

# AGENDA

# 4:00 P.M.

CITY OF SEDONA, SPECIAL CITY COUNCIL MEETING TUESDAY, JUNE 13, 2017

## NOTES:

- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

[www.SedonaAZ.gov](http://www.SedonaAZ.gov)

## GUIDELINES FOR PUBLIC COMMENT

### PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- The decision to receive Public Comment during Work Sessions/Special City Council meetings is at the discretion of the Mayor.

### PROCEDURES:


- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
  1. Name and
  2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

## 1. CALL TO ORDER

## 2. ROLL CALL

## 3. SPECIAL BUSINESS

LINK TO DOCUMENT = 

- a. AB 2244 **Public hearing/discussion/possible action** regarding approval of a resolution adopting the City of Sedona's Budget for Fiscal Year 2017-2018. 

## 4. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

## 5. ADJOURNMENT

Posted: \_\_\_\_\_

By: \_\_\_\_\_

Susan L. Irvine, CMC  
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at [www.SedonaAZ.gov](http://www.SedonaAZ.gov). The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

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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**CITY COUNCIL  
AGENDA BILL**

**AB 2244  
June 13, 2017  
Special Business**

**Agenda Item:** 3a  
**Proposed Action & Subject:** Public hearing/discussion/possible action regarding approval of a resolution adopting the City of Sedona’s Budget for Fiscal Year 2017-2018.

<b>Department</b>	Finance Department/City Manager’s Office
<b>Time to Present</b>	15 minutes
<b>Total Time for Item</b>	30 minutes
<b>Other Council Meetings</b>	Budget Work Sessions January 19, 2017 and April 26 & 27, 2017, Special Meeting May 16, 2017
<b>Exhibits</b>	A. FY 2017-18 Budget Summary B. Resolution C. Official Budget Forms, Exhibit to Resolution D. PowerPoint Presentation

City Attorney Approval	Reviewed 6/5/17 RLP	<b>Expenditure Required</b>
		\$ 47,752,118
City Manager’s Recommendation	Approve a resolution adopting the FY18 Budget.	<b>Amount Budgeted</b>
		\$ 47,752,118
		Account No. FY 2017-18 Total Budget (Description)
		Finance <input checked="" type="checkbox"/> Approval Expenditures will be made within the total, and may be less

**SUMMARY STATEMENT**

**Background:** The purpose of this item is to provide the public an opportunity to speak on the City’s adopted 2017-18 Tentative Budget and to obtain Council approval of the Final Budget for the Fiscal Year (FY) 2017-18. The total budget, after changes made throughout the budget process, is \$47,752,118. This represents a \$9.4 million or 24% increase from FY2016-2017. The increase is largely due to an increase in capital improvement projects for transportation projects, drainage projects, and wastewater system projects.

The budget process began in January 2017. The City Council Budget retreat was held on January 19, 2017 and provided the Council the opportunity to review and begin establishing priorities for the new fiscal year. In January, staff began work on their base budgets for continuing operations, and the development of the capital budget and ten-year capital plan. In March, the City Manager and members of the Citizen’s Budget Work Group (Doris

Granatowski, Lou Harper, Charlotte Hosseini, Janice Howes, John Martinez, Hollie Ploogh, and Jessica Williamson) met with each department and conducted a thorough review of all budget requests. The City Council then held work sessions on the budget on April 26 and 27, 2017. The City Council heard from the City Manager’s Office and Department Heads regarding department objectives and significant expenditure changes. These sessions also provided an opportunity to receive input from members of the public. The City Council adopted the \$47,752,118 Tentative Budget or Expenditure Cap on May 16, 2017.

Although the budget is adopted as a total amount, the budget is organized by Fund which allows for the City to establish areas of importance and budget accordingly year-to-year to sustain or utilize fund balances as appropriate in each area. Fund segregation is also required by Arizona State Statutes. The annual budget provides a policy guide, or plan, for operations and capital improvements throughout the year and serves as a communications tool to the public.

The final proposed budget of \$47,752,118 has not changed from the Tentative Budget adopted on May 16, 2017. The budgets by fund are:

<b>Fund</b>	<b>FY2017-18 Tentative Budget</b>
General Fund	\$21,102,712
Streets Fund	1,203,490
Grants and Donations Funds	641,350
Developer Impact Fee Funds	1,632,300
Capital Improvements Fund	7,246,669
Art in Public Places Fund	-
Wastewater Fund	14,372,991
Information Technology Fund	1,552,606
<b>Total</b>	<b>\$47,752,118</b>

Detailed department schedules of the adopted 2017-18 Tentative Budget have been posted to the City’s website ([www.SedonaAz.gov](http://www.SedonaAz.gov)) for review by interested members of the public. A summary of the Tentative Budget was posted as a public notice on May 24<sup>th</sup> and 31<sup>st</sup> in the Sedona Red Rock News, along with notice of the public hearing.

The City of Sedona’s Proposed Final Budget includes funding to respond to City Council priorities as well as other issues that were identified at the January 2017 Budget Retreat and at subsequent public meetings.

The final proposed budget does not include any new tax or fee increases other than the multi-year Wastewater increases that were adopted by City Council on May 27, 2014. Monthly wastewater fees will increase by four percent (4%) on July 1, 2017.

The new budget requests included in the FY 2017-18 Proposed Final Budget, as discussed and reviewed during the City Council work sessions, include:

- Salary and benefit increases
  - The recommended budget includes a 2.5% cost-of-living adjustment (COLA)

and 2.5% merit increases. The COLA is based on the annual Consumer Price Index (CPI) adjustment for the Western Region as of December 2016.

- Health insurance rates increased approximately 4%.
- The Arizona State Retirement System (ASRS) rates changed slightly from 11.48% of wages to 11.50%.
- The Public Safety Personnel Retirement System (PSPRS) rates changed significantly from 25.83% of wages to 33.97%.
- 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 \$50,000 in savings.
- New Positions
  - Wastewater Plant Operator position to address increases in workload. \$74,440
  - Administrative Assistant for the Parks & Recreation Department to address increases in service levels. \$69,400
  - Six part-time Traffic Control Assistants. \$126,840
  - Convert existing Police Lieutenant position to Police Commander. \$21,510
  - Increase Administrative Assistant position for the Wastewater Department from part-time to full-time. \$35,060
- The budget includes \$718,000 of General Fund FY17 budgeted projects and \$38,000 of Wastewater Fund FY17 budget projects to be carried over to FY18.
- An indirect cost allocation plan was implemented for FY18. Indirect cost allocations are a commonly used methodology for allocating costs incurred in internal service departments and programs to the programs and services of other departments benefitting from those services. As part of this implementation, the Information Technology Department and related functions are now accounted for in a separate internal service fund for better tracking of this function as a support service to other departments and to track the funding of an information technology equipment replacement reserve. The revenues for this fund are primarily handled with internal charges to other departments. In a consolidation of all City funds, these internal charges (approximately \$1.6 million) are essentially a duplication of the costs they cover in the Information Technology Fund.
- The 10-year Capital Improvement Plan (CIP) includes numerous projects that are identified as unfunded primarily in the years after FY19. Many projects have been identified during the development of the transportation master plan that have been included, but current funding sources would be inadequate to address a majority of these projects. However, once more information is available from the master plan development; Council may not wish to pursue all of these projects presented in the CIP. The unfunded projects have been listed on the summary CIP schedule in gray italics, but have not been included in the summary totals.

**Community Plan Consistent:** Yes - No - Not Applicable

The Proposed Final Budget includes a significant investment in the priorities established in the Community Plan, including: transportation improvements; land use planning of Community Focus Areas (CFAs); investment in infrastructure to maintain the City's roads and streets; preservation and expansion of the City's parks, recreation and open spaces; and updating the Land Development Code.

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):** The City Council may change the amount of the proposed final budget prior to final adoption, so long as it does not exceed the Tentative Budget cap of \$47,752,118.

**MOTION**

**I move to:** approve Resolution No. 2017-\_\_ adopting the Budget for Fiscal Year 2017-18 including the budget attachments.

**Exhibit A**  
**City of Sedona**  
**FY17-18 Final Budget - Consolidated Financial Schedule**

Fund/Department	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
<b>General Fund</b>												
General Revenues		\$21,410,400		\$445,400	\$2,888,000			\$24,743,800		(\$5,290,789)		
General Government						\$328,100	\$679,050	\$1,007,150			\$3,741,663	
Public Safety					\$26,060		\$41,400	\$67,460			\$7,185,170	
Public Works & Streets								\$0			\$2,773,260	
Transportation								\$0			\$363,090	
Culture & Recreation						\$80,850	\$29,000	\$109,850			\$2,310,249	
Economic Development								\$0			\$2,397,970	
Debt Service								\$0			\$1,431,310	
Contingencies			\$550,000					\$550,000			\$900,000	
<b>Total General Fund</b>	<b>\$10,338,362</b>	<b>\$21,410,400</b>	<b>\$550,000</b>	<b>\$445,400</b>	<b>\$2,914,060</b>	<b>\$408,950</b>	<b>\$749,450</b>	<b>\$26,478,260</b>	<b>\$0</b>	<b>(\$5,290,789)</b>	<b>\$21,102,712</b>	<b>\$10,423,121</b>
<b>Special Revenue Funds</b>												
Streets Fund	\$807,946				\$858,200		\$103,700	\$961,900	\$35,389		\$1,203,490	\$601,745
Grants & Donations Funds	\$594,730		\$300,000		\$91,600	\$5,500	\$81,960	\$479,060			\$641,350	\$432,440
<b>Total Special Revenue Funds</b>	<b>\$1,402,676</b>	<b>\$0</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$949,800</b>	<b>\$5,500</b>	<b>\$185,660</b>	<b>\$1,440,960</b>	<b>\$35,389</b>	<b>\$0</b>	<b>\$1,844,840</b>	<b>\$1,034,185</b>
<b>Capital Projects Funds</b>												
Development Impact Fees Funds	\$2,285,753						\$225,490	\$225,490			\$1,452,300	\$1,058,943
Capital Improvements Fund	\$11,473,400				\$1,067,657		\$204,200	\$1,271,857	\$1,089,500	(\$26,378)	\$7,426,669	\$6,381,710
Art in Public Places Fund	\$80,420						\$230	\$230	\$26,378		\$0	\$107,028
<b>Total Capital Projects Funds</b>	<b>\$13,839,573</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,067,657</b>	<b>\$0</b>	<b>\$429,920</b>	<b>\$1,497,577</b>	<b>\$1,115,878</b>	<b>(\$26,378)</b>	<b>\$8,878,969</b>	<b>\$7,547,681</b>
<b>Wastewater Enterprise Fund</b>												
Wastewater Administration						\$6,164,200	\$559,350	\$6,723,550	\$4,165,900		\$270,665	
Wastewater Operations								\$0			\$3,073,111	
Departmental Allocations								\$0			\$1,442,430	
Capital Projects								\$0			\$5,077,050	
Debt Service								\$0			\$4,409,735	
Contingencies								\$0			\$100,000	
<b>Total Wastewater Enterprise Fund</b>	<b>\$14,792,117</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,164,200</b>	<b>\$559,350</b>	<b>\$6,723,550</b>	<b>\$4,165,900</b>	<b>\$0</b>	<b>\$14,372,991</b>	<b>\$11,308,576</b>
<b>Internal Service Fund</b>												
Information Technology	\$0						\$1,622,130	\$1,622,130			\$1,552,606	\$69,524
<b>Total Internal Service Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,622,130</b>	<b>\$0</b>	<b>\$1,622,130</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,552,606</b>	<b>\$69,524</b>
<b>Total All Funds</b>	<b>\$40,372,728</b>	<b>\$21,410,400</b>	<b>\$850,000</b>	<b>\$445,400</b>	<b>\$4,931,517</b>	<b>\$8,200,780</b>	<b>\$1,924,380</b>	<b>\$37,762,477</b>	<b>\$5,317,167</b>	<b>(\$5,317,167)</b>	<b>\$47,752,118</b>	<b>\$30,383,087</b>

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**RESOLUTION NO. 2017-\_\_**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA,  
ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2017-2018.**

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 16, 2017, 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 16, 2017 and June 13, 2017, 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 16, 2017 and June 13, 2017, 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 2017-2018.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 13<sup>th</sup> day of June, 2017.

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Sandra J. Moriarty, Mayor

ATTEST:

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Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

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Robert Pickels, Jr., City Attorney

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## **OFFICIAL BUDGET FORMS**

### **CITY OF SEDONA**

#### **Fiscal Year 2018**

**City Council adopted the Tentative Budget on May 16, 2017**



Final budget adoption will occur on June 13, 2017 at 4:00 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](http://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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Schedule E—Expenditures/Expenses by Fund

Schedule F—Expenditures/Expenses by Department (as applicable)

Schedule G—Full-Time Employees and Personnel Compensation

**CITY OF SEDONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2018**

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	
2017	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	18,823,460	1,570,500	0	5,847,844	0	12,119,062	0	38,360,866
2017	Actual Expenditures/Expenses**	E	17,326,793	1,443,026	0	4,014,258	0	11,183,936	0	33,968,013
2018	Fund Balance/Net Position at July 1***		10,338,362	1,402,676		13,839,573		14,792,117	0	40,372,728
2018	Primary Property Tax Levy	B	0							0
2018	Secondary Property Tax Levy	B								0
2018	Estimated Revenues Other than Property Taxes	C	26,478,260	1,440,960	0	1,497,577	0	6,723,550	1,622,130	37,762,477
2018	Other Financing Sources	D	0	0	0	0	0	0	0	0
2018	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2018	Interfund Transfers In	D	0	35,389	0	1,115,878	0	4,165,900	0	5,317,167
2018	Interfund Transfers (Out)	D	5,290,789	0	0	26,378	0	0	0	5,317,167
2018	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:		800,000					4,581,690		5,381,690
	Amounts for Operating Reserve Policies		9,385,071	601,745				1,634,102		11,620,918
	Equipment Replacement Reserve		238,050					116,100	69,420	423,570
										0
2018	Total Financial Resources Available		21,102,712	2,277,280	0	16,426,650	0	19,349,675	1,552,710	60,709,027
2018	Budgeted Expenditures/Expenses	E	21,102,712	1,844,840	0	8,878,969	0	14,372,991	1,552,606	47,752,118

**EXPENDITURE LIMITATION COMPARISON**

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

	2017	2018
1. Budgeted expenditures/expenses	\$ 38,360,866	\$ 47,752,118
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	38,360,866	47,752,118
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 38,360,866	\$ 47,752,118
6. EEC expenditure limitation	\$ 38,360,866	\$ 47,752,118

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 2018**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2017</b>	<b>ACTUAL REVENUES* 2017</b>	<b>ESTIMATED REVENUES 2018</b>
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
City Sales Taxes	\$ 15,526,670	\$ 16,110,700	\$ 16,673,800
Bed Taxes	3,172,200	3,698,800	3,977,200
Franchise Fees	816,060	783,600	759,400
Contingent Bed Taxes	550,000		550,000
<b>Licenses and permits</b>			
Building Permit Fees	325,000	377,000	357,100
Business Licenses	95,000	91,900	91,900
Misc Community Development/Public Works	35,775	39,500	35,200
City Clerk	200	670	2,350
<b>Intergovernmental</b>			
State Shared Sales Taxes	979,400	943,300	966,900
State Urban Revenue Sharing	1,273,001	1,271,700	1,303,500
State Grants	20,000	10,350	26,060
County-Vehicle License Taxes	620,300	608,500	617,600
<b>Charges for services</b>			
Election Reimbursements	30,000	11,530	
Recreation Programs	20,000	38,500	48,000
Daily Swim Fees	18,000	20,900	20,100
Expedited Plan Reviews	14,400		10,000
Other Contracted Plan Reviews		4,000	10,000
Misc Community Development Fees		17,700	12,600
Misc. Parks & Recreation Fees	10,700	12,300	12,750
Paid Parking Fees		23,600	282,800
Misc. Police Fees	4,200	6,700	9,600
Other Misc. Charges for Services	4,200	3,700	3,100
<b>Fines and forfeits</b>			
Court Fines	140,000	99,800	99,800
Parking Fees and Fines	100,000	2,300	27,000
STEP Administration Fees	19,300	10,000	10,000
Misc. Fines	3,000	5,100	5,100
<b>Interest on investments</b>			
Interest Earnings	122,500	59,150	60,250
Tax Audits - Interest/Penalty			
<b>Contributions</b>			
Voluntary contributions			
Police Donations	400	1,400	
<b>Miscellaneous</b>			
In-lieu Fees	406,000	445,400	445,400
Parks & Recreation Rentals	16,000	27,900	29,000
Other Rentals	11,400	11,100	11,100
Auction Revenues	15,000	21,400	17,200
Other Misc. Revenues	60,000	25,750	3,450
<b>Total General Fund</b>	<b>\$ 24,408,706</b>	<b>\$ 24,784,250</b>	<b>\$ 26,478,260</b>

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

**CITY OF SEDONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2018**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2017</b>	<b>ACTUAL REVENUES* 2017</b>	<b>ESTIMATED REVENUES 2018</b>
<b>SPECIAL REVENUE FUNDS</b>			
Streets Fund:	\$	\$	\$
HURF Revenues	799,000	943,400	858,200
Contributions and Donations			100,000
Interest Earnings		3,600	3,700
	\$ 799,000	\$ 947,000	\$ 961,900
Grants and Donation Funds:	\$	\$	\$
Grants and Other Intergovernmental	80,000	209,020	91,600
Donations	40,500	18,150	69,100
Fines & Forfeitures		12,800	12,800
In Lieu Fees		19,800	
Other Misc. Revenues		1,580	5,560
Contingent Grants & Donations	300,000		300,000
	\$ 420,500	\$ 261,350	\$ 479,060
<b>Total Special Revenue Funds</b>	\$ 1,219,500	\$ 1,208,350	\$ 1,440,960
<b>CAPITAL PROJECTS FUNDS</b>			
Capital Improvement Fund:	\$	\$	\$
County Flood Control	665,976	682,200	696,000
Grants			371,657
Contributions and Donations	300,000	200,600	175,000
Interest Earnings		29,100	29,200
	\$ 965,976	\$ 911,900	\$ 1,271,857
Art in Public Places Fund:	\$	\$	\$
Contributions from CFDs	11,849		
In Lieu Fees		6,200	
Interest Earnings		270	230
	\$ 11,849	\$ 6,470	\$ 230
Development Impact Fee Funds:	\$	\$	\$
Developer Impact Fees	191,000	603,700	213,880
Interest Earnings	10,000	11,420	11,610
	\$ 201,000	\$ 615,120	\$ 225,490
<b>Total Capital Projects Funds</b>	\$ 1,178,825	\$ 1,533,490	\$ 1,497,577
<b>ENTERPRISE FUNDS</b>			
Wastewater - Charges for Services	\$ 5,901,144	\$ 5,922,200	\$ 6,164,200
Wastewater - Capacity Fees	275,000	1,266,100	403,100
Wastewater - Misc. Revenues	227,720	170,900	156,250
	\$ 6,403,864	\$ 7,359,200	\$ 6,723,550
<b>Total Enterprise Funds</b>	\$ 6,403,864	\$ 7,359,200	\$ 6,723,550

\* 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 2018**

<b>SOURCE OF REVENUES</b>	<b>ESTIMATED REVENUES 2017</b>	<b>ACTUAL REVENUES* 2017</b>	<b>ESTIMATED REVENUES 2018</b>
<b>INTERNAL SERVICE FUNDS</b>			
Information Technology Fund:	\$ _____	\$ _____	\$ _____
Internal Cost Charges	_____	_____	1,621,480
Other Charges for Services	_____	_____	650
	\$ _____	\$ _____	\$ 1,622,130
<b>Total Internal Service Funds</b>	\$ _____	\$ _____	\$ 1,622,130
<b>TOTAL ALL FUNDS</b>	\$ <u>33,210,895</u>	\$ <u>34,885,290</u>	\$ <u>37,762,477</u>

\* 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 2018**

FUND	OTHER FINANCING 2018		INTERFUND TRANSFERS 2018	
	SOURCES	<USES>	IN	<OUT>
<b>GENERAL FUND</b>				
Transfer to Streets Fund	\$	\$	\$	\$ 35,389
Transfer to Wastewater Fund				4,165,900
Transfer to Capital Improvements Fund				1,089,500
<b>Total General Fund</b>	\$	\$	\$	\$ 5,290,789
<b>SPECIAL REVENUE FUNDS</b>				
Streets - From General Fund	\$	\$	\$ 35,389	\$
<b>Total Special Revenue Funds</b>	\$	\$	\$ 35,389	\$
<b>CAPITAL PROJECTS FUNDS</b>				
Cap Improvement - From General Fund	\$	\$	\$ 1,089,500	\$
Cap Impr - To Art in Public Places				26,378
Art in Public Places - From Cap Impr			26,378	
<b>Total Capital Projects Funds</b>	\$	\$	\$ 1,115,878	\$ 26,378
<b>ENTERPRISE FUNDS</b>				
Wastewater - From General Fund	\$	\$	\$ 4,165,900	\$
<b>Total Enterprise Funds</b>	\$	\$	\$ 4,165,900	\$
<b>INTERNAL SERVICE FUNDS</b>				
	\$	\$	\$	\$
<b>Total Internal Service Funds</b>	\$	\$	\$	\$
<b>TOTAL ALL FUNDS</b>	\$	\$	\$ 5,317,167	\$ 5,317,167

**CITY OF SEDONA**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2018**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
<b>GENERAL FUND</b>				
City Council	\$ 78,585	\$	\$ 76,800	\$ 77,775
City Manager	1,016,875	(5,016)	846,458	3,138,700
Human Resources	226,080	10,965	227,045	308,275
Financial Services	536,465	(1,700)	540,385	961,155
Information Technology	1,193,777	3,300	1,022,760	
City Attorney	534,455		446,390	631,360
City Clerk	297,719		258,593	260,090
Parks & Recreation	539,557	9,200	556,017	651,474
General Services	3,364,479	(30,054)	3,197,059	1,955,258
Community Development	1,646,691	12,467	1,420,510	1,707,950
Public Works & Engineering	3,139,298	106,420	3,153,798	3,421,205
Economic Development				184,970
Police	4,304,779		4,217,409	4,654,910
Municipal Court	342,950		331,890	361,370
Indirect Cost Allocations				456,910
Debt Service	707,366	(21,198)	686,168	1,431,310
Contingency	900,000	(90,000)	345,511	900,000
<b>Total General Fund</b>	<b>\$ 18,829,076</b>	<b>\$ (5,616)</b>	<b>\$ 17,326,793</b>	<b>\$ 21,102,712</b>
<b>SPECIAL REVENUE FUNDS</b>				
Streets Fund	\$ 1,150,000	\$	\$ 1,150,000	\$ 1,203,490
Grants & Donations Funds	420,500		293,026	641,350
<b>Total Special Revenue Funds</b>	<b>\$ 1,570,500</b>	<b>\$</b>	<b>\$ 1,443,026</b>	<b>\$ 1,844,840</b>
<b>CAPITAL PROJECTS FUNDS</b>				
Develop. Impact Fees Funds	\$ 2,543,860	\$ (8,802)	\$ 1,014,260	\$ 1,452,300
Capital Improvements Fund	3,312,786		2,999,998	7,426,669
Art in Public Places Fund				
<b>Total Capital Projects Funds</b>	<b>\$ 5,856,646</b>	<b>\$ (8,802)</b>	<b>\$ 4,014,258</b>	<b>\$ 8,878,969</b>
<b>ENTERPRISE FUNDS</b>				
Wastewater - Administration	\$ 264,764	\$ 6,952	\$ 342,623	\$ 270,665
Wastewater - Operations	2,611,224	(42,752)	2,215,042	3,073,111
Wastewater - Debt Service	5,151,325		5,151,325	4,409,735
Wastewater - Capital	3,193,790	41,170	2,626,960	5,077,050
Wastewater - Dept Allocations	783,541	9,048	847,986	1,442,430
Wastewater - Contingency	100,000			100,000
<b>Total Enterprise Funds</b>	<b>\$ 12,104,644</b>	<b>\$ 14,418</b>	<b>\$ 11,183,936</b>	<b>\$ 14,372,991</b>
<b>INTERNAL SERVICE FUNDS</b>				
Information Technology Fund	\$	\$	\$	\$ 1,552,606
<b>Total Internal Service Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,552,606</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 38,360,866</b>	<b>\$</b>	<b>\$ 33,968,013</b>	<b>\$ 47,752,118</b>

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

**CITY OF SEDONA**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2018**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
<b>City Council:</b>				
General Fund	\$ 78,585	\$	\$ 76,800	\$ 77,775
<b>Department Total</b>	<b>\$ 78,585</b>	<b>\$</b>	<b>\$ 76,800</b>	<b>\$ 77,775</b>
<b>City Manager:</b>				
General Fund	\$ 1,016,875	\$ (5,016)	\$ 846,458	\$ 3,138,700
Wastewater Fund	47,950	731	48,681	
<b>Department Total</b>	<b>\$ 1,064,825</b>	<b>\$ (4,285)</b>	<b>\$ 895,139</b>	<b>\$ 3,138,700</b>
<b>Human Resources:</b>				
General Fund	\$ 226,080	\$ 10,965	\$ 227,045	\$ 308,275
Wastewater Fund	19,440	107	19,547	
<b>Department Total</b>	<b>\$ 245,520</b>	<b>\$ 11,072</b>	<b>\$ 246,592</b>	<b>\$ 308,275</b>
<b>Financial Services:</b>				
General Fund	\$ 536,465	\$ (1,700)	\$ 540,385	\$ 961,155
Wastewater Fund	406,520		376,720	168,850
<b>Department Total</b>	<b>\$ 942,985</b>	<b>\$ (1,700)</b>	<b>\$ 917,105</b>	<b>\$ 1,130,005</b>
<b>Information Technology:</b>				
General Fund	\$ 1,193,777	\$ 3,300	\$ 1,022,760	\$
Wastewater Fund	87,578		89,075	75,130
Information Technology Fund				1,552,606
<b>Department Total</b>	<b>\$ 1,281,355</b>	<b>\$ 3,300</b>	<b>\$ 1,111,835</b>	<b>\$ 1,627,736</b>
<b>City Attorney:</b>				
General Fund	\$ 534,455	\$	\$ 446,390	\$ 631,360
Wastewater Fund	21,090		21,090	100,000
<b>Department Total</b>	<b>\$ 555,545</b>	<b>\$</b>	<b>\$ 467,480</b>	<b>\$ 731,360</b>
<b>City Clerk:</b>				
General Fund	\$ 297,719	\$	\$ 258,593	\$ 260,090
Wastewater Fund	12,650		12,650	
<b>Department Total</b>	<b>\$ 310,369</b>	<b>\$</b>	<b>\$ 271,243</b>	<b>\$ 260,090</b>
<b>Parks &amp; Recreation:</b>				
General Fund	\$ 539,557	\$ 9,200	\$ 556,017	\$ 651,474
Grants & Donations Funds	70,500		85,774	82,500
<b>Department Total</b>	<b>\$ 610,057</b>	<b>\$ 9,200</b>	<b>\$ 641,791</b>	<b>\$ 733,974</b>
<b>Community Development:</b>				
General Fund	\$ 1,646,691	\$ 12,467	\$ 1,420,510	\$ 1,707,950
Grants & Donations Funds		272,450	71,000	
<b>Department Total</b>	<b>\$ 1,646,691</b>	<b>\$ 284,917</b>	<b>\$ 1,491,510</b>	<b>\$ 1,707,950</b>
<b>Public Works &amp; Engineering:</b>				
General Fund	\$ 3,139,298	\$ 106,420	\$ 3,153,798	\$ 3,421,205
Streets Fund	1,150,000		1,150,000	1,203,490
Develop. Impact Fee Funds	30,000	(30,000)		
Wastewater Fund	267,153	13,580	281,933	344,490
<b>Department Total</b>	<b>\$ 4,586,451</b>	<b>\$ 90,000</b>	<b>\$ 4,585,731</b>	<b>\$ 4,969,185</b>
<b>Economic Development</b>				
General Fund	\$	\$	\$	\$ 184,970
<b>Department Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 184,970</b>

**CITY OF SEDONA**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2018**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2017</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2018</b>
<b>Police:</b>				
General Fund	\$ 4,304,779	\$	\$ 4,217,409	\$ 4,654,910
Grants & Donations Funds	50,000	27,550	134,602	61,350
<b>Department Total</b>	<b>\$ 4,354,779</b>	<b>\$ 27,550</b>	<b>\$ 4,352,011</b>	<b>\$ 4,716,260</b>
<b>Municipal Court:</b>				
General Fund	\$ 342,950	\$	\$ 331,890	\$ 361,370
Grants & Donations Funds			1,650	
<b>Department Total</b>	<b>\$ 342,950</b>	<b>\$</b>	<b>\$ 333,540</b>	<b>\$ 361,370</b>
<b>General Services:</b>				
General Fund	\$ 3,364,479	\$ (30,054)	\$ 3,197,059	\$ 1,955,258
Wastewater Fund				(25,000)
<b>Department Total</b>	<b>\$ 3,364,479</b>	<b>\$ (30,054)</b>	<b>\$ 3,197,059</b>	<b>\$ 1,930,258</b>
<b>Indirect Cost Allocations:</b>				
General Fund				\$ 456,910
Wastewater Fund				847,870
<b>Department Total</b>				<b>\$ 1,304,780</b>
<b>Contingency:</b>				
General Fund	\$ 900,000	\$ (90,000)	\$ 345,511	\$ 900,000
Grants & Donations Funds	300,000	(300,000)		300,000
Wastewater Fund	100,000			100,000
<b>Department Total</b>	<b>\$ 1,300,000</b>	<b>\$ (390,000)</b>	<b>\$ 345,511</b>	<b>\$ 1,300,000</b>
<b>Capital Improvement Projects:</b>				
Develop. Impact Fee Funds	\$ 2,513,860	\$	\$ 993,062	\$ 1,429,600
Capital Improvements Fund	3,312,786		2,999,998	7,426,669
Art in Public Places Fund				
Grants & Donations Funds				197,500
Wastewater Fund	3,049,750	35,800	2,474,750	5,077,050
<b>Department Total</b>	<b>\$ 8,876,396</b>	<b>\$ 35,800</b>	<b>\$ 6,467,810</b>	<b>\$ 14,130,819</b>
<b>Debt Service:</b>				
General Fund	\$ 707,366	\$ (21,198)	\$ 686,168	\$ 1,431,310
Develop. Impact Fee Funds		21,198	21,198	22,700
Wastewater Fund	5,151,325		5,151,325	4,409,735
<b>Department Total</b>	<b>\$ 5,858,691</b>	<b>\$</b>	<b>\$ 5,858,691</b>	<b>\$ 5,863,745</b>
<b>Wastewater:</b>				
Wastewater Fund	\$ 2,941,188	\$ (35,800)	\$ 2,708,165	\$ 3,274,866
<b>Department Total</b>	<b>\$ 2,941,188</b>	<b>\$ (35,800)</b>	<b>\$ 2,708,165</b>	<b>\$ 3,274,866</b>

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

**CITY OF SEDONA**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2018**

<b>FUND</b>	<b>Full-Time Equivalent (FTE) 2018</b>	<b>Employee Salaries and Hourly Costs 2018</b>	<b>Retirement Costs 2018</b>	<b>Healthcare Costs 2018</b>	<b>Other Benefit Costs 2018</b>	<b>Total Estimated Personnel Compensation 2018</b>
<b>GENERAL FUND</b>	122	\$ 7,405,240	\$ 1,524,220	\$ 1,293,640	\$ 566,840	\$ 10,789,940
<b>SPECIAL REVENUE FUNDS</b>						
		\$	\$	\$	\$	\$
<b>Total Special Revenue Funds</b>		\$	\$	\$	\$	\$
<b>CAPITAL PROJECTS FUNDS</b>						
		\$	\$	\$	\$	\$
<b>Total Capital Projects Funds</b>		\$	\$	\$	\$	\$
<b>ENTERPRISE FUNDS</b>						
Wastewater Fund	15	\$ 914,990	\$ 106,620	\$ 203,730	\$ 95,580	\$ 1,320,920
<b>Total Enterprise Funds</b>	15	\$ 914,990	\$ 106,620	\$ 203,730	\$ 95,580	\$ 1,320,920
<b>INTERNAL SERVICE FUND</b>						
Information Technology Fund	5	\$ 398,990	\$ 45,260	\$ 60,120	\$ 33,740	\$ 538,110
<b>Total Internal Service Fund</b>	5	\$ 398,990	\$ 45,260	\$ 60,120	\$ 33,740	\$ 538,110
<b>TOTAL ALL FUNDS</b>	<b>142</b>	<b>\$ 8,719,220</b>	<b>\$ 1,676,100</b>	<b>\$ 1,557,490</b>	<b>\$ 696,160</b>	<b>\$ 12,648,970</b>

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# FY2017-18 Final Proposed Budget City Council Special Meeting



June 13, 2017

# FY18 Budget Calendar

	Participants	Date
Capital Improvement Program (CIP) Budget Kickoff Meeting	Staff	January 17, 2017
City Council Budget Retreat	Council, Staff	January 19, 2017
Operating Budget Kickoff Meeting	Staff	January 25, 2017
Deadline to Submit CIP Requests	Staff	February 9, 2017
Review of CIP Project Submittals	Staff	February 21, 2017
Operating Base Budgets and Decision Packages Due	Staff	February 23, 2017
Citizens Budget Work Group (CBWG) Kickoff Meeting	CBWG, Staff	March 1, 2017
City Manager Review of CIP Requests by Program Area	Staff, CBWG	March 1-2, 2017
Revenue Forecast Work Group (RFGW) Review of Revenue Projections	RFGW, Staff	<del>March 8, 2017</del> Rescheduled March 30, 2017
Final Review Draft CIP	Staff	March 9, 2017
CIP Funding/Budget Balancing	Staff	March 16, 2017
City Manager Review of Operating Base Budgets and Decision-Package Requests	Staff, CBWG	March 21-22, 2017
City Manager Review of Final Funded CIP	Staff, CBWG	March 23, 2017
Proposed Budget Distributed to City Council	Staff	April 13, 2017
City Council Work Sessions	Council, Staff	April 26-27, 2017
City Council Adoption of Tentative Budget	Council, Staff	May 16, 2017
City Council Adoption of Budget	Council, Staff	<b>June 13, 2017</b>



# Budget vs. Forecast

## Budget

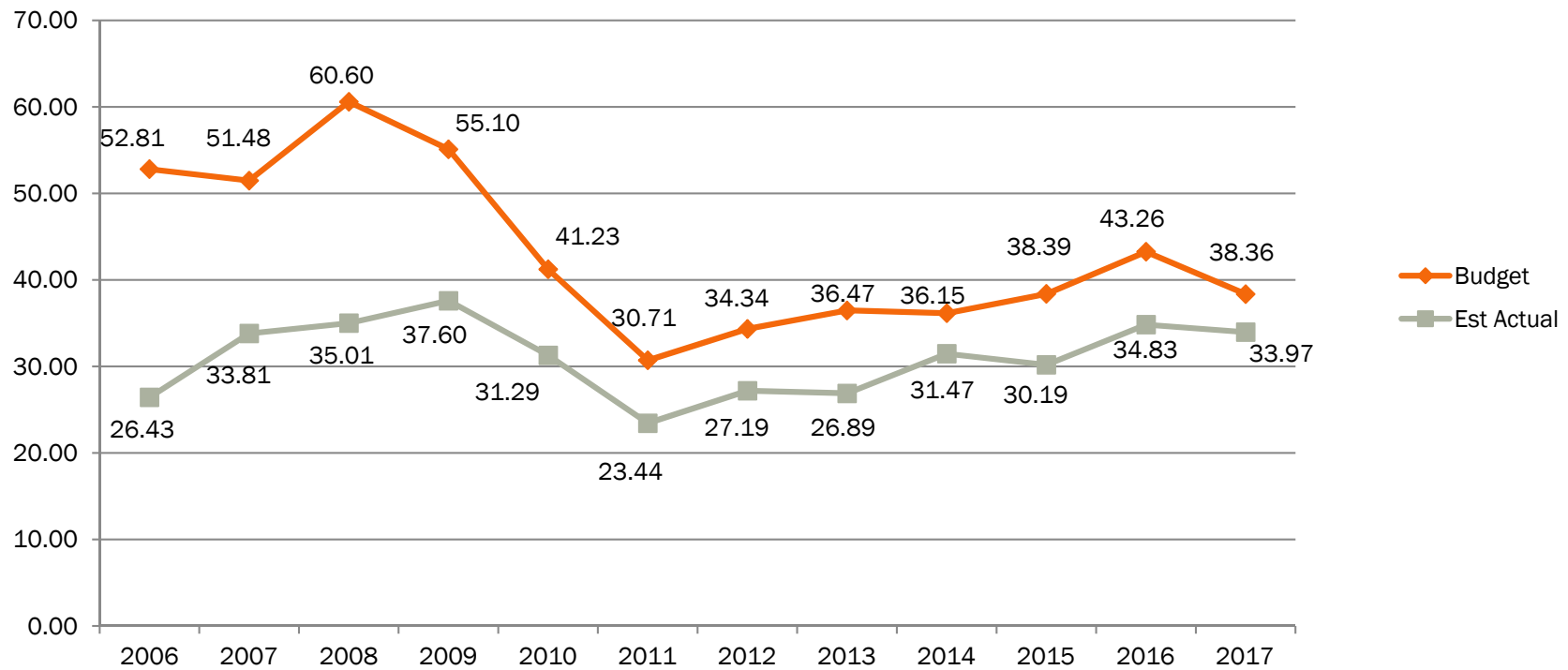
- Legally required
- To be adopted by Council
- Sets a cap for expenditures
- Establishes a plan at maximums
- Contracts still come to Council for approval

## Forecast

- Planning and decision-making tool
- Not adopted
- Scenario options and assumptions
- Traditionally use status quo
- Effect of potential decisions

# Historical Perspective

Total Budget vs. Actual Exp All Funds (in millions)

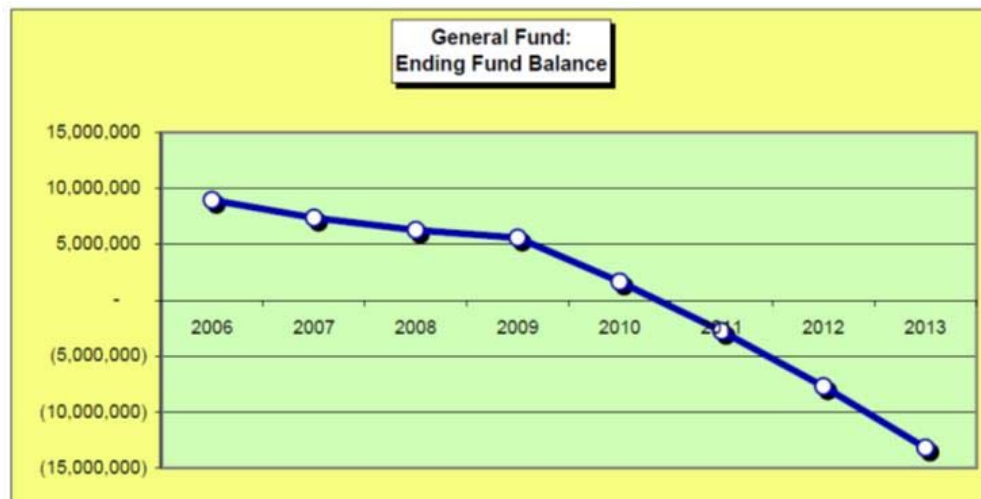


Difference between budget to estimated actual (in millions)

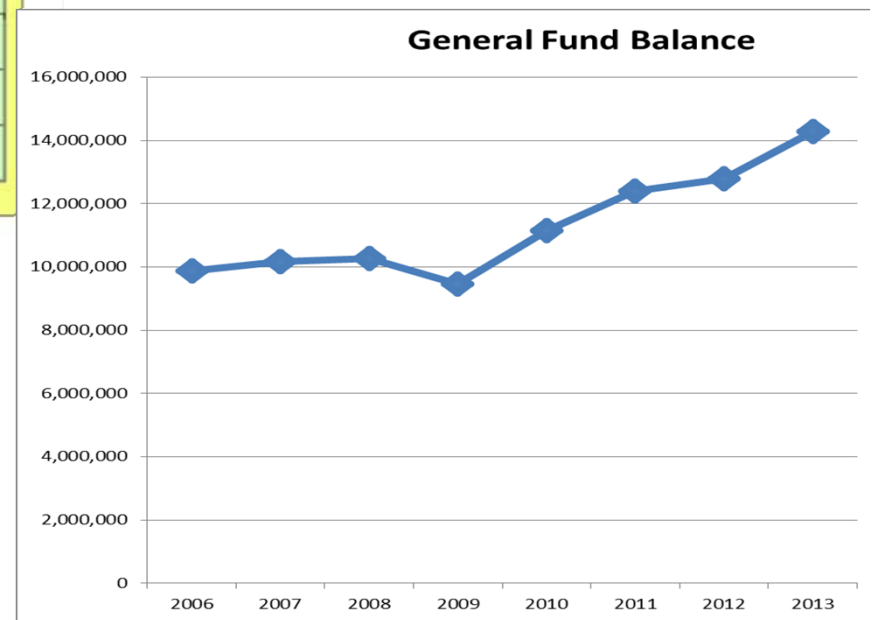
2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
26.38	17.67	25.59	17.50	9.94	7.27	7.15	9.58	4.68	8.20	8.43	4.39

# Historical Perspective

Forecast from 2008 Budget



Actual Results



# FY2017-18 Final Proposed Budget

Tentative Budget adopted on May 16, 2017

- Established maximum limit or cap for final adopted budget

Final Proposed Budget is same as Tentative

Allowable changes

- Can move expenditures between funds or departments
- Can reduce expenditures

Arizona interpretation of a “balanced budget”

# Total FY2017-18 Budget

	FY 2018 Budget
Estimated July 1, 2017 Fund Balances	\$40,372,728
Estimated Revenues	37,762,477
Less Policy Reserves:	
Operating Reserves	(11,620,918)
Debt Service Reserves	(5,381,690)
Equipment Replacement Reserves	(423,570)
<b>Total Resources Available</b>	<b>\$60,709,027</b>
<b>Budgeted Expenditures</b>	<b>47,752,118</b>
<b>Excess Resources Available</b>	<b>\$12,956,909</b>

# Council Priorities Included

Priority Item	Budget Location	FY2018 Budget Amount <sup>(1)</sup>
Complete various traffic improvements	CIP	\$1,873,720 <sup>(2)</sup>
Land Development Code update	Community Development	\$269,000
Revise City Sign Code		Expect to be complete by June 30, may be some staff time
Sustainable tourism		Staff time only
Explore financial sustainability/long-term revenue options		Staff time only
Update Building Code		Staff time only
Environmental sustainability	City Manager's Office	\$25,000

<sup>(1)</sup> Does not include costs for staff time

<sup>(2)</sup> CIP also includes \$4,975,300 for FY2019 and \$1,691,750 for FY2020

# Council Priorities Included

Priority Item	Budget Location	FY2018 Budget Amount <sup>(1)</sup>
Affordable housing		Staff time only
Manage impacts from short-term rentals		Staff time only
Parks Land acquisition	CIP	\$1,250,000
Construct beautification of 89A	CIP	\$0 (costs in FY2024 and FY2025)
Alternative Expenditure Limitation	Financial Services	\$4,000
Complete Dells Land Use planning		Staff time only

<sup>(1)</sup> Does not include costs for staff time

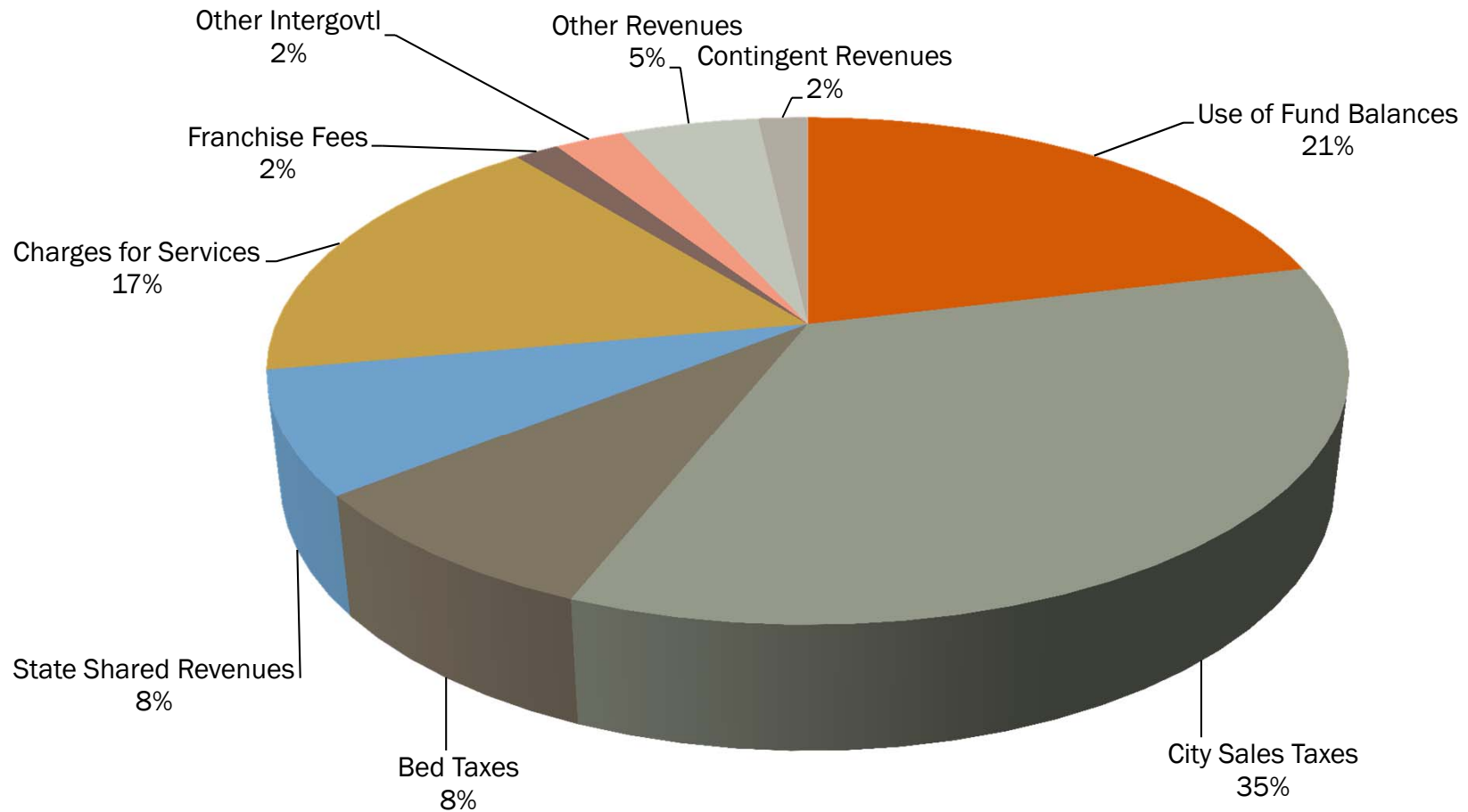
# Revenues by Fund

(In Thousands)

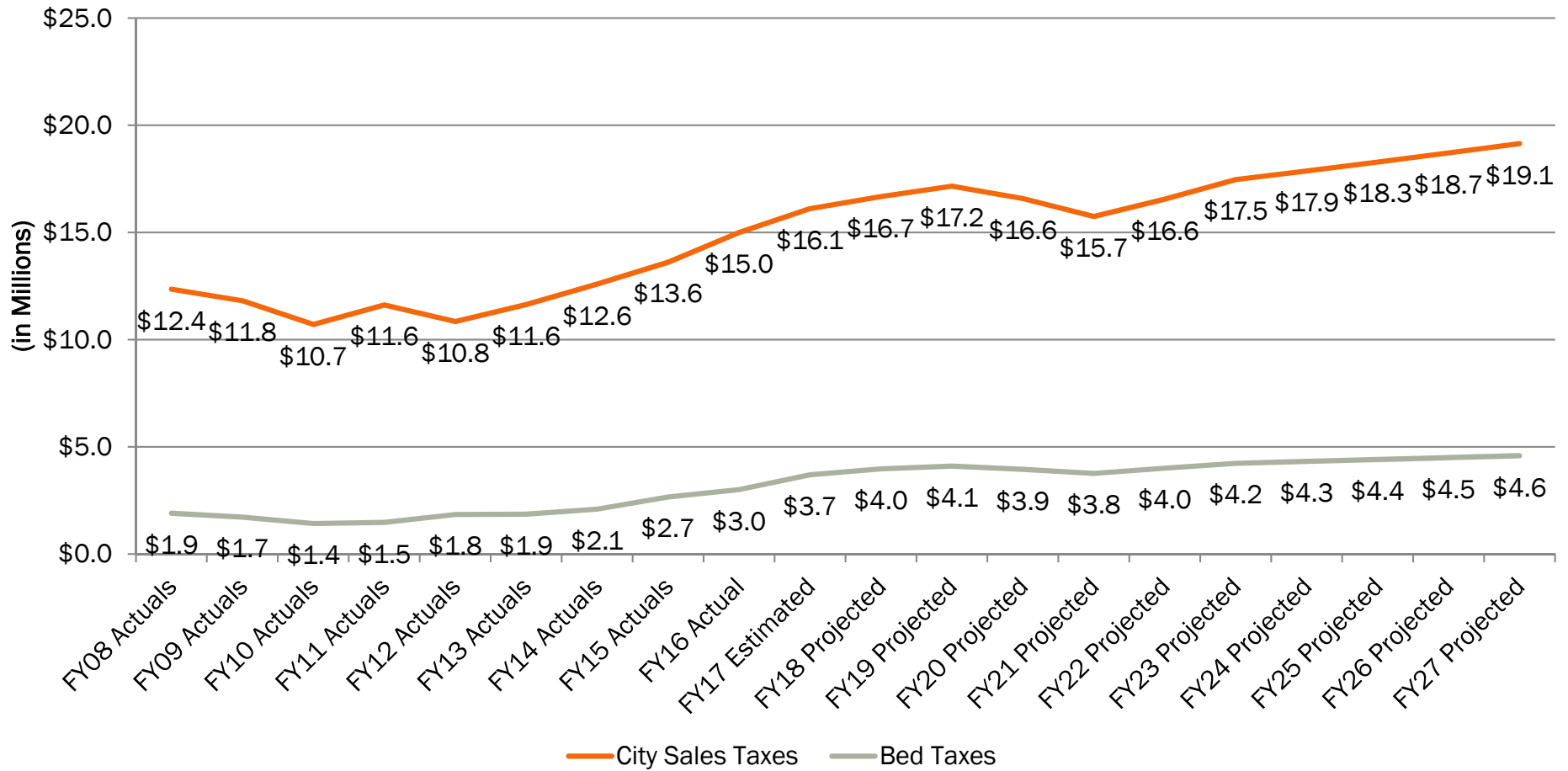
Fund	Ongoing Revenues			One-Time & Contingent Revenues			Total Revenues		
	FY18 Estimate	FY17 Budget	% Change	FY18 Estimate	FY17 Budget	% Change	FY18 Estimate	FY17 Budget	% Change
General	\$25,926	\$23,859	9%	\$552	\$550	<1%	\$26,478	\$24,409	8%
Streets	862	799	8%	100	-	∞%	962	799	20%
Grants & Donations	79	91	-13%	400	330	21%	479	421	14%
Development Impact Fees	225	201	12%	-	-	0%	225	201	12%
Capital Improvement	725	575	26%	547	391	40%	1,272	966	32%
Wastewater	6,724	6,404	5%	-	-	0%	6,724	6,404	5%
Information Technology	1,468	-	∞%	154	-	∞%	1,622	-	∞%
Totals	\$36,010	\$31,928	13%	\$1,752	\$1,271	38%	\$37,762	\$33,199	14%



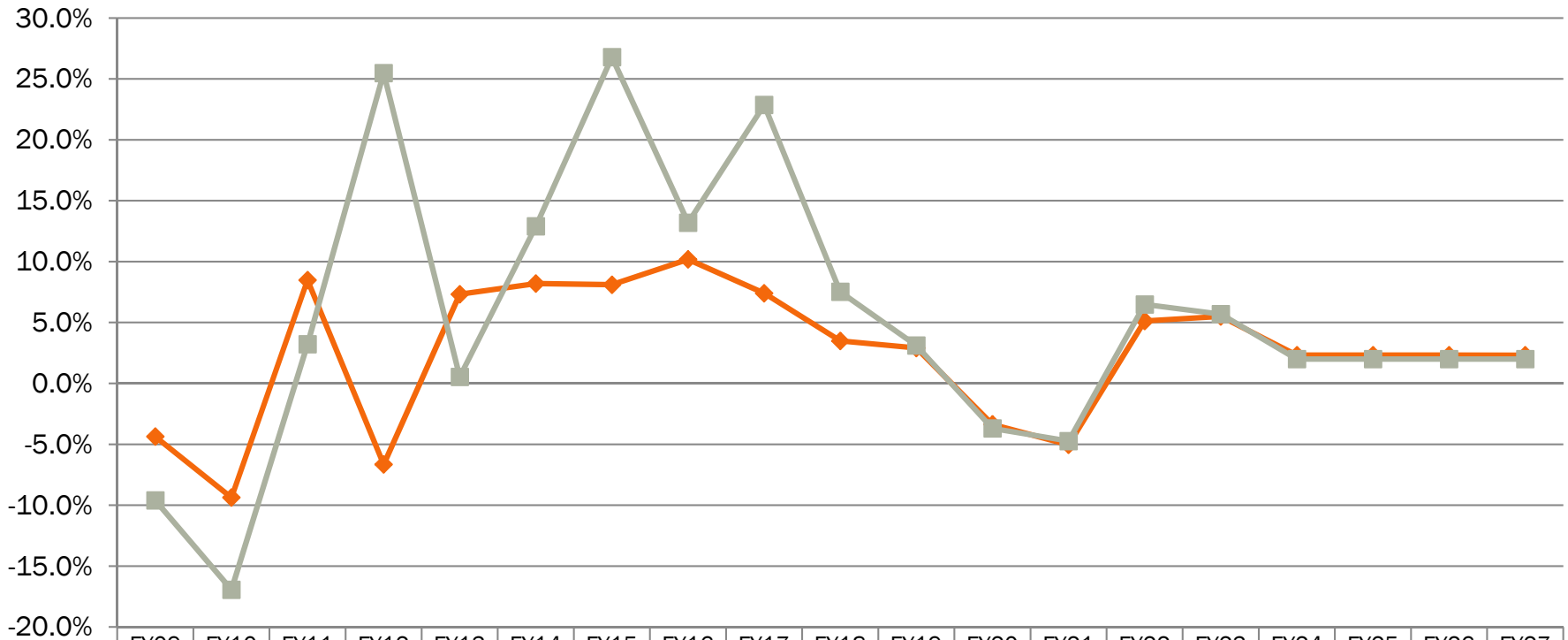
# FY 2017-18 Estimated Revenues



# Sales & Bed Tax Trends



# Sales & Bed Tax % Change



	FY09 Act.	FY10 Act.	FY11 Act.	FY12 Act.	FY13 Act.	FY14 Act.	FY15 Act.	FY16 Actual	FY17 Est.	FY18 Proj.	FY19 Proj.	FY20 Proj.	FY21 Proj.	FY22 Proj.	FY23 Proj.	FY24 Proj.	FY25 Proj.	FY26 Proj.	FY27 Proj.
City Sales Taxes	-4.4%	-9.4%	8.5%	-6.7%	7.3%	8.2%	8.1%	10.2%	7.4%	3.5%	2.9%	-3.4%	-5.0%	5.1%	5.5%	2.3%	2.3%	2.3%	2.3%
Bed Taxes	-9.6%	-16.9%	3.2%	25.5%	0.5%	12.9%	26.8%	13.2%	22.9%	7.5%	3.1%	-3.7%	-4.7%	6.5%	5.7%	2.0%	2.0%	2.0%	2.0%

◆ City Sales Taxes    ■ Bed Taxes

# City Sales & Bed Tax Through March 2017

5%  
Sales Tax Increase  
for Mar YTD  
over Budget

8%  
Sales Tax Increase from  
Prior Year  
Mar YTD Actual

\$598K  
Sales Tax  
Collections to Date  
over Budget

25%  
Bed Tax Increase  
for Mar YTD  
over Budget

26%  
Bed Tax Increase from  
Prior Year  
Mar YTD Actual

\$517K  
Bed Tax  
Collections to Date  
over Budget

3.5%  
Sales Tax  
Projected Increase

7.5%  
Bed Tax  
Projected Increase

# Expenditures by Object Type

(In Thousands)

Fund	FY18 Proposed	FY17 Budget	Increase/ (Decrease)	% Change
Personnel	\$12,648	\$11,128	\$1,520	14%
Operations	13,809	11,492	2,317	20%
Capital Improvement Projects	14,131	8,972	5,159	58%
Debt Service	5,864	5,859	5	<1%
Contingency	1,300	910	390	43%
Totals	\$47,752	\$38,361	\$9,391	24%

# Salary & Benefit Changes

(In Thousands)

<b>FY2017 Budget</b>	<b>\$11,128</b>
2.5% COLA, 2.5% average merit increase	492
Health insurance 4% ↑	50
PSPRS ↑ 30%	150
Placeholder Hall/Parker lawsuits	250
Workers comp rate ↓	-51
Decision Packages	305
Change in vacancy savings offset	200
Other adjustments	124
<b>FY2018 Budget</b>	<b>\$12,648</b>

# Changes in Positions

---

**Added:**

2 Full-Time FTE – WW Plant Operator, P&R Admin Assistant

---

7 Temp – Traffic Control Assistants, Bike Park Maintenance

---

**Reclassifications:**

R-O-W Specialist to R-O-W Supervisor

---

Police Lieutenant to Police Commander

---

Community Service Officer to Police Support Services Clerk

---

**Increases:**

Part-Time Assistant City Attorney to Full-Time

---

Part-Time WW Admin Assistant to Full-Time

---

# Operations Changes

(In Thousands)

<b>FY2017 Budget</b>	<b>\$11,492</b>
Increase in tourism promotion and destination marketing	441
Internal charges reported as revenue in Information Technology Fund	1,622
Community Development Block Grant (CDBG) eliminated	-300
Injection wells maintenance	78
Decision Packages	317
Other adjustments	159
<b>FY2018 Budget</b>	<b>\$13,809</b>



# Contingency Changes

(In Thousands)

<b>FY2017 Budget</b>	<b>\$910</b>
FY2017 general operating contingency transferred to cover emergency drainage project (restores to original FY2017 level)	90
FY2017 contingency for possible start-up of trash/recycling program	-100
FY2017 contingency for grants/donations transferred for CDBG and other grants/donations (restores to original FY2017 level)	300
Judgments	100
<b>FY2018 Budget</b>	<b>\$1,300</b>

# FY2018 Contingency Budget Totals

(In Thousands)

	General Fund	Grants & Donations	Wastewater Enterprise Fund
General operating contingency	\$ 250	\$ -	\$ 100
Unknown grants and donations	-	300	-
Placeholder for unexpected increases in bed tax revenues (55% designated for destination marketing)	300	-	-
Placeholder for unexpected increases in bed tax revenues (45% for City's unrestricted share)	250	-	-
Judgments	100	-	-
<b>FY2018 Budget</b>	<b>\$900</b>	<b>\$300</b>	<b>\$100</b>

# Capital Improvements Plan

2021

# Capital Improvements by Funding Source

Funding Source	FY18 Budget
Unrestricted:	
Capital Reserves	\$ 4,200,685
Restricted:	
Coconino County Flood Control	2,125,705
Yavapai County Flood Control	325,000
Community Facilities Districts (non-City)	120,175
Development Impact Fees Funds	1,609,600
Donations and Other Outside Participation	250,000
Grants and RICO Monies	396,657
Court Restricted Revenues	172,500
Wastewater Revenues	5,077,050
<b>Total</b>	<b>\$14,277,372</b>

# Capital Improvements by Project Type

Project Type	FY18 Budget
Art in Public Places	\$ -
Community Development	120,175
Municipal Court	273,000
Parks and Recreation	1,559,600
Police	1,142,139
Streets & Transportation	2,375,003
Public Works	-
Drainage	3,730,405
Wastewater	5,077,050
Total	\$14,277,372

# Projects Using Capital Reserves

Project	FY18 Capital Reserve Portion	FY18 Other Funding Portion
New Courtroom	\$ 100,500	\$ 172,500
Remodel/Expand Police Facility	20,000	
Police CAD/RMS	551,464	
Police Radio Signal	155,000	
Police Renovation of Current Facility	151,500	
Bathrooms at Shooting Range	169,175	25,000
Modular Classroom at Shooting Range	70,000	
Neighborhood Connection – Tlaquepaque/Ranger/Brewer	763,600	
Pedestrian Crossings – Signal Crossing SR 89A at Arroyo Roble Dr	151,500	
Uptown/SR 179 Improvements – 4-foot median thru Uptown with 2 <sup>nd</sup> SB thru lane and roundabout at Jordan Rd	636,320	
Traffic Information System	151,000	
Uptown Parking & Wayfinding	111,100	
Traffic Signal Operations/Management	60,200	
Dry Creek Road Overlay	53,876	371,657
Sanborn Dr/Thunder Mountain Rd Overlay	75,750	
Coffee Pot Drainage Basin, Grasshopper Lane Area (grant funding may also be available)	979,700	325,000
<b>Total</b>	<b>\$4,200,685</b>	<b>\$ 894,157</b>

# All Capital Funds

	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Totals
<b>Revenues:</b>				
Ongoing	\$ 725,200	\$ 225,490	\$ 230	\$ 950,920
One-Time	546,657			546,657
<b>Total Revenues</b>	<b>1,271,857</b>	<b>225,490</b>	<b>230</b>	<b>1,497,577</b>
<b>Expenditures:</b>				
Capital Projects	7,246,669	1,609,600		8,856,269
Debt Service		22,700		22,700
<b>Total Expenditures</b>	<b>7,246,669</b>	<b>1,632,300</b>		<b>8,878,969</b>
<b>Net Revenues/Expenditures</b>	<b>(5,974,812)</b>	<b>(1,406,810)</b>	<b>230</b>	<b>(7,381,392)</b>
Net Transfers	1,063,122		26,378	1,089,500
Beginning Fund Balances	11,293,400	2,465,753	80,420	13,839,573
<b>Ending Fund Balances</b>	<b>\$ 6,381,710</b>	<b>\$ 1,058,943</b>	<b>\$107,028</b>	<b>\$ 7,547,681</b>

**EXHIBIT C**  
**City of Sedona**  
**Long-Range Forecast**  
**Capital Improvements Fund**

Scenario A - Only projects started in FY18 or FY19 or fully funded with restricted monies

	Projected as Recessionary Period											
	FY16 Actuals	FY17 Estimated	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
<b>Revenues</b>												
Intergovernmental	740,993	695,300	1,067,657	1,056,557	709,900	715,300	370,800	376,400	382,000	387,700	393,500	399,400
Other Revenues	262,740	216,600	204,200	79,200	79,200	179,200	66,700	29,200	29,200	29,200	29,200	29,200
<b>Total Revenues</b>	<b>\$ 1,003,733</b>	<b>\$ 911,900</b>	<b>\$ 1,271,857</b>	<b>\$ 1,135,757</b>	<b>\$ 789,100</b>	<b>\$ 894,500</b>	<b>\$ 437,500</b>	<b>\$ 405,600</b>	<b>\$ 411,200</b>	<b>\$ 416,900</b>	<b>\$ 422,700</b>	<b>\$ 428,600</b>
<b>Expenditures</b>												
Capital Outlay	4,045,969	2,973,192	7,246,669	9,032,750	4,285,000	450,000						
<b>Total Expenditures</b>	<b>\$ 4,045,969</b>	<b>\$ 2,973,192</b>	<b>\$ 7,246,669</b>	<b>\$ 9,032,750</b>	<b>\$ 4,285,000</b>	<b>\$ 450,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Financing Sources (Uses)</b>												
Transfers to Art in Public Places Fund	(30,537)	(26,800)	(26,378)	(44,273)	(36,750)							
Transfers from General Fund	6,884,446	2,023,533	2,319,702	3,238,111	2,382,430	848,480	860,375	1,918,525	1,599,570	1,259,440	824,970	3,291,820
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 6,853,909</b>	<b>\$ 1,996,733</b>	<b>\$ 2,293,324</b>	<b>\$ 3,193,838</b>	<b>\$ 2,345,680</b>	<b>\$ 848,480</b>	<b>\$ 860,375</b>	<b>\$ 1,918,525</b>	<b>\$ 1,599,570</b>	<b>\$ 1,259,440</b>	<b>\$ 824,970</b>	<b>\$ 3,291,820</b>
<b>Net Revenues/Expenditures/Other Financing</b>	<b>\$ 3,811,673</b>	<b>\$ (64,559)</b>	<b>\$ (3,681,488)</b>	<b>\$ (4,703,155)</b>	<b>\$ (1,150,220)</b>	<b>\$ 1,292,980</b>	<b>\$ 1,297,875</b>	<b>\$ 2,324,125</b>	<b>\$ 2,010,770</b>	<b>\$ 1,676,340</b>	<b>\$ 1,247,670</b>	<b>\$ 3,720,420</b>
Beginning Fund Balance	8,015,570	11,827,243	11,762,684	8,081,196	3,378,041	2,227,821	3,520,801	4,818,676	7,142,801	9,153,571	10,829,911	12,077,581
<b>Ending Fund Balance</b>	<b>\$ 11,827,243</b>	<b>\$ 11,762,684</b>	<b>\$ 8,081,196</b>	<b>\$ 3,378,041</b>	<b>\$ 2,227,821</b>	<b>\$ 3,520,801</b>	<b>\$ 4,818,676</b>	<b>\$ 7,142,801</b>	<b>\$ 9,153,571</b>	<b>\$ 10,829,911</b>	<b>\$ 12,077,581</b>	<b>\$ 15,798,001</b>
Portion restricted for Flood Control	2,199,734	1,452,324				365,300	736,100	1,112,500	1,494,500	1,882,200	2,275,700	2,675,100
Unrestricted Fund Balance	9,627,509	10,310,360	8,081,196	3,378,041	2,227,821	3,155,501	4,082,576	6,030,301	7,659,071	8,947,711	9,801,881	13,122,901



# General Fund

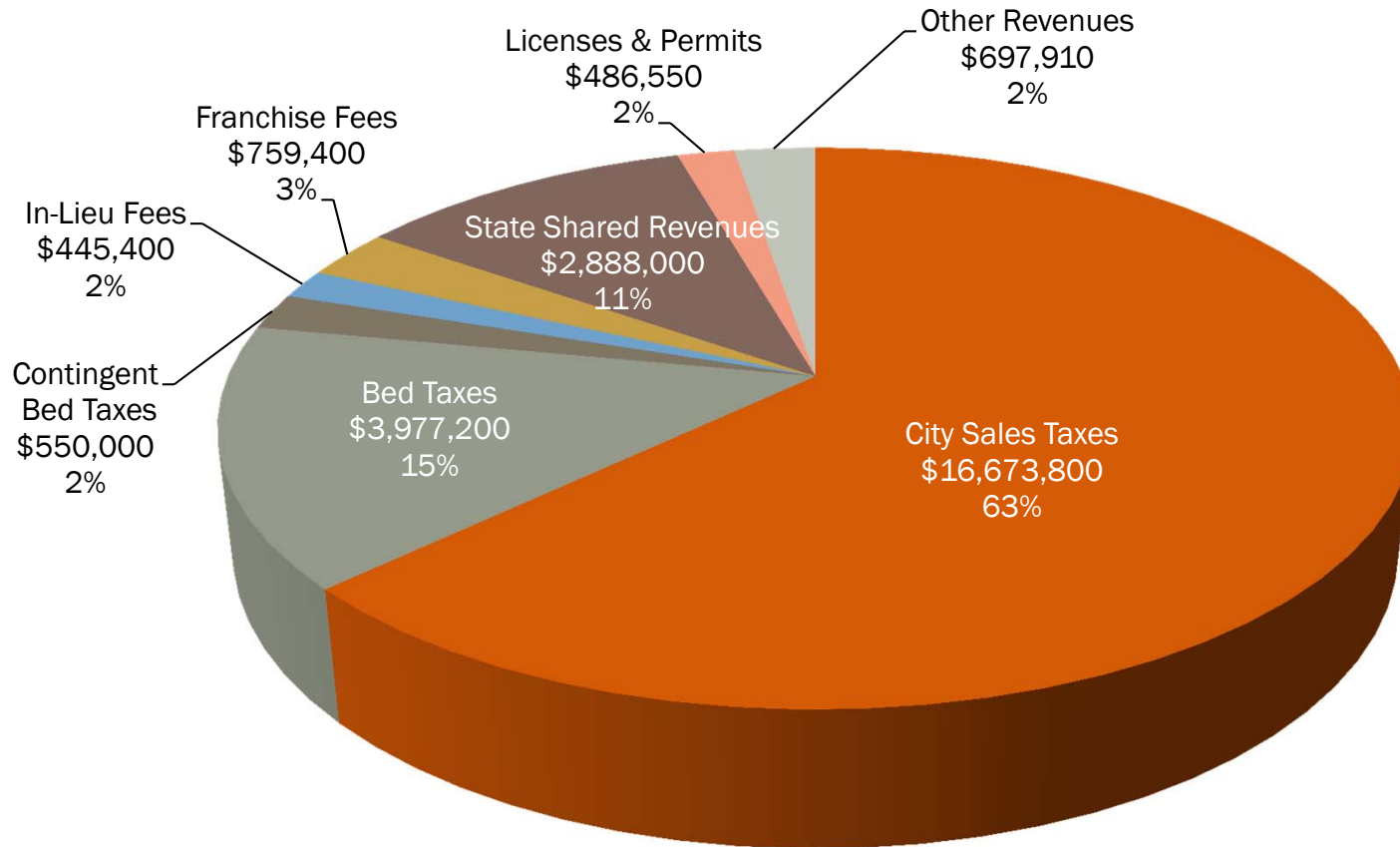
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# FY2018 Estimated General Fund Revenues

(In Thousands)

Revenue	Ongoing Revenues			One-Time & Contingent Revenues			Total Revenues		
	FY18 Estimate	FY17 Budget	% Change	FY18 Estimate	FY17 Budget	% Change	FY18 Estimate	FY17 Budget	% Change
City sales taxes	\$16,674	\$15,527	7%	\$ -	\$ -	0%	\$16,674	\$15,527	7%
Bed taxes	3,977	3,172	25%	-	-	0%	3,977	3,172	25%
Contingent bed taxes	-	-	0%	550	550	0%	550	550	0%
In lieu fees	445	406	10%	-	-	0%	445	406	10%
Franchise fees	759	816	-7%	-	-	0%	759	816	-7%
State shared sales taxes	967	979	-1%	-	-	0%	967	979	-1%
Urban revenue sharing	1,304	1,273	2%	-	-	0%	1,304	1,273	2%
Vehicle license taxes	618	620	-1%	-	-	0%	618	620	-1%
Other intergovernmental	24	20	21%	2	-	∞%	26	20	30%
Licenses and permits	487	448	9%	-	-	0%	487	448	9%
Charges for services	409	109	275%	-	-	0%	409	109	275%
Fines and forfeitures	142	262	-46%	-	-	0%	142	262	-46%
Other	121	225	-46%	-	-	0%	121	225	-46%
Totals	\$25,926	\$23,859	9%	\$552	\$550	<1%	\$26,478	\$24,409	8%

# FY2018 Estimated General Fund Revenue

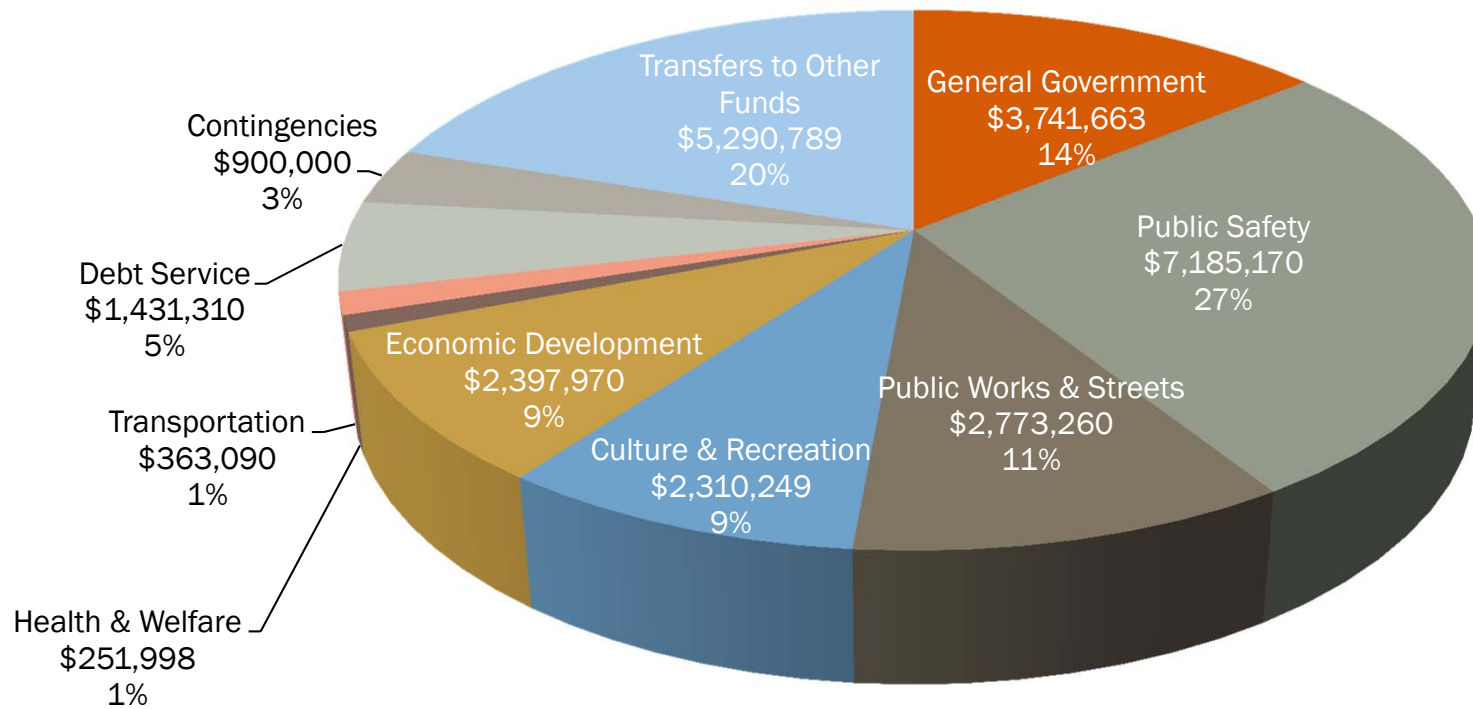


# FY2018 Proposed General Fund Expenditures

(In Thousands)

Expenditures	Ongoing Expenditures			One-Time & Contingent Expenditures			Total Expenditures		
	FY18 Proposed	FY17 Budget	% Change	FY18 Proposed	FY17 Budget	% Change	FY18 Proposed	FY17 Budget	% Change
City Council	\$ 78	\$ 79	-1%	\$ -	\$ -	0%	\$ 78	\$ 79	-1%
City Manager's Office	3,036	952	219%	103	60	72%	3,139	1,012	210%
Human Resources	308	237	30%	-	-	0%	308	237	30%
Financial Services	956	535	79%	5	-	∞%	961	535	80%
Information Technology	-	1,197	-100%	-	-	0%	-	1,197	-100%
City Attorney's Office	631	534	18%	-	-	0%	631	634	18%
City Clerk's Office	260	298	-13%	-	-	0%	260	298	-13%
Parks & Recreation	651	549	19%	-	-	0%	651	549	19%
General Services	1,705	3,269	-48%	250	65	285%	1,955	3,334	-41%
Community Development	1,434	1,372	5%	274	287	-5%	1,708	1,659	3%
Public Works	3,262	3,092	5%	159	154	3%	3,421	3,246	5%
Economic Development	185	-	∞%	-	-	0%	185	-	∞%
Police	4,416	4,085	8%	239	220	9%	4,655	4,305	8%
Municipal Court	360	342	5%	1	1	0%	361	343	5%
Indirect Cost Allocations	457	-	∞%	-	-	0%	457	-	∞%
Debt Service	-	-	0%	1,431	686	109%	1,431	686	109%
Contingencies	900	810	11%	-	-	0%	900	810	11%
Totals	\$19,172	\$17,351	10%	\$2,462	\$1,473	67%	\$21,103	\$18,823	12%

# FY2018 Proposed General Fund Expenditures/Transfers





City of Sedona  
 Long-Range Forecast  
 General Fund

Projected as Recessionary  
 Period

	FY16 Actuals	FY17 Estimated	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
<b>Revenues</b>												
<b>Taxes</b>												
City Sales Tax	\$ 10,222,370	\$ 15,929,500	16,583,800	17,069,400	16,492,300	15,658,100	16,466,100	17,376,900	17,781,900	18,196,100	18,619,800	19,053,100
Bed Tax	3,010,334	3,698,800	3,977,200	4,101,200	3,949,800	3,762,900	4,007,000	4,235,200	4,319,900	4,406,300	4,494,400	4,584,300
Franchise Fees	781,223	783,600	759,400	770,800	747,600	747,600	758,700	770,100	781,700	793,400	805,300	817,300
Audits and Collections	279,692	181,200	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
<b>State Shared Revenues</b>												
State Sales Tax	948,696	943,300	966,900	973,800	861,800	847,800	867,300	874,500	881,900	889,500	897,500	905,700
Urban Revenue Sharing	1,207,731	1,271,700	1,303,500	1,312,800	1,161,800	1,142,900	1,169,200	1,178,900	1,188,900	1,199,200	1,210,000	1,221,000
Vehicle License Tax	577,681	608,500	617,600	626,900	608,100	608,100	617,200	626,500	635,900	645,400	655,000	664,900
Other Intergovernmental	73,853	2,550	26,060	26,060	26,010	26,010	26,010	26,010	26,010	26,010	26,010	26,010
In Lieu Fees	450,882	445,400	445,400	452,100	438,500	438,500	445,100	451,800	458,600	465,500	472,500	479,600
Licenses and Permits	496,517	509,070	486,550	499,500	512,700	523,400	536,250	546,250	556,150	568,500	577,600	587,300
Fines and Forfeitures	142,888	117,200	141,900	141,900	141,900	141,900	141,900	141,900	141,900	141,900	141,900	141,900
Charges for Services	105,008	127,400	408,950	445,400	405,900	435,900	412,350	446,950	421,650	458,500	433,500	468,600
Other Revenues	315,863	127,600	121,000	110,500	110,500	110,500	111,100	111,100	111,100	111,700	111,700	111,700
Contingent Revenues	-	-	550,000	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 18,612,738</b>	<b>\$ 24,745,820</b>	<b>\$ 26,478,260</b>	<b>\$ 26,620,360</b>	<b>\$ 25,546,910</b>	<b>\$ 24,533,610</b>	<b>\$ 25,648,210</b>	<b>\$ 26,876,110</b>	<b>\$ 27,395,610</b>	<b>\$ 27,992,010</b>	<b>\$ 28,535,210</b>	<b>\$ 29,151,410</b>
<b>Expenditures</b>												
Salaries and Wages	6,150,678	6,638,044	7,705,240	7,567,100	7,756,300	7,950,200	8,268,200	8,598,900	8,942,900	9,300,600	9,672,600	10,059,500
Employee Benefits	2,515,231	2,644,001	3,400,700	3,387,000	3,641,000	3,914,100	4,207,700	4,523,300	4,862,500	5,227,200	5,619,200	6,040,600
Estimated Vacancy Savings	-	-	(300,000)	(312,000)	(319,800)	(327,800)	(340,900)	(354,500)	(368,700)	(383,400)	(398,700)	(414,600)
Operations	2,614,060	3,787,454	4,311,361	3,993,300	3,993,300	3,993,300	4,053,200	4,114,000	4,175,700	4,238,300	4,301,900	4,366,400
Estimated Under Budget	-	-	(757,331)	(725,170)	(725,170)	(725,170)	(730,800)	(736,510)	(742,310)	(748,190)	(754,170)	(760,230)
Community Contracts	1,288,097	1,472,280	1,478,773	1,501,000	1,501,000	1,501,000	1,523,500	1,546,400	1,569,600	1,593,100	1,617,000	1,641,300
Destination Marketing	1,336,234	1,638,700	1,785,900	1,854,100	1,776,800	1,674,000	1,802,300	1,927,800	1,974,400	2,021,900	2,070,400	2,119,800
Debt Service	776,401	686,168	1,427,500	1,400,600	1,031,500	1,029,300	1,031,800	1,029,000	1,020,900	1,027,500	1,028,700	1,024,500
Capital Outlay	226,661	421,714	155,188	200,000	200,000	200,000	203,000	206,000	209,100	212,200	215,400	218,600
Equipment Replacement Reserve Contributions	-	-	(238,050)	(241,600)	(241,600)	(241,600)	(245,200)	(248,900)	(252,600)	(256,400)	(260,200)	(264,100)
Contingency	-	-	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
<b>Total Expenditures</b>	<b>\$ 14,907,362</b>	<b>\$ 17,288,361</b>	<b>\$ 19,869,281</b>	<b>\$ 19,524,330</b>	<b>\$ 19,513,330</b>	<b>\$ 19,867,330</b>	<b>\$ 20,672,800</b>	<b>\$ 21,505,490</b>	<b>\$ 22,291,490</b>	<b>\$ 23,132,810</b>	<b>\$ 24,012,130</b>	<b>\$ 24,931,770</b>
<b>Other Financing Sources (Uses)</b>												
Issuance of Refunding Bonds	8,030,000	-	-	-	-	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	(7,934,739)	-	-	-	-	-	-	-	-	-	-	-
Transfers to Streets Fund	(506,500)	(351,000)	(35,389)	(329,905)	(355,600)	(390,100)	(402,350)	(414,350)	(426,700)	(439,500)	(452,550)	(465,900)
Transfers to Grants & Donations Fund	(9,777)	-	-	-	-	-	-	-	-	-	-	-
Transfers to Wastewater Enterprise Fund	-	(4,027,700)	(4,168,500)	(4,289,900)	(3,316,500)	(3,149,600)	(3,311,200)	(2,620,000)	(2,680,800)	(2,742,900)	(2,806,500)	-
Transfers to Capital Improvements Fund	(6,884,446)	(2,023,533)	(2,319,702)	(3,238,111)	(2,382,430)	(848,480)	(860,375)	(1,918,525)	(1,599,570)	(1,259,440)	(824,970)	(3,291,820)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (7,305,462)</b>	<b>\$ (6,402,233)</b>	<b>\$ (6,523,591)</b>	<b>\$ (7,857,916)</b>	<b>\$ (6,054,530)</b>	<b>\$ (4,388,180)</b>	<b>\$ (4,573,925)</b>	<b>\$ (4,952,875)</b>	<b>\$ (4,707,070)</b>	<b>\$ (4,441,840)</b>	<b>\$ (4,084,020)</b>	<b>\$ (3,757,720)</b>
<b>Net Revenues/Expenditures/Other Financing</b>	<b>\$ (3,600,086)</b>	<b>\$ 1,055,226</b>	<b>\$ 85,388</b>	<b>\$ (761,886)</b>	<b>\$ (20,950)</b>	<b>\$ 278,100</b>	<b>\$ 401,485</b>	<b>\$ 417,745</b>	<b>\$ 397,050</b>	<b>\$ 417,360</b>	<b>\$ 439,060</b>	<b>\$ 461,920</b>
<b>Fund Balances</b>												
Beginning Fund Balance	12,883,223	9,283,137	10,338,363	10,423,751	9,661,865	9,640,915	9,919,015	10,320,500	10,738,245	11,135,295	11,552,655	11,991,715
Ending Fund Balance	9,283,137	10,338,363	10,423,751	9,661,865	9,640,915	9,919,015	10,320,500	10,738,245	11,135,295	11,552,655	11,991,715	12,453,635
<b>Fund Balance Reserves</b>												
Operating Reserve - Minimum	7,698,137	8,320,313	9,385,701	9,061,865	9,240,915	9,419,015	9,820,500	10,238,245	10,635,295	11,052,655	11,491,715	11,953,635
Budget Carryovers	285,000	718,050	-	-	-	-	-	-	-	-	-	-
Equipment Replacement Reserve	-	-	238,050	300,000	400,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service Reserve	1,300,000	1,300,000	800,000	300,000	-	-	-	-	-	-	-	-
<b>Total Fund Balance Reserves</b>	<b>9,283,137</b>	<b>10,338,363</b>	<b>10,423,751</b>	<b>9,661,865</b>	<b>9,640,915</b>	<b>9,919,015</b>	<b>10,320,500</b>	<b>10,738,245</b>	<b>11,135,295</b>	<b>11,552,655</b>	<b>11,991,715</b>	<b>12,453,635</b>
<b>Remaining Available Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

City Sales Tax at 2% increase each year				16,258,627	16,583,800	16,915,476	17,253,786	17,598,861	17,950,838	18,309,855	18,676,052	19,049,573
Bed Tax at 2% increase each year				3,899,216	3,977,200	4,056,744	4,137,879	4,220,636	4,305,049	4,391,150	4,478,973	4,568,553
Difference from above				(1,012,757)	118,900	1,551,220	918,564	207,398	154,088	98,605	40,826	(19,274)

# Wastewater Enterprise Fund

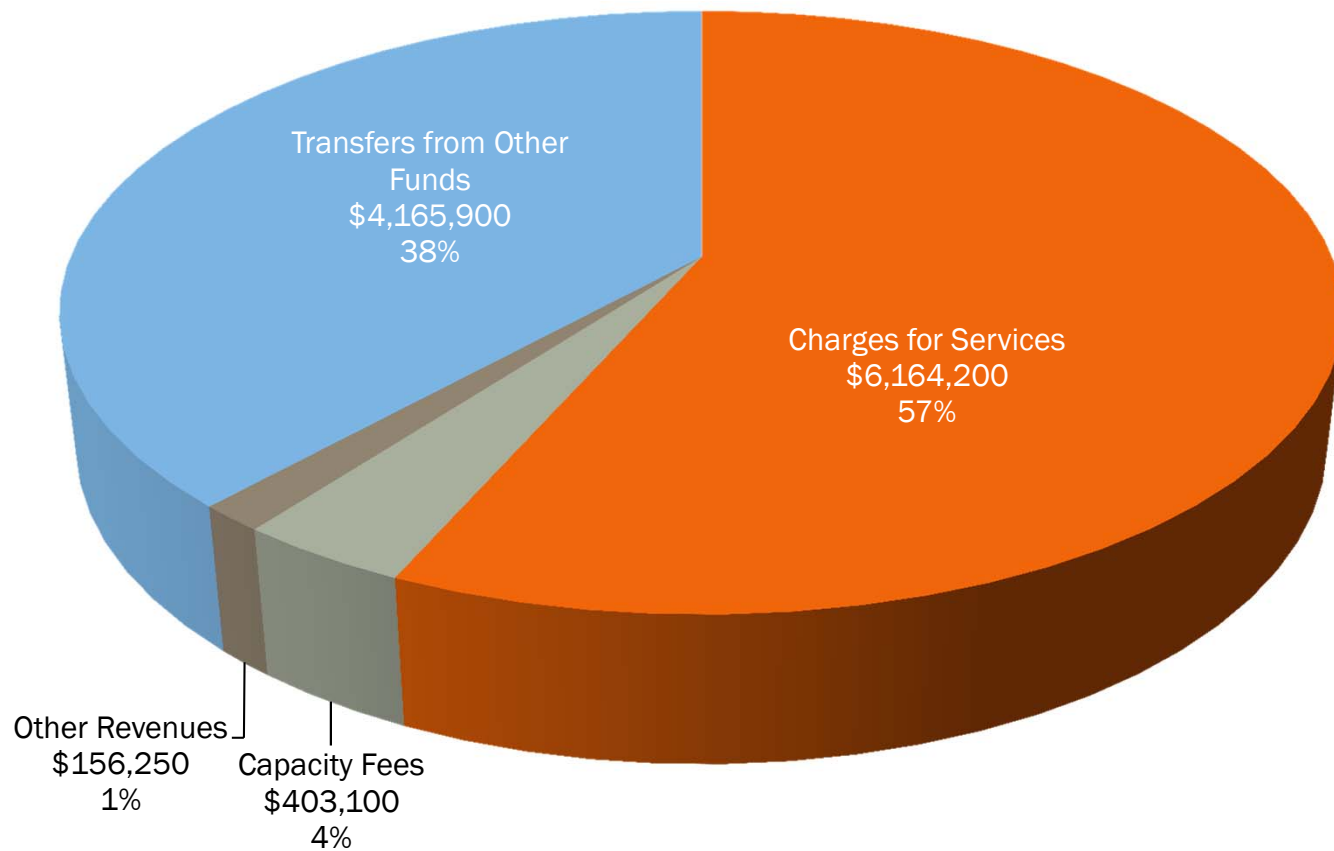
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# FY2018 Allocations to Components

	Operations	Capital	Debt	Total
Revenues	\$3,866,301	\$ 2,452,824	\$ 404,425	\$ 6,723,550
Expenditures	4,698,216	5,264,920	4,409,855	14,372,991
Net Revenues/Expenditures	(831,915)	(2,812,096)	(4,005,430)	(7,649,441)
Sales Tax Subsidy Transfers			4,165,900	4,165,900
Beginning Fund Balances	7,220,702	(4,232,862)	10,895,528	13,883,367
Ending Fund Balances	\$6,388,787	\$(7,044,958)	\$11,055,998	\$10,399,826
Reserves:				
Operating Reserve	\$1,634,102			\$1,634,102
Equipment Replacement Reserve	116,100			116,100
Debt Service Reserve			\$4,581,690	\$4,581,690
Remaining Available Fund Balance	\$4,638,585	\$(7,044,958)	\$6,474,308	\$4,067,934



# FY2018 Estimated Funding Sources

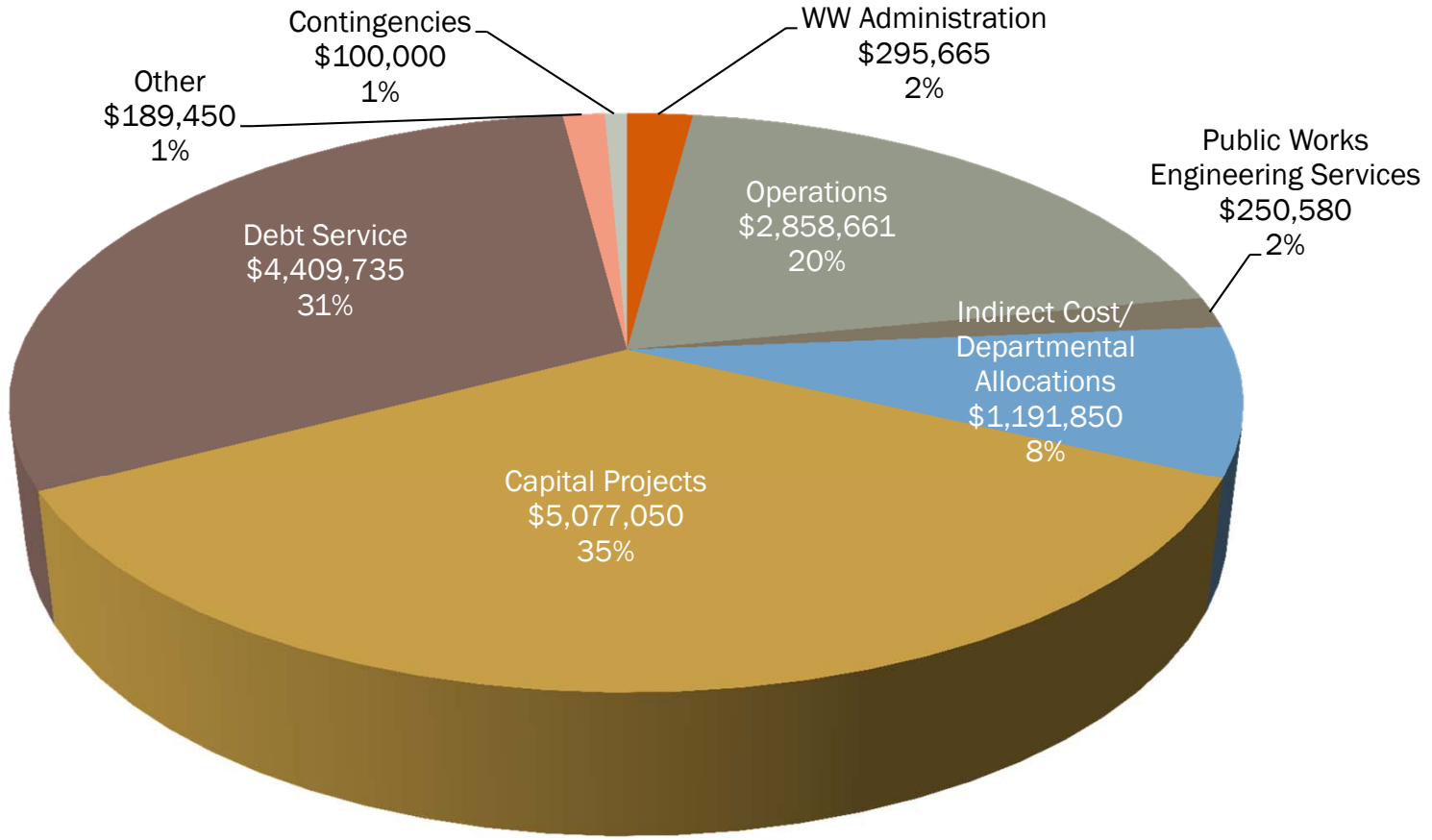


# Wastewater Fund Expenditures

(In Thousands)

Expenditures	Ongoing Expenditures			One-Time & Contingent Expenditures			Total Expenditures		
	FY18 Proposed	FY17 Budget	% Change	FY18 Proposed	FY17 Budget	% Change	FY18 Proposed	FY17 Budget	% Change
Administration	\$ 198	\$ 164	21%	\$ 72	\$ 100	-28%	\$ 270	\$ 264	2%
Operations	2,462	2,184	13%	538	384	40%	3,000	2,568	17%
Public Works Engineering Services	251	197	28%	-	-	0%	251	197	28%
Capital Projects Management	154	149	3%	-	-	0%	154	149	3%
Capital Improvement Projects	-	-	0%	5,077	3,129	62%	5,077	3,129	62%
Debt Service	-	-	0%	4,410	5,151	-14%	4,410	5,151	-14%
Equipment Purchases from Reserve	-	-	0%	60	-	∞%	60	-	∞%
Vacancy Savings Estimate	(25)	(75)	67%	-	-	0%	(25)	(75)	67%
Contingencies	100	100	0%	-	-	0%	100	100	0%
Indirect Cost Allocations/ Departmental Allocations	1,057	669	58%	135	10	249%	1,192	679	75%
Totals	\$4,081	\$3,388	20%	\$10,292	\$8,774	17%	\$14,373	\$12,162	18%

# FY2018 Proposed Wastewater Expenditures



City of Sedona  
 Long-Range Forecast  
 Wastewater Enterprise Fund Totals

Projected as Recessionary  
 Period

	FY16 Actuals	FY17 Estimated	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
<b>Revenues</b>												
Charges for Services	\$ 5,611,150	\$ 5,922,200	\$ 6,164,200	\$ 6,398,601	\$ 6,641,499	\$ 6,858,900	\$ 7,093,901	\$ 7,325,900	\$ 7,345,600	\$ 7,365,599	\$ 7,385,300	\$ 7,405,000
Fines and Forfeitures	76,287	73,900	75,750	76,950	78,250	79,250	80,250	81,350	81,350	81,350	81,350	81,350
Capacity Fees	541,045	1,266,100	403,100	414,700	1,211,300	441,700	1,042,100	464,500	475,600	486,500	496,800	507,700
Other Revenues	300,759	97,000	80,500	80,500	80,500	80,500	80,500	80,500	80,500	80,500	80,500	80,500
<b>Total Revenues</b>	<b>\$ 6,529,241</b>	<b>\$ 7,359,200</b>	<b>\$ 6,723,550</b>	<b>\$ 6,970,751</b>	<b>\$ 8,011,549</b>	<b>\$ 7,460,350</b>	<b>\$ 8,296,751</b>	<b>\$ 7,952,250</b>	<b>\$ 7,983,050</b>	<b>\$ 8,013,949</b>	<b>\$ 8,043,950</b>	<b>\$ 8,074,550</b>
<b>Expenditures</b>												
Salaries and Wages	1,109,974	1,062,895	939,990	977,600	1,002,100	1,027,100	1,068,100	1,110,800	1,155,200	1,201,400	1,249,500	1,299,500
Employee Benefits	471,153	446,473	405,930	436,400	469,100	504,200	542,000	582,700	626,400	673,400	723,900	778,200
Estimated Vacancy Savings	-	-	(25,000)	(26,000)	(26,700)	(27,400)	(28,500)	(29,600)	(30,800)	(32,000)	(33,300)	(34,600)
Operations	1,933,389	1,857,993	3,349,386	3,399,620	3,399,620	3,399,620	3,450,620	3,502,320	3,554,920	3,608,320	3,662,520	3,717,400
Estimated Under Budget	-	-	(334,939)	(339,962)	(339,962)	(339,962)	(345,062)	(350,232)	(355,492)	(360,832)	(366,252)	(371,740)
Debt Service	5,412,246	5,151,325	4,409,735	4,438,800	4,696,800	4,696,800	4,696,800	4,696,800	4,696,800	4,491,800	4,492,100	-
Capital Outlay	5,440,705	2,582,750	5,369,050	5,455,800	1,983,500	1,117,000	2,067,000	1,422,000	1,442,000	342,000	862,000	1,542,000
Contingency	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Expenditures</b>	<b>\$ 14,367,467</b>	<b>\$ 11,101,436</b>	<b>\$ 14,214,152</b>	<b>\$ 14,442,258</b>	<b>\$ 11,284,458</b>	<b>\$ 10,477,358</b>	<b>\$ 11,550,958</b>	<b>\$ 11,034,788</b>	<b>\$ 11,189,028</b>	<b>\$ 10,024,088</b>	<b>\$ 10,690,468</b>	<b>\$ 7,030,760</b>
<b>Other Financing Sources (Uses)</b>												
City Sales Taxes	4,497,550	-	-	-	-	-	-	-	-	-	-	-
Transfers from General Fund	-	4,027,700	4,165,900	4,289,900	3,316,500	3,149,600	3,311,200	2,620,000	2,680,800	2,742,900	2,806,500	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,497,550</b>	<b>\$ 4,027,700</b>	<b>\$ 4,165,900</b>	<b>\$ 4,289,900</b>	<b>\$ 3,316,500</b>	<b>\$ 3,149,600</b>	<b>\$ 3,311,200</b>	<b>\$ 2,620,000</b>	<b>\$ 2,680,800</b>	<b>\$ 2,742,900</b>	<b>\$ 2,806,500</b>	<b>\$ -</b>
<b>Net Revenues/Expenditures/Other Financing</b>	<b>\$ (3,340,676)</b>	<b>\$ 285,464</b>	<b>\$ (3,324,702)</b>	<b>\$ (3,181,607)</b>	<b>\$ 43,591</b>	<b>\$ 132,592</b>	<b>\$ 56,993</b>	<b>\$ (462,538)</b>	<b>\$ (525,178)</b>	<b>\$ 732,761</b>	<b>\$ 159,982</b>	<b>\$ 1,043,790</b>
<b>Fund Balances</b>												
Beginning Fund Balance	16,938,579	13,597,903	13,883,367	10,558,665	7,377,058	7,420,649	7,553,241	7,610,234	7,147,696	6,622,518	7,355,279	7,515,261
Ending Fund Balance	13,597,903	13,883,367	10,558,665	7,377,058	7,420,649	7,553,241	7,610,234	7,147,696	6,622,518	7,355,279	7,515,261	8,559,051
<b>Fund Balance Reserves</b>												
Operating Reserve	4,015,316	1,294,062	1,478,456	1,515,886	1,534,719	1,554,519	1,595,719	1,638,663	1,683,409	1,730,096	1,778,789	1,829,587
Equipment Replacement Reserve	-	-	116,100	200,000	300,000	400,000	500,000	500,000	500,000	500,000	500,000	500,000
Debt Service Reserve	4,637,253	4,581,690	4,604,309	4,629,243	4,619,488	4,605,830	4,585,344	4,551,200	4,482,913	4,483,050	-	-
<b>Total Fund Balance Reserves</b>	<b>8,652,569</b>	<b>5,875,752</b>	<b>6,198,865</b>	<b>6,345,129</b>	<b>6,454,207</b>	<b>6,560,349</b>	<b>6,681,063</b>	<b>6,689,863</b>	<b>6,666,322</b>	<b>6,713,146</b>	<b>2,278,789</b>	<b>2,329,587</b>
<b>Remaining Available Fund Balance</b>	<b>\$ 4,945,334</b>	<b>\$ 8,007,615</b>	<b>\$ 4,359,800</b>	<b>\$ 1,031,929</b>	<b>\$ 966,441</b>	<b>\$ 992,891</b>	<b>\$ 929,170</b>	<b>\$ 457,833</b>	<b>\$ (43,805)</b>	<b>\$ 642,133</b>	<b>\$ 5,236,471</b>	<b>\$ 6,229,464</b>

**City of Sedona  
Long-Range Forecast  
Wastewater Operations**

Projected as Recessionary  
Period

	FY16 Actuals	FY17 Estimated	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
<b>Revenues</b>												
Charges for Services	\$ 3,441,183	\$ 3,684,817	\$ 3,787,201	\$ 3,883,971	\$ 3,979,664	\$ 4,104,438	\$ 4,240,060	\$ 4,383,231	\$ 4,515,217	\$ 4,661,440	\$ 4,802,801	\$ 4,949,085
Fines and Forfeitures	76,287	73,900	75,750	76,950	78,250	79,250	80,250	81,350	81,350	81,350	81,350	81,350
Capacity Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	113,875	21,450	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350	3,350
<b>Total Revenues</b>	<b>\$ 3,631,345</b>	<b>\$ 3,780,167</b>	<b>\$ 3,866,301</b>	<b>\$ 3,964,271</b>	<b>\$ 4,061,264</b>	<b>\$ 4,187,038</b>	<b>\$ 4,323,660</b>	<b>\$ 4,467,931</b>	<b>\$ 4,599,917</b>	<b>\$ 4,746,140</b>	<b>\$ 4,887,501</b>	<b>\$ 5,033,785</b>
<b>Expenditures</b>												
Salaries and Wages	1,004,304	953,545	829,350	862,500	884,100	906,200	942,400	980,100	1,019,300	1,060,100	1,102,500	1,146,600
Employee Benefits	413,855	403,613	364,010	391,300	420,600	452,100	486,000	522,500	561,700	603,800	649,100	697,800
Estimated Vacancy Savings	-	-	(25,000)	(26,000)	(26,700)	(27,400)	(28,500)	(29,600)	(30,800)	(32,000)	(33,300)	(34,600)
Operations	1,964,571	1,857,993	3,313,956	3,363,700	3,363,700	3,363,700	3,414,200	3,465,400	3,517,400	3,570,200	3,623,800	3,678,200
Estimated Under Budget	-	-	(331,396)	(336,370)	(336,370)	(336,370)	(341,420)	(346,540)	(351,740)	(357,020)	(362,380)	(367,820)
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	108,000	292,000	292,000	292,000	292,000	292,000	292,000	292,000	292,000	292,000	292,000
Contingency	-	-	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>Total Expenditures</b>	<b>\$ 3,382,730</b>	<b>\$ 3,323,151</b>	<b>\$ 4,542,920</b>	<b>\$ 4,647,130</b>	<b>\$ 4,697,330</b>	<b>\$ 4,750,230</b>	<b>\$ 4,864,680</b>	<b>\$ 4,983,860</b>	<b>\$ 5,107,860</b>	<b>\$ 5,237,080</b>	<b>\$ 5,371,720</b>	<b>\$ 5,512,180</b>
<b>Other Financing Sources (Uses)</b>												
City Sales Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from General Fund	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Revenues/Expenditures/Other Financing</b>	<b>\$ 248,615</b>	<b>\$ 457,016</b>	<b>\$ (676,619)</b>	<b>\$ (682,859)</b>	<b>\$ (636,066)</b>	<b>\$ (563,192)</b>	<b>\$ (541,020)</b>	<b>\$ (515,929)</b>	<b>\$ (507,943)</b>	<b>\$ (490,940)</b>	<b>\$ (484,219)</b>	<b>\$ (478,395)</b>
<b>Fund Balances</b>												
Beginning Fund Balance	6,515,071	6,763,686	7,220,702	6,544,083	5,861,224	5,225,158	4,661,966	4,120,946	3,605,017	3,097,074	2,606,134	2,121,915
Ending Fund Balance	6,763,686	7,220,702	6,544,083	5,861,224	5,225,158	4,661,966	4,120,946	3,605,017	3,097,074	2,606,134	2,121,915	1,643,520
Operating Reserve	4,015,316	1,306,190	1,576,930	1,614,377	1,633,210	1,653,010	1,694,227	1,737,187	1,781,953	1,828,660	1,877,373	1,928,227
Equipment Replacement Reserve	-	-	116,100	200,000	300,000	400,000	500,000	500,000	500,000	500,000	500,000	500,000
Excess	2,748,370	5,914,512	4,851,052	4,046,847	3,291,948	2,608,956	1,926,719	1,367,830	815,120	277,474	(255,459)	(784,707)

**City of Sedona  
Long-Range Forecast  
Wastewater Capital**

Projected as Recessionary  
Period

	FY16 Actuals	FY17 Estimated	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
<b>Revenues</b>												
Charges for Services	\$ 1,240,797	\$ 1,651,952	\$ 2,011,274	\$ 2,212,366	\$ 1,593,882	\$ 1,769,602	\$ 1,952,661	\$ 1,471,495	\$ 1,435,819	\$ 1,584,420	\$ 1,542,690	\$ 2,455,915
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Fees	541,045	1,266,100	403,100	414,700	1,211,300	441,700	1,042,100	464,500	475,600	486,500	496,800	507,700
Other Revenues	128,604	37,650	38,450	38,450	38,450	38,450	38,450	38,450	38,450	38,450	38,450	38,450
<b>Total Revenues</b>	<b>\$ 1,910,446</b>	<b>\$ 2,955,702</b>	<b>\$ 2,452,824</b>	<b>\$ 2,665,516</b>	<b>\$ 2,843,632</b>	<b>\$ 2,249,752</b>	<b>\$ 3,033,211</b>	<b>\$ 1,974,445</b>	<b>\$ 1,949,869</b>	<b>\$ 2,109,370</b>	<b>\$ 2,077,940</b>	<b>\$ 3,002,065</b>
<b>Expenditures</b>												
Salaries and Wages	99,186	109,350	110,640	115,100	118,000	120,900	125,700	130,700	135,900	141,300	147,000	152,900
Employee Benefits	39,520	42,860	41,920	45,100	48,500	52,100	56,000	60,200	64,700	69,600	74,800	80,400
Estimated Vacancy Savings	-	-	-	-	-	-	-	-	-	-	-	-
Operations	41,262	-	35,310	35,800	35,800	35,800	36,300	36,800	37,400	38,000	38,600	39,200
Estimated Under Budget	-	-	(3,531)	(3,580)	(3,580)	(3,580)	(3,630)	(3,680)	(3,740)	(3,800)	(3,860)	(3,920)
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	5,542,394	2,474,750	5,077,050	5,163,800	1,691,500	825,000	1,775,000	1,130,000	1,150,000	50,000	570,000	1,250,000
Contingency	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,722,362</b>	<b>\$ 2,626,960</b>	<b>\$ 5,261,389</b>	<b>\$ 5,356,220</b>	<b>\$ 1,890,220</b>	<b>\$ 1,030,220</b>	<b>\$ 1,989,370</b>	<b>\$ 1,354,020</b>	<b>\$ 1,384,260</b>	<b>\$ 295,100</b>	<b>\$ 826,540</b>	<b>\$ 1,518,580</b>
<b>Other Financing Sources (Uses)</b>												
City Sales Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from General Fund	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Revenues/Expenditures/Other Financing</b>	<b>\$ (3,811,916)</b>	<b>\$ 328,742</b>	<b>\$ (2,808,565)</b>	<b>\$ (2,690,704)</b>	<b>\$ 953,412</b>	<b>\$ 1,219,532</b>	<b>\$ 1,043,841</b>	<b>\$ 620,425</b>	<b>\$ 565,609</b>	<b>\$ 1,814,270</b>	<b>\$ 1,251,400</b>	<b>\$ 1,483,485</b>
<b>Fund Balances</b>												
Beginning Fund Balance	(749,688)	(4,561,604)	(4,232,862)	(7,041,427)	(9,732,131)	(8,778,719)	(7,559,187)	(6,515,346)	(5,894,921)	(5,329,312)	(3,515,042)	(2,263,642)
Ending Fund Balance	(4,561,604)	(4,232,862)	(7,041,427)	(9,732,131)	(8,778,719)	(7,559,187)	(6,515,346)	(5,894,921)	(5,329,312)	(3,515,042)	(2,263,642)	(780,157)

**City of Sedona  
Long-Range Forecast  
Wastewater Debt Service**

Projected as Recessionary  
Period

	FY16 Actuals	FY17 Estimated	FY18 Projected	FY19 Projected	FY20 Projected	FY21 Projected	FY22 Projected	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
<b>Revenues</b>												
Charges for Services	\$ 933,134	\$ 585,431	\$ 365,725	\$ 302,264	\$ 1,067,953	\$ 984,860	\$ 901,180	\$ 1,471,174	\$ 1,394,564	\$ 1,119,739	\$ 1,039,809	\$ -
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-
Capacity Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenues	44,342	37,900	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700	38,700
<b>Total Revenues</b>	<b>\$ 977,476</b>	<b>\$ 623,331</b>	<b>\$ 404,425</b>	<b>\$ 340,964</b>	<b>\$ 1,106,653</b>	<b>\$ 1,023,560</b>	<b>\$ 939,880</b>	<b>\$ 1,509,874</b>	<b>\$ 1,433,264</b>	<b>\$ 1,158,439</b>	<b>\$ 1,078,509</b>	<b>\$ 38,700</b>
<b>Expenditures</b>												
Salaries and Wages	-	-	-	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-	-	-	-	-
Estimated Vacancy Savings	-	-	-	-	-	-	-	-	-	-	-	-
Operations	-	-	120	120	120	120	120	120	120	120	120	-
Estimated Under Budget	-	-	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	-
Debt Service	5,412,247	5,151,325	4,409,735	4,438,800	4,696,800	4,696,800	4,696,800	4,696,800	4,696,800	4,491,800	4,492,100	-
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,412,247</b>	<b>\$ 5,151,325</b>	<b>\$ 4,409,843</b>	<b>\$ 4,438,908</b>	<b>\$ 4,696,908</b>	<b>\$ 4,696,908</b>	<b>\$ 4,696,908</b>	<b>\$ 4,696,908</b>	<b>\$ 4,696,908</b>	<b>\$ 4,491,908</b>	<b>\$ 4,492,208</b>	<b>\$ -</b>
<b>Other Financing Sources (Uses)</b>												
City Sales Taxes	4,497,550	-	-	-	-	-	-	-	-	-	-	-
Transfers from General Fund	-	4,027,700	4,165,900	4,289,900	3,316,500	3,149,600	3,311,200	2,620,000	2,680,800	2,742,900	2,806,500	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,497,550</b>	<b>\$ 4,027,700</b>	<b>\$ 4,165,900</b>	<b>\$ 4,289,900</b>	<b>\$ 3,316,500</b>	<b>\$ 3,149,600</b>	<b>\$ 3,311,200</b>	<b>\$ 2,620,000</b>	<b>\$ 2,680,800</b>	<b>\$ 2,742,900</b>	<b>\$ 2,806,500</b>	<b>\$ -</b>
<b>Net Revenues/Expenditures/Other Financing</b>	<b>\$ 62,779</b>	<b>\$ (500,294)</b>	<b>\$ 160,482</b>	<b>\$ 191,956</b>	<b>\$ (273,755)</b>	<b>\$ (523,748)</b>	<b>\$ (445,828)</b>	<b>\$ (567,034)</b>	<b>\$ (582,844)</b>	<b>\$ (590,569)</b>	<b>\$ (607,199)</b>	<b>\$ 38,700</b>
<b>Fund Balances</b>												
Beginning Fund Balance	11,333,043	11,395,822	10,895,528	11,056,010	11,247,966	10,974,211	10,450,463	10,004,635	9,437,601	8,854,757	8,264,188	7,656,989
Ending Fund Balance	11,395,822	10,895,528	11,056,010	11,247,966	10,974,211	10,450,463	10,004,635	9,437,601	8,854,757	8,264,188	7,656,989	7,695,689
Debt Service Reserve	4,637,253	4,581,690	4,604,309	4,629,243	4,619,488	4,605,830	4,585,344	4,551,200	4,482,913	4,483,050	-	-
Excess	6,758,569	6,313,838	6,451,701	6,618,723	6,354,723	5,844,633	5,419,291	4,886,401	4,371,844	3,781,138	7,656,989	7,695,689

# Questions or Comments?

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