



# TENTATIVE BUDGET

# Fiscal Year 2015-2016 Tentative Budget

City Council Meeting  
May 26, 2015

FY: 2015-2016



TENTATIVE  
BUDGET

# FY 2015-16 Budget Calendar

City Council FY16 Budget Retreat	December 5, 2014
Staff Capital Improvement Program (CIP) Committee Kickoff Meeting	December 19, 2014
Deadline to Submit CIP Requests	January 16, 2015
Operating Budget Kickoff Meeting with Department and Division Heads	January 21, 2015
City Manager Review of CIP Requests (by Program Area)	January 28-30, 2015
Budget Committee Kickoff Meeting (Tentative Date)	January 28, 2015
Public Meetings for FY16-21 CIP (Including Planning & Zoning Commission Review)	February 2015
Operating Base Budgets and Decision Packages Due	February 27, 2015
CIP Funding/Budget Balancing – Finance and City Manager’s Office	March 2015
Review of Operating Base Budgets and Decision-Package Requests with CM and Departments	March 2015
Proposed Budget Distributed to City Council	April 22, 2015
City Council Work Sessions	April 29 - May 1, 2015
City Council Adoption of Tentative Budget	May 26, 2015
City Council Adoption of FY16 Budget	June 23, 2015

FY: 2015-2016





## TENTATIVE BUDGET

# FY 2015-16 Tentative Budget

- By law must be adopted before the 3<sup>rd</sup> Monday in July
- Establishes the maximum limit or cap for the final adopted budget
  - Final Adopted budget can move expenditures between funds or departments but cannot exceed the total adopted Tentative Budget
- Must be posted on the website no later than seven days after adoption
- Must be published once a week for at least two consecutive weeks in the City's official newspaper

FY: 2015-2016

Description	General Fund	Streets Fund	Grant Fund	Capital Funds	Wastewater (WW)	Total
<b>Proposed Budget Balance</b>	<b>\$ 15,777,543</b>	<b>\$ 1,224,489</b>	<b>\$ 1,112,500</b>	<b>\$ 6,682,621</b>	<b>\$ 17,659,317</b>	<b>\$ 42,456,470</b>
<u>City Council Adjustments</u>						
Reduce Council Meal Budget	(\$1,000)					(\$1,000)
Coconino Water Plateau	\$5,000					\$5,000
Increase for Teen Center	\$20,000					\$20,000
Refund 2007 Bonds	\$9,300,000					\$9,300,000
Sub-Total Council Changes	<u>\$9,324,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,324,000</u>
<b>Council Proposed Budget</b>	<b>\$ 25,101,543</b>	<b>\$ 1,224,489</b>	<b>\$ 1,112,500</b>	<b>\$ 6,682,621</b>	<b>\$ 17,659,317</b>	<b>\$ 51,780,470</b>
<u>Staff Adjustments</u>						
Reduce WW Supplies Budget					(\$2,000)	(\$2,000)
Reduce WW Equip Repair					(\$20,500)	(\$20,500)
Reduce WW Plant Maint./Repairs					(\$72,900)	(\$72,900)
Contingency for WW Maint./Repairs					\$100,000	\$100,000
USFS - Trail Payment	\$30,000					\$30,000
Reduce Legal Fees	(\$1,000)					(\$1,000)
Reduce Professional Services	(\$5,000)					(\$5,000)
Misc. Drainage Basin DIF Funds				\$125,000		\$125,000
<b>Staff Proposed Adjustments</b>	<b>\$24,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$4,600</b>	<b>\$153,600</b>
<b>Carryforwards from 2014-15</b>	<b>\$50,969</b>	<b>\$150,000</b>	<b>\$7,249</b>	<b>\$691,692</b>	<b>(\$16,505)</b>	<b>\$883,405</b>
<b>Total Staff Adjustments</b>	<u><b>\$74,969</b></u>	<u><b>\$150,000</b></u>	<u><b>\$7,249</b></u>	<u><b>\$816,692</b></u>	<u><b>(\$11,905)</b></u>	<u><b>\$1,037,005</b></u>
<b>Tentative FY2016 Budget</b>	<b>\$ 25,176,512</b>	<b>\$ 1,374,489</b>	<b>\$ 1,119,749</b>	<b>\$ 7,499,313</b>	<b>\$ 17,647,412</b>	<b>\$ 52,817,475</b>

FY: 2015-2016



# Citizen's Budget Work Group

- Embedded in the process
- Feedback incorporated as process went forward
- Invaluable contribution
- From staff's perspective – very successful
- Potential work group to review future options

*Special Thanks to Committee Group Members*

Frank Damato

Lou Harper

Janice Hudson

John Martinez

Robert O'Donnell

Hollie Ploogh

Anthony Weber

Jessica Williamson

FY: 2015-2016



**TENTATIVE  
BUDGET**

# Revenue and Expenditures Summary by Fund

	Revenues			Expenditures		
	FY 14-15 Budget	FY 15-16 Tentative	% Change	FY 14-15 Budget	FY 15-16 Tentative	% Change
General Fund	15,143,892	16,531,831	9%	14,829,308	15,825,543	7%
General Fund 2007 Debt Refund	-	9,300,000	N/A	-	9,300,000	N/A
Special Revenue/Grants	1,315,140	1,894,738	44%	1,815,140	2,336,989	29%
Capital Funds	1,269,332	1,795,592	41%	7,753,861	6,807,621	-12%
Wastewater Enterprise Operations	10,061,916	10,449,350	4%	8,980,774	9,348,867	4%
Wastewater Capital	-	-	-	4,477,866	8,315,050	85%
One-Time Carry Forwards	-	-	-	638,022	883,405	38%
<b>Total Budget</b>	<b>27,790,280</b>	<b>39,971,511</b>	<b>44%</b>	<b>38,385,154</b>	<b>52,817,475</b>	<b>38%</b>

FY: 2015-2016





TENTATIVE  
BUDGET

## Use of Capital Reserves to Balance FY 2015-16 Budget

	Revenues and Sources of Funds	Expenditures and Uses of Funds
	FY 15-16 <u>Tentative</u>	FY 15-16 <u>Tentative</u>
All Funds FY 2015-16	\$39,971,511	51,934,070
Carry Forward from 14-15		\$883,405
Subtotal	<b>\$39,971,511</b>	<b>\$52,817,475</b>
Use of Fund Balance	\$13,148,908	
Total	<b>\$53,120,419</b>	<b>\$52,817,475</b>

FY: 2015-2016



**PROPOSED  
BUDGET**

# Revenue and Expenditures Estimated Actuals Summary by Fund

	Revenues			Expenditures		
	FY 14-15 Budget	FY 14-15 Estimated Actuals	% Change	FY 14-15 Budget	FY 14-15 Estimated Actuals	% Change
General Fund	\$15,143,892	16,165,000	6.7%	14,829,308	14,290,167	-3.6%
Special Revenue/Grants	1,315,140	993,160	-24.5%	1,854,845	1,020,200	-45.0%
Capital Funds	1,269,332	1,339,300	5.5%	8,242,361	3,735,000	-54.6%
Wastewater Enterprise	10,061,916	10,261,500	2.0%	13,458,640	11,147,141	-17.2%
<b>Total</b>	<b>27,790,280</b>	<b>28,758,960</b>	<b>3.5%</b>	<b>38,385,154</b>	<b>30,192,508</b>	<b>-21.3%</b>

FY: 2015-2016





TENTATIVE  
BUDGET

# Projection of Financial Condition by Fund

	Projected Beginning Fund Balance June 30, 2015	Projected FY 15-16 Revenue	Transfers (Out)/In	Projected FY 15-16 Expenditures	Projected Ending Fund Balance June 30, 2016
General Fund	\$12,590,000	\$25,831,831	(\$220,500)	\$25,176,512	\$13,024,819
Special Revenue/Grants	\$115,000	\$1,894,738	\$506,500	\$2,494,238	\$22,000
Capital Funds	\$10,020,000	\$1,795,592	(\$196,000)	\$7,499,313	\$4,120,279
Wastewater Enterprise	\$17,290,000	\$10,449,350	(\$90,000)	\$17,647,412	\$10,001,938
<b>Total</b>	<b>\$40,015,000</b>	<b>\$39,971,511</b>	<b>\$0</b>	<b>\$52,817,475</b>	<b>\$27,169,036</b>

FY: 2015-2016



TENTATIVE  
BUDGET

## Projection of Fund Balance Reserves

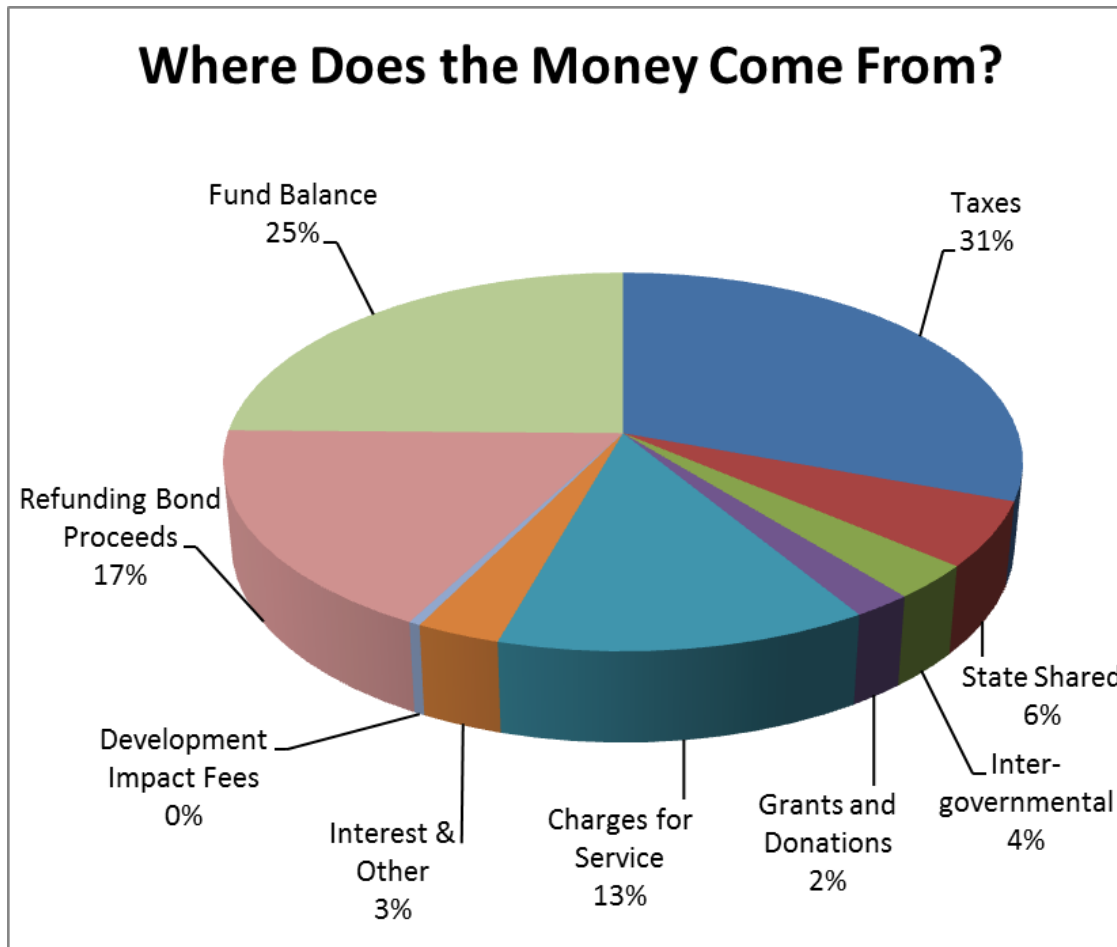
	Projected Ending Fund Balance 6/30/2016	Operating Policy Fund Balance Reserves	Reserved for 2018 & 2019 Debt Payment	Estimated Excess Available Fund Balance 6/30/2016
General Fund	\$13,024,819	\$7,915,000	\$1,800,000	\$3,309,819
Special Revenue/Grants	\$22,000	\$0	\$0	\$22,000
Capital Funds	\$4,120,279	\$0	\$0	\$4,120,279
Wastewater Enterprise	\$10,001,938	\$6,935,000	\$0	\$3,066,938
<b>Total</b>	<b>\$27,169,036</b>	<b>\$14,850,000</b>	<b>\$1,800,000</b>	<b>\$10,519,036</b>

FY: 2015-2016



# TENTATIVE BUDGET

# Tentative 2015-16 Budget

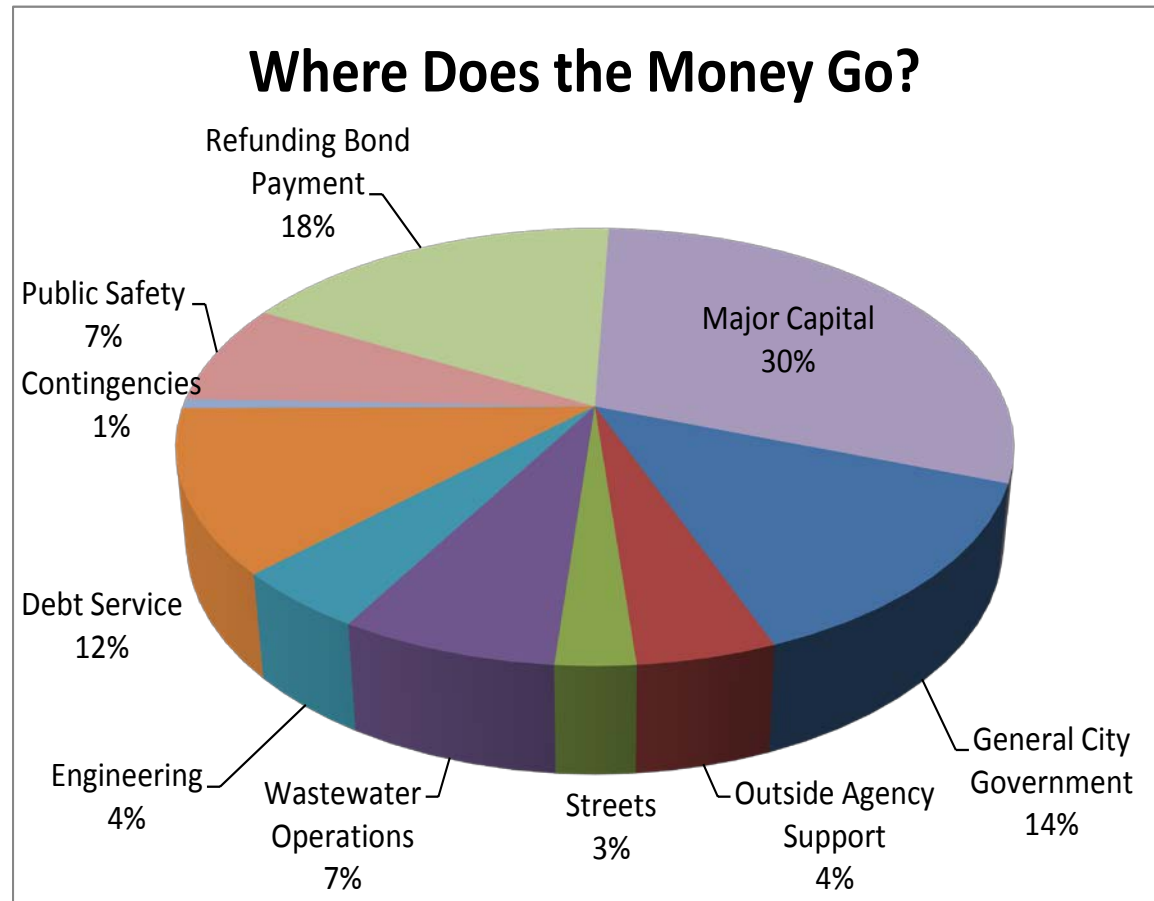


FY: 2015-2016



# TENTATIVE BUDGET

# Tentative 2015-16 Budget



FY: 2015-2016





## TENTATIVE BUDGET

# Council Priorities Included in Budget

1. Mitigate Traffic & Parking Issues
  - Transportation Study budgeted as CIP project if grant not received \$250,000
  - Paid Parking in CIP for FY16 – FY17
2. Land Development Code
  - New Planner Position to assist with CFAs, LDC and implementation of Economic Development Plan
  - \$25,000 budgeted for outside consulting
3. Code Enforcement
  - Additional Funding \$4,000 in operating budget
  - New vehicle \$26,000 to support field work
4. Wireless Master Plan
  - Included as a one-time project at \$60,000

FY: 2015-2016



## TENTATIVE BUDGET

# Council Priorities in Budget - *continued*

## 5. Garbage & Recycling Franchise

- Supplemental included for \$75,000 to develop & implement plan

## 6. Beautification of 89A

- Included in CIP as a project for FY17 (page 2-43)

## 7. Storm Water Management

- FY 16 CIP Budget \$1.5 million
- FY 16-18 CIP Budget \$5.2 million

## 8. Hazardous Materials Disposal IGA

- Yavapai County Verde Valley Household Waste Day Event \$20,000

FY: 2015-2016



TENTATIVE  
BUDGET

# Capital Improvement Program (CIP)

- Funding for FY 2016-2018 projects assigned and identified
- Projects scheduled after FY 18 do not have funding assigned, therefore may not be completed as scheduled
- Need to identify future funding sources for ongoing CIP program
- Priority for Drainage Projects

FY: 2015-2016





TENTATIVE  
BUDGET

# Capital Improvement Program (CIP) by Project Type (excludes carryforwards)

Type of Project	Proposed 2015-16 Funding
Art in Public Places	\$32,500
Community Development	\$150,000
Parks & Recreation	\$3,099,791
Police	\$291,500
Public Works (Sidewalks & Streets)	\$2,563,180
Drainage	\$1,470,900
Wastewater	\$8,315,050
Project Managers & Transfers	<u>\$354,500</u>
	Total <u>\$16,277,421</u>

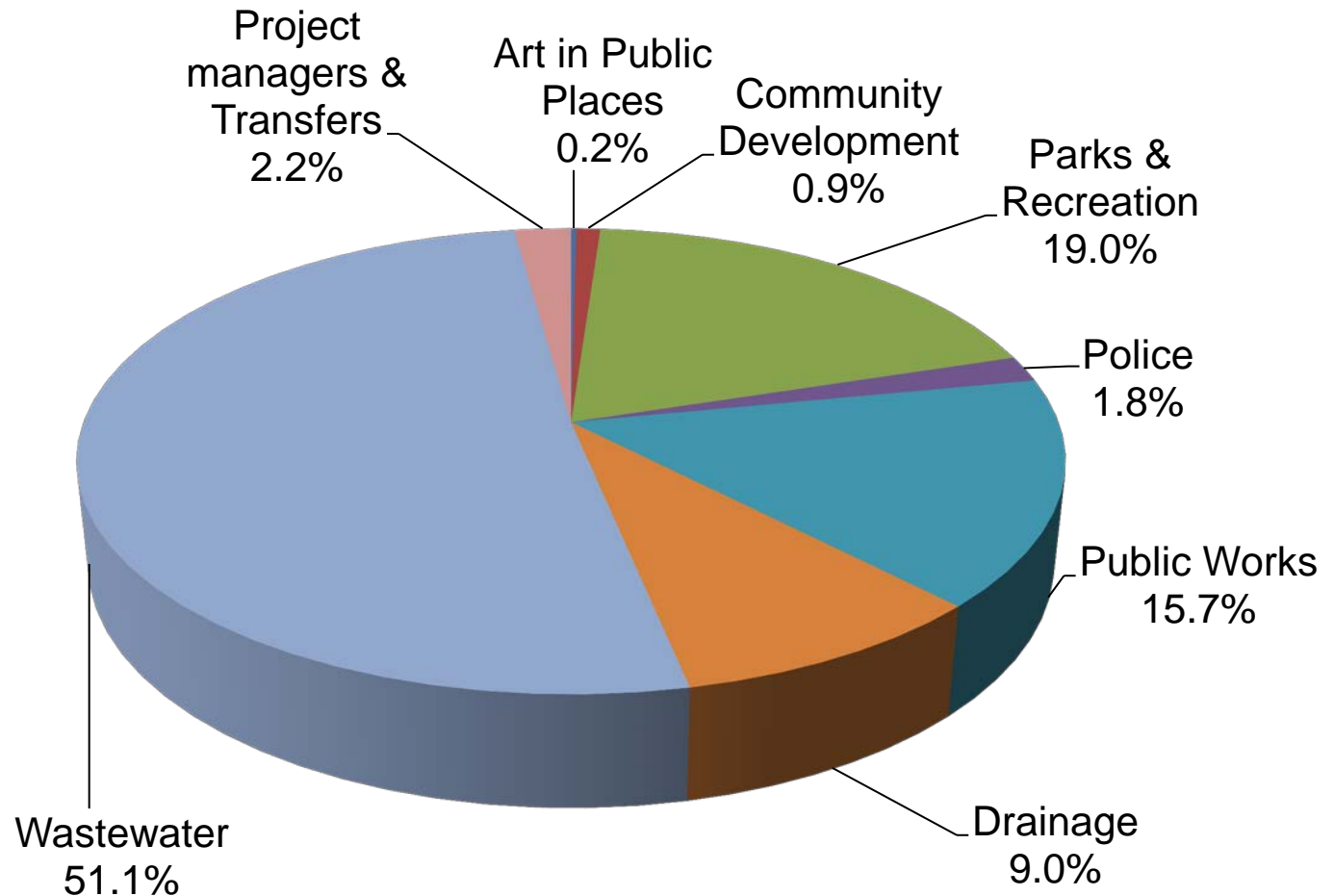
FY: 2015-2016





TENTATIVE  
BUDGET

# Capital Improvement Program (CIP) by Project Type



FY: 2015-2016



TENTATIVE  
BUDGET

## City Sales & Bed Tax

- FY 2015-16 budget is  $\uparrow$  3.5% above FY 2014-15 Estimated
- Through March 2015:

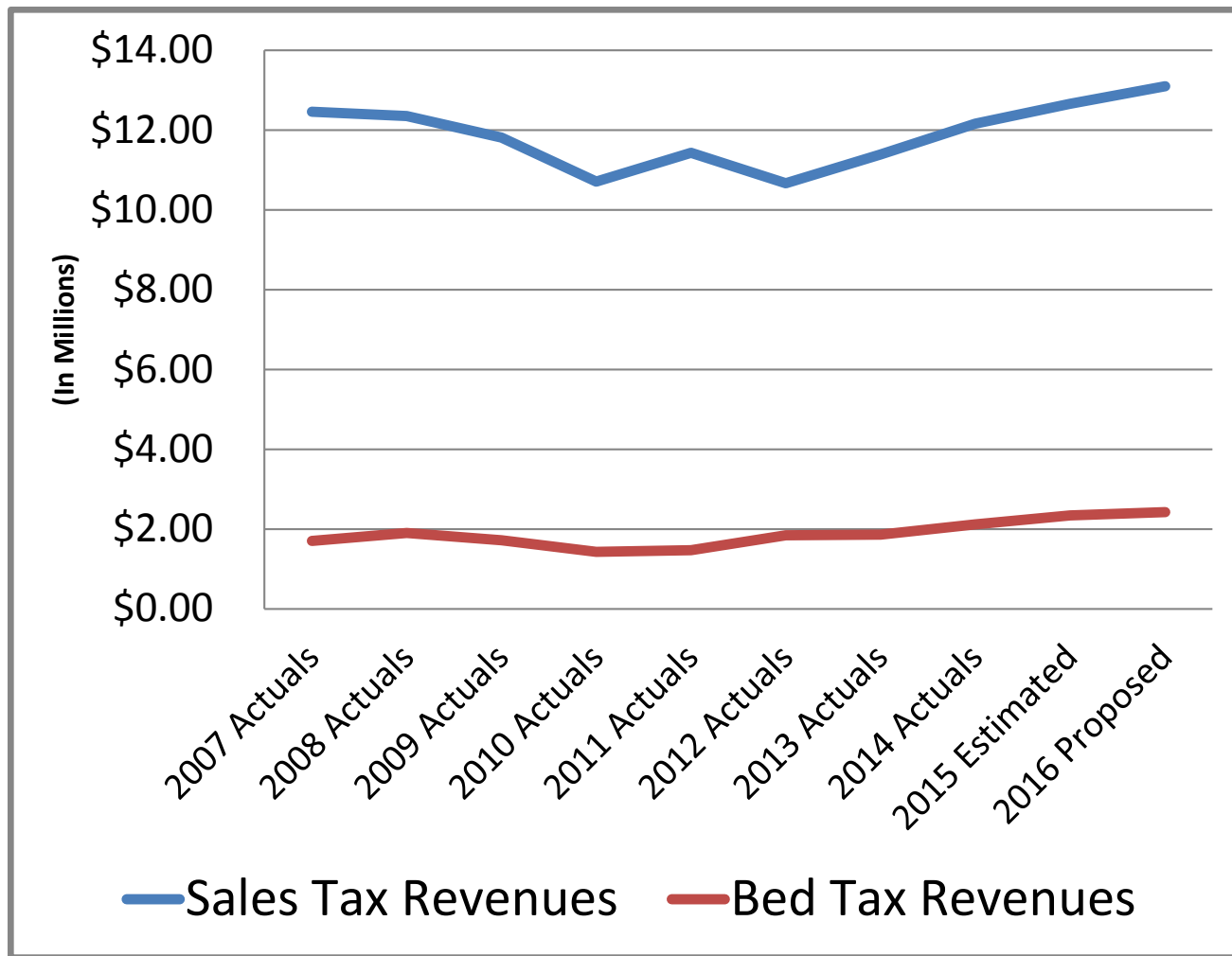
14%	10%	\$1,127,753
Sales Tax increase for budget to date	Sales Tax increase from prior year to date	Sales Tax Collections to date above budget
14%	24%	\$210,021
Bed Tax increase for budget to date	Bed Tax increase from prior year to date	Bed Tax Collections to date above budget

FY: 2015-2016



TENTATIVE  
BUDGET

# Sales & Bed Tax Revenue Trends



FY: 2015-2016



# General Fund Revenue Comparison

(excluding Bond Refinance Proceeds)

General Fund	FY 15 Budget	FY 16 Tentative	Difference to FY 15 Budget	% Change
<b>Revenues</b>				
Sales Tax	8,255,000	9,172,000	917,000	11.1%
Bed Tax	2,120,000	2,422,000	302,000	14.2%
State Shared Revenues	2,120,232	2,165,731	45,499	2.1%
Franchise Fees	757,000	772,000	15,000	2.0%
Motor Vehicle License Tax	553,660	594,500	40,840	7.4%
Licenses & Permits	296,000	338,200	42,200	14.3%
Charges for Service	84,000	96,050	12,050	14.3%
Fines & Forfeitures	157,000	164,200	7,200	4.6%
Other Revenue	801,000	807,150	6,150	0.8%
<b>Total Revenue</b>	<b>15,143,892</b>	<b>16,531,831</b>	<b>1,387,939</b>	<b>9.2%</b>

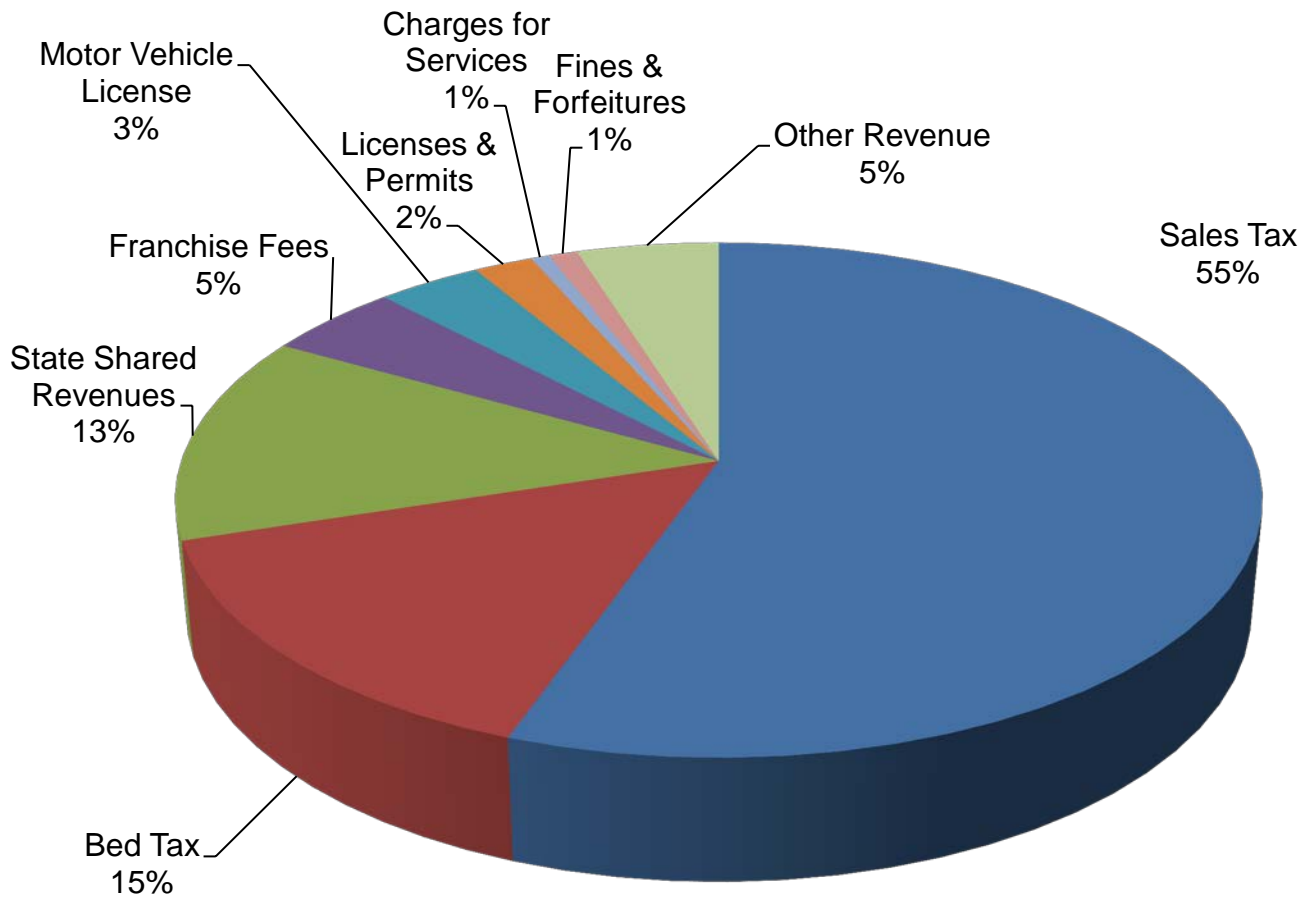
FY: 2015-2016





TENTATIVE  
BUDGET

# General Fund Revenue (excluding Bond Refinance Proceeds)



FY: 2015-2016



TENTATIVE  
BUDGET

# General Fund Expenditures

(excluding Bond Refinance Use)

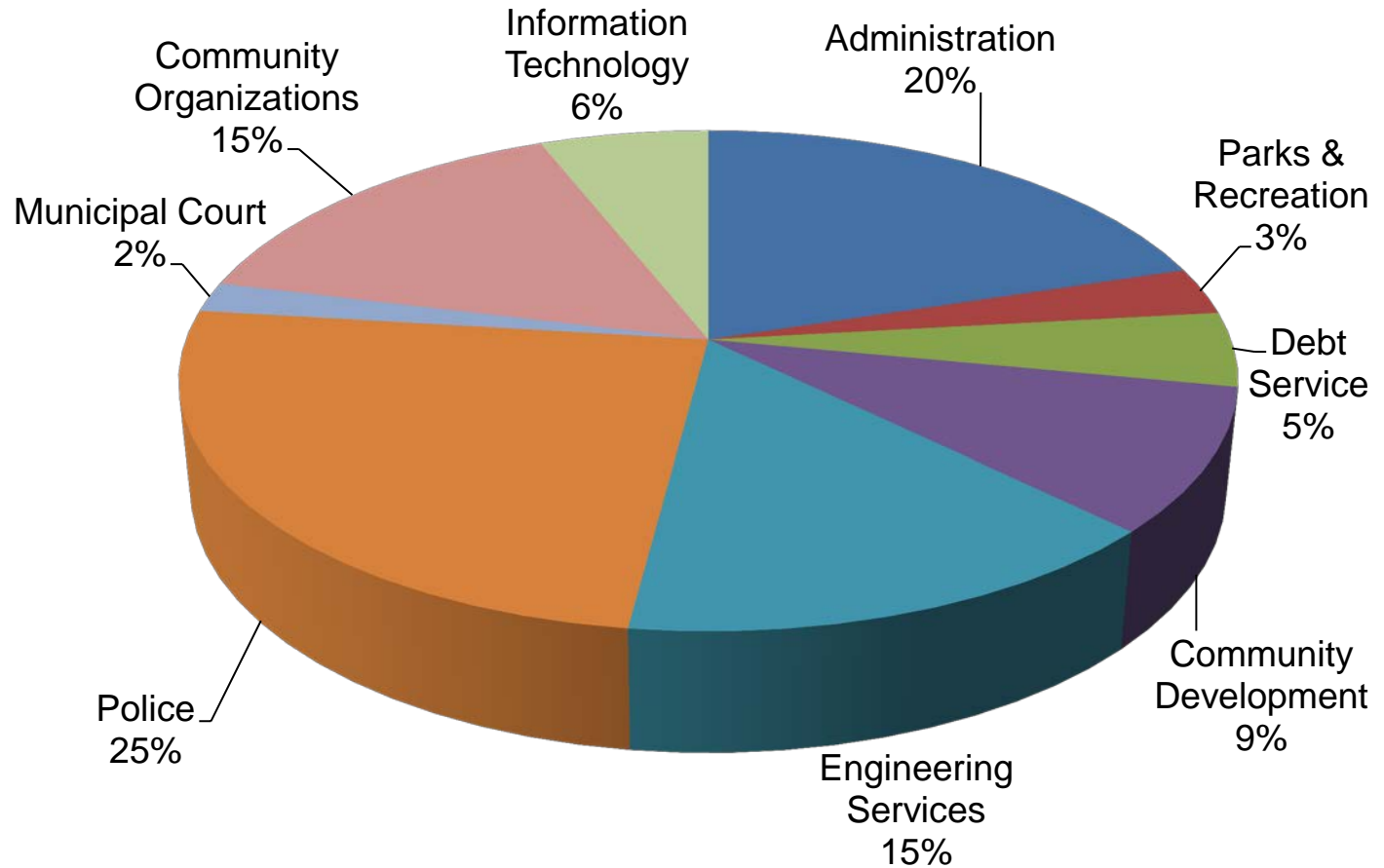
General Fund	FY 15 Budget	FY 16 Tentative	Difference to FY 15 Budget	% Change
<b>Expenditures</b>				
City Council	71,276	77,543	6,267	8.8%
City Manager	790,854	854,638	63,784	8.1%
Human Resources	193,966	209,213	15,247	7.9%
Financial Services	460,678	460,954	276	0.1%
Information Technology	1,146,051	959,037	(187,014)	-16.3%
Legal	481,027	504,523	23,496	4.9%
City Clerk	280,498	218,770	(61,728)	-22.0%
Parks & Recreation	466,510	484,324	17,814	3.8%
General Service	2,947,790	3,277,149	329,359	11.2%
Community Development	1,183,336	1,469,385	286,049	24.2%
Engineering Services	1,918,181	2,345,922	427,741	22.3%
Police	3,756,494	3,946,488	189,994	5.1%
Municipal Court	302,881	305,509	2,628	0.9%
Debt	829,766	763,057	(66,709)	-8.0%
<b>Total Expenditures</b>	<b>14,829,308</b>	<b>15,876,512</b>	<b>1,047,204</b>	<b>7.1%</b>

FY: 2015-2016



TENTATIVE  
BUDGET

# General Fund Expenditures (excluding Bond Refinance Use)



FY: 2015-2016





TENTATIVE  
BUDGET

## Streets Fund (HURF)

- \$35,000 or 4.7% increase in State Highway Users Revenue Funds (HURF)
- Continue to subsidize \$500,000 from General Fund
- Additional \$2.1 million in CIP projects

FY: 2015-2016





TENTATIVE  
BUDGET

## Wastewater Fund

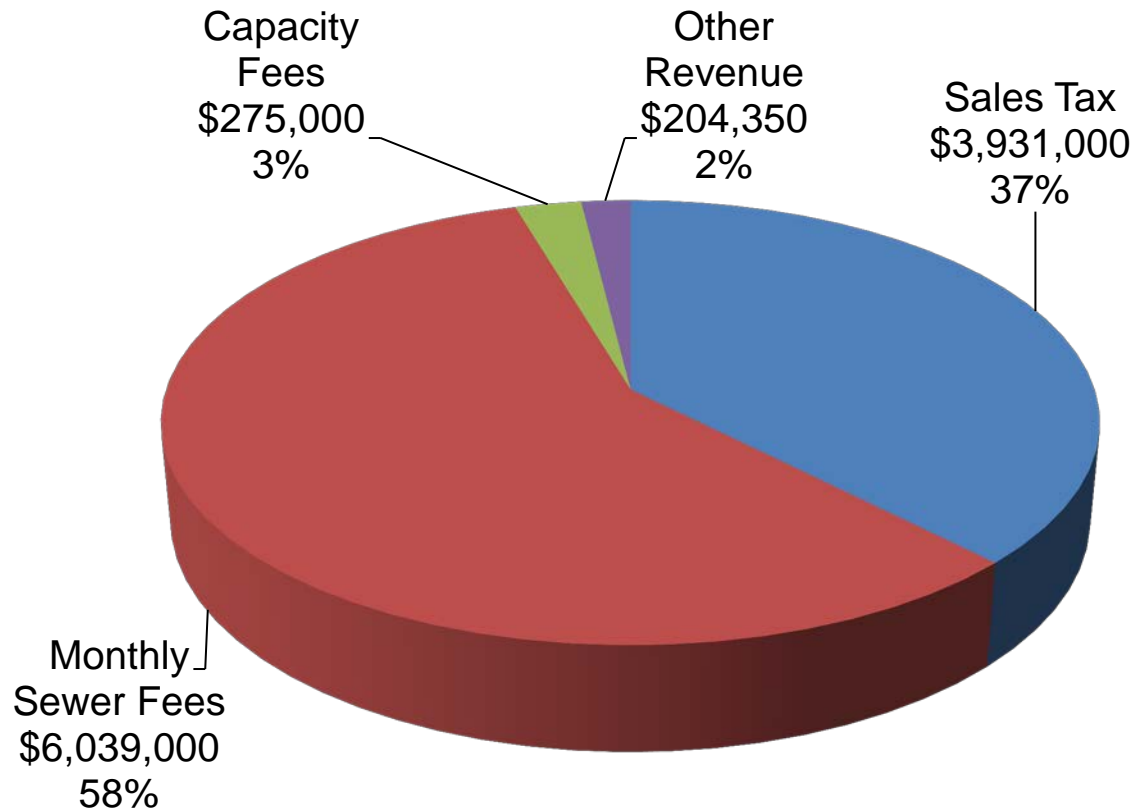
- Sales tax allocation remains at 30%
- Monthly sewer charges include the 4% increased adopted by Council, effective 7-1-2015
- Operating Expense ↑ 4%
- Capital Expenses ↑ 86%
- Future Debt Service will depend on refunding options selected and when savings are “taken”

FY: 2015-2016



TENTATIVE  
BUDGET

# Wastewater Fund Revenue

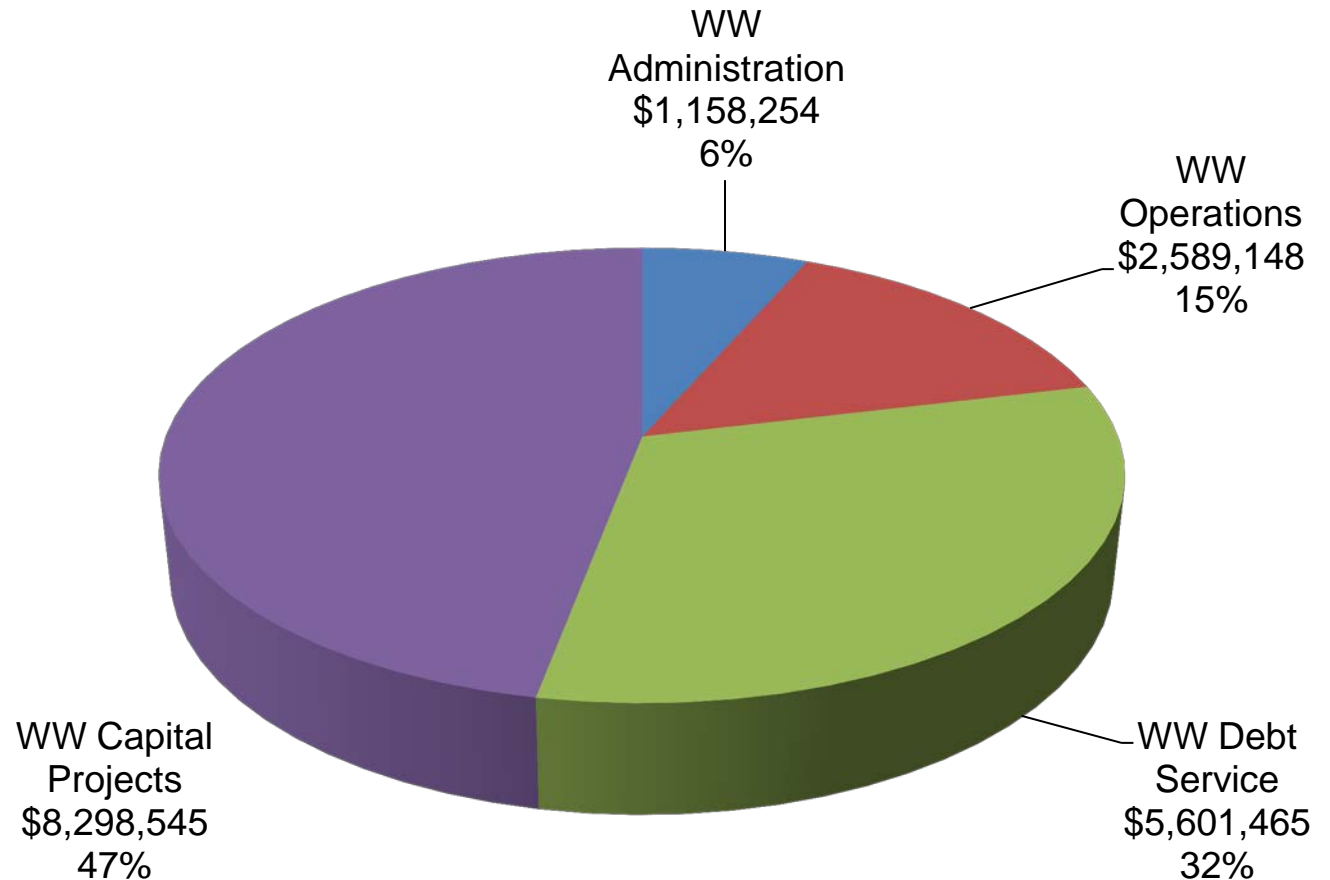


FY: 2015-2016



TENTATIVE  
BUDGET

# Wastewater Fund Expenses



FY: 2015-2016





# TENTATIVE BUDGET

## Questions

FY: 2015-2016