. The cumulative sales and bed taxes collected for fiscal year 2015-16 increased over the prior fiscal year 2014-15 by 11 percent. City sales taxes, excluding bed taxes, increased 10 percent compared to the prior fiscal year and are up 13 percent above budgeted projections.

The trending upwards of sales and bed tax collections over the last few years is encouraging and has contributed to the City forecasting further modest increases throughout the five-year forecast period. The increases exceeded prior years' forecasts, which were based on the fact that the City's economy is heavily driven by tourism and niche retail including the sale of high-end commodities such as art pieces and jewelry. Because spending on these items tends to be more discretionary, the City did not expect to reach these higher, pre-recession, sales and bed tax collections for several more years. The aforementioned collections exceeded all projections.

BUDGET OVERVIEW - continued

Forecasts have also factored in anticipated sales and bed tax increases in future years due to the City Council decision to invest a portion of the bed tax dollars into additional destination marketing and tourism promotion efforts. These efforts have contributed to increased economic activity, and as a result, tax collections. Expecting these increases to level off, the City is projecting sales and bed tax increases of two to three percent over the next few years.

For the Wastewater Enterprise Fund, a four percent increase in the monthly wastewater rates was adopted for fiscal year 2016-17, and a four percent annual increase has been included for the next three years of the five-year forecast, dropping to a three percent annual increase in the remaining years. These annual increases were adopted as a result of the findings and recommendations of a wastewater rate study conducted in 2013. These rate adjustments will serve to cover anticipated inflationary increases in expenses, help the fund become more sustainable, and allowed the City to decrease the sales tax subsidy to the Wastewater Enterprise Fund in fiscal year 2016-17 and maintain the further planned decreases until eliminated in fiscal year 2026-27. In fiscal year 2016-17, the General Fund will transfer 25 percent of the City's sales tax collections to the Wastewater Enterprise Fund to subsidize the debt service costs.

While projections for General Fund ongoing revenues to support day-to-day operations appear to be trending modestly upward in the five-year revenue forecast, as will the Wastewater Enterprise Fund revenues due to rate adjustments and modest growth, it becomes apparent that the Capital Projects Funds will require additional ongoing revenue in order to continue to fully support the ever-increasing demands for infrastructure improvements and other capital projects. The City Council is currently working with staff to explore funding alternatives for capital projects which may include identification of new dedicated revenue sources and/or debt financing for certain types of projects. The Council has plans to continue to evaluate the various options for future capital needs and develop strategies to implement over the next five years. The only significant ongoing sources of revenue within the Capital Projects Funds are the approximately \$400,000 annually in flood control funding from each of the counties and development impact fees (DIF) that are generated from new construction.

Annual operational costs are also expected to increase over the course of the five-year forecast period but will need to be actively managed and increases kept to a minimum in order to not exceed forecasted ongoing revenue projections. Increases in expenditure needs are anticipated as a result of:

- Growth in various programs and service areas
- Council and community priorities
- Expectations to pursue various elements of the new Community Plan
- Requests from outside organizations for increases in City funding
- The need to make salary adjustments for staff in order to keep pace with industry comparable wages and to not fall behind the market
- Normal inflationary increases such as utility costs, health insurance, and pension contributions
- Ongoing maintenance requirements for the City's physical infrastructure

As a result, modest annual inflationary increases are forecasted for the General Fund operations as well as the Wastewater operations. Staff believes these to be conservative estimates, but is only forecasting increases to expenditures to the extent revenues also increase. Staff and the City Council will be diligent in assessing, prioritizing, and managing additional expenditure needs.

BUDGET OVERVIEW - continued

FY 2016-17 City-Wide Revenue and Expenditure Budgets

The total appropriation for fiscal year 2016-17 has decreased by 27 percent (including carryforward budget amounts) from \$52.5 million to \$38.4 million. A significant portion of this increase is associated with a debt refunding in the prior year budgeted at \$9.3 million. Excluding the refunding amount, the decrease is 11 percent. Excluding the one-time capital improvement projects, the total budget increased 7 percent. The following table reflects the overall revenue and expenditure changes by fund.

BUDGETED REVENUES & EXPENDITURES BY FUND

(In Thousands)

Fund	Revenues			Expenditures		
	FY16 Budget	FY17 Budget	% Change	FY16 Budget	FY17 Budget	% Change
General Fund:						
General Operating	\$16,985	\$24,409	44%	\$16,057	\$18,829	17%
Debt Refunding	9,300	-	-100%	9,300	-	-100%
Total General Fund	\$26,285	\$24,409	7%	\$25,357	\$18,829	-26%
Special Revenue Funds:						
Streets Fund	\$ 782	\$ 799	2%	\$1,405	\$1,150	-18%
Grants & Donations Funds:						
General Operating	663	421	-37%	670	371	-55%
Capital Improvements	-	-	-	-	50	∞
Total Grants & Donations Funds	663	421	-37%	670	421	-37%
Total Special Revenue Funds	\$1,445	\$1,220	-16%	\$2,074	\$1,571	-24%
Capital Projects Funds:						
Development Impact Fee Funds:						
General Operating	\$ -	\$ -	-	\$ -	\$ 30	∞
Capital Improvements	219	201	-8%	3,094	2,514	-19%
Total Development Impact Fee Funds	219	201	-8%	3,094	2,544	-18%
Capital Improvements Fund	1,577	966	-39%	4,532	3,313	-27%
Art in Public Places Fund	-	12	9379%	33	-	-100%
Total Capital Projects Funds	\$1,796	\$1,179	-34%	\$7,659	\$5,857	-24%
Wastewater Enterprise Fund:						
General Operating	\$10,308	\$6,129	-41%	\$ 9,317	\$ 9,055	-3%
Capital Improvements	275	275	-	8,142	3,050	-63%
Total Wastewater Enterprise Fund	\$10,583	\$6,404	-39%	\$17,459	\$12,105	-31%
TOTAL ALL FUNDS	\$40,109	\$33,211	-17%	\$52,549	\$38,361	-27%
Excluding Debt Refunding	\$30,809	\$33,211	8%	\$43,249	\$38,361	-11%
Excluding Debt Refunding and Capital Improvements	\$28,738	\$31,757	11%	\$27,448	\$29,434	7%

BUDGET OVERVIEW - continued

The proposed operating budget is presented as a balanced plan between expenditures and revenues. Although the total fiscal year 2016-17 projected new revenues are \$33.2 million and total fiscal year 2016-17 expenditures are \$38.4 million, an additional \$2.3 million of Development Impact Fees Funds reserves, \$2.4 million of Capital Improvements Fund reserves, and \$2.8 million of Wastewater Enterprise Fund reserves will be used to fully fund the fiscal year 2016-17 expenditures. The reserves will be used for one-time capital infrastructure projects including drainage projects, parks land acquisition, parks improvements, wastewater projects, and City's streets and sidewalks program. Sources of the reserve funds include previously collected development impact fees, previously accumulated end-of-year surpluses, and accumulated City sales tax subsidies to the Wastewater Enterprise Fund.

TOTAL FUNDING SOURCES AND USES

(In Thousands)

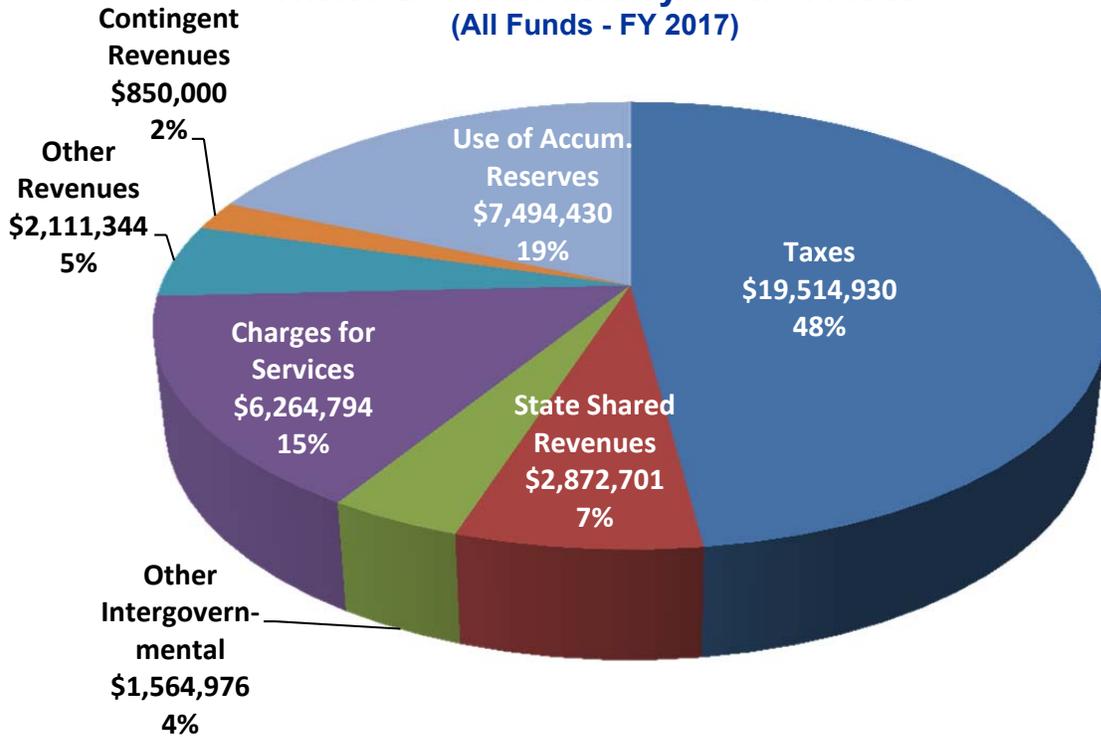
FY 2016-17	Revenues & Others Sources of Funds	Expenditures & Other Uses of Funds
Total Revenues & Expenditures	\$33,211	\$38,361
Use of Accumulated Reserves:		
Development Impact Fee Funds – Accumulated for Capital Improvement Projects	2,346	-
Capital Improvements Fund – Accumulated for Capital Improvement Projects	2,374	-
Wastewater Enterprise Fund – Accumulated for Capital Improvement Projects	2,775	-
Total Use of Accumulated Reserves	7,494	
Total	\$40,705	\$38,361



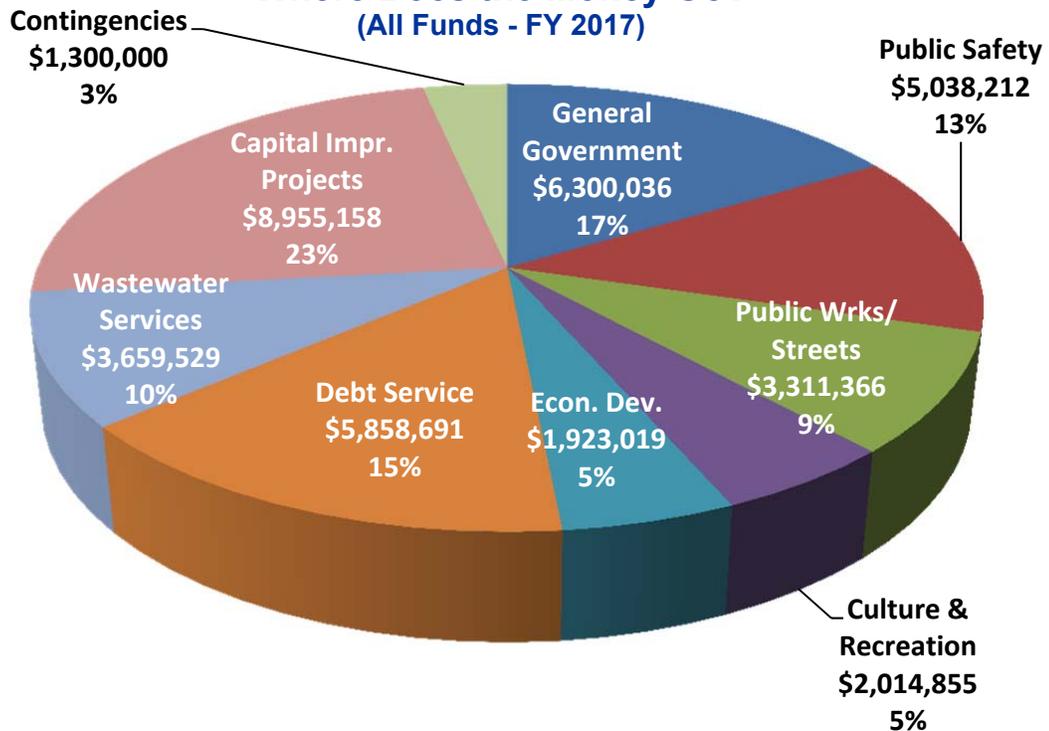
BUDGET OVERVIEW - continued

The following charts are representations of the City's total revenue and expenditure distributions:

Where Does the Money Come From? (All Funds - FY 2017)



Where Does the Money Go? (All Funds - FY 2017)



BUDGET OVERVIEW - continued

Decision Packages

For new budgetary needs with a significant dollar impact, generally more than \$5,000, and requests that result in new programs or services, departments are directed to prepare what the City refers to as a *Decision Package*. These are prioritized and approved only if funding is available.

The following Decision Packages have been included in the fiscal year 2016-17 budget. The contingently approved Decision Packages are contingent upon additional analysis before the final decisions on how they will be implemented are made.

FY 2017 DECISION PACKAGES

Department	Description/Basis of Request	Ongoing Costs	One-Time Costs	Total Request
Approved:				
Community Development	Chief Building Official (<i>Reinstated Position – Improve Existing Service</i>)	\$102,080	\$ 5,000	\$107,080
Community Development	File Storage System (<i>New – Improve Efficiency of Existing Service</i>)	(1,000)	22,064	21,064
Financial Services	Budget Analyst (<i>Position Reclassification – Improve Existing Service</i>)	13,210		13,210
Information Technology	Microsoft Office 365 Subscription (<i>New – Improve Efficiency of Existing Service</i>)	25,000	15,000	40,000
Parks & Recreation	Special Events Enhancement (<i>Improve Existing Service</i>)	15,000		15,000
Police	Two Community Service Officers (<i>Position Reclassifications – Improve Existing Service</i>)	3,655		3,655
Public Works & Engineering	City Maintenance Worker II (<i>New Position – Improve Existing Service</i>)	55,535		55,535
Public Works & Engineering	Jordan Museum Electrical Upgrade (<i>Protection of City Assets</i>)		25,000	25,000
Wastewater	Water Truck (<i>New – Improve Efficiency of Existing Service</i>)	(5,500)	35,000	29,500
Wastewater	Vehicle Replacements (<i>Improve Efficiency of Existing Service</i>)		70,000	70,000
Subtotal		\$207,980	\$172,064	\$380,044
Contingent Approval:				
Information Technology	Part-Time IT Support/Help Desk Technician (<i>New Position – Improve Existing Service</i>)	36,060	5,000	41,060
Municipal Court	Part-Time Court Clerk (<i>Partial Reinstated Position – Improve Existing Service</i>)	23,250		23,250
Police	Police Sergeant (<i>Reinstated Position – Improve Existing Service</i>)	115,135		115,135
Police	Patrol Assigned Vehicle Program (<i>New – Improve Efficiency of Existing Service</i>)		120,000	120,000
Wastewater	Wastewater Plant Educational Graphics Project (<i>New – Improve Existing Service</i>)	500	25,000	25,500
Subtotal		\$174,945	\$150,000	\$324,945
TOTAL		\$382,925	\$322,064	\$704,989

BUDGET OVERVIEW - continued

Budget Carryovers

During the preparation of the budget, departments are authorized to add to their budgets previously approved items that are incomplete or not started as of the prior fiscal year. The following is a list of those items budgeted in fiscal year 2015-16 and carried forward to fiscal year 2016-17.

FY 2017 BUDGET CARRYOVERS

Department	Description	Carryover Amount
General Fund:		
City Manager's Office	Consultant Services for Trash & Recycling Analysis Project <i>(Incomplete)</i>	\$ 15,000
City Manager's Office	Consultant Services for Development of Wireless Master Plan <i>(Not Started)</i>	60,000
Community Development	Consultant Services for Comprehensive Review and Update of the City's Land Development Code <i>(Incomplete)</i>	125,000
Information Technology	Hardware and Software for Electronic Citations Upgrade <i>(Not Started)</i>	70,000
Information Technology	9-1-1 Phone System Maintenance <i>(Not Started)</i>	15,000
Subtotal		285,000
Wastewater Enterprise Fund:		
Wastewater	Operator Area Remodel and Furniture <i>(Not Started)</i>	14,000
Wastewater	Replace Flow Meter and Flow Control for UV System <i>(Not Started)</i>	8,000
Wastewater	Electrical Vaults Coating <i>(Not Started)</i>	10,000
Wastewater	Replacement Furniture <i>(Not Started)</i>	500
Subtotal		32,500
TOTAL		\$317,500

General Fund

The General Fund budget decreased from \$25.4 million to \$18.8 million this year; however, the prior year expenditure budget included \$9.3 million for a bond refunding. Excluding the refunding amount, the budgeted increase is 17 percent. Sedona's operating expenditures are comprised of thirteen separate departments, including the General Services Department which is used for the various "non-departmental" and other centralized expenses of the City.

Salaries & Benefits Expenditures

Of the total General Fund expenditures, \$9.7 million, or 51 percent, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$758,000, or 8.5 percent, over fiscal year 2015-16.

BUDGET OVERVIEW - continued

This increase includes the addition of three full-time positions, at a total cost of approximately \$271,000, and two part-time positions, at a total cost of approximately \$56,000. In addition, three positions were reclassified for a net increase in costs of approximately \$16,000. The overall salary budgets were increased for a 1.8 percent cost-of-living adjustment (COLA) and 2.5 percent merit increases prorated based on effective dates by employee for a total increase of approximately \$259,000.

Increases to the City's employee benefits were not significant for fiscal year 2016-17 as follows.

- The City's health insurance rates increased two percent.
- The Arizona State Retirement System (ASRS) rates changed slightly from 11.47 percent to 11.48 percent.
- The Public Safety Personnel Retirement System (PSPRS) rates changed modestly from 25.02 percent to 25.83 percent.
- The City's worker's compensation rates experiences a significant decrease as a result of a drop in our experience modification rating (EMOD). This accounts for approximately \$75,000 in savings.

Supplies & Services Expenditures

The General Fund supplies and services expenditures increased by \$2.0 million or 34 percent. The increases are a result of the following:

- Streets related expenditures were transferred to the General Fund of approximately \$818,000. A decision was made to limit the Streets Fund (funded primarily with State gas tax dollars) to rehabilitation and pavement preservation only and to increase the program to cover an estimated 4.5 to 5 miles per year in order to maintain the condition of the City's streets. All other streets-related costs previously recorded in the Streets Fund have been moved to the General Fund, including sidewalks, drainage, traffic control, etc.
- The contingency budget was increase by \$650,000 designated for the following purposes:
 - A \$100,000 contingency was added for the possible start-up of a City-wide trash and recycling program. Currently, residents receive trash and recycling services through contracts between the individual residential customer or their homeowner's associations and private haulers. Since a decision has not yet been made whether the City will create a City-wide program, the contingency was included as a placeholder for potential start-up costs of the program.
 - A \$550,000 contingency was added for potential bed tax revenue increases. With the turnaround of the economy and the efforts of the City's contracted destination marketing program, bed tax revenues have increased significantly over the past couple of years, higher than projected. In fiscal year 2013-14, the City entered into a contract with the Chamber of Commerce for a destination marketing program at a cost of 55 percent of the bed tax revenues received by the City. Due to the increases in bed tax revenues, the amount owed to the Chamber has exceeded the amounts budgeted by approximately \$300,000 in previous years. In case bed taxes again exceed our estimates, a contingency placeholder has been included in both revenues and expenditures of \$550,000 (\$300,000 for the 55 percent destination marketing amount and \$250,000 for the 45 percent City share).

BUDGET OVERVIEW - continued

- In addition to the contingency added for potential increases in the destination marketing program costs, the estimated cost for fiscal year 2016-17 is approximately \$153,000 higher than the prior fiscal year.
- Fiscal year 2016-17 is an election year, and \$65,100 has been included. Of this amount, \$30,000 represents the election costs associated with the renewal of two franchise agreements. These are 25-year agreements that are due for renewal.
- As part of the City's overall strategic parking management plan, the next step as directed by Council is the implementation of a paid parking program in the Uptown area. A placeholder of \$90,000 has been included for estimated operational expenditures. The capital costs for the pay stations and software has been included in the Capital Improvements Program budget.
- The City of Cottonwood is responsible for the management and operation of the Verde Lynx transit system, which provides commuter service between Cottonwood and Sedona. The Verde Lynx system is partially funded with grant monies. Due to anticipated changes in the grant requirements, \$45,000 has been added as an estimate for additional grant matching requirements and the possible requirement to add a circulator route in addition to the commuter route.
- A comprehensive review and update of the City's Land Development Code was originally planned for fiscal year 2015-16. This process is anticipated to take a couple years and \$125,000 of the fiscal year 2015-16 budget has been included as a carryover to fiscal year 2016-17. Due to an increase in anticipated costs, an additional \$50,000 was added to fiscal year 2016-17 budget for the estimated increased costs.

Capital & Debt Service Expenditures

The General Fund capital and debt service expenditures budgeted for fiscal year 2016-17 are \$1.3 million and increased less than one percent over the prior fiscal year.

Debt service costs decreased approximately \$136,000 due primarily to the refunding of bonds during fiscal year 2015-16 that resulted in a reduction of cash flows of \$1.1 million over the life of the bonds.

Capital expenditures for fiscal year 2016-17 of approximately \$611,000 include the following:

- An upgrade to the electronic citations software was planned but not implemented in the prior year. The estimated cost of \$70,000 has been included as a budget carryover to fiscal year 2016-17.
- An upgrade and replacement for the City's storage area network has been budgeted as \$85,000.
- A Decision Package was submitted for the creation of an assigned vehicle program for the patrol officers. The approval for this Decision Package was contingent upon additional analysis before the final decisions on how it will be implemented. Analysis of the ongoing costs, procurement method (i.e., buy vs. lease), and quantity of vehicles will be made before this program will be finalized. A placeholder of \$120,000 was budgeted for this program.
- Replacement of two Police vehicles has been budgeted as \$100,000
- Other miscellaneous equipment purchases and replacements were also included.

BUDGET OVERVIEW - continued

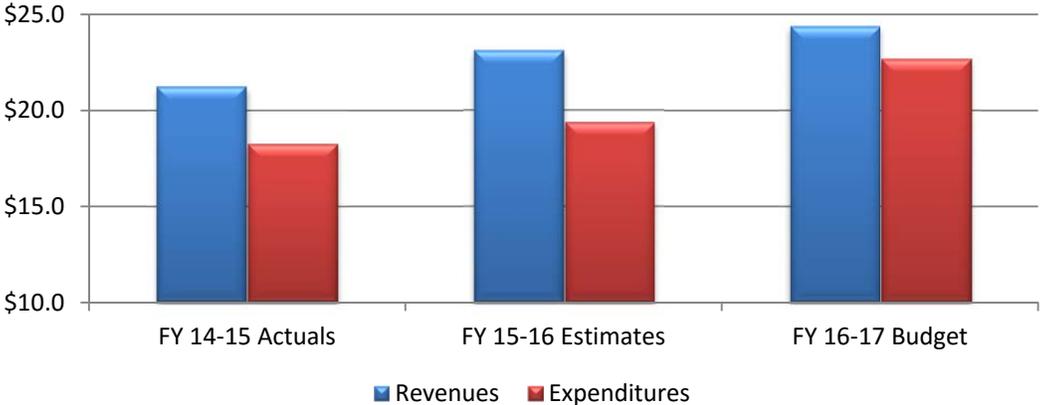
Revenues

General Fund revenues are projected to increase seven percent in fiscal year 2016-17; however, the prior year revenue budget included \$9.3 million for a bond refunding. Excluding the refunding amount, the budgeted increase is 44 percent.

A significant portion of this increase is a change in the accounting for the sales tax subsidy to the Wastewater Enterprise Fund. Previously, the City recorded the subsidy as City sales tax revenue in the Wastewater Enterprise Fund. Since the portion of the sales tax revenue that Council has approved to subsidize the wastewater services is not a levy of the Wastewater Enterprise Fund, it was deemed more appropriate to record the full sales tax revenue in the General Fund and to record the subsidy to the Wastewater Enterprise Fund as an inter-fund transfer of funds. Adjusting for this accounting change, the budgeted increase in General Fund revenues is \$3.3 million, or 16 percent.

The increase is primarily driven by the increase in both sales and bed taxes. Increases in these revenue sources are based on a two to three percent increase (plus a factor for new businesses) over the estimated actual amounts for fiscal year 2015-16. Since those revenues are up 11 percent for sales tax and 17 percent for bed taxes, this is a \$2.4 million increase over the fiscal year 2015-16 budget amounts. In addition, \$550,000 was included as contingent revenues in case bed tax revenues again exceed our estimates as an offset to the \$550,000 contingency budgeted for the destination marketing program and the City’s remaining share of the bed tax revenues.

General Fund Revenues & Expenditures
(In Millions - Excluding Debt Refunding & Including WW Subsidy)



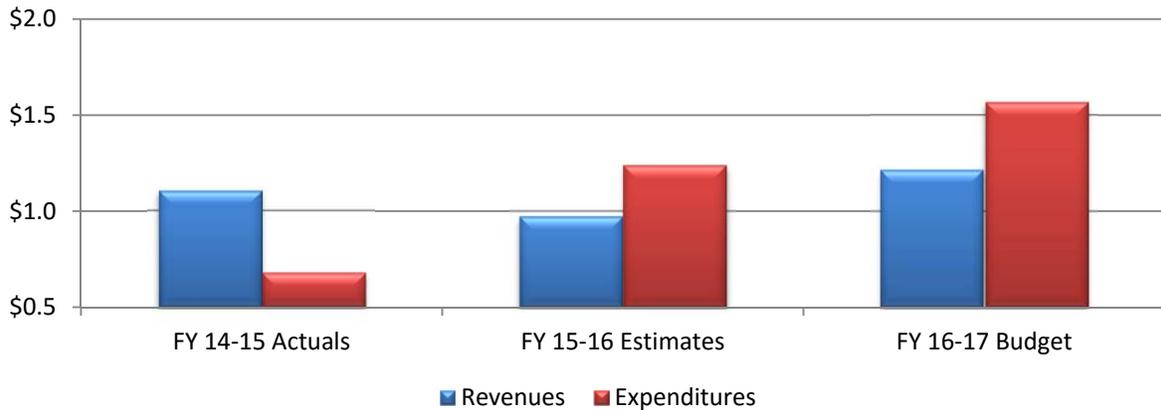
Special Revenue Funds

The Special Revenue Funds includes the Streets Fund and the Grants & Donations Funds. From fiscal year 2015-16 to fiscal year 2016-17, budgeted revenues decreased by \$225,000, or 16 percent. This is primarily a result in the reduction of anticipated grant revenues.

BUDGET OVERVIEW - continued

As previously discussed, streets related expenditures were transferred to the General Fund of approximately \$818,000. A decision was made to limit the Streets Fund (funded primarily with State gas tax dollars) to rehabilitation and pavement preservation only and to increase the program to cover an estimated 4.5 to 5 miles per year in order to maintain the condition of the City’s streets. All other streets-related costs previously recorded in the Streets Fund have been moved to the General Fund, including sidewalks, drainage, traffic control, etc.

Special Revenue Funds Revenues & Expenditures (In Millions)



Capital Projects Funds

The Capital Improvements Program budget is comprised of seven major programs: Art, Community Development, Parks and Recreation, Police, Public Works, Drainage, and Wastewater. The Wastewater projects are budgeted in and expended out of the Wastewater Enterprise Fund. All capital improvement projects are evaluated using a prioritization system to determine their funding level on an annual basis. These projects are then matched with estimated revenue to develop the City’s six-year Capital Improvements Program (CIP) budget. After trying different timeframes, the City has determined that a six-year timeframe best suits its needs for a more realistic and accurate picture of upcoming capital infrastructure needs. Longer timeframes have proven to be impractical since there are so many variables that change from year to year and the “out years” of the plan are speculative at best.

The Capital Improvement Budget is primarily funded as a pay-as-you-go plan. No borrowing is being used to fund any projects in the fiscal year 2016-17 capital budget. The first three years of the CIP only include projects that have an identified funding source. This approach is used to ensure projects have funding to be completed and a more realistic picture of what projects can be completed in the near future is identified.

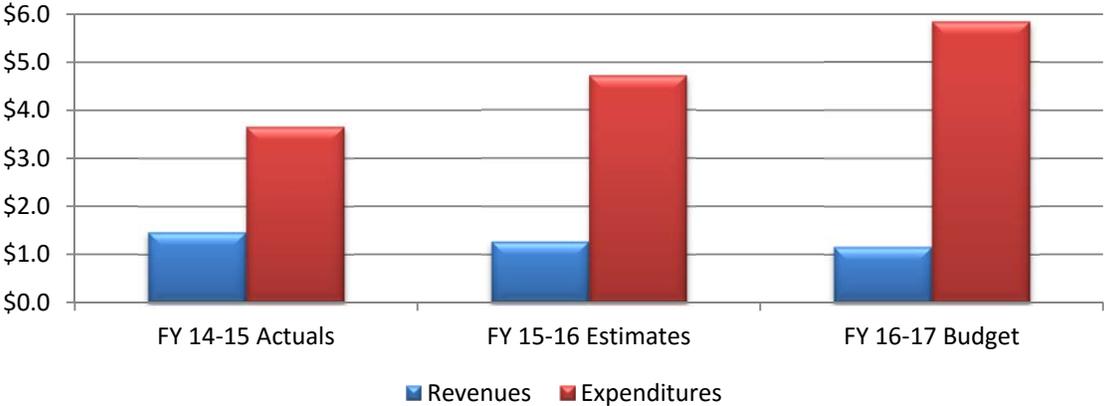
Certain policy assumptions were made in order to identify which projects were able to be included in the first three years of the CIP Program. The City Council allocated all undesignated General Fund reserves to be spent on capital projects. The CIP is balanced through fiscal year 2018-19, but projects in later years do not have a clearly defined revenue or funding source.

BUDGET OVERVIEW - continued

From fiscal year 2015-16 to fiscal year 2016-17 budgeted revenues have decreased approximately \$617,000, or 34 percent. This decrease is primarily due to funding related to other participation in budgeted projects. Depending on the project, other parties may share in the costs of the project. For the projects budgeted in fiscal year 2016-17, this participation is lower than projects budgeted in the prior fiscal year.

The fiscal year 2016-17 expenditures decreased \$1.8 million, or 24 percent, to a total of \$5.9 million. Of the total expenditures, \$5.0 million represents continuing projects. The total expenditures also include \$1.5 million as a placeholder for monies dedicated to acquisition of park land should the Council decide to make a purchase. Of the other capital projects added for fiscal year 2016-17, \$151,000 is for a major street improvement; and approximately \$624,000 is for drainage projects identified in the City's Storm Drainage Master Plan.

Capital Projects Funds Revenues & Expenditures
(In Millions)



Wastewater Enterprise Fund

The Wastewater Enterprise Fund is restricted to use for the wastewater utility. Fiscal year 2016-17 wastewater expenditures are budgeted at \$38.4 million which is a decrease of 25 percent from the fiscal year 2015-16 budget. The decrease is primarily due to the decrease in capital projects budgeted for fiscal year 2016-17 of \$5.1 million. The fiscal year 2015-16 budget included a significant upgrade to the treatment plant's wastewater processing capacity budgeted at \$5.3 million which has been completed.

Total budgeted expenditures in the Wastewater Enterprise Fund include \$3.8 million for administration and operations of the wastewater plant and collections system; \$3.2 million for capital projects; and \$5.2 million for annual debt service payments.

Revenue sources for the Wastewater Enterprise Fund include monies collected through monthly wastewater user fees, one-time capacity fees paid for new connections, a General Fund sales tax subsidy, and wastewater reserves to fund capital projects. Revenues are projected to decrease by 18 percent from fiscal year 2015-16 to fiscal year 2016-17.

BUDGET OVERVIEW - continued

A significant portion of this decrease is a change in the accounting for the sales tax subsidy to the Wastewater Enterprise Fund. Previously, the City recorded the subsidy as City sales tax revenue in the Wastewater Enterprise Fund. Since the portion of the sales tax revenue that Council has approved to subsidize the wastewater services is not a levy of the Wastewater Enterprise Fund, it was deemed more appropriate to record the full sales tax revenue in the General Fund and to record the subsidy to the Wastewater Enterprise Fund as an inter-fund transfer of funds. Adjusting for this accounting change, the budgeted decrease in Wastewater Enterprise Fund revenues is approximately \$70,000, or one percent.

Sales Tax Subsidy

Since the voters approved the construction of a sewer system in 1989, the City has subsidized the Wastewater Enterprise Fund with a portion of its sales tax revenue. The subsidy has helped pay most of the debt service on debt the City has incurred for the original construction as well as upgrades to the capacity at the plant and extensions of the sewer lines. Since fiscal year 1988-89, the City has subsidized the Wastewater Enterprise Fund with over \$109 million of City sales taxes.

In 2013, the City hired a consultant to review the existing rate structure and to develop a long-range financial plan for the Wastewater Enterprise Fund. The 2013-2014 Wastewater Rate Study and Financial Plan, adopted by City Council in May 2014, planned for a slow reduction in the General Fund subsidy over the next twelve years, along with annual increases in user fees gradually declining, in order to achieve the ultimate goal of making the Wastewater Enterprise Fund financially self-supporting.

The next reduction in the subsidy was originally planned for fiscal year 2017-18 from the current 30 percent of the City's sales tax revenue to be reduced to a subsidy of 25 percent. An analysis was conducted reviewing the performance of the Wastewater Enterprise Fund, and Council approved the acceleration in the schedule for the reduction in the subsidy to 25 percent from fiscal year 2017-18 to fiscal year 2016-17 based on the following:

- As a result of higher than anticipated sales tax revenues, the subsidies exceeded projections in the rate study by \$1.9 million just in the past three fiscal years.
- Due to greater than anticipated commercial growth resulting in the collection of greater than anticipated capacity fee revenue, the unanticipated gains resulted in an additional \$620,000 of revenues in the Wastewater Fund.
- There is a significant drop in anticipated debt service expenses due to savings realized through the refundings of the 2004 series and 2005 series bonds (lowering overall interest rates) since the rate study. When the rate study was done, debt service payments were projected at \$25.6 million from fiscal year 2016-17 through fiscal year 2019-20. After the refundings, those payments are reduced to \$24.1 million, resulting in a total savings of \$1.6 million over the five year period.
- Due to the slower pace taken with capital improvements than originally anticipated in the rate study, the total expenditures for wastewater capital for the period between fiscal year 2013-14 and fiscal year 2018-19 are now projected to be \$4 million less than what was originally anticipated.

BUDGET OVERVIEW - continued

The remaining schedule for the sales tax subsidies based on the rate study has not been altered, but may be reviewed again in the future as further analyses may be performed.

PROJECTED SALES TAX SUBSIDIES

Fiscal Year	Percent of City Sales Tax Revenues
FY 2017-18	25%
FY 2018-19	25%
FY 2019-20	20%
FY 2020-21	20%
FY 2021-22	20%
FY 2022-23	15%
FY 2023-24	15%
FY 2024-25	15%
FY 2025-26	15%
FY 2026-27	0%

User Fees

In consideration of the subsidy levels to the Wastewater Enterprise Fund, Council also considered lowering the annual rate increases scheduled in the rate study. It was decided to maintain the rate increases scheduled based on the following:

- Even though the sales taxes infused into the Wastewater Enterprise Fund over the course of the last several years have been significantly higher than projections and have contributed to the current health of the fund, those additional sales tax transfers are not an ongoing source of revenue. It is the ongoing revenues that must be able to support the fund in the long term as it is the City’s goal for the Wastewater Fund to become a true self-supporting enterprise.
- In order to keep the remaining future sales tax subsidy reductions on track and meet the projected ongoing revenue goals set in the rate study, the wastewater monthly fees would need to be increased in accordance with the adopted schedule. The three to four percent programmed annual rate increases were established as a way to achieve the necessary revenues through lower increases over a period of several years, which is more easily managed by the customers than unanticipated higher increases over an irregular time period.
- The amount of ongoing revenue needed to sustain the fund is dependent on future capital needs. The current debt service ends in fiscal year 2026-27, and operating expenses can be reasonably forecasted over the next ten years, but the need for capital projects is less reliably predicted for annual costs or whether or not future debt will be issued to support capital needs. Should capital needs be less than what was forecasted in the rate study, then the revenues needed to support the fund on an ongoing basis may be reduced. If that is the case, currently scheduled rate increases could be lowered or forgone. However, this is something that is currently unknown.

BUDGET OVERVIEW - continued

- The City recently contracted for a wastewater master plan to be completed and the future needs for plant improvements, any new EPA regulations or other potential significant capital, should be determined within the next year. For that reason, Council chose to hold off on any decisions to change the rate increases recommended in the rate study until a more up-to-date capital plan is identified.

The scheduled four percent increase in the monthly wastewater rates remains as originally adopted for fiscal year 2016-17.

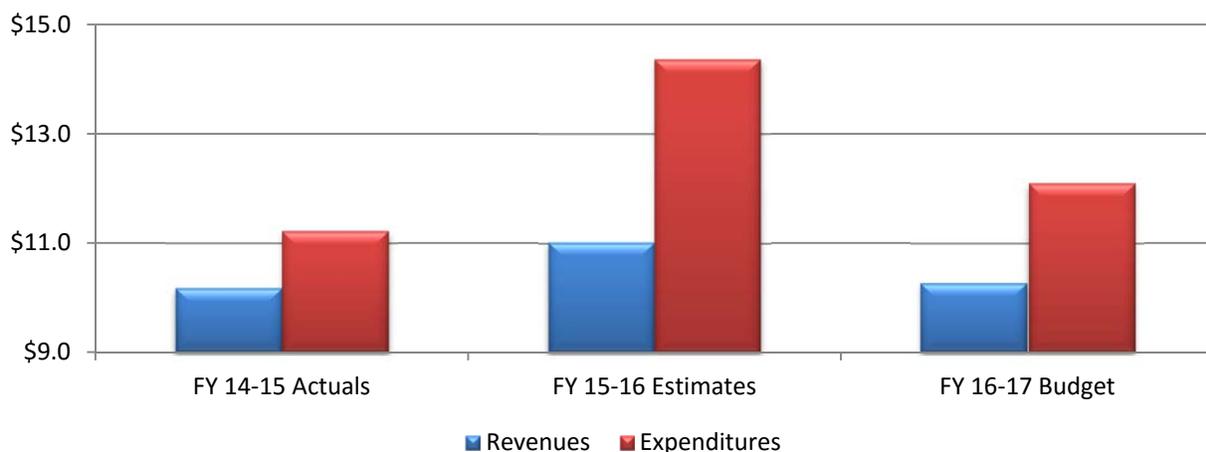
PROJECTED RATE INCREASES

Fiscal Year	Rate Increase	Status
FY 2017-18	4%	Adopted by Council – 5/20/2014
FY 2018-19	4%	Adopted by Council – 5/20/2014
FY 2019-20	4%	Adopted by Council – 5/20/2014
FY 2020-21	3%	Scheduled in the Rate Study Approved by Council
FY 2021-22	3%	Scheduled in the Rate Study Approved by Council
FY 2022-23	3%	Scheduled in the Rate Study Approved by Council
FY 2023-24	0%	Scheduled in the Rate Study Approved by Council
FY 2024-25	0%	Scheduled in the Rate Study Approved by Council
FY 2025-26	0%	Scheduled in the Rate Study Approved by Council
FY 2026-27	0%	Scheduled in the Rate Study Approved by Council

Use of Accumulated Reserves

Due to the large expenditures planned for wastewater capital projects of \$3.0 million for fiscal year 2016-17, \$2.8 million of wastewater accumulated reserves will be used towards these one-time expenditures. The savings has accumulated over many years specifically to fund these types of capital projects when they are needed.

Wastewater Enterprise Fund Revenues & Expenditures (In Millions - Excluding Past Debt Refunding & Including General Fund Subsidy)



FUND BALANCE

Fund balance is the amount of the City's assets in excess of year-end liabilities. It is the accumulation of revenues and other financing sources over expenditures and other financing uses. Fund balance is an important indicator of the City's financial position. Adequate fund balances must be maintained to allow the City to continue providing services to the community in the case of economic downturns or unexpected emergencies and to maintain or enhance the City's financial position.



FY 2017 CHANGES IN FUND BALANCES

(In Thousands)

	General Fund	Streets Fund	Grants & Donations Funds	Dev. Impact Fees Funds	Capital Impr. Fund	Art in Public Places Fund	Wastewater Enterprise Fund
Beginning Fund Balances	\$17,650	\$ 378	\$164	\$2,727	\$ 6,054	\$ 63	\$14,792
Revenues	24,409	799	421	201	966	12	6,404
Expenditures	18,829	1,150	421	2,544	3,313	-	12,105
Other Financing Sources (Uses)	(12,802)	351	-	(3)	8,543	30	3,882
Ending Fund Balances	\$10,427	\$ 378	\$164	\$ 381	\$12,250	\$105	\$12,973

General Fund

The City's Financial Policies require the unassigned range for the fund balance of the General Fund to be not less than 50 percent and not more than 75 percent of the total adopted budgeted operating expenditures of the General Fund budget. Appropriation of a minimum contingency will also be included in the operating budget to provide for emergencies. The City currently includes a \$250,000 general operating contingency in the General Fund expenditure budget.

The General Fund is estimated to have \$10.4 million in fund balance at the end of fiscal year 2016-17. Of this amount, \$8.6 million is set aside to meet the minimum operating reserve requirement.

The City has also set aside \$1.3 million as a debt service reserve. The City's budget has been built on a current level of debt service expenditures of approximately \$700,000. The ongoing debt service levels for the General Fund are approximately \$1.0 million, with the exception that in fiscal years 2017-18 and 2018-19, that amount increases by approximately \$500,000. To ensure the City properly plans for these higher debt service levels, the debt service reserve sets aside the additional \$500,000 for each of the next two fiscal years, plus \$300,000 for the ongoing increase in debt service levels to ensure City does not commit ongoing revenues for future years in excess of future costs.

FUND BALANCE - continued

The remaining uncommitted fund balance of approximately \$500,000, plus any surpluses experienced in actual results for fiscal year 2016-17 will be transferred to the Capital Improvements Fund to fund future capital improvement projects.

Special Revenue Funds

The City's policy requires the fund balance range for the Streets Fund to be not less than 10 percent and not more than 50 percent of the total budgeted revenues of the Fund. The Streets Fund is estimated to have approximately \$378,000 in fund balance at the end of fiscal year 2016-17, and meets the policy requirement.

The Grants & Donations Funds have balances that are available for use as needed and within the legal restrictions of the revenues that make up the funds but do not have minimum balance requirements.

Capital Projects Funds

The requirements for the Capital Projects Funds require, at a minimum, the fiscal year-end assigned and unassigned fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund all outstanding capital projects' obligations for the next fiscal year. This requirement has been met. For the past several years, the City has relied on surplus General Fund balances as the primary funding source for capital improvement projects.

Wastewater Enterprise Fund

The City's policy requires the fund balance range for the Wastewater Enterprise Fund, including maintenance, operations and administration, to be not less than 25 percent (90 days) and not more than 33.3 percent (120 days) of the total budgeted operating expenses of the Fund. This is in addition to a separate reserve with a target equal to the average of one year of enterprise fund debt service repayment requirements.

The Wastewater Enterprise Fund is estimated to have \$13.0 million in fund balance at the end of fiscal year 2016-17. Of this amount, \$1.1 million is set aside to meet the maximum operating reserve requirement, and \$4.9 million is set aside as the debt service reserve.

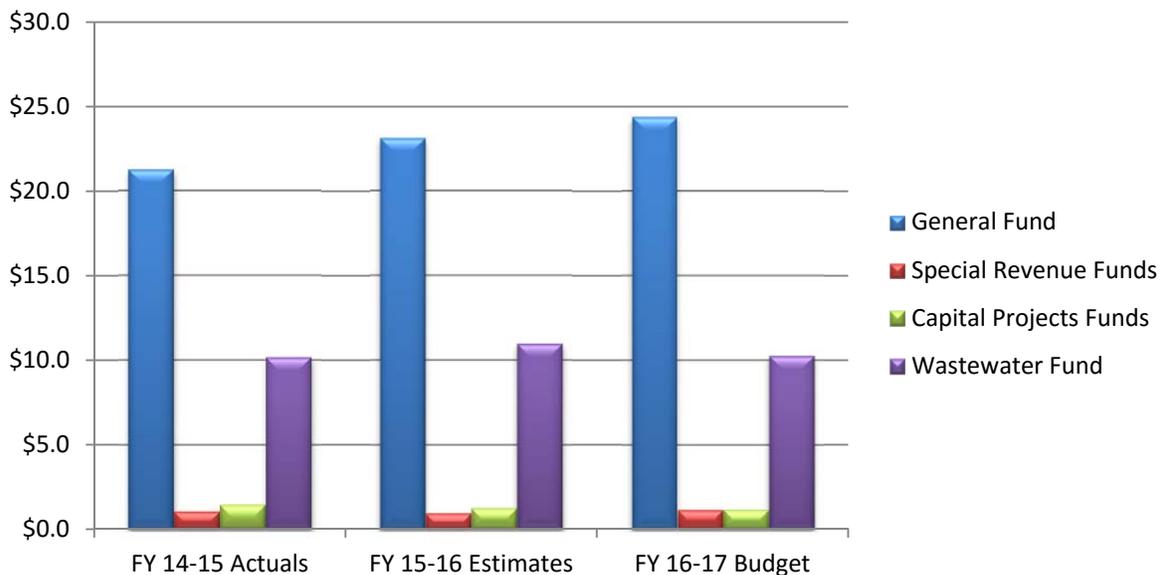
The remaining uncommitted fund balance of approximately \$7.0 million will fund future capital improvement projects. The City recently contracted for a wastewater master plan to be completed. This will be instrumental in developing a strategy for the level of capital reserves that should be designated in the Wastewater Enterprise Fund and to further evaluate the total fund balance needs.

REVENUE TRENDS

Total revenues for fiscal year 2016-17 are estimated at \$33.2 million. Excluding the prior year debt refunding of \$9.3 million, in comparison to the fiscal year 2015-16 budget, revenue is projected to increase by 8 percent.

Estimated revenues are made after identifying and reviewing all major revenue sources and fund types for activity and variances throughout the fiscal year, and after paying particularly close attention to a revenue source’s susceptibility to economic factors, its performance during the recent economic downturn, and information received from State reports and other sources. City revenue estimates are continually updated based on this discussion and analysis. The City forecasts each major category of revenue for a five year period.

Revenues - All Funds
(In Millions - Excluding Debt Refunding & Including WW Subsidy)



Sales taxes are the most significant source of revenue to fund the City’s day-to-day operations. Sales and bed taxes combined make up over 79 percent of the City’s General Fund revenues, and 58 percent of the overall City revenue. Sales taxes are highly susceptible to economic factors and the City saw significant reductions to its sales and bed tax revenues during the great recession. Since fiscal year 2012-13, both sales and bed taxes have been steadily increasing. Fiscal year 2015-2016 sales tax revenues increased 11 percent over the prior fiscal year, and bed tax revenues increased 13 percent over prior year. Sales tax collections were \$1.5 million over the budgeted revenue projection, and bed tax collections were approximately \$430,000 over the budgeted projection.

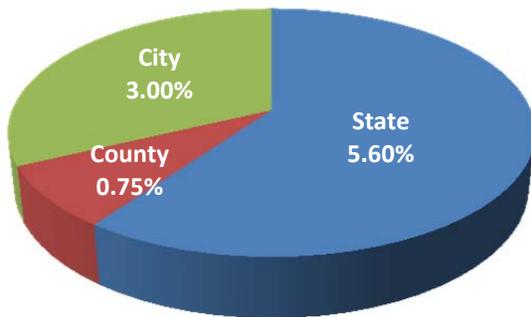
A brief description of the City’s major revenue sources and projected changes are included in this section.

REVENUE TRENDS - continued

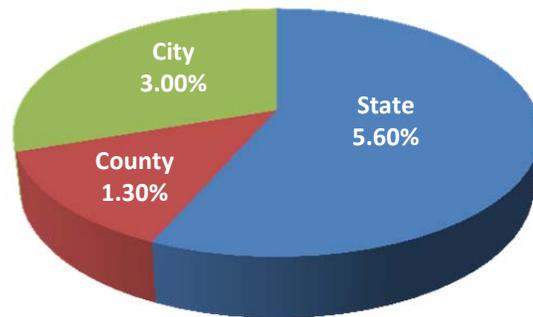
Transaction Privilege Taxes (City Sales Taxes)

Arizona cities and towns under State law have the authority to establish certain taxes for revenue purposes. Transaction privilege taxes, generally referred to as sales taxes, are the largest revenue source for the City. The local privilege tax (sales tax) is the City's largest single source of revenue and is obtained from the three percent tax on retail and other sales, excluding food. In addition, the City receives a portion of the State sales tax discussed in the State share revenues section.

**Total Sales Tax Rate
within the City of Sedona
(Yavapai County - 9.35%)**



**Total Sales Tax Rate
within the City of Sedona
(Coconino County - 9.90%)**



City sales tax revenues are unrestricted for use. By City Council policy, 25 percent of the sales tax revenue is transferred to the Wastewater Enterprise Fund to assist with debt service payments.

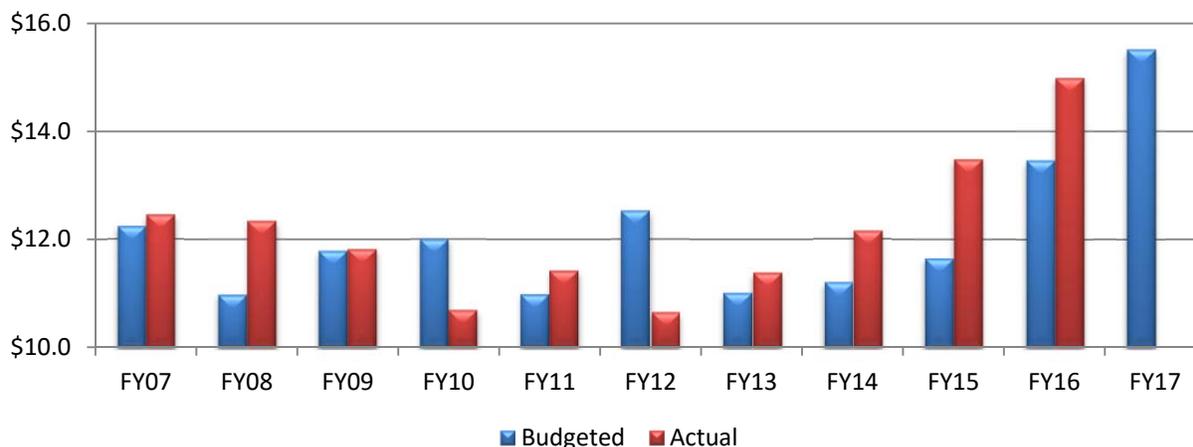
Effective January 1, 2016, the City is no longer allowed to self-collect its sales taxes. The City sales tax is now collected by State of Arizona, primarily on a monthly basis. The sales tax revenue, including the City's bed tax is due by the 20th of the following month. The State makes deposits to the City's accounts on a weekly basis as the returns are reviewed and allocated to the appropriate taxing agencies. As an example, taxes due for the month of January are reported and paid by the taxpayer in February. The City begins receiving its allocation of those payments made in February during the latter part of the month and generally through the first two to three weeks of March.

Projections

Fiscal year 2015-2016 City sales tax revenues increased 11 percent over the prior fiscal year and are up 11 percent above budgeted projections. The trending upwards of sales and bed tax collections over the last few years is encouraging and has contributed to the City forecasting further modest increases throughout the five-year forecast period. The City's economy is heavily driven by tourism and niche retail including the sale of high-end commodities such as art pieces and jewelry. Because spending on these items tends to be more discretionary, the City did not expect to reach these higher, pre-recession, sales and bed tax collections for several more years. Expecting these significant increases in the past few years to level off, the City is projecting sales and bed tax increases of two to three percent over the next few years. The projection for fiscal year 2016-17 includes a factor for new businesses that are anticipated to open during the year.

REVENUE TRENDS - continued

City Sales Tax Revenues (In Millions)



Transient Occupancy Taxes (Bed Taxes)

The City assesses a 3.5 percent transient occupancy tax, referred to as bed tax, which is allocated to the General Fund. This tax was increased from 3 percent to 3.5 percent effective January 1, 2014. According to ARS §9-500.06, the proceeds of the 0.5 rate increase must be used exclusively for the promotion of tourism.

The Council has dedicated 55 percent of the proceeds from this tax to the promotion of tourism. The City entered into a contractual agreement with the Sedona Chamber of Commerce and Tourism Bureau for the operation of a Visitor’s Center and for tourism promotion and destination marketing activities. The remaining 45 percent supports the City’s General Fund activities.

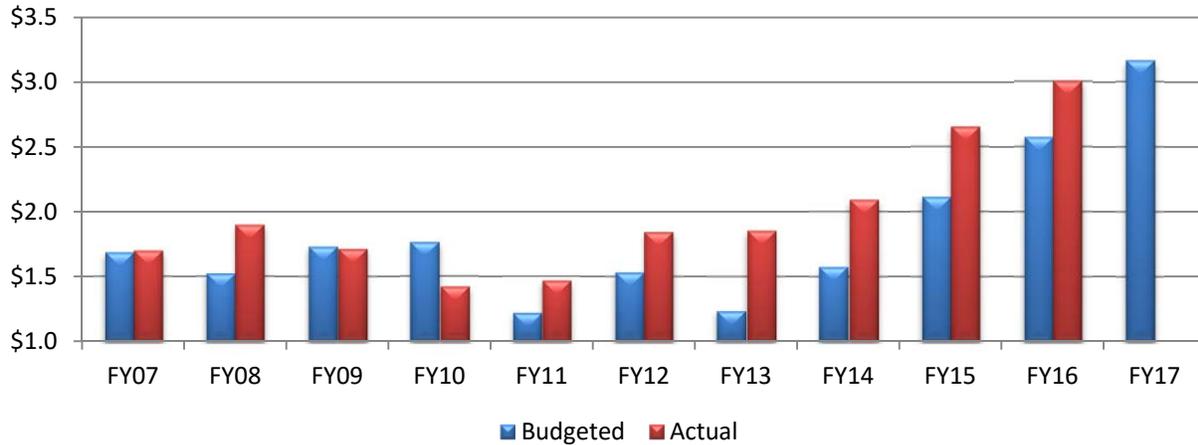
Projections

Bed tax revenues far exceeded projections. Fiscal year 2015-2016 bed tax revenues increased 13 percent over the prior fiscal year and are up 17 percent above budgeted projections. Expecting the significant increases in the past few years to level off, bed taxes are projected to increase at approximately two to three percent annually over the next several years. The projection for fiscal year 2016-17 includes a factor for new businesses that are anticipated to open during the year.

With the turnaround of the economy and the efforts of the City’s contracted destination marketing program, the significant increases in the bed tax revenues over the past couple of years have resulted in higher payments of the 55 percent to the Chamber than budgeted by approximately \$300,000. In case bed taxes again exceed our estimates, a contingency placeholder has been included in both revenues and expenditures of \$550,000 (\$300,000 for the 55 percent destination marketing amount and \$250,000 for the 45 percent City share).

REVENUE TRENDS - continued

Bed Tax Revenues (In Millions - Excluding Contingent Revenues)



In Lieu Fees and Community Facilities Districts

The City created two Community Facilities Districts (CFDs), Sedona Summit II in 1999 and Fairfield in 2000. A CFD is a special taxing district formed to pay for major infrastructure improvements intended to benefit a certain geographical area. The CFDs are separate legal entities and are governed by a separate Board, and adopts its budgets separately from the City. The City Council members are designated as the CFD Board members. The City Clerk was designated as the Clerk for the Board, and in a similar fashion, the City Manager, Finance Director, City Attorney and City Engineer were all designated to perform an analogous role for the CFDs.

The two CFDs created cover two timeshare developments built in the City. Timeshares are exempt from bed and sales tax in Arizona, except on a “day-by-day” rental basis. The development agreements with these two timeshares negotiated fees to be paid by the timeshares in lieu of bed taxes. They contribute based on a percentage of the annual homeowners’ association dues and/or a percentage of the transactions for timeshare sales.

The portion of the fees representing CFD taxes are restricted to fund projects directly benefitting the CFDs. While these funds are appropriated outside of the City’s budget, in each of the two CFDs separate legally adopted budgets, these revenues fund infrastructure projects managed by the City. These projects are reflected in the City’s Capital Improvement Plan (CIP) and shown as being funded from these outside sources.

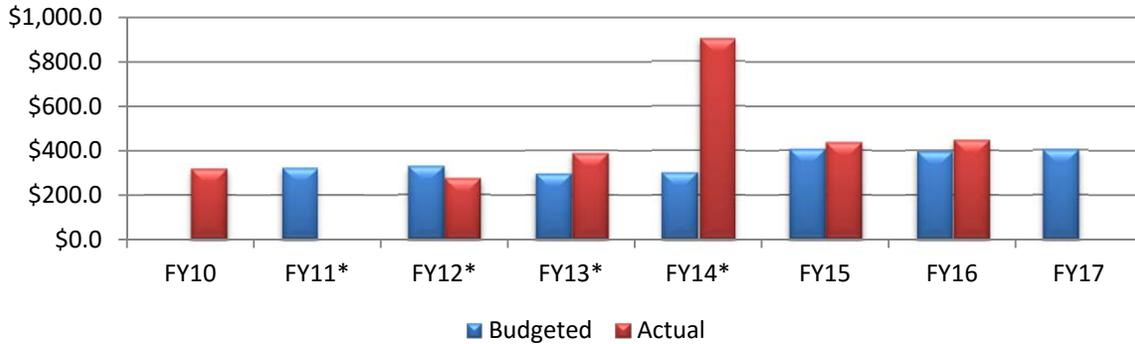
A portion of the fees are designated as contributions to the City’s operation and maintenance expenditures that benefit the community at large. These are recorded as in lieu fees in the General Fund.

Projections

The projection of in lieu fees was based on conservative estimates of 1.5 percent since they have not grown significantly over the past few years.

REVENUE TRENDS - continued

In Lieu Fees (In Thousands)



* Under modified accrual accounting, the City defers revenue recognition for receivables not collected within 60 days after year end. Fiscal year 2010-11 revenues were received after the 60-day period. Similarly the revenues for subsequent years were recognized in the following year when received until fiscal year 2013-14 when revenues for both fiscal years 2012-13 and 2013-14 were recognized.

Franchise Fees

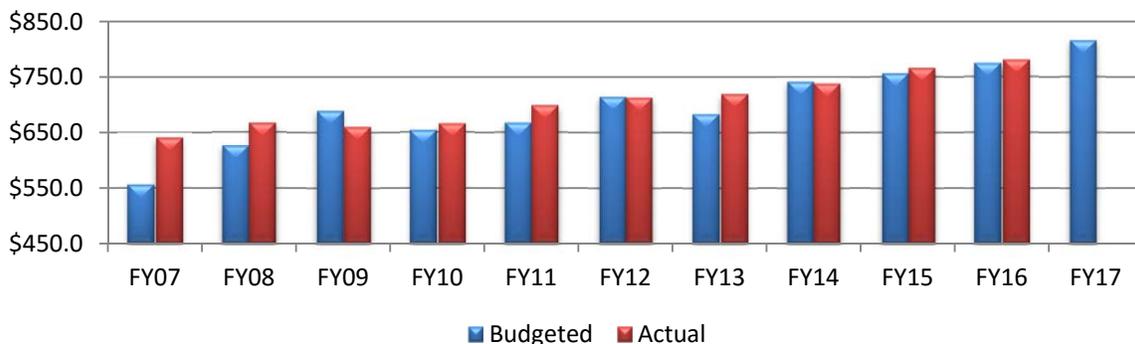
Arizona cities and towns have exclusive control over all rights-of-way dedicated to the municipality. This exclusive control enables the City to grant franchise agreements to utilities using the City's streets in the distribution of utility services and charge a franchise tax. To grant a franchise to a public utility, State law requires the City to place the question before the voters of the community for approval. A franchise agreement is limited to a maximum term of 25 years.

The City has franchise agreements with Unisource Energy Services (gas), Arizona Public Service (electric), Suddenlink Communications (cable services), Arizona Water Company, and Oak Creek Water Company. Franchise fees are paid quarterly based on a percent of gross revenues. Franchise fees are unrestricted for use.

Projections

Franchise fees are projected to increase four percent over the prior year estimated actuals.

Franchise Fees (In Thousands)



REVENUE TRENDS - continued

State Shared Revenues

Cities and towns in Arizona receive a portion of the revenues collected by the State. These shared revenues include the following:

- A portion of State's sales tax revenues are distributed to the cities and towns and allocated primarily on each city's or town's share of the population to the total population of all incorporated cities and towns in the State based on U.S. Census population figures. State shared sales tax revenues are unrestricted for use and are received monthly.
- State law provides that 15 percent of the State's income tax revenues are to be shared with the cities and towns. Referred to as Urban Revenue Sharing, these monies are allocated primarily on each city's or town's share of the population to the total population of all incorporated cities and towns in the State based on U.S. Census population figures. The annual amount distributed is based on collections from two years prior. Urban Revenue Sharing monies are unrestricted for use and are received monthly.
- Highway User Revenue Fund (HURF) monies are primarily generated from the State collected gasoline taxes; however, there are a number of additional transportation related fees including a portion of vehicle license taxes that are placed in the Highway User Revenue Fund. Cities and towns receive 27.5 percent of highway user revenues on a monthly basis. One-half of the monies that the City receives is based on its population in relation to the population of all cities and towns in the State. The remaining half is allocated on the basis of "county of origin" of gasoline sales and the relation of the City's population to the population of all cities and towns in Yavapai and Coconino Counties. There is a State constitutional restriction on the use of the highway user revenues which requires that these funds be used solely for street and highway purposes. These revenues are received monthly and recorded in the Streets Fund.
- Approximately 20 percent of the revenues collected for the licensing of motor vehicles are distributed to incorporated cities and towns. The vehicle license tax is distributed to the City of Sedona based on the relation of its population to the total population of all incorporated cities and towns within both Yavapai and Coconino Counties. VLT are unrestricted for use and are received semimonthly.

Projections

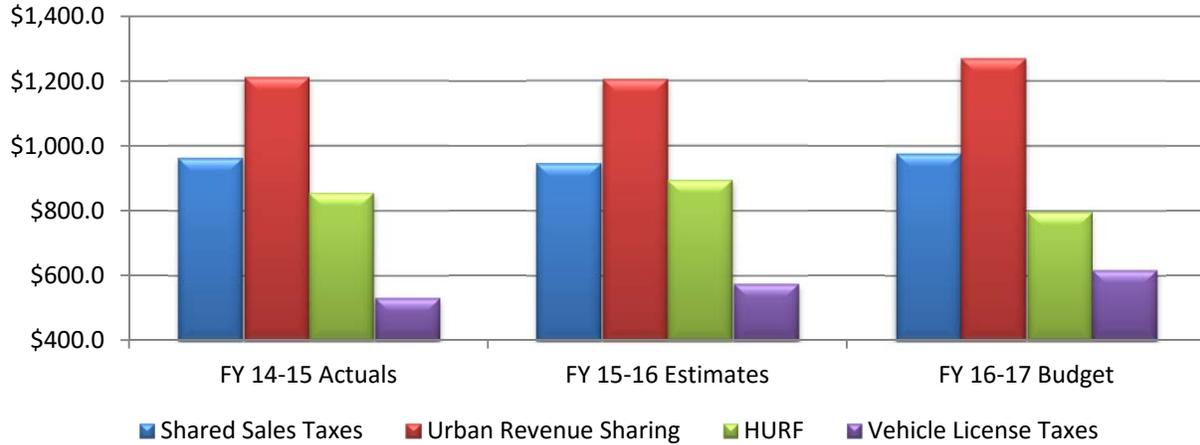
The State provided estimates of the City's portion of shared revenues as follows:

- The State shared sales taxes are projected to increase two percent for fiscal year 2016-17, which is consistent with local sales tax projections.
- Urban Revenue Sharing is projected to increase five percent.
- HURF revenues are projected to increase two percent over the prior year budget but represent a decrease of 11 percent under the prior year estimated actuals. Growth in future years is expected to be very modest as fuel reduction from conservation and vehicle efficiencies affect the amount of gasoline used.
- Vehicle license taxes are projected to increase four percent over the prior year budget.

REVENUE TRENDS - continued

While State shared revenues are expected to continue to increase as the overall State revenue increases, the City's portion may be subject to decreases. While the City has experienced a relatively flat population growth, many other cities in Arizona have experience significant population growth. This will result in Sedona receiving a smaller piece of the overall pie.

State Shared Revenues (In Thousands)



Other Intergovernmental

The other intergovernmental revenue category includes revenues from intergovernmental agreements and grants. The revenues from intergovernmental agreements are largely participation of other entities in the City's capital improvement projects, particularly storm drainage improvements.

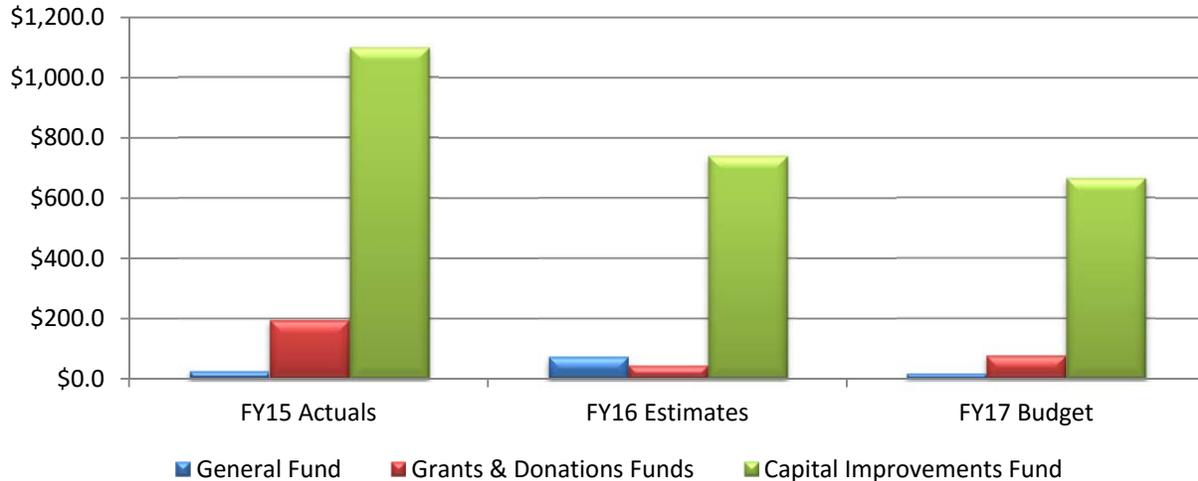
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. Court fines are largely unrestricted; however, certain fines are restricted to specific court uses.

Projections

The projections of other intergovernmental revenues are primarily based on anticipated revenues for specific capital improvement projects and anticipated grants. A contingency placeholder has been included in both revenues and expenditures of \$300,000 for other possible grants and other donations that may be awarded during the year.

REVENUE TRENDS - continued

Other Intergovernmental Revenues (In Thousands- Excluding Contingent Revenues)



Licenses & Permits

The licenses and permits revenue category includes community development permits (e.g., building permits, conditional use permits, sign permits, etc.), business licenses, and other miscellaneous licenses and permits such as liquor licenses and civil union registrations.

Building permits are based on construction valuations or per unit fees depending on the permit and construction. Other community development permits are generally fixed fee or per unit amounts. Community development permits are unrestricted for use.

The City requires all businesses physically located in the city limits or those businesses incurring a sales tax liability to the City must obtain a business license. The primary purpose is to regulate businesses within the community. Effective January 1, 2016, fees are set at \$50 for a new business license, \$25 for annual renewals, and \$7 for temporary licenses. Previously new business licenses were \$25 with prorated decreases for partial year licenses. Business licenses are unrestricted for use.

The other miscellaneous licenses and permits are also unrestricted for use.

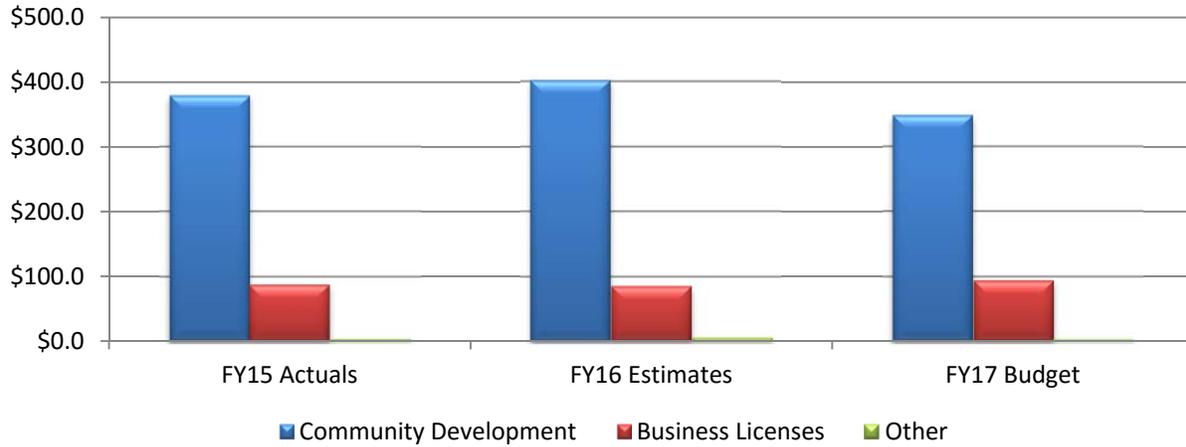
Projections

Revenue from community development permits is projected mostly with no increases, with the exception of building permits. Building permits have increased as the economy recovers. The City saw little activity in residential and commercial development during the recession. This source of revenue is expected to decline as the City approaches build-out.

With the change in rates for business licenses, a slight increase in revenues has been forecasted. No increases have been projected for the other miscellaneous licenses and permits.

REVENUE TRENDS - continued

Licenses & Permits
(In Thousands)



Charges for Services

Charges for services are fees charged for specific services provided by the City. They include recreation user fees, community development fees, wastewater fees, and other miscellaneous charges for services. All revenue from charges for service are placed in the General Fund and used for various general governmental purposes. Analyses of impact on cost-of-service are periodically undertaken by the City staff to determine if any changes to fees and charges should be recommended to Council.

The recreation user fees include pool fees and classes, recreation classes, open gym fees, and special events. These fees are unrestricted for use.

The community development fees include development reviews, reinspection fees, and other development fees. These fees are unrestricted for use.

The wastewater fees are dedicated to the Wastewater Enterprise Fund. These include the monthly service fees, stand-by fees, and account setup fees. The residential monthly service fees are based on fixed fees per billing unit as follows:

FY 2017 RESIDENTIAL WASTEWATER RATES

	Monthly Rate
Standard Residential	\$58.76
Discount Programs:	
Residential Low-Flow	\$45.70
Low-Income Residential	\$30.93

The monthly rates for commercial customers are based on the type of business.

REVENUE TRENDS - continued

Property owners of vacant land with sewer availability are subject to stand-by fees. This charge is based on the City’s costs for maintenance and depreciation of the facilities built and available to serve parcels that have delayed development. Once property owners have connected to the sewer system, the monthly rates apply. The stand-by fees are one-half the standard residential rate.

The account setup fees are a one-time \$25 for all new accounts.

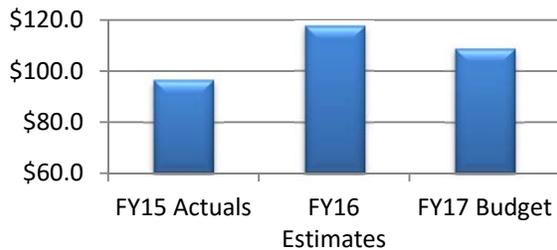
The other miscellaneous charges for services include a variety of miscellaneous General Fund fees that are unrestricted for use.

Projections

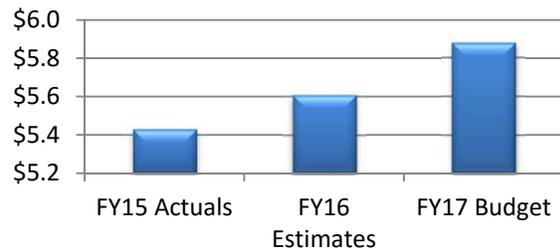
No increases were projected for the General Fund charges for services over the prior year budgeted amounts, except a new revenue of \$14,400 has been added for reimbursements for expedited plan reviews contracted to outside professionals and a one-time \$30,000 was added to the fiscal year 2016-17 budget for election reimbursements.

As previously discussed in the Budget Overview, a four percent increase in the monthly wastewater rates was adopted for fiscal year 2016-17. This increase, plus a factor for new accounts, has been included in the forecast. No increases were projected for the account setup fees.

**General Fund
Charges for Services
(In Thousands)**



**Wastewater Fund
Charges for Services
(In Millions)**



Fines and Forfeitures

The fines and forfeitures revenue category includes court fines, administrative charges for towed vehicles, wastewater environmental penalties, parking enforcement, and other miscellaneous penalties and late fees.

Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. Court fines are largely unrestricted; however, certain fines are restricted to specific court uses.

As authorized by ARS §28-3513, the Police Department assesses a \$150 administrative charge for vehicles that are mandated to be towed for various reasons established under ARS §28-3511. This administrative charge is restricted for the purpose of the implementation of these towing requirements. These revenues are recorded in the General Fund and offset a portion of the costs associated with this program.

REVENUE TRENDS - continued

The wastewater environmental penalties are assessed on developed properties that have not connected to the City’s sewer system when required. These revenues are dedicated to the Wastewater Enterprise Fund and contribute to the maintenance of the required capacity to service these accounts when connected.

As part of the City’s overall strategic parking management plan, the next step as directed by Council is the implementation of a paid parking program in the Uptown area. A placeholder of \$100,000 has been included for estimated revenues of the program. As more information is identified, better estimates will be determined as to how much of the revenue generated by this program should be designated to parking enforcement fines and paid parking fees. These revenues are unrestricted for use.

The other miscellaneous penalties and late fees are recorded in the fund in which they are generated, either the General Fund or the Wastewater Enterprise Fund.

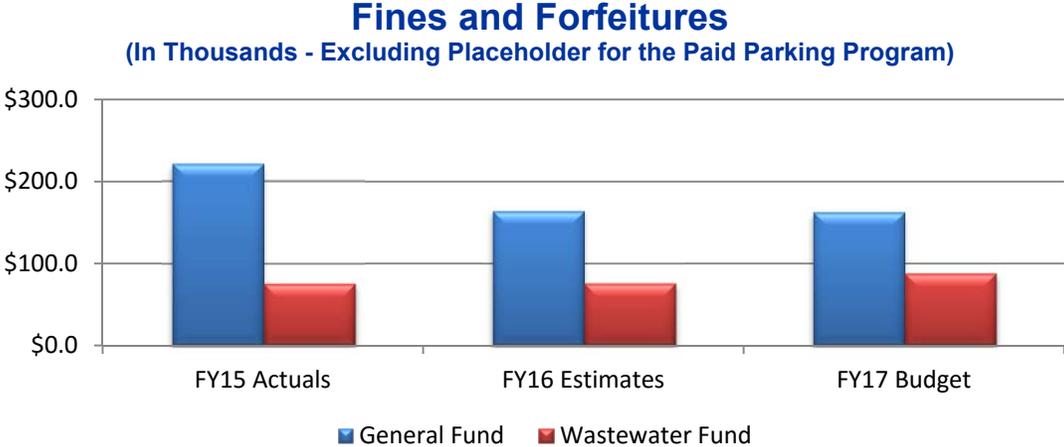
Projections

A significant portion of the court fines are related to the number of traffic citations issued. The number of traffic citations issued is largely related to staffing levels in the Police Department. Fluctuations in staffing in the Police Department due to turnover have had an impact on the number of citations issues and in turn the amount of court fine revenue received. No increases were projected for court fine revenues.

The administrative charges for towed vehicles are dependent on the number of vehicles towed. The projection of these fees was based on conservative estimates of 1.5 percent since they have not grown significantly over the past few years.

The wastewater environmental penalties are generally charged at twice the monthly service fee. Certain properties were given the opportunity to enter into agreements with the City to defer connection for up to ten years as long as certain criteria are met. The wastewater environmental penalties for those properties are charged at one-half the monthly service fee. Wastewater service rates increased four percent, and four percent was used to project the increase in environmental penalties.

No increases were projected for the other miscellaneous penalties and late fees.



REVENUE TRENDS - continued

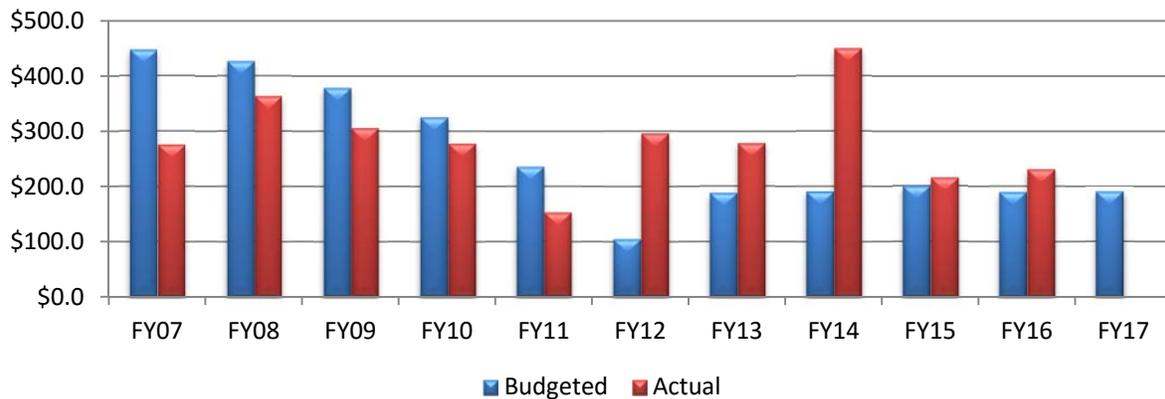
Development Impact Fees

Development impact fees are assessed by the City on new development for the purpose of financing infrastructure ultimately needed to support a growing community. As mandated by State law, impact fee revenue can only be used to support new projects and capital infrastructure. Recent legislative changes have further restricted the uses of development impact fees and the methods for calculating impact fees. Fees collected under the new legislation must be refunded to the property owner if the infrastructure for which a fee has been collected is not completed within 10 years. The current rates are based on a fee study adopted in 2014.

Projections

Most categories of the development impact fees were reduced in the 2014 study, with the exception of the parks fees for the lodging category, which were increased. No increases were projected over the prior year budgeted amounts. This source of revenue is expected to decline as the City approaches build-out.

Development Impact Fees
(In Thousands)



Capacity Fees

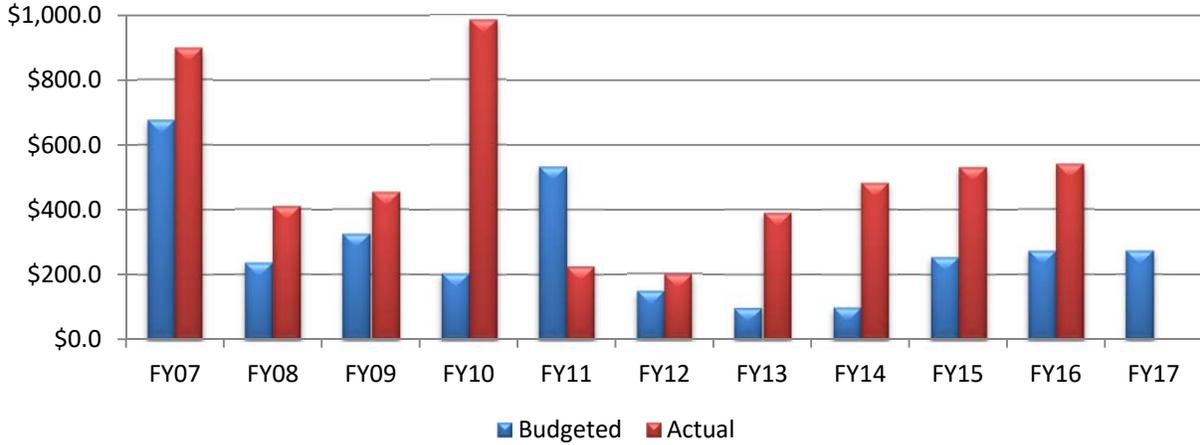
Capacity fee revenues are collected as one-time fees for residents and businesses to connect to the sewer. The current residential connection rate is \$9,757.20. The commercial rates vary based on the type of business. The rates are increased each January 1 based on the Engineering News-Record construction cost index inflation factor. Capacity Fees are used to offset the cost of wastewater treatment plant capacity improvements.

Projections

No increases were projected over the prior year budgeted amounts. The amount of revenues is based on the number of sewer connections during the year, and this source of revenue is expected to decline as the City approaches build-out.

REVENUE TRENDS - continued

Capacity Fees (In Thousands)



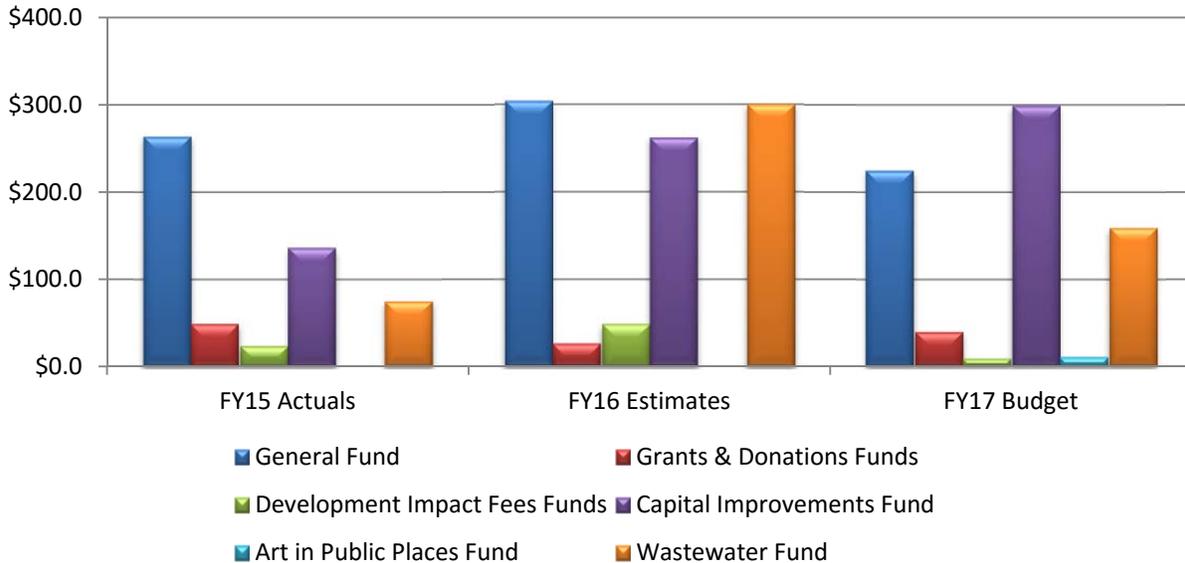
Other Revenues

The other revenues category includes facility rentals, interest earnings, donations, and other miscellaneous revenues.

Projections

Each of the individual other revenue sources were reviewed and projected based on historical trend information specific to that revenue source or other known information such as anticipated outside participation for specific capital improvement projects.

Other Revenues (In Thousands)



REVENUES & OTHER FINANCING SOURCES SUMMARIES

FY 2017 Revenues & Other Financing Sources - All Funds

	General Fund	Streets Fund	Grants & Donations Funds	Development Impact Fees Funds	Capital Improvements Fund	Art in Public Places Fund	Wastewater Enterprise Fund	Totals
Revenues								
City Sales Taxes	\$15,526,670	\$0	\$0	\$0	\$0	\$0	\$0	\$15,526,670
Bed Taxes	\$3,172,200	\$0	\$0	\$0	\$0	\$0	\$0	\$3,172,200
Contingent Bed Taxes	\$550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$550,000
In Lieu Fees	\$406,000	\$0	\$0	\$0	\$0	\$0	\$0	\$406,000
Franchise Fees	\$816,060	\$0	\$0	\$0	\$0	\$0	\$0	\$816,060
State Shared Revenues	\$2,872,701	\$799,000	\$0	\$0	\$0	\$0	\$0	\$3,671,701
Other Intergovernmental	\$20,000	\$0	\$80,000	\$0	\$665,976	\$0	\$0	\$765,976
Licenses and Permits	\$448,525	\$0	\$0	\$0	\$0	\$0	\$0	\$448,525
Charges for Services	\$108,950	\$0	\$0	\$0	\$0	\$0	\$5,880,844	\$5,989,794
Fines and Forfeitures	\$262,300	\$0	\$0	\$0	\$0	\$0	\$88,420	\$350,720
Development Impact Fees	\$0	\$0	\$0	\$191,000	\$0	\$0	\$0	\$191,000
Capacity Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000
Other Revenues	\$225,300	\$0	\$40,500	\$10,000	\$300,000	\$11,849	\$159,600	\$747,249
Contingent Grants/Donations	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Total Revenues	\$24,408,706	\$799,000	\$420,500	\$201,000	\$965,976	\$11,849	\$6,403,864	\$33,210,895
Other Financing Sources								
Transfers from Other Funds	\$0	\$351,000	\$0	\$0	\$8,569,787	\$30,010	\$3,881,668	\$12,832,465
Total Other Financing Sources	\$0	\$351,000	\$0	\$0	\$8,569,787	\$30,010	\$3,881,668	\$12,832,465
GRAND TOTAL	\$24,408,706	\$1,150,000	\$420,500	\$201,000	\$9,535,763	\$41,859	\$10,285,532	\$46,043,360

REVENUES & OTHER FINANCING SOURCES SUMMARIES - continued

Revenues & Other Financing Sources Comparison - All Funds

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Revenues								
City Sales Taxes	\$15,526,670	\$13,676,000	14%	\$14,999,612	4%	\$1,323,612	\$13,613,056	\$12,593,025
Bed Taxes	\$3,172,200	\$2,580,000	23%	\$3,010,334	5%	\$430,334	\$2,659,290	\$2,097,290
Contingent Bed Taxes	\$550,000	\$0	∞	\$0	∞	\$0	\$0	\$0
In Lieu Fees	\$406,000	\$400,000	2%	\$450,881	-10%	\$50,881	\$439,949	\$905,468
Franchise Fees	\$816,060	\$772,000	6%	\$781,223	4%	\$9,223	\$766,729	\$738,631
State Shared Revenues	\$3,671,701	\$3,542,469	4%	\$3,631,516	1%	\$89,047	\$3,571,791	\$3,280,640
Other Intergovernmental	\$765,976	\$1,132,000	-32%	\$863,794	-11%	(\$268,206)	\$1,326,519	\$996,428
Licenses and Permits	\$448,525	\$343,900	30%	\$496,777	-10%	\$152,877	\$473,367	\$434,251
Charges for Services	\$5,989,794	\$5,985,450	0%	\$5,728,891	5%	(\$256,559)	\$5,528,169	\$5,394,324
Fines and Forfeitures	\$350,720	\$273,150	28%	\$239,922	46%	(\$33,228)	\$297,681	\$254,533
Development Impact Fees	\$191,000	\$190,800	0%	\$231,772	-18%	\$40,972	\$216,039	\$450,798
Capacity Fees	\$275,000	\$275,000	0%	\$541,045	-49%	\$266,045	\$533,054	\$484,100
Other Revenues	\$747,249	\$1,637,742	-54%	\$951,191	-21%	(\$686,551)	\$556,193	\$785,672
Contingent Grants/Donations	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Total Revenues	\$33,210,895	\$30,808,511	8%	\$31,926,958	4%	\$1,118,447	\$29,981,836	\$28,415,160
Other Financing Sources								
Transfers from Other Funds	\$12,832,465	\$843,277	1422%	\$7,431,260	73%	\$6,587,983	\$8,043,472	\$1,220,124
Refunding Bonds Issued	\$0	\$9,300,000	-100%	\$8,030,000	-100%	(\$1,270,000)	\$10,390,000	\$9,785,000
Total Other Financing Sources	\$12,832,465	\$10,143,277	27%	\$15,461,260	-17%	\$5,317,983	\$18,433,472	\$11,005,124
GRAND TOTAL	\$46,043,360	\$40,951,788	12%	\$47,388,218	-3%	\$6,436,430	\$48,415,308	\$39,420,285

REVENUES & OTHER FINANCING SOURCES SUMMARIES - continued

Revenues & Other Financing Sources Comparison - General Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
General Fund - Revenues								
City Sales Taxes*	\$15,526,670	\$9,567,000	62%	\$10,502,062	48%	\$935,062	\$9,589,003	\$8,114,951
Bed Taxes	\$3,172,200	\$2,580,000	23%	\$3,010,334	5%	\$430,334	\$2,659,290	\$2,097,290
Contingent Bed Taxes	\$550,000	\$0	∞	\$0	∞	\$0	\$0	\$0
In Lieu Fees	\$406,000	\$400,000	2%	\$450,881	-10%	\$50,881	\$439,949	\$905,468
Franchise Fees	\$816,060	\$772,000	6%	\$781,223	4%	\$9,223	\$766,729	\$738,631
State Shared Sales Taxes	\$979,400	\$958,000	2%	\$948,696	3%	(\$9,304)	\$965,708	\$873,126
Urban Revenue Sharing	\$1,273,001	\$1,207,731	5%	\$1,207,731	5%	\$0	\$1,214,315	\$1,118,082
Vehicle License Taxes	\$620,300	\$594,500	4%	\$577,681	7%	(\$16,819)	\$534,404	\$508,519
Other Intergovernmental	\$20,000	\$0	∞	\$76,001	-74%	\$76,001	\$28,265	\$65,624
Licenses and Permits	\$448,525	\$343,900	30%	\$496,777	-10%	\$152,877	\$473,367	\$434,251
Charges for Services	\$108,950	\$54,850	99%	\$117,741	-7%	\$62,891	\$96,774	\$87,842
Fines and Forfeitures	\$262,300	\$164,000	60%	\$163,635	60%	(\$365)	\$221,541	\$153,047
Other Revenues	\$225,300	\$342,850	-34%	\$304,715	-26%	(\$38,135)	\$264,212	\$438,847
Total General Fund Revenues	\$24,408,706	\$16,984,831	44%	\$18,637,479	31%	\$1,652,648	\$17,253,557	\$15,535,678
General Fund - Other Financing Sources								
Transfers from Other Funds	\$0	\$286,000	-100%	\$0	N/A	(\$286,000)	\$176,469	\$167,253
Refunding Bonds Issued	\$0	\$9,300,000	-100%	\$8,030,000	-100%	(\$1,270,000)	\$0	\$1,879,699
Total General Fund Other Financing Sources	\$0	\$9,586,000	-100%	\$8,030,000	-100%	(\$1,556,000)	\$176,469	\$2,046,952
GRAND TOTAL	\$24,408,706	\$26,570,831	-8%	\$26,667,479	-8%	\$96,648	\$17,430,026	\$17,582,630

*Full city sales tax amount to be recorded in General Fund and subsidy to Wastewater Enterprise Fund to be recorded as a transfer in FY17.

REVENUES & OTHER FINANCING SOURCES SUMMARIES - continued

Revenues & Other Financing Sources Comparison - Wastewater Enterprise Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Wastewater Enterprise Fund - Revenues								
Monthly Fees	\$5,446,480	\$5,512,000	-1%	\$5,194,375	5%	(\$317,625)	\$5,015,390	\$4,947,800
Stand-by Fees	\$420,264	\$405,600	4%	\$403,659	4%	(\$1,941)	\$400,800	\$359,907
Environmental Penalty Fees	\$34,400	\$46,000	-25%	\$32,179	7%	(\$13,821)	\$29,820	\$31,286
Other Fines and Forfeitures	\$54,020	\$63,150	-14%	\$44,108	22%	(\$19,042)	\$46,320	\$70,200
Capacity Fees	\$275,000	\$275,000	0%	\$541,045	-49%	\$266,045	\$533,054	\$484,100
Other Revenues	\$173,700	\$172,600	1%	\$313,875	-45%	\$141,275	\$90,798	\$156,747
Total Wastewater Enterprise Fund Revenues	\$6,403,864	\$6,474,350	-1%	\$6,529,241	-2%	\$54,891	\$6,116,182	\$6,050,040
Wastewater Enterprise Fund - Other Financing Sources								
City Sales Taxes*	\$0	\$4,109,000	-100%	\$4,497,550	-100%	\$388,550	\$4,024,053	\$4,478,074
Transfers from Other Funds	\$3,881,668	\$0	∞	\$0	∞	\$0	\$0	\$0
Refunding Bonds Issued	\$0	\$0	N/A	\$0	N/A	\$0	\$10,390,000	\$7,905,301
Total Wastewater Enterprise Fund Other Financing Sources	\$3,881,668	\$4,109,000	-6%	\$4,497,550	-14%	\$388,550	\$14,414,053	\$12,383,375
GRAND TOTAL	\$10,285,532	\$10,583,350	-3%	\$11,026,791	-7%	\$443,441	\$20,530,235	\$18,433,415

*Full city sales tax amount to be recorded in General Fund and subsidy to Wastewater Enterprise Fund to be recorded as a transfer in FY17.

EXPENDITURES & OTHER FINANCING USES SUMMARIES

FY 2017 Expenditures & Other Financing Uses - All Funds

	General Fund	Streets Fund	Grants & Donations Funds	Development Impact Fees Funds	Capital Improvements Fund	Art in Public Places Fund	Wastewater Enterprise Fund	Totals
Expenditures								
City Council	\$78,585	\$0	\$0	\$0	\$0	\$0	\$0	\$78,585
City Manager's Office	\$1,016,875	\$0	\$0	\$0	\$0	\$0	\$47,950	\$1,064,825
Human Resources	\$226,080	\$0	\$0	\$0	\$0	\$0	\$19,440	\$245,520
Financial Services	\$536,465	\$0	\$0	\$0	\$0	\$0	\$406,520	\$942,985
Information Technology	\$1,193,777	\$0	\$0	\$0	\$0	\$0	\$87,578	\$1,281,355
City Attorney's Office	\$534,455	\$0	\$0	\$0	\$0	\$0	\$21,090	\$555,545
City Clerk's Office	\$297,719	\$0	\$0	\$0	\$0	\$0	\$12,650	\$310,369
Parks & Recreation	\$539,557	\$0	\$70,500	\$0	\$0	\$0	\$0	\$610,057
General Services	\$4,971,845	\$0	\$300,000	\$0	\$0	\$0	\$5,151,325	\$10,423,170
Community Development	\$1,646,691	\$0	\$0	\$0	\$0	\$0	\$0	\$1,646,691
Public Works & Engineering	\$3,139,298	\$1,150,000	\$0	\$30,000	\$0	\$0	\$267,153	\$4,586,451
Police	\$4,304,779	\$0	\$0	\$0	\$0	\$0	\$0	\$4,304,779
Municipal Court	\$342,950	\$0	\$0	\$0	\$0	\$0	\$0	\$342,950
Wastewater	\$0	\$0	\$0	\$0	\$0	\$0	\$3,041,188	\$3,041,188
Capital Improvement Projects	\$0	\$0	\$50,000	\$2,513,860	\$3,312,786	\$0	\$3,049,750	\$8,926,396
Total Expenditures	\$18,829,076	\$1,150,000	\$420,500	\$2,543,860	\$3,312,786	\$0	\$12,104,644	\$38,360,866
Other Financing Uses								
Transfers to Other Funds	\$12,802,455	\$0	\$0	\$3,260	\$26,750	\$0	\$0	\$12,832,465
Total Other Financing Uses	\$12,802,455	\$0	\$0	\$3,260	\$26,750	\$0	\$0	\$12,832,465
GRAND TOTAL	\$31,631,531	\$1,150,000	\$420,500	\$2,547,120	\$3,339,536	\$0	\$12,104,644	\$51,193,331

EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

Expenditures & Other Financing Uses Comparison - All Funds

	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
Expenditures								
City Council	\$78,585	\$77,543	1%	\$63,123	24%	\$14,420	\$66,995	\$53,561
City Manager's Office	\$1,064,825	\$854,638	25%	\$745,235	43%	\$109,404	\$704,983	\$696,483
Human Resources	\$245,520	\$218,049	13%	\$217,867	13%	\$182	\$191,432	\$178,106
Financial Services	\$942,985	\$880,553	7%	\$865,433	9%	\$15,120	\$819,479	\$836,122
Information Technology	\$1,281,355	\$974,467	31%	\$853,746	50%	\$120,721	\$1,058,766	\$713,547
City Attorney's Office	\$555,545	\$504,523	10%	\$496,564	12%	\$7,959	\$490,736	\$458,932
City Clerk's Office	\$310,369	\$227,608	36%	\$219,942	41%	\$7,666	\$243,829	\$226,818
Parks & Recreation	\$610,057	\$683,073	-11%	\$493,304	24%	\$189,769	\$509,536	\$378,165
General Services	\$10,423,170	\$9,868,094	6%	\$9,805,073	6%	\$63,021	\$9,438,170	\$8,989,667
Community Development	\$1,646,691	\$1,658,955	-1%	\$1,191,037	38%	\$467,918	\$1,054,199	\$931,020
Public Works & Engineering	\$4,586,451	\$3,963,084	16%	\$3,352,713	37%	\$610,371	\$2,412,439	\$3,757,464
Police	\$4,304,779	\$4,183,711	3%	\$3,826,417	13%	\$357,294	\$3,768,567	\$3,333,875
Municipal Court	\$342,950	\$312,073	10%	\$307,281	12%	\$4,792	\$291,684	\$271,121
Wastewater	\$3,041,188	\$3,041,956	0%	\$2,665,659	14%	\$376,297	\$2,612,043	\$2,449,847
Capital Improvement Projects	\$8,926,396	\$15,800,681	-44%	\$10,140,081	-12%	\$5,660,600	\$6,134,090	\$5,319,901
Total Expenditures	\$38,360,866	\$43,249,008	-11%	\$35,243,475	9%	\$8,005,533	\$29,796,947	\$28,594,629
Other Financing Uses								
Payment to Refunded Bond Escrow Agent	\$0	\$9,300,000	-100%	\$7,934,739	-100%	\$1,365,261	\$10,290,000	\$9,682,477
Transfers to Other Funds	\$12,832,465	\$843,277	1422%	\$7,431,260	73%	(\$6,587,983)	\$8,043,473	\$1,220,125
Total Other Financing Uses	\$12,832,465	\$10,143,277	27%	\$15,365,999	-16%	(\$5,222,722)	\$18,333,473	\$10,902,602
GRAND TOTAL	\$51,193,331	\$53,392,285	-4%	\$50,609,474	1%	\$2,782,811	\$48,130,420	\$39,497,231

EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

Expenditures & Other Financing Uses Comparison - General Fund

	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund - Expenditures								
10-5210 - City Council	\$78,585	\$77,543	1%	\$63,123	24%	\$14,420	\$66,995	\$53,561
10-5220 - City Manager's Office	\$1,016,875	\$854,638	19%	\$745,235	36%	\$109,404	\$704,983	\$696,483
10-5221 - Human Resources	\$226,080	\$218,049	4%	\$217,867	4%	\$182	\$191,432	\$178,106
10-5222 - Financial Services	\$536,465	\$460,954	16%	\$450,225	19%	\$10,729	\$416,550	\$448,475
10-5224 - Information Technology	\$1,193,777	\$974,467	23%	\$853,746	40%	\$120,721	\$1,058,766	\$713,547
10-5230 - City Attorney's Office	\$534,455	\$504,523	6%	\$496,564	8%	\$7,959	\$490,736	\$458,932
10-5240 - City Clerk's Office	\$297,719	\$227,608	31%	\$219,942	35%	\$7,666	\$243,829	\$226,818
10-5242 - Parks & Recreation	\$539,557	\$484,324	11%	\$465,072	16%	\$19,252	\$454,464	\$331,091
10-5245 - General Services	\$4,971,845	\$4,199,968	18%	\$4,071,785	22%	\$128,183	\$3,869,177	\$3,082,440
10-5310 - Community Development	\$1,646,691	\$1,459,955	13%	\$1,180,037	40%	\$279,918	\$1,054,199	\$924,595
10-5320 - Public Works & Engineering	\$3,139,298	\$2,345,922	34%	\$2,087,779	50%	\$258,143	\$1,792,584	\$1,842,845
10-5510 - Police	\$4,304,779	\$3,936,711	9%	\$3,749,538	15%	\$187,173	\$3,626,767	\$3,292,220
10-5520 - Municipal Court	\$342,950	\$312,073	10%	\$307,281	12%	\$4,792	\$291,684	\$271,121
Total General Fund Expenditures	\$18,829,076	\$16,056,735	17%	\$14,908,193	26%	\$1,148,542	\$14,262,164	\$12,520,234
General Fund - Other Financing Uses								
Payment to Refunded Bond Escrow Agent	\$0	\$9,300,000	-100%	\$7,934,739	-100%	\$1,365,261	\$0	\$1,845,000
Transfer to Streets Fund	\$351,000	\$506,500	-31%	\$506,500	-31%	\$0	\$0	\$0
Transfer to Wastewater Fund	\$3,881,668	\$0	∞	\$0	∞	\$0	\$0	\$0
Transfer to Grants Fund	\$0	\$9,777	-100%	\$9,777	-100%	\$0	\$0	\$0
Transfer to Capital Projects Fund	\$8,569,787	\$0	∞	\$6,884,446	24%	(\$6,884,446)	\$7,834,370	\$0
Total General Fund Other Financing Uses	\$12,802,455	\$9,816,277	30%	\$15,335,462	-17%	(\$5,519,185)	\$7,834,370	\$1,845,000
GRAND TOTAL	\$31,631,531	\$25,873,012	22%	\$30,243,655	5%	(\$4,370,643)	\$22,096,534	\$14,365,234



EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

Expenditures & Other Financing Uses Comparison - Wastewater Enterprise Fund

	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
Wastewater Enterprise Fund - Expenditures								
59-5220 - City Manager's Office	\$47,950	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5221 - Human Resources	\$19,440	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5222 - Financial Services	\$406,520	\$419,599	-3%	\$415,208	-2%	\$4,391	\$402,928	\$387,647
59-5224 - Information Technology	\$87,578	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5230 - City Attorney's Office	\$21,090	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5240 - City Clerk's Office	\$12,650	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5230 - Public Works & Engineering	\$267,153	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5250 - Wastewater Administration	\$364,764	\$452,808	-19%	\$374,176	-3%	\$78,632	\$465,345	\$369,906
59-5250 - Wastewater Departmental Allocations	\$0	\$254,801	-100%	\$301,865	-100%	(\$47,064)	\$231,781	\$178,840
59-5250 - Wastewater Debt Service	\$5,151,325	\$5,413,325	-5%	\$5,412,246	-5%	\$1,079	\$5,317,839	\$5,728,387
59-5252 - Wastewater Project Management	\$65,200	\$187,473	-65%	\$138,707	-53%	\$48,766	\$131,783	\$115,278
59-5252 - Wastewater Capital Improvements Projects	\$3,049,750	\$8,142,118	-63%	\$5,433,783	-44%	\$2,708,335	\$2,481,994	\$1,024,961
59-5253 - Wastewater Operations	\$2,611,224	\$2,589,148	1%	\$2,291,483	14%	\$297,665	\$2,146,698	\$2,079,942
Total Wastewater Enterprise Fund Expenditures	\$12,104,644	\$17,459,272	-31%	\$14,367,468	-16%	\$3,091,804	\$11,178,369	\$9,884,961
Wastewater Enterprise Fund - Other Financing Uses								
Transfer to General Fund	\$0	\$90,000	-100%	\$0	N/A	\$90,000	\$88,235	\$83,627
Payment to Refunded Bond Escrow Agent	\$0	\$0	N/A	\$0	N/A	\$0	\$10,290,000	\$7,837,477
Total Wastewater Enterprise Fund Other Financing Uses	\$0	\$90,000	-100%	\$0	N/A	\$90,000	\$10,378,235	\$7,921,103
GRAND TOTAL	\$12,104,644	\$17,549,272	-31%	\$14,367,468	-16%	\$3,181,804	\$21,556,603	\$17,806,065

INTER-FUND TRANSFERS

Transfers Out	Transfers In				
	Streets Fund	Capital Improvements Fund	Art in Public Places Fund	Wastewater Enterprise Fund	Totals
General Fund	\$351,000	\$8,569,787	\$	\$3,881,668	\$12,802,455
Development Impact Fees Funds			3,260		3,260
Capital Improvements Fund			26,750		26,750
Totals	\$351,000	\$8,569,787	\$30,010	\$3,881,668	\$12,832,465

The purposes for the inter-fund transfers are as follows:

- Based on the commitment to ongoing streets rehabilitation, a decision was made to limit the Streets Fund (funded primarily with State gas tax dollars) to rehabilitation and pavement preservation only. This has been increased to \$1.15 million to cover the estimated 4.5 to 5 miles per year necessary to maintain the condition of the City's streets. All other streets-related costs have been moved to the General Fund, including sidewalks, drainage, traffic control, etc. The revenues of the Streets Fund are insufficient to cover the estimated annual costs. Council has approved a transfer of \$351,000 from the General Fund to fund the difference in estimated revenues and expenditures.
- The City Council has directed that all undesignated General Fund reserves be designated to the Capital Improvements Program. An inter-fund transfer of \$8,569,787 has been budgeted for this purpose.
- Council policy requires one percent of all capital projects budgets to be designated for art in public places. A total of \$30,010 was budgeted in the Capital Improvements Program to the Art in Public Places Fund for this purpose.
- Council approved an inter-fund transfer of 25 percent of the City sales tax revenues as a subsidy to the Wastewater Enterprise Fund to help pay the debt service on debt the City has incurred for the original construction as well as upgrades to the capacity at the plant and extensions of the sewer lines.



Fund Summaries

FUND SUMMARIES

FY 2017 Summary of All Funds

	General Fund	Streets Fund	Grants & Donations Funds	Development Impact Fees Funds	Capital Improvements Fund	Art in Public Places Fund	Wastewater Enterprise Fund	Totals
Beginning Fund Balances	\$17,650,256	\$378,138	\$164,184	\$2,727,228	\$6,053,968	\$63,048	\$14,792,117	\$41,828,939
Revenues								
Taxes	\$19,514,930	\$0	\$0	\$0	\$0	\$0	\$0	\$19,514,930
In Lieu Fees	\$406,000	\$0	\$0	\$0	\$0	\$0	\$0	\$406,000
Intergovernmental	\$2,892,701	\$799,000	\$80,000	\$0	\$665,976	\$0	\$0	\$4,437,677
Licenses and Permits	\$448,525	\$0	\$0	\$0	\$0	\$0	\$0	\$448,525
Charges for Services	\$108,950	\$0	\$0	\$0	\$0	\$0	\$5,880,844	\$5,989,794
Fines and Forfeitures	\$262,300	\$0	\$0	\$0	\$0	\$0	\$88,420	\$350,720
Development Impact Fees	\$0	\$0	\$0	\$191,000	\$0	\$0	\$0	\$191,000
Capacity Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$275,000	\$275,000
Other Revenues	\$225,300	\$0	\$40,500	\$10,000	\$300,000	\$11,849	\$159,600	\$747,249
Contingent Revenues	\$550,000	\$0	\$300,000	\$0	\$0	\$0	\$0	\$850,000
Total Revenues	\$24,408,706	\$799,000	\$420,500	\$201,000	\$965,976	\$11,849	\$6,403,864	\$33,210,895
Expenditures								
General Government	\$6,300,036	\$0	\$0	\$30,000	\$0	\$0	\$0	\$6,330,036
Public Safety	\$5,038,212	\$0	\$0	\$0	\$0	\$0	\$0	\$5,038,212
Public Works & Streets	\$2,016,088	\$1,150,000	\$0	\$0	\$0	\$0	\$0	\$3,166,088
Culture & Recreation	\$1,944,355	\$0	\$70,500	\$0	\$0	\$0	\$0	\$2,014,855
Economic Development	\$1,923,019	\$0	\$0	\$0	\$0	\$0	\$0	\$1,923,019
Wastewater Utility	\$0	\$0	\$0	\$0	\$0	\$0	\$3,803,569	\$3,803,569
Debt Service	\$707,366	\$0	\$0	\$0	\$0	\$0	\$5,151,325	\$5,858,691
Capital Improvement Projects	\$0	\$0	\$50,000	\$2,513,860	\$3,312,786	\$0	\$3,049,750	\$8,926,396
Contingencies	\$900,000	\$0	\$300,000	\$0	\$0	\$0	\$100,000	\$1,300,000
Total Expenditures	\$18,829,076	\$1,150,000	\$420,500	\$2,543,860	\$3,312,786	\$0	\$12,104,644	\$38,360,866
Other Financing Sources (Uses)								
Transfers from Other Funds	\$0	\$351,000	\$0	\$0	\$8,569,787	\$30,010	\$3,881,668	\$12,832,465
Transfers to Other Funds	(\$12,802,455)	\$0	\$0	(\$3,260)	(\$26,750)	\$0	\$0	(\$12,832,465)
Total Other Financing Sources (Uses)	(\$12,802,455)	\$351,000	\$0	(\$3,260)	\$8,543,037	\$30,010	\$3,881,668	\$0
Ending Fund Balances	\$10,427,431	\$378,138	\$164,184	\$381,108	\$12,250,195	\$104,907	\$12,973,005	\$36,678,968

FUND SUMMARIES - continued

Fund Summary Comparison - All Funds

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Beginning Fund Balance	\$41,828,939	\$37,009,845	13%	\$41,941,263	0%	\$4,931,418	\$41,656,375	\$41,733,322
Revenues								
Taxes	\$19,514,930	\$17,028,000	15%	\$18,791,169	4%	\$1,763,169	\$17,039,075	\$15,428,946
In Lieu Fees	\$406,000	\$400,000	2%	\$450,881	-10%	\$50,881	\$439,949	\$905,468
Intergovernmental	\$4,437,677	\$4,674,469	-5%	\$4,495,310	-1%	(\$179,159)	\$4,898,310	\$4,277,068
Licenses and Permits	\$448,525	\$343,900	30%	\$496,777	-10%	\$152,877	\$473,367	\$434,251
Charges for Services	\$5,989,794	\$5,985,450	0%	\$5,728,891	5%	(\$256,559)	\$5,528,169	\$5,394,324
Fines and Forfeitures	\$350,720	\$273,150	28%	\$239,922	46%	(\$33,228)	\$297,681	\$254,533
Development Impact Fees	\$191,000	\$190,800	0%	\$231,772	-18%	\$40,972	\$216,039	\$450,798
Capacity Fees	\$275,000	\$275,000	0%	\$541,045	-49%	\$266,045	\$533,054	\$484,100
Other Revenues	\$747,249	\$1,637,742	-54%	\$951,191	-21%	(\$686,551)	\$556,193	\$785,672
Contingent Revenues	\$850,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Total Revenues	\$33,210,895	\$30,808,511	8%	\$31,926,958	4%	\$1,118,447	\$29,981,837	\$28,415,160
Expenditures								
General Government	\$6,330,036	\$6,587,359	-4%	\$5,773,221	10%	\$814,138	\$5,618,920	\$5,216,992
Public Safety	\$5,038,212	\$4,542,556	11%	\$4,198,332	20%	\$344,224	\$4,133,918	\$3,596,202
Public Works & Streets	\$3,166,088	\$2,319,614	36%	\$1,935,389	64%	\$384,225	\$1,212,724	\$2,495,006
Culture & Recreation	\$2,014,855	\$2,127,572	-5%	\$1,845,866	9%	\$281,706	\$1,774,706	\$1,688,691
Economic Development	\$1,923,019	\$1,582,100	22%	\$1,656,234	16%	(\$74,134)	\$1,462,609	\$550,853
Wastewater Utility	\$3,803,569	\$3,903,829	-3%	\$3,521,439	8%	\$382,390	\$3,378,535	\$3,131,613
Debt Service	\$5,858,691	\$6,176,382	-5%	\$6,172,913	-5%	\$3,469	\$6,081,446	\$6,595,371
Capital Improvement Projects	\$8,926,396	\$15,800,681	-44%	\$10,140,081	-12%	\$5,660,600	\$6,134,090	\$5,319,901
Contingencies	\$1,300,000	\$208,915	522%	\$0	∞	\$208,915	\$0	\$0
Total Expenditures	\$38,360,866	\$43,249,008	-11%	\$35,243,475	9%	\$8,005,533	\$29,796,947	\$28,594,629
Other Financing Sources (Uses)								
Transfers from Other Funds	\$12,832,465	\$843,277	1422%	\$7,431,260	73%	\$6,587,983	\$8,043,472	\$1,220,124
Transfers to Other Funds	(\$12,832,465)	(\$843,277)	1422%	(\$7,431,260)	73%	(\$6,587,983)	(\$8,043,473)	(\$1,220,125)
Refunding Bonds Issued	\$0	\$9,300,000	-100%	\$8,030,000	-100%	(\$1,270,000)	\$10,390,000	\$9,785,000
Payment to Refunded Bond Escrow Agent	\$0	(\$9,300,000)	-100%	(\$7,934,739)	-100%	\$1,365,261	(\$10,290,000)	(\$9,682,477)
Total Other Financing Sources (Uses)	\$0	\$0	N/A	\$95,261	-100%	\$95,261	\$99,999	\$102,522
Ending Fund Balances	\$36,678,968	\$24,569,348	49%	\$38,720,008	-5%	\$14,150,660	\$41,941,263	\$41,656,375

FUND SUMMARIES - continued

Fund Summary Comparison - General Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
General Fund - Beginning Fund Balance	\$17,650,256	\$13,071,000	35%	\$13,275,108	33%	\$204,108	\$17,941,617	\$14,724,221
General Fund - Revenues								
Taxes*	\$19,514,930	\$12,919,000	51%	\$14,293,619	37%	\$1,374,619	\$13,015,021	\$10,950,873
Contingent Bed Taxes	\$550,000	\$0	∞	\$0	∞	\$0	\$0	\$0
In Lieu Fees	\$406,000	\$400,000	2%	\$450,881	-10%	\$50,881	\$439,949	\$905,468
Intergovernmental	\$2,892,701	\$2,760,231	5%	\$2,810,109	3%	\$49,878	\$2,742,692	\$2,565,351
Other Revenues	\$1,045,075	\$905,600	15%	\$1,082,869	-3%	\$177,269	\$1,055,895	\$1,113,986
Total General Fund Revenues	\$24,408,706	\$16,984,831	44%	\$18,637,479	31%	\$1,652,648	\$17,253,557	\$15,535,678
General Fund - Expenditures								
General Government	\$6,300,036	\$6,412,359	-2%	\$5,762,218	9%	\$650,141	\$5,618,919	\$5,210,567
Public Safety	\$5,038,212	\$4,295,556	17%	\$4,121,454	22%	\$174,102	\$3,992,117	\$3,554,547
Public Works & Streets	\$2,016,088	\$914,925	120%	\$809,162	149%	\$105,763	\$724,652	\$695,666
Culture & Recreation	\$1,944,355	\$1,879,823	3%	\$1,817,634	7%	\$62,189	\$1,719,634	\$1,641,617
Economic Development	\$1,923,019	\$1,582,100	22%	\$1,656,234	16%	(\$74,134)	\$1,462,609	\$550,853
Debt Service	\$707,366	\$763,057	-7%	\$741,490	-5%	\$21,567	\$744,234	\$866,984
Contingencies	\$900,000	\$208,915	331%	\$0	∞	\$208,915	\$0	\$0
Total General Fund Expenditures	\$18,829,076	\$16,056,735	17%	\$14,908,192	26%	\$1,148,543	\$14,262,164	\$12,520,234

FUND SUMMARIES - continued

Fund Summary Comparison - General Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
General Fund - Other Financing Sources (Uses)								
Transfers from Other Funds	\$0	\$286,000	-100%	\$0	N/A	(\$286,000)	\$176,469	\$167,253
Transfers to Other Funds	(\$12,802,455)	(\$516,277)	2380%	(\$7,400,723)	73%	(\$6,884,446)	(\$7,834,370)	(\$1,845,000)
Refunding Bonds Issued	\$0	\$9,300,000	-100%	\$8,030,000	-100%	(\$1,270,000)	\$0	\$1,879,699
Payment to Refunded Bond Escrow Agent	\$0	(\$9,300,000)	-100%	(\$7,934,739)	-100%	\$1,365,261	\$0	\$0
Total General Fund Other Financing Sources (Uses)	(\$12,802,455)	(\$230,277)	5460%	(\$7,305,462)	75%	(\$7,075,185)	(\$7,657,901)	\$201,952
General Fund - Ending Fund Balances								
Operating Reserve**	\$8,610,855			\$7,646,839				
Debt Service Reserve***	\$1,300,000			\$1,300,000				
Balance for Capital Improvement Projects	\$516,576			\$0				
Budget Carryovers				\$285,000				
Committed for Affordable Housing				\$266,258				
Restricted Court Funding				\$200,836				
Remaining Available Fund Balance	\$0			\$0				
Total General Fund Ending Fund Balances	\$10,427,431	\$13,768,819	-24%	\$9,698,933	8%	(\$6,366,972)	\$13,275,108	\$17,941,617

* Full city sales tax amount to be recorded in General Fund and subsidy to Wastewater Enterprise Fund to be recorded as a transfer in FY17.

** Operating reserve is 50% of operating expenditures.

*** \$500,000 higher debt service in FY18 and FY19, \$300,000 reserved to adjust for ongoing debt service levels of \$1M for FY20 and after.

FUND SUMMARIES - continued

Fund Summary Comparison - Streets Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Streets Fund - Beginning Fund Balance	\$378,138	\$115,000	229%	\$376,678	0%	\$261,678	\$2,651	\$2,651
Streets Fund - Revenues								
Intergovernmental	\$799,000	\$782,238	2%	\$897,406	-11%	\$115,168	\$857,363	\$780,913
Other Revenues	\$0	\$0	N/A	\$5,588	-100%	\$5,588	\$4,736	\$0
Total Streets Fund Revenues	\$799,000	\$782,238	2%	\$902,994	-12%	\$120,756	\$862,099	\$780,913
Streets Fund - Expenditures								
Administration	\$0	\$123,320	-100%	\$90,225	-100%	\$33,095	\$146,094	\$130,895
Road & Drainage Rehab	\$1,150,000	\$796,774	44%	\$685,080	68%	\$111,694	\$67,601	\$1,279,869
Right-of-Way Maintenance	\$0	\$313,582	-100%	\$242,731	-100%	\$70,851	\$167,882	\$271,196
Traffic Signals	\$0	\$171,013	-100%	\$108,191	-100%	\$62,822	\$106,496	\$117,380
Total Streets Fund Expenditures	\$1,150,000	\$1,404,689	-18%	\$1,126,227	2%	\$278,462	\$488,072	\$1,799,340
Streets Fund - Other Financing Sources (Uses)								
Transfers from Other Funds	\$351,000	\$506,500	-31%	\$506,500	-31%	\$0	\$0	\$1,018,427
Total Streets Fund Other Financing Sources (Uses)	\$351,000	\$506,500	-31%	\$506,500	-31%	\$0	\$0	\$1,018,427
Streets Fund - Ending Fund Balances								
Restricted Reserve*	\$378,138	(\$951)	-39862%	\$659,946	-43%	\$660,897	\$376,678	\$2,651
Remaining Available Fund Balance	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$0
Total Streets Fund Ending Fund Balances	\$378,138	(\$951)	-39862%	\$659,946	-43%	\$103,973	\$376,678	\$2,651

* Restricted is minimum of 10% and maximum of 50% of budgeted expenditures.

FUND SUMMARIES - continued

Fund Summary Comparison - Grants & Donations Funds

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Grants & Donations Funds - Beginning Fund Balance	\$164,184	\$7,249	2165%	\$190,382	-14%	\$183,133	\$142,167	\$175,151
Grants & Donations Funds - Revenues								
Intergovernmental	\$80,000	\$382,000	-79%	\$46,800	71%	(\$335,200)	\$197,232	\$41,254
Other Revenues	\$40,500	\$280,500	-86%	\$27,460	47%	(\$253,040)	\$49,871	\$27,115
Contingent Grants/Donations	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Total Grants & Donations Funds Revenues	\$420,500	\$662,500	-37%	\$74,260	466%	(\$588,240)	\$247,103	\$68,369
Grants & Donations Funds - Expenditures								
General Government	\$0	\$175,000	-100%	\$11,000	-100%	\$164,000	\$0	\$6,425
Public Safety	\$0	\$247,000	-100%	\$76,878	-100%	\$170,122	\$141,801	\$41,655
Culture & Recreation	\$70,500	\$247,749	-72%	\$28,232	150%	\$219,517	\$55,072	\$47,074
Capital Improvement Projects	\$50,000	\$0	∞	\$0	∞	\$0	\$2,015	\$6,199
Contingency	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Total Grants & Donations Funds Expenditures	\$420,500	\$669,749	-37%	\$116,110	262%	\$553,639	\$198,887	\$101,353
Grants & Donations Funds - Other Financing Sources (Uses)								
Transfers from Other Funds	\$0	\$9,777	-100%	\$9,777	-100%	(\$0)	\$0	\$0
Total Grants & Donations Funds Other Financing Sources (Uses)	\$0	\$9,777	-100%	\$9,777	-100%	(\$0)	\$0	\$0
Grants & Donations Funds - Ending Fund Balances	\$164,184	\$9,777	1579%	\$158,309	4%	\$148,532	\$190,382	\$142,167

FUND SUMMARIES - continued

Fund Summary Comparison - Development Impact Fees Funds

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Development Impact Fees Funds - Beginning Fund Balance	\$2,727,228	\$3,132,870	-13%	\$3,089,520	-12%	(\$43,350)	\$3,115,946	\$3,548,809
Development Impact Fees Funds - Revenues								
Development Impact Fees	\$191,000	\$190,800	0%	\$231,772	-18%	\$40,972	\$216,039	\$450,798
Other Revenues	\$10,000	\$28,000	-64%	\$49,725	-80%	\$21,725	\$24,522	\$44,864
Total Development Impact Fees Funds Revenues	\$201,000	\$218,800	-8%	\$281,497	-29%	\$62,697	\$240,561	\$495,662
Development Impact Fees Funds - Expenditures								
General Government	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Capital Improvement Projects	\$2,513,860	\$3,094,170	-19%	\$627,829	300%	\$2,466,341	\$247,614	\$928,525
Debt Service	\$0	\$0	N/A	\$19,177	-100%	(\$19,177)	\$19,373	\$0
Total Development Impact Fees Funds Expenditures	\$2,543,860	\$3,094,170	-18%	\$647,006	293%	\$2,447,164	\$266,987	\$928,525
Development Impact Fees Funds - Other Financing Sources (Uses)								
Transfers to Other Funds	(\$3,260)	\$0	∞	\$0	∞	\$0	\$0	\$0
Total Dev. Impact Fees Funds Other Financing Sources (Uses)	(\$3,260)	\$0	∞	\$0	∞	\$0	\$0	\$0
Development Impact Fees Funds - Ending Fund Balances	\$381,108	\$257,500	48%	\$2,724,011	-86%	\$2,466,511	\$3,089,520	\$3,115,946

FUND SUMMARIES - continued

Fund Summary Comparison - Capital Improvements Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Capital Improvements Fund - Beginning Fund Balance	\$6,053,968	\$3,192,226	90%	\$8,015,570	-24%	\$4,823,344	\$2,422,439	\$5,901,724
Capital Improvements Fund - Revenues								
Intergovernmental	\$665,976	\$750,000	-11%	\$740,993	-10%	(\$9,007)	\$1,101,022	\$889,550
Other Revenues	\$300,000	\$826,667	-64%	\$262,740	14%	(\$563,927)	\$137,098	\$116,625
Total Capital Improvements Fund Revenues	\$965,976	\$1,576,667	-39%	\$1,003,733	-4%	(\$572,934)	\$1,238,120	\$1,006,174
Capital Improvements Fund - Expenditures								
Capital Improvement Projects	\$3,312,786	\$4,531,893	-27%	\$4,045,969	-18%	\$485,924	\$3,358,492	\$3,348,961
Total Capital Improvements Fund Expenditures	\$3,312,786	\$4,531,893	-27%	\$4,045,969	-18%	\$485,924	\$3,358,492	\$3,348,961
Capital Improvements Fund - Other Financing Sources (Uses)								
Transfers from Other Funds	\$8,569,787	\$0	∞	\$6,884,446	24%	\$6,884,446	\$7,834,370	\$0
Transfers to Other Funds	(\$26,750)	(\$237,000)	-89%	(\$30,537)	-12%	\$206,463	(\$120,868)	(\$1,136,498)
Total Capital Improvements Fund Other Financing Sources (Uses)	\$8,543,037	(\$237,000)	-3705%	\$6,853,909	25%	\$7,090,909	\$7,713,503	(\$1,136,498)
Capital Improvements Fund - Ending Fund Balances	\$12,250,195	\$0	∞	\$11,827,244	4%	\$11,827,244	\$8,015,570	\$2,422,439

FUND SUMMARIES - continued

Fund Summary Comparison - Art in Public Places Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Art in Public Places Fund - Beginning Fund Balance	\$63,048	\$0	∞	\$55,427	14%	\$55,427	\$66,607	\$47,060
Art in Public Places Fund - Revenues								
Other Revenues	\$11,849	\$125	9379%	\$204	5719%	\$79	\$161	\$249
Total Art in Public Places Fund Revenues	\$11,849	\$125	9379%	\$204	5719%	\$79	\$161	\$249
Art in Public Places Fund - Expenditures								
Capital Improvement Projects	\$0	\$32,500	-100%	\$32,500	-100%	\$0	\$43,975	\$11,255
Total Art in Public Places Fund Expenditures	\$0	\$32,500	-100%	\$32,500	-100%	\$0	\$43,975	\$11,255
Art in Public Places Fund - Other Financing Sources (Uses)								
Transfers from Other Funds	\$30,010	\$41,000	-27%	\$30,537	-2%	(\$10,463)	\$32,633	\$30,553
Total Art in Public Places Fund Other Financing Sources (Uses)	\$30,010	\$41,000	-27%	\$30,537	-2%	(\$10,463)	\$32,633	\$30,553
Art in Public Places Fund - Ending Fund Balances	\$104,907	\$8,625	1116%	\$53,667	95%	\$45,042	\$55,427	\$66,607

FUND SUMMARIES - continued

Fund Summary Comparison - Wastewater Enterprise Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Wastewater Enterprise Fund - Beginning Fund Balance	\$14,792,117	\$17,491,500	-15%	\$16,938,579	-13%	(\$552,921)	\$17,964,947	\$17,337,597
Wastewater Enterprise Fund - Revenues								
Charges for Services	\$5,880,844	\$5,930,600	-1%	\$5,611,150	5%	(\$319,450)	\$5,431,395	\$5,306,482
Fines and Forfeitures	\$88,420	\$109,150	-19%	\$76,287	16%	(\$32,863)	\$76,140	\$101,486
Capacity Fees	\$275,000	\$275,000	0%	\$541,045	-49%	\$266,045	\$533,054	\$484,100
Other Revenues	\$159,600	\$159,600	0%	\$300,759	-47%	\$141,159	\$75,593	\$157,972
Total Wastewater Enterprise Fund Revenues	\$6,403,864	\$6,474,350	-1%	\$6,529,241	-2%	\$54,891	\$6,116,182	\$6,050,040
Wastewater Enterprise Fund - Expenditures								
Wastewater Administration	\$264,764	\$376,868	-30%	\$374,176	-29%	\$2,692	\$465,345	\$369,906
Wastewater Operations	\$2,611,224	\$2,589,148	1%	\$2,291,483	14%	\$297,665	\$2,146,698	\$2,079,942
Utility Billing	\$347,580	\$419,599	-17%	\$415,208	-16%	\$4,391	\$402,928	\$387,647
Departmental Allocations	\$435,961	\$285,847	53%	\$301,864	44%	(\$16,017)	\$231,781	\$178,840
Capital Projects	\$3,193,790	\$8,298,545	-62%	\$5,572,489	-43%	\$2,726,056	\$2,613,777	\$1,140,240
Debt Service	\$5,151,325	\$5,413,325	-5%	\$5,412,246	-5%	\$1,079	\$5,317,839	\$5,728,387
Contingencies	\$100,000	\$75,940	32%	\$0	∞	\$75,940	\$0	\$0
Total Wastewater Enterprise Fund Expenditures	\$12,104,644	\$17,459,272	-31%	\$14,367,467	-16%	\$3,091,805	\$11,178,369	\$9,884,961

FUND SUMMARIES - continued

Fund Summary Comparison - Wastewater Enterprise Fund

	FY17 Projected	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. over/ (under) budget	FY15 Actuals	FY14 Actuals
Wastewater Enterprise Fund - Other Financing Sources (Uses)								
City Sales Taxes*	\$0	\$4,109,000	-100%	\$4,497,550	-100%	\$388,550	\$4,024,053	\$4,478,074
Transfers from Other Funds	\$3,881,668	\$0	∞	\$0	∞	\$0	\$0	\$0
Transfers to Other Funds	\$0	(\$90,000)	-100%	\$0	N/A	\$90,000	(\$88,235)	(\$83,627)
Refunding Bonds Issued	\$0	\$0	N/A	\$0	N/A	\$0	\$10,390,000	\$7,905,301
Payment to Refunded Bond Escrow Agent	\$0	\$0	N/A	\$0	N/A	\$0	(\$10,290,000)	(\$7,837,477)
Total Wastewater Enterprise Fund Other Financing Sources	\$3,881,668	\$4,019,000	-3%	\$4,497,550	-14%	\$478,550	\$4,035,819	\$4,462,272
Wastewater Enterprise Fund - Ending Fund Balances								
Operating Reserve**	\$1,139,937			\$4,015,316				
Debt Service Reserve***	\$4,870,195			\$4,637,253				
Remaining Available Fund Balance	\$6,962,873			\$4,945,335				
Total Wastewater Enterprise Fund Total Ending Fund Balances	\$12,973,005	\$10,525,578	23%	\$13,597,904	-5%	(\$3,111,285)	\$16,938,579	\$17,964,947

* Full city sales tax amount to be recorded in General Fund and subsidy to Wastewater Enterprise Fund to be recorded as a transfer in FY17.

** Operating reserve is 33.3% of operating expenditures.

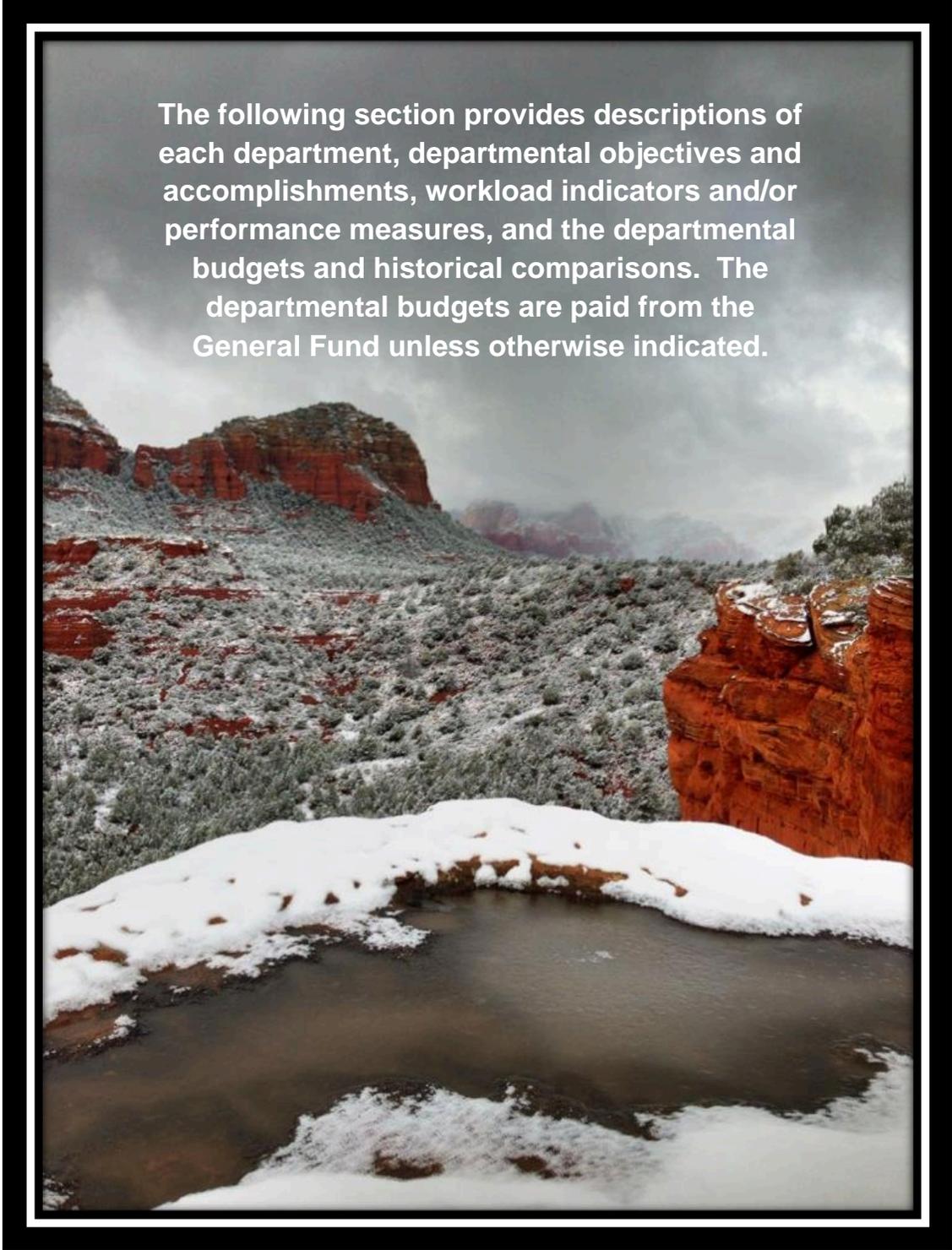
*** Debt service reserve represents average annual debt service.



Departmental Budgets

DEPARTMENTAL BUDGETS

The following section provides descriptions of each department, departmental objectives and accomplishments, workload indicators and/or performance measures, and the departmental budgets and historical comparisons. The departmental budgets are paid from the General Fund unless otherwise indicated.



CITY COUNCIL

Program Expenditures: \$78,585
Personnel Costs: \$48,210 (61%)
Supplies & Services: \$30,375 (39%)
Employee Time Allocation: 7.00 FTEs

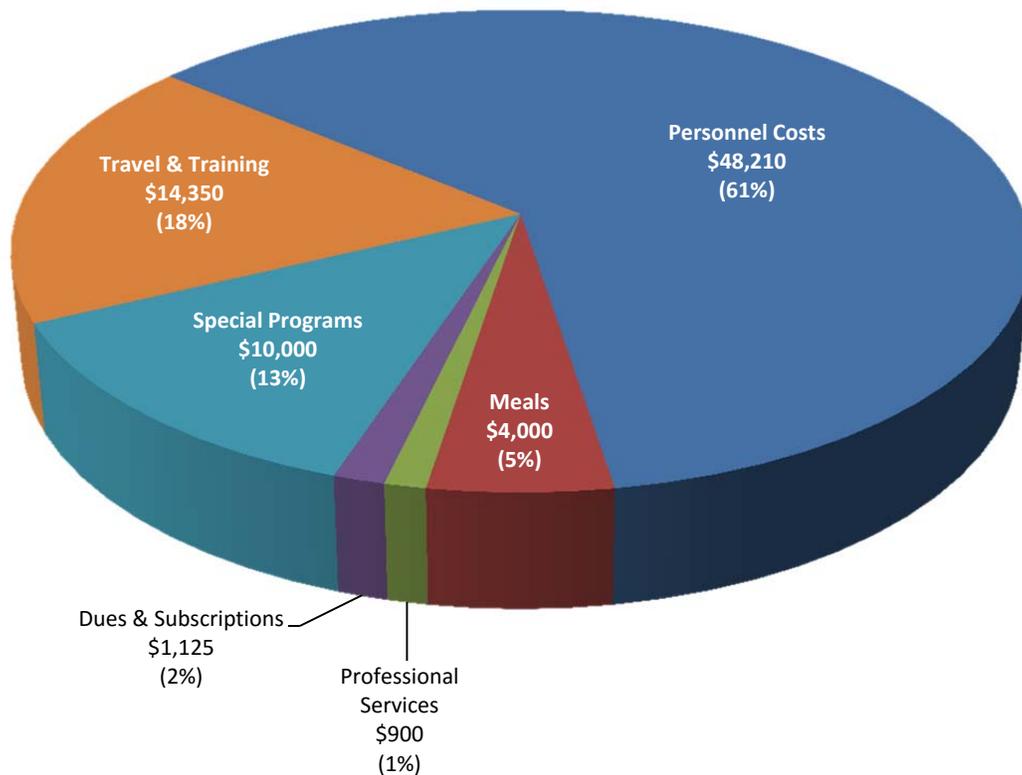
Mission Statement

To encourage partnering to maximize resources and opportunities in sustaining Sedona’s vibrant economy, which includes an interdependence of residents, visitors, and surrounding communities. The City Council, Boards and Commissions, staff, and volunteers partner in being responsive to the needs of the community to accomplish the City’s mission.

Description

The Mayor and City Councilors are elected at large and consist of seven members. The Mayor presides over the City Council meetings. The City Council is mostly responsible for policies and appoints a City Manager who is responsible for the day-to-day operations of the City.

FY 2017 Expenditures



CITY COUNCIL - continued

FY 16 Accomplishments

- Approved a balanced budget.
- Approved a Human Rights Ordinance.
- Approved a Street Performers Program.
- Approved a contract for construction of the Bike Skills Park.
- Added a Moment of Art at the beginning of the first City Council meeting each month.
- Continued accelerated improvements to storm water drainage system.
- Hosted the 6th Annual Citizens Academy.
- Continued outreach through social media (Facebook and Twitter) and enhancements to the City's website.
- Approved refinancing of the City's Series 2007 general fund debt resulting in gross savings of more than \$1,100,000.
- Approved a Household Hazardous Materials Disposal event.

FY 17 Objectives

- Continue to work toward achievements within the Council's top priorities.
- Mitigation of traffic and parking issues in Sedona.
- Accelerated storm water management.
- Complete construction of Barbara Antonsen Memorial Park.
- Continue efforts at outreach through social media, website, written reports, and other means.
- Citywide Wireless Master Plan.
- Assess the feasibility of franchising trash hauling and recycling services.
- Implement Economic Development Plan.
- Citywide Cultural and Arts Plan.
- Soldiers Pass, Western Gateway, and Schnebly Hill Community Facilities Districts.
- Brewer Road Master Plan.
- Comprehensive, Citywide, Multi-modal Transportation Study.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
City council communications reviewed	154	170	160
Public meetings held	67	74	70
Rating of Sedona as a Place to Live	N/A	N/A	N/A
Approval of the City's overall direction	N/A	N/A	N/A

CITY COUNCIL - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5210-01 - Administration	\$78,585	\$77,543	1%	\$63,123	24%	\$14,420	\$66,995	\$53,561
General Fund Total	\$78,585	\$77,543	1%	\$63,123	24%	\$14,420	\$66,995	\$53,561

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5210-01 - Administration									
Personnel	\$48,210	\$48,418	0%	\$46,121	5%	\$2,297	\$44,382	\$43,992	Budget Decrease: Reduction in workers compensation rates
Supplies & Services	\$30,375	\$29,125	4%	\$17,002	79%	\$12,123	\$22,613	\$9,569	Current Year Under Budget: One councillor declined salary increase
									Budget Increase: Increase in professional services for election year (\$750), correction of AZ Forward dues (\$500)
Administration Total	\$78,585	\$77,543	1%	\$63,123	24%	\$14,420	\$66,995	\$53,561	Current Year Under Budget: Savings in travel & training and special activities
General Fund Total	\$78,585	\$77,543	1%	\$63,123	24%	\$14,420	\$66,995	\$53,561	

Positions/Allocations Summaries

Position	FTE	Org Unit	Org Description	FTE
Councillor	6.00	General Fund		
Mayor	1.00			
Total	7.00	10-5210-01	Administration	7.00
		General Fund Total		7.00

CITY MANAGER'S OFFICE

Mission Statement

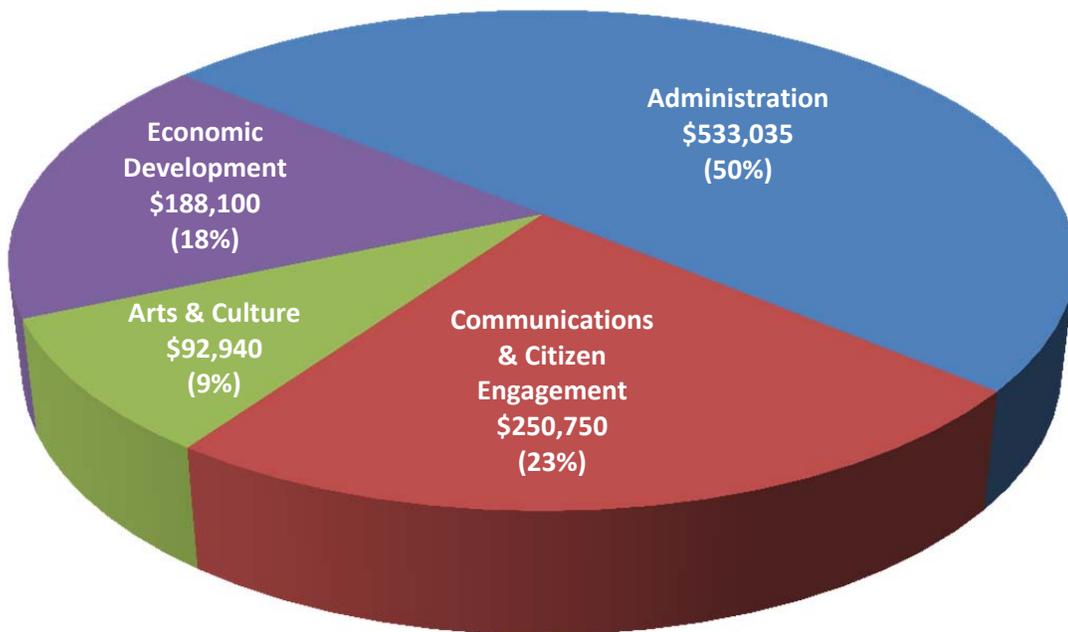
To assist departments and City Council in meeting performance goals by fostering an organizational environment that encourages a commitment to teamwork and delivery of quality municipal services to internal and external customers.

Description

The City Manager's Office is responsible for the following program areas:

- Administration
- Communications & Citizen Engagement
- Arts & Culture
- Economic Development

FY 2017 PROGRAM EXPENDITURES: \$1,064,825



CITY MANAGER'S OFFICE - Administration

Program Expenditures: \$533,035
Personnel Costs: \$485,740 (91%)
Supplies & Services: \$ 47,295 (9%)
Employee Time Allocation: 3.19 FTEs

General Fund Portion: \$485,085 (91%)
Wastewater Fund Portion: \$ 47,950 (9%)

The Administration program consists of the City Manager and Assistant City Manager, who are responsible for the implementation of City Council policy and work plans and directing all department head positions.

A portion of the Administration program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Oversaw and/or directly led 24 City Council Priorities.
- Created and began implementation of a 3-year Economic Development Action Plan.
- Implemented a 360 degree evaluation process for management positions.
- Earned the Government Finance Officers Association *Distinguished Budget Presentation Award* for the third year in a row for the FY 2016 budget document.

FY 17 Objectives

- Work with consultants and community stakeholders to complete a comprehensive traffic and circulation study.
- Work with merchants and other stakeholders to implement paid parking on Main Street in Uptown.
- Lead a Citizen Work Group to look at long-term capital needs and funding options.
- Develop a request for proposals (RFP) to evaluate the feasibility of selecting a single trash hauler.
- Develop a City-Wide Wireless Master Plan.
- Continue to develop and implement strategies to mitigate traffic and parking issues in Uptown.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
City Council agenda bill items reviewed	220	220	200
Total number of adopted Council Priorities	25	29	30
Percent of City Council annual priority goals completed by the established deadlines	80%	80%	80%
Citizen favorability rating: quality of all government services	N/A	N/A	N/A
Percent of citizens satisfied with the value received for tax dollars	N/A	N/A	N/A
Employee favorability rating: job satisfaction	N/A	N/A	N/A

CITY MANAGER'S OFFICE - Communications & Citizen Engagement

Program Expenditures: \$250,750
Personnel Costs: \$192,350 (77%)
Supplies & Services: \$ 58,400 (23%)
Employee Time Allocation: 1.88 FTEs

The Communications and Citizen Engagement program is responsible for keeping Sedona citizens informed and involved. Program areas and services include the Citizen Engagement Program, annual reports and newsletters, media relations, and social media activities.

FY 16 Accomplishments

- Citizen Engagement Program (CEP) received a national award through the International City/County Management Association (ICMA) in the Strategic Leadership and Governance.
- Revised Social Media Policy and increased communications efforts through enhanced use of social media.
- Produced a 2015 Annual Community Report and a Community Connection newsletter, which were mailed to residents and posted on the City's website.
- Held the 2016 Citizens Academy with 18 participants.
- Coordinated the "For the Love of Sedona" event presented by author Peter Kageyama.

FY 17 Objectives

- Continue to offer meaningful work group opportunities for citizens.
- Continue to develop online polling tool "Engage Sedona" and promote its use community-wide.
- Increase community engagement of all ages, from teens to seniors.
- Coordinate and participate in the 2017 Citizens Academy.
- Host a volunteer luncheon and awards program for CEP participants and other volunteers.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
News releases issued and/or media pitches made	120	150	175
Number of citizens participating in City work groups	80	N/A	N/A
New citizen workgroups created	N/A	N/A	N/A
Number of active work groups	13	10	10
Participants rating their work group experience as good or excellent	N/A	N/A	N/A
Participants rating the Citizen's Academy as good or excellent	N/A	N/A	N/A
Citizen Connect requests resolved by target date	N/A	N/A	N/A
Total followers on social media (Facebook, Twitter, Instagram)	N/A	N/A	N/A
Citizen satisfaction with how the City keeps the public informed	N/A	N/A	N/A

CITY MANAGER'S OFFICE - Arts & Culture

Program Expenditures:	\$92,940
Personnel Costs:	\$69,940 (75%)
Supplies & Services:	\$23,000 (25%)
Employee Time Allocation:	0.75 FTEs

Being a city animated by the arts, the Arts & Culture program supports and facilitates numerous quality programs that generate creative growth for our community. This division is responsible for overlooking seven major areas: Art in Public Places, Art in Private Development, the City Hall Art Rotation Program, the Artist in the Classroom Program, the Street Performers Program, the Mayor's Arts Awards, and the monthly Moment of Art presentations to City Council.

FY 16 Accomplishments

- Installed the art piece "The Open Gate" by Reagan Word at the Schnebly Hill Road roundabout.
- Introduced artist receptions for all Art Rotation artists.
- Completed a Citywide Cultural and Arts Plan based on the Sedona Community Plan.
- Implemented the Street Performance Pilot Program in Uptown Sedona.
- Formed work groups completing a series of Arts & Culture Initiatives.
- Implemented the "Moment of Art" at the first Council meeting of every month.
- Expanded the City Hall Art Rotation to the Community Development conference room.
- Strengthened the Artist in the Classroom program by securing thirty diverse and seasoned artists.

FY 17 Objectives

- Launch a new Celebration of the Arts Festival.
- Host the Mayor's Arts Award event.
- Coordinate and oversee the newly initiated City mural projects at the wastewater plant and court offices.
- Increase artist assignments through the Artist in the Classroom program.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Artist in the Classroom # of assignments per year	28	35	40
City Hall Art Rotation Program # of artists exhibited per year	12	12	12
Moment of Art for City Council # of months artists performed	3	12	12
Arts & Culture Press Releases + artist assignments to cover	41	48	53
# of Arts & Culture Work Groups + Listening Sessions	3	3	3
Artist in the Classroom # of students reached	1,555	1,906+	2,500
City Hall Art Rotation Program # of appointments plus # of attendees for Artist Receptions	30 showings	50+ showings	60+ showings
Moment of Art for City Council # of artists receiving positive feedback	3	6	8
Arts & Culture Work Groups + Listening Sessions total participants in work groups	55	55	60

CITY MANAGER'S OFFICE - Economic Development

Program Expenditures: **\$188,100**
Personnel Costs: **\$160,800 (85%)**
Supplies & Services: **\$ 27,300 (15%)**
Employee Time Allocation: **1.00 FTE**

The intent of the Economic Development program is to diversify Sedona's economy consistent with the Community Plan. The program will focus on services and programs that foster entrepreneurship, leveraging existing public and private resources at the local, regional, and state level whenever possible.

FY 16 Accomplishments

- Developed an Economic Stability and Vitality Work Program and Action Plan.
- Recruited new Economic Development Director position.

FY 17 Objectives

- Develop comprehensive inventory of existing services and gaps for later planning exercises.
- Establish master inventory of key data.
- Create a concise report capturing key data.
- Establish clear understanding of agency roles, responsibilities, and resources.
- Develop Economic Development Strategic Plan.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Business contacts made	N/A	N/A	N/A
Establishment of positive rapport with internal departments and external agency representatives as measured by 360 evaluations	N/A	N/A	N/A
Number of business engaged in services offered	N/A	N/A	N/A
Number of jobs resulting from businesses served	N/A	N/A	N/A
Business assistance funding secured from external sources	N/A	N/A	N/A
Business assistance funding awarded and/or invested	N/A	N/A	N/A

CITY MANAGER'S OFFICE - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5220-01 - Administration	\$485,085	\$854,638	-43%	\$745,235	-35%	\$109,404	\$704,983	\$696,483
10-5220-03 - Communications/Citizen Engagement	\$250,750	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5220-41 - Arts & Culture	\$92,940	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5220-76 - Economic Development	\$188,100	\$0	∞	\$0	∞	\$0	\$0	\$0
General Fund Total	\$1,016,875	\$854,638	19%	\$745,235	36%	\$109,404	\$704,983	\$696,483
Wastewater Fund								
59-5220-01 - Administration	\$47,950	\$0	∞	\$0	∞	\$0	\$0	\$0
Wastewater Fund Total	\$47,950	\$0	∞	\$0	∞	\$0	\$0	\$0
GRAND TOTALS								
Administration	\$533,035	\$854,638	-38%	\$745,235	-28%	\$109,404	\$704,983	\$696,483
Communications/Citizen Engagement	\$250,750	\$0	∞	\$0	∞	\$0	\$0	\$0
Arts & Culture	\$92,940	\$0	∞	\$0	∞	\$0	\$0	\$0
Economic Development	\$188,100	\$0	∞	\$0	∞	\$0	\$0	\$0
Grand Totals	\$1,064,825	\$854,638	25%	\$745,235	43%	\$109,404	\$704,983	\$696,483

CITY MANAGER'S OFFICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5220-01 - Administration									
Personnel	\$437,790	\$628,347	-30%	\$601,211	-27%	\$27,136	\$620,208	\$664,132	Budget Decrease: Change in allocations between programs Current Year Under Budget: Vacancy savings
Supplies & Services	\$47,295	\$226,291	-79%	\$144,024	-67%	\$82,268	\$84,776	\$32,351	Budget Decrease: Change in allocations between programs, moved wireless communications to Community Development (\$60,000), reduced Grants Coordinator contract for transition only (\$40,000), one-time trash/recycling project (\$75,000 budgeted in current year, \$20,000 remaining for next year) Current Year Under Budget: Carryovers for wireless communications (\$60,000) and trash/recycling project (\$15,000), savings in travel & training
Administration Total	\$485,085	\$854,638	-43%	\$745,235	-35%	\$109,404	\$704,983	\$696,483	
10-5220-03 - Communications/Citizen Engagement									
Personnel	\$192,350	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$58,400	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, added citizen survey (\$10,000) and public access channel/video communications (\$20,000)
Communications/Citizen Engagement Total	\$250,750	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5220-41 - Arts & Culture									
Personnel	\$69,940	\$0	∞	\$0	∞	\$0	\$0	\$0	Increase: Change in allocations between programs
Supplies & Services	\$23,000	\$0	∞	\$0	∞	\$0	\$0	\$0	Increase: Change in allocations between programs
Arts & Culture Total	\$92,940	\$0	∞	\$0	∞	\$0	\$0	\$0	

CITY MANAGER'S OFFICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5220-76 - Economic Development									
Personnel	\$160,800	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Economic Development Manager moved from Community Development, upgraded to Economic Development Director
Supplies & Services	\$27,300	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Added supplies and other costs for support of the program
Economic Development Total	\$188,100	\$0	∞	\$0	∞	\$0	\$0	\$0	
Personnel Subtotal	\$860,880	\$628,347	37%	\$601,211	43%	\$27,136	\$620,208	\$664,132	
Supplies & Services Subtotal	\$155,995	\$226,291	-31%	\$144,024	8%	\$82,268	\$84,776	\$32,351	
General Fund Total	\$1,016,875	\$854,638	19%	\$745,235	36%	\$109,404	\$704,983	\$696,483	

Wastewater Fund

59-5220-01 - Administration									
Personnel	\$47,950	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-02)
Administration Total	\$47,950	\$0	∞	\$0	∞	\$0	\$0	\$0	

Grand Totals

Personnel Total	\$908,830	\$628,347	45%	\$601,211	51%	\$27,136	\$620,208	\$664,132	
Supplies & Services Total	\$155,995	\$226,291	-31%	\$144,024	8%	\$82,268	\$84,776	\$32,351	
Grand Total	\$1,064,825	\$854,638	25%	\$745,235	43%	\$109,404	\$704,983	\$696,483	

CITY MANAGER'S OFFICE - continued

Positions/Allocations Summaries

Position	FTE
Arts and Culture Coordinator*	0.75
Assistant City Manager	1.00
Citizens Engagement Coordinator*	0.88
City Manager	1.00
Communications & Public Affairs Manager	1.00
Economic Development Director	1.00
Executive Assistant to the City Manager	1.00
Intern**	0.19
Total	6.82

Org Unit	Org Description	FTE
General Fund		
10-5220-01	Administration	2.89
10-5220-03	Communications/Citizen Engagement	1.88
10-5220-41	Arts & Culture	0.75
10-5220-76	Economic Development	1.00
General Fund Total		6.52
Wastewater Fund		
59-5230-01	Administration	0.30
Wastewater Fund Total		0.30
Grand Total		6.82

* Part-time positions
 ** Temporary position

HUMAN RESOURCES

Mission Statement

To optimize the City of Sedona's human capital by recruiting, developing, and retaining a workforce that achieves the mission and goals of the organization.

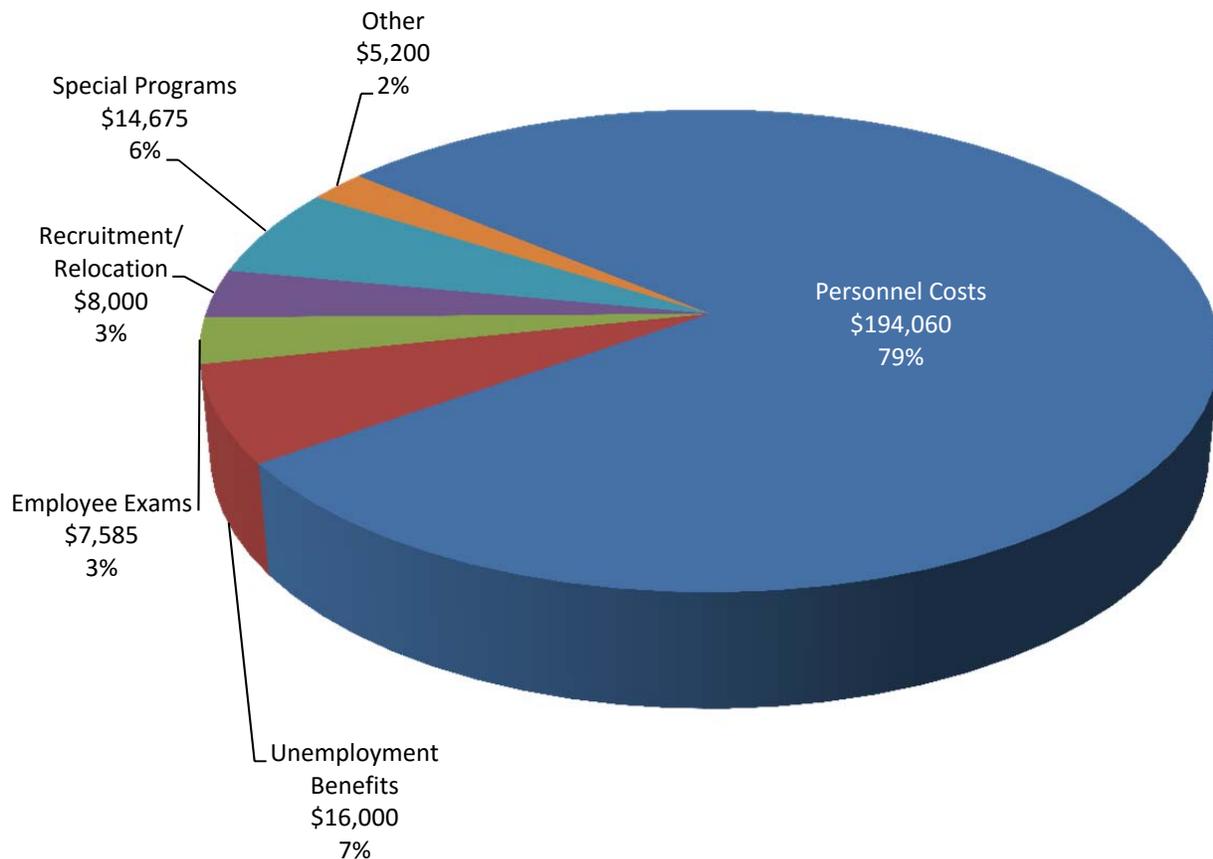
Description

The Human Resources Department provides a full range of services to regular and seasonal employees. The two-person department implements recruitment procedures, interview processes, and hiring and retention development. The department provides information regarding benefits, salary studies, working conditions and relationships, employee development, and safety training and concerns.

Human Resources oversees the Personnel Board which consists of five citizens who serve as an advisory board to the City Manager in determining that proper procedures have been followed in certain disciplinary matters.

A portion of the Human Resources Department is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 2017 Expenditures



HUMAN RESOURCES - continued

Program Expenditures: \$245,520
Personnel Costs: \$194,060 (79%)
Supplies & Services: \$ 51,460 (21%)
Employee Time Allocation: 2.00 FTEs

General Fund Portion: \$485,085 (91%)
Wastewater Fund Portion: \$ 47,950 (9%)

FY 16 Accomplishments

- Extensive recruitment efforts for a new Director of Finance and City Attorney.
- Reduced workers compensation claims by 14% or \$75,000.
- Partnered with our risk management provider to increase safety awareness.
- Implemented an innovative and inexpensive online recruitment processes.
- Increased visits to the departments for further employee engagement.
- Organized the Employee Wellness Fair at City Hall with new vendors and organizations.
- Worked closely with supervisors to maintain updated job descriptions and restructured department positions.
- Organized an interactive and educational personality True Colors training for all City staff.

FY 17 Objectives

- Improve and simplify the employee evaluation process with restructured and abridged forms.
- Implement and employee recognition programs such as birthday and anniversary acknowledgements.
- Provide new quality in-house training opportunities.
- Reduce the workers compensation experience modifier (e-mod) rating with additional safety awareness.
- Outreach to peer organizations in order to maintain a strong network of local knowledge, wisdom, and assistance.
- Commit to excellence in public service and a vision of the Human Resources role in shaping the culture of the organization.
- Research compensation, benefits, and industry best practices.
- Provide an enjoyable workplace of openness, teamwork, equality, fairness, and continual productivity.

WORKLOAD INDICATORS	FY 15 Actual	FY 16 Estimate	FY 17 Target
Job postings	50	26	25
Job applications received	650	330	500
Job interviews conducted	185	156	150
New hires	60	28	25
On-the-job injuries processed	11	1	1

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Jobs posted with 24-48 hours of resignation or termination	100%	95%	100%
Email & phone call responsiveness within 12-24 hour business day	Yes	Yes	Yes

HUMAN RESOURCES - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	
General Fund									
10-5221-01 - Administration	\$226,080	\$218,049	4%	\$217,867	4%	\$182	\$191,432	\$178,106	
General Fund Total	\$226,080	\$218,049	4%	\$217,867	4%	\$182	\$191,432	\$178,106	
Wastewater Fund									
59-5221-01 - Administration	\$19,440	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$19,440	\$0	∞	\$0	∞	\$0	\$0	\$0	
GRAND TOTALS									
Administration	\$245,520	\$218,049	13%	\$217,867	13%	\$182	\$191,432	\$178,106	
Grand Totals	\$245,520	\$218,049	13%	\$217,867	13%	\$182	\$191,432	\$178,106	

HUMAN RESOURCES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
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General Fund

10-5221-01 - Administration

Personnel	\$174,620	\$172,164	1%	\$171,886	2%	\$278	\$165,577	\$153,932	
Supplies & Services	\$51,460	\$45,885	12%	\$45,981	12%	(\$96)	\$25,855	\$24,174	Budget Increase: Increase in medical exam costs (\$689), reprogrammed unemployment savings to special programs (\$2,000), Council increase to volunteer appreciation luncheon (\$5,000) Current Year Over Budget: Employee appreciation and bereavement gifts exceeded budgeted expectations - to be covered by savings in Personnel
Administration Total	\$226,080	\$218,049	4%	\$217,867	4%	\$182	\$191,432	\$178,106	
General Fund Total	\$226,080	\$218,049	4%	\$217,867	4%	\$182	\$191,432	\$178,106	

Wastewater Fund

59-5221-01 - Administration

Personnel	\$19,440	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-02)
Administration Total	\$19,440	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$19,440	\$0	∞	\$0	∞	\$0	\$0	\$0	

Grand Totals

Personnel Total	\$194,060	\$172,164	13%	\$171,886	13%	\$278	\$165,577	\$153,932	
Supplies & Services Total	\$51,460	\$45,885	12%	\$45,981	12%	(\$96)	\$25,855	\$24,174	
Grand Total	\$245,520	\$218,049	13%	\$217,867	13%	\$182	\$191,432	\$178,106	

HUMAN RESOURCES - continued

Positions/Allocations Summaries

Position	FTE
Human Resources Manager	1.00
Human Resources Specialist	1.00
Total	2.00

Org Unit	Org Description	FTE
General Fund		
10-5221-01	Administration	1.80
General Fund Total		1.80
Wastewater Fund		
59-5221-01	Administration	0.20
Wastewater Fund Total		0.20
Grand Total		2.00

FINANCIAL SERVICES

Mission Statement

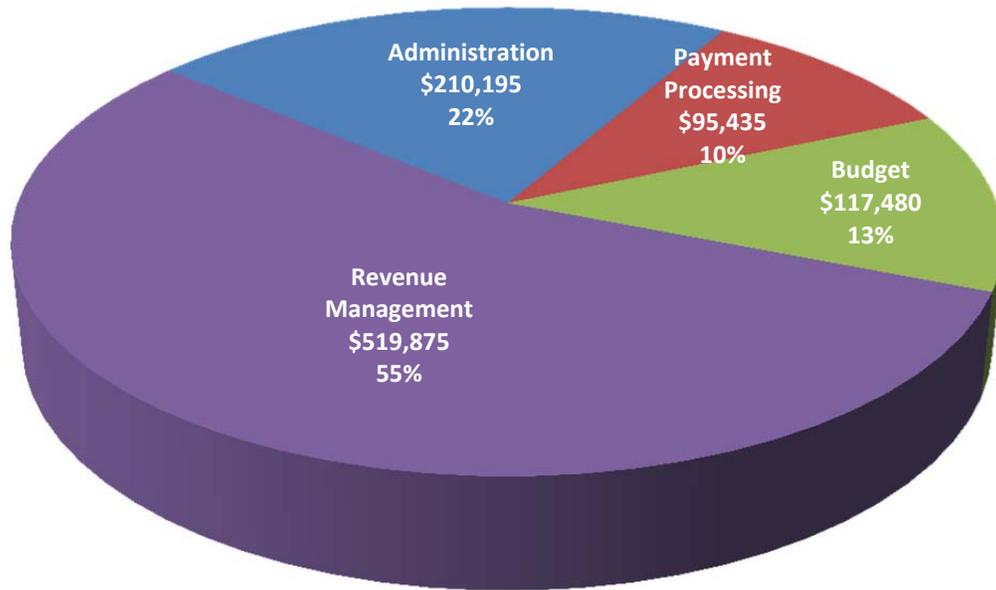
Dedicated to providing thoughtful, accurate, and timely financial services to all.

Description

The Financial Services Department is responsible for the following program areas:

- Administration
- Payment Processing
- Budget
- Revenue Management

FY 2017 PROGRAM EXPENDITURES: \$942,985



FINANCIAL SERVICES - Administration

Program Expenditures: **\$210,195**
Personnel Costs: **\$148,920 (71%)**
Supplies & Services: **\$ 61,275 (29%)**
Employee Time Allocation: **1.43 FTEs**

General Fund Portion: **\$185,015 (88%)**
Wastewater Fund Portion: **\$ 25,180 (12%)**

The Administration program is responsible for the supervision of the Financial Services Department as well as financial reporting, debt management, and treasury services. A portion of the Administration program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Received the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for FY 2015 – the 17th year the City has received this award.
- Hired a new Director of Financial Services and Accounting Supervisor.
- Defined a new mission statement for the Department.
- Refinanced the Series 2007 bonds, creating a present value savings of almost \$992,000.
- Completed the capital asset physical inventory.
- Issued a Request for Proposals for audit services and selected our next auditors.

FY 17 Objectives

- Obtain the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for FY 2016.
- Close each month within five business days after all revenue accrual documents are received.
- Prepare monthly financial reports within ten business days after all revenue accrual documents are received.
- Complete all account reconciliations in a timely manner.
- Implement a grants management program.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
GFOA Certificate of Achievement in Financial Reporting	Yes	Yes	Yes
Close each month within five business days after all revenue accrual documents are received	N/A	N/A	Yes
Prepare monthly financial reports within ten business days after all revenue accrual documents are received	N/A	N/A	Yes

FINANCIAL SERVICES - Payment Processing

Program Expenditures: \$95,435
Personnel Costs: \$94,600 (99%)
Supplies & Services: \$ 835 (1%)
Employee Time Allocation: 1.85 FTEs

General Fund Portion: \$86,855 (91%)
Wastewater Fund Portion: \$ 8,580 (9%)

The Payment Processing program includes payroll and accounts payable processing as well as oversight of the City's decentralized purchasing process. A portion of the Payment Processing program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

The payroll section is responsible for paying all employees and payroll-related vendors and ensuring that these transactions are accurately posted in the general ledger. The section also works closely with the City's Human Resources Department for employee benefit administration.

The accounts payable/purchasing section is responsible for paying all vendors and issuing all payments and ensuring that all payments are properly recorded in the general ledger. The section is also responsible for reviewing purchase orders (POs) and procurements as well as participate in Citywide procurement policy development.

FY 16 Accomplishments:

- Performed an internal control and workflow efficiencies analysis and identified necessary improvements.
- Changed how purchasing card (p-card) transactions post to the general ledger, thus improving transparency.
- Streamlined the process for reporting employee contributions to the Arizona Public Safety Personnel Retirement System.

FY 17 Objectives

- Purge on-site and off-site storage in accordance with retention policies and procedures.
- Implement identified improvements to internal controls and workflow efficiencies.
- Update the Purchasing Manual to improve internal controls.
- Ensure that all purchase orders and bids have followed the purchasing policy.
- Reduce the number of paper checks by expanding ACH and employee direct deposit as well as purchasing card transactions.
- Ensure that auto-pay batches are posted to the general ledger within five days of receiving all required supporting documentation.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Average days from invoice receipt to payment	N/A	N/A	<30
Number of purchases requiring a PO that did not have one	N/A	N/A	-0-
Number of eligible p-card transactions paid with a check	N/A	N/A	-0-
Percent of payments processed with p-card or ACH	N/A	N/A	50%
Percent of employees signed up for direct deposit	N/A	N/A	90%



FINANCIAL SERVICES - Budget

Program Expenditures: \$117,480
Personnel Costs: \$113,210 (96%)
Supplies & Services: \$ 4,270 (4%)
Employee Time Allocation: 1.47 FTEs

General Fund Portion: \$ 92,300 (79%)
Wastewater Fund Portion: \$ 25,180 (21%)

The Budget program includes responsibilities for the development and monitoring of the City’s annual operating budget, capital improvement budget, and the budgets of the City’s two community facilities districts. This program is also responsible for development of revenue projections and the City’s long-term forecast, assisting other departments with development and monitoring of performance measures.

A portion of the Budget program is allocated to the Wastewater Enterprise Fund and represents the Fund’s share of the cost for support services.

FY 16 Accomplishments

- Obtained the GFOA’s Distinguished Budget Presentation Award for FY 2016 Budget – the third year the City has received the award.
- Restructured the City general ledger accounts and the annual budget document for the first phase of the City’s program budgeting implementation.

FY 17 Objectives

- Obtain the GFOA’s Distinguished Budget Presentation Award for the FY 2017 Budget.
- Hire a Budget Analyst and develop the expectations for the position.
- Continue with the second phase of the City’s program budgeting implementation including additional focus on performance measures and development of an indirect cost allocation plan.
- Participate in a new committee to analyze and develop long-term funding policies for capital improvements.
- Participate in a new committee for review of revenue projections.
- Prepare quarterly capital improvement project status reports to be included with the monthly financial reports.
- Monitors the budget status throughout the year.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
GFOA Distinguished Budget Presentation Award	Yes	Yes	Yes
Prepare quarterly capital improvement project status reports	N/A	N/A	Yes

FINANCIAL SERVICES - Revenue Management

Program Expenditures: \$519,875
Personnel Costs: \$293,510 (56%)
Supplies & Services: \$226,365 (44%)
Employee Time Allocation: 3.42 FTEs

General Fund Portion: \$485,085 (91%)
Wastewater Fund Portion: \$ 47,950 (9%)

The Revenue Management program includes responsibilities for consists of utility billing, miscellaneous accounts receivable, cash receipting, business licenses, delinquent collections, and monitoring of sales tax reporting, collections, and audits.

A portion of the Revenue Management program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Transitioned sales tax collections to the State of Arizona in accordance with new legislative requirements.
- Collected more than \$366,000 in delinquent sales taxes.
- Collected nearly \$240,000 in delinquent wastewater receivables.
- Performed an internal control and workflow efficiencies analysis and identified necessary improvements.

FY 17 Objectives

- Hire a collection agency for hard to collect accounts.
- Implement identified improvements to internal controls and workflow efficiencies.
- Establish defined collections criteria and procedures to ensure the best use of in-house collections resources.
- Increase the percentage of business license renewals received before the renewal deadline.
- Increase the percentage of customers paying their wastewater bills electronically.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Percent of business licenses processed within 30 days	N/A	N/A	100%
Percent of business license renewals processed by January 31 st	N/A	N/A	95%
Past due dollars collected per collection staff hour spent	N/A	N/A	\$50
Percent of wastewater customers paying electronically	N/A	N/A	50%

FINANCIAL SERVICES - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5222-01 - Administration	\$185,015	\$460,954	-60%	\$450,225	-59%	\$10,729	\$416,550	\$448,475
10-5222-11 - Payroll	\$47,665	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5222-12 - Payables/Purchasing	\$39,190	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5222-14 - Budget	\$92,300	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5222-88 - Revenue Management	\$172,295	\$0	∞	\$0	∞	\$0	\$0	\$0
General Fund Total	\$536,465	\$460,954	16%	\$450,225	19%	\$10,729	\$416,550	\$448,475
Wastewater Fund								
59-5222-01 - Administration	\$58,940	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5222-04 - Utility Billing	\$347,580	\$419,599	-17%	\$415,208	-16%	\$4,391	\$402,928	\$387,647
Wastewater Fund Total	\$406,520	\$419,599	-3%	\$415,208	-2%	\$4,391	\$402,928	\$387,647
GRAND TOTALS								
Administration	\$243,955	\$460,954	-47%	\$450,225	-46%	\$10,729	\$416,550	\$448,475
Payroll	\$47,665	\$0	∞	\$0	∞	\$0	\$0	\$0
Payables/Purchasing	\$39,190	\$0	∞	\$0	∞	\$0	\$0	\$0
Budget	\$92,300	\$0	∞	\$0	∞	\$0	\$0	\$0
Revenue Management	\$172,295	\$0	∞	\$0	∞	\$0	\$0	\$0
Utility Billing	\$347,580	\$419,599	-17%	\$415,208	-16%	\$4,391	\$402,928	\$387,647
Grand Totals	\$942,985	\$880,553	7%	\$865,433	9%	\$15,120	\$819,479	\$836,122

FINANCIAL SERVICES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5222-01 - Administration									
Personnel	\$123,740	\$341,829	-64%	\$315,886	-61%	\$25,943	\$323,000	\$266,749	Budget Decrease: Change in allocations between programs, includes increases for replacement staff, includes merit and COLA increases plus correction for current year budget calculation error Current Year Under Budget: Vacancy savings
Supplies & Services	\$61,275	\$119,125	-49%	\$134,339	-54%	(\$15,214)	\$93,551	\$181,726	Budget Decrease: Change in allocations between programs, moved office supplies from General Services (\$1,500), added printing costs for CAFR (\$1,500), increased financial audit costs (\$9,000) Current year Over Budget: Consultant costs for coverage during Finance vacancies - to be covered by vacancy savings
Administration Total	\$185,015	\$460,954	-60%	\$450,225	-59%	\$10,729	\$416,550	\$448,475	
10-5222-11 - Payroll									
Personnel	\$46,830	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$835	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Payroll Total	\$47,665	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5222-12 - Payables/Purchasing									
Personnel	\$39,190	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Payables/Purchasing Total	\$39,190	\$0	∞	\$0	∞	\$0	\$0	\$0	

FINANCIAL SERVICES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5222-14 - Budget									
Personnel	\$88,030	\$0	∞	\$0	∞	\$0	\$0	\$0	\$0 Budget Increase: Change in allocations between programs, includes Decision Package - Reclassification for Budget Analyst (CM Recommended)
Supplies & Services	\$4,270	\$0	∞	\$0	∞	\$0	\$0	\$0	\$0 Budget Increase: Change in allocations between programs, added printing costs for budget (\$1,000), includes Decision Package - memberships and training Budget Analyst (CM Recommended)
Budget Total	\$92,300	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5222-88 - Revenue Management									
Personnel	\$101,640	\$0	∞	\$0	∞	\$0	\$0	\$0	\$0 Budget Increase: Change in allocations between programs
Supplies & Services	\$70,655	\$0	∞	\$0	∞	\$0	\$0	\$0	\$0 Budget Increase: Change in allocations between programs
Revenue Management Total	\$172,295	\$0	∞	\$0	∞	\$0	\$0	\$0	
Personnel Subtotal	\$399,430	\$341,829	17%	\$315,886	26%	\$25,943	\$323,000	\$266,749	
Supplies & Services Subtotal	\$137,035	\$119,125	15%	\$134,339	2%	(\$15,214)	\$93,551	\$181,726	
General Fund Total	\$536,465	\$460,954	16%	\$450,225	19%	\$10,729	\$416,550	\$448,475	

FINANCIAL SERVICES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
Wastewater Fund									
59-5222-01 - Administration									
Personnel	\$58,940	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Administration Total	\$58,940	\$0	∞	\$0	∞	\$0	\$0	\$0	
59-5222-04 - Utility Billing									
Personnel	\$191,870	\$243,939	-21%	\$239,556	-20%	\$4,383	\$232,279	\$206,555	Budget Decrease: Change in allocations between programs, includes merit and COLA increases plus correction for current year budget calculation error Current Year Under Budget: Vacancy savings
Supplies & Services	\$155,710	\$175,660	-11%	\$175,652	-11%	\$8	\$170,650	\$181,092	
Utility Billing Total	\$347,580	\$419,599	-17%	\$415,208	-16%	\$4,391	\$402,928	\$387,647	Budget Decrease: Eliminated transition to ADOR (\$20,370)
Personnel Subtotal	\$250,810	\$243,939	3%	\$239,556	5%	\$4,383	\$232,279	\$206,555	
Supplies & Services Subtotal	\$155,710	\$175,660	-11%	\$175,652	-11%	\$8	\$170,650	\$181,092	
Wastewater Fund Total	\$406,520	\$419,599	-3%	\$415,208	-2%	\$4,391	\$402,928	\$387,647	
Grand Totals									
Personnel Total	\$650,240	\$585,768	11%	\$555,442	17%	\$30,326	\$555,278	\$473,304	
Supplies & Services Total	\$292,745	\$294,785	-1%	\$309,991	-6%	(\$15,206)	\$264,200	\$362,818	
Capital & Debt Service Total	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$0	
Grand Total	\$942,985	\$880,553	7%	\$865,433	9%	\$15,120	\$819,479	\$836,122	

FINANCIAL SERVICES - continued

Positions/Allocations Summaries

Position	FTE
Accounting Supervisor	1.00
Accounting Technician	1.00
Accounting Technician II	2.00
Budget Analyst	1.00
Director of Financial Services	1.00
Lead Accounting Technician	2.00
Temp help*	0.17
Total	8.17

Org Unit	Org Description	FTE
General Fund		
10-5222-01	Administration	1.15
10-5222-11	Payroll	0.90
10-5222-12	Payables/Purchasing	0.80
10-5222-14	Budget	1.20
10-5222-88	Revenue Management	1.67
General Fund Total		5.72

Wastewater Fund		
59-5222-01	Administration	0.70
59-5222-04	Utility Billing	1.75
Wastewater Fund Total		2.45
Grand Total		8.17

* Temporary position

INFORMATION TECHNOLOGY

Mission Statement

- Provide reliable state-of-the-art technologies that empower city staff to be successful.
- Be prepared for future organizational needs and changes.
- Use sound judgment in identifying and recommending reasonable solutions.

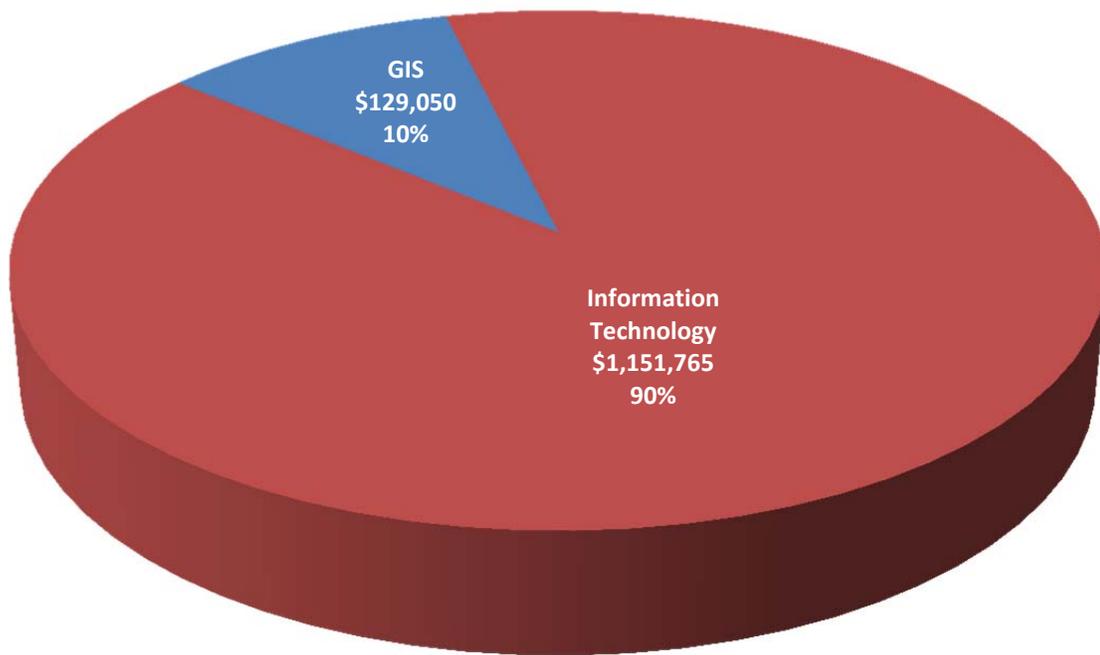
**Vision:
Proactive**

Description

The Information Technology Department is responsible for the following program areas:

- Information Technology Services
- Geographic Information Systems (GIS)

FY 2017 PROGRAM EXPENDITURES \$1,281,355



INFORMATION TECHNOLOGY - Information Technology Services

Program Expenditures:	\$1,151,765
Personnel Costs:	\$ 399,600 (35%)
Supplies & Services:	\$ 527,705 (46%)
Capital & Debt Service:	\$ 225,000 (19%)
Employee Time Allocation:	3.60 FTEs
General Fund Portion:	
	\$1,075,587 (93%)
Wastewater Fund Portion:	
	\$ 76,178 (7%)

The Information Technology Services program manages the acquisition and maintenance of the City's computer, network, and communication systems, including computer hardware and software, servers, network switches, routers and firewalls, telephone systems, voice mail, e-mail, and the City's Internet and Intranet sites. A portion of the Information Technology Services program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Completed an upgrade and redesign of the City's website.
- Upgraded multiple network servers to the current operating system software eliminating outdated and unsupported systems.
- Created a secure file transfer protocol (FTP) site for transferring large confidential files with external customers and citizens.
- Evaluated and implemented a new mobile tablet computer program utilizing Microsoft Surface hardware.
- The City's website had over 132,000 visitors last year. Repeat visitors accounted for more than 55% of the traffic to the site. On average, visitors spent more than 2 minutes on the site and viewed at least 3 different pages.

FY 17 Objectives

- Upgrade the electronic citations program to include all police officers in the field.
- Upgrade the City's storage area network (SAN) to address increasing data needs.
- Implement an online facility reservations and class registrations system, including online payments of deposits and fees.
- Assist the Community Development Department implement an online plan submittal and review system.

WORKLOAD INDICATORS	FY 15 Actual	FY 16 Estimate	FY 17 Target
SQL databases/total size	N/A	62/ 333GB	65/ 355GB
Servers supported (physical and virtual)	N/A	75	78
Networked devices supported	N/A	590	600
Total Help Desk requests received	N/A	900	1,000

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Ratio of computers to City employees	N/A	1.7	1.5
IT spending per City employee	N/A	\$7.3K	\$9.5K
Customer surveys returned with a technical skills, knowledge, and expertise rating of satisfactory or better	85%	90%	93%



INFORMATION TECHNOLOGY - Geographic Information Systems

Program Expenditures: \$129,050
Personnel Costs: \$108,550 (84%)
Supplies & Services: \$ 20,500 (16%)
Employee Time Allocation: 1.00 FTEs

General Fund Portion: \$118,190 (92%)
Wastewater Fund Portion: \$ 10,860 (8%)

The Geographic Information Systems (GIS) program within the Information Technology Department provides maps, data, and spatial analysis to City departments and to the public through the City’s comprehensive GIS database and the City’s website (www.SedonaAZ.gov).

A portion of the Geographic Information Systems program is allocated to the Wastewater Enterprise Fund and represents the Fund’s share of the cost for support services.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
GIS layers	N/A	195	195

INFORMATION TECHNOLOGY - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	
General Fund									
10-5224-01 - Administration	\$0	\$974,467	-100%	\$853,746	-100%	\$120,721	\$1,058,766	\$713,547	
10-5224-20 - Geographic Information Systems	\$118,190	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5224-21 - Information Technology Services	\$1,075,587	\$0	∞	\$0	∞	\$0	\$0	\$0	
General Fund Total	\$1,193,777	\$974,467	23%	\$853,746	40%	\$120,721	\$1,058,766	\$713,547	
Wastewater Fund									
59-5224-21 - Information Technology Services	\$87,578	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$87,578	\$0	∞	\$0	∞	\$0	\$0	\$0	
GRAND TOTALS									
Administration	\$0	\$974,467	-100%	\$853,746	-100%	\$120,721	\$1,058,766	\$713,547	
Geographic Information Systems	\$118,190	\$0	∞	\$0	∞	\$0	\$0	\$0	
Information Technology Services	\$1,163,165	\$0	∞	\$0	∞	\$0	\$0	\$0	
Grand Totals	\$1,281,355	\$974,467	31%	\$853,746	50%	\$120,721	\$1,058,766	\$713,547	

INFORMATION TECHNOLOGY - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5224-01 - Administration									
Personnel	\$0	\$390,822	-100%	\$409,394	-100%	(\$18,572)	\$407,126	\$385,933	Budget Decrease: Change in allocations between programs Current Year Over Budget: Budget calculation error - covered by Supplies & Services savings
Supplies & Services	\$0	\$369,995	-100%	\$301,840	-100%	\$68,155	\$294,827	\$247,824	Budget Decrease: Change in allocations between programs Current Year Under Budget: Carryover of 911 phone system maintenance (\$15,000) and savings on hardware and software maintenance and support
Capital & Debt Service	\$0	\$213,650	-100%	\$142,512	-100%	\$71,138	\$356,813	\$79,791	Budget Decrease: Change in allocations between programs Current Year Under Budget: Carryover of E-Citations upgrade (\$70,000)
Administration Total	\$0	\$974,467	-100%	\$853,746	-100%	\$120,721	\$1,058,766	\$713,547	
10-5224-20 - Geographic Information Systems									
Personnel	\$97,690	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$20,500	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Geographic Information Systems Total	\$118,190	\$0	∞	\$0	∞	\$0	\$0	\$0	

INFORMATION TECHNOLOGY - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5224-21 - Information Technology Services									
Personnel	\$359,620	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, includes Decision Package - IT Support/Help Desk Technician (CM Contingent Partial Recommendation)
Supplies & Services	\$500,967	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, moved Century Link charges and standard phone lines from General Services (\$32,500), reclassified hardware costs under capitalization threshold from Capital & Debt Service, includes Decision Package - Microsoft 365 subscription (CM Recommended) and computer hardware and software for IT Support/Help Desk Technician (CM Contingent Partial Recommendation)
Capital & Debt Service	\$215,000	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: One-time capital purchases, added Digital Evidence Logger Recorder upgrade (\$38,000) and storage area network upgrade/replacement (\$85,000), reclassified hardware costs under capitalization threshold to Supplies & Services
Information Technology Services Total	\$1,075,587	\$0	∞	\$0	∞	\$0	\$0	\$0	
Personnel Subtotal	\$457,310	\$390,822	17%	\$409,394	12%	(\$18,572)	\$407,126	\$385,933	
Supplies & Services Subtotal	\$521,467	\$369,995	41%	\$301,840	73%	\$68,155	\$294,827	\$247,824	
Capital & Debt Service Subtotal	\$215,000	\$213,650	1%	\$142,512	51%	\$71,138	\$356,813	\$79,791	
General Fund Total	\$1,193,777	\$974,467	23%	\$853,746	40%	\$120,721	\$1,058,766	\$713,547	

INFORMATION TECHNOLOGY - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
<u>Wastewater Fund</u>									
59-5224-21 - Information Technology Services									
Personnel	\$50,840	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-02)
Supplies & Services	\$26,738	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for IT costs to Wastewater Fund (all allocations were previously charged to Wastewater Department accounts)
Capital & Debt Service	\$10,000	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for IT costs to Wastewater Fund (all allocations were previously charged to Wastewater Department accounts)
Information Technology Services Total	\$87,578	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$87,578	\$0	∞	\$0	∞	\$0	\$0	\$0	
<u>Grand Totals</u>									
Personnel Total	\$508,150	\$390,822	30%	\$409,394	24%	(\$18,572)	\$407,126	\$385,933	
Supplies & Services Total	\$548,205	\$369,995	48%	\$301,840	82%	\$68,155	\$294,827	\$247,824	
Capital & Debt Service Total	\$225,000	\$213,650	5%	\$142,512	58%	\$71,138	\$356,813	\$79,791	
Grand Total	\$1,281,355	\$974,467	31%	\$853,746	50%	\$120,721	\$1,058,766	\$713,547	

INFORMATION TECHNOLOGY- continued

Positions/Allocations Summaries

Position	FTE
Database Web Developer	1.00
GIS Analyst	1.00
Information Technology Manager	1.00
System Administrator	1.00
IT Support/Help Desk Technician*	0.60
Total	4.60

Org Unit	Org Description	FTE
General Fund		
10-5224-20	Geographic Information Systems	0.90
10-5224-21	Information Technology Services	3.24
General Fund Total		4.14
Wastewater Fund		
59-5224-21	Information Technology Services	0.46
Wastewater Fund Total		0.46
Grand Total		4.60

* Part-time position

CITY ATTORNEY'S OFFICE

Mission Statement

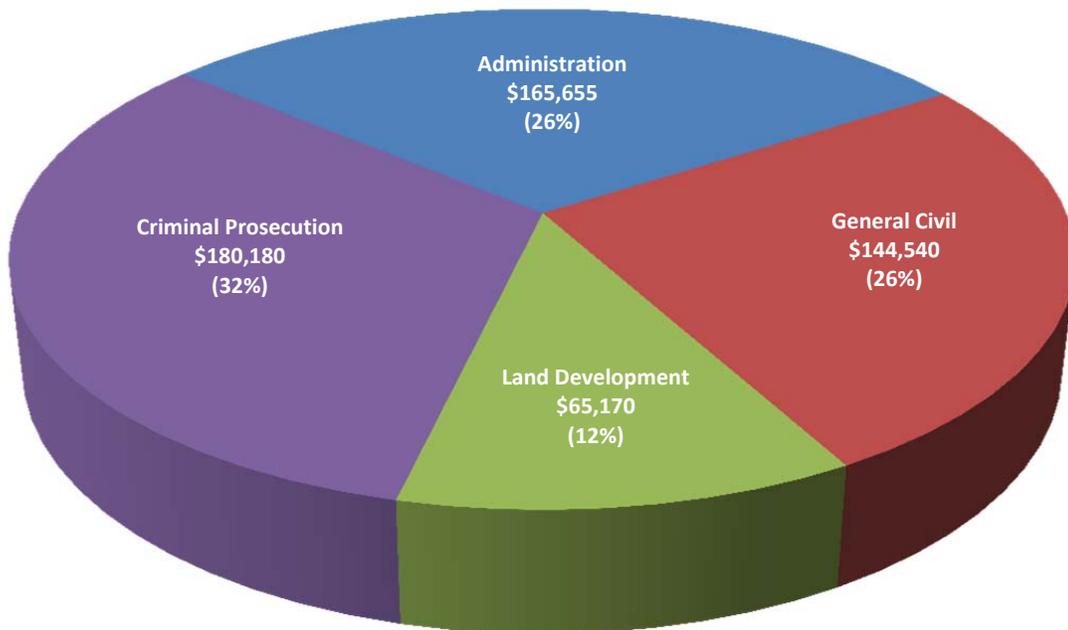
The department strives to provide quality legal advice and services to the City Council, City departments and commissions. To vigorously prosecute criminal cases in a fair manner that leads to just results.

Description

The City Attorney's Office provides internal services to City departments and personnel in several program areas:

- Administration
- General Civil
- Land Development
- Criminal Prosecution

FY 2017 PROGRAM EXPENDITURES: \$555,545



CITY ATTORNEY'S OFFICE - Administration

Program Expenditures: \$165,655
Personnel Costs: \$155,070 (94%)
Supplies & Services: \$ 10,585 (6%)
Employee Time Allocation: 0.85 FTEs

General Fund Portion: \$144,565 (87%)
Wastewater Fund Portion: \$ 21,090 (13%)

The City Attorney's Office provides legal advice to the Mayor and Council, the City Manager, the City departments and the City's boards and commissions. The office defends claims and suits brought against the City; drafts, reviews, and approves all contracts entered into by the City; assists in drafting all resolutions and ordinances submitted for City Council approval; and manages the activities of retained legal counsel.

A portion of the Administration program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Effected the transition of a new City Attorney.
- Assisted in the development and implementation of Human Rights Ordinance.
- Assisted in amending the fines and fees for violations of short-term rental ordinance.

FY 17 Objectives

- Assist with the process for consideration of franchising solid waste disposal and recycling franchising.
- Complete an intergovernmental agreement for reciprocal legal services with neighboring municipalities.
- Work with City staff on development and implementation of City Council priorities, including the Sign Code review and update.
- Implement the City Attorney Annual Action Plan.
- Proceed with litigation to recover damages related to construction of the solar generation infrastructure at the City's wastewater treatment facility.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
City Council agenda bill items reviewed	N/A	170	N/A
Ordinances processed	N/A	15	N/A
Resolutions processed	N/A	33	N/A
Traffic accidents involving City vehicles	N/A	6	N/A
Claims and suits against the City	N/A	22	N/A
Claims regarding damage to City property	N/A	6	N/A
Number of public meetings attended	N/A	N/A	N/A
Hours of legal advice and training provided	N/A	N/A	N/A

CITY ATTORNEY'S OFFICE - Criminal Prosecution

Program Expenditures: \$180,180
Personnel Costs: \$177,480 (98%)
Supplies & Services: \$ 2,700 (2%)
Employee Time Allocation: 1.65 FTEs

The Criminal Prosecution program is responsible for administering justice for violations of law.

FY 16 Accomplishments

- Increased criminal prosecutions by 136%.
- Prosecuted a total of 276 cases, consisting of 28 Driving Under the Influence (DUI) cases, 16 crimes involving drugs or controlled substances, 137 criminal traffic matters, 86 criminal non-traffic matters and 9 criminal misdemeanor matters.

FY 17 Objectives

- Continue to vigorously and fairly prosecute all criminal misdemeanor cases.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Criminal charges filed	N/A	204	N/A
Conviction rate	N/A	N/A	N/A
Provide an annual case law update to the Police Department	N/A	N/A	N/A
Hours of training provided to the Police Department on operational matters	N/A	N/A	N/A

CITY ATTORNEY'S OFFICE - Land Development

Program Expenditures: **\$65,170**
Personnel Costs: **\$65,170 (100%)**
Employee Time Allocation: **0.40 FTEs**

The Land Development program is responsible for reviewing all planning and zoning matters related to the City and recommending changes to the Sedona Land Development Code. In addition, the program provides guidance to staff of the City's Community Development Department on land development matters.

FY 16 Accomplishments

- Assisted in the rezoning of CVS Pharmacy.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Number of planning and zoning matters reviewed	N/A	N/A	N/A
Number of changes to the Sedona Land Development Code suggested	N/A	N/A	N/A
Hours of guidance provided to Community Development staff	N/A	N/A	N/A

CITY ATTORNEY'S OFFICE - General Civil

Program Expenditures: **\$144,540**
Personnel Costs: **\$ 94,540 (65%)**
Supplies & Services: **\$ 50,000 (35%)**
Employee Time Allocation: **0.70 FTEs**

The General Civil program is responsible for defending claims and suits brought against the City.

FY 16 Accomplishments

- Successfully resolved short-term vacation rental litigation.
- Monitored all bankruptcy petitions involving the City of Sedona and assisted in the collection of outstanding tax and fee obligations.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Number of claims against the City resolved without litigation	N/A	N/A	N/A

CITY ATTORNEY'S OFFICE - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	
General Fund									
10-5230-01 - Administration	\$144,565	\$504,523	-71%	\$496,564	-71%	\$7,959	\$490,736	\$458,932	
10-5230-17 - Criminal Prosecution	\$180,180	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5230-18 - Land Development	\$65,170	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5230-19 - General Civil	\$144,540	\$0	∞	\$0	∞	\$0	\$0	\$0	
General Fund Total	\$534,455	\$504,523	6%	\$496,564	8%	\$7,959	\$490,736	\$458,932	
Wastewater Fund									
59-5230-01 - Administration	\$21,090	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$21,090	\$0	∞	\$0	∞	\$0	\$0	\$0	
GRAND TOTALS									
Administration	\$165,655	\$504,523	-67%	\$496,564	-67%	\$7,959	\$490,736	\$458,932	
Criminal Prosecution	\$180,180	\$0	∞	\$0	∞	\$0	\$0	\$0	
Land Development	\$65,170	\$0	∞	\$0	∞	\$0	\$0	\$0	
General Civil	\$144,540	\$0	∞	\$0	∞	\$0	\$0	\$0	
Grand Totals*	\$555,545	\$504,523	10%	\$496,564	12%	\$7,959	\$490,736	\$458,932	

*With correction for current year budget error, increase is 8% instead of 14%.

CITY ATTORNEY'S OFFICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5230-01 - Administration									
Personnel	\$133,980	\$468,238	-71%	\$468,437	-71%	(\$199)	\$459,902	\$434,248	Budget Decrease: Change in allocations between programs, current year under budgeted due to calculation error (\$29,000) Current Year Over Budget: Vacancy savings less budget calculation error - covered by savings in Supplies & Services
Supplies & Services	\$10,585	\$36,285	-71%	\$28,127	-62%	\$8,158	\$30,834	\$24,684	Budget Decrease: Change in allocations between programs Current Year Under Budget: Savings in legal fees, witness fees, and other legal processing fees that can vary from year to year
Administration Total	\$144,565	\$504,523	-71%	\$496,564	-71%	\$7,959	\$490,736	\$458,932	
10-5230-17 - Criminal Prosecution									
Personnel	\$177,480	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$2,700	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Criminal Prosecution Total	\$180,180	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5230-18 - Land Development									
Personnel	\$65,170	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Land Development Total	\$65,170	\$0	∞	\$0	∞	\$0	\$0	\$0	

CITY ATTORNEY'S OFFICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5230-19 - General Civil									
Personnel	\$94,540	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$50,000	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, moved payment of legal claims from General Services (\$25,000)
General Civil Total	\$144,540	\$0	∞	\$0	∞	\$0	\$0	\$0	
Personnel Subtotal	\$471,170	\$468,238	1%	\$468,437	1%	(\$199)	\$459,902	\$434,248	
Supplies & Services Subtotal	\$63,285	\$36,285	74%	\$28,127	125%	\$8,158	\$30,834	\$24,684	
General Fund Total	\$534,455	\$504,523	6%	\$496,564	8%	\$7,959	\$490,736	\$458,932	
Wastewater Fund									
59-5230-01 - Administration									
Personnel	\$21,090	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-02)
Administration Total	\$21,090	\$0	∞	\$0	∞	\$0	\$0	\$0	
Grand Totals									
Personnel Total*	\$513,350	\$468,238	10%	\$468,437	10%	(\$199)	\$459,902	\$434,248	
Supplies & Services Total	\$63,285	\$36,285	74%	\$28,127	125%	\$8,158	\$30,834	\$24,684	
Grand Total	\$576,635	\$504,523	14%	\$496,564	16%	\$7,959	\$490,736	\$458,932	

* With correction for current year budget error, increase is 3% instead of 10%.

CITY ATTORNEY'S OFFICE - continued

Positions/Allocations Summaries

Position	FTE	Org Unit	Org Description	FTE
Assistant City Attorney*	1.60			
City Attorney	1.00			
Legal Assistant	1.00			
Total	3.60			
General Fund				
		10-5230-01	Administration	0.75
		10-5230-17	Criminal Prosecution	1.65
		10-5230-18	Land Development	0.40
		10-5230-19	General Civil	0.70
			General Fund Total	3.50
Wastewater Fund				
		59-5230-01	Administration	0.10
			Wastewater Fund Total	0.10
			Grand Total	3.60

* Includes 0.60 part-time positions

CITY CLERK'S OFFICE

Mission Statement

To provide exceptional service to the Mayor and Council, the public and City staff in order that all may be guaranteed fair and impartial elections and open access to information and the legislative process.

Description

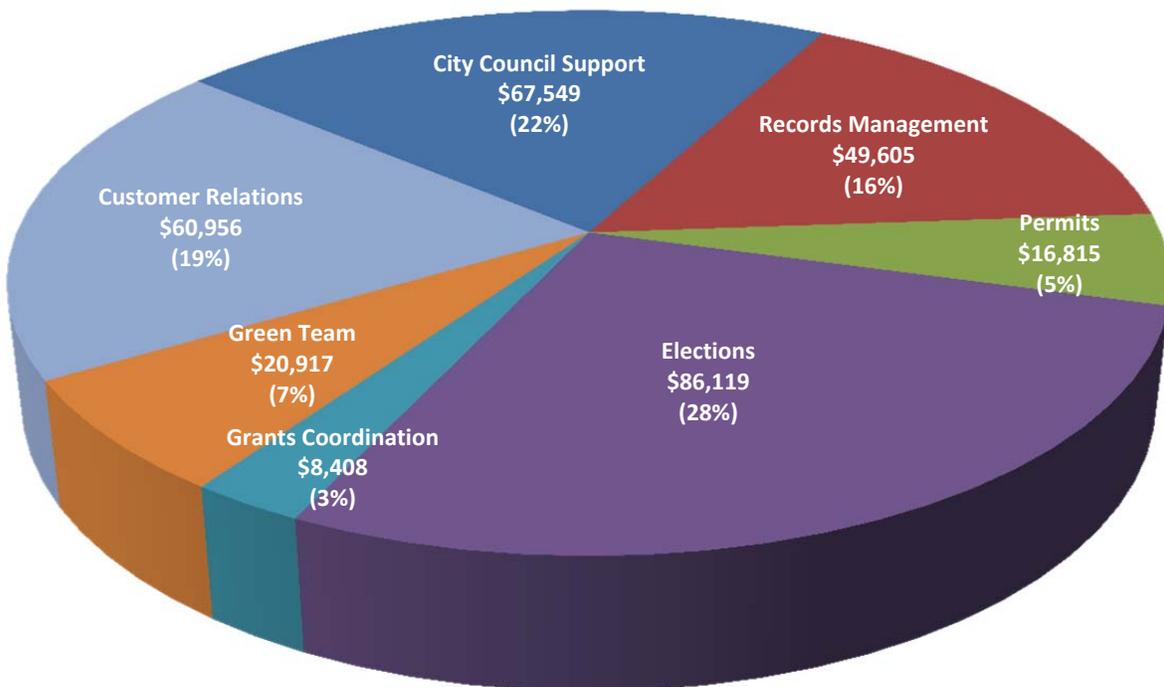
The City Clerk's Department is responsible for the following program areas:

- City Council Support
- Elections
- Customer Relations
- Records Management
- Green Team
- Permits, Licenses, & Registrations
- Grants Coordination

Significant Changes

- Took over processing of Liquor License and Special Event Applications.
- Took over grants coordination.

FY 2017 PROGRAM EXPENDITURES: \$310,369



CITY CLERK'S OFFICE - City Council Support

Program Expenditures: \$67,549
Personnel Costs: \$51,489 (76%)
Supplies & Services: \$16,060 (24%)
Employee Time Allocation: 0.75 FTEs

This program area includes agendas, packets, minutes, action item lists, proclamations, Open Meeting Law compliance, processing of ordinances and resolutions, processing of applications for voluntary service on City Boards & Commissions, and general City Council support.

FY 16 Accomplishments

- Completed updates and revisions to the Council Rules of Procedure.

FY 17 Objectives

- Provide training for incoming City Councilors.
- Provide Council support.
- Complete agendas, packets, minutes, action item lists, and proclamations in an accurate and timely fashion.
- Process ordinances, resolutions, and applications for voluntary service on City boards and commissions

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
City Council agendas posted	67	74	70
Ordinances processed	17	15	15
Resolutions processed	35	33	30
Number of City Council meetings attended with minutes completed	67	74	70

CITY CLERK'S OFFICE - Elections

Program Expenditures: **\$86,119**
Personnel Costs: **\$20,595 (24%)**
Supplies & Services: **\$65,524 (76%)**
Employee Time Allocation: **0.29 FTEs**

This program area includes conducting regular and special municipal elections, accepting campaign finance filings, and assisting Yavapai and Coconino Counties with elections.

FY 16 Accomplishments

- Served as an early voting location for Coconino County.
- Provided ballot drop boxes for Coconino and Yavapai Counties.
- Performed identification verification for conditional provisional voters for Coconino and Yavapai Counties.

FY 17 Objectives

- Prepare packets for City Council candidates.
- Conduct election(s) for City Council and APS and Unisource Gas franchise extensions.
- Ensure filing of campaign finance filings.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Number of City elections	2	0	2

CITY CLERK'S OFFICE - Customer Relations

Program Expenditures: \$60,956
Personnel Costs: \$59,727 (98%)
Supplies & Services: \$ 1,229 (2%)
Employee Time Allocation: 0.82 FTEs

This program area includes acting as receptionist for the City, face-to-face customer service, acting as the gatekeeper for Sedona Citizens Connect, accepting claims against the City and service of other legal documents, administering oaths of office, processing incoming and outgoing mail, notarization, and other duties.

FY 16 Accomplishments

- Served on the advisory team for the City of Sedona website upgrades.
- Acted as a gatekeeper for the Sedona Citizens Connect. Took a more active approach on monitoring of issues and increased response rate, and reduced closure time from an average of 48 days to 13 days.

FY 17 Objectives

- Act as the gatekeeper for the Sedona Citizens Connect, monitor issues for completion, and suggest enhancements.
- Deliver claims to the City Attorney's Office in a timely fashion.
- Ensure high level of customer satisfaction for both internal and external customers.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Sedona Citizens Connect issues processed	142	200	240
Sedona Citizens Connect average days to close an issue	48	13	10
Customer satisfaction	N/A	N/A	N/A

CITY CLERK'S OFFICE – Records Management

Program Expenditures: \$49,605
Personnel Costs: \$43,469 (88%)
Supplies & Services: \$ 6,136 (12%)
Employee Time Allocation: 0.41 FTEs

General Fund Portion: \$36,955 (74%)
Wastewater Fund Portion: \$12,650 (26%)

This program area includes preservation, research, and providing access to Sedona's records; recording of legal documents; and maintaining the City Code and Land Development Code. A portion of the Records Management program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Fulfilled 100% of the records requests received.

FY 17 Objectives

- Continue improvements to the records archive and management system.
- Ensure records requests are fulfilled in a timely nature.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Records requests processed	N/A	N/A	75

CITY CLERK'S OFFICE - Green Team

Program Expenditures: \$20,917
Personnel Costs: \$18,536 (89%)
Supplies & Services: \$ 2,381 (11%)
Employee Time Allocation: 0.27 FTEs

This program area includes coordination of Citywide electronics and household hazardous waste recycling events, coordination of City Hall recycling and composting programs, and other City environmental policies and sustainability related initiatives.

FY 16 Accomplishments

- Coordinated an annual electronics recycling and household hazardous waste disposal event for the public.

FY 17 Objectives

- Coordinate annual electronics recycling event for the public.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Electronics recycling (weight in pounds)	N/A	10,843	N/A
Household hazardous waste (weight in pounds)	N/A	4,948	N/A

CITY CLERK'S OFFICE - Permits, Licenses, & Registrations

Program Expenditures: \$16,815
Personnel Costs: \$16,476 (98%)
Supplies & Services: \$ 339 (2%)
Employee Time Allocation: 0.24 FTEs

This program area includes peddler/solicitor permits, civil union registrations, and liquor license and special event applications.

FY 16 Accomplishments

- Took over liquor license and special event application processing from the Community Development Department.

FY 17 Objectives

- Process peddler/solicitor permits within 14 days of application.
- Process liquor license and special event applications according to required deadlines.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Permits, licenses, & registrations processed	N/A	N/A	40

CITY CLERK'S OFFICE - Grants Coordination

Program Expenditures: \$8,408
Personnel Costs: \$8,238 (98%)
Supplies & Services: \$ 170 (2%)
Employee Time Allocation: 0.10 FTEs

This new program area includes identifying grant opportunities, coordinating and submitting applications, ensuring adherence to grant terms, and grant follow-up.

FY 17 Objectives

- Identify and pursue grant opportunities.
- Ensure adherence of existing grants to required terms and complete grant follow-up.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Grants processed	N/A	N/A	5

CITY CLERK'S OFFICE - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	
General Fund									
10-5240-01 - Administration	\$297,719	\$227,608	31%	\$219,942	35%	\$7,666	\$243,829	\$226,818	
General Fund Total	\$297,719	\$227,608	31%	\$219,942	35%	\$7,666	\$243,829	\$226,818	
Wastewater Fund									
59-5240-01 - Administration	\$12,650	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$12,650	\$0	∞	\$0	∞	\$0	\$0	\$0	
GRAND TOTALS									
Administration	\$310,369	\$227,608	36%	\$219,942	41%	\$7,666	\$243,829	\$226,818	
Grand Totals	\$310,369	\$227,608	36%	\$219,942	41%	\$7,666	\$243,829	\$226,818	

CITY CLERK'S OFFICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5240-01 - Administration									
Personnel	\$205,880	\$201,339	2%	\$200,942	2%	\$397	\$185,962	\$182,250	Budget Increase: Includes merit and COLA increases
Supplies & Services	\$91,839	\$26,269	250%	\$19,000	383%	\$7,269	\$57,867	\$44,568	Budget Increase: Added election costs including franchise agreement renewals (\$65,100) Current Year Under Budget: Savings in updates to the City Code that can fluctuate from year to year and savings in travel & training
Administration Total	\$297,719	\$227,608	31%	\$219,942	35%	\$7,666	\$243,829	\$226,818	
General Fund Total	\$297,719	\$227,608	31%	\$219,942	35%	\$7,666	\$243,829	\$226,818	
Wastewater Fund									
59-5240-01 - Administration									
Personnel	\$12,650	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-02)
Administration Total	\$12,650	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund Total	\$12,650	\$0	∞	\$0	∞	\$0	\$0	\$0	
Grand Totals									
Personnel Total	\$218,530	\$201,339	9%	\$200,942	9%	\$397	\$185,962	\$182,250	
Supplies & Services Total	\$91,839	\$26,269	250%	\$19,000	383%	\$7,269	\$57,867	\$44,568	
Grand Total	\$310,369	\$227,608	36%	\$219,942	41%	\$7,666	\$243,829	\$226,818	

CITY CLERK'S OFFICE - continued

Positions/Allocations Summaries

Position	FTE
City Clerk	1.00
Deputy City Clerk	1.00
Records Clerk*	0.88
Total	2.88

Org Unit	Org Description	FTE
General Fund		
10-5240-01	Administration	2.66
General Fund Total		2.66
Wastewater Fund		
59-5240-01	Administration	0.22
Wastewater Fund Total		0.22
Grand Total		2.88

* Part-time position

PARKS & RECREATION

Mission Statement

It is the mission of the Sedona Parks and Recreation Department to provide diverse year-round leisure opportunities through the preservation of open space, park settings, recreational facilities, and recreation programs for citizens, visitors, and future generations of Sedona.

Description

The Parks & Recreation Department is responsible for the following program areas:

- Events and Programs
- Aquatics
- Facilities and Services

FY 16 Accomplishments

- Obtained \$122,881 in grant funding.
- Offered 85 days of events in one year.
- \$68,773 in free stuff: sponsorships, donations, volunteer hours.
- Increased number of volunteers.

FY 17 Objectives

- Improve and enhance existing events and programs through partnerships, creativity, and teamwork.
- Work alongside the Facilities and Maintenance departments to upkeep the parks.
- Improve tracking for the new budget objectives.
- Plan programs and events in line with the Community Plan.
- Obtain a trail maintenance grant.
- Improve the operations of the pool.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Community partnerships	28	28	N/A
Volunteer hours	2,100	1,961	N/A
Free stuff: sponsorships, donations, volunteer hours <i>(Based on the Bureau of Labor Statistics figure of \$23.07 per hour used by state and federal governments to calculate the monetary value of volunteers)</i>	\$70,702	\$68,773	N/A

PARKS & RECREATION - continued

GENERAL FUND REVENUES

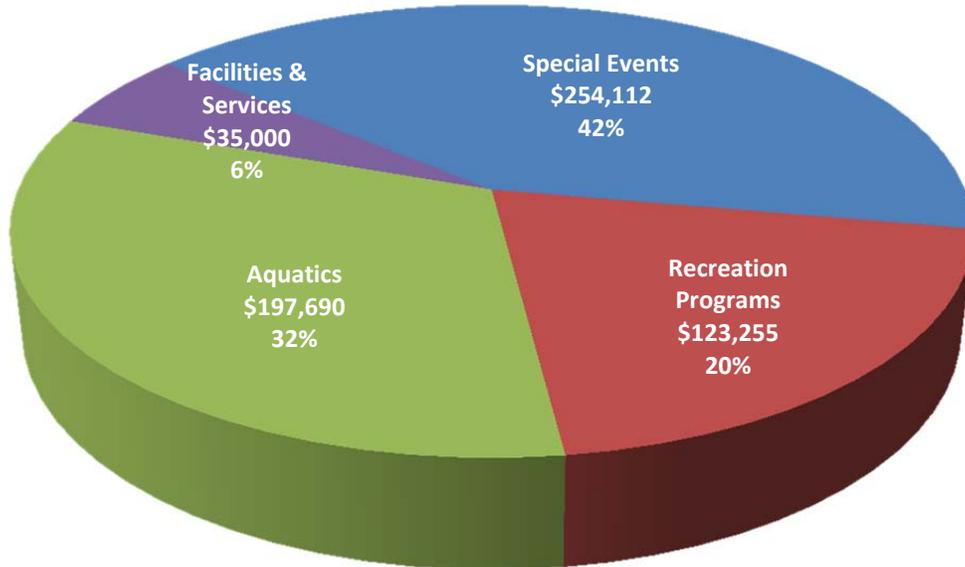
	FY 15 Actual	FY 16 Estimate	FY 17 Target
Special Events Revenues			
Special Events	\$6,223	\$7,160	\$7,800
Sub Total	\$6,223	\$7,160	\$7,800
Recreation Programs Revenues			
Open Gym	\$1,298	\$1,650	\$1,400
Special Programs	\$40,031	\$38,830	\$20,000
Park Facility Rental	\$14,277	\$16,270	\$5,000
Sub Total	\$55,606	\$56,750	\$26,400
Aquatics Revenues			
Daily Swimming Fees	\$15,284	\$19,340	\$18,000
Pool Rental	\$17,650	\$10,810	\$11,000
Sub Total	\$32,934	\$30,150	\$29,000
Total Revenues	\$94,763	\$94,060	\$63,200

GRANTS & DONATIONS FUNDS REVENUES

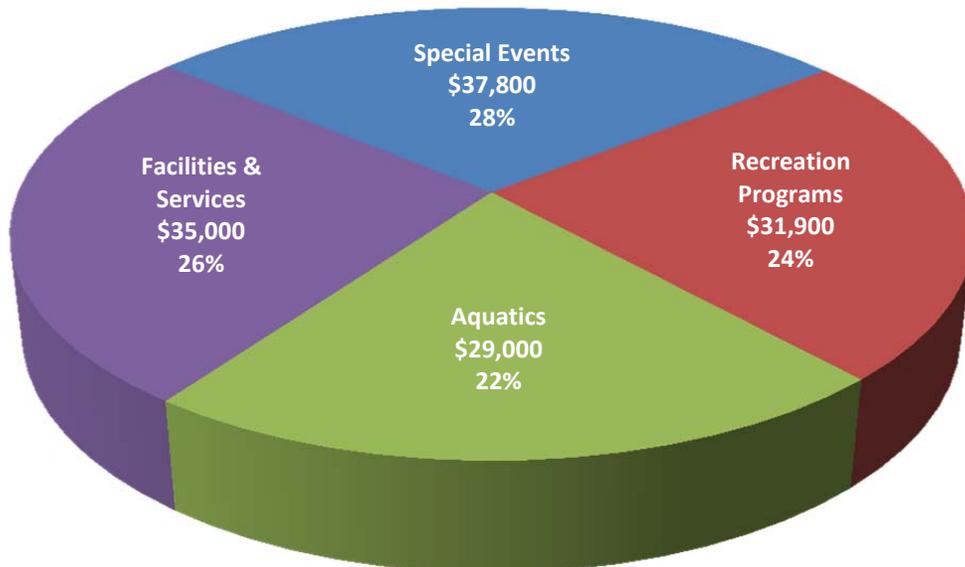
	FY 15 Actual	FY 16 Estimate	FY 17 Target
Special Events Revenues			
Special Events	\$22,999	\$21,500	\$30,000
Anti Work Task Force Revenues			
Vending Machine Revenues	\$1,651	\$1,540	\$5,500
Parks Maintenance Revenues			
Wetlands Park Grants & Donations	\$42,284	\$0	\$30,000
Park Bench Donations	\$0	\$1,400	\$0
Military Park Inscription Revenues			
Military Park Donations	\$1,236	\$1,700	\$5,000
Total Revenues	\$68,170	\$26,140	\$70,500

PARKS & RECREATION - continued

FY 2017 PROGRAM EXPENDITURES: \$610,057



FY 2017 PROPOSED REVENUES: \$133,700



PARKS & RECREATION - Events and Programs

Program Expenditures: \$377,367
Personnel Costs: \$182,400 (48%)
Supplies & Services: \$194,967 (52%)
Employee Time Allocation: 2.39 FTEs

General Fund Portion: \$341,867 (91%)
Grants & Donations Portion: \$ 35,500 (9%)

Sedona Parks and Recreation Department provides a multitude of recreational programs, classes and special events to serve the interests and needs of local residents and visitors. The diversity of programming and events is reflective of community interests and requests, and they are widely acclaimed by the public as being high quality appropriate to the City's character and resident expectations. A portion of this program is paid by the Grants & Donations Funds.

FY 16 Accomplishments

- Hosted first indoor laser show.
- Brought AYSO soccer back to Sedona.
- Brought back Grasshopper Youth Basketball.
- Event participation numbers increased.
- New events for teens and tweens: Spring Fling and Celebration of Tween.
- New event: Yappy Hour.

FY 17 Objectives

- Increase the number of city-hosted programs provided by contract.
- Build on our past summer camp success.
- Add additional events to our calendar line-up.
- Partner with local organizations to add variety to our events.
- Increase the number of customer surveys.
- Expand marketing avenues.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
City-hosted programs provided by contract/number of registrants	12/441	10/278	N/A
Revenue from city-hosted programs provided by 20%/80% contract	\$2,422	\$3,697	N/A
Revenue from event sponsors	\$18,050	\$20,550	N/A
Event cost per person = [cost of event (sponsorship revenue + ticket revenue)] / attendance number:			
• Celebration of Spring	N/A	\$5	95%
• 4 th of July	N/A	\$20	60%
• Pumpkin Splash	N/A	\$1	95%
• Breakfast with Santa	N/A	\$5	91%

PARKS & RECREATION - Aquatics

Program Expenditures: \$197,690
Personnel Costs: \$145,990 (74%)
Supplies & Services: \$ 51,700 (26%)
Employee Time Allocation: 3.42 FTEs

Open from May through November, the Sedona Community Pool has activities for everyone. Amenities enjoyed at the pool include a shallow end (4' deep) with a water slide and a deep end (7' deep) that allows diving off of the deck, as well as a Liquid Jail sprinkler feature for little ones to enjoy on deck. Activities offered include lap swim, open swim, masters swim, water aerobics, and swim lessons.

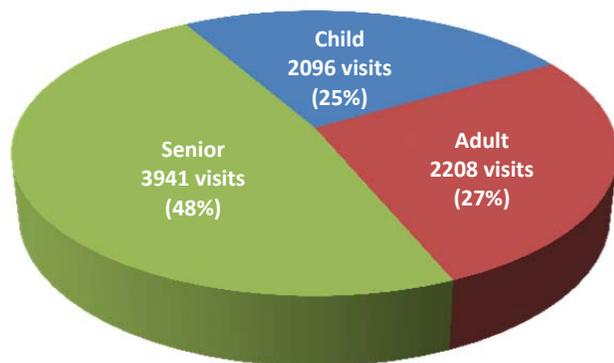
FY 16 Accomplishments

- Completed the pool slide installation.
- Brought swim lessons back in-house.
- Trained a new pool manager.
- Hired a new Aqua Zumba instructor.

FY 17 Objectives

- Increase attendance at open swim.
- Increase the number of swim lesson participants.
- Maintain water aerobics participation.
- Expand marketing avenues.
- Train new swim instructors.
- Train new pool Supervisor.

FY 2015 Pool User Demographics



PERFORMANCE MEASURES	2015 Pool Season	2016 Pool Season	2017 Pool Season
Attendance at open swim	8,245	N/A	N/A
Number of swim lessons registered for (not the number of individuals)	247	N/A	N/A
Attendance at water aerobics	922	N/A	N/A

PARKS & RECREATION - Facilities and Services

Program Expenditures: \$35,000
Supplies & Services: \$ 5,000 (14%)
Capital & Debt Service: \$30,000 (86%)

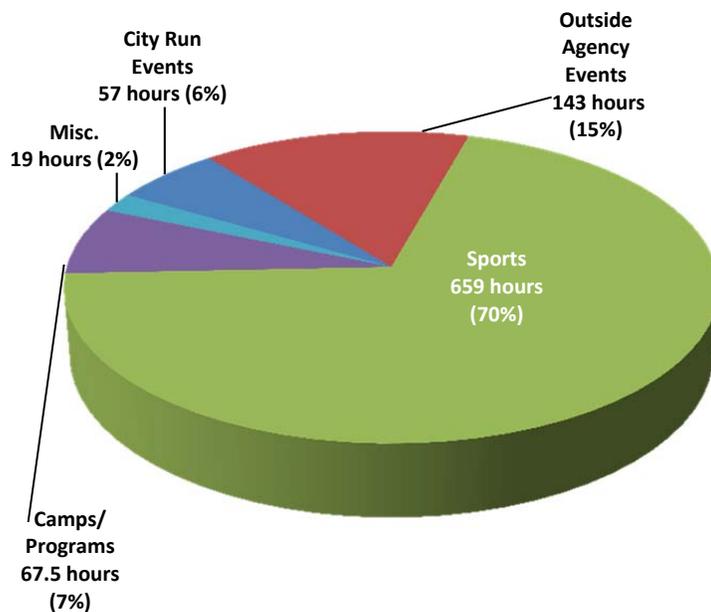
Grants & Donations Portion: \$ 35,500 (100%)

There are eight (8) City parks totaling 123.18 acres owned and/or maintained by the City of Sedona. This system includes a neighborhood and community park as well as unique sites such as a small botanical garden, pocket parks, a historical park, and a wetlands preserve. Overall, the City of Sedona is an active community with a hearty appetite for high quality park and recreation sites, facilities, and services. The City parks and facilities are primarily maintained by the Public Works & Engineering Department. The program expenditures here represent only the portion funded by grants and donations.

FY 16 Accomplishments

- Facilitated the first three successful outside agency rentals for alcohol approved events.
- Updated the fee schedule.
- Increased revenue from the Sunset Park ramada rentals.
- Completed Phase I of the Bike Skills Park.
- 945 hours rented on the fields during FY 2015

FY 2015 Utilization of Fields at Posse Grounds Park



FY 17 Objectives

- Increase ramada rentals.
- Bike Skills Park operations.
- Assist with Fitness Train constructions.
- Conduct customer service surveys.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Posse Grounds Park			
Ramada rentals – percentage of time rented/hours per ramada	0.69% / 41 hrs	0.26% / 16 hrs	N/A
Recreation room rentals – percentage of time rented/ total hours	8% / 467 hrs	14% / 829 hrs	N/A
Field rentals – percentage of time rented/total hours	5% / 945 hrs	8% / 1358 hrs	N/A
Sunset Park			
Ramada rentals – percentage of time rented/hours per ramada	3% / 233 hrs	2% / 211 hrs	N/A



PARKS & RECREATION - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5242-02 - Administration	\$0	\$93,700	-100%	\$105,951	-100%	(\$12,251)	\$115,933	\$85,201
10-5242-23 - Recreation Programs	\$117,755	\$187,978	-37%	\$174,320	-32%	\$13,658	\$190,314	\$95,496
10-5242-24 - Special Events	\$224,112	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5242-25 - Aquatics	\$197,690	\$202,646	-2%	\$184,801	7%	\$17,845	\$148,218	\$150,395
General Fund Total	\$539,557	\$484,324	11%	\$465,072	16%	\$19,252	\$454,464	\$331,091
Grants & Donations Funds								
GD-5242-24 - Special Events	\$30,000	\$50,000	-40%	\$21,027	43%	\$28,973	\$8,195	\$19,274
GD-5242-26 - Parks Maintenance	\$30,000	\$136,669	-78%	\$0	∞	\$136,669	\$42,284	\$20,325
GD-5242-27 - Anti Work Task Force	\$5,500	\$8,580	-36%	\$3,837	43%	\$4,743	\$852	\$2,505
GD-5242-28 - Military Park Inscriptions	\$5,000	\$3,500	43%	\$3,368	48%	\$132	\$3,741	\$4,970
Grants & Donations Funds Total	\$70,500	\$198,749	-65%	\$28,232	150%	\$170,517	\$55,072	\$47,074

PARKS & RECREATION - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
GRAND TOTALS								
Administration	\$0	\$93,700	-100%	\$105,951	-100%	(\$12,251)	\$115,933	\$85,201
Recreation Programs	\$117,755	\$187,978	-37%	\$174,320	-32%	\$13,658	\$190,314	\$95,496
Special Events	\$254,112	\$50,000	408%	\$21,027	1109%	\$28,973	\$8,195	\$19,274
Aquatics	\$197,690	\$202,646	-2%	\$184,801	7%	\$17,845	\$148,218	\$150,395
Parks Maintenance	\$30,000	\$136,669	-78%	\$0	∞	\$136,669	\$42,284	\$20,325
Anti Work Task Force	\$5,500	\$8,580	-36%	\$3,837	43%	\$4,743	\$852	\$2,505
Military Park Inscriptions	\$5,000	\$3,500	43%	\$3,368	48%	\$132	\$3,741	\$4,970
Grand Totals	\$610,057	\$683,073	-11%	\$493,304	24%	\$189,769	\$509,536	\$378,165

PARKS & RECREATION - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5242-02 - Administration									
Personnel	\$0	\$85,915	-100%	\$99,176	-100%	(\$13,261)	\$113,116	\$81,793	Budget Decrease: Moved to other programs Current Year Over Budget: Payroll budget calculation error and part-time/temp wages unbudgeted - covered by savings in other Parks & Recreation programs
Supplies & Services	\$0	\$7,785	-100%	\$6,775	-100%	\$1,010	\$2,816	\$3,408	Budget Decrease: Moved to other programs Current Year Under Budget: Savings in uniform expenses and travel & training
Administration Total	\$0	\$93,700	-100%	\$105,951	-100%	(\$12,251)	\$115,933	\$85,201	
10-5242-23 - Recreation Programs									
Personnel	\$80,070	\$59,906	34%	\$62,498	28%	(\$2,592)	\$55,265	\$52,767	Budget Increase: Change in allocations between programs Current Year Over Budget: Payroll budget calculation error - covered by savings in Supplies & Services
Supplies & Services	\$37,685	\$128,072	-71%	\$111,822	-66%	\$16,250	\$126,742	\$42,729	Budget Decrease: Change in allocations between programs Current Year Under Budget: Savings in special events
Capital & Debt Service	\$0	\$0	N/A	\$0	N/A	\$0	\$8,307	\$0	
Recreation Programs Total	\$117,755	\$187,978	-37%	\$174,320	-32%	\$13,658	\$190,314	\$95,496	
10-5242-24 - Special Events									
Personnel	\$102,330	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$121,782	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, added new event (\$3,000), also includes Decision Package - Special Events enhancement (CM Partial Recommendation)
Special Events Total	\$224,112	\$0	∞	\$0	∞	\$0	\$0	\$0	

PARKS & RECREATION - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5242-25 - Aquatics									
Personnel	\$145,990	\$153,946	-5%	\$148,871	-2%	\$5,075	\$119,002	\$114,085	Budget Decrease: Change in allocations between programs Current Year Under Budget: Savings in part-time/temp positions
Supplies & Services	\$51,700	\$48,700	6%	\$35,930	44%	\$12,770	\$29,216	\$36,309	
Aquatics Total	\$197,690	\$202,646	-2%	\$184,801	7%	\$17,845	\$148,218	\$150,395	Budget Increase: One-time replacement of pool deck chairs (\$3,000) Current Year Under Budget: Savings in pool chemicals and utilities
Personnel Subtotal	\$328,390	\$299,767	10%	\$310,545	6%	(\$10,778)	\$287,383	\$248,645	
Supplies & Services Subtotal	\$211,167	\$184,557	14%	\$154,527	37%	\$30,030	\$158,774	\$82,446	
Capital & Debt Service Subtotal	\$0	\$0	N/A	\$0	N/A	\$0	\$8,307	\$0	
General Fund Total	\$539,557	\$484,324	11%	\$465,072	16%	\$19,252	\$454,464	\$331,091	

Grants & Donations Funds

GD-5242-24 - Special Events									
Supplies & Services	\$30,000	\$50,000	-40%	\$21,027	43%	\$28,973	\$8,195	\$19,274	Budget Decrease: Based on expected decreases in donations for special events Current Year Under Budget: Budget was high based on contingency for unanticipated donations
Special Events Total	\$30,000	\$50,000	-40%	\$21,027	43%	\$28,973	\$8,195	\$19,274	
GD-5242-26 - Parks Maintenance									
Capital & Debt Service	\$30,000	\$136,669	-78%	\$0	∞	\$136,669	\$42,284	\$20,325	Budget Decrease: One-time capital costs Current Year Under Budget: Budget was high based on possible grants and donations
Parks Maintenance Total	\$30,000	\$136,669	-78%	\$0	∞	\$136,669	\$42,284	\$20,325	

PARKS & RECREATION - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
GD-5242-27 - Anti Work Task Force									
Supplies & Services	\$5,500	\$8,580	-36%	\$3,837	43%	\$4,743	\$852	\$2,505	Budget Decrease: Based on historical trends Current Year Under Budget: Budget was high based on contingency for unanticipated donations
Anti Work Task Force Total	\$5,500	\$8,580	-36%	\$3,837	43%	\$4,743	\$852	\$2,505	
GD-5242-28 - Military Park Inscriptions									
Supplies & Services	\$5,000	\$3,500	43%	\$3,368	48%	\$132	\$3,741	\$4,970	Budget Increase: Based on contingency for unanticipated donations
Military Park Inscriptions Total	\$5,000	\$3,500	43%	\$3,368	48%	\$132	\$3,741	\$4,970	
Supplies & Services Subtotal	\$40,500	\$62,080	-35%	\$28,232	43%	\$33,848	\$12,788	\$26,749	
Capital & Debt Service Subtotal	\$30,000	\$136,669	-78%	\$0	∞	\$136,669	\$42,284	\$20,325	
Grants & Donations Funds Total	\$70,500	\$198,749	-65%	\$28,232	150%	\$170,517	\$55,072	\$47,074	
Grand Totals									
Personnel Total	\$328,390	\$299,767	10%	\$310,545	6%	(\$10,778)	\$287,383	\$248,645	
Supplies & Services Total	\$251,667	\$246,637	2%	\$182,759	38%	\$63,878	\$171,562	\$109,195	
Capital & Debt Service Total	\$30,000	\$136,669	-78%	\$0	∞	\$136,669	\$50,591	\$20,325	
Grand Total	\$610,057	\$683,073	-11%	\$493,304	24%	\$189,769	\$509,536	\$378,165	

PARKS & RECREATION - continued

Positions/Allocations Summaries

Position	FTE
Parks and Recreation Manager	1.00
Recreation & Aquatics Supervisor	1.00
Recreation Coordinator II	1.00
Lifeguards (Part-Time/Temp)	1.58
Pool Managers (Part-Time/Temp)	0.34
Pool Office Assistants (Part-Time/Temp)	0.45
Recreation Assistants (Part-Time/Temp)	0.15
Scorekeepers (Part-Time/Temp)	0.05
Umpires (Part-Time/Temp)	0.09
Water Aerobics Instructors (Part-Time/Temp)	0.15
Total	5.81

Org Unit	Org Description	FTE
General Fund		
10-5242-23	Recreation Programs*	1.19
10-5242-24	Special Events	1.20
10-5242-25	Aquatics**	3.42
General Fund Total		5.81

*Includes 0.29 of part-time/temp positions
 ** Includes 2.52 of part-time/temp positions

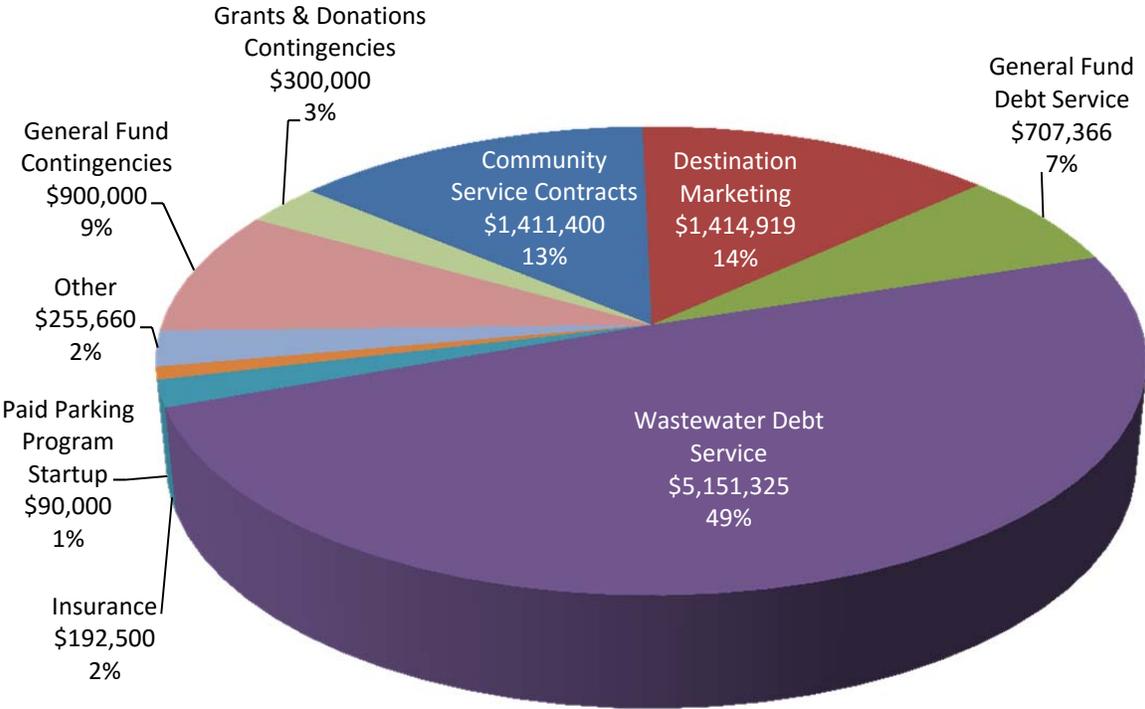
GENERAL SERVICES

The General Services Department is established as an accounting unit in order to capture the various “non-departmental” and other centralized expenses. These include service contracts with non-profits, Citywide liability and other insurances, the City’s destination marketing program, and debt service. The debt service costs include both General Fund and Wastewater Enterprise Fund debt. Additional information on the City’s debt service can be found in the Debt Service section.

The General Services Department also includes the General Fund and Grants & Donation Funds contingency budgets, which include the following:

- \$250,000 general operating contingency
- \$100,000 contingency for possible start-up costs for a trash/recycling program
- \$300,000 contingency for potential bed tax revenue increases (55% pledged to the destination marketing program)
- \$250,000 contingency for potential bed tax revenue increases (45% available for other City purposes)
- \$300,000 contingency for unknown grants and donations revenues that may be received during the year

FY 2017 EXPENDITURES: \$10,423,170



GENERAL SERVICES - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5245-01 - Administration	\$4,971,845	\$4,179,968	19%	\$4,063,564	22%	\$116,404	\$3,859,814	\$3,068,130
10-5245-30 - Insurance	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$4,306
10-5245-41 - Arts & Culture	\$0	\$20,000	-100%	\$8,221	-100%	\$11,779	\$9,362	\$10,004
General Fund Total	\$4,971,845	\$4,199,968	18%	\$4,071,785	22%	\$128,183	\$3,869,177	\$3,082,440
Grants & Donations Funds								
GD-5245-01 - Administration	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Grants & Donations Funds Total	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0
Development Impact Fees Funds								
20-5720-15 - Debt Service	\$0	\$0	N/A	\$19,177	-100%	(\$19,177)	\$19,373	\$0
Development Impact Fees Funds Total	\$0	\$0	N/A	\$19,177	-100%	(\$19,177)	\$19,373	\$0
Wastewater Fund								
59-5250-02 - Departmental Allocations	\$0	\$254,801	-100%	\$301,865	-100%	(\$47,064)	\$231,781	\$178,840
59-5250-15 - Debt Service	\$5,151,325	\$5,413,325	-5%	\$5,412,246	-5%	\$1,079	\$5,317,839	\$5,728,387
Wastewater Fund Total	\$5,151,325	\$5,668,126	-9%	\$5,714,111	-10%	(\$45,985)	\$5,549,620	\$5,907,227

GENERAL SERVICES - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
GRAND TOTALS								
Administration	\$5,271,845	\$4,179,968	26%	\$4,063,564	30%	\$116,404	\$3,859,814	\$3,068,130
Departmental Allocations	\$0	\$254,801	-100%	\$301,865	-100%	(\$47,064)	\$231,781	\$178,840
Debt Service	\$5,151,325	\$5,413,325	-5%	\$5,431,423	-5%	(\$18,098)	\$5,337,212	\$5,728,387
Insurance	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$4,306
Arts & Culture	\$0	\$20,000	-100%	\$8,221	-100%	\$11,779	\$9,362	\$10,004
Grand Totals	\$10,423,170	\$9,868,094	6%	\$9,805,073	6%	\$63,021	\$9,438,170	\$8,989,667

GENERAL SERVICES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
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General Fund

10-5245-01 - Administration

Personnel	(\$16,500)	(\$114,238)	-86%	\$9,959	-266%	(\$124,197)	(\$7,721)	\$7,187	Budget Increase: Added pool for market study adjustments (\$450,000), increased vacancy savings adjustments based on historical trends Current Year Over Budget: Vacancy savings of \$225,000 is budgeted here (as a negative amount) but realized in each department
Supplies & Services	\$3,330,979	\$3,312,234	1%	\$3,312,013	1%	\$221	\$3,123,302	\$2,193,958	Budget Increase: Added Paid Parking Program placeholder (\$90,000) and transit grant match and circulator route (\$45,000); increased community service contracts 1.8% (\$31,078), destination marketing (\$152,820), and city-wide training (\$15,000); moved office supply costs to departments (\$37,875), data communications to IT Department (\$32,500), and payment of legal claims to City Attorney's Office (\$25,000); changed allocation of banking and merchant services fees between General Services and Utility Billing based on activity levels (\$30,100); eliminated transition to ADOR costs (\$125,000) and one-time Hazardous Waste Day (\$20,000)
Capital & Debt Service	\$757,366	\$773,057	-2%	\$741,592	2%	\$31,465	\$744,234	\$866,984	Budget Decrease: Moved Fire Hydrant Maintenance Plan from Public Works/Engineering (\$50,000), reduced debt service payments (\$63,500) Current Year Under Budget: Savings in City Hall capital needs and allocation of a portion of debt service costs to the Development Impact Fee Funds
Contingencies	\$900,000	\$208,915	331%	\$0	∞	\$208,915	\$0	\$0	Budget Increase: Added contingency for possible start-up of trash/recycling program (\$100,000) and contingency for additional bed tax revenues (\$550,000) Current Year Under Budget: Unspent portion of contingency budget
Administration Total	\$4,971,845	\$4,179,968	19%	\$4,063,564	22%	\$116,404	\$3,859,814	\$3,068,130	

10-5245-30 - Insurance

Supplies & Services	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$4,306	
Insurance Total	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$4,306	



GENERAL SERVICES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5245-41 - Arts & Culture									
Supplies & Services	\$0	\$20,000	-100%	\$8,221	-100%	\$11,779	\$9,362	\$10,004	Budget Decrease: Moved to City Manager's Office Current Year Under Budget: Savings in arts education
Arts & Culture Total	\$0	\$20,000	-100%	\$8,221	-100%	\$11,779	\$9,362	\$10,004	
Personnel Subtotal	(\$16,500)	(\$114,238)	-86%	\$9,959	-266%	(\$124,197)	(\$7,721)	\$7,187	
Supplies & Services Subtotal	\$3,330,979	\$3,332,234	0%	\$3,320,234	0%	\$12,000	\$3,132,664	\$2,208,269	
Capital & Debt Service Subtotal	\$757,366	\$773,057	-2%	\$741,592	2%	\$31,465	\$744,234	\$866,984	
Contingencies Subtotal	\$900,000	\$208,915	331%	\$0	∞	\$208,915	\$0	\$0	
General Fund Total	\$4,971,845	\$4,199,968	18%	\$4,071,785	22%	\$128,183	\$3,869,177	\$3,082,440	

Grants & Donations Funds

GD-5245-01 - Administration									
Contingencies	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Added contingency for unknown grants and donations (\$300,000)
Administration Total	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0	
Contingencies Subtotal	\$300,000	\$0	∞	\$0	∞	\$0.00	\$0.00	\$0.00	
Grants & Donations Funds Total	\$300,000	\$0	∞	\$0	∞	\$0	\$0	\$0	

Development Impact Fees Funds

20-5720-15 - Debt Service									
Capital & Debt Service	\$0	\$0	N/A	\$19,177	-100%	(\$19,177)	\$19,373	\$0	Current Year Under Budget: Allocation of debt service costs not budgeted - covered by savings in capital projects
Development Impact Fees Funds Total	\$0	\$0	N/A	\$19,177	-100%	(\$19,177)	\$19,373	\$0	

GENERAL SERVICES - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
Wastewater Fund									
59-5250-02 - Departmental Allocations									
Personnel	\$0	\$192,301	-100%	\$222,655	-100%	(\$30,354)	\$171,606	\$178,840	Budget Decrease: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-02, but charged to the individual departments for FY17) Current Year Over Budget: Payroll budget calculation error - covered by savings in other Wastewater Fund programs
Supplies & Services	\$0	\$62,500	-100%	\$79,210	-100%	(\$16,710)	\$60,175	\$0	Budget Decrease: Moved property and casualty insurance to 59-5250-01 Current Year Over Budget: Budget error in allocation of property and casualty insurance between General Fund and Wastewater Fund - covered by savings in other Wastewater Fund programs
Departmental Allocations Total	\$0	\$254,801	-100%	\$301,865	-100%	(\$47,064)	\$231,781	\$178,840	
59-5250-15 - Debt Service									
Capital & Debt Service	\$5,151,325	\$5,413,325	-5%	\$5,412,246	-5%	\$1,079	\$5,317,839	\$5,728,387	Budget Decrease: Based on debt retirement schedules Current Year Under Budget: Savings in trustee fees
Debt Service Total	\$5,151,325	\$5,413,325	-5%	\$5,412,246	-5%	\$1,079	\$5,317,839	\$5,728,387	
Personnel Subtotal	\$0	\$192,301	-100%	\$222,655	-100%	(\$30,354)	\$171,606	\$178,840	
Supplies & Services Subtotal	\$0	\$62,500	-100%	\$79,210	-100%	(\$16,710)	\$60,175	\$0	
Capital & Debt Service Subtotal	\$5,151,325	\$5,413,325	-5%	\$5,412,246	-5%	\$1,079	\$5,317,839	\$5,728,387	
Wastewater Fund Total	\$5,151,325	\$5,668,126	-9%	\$5,714,111	-10%	(\$45,985)	\$5,549,620	\$5,907,227	
Grand Totals									
Personnel Total	(\$16,500)	\$78,063	-121%	\$232,614	-107%	(\$154,551)	\$163,885	\$186,027	
Supplies & Services Total	\$3,330,979	\$3,394,734	-2%	\$3,399,444	-2%	(\$4,710)	\$3,192,839	\$2,208,269	
Capital & Debt Service Total	\$5,908,691	\$6,186,382	-4%	\$6,173,015	-4%	\$13,367	\$6,081,446	\$6,595,371	
Contingencies Total	\$1,200,000	\$208,915	474%	\$0	∞	\$208,915	\$0.00	\$0.00	
Grand Total	\$10,423,170	\$9,868,094	6%	\$9,805,073	6%	\$63,021	\$9,438,170	\$8,989,667	

COMMUNITY DEVELOPMENT

Mission Statement

Managing growth through responsible stewardship and excellent customer service – *we make a difference.*

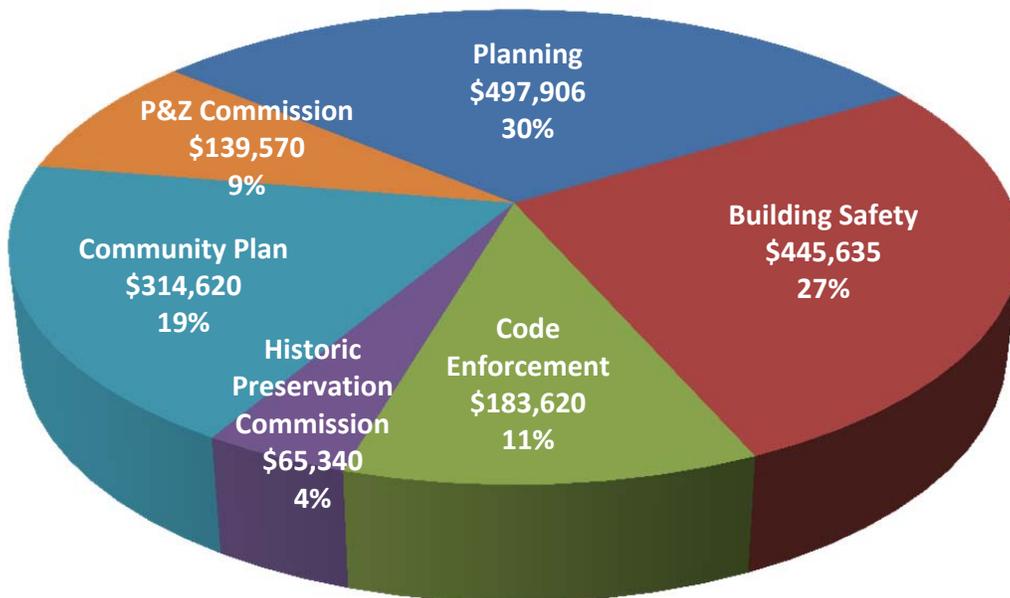
Description

The Community Development Department is comprised of fourteen full-time employees (FTEs) in six divisions and provides support to the City Council and the Historic Preservation and Planning & Zoning Commissions, as well as the Board of Adjustment.

The Community Development Department is responsible for the following program areas:

- Planning
- Building Safety
- Code Enforcement
- Historic Preservation Commission
- Community Plan
- Planning & Zoning Commission

FY 2017 PROGRAM EXPENDITURES: \$1,646,691



COMMUNITY DEVELOPMENT - continued

GENERAL FUND REVENUES

	FY 15 Actual	FY 16 Estimate	FY 17 Target
Building Safety Revenues			
Building Permits	\$350,118	\$374,850	\$325,000
Time Extensions	\$200	\$650	\$200
Sub Total	\$350,318	\$375,500	\$325,200
Planning Revenues			
Expedited Plan Review	\$0	\$12,150	\$14,400
Contracted Reviews Reimbursement	\$0	\$2,000	\$0
Conditional Use Permits	\$3,900	\$3,000	\$2,000
Liquor Licenses	\$375	\$1,400	\$200
Temporary Use Permits	\$4,550	\$3,400	\$3,550
Sign Permits	\$19,462	\$16,950	\$17,500
Land Division Permits	\$1,100	\$850	\$1,015
Copies/Records/Maps	\$38	\$200	\$50
Development Review	\$6,220	\$8,300	\$6,750
Re-inspection Fees	\$350	\$400	\$450
Zoning Amendments	\$4,715	\$2,150	\$0
Variances	\$780	\$0	\$0
Subdivisions	\$3,450	\$450	\$500
Appeals	\$600	\$300	\$300
Miscellaneous Reviews	\$6,625	\$9,050	\$4,000
Sub Total	\$52,165	\$60,600	\$50,715
Total Revenues	\$402,483	\$436,100	\$375,915

GRANTS & DONATIONS FUNDS REVENUES

	FY 15 Actual	FY 16 Estimate	FY 17 Target
Community Development Block Grant Revenues			
Grant Revenue	\$0	\$11,000	\$0
Total Revenues	\$402,483	\$436,100	\$375,915

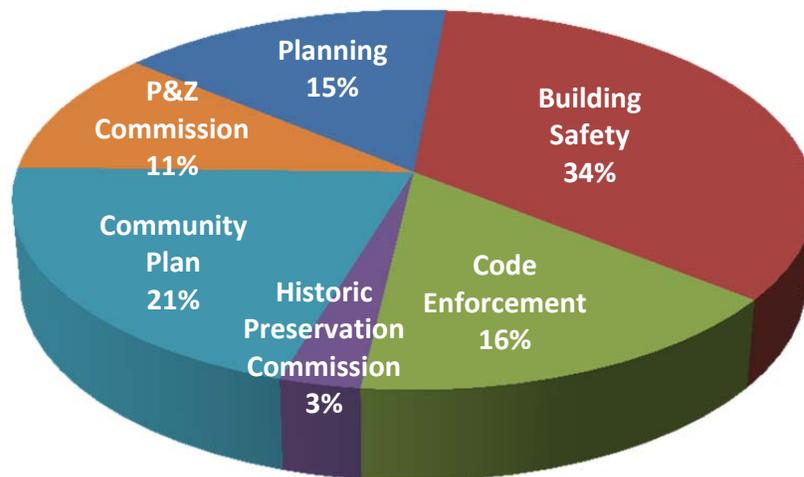
COMMUNITY DEVELOPMENT - continued

FY 2017 Employee Time Allocations (Percentages)

Position	Planning	Building Safety	Code Enf.	HPC	Com. Plan	P&Z	Total
Director	25%	10%	10%	5%	25%	25%	100%
Principal Planner	20%	15%		15%	30%	20%	100%
Chief Building Official		100%					100%
Senior Planner	60%	10%			10%	20%	100%
Senior Planner	20%			5%	70%	5%	100%
Senior Planner	10%				80%	10%	100%
Plans Examiner		100%					100%
Senior Code Enforcement Officer			100%				100%
Building Inspector		100%					100%
Assistant Planner	30%	30%			35%	5%	100%
Assistant Planner	30%	30%			35%	5%	100%
Code Enforcement Officer			100%				100%
Administrative Assistant	10%	5%	5%	15%	5%	60%	100%
Development Services Representative	10%	80%	10%				100%
Total Percent*	215%	480%	225%	40%	290%	150%	1400%

*100% = 1 Full time employee

FY 2017 Percentage of Employee Allocations by Program Area



COMMUNITY DEVELOPMENT - Planning

Program Expenditures:	\$497,906
Personnel Costs:	\$192,580 (39%)
Supplies & Services:	\$295,294 (59%)
Capital & Debt Service:	\$ 11,032 (2%)
FY 17 Estimated Revenues:	\$ 50,715 (General Fund)
Employee Time Allocation:	2.15 FTEs

The Planning program administers zone change requests, development proposals, subdivisions, appeals and variances, administrative waivers, conditional use permits, temporary use permits, sign permits, as well as front counter assistance. Additionally, because the Board of Adjustment meets on an as-needed basis, the support of this quasi-judicial body is included in the Planning program.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Community Plan amendments	2	3	2
Zone changes	2	3	5
Development reviews	2	8	10
• Average days to residential issue	N/A	N/A	7
• Average days to commercial issue	N/A	N/A	21
Conditional use permits	7	5	6
Temporary use permits	66	78	75
• Average days to issue	N/A	N/A	14
Sign permits – permanent	101	109	115
• Average days to issue	N/A	N/A	7
Sign permits – temporary	164	108	120
• Average days to issue	N/A	N/A	1
Film permits	20	15	20
• Average days to issue	N/A	N/A	5
Subdivision	2	5	6
Administrative waivers	7	9	10
Land division permits	18	17	20
Variance	1	1	1
Appeals	2	1	1
Land Development Code amendments	-	1	4
TOTAL	394	363	395
Customers rating – quality of permitting services as good or excellent	N/A	N/A	N/A

COMMUNITY DEVELOPMENT - Building Safety

Program Expenditures: \$445,635
Personnel Costs: \$403,400 (91%)
Supplies & Services: \$ 31,203 (7%)
Capital & Debt Service: \$ 11,032 (2%)
FY 17 Estimated Revenues: \$325,200 (General Fund)
Employee Time Allocation: 4.80 FTEs

Functions include processing and review of all residential and commercial building permit applications and inspections related to new construction, renovations, photovoltaic systems, accessory dwelling units, utilities, zoning, grading, drainage, pools, sheds, decks, and other miscellaneous permits.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Single-family building permits issued	33	39	40
• Total valuation	\$12,934,000	\$18,889,389	\$20,000,000
Manufactured homes building permits	5	7	10
• Total valuation	\$322,000	\$352,983	\$400,000
Number of commercial building permits issued	73	81	91
• Total valuation	\$22,049,921	\$11,855,140	\$14,000,000
Photovoltaic building permits	52	46	55
• Total valuation	\$941,959	\$883,085	\$960,000
Tenant occupancy permits (CofOs)	169	201	250
Miscellaneous (sheds, decks, fences, pools, etc.)	74	64	80
1.25 FTEs conducting building safety inspections			
• Total Inspection / Average per day	1,951 / 7.5	2,086 / 8	2,300 / 9
• Average days from request to inspection	N/A	N/A	N/A
o Residential	N/A	N/A	N/A
o Commercial	N/A	N/A	N/A

Initial Plan Review Timeframe Goals	Number of Days
Residential permits	7
Commercial permits	21
Solar panels	7
Tenant occupancy	5
Tenant improvements	5
Temporary use permits	14
Miscellaneous permits	5

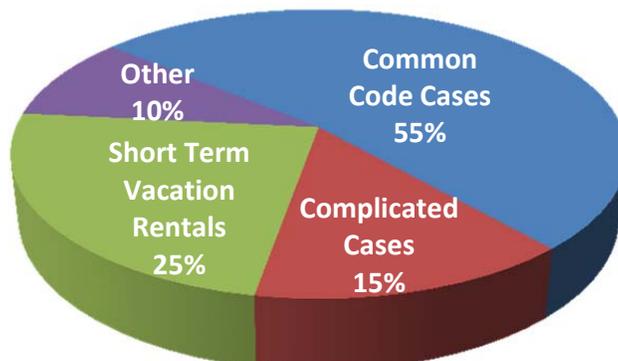
COMMUNITY DEVELOPMENT - Code Enforcement

Program Expenditures: \$183,620
Personnel Costs: \$163,040 (89%)
Supplies & Services: \$ 20,580 (11%)
Employee Time Allocation: 2.25 FTEs

Code Enforcement promotes the health, safety, and welfare of the citizens and the community through enforcement of adopted City Codes. Staff responds to citizen complaints and observed violations of the Land Development Code and the City Code.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Common code cases	351 (78%)	375 (74%)	400 (78%)
Complicated code cases	50 (11%)	62 (12%)	60 (12%)
Short-term vacation rental cases	50 (11%)	70 (14%)	50 (12%)
Cases resolved by voluntary compliance	N/A	N/A	N/A
Cases resolved by forced compliance	N/A	N/A	N/A
Code enforcement cases per FTE	N/A	N/A	N/A
Average days from complaint to first investigation	N/A	N/A	N/A
Average days from investigation to voluntary compliance	N/A	N/A	N/A
Average days from investigation to forced compliance	N/A	N/A	N/A
Citizens rating code violations	N/A	N/A	N/A
• A major problem	N/A	N/A	N/A
• Somewhat of a problem	N/A	N/A	N/A
• Only a small problem	N/A	N/A	N/A
• Not a problem	N/A	N/A	N/A
Total	451	507	510

Percent of Time Allocation by Case Type



COMMUNITY DEVELOPMENT - Historic Preservation Commission

Program Expenditures: \$65,340
Personnel Costs: \$38,890 (60%)
Supplies & Services: \$26,450 (40%)
Employee Time Allocation: 0.40 FTEs

The Historic Preservation Commission is comprised of seven members appointed by the City Council. The Commission was created in 1998 as a working Commission and was allocated 20% of one full-time employee’s time. However, the amount of staff time dedicated is now approximately twice the original 20% allocation.

The purpose of this seven member Commission is to:

- Identify and preserve the City’s historic properties.
- Promote the use of historic properties for the education, pleasure, and welfare of the City.
- Foster civic pride in the accomplishments of the past.
- Protect and enhance Sedona’s attractiveness to visitors and the resulting support and stimulus to the economy.
- Stabilize and improve property values of rehabilitated and protected sites.
- Provide incentives for restoration by owners of landmarks or historic properties.
- Provide standards for restoration of designated properties and new construction within Historic Districts.

FY 16 Accomplishments

- Article 15 (Historic Preservation Ordinance): Evaluated proposed amendments.
- U.S. Forest Service Ranger Station Brewer Road property conceptual master plan: Evaluated and recommended approval of conceptual plan.
- Landmark Properties Appreciation Open House.

FY 17 Objectives

- Article 15 (Historic Preservation Ordinance): Recommend approval to Planning & Zoning Commission/City Council.
- Update Historic Landmark information.
- Create a Historic Resource Recognition Program.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Total number of landmarked properties	23	23	23
Number of public meetings	7	10	8
Number of new properties landmarked	-	-	-
Number of civic pride/educational events	-	1	1
Number of certificates of appropriateness issued	2	1	1
Number of Historic Resource Recognition Awards issued	-	-	1
Educational training exercises (Commissioners)	2	2	3

COMMUNITY DEVELOPMENT - Community Plan

Program Expenditures:	\$314,620
Personnel Costs:	\$280,420 (89%)
Supplies & Services:	\$ 34,200 (11%)
Employee Time Allocation:	2.90 FTEs

The Sedona Community Plan (Plan) is an expression of Sedona citizens' vision of their community and is the City's "general plan" required by the State of Arizona. The Plan proposes desired conditions for the future of the community. It is intended to guide future growth, not to regulate it. On-going functions related to the Community Plan include implementation of identified goals and strategies, specific planning efforts (Community Focus Areas (CFAs)), and minor and major amendments to the Plan.

FY 16 Accomplishments

- Completed the Soldier Pass CFA.
- Completed the Western Gateway CFA.
- Initiated the Schnebly Hill CFA.
- Initiated the Brewer Road Ranger Station Master Plan.

FY 17 Objectives

- Complete the Schnebly Hill CFA.
- Initiate a Land Development Code update to be compliant with the Community Plan.
- Initiate two additional CFAs.
- Process major amendments to the Community Plan (mandatory).
- Complete the Brewer Road Ranger Station Master Plan.

WORKLOAD INDICATORS	FY 15 Actual	FY 16 Estimate	FY 17 Target
Number of public meetings	13	1	8
Number of work group meetings	18	3	18
Number of Planning & Zoning Commission meetings	12	8	6
Number of City Council meetings	2	6	6

COMMUNITY DEVELOPMENT - Planning & Zoning Commission

Program Expenditures: \$139,570
Personnel costs \$133,370 (96%)
Supplies & Services: \$ 6,200 (4%)
Employee Time Allocation: 1.50 FTEs

The Planning & Zoning Commission is comprised of seven citizens who have been appointed by the City Council to review matters relating to planning and development. The Commission is the decision-making authority for conditional use permits and development review applications. The Commission makes recommendations to the City Council on such things as amendments to the Community Plan and the Land Development Code, specific planning projects, re-zonings, and subdivision requests.

FY 17 Additional Objectives

- Prepare accurate, well-documented, and well-written reports.
- Establish a new Commissioner Training Program.
- Respond to requests for information in a timely and professional manner.
- Provide exhibits, illustrations, and/or pictures to help Commissioners visualize the project/proposal.

WORKLOAD INDICATORS	FY 15 Actual	FY 16 Estimate	FY 17 Target
Number of work sessions	10	7	20
Number of public meetings	17	15	20
Number of site visits	3	-	4

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Community Plan amendments	2	3	2
Zone changes	2	3	5
Development reviews	2	8	10
Conditional use permits	7	5	6
Subdivision	2	5	6
Land Development Code amendments	0	1	4
CFAs	2	3	3
Special projects	-	1	1
Educational training exercises (Commissioners)	-	1	2
Total	17	30	39

COMMUNITY DEVELOPMENT - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5310-31 - Planning	\$497,906	\$909,961	-45%	\$845,107	-41%	\$64,854	\$724,688	\$685,785
10-5310-32 - Building Safety	\$445,635	\$162,278	175%	\$174,240	156%	(\$11,962)	\$158,107	\$152,259
10-5310-33 - Code Enforcement	\$183,620	\$142,949	28%	\$145,245	26%	(\$2,296)	\$131,248	\$58,255
10-5310-62 - Historic Preservation Commission	\$65,340	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5310-67 - Community Plan	\$314,620	\$244,767	29%	\$15,445	1937%	\$229,322	\$40,156	\$28,296
10-5310-71 - Planning & Zoning Commission	\$139,570	\$0	∞	\$0	∞	\$0	\$0	\$0
General Fund Total	\$1,646,691	\$1,459,955	13%	\$1,180,037	40%	\$279,918	\$1,054,199	\$924,595
Grants & Donations Funds								
GD-5310-34 - Community Development Block Grant	\$0	\$50,000	-100%	\$11,000	-100%	\$39,000	\$0	\$6,425
GD-5310-62 - Historic Preservation Commission	\$0	\$49,000	-100%	\$0	N/A	\$49,000	\$0	\$0
GD-5310-76 - Economic Development	\$0	\$100,000	-100%	\$0	N/A	\$100,000	\$0	\$0
Grants & Donations Funds Total	\$0	\$199,000	-100%	\$11,000	-100%	\$188,000	\$0	\$6,425

COMMUNITY DEVELOPMENT - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
GRAND TOTALS								
Planning	\$497,906	\$909,961	-45%	\$845,107	-41%	\$64,854	\$724,688	\$685,785
Building Safety	\$445,635	\$162,278	175%	\$174,240	156%	(\$11,962)	\$158,107	\$152,259
Code Enforcement	\$183,620	\$142,949	28%	\$145,245	26%	(\$2,296)	\$131,248	\$58,255
Community Development Block Grant	\$0	\$50,000	-100%	\$11,000	-100%	\$39,000	\$0	\$6,425
Historic Preservation Commission	\$65,340	\$49,000	33%	\$0	∞	\$49,000	\$0	\$0
Community Plan	\$314,620	\$244,767	29%	\$15,445	1937%	\$229,322	\$40,156	\$28,296
Planning & Zoning Commission	\$139,570	\$0	∞	\$0	∞	\$0	\$0	\$0
Economic Development	\$0	\$100,000	-100%	\$0	N/A	\$100,000	\$0	\$0
Grand Totals	\$1,646,691	\$1,658,955	-1%	\$1,191,037	38%	\$467,918	\$1,054,199	\$931,020

COMMUNITY DEVELOPMENT - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5310-31 - Planning									
Personnel	\$192,580	\$834,020	-77%	\$789,208	-76%	\$44,812	\$695,206	\$617,792	Budget Decrease: Change in allocations between programs, and transfer of PT Administrative Assistant to Public Works/Engineering and Economic Development Manager to City Manager Current Year Under Budget: Vacancy savings
Supplies & Services	\$294,294	\$49,920	490%	\$31,917	822%	\$18,003	\$29,482	\$31,558	Budget Increase: Carryover of Land Development Code comprehensive update and project increase transferred from Community Plan (\$200,000), carryover of wireless communications transferred from City Manager (\$60,000) Current Year Under Budget: Savings in storage rent, advertising, and travel & training
Capital & Debt Service	\$11,032	\$26,021	-58%	\$23,982	-54%	\$2,039	\$0	\$36,435	Budget Decrease: One-time capital purchases, includes Decision Package - new file storage system (CM Recommended) Current Year Under Budget: Savings in vehicle purchase for Code Enforcement
Planning Total	\$497,906	\$909,961	-45%	\$845,107	-41%	\$64,854	\$724,688	\$685,785	

COMMUNITY DEVELOPMENT - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5310-32 - Building Safety									
Personnel	\$403,400	\$159,308	153%	\$160,696	151%	(\$1,388)	\$155,312	\$149,445	Budget Increase: Change in allocations between programs and includes Decision Package - new Chief Building Official (CM Recommended) Current Year Over Budget: Payroll budget calculation error - covered by vacancy savings in other Community Development programs
Supplies & Services	\$31,203	\$2,970	951%	\$13,544	130%	(\$10,574)	\$2,795	\$2,814	Budget Increase: Added professional services for expedited plan reviews and includes Decision Package - desk, supplies, computer, etc. for new Chief Building Official (CM Recommended) Current Year Over Budget: Contracted expedited plan review services not budgeted but reimbursed
Capital & Debt Service	\$11,032	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Decision Package - new file storage system (CM Recommended)
Building Safety Total	\$445,635	\$162,278	175%	\$174,240	156%	(\$11,962)	\$158,107	\$152,259	
10-5310-33 - Code Enforcement									
Personnel	\$163,040	\$130,579	25%	\$131,964	24%	(\$1,385)	\$125,645	\$53,266	Budget Increase: Change in allocations between program Current Year Over Budget: Payroll budget calculation error - covered by vacancy savings in other Community Development programs
Supplies & Services	\$20,580	\$12,370	66%	\$13,281	55%	(\$911)	\$5,603	\$4,989	Budget Increase: Change in allocations between program and additional costs for abatement of code violations Current Year Over Budget: Purchase of sound level meter not budgeted - covered by savings in other Community Development programs
Code Enforcement Total	\$183,620	\$142,949	28%	\$145,245	26%	(\$2,296)	\$131,248	\$58,255	

COMMUNITY DEVELOPMENT - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5310-62 - Historic Preservation Commission									
Personnel	\$38,890	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$26,450	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, Council increase for HPC matching grants
Historic Preservation Commission Total	\$65,340	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5310-67 - Community Plan									
Personnel	\$280,420	\$73,397	282%	\$0	∞	\$73,397	\$0	\$0	Budget Increase: Change in allocations between programs Current Year Under Budget: Vacancy savings and changes in allocations between programs
Supplies & Services	\$34,200	\$171,370	-80%	\$15,445	121%	\$155,925	\$21,355	\$28,296	Budget Decrease: One-time costs for CFA plans (\$125,000) and Land Development Code moved to Planning Program (\$25,000) Current Year Under Budget: Carryover of Land Development Code updates
Capital & Debt Service	\$0	\$0	N/A	\$0	N/A	\$0	\$18,801	\$0	
Community Plan Total	\$314,620	\$244,767	29%	\$15,445	1937%	\$229,322	\$40,156	\$28,296	
10-5310-71 - Planning & Zoning Commission									
Personnel	\$133,370	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Supplies & Services	\$6,200	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Planning & Zoning Commission Total	\$139,570	\$0	∞	\$0	∞	\$0	\$0	\$0	
Personnel Subtotal	\$1,211,700	\$1,197,304	1%	\$1,081,868	12%	\$115,436	\$976,163	\$820,503	
Supplies & Services Subtotal	\$412,927	\$236,630	75%	\$74,187	457%	\$162,443	\$59,235	\$67,658	
Capital & Debt Service Subtotal	\$22,064	\$26,021	-15%	\$23,982	-8%	\$2,039	\$18,801	\$36,435	
General Fund Total	\$1,646,691	\$1,459,955	13%	\$1,180,037	40%	\$279,918	\$1,054,199	\$924,595	

COMMUNITY DEVELOPMENT - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
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Grants & Donations Funds

GD-5310-34 - Community Development Block Grant

Supplies & Services	\$0	\$50,000	-100%	\$11,000	-100%	\$39,000	\$0	\$6,425	Budget Decrease: Contingency budget set up in General Services until any budget award for FY17 can be determined Current Year Under Budget: Savings in CDBG grant administration costs
Community Development Block Grant Total	\$0	\$50,000	-100%	\$11,000	-100%	\$39,000	\$0	\$6,425	

GD-5310-62 - Historic Preservation Commission

Supplies & Services	\$0	\$49,000	-100%	\$0	N/A	\$49,000	\$0	\$0	Budget Decrease: Contingency budget set up in General Services until any budget award for FY17 can be determined Current Year Under Budget: No grant funding obtained
Historic Preservation Commission Total	\$0	\$49,000	-100%	\$0	N/A	\$49,000	\$0	\$0	

GD-5310-76 - Economic Development

Supplies & Services	\$0	\$100,000	-100%	\$0	N/A	\$100,000	\$0	\$0	Budget Decrease: Contingency budget set up in General Services until any budget award for FY17 can be determined Current Year Under Budget: No grant funding obtained
Economic Development Total	\$0	\$100,000	-100%	\$0	N/A	\$100,000	\$0	\$0	
Supplies & Services Subtotal	\$0	\$199,000	-100%	\$11,000	-100%	\$188,000	\$0	\$6,425	
Grants & Donations Funds Total	\$0	\$199,000	-100%	\$11,000	-100%	\$188,000	\$0	\$6,425	

Grand Totals

Personnel Total	\$1,211,700	\$1,197,304	1%	\$1,081,868	12%	\$115,436	\$976,163	\$820,503	
Supplies & Services Total	\$412,927	\$435,630	-5%	\$85,187	385%	\$350,443	\$59,235	\$74,083	
Capital & Debt Service Total	\$22,064	\$26,021	-15%	\$23,982	-8%	\$2,039	\$18,801	\$36,435	
Grand Total	\$1,646,691	\$1,658,955	-1%	\$1,191,037	38%	\$467,918	\$1,054,199	\$931,020	

COMMUNITY DEVELOPMENT - continued

Positions/Allocations Summaries

Position	FTE
Administrative Assistant	1.00
Assistant Planner	2.00
Building Inspector	1.00
Chief Building Official	1.00
Code Enforcement Officer	1.00
Community Development Director	1.00
Development Services Representative	1.00
Plans Examiner	1.00
Principal Planner	1.00
Senior Code Enforcement Officer	1.00
Senior Planner	3.00
Total	14.00

Org Unit	Org Description	FTE
General Fund		
10-5310-31	Planning	2.15
10-5310-32	Building Safety	4.80
10-5310-33	Code Enforcement	2.25
10-5310-62	Historic Preservation Commission	0.40
10-5310-67	Community Plan	2.90
10-5310-71	Planning & Zoning Commission	1.50
Total		14.00

PUBLIC WORKS & ENGINEERING

Mission Statement

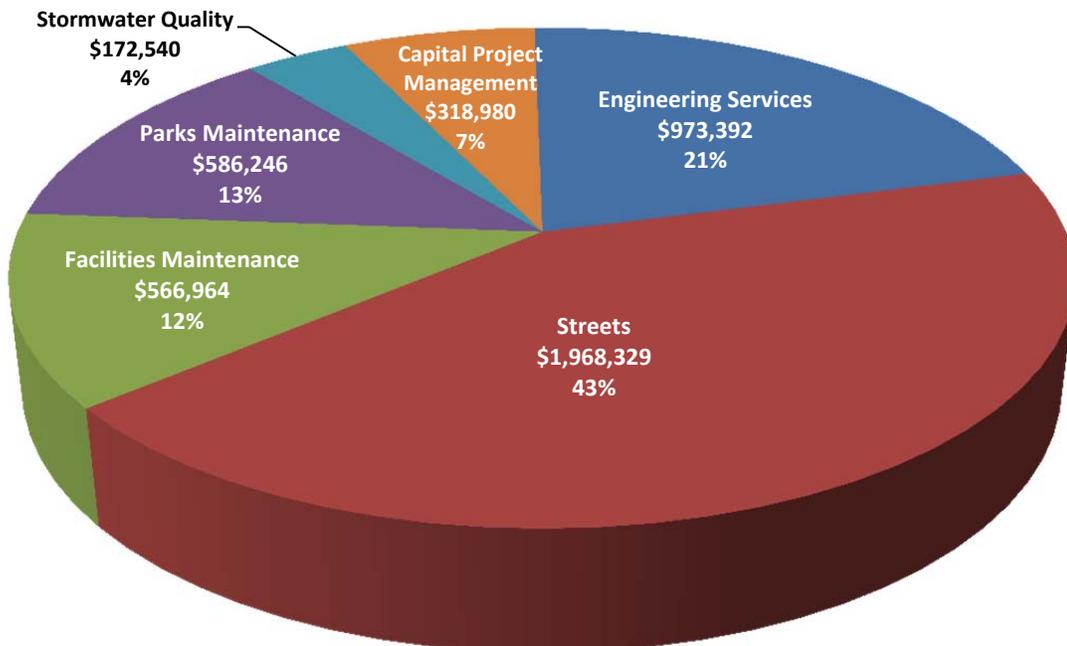
The mission of the Public Works & Engineering Department is to sustain the integrity of the City's infrastructure and assist other departments with its expertise, taking into account the direction of the City Manager, City Council, and citizen needs.

Description

The main program areas and the services included in the Public Works & Engineering Department are:

- Engineering Services – Administrative services, office support and supplies, development review, staff training, and general professional services.
- Streets Maintenance – Streets rehabilitation, pavement preservation, equipment and machinery operation and maintenance, utilities, landscaping, right-of-way maintenance, traffic control, drainage maintenance and multi-modal facility maintenance in the public right-of-way.
- Facilities Maintenance – Maintenance of City buildings, service contracts, facility utilities, and facility improvements.
- Parks Maintenance – Maintenance of parks grounds, equipment and machinery, service contracts, and utilities.
- Stormwater Quality – Stormwater quality permit fees, professional services, and public outreach.
- Capital Projects Management – Personnel management of capital improvement projects.

FY 2017 PROGRAM EXPENDITURES: \$4,586,451

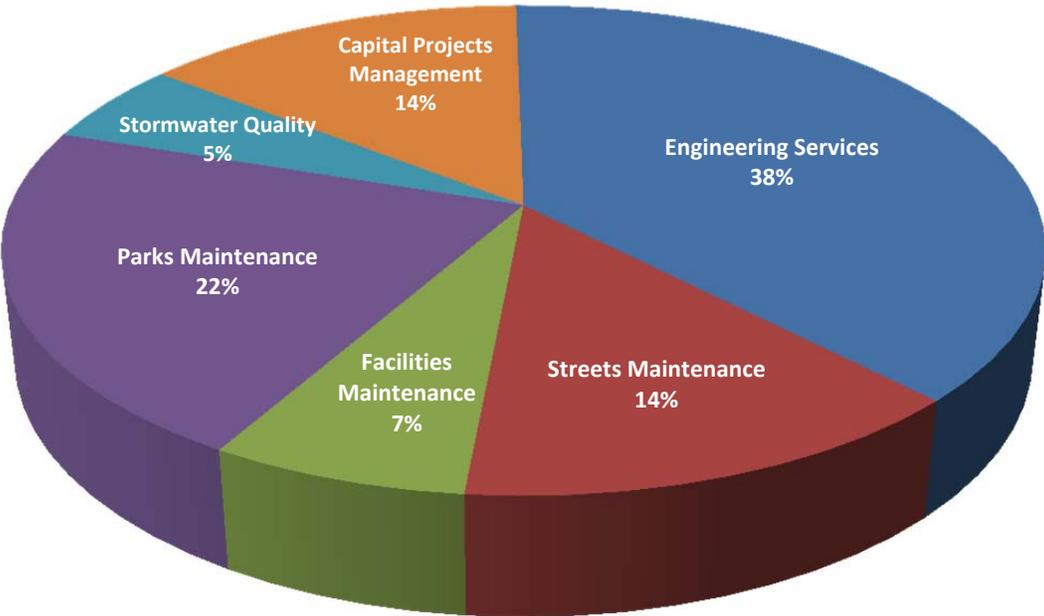


PUBLIC WORKS & ENGINEERING - continued

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
MS4 Compliant (Municipal Separate Storm Sewer System)	Yes	Yes	Yes
Public Works customer satisfaction	N/A	N/A	N/A

FY 2017 Percentage of Employee Allocations by Program Area

The Public Works Department has 23.6 full-time equivalent employees. Employee time allocations are as shown below.



PUBLIC WORKS & ENGINEERING - Maintenance Services

Program Expenditures: **\$3,121,539**

Streets Maintenance - Streets rehabilitation, pavement preservation, equipment and machinery operation and maintenance, utilities, landscaping, right-of-way maintenance, traffic control, drainage maintenance and multi-modal facility maintenance in the public right-of-way.

Program Expenditures:	\$1,968,329	
Personnel Costs:		Personnel costs included in Engineering Services
Supplies & Services:	\$1,915,529 (97%)	
Capital & Debt Service:	\$ 52,800 (3%)	
Employee Time Allocation:	3.25 FTEs	
General Fund Portion:	\$ 808,329 (41%)	
Streets Fund Portion:	\$1,150,000 (59%)	

The street rehabilitation and pavement preservation costs are paid from the Streets Fund. The Streets Fund is primarily funded by Highway User Revenue Funds (HURF) revenues (the state shared gas revenues), which are restricted for the maintaining, repairing, and upgrading of streets. Major street improvements and construction are included in the Capital Improvement Plan budget and paid from the Capital Improvement Fund. All other streets related costs are paid from the General Fund.

Facilities Maintenance - Maintenance of City buildings, service contracts, facility utilities, and facility improvements.

Program Expenditures:	\$566,964	
Personnel Costs:	\$102,590 (18%)	
Supplies & Services:	\$409,374 (72%)	
Capital & Debt Service:	\$ 55,000 (10%)	
Employee Time Allocation:	1.6 FTEs	
General Fund Portion:	\$536,964 (95%)	
Development Impact Fee Portion:	\$ 30,000 (5%)	

The Facilities Maintenance costs are primarily paid from the General Fund. A special project for access improvements to the Sinagua Property has been budgeted from the Development Impact Fee Funds. These improvements do not meet the criteria for a capital improvement project and are not included in the Capital Improvement Program.

Parks Maintenance - Maintenance of parks grounds, equipment and machinery, service contracts, and utilities.

Program Expenditures:	\$586,246	
Personnel Costs:	\$295,350 (50%)	
Supplies & Services:	\$264,896 (45%)	
Capital & Debt Service:	\$ 26,000 (5%)	
Employee Time Allocation:	5.15 FTEs	

PUBLIC WORKS & ENGINEERING - Maintenance Services

FY 16 Accomplishments

- Milled and overlaid Palisades Subdivision streets and Jordan Road.
- Completed budgeted streets rehabilitation and preservation projects.
- Completed Pre-Monsoon Program for FY 2015-16.
- Met Arizona Department of Environmental Quality (ADEQ) requirements for Municipal Separate Storm Sewer (MS4) compliance.
- Developed Property Management Maintenance Plan.
- Assisted with Community Clean-Up Event, for fire abatement and pre-monsoon drainage cleanup.

FY 17 Objectives

- Accelerate re-paving program with a target to complete 4 to 5 miles of street rehabilitation per year
- Complete Pre-Monsoon Program for FY 2016-17.
- Continue to enhance bicycle route signage.
- Continue to enhance Property Management Maintenance Plan.
- Meet ADEQ requirements for Municipal Separate Storm Sewer (MS4) compliance.
- Continue to refine processes for efficiency.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Parks and facilities work orders completed within 24 hours of notice	N/A	N/A	N/A
Parks maintenance cost/maintained acre	N/A	N/A	N/A
Miles of streets rehabilitation completed	0.78	2.30	4.0 – 5.0
Streets general customer satisfaction	N/A	N/A	N/A
Number of culverts cleaned	N/A	N/A	N/A

PUBLIC WORKS & ENGINEERING - Capital Projects Management

Program Expenditures: \$318,980 (includes only personnel cost)
Employee Time Allocation: 3.34 FTEs

General Fund Portion: \$240,140 (75%)
Wastewater Fund Portion: \$ 78,840 (25%)

The Public Works Department manages projects for multiple budget programs. As shown below, the Capital Improvement Program (CIP) includes:

- **Art in Public Places** – Art in the Roundabouts (nothing budgeted for FY 2016-17).
- **Community Development** – Brewer Road Property.
- **Police** – Shooting Range Improvements, Police facility renovations, radio communications enhancement, Uptown parking meters.
- **Public Works** – Transportation Master Plan update and implementation, Cathedral Rock trailhead, road projects, sidewalk extensions, Uptown pedestrian access improvements.
- **Parks and Recreation** – Barbara Antonsen Memorial Park, park land acquisition, fitness trail, Dog Park upgrade, Bike Skills Park improvements.
- **Drainage** – Brewer Road/Tlaquepaque improvements, easement acquisition, Coffee Pot Drainage Basin improvements.
- **Wastewater** – Collections system master plan, effluent management project, bar screen and filter system upgrades, odor control project, headworks replacement.

A portion of the Capital Projects Management program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services.

FY 16 Accomplishments

- Created comprehensible communication report for capital improvement project updates. See www.sedonaaz.gov/CIP.
- Completed 80% of budgeted capital improvement projects across multiple departments.

FY 17 Objectives

- Complete design and construction of budgeted capital improvement projects on time.
- Complete design and construction of budgeted capital improvement projects within budget.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Projects completed (CIP \$) / FTE	N/A	N/A	N/A
Projects budgeted (#)	18	20	20
Projects completed (%)	60%	80%	100%
Value of Parks & Recreation projects	N/A	N/A	\$3.11M
Percent of projects complete* (not dollar value)	N/A	N/A	N/A

PUBLIC WORKS & ENGINEERING - Engineering Services

Program Expenditures: \$973,392
Personnel Costs: \$903,990 (93%)
Supplies & Services: \$ 69,402 (7%)
Employee Time Allocation: 8.97 FTEs

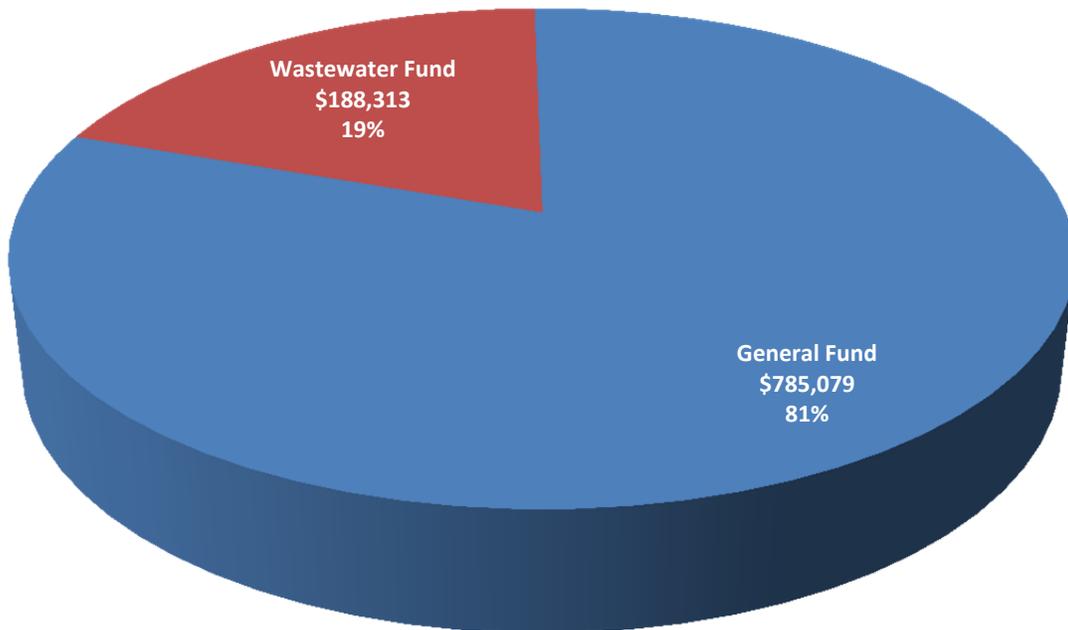
General Fund Portion: \$785,079 (81%)
Wastewater Fund Portion: \$188,313 (19%)

The Engineering Services program is responsible for administrative services, office support and supplies, development review, staff training, and general professional services. A portion of the Engineering Services program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for support services. This program also includes the personnel costs for the Streets Maintenance program.

GENERAL FUND REVENUES

	FY 15 Actual	FY 16 Estimate	FY 17 Target
Right-of-Way Permits	\$3,870	\$4,745	\$4,060
Miscellaneous Revenues	\$0	\$2,500	\$0
Total Revenues	\$3,870	\$7,245	\$4,060

FY 2017 ENGINEERING SERVICES EXPENDITURES BY FUND: \$973,392

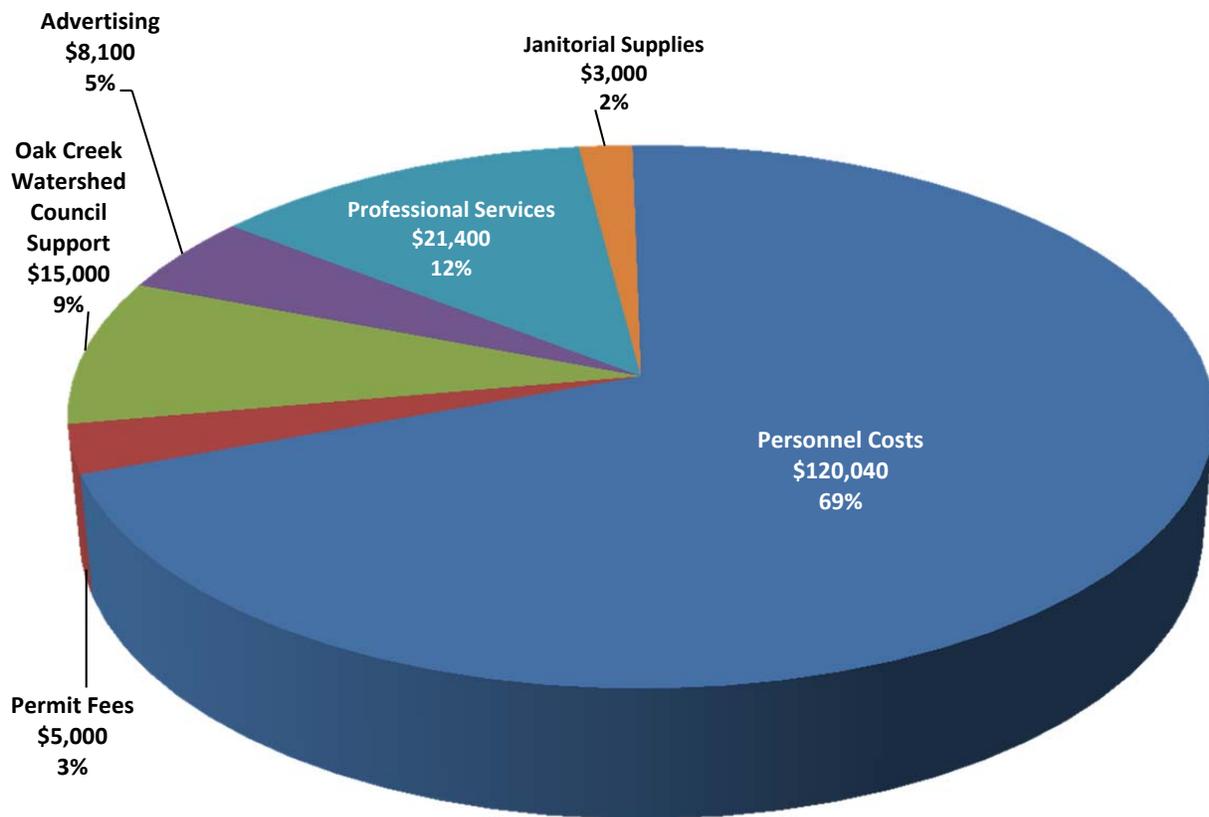


PUBLIC WORKS & ENGINEERING – Stormwater Quality

Program Expenditures:	\$172,540
Personnel Costs:	\$120,040 (70%)
Supplies & Services:	\$ 52,500 (30%)
Employee Time Allocation:	1.29 FTEs

The Stormwater Quality program is responsible for stormwater quality permit fees, professional services, and public outreach.

FY 2017 STORMWATER QUALITY EXPENDITURES: \$172,540



PUBLIC WORKS & ENGINEERING - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5320-01 - Administration	\$0	\$502,784	-100%	\$492,692	-100%	\$10,092	\$443,316	\$447,958
10-5320-26 - Parks Maintenance	\$586,246	\$730,478	-20%	\$699,319	-16%	\$31,159	\$629,808	\$672,995
10-5320-38 - Engineering Services	\$785,079	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5320-39 - Streets Maintenance	\$818,329	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5320-68 - Stormwater Quality	\$172,540	\$126,140	37%	\$95,384	81%	\$30,756	\$103,205	\$82,117
10-5320-79 - Facilities Maintenance	\$536,964	\$700,519	-23%	\$579,298	-7%	\$121,221	\$438,123	\$474,184
10-5320-89 - Capital Projects Management	\$240,140	\$286,001	-16%	\$221,086	9%	\$64,915	\$178,132	\$165,591
General Fund Total	\$3,139,298	\$2,345,922	34%	\$2,087,779	50%	\$258,143	\$1,792,584	\$1,842,845
Streets Fund								
11-5320-01 - Administration	\$0	\$123,320	-100%	\$90,225	-100%	\$33,095	\$146,094	\$130,895
11-5320-52 - Road & Drainage Rehabilitation	\$1,150,000	\$796,774	44%	\$685,080	68%	\$111,694	\$67,601	\$1,279,869
11-5320-54 - Right-of-Way Maintenance	\$0	\$313,582	-100%	\$242,731	-100%	\$70,851	\$167,882	\$271,196
11-5320-73 - Traffic Signals	\$0	\$171,013	-100%	\$108,191	-100%	\$62,822	\$106,496	\$117,380
Streets Fund Total	\$1,150,000	\$1,404,689	-18%	\$1,126,227	2%	\$278,462	\$488,072	\$1,799,340
Grants & Donations Funds								
GD-5320-26 - Parks Maintenance	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0
Grants & Donations Funds Total	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0

PUBLIC WORKS & ENGINEERING - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	
General Fund									
10-5320-01 - Administration	\$0	\$502,784	-100%	\$492,692	-100%	\$10,092	\$443,316	\$447,958	
10-5320-26 - Parks Maintenance	\$586,246	\$730,478	-20%	\$699,319	-16%	\$31,159	\$629,808	\$672,995	
10-5320-38 - Engineering Services	\$785,079	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5320-39 - Streets Maintenance	\$818,329	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5320-68 - Stormwater Quality	\$172,540	\$126,140	37%	\$95,384	81%	\$30,756	\$103,205	\$82,117	
10-5320-79 - Facilities Maintenance	\$536,964	\$700,519	-23%	\$579,298	-7%	\$121,221	\$438,123	\$474,184	
10-5320-89 - Capital Projects Management	\$240,140	\$286,001	-16%	\$221,086	9%	\$64,915	\$178,132	\$165,591	
General Fund Total	\$3,139,298	\$2,345,922	34%	\$2,087,779	50%	\$258,143	\$1,792,584	\$1,842,845	
Streets Fund									
11-5320-01 - Administration	\$0	\$123,320	-100%	\$90,225	-100%	\$33,095	\$146,094	\$130,895	
11-5320-52 - Road & Drainage Rehabilitation	\$1,150,000	\$796,774	44%	\$685,080	68%	\$111,694	\$67,601	\$1,279,869	
11-5320-54 - Right-of-Way Maintenance	\$0	\$313,582	-100%	\$242,731	-100%	\$70,851	\$167,882	\$271,196	
11-5320-73 - Traffic Signals	\$0	\$171,013	-100%	\$108,191	-100%	\$62,822	\$106,496	\$117,380	
Streets Fund Total	\$1,150,000	\$1,404,689	-18%	\$1,126,227	2%	\$278,462	\$488,072	\$1,799,340	
Grants & Donations Funds									
GD-5320-26 - Parks Maintenance	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0	
Grants & Donations Funds Total	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0	

PUBLIC WORKS & ENGINEERING - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	
Development Impact Fee Funds									
DIF-5320-79 - Facilities Maintenance	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0	
Development Impact Fee Funds Total	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0	
Wastewater Fund									
59-5320-38 - Engineering Services	\$188,313	\$31,046	507%	\$16,139	1067%	\$14,907	\$0	\$0	
59-5320-89 - Capital Projects Management	\$78,840	\$156,427	-50%	\$138,707	-43%	\$17,720	\$131,783	\$115,278	
Wastewater Fund Total	\$267,153	\$187,473	43%	\$154,846	73%	\$32,627	\$131,783	\$115,278	
GRAND TOTALS									
General Administration	\$0	\$626,104	-100%	\$582,917	-100%	\$43,187	\$589,409	\$578,853	
Parks Maintenance	\$586,246	\$755,478	-22%	\$699,319	-16%	\$56,159	\$629,808	\$672,995	
Engineering Services	\$973,392	\$31,046	3035%	\$16,139	5931%	\$14,907	\$0	\$0	
Streets/Road & Drainage Rehab/ROW Maint./Traffic Signals	\$1,968,329	\$1,281,369	54%	\$1,036,002	90%	\$245,367	\$341,979	\$1,668,445	
Stormwater Quality	\$172,540	\$126,140	37%	\$95,384	81%	\$30,756	\$103,205	\$82,117	
Facilities Maintenance	\$566,964	\$700,519	-19%	\$579,298	-2%	\$121,221	\$438,123	\$474,184	
Capital Projects Management	\$318,980	\$442,428	-28%	\$359,793	-11%	\$82,635	\$309,915	\$280,869	
Grand Totals*	\$4,586,451	\$3,963,084	16%	\$3,368,852	36%	\$594,232	\$2,412,439	\$3,757,464	
* Grand Totals excluding Streets	\$2,618,122	\$2,681,715	-2%	\$2,332,850	12%	\$348,865	\$2,070,461	\$2,089,019	

PUBLIC WORKS & ENGINEERING - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5320-01 - Administration									
Personnel	\$0	\$462,990	-100%	\$468,240	-100%	(\$5,250)	\$388,187	\$434,333	Budget Decrease: Change in allocations between programs Current Year Under Budget: Vacancy savings
Supplies & Services	\$0	\$39,794	-100%	\$24,452	-100%	\$15,342	\$55,129	\$13,625	Budget Decrease: Change in allocations between programs Current Year Under Budget: Savings in travel & training
Administration Total	\$0	\$502,784	-100%	\$492,692	-100%	\$10,092	\$443,316	\$447,958	
10-5320-26 - Parks Maintenance									
Personnel	\$295,350	\$483,512	-39%	\$466,813	-37%	\$16,699	\$408,893	\$415,270	Budget Decrease: Change in allocations between programs, includes Decision Package - 20% of new City Maintenance Worker II (CM Recommended) Current Year Under Budget: Vacancy savings
Supplies & Services	\$264,896	\$202,572	31%	\$188,112	41%	\$14,460	\$190,916	\$222,728	Budget Increase: Moved Wetlands Areas Maintenance Plan from Facilities Maintenance (\$40,000), moved USDA Forest Trails IGA payment from Capital & Debt Service (\$30,000) Current Year Under Budget: Savings in grounds maintenance chemicals and contract for mosquito/algae/pest control at the Wetlands Park
Capital & Debt Service	\$26,000	\$44,394	-41%	\$44,394	-41%	\$0	\$30,000	\$34,998	Budget Decrease: One-time capital purchases, moved USDA Forest Trails IGA payment to Supplies & Services (\$30,000)
Parks Maintenance Total	\$586,246	\$730,478	-20%	\$699,319	-16%	\$31,159	\$629,808	\$672,995	
10-5320-38 - Engineering Services									
Personnel	\$740,990	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between program, moved Administrative Assistant from Community Development, includes Decision Package - 80% of new City Maintenance Worker II (CM Recommended)
Supplies & Services	\$44,089	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between program, includes Decision Package - other expenses for new City Maintenance Worker II (CM Recommended)
Engineering Services Total	\$785,079	\$0	∞	\$0	∞	\$0	\$0	\$0	

PUBLIC WORKS & ENGINEERING - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5320-39 - Streets Maintenance									
Supplies & Services	\$765,529	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Moved all non-rehab Streets costs from Streets Fund to General Fund (decreased from prior year by \$186)
Capital & Debt Service	\$52,800	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Moved all non-rehab Streets costs from Streets Fund to General Fund (decreased from prior year by \$64,400 - one-time capital purchases)
Streets Maintenance Total	\$818,329	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5320-68 - Stormwater Quality									
Personnel	\$120,040	\$88,640	35%	\$66,782	80%	\$21,858	\$68,836	\$56,827	Budget Increase: Change in allocations between programs Current Year Under Budget: Vacancy savings and changes in allocations between programs
Supplies & Services	\$52,500	\$37,500	40%	\$28,602	84%	\$8,898	\$34,369	\$25,290	Budget Increase: Moved Oak Creek Watershed Council support from General Services (\$15,000) Current Year Under Budget: Savings in advertising and contracted street sweeping services
Stormwater Quality Total	\$172,540	\$126,140	37%	\$95,384	81%	\$30,756	\$103,205	\$82,117	

PUBLIC WORKS & ENGINEERING - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5320-79 - Facilities Maintenance									
Personnel	\$102,590	\$113,445	-10%	\$105,241	-3%	\$8,204	\$113,631	\$104,816	Budget Increase: Change in allocations between programs Current Year Over Budget: Changes in staffing allocations between programs
Supplies & Services	\$409,374	\$375,074	9%	\$315,873	30%	\$59,201	\$302,208	\$333,825	Budget Increase: Moved City Facilities Maintenance Plan from Capital & Debt Service (\$25,000), increased utilities budgets (\$4,980) Current Year Under Budget: Savings in janitorial services and utilities
Capital & Debt Service	\$25,000	\$212,000	-88%	\$158,184	-84%	\$53,816	\$22,284	\$35,543	Budget Decrease: Includes one-time capital purchases, moved City Facilities Maintenance Plan to Supplies & Services (\$25,000), moved Wetlands Areas Maintenance Plan to Parks Maintenance (\$40,000), moved hydrant maintenance to General Services (\$50,000), includes Decision Package - Jordan Museum electrical upgrade (CM Recommended) Current Year Under Budget: Savings in hydrant maintenance and improvements to the Wetlands Park
Facilities Maintenance Total	\$536,964	\$700,519	-23%	\$579,298	-7%	\$121,221	\$438,123	\$474,184	
10-5320-89 - Capital Projects Management									
Personnel	\$240,140	\$286,001	-16%	\$221,086	9%	\$64,915	\$178,132	\$165,591	Budget Increase: Change in allocations between programs Current Year Over Budget: Vacancy savings
Capital Projects Management Total	\$240,140	\$286,001	-16%	\$221,086	9%	\$64,915	\$178,132	\$165,591	
Personnel Subtotal	\$1,499,110	\$1,434,588	4%	\$1,328,162	13%	\$106,426	\$1,157,679	\$1,176,837	
Supplies & Services Subtotal	\$1,536,388	\$654,940	135%	\$557,039	176%	\$97,901	\$582,621	\$595,467	
Capital & Debt Service Subtotal	\$103,800	\$256,394	-60%	\$202,578	-49%	\$53,816	\$52,284	\$70,541	
General Fund Total	\$3,139,298	\$2,345,922	34%	\$2,087,779	50%	\$258,143	\$1,792,584	\$1,842,845	

PUBLIC WORKS & ENGINEERING - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
Streets Fund									
11-5320-01 - Administration									
Supplies & Services	\$0	\$93,120	-100%	\$60,262	-100%	\$32,858	\$51,642	\$70,358	Budget Decrease: Moved to General Fund Current Year Under Budget: Savings in fuel and maintenance for streets vehicles, surveying and engineering services, dumpster service for events, replacement of small equipment, and equipment rentals
Capital & Debt Service	\$0	\$30,200	-100%	\$29,963	-100%	\$237	\$94,452	\$60,537	Budget Decrease: Moved to General Fund
Administration Total	\$0	\$123,320	-100%	\$90,225	-100%	\$33,095	\$146,094	\$130,895	
11-5320-52 - Road & Drainage Rehabilitation									
Supplies & Services	\$1,150,000	\$796,774	44%	\$685,080	68%	\$111,694	\$67,601	\$1,279,869	Budget Increase: Increased streets rehab for the 4.5 to 5 miles per year required to adequately maintain the City streets, moved right-of-way maintenance (\$20,000) and drainage maintenance (\$255,000) to General Fund Current Year Under Budget: Savings in unschedule right-of-way maintenance and drainage maintenance
Road & Drainage Rehabilitation Total	\$1,150,000	\$796,774	44%	\$685,080	68%	\$111,694	\$67,601	\$1,279,869	
11-5320-54 - Right-of-Way Maintenance									
Supplies & Services	\$0	\$226,582	-100%	\$162,122	-100%	\$64,460	\$167,882	\$239,477	Budget Decrease: Moved to General Fund Current Year Under Budget: Savings in water for landscaping, installation of bus stop shelters, and contracted weed control
Capital & Debt Service	\$0	\$87,000	-100%	\$80,609	-100%	\$6,391	\$0	\$31,719	Budget Decrease: Moved to General Fund Current Year Under Budget: Savings in sidewalk repairs and maintenance
Right-of-Way Maintenance Total	\$0	\$313,582	-100%	\$242,731	-100%	\$70,851	\$167,882	\$271,196	

PUBLIC WORKS & ENGINEERING - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
11-5320-73 - Traffic Signals									
Supplies & Services	\$0	\$171,013	-100%	\$108,191	-100%	\$62,822	\$106,496	\$117,380	Budget Decrease: Moved to General Fund Current Year Under Budget: Savings in electricity for traffic signals and street lights, storm emergencies, and contracted striping
Traffic Signals Total	\$0	\$171,013	-100%	\$108,191	-100%	\$62,822	\$106,496	\$117,380	
Supplies & Services Subtotal	\$1,150,000	\$1,287,489	-11%	\$1,015,655	13%	\$271,834	\$393,621	\$1,707,084	
Capital & Debt Service Subtotal	\$0	\$117,200	-100%	\$110,572	-100%	\$6,628	\$94,452	\$92,256	
Streets Fund Total	\$1,150,000	\$1,404,689	-18%	\$1,126,227	2%	\$278,462	\$488,072	\$1,799,340	

Grants & Donations Funds

GD-5320-26 - Parks Maintenance									
Supplies & Services	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0	Budget Decrease: One-time grant funding Current Year Under Budget: No grant funding obtained
Parks Maintenance Total	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0	
Supplies & Services Subtotal	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0	
Grants & Donations Funds Total	\$0	\$25,000	-100%	\$0	N/A	\$25,000	\$0	\$0	

Development Impact Fee Funds

DIF-5320-79 - Facilities Maintenance									
Capital & Debt Service	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: One-time capital expense for access improvements to the Sinagua Property
Facilities Maintenance Total	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0	
Development Impact Fee Funds Total	\$30,000	\$0	∞	\$0	∞	\$0	\$0	\$0	

PUBLIC WORKS & ENGINEERING - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
Wastewater Fund									
59-5320-38 - Engineering Services									
Personnel	\$163,000	\$2,368	6783%	\$0	∞	\$2,368	\$0	\$0	Budget Increase: Accounts have been changed for departmental staff allocations to Wastewater Fund (all allocations were previously charged to 59-5250-01) Current Year Under Budget: Savings in overtime
Supplies & Services	\$25,313	\$25,313	0%	\$14,488	75%	\$10,825	\$0	\$0	Current Year Under Budget: Savings in rent of office space and legal fees/settlements
Capital & Debt Service	\$0	\$3,365	-100%	\$1,651	-100%	\$1,714	\$0	\$0	Budget Decrease: One-time capital purchase, IT related purchases moved to IT budget in the Wastewater Fund Current Year Under Budget: Savings in allocated purchases of tablets and accessories
Engineering Services Total	\$188,313	\$31,046	507%	\$16,139	1067%	\$14,907	\$0	\$0	
59-5320-89 - Capital Projects Management									
Personnel	\$78,840	\$136,427	-42%	\$138,707	-43%	(\$2,280)	\$131,783	\$113,243	Budget Decrease: Change in allocations between programs, also no separation in current year for Wastewater Department staff allocations and Engineering Department staff allocations Current Year Under Budget: Vacancy savings
Supplies & Services	\$0	\$20,000	-100%	\$0	N/A	\$20,000	\$0	\$2,036	Current Year Under Budget: Savings in collection system rehab/extension
Capital Projects Management Total	\$78,840	\$156,427	-50%	\$138,707	-43%	\$17,720	\$131,783	\$115,278	
Personnel Subtotal	\$241,840	\$138,795	74%	\$138,707	74%	\$88	\$131,783	\$113,243	
Supplies & Services Subtotal	\$25,313	\$45,313	-44%	\$14,488	75%	\$30,825	\$0	\$2,036	
Capital & Debt Service Subtotal	\$0	\$3,365	-100%	\$1,651	-100%	\$1,714	\$0	\$0	
Wastewater Fund Total	\$267,153	\$187,473	43%	\$154,846	73%	\$32,627	\$131,783	\$115,278	
Grand Totals									
Personnel Total	\$1,740,950	\$1,573,383	11%	\$1,466,869	19%	\$106,514	\$1,289,462	\$1,290,079	
Supplies & Services Total	\$2,711,701	\$1,987,742	36%	\$1,587,182	71%	\$400,560	\$976,242	\$2,304,587	
Capital & Debt Service Total	\$133,800	\$376,959	-65%	\$314,801	-57%	\$62,158	\$146,736	\$162,798	
Grand Total	\$4,586,451	\$3,938,084	16%	\$3,368,852	36%	\$569,232	\$2,412,439	\$3,757,464	



PUBLIC WORKS & ENGINEERING - continued

Positions/Allocations Summaries

Position	FTE	Org Unit	Org Description	FTE
Administrative Assistant*	0.60			
Assistant Engineer	2.00			
Associate Engineer	3.00			
Chief Engineering Inspector	1.00			
City Maintenance Supervisor	1.00			
City Maintenance Worker I	6.00			
City Maintenance Worker II	2.00			
Director of Public Works/City Engineer	1.00			
Engineering Administrative Supervisor	1.00			
Engineering Services Inspector	2.00			
Engineering Supervisor	1.00			
Facilities Maintenance Manager	1.00			
Traffic Aide	2.00			
Total	23.60			
General Fund				
		10-5320-26	Parks Maintenance	5.15
		10-5320-38	Engineering Services	9.92
		10-5320-68	Stormwater Quality	1.29
		10-5320-79	Facilities Maintenance	1.60
		10-5320-89	Capital Projects Management	2.45
			General Fund Total	20.41
Wastewater Fund				
		59-5320-38	Engineering Services	2.30
		59-5320-89	Capital Projects Management	0.89
			Wastewater Fund Total	3.19
			Grand Total	23.60

* Part-time position

POLICE

Mission Statement

The mission of the Sedona Police Department, in partnership with the citizens of Sedona, is to serve our community by protecting life and property and creating a safe environment through professional and purpose-driven policing that demonstrates responsiveness, integrity, and commitment with dignity and respect to everyone.

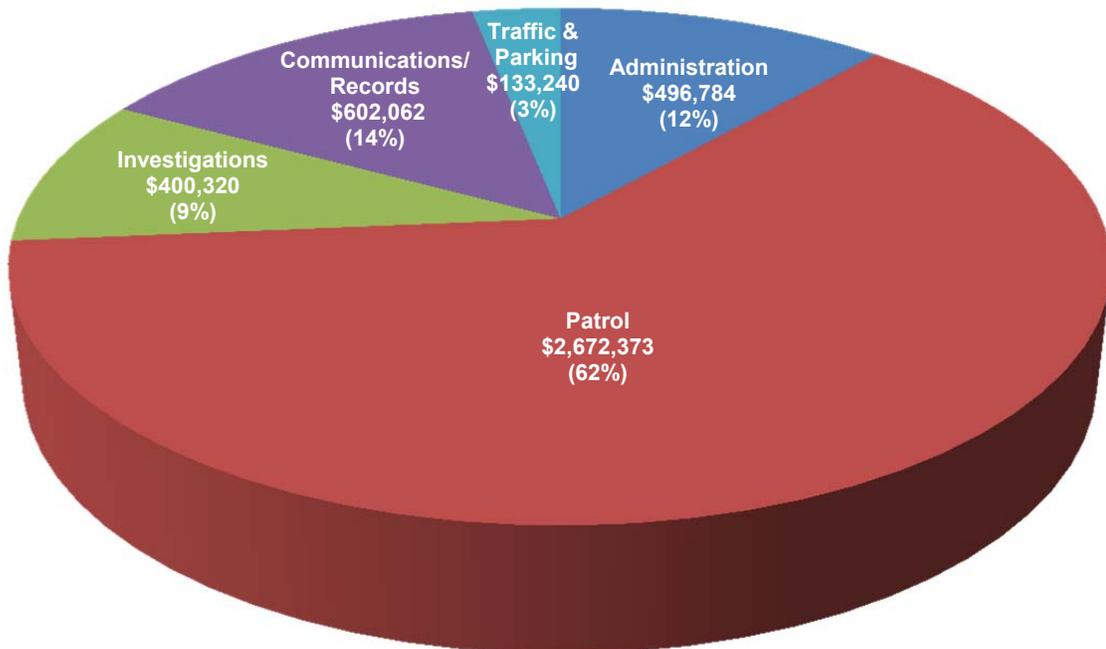
Description

Under the philosophy of community policing and problem solving partnerships, the Department provides professional law enforcement, traffic safety, and crime prevention services to the citizens and visitors of Sedona. The department has personnel on-duty twenty-four hours a day, seven days a week in our communications center and in the field responding to emergency calls and conducting proactive patrol operations. Administrative and other support personnel work differing shifts throughout the week. The Police Department is the sole public safety agency within the city government.

The Police Department is responsible for the following program areas:

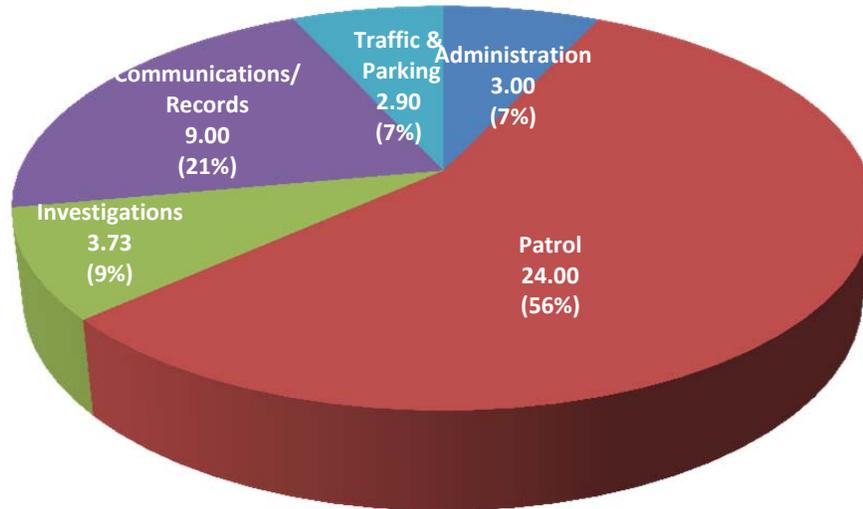
- Administration
- Patrol (includes Animal Control, School Resource Officer, PANT Officer, and Police Volunteers)
- Investigations
- Communications/Records
- Traffic & Parking Services

FY 2017 PROGRAM EXPENDITURES: \$4,304,779



POLICE - continued

FY 2017 Percentage of Employee Allocations by Program Area



REVENUES

	FY 15 Actual	FY 16 Estimate	FY 17 Target
General Fund Revenues			
Travel & Training Grants & Reimbursements	\$0	\$3,520	\$0
PANT Reimbursement	\$0	\$1,015	\$0
School Resource Officer Reimbursements	\$39,719	\$21,060	\$0
Copies/Records/Fingerprints	\$4,005	\$4,470	\$4,200
Overtime Reimbursements	\$8,812	\$6,280	\$0
Safety Equipment – Motor Vehicle Fines	\$5,596	\$3,730	\$2,000
K-9 Donations	\$1,200	\$700	\$400
Miscellaneous Revenues	\$7,554	\$12,740	\$6,000
GIITEM Reimbursements	\$0	\$22,910	\$20,000
Sedona Traffic Enforcement Program (STEP) Administration Fees	\$23,251	\$16,800	\$19,300
Sub Total	\$90,137	\$93,225	\$51,900
Grants & Donations Funds Revenues			
GOHS Grant	\$23,225	\$9,000	\$0
RICO	\$64,500	\$26,800	\$0
GIITEM Reimbursements	\$77,104	\$0	\$0
Explorer Donations	\$573	\$440	\$0
Sub Total	\$165,402	\$36,240	\$0
Total Revenues	\$255,539	\$129,465	\$51,900

POLICE - Administration

Program Expenditures:	\$496,784
Personnel Costs:	\$377,130 (76%)
Supplies & Services:	\$ 79,654 (16%)
Capital & Debt Service:	\$ 40,000 (8%)
Employee Time Allocation:	3.00 FTEs

The Police Administration program consists of the Chief of Police, one of the Department's two commanding officers and the Department's administrative assistant. The personnel within the program provide essential administrative services such as the development and implementation of policy and procedure; budget planning and management; long-range planning; grant development and management; and coordination of training and travel expenditures, facility maintenance and Department's volunteer program. City management and City Council liaison services are also carried out in this program as well as media and community relations. All Department internal affairs are managed within the Police Administration program.

FY 16 Accomplishments

- Conducted a Department-wide survey on the leadership effectiveness of management and supervisory personnel in November 2015.
- Facilitated the travel of a team of patrol and training personnel to visit with out-of-state law enforcement agencies to gain knowledge and insight on enhancing use-of-force training and the incorporation of de-escalation techniques into training exercises.
- Implemented a new Lexipol policy manual system that will provide all personnel online access to Department policies and procedures.

FY 17 Objectives

- Complete implementation of the Lexipol policy manual system and conduct at least two policy knowledge tests for all department personnel by May 30, 2017.
- Evaluate the implementation and use of body-worn cameras for Patrol personnel through both internal processes and community input by March 1, 2017.
- Develop and conduct at least two community interaction events to enhance the relationship between the Department and members of the community by June 30, 2017.
- Seek out and obtain grant funding to enhance department operations and activities by March 31, 2017.
- Conduct at least one Department-wide employee survey on the leadership effectiveness of management and supervisory personnel by January 31, 2017.
- Conduct one Department-wide survey on employee job satisfaction by November 30, 2016.
- Develop and implement an annual employee awards and recognition event by March 30, 2017.
- Develop and implement an annual police volunteer recognition event by November 30, 2016.
- Research, procure, and implement electronic citation program for field personnel by May 31, 2017..

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Leadership Team development sessions	N/A	4	6
Citizen satisfaction rating of overall police services	N/A	N/A	80%
Employee rating of Department leadership effectiveness	N/A	TBD	80%

POLICE - Patrol

Program Expenditures:	\$2,672,373
Personnel Costs:	\$2,307,700 (86 %)
Supplies & Services:	\$ 184,673 (7%)
Capital & Debt Service:	\$ 180,000 (7%)
Employee Time Allocation:	24.00 FTEs

This program, which is managed by the Police Lieutenant, consists of all sworn and civilian uniformed personnel who carry out the Department's direct field services to the community, such as patrol responding to emergency and routine calls for service, K-9 activities, traffic and parking enforcement, and various quality of life matters. The personnel within the program are also responsible for jail operations, maintenance of the Department's fleet of vehicles, coordination and maintenance of the police training/shooting range facility, maintenance of all equipment utilized within the program, conducting the Police Citizens Academy, coordinating the Police Explorer Program, and ensuring the on-going professional development of personnel within the program. This program also includes special assignments such as a School Resource Officer, an Animal Control Officer, and the Police Volunteers.

FY 16 Accomplishments

- Four Police Officers and one Detective served as Lead Officers in charge of a patrol squad to gain experience and knowledge in supervision of police personnel and patrol operations.
- Developed and implemented new performance evaluation forms and rating criteria for Police Officers assigned to the Patrol function.
- Conducted a Police Sergeant promotion testing process and promoted two tenured Police Officers to Police Sergeant.
- Conducted all-terrain vehicle (ATV) safety checkpoints on Soldiers Pass Road and Dry Creek Road to address noise, speed, and other safety concerns.
- Completed the installation of a new turning target system at the police shooting range.

FY 17 Objectives

- Conduct at least one table-top or field exercise in an unusual or emergency response incident with the Sedona Fire District by June 30, 2017.
- Conduct at least four speed enforcement and awareness operations through the use of portable electronic speed radar displays signs by June 30, 2017.
- Participate in at least one Police Explorer competition event by June 30, 2017.
- Reduce injury and non-injury traffic collisions by at least 3% as compared to those occurring in FY 2016.
- Conduct at least one traffic safety program focused on pedestrian or bicyclist safety by April 30, 2017.
- Increase officer-initiated activity by 25% as compared to FY 2016.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Maintain a response time of 5 minutes or less 90% of the time to emergency calls	87.1%	85%	90%
Reduce traffic collisions by 3% from previous fiscal year	274	260	252
Increase officer-initiated activity by 25% from previous fiscal year	7,878	4,500	5,625

POLICE - Patrol - continued

WORKLOAD INDICATORS	FY 15 Actual	FY 16 Estimate	FY 17 Target
Violent crime	13	-	-
Property crime	147	-	-
Traffic collisions:			
• Fatal	1	-	-
• Injury	44	-	-
• Non-injury	221	-	-
Officer-initiated activity	7,878	4,500	-
Calls for service	15,007	14,000	-

School Resource Officer (SRO)

Under an intergovernmental agreement with the Sedona-Oak Creek Unified School District, a full-time police officer carries out prevention, education, and enforcement activities for the students, staff, and parents at school campuses. The SRO also assists the district in developing, implementing, and evaluating school campus safety programs. The SRO acts as the Department liaison to youth oriented service providers, such MATFORCE and the Verde Valley Restorative Justice Program, and assists in the counseling of students and parents and conducts presentations on crime, safety, and substance abuse matters.

FY 16 Accomplishments

- Assisted the Sedona Fire District with fire drills at both Sedona Red Rock High School and West Sedona School campuses.
- Implemented “Operation Identification” at Sedona Red Rock High School by etching 60 devices with identifying information to prevent theft and aid in recovery.

FY 17 Objectives

- Conduct at least one campus safety plan evaluation at both Sedona Red Rock High School and West Sedona School by May 30, 2017.
- Develop and implement methods to track and analyze key workload activities performed by the SRO by July 31, 2016.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
School staff satisfaction rating of SRO services at Sedona Red Rock High School	N/A	TBD	80%
School staff satisfaction rating of SRO services at West Sedona School	N/A	TBD	80%

POLICE - Patrol - continued

Animal Control Officer

The civilian positions, Community Service Officers, will be responsible for enforcement of City and state regulations pertaining to animal welfare and nuisance matters. Activities include enforcement of licensing requirements for the control of rabies for the safety of the community, interaction with the public on information and instructions for the control and over-population of unwanted animals, as well as the care and treatment of pets. Responsibilities also include impound, care, and disposition of stray domestic animals and response to calls for service regarding problems with domestic animals and wildlife.

FY 16 Accomplishments

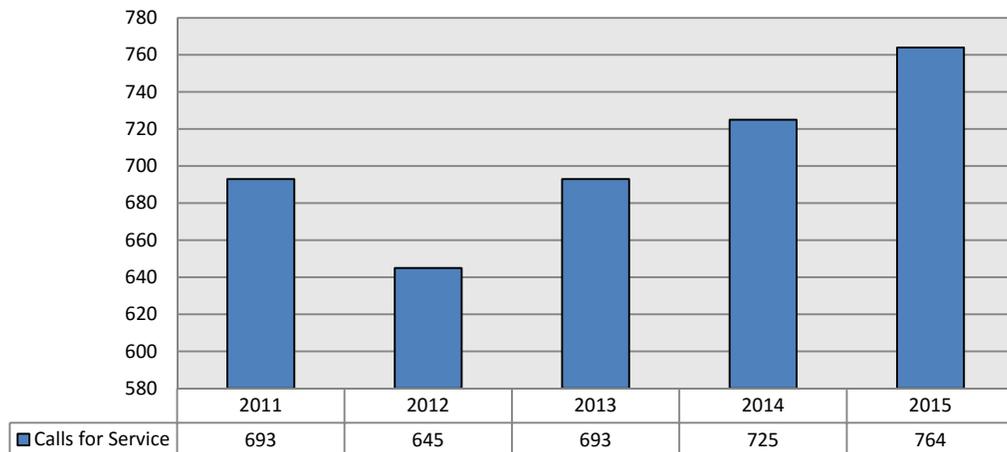
- The former Animal Control Officer completed the National Animal Control and Humane Officer Academy training to enhance the level of service provided to the community.

FY 17 Objectives

- Conduct at least one community presentation on leash law and dog licensing requirements by May 30, 2017.
- Increase enforcement of animal control violations (barking dog, unrestrained dog, license requirement) by 25% as compared to enforcement efforts in FY 2016.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
At least 75% of barking dog complaints will not result in a repeat complaint within 6 months	TBD	TBD	75%
Citizen satisfaction rate of animal control services	N/A	N/A	80%

Animal Control - Calls for Service



POLICE - Investigations

Program Expenditures: \$400,320
Personnel Costs: \$360,920 (90%)
Supplies & Services: \$ 39,400 (10%)
Employee Time Allocation: 3.73 FTEs

The Police Investigations program is managed by the Police Commander and consists of sworn personnel who are assigned to conduct follow-up criminal investigations, background investigations and reviews of various City permit and license applications, processing of criminal complaints being sent to the municipal and county courts, police employee applicant background investigations, and sex offender registrant monitoring. Personnel in this program are also assigned to specialized regional investigative tasks forces that bring a level of resources and expertise that would not be feasible for the department to staff on its own. Property and evidence processing and storage functions are also carried out within this program by civilian personnel.

FY 16 Accomplishments

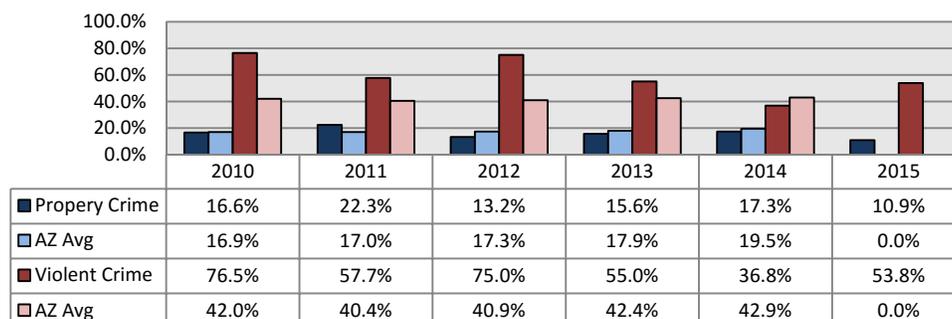
- Conducted two prescription drug Take-Back programs in conjunction with MATFORCE and the U.S. Drug Enforcement Agency to ensure proper disposal of used prescription medications.
- Conducted joint child abuse investigations with the Department of Child Safety and removed children from sexually abusive homes and arrested the perpetrators.

FY 17 Objectives

- Conduct at least one sexual offender registrant compliance operation by April 30, 2017.
- Develop and implement an orientation and training guide outline for Police Officers assigned to the Support Bureau Officer position by August 31, 2016.
- Participate in at least one regional enforcement program to serve outstanding arrest warrants by June 30, 2017.
- Implement enhanced criminal investigations case management processes by December 31, 2017 to ensure that the status of all follow up investigations is readily available and cases are completed in a timely manner.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Meet or exceed annual AZ state crime clearance rates for property crime	Yes	No	Yes
Meet or exceed annual AZ state crime clearance rates for violent crime	No	Yes	Yes
Citizen satisfaction rating of follow up criminal investigations	N/A	N/A	80%

Crime Clearance Rates



POLICE - Communications/Records

Program Expenditures: \$602,062
Personnel Costs: \$557,840 (93%)
Supplies & Services: \$ 44,222 (7%)
Employee Time Allocation: 9.00 FTEs

The Communications function consists of civilian personnel who provide support to all Department personnel through radio communications, Computer-Aided Dispatching, and Mobile Data Computer software applications. Specially trained personnel are responsible for answering 9-1-1 emergency telephone lines including all wireless and Voice Over Internet Protocol calls from all providers in our jurisdiction, receiving and dispatching calls for service to field personnel. Additionally, personnel within this program are an answering and relay point for after-hours calls for emergency service or questions for other City departments.

The Records function provides first level contact for all Police Department business inquiries and is the primary service provider for public inquiries, vehicle and report releases, and other front counter customer services. This function is responsible for processing reports, court dispositions, citations, and any related documentation. In addition, Records tracks and responds to all civil and criminal subpoenas and processes requests for the public disclosure of records. Records inputs data into the Department's Records Management System (RMS) and various other criminal justice databases for the purpose of collection and analysis of statistical data related to state and federal reporting requirements.

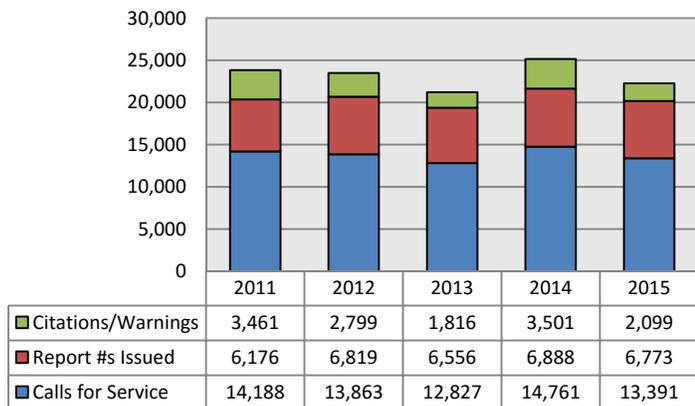
FY 16 Accomplishments

- The Communications Center transitioned to being the primary Public Safety Answering Point (PSAP) for 9-1-1 calls generating from the City of Sedona.
- The Communications Center reached full staffing levels in January 2016.
- Installed a direct-dial lobby phone to the Communications Center to service citizens who come to the police station after City business hours, on holidays, or on weekends.
- Completed improvements to the radio communications system in April 2016 as recommended by a professional technical study of the system.

FY 17 Objectives

- Develop and complete a report on the effectiveness of the enhancements made to the radio communications system through the Department's CIP project by December 31, 2016.
- Procure and install a new digital phone recording system to be compliant with Next Generation (NG) 9-1-1 standards by May 31, 2017.

Communications and Records



PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Meet or exceed National Emergency Number Association standards for answering 9-1-1 calls	Yes	Yes	Yes
Meet or exceed National Fire Protection Association standards for answering 9-1-1 calls	Yes	Yes	Yes
Citizen satisfaction rate of police front counter services	N/A	N/A	80%

POLICE - Traffic & Parking Services

Program Expenditures: \$133,240
Personnel Costs: \$118,740 (89%)
Supplies & Services: \$ 14,500 (11%)
Employee Time Allocation: 2.90 FTE

The Traffic & Parking Services program consists of part-time civilian personnel who are responsible for parking and traffic control activities. The program also provides equipment and resources to the Department which by State statute can only be used to fund traffic-related activities.

FY 16 Accomplishments

- In partnership with the Public Works & Engineering Department, developed and deployed a traffic management plan for North State Route 89A in Uptown during periods of high traffic volumes.

FY 17 Objectives

- Provide dedicated traffic and pedestrian control activities on North State Route 89A in Uptown on all major holiday weekends and other identified high traffic volume dates.
- Deploy personnel to provide timely response to parking complaints and ensure effective levels of parking enforcement.
- Identify and develop key metrics to effectively and appropriately track and measure workload and productivity factors for Community Service Aide activities in Uptown.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Uptown business satisfaction rating of traffic and parking enforcement services	N/A	TBD	80%

POLICE - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5510-01 - Administration	\$496,784	\$483,427	3%	\$542,925	-8%	(\$59,498)	\$410,865	\$370,851
10-5510-43 - Patrol	\$2,648,367	\$2,447,609	8%	\$2,223,388	19%	\$224,221	\$2,302,834	\$1,960,962
10-5510-44 - Investigations	\$400,320	\$296,856	35%	\$302,765	32%	(\$5,909)	\$226,370	\$270,295
10-5510-45 - Communications/Records	\$602,062	\$561,887	7%	\$525,905	14%	\$35,982	\$525,117	\$478,233
10-5510-46 - Animal Control	\$6,610	\$36,956	-82%	\$18,614	-64%	\$18,342	\$27,266	\$61,365
10-5510-47 - School Resource Officer	\$4,370	\$4,365	0%	\$2,355	86%	\$2,010	\$1,763	\$3,178
10-5510-61 - PANT Officer	\$5,941	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5510-81 - Traffic & Parking Services	\$133,240	\$105,611	26%	\$133,586	0%	(\$27,975)	\$132,551	\$117,009
10-5510-84 - Volunteers	\$7,085	\$0	∞	\$0	∞	\$0	\$0	\$0
10-5510-87 - K-9 Program	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$30,326
General Fund Total	\$4,304,779	\$3,936,711	9%	\$3,749,538	15%	\$187,173	\$3,626,767	\$3,292,220
Grants & Donations Funds								
GD-5510-43 - Patrol	\$0.00	\$185,000.00	-100%	\$69,207	-100%	\$115,793	\$139,174	\$38,545
GD-5510-84 - Volunteers	\$0.00	\$5,000.00	-100%	\$0	N/A	\$5,000	\$0	\$0
GD-5510-86 - Explorer's Program	\$0.00	\$50,000.00	-100%	\$7,672	-100%	\$42,328	\$0	\$331
GD-5510-87 - K-9 Program	\$0.00	\$7,000.00	-100%	\$0	N/A	\$7,000	\$2,627	\$2,778
Grants & Donations Funds Total	\$0.00	\$247,000.00	-100%	\$76,879	-100%	\$170,121	\$141,801	\$41,655

POLICE - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
GRAND TOTALS								
Administration	\$496,784	\$483,427	3%	\$542,925	-8%	(\$59,498)	\$410,865	\$370,851
Patrol	\$2,648,367	\$2,632,609	1%	\$2,292,595	16%	\$340,014	\$2,442,008	\$1,999,508
Investigations	\$400,320	\$296,856	35%	\$302,765	32%	(\$5,909)	\$226,370	\$270,295
Communications/Records	\$602,062	\$561,887	7%	\$525,905	14%	\$35,982	\$525,117	\$478,233
Animal Control	\$6,610	\$36,956	-82%	\$18,614	-64%	\$18,342	\$27,266	\$61,365
School Resource Officer	\$4,370	\$4,365	0%	\$2,355	86%	\$2,010	\$1,763	\$3,178
PANT Officer	\$5,941	\$0	∞	\$0	∞	\$0	\$0	\$0
Traffic & Parking Services	\$133,240	\$105,611	26%	\$133,586	0%	(\$27,975)	\$132,551	\$117,009
Volunteers	\$7,085	\$5,000	42%	\$0	∞	\$5,000	\$0	\$0
Explorer's Program	\$0	\$50,000	-100%	\$7,672	-100%	\$42,328	\$0	\$331
K-9 Program	\$0	\$7,000	-100%	\$0	N/A	\$7,000	\$2,627	\$33,104
Grand Totals	\$4,304,779	\$4,183,711	3%	\$3,826,417	13%	\$357,294	\$3,768,567	\$3,333,875

POLICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5510-01 - Administration									
Personnel	\$377,130	\$414,603	-9%	\$479,996	-21%	(\$65,393)	\$362,115	\$316,839	Budget Decrease: Change in allocations between programs Current Year Over Budget: Unbudgeted contractual obligations incurred during the year - to be covered with vacancy savings in other programs
Supplies & Services	\$79,654	\$68,824	16%	\$62,929	27%	\$5,895	\$48,751	\$20,812	Budget Increase: Moved office supplies from General Services (\$12,000) Current Year Under Budget: Savings in fuel for admin vehicle and public safety programs
Capital & Debt Service	\$40,000	\$0	∞	\$0	∞	\$0	\$0	\$33,200	Budget Increase: One-time capital purchases, added vehicle replacement
Administration Total	\$496,784	\$483,427	3%	\$542,925	-8%	(\$59,498)	\$410,865	\$370,851	
10-5510-43 - Patrol									
Personnel	\$2,307,700	\$2,273,868	1%	\$2,093,822	10%	\$180,046	\$2,056,066	\$1,748,566	Budget Increase: Includes Decision Package - Reclassifications for two Community Service Officers (CM Recommended) Current Year Under Budget: Vacancy savings
Supplies & Services	\$160,667	\$173,741	-8%	\$129,566	24%	\$44,175	\$155,853	\$157,501	Budget Decrease: Reduction in uniform expenses (\$15,000), radio and equipment replacements (\$3,700), and ammunitions and firearms costs (\$4,230) Current Year Under Budget: Savings in uniform expenses, fuel for patrol vehicles, ammunition and weapons supplies
Capital & Debt Service	\$180,000	\$0	∞	\$0	∞	\$0	\$90,915	\$54,895	Budget Increase: One-time capital purchases, added vehicle replacement, includes Decision Package - Patrol assigned vehicle program (CM Recommended)
Patrol Total	\$2,648,367	\$2,447,609	8%	\$2,223,388	19%	\$224,221	\$2,302,834	\$1,960,962	

POLICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5510-44 - Investigations									
Personnel	\$360,920	\$213,250	69%	\$232,416	55%	(\$19,166)	\$204,868	\$208,888	Budget Increase: Change in allocations between programs, includes Decision Package - Police Sergeant (CM Recommended) Current Year Over Budget: Changes in allocations between programs - to be covered with vacancy savings in other programs
Supplies & Services	\$39,400	\$38,606	2%	\$31,499	25%	\$7,107	\$21,503	\$28,207	Budget Increase: Increase in contract costs for trauma intervention support Current Year Under Budget: Savings in fuel and maintenance costs for investigations vehicles
Capital & Debt Service	\$0	\$45,000	-100%	\$38,850	-100%	\$6,150	\$0	\$33,200	Budget Decrease: One-time capital purchases Current Year Under Budget: Savings in replacement of detective vehicle
Investigations Total	\$400,320	\$296,856	35%	\$302,765	32%	(\$5,909)	\$226,370	\$270,295	
10-5510-45 - Communications/Records									
Personnel	\$557,840	\$521,117	7%	\$487,358	14%	\$33,759	\$491,900	\$454,041	Budget Increase: Includes merit and COLA increases plus correction for current year budget calculation error Current Year Under Budget: Vacancy savings
Supplies & Services	\$44,222	\$40,770	8%	\$38,547	15%	\$2,223	\$33,217	\$24,192	Budget Increase: Increase in radio service contract and generator inspections and repairs (\$2,756) Current Year Under Budget: Savings in generator inspections and repairs
Communications/Records Total	\$602,062	\$561,887	7%	\$525,905	14%	\$35,982	\$525,117	\$478,233	

POLICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5510-46 - Animal Control									
Personnel	\$0	\$30,036	-100%	\$16,646	-100%	\$13,390	\$25,615	\$57,935	Budget Decrease: Decision Package - reclassifications for two Community Service Officers (CM Recommended) Current Year Under Budget: Vacancy savings
Supplies & Services	\$6,610	\$6,920	-4%	\$1,968	236%	\$4,952	\$1,651	\$3,430	
Animal Control Total	\$6,610	\$36,956	-82%	\$18,614	-64%	\$18,342	\$27,266	\$61,365	Budget Decrease: Reduction in estimated shipping costs to state lab Current Year Under Budget: Savings in fuel and maintenance costs for animal control vehicle, animal control supplies, and shipping to state lab
10-5510-47 - School Resource Officer									
Supplies & Services	\$4,370	\$4,365	0%	\$2,355	86%	\$2,010	\$1,763	\$3,178	Current Year Under Budget: Savings in fuel and maintenance costs for SRO vehicle
School Resource Officer Total	\$4,370	\$4,365	0%	\$2,355	86%	\$2,010	\$1,763	\$3,178	
10-5510-61 - PANT Officer									
Supplies & Services	\$5,941	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
PANT Officer Total	\$5,941	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5510-81 - Traffic & Parking Services									
Personnel	\$118,740	\$93,211	27%	\$121,241	-2%	(\$28,030)	\$129,381	\$115,604	Budget Decrease: Current year budgeted as a Police Officer, next year budgeted as four part-time Community Service Aides Current Year Over Budget: Change in staffing from one Police Officer to four part-time Community Service Aides - to be covered with vacancy savings in other programs
Supplies & Services	\$14,500	\$12,400	17%	\$12,345	17%	\$55	\$3,170	\$1,405	
Traffic & Parking Services Total	\$133,240	\$105,611	26%	\$133,586	0%	(\$27,975)	\$132,551	\$117,009	

POLICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
10-5510-84 - Volunteers									
Supplies & Services	\$7,085	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs
Volunteers Total	\$7,085	\$0	∞	\$0	∞	\$0	\$0	\$0	
10-5510-87 - K-9 Program									
Personnel	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$30,326	
K-9 Program Total	\$0	\$0	N/A	\$0	N/A	\$0	\$0	\$30,326	
Personnel Subtotal	\$3,722,330	\$3,546,085	5%	\$3,431,479	8%	\$114,606	\$3,269,945	\$2,932,200	
Supplies & Services Subtotal	\$362,449	\$345,626	5%	\$279,209	30%	\$66,417	\$265,907	\$238,725	
Capital & Debt Service Subtotal	\$220,000	\$45,000	389%	\$38,850	466%	\$6,150	\$90,915	\$121,295	
General Fund Total	\$4,304,779	\$3,936,711	9%	\$3,749,538	15%	\$187,173	\$3,626,767	\$3,292,220	

Grants & Donations Funds

GD-5510-43 - Patrol									
Personnel	\$0	\$10,000	-100%	\$1,857	-100%	\$8,143	\$100,040	\$4,215	Budget Decrease: Contingency budget set up in General Services until any budget award for FY17 can be determined Current Year Under Budget: Budgeted for possible DUI Abatement grant that was not received
Supplies & Services	\$0	\$125,000	-100%	\$12,228	-100%	\$112,772	\$39,133	\$22,272	
Capital & Debt Service	\$0	\$50,000	-100%	\$55,122	-100%	(\$5,122)	\$0	\$12,059	Budget Decrease: Contingency budget set up in General Services until any budget award for FY17 can be determined Current Year Over Budget: RICO budget was not separated between the different cost categories - covered by the RICO balance in Supplies & Services
Patrol Total	\$0	\$185,000	-100%	\$69,207	-100%	\$115,793	\$139,174	\$38,545	

POLICE - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
GD-5510-84 - Volunteers									
Supplies & Services	\$0	\$5,000	-100%	\$0	N/A	\$5,000	\$0	\$0	Budget Decrease: Moved to General Fund Current Year Under Budget: No donations received
Volunteers Total	\$0	\$5,000	-100%	\$0	N/A	\$5,000	\$0	\$0	
GD-5510-86 - Explorer's Program									
Supplies & Services	\$0	\$50,000	-100%	\$7,672	-100%	\$42,328	\$0	\$331	Budget Decrease: Contingency budget set up in General Services until any budget award for FY17 can be determined Current Year Under Budget: Budgeted for anticipated balance of donations available
Volunteers Total	\$0	\$50,000	-100%	\$7,672	-100%	\$42,328	\$0	\$331	
GD-5510-87 - K-9 Program									
Supplies & Services	\$0	\$7,000	-100%	\$0	N/A	\$7,000	\$2,627	\$2,778	Budget Decrease: No grant funding anticipated Current Year Under Budget: No grant funding received
K-9 Program Total	\$0	\$7,000	-100%	\$0	N/A	\$7,000	\$2,627	\$2,778	
Personnel Subtotal	\$0	\$10,000	-100%	\$1,857	-100%	\$8,143	\$100,040	\$4,215	
Supplies & Services Subtotal	\$0	\$187,000	-100%	\$19,900	-100%	\$167,100	\$41,760	\$25,381	
Capital & Debt Service Subtotal	\$0	\$50,000	-100%	\$55,122	-100%	(\$5,122)	\$0	\$12,059	
Grants & Donations Funds Total	\$0	\$247,000	-100%	\$76,879	-100%	\$170,121	\$141,801	\$41,655	
Grand Totals									
Personnel Total	\$3,734,980	\$3,556,085	5%	\$3,433,336	9%	\$122,749	\$3,369,986	\$2,936,415	
Supplies & Services Total	\$362,449	\$532,626	-32%	\$299,109	21%	\$233,517	\$307,667	\$264,106	
Capital & Debt Service Total	\$220,000	\$95,000	132%	\$93,972	134%	\$1,028	\$90,915	\$133,354	
Grand Total	\$4,317,429	\$4,183,711	3%	\$3,826,417	13%	\$357,294	\$3,768,567	\$3,333,875	

POLICE - continued

Positions/Allocations Summaries

Position	FTE
Administrative Assistant	1.00
Chief of Police	1.00
Communication Specialist	7.00
Community Service Officer	2.00
Community Services Aide*	2.90
Lieutenant	1.00
Police Commander	1.00
Police Communications/Records Supervisor	1.00
Police Detective	2.00
Police Officer	17.00
Police Records Technician	1.00
Police Sergeant	5.00
Property & Evidence Technician*	0.73
Total	42.63

Org Unit	Org Description	FTE
General Fund		
10-5510-01	Administration	3.00
10-5510-43	Patrol	24.00
10-5510-44	Investigations	3.73
10-5510-45	Communications/Records	9.00
10-5510-81	Traffic & Parking Services	2.90
General Fund Total		42.63

* Part-time positions

MUNICIPAL COURT

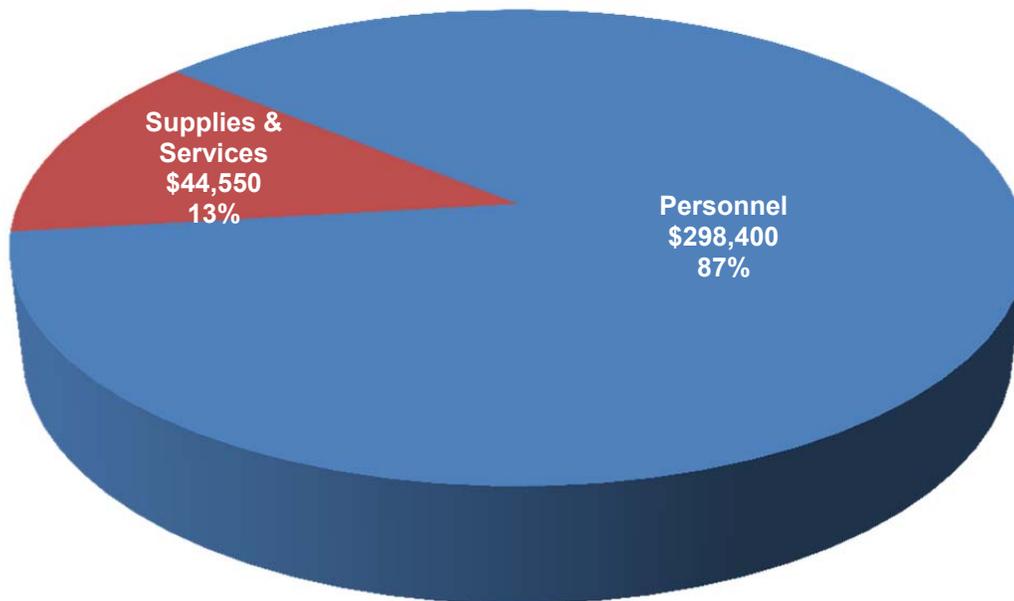
Mission Statement

To serve the community and to protect individual rights through the administration of justice. We pledge to serve each member of our community promptly with integrity, fairness, and respect.

Description

The Municipal Court is the judicial branch of Sedona City government and is also a part of the State of Arizona court system. The Court is responsible for the adjudication of several different types of cases including: civil traffic, parking, City code violations, criminal traffic including Driving Under the Influence cases (DUIs), and criminal misdemeanor violations. The Court handles petitions for orders of protection and injunctions prohibiting harassment. The Judge also performs weddings.

FY 2017 PROGRAM EXPENDITURES: \$342,950



MUNICIPAL COURT - continued

Program Expenditures: \$342,950
Personnel Costs: \$298,400 (87%)
Supplies & Services \$ 44,550 (13%)
Employee Time Allocation: 4.20 FTEs

FY 16 Accomplishments

- Worked with the new City Prosecutor to more efficiently resolve pending criminal cases from the pretrial stage to the sentence stage.
- Implemented more streamlined procedures resulting in a reduced number of court appearances.

FY 17 Objectives

- Continue to reduce the number of outstanding warrants.
- Improve payment collections on outstanding receivables.
- Maintain professional relationship with City Prosecutor’s Office to continue efficient processing of case flow.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Filings:			
• Criminal traffic	246	96	N/A
• Civil traffic	1738	519	N/A
• Misdemeanor	287	112	N/A
• Non-criminal ordinances	253	174	N/A

MUNICIPAL COURT - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
General Fund								
10-5520-01 - Administration	\$342,950	\$312,073	10%	\$307,281	12%	\$4,792	\$291,684	\$271,121
General Fund Total	\$342,950	\$312,073	10%	\$307,281	12%	\$4,792	\$291,684	\$271,121

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
General Fund									
10-5520-01 - Administration									
Personnel	\$298,400	\$272,423	10%	\$270,982	10%	\$1,441	\$248,298	\$239,686	Budget Increase: Includes Decision Package - new part-time Court Clerk (CM Recommended)
Supplies & Services	\$44,550	\$39,650	12%	\$36,299	23%	\$3,351	\$43,386	\$31,435	Budget Increase: Increase in professional services (\$1,000), dues/subscriptions/ licenses (\$400), travel and training (\$500) Current Year Under Budget: Savings in court appointed attorney costs
Administration Total	\$342,950	\$312,073	10%	\$307,281	12%	\$4,792	\$291,684	\$271,121	
General Fund Total	\$342,950	\$312,073	10%	\$307,281	12%	\$4,792	\$291,684	\$271,121	

Positions/Allocations Summaries

Position	FTE	Org Unit	Org Description	FTE
Court Administrator	1.00			
Court Clerk*	2.60			
Magistrate Judge*	0.60	10-5520-01	Administration	4.20
Magistrate Judge Pro Tem**	0.00			
Total	4.20		General Fund Total	4.20

* Includes part-time positions

** Temporary position

WASTEWATER

Mission Statement

The mission of the Wastewater Department is to protect public health and safety by providing professional and efficient maintenance and operation of the wastewater system in a manner that takes into account the requirements of the Arizona Department of Environmental Quality (ADEQ), the direction of the City Manager and the City Council, and the desires of the citizens of Sedona, as well as the professional standards governing wastewater system operations.

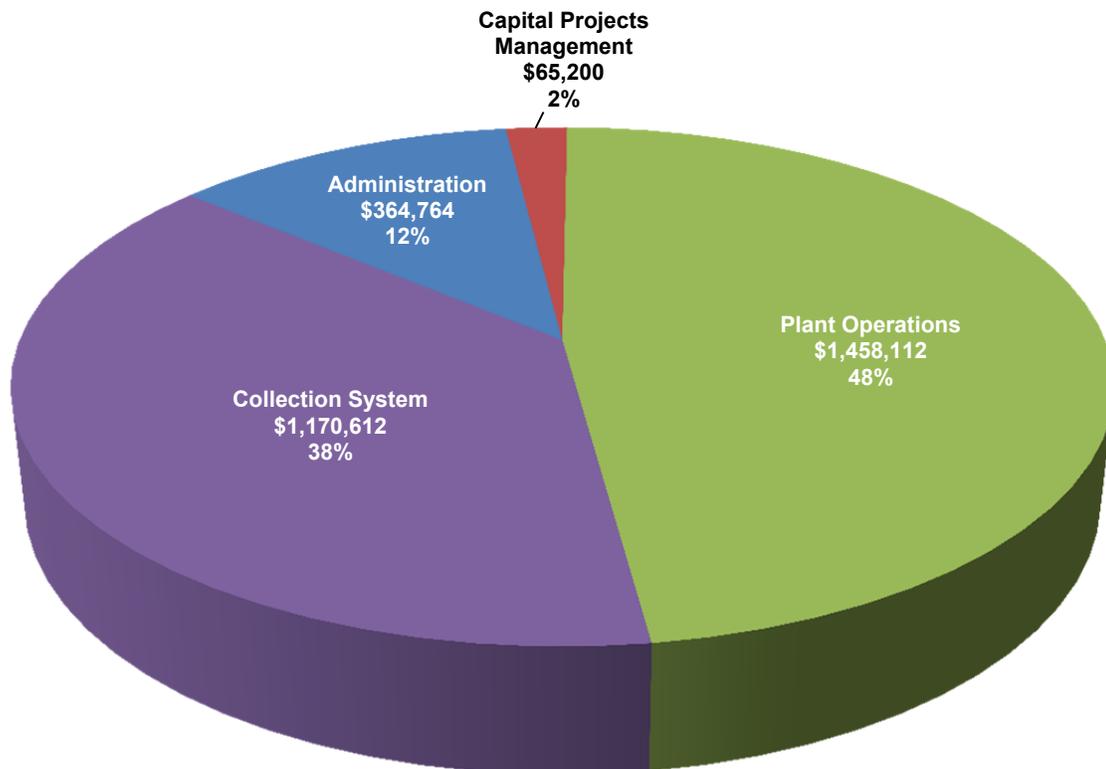
Description

The Wastewater Department is responsible for the day-to-day operations of the wastewater collection, treatment, and disposal elements of the wastewater system. Several City departments assist in the operation and wastewater functions of the City and therefore expend wastewater funds. For instance, the Finance Department performs financial billing and bill collection functions as well as other administrative support functions. See the Finance Department and other support departments for administrative cost allocations. The Public Works Department undertakes capital improvements projects to the system, as well as performing inspections and plan reviews related to connections to the collection system. The Wastewater Department is fully paid by funding sources in the Wastewater Enterprise Fund.

The Wastewater Department consists of the following program areas:

- Administration
- Collection System
- Plant Operations (including the Lab)
- Capital Projects Management

FY 2017 PROGRAM EXPENDITURES: \$3,058,688



WASTEWATER - continued

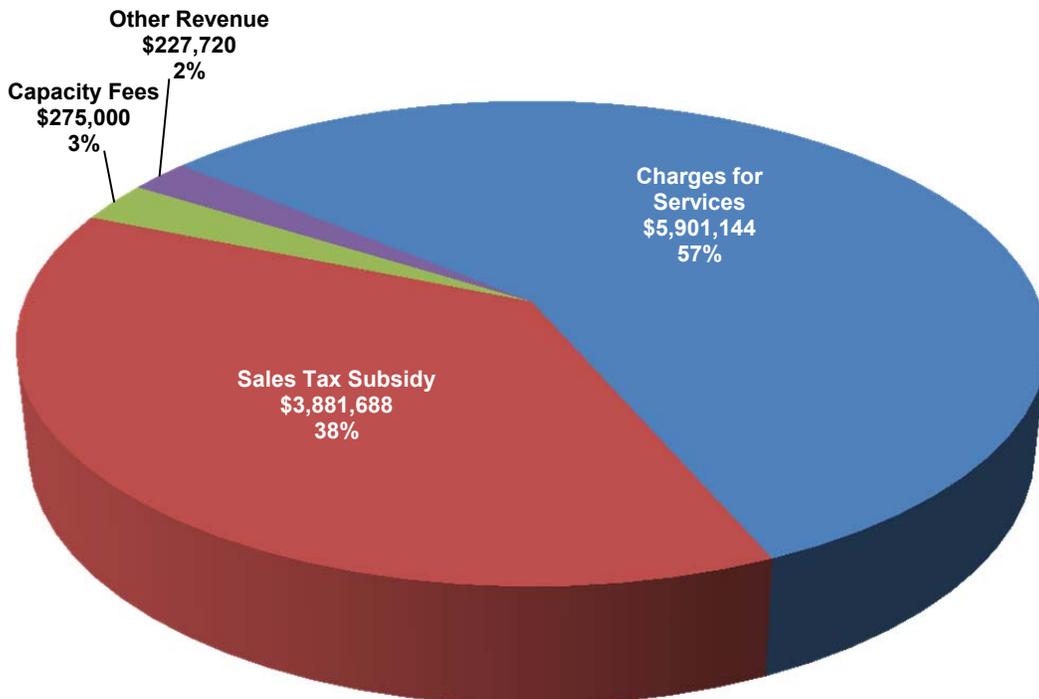
WASTEWATER FUND REVENUES & OTHER FINANCING SOURCES

The wastewater utility is mainly funded by charged fees and is subsidized with City sales tax. These revenues cover the operational costs included in this section, as well as support costs provided by other departments and debt service and capital improvement costs. See the complete wastewater enterprise fund in the Fund Summaries section.

The City of Sedona participated in a 2015 utility study contracted by the Arizona Water Infrastructure Authority with the University of North Carolina Environmental Finance Center that focused on financial aspects of the City’s wastewater utility. In reviewing the results of this study, it is important to note that the City, while moving its wastewater utility toward operating fully as an enterprise fund, is several years away from reaching that goal. Below is a summary.

FUNDING SOURCES	FY 15 Actual	FY 16 Estimate	FY 17 Target
Charges for Services	\$5,496,406	\$5,668,111	\$5,901,144
Sales Tax Subsidy	\$4,024,053	\$4,462,245	\$3,881,688
Capacity Fees	\$533,054	\$541,045	\$275,000
Other Revenue	\$137,118	\$327,667	\$227,720
Total	\$10,190,631	\$10,999,068	\$10,285,532
Monthly Sewer Fee per Equivalent Residential Units	\$54.33	\$56.50	\$58.76

FY 2017 FUNDING SOURCES: \$10,285,532



WASTEWATER - Administration

Program Expenditures:	\$364,764
Personnel Costs:	\$ 55,260 (15%)
Supplies & Services:	\$209,504 (57%)
Contingencies:	\$100,000 (27%)
Employee Time Allocation:	1.20 FTEs

The Administration program consists of the Wastewater Director and the Department's Administrative Assistant. The personnel within the program provide essential administrative services such as the development and implementation of policy and procedure; budget planning and management; and long-range planning.

FY 16 Accomplishments

- Developed a new contract to reduce costs for sludge disposal.
- Revised the propane procurement process to reduce cost and allow more control over the product procurement.
- APS payments to City of \$110,000 due to implementation of energy saving measures on projects.
- Added management software to the Supervisory Control And Data Acquisition (SCADA) system to improve report writing and information analysis.

FY 17 Objectives

- Develop a cross training program.
- Improve the Department web page layout.
- Develop a job order contract for Collections System work.
- Update the Collections System O&M Manual.
- Improve the internal filing system by reducing old files backlog.

WASTEWATER - Collection System

Program Expenditures:	\$1,170,612
Personnel Costs:	\$ 293,690 (25%)
Supplies & Services:	\$ 806,922 (69%)
Capital & Debt Service:	\$ 70,000 (6%)
Employee Time Allocation:	3.50 FTEs

This program consists primarily of a Chief Collections Officer and two collections operators who are responsible for managing collection of domestic sewage through a wastewater collection system comprised of sewer pipes and lift stations to the Wastewater Reclamation Plant for treatment. The collections system has 17 lift stations and 106 miles of sewer pipes. The average annual flow to the plant is about 403 million gallons. This is about 1.1 million gallons per day.

FY 16 Accomplishments

- Upgraded the Bear Wallow pump station by installing a new Variable Frequency Drive (reduces station operating cost by saving energy).
- Installed an odor control facility to reduce odor west of the Upper Red Rock Loop Road/State Route 89A intersection.
- System regulatory compliance for all but 3 days in the year.
- Upgraded the Carroll Canyon pump station outfall to improve operational efficiency during repairs.

FY 17 Objectives

- Maintain regulatory non-compliance time at less than 5 days in the year.
- Full upgrade of the pump station communication to a web-based system.
- Complete an inspection of all large diameter sewer pipe within the City limits.
- Complete 14 minor pump stations electrical connections drawings.
- Obtain a Cultural Park Place sewer easement.

PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
ADEQ reportable collection system incidents	3	-	-
<ul style="list-style-type: none"> • Days of impact 	17	-	-

WASTEWATER - Plant Operations

Program Expenditures:	\$1,458,112
Personnel Costs:	\$ 413,790 (28%)
Supplies & Services:	\$1,004,322 (69%)
Capital & Debt Service:	\$ 40,000 (3%)
Employee Time Allocation:	5.30 FTEs

The Plant Operations program consists primarily of a Chief Plant Operator, three plant operators, a plant chemist, and the plant mechanic/electrician, who are responsible for the wastewater reclamation process including a treatment plant, three solids-handling facilities (drying beds, centrifuge, and digester), and effluent management facilities (spray irrigation areas, injection wells, and wetlands). The treatment process removes pollutants from the influent (wastewater flow coming into the treatment plant) and results in about 365 million gallons of A+ quality effluent annually. Besides highly treated water (effluent), a byproduct of the treatment process is a solid called sludge. The amount of sludge managed annual is about 525 dry tons. This material is taken to the Grey Wolf Landfill near Dewey-Humboldt.

FY 16 Accomplishments

- Upgraded the centrifuge #1 control panel.
- Conducted plant and wetland tours for 180+ people.
- Worked with the City Engineering Department on an A+ upgrade project to bring a new digester, new clarifier, and more energy efficient blowers into the plant operation system.
- Worked with the City Engineering Department on equipping of the injection wells.
- Installed a Wastewater Information Management System to aid in generating reports to ADEQ more efficiently and to aid in the process analysis.

FY 17 Objectives

- No overflow incidents of the plant effluent system.
- Plant staff will learn to successfully operate the A+ project upgrades (new clarifier, digester, and blowers).
- Plant staff will learn to routinely use the newly installed Wastewater Information Management System to input observations and generate reports to ADEQ.

The City is not to allow runoff of treated wastewater from its plant site. Non-compliance with these regulatory standards is reportable to ADEQ.

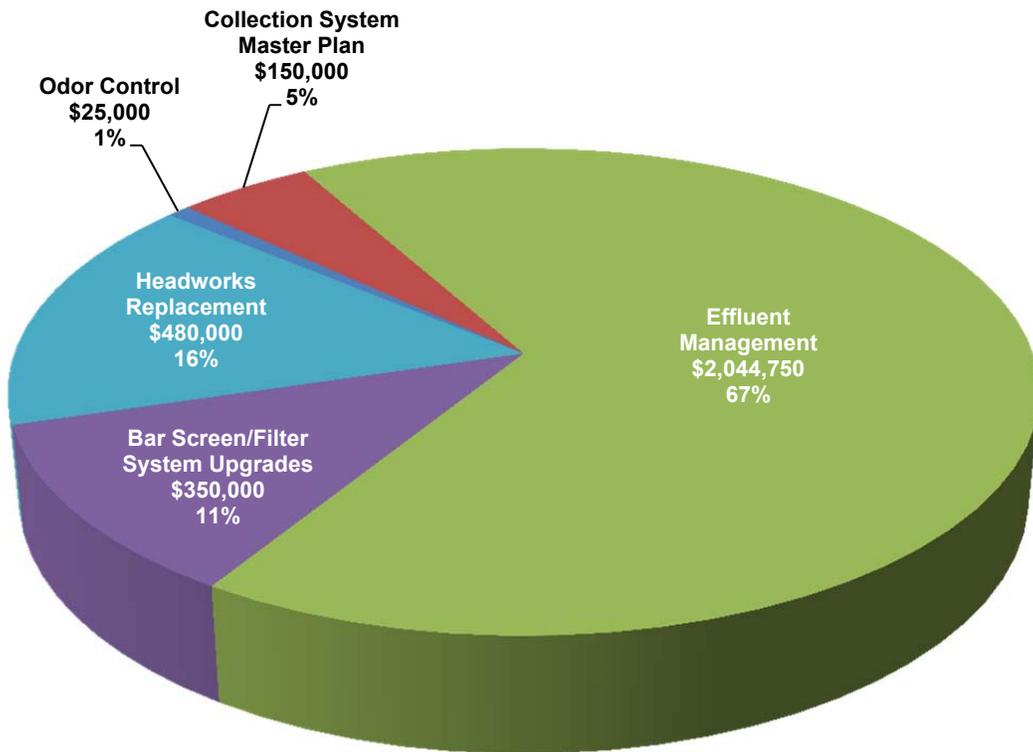
PERFORMANCE MEASURES	FY 15 Actual	FY 16 Estimate	FY 17 Target
ADEQ reportable plant incidents	3	3	-
<ul style="list-style-type: none"> • Days of impact 	3	3	-
Annual average influent flow (millions of gallons)	403.89M	404.70M	-

WASTEWATER - Capital Projects Management

Program Expenditures: \$65,200 (includes only personnel cost)
Employee Time Allocation: 0.60 FTEs

The Capital Projects Management program consists of wastewater staff allocations for support of the Public Works & Engineering Department, which has primary responsibility for the management of capital projects. See the Capital Improvement Program (CIP) section of for more details.

FY 2017 WASTEWATER CIP EXPENDITURES: \$3,049,750



WASTEWATER - continued

Program Summary

Program	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals
Wastewater Fund								
59-5250-01 - Administration	\$364,764	\$452,808	-19%	\$374,177	-3%	\$78,631	\$465,345	\$369,906
59-5252-89 - Capital Projects Management	\$65,200	\$0	∞	\$0	∞	\$0	\$0	\$0
59-5253-55 - Plant Operations	\$1,279,666	\$1,269,033	1%	\$1,113,590	15%	\$155,443	\$983,906	\$1,069,957
59-5253-56 - Collection System	\$1,170,612	\$1,110,056	5%	\$1,000,003	17%	\$110,053	\$984,801	\$897,653
59-5253-66 - Lab	\$160,946	\$210,059	-23%	\$177,889	-10%	\$32,170	\$177,990	\$112,331
Wastewater Fund Total	\$3,041,188	\$3,041,956	0%	\$2,665,659	14%	\$376,297	\$2,612,043	\$2,449,847

WASTEWATER - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
Wastewater Fund									
59-5250-01 - Administration									
Personnel	\$55,260	\$248,948	-78%	\$285,958	-81%	(\$37,010)	\$326,289	\$319,700	Budget Decrease: Change in allocations between programs, current year includes departmental allocations from Public Works that are coded as 59-5320-01 for next year, Chief Plant Operator moved to Plant Operations and Capital Projects Current Year Over Budget: Budgeted vacancy savings for the entire department was budgeted entirely in this program (\$75,000), budgeted vacancy savings exceeds actual vacancy savings for the year - covered by savings in Supplies & Services
Supplies & Services	\$209,504	\$124,164	69%	\$81,351	158%	\$42,813	\$104,756	\$45,299	Budget Increase: Moved operating lease from Capital & Debt Service, moved property and casualty insurance from 59-5250-02, added annual ADEQ APP fee (\$6,000), deleted building maintenance (\$5,000) Current Year Under Budget: Savings in legal fees
Capital & Debt Service	\$0	\$3,756	-100%	\$6,868	-100%	(\$3,112)	\$4,290	\$4,907	Budget Decrease: Moved operating lease to Supplies & Services Current Year Over Budget: Computer hardware purchases not budget - to be covered by savings in Supplies & Services
Contingencies	\$100,000	\$75,940	32%	\$0	∞	\$75,940	\$30,010	\$0	Budget Increase: Current year contingency started at \$100,000 but a portion was used and transferred to other accounts during the year Current Year Under Budget: Unspent portion of contingency budget
Administration Total	\$364,764	\$452,808	-19%	\$374,177	-3%	\$78,631	\$465,345	\$369,906	

WASTEWATER - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
59-5252-89 - Capital Projects Management									
Personnel	\$65,200	\$0	∞	\$0	∞	\$0	\$0	\$0	Budget Increase: Change in allocations between programs, Chief Plant Operator moved from Administration (0.20 FTE), also no separation in current year for Wastewater staff allocations and Engineering Department staff allocations (see Public Works/ Engineering Department for current year portion - PW&E largest portion of costs)
Capital Projects Management Total	\$65,200	\$0	∞	\$0	∞	\$0	\$0	\$0	
59-5253-55 - Plant Operations									
Personnel	\$312,580	\$269,109	16%	\$254,022	23%	\$15,087	\$251,577	\$232,416	Budget Increase: Change in allocations between programs, Chief Plant Operator moved from Administration (0.80 FTE) Current Year Under Budget: Vacancy savings
Supplies & Services	\$927,086	\$980,924	-5%	\$857,628	8%	\$123,296	\$705,845	\$834,734	Budget Decrease: Reduction in pump maintenance (\$15,000), PLC rack upgrade/replacement (\$40,000), electrical trades (\$7,500), weed control (\$10,000); decrease for one-time WIMS software (\$44,340), aeration basin diffuser replacement every 1-2 years (\$15,000), one-time septage wet well coating (\$15,000); add obsolete VFD replacements (\$25,000), training and report development (\$15,000); increase solar energy costs (\$36,651); includes Decision Package - Plant Education Graphics Project (CM Contingent Recommendation) Current Year Under Budget: Carryover of flow meter and control for UV system (\$8,000), electrical vaults coating (\$10,000), and operating area remodel (\$12,000); savings in pump and equipment maintenance and plant maintenance/repairs
Capital & Debt Service	\$40,000	\$19,000	111%	\$1,940	1962%	\$17,060	\$26,484	\$2,807	Budget Increase: One-time capital purchases, includes Decision Package - replacement vehicle (CM Recommended) Current Year Under Budget: Savings in computer hardware
Plant Operations Total	\$1,279,666	\$1,269,033	1%	\$1,113,590	15%	\$155,443	\$983,906	\$1,069,957	



WASTEWATER - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
59-5253-56 - Collection System									
Personnel	\$293,690	\$283,576	4%	\$299,127	-2%	(\$15,551)	\$301,360	\$306,139	Budget Increase: Change in allocations between programs Current Year Over Budget: Calculation error in overtime (\$16,800) - covered by savings in Supplies & Services
Supplies & Services	\$806,922	\$826,480	-2%	\$700,337	15%	\$126,143	\$683,441	\$591,515	Budget Decrease: Reduction in unleaded and red diesel fuel (\$8,000), equipment repair and maintenance (\$36,000); eliminate unknown emergency repairs (\$20,000); decrease for one-time phase power conversion (\$60,000); add biological odor control (\$20,640), generator replacement (\$30,000), Mystic/Chapel gate modification (\$10,500), SR179 pump station water supply (\$10,000), single line drawings (\$25,000); increase building construction supplies (\$10,000), includes Decision Package - maintenance for Water Truck and reduction of rentals (CM Recommended) Current Year Under Budget: Savings in pump and equipment maintenance/repairs, septic maintenance, and electric costs
Capital & Debt Service	\$70,000	\$0	∞	\$539	12887%	(\$539)	\$0	\$0	Budget Increase: One-time capital purchases, includes Decision Package - replacement vehicle (CM Recommended), Decision Package - water truck (CM recommended) Current Year Over Budget: Minor vehicle equipment costs - to be covered by savings in Supplies & Services
Collection System Total	\$1,170,612	\$1,110,056	5%	\$1,000,003	17%	\$110,053	\$984,801	\$897,653	

WASTEWATER - continued

Expenditure Summary

Cost Category	FY17 Requested	FY16 Budget	FY17 Incr. over FY16 Budget	FY16 Est. Actuals	FY17 Incr. over FY16 Est.	FY16 Est. (over)/ under budget	FY15 Actuals	FY14 Actuals	Explanation of Changes
59-5253-66 - Lab									
Personnel	\$101,210	\$125,499	-19%	\$132,938	-24%	(\$7,439)	\$127,101	\$73,109	Budget Decrease: Change in allocations between programs Current Year Over Budget: Budgeted payroll calculation error - covered by Supplies & Services
Supplies & Services	\$59,736	\$79,060	-24%	\$40,508	47%	\$38,552	\$50,890	\$36,723	Budget Decrease: Eliminate lab testing for Dell Lands Group (\$15,000), one-time lab hood exhaust (\$6,800) Current Year Under Budget: Savings in lab supplies and equipment maintenance, lab testing, and relocation of lab hood exhaust
Capital & Debt Service	\$0	\$5,500	-100%	\$4,443	-100%	\$1,057	\$0	\$2,499	Budget Decrease: One-time capital purchases Current Year Under Budget: Savings in autoclave equipment replacement
Lab Total	\$160,946	\$210,059	-23%	\$177,889	-10%	\$32,170	\$177,990	\$112,331	
Personnel Subtotal	\$827,940	\$927,132	-11%	\$972,045	-15%	(\$44,913)	\$1,006,326	\$931,364	
Supplies & Services Subtotal	\$2,003,248	\$2,010,628	0%	\$1,679,824	19%	\$330,804	\$1,544,932	\$1,508,271	
Capital & Debt Service Subtotal	\$110,000	\$28,256	289%	\$13,790	698%	\$14,466	\$30,775	\$10,212	
Contingencies Subtotal	\$100,000	\$75,940	32%	\$0	∞	\$75,940	\$30,010	\$0	
Wastewater Fund Total	\$3,041,188	\$3,041,956	0%	\$2,665,659	14%	\$376,297	\$2,612,043	\$2,449,847	

WASTEWATER - continued

Positions/Allocations Summaries

Position	FTE
Administrative Assistant*	0.60
Chief Collections Officer	1.00
Chief Plant Operator	1.00
Plant Chemist	1.00
Wastewater Plant Operator - Certified	2.00
Wastewater/Engineering Director	1.00
WW Collections Operator - Entry	1.00
WW Collections Operator III	1.00
WW Plant Mechanic/Electrician	1.00
WW Plant Operator I	1.00
Total	10.60

Org Unit	Org Description	FTE
Wastewater Fund		
59-5250-01	Administration	1.20
59-5252-89	Capital Projects Management	0.60
59-5253-55	Plant Operations	4.30
59-5253-56	Collection System	3.50
59-5253-66	Lab	1.00
Wastewater Fund Total		10.60

* Part-time position



Capital Improvement Program

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

Introduction

The Capital Improvement Program (CIP) is a comprehensive multi-year plan of proposed capital projects. It represents the City's plan for physical development and is intended to identify and balance capital needs within the fiscal capabilities and limitations of the City. The plan is reviewed each year to reflect changing priorities and provides an ongoing framework for identifying capital requirements, scheduling projects over a period of years, coordinating related projects, and identifying future fiscal impacts.

Generally, the CIP includes improvements that are relatively expensive, have a multi-year useful life, and like capital outlay items, result in capital assets. These include the construction of new buildings, additions to or renovations of existing buildings, construction of streets, sewer improvements, land purchases, and major software or equipment purchases. Due to the nature and total costs of the identified projects, the City often builds up revenue over a period of time in order to save for major projects; therefore, a major source of revenue is the City's "Capital Reserve." The reserve funds identified represent existing available funds that were accumulated over time when revenues exceeded expenditures, in order to be able to fund major capital expenditures. However, projects could be simultaneously funded from general operating funds, grants, intergovernmental funding, and/or bond funds or other debt financing.

The first year of the CIP Program is the basis for actual appropriations authorized by the City Council for capital projects when adopting the Annual Budget. The remaining five years are a guide for the future development of the City's new and replacement infrastructure needs. The projects reflected in years two and three of the Plan reflect projects the City believes it has the financial ability to fund within that time frame. The last three years of the Plan reflect projects that are important to the community, but their inclusion in the Plan does not necessarily mean that the City has or will have the requisite funding to complete them.

The overall CIP schedule is formulated to reflect City priorities and needs, by taking into consideration the City's goals and policies, various master and strategic plans, urgency of a project, the City's ability to administer a project, the involvement of outside agencies, and the potential for future project funding and ongoing operational requirements.



Much of the work involved in the development of the CIP consists of balancing the available sources of financing with the various capital needs. The CIP is a dynamic process, with anticipated projects being changed, added, and deleted from the plan as the six-year timeline moves forward.

The final CIP document was adopted by City Council in June as part of the fiscal year 2016-17 budget.

Capital Projects

The purpose of the Capital Improvement Program (CIP) is to systematically identify, plan, schedule, finance, track, and monitor capital projects. Most capital outlay in excess of \$50,000 is included in the Capital Improvement Program, rather than the operating budget. Items under \$50,000, or items that involve operation and maintenance, will be included in the operating budget in the appropriate line item category.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW - continued

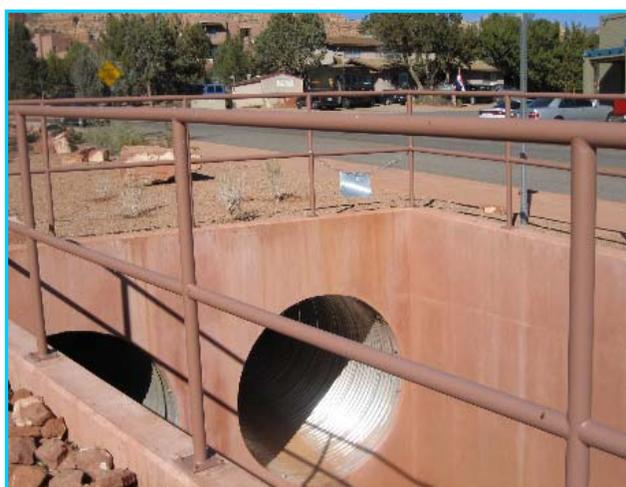
The objectives used to develop the CIP are:

- To preserve and improve the basic infrastructure of the City through public facility construction and rehabilitation.
- To maximize the useful life of capital investments by scheduling renovations and modifications at the appropriate time in the life-cycle of the facility.
- To identify and examine current and future infrastructure needs and establish priorities among projects so that available resources are used to the community's best advantage.
- To improve the financial planning by comparing needs with resources, estimating future needs, and identifying fiscal implications.

Capital projects:

- Are defined as activities that lead to the acquisition, construction, or extension of the useful life of capital assets.
- Are considered to be one-time outlays, which are non-recurring in nature.
- Must have a total cost greater than \$50,000 and a useful life of more than three years.
- Capital projects must add to, enhance the value of, or extend the life of the City's physical assets.
- Projects can include studies that may lead to activities fitting within this definition of a capital project.

The Fiscal Years 2017-2022 Capital Improvement Program provides an implementation schedule for each of the capital improvements that provides for the coordination and timing of project construction/acquisition amongst other competing needs, an estimate of each project's costs, anticipated sources of revenue for financing the project, and an estimate of the impact of each project on City revenues and ongoing operating budgets.



Operating impact information has been forecasted from the scheduled date of the capital improvement project. No capital project will be funded unless operating impacts have been assessed and the necessary funds can be reasonably anticipated to be available when needed.

This capital plan attempts to meet the highest priority needs of the community. It will have to be continually re-evaluated in the future to insure that it is consistent with the priorities of the City Council, with sound financial practices, and the available resources of the City.

The major items of the six year 2017-2022 Capital Improvement Program are categorized by broad service area, then itemized by project title, year, and cost on the summary sheet of the CIP document. The project detail sheets for each individual project follow the summary sheet. The first year of the CIP is included in the current fiscal year budget and all projects identified in fiscal year 2016-17 are funded.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW - continued

Included in the Capital Improvement Program are projects in the areas of:

- Art in Public Places
- Community Development
- Parks and Recreation
- Police
- Public Works
- Storm Drainage
- Wastewater



Capital Outlay in the Operating Budget

In addition to the Capital Improvement Program, the City funds a vehicle replacement plan and computer/server refresh plan out of the General Fund operating budget. These plans provide replacements for capital equipment such as vehicles and technology related equipment as the existing infrastructure meets its useful life.

Outside of the CIP, the City also funds a street overlay plan that seeks to overlay the public streets within the City approximately every 20 years. The street overlay program is funded from a combination of dedicated Highway User Revenue Funds (HURF) and City general funds. The HURF funds are restricted for use in public rights of way and are provided to the City based on a population formula that accounts for the City, County and State ratio, and City General Fund dollars. Only street repaving projects funded fully by outside sources/grants will be reflected in the CIP.

Capital Improvement Program Development Process

In developing the CIP, staff looked at a variety of comprehensive assessments of the City's capital assets and priorities in order to provide a more complete understanding of the City's future needs. These have included: the Sedona Community Plan, prior year capital budgets and requests, City Council Priorities, the Development Impact Fee Study, the Storm Drainage Master Plan, the Wastewater Study, and the Parks and Recreation Master Plan. These studies and planning documents serve as the foundation for the staff recommendations set forth in the attached Capital Improvement Program. As the City moves forward and in particular as the priorities and needs of the community change, the ongoing infrastructure needs and project priorities must continue to be assessed.

CIP Committee

The annual Capital Improvement Plan process begins at the staff level with the CIP Committee, which for the fiscal years 2016-17 through 2021-22 planning process included: Karen Osburn, Assistant City Manager; Cherie Wright, Director of Financial Services; Ray Cota, Chief of Police; Charles Mosley, Director of Wastewater; Audree Juhlin, Director of Community Development; Andy Dickey, City Engineer; Stephen Craver, Engineering Supervisor; Roxanne Holland, Associate Engineer; David Peck, Associate Engineer; and Rachel Murdoch, Parks & Recreation Manager.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW - continued

To start the process, a CIP kickoff was held with the City staff committee members, at which time each department was asked to anticipate their capital needs over the next six years and to prepare capital project requests in accordance with the established CIP requirements. These project requests provided a basis for review, assessment of appropriateness for capital funding, and prioritization of projects for the six-year plan.



The Committee then presented the proposed CIP to the City Manager and Citizen Budget Work Group for feedback and input, including available and appropriate funding sources.

In addition, the CIP was presented to the Planning & Zoning Commission for input on relative project priorities and conformance with the Community Plan. The public was invited to provide input directly to City staff and through the Citizen Engagement page on the City's website.

The public meetings were as follows:

- March 17, 2016 – Planning & Zoning Commission
- April 27 & 28, 2016 – City Council Work Session

Information and public comment obtained through these meetings was submitted to the Sedona City Council before budget adoption.

Council Action

Formal City Council adoption of the Capital Improvement Plan indicates the City's commitment to the plan, but does not in itself authorize expenditures. The necessary funding mechanisms must be adopted each year to pay for the improvements – as mentioned previously year one has become the approved Capital Budget for which Council approval authorizes expenditures, with years two through three reflecting what the City believes it has funding to complete and with years three through six reflecting the City's conceptual plan for improvements but no relative certainty regarding funding availability.

Funding the Capital Improvement Plan

The City of Sedona has developed a multi-year plan for capital improvement funding that anticipates revenue/funding from a variety of sources. This plan is part of the ongoing effort by the City Council and Management to meet the needs of our community, by most efficiently utilizing existing revenue sources and limiting increases in the tax burden within the City. This strategy includes managing the costs of capital projects, utilizing alternative funding sources (grants) when possible, and identifying possible funding shortfalls in order to reprioritize projects or recommend new sources of revenue (typically fees or taxes). In order to do so, and in recognizing the need to balance the projects requested with the funds available, as well as the capacity for staff and the physical environment to manage a set of projects at any one time, projects may have a high priority but not begin in the first fiscal year of the plan.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW - continued

The anticipated funding sources include both restricted and unrestricted sources of funds. Restricted sources are sources that must be used for specific projects. Unrestricted sources are those that can be used for a variety of projects as needed. Restricted sources include: development impact fees, Community Facilities Districts' monies, grants and other participation, and wastewater revenues.

Unrestricted sources include City sales taxes and reserves/fund balances (accumulated savings).



The anticipated funding sources serve as a plan for staff to use in order to plan and move forward with projects. If a project shows anticipated grant funding, staff will need to aggressively pursue grant funding in order for that project to move forward in a timely manner. If grant funding is not achieved, that project may not move forward, or other projects will have to be delayed in order to fund the entire project from City revenue.

A brief description of each revenue/funding source follows.

Community Facilities Districts' (CFDs) Monies: Within the City's jurisdictional boundaries, there are two separate legal entities set up to collect and spend payments in lieu of sales and bed taxes from two specific timeshare development agreements. The revenues are restricted by State statute and each executed development agreement. Projects funded through the CFDs will be reflected in the overall infrastructure plan but are part of a separate legally adopted budget for these two sole and separate entities, and are not part of the City's budget.

Development Impact Fees: Fees are assessed to offset costs incurred by the City in providing additional public services created by new development. This funding is regulated by local ordinance and state statute and is restricted.

Grants and Other Participation: Funds may be contributed by another governmental unit or organization to support a particular function or project.

Wastewater Revenues: User fees and capacity fees are collected and used to pay the current wastewater debt, operation, and capital improvements for the wastewater treatment system. Wastewater revenues also include 25 percent of the City sales tax collected and existing fund balance (accumulated savings) created over time in order to fund future wastewater related projects.

Reserves/Fund Balances: The amount of assets in excess of the liabilities or appropriations for expenditures is also known as surplus funds. Sedona's Financial Policies require General Fund reserves of at least 50 percent of General Fund operating expenditures at the end of the fiscal year. The City also has a fund balance policy to target a reserve level of one year of the Wastewater Enterprise Fund debt service and at least 25 percent of operating expenditures in the Wastewater Enterprise Fund. Both the General Fund and Wastewater Enterprise Fund are currently in excess of existing requirements. Other funds have fund balances that are available for use as needed and within the legal restrictions of the revenues that make up each fund.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW - continued

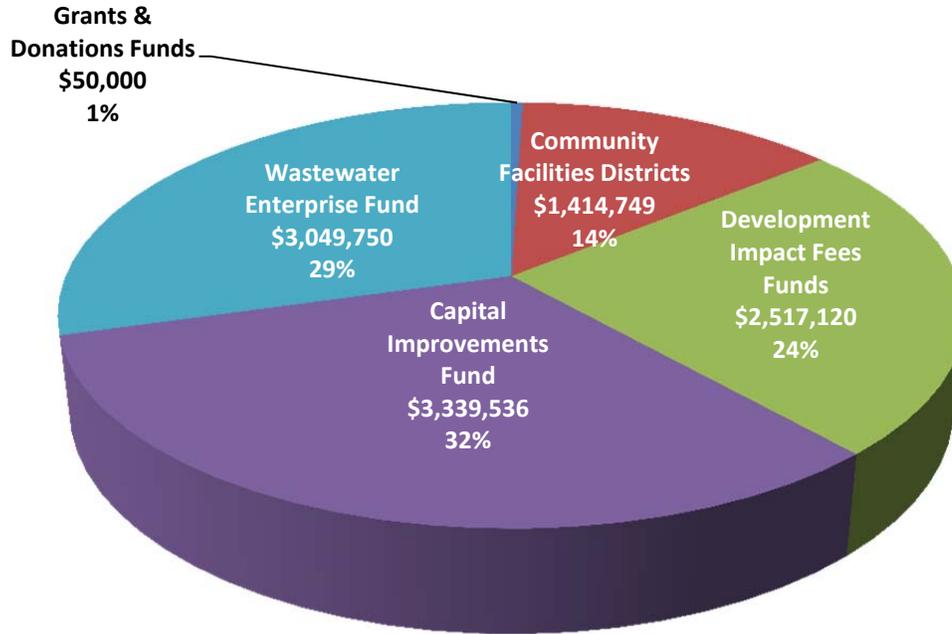
City Sales Taxes: The City assesses a three percent transaction privilege tax (commonly referred to as a sales tax) on taxable transactions according to Arizona Revised Statutes and the Model City Tax Code.

Debt Financing: Current revenues or resources will not always be available for capital improvement projects. When a critical project must be completed, various forms of financing may be appropriate. In the cases where debt is used as a financing strategy, consideration will be given first to those capital assets with the longest useful life and/or to those capital assets whose nature makes them comparatively more favorable to finance. Using cash for projects with shorter lives and financing for projects with longer lives facilitates “intergenerational equity,” wherein projects with long useful lives are paid over several generations using the project through debt service payments.

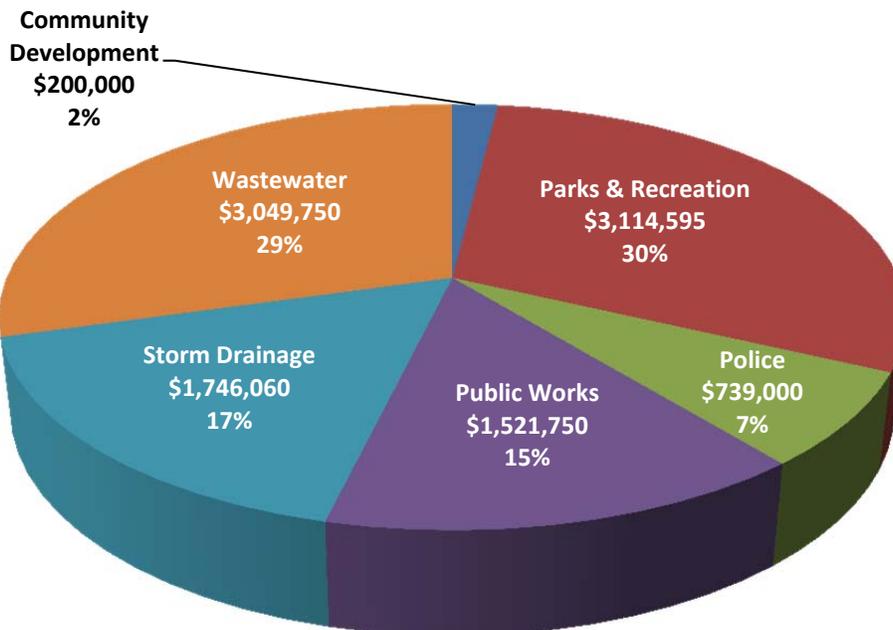


SUMMARY OF CAPITAL PROJECTS

FY 2017 Capital Improvement Projects by Fund



FY 2017 Capital Improvement Projects by Type



SUMMARY OF CAPITAL PROJECTS - continued

FY 2017 - FY 2022 Project List by Major Program

(Click on a Project Page # to navigate to that page)

Project Name	Page #	Project #	FY2017	FY2018	FY2019	FY2017- FY2019 Subtotal	FY2020	FY2021	FY2022	Totals All Years
Art in Public Places										
Rehabilitation of Schnebly Home Memorial Site Located within Uptown Muni Parking Lot - R	242	1	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Art in the Roundabouts - R	243	2	\$0	\$0	\$75,000	\$75,000	\$0	\$0	\$75,000	\$150,000
Art in Public Places Subtotal			\$0	\$0	\$75,000	\$75,000	\$50,000	\$0	\$75,000	\$200,000
Community Development										
Brewer Road Property - Future Development - R	244	3	\$200,000	\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000
Study possible land uses for the City-owned property at the WW Treatment Plant - R	245	4	\$0	\$100,000	\$0	\$100,000	\$0	\$0	\$0	\$100,000
Community Development Subtotal			\$200,000	\$100,000	\$0	\$300,000	\$0	\$0	\$0	\$300,000
Parks & Recreation										
Barbara Antonsen Park (Carryover) - R	246	5	\$1,214,749	\$0	\$0	\$1,214,749	\$0	\$0	\$0	\$1,214,749
Park Land Acquisition - R	247	6	\$1,500,000	\$0	\$0	\$1,500,000	\$0	\$0	\$0	\$1,500,000
Chapel Area Neighborhood Park - U	248	7	\$0	\$0	\$0	\$0	\$0	\$90,000	\$909,000	\$999,000
Shade Structures and Playgrounds - U	249	8	\$0	\$0	\$0	\$0	\$487,658	\$0	\$0	\$487,658
Concession Stand - R	250	9	\$0	\$30,000	\$222,200	\$252,200	\$0	\$0	\$0	\$252,200
Fitness Trail - R	251	10	\$76,236	\$0	\$0	\$76,236	\$0	\$0	\$0	\$76,236
Dog Park Upgrade - R	252	11	\$203,010	\$0	\$0	\$203,010	\$0	\$0	\$0	\$203,010
Bike Skills Park - R	253	12	\$120,600	\$0	\$0	\$120,600	\$145,000	\$136,000	\$0	\$401,600
Parks & Recreation Subtotal			\$3,114,595	\$30,000	\$222,200	\$3,366,795	\$632,658	\$226,000	\$909,000	\$5,134,453
Police										
Uptown Parking Meters on Main Street	254	13	\$275,000	\$0	\$0	\$275,000	\$0	\$0	\$0	\$275,000
Shooting Range Improvements - PR	255	14	\$272,500	\$0	\$0	\$272,500	\$0	\$0	\$0	\$272,500
Police Facility Renovations	256	15	\$151,500	\$151,500	\$0	\$303,000	\$9,090,000	\$0	\$0	\$9,393,000
Radio Communications Enhancement	257	16	\$40,000	\$700,000	\$0	\$740,000	\$0	\$0	\$0	\$740,000
Police Subtotal			\$739,000	\$851,500	\$0	\$1,590,500	\$9,090,000	\$0	\$0	\$10,680,500

SUMMARY OF CAPITAL PROJECTS - continued

FY 2017 - FY 2022 Project List by Major Program

(Click on a Project Page # to navigate to that page)

Project Name	Page #	Project #	FY2017	FY2018	FY2019	FY2017- FY2019 Subtotal	FY2020	FY2021	FY2022	Totals All Years
Public Works										
Uptown Pedestrian Access Improvements - PR	258	17	\$862,500	\$0	\$0	\$862,500	\$0	\$0	\$0	\$862,500
SR 89A Landscape Improvements	259	18	\$0	\$292,000	\$303,000	\$595,000	\$0	\$0	\$0	\$595,000
Jordan Road Sidewalk Extension - R	260	19	\$58,250	\$0	\$0	\$58,250	\$0	\$0	\$0	\$58,250
Dry Creek Road Overlay - PR	261	20	\$50,000	\$555,399	\$0	\$605,399	\$0	\$0	\$0	\$605,399
Sanborn Drive/Thunder Mountain Road Overlay - PR	262	21	\$151,000	\$0	\$587,820	\$738,820	\$0	\$0	\$0	\$738,820
Ranger Road - Brewer Road - SR 89A Intersection - U	263	22	\$0	\$0	\$0	\$0	\$300,000	\$1,262,500	\$0	\$1,562,500
Uptown Public Restroom Improvements - Uptown Parking Lot - U	264	23	\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000
Uptown Public Restroom Improvements - Hitching Post - U	265	24	\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000
Transportation Study/Implementation	266	25	\$300,000	\$250,000	\$250,000	\$800,000	\$250,000	\$250,000	\$250,000	\$1,550,000
Cathedral Rock Trailhead	267	26	\$100,000	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000
Andante Sidewalk SR 89A to Sandborn - U	268	27	\$0	\$0	\$0	\$0	\$175,000	\$1,121,000	\$0	\$1,296,000
Sanborn Drive Sidewalk - U	269	28	\$0	\$0	\$0	\$0	\$0	\$330,000	\$3,280,000	\$3,610,000
Rodeo Road Sidewalk - U	270	29	\$0	\$0	\$0	\$0	\$262,000	\$0	\$0	\$262,000
Chapel Road Sidewalk - U	271	30	\$0	\$0	\$0	\$0	\$1,165,000	\$0	\$0	\$1,165,000
Coffee Pot Sidewalk - U	272	31	\$0	\$0	\$0	\$0	\$115,000	\$606,000	\$0	\$721,000
Public Works Subtotal			\$1,521,750	\$1,097,399	\$1,140,820	\$3,759,969	\$2,509,000	\$3,569,500	\$3,530,000	\$13,368,469

SUMMARY OF CAPITAL PROJECTS - continued

FY 2017 - FY 2022 Project List by Major Program

(Click on a Project Page # to navigate to that page)

Project Name	Page #	Project #	FY2017	FY2018	FY2019	FY2017- FY2019 Subtotal	FY2020	FY2021	FY2022	Totals All Years
Storm Drainage										
Coffee Pot Drainage Basin - Coffee Pot Road Crossing - PR	273	32	\$444,250	\$0	\$0	\$444,250	\$0	\$0	\$0	\$444,250
Coffee Pot Drainage Basin - Grasshopper Area - PR	274	33	\$30,000	\$1,307,700	\$0	\$1,337,700	\$0	\$0	\$0	\$1,337,700
Coffee Pot Drainage Basin - Little Elf Area - PR	275	34	\$0	\$0	\$1,666,200	\$1,666,200	\$0	\$0	\$0	\$1,666,200
Back O' Beyond Road Low Water Crossing Improvements - PR	276	35	\$0	\$0	\$0	\$0	\$145,000	\$656,500	\$0	\$801,500
Dry Creek Drainage Basin - SR 89A Crossing - U	277	36	\$0	\$0	\$0	\$0	\$0	\$104,500	\$450,000	\$554,500
View Drive Drainage Improvements - U	278	37	\$0	\$0	\$0	\$0	\$0	\$0	\$1,814,500	\$1,814,500
Saddle Rock Area Drainage Improvements - U	279	38	\$0	\$0	\$0	\$0	\$0	\$0	\$1,613,000	\$1,613,000
Brewer Road/Tlaquepaque Drainage Improvements - R	280	39	\$1,071,810	\$1,071,810	\$0	\$2,143,620	\$0	\$0	\$0	\$2,143,620
Brewer Road Crossing Improvements - R	281	40	\$150,000	\$707,000	\$0	\$857,000	\$0	\$0	\$0	\$857,000
Juniper Hills Area Drainage - R	282	41	\$0	\$100,000	\$606,000	\$706,000	\$0	\$0	\$0	\$706,000
Mystic Hills Lift Station Access Improvement - R	283	42	\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000
Storm Drainage Easement Acquisition - R	284	43	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000
Storm Drainage Master Plan Update - PR	285	44	\$0	\$350,000	\$0	\$350,000	\$0	\$400,000	\$400,000	\$1,150,000
MS4 Storm Water Sampling	286	45	\$0	\$188,975	\$0	\$188,975	\$0	\$0	\$0	\$188,975
Storm Drainage Subtotal			\$1,746,060	\$3,725,485	\$2,272,200	\$7,743,745	\$266,000	\$1,161,000	\$4,277,500	\$13,448,245
Total Projects Non-Wastewater			\$7,321,405	\$5,804,384	\$3,710,220	\$16,836,009	\$12,547,658	\$4,956,500	\$8,791,500	\$43,131,667

SUMMARY OF CAPITAL PROJECTS - continued

FY 2017 - FY 2022 Project List by Major Program

(Click on a Project Page # to navigate to that page)

Project Name	Page #	Project #	FY2017	FY2018	FY2019	FY2017- FY2019 Subtotal	FY2020	FY2021	FY2022	Totals All Years
Wastewater										
WW Master Plan	287	46	\$150,000	\$20,000	\$220,000	\$390,000	\$220,000		\$320,000	\$930,000
Wastewater Effluent Management	288	47	\$2,044,750	\$1,275,000	\$2,155,000	\$5,474,750	\$1,356,500	\$0	\$0	\$6,831,250
WWRP Bar Screen and Filter System Upgrades	289	48	\$350,000	\$50,000	\$650,000	\$1,050,000	\$650,000	\$0	\$0	\$1,700,000
WWRP Odor Control	290	49	\$25,000	\$0	\$185,000	\$210,000	\$0	\$0	\$0	\$210,000
WWRP Headworks Replacement	291	50	\$480,000	\$0	\$0	\$480,000	\$0	\$0	\$0	\$480,000
WWRP Paving	292	51	\$0	\$0	\$0	\$0	\$420,000	\$0	\$0	\$420,000
Wastewater Subtotal			\$3,049,750	\$1,345,000	\$3,210,000	\$7,604,750	\$2,646,500	\$0	\$320,000	\$10,571,250
TOTAL ALL PROJECTS			\$10,371,155	\$7,149,384	\$6,920,220	\$24,440,759	\$15,194,158	\$4,956,500	\$9,111,500	\$53,702,917

R - Restricted Funding
 PR - Partially Restricted Funding
 U - Unfunded

CAPITAL PROJECTS DETAILS

Project Title: Rehabilitation of Memorial to Former Schnebly Home Site Located within the Municipal Parking Lot

Location: Uptown Parking Lot

Project #: 1

Project Description

Project funding is included in the same year as the proposed addition of a public restroom at the Uptown Municipal Parking Lot. This would contribute to the design and refurbishment of the remnants of the former Schnebly home foundation at that location. Because the project improvements are undefined the costs are a placeholder. Previously school age children made decorated tiles to embed in the area memorialized as a tribute to this historic landmark. Those tiles are now largely broken or missing, and it is time to rejuvenate that area with a new arts-related project. It is anticipated that this would be a partnership with the Historical Society or other group concerned about the historic preservation of this memorial.

Project Justification

The previous improvements have deteriorated. The project is a public arts project, and adequate funding and a process to develop the design needs to be available prior to starting design work on this project. It would seem to make sense to do this at the same time as the construction of a public restroom which is proposed at the same site. Should that project be able to be accelerated, this piece would also be accelerated.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Percent for Arts	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction	Percent for Arts	New	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Total Budget			\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000

Total Operating Impacts						
Personnel Costs		\$0	\$0	\$0	\$0	\$0
Materials & Supplies		\$0	\$0	\$0	\$0	\$0
Contractual Services		\$0	\$0	\$0	\$0	\$0
Totals		\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Art in the Roundabouts

Location: SR 179 Corridor

Project #: 2

Project Description

To continue adding public art for beautification of SR 179. The Schnebly Roundabout public art piece was the last to be installed, in FY16. A future project is scheduled for 2022, assuming that the Percent for Arts funds can be accumulated to cover the cost.

Project Justification

Will enhance the City's image as being a city animated by the arts where public art may be enjoyed by residents and visitors. The roundabouts along SR 179 and SR 89A are highly visible locations in the City. Both of the existing SR 89A roundabouts have had art installed, and there are three others on SR 179 that could be candidates for installing artwork.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Public Art	Percent for Arts	New	\$0	\$0	\$0	\$65,000	\$0	\$0	\$65,000	\$130,000
Construction	Percent for Arts	New	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000	\$20,000
Total Budget			\$0	\$0	\$0	\$75,000	\$0	\$0	\$75,000	\$150,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Master Plan and Development for Brewer Road Property

Location: Brewer Road

Project #: 3

Project Description

Create a Master Plan to guide future development and operations at the new City-owned property, and begin to construct whatever improvements are decided upon. The development of a conceptual plan for the site included a significant public participation component and was presented to the City Council in January 2016. Next steps include demolition of one building, and retaining consultant services to help take the approved concept and refine it to develop a full design plan for the site. Funds have not yet been included for implementation and development. The dollar figure for that effort is not known at this time, nor is it known whether a public/private or other partnership to fund the project will be possible. There will be operational impacts and budgetary implications to the operating budget due to additional demands for event planning, parks maintenance, utilities, commodities, etc. Those have not yet been identified but could be significant.

Project Justification

The City purchased the "Old Ranger Station" on Brewer Road in 2014 and has now developed a conceptual plan for the site. This conceptual plan reflects the future community vision for this property as a community park but needs to be further refined and an actual design plan developed with more specificity. Some remediation of the site and significant site improvements will need to be done to make the community vision come to fruition.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	CFD Funds	Carryover	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Design	CFD Funds	Carryover	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Construction/ Environmental	CFD Funds	Carryover	\$50,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Arts	CFD Funds	Carryover	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Budget			\$55,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$255,000

Total Operating							
Personnel Costs	\$0	TBD	TBD	TBD	TBD	TBD	TBD
Materials & Supplies	\$0	TBD	TBD	TBD	TBD	TBD	TBD
Contractual Services	\$0	TBD	TBD	TBD	TBD	TBD	TBD
Totals	\$0	TBD	TBD	TBD	TBD	TBD	TBD

CAPITAL PROJECTS DETAILS - continued

Project Title: Feasibility Study for a Possible Land Uses at the Wastewater Treatment Plant

Location: WWTP

Project #: 4

Project Description

This project would fund a study to explore the various land use options and conduct feasibility analyses for the approximately 200 additional acres at the City of Sedona Wastewater Treatment Plant that should come available once the City's effluent disposal optimization plan is implemented.

Project Justification

Various land use alternatives for available City-owned land at the Wastewater Treatment Plant were discussed a number of years ago by the Wastewater Effluent Disposal & Land Use Task Force (WEDLU). However, WEDLU felt that the future land use options at the wastewater treatment plant could not be decided until the City had a better understanding of the amount of land needed for effluent disposal management purposes. In 2014 the then City Manager formed a citizen work group to discuss possible land use options after accepting the Effluent Optimization Study findings which showed the City should have approximately 200 developable acres after the effluent disposal strategies are implemented over the next few years. The work group findings and recommendations will be provided to the consultant in order to conduct further economic and other feasibility analyses. A broader public outreach effort would also be incorporated in order to develop recommendations regarding those and other various land-use options. This project could provide positive economic benefits to the City of Sedona.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	Capital Reserves	New	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Total Budget			\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Posse Grounds Pavilion in Barbara Antonsen Park

Location: Posse Ground Road

Project #: 5

Project Description

This request is for the construction of an amphitheater at Barbara's Park. The original project was planned to be completed in fiscal year 2012-13; however, during construction the dome structure collapsed, and the City Council made the decision to not reconstruct the existing design. A new design was selected by City Council. Carryover design budget, to fiscal year 2016-17, is for construction administration services. Construction is scheduled to begin in fiscal year 2015-16 and be completed in fiscal year 2016-17. The prior years construction expenditures includes \$288,711 from Project 1 and an estimated \$200,000 being spent for the current project in fiscal year 2015-16.



OUTDOOR PERFORMANCE VENUE AT
BARBARA ANTONSEN MEMORIAL PARK
SEDONA, ARIZONA

DESIGN PRINCIPLES
1. **ENCOURAGING FAMILY VENUE**
Integration of site, surroundings & form for family setting.
2. **MINIMIZE EXTENT OF NEW CONSTRUCTION**
Leverage existing conditions and infrastructure to capture savings.
3. **HISTORY OF PLACE**
Barbara's culture & indigenous precedents.
4. **CONTEXTUAL**
Complementing its nature, responding to historic context, and subtly form connecting modernism.

Waltink & Reed
Luskensky
CVL

Project Justification

The community has expressed strong support for an amphitheater facility at this location and has also expressed its desire to move forward with construction of the new design.

Carryover/ New

Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	CFD Funds	Carryover	\$148,000	\$18,000	\$0	\$0	\$0	\$0	\$0	\$166,000
Construction	CFD Funds	Carryover	\$488,711	\$1,184,900	\$0	\$0	\$0	\$0	\$0	\$1,673,611
Utility Connections	CFD Funds	Carryover	\$154,401	\$0	\$0	\$0	\$0	\$0	\$0	\$154,401
Study	CFD Funds	Carryover	\$42,675	\$0	\$0	\$0	\$0	\$0	\$0	\$42,675
Arts	CFD Funds	Carryover	\$2,000	\$11,849	\$0	\$0	\$0	\$0	\$0	\$13,849
Total Budget			\$835,787	\$1,214,749	\$0	\$0	\$0	\$0	\$0	\$2,050,536

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$6,700	\$6,700	\$6,700	\$6,700	\$6,700	\$6,700
Contractual Services	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900
Totals	\$13,600	\$13,600	\$13,600	\$13,600	\$13,600	\$13,600

CAPITAL PROJECTS DETAILS - continued

Project Title: Parks Land Acquisition

Location: TBD

Project #: 6

Project Description

Funding is available through development impact fees for park land acquisition. This funding could be used to purchase various properties for future use as a public park, including possible creekside land, easements or pathways for a creek walk, a neighborhood park in the Chapel area, an event venue, etc. This establishes the appropriation authority should Council decide to purchase something. If the funds set aside for park property acquisition are not expended in fiscal year 2016-17, the amounts will likely be re-appropriated in future fiscal years.



Project Justification

According to the 2012 Parks and Recreation Master Plan, there is public interest and support among City residents for additional park sites, including neighborhood and community parks. The distributing of city parks equitably and targeting underserved populations was given as a guideline for choosing capital projects in the future. The City has also collected development impact fees which must be spent on the acquisition of park land. This allocation provides a funding appropriation in the event any of this property acquisition materializes in fiscal year 2016-17 or beyond.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Land	Dev Impact Fees	Carryover	\$0	\$1,500,000		\$0	\$0	\$0	\$0	\$1,500,000
Total Budget			\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$1,500,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Chapel Area Neighborhood Park

Location: Chapel Area

Project #: 7

Project Description

Funding is available through development impact fees for park land acquisition. The budget for land acquisition has been included in the parks land CIP project and may include the future purchase of land for a Chapel area park. Per the Master Plan 3-7 year recommendation, the distribution of neighborhood parks is inequitable since all of the City's public parks are currently located in West Sedona. The study found that another neighborhood park, closer to the Chapel area of the City, is needed. This project establishes the appropriation authority to fund future construction of a neighborhood park assuming land is acquired through the parks development impact fee funding for land acquisition.



Project Justification

According to the 2012 Parks and Recreation Master Plan, there is public interest and support among City residents for additional park sites, including neighborhood and community parks. The distributing of city parks equitably and targeting underserved populations was given as a guideline for choosing capital projects in the future. The City has collected development impact fees which must be spent on the acquisition of park land. If this property acquisition materializes in fiscal year 2016-17 or beyond, future funding will be needed to develop that land into a park facility.

Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$0	\$90,000	\$0	\$90,000
Land		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction		New	\$0	\$0	\$0	\$0	\$0	\$0	\$900,000	\$900,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$0	\$9,000	\$9,000
Total Budget			\$0	\$0	\$0	\$0	\$0	\$90,000	\$909,000	\$999,000

Total Operating Impacts							
Personnel Costs			\$0	\$0	\$0	\$0	\$55,000
Materials & Supplies			\$0	\$0	\$0	\$0	\$5,000
Contractual Services			\$0	\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$0	\$0	\$60,000

CAPITAL PROJECTS DETAILS - continued

Project Title: Shade Structures and Playgrounds

Location: Posse Grounds Park Playground Area & Multiuse Field

Project #: 8

Project Description

Remove all existing outdated playground equipment, and replace with new inclusive and adaptive equipment. Completion of this project will result in four new shade structures and two new playgrounds. Install a rubberized safety playground surface, and install shade structures over both of the new playground areas and over the bleachers on the multiuse field.

Project Justification

According to our 2012 Parks and Recreation Master Plan:

Capital Maintenance Priorities - Upgrade existing playgrounds at Posse Grounds Community Park

Level of Services Recommendations - Shade structures should be installed on all playgrounds within 1-3 years.

City projects are more competitive for outside funding sources if the City has already committed to the project by completing the design phase. Our intention is to fund the design utilizing development impact fees. Construction would not take place unless outside funding sources are procured for a significant portion of the project. The new playground design will be "inclusive" by nature so as to invite children of all abilities to play and imagine together, thereby making them equal through play. The rubberized playground surface will be ADA accessible so as not to eliminate anyone (adult or child) from being able to use the park. By installing this weather/sun protection structure, it will increase the life of the playground equipment by providing protection from inclement weather and sun, as well as providing the same protection to the users of the playground equipment. These are the last two playgrounds that need to be covered in order to accomplish one of the goals in the Master Plan.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$30,630	\$0	\$0	\$0	\$0	\$0	\$0	\$30,630
Construction		New	\$0	\$0	\$0	\$0	\$338,937	\$0	\$0	\$338,937
Construction	Outside Funding	New	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Contingency		New	\$0	\$0	\$0	\$0	\$43,893	\$0	\$0	\$43,893
Arts		New	\$0	\$0	\$0	\$0	\$4,828	\$0	\$0	\$4,828
Total Budget			\$30,630	\$0	\$0	\$0	\$487,658	\$0	\$0	\$518,288

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Concession Stand

Location: Posse Grounds Park

Project #: 9

Project Description

The concession stand and restrooms building (combined) is located in between the softball fields at Posse Grounds Park. An approved budget would allow for concept and development of plans and specification for an entirely new building with restrooms, storage, concession capabilities, and improved access.



Project Justification

This building has been in need of repair and remodel for many years; however, the demand for the building was not large enough to justify the budget. With the increase of special events at this facility as well as the development of the new bike skills park, the demand on this building has begun to increase and will continue to do so. This is the main public restroom facility for the skate park, basketball court, ball fields, special events and rentals, and the bike park. This building also provides storage for little league.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Development Impact Fees	New	\$0	\$0	\$30,000	\$0	\$0	\$0	\$0	\$30,000
Construction	Development Impact Fees	New	\$0	\$0	\$0	\$220,000	\$0	\$0	\$0	\$220,000
Arts	Development Impact Fees	New	\$0	\$0	\$0	\$2,200	\$0	\$0	\$0	\$2,200
Total Budget			\$0	\$0	\$30,000	\$222,200	\$0	\$0	\$0	\$252,200

Total Operating Impacts							
Personnel Costs			\$0	\$0	\$0	\$0	\$0
Materials & Supplies			\$0	\$0	\$0	\$0	\$0
Contractual Services			\$0	\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Fitness Trail
Project #: 10

Location: Posse Grounds Park

Project Description

The City applied for a grant through Arizona State Parks and was awarded that grant in February 2016. Money will be used to completely renovate the fitness trail located at Posse Grounds Park. The current fitness trail is outdated, underused, and not ADA compliant. The new fitness trail would include removal of the old equipment, installation of new pads, new ADA accessible equipment, and signage and shade structures as well.



Project Justification

Park amenities should be maintained and/or replaced when necessary per our maintenance standards for the parks. Seeking outside funding to complete these "nice-to-have projects" and provide new parks amenities to the public, allowed the City to leverage a small contribution (in this case for design and a small construction contribution) and acquire up to \$75,236 of outside sources to fund the majority of the project. This project is also supported by West Sedona School.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	General Fund	New	\$3,140	\$0	\$0	\$0	\$0	\$0	\$0	\$3,140
Construction	Dev Impact Fee	Carryover	\$0	\$860	\$0	\$0	\$0	\$0	\$0	\$860
Construction	Outside Funding	Carryover	\$0	\$75,376	\$0	\$0	\$0	\$0	\$0	\$75,376
Total Budget			\$3,140	\$76,236	\$0	\$0	\$0	\$0	\$0	\$79,376

Total Operating Impacts										
Personnel Costs				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals				\$0	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Dog Park Upgrade

Location: Posse Grounds Park

Project #: 11

Project Description

Upgrade the existing dog park. A master plan was created in fiscal year 2015-16 based on community feedback, best practices, and resources available.

Project Justification

The Parks & Recreation Department and Engineering Services continue to get complaints about the dog park. The current surface is hot, filthy, and injures the paws of dogs. The current water situation is a horse trough and hose. Adding artificial K-9 grass (or an improved surface) will not only be beautiful, but clean and sanitary, and will reduce the potential for injuries. This project will also take into consideration other requests that have been made to Engineering Services.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Dev Impact Fees	New	\$18,120	\$0	\$0	\$0	\$0	\$0	\$0	\$18,120
Construction	Dev Impact Fees	New	\$0	\$201,000	\$0	\$0	\$0	\$0	\$0	\$201,000
Arts	Dev Impact Fees	New	\$0	\$2,010	\$0	\$0	\$0	\$0	\$0	\$2,010
Total Budget			\$18,120	\$203,010	\$0	\$0	\$0	\$0	\$0	\$221,130

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$20,000
Contractual Services	\$0	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$15,000
Totals	\$0	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$35,000

CAPITAL PROJECTS DETAILS - continued

Project Title: Bike Skills Park

Location: Posse Grounds Park

Project #: 12

Project Description

The users fundraised \$37,000 for the design of the park in fiscal year 2014-15, and the City subsequently agreed to construct the park. The contributed funds paid for a complete master plan design of the bike skills park. It included future phases (not currently budgeted) that could be built, if additional funding became available. Phase One includes a pump park, flow trail, and tech flow trail and will be completed in fiscal year 2015-16. The additional funding will build Phases Two-Four, which include six additional features including dual slalom, dirt jump park, tot loop, skills zone, and bump & jump flow trail.

Project Justification

As \$37,000 was raised by the community to pay for the design of the park, it can be concluded that this amenity is a community need. The City's Strategic Plan states that the community should be served with a variety of recreational opportunities and the parks should be expanded based on identified community needs. Since a master plan design has been approved by the community, the Planning & Zoning Commission, and the City Council, it would be in the best interest for our users if the park was completed in its potential entirety. In fiscal year 2015-16, Phase I of the park was completed. A second phase is programmed for fiscal year 2016-17, but the final two phases are currently unfunded.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Outside Sources	Carryover	\$37,096	\$0	\$0	\$0	\$0	\$0	\$0	\$37,096
Construction	Grant	New	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$5,000
Construction	Grant	Carryover	\$0	\$15,600	\$0	\$0	\$0	\$0	\$0	\$15,600
Construction	General Fund	Carryover	\$110,000	\$0	\$0	\$0	\$0	\$0	\$0	\$110,000
Construction	Dev Impact Fees	New	\$0	\$104,000	\$0	\$0	\$0	\$0	\$0	\$104,000
Construction		New	\$0	\$0	\$0	\$0	\$145,000	\$136,000	\$0	\$281,000
Arts	Dev Impact Fees	New	\$1,600	\$1,000	\$0	\$0	\$0	\$0	\$0	\$2,600
Total Budget			\$153,696	\$120,600	\$0	\$0	\$145,000	\$136,000	\$0	\$555,296

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Totals	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000

CAPITAL PROJECTS DETAILS - continued

Project Title: Uptown Parking Meters on Main Street

Location: Uptown

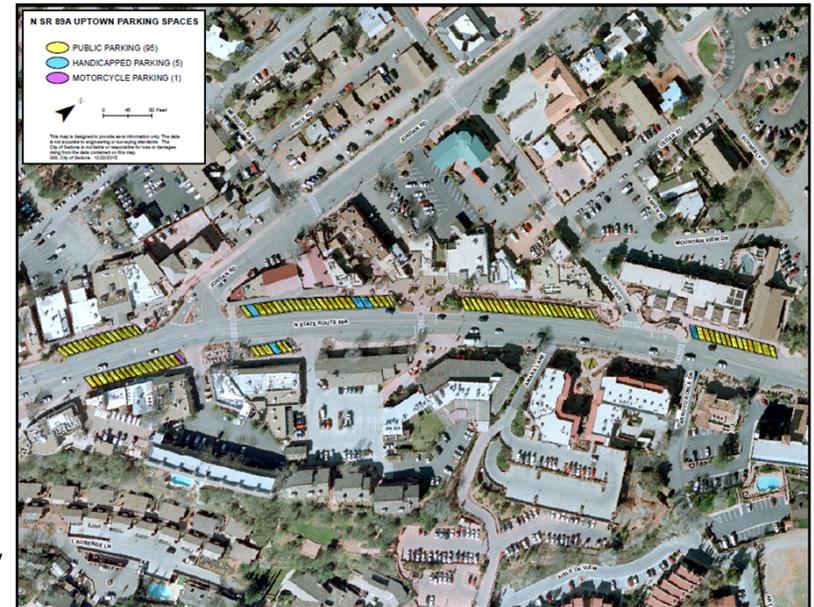
Project #: 13

Project Description

The City has pursued a phased implementation of several recommendations from the 2012 Update to the Uptown Parking Management Plan, as completed by Nelson/Nygaard Consulting. The projects have included lot improvements made to create additional public parking on lots that have been 100 percent private lots (signage, striping, overlay/repaving, and other improvements) and pedestrian access improvements. This project supports the future installation and operation of a paid parking system for the on-street parking stalls along SR 89A in the Uptown area. In conjunction with the other improvements, this will improve on street parking turnover and availability and facilitate the use of off-highway free public parking instead of creating additional traffic congestion and visitor frustration to obtain an on-street space.

Project Justification

In 2005, a Sedona Parking Management Study was completed for the Uptown area. In 2012, the City Council approved expenditures to conduct an update to that Plan. The study provided recommendations that the City establish public parking agreements with private property owners for the establishment of a pool of public parking locations throughout the Uptown area, improving wayfinding signage, adding visitor-friendly signage (minimize tow-away signs), improving lighting and pedestrian access to more remote lots, and ultimately implementing time restricted and/or paid parking programs. The consultants noted that paid parking would address the high occupancy levels better than any other method of on-street parking management, but that it should be done in conjunction with the other parking management strategies. They also noted that the current parking supply needed to be managed before new parking in Uptown is created and that regulated on-street parking will improve parking management and traffic flow in the Uptown area. Paid parking could also generate revenue for future parking/traffic enhancements or other reinvestment in the Uptown area.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Equipment	Capital Reserves	Carryover	\$0	\$275,000	\$0	\$0	\$0	\$0	\$0	\$275,000
Study	General Fund	New	\$26,000	\$0	\$0	\$0	\$0	\$0	\$0	\$26,000
Total Budget			\$26,000	\$275,000	\$0	\$0	\$0	\$0	\$0	\$301,000

Total Operating Impacts								
Personnel Costs			\$30,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Materials & Supplies			\$15,750	\$27,000	\$27,000	\$27,000	\$27,000	\$21,000
Contractual Services			\$17,250	\$23,000	\$23,000	\$23,000	\$23,000	\$23,000
Totals			\$63,000	\$90,000	\$90,000	\$90,000	\$90,000	\$84,000

CAPITAL PROJECTS DETAILS - continued

Project Title: Shooting Range/Training Facility Improvements

Location: N/A

Project #: 14

Project Description

A study has been completed on the renovation and enhancement of the police shooting range. The study encompassed needed critical safety improvements and enhancements that would provide the Police Department with an effective training facility. The continuance of this project will focus on the construction of training rooms, restrooms, secured storage areas, parking areas, and a new access road to the facility.

Project Justification

The Police Department shooting range has been renovated to address critical safety issues and make minor improvements to enhance its functionality as a training facility. The Department is in need of dedicated space and areas in which their training activities can be conducted in a safe, secured, and controlled location. The areas adjacent to the shooting range are large enough to accommodate the space needed for the construction of restrooms, training rooms, secured storage areas, and parking areas. Additionally, a new access road to the facility could be designed and constructed to provide an entrance to the facility that would not require travel through sensitive areas within the Wastewater Reclamation Plant or the recreational wetlands. Such improvements to the facility would create opportunities to provide training space for other City departments.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	Capital Reserves	New	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Design	Capital Reserves	New	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$5,000
Construction	Devt Impact Fees		\$95,000	\$0	\$0	\$0	\$0	\$0	\$0	\$95,000
Design	Capital Reserves	Carryover	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
Arts	Capital Reserves	New	\$3,750	\$2,500	\$0	\$0	\$0	\$0	\$0	\$6,250
Construction	Capital Reserves	New	\$230,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$430,000
Construction	PD RICO	New	\$30,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$55,000
Equipment	PANT RICO	New	\$75,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$100,000
Total Budget			\$453,750	\$272,500	\$0	\$0	\$0	\$0	\$0	\$726,250

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Police Facility Renovations

Location: 100 Roadrunner Drive

Project #: 15

Project Description

Estimated construction costs to enhance the building's operational functionality within its existing footprint and/or through cost effective additions to the facility.

Project Justification

The Police Department facility is operated 24 hours a day, seven days a week, and has been in use since 1998. The building was not design-built as a public safety facility and, therefore, does not allow for effective workflow processes, security of confidential/sensitive work areas, locker room privacy, shared public/other City department use, or accommodation of various support functions. A space needs analysis showed that the Department should be operating in a facility of at least 18,000 square feet. The current work space in the building is about 8,100 square feet. The Department will continue to make minor modifications and enhancements to the facility to improve its functionality. A long-term solution to the Department's facility needs to be discussed and developed.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	Capital Reserves	New	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000
Construction	Capital Reserves	New	\$150,000	\$150,000	\$150,000	\$0	\$9,000,000	\$0	\$0	\$9,450,000
Percent for Arts	Capital Reserves	New	\$1,500	\$1,500	\$1,500	\$0	\$90,000	\$0	\$0	\$94,500
Total Budget			\$159,500	\$151,500	\$151,500	\$0	\$9,090,000	\$0	\$0	\$9,552,500

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Police Radio System Enhancement

Location: 100 Roadrunner Drive

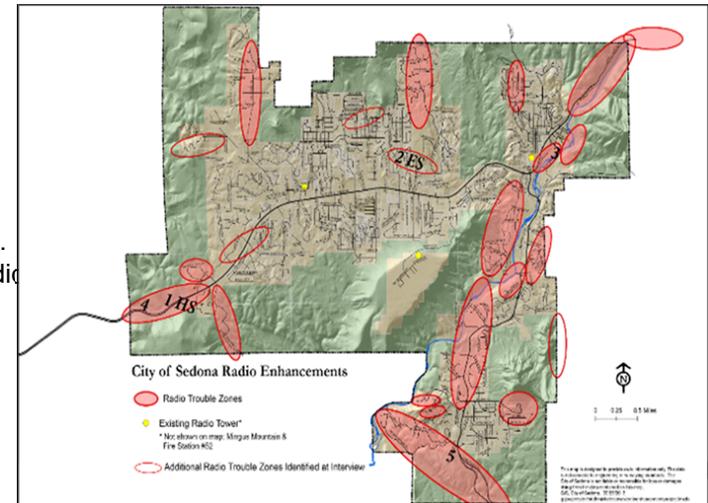
Project #: 16

Project Description

Enhance radio system to improve radio transmitting and receiving of police radio communications. Identify and recommend various alternatives to ensure that the radio system will meet current and future interoperability requirements.

Project Justification

A vital resource to any public safety organization is reliable and effective radio communications. Department personnel have experienced on-going problems with transmitting and receiving radio communications. Improvements have been made to the system based on recommendations from a system assessment study along with planned upgrading of other system components. The Sedona Fire District is completing additional improvements to the radio communications infrastructure which are scheduled to be completed by April 2016. Complete evaluation of improved radio transmitting and receiving communications will be undertaken during the remainder of fiscal year 2015-16. Should radio communications problems continue, the alternative recommendation of implementing a digital/analog P25 radio system will need to be considered for funding.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
System Study	Capital Reserves	Carryover	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Equipment	Capital Reserves	Carryover	\$71,000	\$40,000	\$0	\$0	\$0	\$0	\$0	\$111,000
Equipment	Capital Reserves	New	\$0	\$0	\$700,000	\$0	\$0	\$0	\$0	\$700,000
Total Budget			\$40,000	\$40,000	\$700,000	\$0	\$0	\$0	\$0	\$861,000

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Uptown Pedestrian Access Improvements

Location: Uptown

Project #: 17

Project Description

In fiscal year 2012-13, the City hired Peak Engineering to conduct a concept study of the area to assess the Uptown merchants/residents interest in various improvements including a median and construction of sidewalks, lights, and other pedestrian access improvements. The concept study recommended that the City construct an improved walkway with ADA access and lighting adjacent to the Wayside Chapel for better pedestrian access from the municipal parking lot to the new Wayside public parking area. This recommendation also came out of the Uptown Parking Study and input from the Uptown Parking Advisory Committee. This project has now been expanded to include the cost to construct a sidewalk, lighting, elevator, and 12-foot wide staircase adjacent to the Wayside Chapel in Uptown.



Project Justification

Pedestrian and employee movement in the area was a concern expressed during the 2012 Parking study and by the Uptown Parking Advisory Committee. The design of this project was completed in fiscal year 2014-15 and 2015-16. Construction is expected to begin in fiscal year 2015-16 and be completed in fiscal year 2016-17.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	Carryover	\$170,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$174,000
Construction	Devt Impact Fees	Carryover	\$0	\$600,000	\$0	\$0	\$0	\$0	\$0	\$600,000
Construction	Capital Reserves	New	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
Construction	Capital Reserves	New	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
Art	Capital Reserves	New	\$2,000	\$8,500	\$0	\$0	\$0	\$0	\$0	\$10,500
Total Budget			\$372,000	\$862,500	\$0	\$0	\$0	\$0	\$0	\$1,234,500

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contractual Services	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Totals	\$0	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000

CAPITAL PROJECTS DETAILS - continued

Project Title: SR 89A Landscape Improvements

Location: SR 89A from Airport Road To Dry Creek Road

Project #: 18

Project Description

The fiscal year 2015-16 construction project involves the installation of a dual-layer weed barrier in the landscaped areas of SR 89A from Airport Road to Dry Creek Road. The dual-layer weed barrier consists of black plastic sheeting covered by a geotextile and would be installed under the existing rock mulch areas. Most landscape areas will need a replenishing of rock mulch and some landscape plants may be replaced. The fiscal year 2015-16 design and fiscal year 2016-17 construction project include providing landscape improvements at the western end of the City limits.

Project Justification

For the fiscal year 2015-16 project, expected savings from the dual-layer weed barrier installation include reduced water usage for irrigation, due to the barrier limiting evaporation from the soil, and reduced labor and herbicide use. Test results show a 97 percent reduction in evaporation with the dual-layer weed barrier. This dual-layer weed barrier was installed in some areas during the SR 179 Enhancement Project and has shown a decrease in maintenance required including herbicide use. The fiscal year 2016-17 construction will improve the aesthetic character of the western entrance to the City. The fiscal year 2016-17 design and fiscal year 2017-18 construction will improve the aesthetic character between Upper Red Rock Loop Road and Dry Creek Road.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Construction	Capital Reserves	New	\$175,000	\$0	\$260,000	\$300,000	\$0	\$0	\$0	\$735,000
Arts	Capital Reserves	New	\$1,750	\$0	\$2,600	\$3,000	\$0	\$0	\$0	\$7,350
Design	Devt Impact Fees	New	\$20,000	\$0	\$30,000	\$0	\$0	\$0	\$0	\$50,000
Total Budget			\$196,750	\$0	\$292,600	\$303,000	\$0	\$0	\$0	\$792,350

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$150	\$300	\$300	\$300	\$300
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$150	\$300	\$300	\$300	\$300

CAPITAL PROJECTS DETAILS - continued

Project Title: Jordan Road Sidewalk Extension

Location: Jordan Road between Schnebly Road and Mesquite Road intersection (east side)

Project #: 19

Project Description

Install 5-foot wide sidewalk and handicapped ramps along approximately 500 feet of Jordan Road on the east side. Some sidewalk already exists along Jordan Road between Schnebly and Mesquite Road on the east side. This would fill in gaps. It is anticipated that some work will carry into fiscal year 2016-17.

Project Justification

In light of the high tourist volume in this area and the existence of visitor attractions on the east side of Jordan Road, a continuous sidewalk is being recommended on this side of the road. This provides a more direct pedestrian path for people using the City parking lot (i.e., they will not need to cross Jordan Road to stay on a sidewalk until they reach Mesquite Road).

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Construction	Devt Impact Fees	New	\$0	\$33,000	\$0	\$0	\$0	\$0	\$0	\$33,000
Design	Devt Impact Fees	New	\$38,000	\$0	\$0	\$0	\$0	\$0	\$0	\$38,000
Construction	Devt Impact Fees	Carryover	\$41,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
Arts	Devt Impact Fees	New	\$410	\$250	\$0	\$0	\$0	\$0	\$0	\$250
Total Budget			\$79,410	\$58,250	\$0	\$0	\$0	\$0	\$0	\$96,250

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$500	\$500	\$500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$500	\$500	\$500

CAPITAL PROJECTS DETAILS - continued

Project Title: Dry Creek Road Overlay
Project #: 20

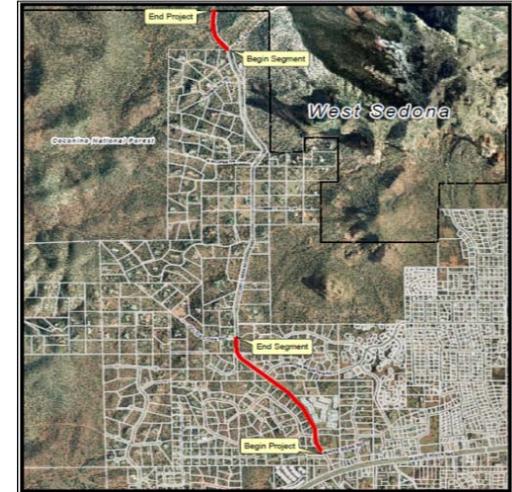
Location: Dry Creek Road

Project Description

The project will include a mill and overlay, with minor shoulder widening. The segments of Dry Creek Road included are between White Bear Road and Color Cove Road and between Forest Service Road 152 and the city-limit boundary.

Project Justification

The overlay work is needed based on a standard pavement overlay cycle. The pavement will have degraded by fiscal year 2017-18 to the point of overlay being necessary. The majority of the budget will be funded through Surface Transportation Program (STP) funds. These are federal funds administered by the Arizona Department of Transportation (ADOT) through the Northern Arizona Council of Governments (NACOG).



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	Carryover	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Design	Grant	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction	Grant	New	\$0	\$0	\$371,657	\$0	\$0	\$0	\$0	\$371,657
Construction	Capital Reserves	New	\$0	\$0	\$178,243	\$0	\$0	\$0	\$0	\$178,243
Arts	Capital Reserves	New	\$0	\$0	\$5,499	\$0	\$0	\$0	\$0	\$5,499
Total Budget			\$0	\$50,000	\$555,399	\$0	\$0	\$0	\$0	\$605,399

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$10,000	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$10,000	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Sanborn Drive/Thunder Mountain Road Overlay

Location: Sanborn Drive/Thunder Mountain Road

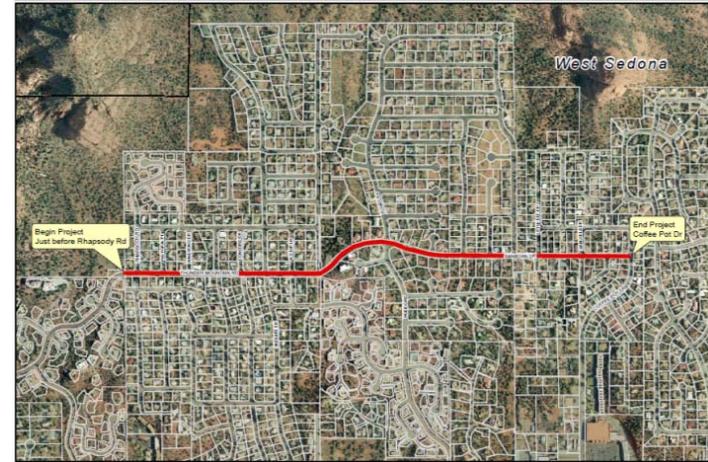
Project #: 21

Project Description

The project will include a mill and overlay, with minor shoulder widening. The segment of Sanborn Drive/Thunder Mountain Road included is between Rhapsody Road and Coffee Pot Drive.

Project Justification

The overlay work is needed based on a standard pavement overlay cycle. The pavement will have degraded by fiscal year 2018-19 to the point of overlay being necessary. The majority of the budget will be funded through Surface Transportation Program (STP) funds. These are federal funds administered by the Arizona Department of Transportation (ADOT) through the Northern Arizona Coalition of Governments (NACOG).



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	New	\$0	\$151,000	\$0	\$0	\$0	\$0	\$0	\$151,000
Construction	Grant	New	\$0	\$0	\$0	\$371,657	\$0	\$0	\$0	\$371,657
Construction	Capital Reserves	New	\$0	\$0	\$0	\$210,343	\$0	\$0	\$0	\$210,343
Arts	Capital Reserves	New	\$0	\$0	\$0	\$5,820	\$0	\$0	\$0	\$5,820
Total Budget			\$0	\$151,000	\$0	\$587,820	\$0	\$0	\$0	\$738,820

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$11,000	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$11,000	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Ranger Road - Brewer Road - SR 89A Intersection

Location: Ranger Road - Brewer Road - SR 89A Intersection

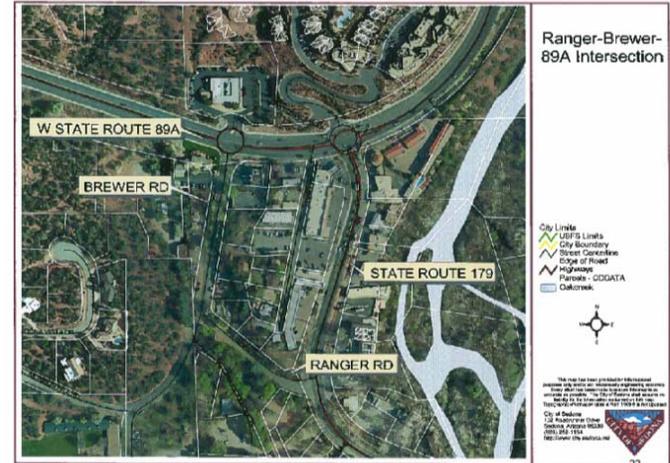
Project #: 22

Project Description

This project consists of a study, design, and construction to improve existing Ranger Road/Brewer Road between SR 179 and SR 89A.

Project Justification

The improvement of SR 179 has routed additional traffic onto Ranger and Brewer Roads. Also, traffic volumes are nearing the capacity of the Y-Intersection. The current intersection and roadways are not adequate for present traffic and are in need of upgrading. Future increases in traffic will create safety issues, render the intersection ineffective, and create added congestion at adjacent intersections. The intent of the improvements would be to improve the efficiency of the intersection.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Environmental		New	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Land		New	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
Design		New	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$1,250,000	\$0	\$1,250,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$12,500	\$0	\$12,500
Total Budget			\$0	\$0	\$0	\$0	\$300,000	\$1,262,500	\$0	\$1,562,500

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$20,000	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$20,000	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Uptown Public Restroom Improvements - Uptown Parking Lot

Location: Schnebly Road & Cedar Street (260 Schnebly Rd)

Project #: 23

Project Description

This project would add a new public restroom facility to the Uptown Parking Lot property. The facility would include modern fixtures and ADA access. An approved budget would allow for the development of plans and specifications for the new improvements.

Project Justification

Design is underway for improving use of the Uptown Parking Lot. With these improvements, more people will pass through the area and support facilities will be needed.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Construction Mgmt		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design		New	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
Construction		New	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Arts		New	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$1,000
Total Budget			\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$200	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$2,500	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$2,700	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Uptown Public Restroom Improvements - Hitching Post **Location:** Adjacent to Jordan Road & Mesquite Avenue
Project #: 24

Project Description

Improvements are needed at the Hitching Post public restrooms. The existing restrooms are in need of ADA updates, renovations in the existing hardware, and mechanical upgrades. An approved budget would allow for the development of plans and specifications for improvements to the existing restrooms.



Project Justification

This building has been in need of improvements and repair for a number of years. The demand on the building has increased over the years. The Hitching Post public restrooms are in the heart of the Uptown district and are a needed amenity for the area. The level of maintenance required over the past couple of years has increased significantly.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Construction Mgmt		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design		New	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
Construction		New	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Arts		New	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$1,000
Total Budget			\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$200	\$200
Contractual Services	\$0	\$0	\$0	\$0	\$2,500	\$2,500
Totals	\$0	\$0	\$0	\$0	\$2,700	\$2,700

CAPITAL PROJECTS DETAILS - continued

Project Title: Transportation Study & Implementation
Project #: 25

Location: Citywide

Project Description

This project will fund an updated Transportation Master Plan Study. The previous study, the Sedona Area Transportation Study, was completed in 1991. The new study will include an in-depth analysis of the existing conditions and anticipated future circulation patterns. The study will include a public input process; defining the existing transportation system including vehicle, bicycle, pedestrian, and public transit circulation networks; forecasting future capacity demands on the transportation system and the roadway improvements necessary to correct deficiencies; evaluating and recommending methods to improve overall level of service at key locations; addressing safety issues; defining necessary Capital Improvement Program (CIP) projects; planning for corridor and access control for the West Sedona commercial corridor; evaluating “Complete Streets” standards to promote multimodal circulation including walking and biking; and identifying opportunities for improving transit and shuttle services within the City.



Project Justification

Traffic congestion and circulation issues have been a long-standing concern for Sedona, progressively worsening with time and will predictably continue to deteriorate as the City approaches build-out if no action is taken to address the current situation and future needs. The objective of the Sedona Transportation Master Plan (STMP) is to provide the Sedona area an update to the performance of the major routes and minor arterials within the City and provide an implementation planning tool for programming of funds, and guidance for development for improvement of the transportation system. The fiscal years 2017-2022 construction funds are allocated to accommodate projects recommended in the study. Initially, projects are expected to be small in scope but have a large impact on the needs of the City's overall transportation system.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	Capital Reserves	New	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Study	Capital Reserves	Carryover	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
Construction	Capital Reserves	New	\$0	\$100,000	\$250,000	\$250,000	\$0	\$0	\$0	\$600,000
Total Budget			\$50,000	\$300,000	\$250,000	\$250,000	\$0	\$0	\$0	\$850,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Cathedral Rock Trail Head

Location: Back O' Beyond Road

Project #: 26

Project Description

The Back O' Beyond Trailhead, created and maintained by the U.S. Forest Service, is a popular access point to Cathedral Rock. The project will include designing and constructing additional parking on a small piece of property adjacent to the National Forest.



Project Justification

The existing trailhead parking lot has limited parking, and, therefore, often overflows with parking spilling over along Back O' Beyond Road. Back O' Beyond Road is narrow and does not have sufficient width to safely accommodate on-street parking.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	Capital Reserves	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Design	Capital Reserves	New	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
Construction	Capital Reserves	New	\$75,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$175,000
Arts	Capital Reserves	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Budget			\$100,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$200,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$2,000	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$2,000	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Andante Sidewalk

Location: Andante Road SR 89A to Sanborn Drive

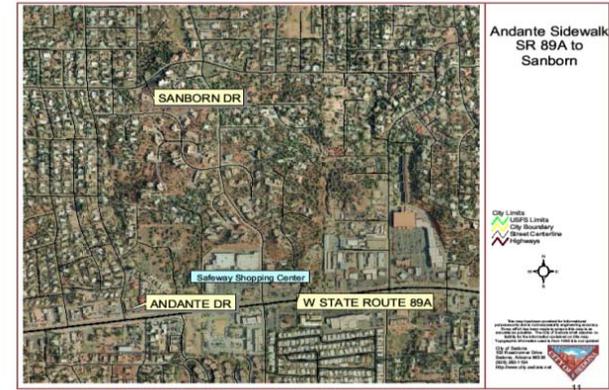
Project #: 27

Project Description

Construct sidewalk and related storm drainage along Andante from SR 89A intersection to Sanborn Road. Project also includes funds for public art to be incorporated into the project.

Project Justification

This sidewalk will provide a safer pedestrian path from a number of residential areas north of SR 89A to the SR 89A business area. The proposed sidewalk location is along the bus route for the Sedona Oak Creek School District. This project would improve a portion of the route shown on the City Trails and Urban Pathway Plan, improving pedestrian safety, and enhancing pedestrian linkages within the City. The road is not believed to be wide enough for a separate bike lane but can serve as a bike route.



Carryover/ New

Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Construction Mgmt.		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Land		New	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$10,000
Design		New	\$0	\$0	\$0	\$0	\$175,000	\$0	\$0	\$175,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$1,100,000	\$0	\$1,100,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$11,000	\$0	\$11,000
Total Budget			\$0	\$0	\$0	\$0	\$175,000	\$1,121,000	\$0	\$1,296,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$5,000
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$5,000

CAPITAL PROJECTS DETAILS - continued

Project Title: Sanborn Drive Sidewalk

Location: See Description

Project #: 28

Project Description

This is a phased construction project. A single design is proposed, which may need to be updated depending upon time between construction of phases.

Phase 1 Thunder Mountain Subdivision to Andante Drive

Phase 2 Andante Drive to Rodeo Road

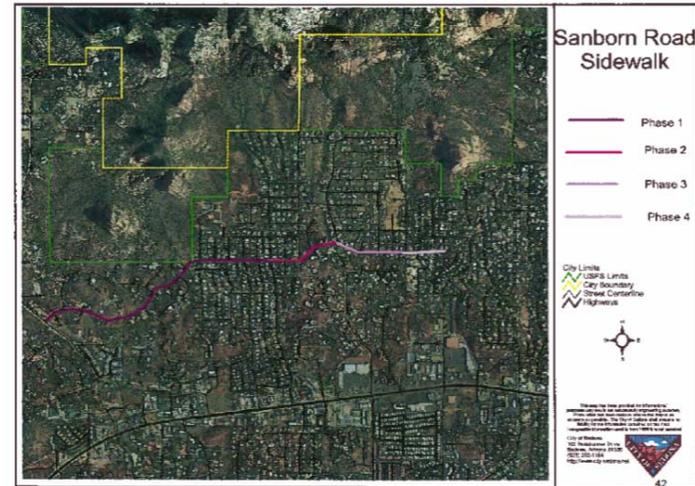
Phase 3 Rodeo Road to Little Elf Drive

Phase 4 Little Elf Drive to Coffee Pot Drive

Contingency is for utility relocations.

Project Justification

This project promotes pedestrian movement along a major roadway in the City. The motorized vehicular traffic along the roadway is among the more heavily travelled roads in the City although it is in a residential area. This road is used by visitors, school children, and residents. Portions of the road are on the City's trails plan. This will improve pedestrian safety. If pedestrian connections to the business centers on SR 89A are constructed, this route could promote walking instead of driving. This improvement would result in a significant change in the look of the area. The City would incur increased maintenance for sweeping and cutting weeds.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Contingency		New	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000
Design		New	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Land		New	\$0	\$0	\$0	\$0	\$0	\$30,000	\$0	\$30,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$3,000,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000	\$30,000
Total Budget			\$0	\$0	\$0	\$0	\$0	\$330,000	\$3,280,000	\$3,610,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$2,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$2,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Rodeo Road Sidewalk Project

Location: See Description

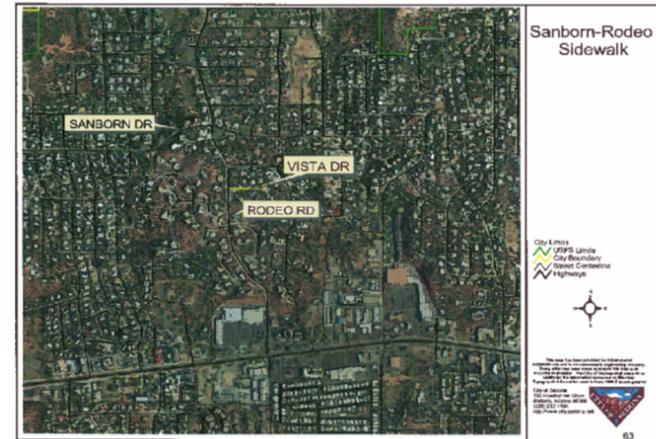
Project #: 29

Project Description

This project involves extending the sidewalk along Rodeo Road from approximately 1,100 feet just south of the Vista Drive intersection to the Sanborn Drive intersection.

Project Justification

In order to encourage pedestrian movement from the residential developments on the north side of SR 89A down to the business area of SR 89A, a safe pedestrian route would be beneficial. Reducing intercity vehicular traffic through encouraging pedestrian trips helps reduce SR 89A volumes. This also enhances the quality of life, provides a safe pedestrian route from the Sanborn area, and identifies a pedestrian route that ends near shopping centers.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$60,000	\$0	\$0	\$60,000
Construction		New	\$0	\$0	\$0	\$0	\$200,000	\$0	\$0	\$200,000
Arts		New	\$0	\$0	\$0	\$0	\$2,000	\$0	\$0	\$2,000
			\$0	\$0	\$0	\$0	\$262,000	\$0	\$0	\$262,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$2,500	\$2,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$2,500	\$2,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Chapel Road Sidewalk

Location: Chapel Road

Project #: 30

Project Description

Provide a sidewalk along Chapel Road for pedestrians to access Chapel of the Holy Cross. Project includes sidewalk, paving, and drainage improvements.

Project Justification

This will provide a safe walkway for tourists and residents between SR 179 and the Chapel of the Holy Cross. This would make it safer for tourists off loading from buses on SR 179 and walking along the roadway. A road pavement overlay project was completed in fiscal year 2013-14.

Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$140,000	\$0	\$0	\$140,000
Environmental		New	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$15,000
Arts		New	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0	\$10,000
Construction		New	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000
Total Budget			\$0	\$0	\$0	\$0	\$1,165,000	\$0	\$0	\$1,165,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$7,500	\$7,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$7,500	\$7,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Coffee Pot Sidewalk

Location: Little Elf Drive and Sanborn Drive to Coffee Pot Drive

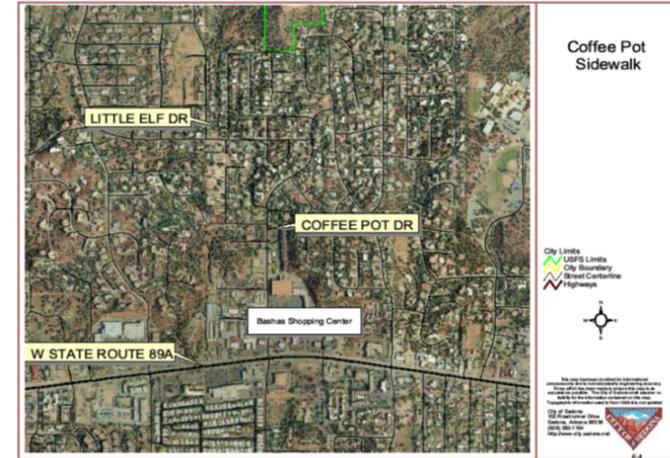
Project #: 31

Project Description

Design and installation of storm drain and pedestrian access improvements from Little Elf Way and Sanborn Drive to the existing sidewalk on the east side of Coffee Pot Drive.

Project Justification

The installation of a sidewalk along Coffee Pot Drive has been previously studied. Many issues were discovered north of Grasshopper Lane, which made the project unfeasible. This proposed route along Grasshopper Lane would provide a feasible pedestrian route, for residents along the eastern end of Sanborn Drive, to SR 89A. In addition, storm drainage improvements will be included to help alleviate flooding in this area. If approved, a public outreach session would be held to get public feedback prior to starting design.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$115,000	\$0	\$0	\$115,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$600,000	\$0	\$600,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$6,000	\$0	\$6,000
Total Budget			\$0	\$0	\$0	\$0	\$115,000	\$606,000	\$0	\$721,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$2,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$2,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Coffee Pot Drainage Basin - Coffee Pot Road Crossing **Location:** Coffee Pot Drive
Project #: 32

Project Description

Design and installation of storm drainage improvements at the Coffee Pot Road Crossing. The design in fiscal year 2016-17 is for construction phase services. Construction would also be in fiscal year 2016-17. In this phase of construction, within the Coffee Pot Drainage Basin, capacity of existing drainage improvements would be increased at the Coffee Pot Road Crossing.

Project Justification

The 2005 Stormwater Master Plan identified this work. Storm drainage improvements will reduce damages from flooding, prevent natural erosion from occurring, and control silt runoff at the Coffee Pot Road Crossing. These improvements are required to provide downstream capacity to allow capacity to be increased for the Grasshopper Lane Area and Jackrabbit Lane Crossing improvements. This project is identified in the Storm Water Master Plan as CP-C5.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	New	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
Arts	Capital Reserves	New	\$0	\$4,250	\$0	\$0	\$0	\$0	\$0	\$4,250
Construction	Development Impact Fees	New	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Construction	Capital Reserves	New	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Construction	Yavapai County Flood Control	New	\$0	\$325,000	\$0	\$0	\$0	\$0	\$0	\$325,000
Total Budget			\$0	\$444,250	\$0	\$0	\$0	\$0	\$0	\$444,250

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Coffee Pot Drainage Basin - Grasshopper Area Drainage **Location:** Grasshopper Lane

Project #: 33

Project Description

Design and installation of storm drainage improvements in the Grasshopper Lane Area. The design in fiscal year 2017-18 is for construction phase services. Construction would also be in fiscal year 2017-18. In this phase of construction, within the Coffee Pot Drainage Basin, capacity of existing drainage improvements would be increased from the southern end, at the Grasshopper Lane Crossing, to the upper end of Grasshopper Lane, at South Little Elf Drive.

Project Justification

The 2005 Stormwater Master Plan identified this work. The scope of improvements included in this project are greater than what was included in the 2005 Plan, as this project may include acquiring private property and extending the storm drain system through the developed area, rather than only including the public right-of-way area. Storm drainage improvements will reduce damages from flooding, prevent natural erosion from occurring, and control silt runoff in the Grasshopper Lane area. These improvements are required to provide downstream capacity to allow capacity to be increased for the Little Elf Area improvements. This project is identified in the Stormwater Master Plan as CP-C6,C7, with portions of private property between the two projects.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	New	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Arts	Capital Reserves	New	\$0	\$0	\$12,700	\$0	\$0	\$0	\$0	\$12,700
Construction	Yavapai County Flood Control	New	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
Construction	Capital Reserves	New	\$0	\$0	\$970,000	\$0	\$0	\$0	\$0	\$970,000
Land	Capital Reserves	New	\$0	\$30,000	\$0	\$0	\$0	\$0	\$0	\$30,000
Total Budget			\$0	\$30,000	\$1,307,700	\$0	\$0	\$0	\$0	\$1,337,700

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Coffee Pot Drainage Basin - Little Elf Area Drainage

Location: Little Elf Drive

Project #: 34

Project Description

Design and installation of Storm Drainage Improvements in the Little Elf Drive Area. In this phase of construction, within the Coffee Pot Drainage Basin, capacity of existing drainage improvements would be increased from the area just south of Sanborn Drive, then along Little Elf Drive, to the upper end of the developed portion of this basin, north of Buena Vista Drive. The design in fiscal year 2018-19 is for construction phase services. Construction would also be in fiscal year 2018-19.

Project Justification

The 2005 Stormwater Master Plan identified this work. The scope of improvements included in this project are much greater than what was included in the 2005 Plan, as this project will include acquiring private property and extending the storm drain system to the upper end of the developed area, rather than only including the public right-of-way area. Storm drainage improvements will reduce damage potential from flooding, prevent natural erosion from occurring and control silt runoff in the Little Elf Drive area. These improvements are the final major improvements programed in the Coffee Pot Drainage Basin. This project is identified in the Stormwater Master Plan as CP-C8.



LITTLE ELF
AREA DRAINAGE

Drainage



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	New	\$0	\$0	\$0	\$30,000	\$0	\$0	\$0	\$30,000
Arts	Capital Reserves	New	\$0	\$0	\$0	\$16,200	\$0	\$0	\$0	\$16,200
Construction	Development Impact Fees	New	\$0	\$0	\$0	\$40,000	\$0	\$0	\$0	\$40,000
Construction	Yavapai County Flood Control	New	\$0	\$0	\$0	\$310,000	\$0	\$0	\$0	\$310,000
Construction	Capital Reserves	New	\$0	\$0	\$0	\$1,270,000	\$0	\$0	\$0	\$1,270,000
Total Budget			\$0	\$0	\$0	\$1,666,200	\$0	\$0	\$0	\$1,666,200

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$1,500	\$1,500	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$1,500	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Back O' Beyond Road Low Water Crossing Improvements

Location: Back O' Beyond Road

Project #: 35

Project Description

Development of plans, specifications, and cost estimate to eliminate one low water crossing along Back O' Beyond Road. Corps of Engineer requirements will be determined and right-of-way needs will be defined.

Project Justification

This project will develop a design and costs to improve public road ingress and egress for the Cathedral Rock Trailhead Parking Area and some private residential parcels. During large monsoon storms, this area is routinely isolated. From a public safety standpoint, trailhead parking area ingress and egress is important. This project provides drainage improvements not shown in the Stormwater Master Plan.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Yavapai County Flood Control	New	\$0	\$0	\$0	\$0	\$125,000	\$0	\$0	\$125,000
Land		New	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$6,500	\$0	\$6,500
Construction		New	\$0	\$0	\$0	\$0	\$0	\$350,000	\$0	\$350,000
Construction	Yavapai County Flood Control	New	\$0	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Total Budget			\$0	\$0	\$0	\$0	\$145,000	\$656,500	\$0	\$801,500

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$500

CAPITAL PROJECTS DETAILS - continued

Project Title: Dry Creek Drainage Basin - SR 89A Crossing

Location: Dry Creek Road / SR 89A

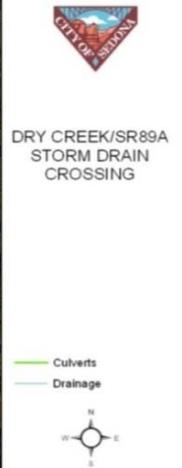
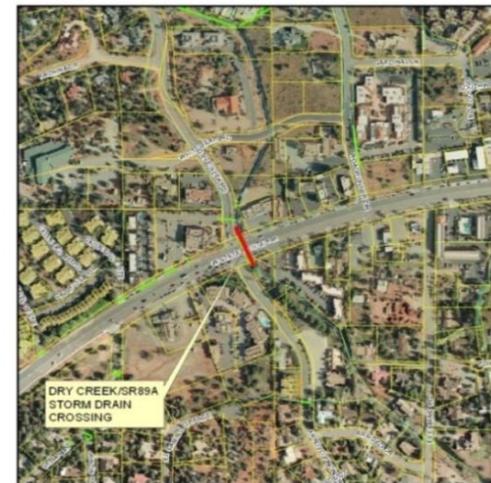
Project #: 36

Project Description

Design and installation of storm drainage improvements at the Dry Creek Road/ SR 89A Crossing. In this phase of construction, within the Dry Creek Drainage Basin, capacity of existing drainage improvements would be increased at the Dry Creek Road/SR 89A Crossing. This will also include relocating the northeast traffic signal pole and widening of the north side of the intersection for the northbound lane.

Project Justification

The 2005 Stormwater Master Plan identified this work. Storm drainage improvements at this location will reduce damages from flooding, prevent natural erosion from occurring, and control silt runoff. The intersection improvements, including relocating the northeast traffic signal pole and widening the northbound lane, will improve safety. The arm of this traffic signal pole has been hit by trucks on numerous occasions. This project is identified in the Stormwater Master Plan as DC-C2.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$4,500	\$0	\$4,500
Construction	Yavapai County Flood Control	New	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000	\$150,000
Land		New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Budget			\$0	\$0	\$0	\$0	\$0	\$104,500	\$450,000	\$554,500

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: View Drive Drainage Improvements

Location: View Drive Area

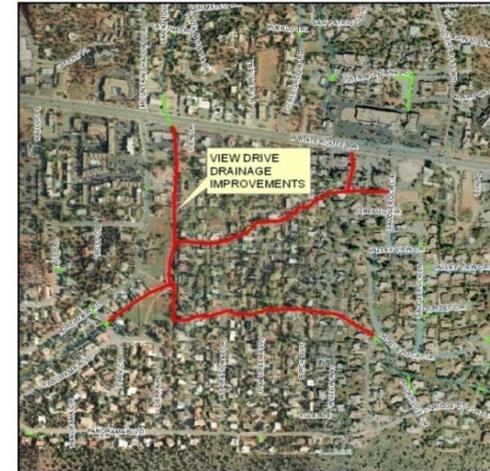
Project #: 37

Project Description

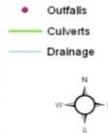
This project funds design and construction of storm drainage improvements for View Drive area per the 2005 Stormwater Master Plan.

Project Justification

This project was identified in the 2005 Stormwater Master Plan as a high priority project. This project is identified as VD-CO1 - VD-C17 and VD-D01 - VD-D16 in the Master Plan.



VIEW DRIVE
DRAINAGE
IMPROVEMENTS



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000	\$350,000
Construction	Yavapai County Flood Control	New	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$0	\$1,150,000	\$1,150,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$0	\$14,500	\$14,500
Total Budget			\$0	\$0	\$0	\$0	\$0	\$0	\$1,814,500	\$1,814,500

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Saddle Rock Drainage Improvements

Location: Saddle Rock Area

Project #: 38

Project Description

This project funds design and construction of storm drainage improvements for Saddle Rock area per the 2005 Stormwater Master Plan.

Project Justification

This project was identified in the 2005 Stormwater Master Plan as a high priority project. This project is identified as SC-CO1 - SC-C08 and SC-D01 - SC-D05 in the Master Plan.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design		New	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Construction	Yavapai County Flood Control	New	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000
Construction		New	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
Arts		New	\$0	\$0	\$0	\$0	\$0	\$0	\$13,000	\$13,000
Total Budget			\$0	\$0	\$0	\$0	\$0	\$0	\$1,613,000	\$1,613,000

Total Operating Impacts									
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0			
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$1,500			
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0			
Totals	<hr/>			\$0	\$0	\$0	\$0	\$0	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Brewer/Tlaquepaque Drainage Improvements

Location: Brewer Road/Tlaquepaque Area

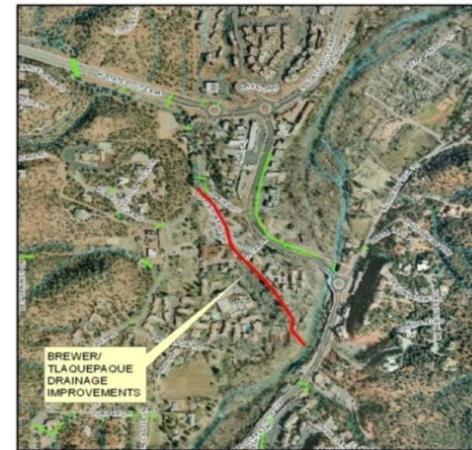
Project #: 39

Project Description

This project funds design and construction of storm drainage improvements for the Brewer Road/Tlaquepaque area per the 2005 Stormwater Master Plan. Prior year costs represent Phase III (crossings/bridges), fiscal year 2016-17 includes the lower reach of the Phase IV channel improvements, and fiscal year 2017-18 includes the upper reach of the Phase IV channel improvements. One-third of prior year costs, and one-quarter of the fiscal year 2016-17 and fiscal year 2017-18 costs are reflected as coming from outside sources, due to anticipated cost-sharing with the property owners who will directly benefit from these improvements.

Project Justification

A portion of this project was identified in the 2005 Stormwater Master Plan as a high priority. This project is identified in the Stormwater Master Plan as SP-C1,C2. Portions of this project also include improvements on private property.



Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Coconino County Flood Control	New	\$188,190	\$0	\$0	\$0	\$0	\$0	\$0	\$188,190
Design	Coconino County Flood Control	Carryover	\$20,000	\$61,810	\$0	\$0	\$0	\$0	\$0	\$81,810
Construction	Coconino County Flood Control	New	\$426,667	\$875,000	\$625,000	\$0	\$0	\$0	\$0	\$1,926,667
Construction	Outside Sources	New	\$213,333	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$463,333
Construction	Outside Sources	New	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000
Arts	Coconino County Flood Control	New	\$6,400	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$26,400
Total Budget			\$854,590	\$1,071,810	\$1,010,000	\$0	\$0	\$0	\$0	\$2,936,400

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$500	\$500	\$1,500	\$1,500	\$1,500	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$500	\$500	\$1,500	\$1,500	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Brewer Road Crossing Improvements

Location: Brewer Road at Soldier Wash

Project #: 40

Project Description

This project includes design and installation of storm drainage improvements at the Soldier Wash crossing of Brewer Road. The capacity of the existing drainage improvements would be increased to pass the 25-year design storm. These improvements will be in the Coconino County Flood Control area.

Project Justification

The 2005 Storm Drainage Master Plan identified this project as a needed improvement. Storm drainage improvements will reduce damages from flooding, prevent natural erosion from occurring, and control silt runoff in the Brewer Road crossing area. This is the last project planned in the Soldier Wash Area.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Coconino County Flood Control	New	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Arts	Coconino County Flood Control	New	\$0	\$0	\$7,000	\$0	\$0	\$0	\$0	\$7,000
Construction	Coconino County Flood Control	New	\$0	\$0	\$700,000	\$0	\$0	\$0	\$0	\$700,000
Total Budget			\$0	\$150,000	\$707,000	\$0	\$0	\$0	\$0	\$857,000

Total Operating Impacts							
Personnel Costs			\$0	\$0	\$0	\$0	\$0
Materials & Supplies			\$0	\$0	\$1,500	\$1,500	\$1,500
Contractual Services			\$0	\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$1,500	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Juniper Hills Area Drainage Improvements

Location: Juniper Lane

Project #: 41

Project Description

Design and installation of storm drainage improvements in the Juniper Lane Area. Capacity of existing drainage improvements would be increased from a point along Juniper Lane, just north of Cindy Lane, to an outlet just south of New Castle Lane. These improvements have been identified in the budget to occur after the completion of the majority of the improvements in the Brewer/Tlaquepaque area. These improvements will be in the Coconino County Flood Control area.

Project Justification

The 2005 Stormwater Master Plan did not identify this work. However, community representatives have communicated their concerns to City staff regarding the lack of storm drainage improvements in this area. In addition, projects in the Yavapai County Flood Control area, identified in the 2005 Stormwater Master Plan, do not compete with this project for Coconino County Flood Control funds. Storm drainage improvements will reduce damages from flooding, prevent natural erosion from occurring, and control silt runoff in the Juniper Lane area.

JUNIPER HILLS AREA DRAINAGE IMPROVEMENTS



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Coconino County Flood Control	New	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Arts	Coconino County Flood Control	New	\$0	\$0	\$0	\$6,000	\$0	\$0	\$0	\$6,000
Construction	Coconino County Flood Control	New	\$0	\$0	\$0	\$600,000	\$0	\$0	\$0	\$600,000
Total Budget			\$0	\$0	\$100,000	\$606,000	\$0	\$0	\$0	\$706,000

Total Operating Impacts						
Personnel Costs			\$0	\$0	\$0	\$0
Materials & Supplies			\$0	\$0	\$0	\$1,500
Contractual Services			\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$0	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Mystic Hills Lift Station Access Improvement

Location: West Mallard Drive

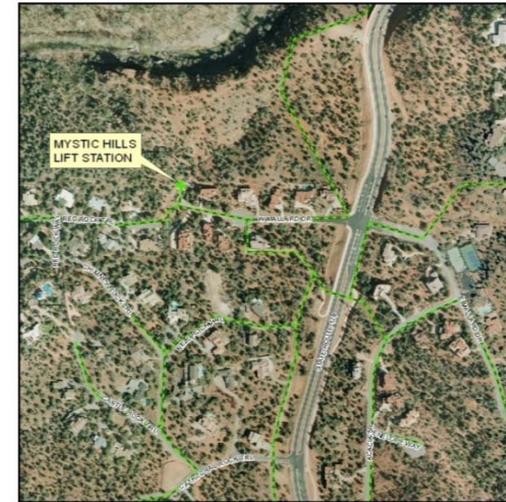
Project #: 42

Project Description

Development of plans, specifications, and cost estimates to improve the low water crossing at the west end of West Mallard Drive, for the driveway leading to the Mallard Wastewater Lift Station. Corps of Engineer requirements will be determined and right-of-way needs will be defined. Coconino County Flood Control District Funds may be considered for this project.

Project Justification

This project will develop a design and costs to improve public road ingress and egress to the Mallard Wastewater Lift Station during the summer monsoon season. During summer monsoon storms, this area has been isolated at times and road embankment is undermined and requires repair. This project provides drainage improvements not shown in the Stormwater Master Plan and mainly benefits access to the wastewater lift station. As such, it would be considered primarily a wastewater improvement project.



MYSTIC HILLS LIFT STATION ACCESS IMPROVEMENT

Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Coconino County Flood Control	New	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
Construction	Coconino County Flood Control	New	\$0	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Arts	Coconino County Flood Control	New	\$0	\$0	\$0	\$0	\$1,000	\$0	\$0	\$1,000
Total Budget			\$0	\$0	\$0	\$0	\$121,000	\$0	\$0	\$121,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$1,500	\$1,500
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$1,500	\$1,500

CAPITAL PROJECTS DETAILS - continued

Project Title: Storm Drainage Easement Acquisition

Location: City-Wide

Project #: 43

Project Description

Acquisition of drainage easements throughout the City. It is proposed that initially the City begin acquiring drainage easements for the major drainage ways for Coffee Pot and Dry Creek (designated together as the Carol Canyon sub basin). Project would require identification of drainage ways to be acquired, sizing of easements, and appraisal of easements, and offers to purchase easements in the City's name. This assumes work is contracted out.

Project Justification

There are major drainage ways throughout the City that are identified only as Public Drainage Easements. The primary responsibility for maintenance of these drainage ways lies with the property owner. For public safety, and maintenance resources, it may be better for the City to own and maintain these drainage ways. City ownership will help to assure more uniform maintenance of major drainage ways, which should reduce the adverse impact of major storms on areas throughout the City. In prior years, these funds were used for a survey related to AAA Industrial Area drainage and for acquisition of a drainage channel along Coffee Pot Drive adjacent to the Casita Bonita Condos development. Staff expects these funds to be necessary in fiscal year 2016-17 for acquisition of easements within the Grasshopper Lane area of the Coffee Pot Basin and possibly for the Phase 4 area of Soldier Wash.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Land	Devt Impact Fees	Carryover	\$15,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$65,000
Total Budget			\$15,000	\$50,000	\$0	\$0	\$0	\$0	\$0	\$65,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Stormwater Master Plan Update

Location: City-Wide

Project #: 44

Project Description

Complete an update of the 2005 Stormwater Master Plan. This will include looking at the hydrology, facility improvements, and priorities. This will also account for the infrastructure completed since the 2005 Plan was complete.

Project Justification

Master plans are typically updated every 5 to 10 years. Since the 2005 Plan was complete, major infrastructure has been added to the City's storm drainage system. To program improvement projects, it is necessary to account for the improvements and changes to the storm drainage system that have occurred since the last update. In addition, since the 2005 Plan was complete, priorities for storm drainage construction may have changed. New priorities will be reflected by updating the Plan. In fiscal year 2020-21, the Master Plan would be again updated to include remapping the floodplains changed by previous storm drainage improvement projects. The fiscal year 2021-22 construction funds are allocated to accommodate projects recommended in the study in the Coconino County area. These projects were designated in the current Stormwater Master Plan for this time period. At this time, we expect these projects to be small in scope.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Study	Capital Reserves	New	\$0	\$0	\$175,000	\$0	\$0	\$75,000	\$75,000	\$325,000
Construction	Coconino County Flood Control		\$0	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$500,000
Study	Coconino County Flood Control	New	\$0	\$0	\$175,000	\$0	\$0	\$75,000	\$75,000	\$325,000
Total Budget			\$0	\$0	\$350,000	\$0	\$0	\$400,000	\$400,000	\$1,150,000

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: MS4 Storm Water Sampling

Location: Along Oak Creek within the City limits

Project #: 45

Project Description

Install flow measurement devices at five outfall locations to Oak Creek. Perhaps one each near the upstream and down stream ends of Oak Creek. Three locations at outfalls from Sedona urbanized area. This would be part of a larger program requiring testing of storm waters for e-coli. This is an Arizona Department of Environmental Quality (ADEQ) mandate.

Project Justification

ADEQ has established Total Maximum Daily Loads for e-coli for Oak Creek under the Clean Water Act. This is required for impaired waters. Oak Creek is an impaired waterway. The Sedona area has been assigned a Waste Load Allocation. In order to conduct sampling and make determinations of Sedona's waste load, it will be necessary to determine the flow at various locations.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	Capital Reserves	New	\$0	\$0	\$40,000	\$0	\$0	\$0	\$0	\$40,000
Construction	Capital Reserves	New	\$0	\$0	\$147,500	\$0	\$0	\$0	\$0	\$147,500
Arts	Capital Reserves	New	\$0	\$0	\$1,475	\$0	\$0	\$0	\$0	\$1,475
Total Budget			\$0	\$0	\$188,975	\$0	\$0	\$0	\$0	\$188,975

Total Operating Impacts							
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

CAPITAL PROJECTS DETAILS - continued

Project Title: Wastewater Master Plan

Location: Citywide

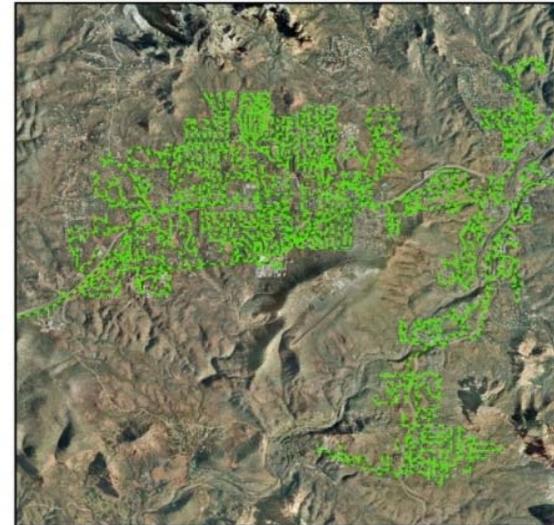
Project #: 46

Project Description

This project would update the Wastewater Master Plan for the collection system. The Master Plan will define final service areas, identify inefficiencies in the collection system, and recommend upgrades of the collection system. The Master Plan will be complete in fiscal year 2016-17.

Project Justification

The existing master plan is over 10 years old - the collection system has expanded, and the long-term plans for further expansion of the system have changed. In addition, since the 2002 plan was completed, the City is no longer under a consent decree by ADEQ, and therefore, the City's priorities have changed. This update will reflect the new priorities and help plan future projects and budgeting for the 10-year CIP. The funds allocated in fiscal year 2021-22 are for a 5-year update to the master plan, which will be minor. The funds allocated in fiscal years 2017-18 to 2021-22 for design and construction are placeholders for recommendations that stem from the completion of the Master Plan.



WASTEWATER
MASTER
PLAN

— Sewer Line



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Master Plan	WW Revenue	New	\$50,000	\$0	\$0	\$0	\$0	\$0	\$100,000	\$150,000
Master Plan	WW Revenue	Carryover	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Design	WW Revenue	New	\$0	\$0	\$20,000	\$20,000	\$20,000	\$0	\$20,000	\$80,000
Construction	WW Revenue	New	\$0	\$0	\$0	\$200,000	\$200,000	\$0	\$200,000	\$600,000
Total Budget			\$50,000	\$150,000	\$20,000	\$220,000	\$220,000	\$0	\$320,000	\$980,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: Wastewater Effluent Management

Location: Wastewater Reclamation Plant (WWRP)

Project #: 47

Project Description

Projects in fiscal year 2016-17 include equipping Wells 1 & 2. Drilling and equipping of Injection Wells 3 & 4 will occur in fiscal year 2017-18. Well 5 is scheduled for design and construction in fiscal years 2018-19 to 2019-20. A total of six injection wells are included by the Effluent Management Optimization Plan. However, water demand from future land uses in the area, and/or efficiency of Wells 1-5 may result in Well 6 not being necessary.

Project Justification

In 2013, based on evaluation of wetlands, spray irrigation, and injection, the Effluent Management Optimization Plan was completed. The plan evaluated the optimum combination of effluent management strategies at build-out, or 2.0 MGD. Based on the Plan, the optimum combination of effluent disposal methods includes a total of six injection wells, 27 acres of existing wetlands, and reduction of spray irrigation to 100 acres. Wells 1 & 2 will allow the City to dispose of 1.63 MGD, Wells 3 & 4 will allow the reduction of spray irrigation and free up 200 acres, and Wells 5 & 6 will allow disposal of 2.0 MGD. If Well 6 is necessary, design and construction would occur between fiscal years 2021-22 and 2026-27. Wells 1 & 2 were drilled in fiscal years 2013-14 and 2014-15, respectively, and are currently being equipped. The fiscal year 2016-17 construction carryover and design carryover line items represent funds necessary to complete the equipping of Wells 1 & 2. Fiscal year 2016-17 new design line items represent balancing of the fiscal year 2016-17 budget and will include beginning design of Wells 3 & 4. Fiscal year 2017-18 design funds are for completing design of Wells 3 & 4 and for post-design services during construction of Wells 3 & 4. Fiscal years 2018-19 and 2019-20 new design line items are for design and post-design services for Wells 3, 4 & 5. Construction of Wells 1 & 2 will be complete in fiscal year 2016-17, Wells 3 & 4 will be completed fiscal years 2017-18 and 2018-19, and Well 5 will be completed in fiscal year 2019-20.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Construction	WW Revenue	Carryover	\$2,057,686	\$1,560,512	\$0	\$0	\$0	\$0	\$0	\$3,618,198
Construction	WW Revenue	New	\$744,527	\$0	\$1,000,000	\$2,000,000	\$1,256,500	\$0	\$0	\$5,001,027
Environmental	WW Revenue	Carryover	\$3,355	\$100,000	\$25,000	\$25,000	\$0	\$0	\$0	\$153,355
Design	WW Revenue	Carryover	\$703,871	\$103,038	\$0	\$0	\$0	\$0	\$0	\$806,909
Design	WW Revenue	New	\$182,312	\$0	\$250,000	\$130,000	\$100,000	\$0	\$0	\$662,312
Wetlands	WW Revenue		\$1,657,999	\$0	\$0	\$0	\$0	\$0	\$0	\$1,657,999
Contingency	WW Revenue	Carryover	\$0	\$281,200	\$0	\$0	\$0	\$0	\$0	\$281,200
Total Budget			\$5,349,750	\$2,044,750	\$1,275,000	\$2,155,000	\$1,356,500	\$0	\$0	\$12,181,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

CAPITAL PROJECTS DETAILS - continued

Project Title: WWRP Bar Screen and Filter System Upgrades
Project #: 48

Location: Wastewater Reclamation Plant (WWRP)

Project Description

The project provides design and installation of new bar screens and filters.

Project Justification

Replacement parts for the existing headworks bar screens are becoming more difficult to find as it has become obsolete. This results in long down-times several times a year (2 months each time) when the equipment fails.

This project also includes an upgrade to the existing sand filter system in fiscal years 2017-18 through 2019-20. The filters currently operating were a part of the original WWRP construction. Recently, wastewater operations staff has seen a decrease in the efficiency of the filters. The design will include looking at different technologies in choosing a replacement for the filters.



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	WW Revenue	New	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0	\$100,000
Construction	WW Revenue	New	\$100,000	\$0	\$0	\$650,000	\$650,000	\$0	\$0	\$1,400,000
Construction	WW Revenue	Carryover	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$300,000
Contingency	WW Revenue	New	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Total Budget			\$150,000	\$350,000	\$50,000	\$650,000	\$650,000	\$0	\$0	\$1,850,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: WWRP Odor Control

Location: Wastewater Reclamation Plant (WWRP)

Project #: 49

Project Description

This project includes evaluation of odor levels at areas known to have odor problems at the WWRP. The evaluation will determine the source and magnitude of the odor issues. Potential sources include the manholes at the entrance to the WWRP, the headworks area, and the digester. Funds allocated in fiscal year 2018-19 represent improvements to the existing odor control unit, as recommended from the evaluation.



WWRP ODOR CONTROL



Project Justification

The existing odor control unit at the WWRP is rated for a flow of 0.9 million gallons per day. Current average daily flows of 1.2 million gallons exceed this rating. With new upgrades to the digester and increasing daily flows, odor from various processes have increased.

Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Evaluation	WW Revenue	New	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000
Design	WW Revenue	New	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
Construction	WW Revenue	New	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000
Contingency	WW Revenue	New	\$0	\$0	\$0	\$15,000	\$0	\$0	\$0	\$15,000
Total Budget			\$0	\$25,000	\$0	\$185,000	\$0	\$0	\$0	\$210,000

Total Operating Impacts						
Personnel Costs			\$0	\$0	\$0	\$0
Materials & Supplies			\$0	\$0	\$0	\$0
Contractual Services			\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: WWRP Headworks Replacement

Location: Wastewater Reclamation Plant (WWRP)

Project #: 50

Project Description

This project provides design and construction for rebuilding the concrete headworks channels and coating the Parshall Flume metering station at the headworks.

Project Justification

The headworks Parshall Flume metering station and concrete channels were a part of the original construction of the WWRP. The area receives an average daily flow of raw wastewater influent of 1.2 million gallons per day. Influent is naturally high in hydrogen sulfide gas, which is highly corrosive. The concrete channels have been deteriorating for many years. In 2014, the damaged concrete channels were patched and coated to preserve the life of the channels. The coating is now separating and further deterioration is occurring. This project will include rebuilding the concrete channels and providing new coating to prevent/slow future deterioration. The coatings on the Parshall Flume appear to be in good condition; however, this project will further evaluate the coatings at the metering station, and any repairs needed will be implemented.



WWRP HEADWORKS REPLACEMENT



Category	Funding Source	Carryover/ New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	WW Revenue	New	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$40,000
Construction	WW Revenue	New	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Contingency	WW Revenue	New	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$40,000
Total Budget			\$0	\$480,000	\$0	\$0	\$0	\$0	\$0	\$480,000

Total Operating Impacts						
Personnel Costs	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

CAPITAL PROJECTS DETAILS - continued

Project Title: WWRP Paving
Project #: 51

Location: Wastewater Reclamation Plant (WWRP)

Project Description

This project provides milling and overlay of the asphalt access roads and parking areas at the Wastewater Reclamation Plant. Design for the project will be completed in-house.

Project Justification

Several construction projects throughout the plant have required asphalt roadways to be excavated and patched. Deterioration of parking areas and the driveway has been observed and continues to progressively worsen. This project will provide mill and overlay of all asphalt areas. The funding for this project has been allocated for fiscal year 2019-20, when major projects which may further damage existing asphalt will be complete.



WASTEWATER RECLAMATION PLANT PAVING



Category	Funding Source	Carryover/New	Prior Yrs	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total
Design	WW Revenue	New	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction	WW Revenue	New	\$0	\$0	\$0	\$0	\$400,000	\$0	\$0	\$400,000
Contingency	WW Revenue	New	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$20,000
Total Budget			\$0	\$0	\$0	\$0	\$420,000	\$0	\$0	\$420,000

Total Operating Impacts						
Personnel Costs			\$0	\$0	\$0	\$0
Materials & Supplies			\$0	\$0	\$0	\$26,000
Contractual Services			\$0	\$0	\$0	\$0
Totals			\$0	\$0	\$0	\$26,000



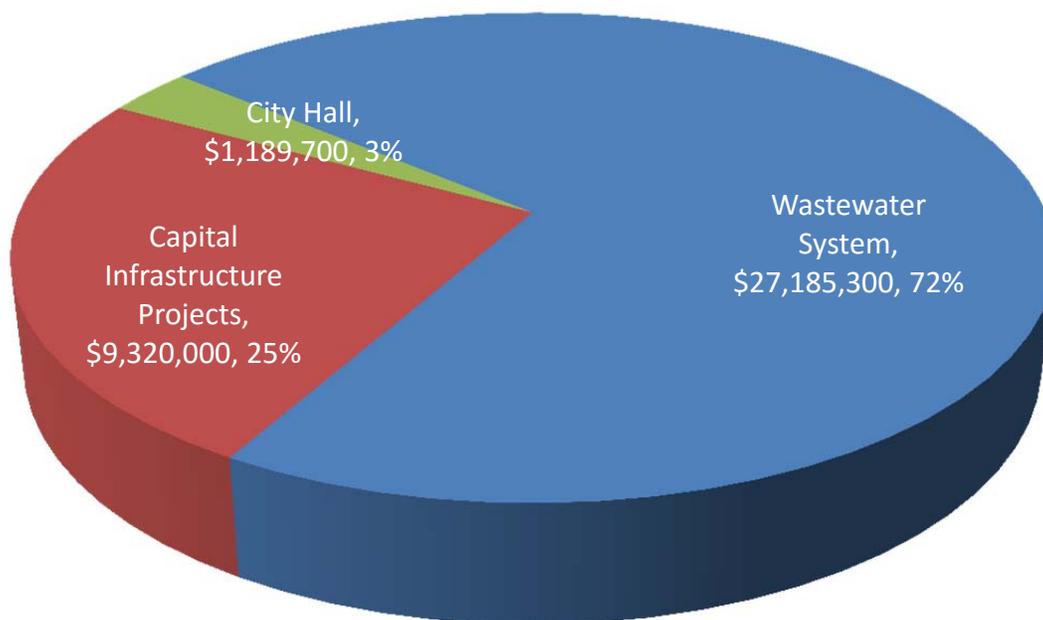
Debt Service

DEBT SERVICE

Overview

While the City of Sedona has been using pay-as-you go funding for capital projects in recent years, the City has assumed debt in the past to fund the construction of capital projects. The City has approximately \$38 million in outstanding debt – all of which is excise tax revenue bonds. The majority of prior years' debt issuance has been for construction of the wastewater treatment system. A small percentage of the outstanding debt comes from the purchase of the City Hall campus. The chart below represents the percentage of outstanding debt for various categories of projects as of June 30, 2016.

OUTSTANDING DEBT BY PROJECT TOTAL \$37,695,000



Debt Limitations

The Arizona Constitution limits the City's bonded debt capacity (outstanding principal) to a certain percentage of the City's secondary assessed valuation for general obligation (G.O.) bonds. The Constitution states that for general municipal purposes, the City cannot incur a debt exceeding 6% of the assessed valuation of taxable property. Additional bonds amounting to 20% of the assessed valuation of taxable property can be issued for water, lighting and sewer projects, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities.

The City's bond holdings do not include G.O. bonds and, therefore, are not subject to debt limitation. The City has no plans to issue G.O. bonds in the future.

DEBT SERVICE - continued

Debt Repayment Summary

The table below summarizes the principal and interest payments for the 2016-2017 fiscal year by bond issuance.

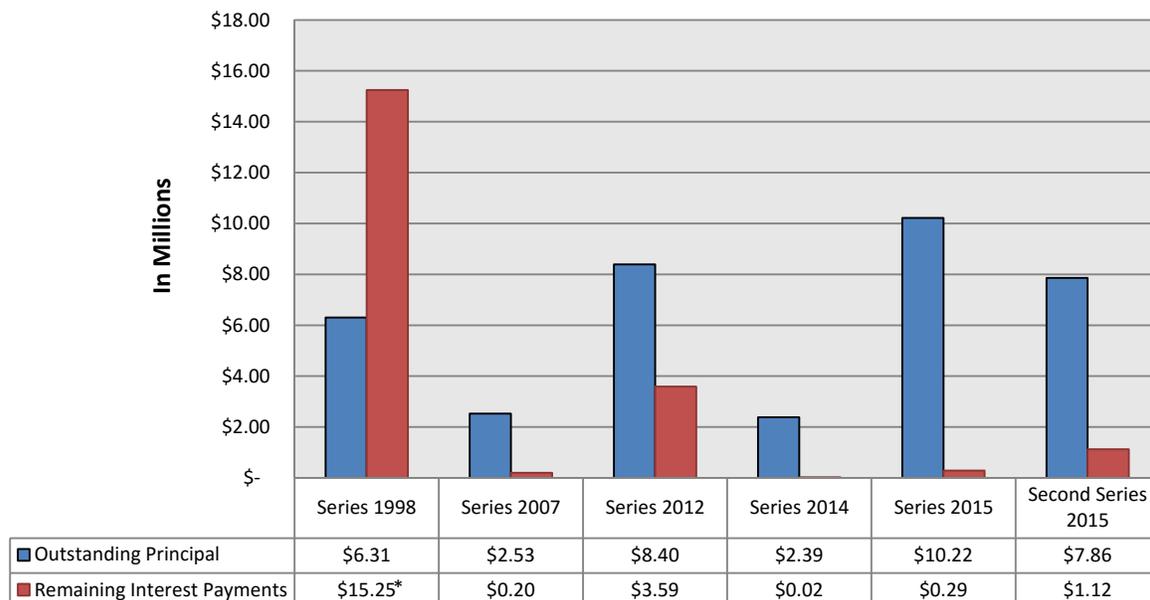
Bond Series	FY17 Principal*	FY 17 Interest*	Total FY17 Debt Service Requirement
Series 1998**	\$ -	\$ -	\$ -
Series 2007	1,070,000	112,831	1,182,831
Series 2012	-	377,775	377,775
Series 2014	1,580,000	15,741	1,595,741
Series 2015	2,300,000	132,860	2,432,860
Second Series 2015	100,000	152,484	252,484
Total Annual Payment	\$ 5,050,000	\$ 791,691	\$ 5,841,691

* The July 1, 2107 principal and interest payments have been accrued in the prior year. These amounts represent the principal and interest payments for January 1, 2017 and July 1, 2018.

** The Series 1998 bonds are comprised of capital appreciation bonds (CABs). CABs offer an investment return on an initial principal amount and are reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return. The next maturity date is not until July 1, 2020.

The following information summarizes the total outstanding principal and interest on City debt obligations for the next eleven years, which is when all current outstanding debt will be retired.

Remaining Principal and Interest



* Represents compounded interest on CABs.

DEBT SERVICE - continued

Pledged Revenues

The City has pledged future excise taxes to repay the excise tax revenue bonds. The pledged revenues include city sales taxes (excluding the 0.5% tax levied for operating and capital purchases), transient lodging tax (or “bed tax”), franchise taxes, license and permit fees, state shared sales taxes, state shared income taxes, vehicle license taxes, and charges for services. The following schedule summarizes the historical and projected pledged revenue coverage.

Fiscal Year	Excise Tax Revenues	Principal	Interest	Total	Coverage
2013-14	\$ 16,298,050	\$ 4,405,000	\$ 2,077,929	\$ 6,482,929	2.51
2014-15	17,927,141	4,485,000	1,498,946	5,983,946	3.00
2015-16 (est.)	19,191,405	5,260,000	808,167	6,068,167	3.16
2016-17 (budget)	20,376,628	5,050,000	791,691	5,841,691	3.49
2017-18 (proj.)	20,749,839	5,155,000	695,923	5,850,923	3.55
2018-19 (proj.)	21,129,247	5,240,000	611,587	5,851,587	3.61
2019-20 (proj.)	21,653,814	2,285,000	3,434,245	5,719,245	3.79
2020-21 (proj.)	22,192,802	2,230,000	3,487,076	5,717,076	3.88
2021-22 (proj.)	22,746,621	2,175,000	3,544,616	5,719,616	3.98
2022-23 (proj.)	23,315,690	2,125,000	3,591,768	5,716,768	4.08
2023-24 (proj.)	23,900,441	2,075,000	3,633,629	5,708,629	4.19
2024-25 (proj.)	24,501,317	5,075,000	435,296	5,510,296	4.45
2025-26 (proj.)	25,118,777	5,280,000	231,753	5,511,753	4.56
2026-27 (proj.)	25,753,291	1,005,000	19,497	1,024,497	25.14

The bond covenants require that excise tax revenues be equal to at least 1.50 times the total payments for all bonds secured by a pledge of excise tax revenues. If at any time it appears that the excise tax revenues will not be sufficient to meet this 1.50 coverage requirement, the City must either impose a new excise tax or increase the rates for taxes currently imposed to reach the 1.50 coverage requirement, to the extent permitted by law.

Debt Service Reserves

In accordance with the bond covenants, the City has bond insurance in place to guarantee payments in lieu of reserve requirements. However, the City has chosen to maintain reserve balances to ensure adequate funding available.

For the City’s Wastewater Enterprise Fund, the City’s adopted policy requires a debt service reserve with a target equal to the average of one year of enterprise fund debt service repayment requirements. For fiscal year 2016-17, the amount reserved is \$4,870,195, which complies with the policy requirement.

The adopted policy also authorizes the City to establish additional committed or assigned fund balances in any amount as deemed necessary. The City has set aside \$1,300,000 in the General Fund to cover higher debt service payments in fiscal years 2017-18 and 2018-19 and to cover fluctuations in ongoing debt service payment levels in fiscal year 2019-20 and after.

DEBT SERVICE - continued

Debt Repayments by Fund

The following table details the remaining principal and interest payments of all outstanding debt by fund.

Fiscal Year	General Fund		Wastewater Fund		Totals
	Principal	Interest	Principal	Interest	
2016-17	\$ 484,700	\$ 219,667	\$ 4,565,300	\$ 572,024	\$ 5,841,691
2017-18	1,235,000	215,188	3,920,000	480,735	5,850,923
2018-19	1,240,000	181,812	4,000,000	429,775	5,851,587
2019-20	885,000	146,470	1,400,000	3,287,775	5,719,245
2020-21	900,000	129,301	1,330,000	3,357,775	5,717,076
2021-22	920,000	111,841	1,255,000	3,432,775	5,719,616
2022-23	935,000	93,993	1,190,000	3,497,775	5,716,768
2023-24	945,000	75,854	1,130,000	3,557,775	5,708,629
2024-25	970,000	57,521	4,105,000	377,775	5,510,296
2025-26	990,000	38,703	4,290,000	193,050	5,511,753
2026-27	1,005,000	19,497	-	-	1,024,497
Total	\$ 11,024,700	\$ 1,289,847	\$ 27,185,300	\$ 19,187,234	\$ 58,172,081

The fiscal years 2020-21 through 2024-25 include payment of the CABs, which requirement payment of the compounded interest on the maturity date.



DEBT SERVICE - continued

Individual Debt Issuances

The following tables detail each outstanding debt issue, including the type of debt instrument, dates of issuance and/or refinance, remaining principal and interest payments, and the purpose of the debt.

SEDONA WASTEWATER MUNICIPAL PROPERTY CORPORATION*
EXCISE TAX REVENUE BONDS, SERIES 1998
 Original Principal \$41,035,000
 Issued August 26, 1998
 (Wastewater Fund)

Remaining Payment Dates	Principal	Compounded Interest	Yield	Total
7/1/2020	\$ 1,400,000	\$ 2,910,000	5.20%	\$ 4,310,000
7/1/2021	1,330,000	2,980,000	5.20%	4,310,000
7/1/2022	1,255,000	3,055,000	5.24%	4,310,000
7/1/2023	1,190,000	3,120,000	5.24%	4,310,000
7/1/2024	1,130,000	3,180,000	5.24%	4,310,000
Total	\$ 6,305,000	\$ 15,245,000		\$ 21,550,000

* The Sedona Wastewater Municipal Property Corporation (SWMPC) is a nonprofit corporation incorporated under the laws of the State of Arizona. The SWMPC was formed for the purpose of assisting the City in obtaining financing for various projects of the City and exists only to serve the City. The SWMPC board of directors consists of three members which are appointed by the City Council.

This bond series (i) refinanced all of the City's outstanding Certificate of Participation Series 1993, (ii) refinanced all of the outstanding Series 1995, (iii) refinanced all of the outstanding Series 1997, and (iv) provided approximately \$29.8 million new money for the wastewater system.

The only remaining portion of the bond series are capital appreciation bonds (CABs). CABs offer an investment return on an initial principal amount and are reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

DEBT SERVICE - continued

**CITY OF SEDONA
EXCISE TAX REVENUE BONDS, SERIES 2007
Original Principal \$8,795,000
Issued November 28, 2007
(General Fund Portion)**

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 29,666	\$ 29,666
7/1/2017	-		29,666	29,666
1/1/2018	-		29,665	29,665
7/1/2018	715,000	4.000%	29,666	744,666
1/1/2019	-		15,365	15,365
7/1/2019	745,000	4.125%	15,366	760,366
Total	\$ 1,460,000		\$ 149,394	\$ 1,609,394

This portion of the bond series funded the following projects: Chapel area drainage, State Route 179 improvements (pedestrian bridge, landscaping, lighting, etc.), and Harmony-Windsong drainage (partial).

**CITY OF SEDONA
EXCISE TAX REVENUE BONDS, SERIES 2007
Original Principal \$9,120,000
Issued November 28, 2007
(Wastewater Fund Portion)**

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 26,750	\$ 26,750
7/1/2017	1,070,000	5.00%	26,750	1,096,750
Total	\$ 1,070,000		\$ 53,500	\$ 1,123,500

This portion of the bond series funded the following projects: Chapel area sewer installation, State Route 179 utility relocation, and major pump stations.

DEBT SERVICE - continued

**CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2012
Original Principal \$8,395,000
Issued February 8, 2012
(Wastewater Fund)**

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 188,888	\$ 188,888
7/1/2017	-		188,888	188,888
1/1/2018	-		188,887	188,887
7/1/2018	-		188,888	188,888
1/1/2019	-		188,887	188,887
7/1/2019	-		188,888	188,888
1/1/2020	-		188,887	188,887
7/1/2020	-		188,888	188,888
1/1/2021	-		188,887	188,887
7/1/2021	-		188,888	188,888
1/1/2022	-		188,887	188,887
7/1/2022	-		188,888	188,888
1/1/2023	-		188,887	188,887
7/1/2023	-		188,888	188,888
1/1/2024	-		188,887	188,887
7/1/2024	-		188,888	188,888
1/1/2025	-		188,887	188,887
7/1/2025	4,105,000	4.50%	188,888	4,293,888
1/1/2026	-		96,525	96,525
7/1/2026	4,290,000	4.50%	96,525	4,386,525
Total	\$ 8,395,000		\$ 3,593,025	\$ 11,988,025

This bond series refinanced a portion of the City's Wastewater Municipal Property Corporation outstanding Series 1998.

DEBT SERVICE - continued

**CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2014
Original Principal \$1,879,700
Issued May 22, 2014
(General Fund Portion)**

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 3,926	\$ 3,926
7/1/2017	384,700	0.66%	3,926	388,626
1/1/2018	-		2,656	2,656
7/1/2018	415,000	0.66%	2,557	417,657
1/1/2019	-		1,287	1,287
7/1/2019	390,000	0.66%	1,287	391,287
Total	\$ 1,189,700		\$ 15,739	\$ 1,205,439

This portion of the bond series refinanced a portion of the City's outstanding Series 2004, which was used to refinance all of the City's outstanding Series 1999, which was used to purchase the City Hall complex.

**CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2014
Original Principal \$7,905,300
Issued May 22, 2014
(Wastewater Fund Portion)**

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 3,945	\$ 3,945
7/1/2017	1,195,300	0.66%	3,944	1,199,244
Total	\$ 1,195,300		\$ 7,889	\$ 1,203,189

This portion of the bond series refinanced a portion of the City's outstanding Series 2004, which was used to refinance a portion of the City's Wastewater Municipal Property Corporation outstanding Series 1998.

DEBT SERVICE - continued

**CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2015
Original Principal \$10,390,000
Issued June 16, 2015
(Wastewater Fund)**

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 66,430	66,430
7/1/2017	2,300,000	1.30%	66,430	2,366,430
1/1/2018	-		51,480	51,480
7/1/2018	3,920,000	1.30%	51,480	3,971,480
1/1/2019	-		26,000	26,000
7/1/2019	4,000,000	1.30%	26,000	4,026,000
Total	\$ 10,220,000		\$ 287,820	\$ 10,507,820

This bond series refinanced all of the City's outstanding Series 2005, which was used to refinance a portion of the City's Wastewater Municipal Property Corporation outstanding Series 1998.

DEBT SERVICE - continued

CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SECOND SERIES 2015
 Original Principal \$8,030,000
 Issued December 16, 2015
 (General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2017	\$ -		\$ 76,242	\$ 76,242
7/1/2017	100,000	1.94%	76,242	176,242
1/1/2018	-		75,272	75,272
7/1/2018	105,000	1.94%	75,272	180,272
1/1/2019	-		74,253	74,253
7/1/2019	105,000	1.94%	74,254	179,254
1/1/2020	-		73,235	73,235
7/1/2020	885,000	1.94%	73,235	958,235
1/1/2021	-		64,650	64,250
7/1/2021	900,000	1.94%	64,651	964,651
1/1/2022	-		55,920	55,920
7/1/2022	920,000	1.94%	55,921	975,921
1/1/2023	-		46,996	46,996
7/1/2023	935,000	1.94%	46,997	981,997
1/1/2024	-		37,927	37,927
7/1/2024	945,000	1.94%	37,927	982,927
1/1/2025	-		28,760	28,760
7/1/2025	970,000	1.94%	28,761	998,761
1/1/2026	-		19,351	19,351
7/1/2026	990,000	1.94%	19,352	1,009,352
1/1/2027			9,748	9,748
7/1/2027	1,005,000	1.94%	9,749	1,014,749
Total	\$ 7,860,000		\$ 1,124,715	\$ 8,984,715

This bond series refinanced a portion of the City's outstanding Series 2007.



Appendix



GLOSSARY

Accessory Dwelling Unit (ADU) – A complete independent residential living space that can be created within, attached to, or detached from a single-family home. An ADU includes provisions for living, sleeping, eating, cooking and sanitation. An ADU can provide supplementary housing that can be integrated into existing single-family neighborhoods to provide a typically lower priced housing alternative.

Accrual Basis of Accounting – A method of accounting in which revenues are recorded when measurable and earned, and expenditures (or expenses) are recognized when a good or service is used.

Activity – The purpose/activity or group of sub-activities within a function/program for which the City is responsible.

Adopted Budget – Formal action made by the City Council that sets the spending limits for the fiscal year.

Allocation – Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

Annualized Costs – Operating costs incurred at annual rates for a portion of the prior fiscal year and which must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.

Appropriation – An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

Art in Public Places Fund – A fund used to track the one-percent of certain capital projects budgets designated by the City Council to be used for art in public places.

Balanced Budget – A budget in which current revenues equal current expenditures. The State or local government may set the legal requirements for a balanced budget.

Basis of Accounting – Method used to determine when revenues and expenditures/expenses are recorded.

Bed Tax – The City collects a 3.5 percent bed tax in addition to the City sales tax. The bed tax supports the General Fund. A portion of the bed tax is used to fund the Chamber Visitor Center.

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specific rate.

Bonds Proceeds – Debt issuances derived from the sale of bonds for the purpose of constructing major capital facilities.

Budget – A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.



GLOSSARY - continued

Budgetary Control – The control of management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Budget Message – The opening section of the budget that provides the City Council and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the coming period.

Capacity Fees – These fees are a one-time charge when a resident or business connects to the wastewater system.

Capital Appreciation Bond (CAB) – A bond on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity. At maturity the investor receives a single payment representing the initial principal amount and the investment return.

Capital Assets – Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Capital Improvements Fund – The fund that accounts for the City's major capital and engineering studies. The Capital Improvements Fund revenue is provided by a transfer of surplus fund balances from the General Fund.

Capital Improvements Program – The City's six-year plan for capital projects and the identification of funding sources to pay for them.

Capital Outlay – Expenditures that result in the acquisition of or addition to capital assets.

Capital Project – Any project having assets of significant value and having a useful life of three years or more. Capital projects include the purchase of land, design, and engineering and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital projects are permanent attachments intended to remain with the land.

Commodities – Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants, etc.

Community Focus Area (CFA) – A location where the City will play a proactive role to implement the community's vision.

Comprehensive Annual Financial Report (CAFR) – A set of governmental financial statements that comply with the accounting requirements promulgated by the Governmental Accounting Standards Board.

Community Facilities District (CFD) Fund – The fund accounts for payments in lieu of sales and bed taxes from timeshare development agreements.

Contingency – Monies budgeted to be used to finance unforeseen expenditures or potential projects not yet defined adequately to budget specific accounts.

GLOSSARY - continued

Contractual Services – Contracted service used for operating or construction activities. Examples include legal fees, postage and freight, rents, utilities, and debt service costs.

Cost Objective or Cost Object – Any item for which costs are being separately measures, such as a program or department.

Decision Package – A package of justification and documentation for new budgetary needs with a significant dollar impact, generally more than \$5,000, and/or budgetary requests that result in new programs or services.

Debt Service – Payment of principal, interest, and related service charges on obligations resulting from the issuance of bonds.

Department – A major administrative division of the City that indicates overall management responsibility for an operation or group of related operations within a functional area.

Development Impact Fees – Fees assessed to offset costs incurred by the municipality in providing additional public services created by new development as provided for in ARS §9-463.05 .

Direct Costs – Costs that can be directly linked with a specific cost objective.

Economic Estimates Commission (EEC) – The commission responsible for estimating Arizona's personal income and the percent change in the per capita personal income for each fiscal year and calculating the State-imposed expenditure limitation based on those estimates.

Employee Benefits – The cost for employee benefits including health insurance and disability insurance.

Encumbrances – Obligations in the form of purchase orders or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbered when the obligations are paid or otherwise liquidated.

Enterprise Fund – An Accounting entity established to account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominately self-supporting.

Estimated Revenue – The amount of projected revenue to be collected during the fiscal year.

Expenditure/Expense – This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

Expenditure Limitation – The Arizona State Legislature imposed constitutional amendment that limits the annual expenditures of all municipalities. The Economic Estimates Commission, based on population growth and inflation, sets this limit.

Experience Modification Rating (EMOD) – An adjustment of the annual workers compensation premium based on previous loss experience.

Fiscal Year – A 12-month period of time to which the Annual Budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. For the City of Sedona, it is July 1 through June 30.

GLOSSARY - continued

Franchise Tax – The franchise tax is based on the gross sales of the utility companies. Those that currently pay the franchise tax are: Arizona Public Service (2%), Unisource Energy Services (2%), Suddenlink Communications (2%) Arizona Water Company (3%), and Oak Creek Water Company (3%).

Fund – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.

Fund Balance – Fund balance is the excess of assets over liabilities and reserves and is, therefore, also known as surplus funds.

General Fund – A fund used to account for all general-purpose transactions of the City that do not require a special type of fund.

General Government Revenue – The revenues of a government other than those derived from and retained in an enterprise fund.

Generally Accepted Accounting Principles (GAAP) – The standard framework of guidelines for financial accounting.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a specific time period.

Government Finance Officers Association (GFOA) – A professional association of approximately 18,500 state and local government finance officers in the U.S. and Canada.

Governmental Accounting Standards Board (GASB) – A private organization that is the source of generally accepted accounting principles for state and local governments in the U.S.

Grant – A contribution by the state or federal government or other agency to support a particular function.

Grants & Donations Funds – A group of funds used to track the revenues and expenditures of grants and donations restricted for specific purposes.

Highway User Revenue Fund (HURF) – Arizona cities receive a share of state motor vehicle fuel taxes, and the formula is based on two separate calculations. First, it is based on a City's population in relation to the State's total population. Second, it is based on the county in which the revenues were generated. These funds are restricted to be utilized for the construction and maintenance of streets and highways.

Indirect Costs – Costs that are not directly accountable, such as administrative costs, to a particular cost objective.

Inter-fund Transfer – Amount transferred from one fund to another.

Line Items – Account for specific expenditures and revenues in departments.

Modified Accrual Accounting – Basis of accounting required for use by governmental funds in which revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred.

GLOSSARY - continued

Municipal Property Corporation (MPC) – A separate legal entity created for the purpose of assisting the City in obtaining financing for various construction projects.

Non-Recurring Revenue – Revenue which is a one-time receipt or which is not received on a continual basis.

Operating Revenue – Resources derived from recurring revenue sources used to finance recurring operating expenditures.

Permit Fees – Revenues from this source would include the fees collected from building permits, zoning permits, and a variety of other programs.

Personnel Services – Expenditures for salaries, wages, and fringe benefits of a government's employees.

Program – A group of related functions or activities performed by a division where there is a desire to budget and identify expenditures independently of other activities within the division.

Recurring Revenues – Revenue sources available on a constant basis to support operating and capital budgetary needs.

Reserves – Account that records a portion of the fund balance that must be segregated for some future use, and that is, therefore, not available for further appropriation or expenditure.

Restricted Revenues – Are legally restricted for a specific purpose by the federal, state, and local government.

Revenues – Amounts estimated to be received from taxes and other sources during the fiscal year.

Special Revenue Fund – Fund used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government. The City of Sedona's Special Revenue Funds includes the Streets Fund and Grants & Donations Funds.

State Shared Income Tax Revenue – Arizona cities share a portion of the total amount collected from the State income tax. A City's portion of the State income tax is based on the relationship of its population to the total population of all cities and towns within the state. This is referred to as Urban Revenue Sharing in the budget.

State Shared Sales Tax – Arizona cities share a portion of the total amount collected from the State sales tax, which is currently 5.6 percent. A City's portion of the State sales tax is based on the relationship of its population to the total population of all cities and towns within the state.

Streets Fund – A fund that accounts for major street improvements including rehabilitation and pavement preservation. The major source of funding for the Streets Fund is the Highway User Revenue Fund (HURF), which is the City's share of the State gas tax.

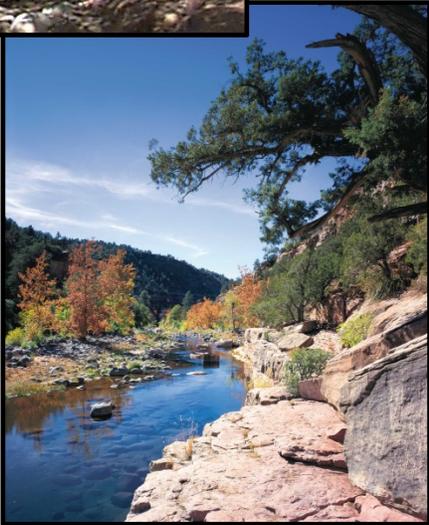
Transaction Privilege Tax (TPT) – The transaction privilege tax is commonly known as sales tax. The City collects a three percent City sales tax.

GLOSSARY - continued

Urban Revenue Sharing – State shared income tax revenues.

Wastewater Enterprise Fund – The fund that accounts for the administrative, plant operations, and capital cost associated with the City’s sewer system.

Wastewater User Fees – User fees are charged to residential and commercial customers for the collection and treatment of wastewater. These fees are charged on a monthly basis.



ACRONYMS

Acronym	Description	Acronym	Description
3CMA	City-County Communications & Marketing Association	ASRS	Arizona State Retirement System
AACOP	Arizona Association Chief of Police	AWTF	Anti Work Task Force
ACMA	Arizona City/County Management Association	AZ	Arizona
ACO	Animal Control Officer	AZ-PRIMA	Arizona Public Risk Management Association
ADA	Americans with Disabilities Act	BL	Business License
ADEQ	Arizona Department of Environmental Quality	CAB	Capital Appreciation Bond
ADOH	Arizona Department of Housing	CAFR	Comprehensive Annual Financial Report
ADOR	Arizona Department of Revenue	CAP	Capacity
ADOT	Arizona Department of Transportation	CAT	Cottonwood Area Transit
ADU	Accessory Dwelling Unit	CD	Community Development
ADWR	Arizona Department of Water Resources	CDBG	Community Development Block Grant
AFMA	Arizona Floodplain Management Association	CDL	Commercial Drivers License
AG	Attorney General	CELA	Code Enforcement League of Arizona
AMCA	Arizona Municipal Clerks Association	CFA	Community Focus Area
APA	American Planning Association	CFD	Community Facilities District
APP	Aquifer Protection Program	CIP	Capital Improvement Program
APS	Arizona Public Service	CM	City Manager
APWA	American Public Works Association	CO	Certificate of Occupancy
ARS	Arizona Revised Statutes	COLA	Cost of Living Adjustment
		COP	Certificate of Participation
		COS	Cost of Service
		CPI	Consumer Price Index

ACRONYMS - continued

Acronym	Description	Acronym	Description
DIF	Development Impact Fees	HURF	Highway User Revenues Fund
DUI	Driving Under the Influence	HVAC	Heating, Ventilation, Air Conditioning
EEOC	Equal Employment Opportunity Commission	IACP	International Association of Chief of Police
EIS	Environmental Impact Statement	IAPE	International Association of Property/Evidence
EMOD	Experience Modification Rating	IBC	International Building Code ICC International Code Council
EOC	Emergency Operations Center	ICMA	International City/County Management Association
FARE	Fines/Fees and Restitution	IFMA	International Facility Management Association
FLSA	Fair Labor Standards Act	IGA	Intergovernmental Agreement
FTE	Full Time Equivalent	IIMC	International Institute of Municipal Clerks
FY	Fiscal Year (July 1 - Jun 30)	IPMA-HR	International Public Management Association for Human Resources
GAAP	Generally Accepted Accounting Principles	IT	Information Technology
GASB	Governmental Accounting Standards Board	K-9	Canine
GFOA	Government Finance Officers Association	KSB	Keep Sedona Beautiful
GFOAz	Government Finance Officers Association of Arizona	LDC	Land Development Code
GO	General Obligation	LGIP	Local Government Investment Pool
GOHS	Governor's Office of Highway Safety	LS	Lift Station
HB	House Bill	LTD	Long-Term Disability
HPC	Historic Preservation Commission	MADD	Mothers Against Drunk Driving
HR	Human Resources	MDC	Mobile Data Computers
HSIP	Highway Safety Improvement Program		

ACRONYMS - continued

Acronym	Description	Acronym	Description
MGD	Million Gallons per Day	RICO	Racketeer Influenced and Corrupt Organizations
MPC	Municipal Property Corporation	ROW	Right of Way
N/A	Not Applicable	SB	Senate Bill
NACOG	Northern Arizona Council of Government	SR	State Route
NAU	Northern Arizona University	SRO	School Resource Officer
NFPA	National Fire Protection Association	STD	Short-Term Disability
NSF	Non-Sufficient Funds	STEP	Sedona Traffic Enforcement Program
OMB	Office of Management and Budget	SUV	Sport Utility Vehicle
OSHA	Occupational, Safety and Health Administration	T-BILL	Treasury Bill
P&Z	Planning and Zoning	T-NOTE	Treasury Note
PANT	Partners Against Narcotics Trafficking	TPT	Transaction Privilege Tax (Sales Tax)
PD	Police Department	USFS	United States Forest Service
PE	Professional Engineer	VLT	Vehicle License Tax
POST	Peace Officer Standards and Training	VPN	Virtual Private Network
PSPRS	Public Safety Personnel Retirement System	WIFA	Water Infrastructure Financing Authority
PW	Public Works	WQ	Water Quality
RFP	Request for Proposal	WRP	Wastewater Reclamation Plant
		WW	Wastewater
		WWTP	Wastewater Treatment Plant

OFFICIAL BUDGET FORMS

CITY OF SEDONA

Fiscal Year 2017 Final Budget

City Council adopted the Tentative Budget on May 24, 2016



Final budget adoption will occur on June 28, 2016 at 3:30 p.m. in the City Council Chambers, 102 Roadrunner Drive, Sedona, Arizona 86336

The Budget may be reviewed at the:

City's website www.sedonaaz.gov

City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona
City of Sedona Public Library , 3250 White Bear Road, Sedona Arizona

CITY OF SEDONA
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CITY OF SEDONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	16,066,512	2,074,438	0	7,658,563	0	17,459,272	0	43,258,785
2016	Actual Expenditures/Expenses**	E	15,834,355	1,524,689	0	4,382,500	0	13,086,431	0	34,827,975
2017	Fund Balance/Net Position at July 1***		17,650,256	542,322		8,844,244		14,792,117		41,828,939
2017	Primary Property Tax Levy	B	0							0
2017	Secondary Property Tax Levy	B								0
2017	Estimated Revenues Other than Property Taxes	C	24,408,706	1,219,500	0	1,178,825	0	6,403,864	0	33,210,895
2017	Other Financing Sources	D	0	0	0	0	0	0	0	0
2017	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2017	Interfund Transfers In	D	0	351,000	0	8,599,797	0	3,881,668	0	12,832,465
2017	Interfund Transfers (Out)	D	12,802,455	0	0	30,010	0	0	0	12,832,465
2017	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement		1,300,000					4,870,195		6,170,195
	Amounts for Operating Reserve Policies		8,610,855					1,139,937		9,750,792
	Amounts for Future Capital Improvements		516,576			12,736,210				13,252,786
										0
2017	Total Financial Resources Available		18,829,076	2,112,822	0	5,856,646	0	19,067,517	0	45,866,061
2017	Budgeted Expenditures/Expenses	E	18,829,076	1,570,500	0	5,856,646	0	12,104,644	0	38,360,866

EXPENDITURE LIMITATION COMPARISON

	2016	2017
1. Budgeted expenditures/expenses	\$ 43,258,785	\$ 38,360,866
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	43,258,785	38,360,866
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 43,258,785	\$ 38,360,866
6. EEC expenditure limitation	\$ 43,258,785	\$ 38,360,866

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 the 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 on this line 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 SEDONA
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
GENERAL FUND			
Local taxes			
City Sales Taxes	\$ 9,567,000	\$ 10,563,300	\$ 15,526,670
Bed Taxes	2,580,000	3,079,800	3,172,200
Franchise Fees	772,000	804,000	816,060
Contingent Bed Taxes			550,000
Licenses and permits			
Building Permit Fees	220,000	324,400	325,000
Business Licenses	95,000	95,000	95,000
Misc Community Development/Public Works	38,100	32,675	35,775
City Clerk		850	200
Intergovernmental			
State Shared Sales Taxes	958,000	957,700	979,400
State Urban Revenue Sharing	1,207,731	1,207,731	1,273,001
State Grants		43,000	20,000
County-Vehicle License Taxes	594,500	591,850	620,300
Charges for services			
Election Reimbursements			30,000
STEP Administration Fees	20,000	19,000	19,300
Recreation Programs	18,000	20,000	20,000
Daily Swim Fees	11,000	18,000	18,000
Expedited Plan Reviews		11,000	14,400
Misc. Parks & Recreation Fees	7,750	16,800	10,700
Misc. Police Fees	5,000	11,700	4,200
Other Misc. Charges for Services	3,900	4,210	4,200
Fines and forfeits			
Court Fines	140,000	140,000	140,000
Parking Fees and Fines			100,000
Misc. Fines	4,000	5,000	3,000
Interest on investments			
Interest Earnings	122,500	124,000	122,500
Tax Audits - Interest/Penalty	50,000	(1,900)	
Contributions			
Voluntary contributions			
Police Donations		700	400
Miscellaneous			
In-lieu Fees	400,000	400,000	406,000
Parks & Recreation Rentals	20,000	25,000	16,000
Auction Revenues	15,000	15,000	15,000
Other Misc. Revenues	135,350	123,210	71,400
Total General Fund	\$ 16,984,831	\$ 18,632,026	\$ 24,408,706

* 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 SEDONA
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
SPECIAL REVENUE FUNDS			
Streets Fund:	\$	\$	\$
HURF Revenues	782,238	902,300	799,000
	\$	\$	\$
	782,238	902,300	799,000
Grants and Donation Funds:	\$	\$	\$
Grant Revenues	382,000	64,800	80,000
Donations	280,500	40,700	40,500
Contingent Grants & Donations			300,000
	\$	\$	\$
	662,500	105,500	420,500
Total Special Revenue Funds	\$	\$	\$
	1,444,738	1,007,800	1,219,500
CAPITAL PROJECTS FUNDS			
Development Impact Fee Funds:	\$	\$	\$
Developer Impact Fees	190,800	214,040	191,000
Interest Earnings	28,000	17,610	10,000
	\$	\$	\$
	218,800	231,650	201,000
Capital Improvement Fund:	\$	\$	\$
County Flood Control	750,000	345,930	665,976
Donations	826,667	23,630	300,000
Interest Earnings		12,370	
	\$	\$	\$
	1,576,667	381,930	965,976
Art in Public Places Fund:	\$	\$	\$
Contributions from CFDs			11,849
Interest Earnings	125	60	
	\$	\$	\$
	125	60	11,849
Total Capital Projects Funds	\$	\$	\$
	1,795,592	613,640	1,178,825
ENTERPRISE FUNDS			
Wastewater - Charges for Services	5,963,600	5,674,200	5,901,144
Wastewater - City Sales Taxes	4,109,000	4,435,900	
Wastewater - Capacity Fees	275,000	475,000	275,000
Wastewater - Misc. Revenues	235,750	344,895	227,720
	\$	\$	\$
	10,583,350	10,929,995	6,403,864
Total Enterprise Funds	\$	\$	\$
	10,583,350	10,929,995	6,403,864
TOTAL ALL FUNDS	\$	\$	\$
	30,808,511	31,183,461	33,210,895

* 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 SEDONA
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017		INTERFUND TRANSFERS 2017	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Transfer to Streets Fund	\$	\$	\$	\$ 351,000
Transfer to Wastewater Fund				3,881,668
Transfer to Capital Improvements Fund				8,569,787
Total General Fund	\$	\$	\$	\$ 12,802,455
SPECIAL REVENUE FUNDS				
Streets - From General Fund	\$	\$	\$ 351,000	\$
Total Special Revenue Funds	\$	\$	\$ 351,000	\$
DEBT SERVICE FUNDS				
	\$	\$	\$	\$
Total Debt Service Funds	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS				
Dev Imp Fees - To Art in Public Places	\$	\$	\$	\$ 3,260
Cap Improvement - From General Fund			8,569,787	
Cap Impr - To Art in Public Places				26,750
Art in Public Places - From Dev Imp			3,260	
Art in Public Places - From Cap Impr			26,750	
Total Capital Projects Funds	\$	\$	\$ 8,599,797	\$ 30,010
PERMANENT FUNDS				
	\$	\$	\$	\$
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Wastewater - From General Fund	\$	\$	\$ 3,881,668	\$
Total Enterprise Funds	\$	\$	\$ 3,881,668	\$
INTERNAL SERVICE FUNDS				
	\$	\$	\$	\$
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$ 12,832,465	\$ 12,832,465

**CITY OF SEDONA
Expenditures/Expenses by Fund
Fiscal Year 2017**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
GENERAL FUND				
City Council	\$ 77,543	\$	\$ 74,586	\$ 78,585
City Manager	854,638		746,523	1,016,875
Human Resources	209,213		217,713	226,080
Financial Services	460,954		474,345	536,465
Information Technology	959,037		877,134	1,193,777
City Attorney	504,523		498,931	534,455
City Clerk	218,770		226,632	297,719
Parks & Recreation	484,324		456,966	539,557
General Services	3,980,206		4,747,938	4,071,845
Community Development	1,469,385		1,246,729	1,646,691
Public Works & Engineering	2,345,922		2,222,218	3,139,298
Police	3,946,488		3,734,021	4,304,779
Municipal Court	305,509		310,619	342,950
Contingency	250,000			900,000
Total General Fund	\$ 16,066,512	\$	\$ 15,834,355	\$ 18,829,076
SPECIAL REVENUE FUNDS				
Streets Fund	\$ 1,404,689	\$	\$ 1,404,689	\$ 1,150,000
Grants & Donations Funds	669,749		120,000	420,500
Total Special Revenue Funds	\$ 2,074,438	\$	\$ 1,524,689	\$ 1,570,500
DEBT SERVICE FUNDS				
	\$	\$	\$	\$
Total Debt Service Funds	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS				
Develop. Impact Fees Funds	\$ 3,094,170	\$	\$ 800,000	\$ 2,543,860
Capital Improvements Fund	4,531,893		3,550,000	3,312,786
Art in Public Places Fund	32,500		32,500	
Total Capital Projects Funds	\$ 7,658,563	\$	\$ 4,382,500	\$ 5,856,646
PERMANENT FUNDS				
	\$	\$	\$	\$
Total Permanent Funds	\$	\$	\$	\$
ENTERPRISE FUNDS				
Wastewater - Administration	\$ 1,058,254	\$	\$ 1,097,530	\$ 1,048,305
Wastewater - Ops/Debt/Capital	16,301,018		11,988,901	10,956,339
Wastewater - Contingency	100,000			100,000
Total Enterprise Funds	\$ 17,459,272	\$	\$ 13,086,431	\$ 12,104,644
INTERNAL SERVICE FUNDS				
	\$	\$	\$	\$
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$ 43,258,785	\$	\$ 34,827,975	\$ 38,360,866

* 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 SEDONA
Expenditures/Expenses by Department
Fiscal Year 2017**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
<u>City Council:</u>				
General Fund	\$ 77,543	\$	\$ 74,586	\$ 78,585
Department Total	\$ 77,543	\$	\$ 74,586	\$ 78,585
<u>City Clerk:</u>				
General Fund	\$ 218,770	\$	\$ 226,632	\$ 297,719
Wastewater Fund	12,125		12,125	12,650
Department Total	\$ 230,895	\$	\$ 238,757	\$ 310,369
<u>Municipal Court:</u>				
General Fund	\$ 305,509	\$	\$ 310,619	\$ 342,950
Department Total	\$ 305,509	\$	\$ 310,619	\$ 342,950
<u>City Manager:</u>				
General Fund	\$ 854,638	\$	\$ 746,523	\$ 1,016,875
Wastewater Fund	98,463		61,840	47,950
Department Total	\$ 953,101	\$	\$ 808,363	\$ 1,064,825
<u>Human Resources:</u>				
General Fund	\$ 209,213	\$	\$ 217,713	\$ 226,080
Wastewater Fund	17,639		17,639	19,440
Department Total	\$ 226,852	\$	\$ 235,352	\$ 245,520
<u>Financial Services:</u>				
General Fund	\$ 460,954	\$	\$ 474,345	\$ 536,465
Wastewater Fund	395,539		392,926	406,520
Department Total	\$ 856,493	\$	\$ 867,271	\$ 942,985
<u>Information Technology:</u>				
General Fund	\$ 959,037	\$	\$ 877,134	\$ 1,193,777
Wastewater Fund	43,970		43,970	87,578
Department Total	\$ 1,003,007	\$	\$ 921,104	\$ 1,281,355
<u>City Attorney:</u>				
General Fund	\$ 504,523	\$	\$ 498,931	\$ 534,455
Wastewater Fund	185,361		116,417	21,090
Department Total	\$ 689,884	\$	\$ 615,348	\$ 555,545
<u>Parks & Recreation:</u>				
General Fund	\$ 484,324	\$	\$ 456,966	\$ 539,557
Grants & Donations Funds	198,749		15,000	70,500
Department Total	\$ 683,073	\$	\$ 471,966	\$ 610,057
<u>Community Development:</u>				
General Fund	\$ 1,469,385	\$	\$ 1,246,729	\$ 1,646,691
Grants & Donations Funds	199,000		20,000	
Department Total	\$ 1,668,385	\$	\$ 1,266,729	\$ 1,646,691
<u>Public Works & Engineering:</u>				
General Fund	\$ 2,345,922	\$	\$ 2,222,218	\$ 3,139,298
Streets Fund	1,404,689		1,404,689	1,150,000
Grants & Donations Funds	25,000			
Develop. Impact Fee Funds				30,000
Wastewater Fund	187,473		171,210	267,153
Department Total	\$ 3,963,084	\$	\$ 3,798,117	\$ 4,586,451
<u>Police:</u>				

CITY OF SEDONA
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
General Fund	\$ 3,946,488	\$	\$ 3,734,021	\$ 4,304,779
Grants & Donations Funds	247,000		85,000	50,000
Department Total	\$ 4,193,488	\$	\$ 3,819,021	\$ 4,354,779
General Services:				
General Fund	\$ 3,217,149	\$	\$ 3,904,521	\$ 3,364,479
Department Total	\$ 3,217,149	\$	\$ 3,904,521	\$ 3,364,479
Contingency:				
General Fund	\$ 250,000	\$	\$	\$ 900,000
Grants & Donations Funds				300,000
Wastewater Fund	100,000			100,000
Department Total	\$ 350,000	\$	\$	\$ 1,300,000
Capital Improvement Projects:				
Develop. Impact Fee Funds	\$ 3,094,170	\$	\$ 800,000	\$ 2,513,860
Capital Improvements Fund	4,531,893		3,550,000	3,312,786
Art in Public Places Fund	32,500		32,500	
Wastewater Fund	8,142,118		4,100,000	3,049,750
Department Total	\$ 15,800,681	\$	\$ 8,482,500	\$ 8,876,396
Debt Service:				
General Fund	\$ 763,057	\$	\$ 843,417	\$ 707,366
Wastewater Fund	5,413,325		5,413,325	5,151,325
Department Total	\$ 6,176,382	\$	\$ 6,256,742	\$ 5,858,691
Wastewater:				
Wastewater Fund	\$ 2,863,259	\$	\$ 2,756,979	\$ 2,941,188
Department Total	\$ 2,863,259	\$	\$ 2,756,979	\$ 2,941,188

* 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 SEDONA
Full-Time Employees and Personnel Compensation
Fiscal Year 2017**

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
GENERAL FUND	118	\$ 6,742,340	\$ 1,013,200	\$ 1,237,850	\$ 684,060	\$ 9,677,450
SPECIAL REVENUE FUNDS						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Special Revenue Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
DEBT SERVICE FUNDS						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Debt Service Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
CAPITAL PROJECTS FUNDS						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Capital Projects Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
PERMANENT FUNDS						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Permanent Funds		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
ENTERPRISE FUNDS						
Wastewater Fund	7	\$ 450,440	\$ 51,630	\$ 96,500	\$ 46,050	\$ 644,620

Total Enterprise Funds	7	\$ 450,440	\$ 51,630	\$ 96,500	\$ 46,050	\$ 644,620
INTERNAL SERVICE FUND						
_____		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Total Internal Service Fund		\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL ALL FUNDS	125	\$ 7,192,780	\$ 1,064,830	\$ 1,334,350	\$ 730,110	\$ 10,322,070