

# Monthly Financial Report

January 2018



**CITY OF SEDONA**

June 5, 2018

# Monthly Financial Report

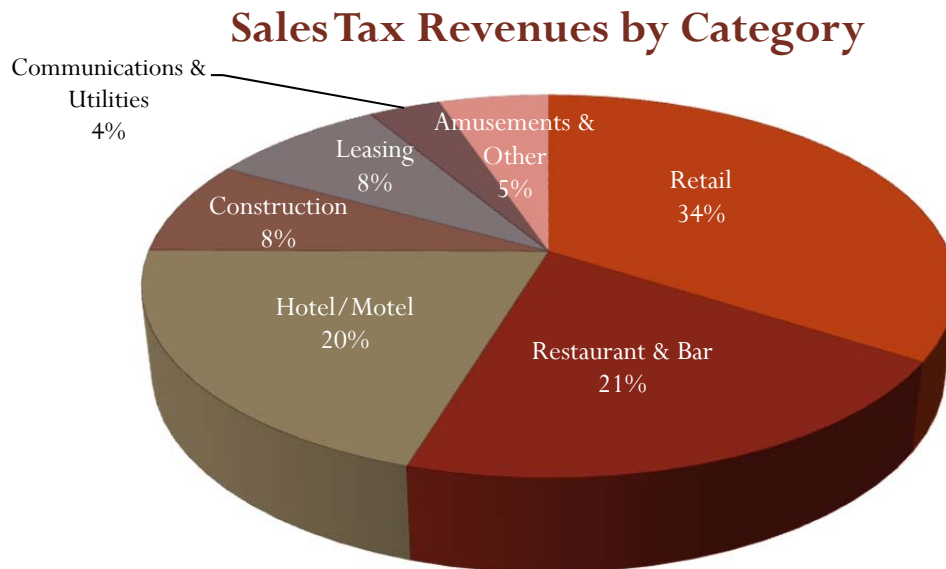
January 2018

## Executive Summary

The City's largest revenue sources are sales and bed tax revenues. Year-to-date **City sales taxes are 8% higher** than the prior year and year-to-date **bed taxes are 19% higher** than the prior year.

January YTD Increase (Decrease) Over Prior Year	
City Sales Taxes	\$ 701,755
Bed Taxes	358,476
<b>Total</b>	<b>\$ 1,060,231</b>

The largest sales tax increases for the month were in the Hotel/Motel (23%), Leasing (39%), and Amusements & Other (61%) categories. The Hotel/Motel and Amusements & Other categories are heavily impacted by tourism. The Communications & Utilities (-34%) category had a significant decrease for the month due to refunds related to prior periods.



## Revenues

In total, **General Fund revenues are up 12%** over last year, and Wastewater Fund revenues are down 6% from last year. Excluding the impacts of significant one-time capacity fees received in the prior year and significant one-time settlement revenues received in the current year, the **remaining Wastewater Fund revenues are up 4%** over last year.

All revenue categories are **expected to be generally on target or exceed targets** by the end of the fiscal year, with the exception of Other Intergovernmental (58% under YTD target), which includes a \$300,000 contingency in

case a significant grant opportunity arises. Grant revenues match grant expenditures. When grant expenditures are lower, the grant revenues are also lower. The effect is no net impact to the City's financial position.

## Expenditures

In total, **General Fund expenditures are at 57% of budget** for the year-to-date, and **Wastewater Fund expenditures are 34% of budget** for the year-to-date, with 58% of the year completed so far.

Expenditures are **expected to be on or under target** by the end of the fiscal year. City Manager's Office expenditures are high for seven months but are on track due to the nature of semiannual payments for community contracts.

Expenditures for capital improvements (9%) and streets rehabilitation and preservation (31%) are not incurred consistently throughout the year and, as of January 2018, are overall under targets for the fiscal year.

## Report Format

The format for the City of Sedona Monthly Financial Report has been modified to provide both summarized financial information and additional historical information. The City's fiscal year (FY) is July 1 through June 30. This report for January 2018 is the seventh month of the current fiscal year, FY2017, and **represents 58% of the fiscal year**.

The report consists of the following sections:

- **Executive Summary** – This summary includes a narrative discussion of the most significant information in this report.
- **Table of Contents** – The table of contents includes hyperlinks to the sections and tables in this report. It also includes the status for the City's expenditures and revenues, highlighted as follows:
  - **Green** represents a status favorable, including expenditures on or under target and revenues on or exceeding target. Comments have been included regarding any significant favorable status, better than the target by more than 10%.
  - **Yellow** represents a cautionary status indicating that the particular category should be observed but is expected to be on target by the end of the fiscal year. Comments have been included regarding the cautionary status.
  - **Red** represents an unfavorable status indicating that particular category is not expected to be on target by more than 10% by the end of the fiscal year. Comments have been included regarding the unfavorable status.
- **Expenditures and Revenues** – Expenditure and revenue Information has been provided both by fund (including the two Community Facilities Districts managed by the City) and by department for non capital improvement expenditures (excluding internal charges) and by type for revenues. The information includes:
  - Year-to-date (YTD) expenditures and revenues for the current fiscal year and the four previous fiscal years
  - Total annual expenditures and revenues, excluding contingencies, for the four previous fiscal years and budget amounts for the current fiscal year
  - Comparison of YTD amounts to annual amounts, which is used to determine if current year YTD amounts are on target, and any applicable comments regarding the status compared to targets

- Increases and decreases in YTD and annual amounts and color-coded explanations of significant increases and decreases
- **Sales & Bed Tax Revenues** – These revenues are the most significant funding sources for the City and historically have been susceptible to fluctuations in the economy. The information includes comparisons by taxing category and by month.
- **Fund Summaries** – The City’s two most significant funds, the General Fund and the Wastewater Enterprise Fund, are presented with detailed comparisons of YTD amounts to the budgets and prior fiscal year. A summary of all City funds, plus the two Community Facilities Districts, is also included. The schedules include encumbrances, which represents the balance of purchase orders not yet fulfilled.
- **Bonds And Capital Leases Outstanding** – A table of the City’s outstanding bonds and capital leases has been presented by fund with the remaining principal and interest payments for each. Bond payments are made on July 1 and January 1 in accordance with the bond debt repayment schedules. The capital lease payments are made annually when due.
- **Capital Projects Summary** – A table of the current fiscal year capital improvement projects has been presented with the total project amounts for projects spanning more than one fiscal year.
- **Investment Summaries** – A table of the investments held by the City has been presented with the average remaining duration of the portfolio, as well as the average yield of the portfolio compared to the policy benchmark. In addition, a table of the investment transactions has been presented including acquisitions, dispositions, investment earnings, and expenses.

## Additional Detail

This report provides broad summary information and analysis of the City’s financial data. Additional detailed information is offered on the City’s website at [www.sedonaaz.gov/transparency](http://www.sedonaaz.gov/transparency). It is a searchable, user-friendly site that citizens and other interested parties can use to access real time financial data.

*For questions or additional information, contact:*

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## Table of Contents

(click on page number to navigate to that page)

	Page	% YTD	Status	Comments
<b>Portion of Fiscal Year Complete = 58.33%</b>				
<b>Total Expenditures by Fund</b>				
General Fund	5	57%	On Target for FY 2018	
<b>Special Revenue Funds:</b>				
Streets Fund	6	31%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
Grants, Donations & Other Funds	6	20%	Under Target for FY 2018	Expenditures do not occur consistently throughout the fiscal year.
<b>Capital Projects Funds:</b>				
Development Impact Fees Funds	7	16%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Capital Improvements Fund	7	11%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Art in Public Places Fund	8	N/A	On Target for FY 2018	No projects planned for FY 2018.
Wastewater Enterprise Fund	9	34%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
Info. Tech. Internal Service Fund	10	48%	Under Target for FY 2018	
<b>Community Facilities Districts:</b>				
Sedona Summit II	11	N/A	On Target for FY 2018	No projects planned for FY 2018.
Fairfield	11	21%	Under Target for FY 2018	Capital improvement expenditures do not occur consistently throughout the fiscal year.
<b>Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)</b>				
City Council	12	47%	Under Target for FY 2018	
City Manager's Office	12	82%	On Target for FY 2018	While expenditures are high, they are on track due to the significant semiannual payments made in July and December.
Human Resources	13	43%	Under Target for FY 2018	
Financial Services	14	49%	Under Target for FY 2018	
Information Technology	15	49%	Under Target for FY 2018	
City Attorney's Office	16	46%	Under Target for FY 2018	
City Clerk's Office	16	53%	Under Target for FY 2018	
Parks & Recreation	17	47%	Under Target for FY 2018	
General Services	18	57%	On Target for FY 2018	
Debt Service	18	58%	On Target for FY 2018	
Community Development	19	50%	Under Target for FY 2018	
Public Works	20	45%	Under Target for FY 2018	
Economic Development	21	48%	Under Target for FY 2018	
Police	21	54%	Under Target for FY 2018	
Municipal Court	22	52%	Under Target for FY 2018	
Wastewater Administration	22	40%	Under Target for FY 2018	
Wastewater Capital	23	53%	Under Target for FY 2018	
Wastewater Operations	23	43%	Under Target for FY 2018	
<b>Total Revenues by Fund</b>				
General Fund	24	56%	Under Target for FY 2018	While revenues are low, franchise fees are received quarterly and in-lieu fees are typically received during the last quarter of the fiscal year. Revenues are expected to be on target by the end of the fiscal year.
<b>Special Revenue Funds:</b>				
Streets Fund	25	58%	On Target for FY 2018	
Grants, Donations & Other Funds	25	29%	Under Target for FY 2018	The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.
<b>Capital Projects Funds:</b>				
Development Impact Fees Funds	26	56%	Under Target for FY 2018	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Capital Improvements Fund	26	23%	Under Target for FY 2018	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Art in Public Places Fund	27	83%	Exceeds Target for FY 2018	
Wastewater Enterprise Fund	27	62%	Exceeds Target for FY 2018	
Info. Tech. Internal Service Fund	28	61%	Exceeds Target for FY 2018	
<b>Community Facilities Districts:</b>				
Sedona Summit II	29	1%	Under Target for FY 2018	While revenues are low, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
Fairfield	29	24%	Under Target for FY 2018	While revenues are low, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
<b>Total Revenues by Type</b>				
City Sales Taxes	30	56%	Exceeds Target for FY 2018	
Bed Taxes	30	56%	Exceeds Target for FY 2018	
In-Lieu	31	5%	On Target for FY 2018	While revenues are low, in-lieu fees are mostly received near the end of the fiscal year and are expected to be on target by the end of the fiscal year.
Franchise Fees	31	54%	On Target for FY 2018	While revenues are low, franchise fees are received quarterly and are expected to be on target by the end of the fiscal year.
State Sales Taxes	32	59%	On Target for FY 2018	
Urban Revenue Sharing	32	58%	On Target for FY 2018	
Vehicle License Taxes	33	60%	Exceeds Target for FY 2018	
Highway User	33	65%	Exceeds Target for FY 2018	
Other Intergovernmental	34	25%	Under Target for FY 2018	The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.
Licenses & Permits	35	55%	Under Target for FY 2018	Building permit revenues are lower than anticipated due to lower average valuations of improvements but are expected to be on target by the end of the fiscal year.
Charges for Services	35	60%	On Target for FY 2018	
Fines & Forfeitures	36	77%	Exceeds Target for FY 2018	
Development Impact Fees	37	36%	Under Target for FY 2018	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Capacity Fees	37	43%	Under Target for FY 2018	Revenues do not occur consistently throughout the fiscal year but are expected to be on target by the end of the fiscal year.
Other Miscellaneous	38	113%	Exceeds Target for FY 2018	
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## Total Expenditures by Fund

### Total General Fund Expenditures

**On Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 6,993,854	\$ 12,520,234	56%		
2015	\$ 8,129,810	\$ 14,282,455	57%	16%	14%
2016	\$ 8,840,003	\$ 14,907,362	59%	9%	4%
2017	\$ 9,671,082	\$ 16,799,273	58%	9%	13%
2018	\$ 11,588,088	\$ 20,302,444	57%	20%	21%

#### YTD and Annual Increase from FY 2014 to FY 2015:

- (1) Information Technology hardware and software expenditures increased approximately \$277,000 due largely to the replacement of mobile data equipment and software upgrades for the Police Department.
- (2) The Council increased the commitment to destination marketing, resulting in an increase of approximately \$860,000.
- (3) Salary and benefits increased approximately \$575,000. The increase in salaries was primarily due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 27% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance premiums.

#### Annual Increase from FY 2016 to FY 2017:

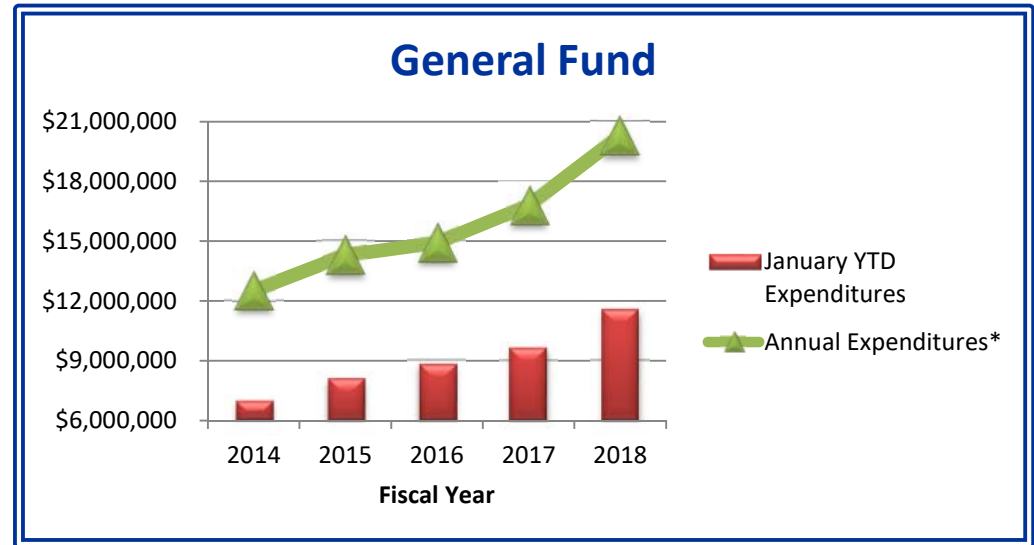
- (1) For FY 2017, Council approved the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund. This increase to the General Fund was approximately \$818,000.
- (2) The allocation to the destination marketing program increased approximately \$365,000 as a result of the higher bed tax revenue collections.
- (3) Salaries & Benefits increased approximately \$410,000. This was partly due to three new full-time positions and two part-time positions added in the budget process. In addition, salaries increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%, as well as increases to benefits due to a 3% increase to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 2% increase to health insurance premiums.

#### YTD Increase from FY 2017 to FY 2018:

- (1) The increase was partly due to payments related to the refunds of PSPRS contributions to employees that were deemed to be unconstitutional.
- (2) The allocation to the destination marketing program increased approximately \$406,000 as a result of higher estimated bed tax revenue collections.
- (3) Accrued bond payments are approximately \$442,000 higher than the prior year.
- (4) The increase is also due to a change in allocation of property and liability insurance premium payments. In FY 2017, a portion of the premium was charged directly to the Wastewater Fund. In FY 2018, the premium is allocated based on an indirect cost allocation plan.
- (5) Vacancy savings were experienced in the prior year, in addition to budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%, as well as an increase of 30% to the required contributions to PSPRS and a 4% increase in health insurance premiums.
- (6) The increase is also partly due to additional lease payments of approximately \$73,000 for the assigned vehicle program for patrol officers.

#### Annual Increase from FY 2017 to FY 2018:

- (1) The FY 2018 budget includes the addition of one full-time position and six part-time positions.
- (2) In addition, salaries increased due to budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%, as well as increases to benefits due to a 30% increase to the required contributions to PSPRS and a 4% increase to health insurance premiums.
- (3) A one-time placeholder was added to the FY 2018 budget relating to the results of a lawsuit, in which the courts found the increase in the employee share of the PSPRS contribution to be unconstitutional. The City is responsible for refunding the amounts to employees, plus interest.
- (4) Bond payments will be approximately \$753,000 higher in FY 2018 compared to FY 2017.
- (5) Capital lease payments will be approximately \$73,000 higher in FY 2018 compared to FY 2017 for the assigned vehicle program for patrol officers.
- (6) A placeholder of \$100,000 was included in the FY 2018 budget to cover costs of the paid parking program.
- (7) The FY 2018 budget includes approximately \$136,000 additional for continued updates to the Land Development Code.



\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Expenditures by Fund

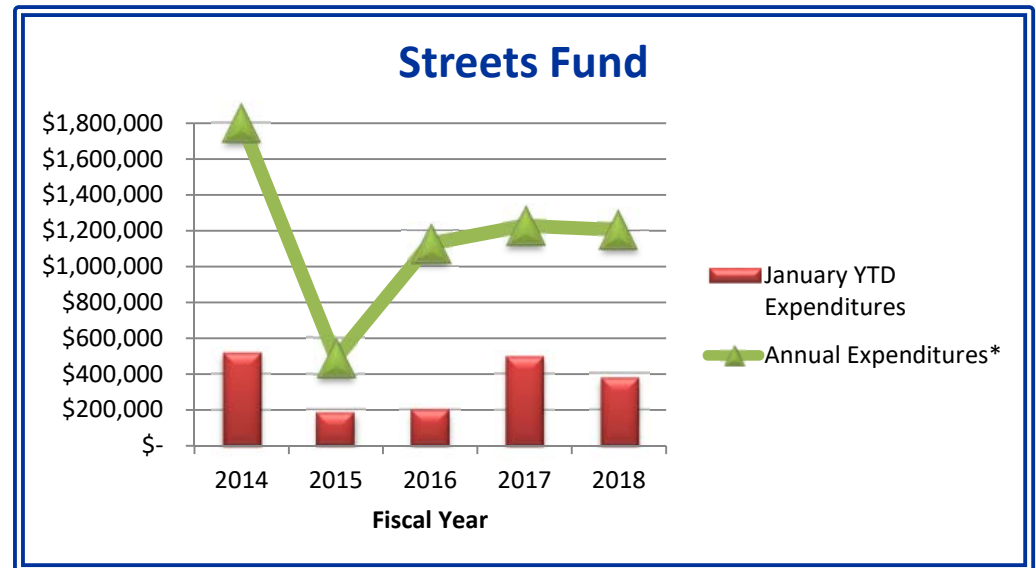
### Total Streets Fund Expenditures

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 521,253	\$ 1,799,340	29%		
2015	\$ 185,423	\$ 488,072	38%	-64%	-73%
2016	\$ 204,203	\$ 1,126,227	18%	10%	131%
2017	\$ 499,774	\$ 1,226,595	41%	145%	9%
2018	\$ 378,400	\$ 1,203,490	31%	-24%	-2%

**Increases/Decreases:** Much of the activity in the Streets Fund is from paving and maintenance projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2017, the Council approved the transfer of all streets related expenditures other than rehabilitation and pavement preservation to the General Fund and increased the annual maintenance expectations to approximately 4.5 to 5.0 miles per year.

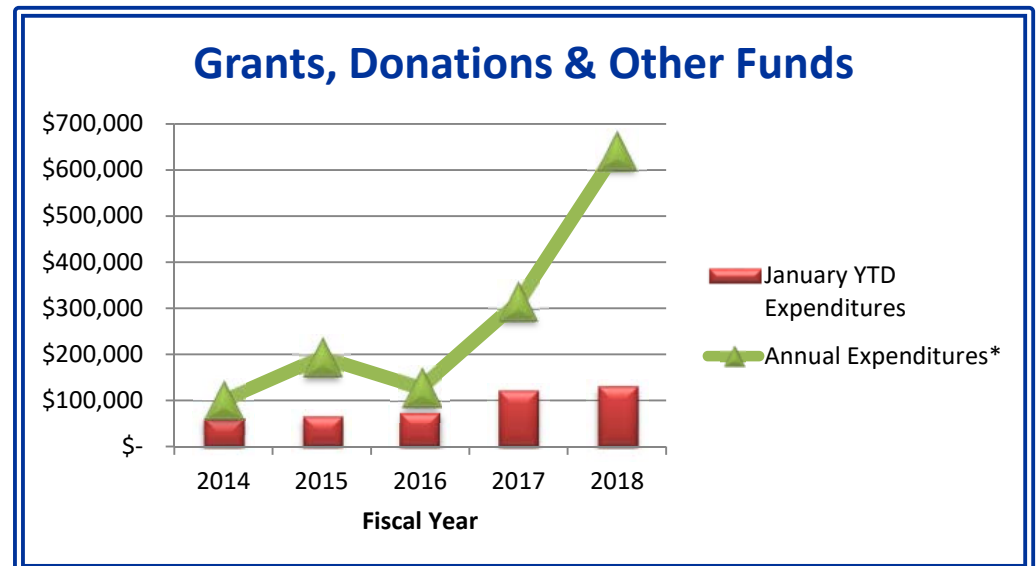


### Total Grants, Donations & Other Exp.

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 62,581	\$ 99,837	63%		
2015	\$ 65,262	\$ 193,488	34%	4%	94%
2016	\$ 75,569	\$ 127,230	59%	16%	-34%
2017	\$ 121,773	\$ 314,560	39%	61%	147%
2018	\$ 130,991	\$ 641,350	20%	8%	104%

**Increases/Decreases:** The activity of the Grants & Donations Funds is based on the funding awarded and received during the year so spending will not necessarily be consistent from month to month or year to year.



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## Total Expenditures by Fund

### Total Develop. Impact Fees Exp.

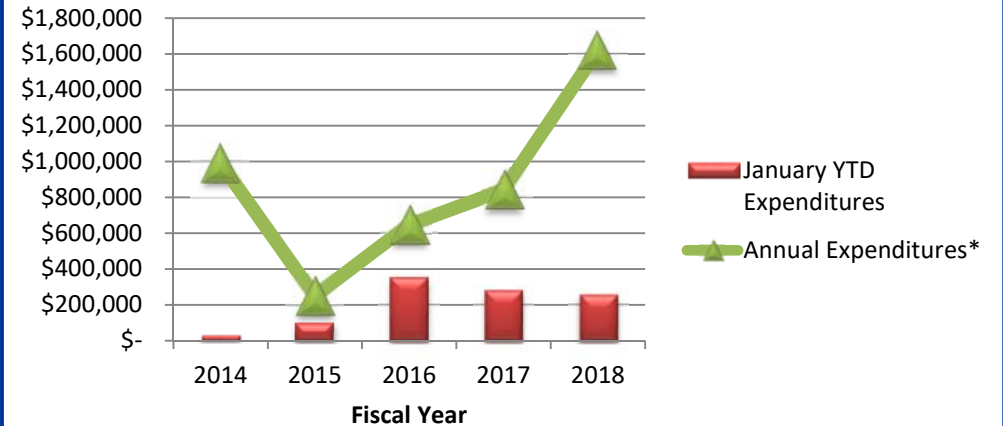
**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 28,889	\$ 988,600	3%		
2015	\$ 107,080	\$ 247,614	43%	271%	-75%
2016	\$ 354,025	\$ 647,006	55%	231%	161%
2017	\$ 281,567	\$ 839,927	34%	-20%	30%
2018	\$ 257,233	\$ 1,620,092	16%	-9%	93%

**Increases/Decreases:** The activity of the Development Impact Fees Funds is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2018, budgeted expenditures includes \$1.25 million specifically designated for the acquisition of park/open space land. If Council does not decide to purchase property in FY 2018, it will be re-appropriated in future fiscal years.

### Development Impact Fees Funds



### Total Capital Improvements Fund Exp.

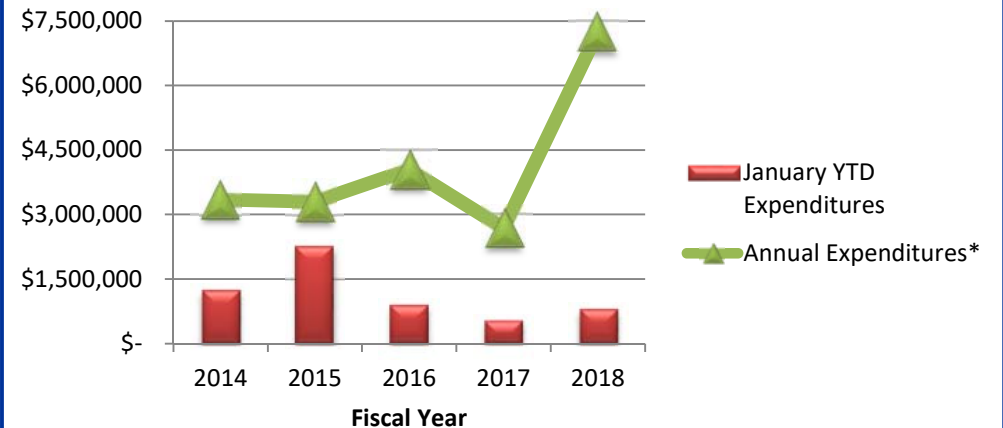
**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 1,254,624	\$ 3,348,961	37%		
2015	\$ 2,275,315	\$ 3,293,016	69%	81%	-2%
2016	\$ 904,566	\$ 4,045,969	22%	-60%	23%
2017	\$ 534,303	\$ 2,677,559	20%	-41%	-34%
2018	\$ 812,101	\$ 7,246,393	11%	52%	171%

**Increases/Decreases:** The activity of the Capital Improvements Fund is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2018, budgeted expenditures include approximately \$3.7 million for storm drainage projects and approximately \$2.4 million for streets and transportation projects.

### Capital Improvements Fund



\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.



## Total Expenditures by Fund

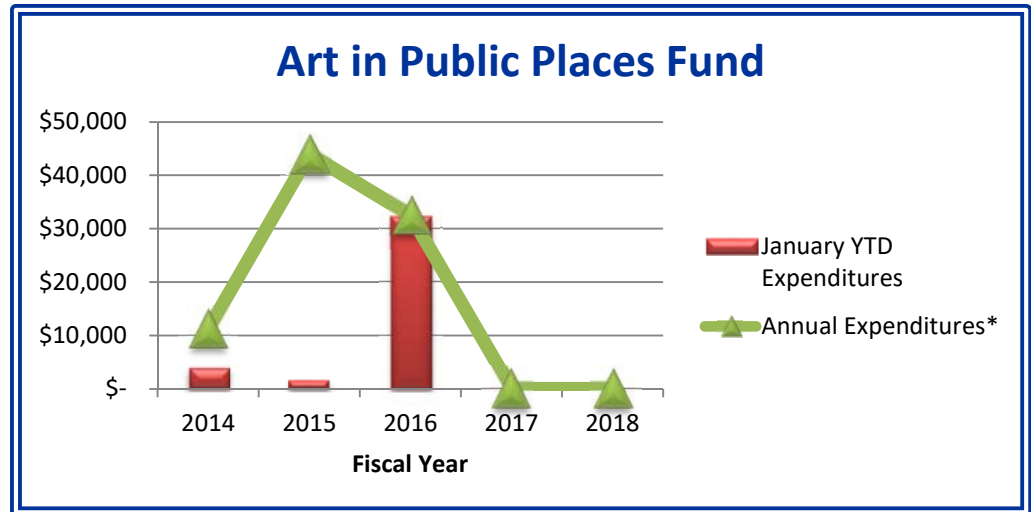
**Total Art in Public Places Fund Exp.**

**On Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 3,930	\$ 11,255	35%		
2015	\$ 1,665	\$ 43,975	4%	-58%	291%
2016	\$ 32,500	\$ 32,500	100%	1851%	-26%
2017	\$ -	\$ -	N/A	-100%	-100%
2018	\$ -	\$ -	N/A	N/A	N/A

**Increases/Decreases:** The activity of the Art in Public Places Fund is based on the timing of budgeted arts projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2018, no arts projects are planned to allow the balance in the Art in Public Places Fund to accumulate for additional projects in future fiscal years.



\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Expenditures by Fund

### Total Wastewater Enterprise Fund Exp.

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 3,334,089	\$ 9,927,837	34%		
2015	\$ 4,854,701	\$ 11,055,429	44%	46%	11%
2016	\$ 7,532,777	\$ 14,367,467	52%	55%	30%
2017	\$ 6,506,041	\$ 10,625,910	61%	-14%	-26%
2018	\$ 4,954,397	\$ 14,549,091	34%	-24%	37%

#### YTD Increase from FY 2014 to FY 2015:

Starting FY 2015, debt service costs were accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.

#### Annual Increase from FY 2014 to FY 2015:

Capital improvement expenditures increased by approximately \$1.2 million due to the wastewater treatment plant capacity enhancement upgrades and drilling of injection wells performed in FY 2015.

#### YTD and Annual Increase from FY 2015 to FY 2016:

The increase is primarily due to expenditures incurred for the plant upgrade and injection well drilling.

#### YTD and Annual Decrease from FY 2016 to FY 2017:

The decrease is primarily due to expenditures incurred for the plant upgrade and injection well drilling in the prior year.

#### YTD Decrease from FY 2017 to FY 2018:

(1) The decrease is largely due to the expenditures incurred for the injection well drilling in the prior year.

(2) The debt service costs are approximately \$430,000 lower and are based on the monthly accruals of scheduled bond principal and interest payments.

#### Annual Increase from FY 2017 to FY 2018:

(1) Budgeted capital improvement expenditures increased by approximately \$3 million, including construction of injection wells 3 & 4, improvements to lift stations, and replacement of bar screens and tertiary filters.

(2) The increase is partly a result of a generator replacement and rental.

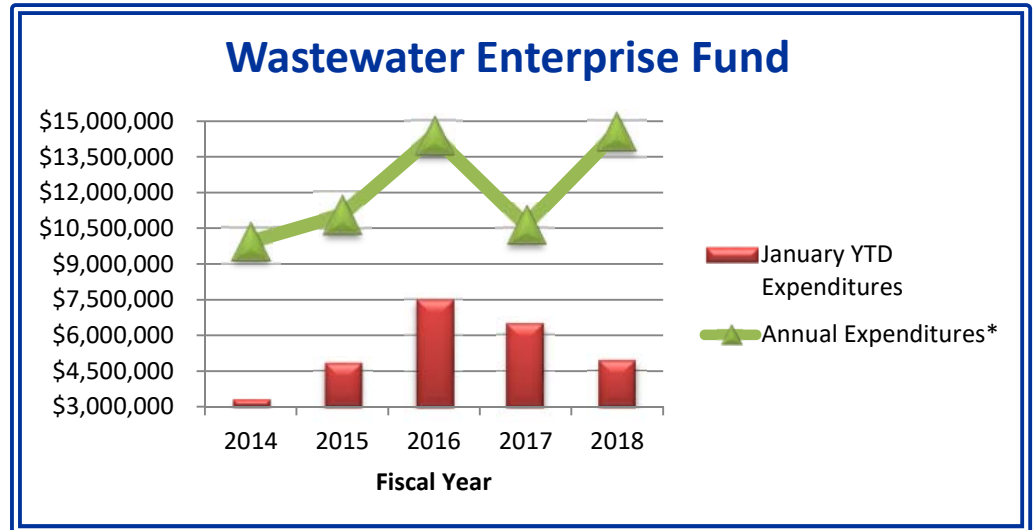
(3) The FY 2018 budget includes the addition of a plant operator position.

(4) The FY 2018 budget also includes rebuilding and replacing of pumps and the replacement of pump station roofs.

(5) Injection well maintenance was added for the new injection wells coming on line.

(6) The budgeted offset for vacancy savings was reduced by \$50,000, which results in an increase to the overall budget.

(7) Indirect cost allocations were implemented for FY 2018. Compared to the direct allocations previously used, the use of the "cost drivers" to determine cost allocations is generally considered to be a better representation of the service levels provided. The increase in the allocations is budgeted at approximately \$235,000.



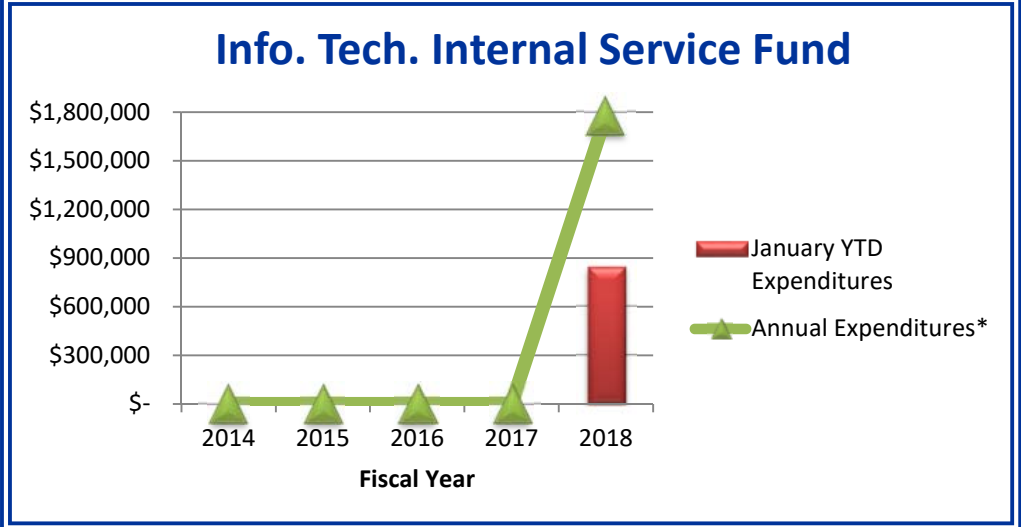
\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Expenditures by Fund

**Total Info. Tech. Internal Svc. Fund Exp.** Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 844,720	\$ 1,777,935	48%	∞	∞

The Information Technology Internal Service Fund was initiated in FY 2018.



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## Total Expenditures by Fund

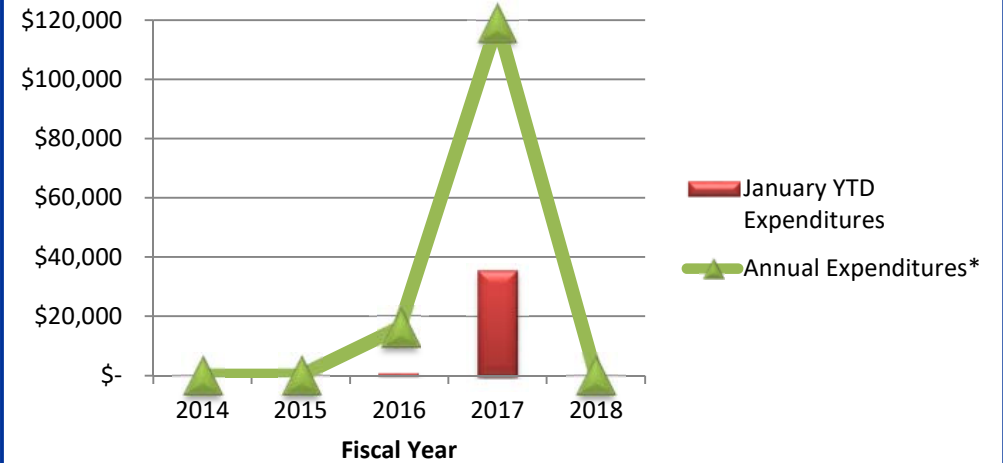
### Total CFD - Sedona Summit II Exp.

On Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ 827	\$ 16,064	5%	∞	∞
2017	\$ 35,688	\$ 119,131	30%	4215%	642%
2018	\$ -	\$ -	N/A	-100%	-100%

**Increases/Decreases:** The activity of the Sedona Summit II Community Facilities District is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

### CFD - Sedona Summit II



### Total CFD - Fairfield Expenditures

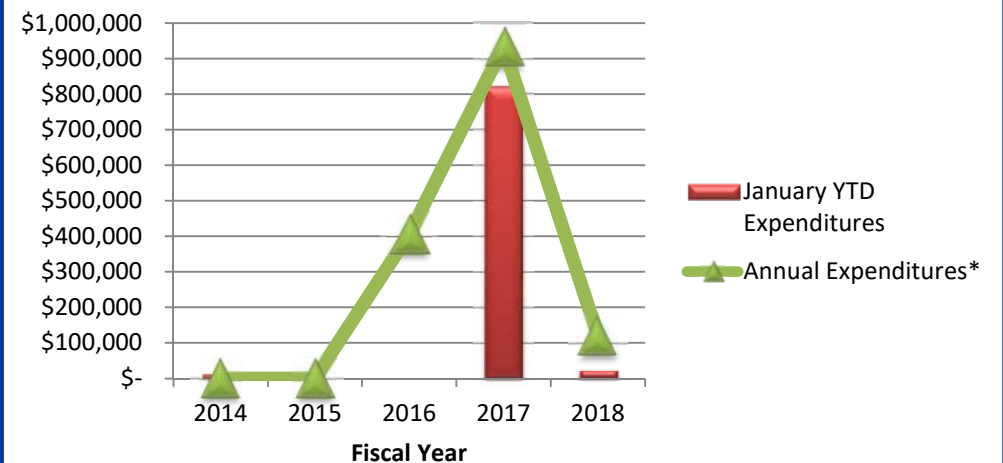
Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 12,355	\$ -	∞		
2015	\$ -	\$ -	N/A	-100%	N/A
2016	\$ -	\$ 404,998	0%	N/A	∞
2017	\$ 823,191	\$ 934,239	88%	∞	131%
2018	\$ 25,659	\$ 120,175	21%	-97%	-87%

**Increases/Decreases:** The activity of the Fairfield Community Facilities District is based on the timing of budgeted capital improvement projects so spending will not necessarily be consistent from month to month or year to year.

For FY 2018, planned capital improvement projects include improvements at the Brewer Road property.

### CFD - Fairfield



\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### City Council Expenditures

**Under Target for FY 2018**

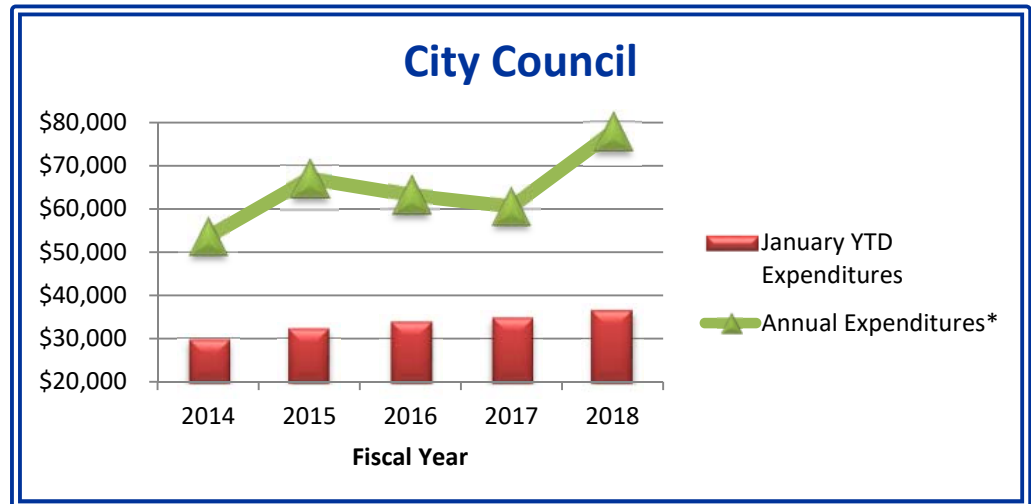
FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 29,867	\$ 53,561	56%		
2015	\$ 32,383	\$ 66,995	48%	8%	25%
2016	\$ 34,052	\$ 63,123	54%	5%	-6%
2017	\$ 35,029	\$ 60,524	58%	3%	-4%
2018	\$ 36,676	\$ 77,775	47%	5%	29%

**Annual Increase from FY 2014 to FY 2015:**

- (1) Moved Travel & Training costs to departments from General Services in FY 2015.
- (2) Increase in meals costs for City Manager interviews.
- (3) Replacement of office furniture.

**Annual Increase from FY 2017 to FY 2018:**

FY 2018 includes additional budget capacity for Travel & Training and Special Programs.



### City Manager's Office Expenditures

**On Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 389,478	\$ 696,483	56%		
2015	\$ 395,548	\$ 704,983	56%	2%	1%
2016	\$ 390,794	\$ 745,235	52%	-1%	6%
2017	\$ 450,061	\$ 878,130	51%	15%	18%
2018	\$ 2,585,282	\$ 3,137,218	82%	474%	257%

**Annual Increase from FY 2016 to FY 2017:**

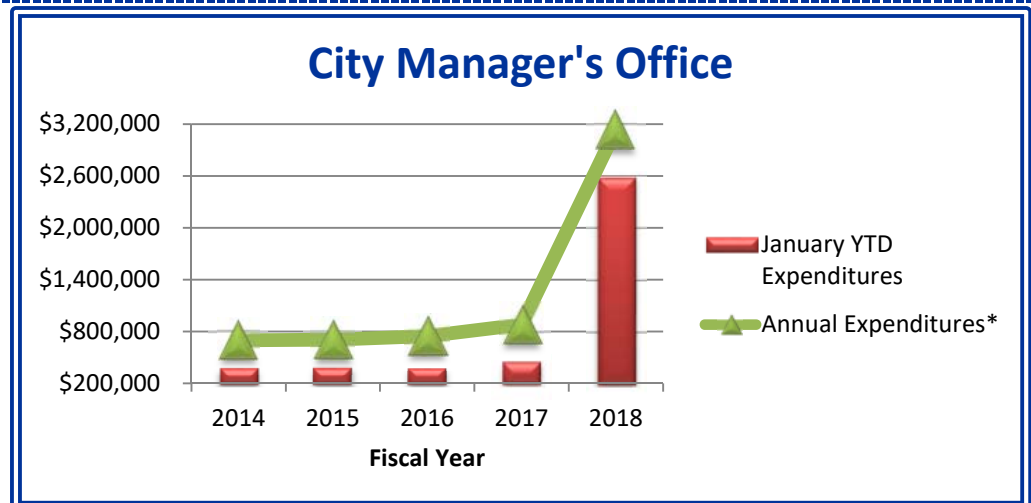
The Economic Development program totaling approximately \$165,000 was initiated.

**YTD Increase from FY 2017 to FY 2018:**

The Tourism Management & Development costs were moved from General Services to the City Manager's Office budget.

**Annual Increase from FY 2017 to FY 2018:**

The Tourism Management & Development costs were moved from General Services to the City Manager's Office budget, and the Economic Development program was moved to a separate department.



**On Target for FY 2018:** The percentage of annual expenditures is high for seven months of the fiscal year (82% actual compared to seven-month budget of 58%). Approximately 69% of the budget represents costs for the Tourism & Development program, and those costs are paid semiannually. One half of these contracts are paid in July and one half in December. Based on the timing and size of these payments, the City Manager's Office expenditures are on track for FY 2018.

\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Human Resources Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 106,195	\$ 178,106	60%		
2015	\$ 101,436	\$ 191,432	53%	-4%	7%
2016	\$ 112,310	\$ 217,866	52%	11%	14%
2017	\$ 142,037	\$ 255,942	55%	26%	17%
2018	\$ 136,084	\$ 316,775	43%	-4%	24%

#### Annual Increase from FY 2015 to FY 2016:

- (1) Increase in recruitment expenditures of \$6,500.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.

#### YTD Increase from FY 2016 to FY 2017:

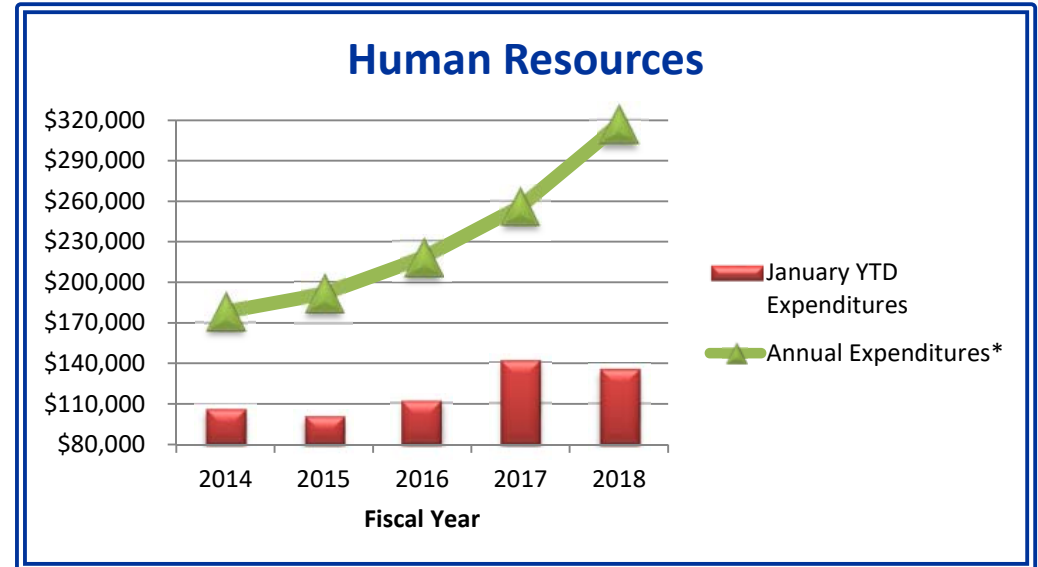
- (1) The increase is primarily due to increases in recruitment and relocations costs.
- (2) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

#### Annual Increase from FY 2016 to FY 2017:

- (1) The increase is partly due to increases in recruitment and relocations costs.
- (2) Special programs costs are higher due an increase in costs for the volunteer appreciation event.
- (3) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

#### Annual Increase from FY 2017 to FY 2018:

- (1) FY 2018 includes budget capacity to cover unemployment benefits and recruitment/relocation costs.
- (2) City-wide Travel & Training costs were moved from General Services to the Human Resources Department budget.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Financial Services Expenditures

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 222,082	\$ 448,475	50%		
2015	\$ 231,956	\$ 416,550	56%	4%	-7%
2016	\$ 240,863	\$ 450,225	53%	4%	8%
2017	\$ 467,869	\$ 859,666	54%	94%	91%
2018	\$ 552,347	\$ 1,130,005	49%	18%	31%

#### YTD Increase from FY 2016 to FY 2017:

Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund. The Utility Billing function in Financial Services is a significant part of these allocations.

#### Annual Increase from FY 2016 to FY 2017:

(1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund

were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund. The Utility Billing function in Financial Services is a significant part of these allocations.

(2) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.

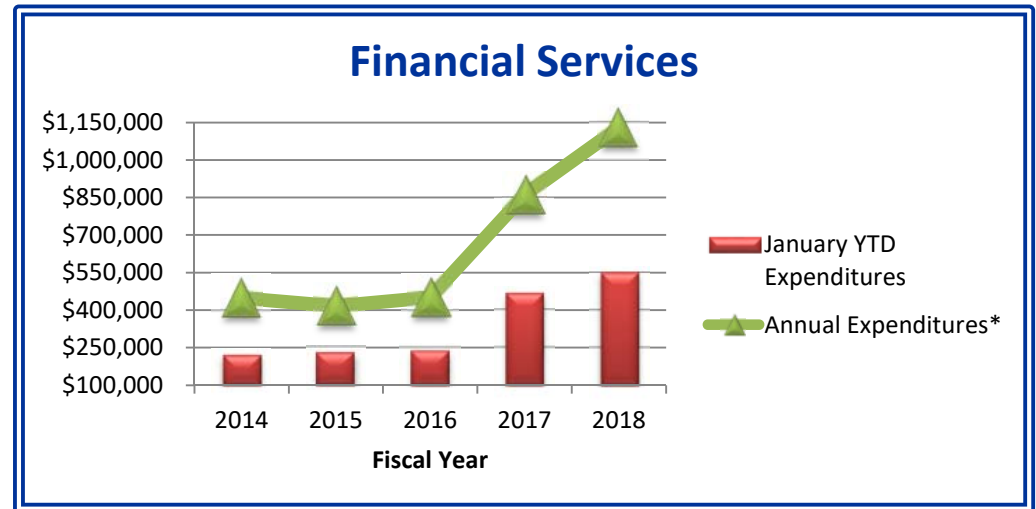
#### YTD and Annual Increase from FY 2017 to FY 2018:

(1) Service charges were moved from General Services to the Financial Services Department and increased to account for service charges applicable to the new paid parking program.

(2) Septic reimbursements were moved from Wastewater Operations to the Financial Services Department.

(3) Budget amounts were added in FY 2018 to accommodate the implementation of remittance processing for utility bills and hiring of a collection agency.

(4) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Information Technology Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 490,199	\$ 713,547	69%		
2015	\$ 741,808	\$ 1,058,766	70%	51%	48%
2016	\$ 549,613	\$ 853,746	64%	-26%	-19%
2017	\$ 724,483	\$ 1,083,123	67%	32%	27%
2018	\$ 677,422	\$ 1,372,835	49%	-6%	27%

#### YTD Increase from FY 2014 to FY 2015:

The increase is mostly due to the hardware and software upgrades and increases in annual software maintenance contracts..

#### Annual Increase from FY 2014 to FY 2015:

- (1) Hardware and software expenditures increased due largely to the replacement of mobile data equipment and software upgrades for the Police Department.
- (2) The increase is also partly due to increases in annual software maintenance contracts.
- (3) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (4) Internet service costs increased due to an improvement to connectivity.

#### YTD and Annual Decrease from FY 2015 to FY 2016:

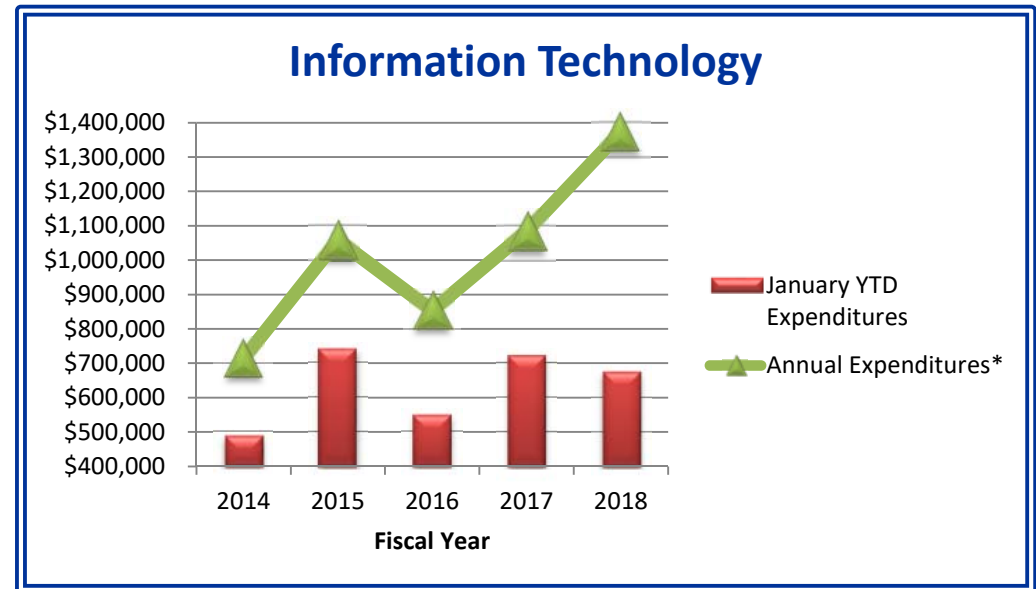
The decrease is primarily due to the hardware and software upgrades performed in FY 2015.

#### YTD and Annual Increase from FY 2016 to FY 2017:

- (1) The increase is partly due to the replacement and upgrade of the storage area network and upgrade of a digital evidence logger recorder.
- (2) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (3) A part-time Support/Help Desk Technician position was added.
- (4) Communications costs previously recorded in the General Services Department were transferred to Information Technology.

#### Annual Increase from FY 2017 to FY 2018:

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) Budgeted software and hardware purchases include migration to Microsoft Office 365, budget automation software, and various Wastewater operational needs.
- (3) Network connectivity for the Sinagua Building and fiber optic connection for the Wastewater Treatment Plant were included in the FY 2018 budget.
- (4) Budgets for copier leases were moved from General Services and Wastewater Administration to the Information Technology Department.
- (5) Phone and alarm system services were moved from Wastewater Administration to the Information Technology Department.
- (6) Budgeted expenditures for hardware and software maintenance contracts were increased in FY 2018.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### City Attorney's Office Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 263,710	\$ 458,932	57%		
2015	\$ 276,764	\$ 490,736	56%	5%	7%
2016	\$ 278,933	\$ 496,564	56%	1%	1%
2017	\$ 261,374	\$ 548,304	48%	-6%	10%
2018	\$ 315,134	\$ 683,600	46%	21%	25%

**Annual Increase from FY 2016 to FY 2017:**

(1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

(2) Budgeted amounts for payment of legal claims was transferred from the General Services Department.

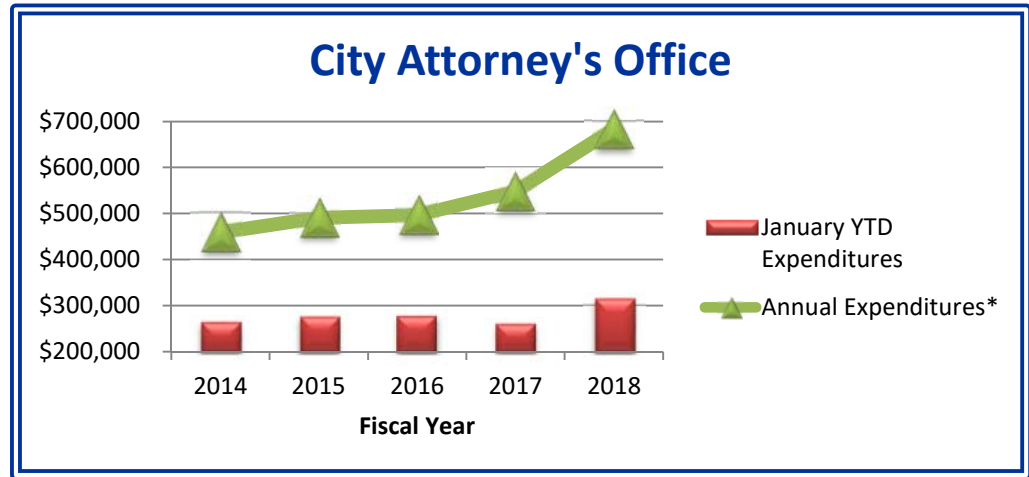
**YTD Increase from FY 2017 to FY 2018:**

The increase is primarily due to costs associated with claims for sewage cleanup and vacancy savings incurred in the prior year.

**Annual Increase from FY 2017 to FY 2018:**

(1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.

(2) Budgeted amounts for payment of legal claims and services was transferred from the Wastewater Administration Department.



### City Clerk's Office Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 117,337	\$ 226,818	52%		
2015	\$ 149,467	\$ 243,829	61%	27%	7%
2016	\$ 120,468	\$ 219,942	55%	-19%	-10%
2017	\$ 150,572	\$ 265,657	57%	25%	21%
2018	\$ 139,372	\$ 261,572	53%	-7%	-2%

**YTD Increase from FY 2014 to FY 2015:**

The increase was primarily due to elections costs incurred in FY 2015.

**YTD and Annual Decrease from FY 2015 to FY 2016:**

FY 2015 was an election year.

**YTD Increase from FY 2016 to FY 2017:**

(1) FY 2017 was an election year. Costs included the biennial election and the renewals of two franchise agreements.

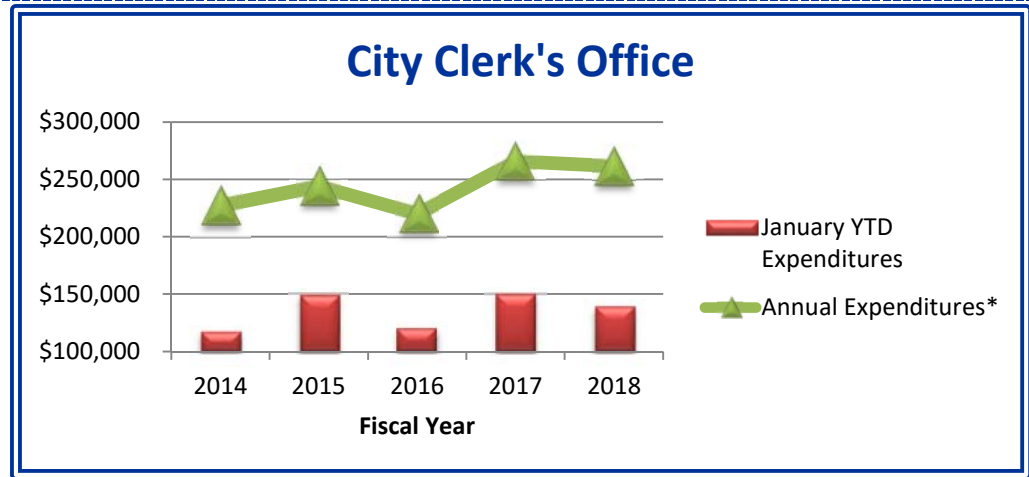
(2) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

**Annual Increase from FY 2016 to FY 2017:**

(1) FY 2017 was an election year. Costs included the biennial election and the renewals of two franchise agreements.

(2) Costs related to the City's electronics recycling event increased due to an increase in participation.

(3) Prior to FY 2017, salary allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Parks & Recreation Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 205,011	\$ 378,165	54%		
2015	\$ 268,840	\$ 506,788	53%	31%	34%
2016	\$ 309,605	\$ 493,305	63%	15%	-3%
2017	\$ 337,133	\$ 608,478	55%	9%	23%
2018	\$ 343,718	\$ 733,974	47%	2%	21%

**YTD Increase from FY 2014 to FY 2015:**

- (1) The increase is partly due to timing differences in special events payments.
- (2) A part-time Administrative Assistant position was increased to full-time.

**Annual Increase from FY 2014 to FY 2015:**

- (1) A part-time Administrative Assistant position was increased to full-time.
- (2) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.
- (3) An increase of \$62,500 was added to special events.
- (4) A viewing deck was constructed at the Wetlands Park.

**YTD Increase from FY 2015 to FY 2016:**

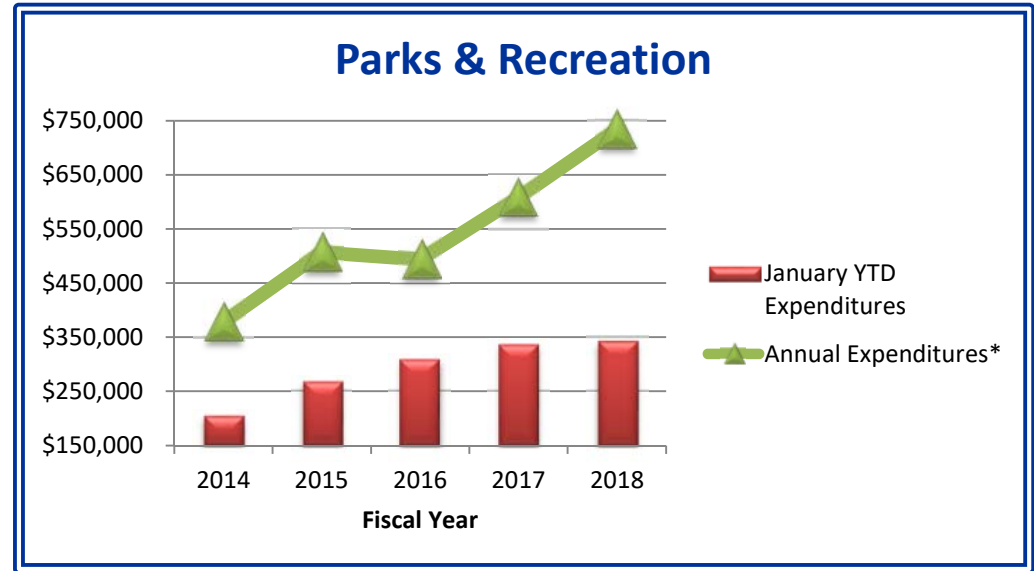
- (1) The increase is partly due to a timing difference in special events payments.
- (2) The increase is partly due to a position added in FY 2015 not filled until mid-year so vacancy savings were experienced in the prior year.

**Annual Increase from FY 2016 to FY 2017:**

- (1) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.
- (2) Special events were increased approximately \$33,000 for additional events and enhancements of existing events.

**Annual Increase from FY 2017 to FY 2018:**

- (1) An Administrative Assistant position was added.
- (2) Wages for temporary positions were increased due to legislative changes to minimum wage and required sick leave.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### General Services Expenditures

On Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 1,687,153	\$ 3,082,440	55%		
2015	\$ 2,087,842	\$ 3,889,467	54%	24%	26%
2016	\$ 2,833,184	\$ 4,071,785	70%	36%	5%
2017	\$ 2,942,657	\$ 4,209,363	70%	4%	3%
2018	\$ 1,080,120	\$ 1,878,834	57%	-63%	-55%

**YTD Increase from FY 2014 to FY 2015:**

(1) Starting FY 2015, debt service costs were accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.

(2) The Council increased its commitment to destination marketing.

(3) Other differences were a result of timing of property and liability insurance premiums.

**Annual Increase from FY 2014 to FY 2015:**

The Council increased the commitment to destination marketing, resulting in an increase of approximately \$860,000.

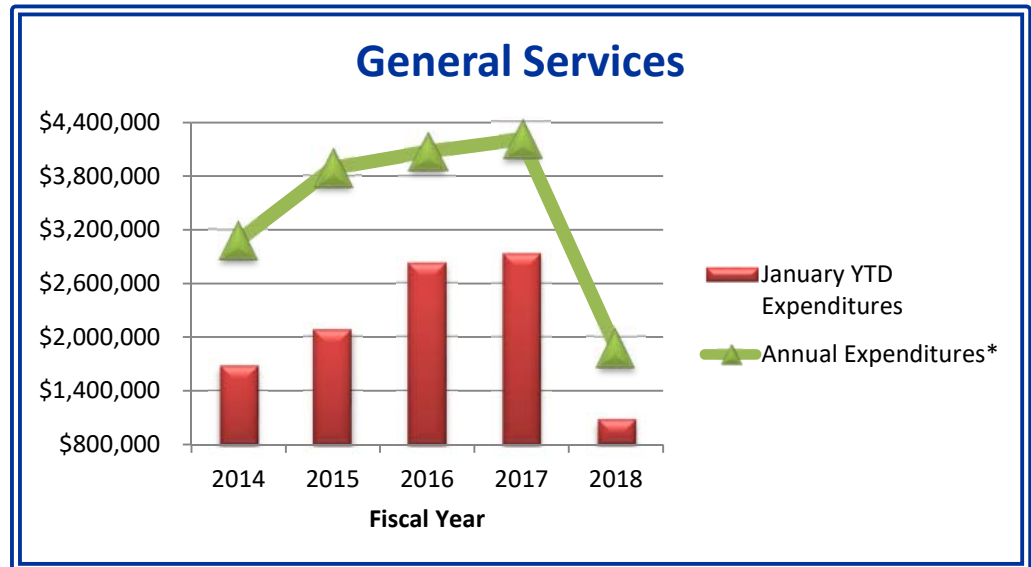
**YTD Increase from FY 2015 to FY 2016:**

The increase is mostly due to timing differences in community service contract payments.

**YTD and Annual Decrease from FY 2017 to FY 2018:**

(1) The debt service costs were moved to a separate departmental code in the general ledger.

(2) Tourism Management & Development costs were moved to the City Manager's Office budget.

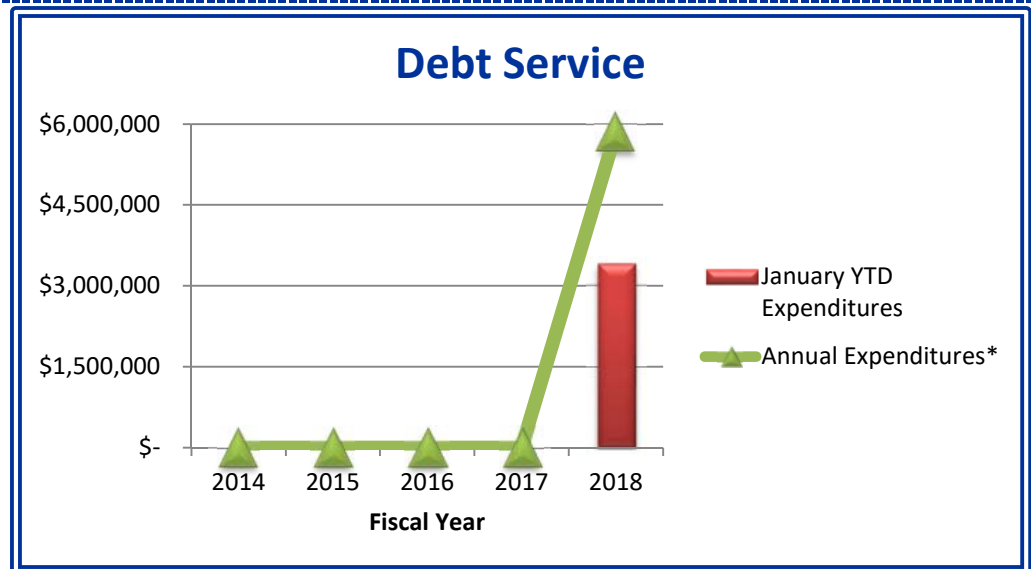


### Debt Service Expenditures

On Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 3,413,936	\$ 5,853,529	58%	∞	∞

Debt Service costs were moved to a separate departmental code in the general ledger starting in FY 2018.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Community Development Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 543,311	\$ 931,021	58%		
2015	\$ 568,865	\$ 1,054,199	54%	5%	13%
2016	\$ 667,202	\$ 1,201,326	56%	17%	14%
2017	\$ 774,288	\$ 1,576,171	49%	16%	31%
2018	\$ 857,358	\$ 1,707,950	50%	11%	8%

#### Annual Increase from FY 2014 to FY 2015:

Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

#### YTD and Annual Increase from FY 2015 to FY 2016:

- (1) A part-time Administrative Assistant was transferred from the Public Works Department.
- (2) A Senior Planner position was added.
- (3) A replacement vehicle for Code Enforcement was purchased for approximately \$24,000.
- (4) CDBG administration costs of approximately \$22,000 were incurred in FY 2016.

#### YTD Increase from FY 2016 to FY 2017:

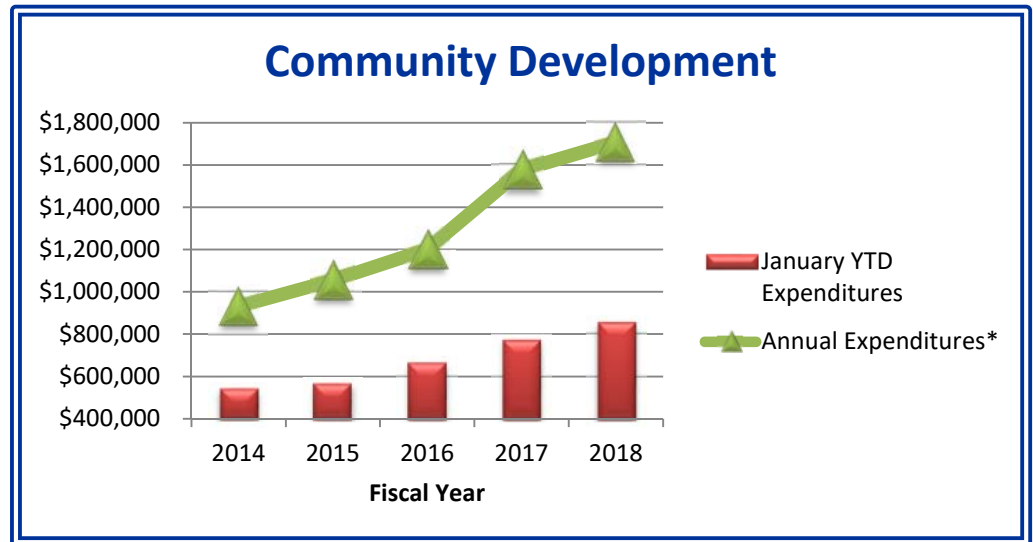
- (1) A significant portion of the increase is due to Community Development Block Grant (CDBG) expenditures. The City has typically received CDBG awards every three years.
- (2) The increase is also related to the update of the Land Development Code and development of a wireless master plan.
- (3) A new file storage system was purchased for approximately \$22,000.

#### Annual Increase from FY 2016 to FY 2017:

- (1) A significant portion of the increase is due to Community Development Block Grant (CDBG) expenditures. The City has typically received CDBG awards every three years.
- (2) The increase is also related to the update of the Land Development Code, amendments to the Community Plan, and development of a wireless master plan.
- (3) A new file storage system was purchased for approximately \$22,000.
- (4) Historic Preservation Grants were included for \$20,000.
- (5) Salaries were increased due to budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%. The most significant increase in benefits was a 2% increase to health insurance premiums.

#### YTD Increase from FY 2017 to FY 2018:

- (1) A portion of the increase is due to Community Development Block Grant (CDBG) expenditures. The grant is on a different fiscal year, and some of the final expenditures were incurred in FY 2018.
- (2) The increase is also due to vacancy savings in the prior fiscal year.
- (3) In addition, the increase was due to costs incurred for the Land Development Code update.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Public Works Expenditures

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 1,552,603	\$ 3,642,185	43%		
2015	\$ 1,145,579	\$ 2,278,004	50%	-26%	-37%
2016	\$ 1,290,441	\$ 3,214,005	40%	13%	41%
2017	\$ 2,118,300	\$ 4,397,351	48%	64%	37%
2018	\$ 2,237,020	\$ 5,009,873	45%	6%	14%

**YTD Decrease from FY 2014 to FY 2015:**

- (1) Due to the nature and timing of streets projects, expenditures are not always consistent from year to year. Expenditures for road rehabilitation, drainage maintenance, and pavement preservation were approximately \$284,000 less in FY 2015 than in FY 2014.
- (2) The decrease was partly due to timing differences in facilities and parts maintenance costs.
- (3) The decrease was also partially due to vacancy savings in FY 2015.

**Annual Decrease from FY 2014 to FY 2015:**

- (1) Due to the nature and timing of streets projects, expenditures are not always consistent from year to year. Expenditures for road rehabilitation, drainage maintenance, and pavement preservation were approximately \$1.2 million less in FY 2015 than in FY 2014.
- (2) Utility costs decreased by approximately \$50,000.

**YTD and Annual Increase from FY 2015 to FY 2016:**

- (1) The increase was partly due to increased expenditures for road rehabilitation and maintenance.
- (2) An Assistant Engineer position and an Associate Engineer position were added in FY 2016.
- (3) The increase was partly due to increases in utility costs.
- (4) Improvements were made to the Teen Center and roof installations were made for the City Hall parking structure.

**YTD Increase from FY 2016 to FY 2017:**

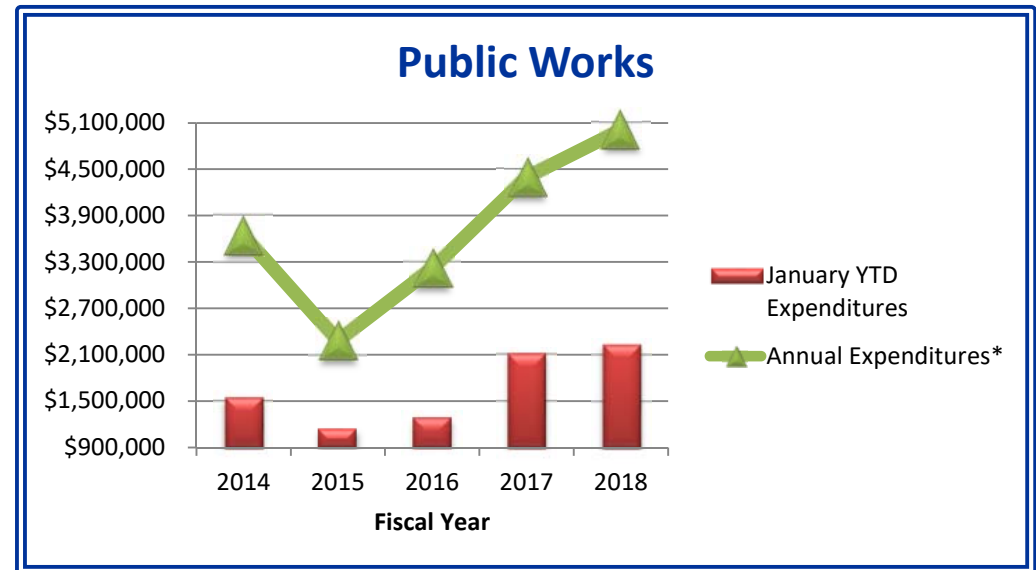
- (1) The increase was due to increased expenditures for road rehabilitation and maintenance.
- (2) Prior to FY 2017, salary and other cost allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Positions added in FY 2016 were filled mid-year so vacancy savings were experienced in the prior year.

**Annual Increase from FY 2016 to FY 2017:**

- (1) The increase was primarily due to increased expenditures for road rehabilitation and maintenance.
- (2) Prior to FY 2017, salary and other cost allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (3) Salaries and benefits increased due to the implementation of a traffic control services program, vacancy savings in the prior year, and budgeted cost-of-living adjustments of 1.8% and average merit increases of 2.5%.

**Annual Increase from FY 2017 to FY 2018:**

- (1) The increase was partly due to the budgeted purchase of a hot box for the Streets program .
- (2) Salaries and benefits included budgeted cost-of-living adjustments of 2.5% and average merit increases of 2.5%.
- (3) The Traffic Control Services program was added in FY 2018.
- (4) Shared trails maintenance costs with the US Forest Service were not incurred in the prior year.
- (5) In addition, there were timing differences and increases to streets maintenance and transfer of parks grounds maintenance costs.



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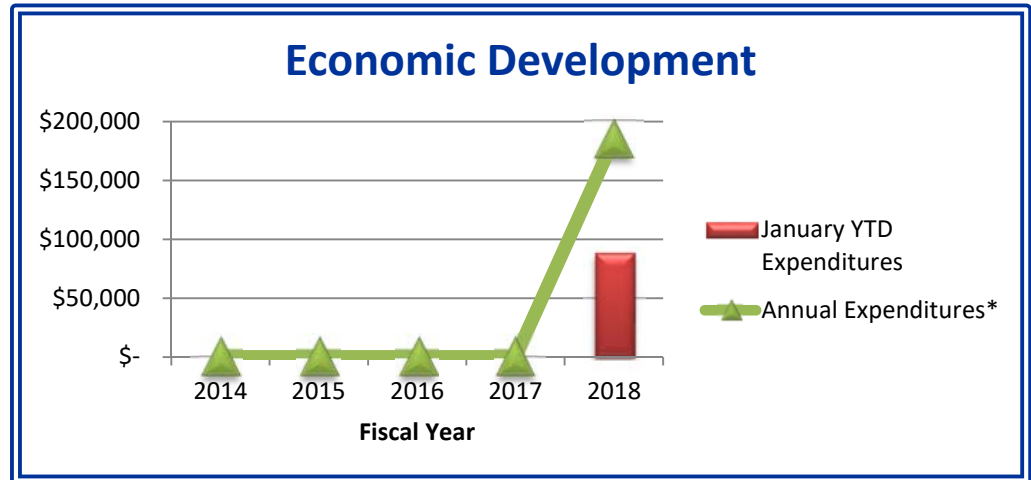
## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Economic Development Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 88,863	\$ 184,970	48%	∞	∞

The Economic Development program was moved to its own department in FY 2018.



### Police Expenditures

Under Target for FY 2018

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 1,824,636	\$ 3,338,557	55%		
2015	\$ 2,231,077	\$ 3,770,582	59%	22%	13%
2016	\$ 2,121,779	\$ 3,826,416	55%	-5%	1%
2017	\$ 2,177,867	\$ 4,080,748	53%	3%	7%
2018	\$ 2,572,380	\$ 4,794,724	54%	18%	17%

#### YTD and Annual Increase from FY 2014 to FY 2015:

(1) Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increases in benefits were an increase of 27% to the required contributions to the Public Safety Personnel Retirement System (PSPRS) and a 9% increase to health insurance premiums.

(2) The Community Service Aides (CSAs) program was enhanced, and the hours for the part-time CSAs were increased.

#### YTD Increase from FY 2017 to FY 2018:

(1) Vacancy savings were experienced in FY 2017.

(2) The PSPRS required contribution rate increased approximately 30%.

(4) The increase is also partly due to additional lease payments for the completion of the assigned vehicle program for patrol officers.

#### Annual Increase from FY 2017 to FY 2018:

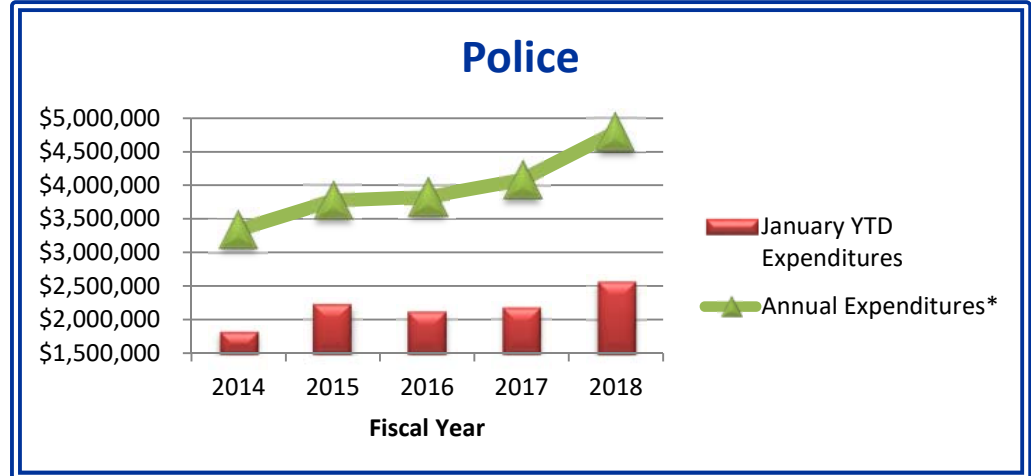
(1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.

(2) The PSPRS required contribution rate increased approximately 30%.

(3) The purchase and training of a new K-9 was budgeted in FY 2018.

(4) The FY 2018 budget includes additional lease payments for the completion of the assigned vehicle program for patrol officers.

(5) The FY 2018 budget also includes additional capacity for vehicle fuel costs.



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## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Municipal Court Expenditures

**Under Target for FY 2018**

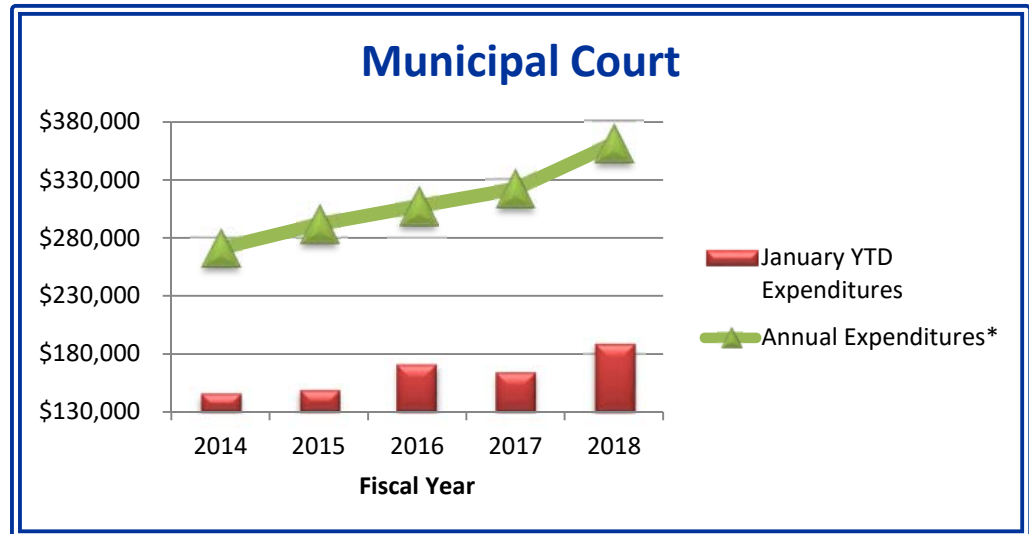
FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 146,107	\$ 271,121	54%		
2015	\$ 148,931	\$ 291,684	51%	2%	8%
2016	\$ 170,532	\$ 307,281	55%	15%	5%
2017	\$ 163,876	\$ 322,022	51%	-4%	5%
2018	\$ 189,121	\$ 361,370	52%	15%	12%

**YTD Increase from FY 2015 to FY 2016:**

The increase was primarily due to vacancy savings experienced in FY 2015.

**YTD and Annual Increase from FY 2017 to FY 2018:**

- (1) Vacancy savings were experienced in FY 2017, and the FY 2018 budget amount accounts for full staffing.
- (2) The FY 2018 budget includes additional capacity for court appointed attorney costs.



### Wastewater Administration Expenditures

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 1,340,741	\$ 6,723,060	20%		
2015	\$ 3,642,440	\$ 6,394,431	57%	172%	-5%
2016	\$ 3,789,419	\$ 6,503,494	58%	4%	2%
2017	\$ 3,182,256	\$ 5,465,854	58%	-16%	-16%
2018	\$ 124,278	\$ 308,269	40%	-96%	-94%

**YTD Increase from FY 2014 to FY 2015:**

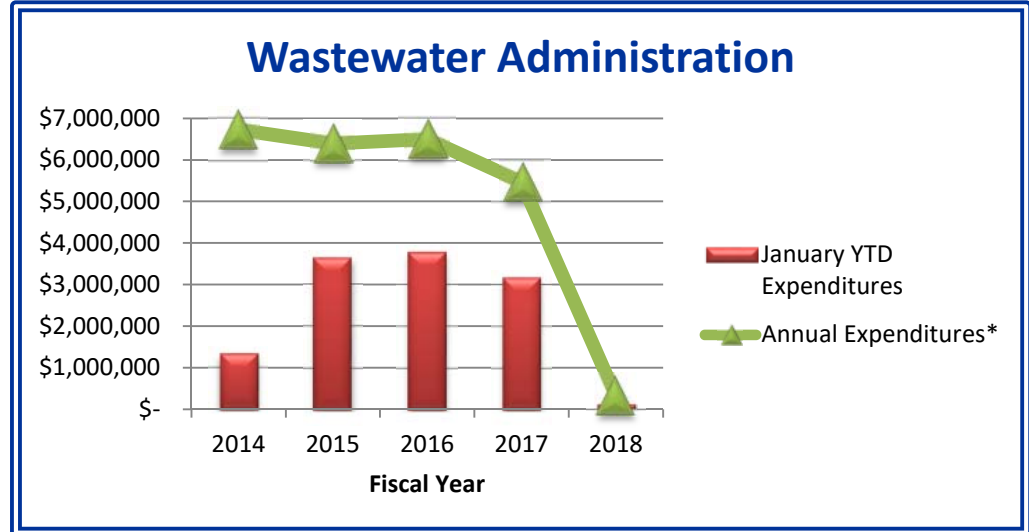
Starting FY 2015, debt service costs are accrued monthly. Previously, debt service costs were recorded on a cash basis semiannually in December and June.

**YTD and Annual Decrease from FY 2016 to FY 2017:**

- (1) Prior to FY 2017, salary and other cost allocations to the Wastewater Enterprise Fund were coded to the Wastewater Administration Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.
- (2) Debt service costs are approximately \$261,000 lower.

**YTD and Annual Decrease from FY 2017 to FY 2018:**

The debt service costs were moved to a separate departmental code in the general ledger.



\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.

## Total Non-Capital Improvement Expenditures by Department (excluding Internal Charges)

### Wastewater Capital Projects Mgmt Exp.

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 62,616	\$ 104,228	60%		
2015	\$ 75,618	\$ 131,783	57%	21%	26%
2016	\$ 67,290	\$ 176,040	38%	-11%	34%
2017	\$ 41,181	\$ 64,796	64%	-39%	-63%
2018	\$ 31,834	\$ 60,540	53%	-23%	-7%

**YTD and Annual Increase from FY 2014 to FY 2015:**

Salaries were increased due to budgeted cost-of-living adjustments of 1.5% and average merit increases of 2.5%. The most significant increase in benefits was a 9% increase to health insurance premiums.

**Annual Increase from FY 2015 to FY 2016:**

(1) Salaries were increased due to budgeted cost-of-living adjustments of 1.3% and average merit increases of 2.5%. The most significant increase in benefits was a 7% increase to health insurance premiums.

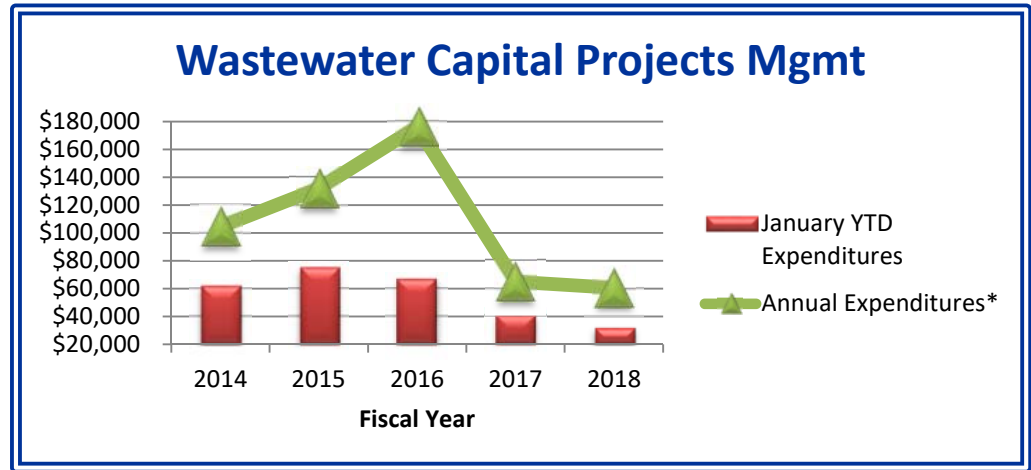
(2) A master plan was started during FY 2016 for the wastewater collection system.

**YTD and Annual Decrease from FY 2016 to FY 2017:**

Prior to FY 2017, salary allocations for Capital Projects Management to the Wastewater Enterprise Fund were coded to the Wastewater Department. Starting in FY 2017, these are coded to each individual department within the Wastewater Enterprise Fund.

**YTD Decrease from FY 2017 to FY 2018:**

The decrease is primarily due to vacancy savings in FY 2018.



### Wastewater Operations Expenditures

**Under Target for FY 2018**

FY	January YTD Expenditures	Annual Expenditures*	% of Annual Exp.	% Increase - January YTD	% Increase - Annual
2014	\$ 1,065,808	\$ 2,064,537	52%		
2015	\$ 987,887	\$ 2,328,173	42%	-7%	13%
2016	\$ 1,012,184	\$ 2,291,483	44%	2%	-2%
2017	\$ 1,109,227	\$ 2,241,279	49%	10%	-2%
2018	\$ 1,326,387	\$ 3,053,817	43%	20%	36%

**Annual Increase from FY 2014 to FY 2015:**

(1) Bad debt expense was increased by approximately \$65,000.

(2) Lift station upgrades and drawings were performed for approximately \$159,000.

**YTD Increase from FY 2017 to FY 2018:**

(1) The increase is largely a result of a generator replacement and rental.

(2) The increase is also due to Injection well maintenance for the new injection wells.

**Annual Increase from FY 2017 to FY 2018:**

(1) The increase is partly a result of a generator replacement and rental.

(2) The FY 2018 budget includes the addition of a plant operator position.

(3) The FY 2018 budget also includes rebuilding and replacing of pumps and the replacement of pump station roofs.

(4) Injection well maintenance was added for the new injection wells coming on line.

(5) The FY 2018 budget also includes increased costs for utilities, irrigation maintenance, operations maintenance, and electrical support.

(6) SCADA support, WIMS training, trunk line cleaning and inspection, and a remodel of the operations building office space were included in the FY 2018 budget.



\* For the current year, Annual Expenditures represents total budgeted expenditures, excluding contingencies and capital improvements. For the prior years, the Annual Expenditures represent total actual expenditures.



## Total Revenues by Fund

### Total General Fund Revenues

**Under Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 7,797,278	\$ 15,535,678	50%		
2015	\$ 9,145,094	\$ 17,191,008	53%	17%	11%
2016	\$ 9,710,990	\$ 18,612,738	52%	6%	8%
2017	\$ 13,093,938	\$ 25,135,539	52%	35%	35%
2018	\$ 14,624,652	\$ 25,924,160	56%	12%	3%

#### YTD Increase from FY 2014 to FY 2015:

- (1) Bed tax revenues increased 30%, mostly due to the increase in the tax rate from 3% to 3.5% effective January 1, 2014.
- (2) City sales taxes increased 11%, largely due to the reduction in the Wastewater Fund subsidy from 35% in FY 2014 to 30% in FY 2015.

#### Annual Increase from FY 2014 to FY 2015:

- (1) City sales taxes increased 18%. Of this amount, approximately 8% is due to the reduction in the Wastewater Fund subsidy from 35% in FY 2014 to 30% in FY 2015. The remaining increase is largely due to the effects of the implementation of the destination marketing program.
- (2) Bed tax revenues increased 27%. A portion of the increase was the result of the increase in the tax rate from 3% to 3.5% effective January 1, 2014. Adjusting for the increase in the tax rate, bed tax revenues were up 17% over FY 2014. The remaining increase is largely due to the effects of the implementation of the destination marketing program.

#### YTD Increase from FY 2016 to FY 2017:

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue in the Wastewater Fund. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) Bed tax revenues increased 23%, and City sales tax revenues increased 12%.

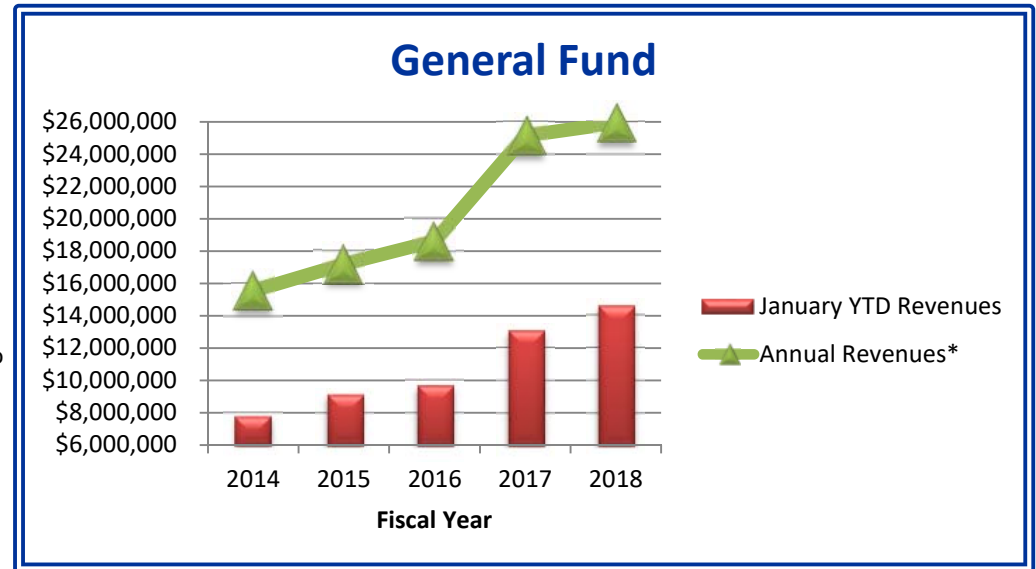
#### Annual Increase from FY 2016 to FY 2017:

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue in the Wastewater Fund. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) Bed tax revenues increased 27%, and City sales tax revenues increased 9%.

#### YTD Increase from FY 2017 to FY 2018:

- (1) City sales taxes increased 8% and bed tax revenues increased 19%. The increases are partly due to increases in tourism categories, as well as increases due to the change in legislation regarding short-term rentals effective January 1, 2017.
- (2) In addition, the paid parking program was initiated the end of June 2017. Charges for services include additional revenues related to the program of approximately \$300,000.

**Under Target for FY 2018:** Franchise fees are received and accrued quarterly. In lieu fees are typically received during the last quarter of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low budget expected to be on target by the end of the fiscal year.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

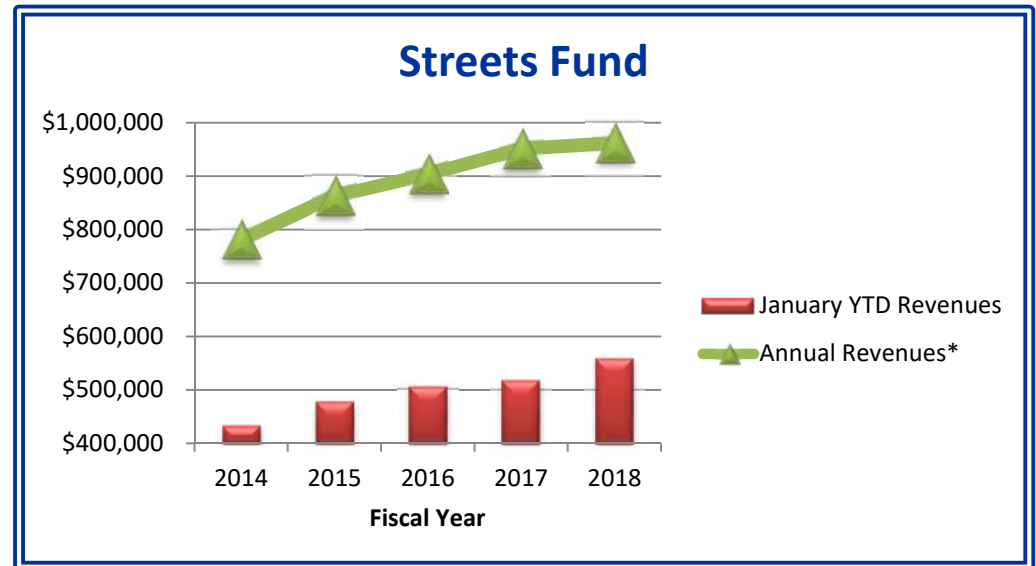
### Total Streets Fund Revenues

**On Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 433,488	\$ 780,913	56%		
2015	\$ 478,071	\$ 862,099	55%	10%	10%
2016	\$ 505,419	\$ 902,994	56%	6%	5%
2017	\$ 518,492	\$ 950,751	55%	3%	5%
2018	\$ 559,498	\$ 961,900	58%	8%	1%

#### Annual Increase from FY 2014 to FY 2015:

The revenues of the Streets Fund are primarily Highway User Revenue Fund (HURF) monies. HURF revenues are the gas tax monies distributed by the State based on population and the gallons of gas sold within Sedona. The HURF distributions received increased approximately \$76,000.



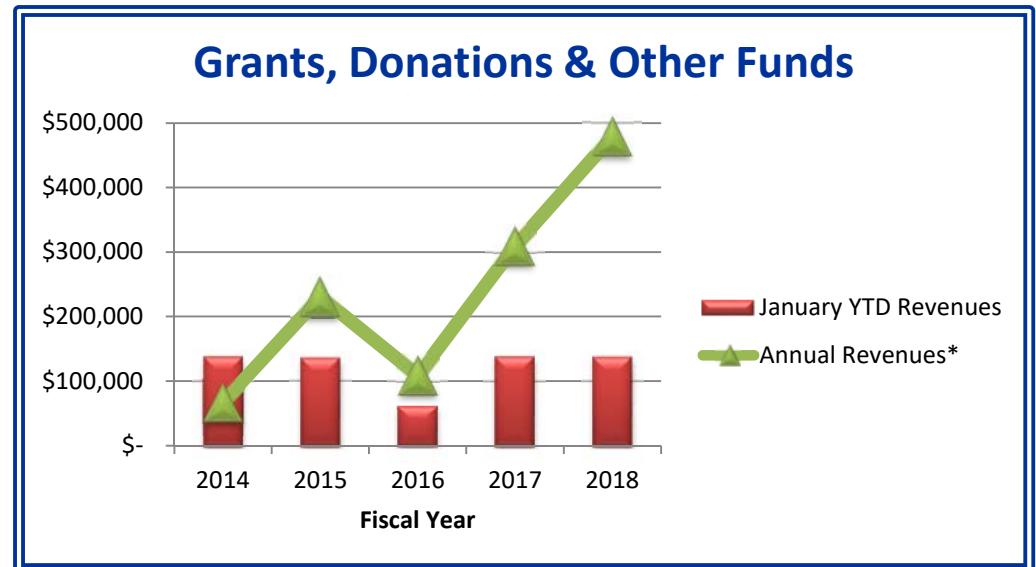
### Total Grants, Donations & Other Rev.

**Under Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 138,894	\$ 66,852	208%		
2015	\$ 136,008	\$ 230,824	59%	-2%	245%
2016	\$ 62,692	\$ 108,649	58%	-54%	-53%
2017	\$ 138,894	\$ 309,408	45%	122%	185%
2018	\$ 137,708	\$ 479,060	29%	-1%	55%

**Increases/Decreases:** The activity of the Grants & Donations Funds is based on the funding awarded and received during the year so revenues will not necessarily be consistent from month to month or year to year.

**Under Target for FY 2018:** The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

### Total Develop. Impact Fees Revenues

**Under Target for FY 2018**

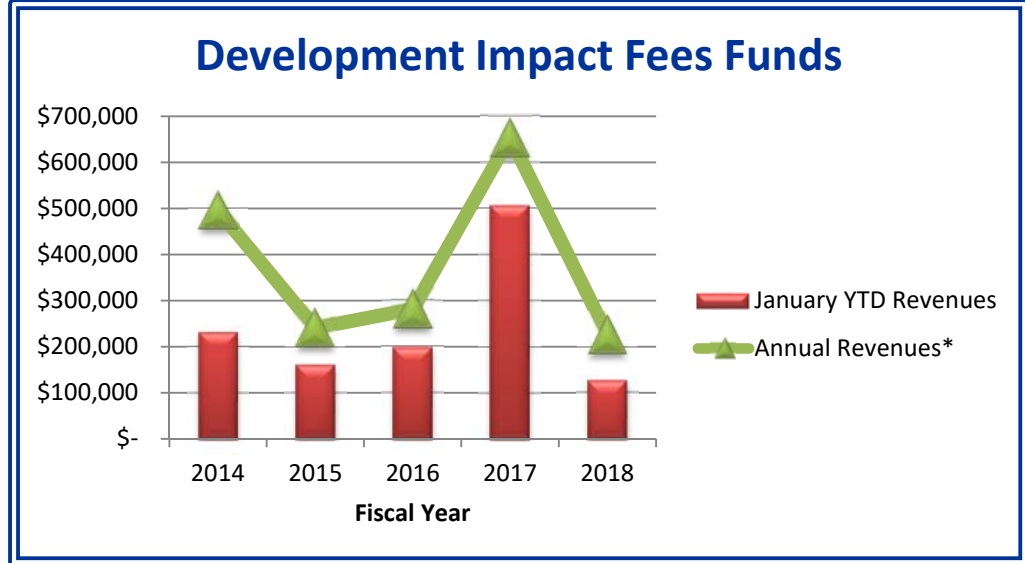
FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 232,038	\$ 495,662	47%		
2015	\$ 161,806	\$ 240,561	67%	-30%	-51%
2016	\$ 198,337	\$ 281,497	70%	23%	17%
2017	\$ 507,890	\$ 654,256	78%	156%	132%
2018	\$ 126,914	\$ 225,490	56%	-75%	-66%

#### YTD and Annual Increase from FY 2016 to FY 2017:

The increase was primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

**Other Increases/Decreases:** The activity of the Development Impact Fees Funds is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.

**Under Target for FY 2018:** Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



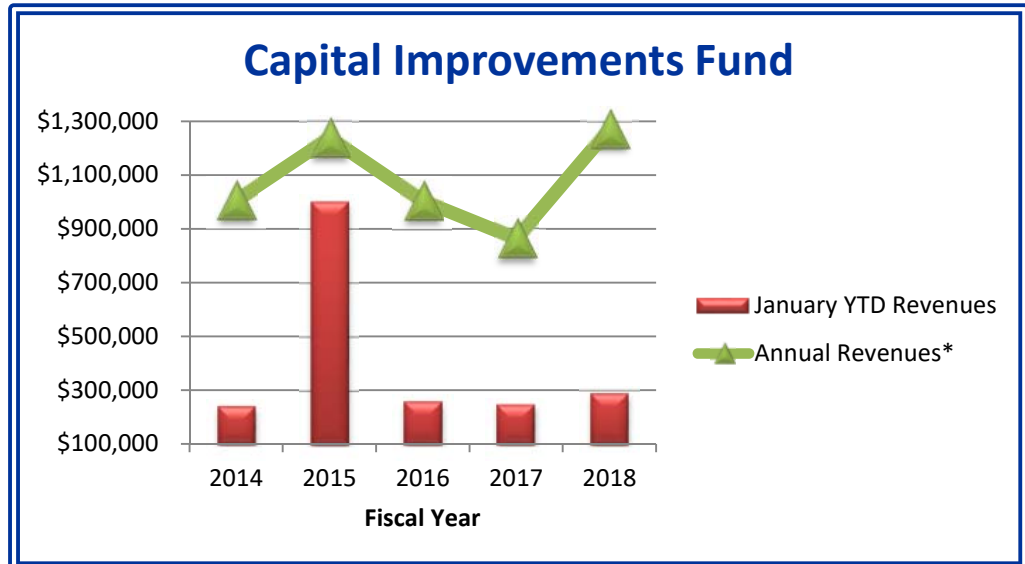
### Total Capital Improvements Fund Rev.

**Under Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 240,784	\$ 1,006,174	24%		
2015	\$ 1,004,224	\$ 1,238,120	81%	317%	23%
2016	\$ 259,439	\$ 1,003,733	26%	-74%	-19%
2017	\$ 247,902	\$ 863,346	29%	-4%	-14%
2018	\$ 290,189	\$ 1,271,857	23%	17%	47%

**Increases/Decreases:** The activity of the Capital Improvements Fund is based on the timing of budgeted capital improvement projects and the receipt of funding designated for those projects so revenues will not necessarily be consistent from month to month or year to year.

**Under Target for FY 2018:** Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

### Total Art in Public Places Fund Rev.

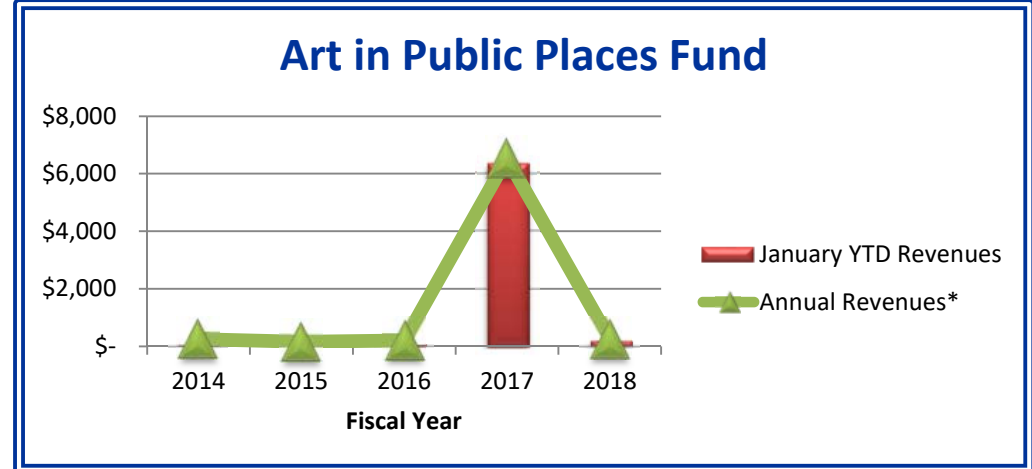
**Exceeds Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 48	\$ 249	19%		
2015	\$ 22	\$ 161	14%	-54%	-35%
2016	\$ 66	\$ 204	33%	201%	27%
2017	\$ 6,387	\$ 6,528	98%	<b>9525%</b>	<b>3106%</b>
2018	\$ 190	\$ 230	83%	-97%	-96%

**YTD and Annual Increase from FY 2016 to FY 2017:**

The increase was primarily due to contributions in lieu of the City's public art requirement.

**Other Increases/Decreases:** The Art in Public Places Fund relies primarily on transfers from other funds. Minimal revenues are received, and for several years have only consisted of interest earnings, with the exception of FY 2017.



### Total Wastewater Enterprise Fund Rev.

**Exceeds Target for FY 2018**

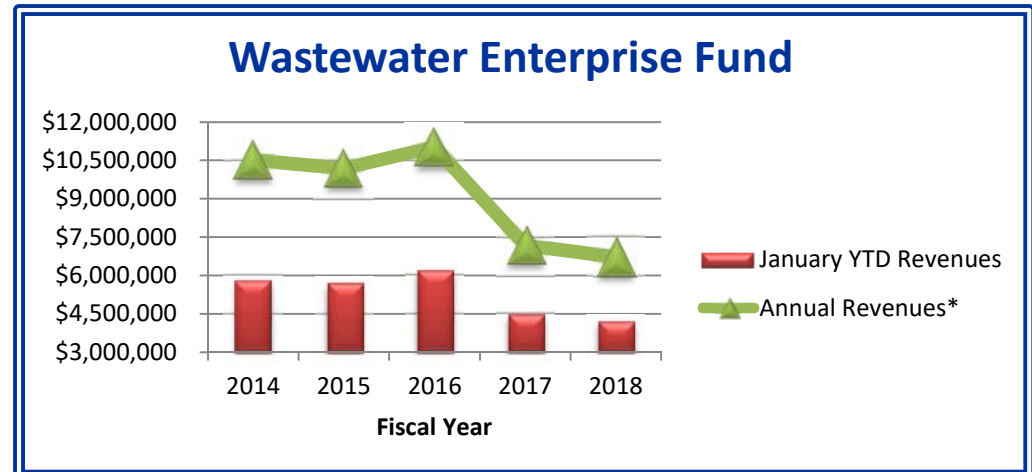
FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 5,804,249	\$ 10,512,709	55%		
2015	\$ 5,711,960	\$ 10,190,631	56%	-2%	-3%
2016	\$ 6,193,937	\$ 11,026,791	56%	8%	8%
2017	\$ 4,476,017	\$ 7,180,562	62%	<b>-28%</b>	<b>-35%</b>
2018	\$ 4,199,587	\$ 6,723,550	62%	-6%	-6%

**YTD Decrease from FY 2016 to FY 2017:**

An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.

**Annual Decrease from FY 2016 to FY 2017:**

- (1) An accounting change was made in the recording of City sales taxes in FY 2017. Previously, the portion of City sales tax designated for the Wastewater Fund subsidy was recorded as revenue. For FY 2017, the entire City sales tax collections are recorded in the General Fund, and the subsidy to the Wastewater Fund is recorded as a transfer. In addition, the subsidy was reduced from 30% to 25%.
- (2) In FY 2016, the City received approximately \$112,000 from APS as incentive payments for implementation of energy savings measures on projects.



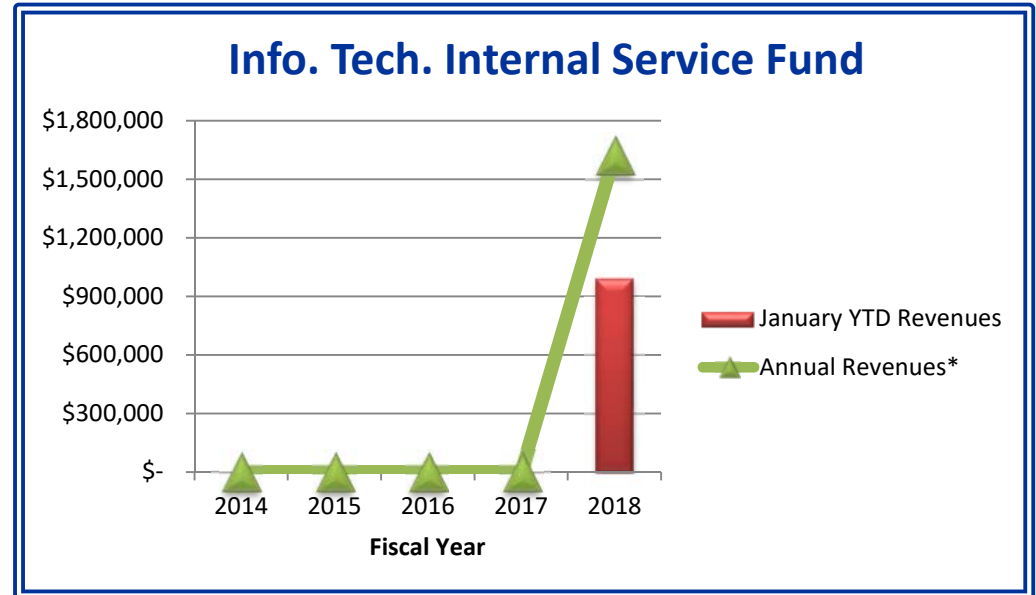
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

**Total Info. Tech. Internal Svc. Fund Rev.** Exceeds Target for FY 2018

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ -	\$ -	N/A		
2015	\$ -	\$ -	N/A	N/A	N/A
2016	\$ -	\$ -	N/A	N/A	N/A
2017	\$ -	\$ -	N/A	N/A	N/A
2018	\$ 993,770	\$ 1,622,130	61%	∞	∞

The Information Technology Internal Service Fund was initiated in FY 2018.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Fund

### Total CFD - Sedona Summit II Revenues Under Target for FY 2018

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 17	\$ 160,904	<1%		
2015	\$ 1,603	\$ 54,429	3%	9387%	-66%
2016	\$ 2,917	\$ 52,969	6%	82%	-3%
2017	\$ 2,142	\$ 49,312	4%	-27%	-7%
2018	\$ 474	\$ 62,600	1%	-78%	27%

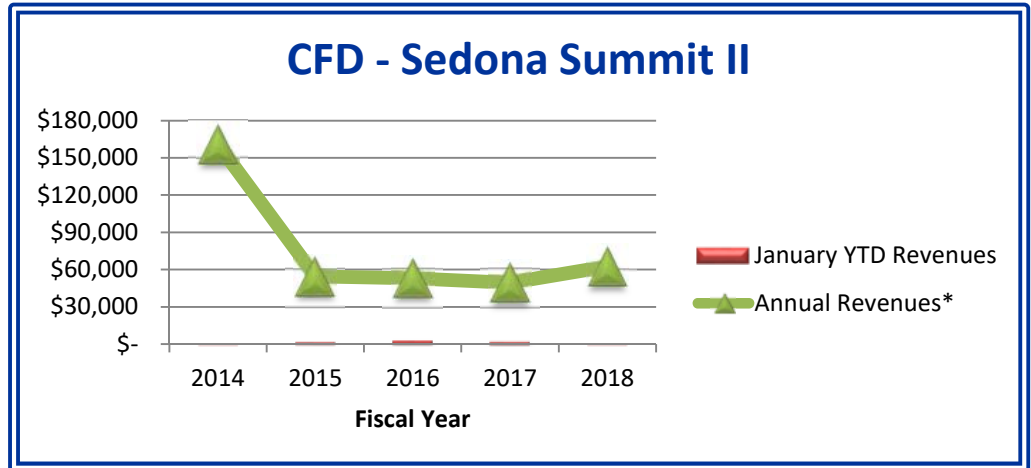
**Annual Decrease from FY 2014 to FY 2015:**

The FY 2014 revenues include amounts resulting from an audit.

**Annual Increase from FY 2017 to FY 2018:**

The FY 2018 budget was based on preliminary estimates. FY 2017 revenues were expected to be higher at the time projections were developed, and the FY 2018 projection may also be slightly high.

**Under Target for FY 2018:** The CFD in lieu fees are received quarterly, with the largest payments typically in the second and third quarters of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.



### Total CFD - Fairfield Revenues Under Target for FY 2018

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 136	\$ 95,839	<1%		
2015	\$ 185	\$ 121,137	<1%	36%	26%
2016	\$ 60,137	\$ 123,983	49%	32324%	2%
2017	\$ 31,185	\$ 153,156	20%	-48%	24%
2018	\$ 30,595	\$ 125,550	24%	-2%	-18%

**Annual Increase from FY 2014 to FY 2015:**

The CFD in lieu fees increased approximately \$26,000, and calculations are based on the amounts paid by the timeshare owners.

**YTD Increase from FY 2015 to FY 2016:**

The increase is due to the timing of in lieu fee payments.

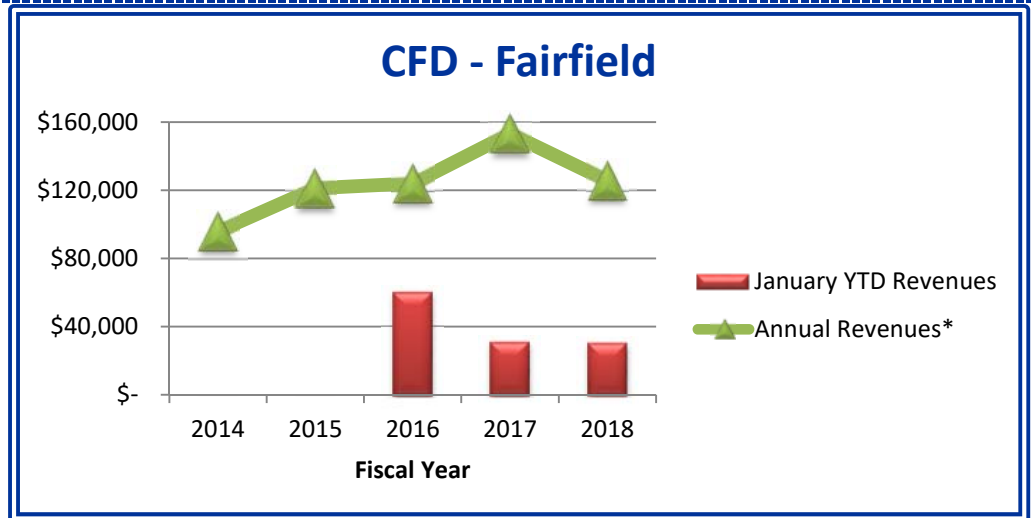
**Annual Increase from FY 2016 to FY 2017:**

The increase is partly due to the timing of in lieu fee payments. Approximately \$30,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.\*\*

**Annual Decrease from FY 2017 to FY 2018:**

The decrease is partly due to the timing of in lieu fees for the Community Facilities Districts. Approximately \$30,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.\*\*

**Under Target for FY 2018:** The CFD in lieu fees are received quarterly, with the largest payments typically in the second and third quarters of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low but expected to be on target by the end of the fiscal year.



\*\*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.

\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### City Sales Tax Revenues

**Exceeds Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 6,713,368	\$ 12,593,025	53%		
2015	\$ 7,419,939	\$ 13,613,056	55%	11%	8%
2016	\$ 7,919,221	\$ 14,999,612	53%	7%	10%
2017	\$ 8,689,825	\$ 16,268,459	53%	10%	8%
2018	\$ 9,391,580	\$ 16,673,800	56%	8%	2%

#### Annual Increase from FY 2015 to FY 2016:

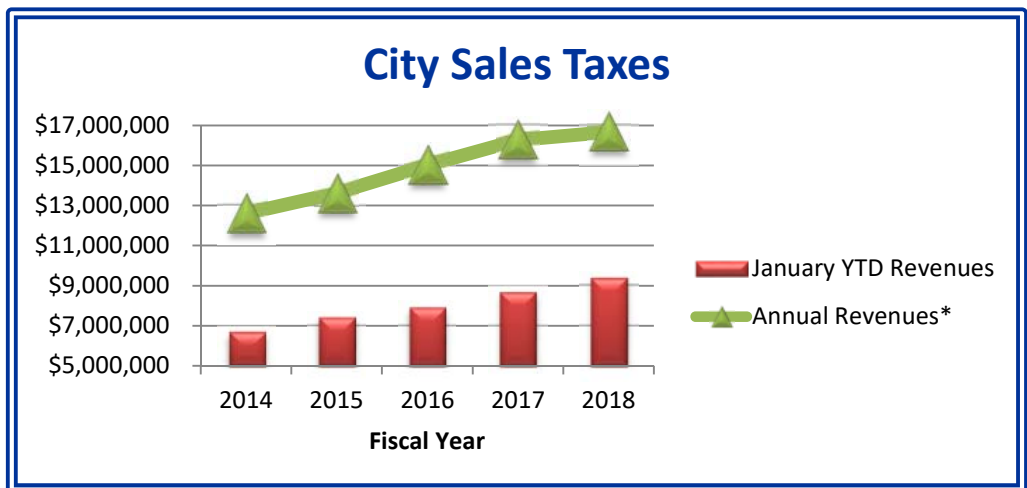
The increase was mostly attributable to increases in Construction and Retail categories.

#### Annual Increase from FY 2015 to FY 2016:

The increase was mostly attributable to increases in the Restaurant & Bar, Hotel/Motel and Retail categories. These are largely impacted by the level of tourism activity.

#### YTD Increase from FY 2016 to FY 2017:

Most of the increase was attributable to the Restaurant & Bar, Hotel/Motel, and Leasing categories.



See [City Sales Tax Revenues by Category](#) and [City Sales Taxes by Month](#) for more information.

### Bed Tax Revenues

**Exceeds Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 971,649	\$ 2,097,290	46%		
2015	\$ 1,260,186	\$ 2,659,290	47%	30%	27%
2016	\$ 1,512,835	\$ 3,010,334	50%	20%	13%
2017	\$ 1,875,043	\$ 3,811,727	49%	24%	27%
2018	\$ 2,233,519	\$ 3,977,200	56%	19%	4%

#### YTD Increase from FY 2014 to FY 2015:

The increase was mostly due to a tax rate increase from 3% to 3.5% effective January 1, 2014.

#### Annual Increase from FY 2014 to FY 2015:

A portion of the increase was the result of a tax rate increase from 3% to 3.5% effective January 1, 2014. Adjusting for the increase in the tax rate, bed tax revenues were up 17% over FY 2014. The remaining increase is largely due to the effects of the implementation of the destination marketing program.

#### YTD and Annual Increase from FY 2015 to FY 2016:

The continued increase in the bed tax revenues was largely due to the effects of the implementation of the destination marketing program.

#### YTD and Annual Increase from FY 2016 to FY 2017:

(1) A portion of the increase represents an increase in late payments (collection of taxes for prior taxing periods) and payments made on time in FY 2017 that were made late in FY 2016.

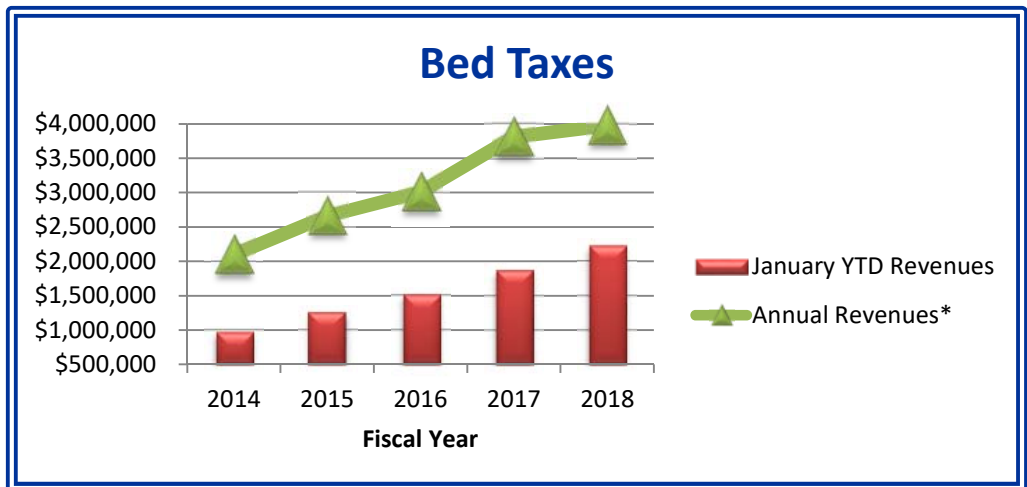
(2) A portion of the increase is a result of the change in legislation regarding short-term residential rentals effective January 1, 2017.

(3) The increase is also a result of the effects of the implementation of the destination marketing program.

#### YTD Increase from FY 2017 to FY 2018:

A portion of the increase represents an increase is a result of the change in legislation regarding short-term residential rentals.

See [Bed Taxes by Month](#) for more information.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### In Lieu Revenues

FY	January YTD Revenues	Annual Revenues*	On Target for FY 2018		
			% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 38,881	\$ 1,160,221	3%		
2015	\$ 1,580	\$ 613,430	<1%	-96%	-47%
2016	\$ 61,001	\$ 621,391	10%	3762%	1%
2017	\$ 57,220	\$ 686,301	8%	-6%	10%
2018	\$ 30,016	\$ 627,600	5%	-48%	-9%

**YTD Decrease from FY 2014 to FY 2015:**

The increase is due to the timing of in lieu fees for the General Fund portion of timeshare assessments.

**Annual Decrease from FY 2014 to FY 2015:**

The FY 2014 revenues include amounts resulting from an audit.

**YTD Increase from FY 2015 to FY 2016:**

The increase is due to the timing of in lieu fees for the Community Facilities Districts.

**Annual Increase from FY 2016 to FY 2017:**

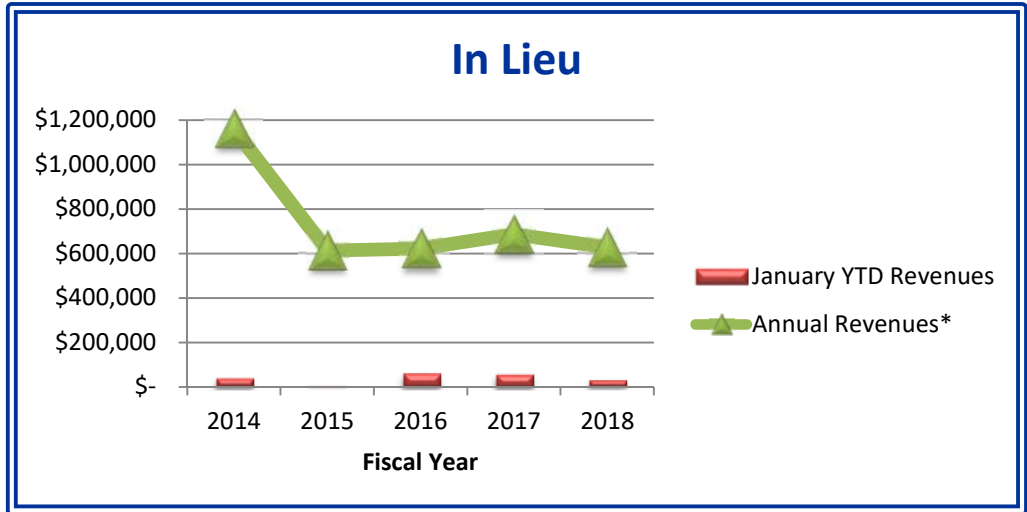
- (1) The increase is partly due to the timing of in lieu fees for the Community Facilities Districts. Approximately \$20,000 of FY 2016 revenue was recognized in FY 2017 due to the lateness of receipt.\*\*
- (2) The increase is also due to the receipt of one-time Arts and Affordable Housing in-lieu revenues received in FY 2017.

**YTD Decrease from FY 2017 to FY 2018:**

The decrease is due to the timing of in lieu fees for the Community Facilities Districts.

**On Target for FY 2018:** The in lieu fees are received quarterly, with the largest payments typically in the second and third quarters of the fiscal year. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.

\*\*Revenues are recognized when they are measurable and available. The period of availability is defined as 60 days. These revenues were received after the period of availability.



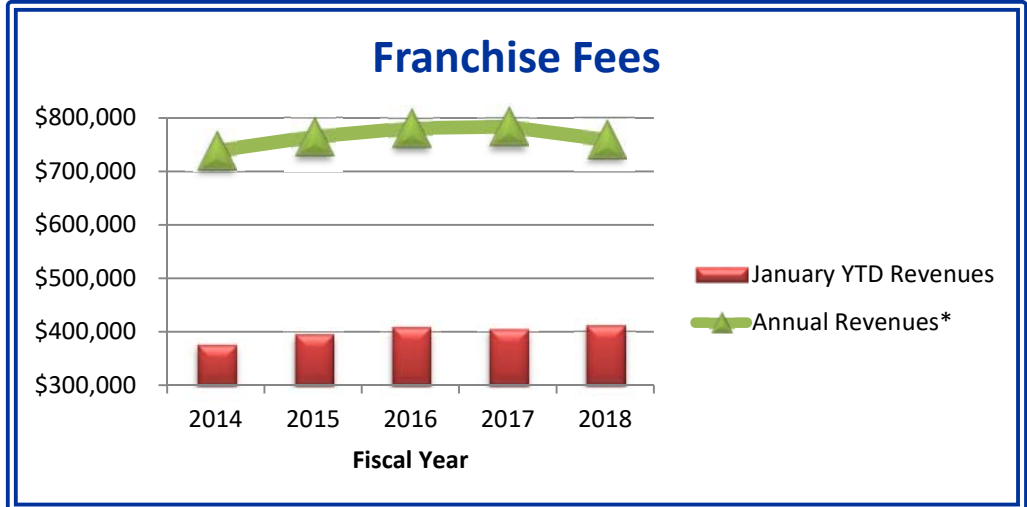
### Franchise Fee Revenues

FY	January YTD Revenues	Annual Revenues*	On Target for FY 2018		
			% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 376,463	\$ 738,631	51%		
2015	\$ 395,746	\$ 764,473	52%	5%	3%
2016	\$ 409,094	\$ 781,223	52%	3%	2%
2017	\$ 405,396	\$ 783,413	52%	-1%	<1%
2018	\$ 411,259	\$ 759,400	54%	1%	-3%

**YTD Increase from FY 2014 to FY 2015:**

The increase is due to the timing of franchise fees recorded in January in FY 2014.

**On Target for FY 2018:** The franchise fees are received quarterly. Due to the effect of the timing of these revenues, year-to-date revenues are low but on target for this point in the fiscal year.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

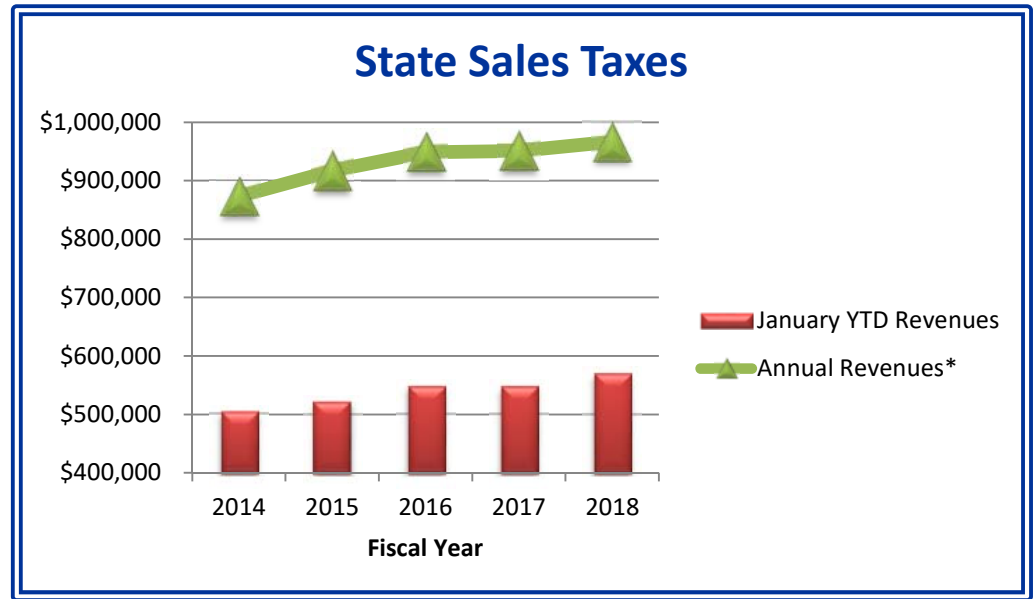


## Total Revenues by Type

### State Sales Tax Revenues

**On Target for FY 2018**

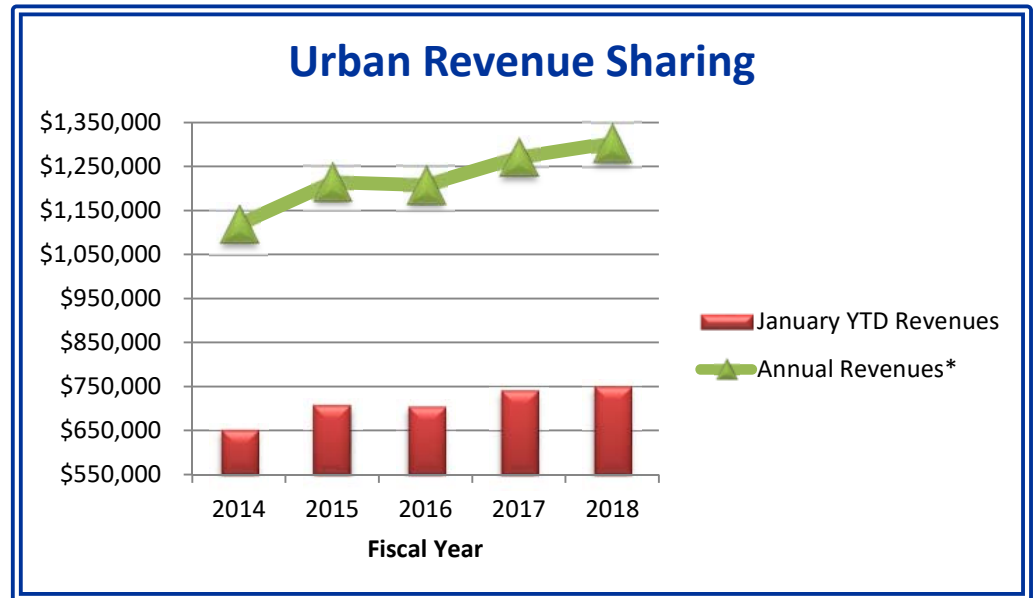
FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 504,957	\$ 873,126	58%		
2015	\$ 523,275	\$ 916,721	57%	4%	5%
2016	\$ 548,536	\$ 948,696	58%	5%	3%
2017	\$ 548,321	\$ 950,879	58%	<-1%	<-1%
2018	\$ 571,094	\$ 966,900	59%	4%	2%



### Urban Revenue Sharing Revenues

**On Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 652,814	\$ 1,118,082	58%		
2015	\$ 708,350	\$ 1,214,315	58%	9%	9%
2016	\$ 704,510	\$ 1,207,731	58%	-1%	-1%
2017	\$ 741,830	\$ 1,270,897	58%	5%	5%
2018	\$ 751,198	\$ 1,303,500	58%	1%	3%



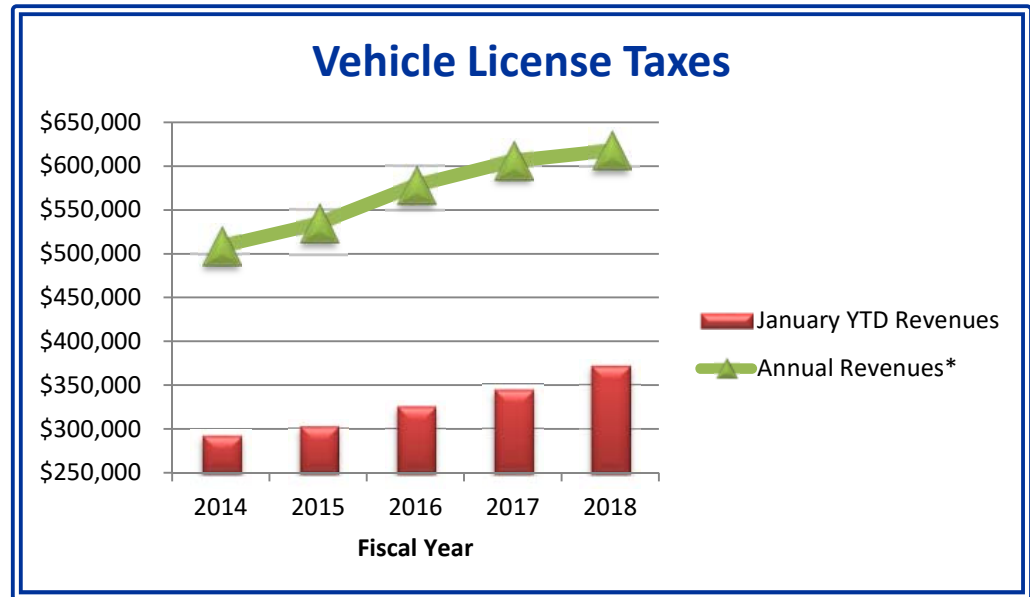
\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Vehicle License Tax Revenues

**Exceeds Target for FY 2018**

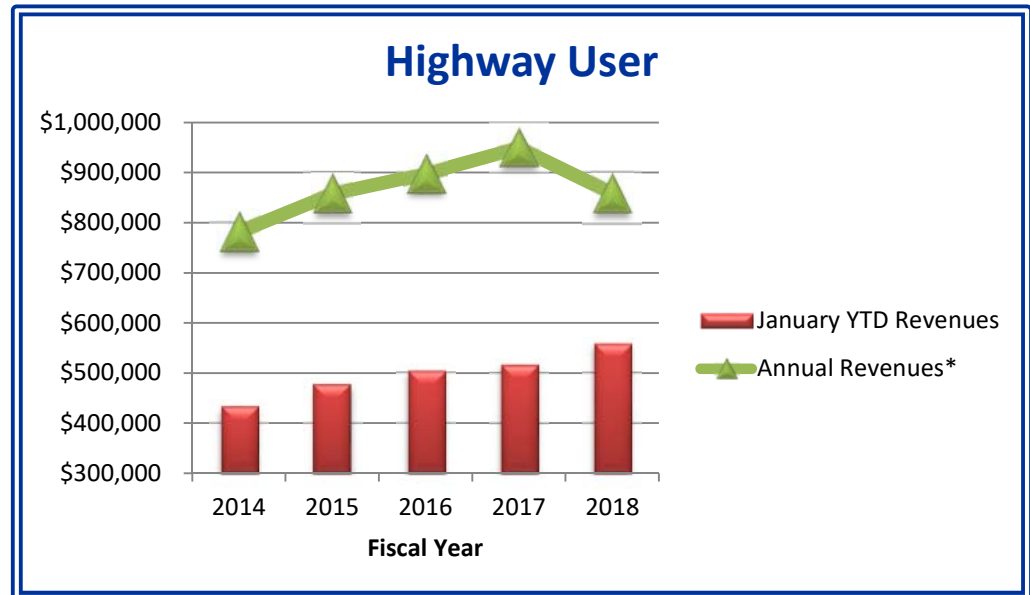
FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 292,887	\$ 508,519	58%		
2015	\$ 303,133	\$ 534,404	57%	3%	5%
2016	\$ 326,059	\$ 577,681	56%	8%	8%
2017	\$ 344,935	\$ 606,030	57%	6%	5%
2018	\$ 372,699	\$ 617,600	60%	8%	2%



### Highway User Revenues

**Exceeds Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 433,488	\$ 780,913	56%		
2015	\$ 478,071	\$ 857,363	56%	10%	10%
2016	\$ 504,207	\$ 897,406	56%	5%	5%
2017	\$ 516,763	\$ 949,028	54%	2%	6%
2018	\$ 558,008	\$ 858,200	65%	8%	-10%



**Annual Decrease from FY 2017 to FY 2018:**

The decrease is primarily due to one-time additional State funding in FY 2017 resulting in an extra \$35,631 for Sedona. No one-time funding was budgeted for FY 2018.

**Other Increases/Decreases:** The activity of the Highway User revenues is based on gasoline sales within each county and across the state and allocated primarily based on population. The amount can fluctuate based on the portion that the legislature appropriates to the state Highway User Revenue Fund.

\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Other Intergovernmental Revenues

**Under Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 297,283	\$ 951,316	31%		
2015	\$ 1,147,031	\$ 1,347,854	85%	286%	42%
2016	\$ 303,713	\$ 874,083	35%	-74%	-35%
2017	\$ 346,570	\$ 956,757	36%	14%	9%
2018	\$ 368,070	\$ 1,485,317	25%	6%	55%

#### YTD Increase from FY 2014 to FY 2015:

The increase is primarily due to grant activity and outside participation in capital projects, which is based on the funding awarded and received and timing of capital projects so revenues will not necessarily be consistent from month to month or year to year.

#### Annual Increase from FY 2014 to FY 2015:

The increase was primarily due to an intergovernmental agreement with Yavapai County for reconstruction of Airport Road.

#### YTD Decrease from FY 2015 to FY 2016:

The decrease is primarily due to grant activity and outside participation in capital projects, which is based on the funding awarded and received and timing of capital projects so revenues will not necessarily be consistent from month to month or year to year.

#### Annual Decrease from FY 2015 to FY 2016:

The decrease was primarily due to an intergovernmental agreement with Yavapai County for reconstruction of Airport Road in the prior fiscal year.

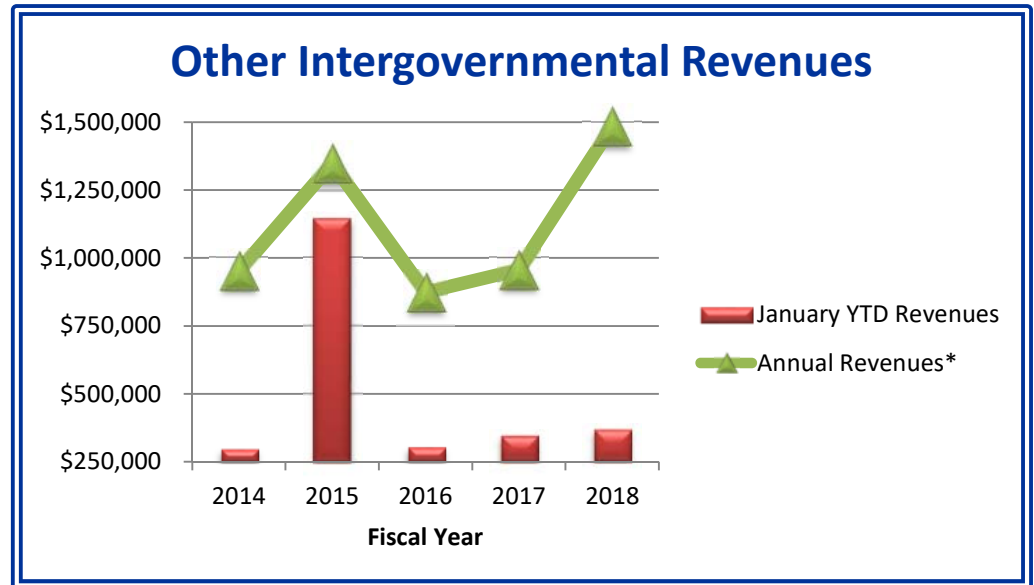
#### YTD Increase from FY 2016 to FY 2017:

The increase was primarily due to grant activity, which is based on the funding awarded and received so revenues will not necessarily be consistent from month to month or year to year.

#### Annual Increase from FY 2017 to FY 2018:

The increase was primarily due to budgeted grant funding anticipated for capital improvement projects.

**Under Target for FY 2018:** The FY 2018 budget includes \$300,000 of contingent grant revenues in case a significant grant opportunity arises. In addition, grants and intergovernmental agreements tied to various projects are received as awarded or based on the timing of the project. Due to the effect of the timing of these revenues, year-to-date revenues are low and may be under target by the end of the fiscal year due to the contingent revenues.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### License & Permit Revenues

**Under Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 245,979	\$ 434,251	57%		
2015	\$ 253,516	\$ 473,367	54%	3%	9%
2016	\$ 335,254	\$ 496,777	67%	32%	5%
2017	\$ 267,746	\$ 478,016	56%	-20%	-4%
2018	\$ 267,401	\$ 482,450	55%	<-1%	1%

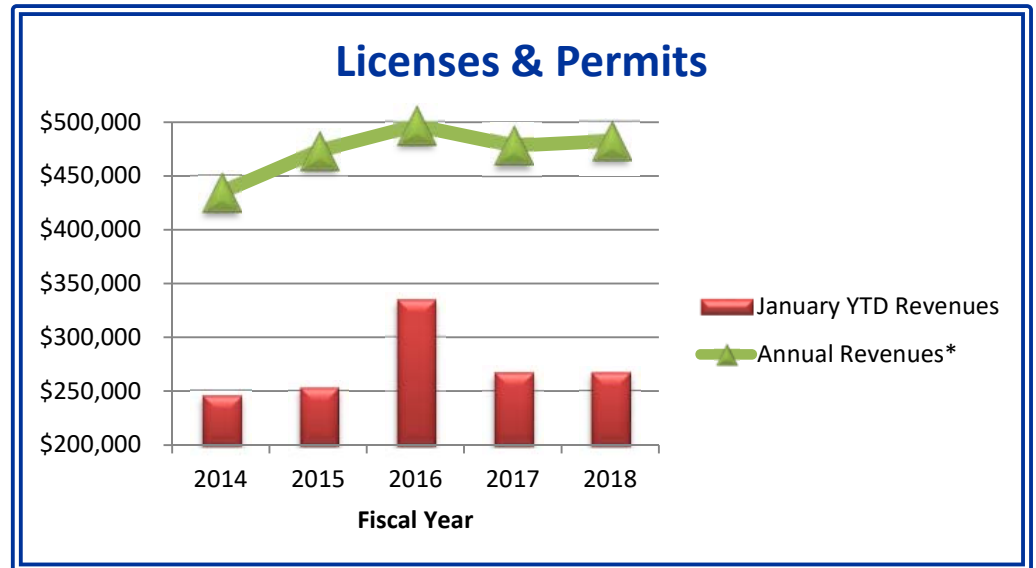
**YTD Increase from FY 2015 to FY 2016:**

The increase was primarily due to a result of increases in building permits.

**YTD Decrease from FY 2016 to FY 2017:**

The decrease was primarily due to a result of decreases in building permits.

**Under Target for FY 2018:** Building permit revenues are lower than anticipated. While building permit activity has been high, the revenues are lower due primarily a decrease in the average permit valuations. Many of the permit fees are assessed based on the estimated valuation of the improvements. Year-to-date revenues are low but expected to be on target by the end of the fiscal year.



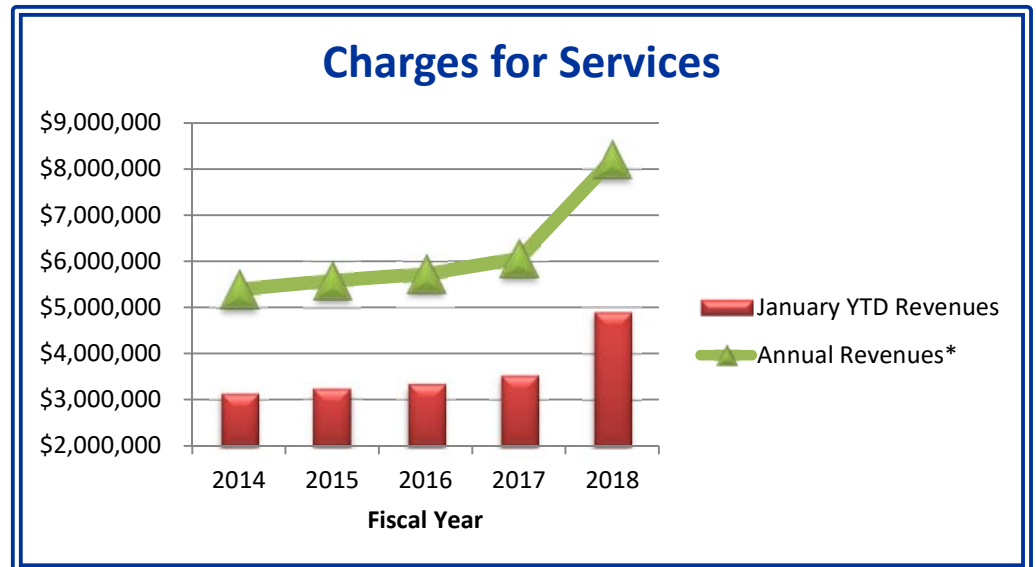
### Charges for Services Revenues

**On Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 3,143,985	\$ 5,396,208	58%		
2015	\$ 3,238,379	\$ 5,580,031	58%	3%	3%
2016	\$ 3,345,751	\$ 5,729,286	58%	3%	3%
2017	\$ 3,533,801	\$ 6,057,534	58%	6%	6%
2018	\$ 4,904,233	\$ 8,200,780	60%	39%	35%

**YTD and Annual Increase from FY 2017 to FY 2018:**

The increase was primarily due to the start of the paid parking program and the indirect cost allocations to fund the Information Technology Internal Services Fund.



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## Total Revenues by Type

### Fines & Forfeitures Revenues

**Exceeds Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 142,382	\$ 254,533	56%		
2015	\$ 152,205	\$ 277,682	55%	7%	9%
2016	\$ 159,296	\$ 241,071	66%	5%	-13%
2017	\$ 117,929	\$ 186,404	63%	-26%	-23%
2018	\$ 176,537	\$ 230,450	77%	50%	24%

**YTD Increase from FY 2014 to FY 2015:**

The increase was primarily due to an increase in court fines collected.

**Annual Decrease from FY 2015 to FY 2016:**

The decrease was primarily due to a decrease in court fines collected.

**YTD Decrease from FY 2016 to FY 2017:**

The decrease was primarily due to a decrease in court fines and court enhancement fees collected and a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings.

**Annual Decrease from FY 2016 to FY 2017:**

(1) The decrease was partly due to an decrease in court fines and court enhancement fees collected.

(2) The decrease was also partly due to a reduction in delinquent wastewater accounts resulting in lower late fees on wastewater billings and a significant write-off of late fees.

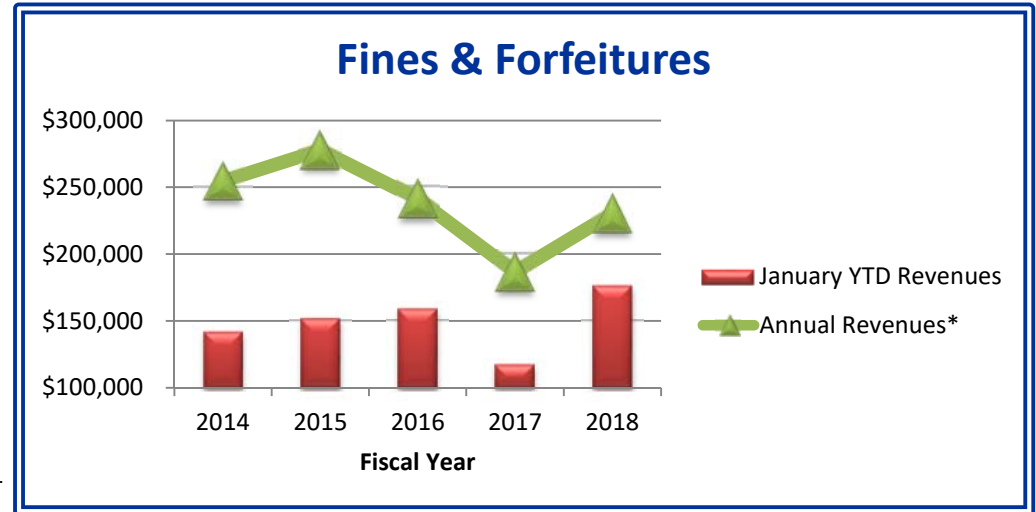
**YTD Increase from FY 2017 to FY 2018:**

The increase was primarily due to an increase in court fines collected.

**Annual Increase from FY 2017 to FY 2018:**

(1) The increase was partly due to the start of the paid parking program and estimated enforcement fines.

(2) The increase was also partly due to a significant write-off of late fees in the prior year.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Development Impact Fee Revenues

Under Target for FY 2018

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 208,196	\$ 450,798	46%		
2015	\$ 138,163	\$ 216,039	64%	-34%	-52%
2016	\$ 176,985	\$ 231,772	76%	28%	7%
2017	\$ 507,030	\$ 618,740	82%	186%	167%
2018	\$ 77,635	\$ 213,880	36%	-85%	-65%

#### YTD and Annual Increase from FY 2016 to FY 2017:

The increase was primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

**Other Increases/Decreases:** The activity of the development impact fees is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.

**Under Target for FY 2018:** Development impact fees are not received consistently throughout the year. While revenues are low, they are expected to be on target by the end of the fiscal year.

### Capacity Fee Revenues

Under Target for FY 2018

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 222,625	\$ 484,100	46%		
2015	\$ 347,574	\$ 533,054	65%	56%	10%
2016	\$ 388,353	\$ 541,045	72%	12%	1%
2017	\$ 955,974	\$ 1,167,388	82%	146%	116%
2018	\$ 174,788	\$ 403,100	43%	-82%	-65%

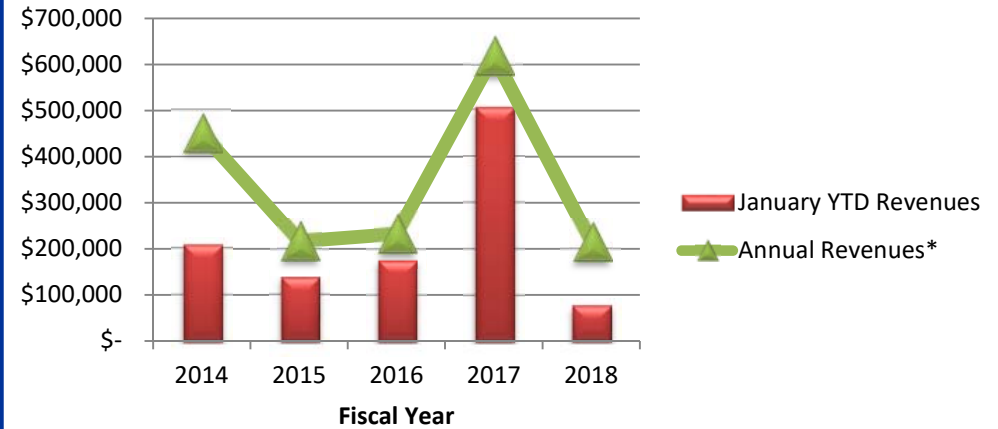
#### YTD and Annual Increase from FY 2016 to FY 2017:

The increase was primarily due to fees assessed with the permitting of the new Marriott facility and the new CVS.

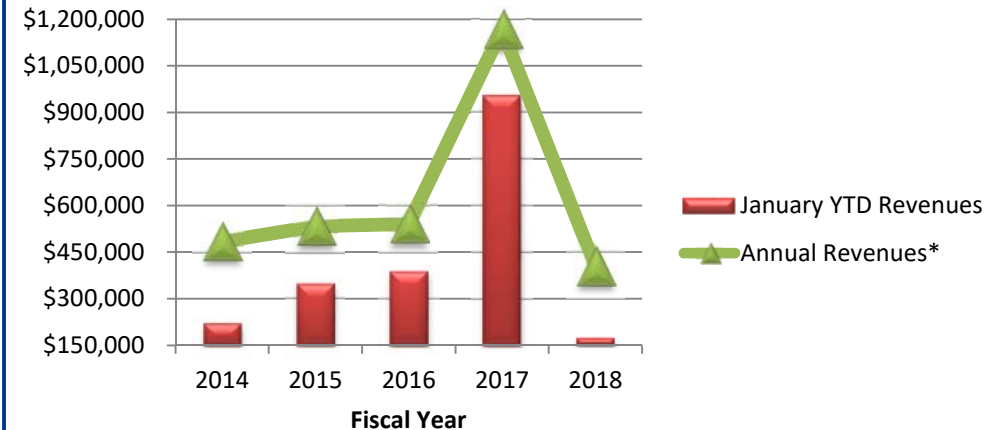
**Other Increases/Decreases:** The activity of the capacity fees is based on development and permitting so revenues will not necessarily be consistent from month to month or year to year. As the City approaches build-out, these revenues are expected to decrease.

**Under Target for FY 2018:** Capacity fees are not received consistently throughout the year. While revenues are low, they are expected to be on target by the end of the fiscal year.

### Development Impact Fees



### Capacity Fees



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Total Revenues by Type

### Other Miscellaneous Revenues

**Exceeds Target for FY 2018**

FY	January YTD Revenues	Annual Revenues*	% of Annual Rev.	% Increase - January YTD	% Increase - Annual
2014	\$ 304,250	\$ 813,968	37%		
2015	\$ 271,827	\$ 527,894	51%	-11%	-35%
2016	\$ 299,120	\$ 955,449	31%	10%	81%
2017	\$ 114,460	\$ 511,285	22%	-62%	-46%
2018	\$ 675,541	\$ 596,350	113%	490%	17%

**Annual Decrease from FY 2014 to FY 2015:**

The decrease was primarily due to losses incurred in the LGIP accounts and lower interest earnings received on sales tax audits.

**Annual Increase from FY 2015 to FY 2016:**

- (1) One-time incentive payments were received from APS during FY 2016.
- (2) Interest earnings in LGIP accounts were higher than the prior year.
- (3) Outside participation in capital projects is not always consistent from year to year.

**YTD and Annual Decrease from FY 2016 to FY 2017:**

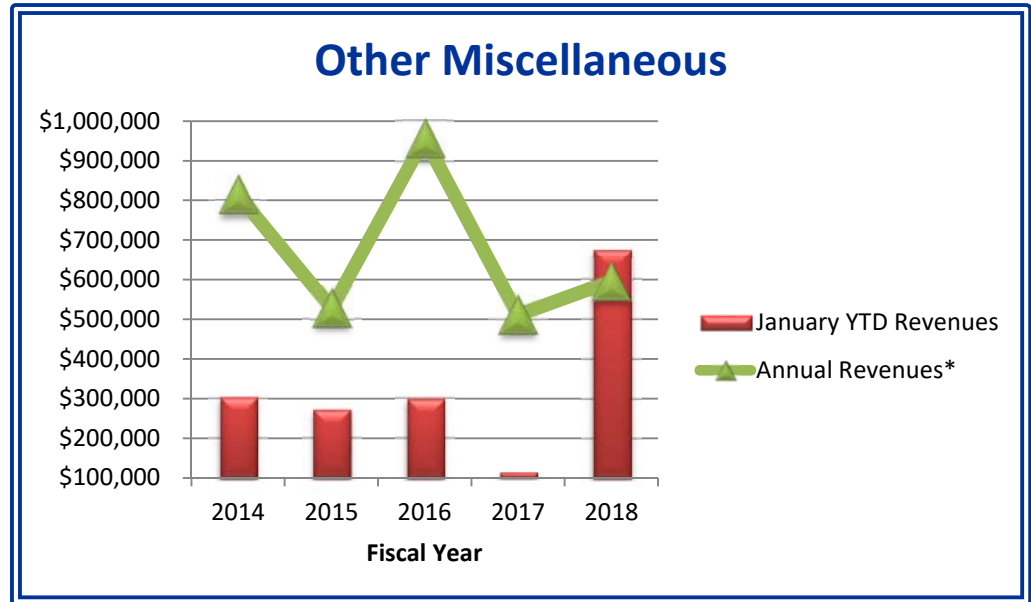
- (1) The decrease was mostly due to losses and a decrease in the interest earnings in LGIP accounts.
- (2) One-time Insurance proceeds were received in FY 2016.
- (3) Outside participation in capital projects is not always consistent from year to year.

**YTD Increase from FY 2017 to FY 2018:**

- (1) The increase was largely due to settlement proceeds from the SunEdison case.
- (2) The increase was also due to an increase in the interest earnings in LGIP accounts and pooled investment accounts.
- (3) The increase was also partly due to insurance proceeds for the City Hall flood damage.
- (4) In addition, unanticipated donations of \$15,000 were received for park benches.

**Annual Increase from FY 2017 to FY 2018:**

Outside participation in capital projects is not always consistent from year to year.



\* For the current year, Annual Revenues represents total budgeted revenues, excluding contingencies. For the prior years, the Annual Revenues represent total actual revenues.

## Sales Tax Revenues by Category

Month	Retail	Restaurant & Bar	Hotel/Motel	Construction	Leasing	Communi- cations & Utilities	Amusements & Other	Totals
<b>City Sales Tax Revenues by Category and by Month</b>								
July 2016	\$ 406,688	\$ 270,380	\$ 217,869	\$ 93,020	\$ 80,638	\$ 55,936	\$ 94,789	\$ 1,219,320
August 2016	432,737	234,249	200,850	164,494	92,197	50,755	64,665	1,239,947
September 2016	457,254	243,153	226,263	87,694	142,268	47,924	67,359	1,271,915
October 2016	479,900	323,127	308,201	128,414	112,971	46,170	77,100	1,475,883
November 2016	428,400	255,333	249,422	107,013	109,048	41,089	74,536	1,264,841
December 2016	478,340	248,702	200,287	125,752	83,646	48,498	50,212	1,235,437
<b>January 2017</b>	<b>399,063</b>	<b>192,950</b>	<b>167,166</b>	<b>69,391</b>	<b>76,745</b>	<b>47,868</b>	<b>29,299</b>	<b>982,482</b>
February 2017	424,734	231,571	219,617	97,099	129,750	47,472	66,300	1,216,543
March 2017	536,155	339,230	413,668	97,051	118,772	42,357	108,063	1,655,296
April 2017	562,753	340,012	405,888	93,263	114,404	45,366	117,773	1,679,459
May 2017	466,377	320,472	331,336	105,193	131,572	43,712	88,615	1,487,277
June 2017	560,089	269,560	304,711	167,499	110,822	54,675	72,704	1,540,060
<b>Total FY 2017</b>	<b>\$ 5,632,490</b>	<b>\$ 3,268,739</b>	<b>\$ 3,245,278</b>	<b>\$ 1,335,883</b>	<b>\$ 1,302,833</b>	<b>\$ 571,822</b>	<b>\$ 911,415</b>	<b>\$ 16,268,460</b>

July 2017	\$ 405,651	\$ 290,870	\$ 233,497	\$ 130,130	\$ 96,984	\$ 56,096	\$ 84,054	\$ 1,297,282
August 2017	442,767	229,455	222,833	92,378	113,929	49,826	54,581	1,205,769
September 2017	466,648	283,825	277,177	88,527	115,180	51,827	77,409	1,360,593
October 2017	502,962	365,374	411,819	86,727	110,624	45,942	97,309	1,620,757
November 2017	485,821	268,925	307,229	198,990	104,083	43,974	64,851	1,473,873
December 2017	498,310	288,611	258,125	73,559	135,942	43,195	63,478	1,361,220
<b>January 2018</b>	<b>396,894</b>	<b>212,332</b>	<b>205,778</b>	<b>71,552</b>	<b>106,778</b>	<b>31,446</b>	<b>47,306</b>	<b>1,072,086</b>
February 2018	-	-	-	-	-	-	-	-
March 2018	-	-	-	-	-	-	-	-
April 2018	-	-	-	-	-	-	-	-
May 2018	-	-	-	-	-	-	-	-
June 2018	-	-	-	-	-	-	-	-
<b>Total Year-to-Date FY 2018</b>	<b>\$ 3,199,053</b>	<b>\$ 1,939,392</b>	<b>\$ 1,916,458</b>	<b>\$ 741,863</b>	<b>\$ 783,520</b>	<b>\$ 322,306</b>	<b>\$ 488,988</b>	<b>\$ 9,391,580</b>

### Current Month Comparison to Same Month Last Year

January 2017 vs. January 2018	\$ (2,169)	\$ 19,382	\$ 38,612	\$ 2,161	\$ 30,033	\$ (16,422)	\$ 18,007	\$ 89,604
Change from January to January	-1%	10%	23%	3%	39%	-34%	61%	9%

### Year-to-Date Comparison to Year-to-Date Last Year

Difference in YTD	\$ 116,671	\$ 171,498	\$ 346,400	\$ (33,915)	\$ 86,007	\$ (15,934)	\$ 31,028	\$ 701,755
% Change from Prior YTD	4%	10%	22%	-4%	12%	-5%	7%	8%



## Sales & Bed Tax Revenues by Month

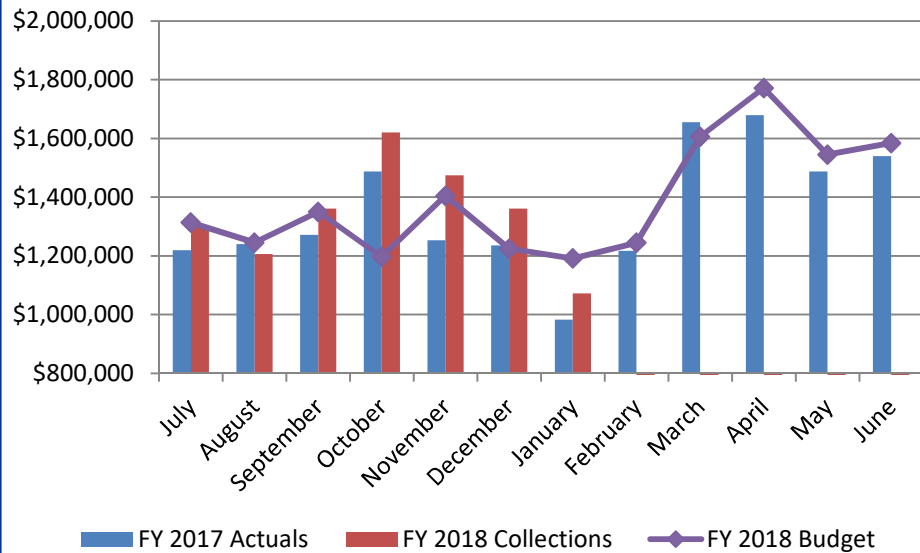
### City Sales Tax Revenues

Month	FY 2017 Actuals	FY 2018 Collections	Actual Variance	FY 2018 Budget	Budget Variance
July	\$ 1,219,320	\$ 1,297,282	6%	\$ 1,313,370	-1%
August	1,239,948	1,205,770	-3%	1,244,800	-3%
September	1,271,915	1,360,591	7%	1,349,510	1%
October	1,487,329	1,620,757	9%	1,196,380	35%
November	1,253,394	1,473,873	18%	1,404,260	5%
December	1,235,437	1,361,221	10%	1,224,380	11%
January	982,482	1,072,086	9%	1,190,810	-10%
February	1,216,544	-	-	1,244,320	-
March	1,655,296	-	-	1,605,650	-
April	1,679,459	-	-	1,771,350	-
May	1,487,276	-	-	1,544,940	-
June	1,540,059	-	-	1,584,030	-
<b>Totals</b>	<b>\$ 16,268,459</b>	<b>\$ 9,391,580</b>	<b>8%</b>	<b>\$ 16,673,800</b>	<b>5%</b>

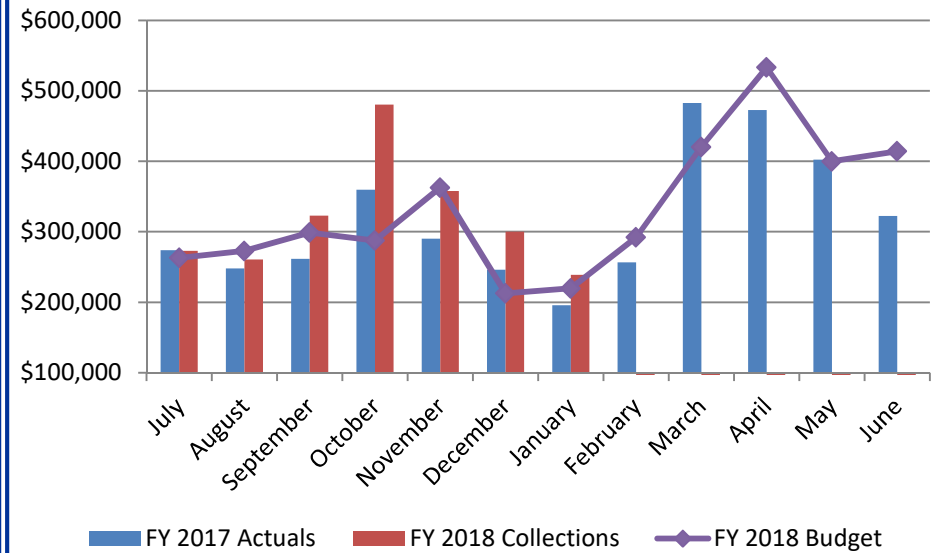
### Bed Tax Revenues

Month	FY 2017 Actuals	FY 2018 Collections	Actual Variance	FY 2018 Budget	Budget Variance
July	\$ 273,893	\$ 272,841	0%	\$ 263,120	4%
August	247,780	260,798	5%	272,690	-4%
September	261,443	323,072	24%	299,010	8%
October	359,754	480,203	33%	287,640	67%
November	290,342	357,617	23%	362,650	-1%
December	246,245	300,077	22%	212,680	41%
January	195,588	238,911	22%	219,740	9%
February	256,512	-	-	292,050	-
March	482,880	-	-	420,260	-
April	472,559	-	-	533,190	-
May	402,312	-	-	399,850	-
June	322,421	-	-	414,320	-
<b>Totals</b>	<b>\$ 3,811,727</b>	<b>\$ 2,233,519</b>	<b>19%</b>	<b>\$ 3,977,200</b>	<b>16%</b>

### City Sales Tax Revenues



### Bed Tax Revenues



General Fund Summary							
	FY 2018 Budget	FY 2018 YTD Actuals	Encumbrances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
<u>Taxes:</u>							
City Sales Taxes	\$ 16,673,800	\$ 9,391,580		\$ 9,391,580	56%	\$ 8,689,825	8%
Bed Taxes	3,977,200	2,233,519		2,233,519	56%	1,875,043	19%
Contingent Bed Taxes	550,000	-		-	0%	-	N/A
Franchise Fees	759,400	411,259		411,259	54%	405,396	1%
<u>State Shared Revenues:</u>							
State Shared Sales Taxes	966,900	571,094		571,094	59%	548,321	4%
Urban Revenue Sharing	1,303,500	751,198		751,198	58%	741,830	1%
Vehicle License Taxes	617,600	372,699		372,699	60%	344,935	8%
<u>Other Intergovernmental:</u>							
Grants	23,560	15,850		15,850	67%	659	2305%
Other	2,500	8,655		8,655	346%	8,184	6%
In Lieu Fees	445,400	-		-	0%	-	N/A
Licenses & Permits	482,450	267,401		267,401	55%	267,746	<-1%
Charges for Services	408,950	359,646		359,646	88%	76,130	372%
Fines & Forfeitures	141,900	126,062		126,062	89%	68,210	85%
<u>Other Revenues:</u>							
Interest Earnings	60,250	63,638		63,638	106%	13,618	367%
Donations & Contributions	-	-		-	N/A	1,304	-100%
Rental Income	40,100	27,867		27,867	69%	24,779	12%
Miscellaneous	20,650	24,184		24,184	117%	27,957	-13%
<b>Total Revenues</b>	<b>\$ 26,474,160</b>	<b>\$ 14,624,652</b>		<b>\$ 14,624,652</b>	<b>55%</b>	<b>\$ 13,093,938</b>	<b>12%</b>
<b>Expenditures</b>							
<u>General Government:</u>							
City Council	\$ 77,775	\$ 36,676	\$ -	\$ 36,676	47%	\$ 35,029	5%
City Manager's Office	874,288	402,134	37,000	439,134	50%	306,951	31%
Human Resources	316,775	136,084	-	136,084	43%	131,150	4%
Financial Services	961,155	485,199	45,000	530,199	55%	268,455	81%
Information Technology	-	-	-	-	N/A	675,684	-100%
City Attorney's Office	631,360	292,582	-	292,582	46%	249,623	17%
City Clerk's Office	261,572	139,372	-	139,372	53%	143,597	-3%
General Services	982,161	667,361	-	667,361	68%	401,222	66%
Community Development	977,635	419,719	83,563	503,282	51%	406,146	3%
Public Works	644,877	294,050	1,050	295,100	46%	269,605	9%
Municipal Court	361,370	188,210	-	188,210	52%	162,271	16%
<u>Public Safety:</u>							
General Services	54,395	29,261	24,948	54,208	100%	28,652	2%
Community Development	669,395	321,714	29,026	350,740	52%	274,839	17%
Police	4,690,904	2,551,070	16,782	2,567,852	55%	2,153,464	18%
<u>Public Works &amp; Streets:</u>							
Public Works	2,215,741	1,055,261	109,241	1,164,502	53%	916,941	15%
<u>Culture &amp; Recreation:</u>							
City Manager's Office	86,530	42,858	-	42,858	50%	38,378	12%
Parks & Recreation	651,474	325,119	-	325,119	50%	311,119	4%
General Services	427,780	240,000	216,000	456,000	107%	259,638	-8%
Community Development	60,920	28,997	-	28,997	48%	23,549	23%
Public Works	654,765	403,982	-	403,982	62%	283,626	42%
<u>Economic Development:</u>							
City Manager's Office	2,176,400	2,140,290	-	2,140,290	98%	77,997	2644%
General Services	-	-	-	-	N/A	1,720,000	-100%
Economic Development:	184,970	88,863	-	88,863	48%	-	∞
<u>Health &amp; Welfare:</u>							
General Services	251,998	125,999	125,999	251,997	100%	118,499	6%
<u>Public Transportation:</u>							
General Services	187,500	17,500	-	17,500	9%	13,533	29%
Debt Service	1,443,794	842,584	-	842,584	58%	401,115	110%
Indirect Cost Allocations	456,910	313,203	-	313,203	69%	401,115	-22%
Contingencies	801,543	-	-	-	0%	-	N/A
<b>Total Expenditures</b>	<b>\$ 21,103,987</b>	<b>\$ 11,588,088</b>	<b>\$ 688,608</b>	<b>\$ 12,276,696</b>	<b>58%</b>	<b>\$ 10,072,196</b>	<b>15%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers to Capital Improvements Fund	\$ (1,089,500)	\$ -		\$ -	0%	\$ -	N/A
Transfers to Wastewater Fund	(4,165,900)	(2,347,772)		(2,347,772)	56%	(2,178,666)	<-1%
Transfers to Streets Fund	(35,389)	(20,644)		(20,644)	58%	(204,750)	90%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (5,290,789)</b>	<b>\$ (2,368,416)</b>		<b>\$ (2,368,416)</b>	<b>45%</b>	<b>\$ (2,383,416)</b>	<b>1%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 10,338,362	\$ 10,524,998		\$ 10,524,998	102%	\$ 9,283,138	13%
<u>Ending Fund Balance, January 31:</u>							
Operating Reserve	\$ 9,385,701	\$ 9,385,701		\$ 9,385,701	100%	\$ 8,580,349	9%
Debt Service Reserve	800,000	800,000		800,000	100%	1,300,000	-38%
Equipment Replacement Reserve	238,050	-		-	0%	-	N/A
Budget Carryovers Reserve	-	-		-	N/A	718,050	-100%
Unrestricted Fund Balance	(6,005)	1,007,445		1,007,445	<1%	(676,936)	249%
<b>Total Ending Fund Balance, January 31</b>	<b>\$ 10,417,746</b>	<b>\$ 11,193,146</b>		<b>\$ 10,504,538</b>	<b>101%</b>	<b>\$ 9,921,463</b>	<b>13%</b>

## Wastewater Enterprise Fund Summary

	FY 2018 Budget	FY 2018 YTD Actuals	Encumbrances	FY 2018 YTD Including Encumbrances	% of Budget	FY 2017 YTD Actuals	Actual Variance
<b>Revenues</b>							
Charges for Services	\$ 6,164,200	\$ 3,549,832		\$ 3,549,832	58%	\$ 3,456,711	3%
Capacity Fees	403,100	174,788		174,788	43%	955,974	-82%
Fines & Forfeitures	75,750	34,809		34,809	46%	41,733	-17%
<b>Other Revenues:</b>							
Interest Earnings	78,700	61,408		61,408	78%	18,958	224%
Miscellaneous	1,800	378,750		378,750	21042%	2,641	14240%
<b>Total Revenues</b>	<b>\$ 6,723,550</b>	<b>\$ 4,199,587</b>		<b>\$ 4,199,587</b>	<b>62%</b>	<b>\$ 4,476,017</b>	<b>-6%</b>
<b>Expenditures</b>							
<b>Wastewater Administration:</b>							
Salaries & Benefits	\$ 178,300	\$ 55,791	\$ -	\$ 55,791	31%	\$ 72,457	-23%
Other Expenditures	129,969	68,487	-	68,487	53%	108,770	-37%
<b>Wastewater Operations:</b>							
Salaries & Benefits	810,310	457,639	-	457,639	56%	407,637	12%
Utilities	626,700	332,566	-	332,566	53%	305,105	9%
Maintenance	623,905	179,490	71,579	251,068	40%	146,877	22%
Other Expenditures	992,902	356,692	173,603	530,295	53%	249,608	43%
<b>Wastewater Capital Projects:</b>							
Salaries & Benefits	152,560	46,391	-	46,391	30%	89,422	-48%
Other Expenditures	1,890	30	-	30	2%	-	∞
Capital Improvement Projects	5,077,050	195,999	942,014	1,138,013	22%	-	∞
<b>Indirect Cost/Departmental Allocations:</b>							
City Manager's Office	68,080	35,766	-	35,766	53%	26,735	34%
Human Resources	51,140	23,299	-	23,299	46%	10,887	114%
Financial Services	560,060	267,700	-	267,700	48%	199,415	34%
Information Technology	217,390	109,836	-	109,836	51%	48,799	125%
City Attorney's Office	107,340	49,924	-	49,924	47%	11,751	325%
City Clerk's Office	5,650	2,951	-	2,951	52%	6,974	-58%
General Services	71,020	49,288	-	49,288	69%	-	∞
Public Works	313,990	151,198	-	151,198	48%	100,113	51%
Debt Service	4,409,735	2,571,351	-	2,571,351	58%	3,001,028	-14%
Vacancy Savings Estimate	(25,000)	-	-	-	0%	-	N/A
Contingencies*	-	-	-	-	N/A	-	N/A
<b>Total Expenditures</b>	<b>\$ 14,372,991</b>	<b>\$ 4,954,397</b>	<b>\$ 1,187,196</b>	<b>\$ 6,141,594</b>	<b>43%</b>	<b>\$ 4,785,578</b>	<b>4%</b>
<b>Other Financing Sources (Uses)</b>							
Transfers from General Fund	\$ 4,165,900	\$ 2,347,772		\$ 2,347,772	56%	\$ 2,178,666	8%
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 4,165,900</b>	<b>\$ 2,347,772</b>		<b>\$ 2,347,772</b>	<b>56%</b>	<b>\$ 2,178,666</b>	<b>8%</b>
<b>Fund Balances</b>							
Beginning Fund Balance, July 1, as restated	\$ 14,792,117	\$ 14,203,882		\$ 14,203,882	96%	\$ 13,597,903	4%
<b>Ending Fund Balance, January 31:</b>							
Operating Reserve	\$ 1,634,102	\$ 1,634,102		\$ 1,634,102	100%	\$ 1,593,212	3%
Debt Service Reserve	4,604,309	4,604,309		4,604,309	100%	4,581,690	<1%
Equipment Replacement Reserve	116,100	-		-	0%	-	N/A
Budget Carryovers Reserve	-	-		-	N/A	38,000	-100%
Unrestricted Fund Balance	5,070,165	9,558,432		8,371,236	165%	9,292,105	3%
<b>Total Ending Fund Balance, January 31</b>	<b>\$ 11,308,576</b>	<b>\$ 15,796,843</b>		<b>\$ 14,609,647</b>	<b>129%</b>	<b>\$ 15,467,007</b>	<b>2%</b>

\* The Wastewater Enterprise Fund contingency budget started at \$100,000 but was transferred to cover the replacement of a generator that was not anticipated during the budget process.

## All Funds Summary

	Beginning Fund Balance, July 1, 2017	Revenues	Budgeted Expenditures	Actual Expenditures	Encumbrances	Expenditures Including Encumbrances	% of Budget	Net Interfund Transfers	Ending Fund Balance, January 31, 2018
General Fund	\$ 10,524,998	\$ 14,624,652	\$ 21,103,987	\$ 11,588,088	\$ 688,608	\$ 12,276,696	58%	\$ (2,368,416)	\$ 11,193,146
<b><i>Special Revenue Funds</i></b>									
Streets Fund	\$ 735,102	\$ 559,498	\$ 1,203,490	\$ 378,400	\$ 800,386	\$ 1,178,786	98%	\$ 20,644	\$ 936,844
Grants, Donations & Other Funds	\$ 620,250	\$ 137,708	\$ 641,350	\$ 130,991	\$ 22,738	\$ 153,730	24%	\$ -	\$ 626,966
<b><i>Capital Projects Funds</i></b>									
Development Impact Fees Funds	\$ 2,538,340	\$ 126,914	\$ 1,620,092	\$ 257,233	\$ 11,078	\$ 268,310	17%	\$ -	\$ 2,408,021
Capital Improvements Fund	\$ 12,717,881	\$ 290,189	\$ 7,246,393	\$ 812,101	\$ 3,221,363	\$ 4,033,463	56%	\$ (318)	\$ 12,195,652
Art in Public Places Fund	\$ 84,493	\$ 190	\$ -	\$ -	\$ -	\$ -	N/A	\$ 318	\$ 85,002
Wastewater Enterprise Fund	\$ 14,203,882	\$ 4,199,587	\$ 14,372,991	\$ 4,954,397	\$ 1,187,196	\$ 6,141,594	43%	\$ 2,347,772	\$ 15,796,843
Information Technology Internal Service Fund	\$ -	\$ 993,770	\$ 1,777,935	\$ 844,720	\$ 54,833	\$ 899,553	51%	\$ -	\$ 149,050
<b>Total All City Funds</b>	<b>\$ 41,424,946</b>	<b>\$ 20,932,508</b>	<b>\$ 47,966,238</b>	<b>\$ 18,965,930</b>	<b>\$ 5,986,202</b>	<b>\$ 24,952,132</b>	<b>52%</b>	<b>\$ -</b>	<b>\$ 43,391,524</b>
<b><i>Community Facilities Districts</i></b>									
Sedona Summit II	\$ 243,559	\$ 474	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ 244,033
Fairfield	\$ 697	\$ 30,595	\$ 120,175	\$ 25,659	\$ -	\$ 25,659	21%	\$ -	\$ 5,633

### Bonds and Capital Leases Outstanding\*

Bond Issue/Lease	Maturity Dates	Interest Rates	General Fund			Development Impact Fee Funds			Wastewater Fund			Grand Totals		
			Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total	Remaining Principal Payments	Remaining Interest Payments	Total
<b>City Excise Tax Revenue Bonds</b>														
Series 2007	7/1/2018-2019	4.0-4.125%	\$ 1,460,000	\$ 60,397	\$ 1,520,397	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,460,000	\$ 60,397	\$ 1,520,397
Series 2012	7/1/2025-2026	4.5%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,395,000	\$ 3,026,363	\$ 11,421,363	\$ 8,395,000	\$ 3,026,363	\$ 11,421,363
Series 2014	7/1/2018-2019	0.66%	\$ 761,530	\$ 5,103	\$ 766,633	\$ 43,470	\$ 127	\$ 43,597	\$ -	\$ -	\$ -	\$ 805,000	\$ 5,231	\$ 810,231
Series 2015	7/1/2018-2019	1.3%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,920,000	\$ 103,480	\$ 8,023,480	\$ 7,920,000	\$ 103,480	\$ 8,023,480
Second Series 2015	7/1/2018-2027	1.94%	\$ 7,760,000	\$ 896,959	\$ 8,656,959	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,760,000	\$ 896,959	\$ 8,656,959
<b>Sedona Wastewater Municipal Property Corporation Excise Tax Revenue Bonds</b>														
Series 1998**	7/1/2020-2024	5.20-5.24%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000	\$ 6,305,000	\$ 15,245,000	\$ 21,550,000
<b>Capital Leases</b>														
Ford Motor Credit	1/31/2018-2020	4.75%	\$ 320,990	\$ 30,967	\$ 351,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 320,990	\$ 30,967	\$ 351,957
Ford Motor Credit	10/14/2018-2020	5.20%	\$ 196,194	\$ 20,749	\$ 216,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 196,194	\$ 20,749	\$ 216,943
<b>Grand Totals</b>			<b>\$ 10,498,714</b>	<b>\$ 1,014,176</b>	<b>\$ 11,512,890</b>	<b>\$ 43,470</b>	<b>\$ 127</b>	<b>\$ 43,597</b>	<b>\$ 22,620,000</b>	<b>\$ 18,374,843</b>	<b>\$ 40,994,843</b>	<b>\$ 33,162,184</b>	<b>\$ 19,389,145</b>	<b>\$ 52,551,329</b>

\* Bond semiannual interest payments made on January 1, 2018 were as follows:

General Fund	\$ 107,530
Development Impact Fee Funds	65
Wastewater Fund	240,367
<b>Total</b>	<b>\$ 347,962</b>

\*\*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.

**Capital Projects Summary**

Project	Funding Source	Total Project			FY 2018 to Date		
		Budget	Actuals	% of Budget	Budget	Actuals	% of Budget
<b>Community Development</b>							
Brewer Road Property - Future Development	CFD - Sedona Summit II	\$ 91,600	\$ 85,214	93%	\$ -	\$ -	N/A
	CFD - Fairfield	\$ 170,000	\$ 106,999	63%	\$ 120,175	\$ 25,659	21%
	<b>Project Total</b>	<b>\$ 261,600</b>	<b>\$ 192,213</b>	<b>73%</b>	<b>\$ 120,175</b>	<b>\$ 25,659</b>	<b>21%</b>
<b>Municipal Court</b>							
New Courtroom	Court Restricted Revenues	\$ 172,500	\$ -	0%	\$ 172,500	\$ -	0%
	Capital Reserves	\$ 100,000	\$ 13,070	13%	\$ 100,000	\$ 13,070	13%
	<b>Project Total</b>	<b>\$ 272,500</b>	<b>\$ 13,070</b>	<b>5%</b>	<b>\$ 272,500</b>	<b>\$ 13,070</b>	<b>5%</b>
<b>Parks &amp; Recreation</b>							
Park Land Acquisition	Development Impact Fees	\$ 1,250,000	\$ -	0%	\$ 1,250,000	\$ -	0%
Shade Structures & Playground Equipment (estimated to resume in FY2021)	Development Impact Fees	\$ 30,630	\$ 24,490	80%	\$ -	\$ -	N/A
Dog Park Upgrade	Development Impact Fees	\$ 292,983	\$ 278,197	95%	\$ 260,000	\$ 242,815	93%
Bike Skills Park	Development Impact Fees	\$ 104,000	\$ 103,785	100%	\$ 49,600	\$ -	0%
	Outside Participation	\$ 37,096	\$ 37,096	100%	\$ -	\$ -	N/A
	Grant	\$ 20,600	\$ -	0%	\$ -	\$ -	N/A
	Donations	\$ 3,000	\$ 3,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 110,000	\$ 138,901	126%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 274,696</b>	<b>\$ 282,782</b>	<b>103%</b>	<b>\$ 49,600</b>	<b>\$ -</b>	<b>0%</b>
<b>Police</b>							
Remodel/Expand Police Facility	Capital Reserves	\$ 20,000	\$ -	0%	\$ 20,000	\$ -	0%
Replace CAD/RMS	Capital Reserves	\$ 551,464	\$ 308,675	56%	\$ 551,464	\$ 308,675	56%
Shooting Range Improvements	RICO Monies	\$ 66,389	\$ 41,388	62%	\$ 25,000	\$ -	0%
	Development Impact Fees	\$ 95,000	\$ 95,000	100%	\$ -	\$ -	N/A
	Capital Reserves	\$ 586,439	\$ 349,035	60%	\$ 237,500	\$ 2,546	1%
	<b>Project Total</b>	<b>\$ 747,828</b>	<b>\$ 485,423</b>	<b>65%</b>	<b>\$ 262,500</b>	<b>\$ 2,546</b>	<b>1%</b>
Renovation of Current Police Facility	Capital Reserves	\$ 450,000	\$ 158,140	35%	\$ 150,000	\$ -	0%
	RICO Monies	\$ 8,000	\$ 6,199	77%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 458,000</b>	<b>\$ 164,340</b>	<b>36%</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>0%</b>
Strengthen Radio Signal	Capital Reserves	\$ 276,000	\$ 93,173	34%	\$ 155,000	\$ -	0%
<b>Storm Drainage</b>							
Coffee Pot Drainage Basin - Grasshopper Area	Capital Reserves	\$ 1,000,000	\$ 30,000	3%	\$ 970,000	\$ -	0%
	Yavapai County Flood Control	\$ 325,000	\$ 2,830	1%	\$ 325,000	\$ 2,830	1%
	<b>Project Total</b>	<b>\$ 1,325,000</b>	<b>\$ 32,830</b>	<b>2%</b>	<b>\$ 1,295,000</b>	<b>\$ 2,830</b>	<b>&lt;1%</b>
Brewer Road/Tlaquepaque Drainage Improvements	Coconino County Flood Control	\$ 2,760,446	\$ 2,120,308	77%	\$ 1,128,805	\$ 72,862	6%
	Outside Participation	\$ 823,450	\$ 540,103	66%	\$ 250,000	\$ 250,000	100%
	<b>Project Total</b>	<b>\$ 3,583,896</b>	<b>\$ 2,660,411</b>	<b>74%</b>	<b>\$ 1,378,805</b>	<b>\$ 322,862</b>	<b>23%</b>
Brewer Road Crossing Improvements	Coconino County Flood Control	\$ 991,850	\$ 189,261	19%	\$ 896,900	\$ 105,436	12%
Juniper Hills Area Improvements	Coconino County Flood Control	\$ 701,000	\$ 19,913	3%	\$ 100,000	\$ 19,913	20%
Storm Drainage Easement Acquisition	Development Impact Fees	\$ 72,500	\$ 45,260	62%	\$ 50,000	\$ 8,185	16%
<b>Streets &amp; Transportation</b>							
Neighborhood Connections - Tlaquepaque/Ranger/Brewer	Capital Reserves	\$ 760,000	\$ -	0%	\$ 760,000	\$ -	0%
Signal Crossing - SR89A/Arroyo Roble Rd	Capital Reserves	\$ 139,850	\$ -	0%	\$ 139,850	\$ -	0%
Uptown/SR179 Street Improvements	Capital Reserves	\$ 3,512,000	\$ 224	0%	\$ 632,000	\$ 224	<1%
Intelligent Transportation System	Capital Reserves	\$ 150,000	\$ -	0%	\$ 150,000	\$ -	0%
Uptown Parking & Wayfinding	Capital Reserves	\$ 110,000	\$ 6,094	6%	\$ 109,724	\$ 6,094	6%
Uptown Pedestrian Access Improvements	Capital Reserves	\$ 684,500	\$ 683,967	100%	\$ -	\$ -	N/A
	Development Impact Fees	\$ 550,276	\$ 550,275	100%	\$ 276	\$ 275	100%
	<b>Project Total</b>	<b>\$ 1,234,776</b>	<b>\$ 1,234,243</b>	<b>100%</b>	<b>\$ 276</b>	<b>\$ 275</b>	<b>100%</b>
SR89A Traffic Signal Operations/Management	Capital Reserves	\$ 60,000	\$ -	0%	\$ 60,000	\$ -	0%
SR89A Weed Barrier & Landscape Improvements (estimated to resume in FY2024)	Capital Reserves	\$ 199,858	\$ 199,858	100%	\$ -	\$ -	N/A
Dry Creek Road Overlay	Capital Reserves	\$ 124,923	\$ 71,580	57%	\$ 53,343	\$ -	0%
	Grant	\$ 371,657	\$ -	0%	\$ 371,657	\$ -	0%
	<b>Project Total</b>	<b>\$ 496,580</b>	<b>\$ 71,580</b>	<b>14%</b>	<b>\$ 425,000</b>	<b>\$ -</b>	<b>0%</b>
Sanborn Drive/Thunder Mountain Road Overlay	Capital Reserves	\$ 307,443	\$ 129,726	42%	\$ 75,000	\$ 20,302	27%
	Grant	\$ 371,657	\$ -	0%	\$ -	\$ -	N/A
	<b>Project Total</b>	<b>\$ 679,100</b>	<b>\$ 129,726</b>	<b>19%</b>	<b>\$ 75,000</b>	<b>\$ 20,302</b>	<b>27%</b>
Transportation Study	Capital Reserves	\$ 200,150	\$ 197,712	99%	\$ 150	\$ 149	99%
	Outside Participation	\$ 60,000	\$ 60,000	100%	\$ 10,000	\$ 10,000	100%
	<b>Project Total</b>	<b>\$ 260,150</b>	<b>\$ 257,712</b>	<b>99%</b>	<b>\$ 10,150</b>	<b>\$ 10,149</b>	<b>100%</b>
<b>Wastewater</b>							
WW Master Plan	Wastewater Fees	\$ 233,094	\$ 198,638	85%	\$ 33,094	\$ 31,278	95%
Wastewater Effluent Management	Wastewater Fees	\$ 11,153,258	\$ 5,275,053	47%	\$ 1,990,275	\$ 160,303	8%
Wastewater Collections System Improvements	Wastewater Fees	\$ 1,786,906	\$ 236	0%	\$ 1,136,906	\$ 236	<1%
WWRP Bar Screen and Filter System Upgrades	Wastewater Fees	\$ 1,900,000	\$ 89,611	5%	\$ 1,225,000	\$ -	0%
WWRP Odor Control (estimated to resume in FY2019)	Wastewater Fees	\$ 25,000	\$ 24,660	99%	\$ -	\$ -	N/A
WWRP Headworks Replacement	Wastewater Fees	\$ 480,000	\$ 4,181	1%	\$ 456,775	\$ 4,181	1%
SCADA System & Configuration	Wastewater Fees	\$ 185,000	\$ -	0%	\$ 160,000	\$ -	0%
Skid Steer & Concrete Driveway for Air Drying Beds	Wastewater Fees	\$ 50,000	\$ -	0%	\$ 50,000	\$ -	0%
WWRP Remodel and/or Expand Operations Building	Wastewater Fees	\$ 25,000	\$ -	0%	\$ 25,000	\$ -	0%
<b>Grand Totals</b>		<b>\$ 34,550,519</b>	<b>\$ 12,281,853</b>	<b>36%</b>	<b>\$ 14,250,994</b>	<b>\$ 1,285,033</b>	<b>9%</b>

**Investment Holdings Summary**

CUSIP	Issuer	Settlement Date	Maturity Date	Initial Duration	Remaining Duration as of January 31, 2018 (In Years)	Coupon	Yield	Par Value	Book Value	Fair Market Value as of January 31, 2018	Realized Gain/Loss	Unrealized Gain/Loss*	Accrued Interest Not Yet Recorded	% of Investment Pool	
<b>Treasury Obligations</b>															
912828XF2	US Treasury	8/5/2015	6/15/2018	2.9	0.4	1.125%	1.014%	\$ 1,000,000	\$ 1,003,130	\$ 998,281	\$ -	\$ (4,849)	\$ 1,449	2.25%	
								<b>Subtotals</b>	<b>\$ 1,000,000</b>	<b>\$ 1,003,130</b>	<b>\$ 998,281</b>	<b>\$ -</b>	<b>\$ (4,849)</b>	<b>\$ 1,449</b>	<b>2.25%</b>
<b>U.S. Government Agency Securities</b>															
3133EGEF8	Federal Farm Credit Bank	12/20/2017	6/13/2019	1.5	1.4	1.180%	1.785%	\$ 1,116,000	\$ 1,106,176	\$ 1,104,041	\$ -	\$ (2,135)	\$ 1,515	2.48%	
76116FAA5	Resolution Funding Corporation	12/21/2017	10/15/2019	1.8	1.7	0.000%	1.841%	\$ 1,033,000	\$ 999,566	\$ 998,303	\$ -	\$ (1,263)	\$ -	2.24%	
3134GBG97	Federal Home Loan Mortgage Corporation	9/28/2017	9/28/2020	3.0	2.7	1.375%-2.500%	1.750%	\$ 2,000,000	\$ 2,000,000	\$ 1,983,232	\$ -	\$ (16,768)	\$ 9,418	4.49%	
3133EH4R1	Federal Farm Credit Bank	12/28/2017	9/28/2020	2.8	2.7	2.120%	2.120%	\$ 1,000,000	\$ 1,000,000	\$ 999,996	\$ -	\$ (4)	\$ 1,281	2.24%	
3133EGRN7	Federal Farm Credit Bank	9/8/2017	2/17/2021	3.4	3.0	1.470%	1.570%	\$ 1,000,000	\$ 996,659	\$ 977,613	\$ -	\$ (19,046)	\$ 5,840	2.24%	
3130AC6V1	Federal Home Loan Bank	9/14/2017	3/15/2021	3.5	3.1	1.850%	1.850%	\$ 2,000,000	\$ 2,000,000	\$ 1,969,924	\$ -	\$ (30,076)	\$ 14,090	4.49%	
3134GBP89	Federal Home Loan Mortgage Corporation	10/26/2017	4/26/2021	3.5	3.2	1.850%	1.850%	\$ 2,000,000	\$ 2,000,000	\$ 1,984,706	\$ -	\$ (15,294)	\$ 9,833	4.49%	
3133EHUS0	Federal Farm Credit Bank	8/16/2017	8/16/2021	4.0	3.5	1.875%	1.875%	\$ 2,000,000	\$ 2,000,000	\$ 1,973,632	\$ -	\$ (26,368)	\$ 17,260	4.49%	
3130AC6J8	Federal Home Loan Bank	8/28/2017	2/28/2022	4.5	4.1	2.000%	2.000%	\$ 2,000,000	\$ 2,000,000	\$ 1,962,900	\$ -	\$ (37,100)	\$ 17,096	4.49%	
3134GBUP5	Federal Home Loan Mortgage Corporation	8/28/2017	6/29/2022	4.8	4.4	1.625%-4.000%	2.526%	\$ 2,175,000	\$ 2,175,000	\$ 2,166,876	\$ -	\$ (8,124)	\$ 3,195	4.88%	
3130AC2B9	Federal Home Loan Bank	8/22/2017	8/22/2022	5.0	4.6	1.750%-3.000%	2.375%	\$ 2,000,000	\$ 2,000,000	\$ 1,979,408	\$ -	\$ (20,592)	\$ 15,534	4.49%	
3130ABZG4	Federal Home Loan Bank	8/30/2017	8/26/2022	5.0	4.6	2.150%	2.150%	\$ 1,000,000	\$ 1,000,000	\$ 980,348	\$ -	\$ (37,100)	\$ 9,071	2.24%	
3130ACA79	Federal Home Loan Bank	9/8/2017	9/8/2022	5.0	4.6	1.750%-4.000%	2.438%	\$ 2,000,000	\$ 2,000,000	\$ 1,981,718	\$ -	\$ (18,282)	\$ 13,904	4.49%	
3134GBR79	Federal Home Loan Mortgage Corporation	10/27/2017	10/27/2022	5.0	4.7	1.750%-3.750%	2.338%	\$ 2,000,000	\$ 2,000,000	\$ 1,992,502	\$ -	\$ (7,498)	\$ 9,205	4.49%	
								<b>Subtotals</b>	<b>\$ 23,324,000</b>	<b>\$ 23,277,401</b>	<b>\$ 23,055,199</b>	<b>\$ -</b>	<b>\$ (222,202)</b>	<b>\$ 127,244</b>	<b>52.25%</b>
<b>Negotiable Certificates of Deposit</b>															
61747MXT3	Morgan Stanley Bank NA	8/10/2017	8/12/2019	2.0	1.5	1.700%	1.700%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 2,002	0.55%	
87270LAS2	TIAA FSB	9/18/2017	9/12/2019	2.0	1.6	1.700%	1.700%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,553	0.55%	
02006L5J8	Ally Bank Midvale Utah	9/14/2017	9/16/2019	2.0	1.6	1.750%	1.750%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,646	0.55%	
20033AVN3	Comenity Capital Bank	8/9/2017	8/10/2020	3.0	2.5	1.950%	1.950%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 290	0.55%	
3814PMJ3	Goldman Sachs Bank USA	8/9/2017	8/10/2020	3.0	2.5	1.900%	1.900%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 2,250	0.55%	
02587CGG9	American Express FSB	9/12/2017	9/14/2020	3.0	2.6	1.950%	1.950%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,861	0.55%	
319141HQ3	First Bank of Highland Park	9/14/2017	9/14/2020	3.0	2.6	1.800%	1.800%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,693	0.55%	
14042RJH5	Capital One, NA	10/12/2017	10/13/2020	3.0	2.7	2.000%	2.000%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,502	0.55%	
20786ABY0	ConnectOne Bank	12/28/2017	12/28/2020	3.0	2.9	2.200%	2.200%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 45	0.55%	
1404204E7	Capital One Bank USA NA	8/9/2017	8/9/2021	4.0	3.5	2.100%	2.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 2,487	0.55%	
254673AF3	Discover Bank	8/9/2017	8/9/2021	4.0	3.5	2.100%	2.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 2,487	0.55%	
05580AKJ2	BMW Bank	9/15/2017	9/15/2021	4.0	3.6	2.100%	2.100%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,961	0.55%	
88413QBR8	Third Federal Savings & Loan	9/15/2017	9/15/2021	4.0	3.6	2.000%	2.000%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,868	0.55%	
29266NP7	EnerBank USA	10/13/2017	10/13/2021	4.0	3.7	2.000%	2.000%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 244	0.55%	
02587DV47	American Express Centurion	8/8/2017	8/8/2022	5.0	4.5	2.350%	2.350%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 2,799	0.55%	
795450C37	Sallie Mae Bank	8/9/2017	8/9/2022	5.0	4.5	2.350%	2.350%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 2,783	0.55%	
87164XSH0	Synchrony Bank	10/6/2017	10/6/2022	5.0	4.7	2.250%	2.250%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,781	0.55%	
06740KLD7	Barclays Bank	10/18/2017	10/18/2022	5.0	4.7	2.300%	2.300%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 1,634	0.55%	
32056GCV0	First Internet Bank of Indiana	12/28/2017	12/28/2022	5.0	4.9	2.400%	2.400%	\$ 247,000	\$ 247,000	\$ 247,000	\$ -	\$ -	\$ 49	0.55%	
								<b>Subtotals</b>	<b>\$ 4,693,000</b>	<b>\$ 4,693,000</b>	<b>\$ 4,693,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,935</b>	<b>10.53%</b>
<b>AZ State Treasurer Local Government Investment Pool (LGIP)</b>															
N/A	Pool 5	N/A	N/A	N/A	0.0	N/A	1.420%	\$ 3,051,549	\$ 3,051,549	\$ 3,051,549	\$ -	\$ -	\$ -	6.85%	
N/A	Pool 7	N/A	N/A	N/A	0.0	N/A	1.270%	\$ 778,110	\$ 778,110	\$ 778,110	\$ -	\$ -	\$ -	1.75%	
N/A	Pool 500	N/A	N/A	N/A	0.0	N/A	1.800%	\$ 8,935,757	\$ 8,935,757	\$ 8,935,757	\$ -	\$ -	\$ -	20.06%	
								<b>Subtotals</b>	<b>\$ 12,765,416</b>	<b>\$ 12,765,416</b>	<b>\$ 12,765,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>28.65%</b>
<b>Government Money Market Fund</b>															
N/A	Wells Fargo Sweep Account	N/A	N/A	N/A	0.0	N/A	1.176%	\$ 2,813,421	\$ 2,813,421	\$ 2,813,421	\$ -	\$ -	\$ -	6.31%	
<b>Averages/Grand Totals</b>					<b>2.2</b>		<b>1.873%</b>	<b>\$ 44,595,838</b>	<b>\$ 44,552,368</b>	<b>\$ 44,325,318</b>	<b>\$ -</b>	<b>\$ (227,051)</b>	<b>\$ 159,627</b>	<b>100.00%</b>	

Benchmark per Policy (LGIP Pool 5) 1.420%

\* Unrealized gains and losses would only be realized if the City chose to sell its investments prior to maturity and are based on the fair market value as reported by the City's safekeeping agent. The City plans to hold investments until maturity unless there is a compelling reason to sell.

## Investment Transactions Summary

CUSIP	Issuer	Transaction Type	Activity During January 2018
<b>Acquisitions</b>			
N/A	Wells Fargo Sweep Account	Contribution	\$ 1,727,373
			<b>Subtotal</b> \$ <b>1,727,373</b>
<b>Dispositions</b>			
N/A	LGIP Pool 500	Withdrawal	\$ 571,783
			<b>Subtotal</b> \$ <b>571,783</b>
<b>Earnings</b>			
20033AVN3	Comenity Capital Bank	Monthly Interest	\$ 409
29266N6P7	EnerBank USA	Monthly Interest	\$ 420
32056GCV0	First Internet Bank of Indiana	Monthly Interest	\$ 503
20786ABY0	ConnectOne Bank	Monthly Interest	\$ 462
N/A	LGIP Pool 5	Monthly Gain/Loss	\$ 3,685
N/A	LGIP Pool 7	Monthly Gain/Loss	\$ 841
N/A	LGIP Pool 500	Monthly Gain/Loss	\$ (10,694)
N/A	Wells Fargo Sweep Account	Monthly Dividends	\$ 1,491
			<b>Subtotal</b> \$ <b>(2,884)</b>
<b>Expenses</b>			
N/A	N/A	Custody Charges	\$ 112
N/A	N/A	Wire Fees	\$ 97
			<b>Subtotal</b> \$ <b>209</b>
<b>Net Transactions for January 2018</b>			<b>\$ 1,152,498</b>