



ANNUAL BUDGET



CITY OF SEDONA, AZ
FISCAL YEAR 2018-19

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



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Sedona
Arizona**

For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morill

Executive Director





Introduction

INTRODUCTION

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



What is a Budget?

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

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

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

Budget as a Policy Guide

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

Budget as a Financial Plan

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

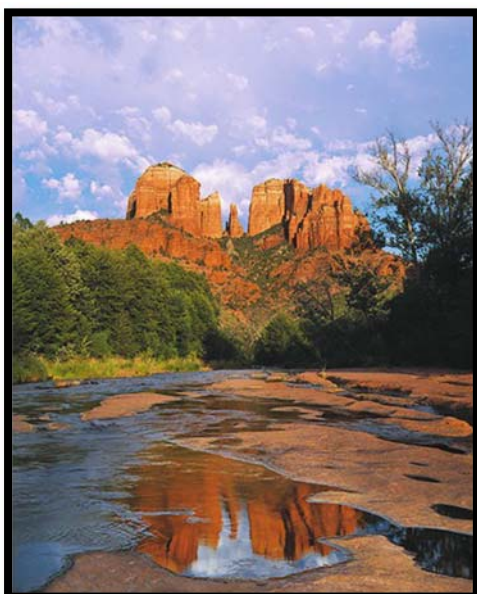
Budget as an Operations Guide

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

Budget as a Communications Tool

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

VISION STATEMENT



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

MEET THE CITY COUNCIL



Front row from left to right: Councilor Scott Jablow, Councilor John Currivan, Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor Joe Vernier (resigned). Back row from left to right: Councilor Jon Thompson, Councilor Tom Lamkin.

Sandy Moriarty – Mayor



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

Soon after coming to Sedona, Sandy became involved in getting Sedona incorporated. After serving on three committees over a 15-year period, Sandy celebrated the voters' approval of

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

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

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

MEET THE CITY COUNCIL

continued

John Martinez – Vice Mayor

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

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

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



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

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

John Currivan – Councilor



Councilor Currivan attended Cornell University on a Navy ROTC scholarship, and received a Bachelor of Science degree in electrical engineering. John also served as a Navy jet pilot and was a flight instructor in the Navy's Advanced Jet Training Command. The Navy sent John to Cornell Law School, where he graduated summa cum laude. He then served in the Navy's Judge Advocate General's Corps (JAG) as a prosecutor, the senior attorney aboard the aircraft USS Nimitz, and a judge.

After completing his military service with the rank of Commander, John spent 28 years as a tax lawyer at Jones Day, a global law firm, with a

focus on tax planning for small business. In his spare time, he was also an Adjunct Professor of Law at Case Western Reserve Law School in Cleveland, Ohio, and served as Treasurer and Finance Chair of a large condominium association.

John and his wife Pat were married in 1996 at Red Rock Crossing, with Cathedral Rock as their backdrop. They fell in love with Sedona and decided to make it their retirement home. When John retired from his law practice in 2012, he and Pat were able to fulfill their dream of living in Sedona full-time.

John soon got involved in community service. He served three years on the Planning & Zoning Commission. He also participated in the City's Programs Working Team, which helped present the Community Plan to the public, and served on the Design Review Work Group.

MEET THE CITY COUNCIL

continued

Scott Jablow – Councilor



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

Northwestern University and the U.S. Department of Transportation.

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

Tom Lamkin – Councilor

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

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

When the Councilor position he now occupies opened up due to a vacancy caused by the resignation of a City Councilor, Tom interviewed for the position. He felt it was a good time to serve the City of Sedona more directly. He was



fortunate to be selected and appointed by the City Council to the position and has enjoyed utilizing the skills learned during his career. When the time came to run for election to the position, Tom decided to continue to service and was honored to be elected by the people of Sedona. He is always available to listen to their needs and hopes they will meet with him or communicate with him at their convenience.

MEET THE CITY COUNCIL

continued

Jon Thompson – Councilor

Councilor Thompson and his wife Felicia spent their honeymoon in Sedona 46 years ago, then returned for their 25th wedding anniversary determined to make this their retirement home. They realized that dream when they finally built their house in West Sedona in 2006.

Jon earned a B.A. degree from California Lutheran University, and holds an M.A. in English from Stanford, where he was a Wallace Stegner Fellow in the Creative Writing program. He has been a Managing Editor for a major college textbook publisher, but most of his career was spent in the technical writing field in Silicon Valley. Jon has held positions from Senior Manager through Vice President at high-tech companies, including Apple Computer, Silicon Graphics, Crossworlds, IBM, and two pre-IPO startups.

He has been a volunteer litter lifter with Keep Sedona Beautiful and volunteered at the Verde Valley Medical Center, the Sedona City Clerk's office, and Chamber Music Sedona. He was proud to serve on the Citizens Steering Committee for the Community Plan update, the final 2½ years as Chair.



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

Jessica Williamson – Councilor



Jessica was born in Los Angeles and raised 100 miles up the coast in Santa Barbara. She graduated from the University of California at Santa Barbara with a B.A. degree in Sociology. She moved to New

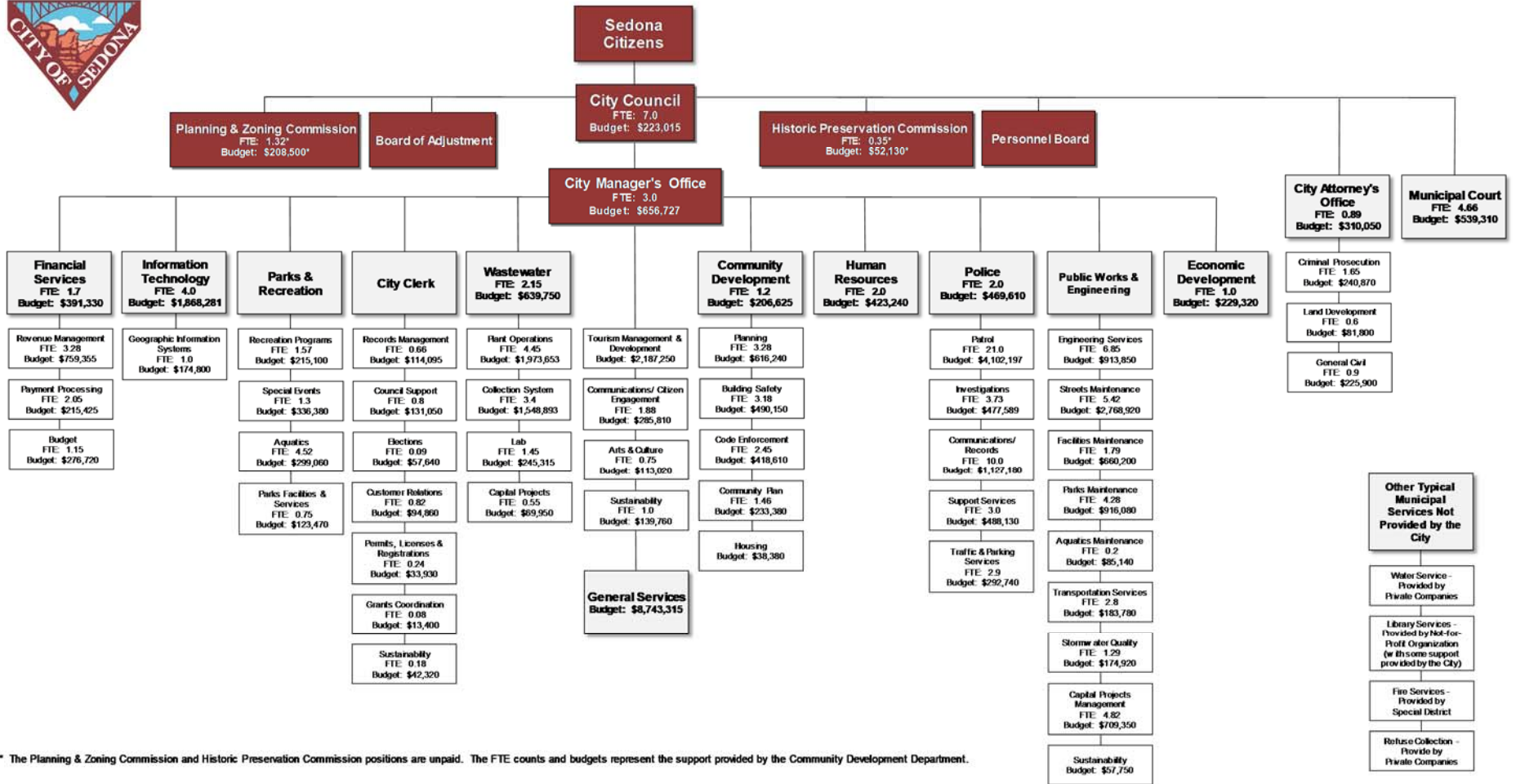
York City with her husband so he could attend Columbia University. They lived in New York City for 30 years, and she worked for the City of New York the majority of the time. Her last job was Director of Departmental Affairs at the Department of Design and Construction, the agency in charge of cleaning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

The Williamsons moved to West Sedona in 2003.

Jessica loves Sedona; the stunning natural beauty still takes her breath away. A five-minute drive from her house takes her to Fay Canyon or the Dawa Trail. She never gets tired of the vista before her as she drives down Cook's Hill. During the summer, she takes her dog to Red Rock Crossing. Once Verde Valley School Road becomes dirt, she feels like she's driving a magical roadway. They walk along the Templeton Trail enjoying the shade, trees, rocks, and river. Sometimes the blackberries are ripe. She throws sticks into the water, and her dog leaps in to retrieve them. She has seen river otters, blue herons, and ducks. In season, the flowers are wondrous.

When their first dog died a few years ago, she and her husband agreed that they would put off getting another one, but within a month they had a new puppy. He is simply a silly and goofy creature. She takes him to the Sedona Dog Park where he often sits around with a tennis ball in his mouth until the spirit moves him to play. When she is at the Dog Park, she cannot get over the thought that dogs exist to make her laugh.

ORGANIZATION CHART



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

CITY STAFF

CITY APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager	Justin Clifton
Assistant City Manager	Karen Daines Osburn
City Attorney	Robert L. Pickels, Jr.
Magistrate Judge	Michael Goimaric
City Clerk	Susan L. Irvine
Chief of Police	David W. McGill
Public Works Director	J. Andy Dickey
Community Development Director	Audree Juhlin
Economic Development Director	Molly Spangler
Financial Services Director	Cherie R. Wright
Human Resources Manager	Brenda Tammarine
Information Technology Manager	Charles Hardy
Wastewater Manager	Roxanne Holland
Parks & Recreation Manager	Rachel Murdoch

ACKNOWLEDGEMENTS

Brenda Tammarine for Cover Design

COMMUNITY PLAN

The Sedona Community Plan (Plan) is an expression of Sedona citizens' vision of their community and is the City's "general plan" required by the State of Arizona. Arizona State law requires all cities, towns and counties in Arizona to prepare, update or readopt a document known as a General Plan every 10 years to guide and inform critical decisions about a community's future and quality of life. Required elements include land use, growth, circulation, environmental planning, water resources, open space, and cost of development.

The Plan proposes desired conditions for the future of the community. It is intended to guide future growth, not to regulate it. The Plan will guide the Planning and Zoning Commission and City Council in making development decisions. It will also provide guidance and communicate the community's vision and values to citizens, developers, businesses, property owners, and visitors.

The adoption or readoption of the Plan must be approved by the affirmative vote of at least two-thirds of the members of the City Council and ratified by voters. The current Plan (also referred to as *Imagine Sedona- 2020 and Beyond*) was adopted in November 2013 and ratified in March 2014 and is summarized below:

VISION

Sedona is a community that nurtures connections between people, encourages healthy and active lifestyles, and supports a diverse and prosperous economy, with priority given to the protection of the environment.

SHARED VALUES

- Environmental Stewardship
- Community Connections
- Improved Traffic Flow
- Walkability
- Economic Diversity
- Sense of Place

Value – Environmental Stewardship

Vision: Sedona is known for practices that respect and protect the natural environment, and as the responsible caretaker of one of the world's greatest treasures.

What It Will Look Like:

- Oak Creek will be a healthy riparian area with clean water.
- The natural environment will be the dominant feature of the City.
- Homes, businesses, parks, and streets will be in harmony with the natural landscape.

COMMUNITY PLAN

continued

Value – Environmental Stewardship (cont'd):

What It Means:

- We will live in a clean and healthy environment.
- We will be inspired and renewed by nature.

How It Will Happen:

- Protection of the environment will be a high priority in all decision-making and fundamental to our prosperity.
- National Forest lands will be preserved, protected, and respected.
- Residents and visitors will be educated on environmentally responsible practices.
- Volunteers will contribute to environmental restoration and education efforts.

Value – Community Connections

Vision: We meet—at events and at random—to share experiences, help others, improve our community, enjoy the arts, and celebrate our heritage.

What It Will Look Like:

- There will be people-oriented public gathering spaces throughout the City.
- Parks, plazas, cafes, concert venues, festivals, and markets will be dynamic places where people socialize.
- There will be a diversity of people interacting with each other – whether by age or background, resident or visitor.

What It Means:

- We will be a friendly, welcoming, and neighborly community.
- We will be a community of active and productive volunteers.
- We will collaborate with and support each other.
- We will have a variety of educational opportunities for learning and interaction.
- We will help nurture a safe, supportive community that is responsive to the needs of youth and families.

How It Will Happen:

- There will be walkable districts with a mix of residential and commercial.
- There will be more direct access between neighborhoods and popular destinations.

Value – Improved Traffic Flow

Vision: We travel efficiently throughout Sedona using safe roads, pedestrian and bicycle pathways, and convenient transit.

What It Will Look Like:

- Traffic will be free flowing without backups.
- There will be fewer cars on the road.
- There will be frequent transit stops throughout the City.
- Parking will be convenient and accessible.



COMMUNITY PLAN

continued

Value – Improved Traffic Flow (cont'd):

What It Means:

- Walking and biking will be convenient alternatives to driving.
- There will be a variety of environmentally responsible transportation choices.

How It Will Happen:

- Improved street connections will provide alternative routes without building major new roadways.
- There will be a comprehensive and convenient transit system for residents and visitors.
- There will be investments in pedestrian and bicycle infrastructure.
- There will be mixed use, walkable districts.

Value – Walkability

Vision: We enjoy the option of walking—for pleasure or purpose—from neighborhoods, shops, restaurants, transit, and trailheads, linked by safe, practical, and enjoyable routes.

What It Will Look Like:

- There will be more sidewalks, paths, and trails.
- Sidewalks and paths will lead to activity centers, parks, trailheads, and popular destinations.
- There will be wider paved shoulders on streets that cannot accommodate sidewalks.

What It Means:

- Walking will be safer.
- Walking will be pleasant, appealing, and comfortable.
- More residents and visitors will have the option of a car-free lifestyle.
- Residents and tourists will walk more and drive less.

How It Will Happen:

- Safe walking routes will be identified, and existing routes will be improved.
- There will be continuous and connected sidewalks and paths that lead to popular destinations.
- Streets will feature pedestrian and bicycle amenities.

Value – Economic Diversity

Vision: Sedona has a resilient economy, provides the highest quality of service to visitors, and offers rewarding and diverse employment opportunities.

What It Will Look Like:

- There will be good jobs in a diversified economy.
- There will be regional cooperation and complementary industries.
- There will be successful local businesses.

COMMUNITY PLAN

continued

Value – Economic Diversity (cont'd):

What It Means:

- We will be a stable and prosperous community.
- We will value quality business practices over quantity.
- Our businesses will be innovative and creative.
- The long-term health and prosperity of people, resources, and the economy will be a consideration in all decisions.

How It Will Happen:

- The community's assets will be leveraged to improve the diversity and stability of the economy.
- The City will take a more proactive and on-going role in business recruitment, retention, and expansion.

Value – Sense of Place

Vision: We appreciate and respect our unique surroundings that reflect the natural beauty, arts, culture, heritage, and opportunities for physical and spiritual renewal.

What It Will Look Like:

- Sedona will have a unique and distinctive image and identity.
- The built environment will blend with the natural environment.
- Oak Creek will be a prominent and protected feature of the community.
- Historic sites will be recognized and preserved.

What It Means:

- We will be known as a clean, green, and sustainable community.
- Sedona will be a serene and beautiful place to live and visit.
- Sedona will retain its small-town character.

How It Will Happen:

- Design standards will continue to limit building height, lighting, signs, and colors.
- The built environment will integrate the natural topography and vegetation.
- The City Historic Landmark Program will protect and celebrate historic sites.

Plan Element – Land Use, Housing, and Growth

Goals:

- Grow only within currently established residential and commercial limits.
- Ensure harmony between the built and natural environments.
- Reflect a unique sense of place in architecture and design.
- Provide public gathering spaces that promote social interaction.
- Create mixed use, walkable districts.
- Encourage diverse and affordable housing options.

COMMUNITY PLAN

continued

Plan Element – Circulation

Goals:

- Reduce dependency on single-occupancy vehicles.
- Provide for safe and smooth flow of traffic.
- Coordinate land use and transportation planning and systems.
- Make the most efficient use of the circulation system for long-term community benefit.
- Limit the building of new roads and streets and make strategic investments in other modes of travel.
- Create a more walkable and bike-able community.

Plan Element – Environment

Goals:

- Preserve and protect the natural environment.
- Ensure a sufficient supply of quality water for the future.
- Protect Oak Creek and its riparian habitat.
- Reduce the impacts of flooding and erosion on the community and environment.
- Promote environmentally responsible building and design.

Plan Element – Parks, Recreation, and Open Space

Goals:

- Protect and preserve natural open space.
- Ensure the protection of the environment while providing for responsible outdoor recreation.
- Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles.

Plan Element – Economic Development

Goals:

- Support locally owned businesses.
- Recruit new businesses and organizations representing different business and institutional sectors that diversify Sedona's economic base.
- Preserve and enhance Sedona's tourist based economic sector.
- Incorporate an assets-based framework into the City's economic development efforts.
- Improve the City's transportation, information and communication infrastructure to allow businesses to compete regionally, nationally, and globally.

COMMUNITY PLAN continued

Plan Element – Community

Goals:

- Cultivate an appreciation and respect for Sedona’s distinctive community character.
- Ensure that the needs and aspirations of the community now and into the future are met through a variety of cultural activities, opportunities, and facilities.
- Create increased opportunities for formal and informal social interactions.
- Enhance opportunities for artistic display, engagement and learning.
- Preserve and celebrate the community’s history.

For action plans and other information on the Community Plan, visit the City’s website at www.sedonaaz.gov.



COUNCIL PRIORITIES

Annually, the City Council meets to review existing priorities and to update or set new priorities as necessary that will guide their efforts for the following fiscal year and beyond.

In December 2017, the City Council established the current list of priorities as part of the fiscal year 2018-19 budget process. The priorities were categorized as “high,” “medium,” or “low” to reflect elements such as urgency and the level of staff time and other resources required. For instance, a project with minimal staff time needed at the current stage of the project may be categorized as low priority.



Funding has been included in the fiscal year 2018-19 budget for all priorities with financial implications. Many of the projects are anticipated to involve staff time only but may include additional costs in future years. The funding sources are identified below.

High Priority Items:

- **Complete Various Traffic Improvements** (*\$4.3 million included in Capital Improvements Program for fiscal year 2018-19*)
A comprehensive traffic study has been completed, and several recommended projects have been identified by the consultants. The City Council approved a 10-year half-cent sales tax increase dedicated to transportation projects and related administrative and operational costs. The transportation projects included in this priority extend over several fiscal years.
- **Land Development Code Update** (*\$97,500 included in Community Development Department budget for fiscal year 2018-19*)
This includes a comprehensive update of the Land Development Code to address antiquated and conflicting standards, address sustainability/green building concepts, and evaluate many of the standards as they relate to the community’s needs and desires. This priority was started in fiscal year 2016-17 and is anticipated to be completed in fiscal year 2018-19.
- **Sustainable Tourism** (*only staff time anticipated for fiscal year 2018-19*)
The City assisted the Chamber in hiring a consulting firm in coordination with the Arizona State University Center for Sustainable Tourism to look at Sedona tourism as a whole, including topics like trails, housing, affordability, traffic, parking and other tourism impacted Sedona areas, and how they all work together to achieve more sustainable tourism. The sustainable development strategic plan will outline how to find the balance between a vibrant tourism economy and resident quality of life. The approach to this project is anticipated to be developed in fiscal year 2018-19.
- **Building Code Update** (*only staff time anticipated for fiscal year 2018-19*)
The City is operating under an outdated 2006 building code. This project is anticipated to be completed in fiscal year 2018-19.
- **Monitor Short-Term Rentals** (*\$15,000 included in Community Development Department budget for fiscal year 2018-19*)
Effective January 1, 2017, legislation was passed that prohibits Arizona cities from banning short-term residential rentals (i.e., rentals under 30 days). Since the law was passed, requests for inspection of substandard housing are on the rise, and other concerns regarding the impacts of this new law have been raised. The City Council approved a contract with a firm that provides short-term rental data that will be valuable in monitoring and assessing the impacts of short-term rentals. This project is anticipated to be ongoing.

COUNCIL PRIORITIES

continued

High Priority Items (cont'd):

- **Complete Storm Water Projects** (*\$2.9 million included in Capital Improvements Program for fiscal year 2018-19*)
Proper storm water management has long been a priority for the City Council, and the 2005 Storm Water Master Plan is still the guiding document. A master plan update is planned for fiscal year 2018-19. This project is anticipated to be ongoing.

Medium Priority Items:

- **Community Focus Area (CFA) Plans Development** (*\$17,000 included in Community Development Department budget*)
The City's Community Plan defines thirteen *Community Focus Areas* (CFAs) that have development or redevelopment potential and opportunities to realize the community's vision. CFA Plans provide more detail than the Community Plan on topics such as land use and circulation. The Western Gateway, Soldiers Pass, and Schnebly CFAs have been completed. The Shelby-Sunset CFA Plan is anticipated to be completed in fiscal year 2018-19.
- **Environmental Sustainability** (*Total \$411,885: \$118,050 included in City Manager's Office budget, \$33,190 included in City Clerk's Office budget, \$231,000 included in General Services budget, \$55,000 included in Public Works Department budget, \$138,200 included in Capital Improvements Program for fiscal year 2018-19*)
While the City has undertaken numerous specific initiatives that support sustainability, there was no comprehensive focused effort dedicated to continuing progress in promoting and/or achieving broader sustainability within the organization or community. The intent is to coordinate, where possible, with sustainable tourism, existing sustainability groups, and the Land Development Code and Building Code updates. The development of a plan for addressing the concerns is anticipated to be completed in fiscal year 2018-19.
- **Affordable Housing** (*Total \$138,380: \$38,380 included in Community Development Department budget and \$100,000 included in contingency*)
This priority was established to address concerns about availability of affordable housing in Sedona. The City Council approved discretionary bed tax as a source of funding in part because the City has seen a significant net increase in bed tax collection since the legislation allowing short term rentals. The development of a plan for addressing the concerns is anticipated to be completed in fiscal year 2018-19.

Low Priority Items:

- **Parks Land Acquisition** (*\$0 included in Capital Improvements Program for fiscal year 2018-19*)
The City's Parks & Recreation Master Plan has identified a need for additional parks especially within certain regions of the City. The City Council would like staff to look for land for potential park areas, park facilities and events facilities in Sedona; however, no timeline has been identified yet for this project.
- **Alternative Expenditure Limitation** (*included in City Clerk's Office Elections budget*)
The City's voter-approved alternative expenditure limitation is valid for four years. The next renewal of the alternative expenditure limitation will go to the voters at the August 2018 election.

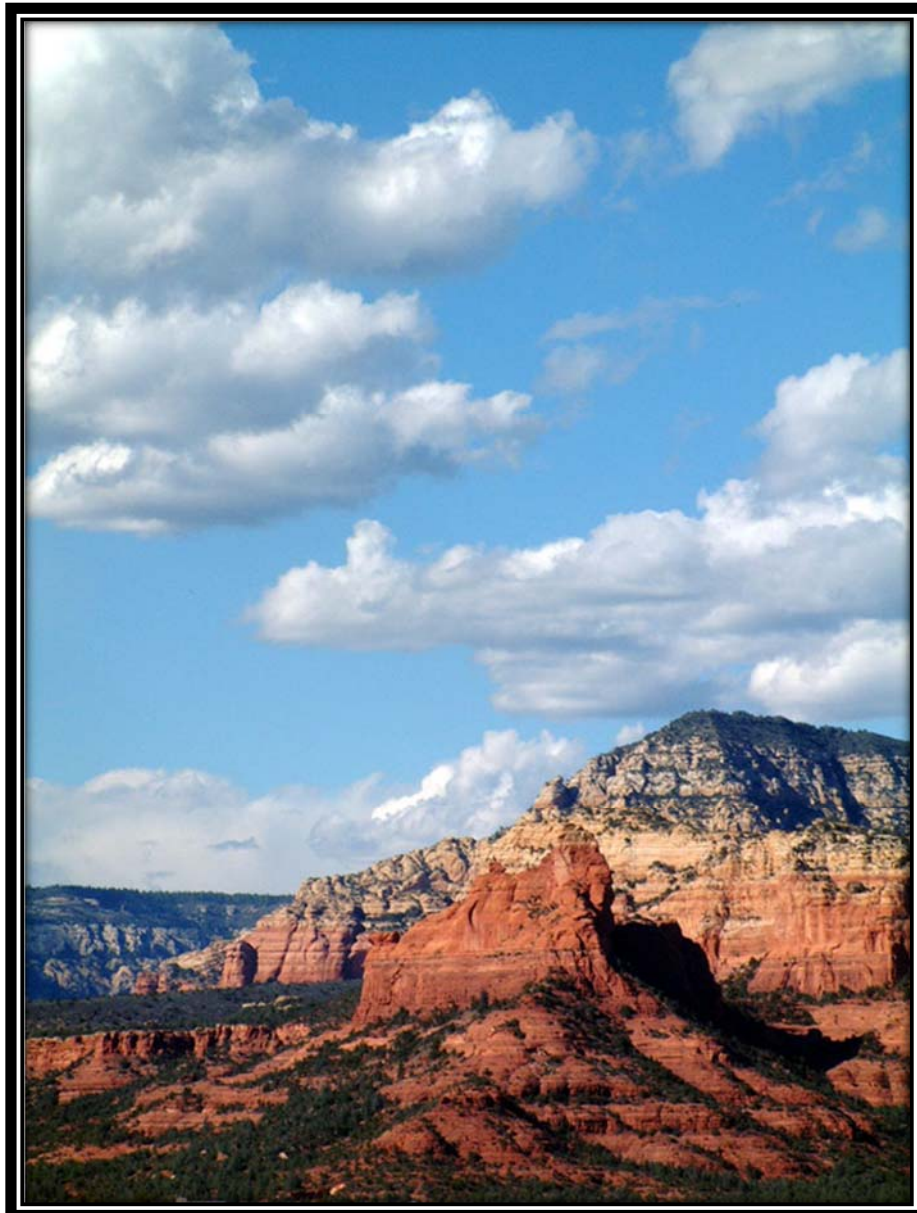
COUNCIL PRIORITIES

continued

Low Priority Items (cont'd):

- **Complete Dells Land Use Planning** (*only staff time anticipated for fiscal year 2018-19*)
Once the City's effluent disposal optimization plan is implemented, approximately 200 acres of land currently used for spray irrigation disposal of treated effluent will become available. An analysis of the options for the use of this land will be developed. No timeline has been identified yet for this project.

For more details and information on these and previously completed Council Priorities, visit the City's website at www.sedonaaz.gov.



BUDGET RESOLUTION

RESOLUTION NO. 2018-18

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2018-2019.

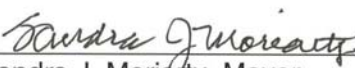
WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on May 22, 2018, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year and also an estimate of revenues from sources other than property taxes; and

WHEREAS, in accordance with said sections of said statute, and following due public notice, the City Council met on May 22, 2018 and June 26, 2018 at which meetings any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses and other revenue sources; and

WHEREAS, publication has been duly made as required by law of said estimates, together with a notice that the City Council met on May 22, 2018 and June 26, 2018 at the City Council Chambers for the purpose of hearing taxpayers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the said estimates of revenues and expenditures/expenses shown on the accompanying Official Budget Forms attached hereto and incorporated herein, as now increased, reduced, or changed by the Council, are hereby adopted as the budget of the City of Sedona, Arizona for the Fiscal Year 2018-2019.

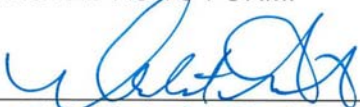
PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 26th day of June, 2018.


Sandra J. Moriarty, Mayor

ATTEST:


Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:


Robert L. Pickels, Jr., City Attorney

CITY MANAGER'S BUDGET MESSAGE



102 Roadrunner Drive
Sedona, AZ 86336

www.sedonaaz.gov

City of Sedona
Mayor, City Councilors, and City Residents

The City of Sedona's fiscal year 2018-19 budget presents a fiscally sound financial plan that maintains the integrity of the City's financial condition while still meeting the high service level demands of the community. The fiscal year 2018-19 budget includes the priorities set by the City Council and the ongoing priorities to public safety, quality service, investment in the community, and investment in City employees.

The total budget is \$47,455,463. The budget is balanced between expenditures, revenues and one-time available fund balances above the policy operating reserve levels. Capital improvement expenditures represent \$13.0 million or 27% of the total proposed budget. The capital improvement expenditures are financed primarily with available fund balances – a one-time resource. A small portion is financed with Yavapai and Coconino County Flood Control monies, grants, and other participant support.

*Total budget is
\$47.5 million.*

*Revenues continue
to trend upward.*

The City continues to experience steady economic improvement, and revenues continue to trend upward. The City's largest revenue source, city sales and bed tax revenues, exceed levels experienced by the City before the recession and economic downturn.

The fiscal year 2018-19 budget represents the third year of our planned three-year phased implementation of program and performance budgeting. The intent is to focus the decision-making process on the services and outcomes for the dollars invested.

In this phase, we have put more focus on the performance measures. This budget includes updates and additional performance measures, as well as addition of benchmarks. In most cases, the benchmarks presented are provided by the International City/County Management Association (ICMA). ICMA accumulates data from participating cities and towns to provide averages as benchmarks.

In addition, there were several significant process and operational areas addressed in this year's budget process as well:

- **Refinement of Budgets** – Departments that have historically ended the fiscal year with a budget surplus were asked to review and refine their budgets to better align their budgets with anticipated actual expenditures.
- **Community Service Contract Renewals** – Four of the City's community service contracts are expiring on June 30, 2018. These organizations have submitted requests for funding levels to be considered in the contract renewal process. These requests were also reviewed by the Citizens Budget Work Group, and their recommendations were presented to the City Council.

CITY MANAGER'S BUDGET MESSAGE

continued

- **One-Time vs. Ongoing** – In the prior fiscal year, one-time vs. ongoing revenues and expenditures were identified manually. Due to the unexpected magnitude of one-time items, this year changes were made to the accounting structure to account for these items. The new accounting structure was implemented for fiscal year 2018-19 going forward. Prior fiscal years have not been adjusted to reflect the change.
- **New Fund** – A new Transportation Sales Tax Fund was added to account for the new half-cent sales tax effective March 1, 2018. Operational costs are recorded in this fund, and transfers will be made to the Capital Improvements Fund to cover the cost of capital projects. Initially, the only operational costs are related to the additional engineering position and related support costs to aid in the progress of transportation projects. This fund may also be used in the future for operational costs associated with contemplated transit projects.

Sales tax rate increased 0.5% effective March 1, 2018.

- **Capital Project Ranking** – A system for assigning priority/ranking to capital projects was initiated. Departments were given instructions to rank projects as imperative, essential, important, or desirable. See the Capital Improvement Program Overview section for further discussion of the ranking system and definitions.

FY 2017-18 Accomplishments

Some of the Council Priorities from fiscal year 2017-18 were anticipated to be multi-year projects and are in progress. Their continuation has been included in the fiscal year 2018-19 budget. A few of the priorities accomplished during fiscal year 2017-18 are below.

- **Comprehensive Traffic Study** – Over a year, and with data from two community surveys and travel times, the consultant identified 14 potential strategies as part of the Transportation Master Plan. The City Council gave direction to prioritize Uptown traffic issues, and design has started in 2018. Other projects will move forward through the budgeting process over the next ten years.
- **Exploration of Sustainable Funding Options** – The City had no dedicated funding for capital projects. Historically, the City relied on General Fund surpluses to fund capital projects on a year-to-year basis. This was not sustainable, and numerous projects remain unfunded. The Assistant City Manager and Director of Financial Services facilitated a citizen work group to identify options and provide recommendations for future funding to meet operations and capital infrastructure needs. The work group concluded with their recommendations, which focused on funding of transportation projects since they were largely unfunded. The group's main recommendation was adding a 1 percent sales tax dedicated to the payment of the transportation projects with a 10-year sunset. The City Council decided to approve a half-cent sales tax increase to fund transportation projects.
- **Revision of City Sign Code** – The sign code was over 20 years old and did not account for new technology in sign making. A comprehensive update was needed to keep up with technology and expectations of the community. Additionally, there was a Supreme Court case that clarified laws regarding signs that caused the City to update the code to be compliant with that ruling.

CITY MANAGER'S BUDGET MESSAGE

continued

FY 2018-19 Priorities

The City Council has evaluated the priorities established and has designated them as high, medium, and low. Many of the priorities are anticipated to be started or completed with only staff time. The remaining priorities have been included in the operating or capital budgets as appropriate. See the Council Priorities section for a description of each priority.

Significant Budgetary Changes

The significant changes in the fiscal year 2018-19 budget are as follows:

- **Salary and benefit increases:**

- **Merit Increases** – The overall salary budgets were increased for an average merit increase of approximately 3.3% prorated based on anniversary dates by employee and presented as a Decision Package. In the past few years, the City would provide a cost-of-living adjustment (COLA) and an average 2.5% merit increase. The COLA was based on the annual December Western Region Consumer Price Index (CPI); for December 2017, the rate was 3.1%. With the high turnover rates experienced by the City, higher cost of living compared to many other northern Arizona communities, and lower wages than the markets most likely to draw potential candidates (Flagstaff and the metropolitan Phoenix area), the intention is that the highest performing employees will receive higher increases than under the prior methodology. While the merit pool will be only slightly higher than a COLA alone, the highest performing employees can receive higher than what would have been received under the previous pay adjustment system and lower-performing employees will not automatically receive a COLA and possibly receive lower or no increases based on the results of their annual performance review.
 - **Additional Retirement Contributions** – As of the most recent actuarial valuation report, the City's funded status in the Arizona Public Safety Personnel Retirement System (PSPRS) was 58%. This is a significant drop from the most recent high in 2010 of 91% funded. Presented as a Decision Package, the City Council approved an additional contribution of approximately \$366,000 over the actuarially required contribution amount, based on a level payment funding methodology. See the Budget Overview – General Fund section for further discussion of the funding methodology.
 - **Other Benefits** – The changes in employee benefit categories were modest increases and decreases. These changes are discussed in more detail in the Budget Overview section.
- **Other Decision Packages** – Approved Decision Packages, not including the wage adjustments and additional PSPRS contributions previously discussed, represent approximately \$636,000. Included in the approved Decision Packages are the increase of 2 part-time positions to full-time, an expansion of the Verde Lynx Transit services, an ongoing allocation to the Affordable Housing Fund, and a wastewater rate study. See the Budget Overview section for additional information on these and other approved Decision Packages

*Average merit
increase budgeted
as 3.3%.*

CITY MANAGER'S BUDGET MESSAGE

continued

Significant Budgetary Changes (cont'd)

- **Carryovers** – The budget includes approximately \$580,000 of fiscal year 2017-18 budgeted items to be carried over to fiscal year 2018-19. These include a comprehensive update of the City's Land Development Code (continued Council Priority) and placeholder for market study adjustments. See the Budget Overview section for additional information on the budget carryovers.
- **Capital Improvement Projects** – The budget for capital improvement projects decreased \$1.1 million. The budgeted projects are primarily transportation, wastewater, and storm drainage projects.
- **Tourism Management and Development Holdbacks** – Due to projected increases in bed tax revenues, the 55% portion designated by the City Council for tourism management and development is expected to increase by approximately \$269,000. The Sedona Chamber of Commerce & Tourism Bureau (Chamber) agreed to hold the portion for the Chamber's budget at the same level as budgeted in fiscal year 2017-18 and designate the increase as a City hold-back that will be applied to transportation projects.

Citizens Budget Work Group

I would like to recognize the participation of the Sedona citizens who made up this year's Citizens Budget Work Group: Charlotte Hosseini, Janice Howes, Anne Khoury, John Martinez, Hollie Ploog, and Jessica Williamson. This was the fifth year this particular work group was assembled and embedded in the City's budget development process.

The Citizens Budget Work Group members were involved in each step of the budget preparation process, shadowing staff in their work. The work group members participated in the City Manager's budget review meetings for both the Capital Improvement Program (CIP) and each of the departmental operating budgets, as well as the review of the community service contract proposals. They also gave input on the various policy recommendations incorporated into the fiscal year 2018-19 budget and the priority rankings of the various supplemental budget requests.

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

Distinguished Budget Presentation Award

The *Government Finance Officers Association of the United States and Canada* (GFOA) presented an award of Distinguished Budget Presentation to the City of Sedona for its annual budget for the fiscal year beginning July 1, 2017. This is the fifth year the City has received this award. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

CITY MANAGER'S BUDGET MESSAGE

continued

Conclusion

Overall, the City's financial condition remains strong and holds the promise of continuing prosperity. I believe the fiscal year 2018-19 budget presents a well-thought-out financial plan that balances the needs and wants of the City with its available resources. I appreciate the City Council's leadership and support in providing clear direction to staff on our critical priorities. I want to thank all of the department heads for the team effort in achieving the Council Priorities and providing exceptional customer service to our community.

Sincerely,



Justin Clifton
City Manager



City & Community Profile

ABOUT SEDONA

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

The name Sedona originates from the City's first postmaster, Theodore Carlton Schnebly, whose wife, Sedona Arabelle Miller Schnebly (1877-1950) was celebrated for her hospitality and industriousness. Today, the City of Sedona's main attraction is its array of red sandstone formations, which appear to glow in brilliant shades of orange and red when illuminated by the rising or setting sun. The red rocks form a popular backdrop for many activities, ranging from spiritual pursuits to the hundreds of hiking and mountain biking trails.

Sedona is located at the southern entrance of Oak Creek Canyon. The 14-mile scenic drive through the canyon between Sedona and Flagstaff, Arizona has been recognized as one of the Top 5 Most Scenic Drives in America by Rand McNally. The beauty of the canyon is breathtaking along a winding road that climbs from Sedona to the top of the Mogollon Rim.

Situated in the high southwestern desert under the rim of the Colorado Plateau at an elevation of 4,500 feet, Sedona is blessed with four mild seasons, plenty of sunshine, and clean air. Because of Sedona's pleasant climate, sightseeing, hiking, golf, tennis, horseback riding, and jeep touring are year-round activities.

Sedona's spectacular natural landscape is the perfect backdrop, which attracts more than 800 artists, as well as numerous galleries, art organizations, and art enthusiasts that make up this creative community. The City supports a range of creative programming from Art in Public Places, Art in Private Development, Artist in the Classroom, Moment of Art performed at monthly City Council meetings, to the Mayor's Arts Awards. In addition, performance artists are supported at The Hub, Posse Grounds Pavilion, and through the Street Performance program, Sedona Gallery Association, First Friday Art Walks, and Sedona Art Center. Sedona Film Festival and Sedona Art Festival are also large contributors to making Sedona one of the top arts destinations in the country.

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

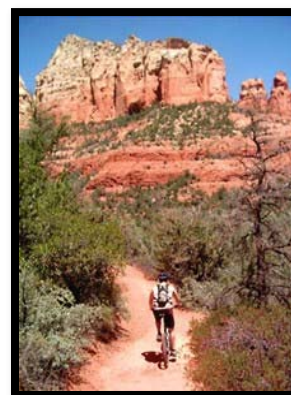
The community was incorporated as a City under Arizona Revised Statutes (ARS) in 1988. It encompasses an area of 18.5 square miles, approximately half of which is under jurisdiction of the U.S. Forest Service.

The City of Sedona is administered under the Council-Manager form of government. The City Council consists of six councilors and a mayor. The six council members are elected at large and serve four-year overlapping terms. The Mayor is elected by the citizens and serves a two-year term.

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

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

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



DEMOGRAPHICS



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

Population (U.S. Census)

1980	5,481*
1990	7,720
1995	8,990
2000	10,192
2010	10,031
2017	10,699*

*DES/Yavapai College Regional Economic Development Center (YCREDC)

Gender (YCREDC 2017 est.)

Male	46.9%
Female	53.1%

Age Composition (YCREDC 2017 est.)

0-5	3.1%
6-11	3.3%
12-17	4.3%
18-24	3.7%
25-44	14.1%
45-54	13.3%
55-64	24.0%
65+	33.9%

Median Age 58.3

Race/Ethnic Origin (YCREDC 2017 est.)

White	89.2%
Hispanic or Latino (any race)	14.2%
American Indian	0.6%
Asian	2.3%
African American	0.6%
Other	7.3%

Income (YCREDC 2017 est.)

Median Household Income \$64,699

Labor Force (YCREDC 2017 est.)

Civilian Labor Force	4,418
Unemployment Rate	2.3%
Education Attainment:	
Less than High School	6.1%
High School or equivalent	13.6%
Some College or Associates	31.7%
Bachelor's or Advanced Degree	48.6%

Industry Ranked by Employment (YCREDC 2017 est.)

Arts, Entertainment, Food, Recreation	25.1%
Education, Health Care, Social Assistance	23.3%
Professional, Scientific, Administrative	10.1%
Retail	9.1%
Construction	7.9%
Information	6.0%
Finance, Insurance, Real Estate	5.6%
Other Services, except Public Administration	5.5%
Manufacturing	2.7%
Public Administration	2.0%
Transportation, Warehousing, Utilities	1.7%
Wholesale Trade	0.8%
Agriculture, Forestry/Fishing/Hunting, Mining	0.0%

Housing (YCREDC 2017 est.)

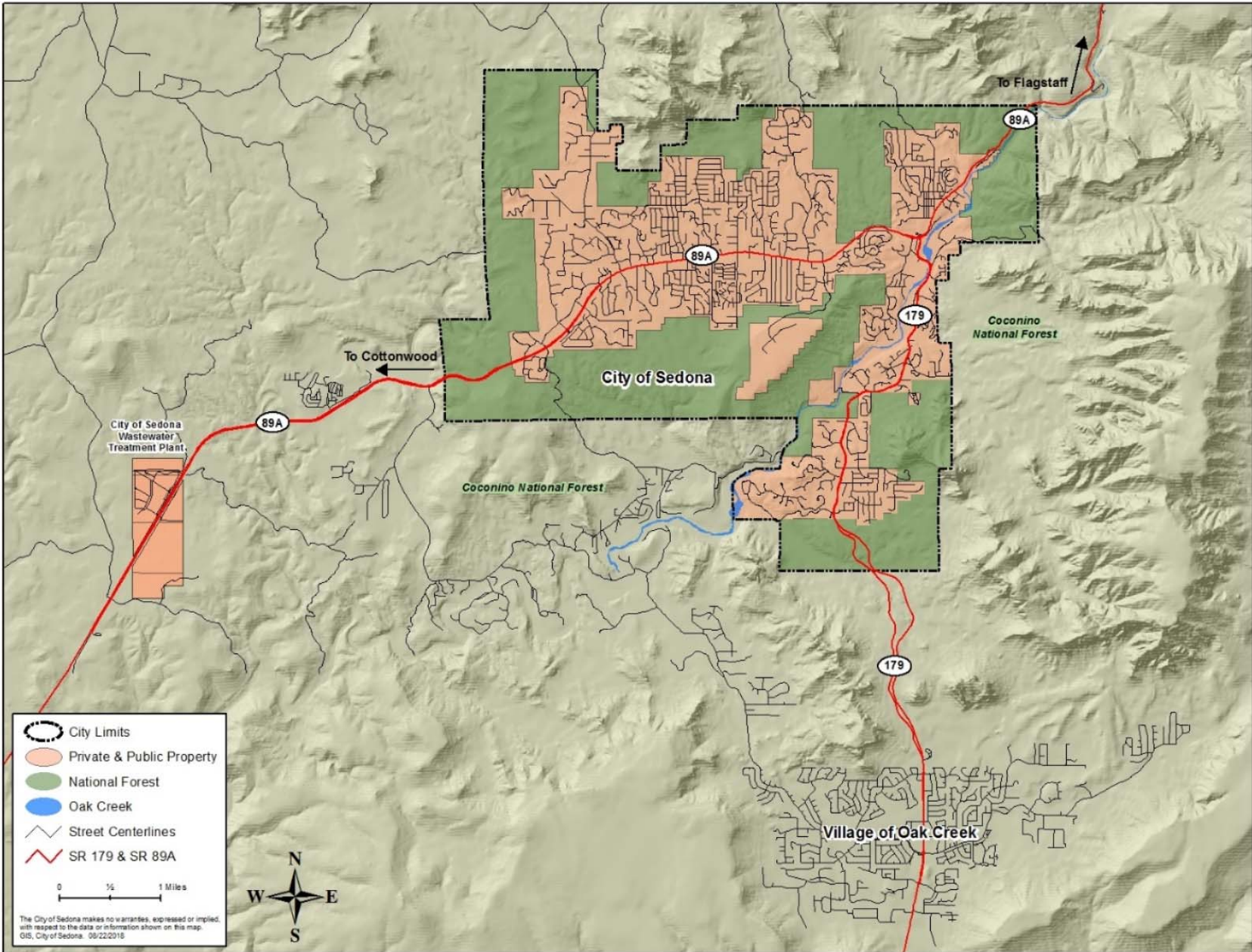
Owner-Occupied Housing	66.8%
Housing Units	6,994

Land Use (2014 – City of Sedona)

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

Land Area in Square Miles 19.14

AREA MAP





Budget Policies & Processes

FUND STRUCTURE AND BASIS FOR BUDGETING

The City uses funds to report its financial position and the results of its operations. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Each fund is considered a separate accounting entity. The operations of each fund are accounted for with their own separate set of self-balancing accounts that comprise the fund's assets, liabilities, fund equity, revenues, and expenditures/expenses.

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

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

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

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

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

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

- The **Streets Fund** is used to account for the City's allocation of state shared gas tax monies, referred to as Highway User Revenue Fund (HURF) revenues. The HURF revenues are used to fund a portion of the annual streets rehabilitation and pavement preservation program. Other streets-related costs are reported in the General Fund.
- The **Grants & Donations Funds** account for the various grants, donations, and other miscellaneous restricted or committed revenues received by the City that vary annually based on availability of funding opportunities.
- The **Transportation Sales Tax Fund** accounts for the half cent sales tax dedicated to transportation projects and related administrative and operational costs. The tax is in effect for 10 years.

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

FUND STRUCTURE AND BASIS FOR BUDGETING

continued

- The **Capital Improvements Fund** accounts for acquisition and construction of the City's major capital facilities, other than those financed by enterprise funds or restricted funding sources accounted for in other funds.
- The **Development Impact Fees Funds** account for development impact fees restricted for certain costs incurred by the City, generally for capital acquisition or related debt service necessitated by new development. Development impact fees must meet the requirements of the Arizona Revised Statutes.
- The **Art in Public Places Fund** accounts for monies transferred from capital projects to be used for art improvements and monies received from developers in lieu of complying with the City's public art requirements. Council policy requires 1% of certain capital projects budgets to be designated for art in public places.

The proprietary fund types used by the City are enterprise funds and internal service funds.

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

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

Internal Service Funds – Internal service funds account for any activity that provides good or services to other funds, departments, or agencies of the government on a cost reimbursement basis. The City's has one internal service fund as follows:

- The **Information Technology Internal Service Fund** accounts for the City's information technology costs that are allocated to the various departments and programs.

All City funds are subject to appropriation.

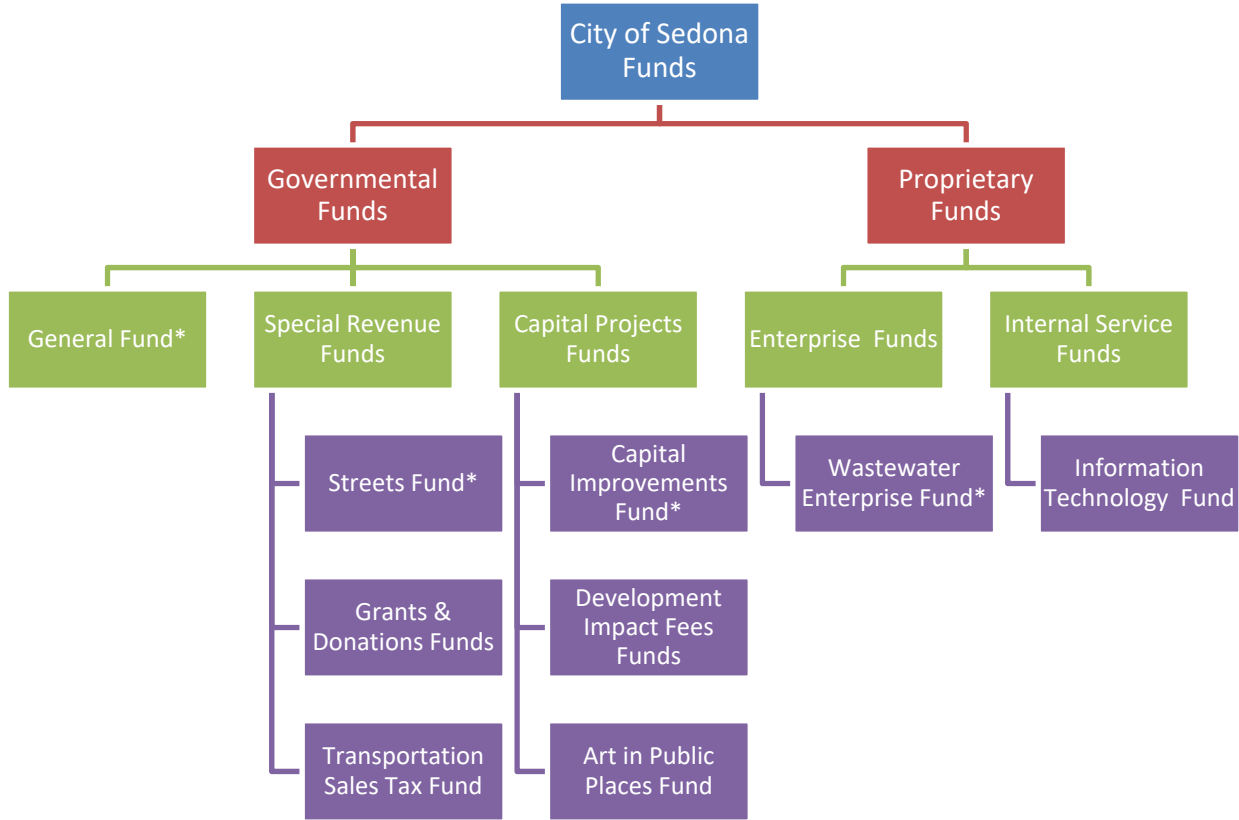


FUND STRUCTURE AND BASIS FOR BUDGETING

continued

Fund Structure

The following chart is an illustration of the fund structure:



* The General Fund, Streets Fund, and Capital Improvements Fund, and Wastewater Enterprise Fund are reported as *major funds* in the City's financial statements. All other funds are consolidated as nonmajor funds in the financial statements.



FUND STRUCTURE AND BASIS FOR BUDGETING

continued

Fund Structure (cont'd)

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

DEPARTMENTS BY FUND

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

* The City tracks other costs that are of a more city-wide nature or nonoperational nature (e.g., debt service) in the budgetary department, General Services. In addition, support for other outside agencies is recorded in General Services and include:

- Sedona Public Library, Inc.
- Sedona Recycles, Inc.
- Humane Society of Sedona, Inc.
- Verde Valley Caregivers Coalition
- Adult Community Center of Sedona, Inc.



FUND STRUCTURE AND BASIS FOR BUDGETING

continued

Basis of Accounting

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

REVENUES AND EXPENDITURES/EXPENSES RECOGNITION

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

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

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

COMPARISON OF BASIS OF ACCOUNTING BY REPORT TYPE

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

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

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

COMPREHENSIVE FINANCIAL POLICIES

The City of Sedona is committed to managing its finances prudently. The following City financial policies establish the framework for Sedona’s overall fiscal planning and management. They set forth the guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated.

Sedona’s financial policies show the public, the credit rating industry, and prospective investors (bond buyers) the City’s commitment to sound financial management and fiscal integrity. The financial policies also improve the City’s fiscal stability by helping City officials plan fiscal strategy with a consistent approach.

Adherence to financial policies promotes sound financial management, which can increase public confidence in the City’s ability to provide the services desired by the community.

The status review of each policy statement is reviewed and updated annually.

Fiscal Planning, Budgeting, and Operations Management

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

STATUS OF FISCAL PLANNING, BUDGETING, AND OPERATIONS MANAGEMENT POLICIES

Policy Statement	Status	Comments
The City will present an annual operating budget that is balanced, whereby ongoing revenues will be sufficient to fund ongoing expenditures with no use of General Fund reserves to support ongoing operational costs. <i>(Administrative Policy)</i>	√	See the Budget Overview section.
Reserves and one-time revenues may be used to fund one-time capital projects or other one-time expenditures. <i>(Administrative Policy)</i>	√	
The budget will not postpone expenditures, use one-time revenue sources to fund ongoing uses, or use external borrowing for operational requirements. <i>(Administrative Policy)</i>	√	

Legend:
 √ Compliance with policy standard
 -- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Fiscal Planning, Budgeting, and Operations Management (cont'd)

STATUS OF FISCAL PLANNING, BUDGETING, AND OPERATIONS MANAGEMENT POLICIES

Policy Statement	Status	Comments
Budgeting will be prepared on a modified accrual basis of accounting. <i>(Administrative Policy)</i>	√	See the Fund Structure and Basis for Budgeting section.
All departments will share in the responsibility of meeting policy goals and ensuring long-term financial health. Future service plans and program initiatives will be developed to reflect current policy directives, projected resources, and future service requirements. <i>(Administrative Policy)</i>	√	
The budget process is intended to weigh all competing requests for City resources, within expected fiscal constraints. Requests for new, ongoing programs made outside the budget process will be discouraged. <i>(Administrative Policy)</i>	√	
Addition of personnel will only be requested to meet strategic plan objectives, program initiatives, and policy directives after service needs have been thoroughly examined and it is substantiated that additional staffing will result in increased revenue or enhanced operating efficiencies. To the extent feasible, necessary personnel cost reductions will be achieved through attrition. <i>(Administrative Policy)</i>	√	See the Position List/Full-Time Equivalents section.
No revenues will be dedicated for specific purposes, unless required by law or generally accepted accounting practices (GAAP) or directed by City Council. All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process. <i>(Administrative Policy)</i>	√	
Revenue and expenditure forecasts will be prepared to examine the City's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will encompass at least 5 years and will be updated annually. <i>(Administrative Policy)</i>	√	See the Budget Overview – Long-Range Forecasts section.
The City will follow an aggressive, but humane, policy of collecting revenues. All adjusted uncollectible accounts will be pursued to the limit of collection ability. <i>(Administrative Policy)</i>	√	

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Capital Management

The purpose of the Capital Improvement Program (CIP) is to systematically identify, plan, schedule, finance, track, and monitor capital projects to ensure cost effectiveness as well as conformance to established policies.

STATUS OF CAPITAL MANAGEMENT POLICIES

Policy Statement	Status	Comments
The City will prepare and adopt a 10-year Capital Improvement Program. The program will be updated annually and include the direct costs of the project as well as any associated ongoing operational costs. <i>(Administrative Policy)</i>	√	See the Capital Improvement Program section.
CIP projects include infrastructure, equipment purchases, or construction resulting in or making improvements to a capitalized asset costing more than \$50,000 and having a useful life of 5 or more years. <i>(Administrative Policy)</i>	√	
The first year of the Capital Improvement Program will become the adopted capital budget for the current fiscal year. <i>(Administrative Policy)</i>	√	
The capital improvement plan will include, in addition to current operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability. <i>(Administrative Policy)</i>	√	See the Capital Improvement Program section.
Future operating, maintenance, and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources, and included in the operating budget. <i>(Administrative Policy)</i>	√	
When current revenues are available for CIP projects, consideration will first be given to those capital assets that have the shortest useful life and for assets whose nature makes them comparatively more difficult to finance. Using cash for projects with shorter lives and bonds/financing for projects with longer lives can facilitate "intergenerational equity," wherein projects with longer useful lives can be paid over several generations using the project through debt service payments. <i>(Administrative Policy)</i>	√	The City Council's preference is to avoid debt financing whenever possible. The forecasts demonstrate adequate cash funding for capital projects, and there are no plans to issue any new debt in the future.

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Debt Management

STATUS OF DEBT MANAGEMENT POLICIES

Policy Statement	Status	Comments
The City may use debt to finance CIP projects according to the priorities established by the City. The projects to be financed should have an economic average life of at least 5 years. The City will attempt to use a pay-as-you-go method prior to issuing debt for this purpose. <i>(Council Policy adopted November 14, 2017)</i>	√	No debt financing planned for FY 2018-19.
The City will strive to maintain or improve its credit ratings, although not at the expense of significantly delaying important CIP projects. <i>(Council Policy adopted November 14, 2017)</i>	√	The City maintains an AA credit rating.
The City will utilize the most cost-effective financing strategies available while still maintaining flexibility for future project financing. This includes investigating other financing alternatives such as State or federal aid or using new financing techniques. <i>(Council Policy adopted November 14, 2017)</i>	√	
The City will endeavor to maintain an open line of communication between the rating agencies and the marketplace in general, in part by providing full on-going financial disclosure as required by law. <i>(Council Policy adopted November 14, 2017)</i>	√	
The City will follow prudent borrowing principals and not engage in any transactions involving significant market risk. <i>(Council Policy adopted November 14, 2017)</i>	√	

Long Range Forecasting

STATUS OF LONG-RANGE FORECASTING POLICIES

Policy Statement	Status	Comments
The City will annually update a long-range forecast of at least 5 years, incorporating both projected revenues and expenditures for the City's major funds. <i>(Administrative Policy)</i>	√	See the Budget Overview – Long-Range Forecasts section.
The revenue forecast will only include revenue that is reasonably considered to be sustainable over at least that forecast period. <i>(Administrative Policy)</i>	√	
Expenditure projections will include anticipated operating impacts of whatever capital improvement expenditures are included in the Capital Improvement Program. <i>(Administrative Policy)</i>	√	
The process of long-range forecasting will also serve to define the critical issues and priorities and incorporate the City's Community Plan and long-term vision. <i>(Administrative Policy)</i>	√	

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard



COMPREHENSIVE FINANCIAL POLICIES
continued

Grants Management

This policy establishes under what conditions grants will be pursued and with what administrative or legislative approvals.

STATUS OF GRANTS MANAGEMENT POLICIES

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

User Fee Cost Recovery and Indirect Cost Allocations

This policy encourages full cost recovery of most publicly provided services that benefit specific individuals or organizations and the utilization of user fees to augment general tax revenues.

**STATUS OF USER FEE COST RECOVERY
AND INDIRECT COST ALLOCATIONS POLICIES**

Policy Statement	Status	Comments
The City shall establish user fees and charges for certain services provided to users receiving a specific benefit. <i>(Administrative Policy)</i>	√	

Legend:
 √ Compliance with policy standard
 -- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

User Fee Cost Recovery and Indirect Cost Allocations (cont'd)

STATUS OF USER FEE COST RECOVERY AND INDIRECT COST ALLOCATIONS POLICIES

Policy Statement	Status	Comments
The City will conduct a cost of service study to identify the full cost of providing a service for which fees are charged. The calculation of full cost will include all reasonable and justifiable direct and indirect cost components. Fees and charges will be established to recover the full cost of service, unless the percentage of full cost recovery has been reduced by specific action of the City Council. It is recognized that occasionally competing policy objectives may result in reduced user fees and charges that recover only a portion of service costs. <i>(Administrative Policy)</i>	--	An analysis including both the direct and indirect costs components has not been performed.
User fees shall be reviewed on a regular basis to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary. <i>(Administrative Policy)</i>	--	The cost recovery levels have not been analyzed.

Accounting, Auditing, and Financial Reporting

This policy dictates the system of internal accounting and internal and external financial reporting that will be adhered to as the City conducts its financial transactions.

STATUS OF ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

Policy Statement	Status	Comments
The City's accounting and financial reporting systems will be maintained in conformance with all State and federal laws, generally accepted accounting principles (GAAP), standards of the Governmental Accounting Standards Board (GASB), and best practices/advisories of the Government Finance Officers Association (GFOA). <i>(Administrative Policy)</i>	√	
An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the City's published Comprehensive Annual Financial Report (CAFR). <i>(Administrative Policy)</i>	√	See the City's CAFR at www.sedonaaz.gov .
The City's CAFR will be submitted to the GFOA's Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance-related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference. <i>(Administrative Policy)</i>	√	
Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis. <i>(Administrative Policy)</i>	√	

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Capital Expenditures (Capital Assets)

The City has a policy of capitalizing all assets greater than \$5,000.

STATUS OF CAPITAL EXPENDITURES/CAPITAL ASSETS POLICIES

Policy Statement	Status	Comments
Termed as capital assets, these capital expenditures are primarily purchased out of the departmental capital outlay accounts. <i>(Administrative Policy)</i>	√	
All assets are depreciated utilizing the straight-line method and based on useful lives the City has established, with a minimum life of one year. <i>(Administrative Policy)</i>	√	
The Financial Services Department is responsible for verifying the actual physical existence of capital assets annually through asset audits of City departments. <i>(Administrative Policy)</i>	√	

Cash Management

The City Manager and Financial Services Department manage the City's investment portfolio and ensures compliance with the City's Investment Policy.

STATUS OF CASH MANAGEMENT POLICIES

Policy Statement	Status	Comments
The City's investment policy is to invest public funds with maximum security in a manner that will provide the highest return while meeting the daily cash flow demands of the City and conforming to all applicable State statutes. <i>(Council Policy revised August 11, 2015)</i>	√	
The primary objectives, in priority order, are safety of principal, liquidity, and attaining a market rate of return. <i>(Council Policy revised August 11, 2015)</i>	√	
The City is permitted to invest in certificates of deposit, direct U.S. Treasury debt, securities guaranteed by the U.S. Government, and the State of Arizona's Local Government Investment Pool. <i>(Council Policy revised August 11, 2015)</i>	√	
Temporary idle cash during the year was invested in the State Treasurer's Investment Pool. <i>(Administrative Policy)</i>	√	

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Risk Management

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

STATUS OF RISK MANAGEMENT POLICIES

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

Fund Balance

To ensure financial stability, the City of Sedona desires to manage its financial resources by establishing fund balance ranges for selected funds. This will ensure the City maintains a prudent level of financial resources to provide sufficient cash flow for daily financial needs, secure and maintain investment grade bond ratings, offset significant economic downturns and revenue shortfalls, and provide funds for unforeseen expenditures related to emergencies.

STATUS OF FUND BALANCE POLICIES

Policy Statement	Status	Comments
General Fund: The City shall maintain an unassigned fund balance range for the General Fund of 30% of the total adopted budgeted operating expenditures of the Fund. <i>(Council Policy revised November 14, 2017)</i>	√	Unassigned fund balance projected to be 38%. Excess to be appropriated by Council during the next budget cycle.
Streets Fund: The fund balance range for the Streets Fund shall be not less than 0% and not more than 10% of the total budgeted revenues of the Fund. <i>(Council Policy revised November 14, 2017)</i>	√	Fund balance projected to be 45%. Excess to be appropriated by Council during the next budget cycle.

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Fund Balance (cont'd)

STATUS OF FUND BALANCE POLICIES

Policy Statement	Status	Comments
<p>Enterprise Funds: The fund balance range for the Enterprise Funds, including maintenance, operations and administration shall be not less than 25% (90 days) and not more than 33.3% (120 days) of the total budgeted operating expenditures of the Fund. This shall be in addition to a separate fund balance with a target equal to the average of one year of enterprise fund debt service repayment requirements for any debt issuances not covered by bond insurance. For the purpose of calculation, this reserve shall be in addition to all other required reservation of fund balance including, but not limited to, amounts reserved for capital projects, equipment replacement reserves, and/or required bond covenants. <i>(Council Policy revised November 14, 2017)</i></p>	√	Fund balance projected to be 102%. Excess to be appropriated by Council during the next budget cycle.
<p>Capital Improvements Fund: The Capital Improvements Fund was created to account for resources designated to construct or acquire capital assets and major improvements. Occasionally, these projects may extend beyond a single fiscal year. Therefore, although no specific reserve requirement is established for the Capital Improvements Fund, at a minimum, the fiscal year-end assigned and unassigned fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund the “pay-as-you-go” capital projects obligations for the next fiscal year. This will follow the City’s Capital Plan. <i>(Council Policy revised November 14, 2017)</i></p>	√	
<p>If it is determined there is a surplus (an amount in excess of the fund balance target or the upper limit of the fund balance range for any fund), the funds may be designated or appropriated at the next budget cycle to eliminate shortfalls in related funds, reduce or avoid of debt, fund one-time capital needs, or stabilize taxes, fees, or rates. <i>(Council Policy revised November 14, 2017)</i></p>	√	
<p>If it is determined there is a shortfall (an amount below the lower limit of the fund balance range for any fund), the fund balance is to be replenished through a distribution of surplus from other related funds, an appropriation during the next annual budget process of at least 20% of the lower limit, or a written plan approved by the City Council. <i>(Council Policy revised November 14, 2017)</i></p>	√	No shortfalls.

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

BUDGET PROCESS AND CALENDAR

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

FY 2018-19 BUDGET CALENDAR

Date	Description	Legal Requirements
Policy/Strategy Phase		
November 30, 2017	Leadership Team Planning Meeting	
December 14, 2017	City Council Budget Retreat and Priority Setting	
January 10, 2018	Operating Budget Kickoff Meeting with Department and Division Heads	
January 11, 2018	Staff CIP Committee Kickoff Meeting	
January 15-18, 2018	Individual Department Budget Planning Meetings	
Budget Development Phase		
February 8, 2018	Deadline to Submit CIP Requests	
February 13, 2018	Citizens Budget Work Group Kickoff Meeting	
February 15, 2018	CIP Committee Review of Project Submittals	
February 15, 2018	Operating Base Budgets and Decision Packages Due	
March 7, 2018	Review of Revenue Projection Assumptions	
March 20-22, 2018	Review of Operating Base Budgets, Decision Package Requests, and CIP Requests with City Manager, Citizens Budget Work Group, and Departments	
Budget Review Phase		
April 17, 2018	Proposed Budget Distributed to City Council	
April 25-26, 2018	City Council Work Sessions	
May 22, 2018	Public Hearing and City Council Adoption of Tentative Budget	ARS §42-17101 – On or before the third Monday in July
Budget Adoption Phase		
June 6 and 13, 2018	Published Public Notice	ARS §42-17103 – Once a week for 2 consecutive weeks
June 26, 2018	Public Hearing and City Council Final Budget Adoption	ARS §42-17105 – Must convene in a special meeting (Since the City has no property tax levy, no timelines are specified.)

BUDGET PROCESS AND CALENDAR

continued

Policy/Strategy Phase

In November 2017, the City Leadership Team (consisting of department heads and other management staff) met to discuss anticipated changes to the budget process and to obtain preliminary information on potential decision package and CIP requests.

In December 2017, the City Council met to review the existing priorities and to update or set new priorities as necessary that will guide their efforts for the following fiscal year and beyond. During the retreat, staff presented an interactive ten-year forecast of revenues and expenditures for the City's major funds with a variety of scenario options. Staff also presented information regarding required reserve balances and anticipated changes in revenue and expenditures levels. This was an opportunity for the City Council to provide key policy directives and goals for consideration during the fiscal year 2018-19 budget process and to provide input on upcoming priorities.

Kickoff meetings with City staff were held in January 2018 for both the Operating Budget and Capital Improvement Program (CIP) to provide overall guidance for the development of the fiscal year 2018-19 budget. Individual department meetings were also held with City staff to address any planning issues specific to each department.

Budget Development Phase

Department heads and program managers used this information to begin work on their base budgets for continuing operations. In March 2018, the City Manager and the Citizens Budget Committee met with each department and conducted a review of all Operating Base Budgets, Decision Packages and CIP requests. From there, the City Manager developed his recommended budget.

ARS SECTION 42-17103:

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

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

Budget Review Phase

The City Council then held a series of public work sessions on the budget on April 25th and 26th. During these sessions, the City Council heard from the City Manager, Director of Financial Services, department heads, and program managers regarding department objectives, accomplishments, and significant expenditure changes. They also offered an opportunity for input from the public. The City Council approved the Tentative Budget, which set a budget cap, on May 22, 2018. Arizona Revised Statutes (ARS) §42-17101 requires tentative budget adoption on or before the third Monday in July.

BUDGET PROCESS AND CALENDAR

continued

Budget Adoption Phase

Per ARS §42-17103, subsequent to the approval of the Tentative Budget, the City must publish the expenditure and revenue summaries and make the expenditure and revenue detail available to any citizen for public inspection. The City of Sedona published its notice of public hearing and budget summaries in the Sedona Red Rock News on June 3rd and 13th. The tentative budget was made available at the Sedona Public Library, at Sedona City Hall, and on the City's Website. This process came to a close on June 26th, when the City Council adopted the Final Budget.

State-Imposed Expenditure Limitation

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

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

The City of Sedona was not yet incorporated in 1980 and had no expenditure information to provide. The Economic Estimates Commission by law must determine the base limit of a newly incorporated city or town. This is accomplished by calculating the average amount of actual FY 1979-80 per capita payments of local revenues for all cities and towns within the county in which the new city or town is located. This average per capita figure is then multiplied by the population of the new city or town resulting in the base limit for such community.

Home Rule

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

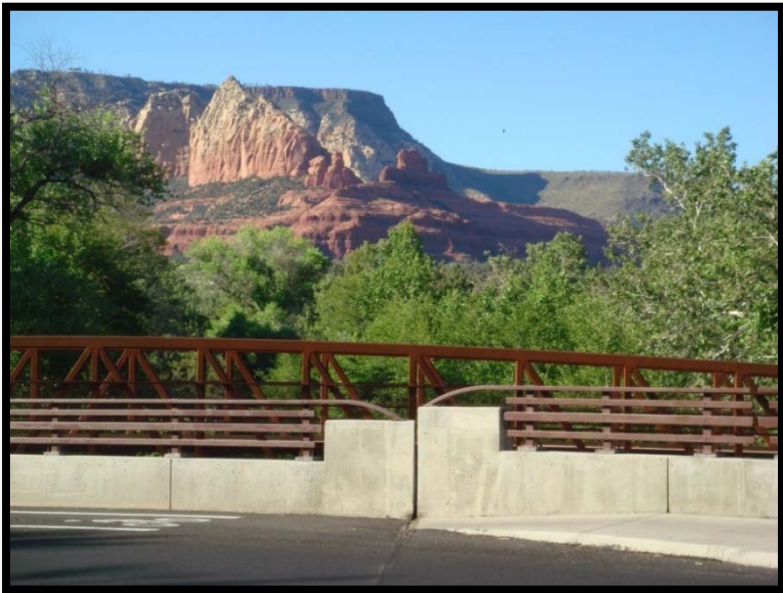
The City of Sedona has operated under Home Rule for over twenty years. Voters approved the Home Rule Option, August 26, 2014, which is effective through the 2018-19 budget year. Home Rule allows the City Council to set its budget locally, rather than basing the City's budget on the state-imposed expenditure limitation.

The Sedona voters again considered Home Rule in the August 28, 2018 election. Home Rule was again approved and will be effective through the 2022-23 budget year.

Home Rule, an alternative expenditure limitation was approved by the voters effective through the 2022-23 budget year.

BUDGET PROCESS AND CALENDAR

continued



Budget Implementation/Monitoring/Amendment Phase

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

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

The City’s operating budget is adopted at a department level, and the capital improvement plan is adopted at a project level. Any amendments to the budget must either be transfers of budget capacity from one account to another or a reduction in budget. No amendments can be made to increase the budget once adopted. Amendments require approval as follows:

REQUIRED APPROVALS FOR BUDGET AMENDMENTS

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



Budget Summary

BUDGET OVERVIEW

This overview discusses the City's costs for providing services and the resources being used to pay for those services. The City of Sedona fiscal year 2018-19 financial plan presents a fiscally sound and balanced budget that maintains the integrity of the City's financial condition while still meeting the high service level demands of the community.

The financial plan is balanced not only financially, but also equally as important, balances the allocation of resources among operating requirements, capital needs, debt burden, and strong reserves for future needs and contingencies.

The City Council has established priorities that include capital projects and infrastructure improvements, code and Community Plan updates, and social concerns such as environmental sustainability, sustainable tourism, impacts of short-term rentals, and affordable housing. Specific projects within these priority areas have been funded and included in the fiscal year 2018-19 budget.

Economic Overview

The City is located in central Arizona approximately 120 miles north of the City of Phoenix and is surrounded by the Coconino National Forest. The City is situated at the southern entrance to Oak Creek Canyon, a popular tourist attraction. The City's resident population is approximately 10,699 with only minor increases for the past several years; however, the tourism trade has been growing.

From a small agricultural community, the City has developed into a major tourist and art center. The primary contributors to the City's economy are tourism, services, retirement, and commerce. The largest employment sectors are retail, service, and lodging, accounting for an estimated 90% of the City's total employment.

*Sedona is a major
tourist and art center.*

An estimated 3 to 4 million visitors from around the world visit the "Red Rock Country" of Sedona and Oak Creek Canyon each year. The City is home to red sandstone geological formations, which are a popular tourist attraction for the area. Along with the scenic attractions, the area offers 3 eighteen-hole and 2 nine-hole golf courses, over 40 art galleries, over 80 restaurants, and over 80 lodging establishments including resorts, hotels, motels, bed and breakfasts, and timeshares.

The City Council has committed 55% of the proceeds of bed tax to the management and development of tourism, including a destination marketing program. The marketing program is focused on increasing interest and visitation to Sedona as a destination with local options for many types of activities and attractions. The focus is on need during the summer and winter seasons with an aim for overnight and higher-income visitors.

BUDGET OVERVIEW

continued

Economic Overview (cont'd)

The Sedona Chamber of Commerce & Tourism Bureau kicked off the destination marketing program in mid-July 2014. Since the program began, it has exceeded all expectations. During 2017, key tourism indicators improved including a slight increase in room occupancy rates (average 71%) and a 10% increase in average daily room rates. With the continued increase in bed taxes, 2018 is anticipated to continue to show increases in these indicators.

During 2017, hotel/motel occupancy rates averaged 71%, and average daily room rates increased 10%.

City revenues are economically volatile and will likely decline in economic downturns.

Sales and bed taxes and state shared revenues, as well as development and growth-related revenues such as building permits, development impact fees, and wastewater capacity fees, are economically volatile and may experience steep declines during economic downturns, as was the case with the last economic recession. The City does not levy a property tax and is, therefore, vulnerable to shifts in economic conditions. Furthermore, state legislation has impacted local tax collection, collection efforts, and state shared revenues. Future legislative attempts at further impacts are always possible.

Nevertheless, the City is experiencing healthy economic growth. The City's sales and bed tax collections continue to increase. All indications suggest relatively stable, continued growth in the near term, with the understanding and caveat that the current economic expansion is now in its ninth year.

Stable, continued growth anticipated in the near term.

Long-Range Forecasts

Multiple scenario options were considered in the forecasts.

The City prepared interactive long-range forecasts for the General Fund, Capital Improvements Fund, and Wastewater Enterprise Fund at the initiation of the budget process to aid in decision-making regarding priorities to be incorporated in the budget. The 10-year forecasts serve to evaluate the longer-term needs of the City, and multiple scenario options were developed throughout the budget process to consider the impacts of various decision options.

Revenues are largely impacted by the City's primary economic driving force as a tourist destination. Since tourism can be significantly affected by economic cycles, an assumption of another recessionary period and subsequent recovery period was included in the forecast based on a combination of information from various economists. More details on the forecast of revenues are included in the Revenue Trends section.

An assumed recessionary period was included in the forecast.

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

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

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

*No plans to issue
any new debt in
the future.*

The most significant estimated costs for Council Priorities are primarily capital improvement projects. The City Council has directed that capital projects are to be undertaken only as funding is available. The City Council's preference is to avoid debt financing whenever possible. The forecasts demonstrate adequate cash funding for the capital improvements, and there are no plans to issue any new debt in the future.

The capital projects have minimal impact on the operating budget. Certain projects included in the Transportation Master Plan may include significant operating costs, particularly the transit projects; however, no decision has been made whether to proceed with these projects.

Most of the remaining Council Priorities are projects that primarily involve staff time and will be addressed as time is available. No new costs are anticipated at this time for those projects.

The remaining costs for Council Priorities have been included in the fiscal year 2018-19 budget, or the approach to the priority has not yet been development and costs have not yet been determined.

As a result, modest annual inflationary increases are forecasted for the General Fund operations as well as the Wastewater operations. Staff believes these to be conservative estimates but is only forecasting increases to expenditures to the extent revenues also increase. Staff and the City Council historically have been diligent in assessing, prioritizing, and managing additional expenditure needs and will continue to do so. Estimated budget savings based on historical trends have been included as an offset to projected expenditures.

*Modest inflationary
increases are included
in the forecast.*

General Fund transfers are based on the current policies and City Council direction for subsidies to the Streets Fund, Capital Improvements Fund, and Wastewater Enterprise Fund. See the Fund balance section for details on the City's reserve requirements and the Inter-Fund Transfers section for details on the projected subsidy requirements.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

The following is a summary of the first 6 years of the forecast.

SUMMARY FORECASTS BY FUND NEXT 6 YEARS (In Thousands)

	FY19	FY20	FY21	FY22	FY23	FY24
General Fund:						
Revenues	\$28,594	\$27,001	\$26,122	\$28,359	\$29,925	\$30,525
Expenditures	21,274	21,736	21,979	22,381	23,034	23,791
Net transfers	(6,721)	(5,514)	(5,433)	(5,802)	(5,094)	(5,168)
Net surplus/ deficit	599	(249)	(1,290)	176	1,797	1,566
Beginning fund balance	8,453	9,052	8,803	7,513	7,689	9,486
Ending fund balance	\$9,052	\$ 8,803	\$ 7,513	\$ 7,689	\$ 9,486	\$11,053
<i>Over (under) minimum reserve requirements</i>	<i>\$2,074</i>	<i>\$1,737</i>	<i>\$398</i>	<i>\$406</i>	<i>\$1,921</i>	<i>\$3,205</i>
Capital Improvements Fund:						
Revenues	\$ 2,476	\$ 989	\$ 1,805	\$ 999	\$ 999	\$ 999
Expenditures	8,230	10,261	9,599	5,510	5,702	5,773
Net transfers	1,911	6,833	5,976	4,720	4,912	4,983
Net surplus/ deficit	(3,844)	(2,439)	(1,817)	209	209	209
Beginning fund balance	17,406	13,561	11,122	9,305	9,515	9,724
Ending fund balance	\$13,561	\$11,122	\$ 9,305	\$ 9,515	\$ 9,724	\$ 9,933
<i>Over (under) minimum reserve requirements</i>	<i>\$3,301</i>	<i>\$1,524</i>	<i>\$3,795</i>	<i>\$3,812</i>	<i>\$3,951</i>	<i>\$4,053</i>
Wastewater Enterprise Fund:						
Revenues	\$ 6,437	\$ 6,670	\$ 6,847	\$ 7,072	\$ 7,293	\$ 7,310
Expenditures	13,764	10,502	9,910	11,078	11,157	11,284
Net transfers	4,488	3,345	3,231	3,571	2,852	2,916
Net surplus/ deficit	(2,839)	(488)	168	(436)	(1,013)	(1,058)
Beginning fund balance	12,441	9,602	9,114	9,283	8,847	7,834
Ending fund balance	\$9,602	\$ 9,114	\$ 9,283	\$ 8,847	\$ 7,834	\$ 6,777
<i>Over (under) minimum reserve requirements</i>	<i>\$1,906</i>	<i>\$5,065</i>	<i>\$5,034</i>	<i>\$4,374</i>	<i>\$3,148</i>	<i>\$1,865</i>

Projections for General Fund ongoing revenues to support day-to-day operations are primarily trending modestly upward over the term of the forecast, as well as the Wastewater Enterprise Fund revenues due to rate adjustments and modest growth.

The fund balances of the General Fund are projected to exceed the minimum reserve requirements with balances increasing after an assumed recessionary period.

Fund balances of the General Fund, Capital Improvements Fund, and Wastewater Enterprise Fund exceed the minimum reserve requirements.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

Expenditures of the Capital Improvements Fund are modest projections, and fund balances are projected to exceed the minimum reserve requirements. However, capital projects spending in futures years will be programmed based on funding availability.

The excess of fund balances over the minimum reserve requirements for the Wastewater Enterprise Fund will increase in fiscal year 2019-20 when the debt service reserve of approximately \$4.1 million is released. At that point, the remaining bonds outstanding are all covered by bond insurance. The fiscal year 2018-19 budget includes funding for an update to the Wastewater Rate Study and Financial Plan. One of the goals of the rate study will be to determine the best approach for use of the surplus balance – whether to designate for future capital obligations, reduce the need for subsidies, reduce the need for future rate increases, or a combination of these.



BUDGET OVERVIEW

continued

FY 2018-19 City-Wide Revenue and Expenditure Budgets

The total appropriation for fiscal year 2018-19 has decreased by 1% (including carryforward budget amounts) from \$47.8 million to \$47.5 million. Excluding one-time capital improvement projects, the total budget increased 2%. The following table reflects the overall revenue and expenditure changes by fund.

*Total budgeted
expenditures decreased 1%.*

FY 2019 BUDGETED REVENUES & EXPENDITURES BY FUND

(In Thousands)

Fund	Revenues			Expenditures		
	FY18 Budget	FY19 Budget	% Change	FY18 Budget	FY19 Budget	% Change
General Fund:						
Ongoing Operations	\$25,926	\$28,035	8%	\$18,598	\$19,203	3%
One-Time Operations	2	9	400%	499	732	47%
Debt Service	-	-	-	1,444	1,415	-2%
Contingencies	550	550	-	802	650	-19%
Total General Fund	\$26,478	\$28,594	8%	\$21,104	\$21,621	2%
Streets Fund:						
Ongoing Operations	\$ 862	\$ 952	10%	\$ 1,203	\$ 1,207	<1%
One-Time Operations	100	-	-100%	-	-	-
Total Streets Fund	\$ 962	\$ 952	-1%	\$ 1,203	\$ 1,207	<1%
Grants & Donations Funds:						
Ongoing Operations	\$ 79	\$ 60	-25%	\$ 39	\$ 175	351%
One-Time Operations	100	84	-16%	105	41	-61%
Capital Improvements	-	-	-	198	194	-2%
Contingencies	300	300	-	300	300	-
Total Grants & Donations Funds	\$ 479	\$ 444	-7%	\$ 641	\$ 710	11%
Transportation Sales Tax Fund:						
Ongoing Operations	\$ -	\$ 101	∞	\$ -	\$ 101	∞
Capital Improvements	-	2,921	∞	-	-	-
Total Transportation Sales Tax Fund	\$ -	\$ 3,022	∞	\$ -	\$ 101	∞
Capital Improvements Fund:						
Capital Improvements	\$ 1,272	\$ 1,815	43%	\$ 7,427	\$ 8,296	12%
Total Capital Improvements Fund	\$ 1,272	\$ 1,815	43%	\$ 7,427	\$ 8,296	12%
Development Impact Fees Funds:						
Capital Improvements	\$ 224	\$ 224	<1%	\$ 1,430	\$ 43	-97%
Debt Service	2	1	-22%	23	10	-58%
Total Development Impact Fees Funds	\$ 225	\$ 225	<-1%	\$ 1,452	\$ 53	-96%

BUDGET OVERVIEW

continued

FY 2018-19 City-Wide Revenue and Expenditure Budgets (cont'd)

BUDGETED REVENUES & EXPENDITURES BY FUND

continued
(In Thousands)

Fund	Revenues			Expenditures		
	FY18 Budget	FY19 Budget	% Change	FY18 Budget	FY19 Budget	% Change
Art in Public Places Fund:						
Capital Improvements	\$ -	\$ -	-13%	\$ -	\$ -	-
Total Art in Public Places Fund	\$ -	\$ -	-13%	\$ -	\$ -	-
Wastewater Enterprise Fund:						
Ongoing Operations	\$ 6,320	\$ 6,437	2%	\$ 4,442	\$ 4,152	-7%
One-Time Operations	-	-	-	445	581	31%
Capital Improvements	403	673	67%	5,077	4,467	-12%
Debt Service	-	-	-	4,410	4,439	1%
Contingencies	-	-	-	-	100	∞
Total Wastewater Enterprise Fund	\$ 6,724	\$ 7,110	6%	\$14,373	\$13,740	-4%
Information Technology Internal Service Fund:						
Ongoing Operations	\$ 1,433	\$ 1,648	15%	\$ 1,274	\$ 1,438	13%
One-Time Operations	189	79	-58%	279	290	4%
Total Information Technology Fund	\$ 1,622	\$ 1,727	6%	\$ 1,553	\$1,727	11%
TOTAL ALL FUNDS	\$37,762	\$43,889	16%	\$47,752	\$47,455	1%
Excluding Capital Improvements	\$35,864	\$38,256	7%	\$33,621	\$34,454	2%

The operating budget is presented as a balanced plan between expenditures and revenues. Although the total fiscal year 2018-19 projected new revenues are \$43.4 million and total fiscal year 2018-19 expenditures are \$47.5 million, an additional \$6.7 million of accumulated balances will be used for one-time capital infrastructure projects, planned debt service costs, and reduction of surplus balances. This does not include an additional \$3.1 million that will be added to capital reserve balances.

Budget is balanced between revenues, expenditures, use of accumulated balances designated for capital and debt service, and reduction of surplus balances.

BUDGET OVERVIEW

continued

FY 2018-19 City-Wide Revenue and Expenditure Budgets (cont'd)

TOTAL FUNDING SOURCES AND USES

(In Thousands)

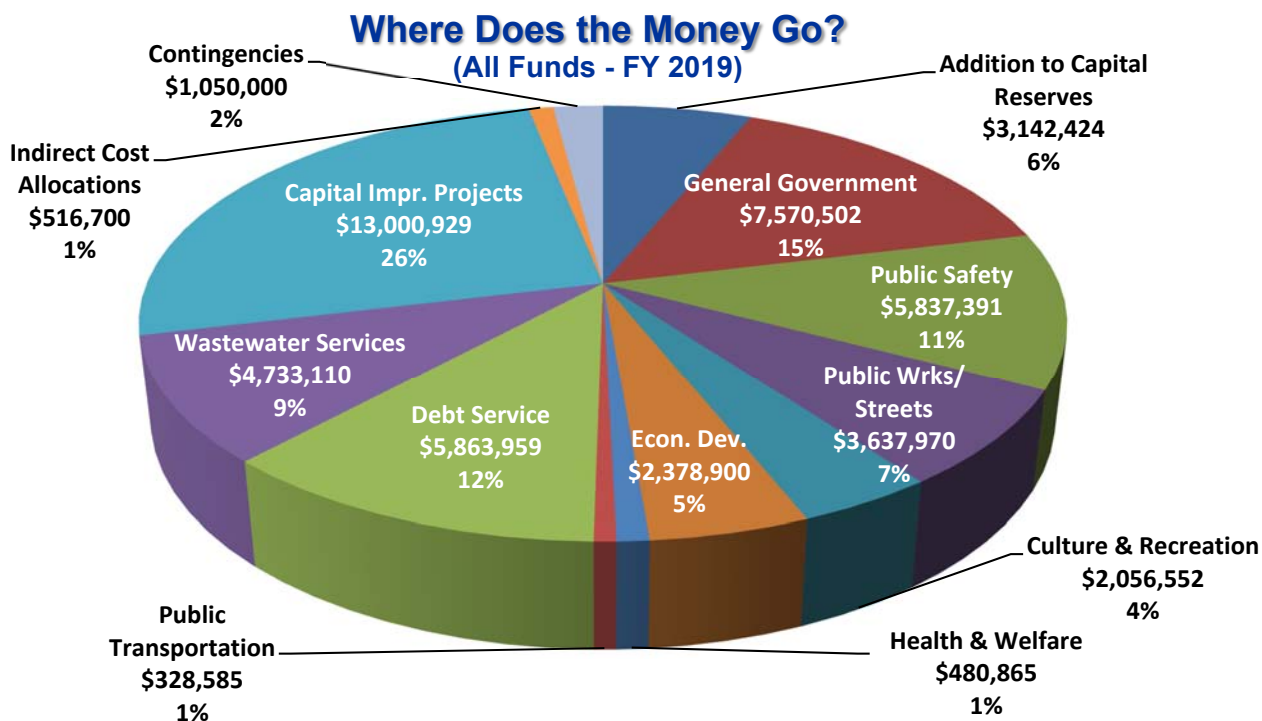
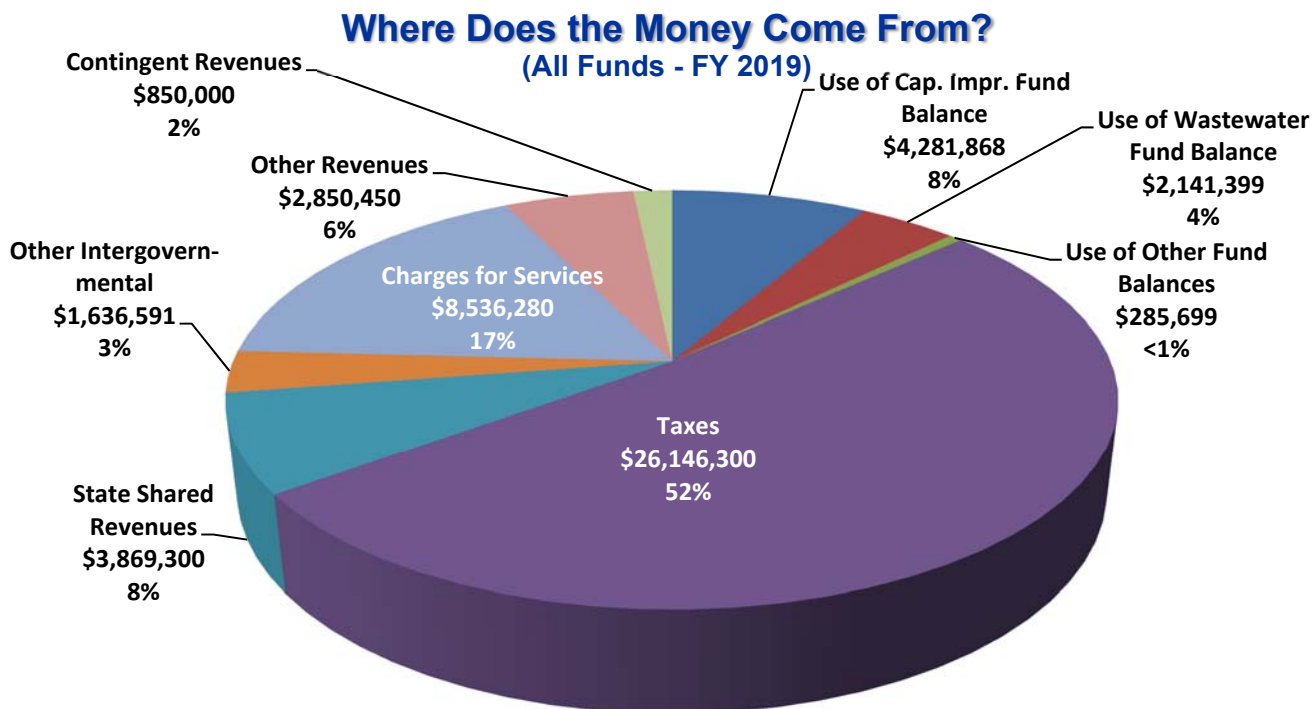
FY 2018-19	Revenues & Other Sources of Funds	Expenditures & Other Uses of Funds
Total Revenues & Expenditures	\$43,889	\$47,455
Plus: Use of Accumulated Balances:		
General Fund – Net of use of accumulated balances for debt service (\$500) less addition to other reserve requirements (approx. \$284) less addition to balance in excess of reserve requirements (approx. \$99)	117	-
Streets Fund – Use of balance in excess of reserve requirements	2	-
Grants & Donations Funds – Use of funding received in prior years for their dedicated purposes (primarily capital project costs)	167	-
Capital Improvements Fund – Net of use of accumulated balances set aside for anticipated capital project costs in FY 2019 (\$6,921) less set aside of funding to meet anticipated capital project costs in the next fiscal year (\$6,924) plus reduction of accumulated balance in excess of subsequent fiscal year needs (\$4,286)	4,282	-
Wastewater Enterprise Fund – Net of use of accumulated balances set aside for anticipated capital project costs in FY 2019 (\$4,467) less set aside of funding to meet anticipated capital project costs in the next fiscal year (\$1,225) less addition to other reserve requirements (\$525) less addition to balance in excess of reserve requirements (\$576)	2,141	-
Total Use of Accumulated Balances	6,709	-
Less: Additions to Accumulated Reserves:		
Transportation Sales Tax Fund – Set aside of funding, in addition to a portion of estimated revenues of the subsequent fiscal year, to meet anticipated capital project costs in the next fiscal year	2,921	-
Development Impact Fee Funds – Addition to accumulated balances set aside for funding of capital projects restricted to funding of growth-related projects	173	-
Art in Public Places Fund – Addition to accumulated balances set aside for funding of capital projects dedicated to funding of public art	49	-
Total Additions to Accumulated Reserves	3,143	-
Totals	\$47,455	\$47,455

BUDGET OVERVIEW

continued

FY 2018-19 City-Wide Revenue and Expenditure Budgets (cont'd)

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



BUDGET OVERVIEW

continued

FY 2018-19 City-Wide Revenue and Expenditure Budgets (cont'd)

Decision Packages

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

Decision Packages are requests resulting in new or enhanced programs or services.

For the fiscal year 2018-19 budget, wage adjustments were not included in the base budget and presented as a Decision Package. The intent was to demonstrate that the ongoing operational portion of the budget was maintained at levels comparable to the prior fiscal year.

The following Decision Packages have been included in the fiscal year 2018-19 budget.

FY 2019 DECISION PACKAGES

Department	Description/Basis of Request	Ongoing Costs	One-Time Costs	Total Request
Various	Wage Adjustments (<i>Maintain Existing Service</i>)	\$293,920	\$ -	\$ 293,920
Financial Services	CaseWare Reports (<i>New – Improve Efficiency of Existing Service</i>)	-	80,000	80,000
Financial Services	Wastewater Rate Study (<i>New – Added Service Not Provided Annually</i>)	100,000	-	100,000
Information Technology	Wastewater Network Connectivity (<i>New – Improve Existing Service</i>)	-	30,120	30,120
Information Technology	Help Desk Position (<i>Expand Position to Full-Time – Improve Existing Service</i>)	44,200	-	44,200
Information Technology	Update Sedonaaz.gov Website (<i>New – Improve Existing Service</i>)	-	15,500	15,500
City Clerk's Office	Hazardous Household Materials Cleanup (<i>New – Added Service Not Provided Annually</i>)	-	18,000	18,000
General Services	Lynx Transit Services (<i>Expand Existing Service</i>)	131,000	-	131,000
General Services	Housing Fund Contribution (<i>New – Improve Existing Service</i>)	100,000	-	100,000
Community Development	Temporary Inspector (<i>Expand Position – Improve Existing Service</i>)	20,200	-	20,200
Public Works	Maintenance Worker II Promotions (<i>Position Reclassifications – Improve Existing Service</i>)	8,700	-	8,700
Economic Development	Marketing (<i>New – Improve Existing Service</i>)	6,500	-	6,500
Police	S.W.A.T. Training (<i>New – Improve Existing Service</i>)	4,500	-	4,500
Police	PSPRS Additional Contribution (<i>New – Accelerate Payoff of Unfunded Liability</i>)	366,300	-	366,300
Municipal Court	Court Clerk (<i>Expand Position to Full-Time – Improve Existing Service</i>)	35,000	-	35,000
Wastewater	Wetlands Cattail Cutter (<i>New – Improve Existing Service</i>)	(60,000)	105,000	45,000
TOTAL		\$950,320	\$348,620	\$1,295,940

BUDGET OVERVIEW

continued

FY 2018-19 City-Wide Revenue and Expenditure Budgets (cont'd)

Budget Carryovers

During the preparation of the budget, departments are authorized to add to their budgets previously approved items that are incomplete or not started as of the prior fiscal year. The following is a list of those items budgeted in fiscal year 2017-18 and carried forward to fiscal year 2018-19.

FY 2019 BUDGET CARRYOVERS

Department	Description	Carryover Amount
General Fund:		
City Manager's Office	Public Access Channel/Video Communications <i>(Not Started)</i>	\$ 18,000
City Manager's Office	Development Impact Fee Study <i>(Incomplete)</i>	25,000
Human Resources	Springbrook Training for New Staff <i>(Not Started)</i>	15,000
General Services	Market Study Adjustments <i>(Partially Used)</i>	200,000
General Services	Grant Match – Transit Planning/Feasibility Study of Additional Transit <i>(Not Started)</i>	30,000
Community Development	Comprehensive Review and Update of the City's Land Development Code <i>(Incomplete)</i>	97,500
Community Development	Illustrations and Drawings for Sign Regulations <i>(Incomplete)</i>	10,000
Community Development	Implementation of Schnebly CFA <i>(Incomplete)</i>	10,000
Community Development	Illustrations and Drawings for CFA Plans <i>(Incomplete)</i>	7,000
Public Works	Drainage Job Order Contract <i>(Incomplete)</i>	50,000
Municipal Court	Scanner Required by Administrative Offices of the Courts <i>(Not Started)</i>	900
Subtotal		463,400
Wastewater Enterprise Fund:		
Wastewater	Furniture <i>(Not Started)</i>	1,450
Wastewater	Conduit Installation <i>(Not Started)</i>	10,000
Wastewater	Influent Channel Cover Replacement <i>(Not Started)</i>	10,000
Wastewater	Replace Flow Meter and Flow Control for UV System <i>(Not Started)</i>	8,000
Wastewater	PLC Rack 4 Installation <i>(Not Started)</i>	7,500
Wastewater	Irrigation Soil Amendment <i>(Not Started)</i>	30,000
Wastewater	Update O&M (ADEQ Requirement) <i>(Not Started)</i>	30,000
Wastewater	WIMS Training & Development <i>(Not Started)</i>	7,500
Wastewater	Grade 3 Certification <i>(Not Started)</i>	1,000
Information Technology	CenturyLink Fiber Connection to the City <i>(Not Started)</i>	5,480
Subtotal		110,930
Information Technology Internal Service Fund:		
Information Technology	Network Security at Shooting Range <i>(Not Started)</i>	3,000
Information Technology	Security Camera at Shooting Range <i>(Not Started)</i>	3,000
Subtotal		6,000
TOTAL		\$580,330

BUDGET OVERVIEW

continued

General Fund

The General Fund budget increased from \$21.1 million to \$21.6 million this year, an increase of 2%. The increase is primarily due to increases in salaries & benefits expenditures.

*General Fund budgeted
expenditures increased 2%.*

Salaries & Benefits Expenditures

*General Fund
budgeted salaries and
benefits increased 5%.*

Of the total General Fund expenditures, \$11.2 million, or 52%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$418,000, or 5%, over fiscal year 2017-18. The adjustments to salaries and benefits included in the fiscal year 2018-19 budget included the following:

- **Pay Adjustments (Decision Package)** – The overall salary budgets were increased for an average merit increase of approximately 3.3% prorated based on anniversary dates by employee for a total increase of approximately \$245,000. See the City Manager's Budget Message for further discussion regarding the pay adjustment methodology.
- **Other Decision Packages** – Other salaries and benefits related Decision Packages include:
 - One position was increased from part-time to full-time for a cost of approximately \$35,000.
 - The hours for a temporary position were increased for a cost of approximately \$20,000.
 - One position was reclassified for a net increase in costs of approximately \$9,000.
 - The City participates in the Arizona Public Safety Personnel Retirement System (PSPRS). PSPRS is an agent multiple-employer pension and health insurance premium benefit plan, which means the assets of the participating government employers are pooled for investment purposes, but separate accounts are maintained for each individual employer. As of the most recent actuarial valuation report, the City's funded status in PSPRS was 58%. This is a significant drop from the most recent high in 2010 of 91% funded. The actuarially determined contribution rate in fiscal year 2009-10 was 12.67% compared to 31.52% for fiscal year 2018-19. PSPRS uses a closed period for amortizing the unfunded liability. The City's required contribution rates are expected to increase dramatically over the remaining 19-year amortization period. The City participated in the development of the Boston College pension funding model, which facilitates the modeling of various funding scenarios. With the use of the model, it was determined that a level payment approach results in an annual payment of approximately \$1 million and would save the City approximately \$2.5 million over the remaining 19-year unfunded liability amortization period. The level payment approach means higher payments in the earlier years of the amortization period, but significant lower payments in the later years. To achieve a level payment of approximately \$1 million, the City Council approved an additional contribution of approximately \$366,000 over the actuarially required contribution amount.
- **One-Time Cost** – The fiscal year 2018-19 budget was decreased for a one-time placeholder of \$250,000 added to the fiscal year 2017-18 budget relating to the results of a lawsuit, in which the courts found the increase in the employee share of the PSPRS contribution rate to be unconstitutional. The increase in the employee share was, in effect, a savings to the City since it reduced what the employer share would have been. The amounts refunded to the employees included the contributions deemed unconstitutional plus interest.

BUDGET OVERVIEW

continued

General Fund (cont'd)

- **Market Adjustments** – Staff is in the process of reviewing a salary study performed by a consultant. Based on preliminary estimates of wages out of line with the comparison cities, the market adjustment pool budget was reduced by approximately \$212,000.
- **Vacancy Savings Adjustment** – Total salaries and benefits are offset by an estimate of vacancy savings during the year due to routine employee turnover. Based on a historical review of actual vacancy savings and a noted trend of lower savings, the offset was reduced by \$100,000, which results in a net increase in costs.
- **Benefit Changes** – Increases and decreases to the City's employee benefits for fiscal year 2018-19 were as follows.
 - The City's health insurance rates increased 5% for a cost of approximately \$34,000.
 - The Arizona State Retirement System (ASRS) rates changed slightly from 11.50% to 11.80% for an increase in cost of approximately \$22,000.
 - The PSPRS actuarially determined contribution rate decreased from 33.97% to 31.52%. This 7% decrease in the contribution rate results in a decrease of costs of approximately \$49,000.
 - The City's worker's compensation rates experience a decrease as a result of a drop in the experience modification rating (EMOD) and rating factor. This accounts for approximately \$4,000 in savings.
- **Uptown Paid Parking Program** – In conjunction with the initiation of the Uptown Paid Parking Program, the City Council agreed to use the monies for improvements to the Uptown area. The Uptown merchants have requested that \$10,000 of these monies be used to enhance the presence of the Traffic Control Assistants in Uptown. This amount has been added to the fiscal year 2018-19 budget.
- **Other Pay Adjustments** – The remaining adjustments to salaries and benefits accounts are related to various market adjustments and pay changes due to turnover of staff.

Supplies & Services Expenditures

Of the total General Fund expenditures, \$7.5 million, or 35%, is attributable to supplies and services. This is an increase of approximately \$358,000, or 5%, over fiscal year 2017-18. The adjustments to supplies and services included in the fiscal year 2018-19 budget included the following:

*General Fund
budgeted supplies and
services increased 5%.*

- **Ongoing Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$142,000 of ongoing costs.
 - Expansion of the Verde Lynx Transit services was included for a cost of \$131,000.
 - Other ongoing supplies and services costs of approximately \$11,000 were included.
- **One-Time Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$98,000 of one-time costs.
 - A hazardous household materials cleanup event was included for a cost of \$18,000.
 - Consulting services for the implementation of CaseWare reports to be used for budget and financial report preparation was included for a cost of \$80,000.
- **Ongoing Costs** – Some of the more significant changes in ongoing costs include the following:
 - Community service contracts were increased a total of approximately \$77,000. The largest increases were in the contracts with the Sedona Public Library, Sedona Recycles, and the Humane Society of Sedona.

BUDGET OVERVIEW

continued

General Fund (cont'd)

- As directed by the City Council, services for monitoring of short-term rentals has been included in the budget for \$15,000. Evaluating the impacts of short-term rentals is a Council Priority.
- As directed by the City Council, approximately \$38,000 has been included in the budget for payment of development impact fees and capacity fees for a Habitat for Humanity project. Affordable housing is a Council Priority.
- Due to an error in last year's budget requests, the electric utility costs were under-budgeted. To correct this error, the fiscal year 2018-19 budget includes an increase of approximately \$73,000 to the electric utility costs.
- **One-Time Costs** – Some of the more significant changes in one-time costs include the following:
 - Fiscal year 2018-19 is an election year, and the supplies and services budget has been increased approximately \$43,000.
 - State statutes require a biennial audit of development impact fees. The fiscal year 2018-19 budget includes \$20,000 for the audit.
- **Uptown Paid Parking Program** – As previously mentioned, the City Council agreed to use paid parking monies for improvements to the Uptown area. The Uptown merchants have also requested that \$40,000 of these monies be used for additional holiday decorations. This amount has been added to the fiscal year 2018-19 budget.
- **Other Adjustments** – A variety of reductions were implemented by departments to better align their budgets with anticipated actual expenditures.

Indirect Cost Allocations

General Fund budgeted indirect cost allocations increased 13%.

Of the total General Fund expenditures, approximately \$517,000, or 2%, is attributable to indirect cost allocations. This is an increase of approximately \$60,000, or 13%, over fiscal year 2017-18. The most significant increase was related to indirect cost allocations for information technology – an increase of approximately \$81,000, or 6%. See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total General Fund expenditures, \$1.8 million, or 8%, is attributable to capital and debt service expenditures. This is a decrease of approximately \$168,000 or 9%.

General Fund budgeted capital and debt service decreased 9%.

Debt service costs decreased approximately \$28,000. The bond principal and interest payments are paid based on debt retirement schedules specified in the bond documents.

Capital expenditures for fiscal year 2018-19 of approximately \$160,000 include the following:

- Placeholders for sidewalk improvements and various City facility improvements were included for approximately \$134,000.
- Other miscellaneous equipment purchases and replacements were also included for approximately \$26,000.

BUDGET OVERVIEW

continued

General Fund (cont'd)

Contingencies

Of the total General Fund expenditures, \$650,000, or 3%, is attributable to contingency budgets. This is a decrease of approximately \$151,000 or 19%. The decrease is the net result of a decrease in the contingency for unanticipated bed tax increases and an increase in the reinstatement of the general contingency used during fiscal year 2017-18.

General Fund contingency budget decreased 19%.

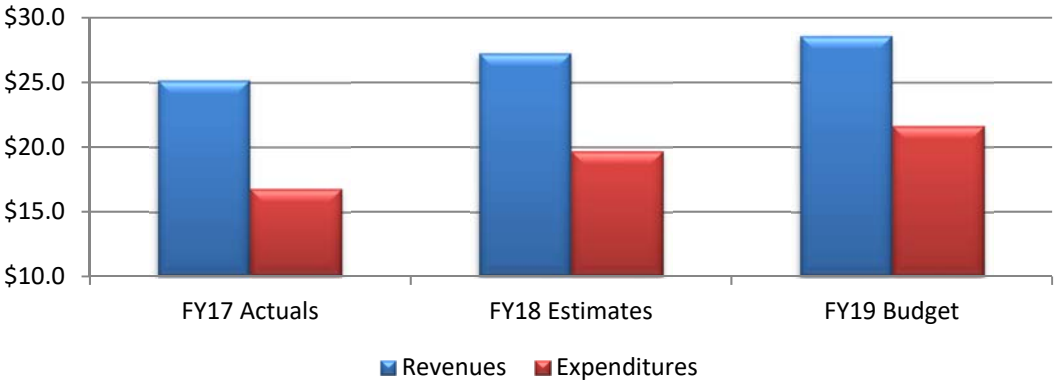
Revenues

General Fund budgeted revenues increased 8%.

General Fund revenues are projected to increase \$2.1 million, or 8%, in fiscal year 2018-19. The increase is primarily driven by the increase in both city sales and bed taxes, which are estimated to increase \$1.7 million.

In addition, revenues were increased approximately \$237,000 for the paid parking program in the Uptown area. The paid parking program was initiated in fiscal year 2017-18, and the budget included a conservative guess of paid parking revenues. The increase to the fiscal year 2018-19 budget was based on trends of actual monthly activity. More details regarding the projection of revenues can be found in the Revenue Trends section.

**General Fund
Revenues & Expenditures**
(In Millions)



Streets Fund

The Streets Fund expenditure budget remained level at \$1.2 million, with an increase of less than 1% due to minor changes in the indirect cost allocations.

Streets Fund budgeted expenditures increased less than 1%.

Budgeted revenues decreased by approximately \$10,000, or 1%. The decrease is the net result of a decrease in outside participation in streets projects and an increase in state shared revenues.

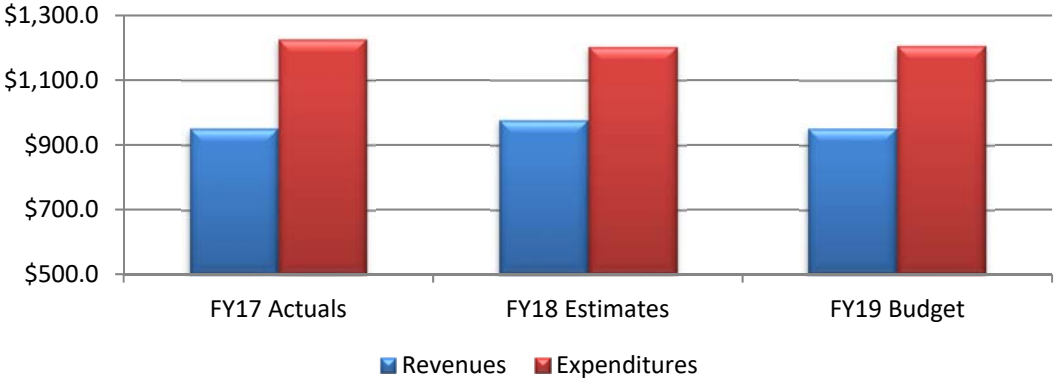
Streets Fund budgeted revenues decreased 1%.

BUDGET OVERVIEW

continued

Streets Fund (cont'd)

Streets Fund Revenues & Expenditures (In Thousands)



Grants & Donations Funds

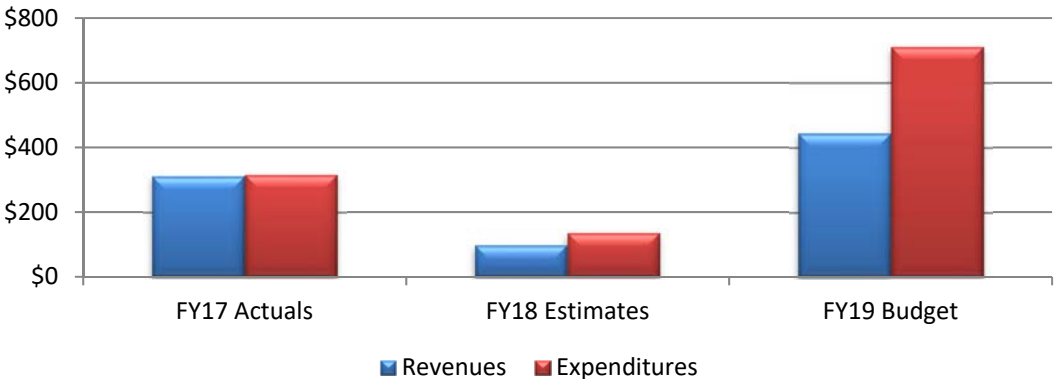
The Grants & Donations Funds expenditure budget increased from approximately \$641,000 to approximately \$710,000 this year, an increase of 11%. The increase is primarily due a Decision Package for the Affordable Housing program, a Council Priority, of approximately \$100,000.

Grants & Donations Funds budgeted expenditures increased 11%.

Budgeted revenues decreased by approximately \$35,000, or 7%. The decrease is primarily due to one-time donations projected in the prior year for the purchase and training of a new K-9 officer.

Grants & Donations Funds budgeted revenues decreased 7%.

Grants & Donations Funds Revenues & Expenditures (In Thousands)



BUDGET OVERVIEW

continued

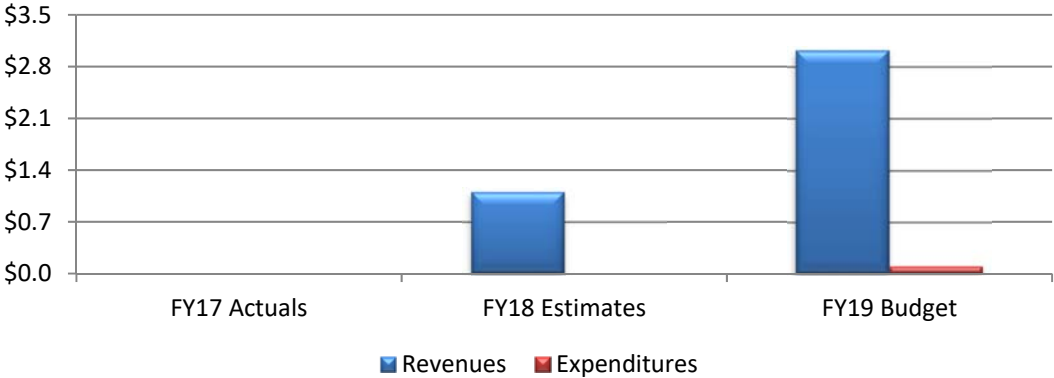
Transportation Sales Tax Fund

The Transportation Sales Tax Fund was initiated in March 2018. No expenditures were budgeted in the prior year. In the fiscal year 2018-19 budget, an Assistant Engineer position was added to aid in the progress of transportation projects, a Council Priority. This position along with other support costs have been included at a cost of approximately \$101,000.

Transportation Sales Tax Fund was initiated in March 2018.

Budgeted revenues have been added to the fiscal year 2018-19 budget of approximately \$3.0 million. The revenues are primarily comprised of the new half-cent sales tax dedicated to transportation projects and related administrative and operational costs.

**Transportation Sales Tax Fund
Revenues & Expenditures
(In Millions)**



Capital Improvements Fund

The Capital Improvements Fund expenditure budget increased from \$7.4 million to \$8.3 million this year, an increase of 12%. Of the total expenditures, \$5.0 million represents continuing projects. Other capital projects added for fiscal year 2018-19 include \$2.0 million for storm drainage projects, \$137,000 for recycle drop-off locations, \$400,000 for Uptown enhancements to be funded with monies generated by the Uptown Paid Parking Program, and approximately \$807,000 for projects recommended in the transportation master plan.

Capital Improvements Fund budgeted expenditures increased 12%.

Capital Improvements Fund budgeted revenues increased 43%.

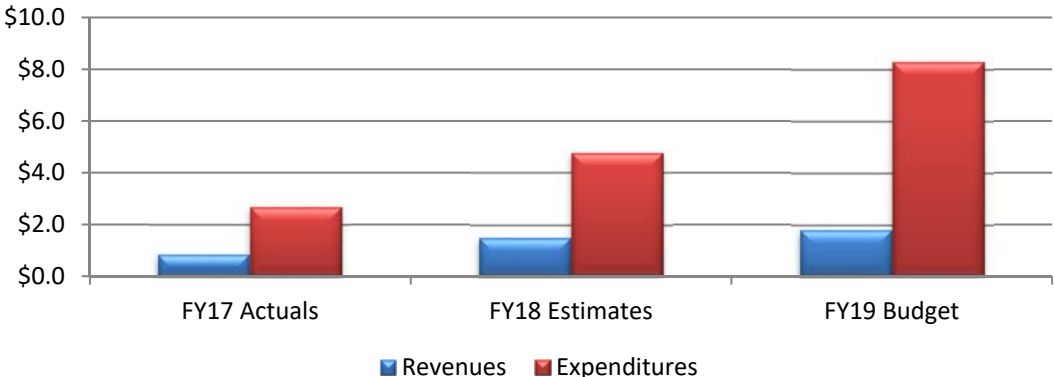
Budgeted revenues increased by approximately \$543,000, or 43%. A significant portion of the increase is due to anticipated grant funding for projects.

BUDGET OVERVIEW

continued

Capital Improvements Fund (cont'd)

Capital Improvements Fund Revenues & Expenditures (In Millions)



Development Impact Fees Funds

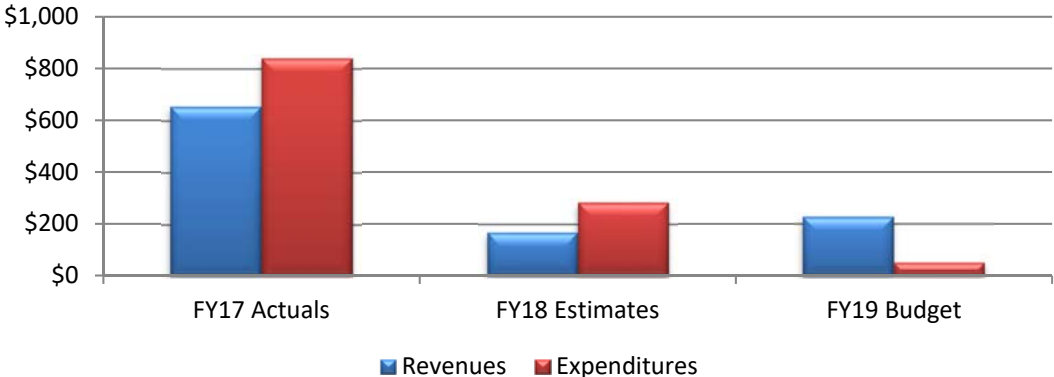
The Development Impact Fees Funds expenditure budget decreased from \$1.5 million to approximately \$53,000 this year, a decrease of 96%. The budgeted expenditures are related to storm drainage projects.

Development Impact Fees Funds budgeted expenditures decreased 96%.

Budgeted revenues remained level at approximately \$225,000, with a decrease of less than 1% due to minor changes in ongoing development impact fee revenues.

Development Impact Fees Funds budgeted revenues decreased less than 1%.

Development Impact Fees Funds Revenues & Expenditures (In Thousands)



BUDGET OVERVIEW

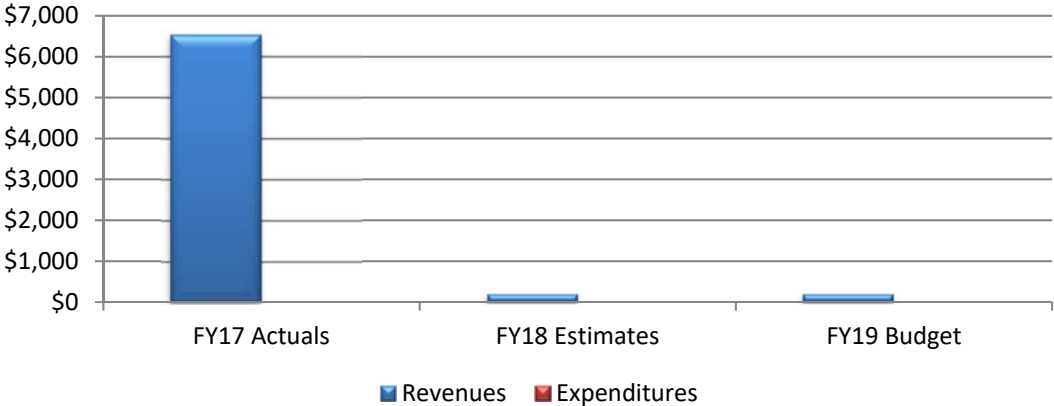
continued

Art in Public Places Fund

The last project for the Art in Public Places Fund was in fiscal year 2015-16, and the next project is not anticipated until fiscal year 2019-20.

No planned projects in the Art in Public Places Fund.

Art in Public Places Fund Revenues & Expenditures



Wastewater Enterprise Fund

The Wastewater Enterprise Fund expenditure budget decreased from \$14.4 million to \$13.7 million this year, a decrease of 4%. The increase is largely due to a decrease in capital improvement projects.

Wastewater Fund budgeted expenditures decreased 4%.

Salaries & Benefits Expenditures

Wastewater Fund budgeted salaries and benefits decreased 3%.

Of the total Wastewater Fund expenditures, \$1.3 million, or 9%, is attributable to salaries and benefits for the City’s employees. This is a decrease of approximately \$45,000, or 3%, over fiscal year 2017-18. The adjustments to salaries and benefits included in the fiscal year 2018-19 budget included the following:

- **Pay Adjustments (Decision Package)** – The overall salary budgets were increased for an average merit increase of approximately 3.3% prorated based on anniversary dates by employee for a total increase of approximately \$32,000. See the City Manager’s Budget Message for further discussion regarding the pay adjustment methodology.
- **Vacancy Savings Adjustment** – Total salaries and benefits are offset by an estimate of vacancy savings during the year due to routine employee turnover. Based on a historical review of actual vacancy savings and a noted trend of lower savings, the offset was reduced by \$25,000, which results in a net increase in costs.

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

- **Benefit Changes** – Increases and decreases to the City's employee benefits for fiscal year 2018-19 were as follows.
 - The City's health insurance rates increased 5%; however, due to staffing changes costs decreased approximately \$17,000.
 - The Arizona State Retirement System (ASRS) rates changed slightly from 11.50% to 11.80%; however, due to staffing changes costs decreased approximately \$6,000.
 - The City's worker's compensation rates experienced a decrease as a result of a drop in the experience modification rating (EMOD) and rating factor. This accounts for approximately \$2,000 in savings.
- **Other Pay Adjustments** – The remaining adjustments to salaries and benefits accounts are related to pay changes due to turnover of staff.

Supplies & Services Expenditures

Of the total Wastewater Fund expenditures, \$2.4 million, or 17%, is attributable to supplies and services. This is an increase of approximately \$101,000 or 4%. The adjustments to supplies and services included in the fiscal year 2018-19 budget included the following:

*Wastewater Fund
budgeted supplies and
services increased 4%.*

- **Ongoing Decision Packages** – Supplies and services costs included in the Decision Packages represent a reduction of \$60,000 of ongoing costs. The one-time cost for a cattail cutter is expected to reduce the need for contracted services.
- **One-Time Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$95,000 of one-time costs.
 - Consulting services for a wastewater rate study was included for a cost of \$100,000.
 - Costs of approximately \$5,000 were eliminated due to expected reduction of service costs to address network connectivity issues at the wastewater reclamation plant.
- **Other Adjustments** – A variety of reductions were implemented to better align budgets with anticipated actual expenditures.

Indirect Cost Allocations

*Wastewater Fund
budgeted indirect cost
allocations decreased 3%.*

Of the total Wastewater Fund expenditures, approximately \$824,000, or 6%, is attributable to indirect cost allocations. This is a decrease of approximately \$23,000, or 3%, over fiscal year 2017-18. The most significant decrease was related to indirect cost allocations for information technology – a decrease of approximately \$32,000, or 22%. See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total Wastewater Fund expenditures, \$4.7 million, or 34%, is attributable to capital and debt service expenditures. This is a decrease of approximately \$157,000 or 3%.

*Wastewater Fund budgeted capital
and debt service decreased 3%.*

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

Debt service costs increased approximately \$29,000. The bond principal and interest payments are paid based on debt retirement schedules specified in the bond documents.

Capital expenditures for fiscal year 2018-19 of approximately \$245,000 include the following:

- A Decision Package was approved for a cattail cutter to be used in the wetlands preserve, a component of the wastewater effluent management program, for a cost of \$105,000.
- A Decision Package was approved for approximately \$36,000 to address network connectivity issues at the wastewater reclamation plant.
- Approximately \$45,000 was budgeted for the replacement of generator at a pump station.
- Approximately \$10,000 was budgeted for conduit installation.
- Other miscellaneous equipment purchases and replacements were also included.

Capital Improvement Projects

Of the total Wastewater Fund expenditures, \$4.5 million, or 33%, is attributable to capital improvement projects. This is a decrease of approximately \$610,000 or 12%.

Wastewater Fund budgeted capital improvement projects decreased 12%.

Of the total capital improvement expenditures, \$4.2 million represents continuing projects. A capital project was added for fiscal year 2018-19 for a remodel/expansion of the wastewater administrative building for \$270,000.

Due to the large expenditures planned for wastewater capital improvement projects, \$3.2 million of wastewater accumulated reserves will be used towards these one-time expenditures. The savings has accumulated over many years specifically to fund these types of capital projects when they are needed.

Contingencies

Of the total Wastewater Fund expenditures, \$100,000, or 1%, is attributable to contingency budgets. This is a reinstatement of the general contingency used during fiscal year 2017-18.

Wastewater Fund contingency budget is reinstated at \$100,000.

Revenues

Wastewater Fund budgeted revenues increased 6%.

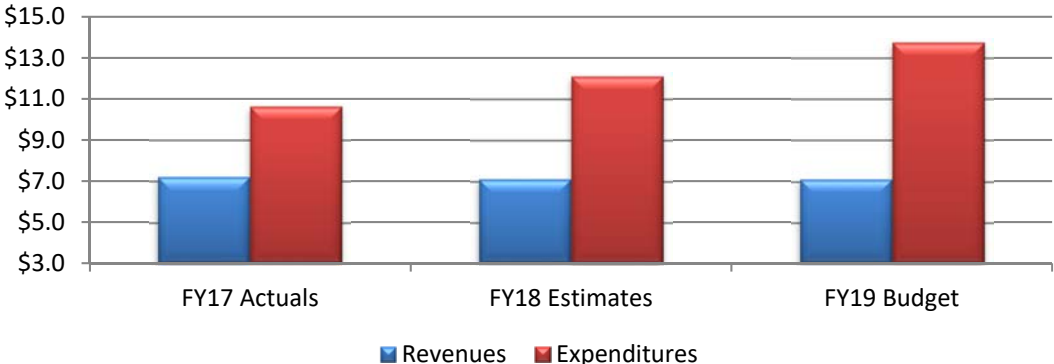
Wastewater Fund revenues are projected to increase approximately \$386,000, or 6%, in fiscal year 2018-19. The increase is primarily a result of projected one-time capacity fees of approximately \$382,000 for 2 multi-housing unit projects expected to be completed during the year.

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

Wastewater Enterprise Fund Revenues & Expenditures (In Millions)



Information Technology Internal Service Fund

The City implemented an indirect cost allocation plan in fiscal year 2017-18, and in conjunction created the Information Technology Internal Service Fund to account for the City’s information technology costs allocated to the various departments and programs and the accumulation of an information technology equipment replacement reserve.

The Information Technology Fund expenditure budget increased from \$1.6 million to \$1.7 million this year, an increase of 11%. The increase was the result of increases in most of the expenditure categories.

Information Technology Fund budgeted expenditures increased 11%.

Salaries & Benefits Expenditures

Information Technology Fund budgeted salaries and benefits increased 8%.

Of the total Information Technology Fund expenditures, approximately \$582,000, or 34%, is attributable to salaries and benefits for the City’s employees. This is an increase of approximately \$44,000, or 8%, over fiscal year 2018-19. The adjustments to salaries and benefits included in the fiscal year 2018-19 budget included the following:

- **Pay Adjustments (Decision Package)** – The overall salary budgets were increased for an average merit increase of approximately 3.3% prorated based on anniversary dates by employee for a total increase of approximately \$16,000. See the City Manager’s Budget Message for further discussion regarding the pay adjustment methodology.
- **Other Decision Package** – One position was increased from part-time to full-time for a net increase in costs of approximately \$44,000.
- **Benefit Changes** – Increases and decreases to the City’s employee benefits for fiscal year 2018-19 were as follows.

BUDGET OVERVIEW

continued

Information Technology Internal Service Fund (cont'd)

- The City's health insurance rates increased 5%; however, due to staffing changes costs decreased approximately \$1,000.
- The Arizona State Retirement System (ASRS) rates changed slightly from 11.50% to 11.80%; however, due to staffing changes costs decreased approximately \$1,000.
- The City's worker's compensation rates experienced a decrease as a result of a drop in the experience modification rating (EMOD) and rating factor. This accounts for only a minor amount in savings.
- **Other Pay Adjustments** – The remaining adjustments to salaries and benefits accounts are related to pay changes due to turnover of staff.

Supplies & Services Expenditures

Of the total Information Technology Fund expenditures, approximately \$650,000, or 38%, is attributable to supplies and services. This is an increase of approximately \$71,000 or 12%. The adjustments to supplies and services included in the fiscal year 2018-19 budget included the following:

*Information Technology
Fund budgeted supplies and
services increased 12%.*

- **Ongoing Costs** – Some of the more significant changes in ongoing costs include the following:
 - Communications costs increased approximately \$10,000.
 - Hardware and software maintenance and support costs increased approximately \$45,000.
- **One-Time Costs** – Costs for hardware and software purchases and replacements increased approximately \$15,000.

Indirect Cost Allocations

*Information Technology
Fund budgeted indirect cost
allocations increased 19%.*

Of the total Information Technology Fund expenditures, approximately \$328,000, or 19%, is attributable to indirect cost allocations. This is an increase of approximately \$62,000, or 23%, over fiscal year 2017-18. The most significant increase was related to indirect cost allocations for information technology – an increase of approximately \$53,000, or 35%. See the Internal Charges section for more details.

Capital Expenditures

Of the total Information Technology Fund expenditures, approximately \$167,000, or 10%, is attributable to capital expenditures. This is a decrease of approximately \$13,000 or 7%.

*Information Technology Fund
budgeted capital decreased 7%.*

Capital expenditures for fiscal year 2018-19 include the following:

- A Decision Package was approved for an update to the City's website for approximately \$16,000.
- Replacement of the core and wide area networks were included for approximately \$72,000.
- Replacement of some servers were included for approximately \$41,000.
- An update of the video system in the Council chambers has been included for approximately \$38,000.

BUDGET OVERVIEW

continued

Information Technology Internal Service Fund (cont'd)

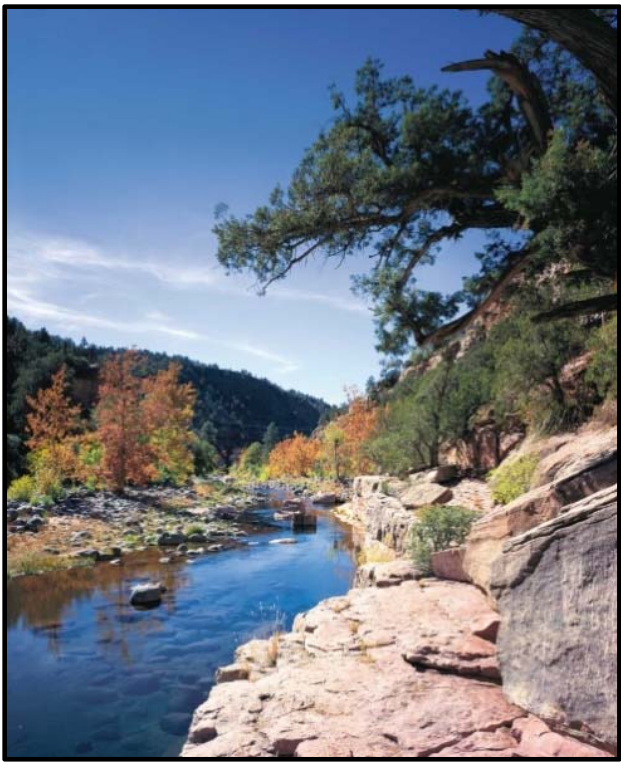
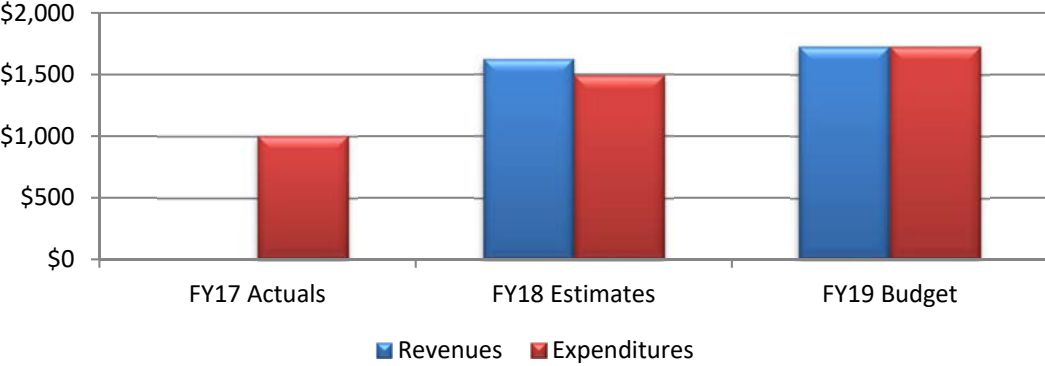
Revenues

Information Technology Fund revenues are projected to increase approximately \$105,000, or 6%, in fiscal year 2018-19. The increase is based on the indirect cost allocations used to cover the costs of the Fund and to provide for contributions to the equipment replacement reserve.

Information Technology Fund budgeted revenues increased 6%.

Information Technology Fund Revenues & Expenditures

(In Thousands- Including General Fund Technology Costs for Prior Years)



CONSOLIDATED FINANCIAL SCHEDULE

Fund/Department	Beginning Fund Balances	Revenues						Other Financing Sources (Uses)			Ending Fund Balances	
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues	Total Revenues	Transfers In	Transfer Out		Expenditures
General Fund												
General Revenues		\$23,169,400		\$456,100	\$2,936,100			\$26,561,600		(\$7,090,000)		
General Government						\$673,840	\$624,970	\$1,298,810			\$3,054,591	
Public Safety					\$30,000	\$8,400	\$23,750	\$62,150			\$7,622,991	
Public Works & Streets								\$0			\$3,043,170	
Health & Welfare								\$0			\$514,195	
Transportation								\$0			\$328,585	
Culture & Recreation						\$85,000	\$36,280	\$121,280			\$2,575,372	
Economic Development								\$0			\$2,416,570	
Debt Service								\$0			\$1,415,414	
Contingencies			\$550,000					\$550,000			\$650,000	
Total General Fund	\$8,453,089	\$23,169,400	\$550,000	\$456,100	\$2,966,100	\$767,240	\$685,000	\$28,593,840	\$0	(\$7,090,000)	\$21,620,888	\$8,336,041
Special Revenue Funds												
Streets Fund	\$544,241				\$933,200		\$19,020	\$952,220	\$253,200		\$1,207,380	\$542,281
Grants & Donations Funds	\$583,990		\$300,000		\$84,200	\$1,500	\$58,000	\$443,700	\$100,000		\$710,330	\$417,360
Transportation Sales Tax Fund	\$1,101,870	\$2,976,900					\$44,650	\$3,021,550			\$100,920	\$4,022,500
Total Special Revenue Funds	\$2,230,101	\$2,976,900	\$300,000	\$0	\$1,017,400	\$1,500	\$121,670	\$4,417,470	\$353,200	\$0	\$2,018,630	\$4,982,141
Capital Projects Funds												
Development Impact Fees Funds	\$2,423,297						\$225,220	\$225,220			\$52,540	\$2,595,977
Capital Improvements Fund	\$14,758,902				\$1,540,391		\$274,200	\$1,814,591	\$2,248,900	(\$48,914)	\$8,296,445	\$10,477,034
Art in Public Places Fund	\$90,069						\$200	\$200	\$48,914		\$0	\$139,183
Total Capital Projects Funds	\$17,272,268	\$0	\$0	\$0	\$1,540,391	\$0	\$499,620	\$2,040,011	\$2,297,814	(\$48,914)	\$8,348,985	\$13,212,194
Wastewater Enterprise Fund												
Wastewater Administration						\$6,145,000	\$965,300	\$7,110,300	\$4,487,900		\$251,730	
Wastewater Operations								\$0			\$2,956,340	
Departmental Allocations								\$0			\$1,525,040	
Capital Projects								\$0			\$4,467,484	
Debt Service								\$0			\$4,439,005	
Contingencies								\$0			\$100,000	
Total Wastewater Enterprise Fund	\$13,528,390	\$0	\$0	\$0	\$0	\$6,145,000	\$965,300	\$7,110,300	\$4,487,900	\$0	\$13,739,599	\$11,386,991
Internal Service Fund												
Information Technology	\$132,114					\$1,727,300		\$1,727,300			\$1,727,361	\$132,053
Total Internal Service Fund	\$132,114	\$0	\$0	\$0	\$0	\$1,727,300	\$0	\$1,727,300	\$0	\$0	\$1,727,361	\$132,053
Total All Funds	\$41,615,961	\$26,146,300	\$850,000	\$456,100	\$5,523,891	\$8,641,040	\$2,271,590	\$43,888,921	\$7,138,914	(\$7,138,914)	\$47,455,463	\$38,049,419

POSITION LIST/FULL-TIME EQUIVALENTS

SUMMARY OF FULL-TIME EQUIVALENTS BY FUND

Fiscal Year	General Fund	Transportation Sales Tax Fund*	Wastewater Enterprise Fund**	Information Technology Internal Service Fund***	Totals
FY 2016-17	118.69	-	17.32	-	136.01
FY 2017-18	122.00	-	15.50	4.60	142.10
FY 2018-19	124.10	1.00	14.76	5.00	144.86

* The Transportation Sales Tax Fund was initiated in March 2018.

** In fiscal year 2017-18, the City implemented an indirect cost allocation plan. A portion of salaries from several departments were allocated directly to the Wastewater Enterprise Fund. With the implementation of the indirect cost allocation plan, those salaries are no longer directly allocated, but rather included in the indirect cost charges. The portion of the full-time equivalents (FTEs) previously allocated to the Wastewater Enterprise Fund are now accounted for in the General Fund and Information Technology Internal Service Fund.

*** The Information Technology Internal Service Fund was initiated in fiscal year 2017-18.

SUMMARY OF FULL-TIME EQUIVALENTS BY DEPARTMENT

Department	FY 2017	FY 2018	FY 2019
City Council	7.00	7.00	7.00
City Manager's Office	6.82	6.03	6.63
Human Resources	2.00	2.00	2.00
Financial Services	8.17	8.17	8.17
Information Technology	4.60	4.60	5.00
City Attorney's Office	3.60	4.00	4.04
City Clerk's Office	2.88	2.88	2.88
Parks & Recreation*	5.81	7.89	8.17
Community Development	14.00	14.08	13.24
Public Works**	23.60	25.57	27.45
Economic Development	-	1.00	1.00
Police	42.63	42.63	42.63
Municipal Court	4.30	4.25	4.65
Wastewater	10.60	12.00	12.00
Total	136.01	142.10	144.86

* The increases in the Parks & Recreation Department were primarily a result of the extension of the swimming pool season and the addition of an Administrative Assistant position.

** The increases in the Public Works Department were primarily due to the initiation of the Transportation Service program, the addition of a part-time bike park maintenance worker, and an added Assistant Engineer to aid in the progress of the transportation-related capital projects, which are a Council Priority.

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Position	FY 2016-17		FY 2017-18		FY 2018-19		Change from FY 2017-18	
	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time
City Council								
Mayor (GF)		1.00		1.00		1.00	-	-
Vice-Mayor (GF)		1.00		1.00		1.00	-	-
City Councillors (GF)		5.00		5.00		5.00	-	-
City Council Total	-	7.00	-	7.00	-	7.00	-	-
City Manager's Office								
City Manager (GF)	0.90		1.00		1.00		-	-
City Manager (WWF)	0.10						-	-
Assistant City Manager (GF)	0.90		1.00		1.00		-	-
Assistant City Manager (WWF)	0.10						-	-
Economic Development Director (GF)	1.00						-	-
Communications & Public Affairs Manager (GF)	1.00		1.00		1.00		-	-
Arts and Culture Coordinator (GF)		0.75		0.75		0.75	-	-
Citizen Engagement Coordinator (GF)		0.88		0.88		0.88	-	-
Sustainability Coordinator (GF)					1.00		1.00	-
Executive Assistant to the City Manager (GF)	0.90		1.00		1.00		-	-
Executive Assistant to the City Manager (WWF)	0.10						-	-
Intern (GF)		0.19		0.40			-	(0.40)
City Manager's Office Total	5.00	1.82	4.00	2.03	5.00	1.63	1.00	(0.40)
Human Resources								
Human Resource Manager (GF)	0.90		1.00		1.00		-	-
Human Resources Manager (WWF)	0.10						-	-
Human Resource Specialist (GF)	0.90		1.00		1.00		-	-
Human Resource Specialist (WWF)	0.10						-	-
Human Resources Total	2.00	-	2.00	-	2.00	-	-	-
Financial Services								
Director of Financial Services (GF)	0.80		1.00		1.00		-	-
Director of Financial Services (WWF)	0.20						-	-
Budget & Accounting Supervisor (GF)					2.00		2.00	-
Accounting Supervisor (GF)	0.80		1.00				(1.00)	-
Accounting Supervisor (WWF)	0.20						-	-
Budget Analyst/Purchasing Coordinator (GF)	0.80		1.00				(1.00)	-
Budget Analyst/Purchasing Coordinator (WWF)	0.20						-	-
Lead Accounting Technician (GF)	1.40		1.00		1.00		-	-
Lead Accounting Technician (WWF)	0.60						-	-
Accounting Technician II (GF)	1.45		3.00		3.00		-	-
Accounting Technician II (WWF)	0.55						-	-
Accounting Technician I (GF)	0.50		1.00		1.00		-	-
Accounting Technician I (WWF)	0.50						-	-
Temporary City Employee (GF)		0.17		0.17		0.17	-	-
Financial Services Total	8.00	0.17	8.00	0.17	8.00	0.17	-	-
Information Technology								
Information Technology Manager (GF)	0.90						-	-
Information Technology Manager (ITF)			1.00		1.00		-	-
Information Technology Manager (WWF)	0.10						-	-
Database/WEB Developer (GF)	0.90						-	-
Database/WEB Developer (ITF)			1.00				(1.00)	-
Database/WEB Developer (WWF)	0.10						-	-
GIS Analyst (GF)	0.90						-	-
GIS Analyst (ITF)			1.00		1.00		-	-
GIS Analyst (WWF)	0.10						-	-
System Administrator (GF)	0.90						-	-
System Administrator (ITF)			1.00		1.00		-	-
System Administrator (WWF)	0.10						-	-
Network Engineer (ITF)					1.00		1.00	-
IT Support/Help Desk Technician (GF)		0.54					-	-
IT Support/Help Desk Technician (ITF)				0.60	1.00		1.00	(0.60)
IT Support/Help Desk Technician (WWF)		0.06					-	-
Information Technology Total	4.00	0.60	4.00	0.60	5.00	-	1.00	(0.60)



POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Position	FY 2016-17		FY 2017-18		FY 2018-19		Change from FY 2017-18	
	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time
City Attorney's Office								
City Attorney (GF)	0.90		1.00		1.00		-	-
City Attorney (WWF)	0.10						-	-
Assistant City Attorney (GF)	1.00	0.60	2.00		1.00		(1.00)	-
Associate Attorney (GF)					1.00		1.00	-
Legal Assistant (GF)	1.00		1.00		1.00		-	-
Temporary City Employee (GF)						0.04	-	0.04
City Attorney's Office Total	3.00	0.60	4.00	-	4.00	0.04	-	0.04
City Clerk's Office								
City Clerk (GF)	1.00		1.00		1.00		-	-
Deputy Clerk (GF)	1.00		1.00		1.00		-	-
Records Clerk (GF)		0.66		0.88		0.88	-	-
Records Clerk (WWF)		0.22					-	-
City Clerk's Office Total	2.00	0.88	2.00	0.88	2.00	0.88	-	-
Parks & Recreation								
Parks and Recreation Manager (GF)	1.00		1.00		1.00		-	-
Recreation & Aquatics Supervisor (GF)	1.00		1.00		1.00		-	-
Recreation Coordinator II (GF)	1.00		1.00		1.00		-	-
Administrative Assistant (GF)			1.00		1.00		-	-
Recreation Assistant (GF)		0.15		0.15		0.13	-	(0.02)
Pool Manager (GF)		0.34					-	-
Lifeguard Instructor (GF)				0.69		1.05	-	0.36
Head Lifeguard (GF)						0.64	-	0.64
Lifeguard (GF)		1.58		1.96		1.92	-	(0.04)
Pool Office Assistant (GF)		0.45		0.70		-	-	(0.70)
Water Exercise Instructor (GF)		0.15		0.16		0.10	-	(0.06)
SAI Instructor Trainer (GF)						0.09	-	0.09
Scorekeeper/Umpires/Referees (GF)		0.14		0.23		0.24	-	0.01
Parks & Recreation Total	3.00	2.81	4.00	3.89	4.00	4.17	-	0.28
Community Development								
Director of Community Development (GF)	1.00		1.00		1.00		-	-
Assistant Community Development Director (GF)			1.00		1.00		-	-
Principal Planner (GF)	1.00						-	-
Chief Building Official (GF)	1.00		1.00		1.00		-	-
Building Inspector (GF)	1.00		1.00		1.00		-	-
Senior Planner (GF)	3.00		3.00		3.00		-	-
Associate Planner (GF)					1.00		1.00	-
Building Permits Technician (GF)					2.00		2.00	-
Assistant Planner (GF)	2.00		2.00				(2.00)	-
Plans Examiner (GF)	1.00		1.00				(1.00)	-
Senior Code Enforcement Officer (GF)	1.00		1.00		1.00		-	-
Code Enforcement Officer (GF)	1.00		1.00		1.00		-	-
Development Services Rep. (GF)	1.00		1.00				(1.00)	-
Administrative Assistant (GF)	1.00		1.00		1.00		-	-
Temporary City Employee (GF)				0.08		0.24	-	0.16
Community Development Total	14.00	-	14.00	0.08	13.00	0.24	(1.00)	0.16

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Position	FY 2016-17		FY 2017-18		FY 2018-19		Change from FY 2017-18	
	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time
Public Works								
Director of Public Works/City Engineer (GF)	0.81		0.93		0.93		-	-
Director of Public Works/City Engineer (WWF)	0.19		0.07		0.07		-	-
Engineering Supervisor (GF)	0.80		0.80		0.90		0.10	-
Engineering Supervisor (WWF)	0.20		0.20		0.10		(0.10)	-
Associate Engineer (GF)	3.00		2.01		2.50		0.49	-
Associate Engineer (WWF)			0.99		0.50		(0.49)	-
Assistant Engineer (GF)	1.95		1.97		1.97		-	-
Assistant Engineer (TSTF)					1.00		1.00	-
Assistant Engineer (WWF)	0.05		0.03		0.03		-	-
Chief Engineering Inspector (GF)	0.39		0.50		0.50		-	-
Chief Engineering Inspector (WWF)	0.61		0.50		0.50		-	-
Right-of-Way Supervisor (GF)			0.93		0.94		0.01	-
Right-of-Way Supervisor (WWF)			0.07		0.06		(0.01)	-
City Maintenance Supervisor (GF)	0.90		0.89		0.91		0.02	-
City Maintenance Supervisor (WWF)	0.10		0.11		0.09		(0.02)	-
Right-of-Way Specialist (GF)			0.93		0.94		0.01	-
Right-of-Way Specialist (WWF)			0.07		0.06		(0.01)	-
Engineering Services Inspector (GF)	0.96		1.20		1.20		-	-
Engineering Services Inspector (WWF)	1.04		0.80		0.80		-	-
City Maintenance Worker II (GF)	1.90		1.94		3.92		1.98	-
City Maintenance Worker II (WWF)	0.10		0.06		0.08		0.02	-
Administrative Supervisor (GF)	0.70		0.80		0.81		0.01	-
Administrative Supervisor (WWF)	0.30		0.20		0.19		(0.01)	-
Facilities Maintenance Manager (GF)	0.90		0.97		0.97		-	-
Facilities Maintenance Manager (WWF)	0.10		0.03		0.03		-	-
Administrative Assistant (GF)		0.60		0.60		0.60	-	-
City Maintenance Worker I (GF)	5.50		5.63		3.75		(1.88)	-
City Maintenance Worker I (WWF)	0.50		0.37		0.25		(0.12)	-
Traffic Aide Worker (GF)	2.00						-	-
Traffic Control Assistant (GF)				1.72		2.60	-	0.88
Bike Park Maintenance Worker (GF)				0.25		0.25	-	-
Public Works Total	23.00	0.60	23.00	2.57	24.00	3.45	1.00	0.88
Economic Development								
Economic Development Director (GF)			1.00		1.00		-	-
Economic Development Total	-	-	1.00	-	1.00	-	-	-
Police								
Police Chief (GF)	1.00		1.00		1.00		-	-
Police Commander (GF)	1.00		2.00		2.00		-	-
Police Lieutenant (GF)	1.00						-	-
Police Sergeant (GF)	5.00		5.00		5.00		-	-
Police Detective (GF)	2.00		2.00		2.00		-	-
Police Officer (GF)	17.00		17.00		17.00		-	-
Communication/Records Supervisor (GF)	1.00		1.00		1.00		-	-
Executive Assistant (GF)			1.00		1.00		-	-
Communications/Records Specialist (GF)	7.00		7.00		7.00		-	-
Administrative Assistant (GF)	1.00						-	-
Community Service Officer (GF)	2.00		1.00		1.00		-	-
Police Records Technician (GF)	1.00		1.00		1.00		-	-
Property & Evidence Technician (GF)		0.73		0.73		0.73	-	-
Support Services Clerk (GF)			1.00		1.00		-	-
Community Service Aides (GF)		2.90		2.90		2.90	-	-
Police Total	39.00	3.63	39.00	3.63	39.00	3.63	-	-
Municipal Court								
Magistrate Judge (GF)		0.60		0.60		0.60	-	-
Magistrate Judge Pro-Tem (GF)		0.10		0.05		0.05	-	-
Court Administrator (GF)	1.00		1.00		1.00		-	-
Court Clerk (GF)	2.00	0.60	2.00	0.60	3.00		1.00	(0.60)
Municipal Court Total	3.00	1.30	3.00	1.25	4.00	0.65	1.00	(0.60)



POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Position	FY 2016-17		FY 2017-18		FY 2018-19		Change from FY 2017-18	
	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time	Full-Time	Temporary/ Part-Time
Wastewater								
Director of Wastewater (WWF)	1.00		1.00				(1.00)	-
Wastewater Manager (WWF)					1.00		1.00	-
WW Regulatory Compliance Specialist (WWF)					1.00		1.00	-
Plant Chief Operator (WWF)	1.00		1.00		1.00		-	-
Chief Collections Operator (WWF)	1.00		1.00		1.00		-	-
Plant Chemist (WWF)	1.00		1.00				(1.00)	-
Mechanic/Electrician (WWF)	1.00		1.00		1.00		-	-
Collector Operator III (WWF)	1.00		1.00		1.00		-	-
WW Lab Technician (WWF)					1.00		1.00	-
Collector Operator II (WWF)					1.00		1.00	-
WW Plant Operator II (WWF)					1.00		1.00	-
Collector Operator I (WWF)					1.00		1.00	-
WW Plant Operator I (WWF)	1.00		2.00		1.00		(1.00)	-
Collector Operator - Entry (WWF)	1.00		1.00				(1.00)	-
WW Plant Operator - Entry (WWF)	2.00		2.00				(2.00)	-
Administrative Assistant (WWF)		0.60	1.00		1.00		-	-
Wastewater Total	10.00	0.60	12.00	-	12.00	-	-	-
City-Wide Totals								
General Fund	99.56	19.13	100.50	21.50	102.24	21.86	1.74	0.36
Transportation Sales Tax Fund	-	-	-	-	1.00	-	1.00	-
Information Technology Fund	-	-	4.00	0.60	5.00	-	1.00	(0.60)
Wastewater Fund	16.44	0.88	15.50	-	14.76	-	(0.74)	-
Total City Full-Time Equivalents	116.00	20.01	120.00	22.10	123.00	21.86	3.00	(0.24)

(GF) = General Fund
(TSTF) = Transportation Sales Tax Fund
(ITF) = Information Technology Internal Service Fund
(WWF) = Wastewater Enterprise Fund

FY 2019 Staffing Changes

The city staffing changes were based on analyses of departmental needs and funding allocations. The fiscal year 2018-19 budget includes the following changes:

- One full-time position was added:
 - An Assistant Engineer position was added to aid in the progress of the transportation-related capital projects, which are a Council Priority.
- Two positions were increased from part-time to full-time:
 - The IT Support/Help Desk Technician position was increased to full-time to better address the workload needs of the Information Technology Department.
 - A Court Clerk position was increased to full-time to better address the workload needs of the Municipal Court.
- Part-time hours were increased:
 - In conjunction with the initiation of the Uptown Paid Parking Program, the City Council agreed to use the monies for improvements to the Uptown area. At the request of the Uptown merchants, the budget includes an increase in hours for the Traffic Control Assistants in Uptown to be funded with a portion of the paid parking revenues.
- One temporary position was eliminated:
 - An intern position in the City Manager's Office was not anticipated to be filled.
- Other adjustments included position reclassifications/title changes and adjustments to the hours of some part-time and temporary positions.



FUND BALANCE

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

Fund balance is an important indicator of the City's financial position.

FY 2019 CHANGES IN FUND BALANCES

(In Thousands)

	General Fund	Special Revenue Funds			Capital Projects Funds			Waste-water Enterprise Fund	Information Technology Internal Service Fund
		Streets Fund	Grants & Donations Funds	Transportation Sales Tax Fund	Capital Impr. Fund	Dev. Impact Fees Funds	Art in Public Places Fund		
Beginning Fund Balances	\$8,453	\$ 544	\$584	\$1,102	\$14,759	\$2,423	\$ 90	\$13,528	\$ 132
Revenues	28,594	952	444	3,022	1,815	225	-	7,110	1,727
Expenditures	21,621	1,207	710	101	8,296	53	-	13,740	1,727
Other Financing Sources (Uses)	(7,090)	253	100	-	2,200	-	49	4,488	-
Ending Fund Balances	\$8,336	\$ 542	\$417	\$4,023	\$10,477	\$2,596	\$139	\$11,387	\$ 132

General Fund

The City's Financial Policies require the unassigned fund balance of the General Fund to be not less than 30% of the total adopted budgeted operating expenditures of the General Fund budget. Appropriation of a minimum contingency will also be included in the operating budget to provide for emergencies. The City currently includes a \$250,000 general operating contingency in the General Fund expenditure budget.

Operating Reserve – The General Fund is estimated to have \$8.3 million in fund balance at the end of fiscal year 2018-19. Of this amount, \$5.9 million is set aside to meet the minimum operating reserve requirement.

Debt Service Reserve – The City has also set aside \$300,000 as a debt service reserve. The City's budget was previously built on a level of debt service expenditures of approximately \$700,000. The future ongoing debt service levels for the General Fund are approximately \$1.0 million, with the exception that in fiscal years 2017-18 and 2018-19, that amount increased by approximately \$500,000. To ensure the City properly planned for these higher debt service levels, the debt service reserve set aside the additional \$500,000 for fiscal years 2017-18 and 2018-19, plus \$300,000 for the ongoing increase in debt service levels to ensure City does not commit ongoing revenues for future years in excess of future costs. The \$500,000 set aside for the fiscal year 2017-18 in previous budgets has been utilized and released from the ending reserve balance. In addition, the \$500,000 set aside for the fiscal year 2018-19 in previous budgets will be utilized and is released from the ending reserve balance in the fiscal year 2018-19 budget.

FUND BALANCE

continued

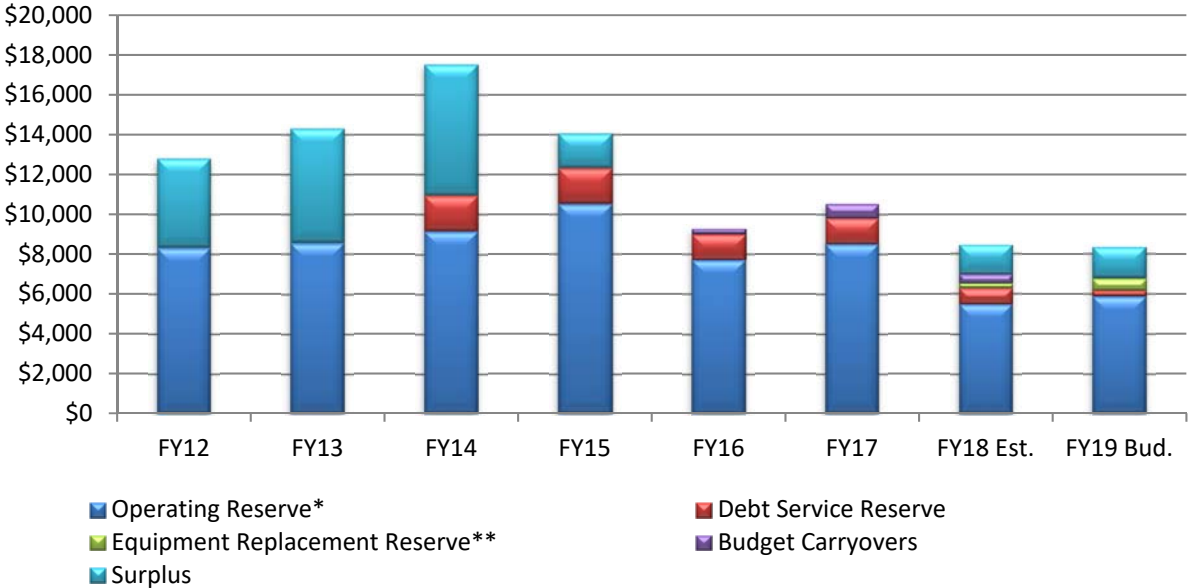
General Fund (cont'd)

Equipment Replacement Reserve – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2018-19 is approximately \$587,000 for this reserve.

Surplus – The anticipated surplus of \$1.5 million, plus any surpluses experienced in actual results for fiscal year 2018-19 will be available for appropriation by the City Council in accordance with the fund balance policy.

The General Fund is projected to meet reserve requirements and have a surplus of \$1.5 million.

Historical General Fund Balance (In Thousands)



* The operating reserve policy was changed in fiscal year 2017-18 from a target range of 50%-75% of operating budgeted expenditures to 30% of operating budgeted expenditures.

** The equipment replacement reserve was started in fiscal year 2017-18.

Special Revenue Funds

The Streets Fund is projected to meet reserve requirements and have a surplus of approximately \$422,000.

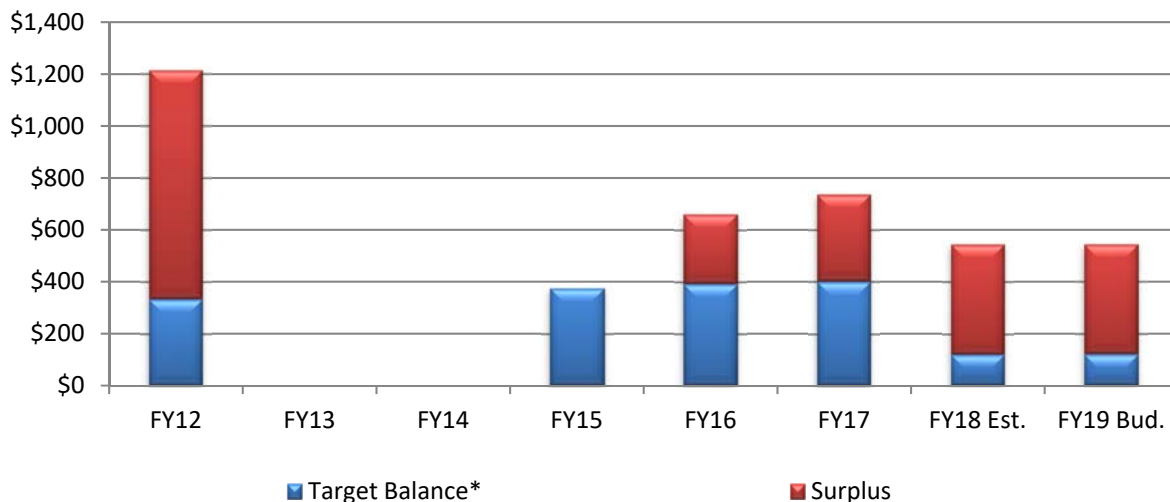
Streets Fund – The City’s policy requires the fund balance range for the Streets Fund to be not less than 0% and not more than 10% of the total budgeted revenues of the Fund. The Streets Fund is estimated to have approximately \$422,000 in excess fund balance at the end of fiscal year 2018-19 that will be available for appropriation by the City Council in accordance with the fund balance policy.

FUND BALANCE

continued

Special Revenue Funds (cont'd)

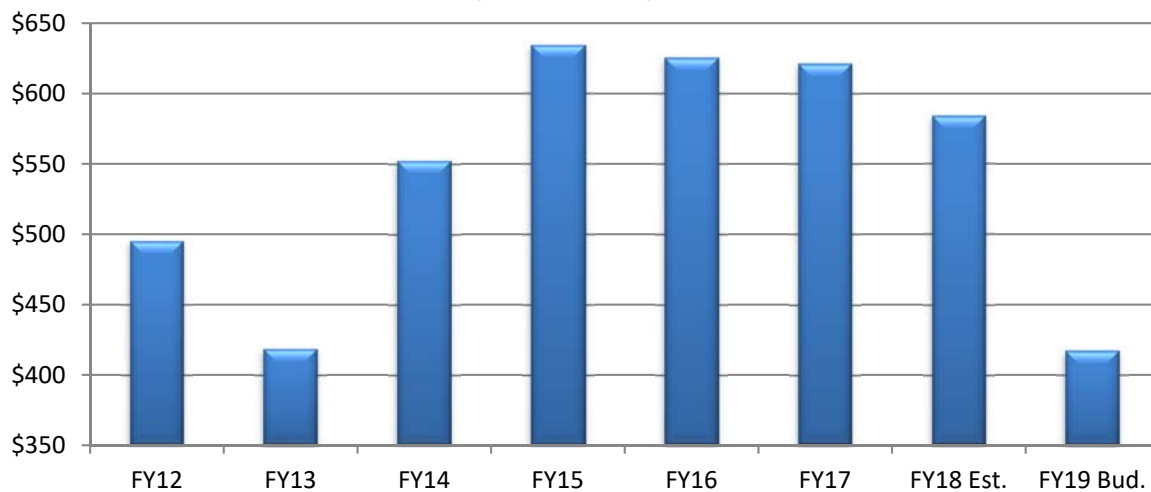
Historical Streets Fund Balance (In Thousands)



* The target balance policy was changed in fiscal year 2017-18 from a target range of 10%-50% of budgeted revenues to 0%-10% of budgeted expenditures.

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

Historical Grants & Donations Funds Balance (In Thousands)

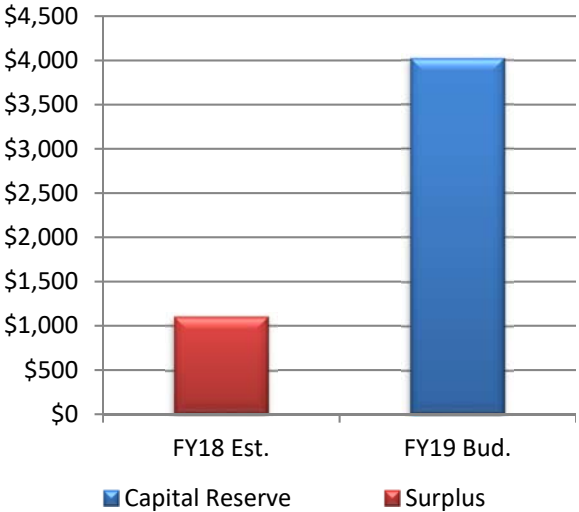


FUND BALANCE continued

Special Revenue Funds (cont'd)

Transportation Sales Tax Fund – The Transportation Sales Tax Fund is estimated to have a balance of approximately \$4.0 million at the end of fiscal year 2018-19. Anticipated capital project costs in the next fiscal year are approximately \$5.0 million. Revenues in the subsequent fiscal year will be needed to fully fund the anticipated capital projects and operating costs.

**Historical Transportation
Sales Tax Fund Balance**
(In Thousands)



Capital Projects Funds

Capital Improvements Fund – The requirements for the Capital Improvements Fund require, at a minimum, the fiscal year-end fund balance, coupled with estimated revenues for the ensuing fiscal year, must be sufficient to fund the pay-as-you-go capital projects’ obligations for the next fiscal year. The City has relied on surplus General Fund balances as one of the primary funding sources for capital improvement projects. The Capital Improvements Fund is estimated to have a balance of approximately \$10.5 million at the end of fiscal year 2018-19. Anticipated capital project costs in the next fiscal year are approximately \$6.9 million. The anticipated surplus of \$3.6 million, plus any surpluses experienced in actual results for fiscal year 2018-19 will be available for appropriation by the City Council in accordance with the fund balance policy. The intention is to maintain the surplus balance in the Fund for future capital needs.

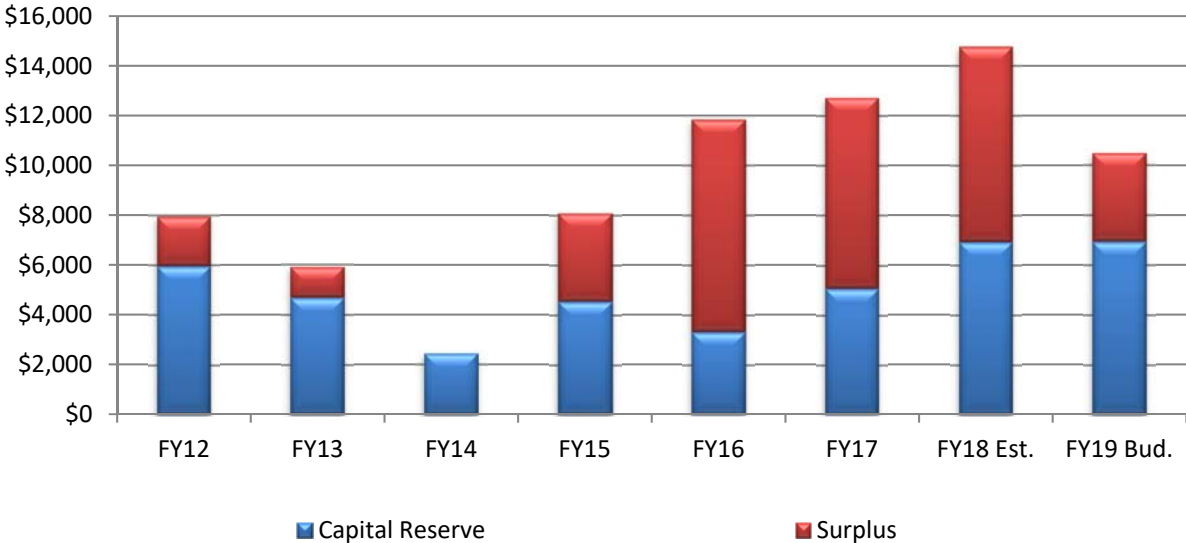
The Capital Projects Fund is projected to meet reserve requirements and have a surplus of \$3.6 million.

FUND BALANCE

continued

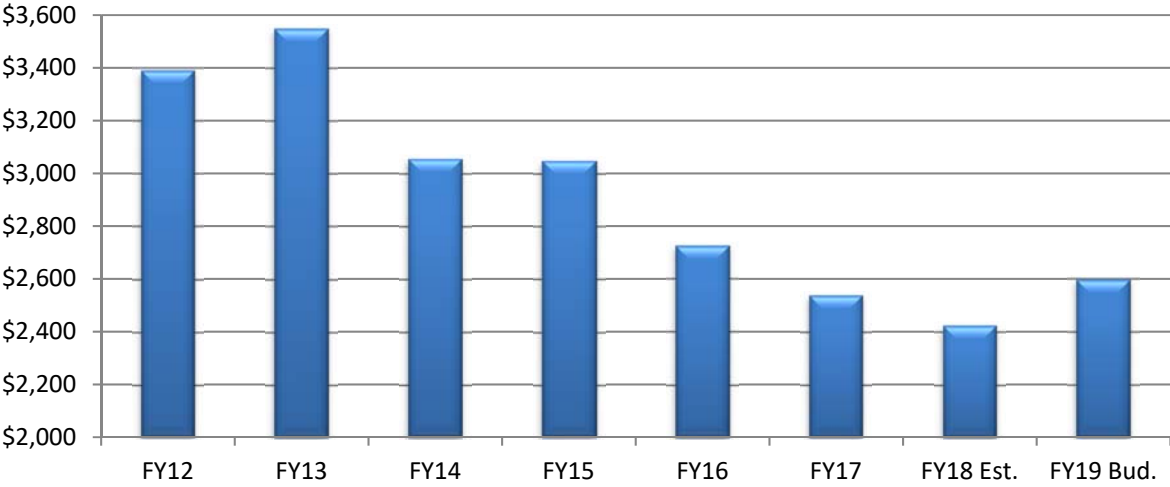
Capital Projects Funds (cont'd)

Historical Capital Improvements Fund Balance (In Thousands)



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

Historical Development Impact Fees Funds Balance (In Thousands)

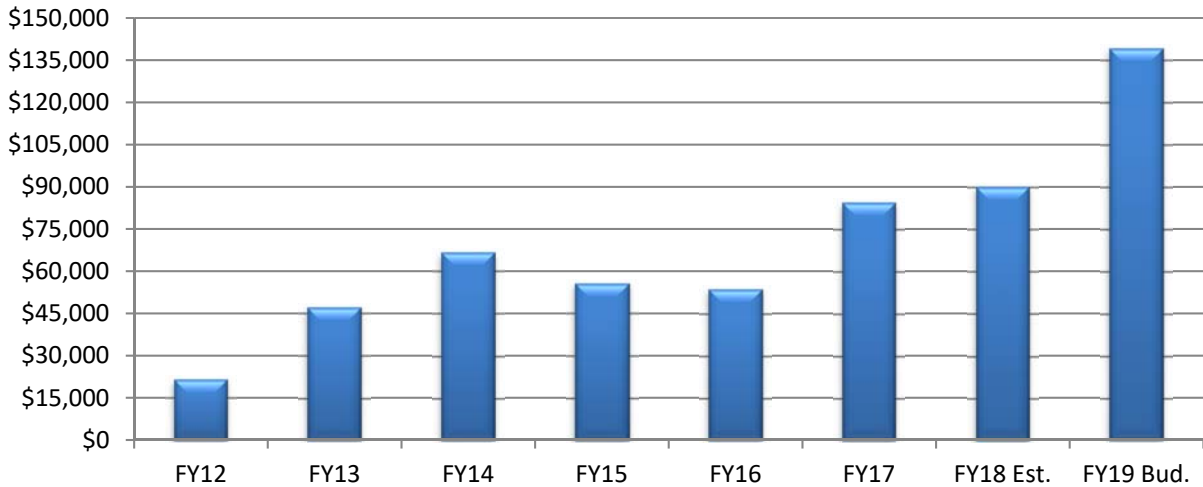


FUND BALANCE continued

Capital Projects Funds (cont'd)

Art in Public Places Fund – The Art in Public Places Fund has a balance that is available for use as needed and within the legal restrictions of the revenues that make up the fund but does not have a minimum balance requirement.

Historical Art in Public Places Fund Balance



Wastewater Enterprise Fund

The City’s policy requires the fund balance range for the Wastewater Enterprise Fund, including maintenance, operations and administration, to be not less than 25% (90 days) and not more than 33.3% (120 days) of the total budgeted operating expenditures of the Fund. This is in addition to a separate reserve with a target equal to the average of 1 year of enterprise fund debt service repayment requirements for any debt issuances not covered by bond insurance.

Operating Reserve – The Wastewater Enterprise Fund is estimated to have \$11.4 million in fund balance at the end of fiscal year 2018-19. Of this amount, \$1.8 million is set aside to meet the maximum operating reserve requirement.

Debt Service Reserve – The City has set aside \$4.1 million as a debt service reserve. This represents the policy requirement for debt issuances not covered by bond insurance.

Capital Reserve – The policy requirements for the capital reserve are an amount equal to the higher of the next year’s pay-as-you-go capital projects’ obligations or the average of the pay-as-you-go capital projects’ obligations over the next 5 years. For fiscal year 2018-19, the higher amount is the next year’s pay-as-you-go capital projects’ obligations and is \$1.2 million has been set aside for this reserve.

Equipment Replacement Reserve – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2018-19 is approximately \$531,000 for this reserve.

FUND BALANCE

continued

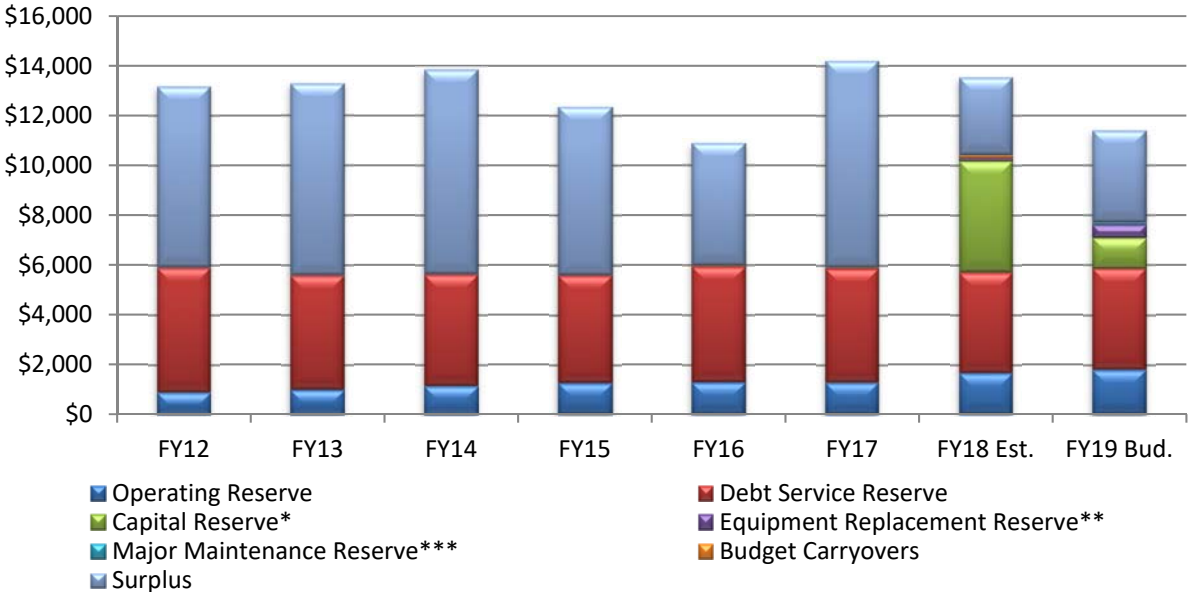
Wastewater Enterprise Fund (cont'd)

Major Maintenance Reserve – Starting fiscal year 2018-19, the City initiated a major maintenance reserve. The estimated balance at the end of fiscal year 2018-19 is approximately \$71,000 for this reserve.

Surplus – The anticipated surplus of \$3.7 million, plus any surpluses experienced in actual results for fiscal year 2018-19 will be available for appropriation by the City Council in accordance with the fund balance policy. The fiscal year 2018-19 budget includes an appropriation for a rate study. One of the goals of the rate study will be to determine the best approach for use of the surplus balance – whether to designate for future capital obligations, reduce the need for subsidies, reduce the need for future rate increases, or a combination of these.

The Wastewater Enterprise Fund is projected to meet reserve requirements and have a surplus of \$3.7million.

Historical Wastewater Enterprise Fund Balance (In Thousands)



* The capital reserve was started in fiscal year 2017-18.
 ** The equipment replacement reserve was started in fiscal year 2017-18.
 *** The major maintenance reserve was started in fiscal year 2018-19.

Information Technology Internal Service Fund

Equipment Replacement Reserve – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2018-19 is approximately \$33,000 for this reserve.

FUND BALANCE

continued

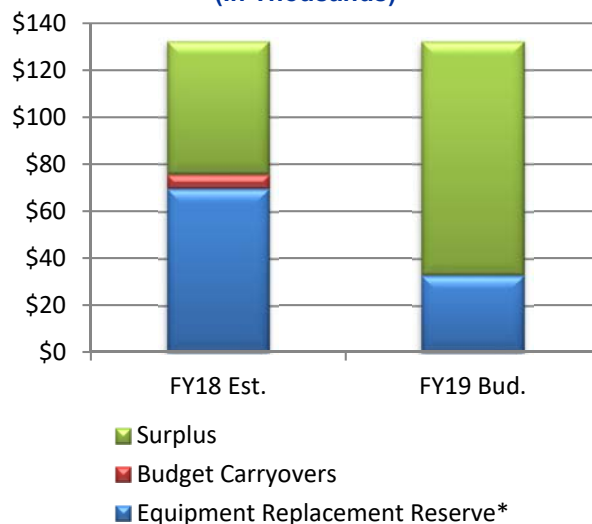
Information Technology Internal Service Fund (cont'd)

Surplus – The anticipated surplus of approximately \$99,000, plus any surpluses experienced in actual results for fiscal year 2018-19 will be available for appropriation by the City Council in accordance with the fund balance policy. The intention is to maintain the surplus balance in the Fund to add to the equipment replacement reserve.

The Information Technology Internal Service Fund is projected to meet reserve requirements and have a surplus of approximately \$99,000.

Historical Information Technology Internal Service Fund Balance

(In Thousands)



* The equipment replacement reserve was started in fiscal year 2017-18.



FUND BALANCE

continued

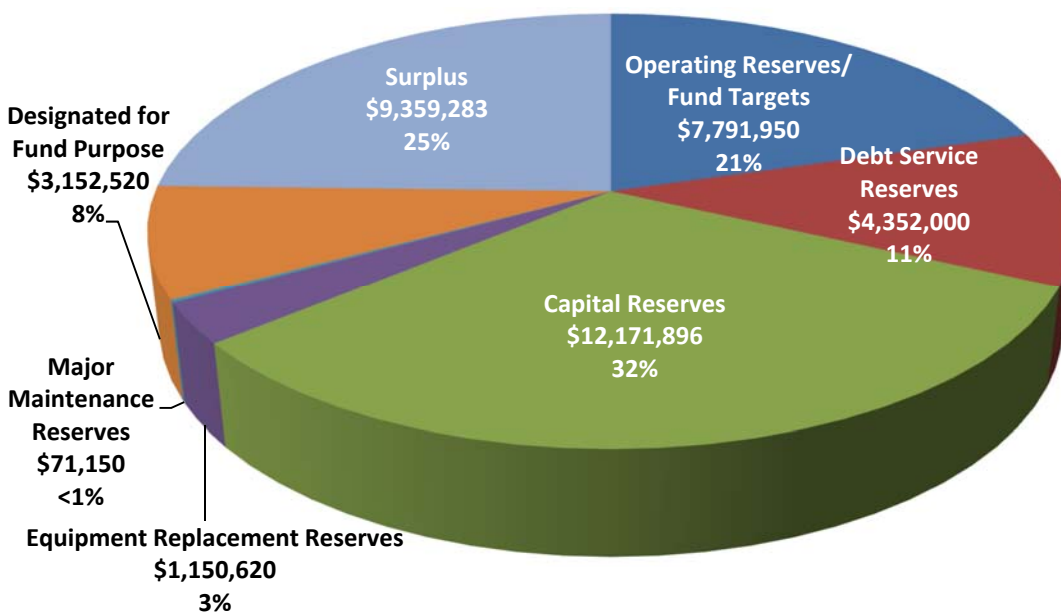
Summary Total Fund Balances

SUMMARY OF FY 2019 RESERVES

(In Thousands)

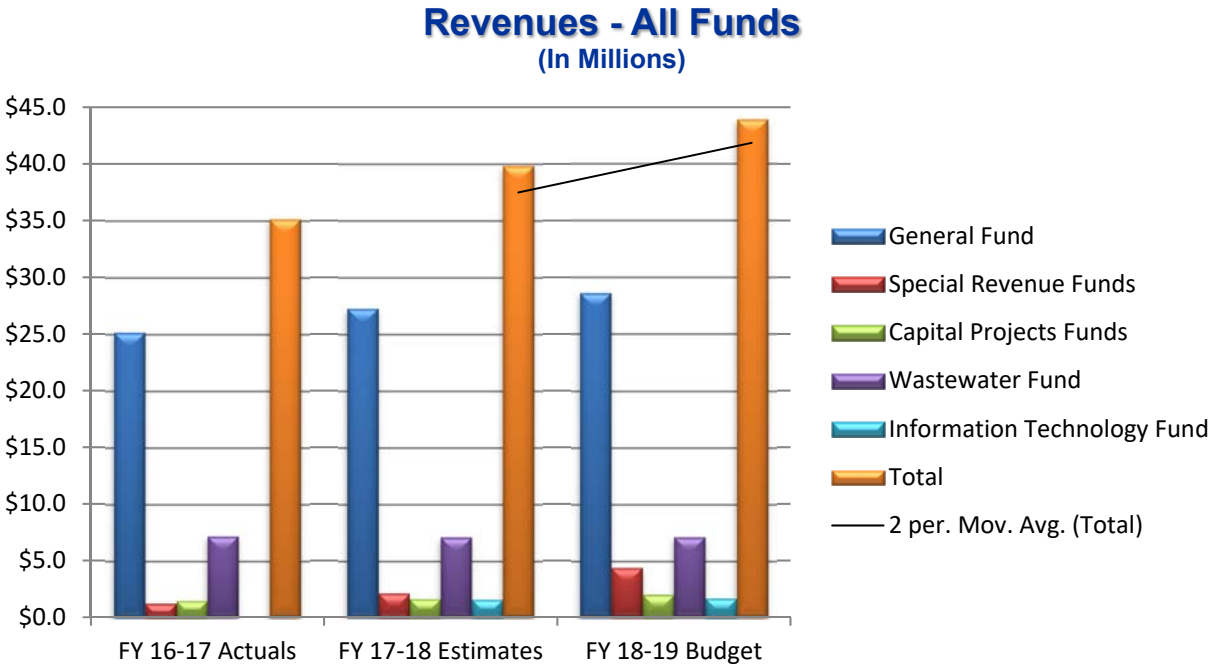
	General Fund	Special Revenue Funds			Capital Projects Funds			Waste-water Enterprise Fund	Information Technology Internal Service Fund
		Streets Fund	Grants & Donations Funds	Transportation Sales Tax Fund	Capital Impr. Fund	Dev. Impact Fees Funds	Art in Public Places Fund		
Operating Reserves/Fund Balance Targets	\$5,867	\$ 121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,805	\$ -
Debt Service Reserves	300	-	-	-	-	-	-	4,052	-
Capital Reserves	-	-	-	4,023	6,924	-	-	1,225	-
Equipment Replacement Reserves	587	-	-	-	-	-	-	531	33
Major Maintenance Reserve	-	-	-	-	-	-	-	71	-
Designated for Fund Purpose	-	-	417	-	-	2,596	139	-	-
Surplus	1,583	422	-	-	3,553	-	-	3,703	-
Total Fund Balances	\$8,336	\$ 542	\$417	\$4,023	\$10,477	\$2,596	\$139	\$11,387	\$ 132

FY 2019 Estimated Fund Balances



REVENUE TRENDS

Total revenues for fiscal year 2018-19 are estimated at \$43.9 million. In comparison to the fiscal year 2017-18 budget, revenue is projected to increase by 16%.



City sales and bed taxes are the most significant source of revenue to fund the City’s day-to-day operations and are highly dependent on the City’s tourism trade. Sales and bed taxes combined make up over 80% of the City’s General Fund revenues, and nearly 60% of the overall City revenue. Sales taxes are highly susceptible to economic factors, and the City saw significant reductions to its sales and bed tax revenues during the great recession. Since fiscal year 2012-13, both sales and bed taxes have been steadily increasing. Estimated fiscal year 2017-18 sales tax revenues increased 13% over the prior fiscal year, and estimated bed tax revenues also increased 13% over the prior year. Sales tax collections were approximately \$1.7 million over the budgeted revenue projection, and bed tax collections were approximately \$320,000 over the budgeted projection.

City sales and bed tax revenues represent 60% of all City revenues.

Revenues projections are made after identifying and reviewing all major revenue sources and fund types for activity and variances throughout the fiscal year, and after paying particularly close attention to a revenue source’s susceptibility to economic factors, its performance during recent economic cycles, and information received from State reports and other sources. City revenue projections are continually updated based on this discussion and analysis. The City forecasted each major category of revenue for a 10-year period and included factors for an assumption of another cyclical recessionary period and subsequent recovery period. The forecast includes an assumption of new hotels and construction-related revenues in fiscal year 2020-21, as well as additional sales and bed tax revenue beginning in fiscal year 2021-22.

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

REVENUE TRENDS

continued

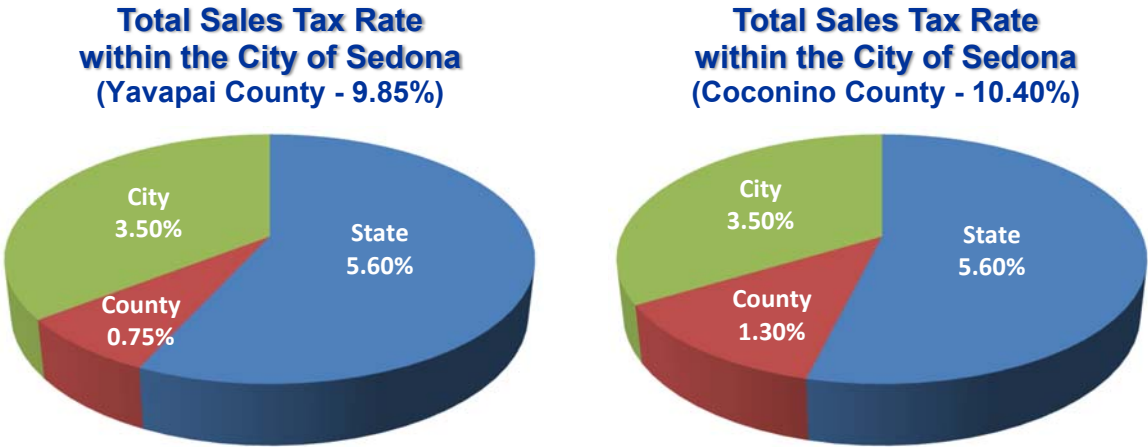
Transaction Privilege Taxes (City Sales Taxes)

Description

Arizona cities and towns under State law have the authority to establish certain taxes for revenue purposes. Transaction privilege taxes, generally referred to as sales taxes, are the largest revenue source for the City. The local privilege tax (city sales tax) is the City’s largest single source of revenue and is obtained from the 3.5% tax on retail and other sales, excluding food.

This tax was increased from 3% to 3.5% effective March 1, 2018. The half cent increase is dedicated to transportation projects and related administrative and operational costs and is in effect for 10 years.

In addition, the City receives a portion of the State sales tax discussed in the State share revenues section.



Other than the half cent dedicated to transportation, city sales tax revenues are unrestricted for use. By City Council policy, 25% of the sales tax revenue is transferred to the Wastewater Enterprise Fund to assist with debt service payments.

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

REVENUE TRENDS

continued

Transaction Privilege Taxes (City Sales Taxes) (cont'd)

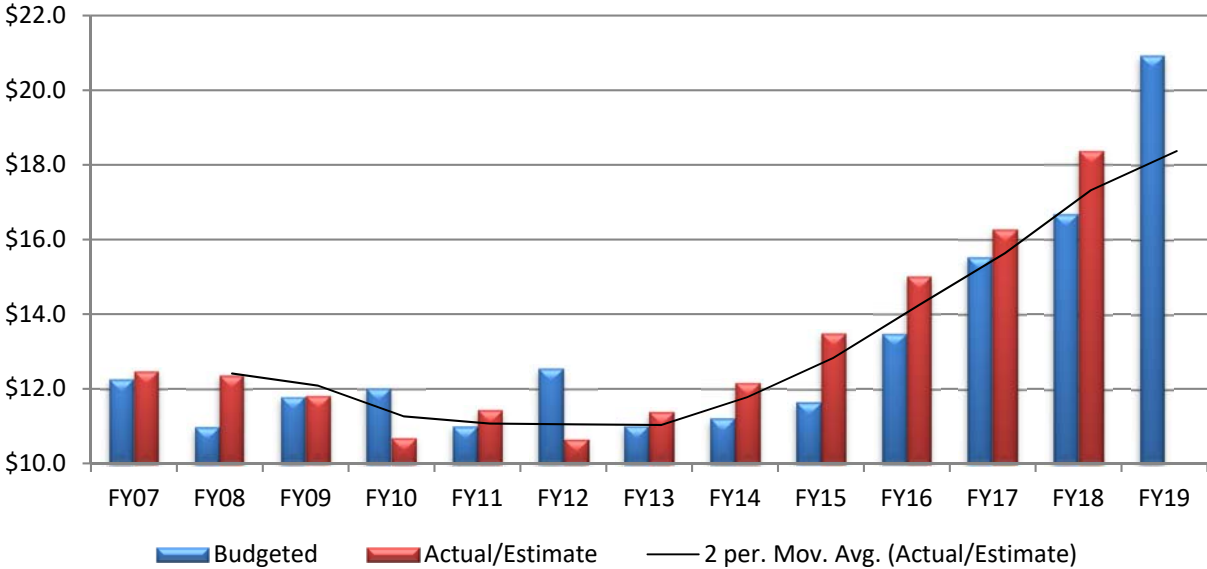
Projections

Excluding the half cent transportation tax, estimated fiscal year 2017-18 city sales tax revenues increased 6% over the prior fiscal year and are up 4% above budgeted projections. The trending upwards of sales and bed tax collections over the last few years is encouraging and has contributed to the City forecasting further modest increases. The City's economy is heavily driven by tourism and niche retail including the sale of high-end commodities such as art pieces and jewelry. The City has experienced significant increases in tourism as a result of the economic recovery and the implementation of a destination marketing program started in fiscal year 2013-14. During fiscal year 2017-18, the tax categories with the highest increases are Restaurant & Bar and Hotel/Motel, which are highly impacted by tourism.

In addition, the City is no longer allowed to prohibit short-term residential rentals effective January 1, 2017. This has had an impact on the increases in the Hotel/Motel category, in addition to other factors such as increasing room occupancy rates and increasing average daily room rates.

In the ten-year forecast, projected increases were largely based on an analysis of the number of overnight and day-trip visitors and average spending using historical trends. A factor was included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period. It is anticipated that the significant increases since the most recent recession will begin to plateau, and projected increases beyond fiscal year 2017-18 are modest.

City Sales Tax Revenues (In Millions)



REVENUE TRENDS

continued

Transient Occupancy Taxes (Bed Taxes)

Description

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

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

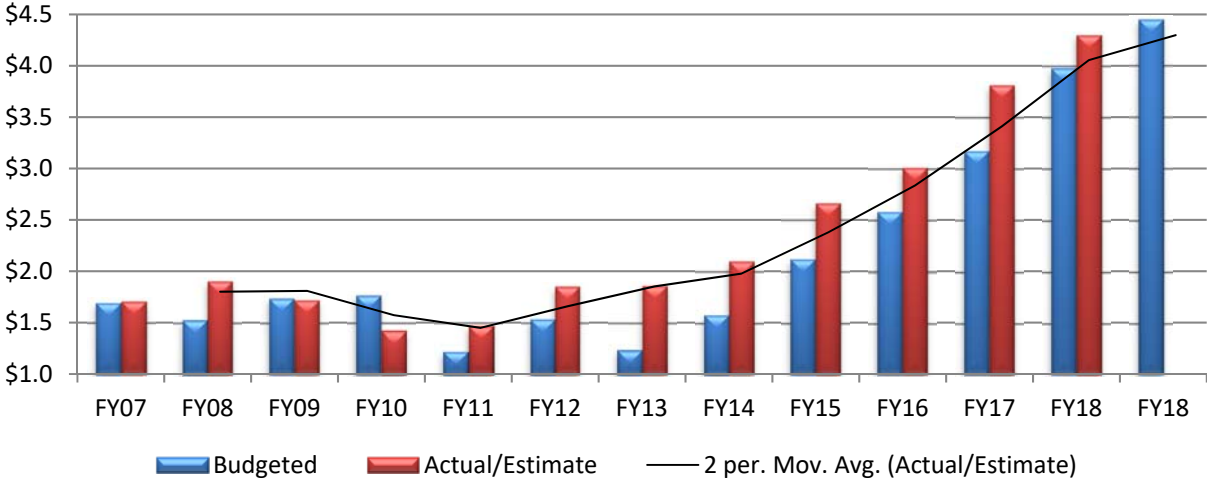
Projections

Bed tax revenues exceeded projections. Estimated fiscal year 2017-18 bed tax revenues increased 13% over the prior fiscal year and are up 8% above budgeted projections. As discussed in the transaction privilege taxes category, the City is no longer allowed to prohibit short-term residential rentals effective January 1, 2017. This has also had an impact on the increases in the bed tax revenues, in addition to other factors such as increasing room occupancy rates and increasing average daily room rates.

In the ten-year forecast, projected increases were largely based on an analysis of the number of overnight visitors and average daily room rates using historical trends. A factor was included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period. It is anticipated that the significant increases since the most recent recession will begin to plateau, and projected increases beyond fiscal year 2017-18 are modest.

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

Bed Tax Revenues
(In Millions - Excluding Contingent Revenues)



REVENUE TRENDS

continued

In Lieu Fees and Community Facilities Districts

Description

The City created 2 Community Facilities Districts (CFDs), Sedona Summit II in 1999 and Fairfield in 2000. A CFD is a special taxing district formed to pay for major infrastructure improvements intended to benefit a certain geographical area. The CFDs are separate legal entities, are governed by a separate Board, and adopt their budgets separately from the City. The City Council members are designated as the CFD Board members. The City Clerk was designated as the Clerk for the Board, and in a similar fashion, the City Manager, Financial Services Director, City Attorney and City Engineer were all designated to perform an analogous role for the CFDs.

The two CFDs created cover 2 timeshare developments built in the City. Timeshares are exempt from bed and sales tax in Arizona, except on a “day-by-day” rental basis. The development agreements with these two timeshares negotiated fees to be paid by the timeshares in lieu of bed taxes. They contribute based on a percentage of the annual homeowners’ association dues and/or a percentage of the transactions for timeshare sales.

The portion of the fees representing CFD taxes are restricted to fund projects directly benefitting the CFDs. While these funds are appropriated outside of the City’s budget, in each of the 2 CFDs separate legally adopted budgets, these revenues fund infrastructure projects managed by the City. These projects are reflected in the City’s Capital Improvement Plan (CIP) and shown as being funded from these outside sources.

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

In addition, the City may receive in lieu fees from developers who chose to contribute to the City’s Affordable Housing Fund (included in the Grants & Donations Funds) and the Art in Public Places Fund instead of complying with the City’s requirements to include affordable housing or public art in their development projects.

Projections

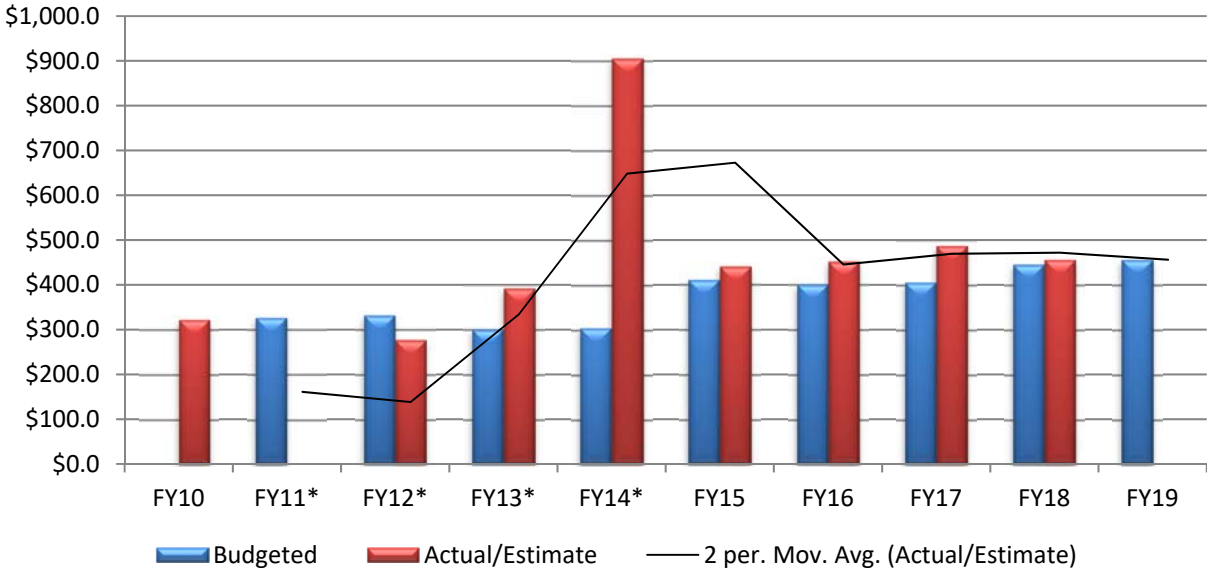
Since the fees in lieu of bed taxes have not grown significantly over the past few years, conservative estimates of inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period were used in the ten-year projection.

REVENUE TRENDS

continued

In Lieu Fees and Community Facilities Districts (cont'd)

In Lieu Fees (In Thousands)



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

Franchise Fees

Description

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

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

Projections

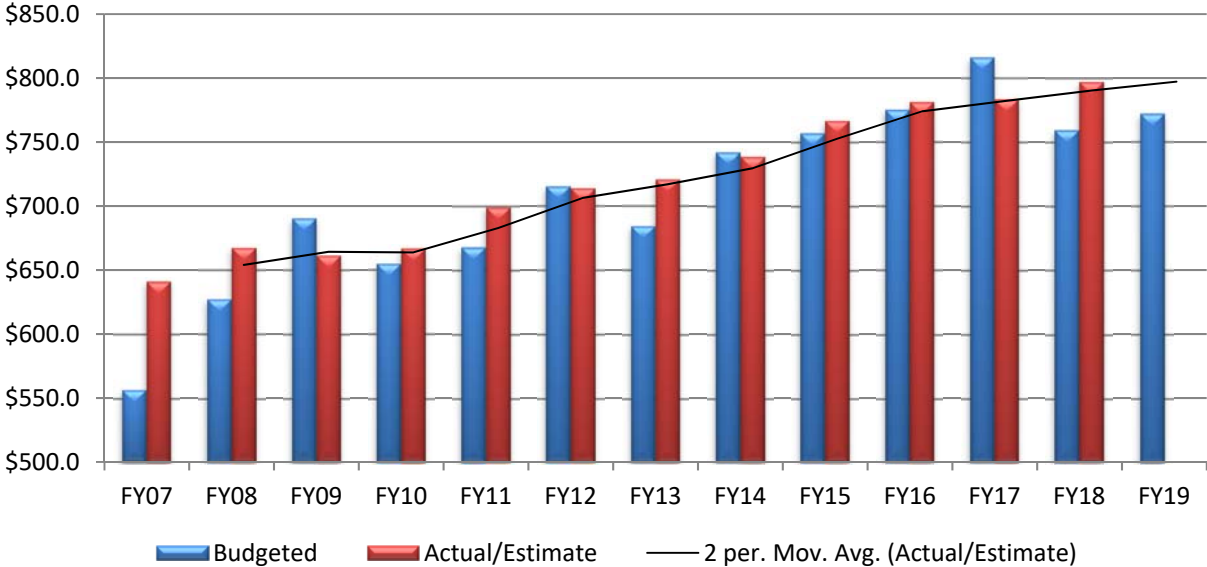
Since franchise fees have not grown significantly over the past few years, conservative estimates of inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period were used in the 10-year projection.

REVENUE TRENDS

continued

Franchise Fees (cont'd)

Franchise Fees (In Thousands)



State Shared Revenues

Description

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

- Shared Sales Taxes** – A portion of State’s sales tax revenues are distributed to the cities and towns and allocated primarily on each city’s or town’s share of the population to the total population of all incorporated cities and towns in the State based on annual census estimates. State shared sales tax revenues are unrestricted for use and are received semimonthly.
- Shared Income Taxes** – State law provides that 15% of the State’s income tax revenues are to be shared with the cities and towns. Referred to as Urban Revenue Sharing, these monies are allocated primarily on each city’s or town’s share of the population to the total population of all incorporated cities and towns in the State based on annual census estimates. The annual amount distributed is based on collections from 2 years prior. Urban Revenue Sharing monies are unrestricted for use and are received monthly.

REVENUE TRENDS

continued

State Shared Revenues (cont'd)

- **Shared Gas Taxes** – Highway User Revenue Fund (HURF) monies are primarily generated from the State collected gasoline taxes; however, there are a number of additional transportation-related fees including a portion of vehicle license taxes (VLT) that are placed in the Highway User Revenue Fund. Cities and towns receive 27.5% of highway user revenues on a monthly basis. One-half of the monies that the City receives is based on its population in relation to the population of all cities and towns in the State. The remaining half is allocated on the basis of “county of origin” of gasoline sales and the relation of the City’s population to the population of all cities and towns in Yavapai and Coconino Counties. There is a State constitutional restriction on the use of the highway user revenues which requires that these funds be used solely for street and highway purposes. These revenues are received monthly and recorded in the City’s Streets Fund.
- **Shared Vehicle License Taxes** – Approximately 20% of the revenues collected for the licensing of motor vehicles are distributed to incorporated cities and towns. This vehicle license tax is distributed to the City of Sedona based on the relation of its population to the total population of all incorporated cities and towns within both Yavapai and Coconino Counties. VLT is unrestricted for use and is received semimonthly.

Projections

In the 10-year forecast, projected increases were largely based on an analysis of historical trends and projected changes in the City’s population compared to the total population of all incorporated cities and towns in the State. A factor was included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period.

For fiscal year 2018-19, estimates were used based on the 10-year forecast assumptions. The State also provides estimates of the City’s portion of shared revenues, but these estimates are received very late in the City’s budget adoption process. The City’s estimates are comparable to the State estimates.

- **Shared Sales Taxes** – The State has projected state shared sales taxes to increase 6% over the prior year estimates. The City’s estimate was slightly more conservative at 1%, and past State estimates typically have been higher than actuals.
- **Shared Income Taxes** – The State has projected Urban Revenue Sharing to decrease 3%. The City’s estimate was an increase of 1%. With the conservatism in the City’s estimates for the other shared revenues, any final variance under the City’s estimate is not anticipated to have a significant impact on the City’s revenues.
- **Shared Gas Taxes** – The State has projected HURF revenues to increase 2% over the prior year estimates. The City’s estimate was also a 2% increase. Growth in future years is expected to be very modest as fuel reduction from conservation and vehicle efficiencies affect the amount of gasoline used.
- **Shared Vehicle License Taxes** – The State has projected VLT to increase 6% over the prior year estimates. The City’s estimate was much more conservative at 1.5%, and past State estimates for VLT have been higher than actuals.

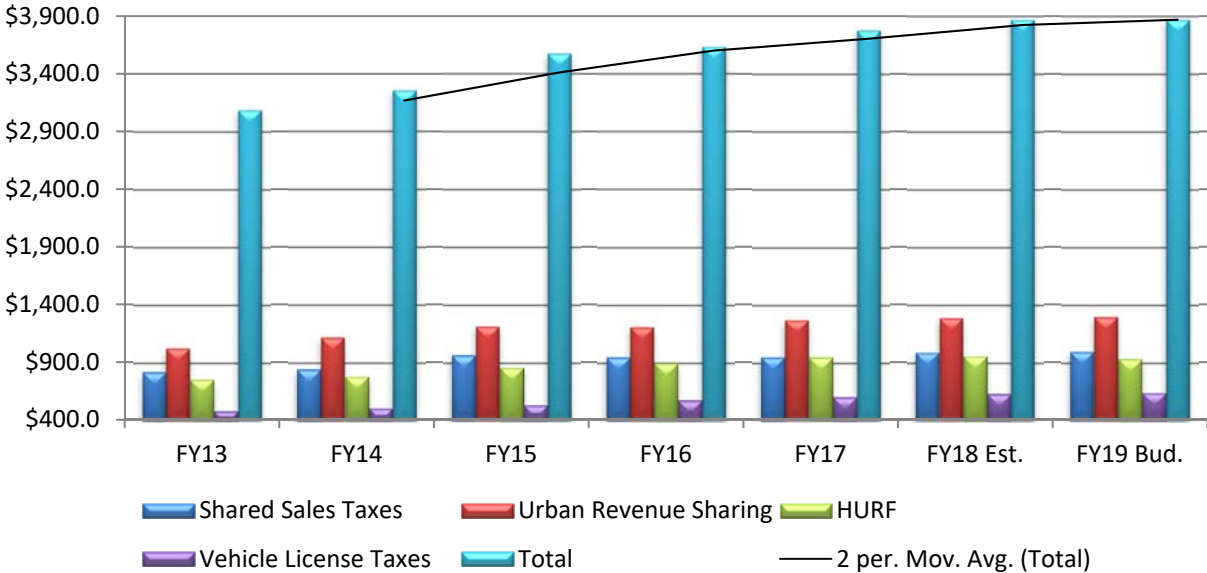
While state shared revenues are expected to continue to increase as the overall State revenue increases, the City’s portion may be subject to decreases. The City has experienced a relatively flat population growth while many other cities in Arizona have experienced significant population growth. This is expected to result in Sedona receiving a smaller share of the overall allocation in the future.

REVENUE TRENDS

continued

State Shared Revenues (cont'd)

State Shared Revenues (In Thousands)



Other Intergovernmental

Description

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

Projections

The projections of other intergovernmental revenues are primarily based on anticipated revenues for specific capital improvement projects and anticipated grants. Flood control funding from both Coconino and Yavapai Counties are ongoing. Yavapai County monies are allocated to the City’s based on proposed projects, and the 10-year projections are based on historical revenue levels. Coconino County monies have been based on the City’s share of the flood control district levy; however, future revenues will be allocated similarly to the manner in which Yavapai County monies are allocated.

A contingency placeholder has been included in both revenues and expenditures of \$300,000 for other possible grants and other donations that may be awarded during the year.

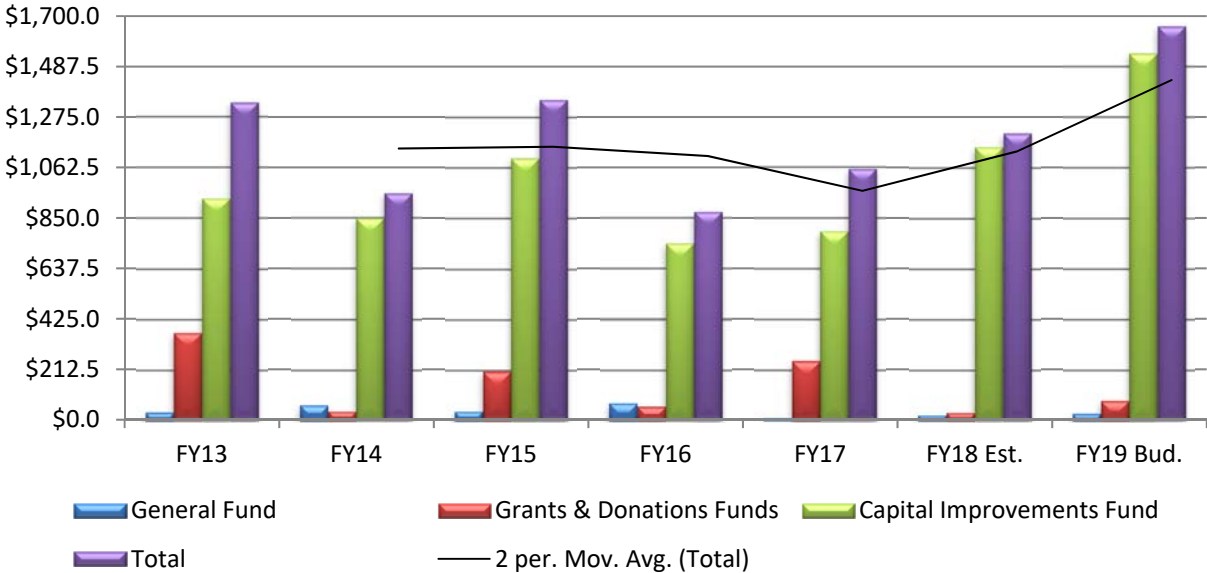
REVENUE TRENDS

continued

Other Intergovernmental (cont'd)

Other Intergovernmental Revenues

(In Thousands - Excluding Contingent Revenues)



Licenses & Permits

Description

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

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

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

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

Projections

Revenue from licenses and permits is projected mostly with no increases, with the exception of building permits. Some revenues recorded as building permits have been reclassified. In addition, this source of revenue is expected to decline as the City approaches build-out.

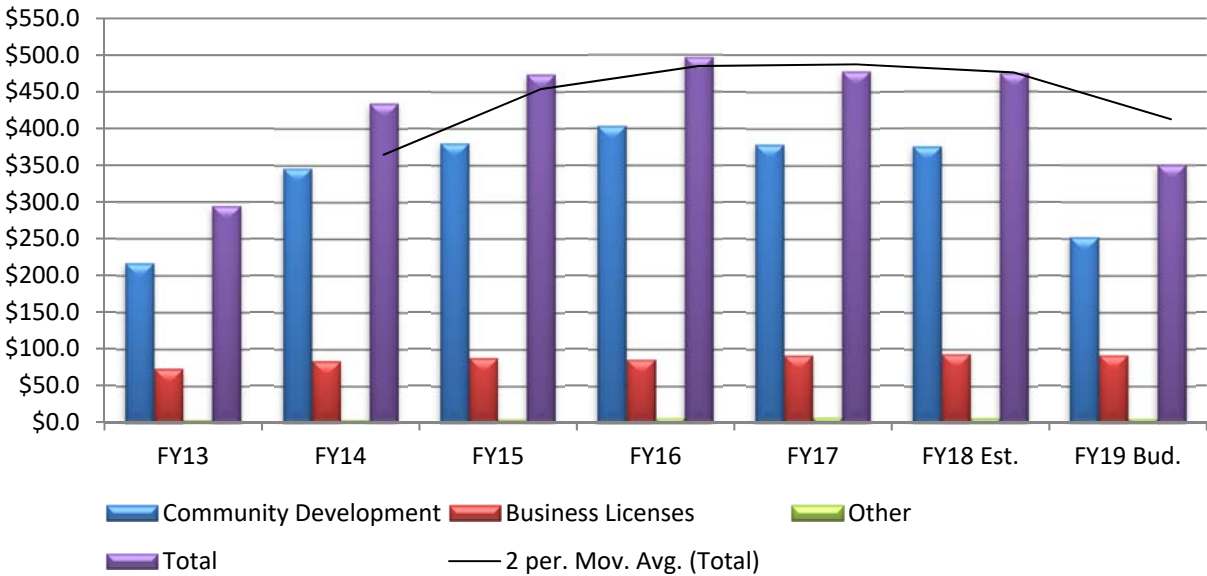
REVENUE TRENDS

continued

Licenses & Permits (cont'd)

In the 10-year forecast, projected building permit increases and decreases were largely based on an analysis of historical trends and projected construction indices with estimated increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period. Other licenses and permits were forecasted with minor increases in a few of the later years of the 10-year forecast for estimated changes to user fee schedules.

Licenses & Permits
(In Thousands)



Charges for Services (excluding internal cost charges)

Description

Charges for services are fees charged for specific services provided by the City. Analyses of the impact on cost-of-service are periodically undertaken by the City staff to determine if any changes to fees and charges should be recommended to the City Council.

General Fund – The charges for services in the General Fund include recreation user fees, community development fees, paid parking fees, and other miscellaneous charges for services. These fees are generally unrestricted for use; however, the City Council has promised the merchants in the Uptown area that a portion of the proceeds from the paid parking program, net of program costs, will be reinvested in the Uptown area.

The recreation user fees include pool fees and classes, recreation classes, open gym fees, and special events. The community development fees include development reviews, reinspection fees, and other development fees.

As part of the City’s overall strategic parking management plan, the next step as directed by the City Council was the implementation of a paid parking program in the Uptown area. The program began in June 2017.

REVENUE TRENDS
continued

Charges for Services (cont'd)

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

FY 2019 RESIDENTIAL WASTEWATER RATES

	Monthly Rate
Standard Residential	\$61.11
Discount Programs:	
Residential Low-Flow	\$47.52
Low-Income Residential	\$32.17

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

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

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

While the 2013-14 Wastewater Rate Study and Financial Plan adopted by the City Council had recommended a 4% increase in the monthly wastewater rates for fiscal year 2018-19, no increase was enacted to provide some relief to the ratepayers. The balances in the Wastewater Fund have exceeded the anticipated amounts in the rate study, and rates had been increased by 4% each year for the past 4 years. A 4% annual increase has been included for the next year of the *forecast* and dropping to a 3% annual increase in the next 3 years. These projected annual increases were part of the findings and recommendations of the rate study. These future rate adjustments will serve to cover anticipated inflationary increases in expenses, help the fund become more sustainable, and allow the City to reduce the city sales tax subsidy to the Wastewater Enterprise Fund over time until it is eliminated in fiscal year 2026-27. See the Inter-Fund Transfers section for more details on the sales tax subsidy.

A new rate study has been budgeted for fiscal year 2018-19 and the results of that study will be incorporated in the next year’s forecast.

REVENUE TRENDS

continued

Charges for Services (cont'd)

PROJECTED WASTEWATER RATE INCREASES

Fiscal Year	Rate Increase	Status
FY 2019-20	4%	Scheduled in the Rate Study Approved by City Council
FY 2020-21	3%	Scheduled in the Rate Study Approved by City Council
FY 2021-22	3%	Scheduled in the Rate Study Approved by City Council
FY 2022-23	3%	Scheduled in the Rate Study Approved by City Council
FY 2023-24	0%	Scheduled in the Rate Study Approved by City Council
FY 2024-25	0%	Scheduled in the Rate Study Approved by City Council
FY 2025-26	0%	Scheduled in the Rate Study Approved by City Council
FY 2026-27	0%	Scheduled in the Rate Study Approved by City Council

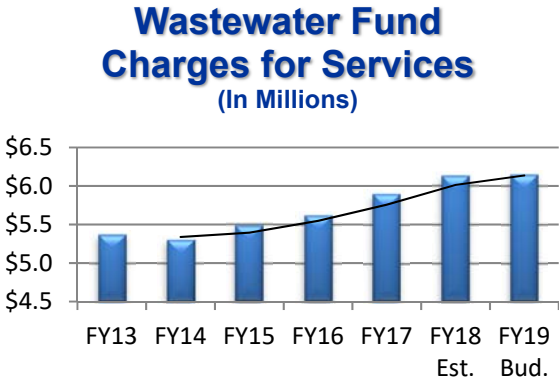
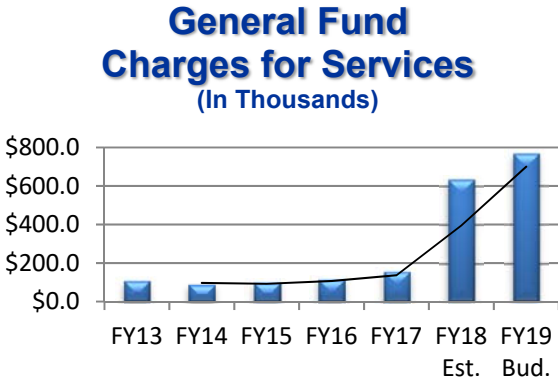
Grants & Donations Funds – The vending machine revenues are dedicated to employee appreciation programs.

Information Technology Fund – The Geographic Information Systems fees are unrestricted for use.

Projections

Most of the General Fund charges for services were forecasted with minor increases in a few of the later years of the 10-year forecast for estimated changes to user fee schedules. Election reimbursements were projected every other year based on the 2-year election cycle. Paid parking fees were estimated based on experience in the first year of the program.

As previously discussed in the Budget Overview, no increase in the monthly wastewater rates was adopted for fiscal year 2018-19. The flat rates, plus factors for new accounts and shifts between standard and discounted rates, have been included in the forecast. Account setup fees were forecasted with minor increases in a few of the later years of the 10-year forecast for estimated changes to user fee schedules.

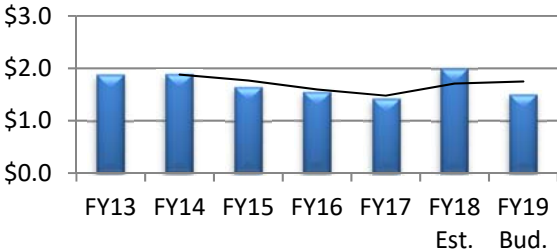


REVENUE TRENDS

continued

Charges for Services (cont'd)

**Grants & Donations Funds
Charges for Services**
(In Thousands)



**Information Technology Fund
Charges for Services**
(In Thousands)



Fines and Forfeitures

Description

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

Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. Court fines are largely unrestricted; however, certain fines are restricted to specific court uses. The restricted court fines are recorded in the Grants & Donations Funds starting in fiscal year 2015-16, while the unrestricted court fines are recorded in the General Fund.

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

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

As part of the City’s overall strategic parking management plan, the next step as directed by the City Council was the implementation of a paid parking program in the Uptown area. The program began in June 2017. These revenues are unrestricted for use.

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

Projections

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

REVENUE TRENDS

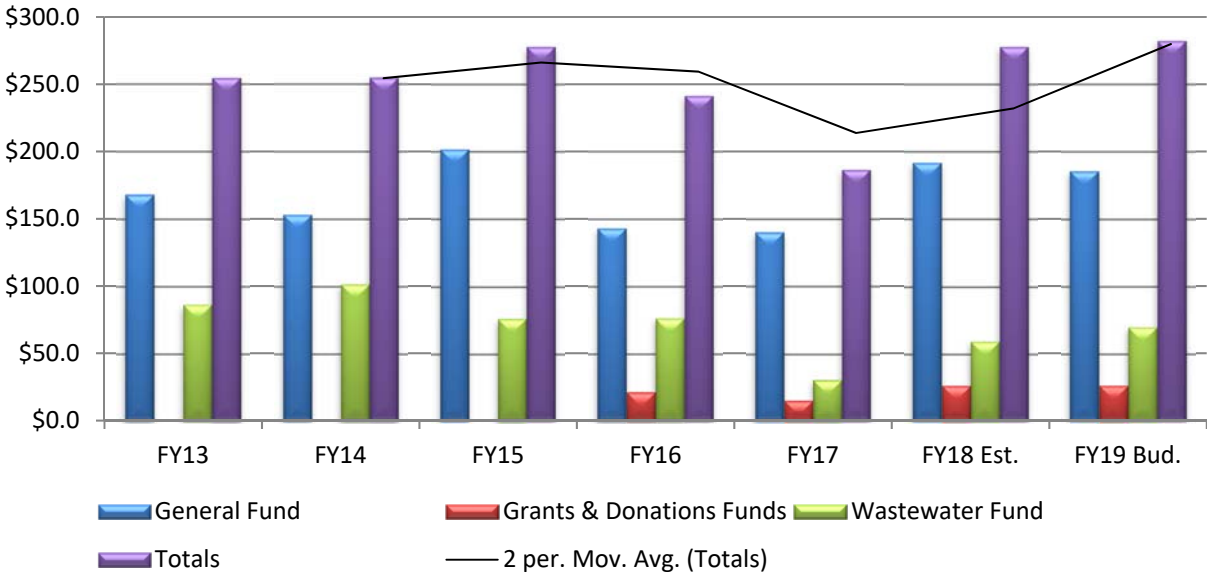
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Fines and Forfeitures (cont'd)

The wastewater environmental penalties are generally charged at twice the monthly service fee. Certain properties were given the opportunity to enter into agreements with the City to defer connection for up to ten years as long as certain criteria are met. The wastewater environmental penalties for those properties are charged at one-half the monthly service fee. Wastewater service rates were not increased for fiscal year 2018-19, and no increase was projected for the environmental penalties.

Minor increases and decreases were projected for the other fines, penalties and late fees based on historical averages.

Fines and Forfeitures (In Thousands)



Development Impact Fees

Description

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

REVENUE TRENDS

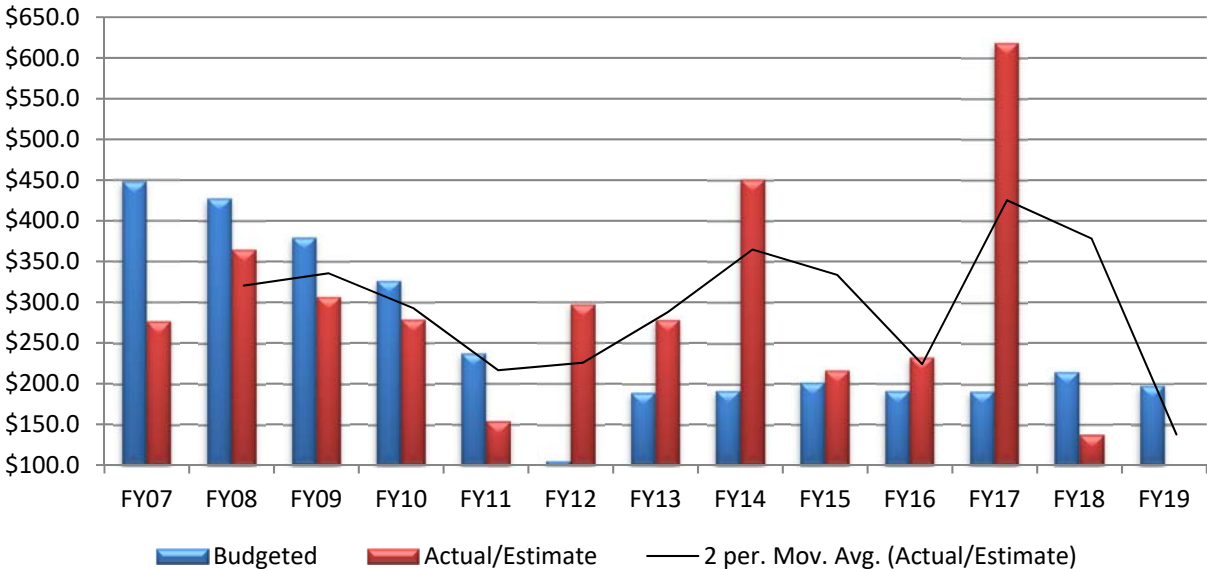
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Development Impact Fees (cont'd)

Projections

Most categories of the development impact fees were reduced in the 2014 study, with the exception of the parks fees for the lodging category, which were increased. Significant one-time development occurred in fiscal year 2016-17 resulting in significantly higher revenues. Excluding the one-time development, the 10-year forecast was based on ongoing levels of development impact fees and largely adjusted based on an analysis of historical trends and projected construction indices with estimated increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period. This source of revenue is expected to decline as the City approaches build-out.

Development Impact Fees (In Thousands)



Capacity Fees

Description

Capacity fee revenues are collected as one-time fees for residents and businesses to connect to the sewer. The current residential connection rate is \$10,304,91. The commercial rates vary based on the type of business. The rates are increased each January 1 based on the Engineering News-Record construction cost index inflation factor. Capacity fees are used to offset the cost of wastewater treatment plant capacity improvements.

REVENUE TRENDS

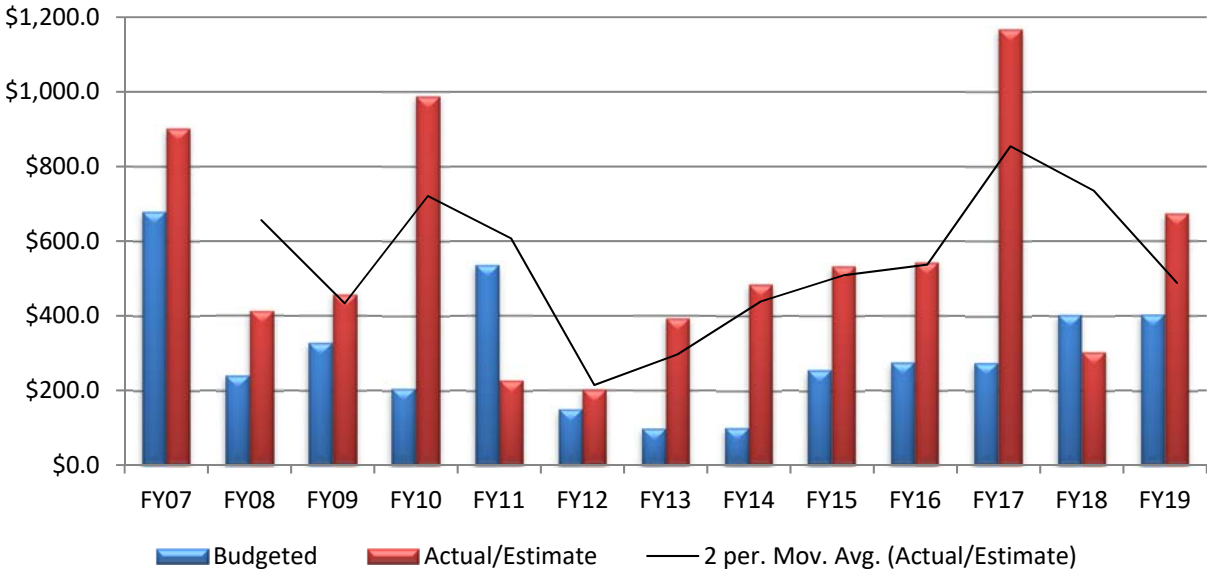
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Capacity Fees (cont'd)

Projections

Significant one-time development occurred in fiscal year 2016-17 resulting in significantly higher revenues. Excluding the one-time development, the 10-year forecast was based on ongoing levels of capacity fees and largely adjusted based on an analysis of historical trends and projected construction indices with estimated increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period. The forecast includes an assumption of all remaining residential accounts on deferred connection agreements will connect in fiscal year 2021-22. This source of revenue is expected to decline as the City approaches build-out.

Capacity Fees
(In Thousands)



Other Revenues

Description

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

Projections

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

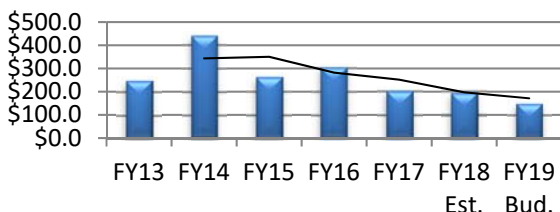
REVENUE TRENDS

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Other Revenues (cont'd)

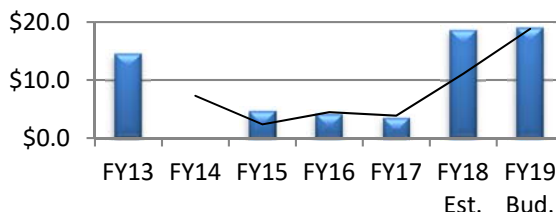
General Fund Other Revenues

(In Thousands)



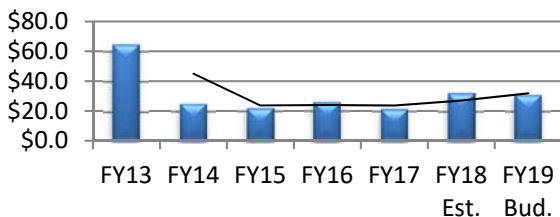
Streets Fund Other Revenues

(In Thousands)



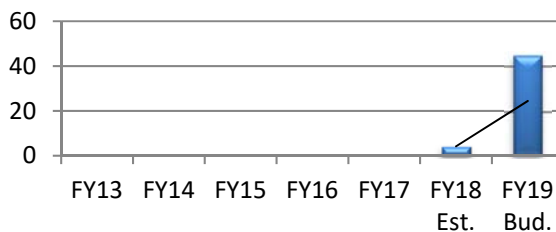
Grants & Donations Funds Other Revenues

(In Thousands)



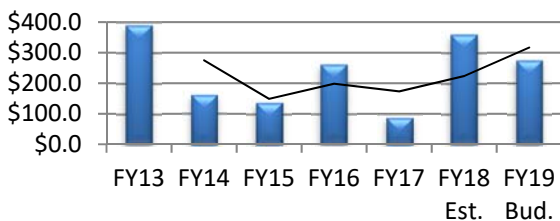
Transportation Sales Tax Fund Other Revenues

(In Thousands)



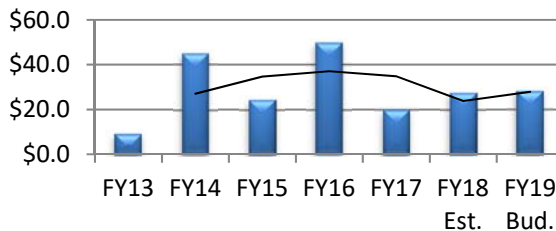
Capital Improvements Fund Other Revenues

(In Thousands)



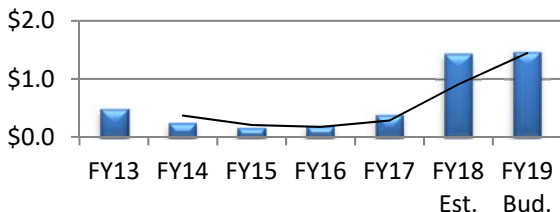
Development Impact Fees Funds Other Revenues

(In Thousands)



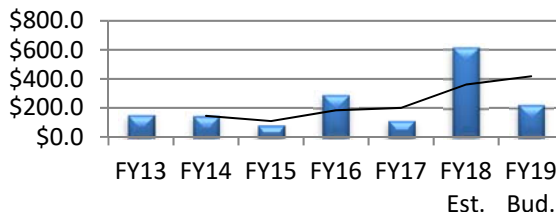
Art in Public Places Fund Other Revenues

(In Thousands)



Wastewater Fund Other Revenues

(In Thousands)



REVENUES & OTHER FINANCING SOURCES SUMMARIES

All Funds

	General Fund	Streets Fund	Grants & Donations Funds	Transportation Sales Tax Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Wastewater Enterprise Fund	Information Technology Fund	Totals
Revenues										
City Sales Taxes	\$17,951,600	\$0	\$0	\$2,976,900	\$0	\$0	\$0	\$0	\$0	\$20,928,500
Bed Taxes	\$4,446,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,446,000
Contingent Bed Taxes	\$550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$550,000
In Lieu Fees	\$456,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$456,100
Franchise Fees	\$771,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$771,800
State Shared Revenues	\$2,936,100	\$933,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,869,300
Other Intergovernmental	\$30,000	\$0	\$84,200	\$0	\$1,540,391	\$0	\$0	\$0	\$0	\$1,654,591
Licenses and Permits	\$350,180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350,180
Charges for Services	\$767,240	\$0	\$1,500	\$0	\$0	\$0	\$0	\$6,145,000	\$1,000	\$6,914,740
Internal Cost Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,726,300	\$1,726,300
Fines and Forfeitures	\$185,440	\$0	\$26,800	\$0	\$0	\$0	\$0	\$69,750	\$0	\$281,990
Development Impact Fees	\$0	\$0	\$0	\$0	\$0	\$197,410	\$0	\$0	\$0	\$197,410
Capacity Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$673,300	\$0	\$673,300
Other Revenues	\$149,380	\$19,020	\$31,200	\$44,650	\$274,200	\$27,810	\$200	\$222,250	\$0	\$768,710
Contingent Grants/Donations	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
Total Revenues	\$28,593,840	\$952,220	\$443,700	\$3,021,550	\$1,814,591	\$225,220	\$200	\$7,110,300	\$1,727,300	\$43,888,921
Other Financing Sources										
Transfers from Other Funds	\$0	\$253,200	\$100,000	\$0	\$2,248,900	\$0	\$48,914	\$4,487,900	\$0	\$7,138,914
Total Other Financing Sources	\$0	\$253,200	\$100,000	\$0	\$2,248,900	\$0	\$48,914	\$4,487,900	\$0	\$7,138,914
GRAND TOTAL	\$28,593,840	\$1,205,420	\$543,700	\$3,021,550	\$4,063,491	\$225,220	\$49,114	\$11,598,200	\$1,727,300	\$51,027,835

All Funds Comparison

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Revenues				
City Sales Taxes*	\$20,928,500	\$16,673,800	\$18,368,900	\$16,268,459
Bed Taxes**	\$4,446,000	\$3,977,200	\$4,298,500	\$3,811,727
Contingent Bed Taxes***	\$550,000	\$550,000	\$0	\$0
In Lieu Fees	\$456,100	\$445,400	\$456,100	\$487,401
Franchise Fees	\$771,800	\$759,400	\$797,200	\$783,413
State Shared Revenues	\$3,869,300	\$3,746,200	\$3,868,800	\$3,776,834
Other Intergovernmental	\$1,654,591	\$1,185,317	\$1,206,537	\$1,054,171
Licenses and Permits	\$350,180	\$486,550	\$474,960	\$478,016
Charges for Services	\$6,914,740	\$6,579,300	\$6,766,200	\$6,062,489
Internal Cost Charges****	\$1,726,300	\$1,621,480	\$1,621,480	\$0
Fines and Forfeitures	\$281,990	\$230,450	\$277,690	\$186,460
Development Impact Fees*****	\$197,410	\$213,880	\$137,500	\$618,741
Capacity Fees*****	\$673,300	\$403,100	\$302,700	\$1,167,388
Other Revenues*****	\$768,710	\$590,400	\$1,253,708	\$443,366
Contingent Grants/Donations	\$300,000	\$300,000	\$0	\$0
Total Revenues	\$43,888,921	\$37,762,477	\$39,830,275	\$35,138,465
Other Financing Sources				
Transfers from Other Funds	\$7,138,914	\$5,317,167	\$9,658,565	\$7,142,658
Total Other Financing Sources	\$7,138,914	\$5,317,167	\$9,658,565	\$7,142,658
GRAND TOTAL	\$51,027,835	\$43,079,644	\$49,488,840	\$42,281,123

*A half cent sales tax increase was effective March 1, 2018.

**The City was no longer allowed to prohibit short-term residential rentals effective January 1, 2017. Bed taxes have increased as a result of the increased activity.

***Since Bed Taxes have exceeded estimates in the past several years, a contingency is included in the expenditure budget for the potential additional bed taxes that must be dedicated to the management and development of tourism. The Contingent Bed Taxes account is an offset to the contingency established on the expenditure side.

****The indirect cost allocation plan was implemented in FY 2018.

*****The Development Impact Fees and Capacity Fees for FY 2017 included significant one-time fees for 2 large development projects.

*****The City received \$375,000 in FY 2018 for a one-time claims settlement recorded as Other Revenue.



REVENUES & OTHER FINANCING SOURCES SUMMARIES

continued

General Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Revenues				
City Sales Taxes	\$17,951,600	\$16,673,800	\$17,271,200	\$16,268,459
Bed Taxes	\$4,446,000	\$3,977,200	\$4,298,500	\$3,811,727
Contingent Bed Taxes*	\$550,000	\$550,000	\$0	\$0
In Lieu Fees	\$456,100	\$445,400	\$456,100	\$461,403
Franchise Fees	\$771,800	\$759,400	\$797,200	\$783,413
State Shared Sales Taxes	\$996,500	\$966,900	\$989,400	\$950,879
Urban Revenue Sharing	\$1,297,000	\$1,303,500	\$1,287,800	\$1,270,897
Vehicle License Taxes	\$642,600	\$617,600	\$633,100	\$606,030
Other Intergovernmental	\$30,000	\$26,060	\$23,500	\$10,508
Licenses and Permits	\$350,180	\$486,550	\$474,960	\$478,016
Charges for Services**	\$767,240	\$408,950	\$633,800	\$157,121
Fines and Forfeitures	\$185,440	\$141,900	\$191,590	\$139,969
Other Revenues	\$149,380	\$121,000	\$193,480	\$221,071
GRAND TOTAL	\$28,593,840	\$26,478,260	\$27,250,630	\$25,159,493

*Since Bed Taxes have exceeded estimates in the past several years, a contingency is included in the expenditure budget for the potential additional bed taxes that must be dedicated to the management and development of tourism. The Contingent Bed Taxes account is an offset to the contingency established on the expenditure side.

**Charges for Services have increased due to the implementation of the paid parking program in the Uptown area.

Wastewater Enterprise Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Revenues				
Monthly Fees	\$5,761,500	\$5,744,300	\$5,735,900	\$5,490,328
Stand-by Fees	\$368,800	\$406,300	\$379,100	\$394,622
Other Charges for Services	\$14,700	\$13,600	\$14,400	\$18,000
Environmental Penalty Fees	\$29,800	\$30,800	\$29,800	\$29,757
Other Fines and Forfeitures*	\$39,950	\$44,950	\$29,500	\$928
Capacity Fees**	\$673,300	\$403,100	\$302,700	\$1,167,388
Other Revenues***	\$222,250	\$80,500	\$613,960	\$92,656
Total Revenues	\$7,110,300	\$6,723,550	\$7,105,360	\$7,193,679
Other Financing Sources				
Transfer from General Fund	\$4,487,900	\$4,165,900	\$4,317,800	\$4,038,211
Total Other Financing Sources	\$4,487,900	\$4,165,900	\$4,317,800	\$4,038,211
GRAND TOTAL	\$11,598,200	\$10,889,450	\$11,423,160	\$11,231,890

*The Other Fines and Forfeitures for FY 2017 included significant writeoffs of late fees.

**The Capacity Fees for FY 2017 included significant one-time fees for 2 large development projects.

***The City received \$375,000 in FY 2018 for a one-time claims settlement recorded as Other Revenues.

EXPENDITURES & OTHER FINANCING USES SUMMARIES

All Funds

	General Fund	Streets Fund	Grants & Donations Funds	Transportation Sales Tax Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Wastewater Fund	Information Technology Fund	Totals
Expenditures										
City Council	\$223,015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$223,015
City Manager's Office	\$3,382,567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,382,567
Human Resources	\$423,240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$423,240
Financial Services	\$1,356,910	\$0	\$0	\$0	\$0	\$0	\$0	\$285,920	\$0	\$1,642,830
Information Technology	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$111,720	\$1,901,361	\$2,013,081
City Attorney's Office	\$758,620	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$858,620
City Clerk's Office	\$487,295	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$487,295
Parks & Recreation	\$930,610	\$0	\$43,400	\$0	\$0	\$0	\$0	\$0	\$0	\$974,010
General Services	\$2,379,246	\$0	\$400,000	\$0	\$0	\$0	\$0	\$100,000	\$0	\$2,879,246
Debt Service	\$1,415,414	\$0	\$0	\$0	\$0	\$9,540	\$0	\$4,439,115	\$0	\$5,864,069
Community Development	\$2,225,635	\$0	\$38,380	\$0	\$0	\$0	\$0	\$0	\$0	\$2,264,015
Public Works	\$4,823,290	\$1,207,380	\$0	\$100,920	\$0	\$0	\$0	\$338,400	\$0	\$6,469,990
Economic Development	\$229,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$229,320
Police	\$6,934,096	\$0	\$23,350	\$0	\$0	\$0	\$0	\$0	\$0	\$6,957,446
Municipal Court	\$528,110	\$0	\$11,200	\$0	\$0	\$0	\$0	\$0	\$0	\$539,310
Wastewater	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,477,560	\$0	\$4,477,560
Capital Improvement Projects	\$0	\$0	\$194,000	\$0	\$8,296,445	\$43,000	\$0	\$4,467,484	\$0	\$13,000,929
Charges to Other Departments	(\$4,096,780)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,096,780)
Contributions to Equipment Replacement Reserves	(\$379,700)	\$0	\$0	\$0	\$0	\$0	\$0	(\$509,450)	\$0	(\$889,150)
Contributions to Major Maintenance Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$71,150)	(\$174,000)	(\$245,150)
Total Expenditures	\$21,620,888	\$1,207,380	\$710,330	\$100,920	\$8,296,445	\$52,540	\$0	\$13,739,599	\$1,727,361	\$47,455,463
Other Financing Uses										
Transfers to Other Funds	\$7,090,000	\$0	\$0	\$0	\$48,914	\$0	\$0	\$0	\$0	\$7,138,914
Total Other Financing Uses	\$7,090,000	\$0	\$0	\$0	\$48,914	\$0	\$0	\$0	\$0	\$7,138,914
GRAND TOTAL	\$28,710,888	\$1,207,380	\$710,330	\$100,920	\$8,345,359	\$52,540	\$0	\$13,739,599	\$1,727,361	\$54,594,377

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Expenditures (by Department)				
City Council*	\$223,015	\$181,895	\$178,435	\$60,524
City Manager's Office**	\$3,382,567	\$3,328,080	\$3,384,940	\$878,132
Human Resources*	\$423,240	\$443,805	\$416,675	\$255,940
Financial Services***	\$1,642,830	\$1,387,125	\$1,344,640	\$859,665
Information Technology*	\$2,013,081	\$1,857,085	\$1,781,380	\$1,083,126
City Attorney's Office*	\$858,620	\$794,770	\$743,720	\$548,305
City Clerk's Office*	\$487,295	\$400,430	\$394,000	\$265,656
Parks & Recreation****	\$974,010	\$921,334	\$829,505	\$608,478
General Services**	\$2,879,246	\$2,955,187	\$1,761,101	\$3,523,590
Debt Service	\$5,864,069	\$5,863,865	\$5,863,858	\$5,851,461
Community Development*	\$2,264,015	\$2,314,290	\$2,075,757	\$1,576,174
Public Works*****	\$6,469,990	\$6,280,363	\$6,104,286	\$4,397,353
Economic Development*****	\$229,320	\$211,480	\$211,760	\$0
Police*	\$6,957,446	\$6,416,164	\$6,365,061	\$4,080,747
Municipal Court*	\$539,310	\$454,610	\$429,760	\$322,022
Wastewater*	\$4,477,560	\$4,345,756	\$3,989,248	\$2,627,434
Capital Improvement Projects*****	\$13,000,929	\$14,130,819	\$8,262,647	\$5,545,219
Charges to Other Departments*	(\$4,096,780)	(\$3,906,670)	(\$3,906,670)	\$0
Contributions to Equipment Replacement Reserves*	(\$1,063,150)	(\$628,270)	(\$628,270)	\$0
Contributions to Major Maintenance Reserves*	(\$71,150)	\$0	\$0	\$0
Total Expenditures	\$47,455,463	\$47,752,118	\$39,601,833	\$32,483,826

Other Financing Uses

Transfers to Other Funds	\$7,138,914	\$12,832,465	\$6,428,983	\$7,118,360
Total Other Financing Uses	\$7,138,914	\$12,832,465	\$6,428,983	\$7,118,360

GRAND TOTAL	\$54,594,377	\$60,584,583	\$46,030,816	\$39,602,186
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*The City implemented an indirect cost allocation plan and an equipment replacement reserve in FY 2018.

A major maintenance reserve was also implemented in FY 2019. The increase in expenditures is primarily due to the addition of the indirect cost allocations and/or reserve allocations.

**The Tourism Management & Development Program was reclassified to the City Manager's Office in FY 2018.

***Service charges were reclassified to the Financial Services Department from General Services in FY 2018.

****The Parks & Recreation Department also increased as a result of the extension of the swimming pool season and the addition of an Administrative Assistant position.

*****The Public Works Department also increase as a result of the initiation of the Transportation Service program and the addition of a part-time bike park maintenance worker.

*****The Economic Development Department was reclassified in FY 2018. It was previously a program under the City Manager's Office.

*****See the Capital Improvements Program Section for discussion of capital projects.

Expenditures & Other Financing Uses (by Expenditure Category)

Personnel*	\$13,154,250	\$12,640,470	\$12,145,423	\$10,718,304
Supplies & Services	\$11,795,313	\$11,293,228	\$10,769,058	\$9,553,331
Capital & Debt Service	\$6,628,671	\$6,997,678	\$6,800,325	\$6,666,972
Capital Improvement Projects**	\$13,000,929	\$14,130,819	\$8,262,647	\$5,545,219
Internal Charges***	\$1,726,300	\$1,624,380	\$1,624,380	\$0
Contingencies	\$1,150,000	\$1,065,543	\$0	\$0
Other Financing Uses	\$7,138,914	\$12,832,465	\$6,428,983	\$7,118,360
GRAND TOTAL	\$54,594,377	\$60,584,583	\$46,030,816	\$39,602,186

*See the Position List/Full-Time Equivalents Section for a discussion of positions added. Other increases have been included increases in health insurance costs, retirement contribution rates, and additional contributions to pay down the PSPRS unfunded liability.

**See the Capital Improvement Program Section for discussion of capital projects.

***The City implemented an indirect cost allocation plan and an equipment replacement reserve in FY 2018.



EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

General Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Expenditures				
10-5210 - City Council*	\$223,015	\$181,895	\$178,435	\$60,524
10-5220 - City Manager's Office**	\$3,382,567	\$3,328,080	\$3,384,940	\$829,937
10-5221 - Human Resources***	\$423,240	\$443,805	\$416,675	\$236,520
10-5222 - Financial Services***	\$1,356,910	\$1,208,405	\$1,165,920	\$502,676
10-5224 - Information Technology****	\$0	\$0	\$0	\$1,004,548
10-5230 - City Attorney's Office***	\$758,620	\$742,530	\$691,480	\$527,316
10-5240 - City Clerk's Office***	\$487,295	\$400,430	\$394,000	\$253,334
10-5242 - Parks & Recreation*****	\$930,610	\$838,834	\$814,625	\$538,515
10-5245/6 - General Services**	\$2,379,246	\$2,716,187	\$1,761,101	\$3,523,595
10-5245/55 - Debt Service*****	\$1,415,414	\$1,443,794	\$1,443,790	\$685,768
10-5310 - Community Development*	\$2,225,635	\$2,314,290	\$2,075,757	\$1,372,282
10-5320 - Public Works*****	\$4,823,290	\$4,645,553	\$4,538,116	\$2,896,955
10-5330 - Economic Development*****	\$229,320	\$211,480	\$211,760	\$0
10-5510 - Police*	\$6,934,096	\$6,318,814	\$6,307,711	\$4,046,891
10-5520 - Municipal Court*	\$528,110	\$454,610	\$429,760	\$320,418
Charges to Other Departments**	(\$4,096,780)	(\$3,906,670)	(\$3,906,670)	\$0
Contributions to Equipment Replacement Reserves*	(\$379,700)	(\$238,050)	(\$238,050)	\$0
Total General Fund Expenditures	\$21,620,888	\$21,103,987	\$19,669,350	\$16,799,279

Other Financing Uses

Transfer to Streets Fund	\$253,200	\$35,389	\$35,389	\$351,000
Transfer to Wastewater Fund	\$4,487,900	\$4,165,900	\$4,317,800	\$4,038,211
Transfer to Grants & Donations Funds	\$100,000	\$0	\$0	\$0
Transfer to Capital Projects Fund	\$2,248,900	\$1,089,500	\$5,300,000	\$2,729,149
Total General Fund Other Financing Uses	\$7,090,000	\$5,290,789	\$9,653,189	\$7,118,360

GRAND TOTAL	\$28,710,888	\$26,394,776	\$29,322,539	\$23,917,639
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*The City implemented an indirect cost allocation plan and an equipment replacement reserve in FY 2018. The increase in expenditures is primarily due to the addition of the indirect cost allocations and/or reserve allocations.

**The Tourism Management & Development Program was reclassified to the City Manager's Office in FY 2018.

***Positions that had a portion allocated directly to the Wastewater Fund are now allocated via the indirect cost allocations.

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

*****The Parks & Recreation Department also increased as a result of the extension of the swimming pool season and the addition of an Administrative Assistant position.

*****Scheduled bond payments increased in FY 2018. The bond payments will decrease to approximately \$1 million in FY 2020 and remain at that level until the bonds are fully paid in FY 2027.

*****The Public Works Department also increased as a result of the initiation of the Transportation Service program and the addition of a part-time bike park maintenance worker.

*****The Economic Development Department was reclassified in FY 2018. It was previously a program under the City Manager's Office.

EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

Wastewater Enterprise Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Expenditures				
59-5220 - City Manager's Office**	\$0	\$0	\$0	\$48,195
59-5221 - Human Resources**	\$0	\$0	\$0	\$19,420
59-5222 - Financial Services**	\$285,920	\$178,720	\$178,720	\$356,989
59-5224 - Information Technology**	\$111,720	\$79,150	\$72,820	\$78,578
59-5230 - City Attorney's Office**	\$100,000	\$52,240	\$52,240	\$20,989
59-5240 - City Clerk's Office**	\$0	\$0	\$0	\$12,322
59-5245/6 - General Services***	\$100,000	(\$25,000)	\$0	\$0
59-5320 - Public Works*	\$338,400	\$431,320	\$362,680	\$268,558
59-5250 - Wastewater Administration*	\$639,750	\$677,119	\$588,489	\$321,359
59-5250/5 - Wastewater Debt Service	\$4,439,115	\$4,409,855	\$4,409,855	\$5,144,495
59-5252 - Wastewater Project Management	\$69,950	\$72,840	\$71,340	\$64,796
59-5320 - Wastewater Capital Improvements Projects	\$4,467,484	\$5,077,050	\$3,209,188	\$2,048,930
59-5253 - Wastewater Operations*	\$3,767,860	\$3,599,995	\$3,329,419	\$2,241,279
Contributions to Equipment Replacement Reserves*	(\$509,450)	(\$176,100)	(\$176,100)	\$0
Contributions to Major Maintenance Reserves*	(\$71,150)	\$0	\$0	\$0
GRAND TOTAL	\$13,739,599	\$14,377,189	\$12,098,651	\$10,625,910

*The City implemented an indirect cost allocation plan and an equipment replacement reserve in FY 2018. A major maintenance reserve was also implemented in FY 2019. The increase in expenditures is primarily due to the addition of the indirect cost allocations and/or reserve allocations.

**The City implemented an indirect cost allocation plan in FY 2018. Positions that had a portion allocated directly to the Wastewater Fund are now allocated via the indirect cost allocations. Other costs directly attributable to the Wastewater Fund continue to be directly charged.

***In FY 2018, the Wastewater vacancy savings offset and contingency budgets were reclassified to General Services. These were previously recorded in the Wastewater Administration budget. FY 2019 includes a reinstatement of the contingency budget that was fully used in FY 2018.

INTER-FUND TRANSFERS

FY 2019 INTER-FUND TRANSFERS

Transfers Out	Transfers In					
	Streets Fund	Grants & Donations Funds	Capital Improvements Fund	Art in Public Places Fund	Wastewater Enterprise Fund	Totals
General Fund	\$253,200	\$100,000	\$2,248,900	\$ -	\$4,487,900	\$7,090,000
Capital Improvements Fund	--		--	48,914		48,914
Totals	\$253,200	\$100,000	\$2,248,900	\$48,914	\$4,487,900	\$7,138,614

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

- **Streets Fund Shortfall** – The revenues of the Streets Fund are insufficient to cover the estimated annual costs. The City Council has approved a transfer of \$253,200 from the General Fund to fund the shortfall.
- **Capital Projects** – The City Council has directed that \$1,500,000 of undesignated General Fund reserves be designated to the Capital Improvements Program. In addition, certain capital projects were designated to be funded with paid parking revenues (\$480,000) and a portion of bed tax revenues (\$268,900). The total amount to be transferred from the General Fund to the Capital Improvements Fund is budgeted at \$2,248,900.
- **1% for Arts** – Council policy requires 1% of all capital projects budgets to be designated for art in public places. A total of \$48,914 was budgeted in the Capital Improvements Program to the Art in Public Places Fund for this purpose.
- **Wastewater Subsidy** – The City Council approved an inter-fund transfer of 25% of the city sales tax revenues as a subsidy to the Wastewater Enterprise Fund to help pay the debt service on debt the City has incurred for the original construction as well as upgrades to the capacity at the plant and extensions of the sewer lines.

City Sales Tax Subsidy to Wastewater Enterprise Fund

Since the voters approved the construction of a sewer system in 1989, the City has subsidized the Wastewater Enterprise Fund with a portion of its city sales tax revenue. The subsidy has helped pay most of the debt service incurred for the original construction as well as upgrades to the capacity at the plant and extensions of the sewer lines. Since fiscal year 1988-89, the City has subsidized the Wastewater Enterprise Fund with over \$117 million of city sales taxes.

Since FY 1989, the Wastewater Enterprise Fund has been subsidized with over \$117 million of city sales taxes.

In 2013, the City hired a consultant to review the existing rate structure and to develop a long-range financial plan for the Wastewater Enterprise Fund. The 2013-14 Wastewater Rate Study and Financial Plan, adopted by City Council in May 2014, planned for a slow reduction in the General Fund subsidy over the next twelve years, along with annual increases in user fees gradually declining, in order to achieve the ultimate goal of making the Wastewater Enterprise Fund financially self-supporting.

INTER-FUND TRANSFERS

City Sales Tax Subsidy (cont'd)

The future city sales tax subsidies projected in the rate study were as follows:

PROJECTED CITY SALES TAX SUBSIDIES

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



INTERNAL CHARGES

The fiscal year 2018-19 budget includes a cost category labeled internal charges. These costs include:

- Allocation of indirect costs
- Set-asides for equipment replacement reserves
- Set-asides for wastewater major maintenance reserve

Indirect Cost Allocations

Indirect cost allocations are a commonly used methodology for allocating costs incurred in internal service departments and programs to the programs and services of other departments benefitting from those services. The allocation of these costs is based on available information that represents as fair a representation as possible of the level of benefits received by the other departments and programs. The following is a summary of the department and programs providing the internal services and the methods used for allocation:

SUMMARY OF INTERNAL SERVICE ALLOCATION METHODS

Department	Program	Allocation Method
City Manager's Office	Administration	Counts of employees/FTEs benefitted
Human Resources	Administration	Counts of employees/FTEs benefitted
Financial Services	Administration	Budgeted expenditures of areas benefitted
	Payment Processing	Counts of employees/FTEs benefitted and number of accounts payable transactions
	Budget	Budgeted expenditures of areas benefitted
	Revenue Management	Number of cash receipting transactions
Information Technology	Geographic Information Systems	Counts of employees/FTEs benefitted
	Information Technology Services	Number of computers and phones and allocations of software systems used
City Attorney's Office	Administration	Estimated personnel hours
	Land Development	Counts of employees/FTEs benefitted
	General Civil	Estimated personnel hours and allocations of property damage claims benefitted
City Clerk's Office	Customer Relations	Number of service requests
	Records Management	Estimated personnel hours
General Services	Office Supplies	Counts of employees/FTEs benefitted
	Postage	Post meter activity
	Pooled Vehicles	Counts of employees/FTEs benefitted
	Property and Liability Insurance	Budgeted expenditures of areas benefitted and historical insurance claims exposure
Public Works	Facilities Maintenance	Square footage of facilities



INTERNAL CHARGES continued

Indirect Cost Allocations (cont'd)

The result of these allocations are the internal charges applied to each program with offsetting negative amounts for the internal service programs being allocated, except for the Information Technology Internal Service Fund which records the allocations as revenue.

This methodology for allocating costs eliminates most of the direct allocations previously being used to attribute costs to the Wastewater Enterprise Fund. The use of the cost drivers to allocate costs is generally considered a better representation of the service levels provided to the Wastewater Enterprise Fund and the City's other programs and services.

The following is a summary of the allocations to the benefitting departments:

SUMMARY OF INDIRECT COST ALLOCATIONS BY BENEFITTING DEPARTMENT

Benefitting Department	Allocating Department								
	City Manager's Office	Human Resources	Financial Services	Information Technology	City Attorney's Office	City Clerk's Office	General Services	Public Works	Totals
City Council	\$ -	\$ -	\$ 7,380	\$ 65,140	\$ 70,070	\$ -	\$ 2,150	\$ 2,970	\$ 147,710
City Manager's Office	(614,310)	20,320	57,900	58,210	21,470	2,550	10,320	20,560	(422,980)
Human Resources	7,740	(423,220)	15,700	37,480	42,940	2,550	2,920	2,800	(311,090)
Financial Services	34,860	24,310	(1,295,170)	138,380	30,300	10,220	19,630	9,420	(1,028,050)
Information Technology	19,350	14,850	67,870	203,690	-	-	12,270	15,340	333,370
City Attorney's Office	19,630	12,280	35,700	33,810	(517,790)	3,830	8,550	14,180	(389,810)
City Clerk's Office	11,850	8,780	18,210	62,580	21,470	(208,950)	3,390	27,040	(55,630)
Parks & Recreation	80,810	25,620	53,600	41,180	-	-	8,820	13,650	223,680
General Services	-	-	3,630	-	-	-	(350,420)	-	(346,790)
Community Development	56,560	41,620	83,300	179,540	130,140	117,590	16,160	52,630	677,540
Public Works	128,940	85,960	277,000	178,210	121,330	58,770	116,750	(412,170)	554,790
Economic Development	4,040	3,140	10,120	5,030	-	-	1,520	2,970	26,820
Police	177,790	134,000	267,790	625,630	33,360	9,570	78,640	133,730	1,460,510
Municipal Court	24,250	14,610	23,280	8,540	-	-	5,660	49,080	125,420
Wastewater	48,940	37,730	373,690	88,880	46,710	3,870	63,640	67,800	730,810
Totals	\$ -	\$ -	\$ -	\$ 1,726,300	\$ -	\$ -	\$ -	\$ -	\$ 1,726,300

INTERNAL CHARGES

continued

Equipment Replacement Reserves and Major Maintenance Reserve

The fiscal year 2018-19 budget includes set-asides for equipment replacement reserves and a wastewater major maintenance reserve. These reserves are intended to aid with better budget planning for replacement of the City's equipment, including vehicles, operational equipment, and information technology items such as computers, monitors, servers, etc., as well as significant maintenance of wastewater utility equipment and systems.

The equipment replacement reserves are funded with an allocation of the replacement costs of equipment over the expected useful lives, and the wastewater major maintenance reserve is funded with an annualized allocation of the estimated significant maintenance costs. This is the second year of implementation for the equipment replacement reserves and the first year of implementation for the wastewater major maintenance reserve. There has been no provision included in the budget for a "make-up" of annual allocations prior to the implementation of these reserves.

Since the estimated useful lives may be different from actual experience, additional funding for the reserve can be achieved by delaying replacement of equipment when practical. In future years, when funding is available, the City Council may wish to add additional funding to these reserves to work toward a fully-funded status.

The internal charges included in the proposed budget for the equipment replacement reserves are allocations to the departments and programs that are using the assets covered. The reserves are as follows:

- **Information Technology Equipment** – An inventory listing was obtained from the Information Technology Department and includes all equipment items maintained by their department.
- **Wastewater Equipment** – The listing of wastewater equipment capitalized in the City's audited financial statements was used. Capitalized equipment are those equipment items with a cost of \$5,000 or more. Any wastewater equipment under the capitalization threshold has not been included in the initiation of this reserve. The equipment items not capitalized may be considered for inclusion in the replacement reserve allocations in the future.
- **General Equipment** – A listing of all other capitalized in the City's audited financial statements was used. Again, any equipment under the capitalization threshold that has not been included in the initiation of this reserve may be considered for inclusion in the replacement reserve allocations in the future.

INTERNAL CHARGES

continued

Equipment Replacement Reserves and Major Maintenance Reserve (cont'd)

The following is a summary of the reserve allocations:

SUMMARY OF RESERVE ALLOCATIONS

Department	Equipment Replacement Reserves	Wastewater Major Maintenance Reserve
City Council	\$ 2,500	\$ -
Information Technology	174,000	-
General Services	5,800	-
Community Development	8,050	-
Public Works	82,250	-
Police	281,100	-
Wastewater	509,450	71,150
Totals	\$1,063,150	\$71,150





Fund Summaries

FUND SUMMARIES

All Funds

	General Fund	Streets Fund	Grants & Donations	Transportation Sales Tax Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Wastewater Fund	Information Technology Fund	Totals
Revenues										
Ongoing Revenues	\$28,034,840	\$952,220	\$59,500	\$3,021,550	\$972,500	\$225,220	\$200	\$6,728,100	\$1,648,150	\$41,642,280
One-Time Revenues	\$9,000	\$0	\$84,200	\$0	\$842,091	\$0	\$0	\$382,200	\$79,150	\$1,396,641
Contingent Revenues	\$550,000	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$850,000
Total Revenues	\$28,593,840	\$952,220	\$443,700	\$3,021,550	\$1,814,591	\$225,220	\$200	\$7,110,300	\$1,727,300	\$43,888,921
Expenditures										
Ongoing Expenditures	\$19,202,962	\$1,207,380	\$75,130	\$100,920	\$0	\$0	\$0	\$4,732,460	\$1,611,611	\$26,930,463
One-Time Expenditures	\$732,212	\$0	\$41,200	\$0	\$0	\$0	\$0	\$581,250	\$289,750	\$1,644,412
Capital Improvement Projects	\$0	\$0	\$194,000	\$0	\$8,296,445	\$43,000	\$0	\$4,467,484	\$0	\$13,000,929
Debt Service	\$1,415,414	\$0	\$0	\$0	\$0	\$9,540	\$0	\$4,439,005	\$0	\$5,863,959
Equipment Replacement Reserve Contribut	(\$379,700)	\$0	\$0	\$0	\$0	\$0	\$0	(\$509,450)	(\$174,000)	(\$1,063,150)
Major Maintenance Reserve Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$71,150)	\$0	(\$71,150)
Contingency	\$650,000	\$0	\$400,000	\$0	\$0	\$0	\$0	\$100,000	\$0	\$1,150,000
Total Expenditures	\$21,620,888	\$1,207,380	\$710,330	\$100,920	\$8,296,445	\$52,540	\$0	\$13,739,599	\$1,727,361	\$47,455,463
Net Revenues/Expenditures	\$6,972,952	(\$255,160)	(\$266,630)	\$2,920,630	(\$6,481,854)	\$172,680	\$200	(\$6,629,299)	(\$61)	(\$3,566,542)
Transfers										
Transfer from Capital Improvements Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$48,914	\$0	\$0	\$48,914
Transfer from General Fund	\$0	\$253,200	\$100,000	\$0	\$1,500,000	\$0	\$0	\$4,487,900	\$0	\$6,341,100
Transfer from General Fund (Paid Parking Revenues)	\$0	\$0	\$0	\$0	\$480,000	\$0	\$0	\$0	\$0	\$480,000
Transfer from General Fund (Bed Taxes)	\$0	\$0	\$0	\$0	\$268,900	\$0	\$0	\$0	\$0	\$268,900
Transfer to Wastewater Fund	(\$4,487,900)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$4,487,900)
Transfer to Streets Fund	(\$253,200)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$253,200)
Transfer to Capital Improvements Fund	(\$1,500,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,500,000)
Transfer to Capital Improvements Fund (Paid Parking Revenues)	(\$480,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$480,000)
Transfer to Capital Improvements Fund (Bed Taxes)	(\$268,900)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$268,900)
Transfer to Affordable Housing Fund	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)
Transfer to Arts Fund	\$0	\$0	\$0	\$0	(\$48,914)	\$0	\$0	\$0	\$0	(\$48,914)
Net Transfers	(\$7,090,000)	\$253,200	\$100,000	\$0	\$2,199,986	\$0	\$48,914	\$4,487,900	\$0	\$0
Beginning Fund Balances	\$8,453,089	\$544,241	\$583,990	\$1,101,870	\$14,758,902	\$2,423,297	\$90,069	\$13,528,390	\$128,044	\$41,611,891
Ending Fund Balances										
Operating Reserve/Fund Balance Targets	\$5,866,642	\$120,738	\$0	\$0	\$0	\$0	\$0	\$1,804,570	\$0	\$7,791,950
Debt Service Reserve	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,052,000	\$0	\$4,352,000
Restricted Capital Reserve	\$0	\$0	\$0	\$4,022,500	\$6,924,396	\$0	\$0	\$1,225,000	\$0	\$12,171,896
Equipment Replacement Reserve	\$586,750	\$0	\$0	\$0	\$0	\$0	\$0	\$531,050	\$32,820	\$1,150,620
Major Maintenance Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$71,150	\$0	\$71,150
Remaining Available Fund Balance	\$1,582,649	\$421,543	\$417,360	\$0	\$3,552,638	\$2,595,977	\$139,183	\$3,703,221	\$95,163	\$12,507,733
Total Ending Fund Balances	\$8,336,041	\$542,281	\$417,360	\$4,022,500	\$10,477,034	\$2,595,977	\$139,183	\$11,386,991	\$127,983	\$38,045,349

FUND SUMMARIES

continued

All Funds Comparison

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Revenues				
Ongoing Revenues	\$41,642,280	\$35,975,120	\$38,631,038	\$33,289,060
One-Time Revenues	\$1,396,641	\$937,357	\$1,199,237	\$1,849,405
Contingent Revenues	\$850,000	\$850,000	\$0	\$0
Total Revenues	\$43,888,921	\$37,762,477	\$39,830,275	\$35,138,465
Expenditures				
Ongoing Expenditures	\$26,930,463	\$25,902,299	\$24,977,528	\$20,309,301
One-Time Expenditures	\$1,644,412	\$1,381,982	\$1,126,187	\$777,845
Capital Improvement Projects	\$13,000,929	\$14,130,819	\$8,262,647	\$5,545,219
Debt Service	\$5,863,959	\$5,863,745	\$5,863,741	\$5,851,461
Equipment Replacement Reserve Contributions	(\$1,063,150)	(\$628,270)	(\$628,270)	\$0
Major Maintenance Reserve Contributions	(\$71,150)	\$0	\$0	\$0
Contingency	\$1,150,000	\$1,101,543	\$0	\$0
Total Expenditures	\$47,455,463	\$47,752,118	\$39,601,833	\$32,483,826
Net Revenues/Expenditures	(\$3,566,542)	(\$9,989,641)	\$228,442	\$2,654,639
Other Financing Sources (Uses)				
Transfer from Capital Improvements Fund	\$48,914	\$26,378	\$5,376	\$24,298
Transfer from General Fund	\$6,341,100	\$5,290,789	\$9,653,189	\$7,118,360
Transfer from General Fund (Paid Parking Revenues)	\$480,000	\$0	\$0	\$0
Transfer from General Fund (Bed Taxes)	\$268,900	\$0	\$0	\$0
Transfer to Wastewater Fund	(\$4,487,900)	(\$4,165,900)	(\$4,317,800)	(\$4,038,211)
Transfer to Streets Fund	(\$253,200)	(\$35,389)	(\$35,389)	(\$351,000)
Transfer to Capital Improvements Fund	(\$1,500,000)	(\$1,089,500)	(\$5,300,000)	(\$2,729,149)
Transfer to Capital Improvements Fund (Paid Parking Revenues)	(\$480,000)	\$0	\$0	\$0
Transfer to Capital Improvements Fund (Bed Taxes)	(\$268,900)	\$0	\$0	\$0
Transfer to Arts Fund	(\$48,914)	(\$26,378)	(\$5,376)	(\$24,298)
Transfer to Grants & Donations Funds	(\$100,000)	\$0	\$0	\$0
Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0
Beginning Fund Balances	\$41,611,891	\$40,372,728	\$41,425,949	\$38,771,310
Ending Fund Balances				
Operating Reserve	\$7,791,950	\$11,054,536	\$7,256,852	\$9,801,010
Debt Service Reserve	\$4,352,000	\$5,381,690	\$4,837,480	\$5,881,690
Restricted Capital Reserve	\$12,171,896	\$0	\$11,388,127	\$0
Equipment Replacement Reserve	\$1,150,620	\$307,470	\$4,774,954	\$0
Major Maintenance Reserve	\$71,150	\$0	\$0	\$0
Budget Carryovers	\$0	\$0	\$580,330	\$756,050
Remaining Available Fund Balance	\$12,507,733	\$13,639,391	\$12,816,648	\$24,987,199
Total Ending Fund Balances	\$38,045,349	\$30,383,087	\$41,654,391	\$41,425,949

FUND SUMMARIES
continued

General Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Taxes	\$23,169,400	\$21,410,400	\$22,366,900	\$20,863,599
In Lieu Fees	\$456,100	\$445,400	\$456,100	\$461,403
Franchise Fees	\$771,800	\$759,400	\$797,200	\$783,413
State Shared Sales Taxes	\$996,500	\$966,900	\$989,400	\$950,879
Urban Revenue Sharing	\$1,297,000	\$1,303,500	\$1,287,800	\$1,270,897
Vehicle License Taxes	\$642,600	\$617,600	\$633,100	\$606,030
Other Intergovernmental	\$30,000	\$24,260	\$23,500	\$2,708
Licenses and Permits	\$350,180	\$486,550	\$474,960	\$478,016
Charges for Services	\$767,240	\$408,950	\$633,800	\$145,592
Fines and Forfeitures	\$185,440	\$141,900	\$191,590	\$139,969
Other Revenues	\$140,380	\$121,000	\$137,780	\$159,384
Total Ongoing Revenues	\$28,034,840	\$25,926,460	\$27,194,930	\$25,078,477
Ongoing Expenditures				
General Government	\$5,286,661	\$5,885,988	\$5,259,651	\$5,140,813
Public Safety	\$5,904,479	\$5,357,775	\$5,293,740	\$4,369,213
Public Works & Streets	\$2,340,620	\$2,190,941	\$2,196,351	\$1,869,219
Culture & Recreation	\$1,984,152	\$1,890,259	\$1,889,277	\$1,577,248
Economic Development	\$2,378,900	\$2,361,370	\$2,527,350	\$2,261,269
Health & Welfare	\$462,865	\$267,138	\$267,568	\$236,997
Public Transportation	\$328,585	\$187,500	\$195,300	\$152,097
Indirect Cost Allocations	\$516,700	\$456,910	\$456,910	\$0
Contingencies	\$650,000	\$801,543	\$0	\$0
Total Ongoing Expenditures	\$19,852,962	\$19,399,424	\$18,086,147	\$15,606,856
Net Ongoing	\$8,181,878	\$6,527,036	\$9,108,783	\$9,471,621
Other				
One-Time Revenues:				
Intergovernmental	\$0	\$1,800	\$0	\$7,800
Charges for Services	\$0	\$0	\$0	\$11,529
Other Revenues	\$9,000	\$0	\$55,700	\$61,687
Contingent Bed Taxes	\$550,000	\$550,000	\$0	\$0
One-Time Expenditures:				
General Government	(\$420,500)	(\$168,190)	(\$40,500)	(\$222,751)
Public Safety	(\$198,712)	(\$216,769)	(\$221,700)	(\$235,719)
Public Works & Streets	(\$50,000)	(\$87,999)	(\$88,000)	(\$22,591)
Culture & Recreation	(\$14,000)	(\$25,861)	(\$27,263)	(\$25,588)
Health & Welfare	(\$18,000)	\$0	\$0	\$0
Debt Service	(\$1,415,414)	(\$1,443,794)	(\$1,443,790)	(\$685,768)
Net One-Time Revenues/Expenditures	(\$1,557,626)	(\$1,390,813)	(\$1,765,553)	(\$1,111,401)
Transfers:				
Transfer to Wastewater Fund	(\$4,487,900)	(\$4,165,900)	(\$4,317,800)	(\$4,038,211)
Transfer to Streets Fund	(\$253,200)	(\$35,389)	(\$35,389)	(\$351,000)
Transfer to Capital Improvements Fund	(\$1,500,000)	(\$1,089,500)	(\$5,300,000)	(\$2,729,149)
Transfer to Capital Improvements Fund (Paid Parking Revenues)	(\$480,000)	\$0	\$0	\$0
Transfer to Capital Improvements Fund (Bed Taxes)	(\$268,900)	\$0	\$0	\$0
Transfer to Affordable Housing Fund	(\$100,000)	\$0	\$0	\$0
Net Transfers to Other Funds	(\$7,090,000)	(\$5,290,789)	(\$9,653,189)	(\$7,118,360)
Beginning Fund Balance	\$8,453,089	\$10,338,362	\$10,524,998	\$9,283,138
Equipment Replacement Reserve				
Reserve Contributions	\$379,700	\$238,050	\$238,050	\$0
Equipment Purchases	(\$31,000)	\$0	\$0	\$0
Net Contribution to Equipment Replacement Reserve	\$348,700	\$238,050	\$238,050	\$0
Ending Fund Balances				
Operating Reserve*	\$5,866,642	\$9,385,701	\$5,467,668	\$8,506,948
Debt Service Reserve**	\$300,000	\$800,000	\$800,000	\$1,300,000
Equipment Replacement Reserve	\$586,750	\$238,050	\$238,050	\$0
Budget Carryovers	\$0	\$0	\$463,400	\$718,050
Remaining Available Fund Balance	\$1,582,649	(\$1,905)	\$1,483,971	\$0
Total Ending Fund Balances	\$8,336,041	\$10,421,846	\$8,453,089	\$10,524,998

* Operating reserve is 30% of operating expenditures.

** \$500,000 higher debt service in FY 2018 and FY 2019, \$300,000 reserved to adjust for ongoing debt service levels of \$1 million for FY 2020 and after.



FUND SUMMARIES

continued

Streets Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Intergovernmental	\$933,200	\$858,200	\$919,400	\$913,397
Other Revenues	\$19,020	\$3,700	\$18,740	\$1,723
Total Ongoing Revenues	\$952,220	\$861,900	\$938,140	\$915,120
Ongoing Expenditures				
Road & Drainage Rehab	\$1,150,000	\$1,150,000	\$1,150,000	\$1,226,595
Internal Charges	\$57,380	\$53,490	\$53,490	\$0
Total Ongoing Expenditures	\$1,207,380	\$1,203,490	\$1,203,490	\$1,226,595
Net Ongoing	(\$255,160)	(\$341,590)	(\$265,350)	(\$311,475)

Other

One-Time Revenues:				
Intergovernmental	\$0	\$0	\$39,100	\$35,631
Other	\$0	\$100,000	\$0	\$0
Net One-Time Revenues	\$0	\$100,000	\$39,100	\$35,631
Transfer from General Fund	\$253,200	\$35,389	\$35,389	\$351,000
Beginning Fund Balance	\$544,241	\$807,946	\$735,102	\$659,946
Ending Fund Balances				
Restricted Reserve	\$0	\$601,745	\$0	\$613,298
10% Reserve	\$120,738	\$0	\$120,349	\$0
Remaining Available Fund Balance	\$421,543	\$0	\$423,892	\$121,804
Total Ending Fund Balances	\$542,281	\$601,745	\$544,241	\$735,102

FUND SUMMARIES

continued

Grants & Donations Funds

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Intergovernmental	\$0	\$31,600	\$0	\$2,419
Charges for Services	\$1,500	\$5,500	\$2,000	\$2,419
Fines & Forfeitures	\$26,800	\$12,800	\$26,800	\$15,806
Contributions & Donations	\$29,450	\$29,100	\$31,798	\$21,475
Other Revenues	\$1,750	\$60	\$2,390	\$241
Total Grants & Donations Funds Revenues	\$59,500	\$79,060	\$62,988	\$42,360

Ongoing Expenditures				
Police	\$23,350	\$16,350	\$21,350	\$7,692
Community Development	\$38,380	\$0	\$0	\$0
Parks & Recreation	\$13,400	\$22,500	\$11,000	\$35,672
Contingencies	\$100,000	\$0	\$0	\$0
Total Ongoing Expenditures	\$175,130	\$38,850	\$32,350	\$43,364

Net Ongoing	(\$115,630)	\$40,210	\$30,638	(\$1,004)
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Other

One-Time Revenues:				
Intergovernmental	\$84,200	\$60,000	\$33,980	\$248,251
In Lieu Fees	\$0	\$0	\$0	\$19,800
Contributions & Donations	\$0	\$40,000	\$0	\$0
Contingency Placeholder	\$300,000	\$300,000	\$0	\$0
One-Time Expenditures:				
Police	\$0	(\$45,000)	(\$36,000)	(\$26,164)
Parks & Recreation	(\$30,000)	(\$60,000)	(\$3,880)	(\$34,291)
Community Development	\$0	\$0	\$0	(\$203,892)
Public Works	\$0	\$0	\$0	(\$5,245)
Municipal Court	(\$11,200)	\$0	\$0	(\$1,604)
Capital Improvement Projects	(\$194,000)	(\$197,500)	(\$19,500)	\$0
Contingency Placeholder	(\$300,000)	(\$300,000)	\$0	\$0
Net One-Time Revenues/Expenditures	(\$151,000)	(\$202,500)	(\$25,400)	(\$3,145)

Transfers:				
Transfer from General Fund	\$100,000	\$0	\$0	\$0

Beginning Fund Balance	\$626,490	\$594,730	\$621,252	\$625,401
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Ending Fund Balances

Restricted Reserve	\$0	\$0	\$0	\$0
Remaining Available Fund Balance	\$459,860	\$432,440	\$626,490	\$621,252
Total Ending Fund Balances	\$459,860	\$432,440	\$626,490	\$621,252

FUND SUMMARIES

continued

Transportation Sales Tax Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
City Sales Taxes	\$2,976,900	\$0	\$1,097,700	\$0
Other Revenues	\$44,650	\$0	\$4,170	\$0
Total Ongoing Revenues	\$3,021,550	\$0	\$1,101,870	\$0
Ongoing Expenditures				
Public Works & Streets	\$100,920	\$0	\$0	\$0
Net Ongoing	\$2,920,630	\$0	\$1,101,870	\$0
Other				
Beginning Fund Balance	\$1,101,870	\$0	\$0	\$0
Ending Fund Balances				
Restricted Reserve	\$4,022,500	\$0	\$0	\$0
Remaining Available Fund Balance	\$0	\$0	\$1,101,870	\$0
Total Ending Fund Balances	\$4,022,500	\$0	\$1,101,870	\$0

FUND SUMMARIES

continued

Capital Improvements Fund

	FY2019 Proposed	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Intergovernmental	\$748,300	\$696,000	\$767,400	\$671,634
Other Revenues	\$224,200	\$29,200	\$219,900	\$32,853
Total Ongoing Revenues	\$972,500	\$725,200	\$987,300	\$704,487
Other				
One-Time Revenues:				
Intergovernmental	\$792,091	\$371,657	\$381,657	\$121,359
Contributions & Donations	\$50,000	\$175,000	\$129,400	\$37,500
Other Revenues	\$0	\$0	\$10,000	\$0
One-Time Expenditures:				
Court Project	(\$20,700)	(\$100,000)	(\$29,300)	\$0
Parks Projects	\$0	(\$180,000)	\$0	(\$92,284)
Police Projects	(\$231,500)	(\$1,113,964)	(\$719,010)	(\$400,451)
Public Works Projects	(\$537,000)	\$0	\$0	\$0
Streets & Transportation Projects	(\$4,648,420)	(\$2,362,000)	(\$409,770)	(\$655,703)
Storm Drainage Projects	(\$2,858,825)	(\$3,670,705)	(\$3,603,880)	(\$1,529,122)
Net One-Time Revenues/Expenditures	(\$7,454,354)	(\$6,880,012)	(\$4,240,903)	(\$2,518,701)
Transfers:				
Transfer from General Fund	\$1,500,000	\$1,089,500	\$5,300,000	\$2,729,149
Transfer from General Fund (Paid Parking Revenues)	\$480,000	\$0	\$0	\$0
Transfer from General Fund (Bed Taxes)	\$268,900	\$0	\$0	\$0
Transfer to Art in Public Places Fund	(\$48,914)	(\$26,378)	(\$5,376)	(\$24,298)
Net Transfers	\$2,199,986	\$1,063,122	\$5,294,624	\$2,704,851
Beginning Fund Balance	\$14,758,902	\$11,473,400	\$12,717,881	\$11,827,244
Ending Fund Balances				
Restricted Reserve	\$6,924,396	\$0	\$6,920,643	\$0
Remaining Available Fund Balance	\$3,552,638	\$6,381,710	\$7,838,259	\$12,717,881
Total Ending Fund Balances	\$10,477,034	\$6,381,710	\$14,758,902	\$12,717,881

FUND SUMMARIES

continued

Development Impact Fees Funds

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Development Impact Fees	\$197,410	\$213,880	\$137,500	\$208,901
Other Revenues	\$27,810	\$11,610	\$29,670	\$35,517
Total Ongoing Revenues	\$225,220	\$225,490	\$167,170	\$244,418
Other				
One-Time Revenues:				
Development Impact Fees	\$0	\$0	\$0	\$409,840
One-Time Expenditures:				
Parks Projects	\$0	(\$1,379,600)	(\$242,815)	(\$123,653)
Streets & Transportation Projects	\$0	\$0	\$0	(\$608,000)
Storm Drainage Projects	(\$43,000)	(\$50,000)	(\$29,184)	(\$87,076)
Debt Service	(\$9,540)	(\$10,216)	(\$10,216)	(\$21,198)
Net One-Time Revenues/Expenditures	(\$52,540)	(\$1,439,816)	(\$282,215)	(\$430,087)
Beginning Fund Balance	\$2,423,297	\$2,285,753	\$2,538,342	\$2,724,011
Ending Fund Balances				
Restricted Reserve	\$0	\$0	\$0	\$0
Remaining Available Fund Balance	\$2,595,977	\$1,071,427	\$2,423,297	\$2,538,342
Total Ending Fund Balances	\$2,595,977	\$1,071,427	\$2,423,297	\$2,538,342

FUND SUMMARIES

continued

Art in Public Places Fund

	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Other Revenues	\$200	\$230	\$200	\$330
Total Ongoing Revenues	\$200	\$230	\$200	\$330
Other				
One-Time Revenues:				
In Lieu Fees	\$0	\$0	\$0	\$6,198
One-Time Expenditures:				
Capital Improvement Projects	\$0	\$0	\$0	\$0
Net One-Time Revenues/Expenditures	\$0	\$0	\$0	\$6,198
Transfers:				
Transfers from Capital Projects Funds	\$48,914	\$26,378	\$5,376	\$24,298
Beginning Fund Balance	\$90,069	\$80,420	\$84,493	\$53,667
Ending Fund Balances				
Restricted Reserves	\$0	\$0	\$0	\$0
Remaining Available Fund Balance	\$139,183	\$107,028	\$90,069	\$84,493
Total Ending Fund Balances	\$139,183	\$107,028	\$90,069	\$84,493

FUND SUMMARIES
continued

Wastewater Enterprise Fund

	FY2019 Proposed	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Charges for Services	\$6,145,000	\$6,164,200	\$6,128,400	\$5,897,385
Fines and Forfeitures	\$69,750	\$75,750	\$59,300	\$30,685
Capacity Fees	\$291,100	\$403,100	\$302,700	\$298,039
Other Revenues	\$222,250	\$80,500	\$238,960	\$77,759
Total Ongoing Revenues	\$6,728,100	\$6,723,550	\$6,729,360	\$6,303,868
Ongoing Expenditures				
Wastewater Administration	\$235,680	\$258,269	\$179,639	\$321,359
Wastewater Operations	\$3,027,190	\$2,835,354	\$2,612,796	\$2,241,279
Public Works Engineering Services	\$224,420	\$250,580	\$242,300	\$181,755
Capital Projects Management	\$99,650	\$154,450	\$92,590	\$151,600
Vacancy Savings Estimate	\$0	(\$25,000)	\$0	\$0
Contingencies	\$100,000	\$0	\$0	\$0
Indirect Cost Allocations/Departmental Allocations:				
Information Technology	\$161,360	\$217,390	\$208,610	\$78,578
Human Resources	\$46,410	\$51,140	\$51,140	\$19,420
Financial Services	\$196,433	\$189,420	\$189,420	\$57,540
Utility Billing	\$381,257	\$370,640	\$370,640	\$299,449
General Services	\$68,630	\$75,218	\$73,470	\$0
City Manager	\$59,650	\$68,080	\$68,080	\$48,195
City Clerk	\$3,870	\$5,650	\$5,650	\$12,322
City Attorney	\$157,540	\$107,340	\$107,340	\$20,989
Facilities Maintenance	\$70,370	\$63,410	\$63,410	\$0
Total Ongoing Expenditures	\$4,832,460	\$4,621,941	\$4,265,085	\$3,432,486
Net Ongoing	\$1,895,640	\$2,101,609	\$2,464,275	\$2,871,382
Other				
One-Time Revenues:				
Charges for Services	\$0	\$0	\$1,000	\$5,564
Capacity Fees	\$382,200	\$0	\$0	\$869,349
Other	\$0	\$0	\$375,000	\$14,897
One-Time Expenditures:				
Wastewater Administration	(\$16,050)	(\$50,000)	(\$40,000)	\$0
Wastewater Operations	(\$315,600)	(\$334,563)	(\$290,744)	\$0
Indirect Cost Allocations/Departmental Allocations	(\$155,100)	\$0	\$0	\$0
Capital Improvement Projects	(\$4,467,484)	(\$5,077,050)	(\$3,209,188)	(\$2,048,930)
Debt Service	(\$4,439,005)	(\$4,409,735)	(\$4,409,735)	(\$5,144,495)
Net One-Time Revenues/Expenditures	(\$9,011,039)	(\$9,871,348)	(\$7,573,667)	(\$6,303,615)
Transfers:				
Transfer from General Fund	\$4,487,900	\$4,165,900	\$4,317,800	\$4,038,211
Net Transfers	\$4,487,900	\$4,165,900	\$4,317,800	\$4,038,211
Beginning Fund Balance	\$13,528,390	\$14,792,117	\$14,203,882	\$13,597,904
Equipment Replacement Reserve				
Reserve Contributions	\$509,450	\$176,100	\$176,100	\$0
Equipment Purchases	(\$94,500)	(\$60,000)	(\$60,000)	\$0
Net Contribution to Equipment Replacement Reserve	\$414,950	\$116,100	\$116,100	\$0
Major Maintenance Reserve				
Reserve Contributions	\$71,150	\$0	\$0	\$0
Major Maintenance Costs	\$0	\$0	\$0	\$0
Net Contribution to Major Maintenance Reserve	\$71,150	\$0	\$0	\$0
Ending Fund Balances				
Operating Reserve*	\$1,804,570	\$1,668,835	\$1,668,835	\$1,294,062
Debt Service Reserve**	\$4,052,000	\$4,581,690	\$4,037,480	\$4,581,690
Capital Improvements Reserve	\$1,225,000	\$0	\$4,467,484	\$0
Equipment Replacement Reserve	\$531,050	\$116,100	\$116,100	\$0
Major Maintenance Reserve	\$71,150	\$0	\$0	\$0
Budget Carryovers	\$0	\$0	\$110,930	\$38,000
Remaining Available Fund Balance	\$3,703,221	\$4,937,753	\$3,127,561	\$8,290,130
Total Ending Fund Balances	\$11,386,991	\$11,304,378	\$13,528,390	\$14,203,882

* Operating reserve is 33.3% of operating expenditures.

** Debt service reserve represents average annual debt service of remaining uninsured bonds.

FUND SUMMARIES
continued

Information Technology Internal Service Fund*

	FY2019 Proposed	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals
Ongoing Revenues				
Internal Cost Charges	\$1,647,150	\$1,432,580	\$1,448,080	
Charges for Services	\$1,000	\$650	\$1,000	\$865
Total Ongoing Revenues	\$1,648,150	\$1,433,230	\$1,449,080	\$865
Ongoing Expenditures				
Information Technology Services	\$1,136,151	\$1,039,605	\$948,156	\$892,098
Geographic Information Systems	\$147,730	\$138,620	\$136,070	\$112,447
Indirect Cost Allocations	\$327,730	\$306,230	\$306,230	
Total Ongoing Expenditures	\$1,611,611	\$1,484,455	\$1,390,456	\$1,004,545
Net Ongoing	\$36,539	(\$51,225)	\$58,624	(\$1,003,680)
Other				
One-Time Revenues:				
Internal Cost Charges	\$79,150	\$188,900	\$173,400	
One-Time Expenditures:				
Information Technology Services	(\$79,150)	(\$188,900)	(\$173,400)	
Net One-Time Revenues/Expenditures	\$0	\$0	\$0	\$0
Beginning Fund Balance	\$128,044	\$0	\$0	
Equipment Replacement Reserve				
Reserve Contributions	\$174,000	\$214,120	\$214,120	\$0
Equipment Purchases	(\$210,600)	(\$144,700)	(\$144,700)	\$0
Net Use of Operating Revenues	(\$36,600)	\$69,420	\$69,420	\$0
Ending Fund Balances				
Equipment Replacement Reserve	\$32,820	\$69,420	\$69,420	
Budget Carryovers	\$0	\$0	\$6,000	
Remaining Available Fund Balance**	\$95,163	(\$51,225)	\$52,624	
Total Ending Fund Balances	\$127,983	\$18,195	\$128,044	

* The Information Technology Internal Service Fund was initiated in FY 2018. The data presented for FY 2017 is comparative information for the accounts transferred from the General Fund.

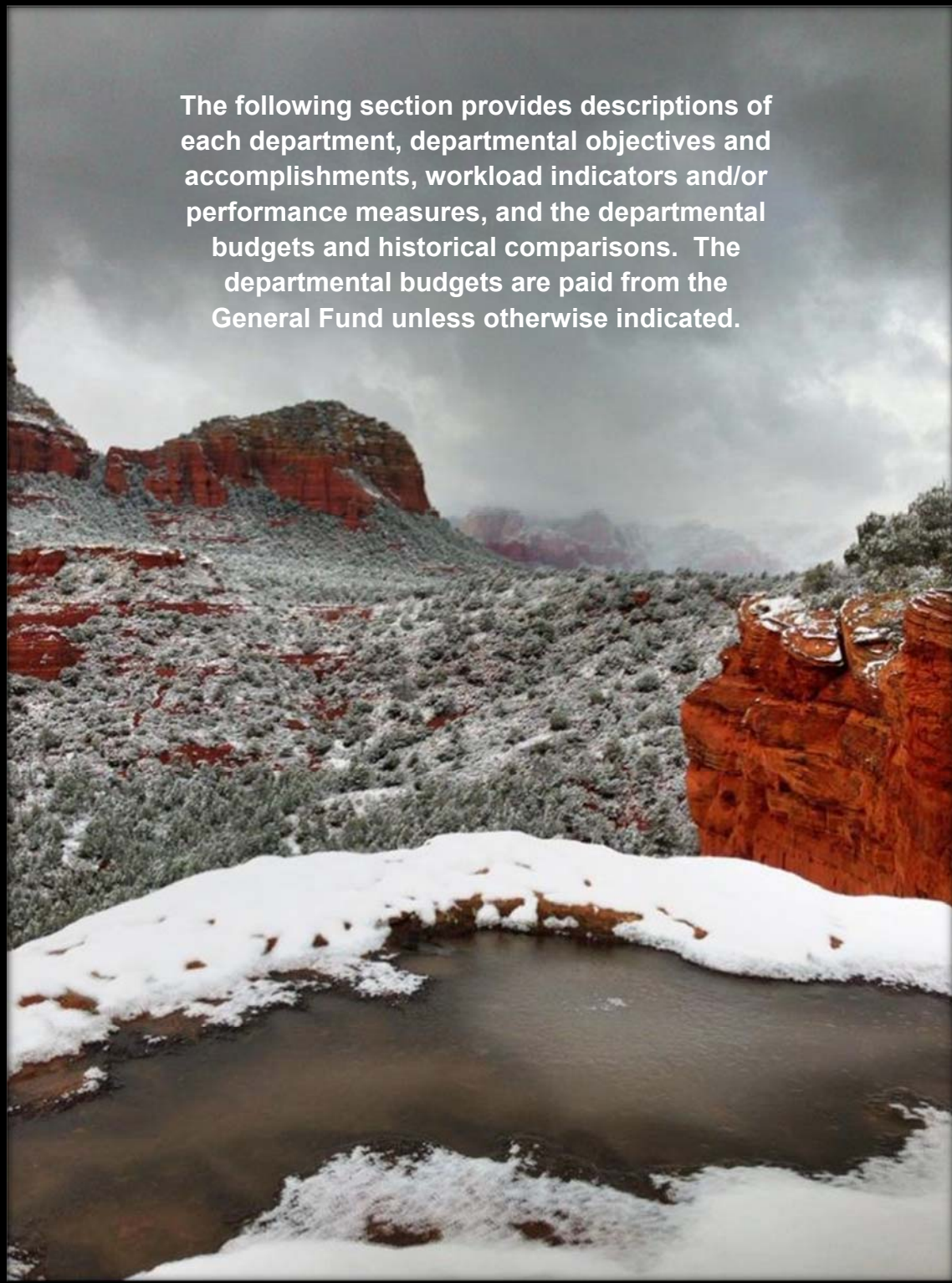
** The remaining available fund balance will be added to the equipment replacement reserve.



Departmental Budgets

DEPARTMENTAL BUDGETS

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



CITY COUNCIL

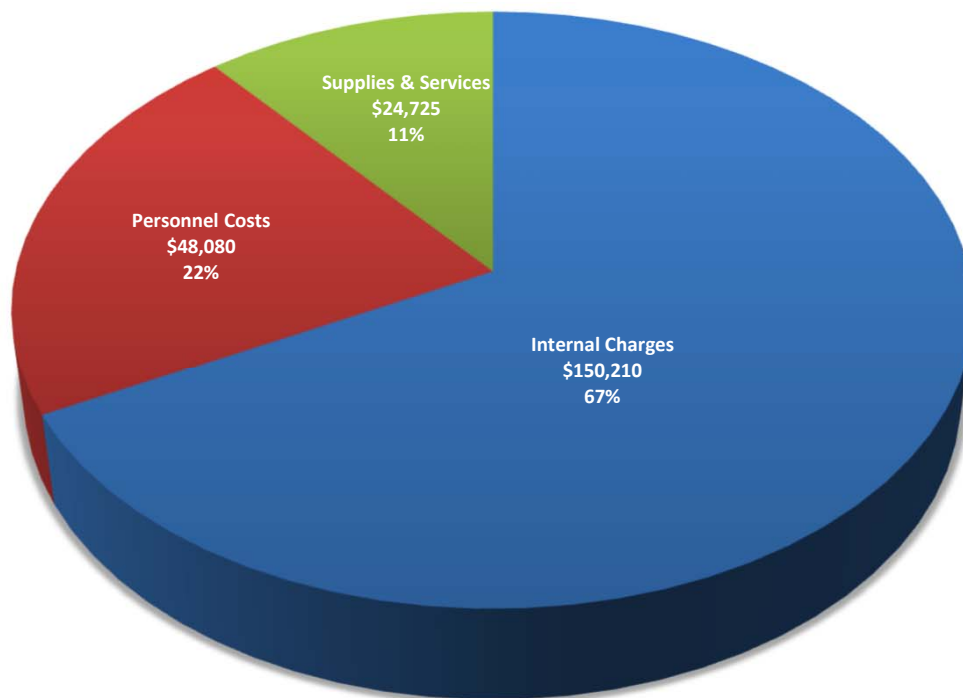
Mission Statement

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

Description

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

FY 2019 EXPENDITURES: \$223,015



CITY COUNCIL – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 48,080	22%	\$ 48,100	\$ 47,590	\$ 44,580
Supplies & Services	24,725	11%	29,675	26,725	15,945
Subtotal Direct Costs	\$ 72,805	33%	\$ 77,775	\$ 74,315	\$ 60,524
Internal Charges	150,210	67%	104,120	104,120	-
Total Expenditures	\$ 223,015	100%	\$ 181,895	\$ 178,435	\$ 60,524
Expenditures by Fund					
General Fund Portion	\$ 223,015	100%	\$ 181,895	\$ 178,435	\$ 60,524
Funding Sources					
Funding from General Revenues	\$ 223,015	100%	\$ 181,895	\$ 178,435	\$ 60,524
Employee Time Allocation (FTEs) (Budgeted)	7.00		7.00		7.00

FY 2018 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Approved a balanced budget.

Council Priorities:

- * Continued accelerated improvements to storm water drainage system.
- * Reviewed long-term capital needs and funding options.
- * Reviewed the 2017 Transportation Master Plan and prioritized projects.
- * Approved revisions to the City Sign Code.
- * Approved a new ten-year 1/2 cent sales tax to be dedicated towards funding projects identified in the 2017 Transportation Master Plan.
- * Implemented Economic Development Plan.

Community Plan Community Goal - Cultivate an appreciation and respect for Sedona's distinctive community character:

- * Hosted the 8th Annual Citizens Academy.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Continue to work toward achievements within the City Council's top priorities.

Council Priorities:

- * Continue to review long-term capital needs and funding options.
- * Mitigation of traffic and parking issues in Sedona.
- * Comprehensive, citywide, multi-modal transportation study.
- * Accelerate storm water management.
- * Uptown Community Focus Area.
- * Complete Land Development Code update.
- * Sustainable tourism.
- * Affordable housing.
- * Update the Building Code.
- * Citywide wireless master plan.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
City Council communications reviewed	158	124	140	120	130
Public meetings held	54	53	48	45	48

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Expenditures per capita: All General Fund services (ICMA Benchmark 2016-2017)	\$853 (all) / \$1,440 (cities under 30,000 pop.)	\$1,341	\$1,507	\$1,891	\$1,745	\$1,918
Expenditures per capita + annualized visitor population: All General Fund services		\$692	\$773	\$957	\$883	\$980

CITY COUNCIL
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5210-01 - Administration					
Personnel (ongoing)	\$48,080	\$48,100	\$47,590	\$44,580	
Supplies & Services (ongoing)	\$24,725	\$29,675	\$26,725	\$15,945	Budget Decrease: Reduction based on history
Direct Costs (Ongoing) Subtotal	\$72,805	\$77,775	\$74,315	\$60,524	
Internal Charges	\$150,210	\$104,120	\$104,120	\$0	Budget Increase: Change in allocations of legal costs, increase in allocation of IT costs for replacement of SWAGIT video system and iPads
General Fund Total	\$223,015	\$181,895	\$178,435	\$60,524	

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Councillor	5.00	5.00	5.00
Mayor	1.00	1.00	1.00
Vice-Mayor	1.00	1.00	1.00
Total	7.00	7.00	7.00

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5210-01	Administration	7.00	7.00	7.00
General Fund Total		7.00	7.00	7.00

CITY MANAGER'S OFFICE

Mission Statement

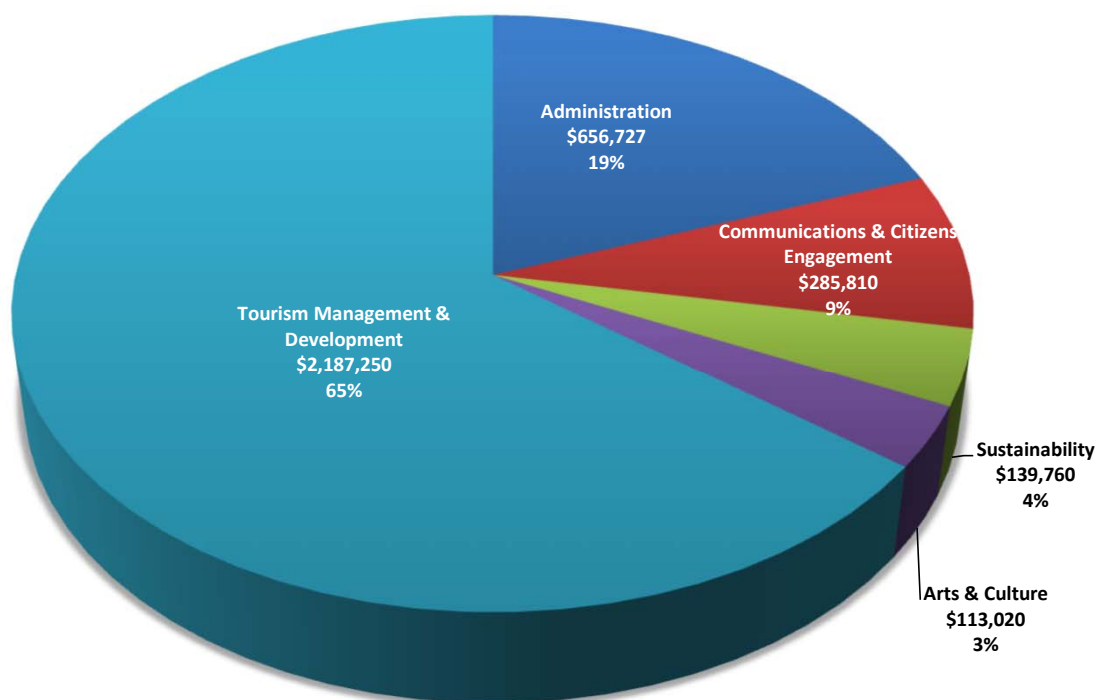
To assist departments and City Council in meeting performance goals by fostering an organizational environment that encourages a commitment to teamwork and delivery of quality municipal services to external customers (residents) and internal customers (employees).

Description

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

- * Administration
- * Communications and Citizen Engagement
- * Arts and Culture
- * Tourism Management and Development

FY 2019 PROGRAM EXPENDITURES: \$3,382,567



CITY MANAGER'S OFFICE – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 514,850	78%	\$ 523,600	\$ 498,380	\$ 483,455
Supplies & Services	44,927	7%	119,120	55,870	23,064
Subtotal Direct Costs	\$ 559,777	85%	\$ 642,720	\$ 554,250	\$ 506,519
Internal Charges	96,950	15%	102,100	102,100	-
Total Expenditures	\$ 656,727	100%	\$ 744,820	\$ 656,350	\$ 506,519
Expenditures by Fund					
General Fund Portion	\$ 656,727	100%	\$ 744,820	\$ 656,350	\$ 458,324
Wastewater Fund Portion	\$ -	0%	\$ -	\$ -	\$ 48,195
Funding Sources					
Allocations to Other Departments	\$ 630,470	96%	\$ 646,800	\$ 646,800	\$ -
Program Revenues	\$ -	0%	\$ -	\$ -	\$ 48,195
Funding from General Revenues	\$ 26,257	4%	\$ 98,020	\$ 9,550	\$ 458,324
Employee Time Allocation (FTEs) (Budgeted)	3.00		3.40		3.19

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

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Oversaw and/or directly led City Council Priorities.

Council Priority - Explore Financial Sustainability/Long-Term Revenue Options:

- * Concluded a Citizen Work Group effort to develop and present to City Council long-term capital needs and funding options.

Council Priority - Complete Various Traffic Improvements:

- * Implemented a new ten-year 1/2 cent sales tax to be dedicated towards funding projects identified through the 2017 Transportation Master Plan.
- * Worked with consultants and community stakeholders to complete a comprehensive traffic and circulation study.

Council Priority - Create a Wireless Master Plan:

- * Updated Land Development Code Article 17 (wireless ordinance) and completed a wireless master plan.

Council Priority - Implement Paid Parking on Main Street:

- * Worked with merchants and other stakeholders to develop recommendations for enhancement projects funded through Main Street paid parking program implemented in FY17.

FY 2019 Objectives

Council Priority - Complete Various Traffic Improvements:

- * Continued development and implementation of strategies to mitigate traffic and parking issues in Uptown.
- * Initiate the development of a Greater Sedona/Oak Creek Canyon Transit System Development and Implementation Plan, in coordination with surrounding jurisdictions and funded through federal transit planning grant funds.

Council Priority - Sustainable Tourism:

- * Work with Sedona Chamber of Commerce and Tourism Bureau to develop a Sustainable Tourism Plan/Program to guide future tourism activities.

Council Priority - Affordable Housing:

- * Initiate efforts to pursue public/private partnerships to address the lack of availability of affordable housing.

Council Priority - Alternative Expenditure Limitation:

- * Put the Home Rule alternative expenditure limitation on the August ballot for a public vote, in accordance with Arizona state law.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
City Council agenda bill items reviewed	158	144	140	156	150
Adopted Council Priorities	29	14	24	16	16

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
National Citizen Survey 2017: Quality of all local government services: % Excellent or Good (ICMA Benchmark 2016-2017)	77%	N/A	N/A	N/A	68%	N/A
Employee favorability rating: Job satisfaction		N/A	N/A	N/A	N/A	N/A
% of City Council annual priority goals completed by established deadlines		80%	80%	80%	80%	80%



CITY MANAGER'S OFFICE – Communications & Citizens Engagement

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 186,530	65%	\$ 181,500	\$ 178,580	\$ 110,986
Supplies & Services	43,710	15%	51,550	34,210	15,282
Subtotal Direct Costs	\$ 230,240	81%	\$ 233,050	\$ 212,790	\$ 126,268
Internal Charges	55,570	19%	55,620	55,620	-
Total Expenditures	\$ 285,810	100%	\$ 288,670	\$ 268,410	\$ 126,268
Expenditures by Fund					
General Fund Portion	\$ 285,810	100%	\$ 288,670	\$ 268,410	\$ 126,268
Funding Sources					
Funding from General Revenues	\$ 285,810	100%	\$ 288,670	\$ 268,410	\$ 126,268
Employee Time Allocation (FTEs) (Budgeted)	1.88		1.88		1.88

The Communications and Citizen Engagement program is responsible for keeping Sedona citizens informed and involved. Services include the Citizen Engagement Program and public information activities such as website management, digital and printed information materials and citizen services, and media relations.

FY 2018 Accomplishments

- Community Plan Community Goal - Cultivate an appreciation and respect for Sedona's distinctive community character:
- * Produced the Annual Community Report and a Community Connection newsletters, delivered to all households in Sedona.
 - * Coordinated 24 City Talk articles for publication.
 - * Held the 2018 Citizens Academy with 15 participants.
 - * Completed the Community Survey.
 - * Continued to develop online opportunities to engage residents including two Transportation Master Plan surveys.
 - * Hosted a volunteer luncheon and awards program for Citizens Engagement Program (CEP) participants and other volunteers.
 - * Communicated City Council's priorities to residents.
 - * Completed a full communications audit of the City's internal and external communications and began implementation of improvements including improved website searchability, compliance with federal digital accessibility standards for persons with disabilities, and content and appearance; and improved social media account protocols.
 - * Updated policy, processes, and goals of the City's social media communication.
 - * Placed an average of 5-8 City news stories in three printed news publications and two digital news sites each month.
 - * Delivered a business partnership with Larson Newspapers to reduce the cost of Annual Report production by \$2,000 a year and improve content.

FY 2019 Objectives

- Community Plan Community Goal - Cultivate an appreciation and respect for Sedona's distinctive community character:
- * Continue to offer meaningful work group opportunities for citizens.
 - * Conduct a survey on citizen communication awareness and preferences.
 - * Continuous improvement of usability and functionality of the City website and other digital communication tools.
 - * Coordinate and participate in the 2019 Citizens Academy.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Citizens participating in City work groups	81	80	75	50	50
New citizen work groups created	6	9	8	4	5
Active work groups	11	12	10	4	5

Community Plan Community Goal - Cultivate an appreciation and respect for Sedona's distinctive community character:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
National Citizen Survey 2017: Respondents likely to use City website or eNotify emails to learn about City issues: % Very and Somewhat Likely		N/A	N/A	N/A	67%	N/A
Digital reach and open rates of City issued news releases		1,000 subscribers / 21% open	1,230 subscribers / 31% open	3,500 subscribers / 40% open rate	1,500 subscribers / 35% open	1,800 subscribers / 37% open
Citizen's Academy Participants Survey: % Good or Excellent		N/A	100%	90%	100%	100%
Work Group Participants Survey: % rating experience as Good or Excellent		N/A	N/A	N/A	N/A	N/A



CITY MANAGER'S OFFICE – Sustainability

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 93,050	67%	\$ -	\$ -	\$ -
Supplies & Services	25,000	18%	-	-	-
Subtotal Direct Costs	\$ 118,050	84%	\$ -	\$ -	\$ -
Internal Charges	21,710	16%	-	-	-
Total Expenditures	\$ 139,760	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 139,760	100%	\$ -	\$ -	\$ -
Funding Sources					
Funding from General Revenues	\$ 139,760	100%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	1.00		0.00		0.00

The Sustainability program has been newly created in fiscal year 2018-19. Sustainability is a significant component of the Community Plan and a Council Priority. In order to focus the City's efforts in this area, a Sustainability Coordinator will be hired.

FY 2018 Accomplishments

Council Priority - Environmental Sustainability:
 * Received a Bronze rating from the Sustainability Alliance.

FY 2019 Objectives

Council Priority - Environmental Sustainability:
 * Hire a Sustainability Coordinator.
 * Have an energy audit performed.
 * Improve internal environmental sustainability practices.
 * Explore possible increased use of renewable energy.
 * Leverage existing projects/Council priorities to advance sustainability.
 * Leverage existing relationships to develop next steps.
 * Develop measures of performance.

Council Priority - Environmental Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Sustainability Alliance rating		None	None	N/A	Bronze	N/A

CITY MANAGER'S OFFICE – Arts & Culture

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 72,310	64%	\$ 68,180	\$ 68,120	\$ 64,353
Supplies & Services	18,300	16%	18,350	18,300	13,888
Subtotal Direct Costs	\$ 90,610	80%	\$ 86,530	\$ 86,420	\$ 78,241
Internal Charges	22,410	20%	21,570	21,570	-
Total Expenditures	\$ 113,020	100%	\$ 108,100	\$ 107,990	\$ 78,241
Expenditures by Fund					
General Fund Portion	\$ 113,020	100%	\$ 108,100	\$ 107,990	\$ 78,241
Funding Sources					
Funding from General Revenues	\$ 113,020	100%	\$ 108,100	\$ 107,990	\$ 78,241
Employee Time Allocation (FTEs) (Budgeted)	0.75		0.75		0.75

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

FY 2018 Accomplishments

Community Plan Community Goal - Enhance opportunities for artistic display, engagement, and learning:

- * Extended the City Hall Art Rotation program from 3 to 4 month exhibits, giving artists longer exposure.
- * Increased attendees up to 100 at Artist Receptions by sending out additional press releases.
- * Managed all aspects of the Mayor's Arts Award ceremony, including hosting the event to a full house.
- * Incorporated cultural moments in the "Moment of Art" at the first Council meeting of every month.
- * Overlooked process for Police dog sculpture: selecting artist, reviewing development, and City Council approval.
- * Educate and share information with other municipalities regarding process for roundabout art and City exhibits.

FY 2019 Objectives

Community Plan Community Goal - Enhance opportunities for artistic display, engagement, and learning:

- * Increase artist assignments through the Artist in the Classroom program.
- * Introduce socially conscious art projects in the Artist in the Classroom program, connecting students empathetically to current issues that affect our community and world.
- * Create a comprehensive list and photos of all current permanent and temporary public art and their values.
- * Invite a musician to perform for Artist Receptions, supporting an additional creative form for these events.

**Community Plan Community Goal -
Enhance opportunities for artistic display, engagement, and learning:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Artist in the Classroom assignments per year		30	24	30	35	35
Artist in the Classroom students reached		1,900+	1,800+	1,500	1,000	1,000
Teacher Survey: Artist in the Classroom % positive feedback		90%	92%	N/A	100%	100%
City Hall Art Rotation Program artists exhibited per year		12	12	8 (revised)	8	8
City Hall Art Rotation Program viewings plus attendees for Artist Receptions		50	75	150	200	250
Moment of Art for City Council artists performed		12	12	12	12	12

CITY MANAGER'S OFFICE – Tourism Management & Development

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Supplies & Services	\$ 2,176,400	100%	\$ 2,176,400	\$ 2,342,100	\$ -
Subtotal Direct Costs	\$ 2,176,400	100%	\$ 2,176,400	\$ 2,342,100	\$ -
Internal Charges	10,850	<1%	10,090	10,090	-
Total Expenditures	\$ 2,187,250	100%	\$ 2,186,490	\$ 2,352,190	\$ -
Expenditures by Fund					
General Fund Portion	\$ 2,187,250	100%	\$ 2,186,490	\$ 2,352,190	\$ -
Funding Sources					
Program Revenues	\$ 635,143	29%	\$ 565,299	\$ 608,338	\$ -
Funding from General Revenues	\$ 1,552,107	71%	\$ 1,621,191	\$ 1,743,852	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

With tourism being the primary economic engine in Sedona, the City contracts with the Sedona Chamber of Commerce and Tourism Bureau (SCCTB) to initiate, implement, and administer a comprehensive sales and marketing program designed to attract visitors and meeting delegates to the City, thereby gaining revenues to the community and contributing to the overall economic growth of the Sedona business community and the City in general. This contract also funds their operation of the visitor center and tourism product development initiatives which can help enhance and expand the destination's appeal to visitors and/or improve the quality of life for residents by mitigating some of the unintended consequences of a robust tourist economy.

The costs associated with this program were recorded in the General Services Department in FY 2017.

FY 2018 Accomplishments

Council Priority - Sustainable Tourism:

- * Over 281,000 visitors assisted in-person at the visitor center, via email, via telephone, and via text.
- * Purchased property at 401 Jordan Road for immediate use for additional public parking and future strategic development.
- * Initiated process to develop a Sustainable Tourism Plan, which will involve the active participation of Sedona residents, community groups and businesses.
- * Put on Sedona Northern Lights show for the first time to attract visitors during the slow time of early/mid December.
- * Developed Driving for Roundabouts video.
- * Held joint planning session with SCCTB Board of Directors and City Council.

FY 2019 Objectives

Council Priority - Sustainable Tourism:

- * Focus on quality of visitor, not quantity including targeting visitors with an annual household income of \$150,000+, out-of-state and international visitors, and longer length of stays.
- * Continue to focus on attracting visitors during slow periods including summer and winter, and weekday visitors.
- * Accelerate sales efforts in group and international markets.
- * Elevate the Arts and Wellness as reasons visitors come to Sedona.
- * Finalize a Sustainable Tourism Plan to facilitate sustaining a healthy balance between tourism and the quality of life in Sedona.
- * Develop citywide vehicular and pedestrian wayfinding and placemaking plan.
- * Focus on target marketing to travel trade industry.

Council Priority - Sustainable Tourism:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Annual daily room rate for hotels (ADR)		\$198.45	\$217.50	\$219.33	\$219.33	\$219.00
Bed tax collections (in millions)		\$3.0	\$3.8	\$4.0	\$4.3	\$4.4
City sales tax collections (in millions) * includes new 0.5% sales tax implemented March 1, 2018		\$15.0	\$16.3	\$16.7	\$18.4*	\$20.9*
Hotel occupancy rate		68.7%	68.8%	68.8%	68.8%	68.8%
Visitors assisted at visitor center, via email, via telephone, and via text		314,430	302,464	306,000	281,227	290,199
Visitor Service Survey: % satisfied measured at visitor center and/or electronically		N/A	N/A	95%	N/A	95%

CITY MANAGER'S OFFICE

continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5220-01 - Administration					
Personnel (ongoing)	\$514,850	\$523,600	\$498,380	\$435,260	
Supplies & Services (ongoing)	\$19,927	\$119,120	\$55,870	\$23,064	Budget Decrease: Separated one-time costs, transferred sustainability costs to 10-5220-09 Current Year Under Budget: Carryovers
Direct Costs (Ongoing) Subtotal	\$534,777	\$642,720	\$554,250	\$458,324	
Internal Charges	(\$533,520)	(\$544,700)	(\$544,700)	\$0	
Ongoing Total	\$1,257	\$98,020	\$9,550	\$458,324	
Supplies & Services (one-time)	\$25,000	\$0	\$0	\$0	Budget: Carryover DIF study
Administration Total	\$26,257	\$98,020	\$9,550	\$458,324	
10-5220-03 - Communications & Citizens Engagement					
Personnel (ongoing)	\$186,530	\$181,500	\$178,580	\$110,986	
Supplies & Services (ongoing)	\$25,710	\$51,550	\$34,210	\$15,282	Budget Decrease: Separated one-time costs Current Year Under Budget: Carryovers
Direct Costs (Ongoing) Subtotal	\$212,240	\$233,050	\$212,790	\$126,268	
Internal Charges	\$55,570	\$55,620	\$55,620	\$0	
Ongoing Total	\$267,810	\$288,670	\$268,410	\$126,268	
Supplies & Services (one-time)	\$18,000	\$0	\$0	\$0	Budget: Carryover public access channel/video communications
Communications & Citizens Engagement Total	\$285,810	\$288,670	\$268,410	\$126,268	
10-5220-09 - Sustainability					
Personnel (ongoing)	\$93,050	\$0	\$0	\$0	Budget Increase: Added Sustainability Coordinator as directed by Council
Supplies & Services (ongoing)	\$25,000	\$0	\$0	\$0	Budget Increase: Created new program code
Direct Costs (Ongoing) Subtotal	\$118,050	\$0	\$0	\$0	
Internal Charges	\$21,710	\$0	\$0	\$0	
Sustainability Total	\$139,760	\$0	\$0	\$0	
10-5220-41 - Arts & Culture					
Personnel (ongoing)	\$72,310	\$68,180	\$68,120	\$64,353	
Supplies & Services (ongoing)	\$18,300	\$18,350	\$18,300	\$13,888	
Direct Costs (Ongoing) Subtotal	\$90,610	\$86,530	\$86,420	\$78,241	
Internal Charges	\$22,410	\$21,570	\$21,570	\$0	
Arts & Culture Total	\$113,020	\$108,100	\$107,990	\$78,241	

CITY MANAGER'S OFFICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5220-72 - Tourism Management & Development					
Supplies & Services (ongoing)	\$2,176,400	\$2,176,400	\$2,342,100	\$0	Current Year Over Budget: Increase in estimated bed taxes
Direct Costs (Ongoing) Subtotal	\$2,176,400	\$2,176,400	\$2,342,100	\$0	
Internal Charges	\$10,850	\$10,090	\$10,090	\$0	
Tourism Management & Development Total	\$2,187,250	\$2,186,490	\$2,352,190	\$0	
General Fund Totals					
Personnel Subtotal	\$866,740	\$773,280	\$745,080	\$610,600	
Supplies & Services (Ongoing) Subtotal	\$2,265,337	\$2,365,420	\$2,450,480	\$52,233	
Direct Costs (Ongoing) Subtotal	\$3,132,077	\$3,138,700	\$3,195,560	\$662,833	
Internal Charges Subtotal	(\$422,980)	(\$457,420)	(\$457,420)	\$0	
Ongoing Subtotal	\$2,709,097	\$2,681,280	\$2,738,140	\$662,833	
Supplies & Services (One-Time) Subtotal	\$43,000	\$0	\$0	\$0	
General Fund Total	\$2,752,097	\$2,681,280	\$2,738,140	\$662,833	

Wastewater Enterprise Fund

59-5220-01 - Administration					
Personnel (ongoing)	\$0	\$0	\$0	\$48,195	
Wastewater Enterprise Fund Total	\$0	\$0	\$0	\$48,195	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$866,740	\$773,280	\$745,080	\$658,795
Supplies & Services (Ongoing) Subtotal	\$2,265,337	\$2,365,420	\$2,450,480	\$52,233
Direct Costs (Ongoing) Subtotal	\$3,132,077	\$3,138,700	\$3,195,560	\$711,028
Internal Charges Subtotal	(\$422,980)	(\$457,420)	(\$457,420)	\$0
Ongoing Subtotal	\$2,709,097	\$2,681,280	\$2,738,140	\$711,028
Supplies & Services (One-Time) Subtotal	\$43,000	\$0	\$0	\$0
Grand Total	\$2,752,097	\$2,681,280	\$2,738,140	\$711,028

CITY MANAGER'S OFFICE
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Arts and Culture Coordinator ⁽¹⁾	0.75	0.75	0.75
Assistant City Manager	1.00	1.00	1.00
Citizens Engagement Coordinator ⁽¹⁾	0.88	0.88	0.88
City Manager	1.00	1.00	1.00
Communications & Public Affairs Manager	1.00	1.00	1.00
Economic Development Director ⁽³⁾	0.00	0.00	1.00
Executive Assistant to the City Manager	1.00	1.00	1.00
Intern ⁽²⁾	0.00	0.40	0.19
Sustainability Coordinator	1.00	0.00	0.00
Total	6.63	6.03	6.82

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5220-01	Administration	3.00	3.40	2.89
10-5220-03	Communications/Citizen Engagement	1.88	1.88	1.88
10-5220-09	Sustainability	1.00	0.00	0.00
10-5220-41	Arts & Culture	0.75	0.75	0.75
10-5220-76	Economic Development ⁽³⁾	0.00	0.00	1.00
General Fund Total		6.63	6.03	6.52
Wastewater Enterprise Fund				
59-5220-01	Administration ⁽⁴⁾	0.00	0.00	0.30
Wastewater Enterprise Fund Total		0.00	0.00	0.30
Grand Total		6.63	6.03	6.82

⁽¹⁾ Part-time positions

⁽²⁾ Temporary position - The manner in which FTE was calculated was changed in FY2018 with no change to the stipend paid.

⁽³⁾ The Economic Development Program was moved to its own separate department beginning FY2018.

⁽⁴⁾ Beginning FY2018, the allocations to the Wastewater Fund were made via indirect cost allocations instead of a direct allocation of salaries.

HUMAN RESOURCES

Mission Statement

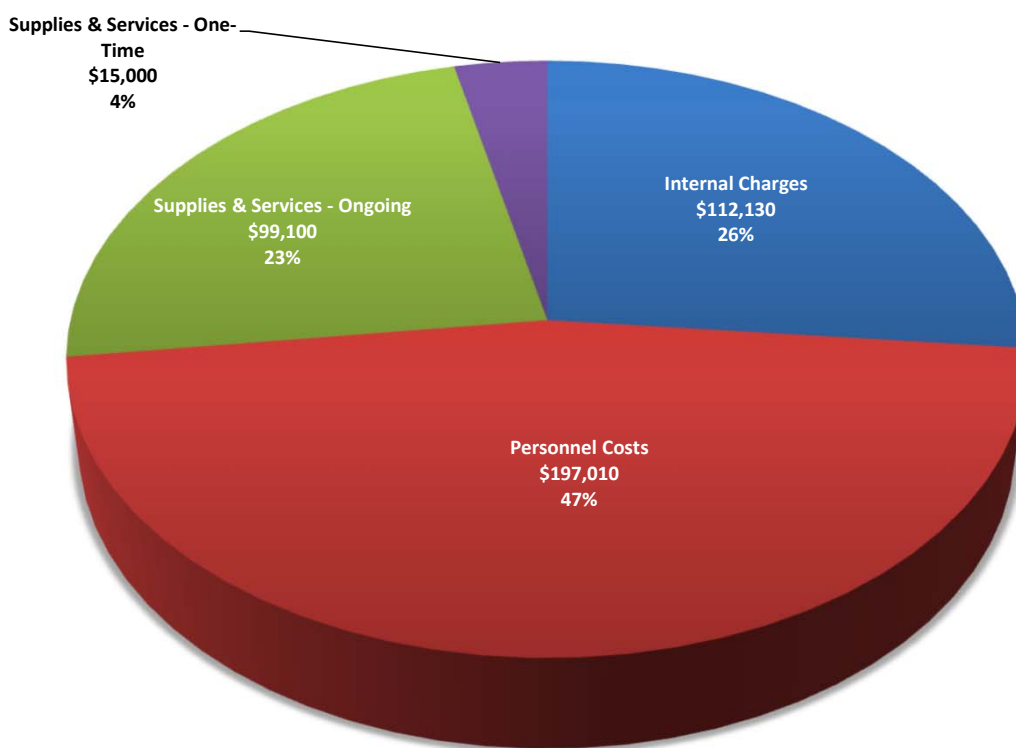
To optimize the City of Sedona's human capital by recruiting, developing, and retaining a workforce that achieves the mission and goals of the organization.

Description

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

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

FY 2019 EXPENDITURES: \$423,240



HUMAN RESOURCES – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 197,010	47%	\$ 203,600	\$ 199,970	\$ 194,415
Supplies & Services	114,100	27%	113,175	89,675	61,527
Subtotal Direct Costs	\$ 311,110	74%	\$ 316,775	\$ 289,645	\$ 255,941
Internal Charges	112,130	26%	127,030	127,030	-
Total Expenditures	\$ 423,240	100%	\$ 443,805	\$ 416,675	\$ 255,941
Expenditures by Fund					
General Fund Portion	\$ 423,240	100%	\$ 443,805	\$ 416,675	\$ 236,521
Wastewater Fund Portion	\$ -	0%	\$ -	\$ -	\$ 19,420
Funding Sources					
Allocations to Other Departments	\$ 423,220	100%	\$ 435,290	\$ 435,290	\$ -
Program Revenues	\$ -	0%	\$ -	\$ -	\$ 19,420
Funding from General Revenues	\$ 20	<1%	\$ 8,515	\$ (18,615)	\$ 236,521
Employee Time Allocation (FTEs) (Budgeted)	2.00		2.00		2.00

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Rolled out and implemented NurseTriage workers compensation program.
- * Implemented new in-house workers compensation forms to assist with reduction in future injuries.
- * Modernized and improved safety meetings for increased participation and engaged employee interaction.
- * Increased safety training opportunities between departments by including guest speakers.
- * Oversaw and assisted with rollout of newly updated HR and Payroll ADP database.
- * Partnered with our risk management provider to increase safety awareness.
- * Continual implementation of innovative and economical recruitment techniques.
- * Increased HR interaction for new employee on-boarding efforts.
- * Organized the Employee Wellness Fair at City Hall with new vendors and organizations.
- * Led a work group focusing on employee retention and engagement.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Continual improvement of employee performance reviews with updated organizational values and modernized forms.
- * Increase implementation of employee recognition programs and opportunities.
- * Provide innovative and engaging in-house training opportunities.
- * Continue to work with managers to reduce the City's workers compensation experience modifier (EMOD).
- * Further outreach to peer organizations in order to maintain a strong network of local knowledge, wisdom, and assistance.
- * Commit to excellence in public service and a vision of the Human Resources role in shaping the culture of the organization.
- * Updated research efforts in compensation, benefits, and industry best practices.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Job postings	26	31	15	48	15
Applications received and reviewed	330	805	500	1,100	500
Individual job interviews conducted	156	155	50	175	50
Regular new hires on-boarded	28	24	15	33	15
Workers comp injuries processed	10	12	2	8	6

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Approved positions posted within 24 - 48 hours of resignation or termination		100%	100%	100%	100%	100%
Email and phone call responsiveness		1 - 24 hours	1-24 hours	1 - 24 hours	1-24 hours	1-24 hours
Workers comp EMOD ratings		0.84	0.74	0.70	0.70	0.68
Total FTEs per 1,000 population (ICMA Benchmark 2016-2017)	8.0 (all) / 8.6 (cities under 30,000 pop.)	N/A	12.8	14.1	13.5	14.2
Total FTEs per 1,000 population + annualized visitor population		N/A	6.5	7.1	6.8	7.2
Turnover percentages (ICMA Benchmark 2016-2017)	6.5% (all) / 5.2% (cities under 30,000 pop.)	15.5%	16%	17%	20%	12%



HUMAN RESOURCES
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
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General Fund

10-5221-01 - Administration

Personnel (ongoing)	\$197,010	\$203,600	\$199,970	\$174,995	
Supplies & Services (ongoing)	\$99,100	\$113,175	\$89,675	\$61,527	Current Year Under Budget: Carryover
Direct Costs (Ongoing) Subtotal	\$296,110	\$316,775	\$289,645	\$236,521	
Internal Charges	(\$311,090)	(\$308,260)	(\$308,260)	\$0	
Ongoing Total	(\$14,980)	\$8,515	(\$18,615)	\$236,521	
Supplies & Services (one-time)	\$15,000	\$0	\$0	\$0	Budget: Carryover Springbrook training
One-Time Total	\$15,000	\$0	\$0	\$0	
General Fund Total	\$20	\$8,515	(\$18,615)	\$236,521	

Wastewater Enterprise Fund

59-5221-01 - Administration

Personnel (ongoing)	\$0	\$0	\$0	\$19,420	
Wastewater Enterprise Fund Total	\$0	\$0	\$0	\$19,420	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$197,010	\$203,600	\$199,970	\$194,415	
Supplies & Services (Ongoing) Subtotal	\$99,100	\$113,175	\$89,675	\$61,527	
Direct Costs (Ongoing) Subtotal	\$296,110	\$316,775	\$289,645	\$255,941	
Internal Charges Subtotal	(\$311,090)	(\$308,260)	(\$308,260)	\$0	
Ongoing Subtotal	(\$14,980)	\$8,515	(\$18,615)	\$255,941	
Supplies & Services (One-Time) Subtotal	\$15,000	\$0	\$0	\$0	
Grand Total	\$20	\$8,515	(\$18,615)	\$255,941	

HUMAN RESOURCES

continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Human Resources Manager	1.00	1.00	1.00
Human Resources Specialist	1.00	1.00	1.00
Total	2.00	2.00	2.00

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5221-01	Administration	2.00	2.00	1.80
General Fund Total		2.00	2.00	1.80
Wastewater Enterprise Fund				
59-5221-01	Administration ⁽¹⁾	0.00	0.00	0.20
59-5250-02	Administration ⁽¹⁾	0.00	0.00	0.00
Wastewater Enterprise Fund Total		0.00	0.00	0.20
Grand Total		2.00	2.00	2.00

⁽¹⁾ Beginning FY2018, the allocations to the Wastewater Fund are made via indirect cost allocations instead of a direct allocation of salaries.

FINANCIAL SERVICES

Mission Statement

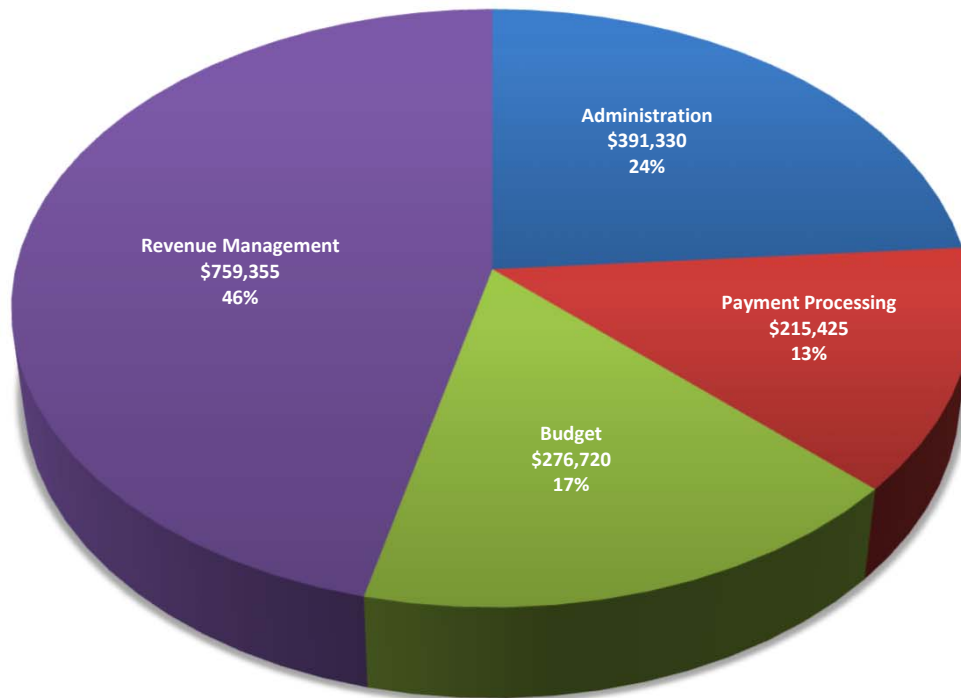
Dedicated to providing thoughtful, accurate, and timely financial services to all

Description

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

- * Administration
- * Payment Processing
- * Budget
- * Revenue Management

FY 2019 PROGRAM EXPENDITURES: \$1,642,830



FINANCIAL SERVICES – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 209,580	54%	\$ 193,640	\$ 198,470	\$ 171,417
Supplies & Services	143,480	37%	154,775	126,800	59,120
Subtotal Direct Costs	\$ 353,060	90%	\$ 348,415	\$ 325,270	\$ 230,537
Internal Charges	38,270	10%	40,890	40,890	-
Total Expenditures	\$ 391,330	100%	\$ 389,305	\$ 366,160	\$ 230,537
Expenditures by Fund					
General Fund Portion	\$ 391,330	100%	\$ 389,305	\$ 366,160	\$ 172,944
Wastewater Fund Portion	\$ -	0%	\$ -	\$ -	\$ 57,593
Funding Sources					
Allocations to Other Departments	\$ 391,290	100%	\$ 364,300	\$ 364,300	\$ -
Program Revenues	\$ -	0%	\$ 25,000	\$ 25,000	\$ 57,593
Funding from General Revenues	\$ 40	<1%	\$ 5	\$ (23,140)	\$ 172,944
Employee Time Allocation (FTEs) (Budgeted)	1.70		1.65		1.60

The Administration program is responsible for the supervision of the Financial Services Department as well as financial reporting, debt management, and treasury services.

FY 2018 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Received the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for FY 2017 – the 19th year the City has received this award.
- * Reclassified the accounting supervisor and budget analyst positions into two Budget and Accounting Supervisor positions.
- * Completed first biennial audit of development impact fees recently required as a result of legislative changes.

FY 2019 Objectives

Overall City Value - Fiscal Sustainability:

- * Obtain the Government Finance Officers Association's (GFOA's) Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for FY 2018.
- * Begin preparing the City's Comprehensive Annual Financial Report internally, rather than contracting with our auditors to prepare the document.
- * Close each month within five business days after all revenue accrual documents are received.
- * Prepare monthly financial reports within ten business days after all revenue accrual documents are received.
- * Complete all account reconciliations in a timely manner.
- * Implement a grants management program.

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
GFOA Certificate of Achievement in Financial Reporting		Yes	Yes	Yes	Yes	Yes
Close each month within five business days after all revenue accrual documents are received		N/A	No	Yes	No	Yes
Prepare monthly financial reports within ten business days after all revenue accrual documents are received		N/A	No	Yes	No	Yes
Internal Survey: Overall satisfaction with service and support (% of responses favorable)		93%	100%	N/A	97%	95%
Internal Survey: Satisfaction with management services (% of responses favorable)		94%	99%	N/A	95%	95%

FINANCIAL SERVICES – Payment Processing

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 154,670	72%	\$ 147,110	\$ 140,230	\$ 74,986
Supplies & Services	1,215	1%	1,245	1,245	474
Subtotal Direct Costs	\$ 155,885	72%	\$ 148,355	\$ 141,475	\$ 75,460
Internal Charges	59,540	28%	68,320	68,320	-
Total Expenditures	\$ 215,425	100%	\$ 216,675	\$ 209,795	\$ 75,460
Expenditures by Fund					
General Fund Portion	\$ 215,425	100%	\$ 216,675	\$ 209,795	\$ 75,460
Funding Sources					
Allocations to Other Departments	\$ 215,430	100%	\$ 216,670	\$ 216,670	\$ -
Funding from General Revenues	\$ (5)	<1%	\$ 5	\$ (6,875)	\$ 75,460
Employee Time Allocation (FTEs) (Budgeted)	2.05		2.15		1.25

The Payment Processing program includes payroll and accounts payable processing as well as oversight of the City's decentralized purchasing process.

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

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

FY 2018 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Purged on-site and off-site storage in accordance with retention policies and procedures.
- * Implemented identified improvements to internal controls and workflow efficiencies.

FY 2019 Objectives

Overall City Value - Fiscal Sustainability:

- * Ensure that all purchase orders and bids have followed the purchasing policy.
- * Ensure that auto-pay batches are posted to the general ledger within five days of receiving all required supporting documentation.
- * Update the Purchasing Manual to improve internal controls.
- * Reduce the number of paper checks by expanding ACH and employee direct deposit as well as purchasing card transactions.

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
% of accounts payable transactions processed within 30 calendar days: Date received by various City departments to date processed by Financial Services (ICMA Benchmark 2016-2017)	59% (all) / 17% (cities under 30,000 pop.)	N/A	84%	N/A	85%	85%
% of purchases made via purchasing card/credit card as a percentage of all purchases (ICMA Benchmark 2016-2017)	16% (all) / 3% (cities under 30,000 pop.)	N/A	53%	50%	55%	60%
% of eligible p-card transactions paid with a check		N/A	N/A	0%	20%	15%
% of employees signed up for direct deposit		N/A	N/A	90%	90%	95%
Purchases requiring a PO that did not have one		N/A	N/A	0	0	0
Internal Survey: Satisfaction with payment processing services (% of responses favorable)		96%	100%	N/A	96%	95%

FINANCIAL SERVICES – Budget

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 147,580	53%	\$ 136,960	\$ 114,040	\$ 90,367
Supplies & Services	86,260	31%	9,760	9,760	4,221
Subtotal Direct Costs	\$ 233,840	85%	\$ 146,720	\$ 123,800	\$ 94,588
Internal Charges	42,880	15%	28,750	28,750	-
Total Expenditures	\$ 276,720	100%	\$ 175,470	\$ 152,550	\$ 94,588
Expenditures by Fund					
General Fund Portion	\$ 276,720	100%	\$ 175,470	\$ 152,550	\$ 94,588
Funding Sources					
Allocations to Other Departments	\$ 276,730	100%	\$ 175,470	\$ 175,470	\$ -
Funding from General Revenues	\$ (10)	<1%	\$ -	\$ (22,920)	\$ 94,588
Employee Time Allocation (FTEs) (Budgeted)	1.15		1.20		0.60

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

FY 2018 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Obtained the GFOA's Distinguished Budget Presentation Award for FY 2018 Budget – the fifth year the City has received the award.
- * Continued with the third phase of the City's program budgeting implementation including additional focus on performance measures.
- * Prepared capital improvement project status reports included with the monthly financial reports.
- * Identified and began implementation of the software solution for more efficient budget preparation.
- * Prepared Home Rule calculations/estimates for Auditor General review.

FY 2019 Objectives

Overall City Value - Fiscal Sustainability:

- * Obtain the GFOA's Distinguished Budget Presentation Award for the FY 2019 Budget.
- * Monitor the budget status throughout the year.
- * Complete implementation of the software solution for more efficient budget preparation.

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
GFOA Distinguished Budget Presentation Award		Yes	Yes	Yes	Yes	Yes
Prepare quarterly capital improvement project status reports		N/A	N/A	Yes	Yes	Yes
Internal Survey: Satisfaction with budget services (% of responses favorable)		94%	100%	N/A	98%	95%

FINANCIAL SERVICES – Revenue Management

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 224,950	30%	\$ 211,550	\$ 207,410	\$ 241,717
Supplies & Services	392,115	52%	274,965	289,565	213,080
Subtotal Direct Costs	\$ 617,065	81%	\$ 486,515	\$ 496,975	\$ 454,797
Internal Charges	142,290	19%	119,160	119,160	-
Total Expenditures	\$ 759,355	100%	\$ 605,675	\$ 616,135	\$ 454,797
Expenditures by Fund					
General Fund Portion	\$ 473,435	62%	\$ 426,955	\$ 437,415	\$ 155,347
Wastewater Fund Portion	\$ 285,920	38%	\$ 178,720	\$ 178,720	\$ 299,450
Funding Sources					
Allocations to Other Departments	\$ 427,580	56%	\$ 426,940	\$ 426,940	\$ -
Program Revenues	\$ 329,920	43%	\$ 178,720	\$ 178,720	\$ 299,450
Funding from General Revenues	\$ 1,855	<1%	\$ 15	\$ 10,475	\$ 155,347
Employee Time Allocation (FTEs) (Budgeted)	3.28		3.17		4.72

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

A portion of the Revenue Management program is allocated to the Wastewater Enterprise Fund and represents the Fund's portion of the cost for utility billing services. In addition, a portion of the program costs is covered by revenues from the paid parking program.

FY 2018 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Collected over \$156,000 in delinquent wastewater receivables.
- * Hired a collection agency for hard to collect accounts.
- * Processed over 2,300 business licenses.

FY 2019 Objectives

Overall City Value - Fiscal Sustainability:

- * Digitize wastewater billing historical files to facilitate research and save space.
- * Hire a consultant to perform a wastewater rate study.
- * Implement identified improvements to internal controls and workflow efficiencies.
- * Establish defined collections criteria and procedures to ensure the best use of in-house collections resources.
- * Streamline the business license application process including the application form.
- * Increase the percentage of business license renewals received before the renewal deadline.
- * Increase the percentage of customers paying their wastewater bills electronically.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Standard business licenses issued	N/A	2,727	N/A	2,500	2,500
Temporary business licenses issued	N/A	100	N/A	110	115
Wastewater accounts billed per month	6,819	6,814	N/A	6,820	6,830
Parking pay station cash and coin boxes counted	N/A	N/A	N/A	320	320
Wastewater delinquent balance	\$319K	\$282K	N/A	\$225K	\$200K

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
% of business licenses processed within 30 days		N/A	100%	100%	100%	100%
% of business license applications completed by December 31st that were processed by December 31st		N/A	100%	95%	64%	95%
Past due wastewater dollars collected per collection staff hour spent		N/A	\$141	\$50	\$143	\$100
Wastewater delinquency rate		40%	38%	N/A	33%	30%
% of wastewater customers paying electronically		N/A	68%	62%	73%	74%
Process pay station cash and coin deposits within 2 business days and always by end of week		N/A	N/A	N/A	Yes	Yes
Internal Survey: Satisfaction with revenue management services (% of responses favorable)		99%	99%	N/A	97%	95%

FINANCIAL SERVICES
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5222-01 - Administration					
Personnel (ongoing)	\$209,580	\$193,640	\$198,470	\$113,824	
Supplies & Services (ongoing)	\$123,480	\$154,775	\$126,800	\$59,120	Budget Decrease: Moved service charges for paid parking program to 10-5222-88 Current Year Under Budget: Moved service charged for paid parking program
Direct Costs (Ongoing) Subtotal	\$333,060	\$348,415	\$325,270	\$172,944	
Internal Charges	(\$353,020)	(\$323,410)	(\$323,410)	\$0	
Ongoing Total	(\$19,960)	\$25,005	\$1,860	\$172,944	
Supplies & Services (one-time)	\$20,000	\$0	\$0	\$0	Budget: Biennial DIF audit
Administration Total	\$40	\$25,005	\$1,860	\$172,944	
10-5222-11 - Payment Processing					
Personnel (ongoing)	\$154,670	\$147,110	\$140,230	\$74,986	Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$1,215	\$1,245	\$1,245	\$474	
Direct Costs (Ongoing) Subtotal	\$155,885	\$148,355	\$141,475	\$75,460	
Internal Charges	(\$155,890)	(\$148,350)	(\$148,350)	\$0	
Payment Processing Total	(\$5)	\$5	(\$6,875)	\$75,460	
10-5222-14 - Budget					
Personnel (ongoing)	\$147,580	\$136,960	\$114,040	\$90,367	Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$5,760	\$9,760	\$9,760	\$4,221	Budget Decrease: Separated one-time costs
Direct Costs (Ongoing) Subtotal	\$153,340	\$146,720	\$123,800	\$94,588	
Internal Charges	(\$233,850)	(\$146,720)	(\$146,720)	\$0	
Ongoing Total	(\$80,510)	\$0	(\$22,920)	\$94,588	
Supplies & Services (one-time)	\$80,500	\$0	\$0	\$0	Budget: Furniture replacement, approved Decision Package - CaseWare Reports
Budget Total	(\$10)	\$0	(\$22,920)	\$94,588	
10-5222-88 - Revenue Management					
Personnel (ongoing)	\$224,950	\$211,550	\$207,410	\$84,058	Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$122,065	\$106,115	\$120,715	\$71,289	Budget Increase: Moved service charges for paid parking program from 10-5222-01 Current Year Over Budget: Moved service charged for paid parking program
Direct Costs (Ongoing) Subtotal	\$347,015	\$317,665	\$328,125	\$155,347	
Internal Charges	(\$301,160)	(\$317,650)	(\$317,650)	\$0	
Revenue Management Total	\$45,855	\$15	\$10,475	\$155,347	

FINANCIAL SERVICES
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund Totals					
Personnel Subtotal	\$736,780	\$689,260	\$660,150	\$363,234	
Supplies & Services (Ongoing) Subtotal	\$252,520	\$271,895	\$258,520	\$135,104	
Direct Costs (Ongoing) Subtotal	\$989,300	\$961,155	\$918,670	\$498,339	
Internal Charges Subtotal	(\$1,043,920)	(\$936,130)	(\$936,130)	\$0	
Ongoing Subtotal	(\$54,620)	\$25,025	(\$17,460)	\$498,339	
Supplies & Services (One-Time) Subtotal	\$100,500	\$0	\$0	\$0	
General Fund Total	\$45,880	\$25,025	(\$17,460)	\$498,339	
Wastewater Enterprise Fund					
59-5222-01 - Administration					
Personnel (ongoing)	\$0	\$0	\$0	\$57,593	
Administration Total	\$0	\$0	\$0	\$57,593	
59-5222-04 - Utility Billing					
Personnel (ongoing)	\$0	\$0	\$0	\$157,659	
Supplies & Services (ongoing)	\$0	\$0	\$0	\$141,791	
Utility Billing Total	\$0	\$0	\$0	\$299,450	
59-5222-88 - Revenue Management					
Supplies & Services (ongoing)	\$170,050	\$168,850	\$168,850	\$0	
Internal Charges	\$15,870	\$9,870	\$9,870	\$0	
Ongoing Total	\$185,920	\$178,720	\$178,720	\$0	
Supplies & Services (one-time)	\$100,000	\$0	\$0	\$0	Budget: Approved Decision Package - Wastewater Rate Study
Revenue Management Total	\$285,920	\$178,720	\$178,720	\$0	
Wastewater Enterprise Fund Totals					
Personnel Subtotal	\$0	\$0	\$0	\$215,252	
Supplies & Services (Ongoing) Subtotal	\$170,050	\$168,850	\$168,850	\$141,791	
Direct Costs (Ongoing) Subtotal	\$170,050	\$168,850	\$168,850	\$357,043	
Internal Charges Subtotal	\$15,870	\$9,870	\$9,870	\$0	
Ongoing Subtotal	\$185,920	\$178,720	\$178,720	\$357,043	
Supplies & Services (One-Time) Subtotal	\$100,000	\$0	\$0	\$0	
Wastewater Enterprise Fund Total	\$285,920	\$178,720	\$178,720	\$357,043	

FINANCIAL SERVICES
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
GRAND TOTALS					
Personnel (Ongoing) Subtotal	\$736,780	\$689,260	\$660,150	\$578,487	
Supplies & Services (Ongoing) Subtotal	\$422,570	\$440,745	\$427,370	\$276,895	
Direct Costs (Ongoing) Subtotal	\$1,159,350	\$1,130,005	\$1,087,520	\$855,382	
Internal Charges Subtotal	(\$1,028,050)	(\$926,260)	(\$926,260)	\$0	
Ongoing Subtotal	\$131,300	\$203,745	\$161,260	\$855,382	
Supplies & Services (One-Time) Subtotal	\$200,500	\$0	\$0	\$0	
Grand Total	\$331,800	\$203,745	\$161,260	\$855,382	

FINANCIAL SERVICES
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Accounting Supervisor	0.00	1.00	1.00
Accounting Technician I	1.00	1.00	1.00
Accounting Technician II	3.00	3.00	2.00
Budget Analyst	0.00	1.00	1.00
Budget & Accounting Supervisor	2.00	0.00	0.00
Director of Financial Services	1.00	1.00	1.00
Lead Accounting Technician	1.00	1.00	2.00
Temp help ⁽¹⁾	0.17	0.17	0.17
Total	8.17	8.17	8.17

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5222-01	Administration	1.70	1.65	1.15
10-5222-11	Payroll	0.85	0.85	0.90
10-5222-12	Payables/Purchasing	1.20	1.30	0.80
10-5222-14	Budget	1.15	1.20	1.20
10-5222-42	Uptown Paid Parking	0.18	0.00	0.00
10-5222-88	Revenue Management	3.09	3.17	1.67
General Fund Total		8.17	8.17	5.72

Wastewater Enterprise Fund				
59-5222-01	Administration ⁽²⁾	0.00	0.00	0.70
59-5222-04	Utility Billing ⁽²⁾	0.00	0.00	1.75
Wastewater Enterprise Fund Total		0.00	0.00	2.45

Grand Total 8.17 8.17 8.17

⁽¹⁾ Temporary position

⁽²⁾ Beginning FY2018, the allocations to the Wastewater Fund are made via indirect cost allocations instead of a direct allocation of salaries.

INFORMATION TECHNOLOGY

Mission Statement

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

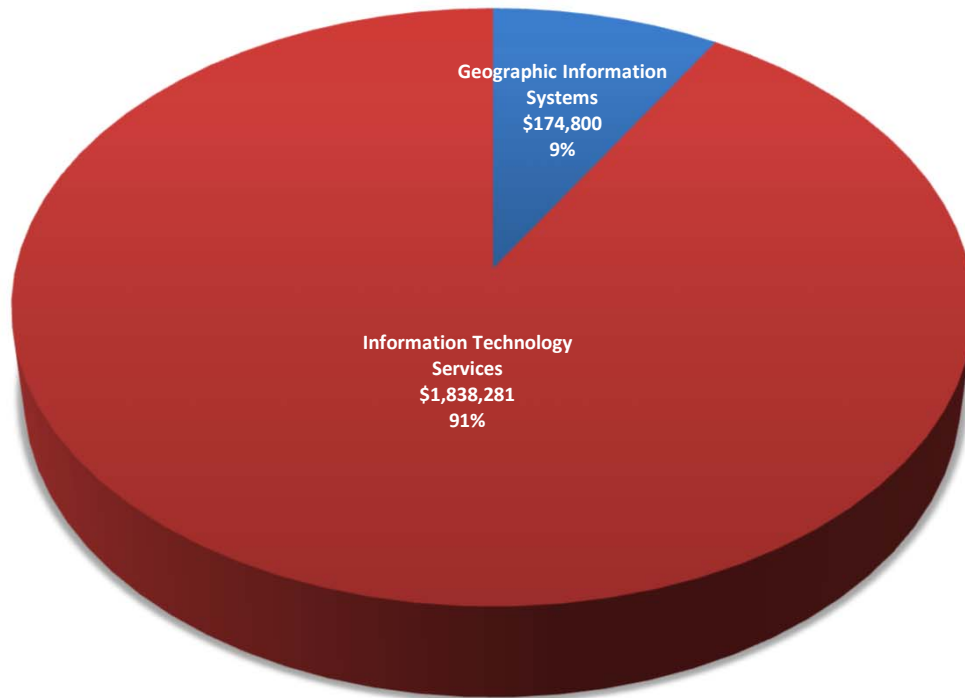


Description

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

- * Information Technology Services
- * Geographic Information Systems (GIS)

FY 2019 PROGRAM EXPENDITURES: \$2,013,081



INFORMATION TECHNOLOGY – Geographic Information Systems

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 118,170	68%	\$ 114,570	\$ 113,870	\$ 97,512
Supplies & Services	30,560	17%	23,850	22,000	14,935
Subtotal Direct Costs	\$ 148,730	85%	\$ 138,420	\$ 135,870	\$ 112,447
Internal Charges	26,070	15%	26,490	26,490	-
Total Expenditures	\$ 174,800	100%	\$ 164,910	\$ 162,360	\$ 112,447
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ -	\$ -	\$ 112,447
Other Funds Portion	\$ 174,800	100%	\$ 164,910	\$ 162,360	\$ -
Funding Sources					
Allocations to Other Departments	\$ 173,590	99%	\$ 164,080	\$ 164,080	\$ -
Program Revenues	\$ 1,000	1%	\$ 650	\$ 1,000	\$ 600
Funding from General Revenues	\$ 210	<1%	\$ 180	\$ (2,720)	\$ 111,847
Employee Time Allocation (FTEs) (Budgeted)	1.00		1.00		0.90

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

The Geographic Information Systems program is allocated to the Information Technology Internal Service Fund.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Updated GIS aerial layer with current imagery flown in February 2018.
- * Updated GIS software from 10.4.1 to 10.5.1 – desktops, portal and server.

Overall City Value - Public Safety:

- * Spillman – Created new GIS CAD and mobile maps and several new Police Department layers for officers and analysis crime reports (reporting district, places). The crime reporting includes adding attributes to the parcel layer.

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * New GIS layers for Community Development Department – lodging, multi-family residential and updates for possible zoning district changes.
- * Created a new business license layer from the business license data for mapping and analysis.

Community Plan Circulation Goal - Provide for safe and smooth flow of traffic:

- * Updated street centerline attributes and lines to be compliant with state, county, and 911 standards.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * New GIS layers for Public Works Department – Outfalls-M5 and Post-Const_BMPs, both requiring GPS field collection.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Update GIS web maps for more user friendly viewing (tables).
- * Update metadata.

Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the build and natural environment:

- * Update building footprints and various layers using the new aerial imagery.

Community Plan Circulation Goal - Provide for safe and smooth flow of traffic:

- * Create a new edge-of-road layer.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Update parcel sewer status and update sewer status map.

Community Plan Environment Goal - Reduce the impacts of flooding and erosion on the community and environment:

- * Update the 2007 contour layer with new topo data – partial City area using the 2018 aerial imagery.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Active GIS layers supported	180	180	185	190	190
GIS requests	284	263	285	285	285

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Public access to GIS information (web page hits)		5,581	7,684	8,500	5,000	5,000
GIS problem/issue reports		4	2	0	2	2

INFORMATION TECHNOLOGY – Information Technology Services

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 464,320	25%	\$ 423,540	\$ 365,710	\$ 345,377
Supplies & Services	689,961	38%	630,375	590,426	439,851
Capital & Debt Service	202,700	11%	180,500	165,000	136,391
Subtotal Direct Costs	\$ 1,356,981	74%	\$ 1,234,415	\$ 1,121,136	\$ 921,619
Internal Charges	481,300	26%	457,760	457,760	-
Total Expenditures	\$ 1,838,281	100%	\$ 1,692,175	\$ 1,578,896	\$ 921,619
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ -	\$ -	\$ 892,098
Wastewater Fund Portion	\$ 111,720	6%	\$ 79,150	\$ 72,820	\$ 29,521
Other Funds Portion	\$ 1,726,561	94%	\$ 1,613,025	\$ 1,506,076	\$ -
Funding Sources					
Allocations to Other Departments	\$ 1,552,710	84%	\$ 1,457,400	\$ 1,457,400	\$ -
Program Revenues	\$ 111,720	6%	\$ 79,150	\$ 72,820	\$ 29,521
Funding from General Revenues	\$ 173,851	9%	\$ 155,625	\$ 48,676	\$ 892,098
Employee Time Allocation (FTEs) (Budgeted)	4.00		3.60		3.70

The Information Technology Services program manages the acquisition, maintenance, and support of the City's computer, network, and communication systems, including computer hardware and software, servers, network switches, routers and firewalls, telephone systems, voice mail and e-mail, the City's Internet and Intranet sites, and database and application maintenance and development.

A portion of the Information Technology Services program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of the cost for direct information technology costs. The remainder is allocated to the Information Technology Internal Service Fund.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Migrate to Microsoft Office 365.
- * Improve digital signage content quality of City Hall information displays.
- * Consolidate costs of anti-spam system, replacing it with Microsoft's anti-spam included in Office 365.
- * Piloted monitors in meeting rooms.

Overall City Value - Public Safety:

- * Assist with Spillman implementation.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Improve the network connection between City Hall and Wastewater to replace outdated T-1 data circuits.
- * Network core refresh.
- * Spectre Meltdown refresh hardware (multi-year objective).

Overall City Value - Public Safety:

- * Implement ACJIS mandated intrusion detection anti-virus.

WORKLOAD INDICATORS	Benchmark	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Unique major software systems		75	83	N/A	98	105
Unique network devices (core network)		85	98	N/A	104	110
Unique other systems		58	62	N/A	70	75
Unique server systems (unique technologies)		57	63	N/A	66	70
End points served		329	369	N/A	270	270
Help Desk requests per end point (ICMA Benchmark 2016-2017)	5.2 (all) / 4.7 (cities under 30,000 pop.)	8.3	7.7	N/A	10.6	10.6
Help Desk requests received		2,725	2,843	2,850 (revised)	2,850	2,850
SQL databases/total size		62/333GB	66/390GB	60/360GB	66/390GB	64/370GB

INFORMATION TECHNOLOGY – Information Technology
continued

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
IT expenditures per end point served (ICMA Benchmark 2016-2017)	\$2,924 (all) / \$2,029 (cities under 30,000 pop.)	\$2,162	\$2,128	N/A	\$2,277	\$2,839
% of Help Desk requests resolved within 4 Hours (ICMA Benchmark 2016-2017)	65% (all) / 85% (cities under 30,000 pop.)	N/A	N/A	N/A	85%	85%
IT expenditures per FTE		\$5,429	\$5,994	N/A	\$4,394	\$5,184
Internal Survey: Approachability (% of responses favorable)		89%	92%	N/A	100%	100%
Internal Survey: Product quality (% of responses favorable)		98%	97%	N/A	100%	100%
Internal Survey: Project support (% of responses favorable)		94%	98%	N/A	100%	100%
Internal Survey: Response timeliness (% of responses favorable)		100%	98%	N/A	100%	100%
Internal Survey: Technical skills (% of responses favorable)		100%	97%	N/A	100%	100%

INFORMATION TECHNOLOGY
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5224-20 - Geographic Information Systems					
Personnel (ongoing)	\$0	\$0	\$0	\$97,512	
Supplies & Services (ongoing)	\$0	\$0	\$0	\$14,935	
Geographic Information Systems Total	\$0	\$0	\$0	\$112,447	
10-5224-21 - Information Technology Services					
Personnel (ongoing)	\$0	\$0	\$0	\$345,377	
Supplies & Services (ongoing)	\$0	\$0	\$0	\$413,609	
Ongoing Total	\$0	\$0	\$0	\$758,986	
Capital & Debt Service	\$0	\$0	\$0	\$133,112	
Information Technology Services Total	\$0	\$0	\$0	\$892,098	
General Fund Totals					
Personnel Subtotal	\$0	\$0	\$0	\$442,889	
Supplies & Services (Ongoing) Subtotal	\$0	\$0	\$0	\$428,544	
Ongoing Subtotal	\$0	\$0	\$0	\$871,433	
Capital & Debt Service Subtotal	\$0	\$0	\$0	\$133,112	
General Fund Total	\$0	\$0	\$0	\$1,004,545	
Wastewater Enterprise Fund					
59-5224-21 - Information Technology Services					
Supplies & Services (ongoing)	\$50,980	\$75,130	\$68,800	\$26,242	Budget Decrease: Separated one-time costs
Direct Costs (Ongoing) Subtotal	\$50,980	\$75,130	\$68,800	\$26,242	
Internal Charges	\$5,640	\$4,020	\$4,020	\$0	
Ongoing Total	\$56,620	\$79,150	\$72,820	\$26,242	
Supplies & Services (one-time)	\$19,500	\$0	\$0	\$0	Budget: Computer and server replacements, key card access to storage room
Capital & Debt Service	\$35,600	\$0	\$0	\$3,279	Budget: Approved Decision Package - Network Connectivity
One-Time Total	\$55,100	\$0	\$0	\$3,279	
Wastewater Enterprise Fund Total	\$111,720	\$79,150	\$72,820	\$29,521	

INFORMATION TECHNOLOGY
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
Info Tech Internal Service Fnd					
60-5224-20 - Geographic Information Systems					
Personnel (ongoing)	\$118,170	\$114,570	\$113,870	\$0	
Supplies & Services (ongoing)	\$29,360	\$23,850	\$22,000	\$0	Budget Increase: Added Spillman ARCGIS maintenance
Direct Costs (Ongoing) Subtotal	\$147,530	\$138,420	\$135,870	\$0	
Internal Charges	\$26,070	\$26,490	\$26,490	\$0	
Ongoing Total	\$173,600	\$164,910	\$162,360	\$0	
Supplies & Services (one-time)	\$1,200	\$0	\$0	\$0	Budget: Computer replacement
Geographic Information Systems Total	\$174,800	\$164,910	\$162,360	\$0	
60-5224-21 - Information Technology Services					
Personnel (ongoing)	\$464,320	\$423,540	\$365,710	\$0	Budget Increase: Approved Decision Package - increase Help Desk position from part-time to full-time Current Year Under Budget: Vacancy savings and restructuring
Supplies & Services (ongoing)	\$498,031	\$555,245	\$521,626	\$0	Budget Decrease: Separated one-time costs Current Year Under Budget: Savings in computer software
Direct Costs (Ongoing) Subtotal	\$962,351	\$978,785	\$887,336	\$0	
Internal Charges	\$475,660	\$453,740	\$453,740	\$0	
Ongoing Total	\$1,438,011	\$1,432,525	\$1,341,076	\$0	
Supplies & Services (one-time)	\$121,450	\$0	\$0	\$0	Budget: Furniture replacements, projector replacements, computer replacements, monitors for remaining conference rooms, network connectivity at shooting range, security cameras, phone replacements, key card access, Spillman add-ons, laserfiche upgrade
Capital & Debt Service	\$167,100	\$180,500	\$165,000	\$0	Budget: Replace core network, point-to-point links, video system, Windows licenses, server replacement, approved Decision Package - update website
One-Time Total	\$288,550	\$180,500	\$165,000	\$0	
Information Technology Services Total	\$1,726,561	\$1,613,025	\$1,506,076	\$0	

INFORMATION TECHNOLOGY
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
Info Tech Internal Service Fnd Totals					
Personnel Subtotal	\$582,490	\$538,110	\$479,580	\$0	
Supplies & Services (Ongoing) Subtotal	\$527,391	\$579,095	\$543,626	\$0	
Direct Costs (Ongoing) Subtotal	\$1,109,881	\$1,117,205	\$1,023,206	\$0	
Internal Charges Subtotal	\$501,730	\$480,230	\$480,230	\$0	
Ongoing Subtotal	\$1,611,611	\$1,597,435	\$1,503,436	\$0	
Supplies & Services (One-Time) Subtotal	\$122,650	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$167,100	\$180,500	\$165,000	\$0	
One-Time Subtotal	\$289,750	\$180,500	\$165,000	\$0	
Info Tech Internal Service Fnd Total	\$1,901,361	\$1,777,935	\$1,668,436	\$0	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$582,490	\$538,110	\$479,580	\$442,889
Supplies & Services (Ongoing) Subtotal	\$578,371	\$654,225	\$612,426	\$454,786
Direct Costs (Ongoing) Subtotal	\$1,160,861	\$1,192,335	\$1,092,006	\$897,675
Internal Charges Subtotal	\$507,370	\$484,250	\$484,250	\$0
Ongoing Subtotal	\$1,668,231	\$1,676,585	\$1,576,256	\$897,675
Supplies & Services (One-Time) Subtotal	\$142,150	\$0	\$0	\$0
Capital & Debt Service Subtotal	\$202,700	\$180,500	\$165,000	\$136,391
One-Time Subtotal	\$344,850	\$180,500	\$165,000	\$136,391
Grand Total	\$2,013,081	\$1,857,085	\$1,741,256	\$1,034,065

INFORMATION TECHNOLOGY

continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Database Web Developer	0.00	1.00	1.00
GIS Analyst	1.00	1.00	1.00
Information Technology Manager	1.00	1.00	1.00
Network Engineer	1.00	0.00	0.00
PC Support/Help Desk Technician	1.00	0.60	0.60
System Administrator	1.00	1.00	1.00
Total	5.00	4.60	4.60

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5224-20	Geographic Information Systems	0.00	0.00	0.90
10-5224-21	Information Technology Services	0.00	0.00	3.24
General Fund Total		0.00	0.00	4.14
Wastewater Enterprise Fund				
59-5224-21	Information Technology Services ⁽¹⁾	0.00	0.00	0.46
Wastewater Enterprise Fund Total		0.00	0.00	0.46
Info Tech Internal Service Fnd				
60-5224-20	Geographic Information Systems ⁽²⁾	1.00	1.00	0.00
60-5224-21	Information Technology Services ⁽²⁾	4.00	3.60	0.00
Info Tech Internal Service Fnd Total		5.00	4.60	0.00
Grand Total		5.00	4.60	4.60

⁽¹⁾ Beginning FY2018, the allocations to the Wastewater Fund are made via indirect cost allocations instead of a direct allocation of salaries.

⁽²⁾ Beginning FY2018, the Information Technology Department has been moved to a separate Internal Service Fund and will be funded via indirect cost allocations.

CITY ATTORNEY'S OFFICE

Mission Statement

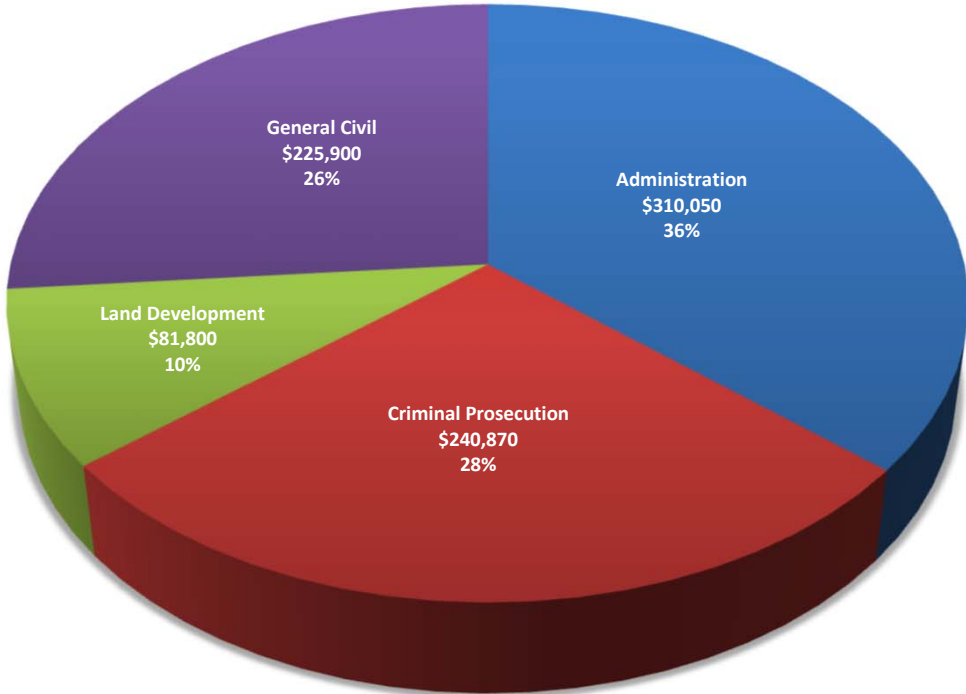
The department strives to provide quality legal advice and services to the City Council, City departments and commissions. To vigorously prosecute criminal cases in a fair manner that leads to just results.

Description

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

- * Administration
- * General Civil
- * Land Development
- * Criminal Prosecution

FY 2019 PROGRAM EXPENDITURES: \$858,620



CITY ATTORNEY'S OFFICE – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 146,610	47%	\$ 149,420	\$ 132,060	\$ 134,608
Supplies & Services	115,000	37%	67,240	67,240	10,676
Subtotal Direct Costs	\$ 261,610	84%	\$ 216,660	\$ 199,300	\$ 145,284
Internal Charges	48,440	16%	34,160	34,160	-
Total Expenditures	\$ 310,050	100%	\$ 250,820	\$ 233,460	\$ 145,284
Expenditures by Fund					
General Fund Portion	\$ 210,050	68%	\$ 198,580	\$ 181,220	\$ 124,295
Wastewater Fund Portion	\$ 100,000	32%	\$ 52,240	\$ 52,240	\$ 20,989
Funding Sources					
Allocations to Other Departments	\$ 210,090	68%	\$ 180,850	\$ 180,850	\$ -
Program Revenues	\$ 100,000	32%	\$ 52,240	\$ 52,240	\$ 20,989
Funding from General Revenues	\$ (40)	<1%	\$ 17,730	\$ 370	\$ 124,295
Employee Time Allocation (FTEs) (Budgeted)	0.89		0.85		0.85

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

A portion of the Administration program is allocated to the Wastewater Enterprise Fund and represents the Fund's share of direct legal costs.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Expanded intergovernmental agreement for reciprocal legal services with neighboring municipalities.
- * Developed an entry level attorney position to provide support in all program areas.

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * Successfully worked to pass legislation to clarify the circumstances by which a zoning protest can be made.
- * Assisted in the enforcement of the Land Development Code through a special action appeal to the Superior Court.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Intervened in utility rate case and successfully worked to lower opt-out fees for non-smart meter customers.
- * Resolved litigation and recovered a monetary settlement related to construction of the solar generation infrastructure at the City's wastewater treatment facility.
- * Successfully worked to defeat legislation that would have eliminated the City's ability to collect a standby fee for sewer service to vacant parcels.

Council Priority - Revise City Sign Code:

- * Worked with City staff on the completion of the revised City Sign Code.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Develop a long-term succession plan for the City Attorney's Office.
- * Continue to engage in legislative activity and strengthen the City's position on significant issues.
- * Update and implement the City Attorney Annual Action Plan.
- * Review City Code for possible areas of revision.

Overall City Value - Fiscal Sustainability:

- * Work toward the development of a robust risk management program for the City.

Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the built and natural environments:

- * Work with Community Development to resolve high profile code enforcement issues.

Council Priority - Land Development Code Update:

- * Assist with the revisions to the Sedona Land Development Code.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
City Council agenda bill items reviewed	54	124	140 (revised)	106	106
Ordinances processed	9	13	13	19	14
Resolutions processed	40	31	27 (revised)	33	33
Public meetings attended	54	53	51	53	53
Contracts reviewed	145	168	136 (revised)	150	150
Legal opinions provided	100	174	124 (revised)	133	133

CITY ATTORNEY'S OFFICE – Administration
continued

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Internal Survey: Quality of legal advice and services provided to City staff and officials (% responses favorable)		93%	91%	N/A	92%	92%
Internal Survey: Timeliness of responses to requests for legal services (% responses favorable)		93%	90%	N/A	92%	92%
Internal Survey: Confidence in legal services provided to City staff and officials (% responses favorable)		97%	95%	N/A	97%	97%
Internal Survey: Accessibility or approachability of legal department staff to City staff and officials (% responses favorable)		98%	95%	N/A	97%	97%
Internal Survey: Communication with City staff and officials (% responses favorable)		90%	92%	N/A	87%	90%
Internal Survey: Effectiveness of legal department to achieve its goals (% responses favorable)		95%	92%	N/A	93%	93%
Internal Survey: Legal departments effectiveness to community with City staff and officials (% responses favorable)		90%	92%	N/A	92%	92%

CITY ATTORNEY'S OFFICE – Criminal Prosecution

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 198,560	82%	\$ 188,980	\$ 187,070	\$ 174,906
Supplies & Services	2,700	1%	2,700	2,700	-
Subtotal Direct Costs	\$ 201,260	84%	\$ 191,680	\$ 189,770	\$ 174,906
Internal Charges	39,610	16%	39,400	39,400	-
Total Expenditures	\$ 240,870	100%	\$ 231,080	\$ 229,170	\$ 174,906
Expenditures by Fund					
General Fund Portion	\$ 240,870	100%	\$ 231,080	\$ 229,170	\$ 174,906
Funding Sources					
Funding from General Revenues	\$ 240,870	100%	\$ 231,080	\$ 229,170	\$ 174,906
Employee Time Allocation (FTEs) (Budgeted)	1.65		1.65		1.65

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

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Prosecuted a total of 263 cases, consisting of 36 Driving Under the Influence (DUI) cases, 36 crimes involving drugs or controlled substances, 83 criminal traffic matters, 108 criminal misdemeanor matters.
- * Initiated a program for real-time training of officers on operational matters.
- * Began a training program for entry-level attorney within the City Attorney's Office.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Continue to vigorously and fairly prosecute all criminal misdemeanor cases.
- * Explore innovative methods of achieving justice for the community.
- * Identify areas for enhanced training of law enforcement personnel.
- * Work to integrate community safety programs into City Attorney outcomes.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Criminal charges filed	204	241	182	263	209
Provide an annual case law update to Police Department	N/A	2	6	5	4
Hours of training provided to Police Department on operational matters	N/A	13.8	23	7	14.6

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Internal Survey: Effectiveness of City Prosecutor to review and charge matters (% responses favorable)		N/A	86%	N/A	86%	86%
Internal Survey: Quality of prosecutions litigated by City Prosecutor (% responses favorable)		N/A	85%	N/A	86%	86%
Internal Survey: Satisfaction of plea agreements negotiated by City Prosecutor (% responses favorable)		N/A	74%	N/A	74%	74%
Internal Survey: Satisfaction with level of justice achieved on matters resolved by City Prosecutor (% responses favorable)		N/A	73%	N/A	73%	73%
Internal Survey: Confidence in representation by City Prosecutor to the organization (% responses favorable)		N/A	88%	N/A	88%	88%

CITY ATTORNEY'S OFFICE – Land Development

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 67,450	82%	\$ 72,340	\$ 55,480	\$ 26,260
Internal Charges	14,350	18%	14,250	14,250	-
Total Expenditures	\$ 81,800	100%	\$ 86,590	\$ 69,730	\$ 26,260
Expenditures by Fund					
General Fund Portion	\$ 81,800	100%	\$ 86,590	\$ 69,730	\$ 26,260
Funding Sources					
Allocations to Other Departments	\$ 81,800	100%	\$ 86,590	\$ 86,590	\$ -
Funding from General Revenues	\$ -	0%	\$ -	\$ (16,860)	\$ 26,260
Employee Time Allocation (FTEs) (Budgeted)	0.60		0.60		0.40

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

FY 2018 Accomplishments

- Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the built and natural environments:
 - * Assisted in the implementation and development of the Board of Adjustment Hearing Officer process.
- Community Plan Community Goal - Preserve and celebrate the community's history:
 - * Assisted in the development and revision of the Historical Preservation Code.
- Council Priority - Update Land Development Code:
 - * Assisted in the development and review of the Land Development Code revisions.
- Council Priority - Community Focus Area Development:
 - * Assisted in the development and approval of the Schnebly Hill Community Focus Area.
- Council Priority - Revise City Sign Code:
 - * Assisted in the development and approval of the sign code.
- Council Priority - Create a Wireless Master Plan:
 - * Assisted with the development of a wireless master plan and associated revisions to the City's right-of-way ordinance.

FY 2019 Objectives

- Community Plan Land Use, Housing, and Growth - Ensure harmony between the built and natural environments:
 - * Continue to defend the appeal of a high-profile violation/enforcement case.
- Council Priority - Update Land Development Code:
 - * Assist with the presentation and implementation of the revised Land Development Code.
- Council Priority - Community Focus Area Development:
 - * Assist with the development and review of the Shelby/Sunset Community Focus Area.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Planning and zoning matters reviewed	29	35	15	26	26

**Community Plan Land Use, Housing, and Growth Goal -
Grow only within currently established residential and commercial limits:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Internal Survey: Confidence in legal department's ability to effectively advice on land use matters (% responses favorable)		N/A	94%	N/A	94%	94%
Internal Survey: Satisfaction with timeliness of legal department's response to requests for advice on land use matters (% responses favorable)		N/A	92%	N/A	92%	92%
Internal Survey: Satisfaction with level of support provided to Planning and Zoning Commission, Board of Adjustment and other organizational partners on land use matters (% responses favorable)		N/A	88%	N/A	88%	88%

CITY ATTORNEY'S OFFICE – General Civil

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 125,320	55%	\$ 127,920	\$ 113,000	\$ 72,488
Supplies & Services	75,000	33%	75,000	75,000	123,241
Subtotal Direct Costs	\$ 200,320	89%	\$ 202,920	\$ 188,000	\$ 195,729
Internal Charges	25,580	11%	23,360	23,360	-
Total Expenditures	\$ 225,900	100%	\$ 226,280	\$ 211,360	\$ 195,729
Expenditures by Fund					
General Fund Portion	\$ 225,900	100%	\$ 226,280	\$ 211,360	\$ 195,729
Funding Sources					
Allocations to Other Departments	\$ 225,900	100%	\$ 244,010	\$ 244,010	-
Funding from General Revenues	\$ -	0%	\$ (17,730)	\$ (32,650)	\$ 195,729
Employee Time Allocation (FTEs) (Budgeted)	0.90		0.90		0.70

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

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Reviewed and assisted human resources in responding to EEOC complaints.
- * Successfully defended the City in a Personnel Board appeal.

Overall City Value - Fiscal Sustainability:

- * Monitored all bankruptcy petitions involving the City of Sedona and assisted in the collection of outstanding tax and fee obligations.
- * Managed claims expenditures and implemented methods for more efficient tracking of departmental claims.
- * Assisted in the special action appeal in the Son Silver West matter and the resulting appeal to the Arizona Court of Appeals.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Worked with outside counsel on a favorable resolution of an appeal in the City of Sedona adv. Yellow Jacket Drilling matter.
- * Represented the community interests toward a favorable settlement in the APS rate case.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Manage the work of outside legal counsel on outstanding litigation matters.

Overall City Value - Fiscal Sustainability:

- * Continue to improve efficiencies in managing claims management.
- * Work with the Risk Pool on collaborative efforts to raise awareness on risk related issues.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Claims against City resolved without litigation	17	7	10	11	11
Traffic accidents involving City vehicles	6	17	11	11	11
Claims and suits against City	20	9	16	15	15
Claims regarding property damage to City property	6	8	6	7	7

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Internal Survey: Satisfaction with quality of City's legal representation on claims against City (% responses favorable)		N/A	92%	N/A	92%	92%
Internal Survey: Appropriate results achieved in defending and resolving claims against City (% responses favorable)		N/A	83%	N/A	88%	88%
Workers comp claims per 100 FTEs (ICMA Benchmark 2016-2017)	10.9 (all) / 8.2 (cities under 30,000 pop.)	N/A	11.5	N/A	7.9	8.1
Worker days lost to injury per 100 FTEs (ICMA Benchmark 2016-2017)	63.8 (all) / 1.1 (cities under 30,000 pop.)	N/A	3.8	N/A	6.8	10.1

CITY ATTORNEY'S OFFICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5230-01 - Administration					
Personnel (ongoing)	\$146,610	\$149,420	\$132,060	\$113,619	Current Year Under Budget: Position underfilled part of year
Supplies & Services (ongoing)	\$15,000	\$15,000	\$15,000	\$10,676	
Direct Costs (Ongoing) Subtotal	\$161,610	\$164,420	\$147,060	\$124,295	
Internal Charges	(\$161,650)	(\$146,690)	(\$146,690)	\$0	
Administration Total	(\$40)	\$17,730	\$370	\$124,295	
10-5230-17 - Criminal Prosecution					
Personnel (ongoing)	\$198,560	\$188,980	\$187,070	\$174,906	
Supplies & Services (ongoing)	\$2,700	\$2,700	\$2,700	\$0	
Direct Costs (Ongoing) Subtotal	\$201,260	\$191,680	\$189,770	\$174,906	
Internal Charges	\$39,610	\$39,400	\$39,400	\$0	
Criminal Prosecution Total	\$240,870	\$231,080	\$229,170	\$174,906	
10-5230-18 - Land Development					
Personnel (ongoing)	\$67,450	\$72,340	\$55,480	\$26,260	Current Year Under Budget: Position underfilled part of year
Internal Charges	(\$67,450)	(\$72,340)	(\$72,340)	\$0	
Land Development Total	\$0	\$0	(\$16,860)	\$26,260	
10-5230-19 - General Civil					
Personnel (ongoing)	\$125,320	\$127,920	\$113,000	\$72,488	Current Year Under Budget: Position underfilled part of year
Supplies & Services (ongoing)	\$75,000	\$75,000	\$75,000	\$123,241	
Direct Costs (Ongoing) Subtotal	\$200,320	\$202,920	\$188,000	\$195,729	
Internal Charges	(\$200,320)	(\$220,650)	(\$220,650)	\$0	
General Civil Total	\$0	(\$17,730)	(\$32,650)	\$195,729	
General Fund Totals					
Personnel Subtotal	\$537,940	\$538,660	\$487,610	\$387,273	
Supplies & Services (Ongoing) Subtotal	\$92,700	\$92,700	\$92,700	\$133,917	
Direct Costs (Ongoing) Subtotal	\$630,640	\$631,360	\$580,310	\$521,190	
Internal Charges Subtotal	(\$389,810)	(\$400,280)	(\$400,280)	\$0	
General Fund Total	\$240,830	\$231,080	\$180,030	\$521,190	
Wastewater Enterprise Fund					
59-5230-01 - Administration					
Personnel (ongoing)	\$0	\$0	\$0	\$20,989	
Supplies & Services (ongoing)	\$100,000	\$52,240	\$52,240	\$0	Budget Increase: FY18 Originally budgeted at \$100,000, but a portion was transferred to cover an unanticipated generator purchase
Wastewater Enterprise Fund Total	\$100,000	\$52,240	\$52,240	\$20,989	

CITY ATTORNEY'S OFFICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
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GRAND TOTALS

Personnel (Ongoing) Subtotal	\$537,940	\$538,660	\$487,610	\$408,262	
Supplies & Services (Ongoing) Subtotal	\$192,700	\$144,940	\$144,940	\$133,917	
Direct Costs (Ongoing) Subtotal	\$730,640	\$683,600	\$632,550	\$542,179	
Internal Charges Subtotal	(\$389,810)	(\$400,280)	(\$400,280)	\$0	
Grand Total	\$340,830	\$283,320	\$232,270	\$542,179	

CITY ATTORNEY'S OFFICE
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Assistant City Attorney ⁽¹⁾	1.00	2.00	1.60
Associate Attorney	1.00	0.00	0.00
City Attorney	1.00	1.00	1.00
Legal Assistant	1.00	1.00	1.00
Temp help ⁽²⁾	0.04	0.00	0.00
Total	4.04	4.00	3.60

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5230-01	Administration	0.89	0.85	0.75
10-5230-17	Criminal Prosecution	1.65	1.65	1.65
10-5230-18	Land Development	0.60	0.60	0.40
10-5230-19	General Civil	0.90	0.90	0.70
General Fund Total		4.04	4.00	3.50

Wastewater Enterprise Fund				
59-5230-01	Administration ⁽³⁾	0.00	0.00	0.10
Wastewater Enterprise Fund Total		0.00	0.00	0.10
Grand Total		4.04	4.00	3.60

⁽¹⁾ FY2017 includes a 0.60 part-time position. This position has been changed to a full-time position for FY2018 with no change in the salary level.

⁽²⁾ Temporary position

⁽³⁾ Beginning FY2018, the allocations to the Wastewater Fund are made via indirect cost allocations instead of a direct allocation of salaries.

CITY CLERK'S OFFICE

Mission Statement

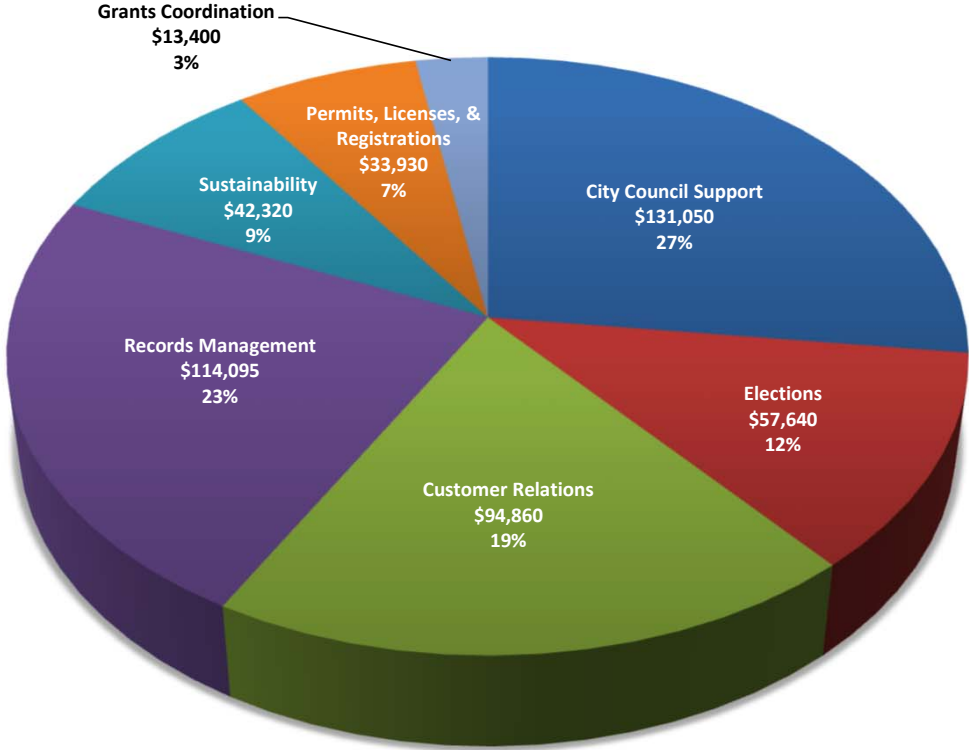
To provide exceptional service to the Mayor and City Council, the public, and City staff in order that all may be guaranteed fair and impartial elections and open access to information and the legislative process.

Description

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

- * City Council Support
- * Elections
- * Customer Relations
- * Records Management
- * Sustainability
- * Permits, Licenses, and Registrations
- * Grants Coordination

FY 2019 PROGRAM EXPENDITURES: \$487,295



CITY CLERK'S OFFICE – City Council Support

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 78,130	60%	\$ 73,100	\$ 71,220	\$ -
Supplies & Services	15,000	11%	15,000	15,000	-
Subtotal Direct Costs	\$ 93,130	71%	\$ 88,100	\$ 86,220	\$ -
Internal Charges	37,920	29%	31,820	31,820	-
Total Expenditures	\$ 131,050	100%	\$ 119,920	\$ 118,040	\$ -
Expenditures by Fund					
General Fund Portion	\$ 131,050	100%	\$ 119,920	\$ 118,040	\$ -
Funding Sources					
Funding from General Revenues	\$ 131,050	100%	\$ 119,920	\$ 118,040	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.80		0.80		0.00

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

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Assisted in recruiting and orienting a replacement City Councilor for Councilor Joe Vernier who resigned in February 2018.

FY 2019 Objectives

Overall City Value - Good Governance:

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

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
City Council agendas posted	54	53	48	45	48
Ordinances processed	9	13	15	15	15
Resolutions processed	40	31	28	25	25
City Council meetings attended with minutes completed	54	53	48	45	48

CITY CLERK'S OFFICE – Elections

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 8,430	15%	\$ 7,930	\$ 7,860	\$ -
Supplies & Services	43,500	75%	1,400	1,500	-
Subtotal Direct Costs	\$ 51,930	90%	\$ 9,330	\$ 9,360	\$ -
Internal Charges	5,710	10%	3,470	3,470	-
Total Expenditures	\$ 57,640	100%	\$ 12,800	\$ 12,830	\$ -
Expenditures by Fund					
General Fund Portion	\$ 57,640	100%	\$ 12,800	\$ 12,830	\$ -
Funding Sources					
Funding from General Revenues	\$ 57,640	100%	\$ 12,800	\$ 12,830	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.09		0.09		0.00

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

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Served as an early voting location for Coconino County.
- * Provided ballot drop boxes for Coconino and Yavapai Counties.
- * Performed identification verification for conditional provisional voters for Coconino and Yavapai Counties.
- * Prepared packets for City Council candidates.
- * Ensured filing of campaign finance filings.

Council Priority - Alternative Expenditure Limitation:

- * Prepared for Alternative Expenditure Limitation Election.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Coordinate Primary and General (if necessary) Elections.
- * Ensure filing of campaign finance filings.

Council Priority - Alternative Expenditure Limitation:

- * Coordinate Alternative Expenditure Limitation Election.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
City elections	0	1	0	0	2

CITY CLERK'S OFFICE – Customer Relations

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 62,670	66%	\$ 59,020	\$ 56,690	\$ -
Internal Charges	32,190	34%	34,870	34,870	-
Total Expenditures	\$ 94,860	100%	\$ 93,890	\$ 91,560	\$ -
Expenditures by Fund					
General Fund Portion	\$ 94,860	100%	\$ 93,890	\$ 91,560	\$ -
Funding Sources					
Allocations to Other Departments	\$ 94,870	100%	\$ 93,900	\$ 93,900	\$ -
Funding from General Revenues	\$ (10)	<1%	\$ (10)	\$ (2,340)	\$ -
Employee Time Allocation (FTEs) (Budgeted)					
	0.82		0.82		0.00

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

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Acted as a gatekeeper for the Sedona Citizens Connect. Took a more active approach on monitoring of issues and increased response rate, and reduced closure time from an average of 17 days to 10 days.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Act as the gatekeeper for the Sedona Citizens Connect, monitor issues for completion, and suggest enhancements.
- * Assist customers by phone and in person in a timely and courteous fashion.

Overall City Value - Fiscal Sustainability:

- * Deliver claims to the City Attorney's Office in a timely fashion.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Sedona Citizens Connect issues processed	208	308	280	210	210

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Sedona Citizens Connect average days to close an issue		17	10	10	9	10

CITY CLERK'S OFFICE – Records Management

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 50,410	44%	\$ 48,090	\$ 48,620	\$ -
Supplies & Services	8,355	7%	8,350	6,150	-
Subtotal Direct Costs	\$ 58,765	52%	\$ 56,440	\$ 54,770	\$ -
Internal Charges	55,330	48%	49,840	49,840	-
Total Expenditures	\$ 114,095	100%	\$ 106,280	\$ 104,610	\$ -
Expenditures by Fund					
General Fund Portion	\$ 114,095	100%	\$ 106,280	\$ 104,610	\$ -
Funding Sources					
Allocations to Other Departments	\$ 114,080	100%	\$ 106,300	\$ 106,300	\$ -
Funding from General Revenues	\$ 15	<1%	\$ (20)	\$ (1,690)	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.66		0.66		0.00

This program area includes preservation, research, and providing access to Sedona's records; recording of legal documents; and maintaining the City Code and Land Development Code.

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Fulfilled 100% of the records requests received.
- * Created a tracking system for records requests.

FY 2019 Objectives

Overall City Value - Good Governance:

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

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Records requests processed	N/A	127	80	215	150

CITY CLERK'S OFFICE – Sustainability

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 11,450	27%	\$ 11,140	\$ 11,570	\$ -
Supplies & Services	22,000	52%	4,000	4,000	-
Subtotal Direct Costs	\$ 33,450	79%	\$ 15,140	\$ 15,570	\$ -
Internal Charges	8,870	21%	7,650	7,650	-
Total Expenditures	\$ 42,320	100%	\$ 22,790	\$ 23,220	\$ -
Expenditures by Fund					
General Fund Portion	\$ 42,320	100%	\$ 22,790	\$ 23,220	\$ -
Funding Sources					
Funding from General Revenues	\$ 42,320	100%	\$ 22,790	\$ 23,220	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.18		0.18		0.00

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

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Council Priority - Environmental Sustainability:

- * Coordinated an annual electronics recycling event for the public.

FY 2019 Objectives

Council Priority - Environmental Sustainability:

- * Coordinate annual electronics recycling event for the public.
- * Coordinate a household hazardous waste event for the public.

Council Priority - Environmental Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Electronics recycling (weight in pounds)		10,843	11,599	8,000	8,000	8,000
Household hazardous waste (weight in pounds)		4,948	0	0	0	4,000

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

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 23,910	70%	\$ 22,510	\$ 22,360	\$ -
Internal Charges	10,020	30%	9,550	9,550	-
Total Expenditures	\$ 33,930	100%	\$ 32,060	\$ 31,910	\$ -
Expenditures by Fund					
General Fund Portion	\$ 33,930	100%	\$ 32,060	\$ 31,910	\$ -
Funding Sources					
Program Revenues	\$ 2,450	7%	\$ 2,350	\$ 2,850	\$ -
Funding from General Revenues	\$ 31,480	93%	\$ 29,710	\$ 29,060	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.24		0.24		0.00

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

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Processed peddler/solicitor permits within 14 days of application.

Community Plan Economic Development Goal - Support locally owned business:

- * Processed liquor license and special event applications according to required deadlines.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Process peddler/solicitor permits within 14 days of application.

Community Plan Economic Development Goal - Support locally owned business:

- * Process liquor license and special event applications according to required deadlines.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Peddler/solicitor permits	N/A	28	15	10	10
Liquor licenses	N/A	18	10	25	10
Special event liquor licenses	N/A	41	34	34	25
Civil union registrations	N/A	6	1	15	10

CITY CLERK'S OFFICE – Grants Coordination

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 9,370	70%	\$ 8,800	\$ 7,940	\$ -
Supplies & Services	750	6%	750	750	-
Subtotal Direct Costs	\$ 10,120	76%	\$ 9,550	\$ 8,690	\$ -
Internal Charges	3,280	24%	3,140	3,140	-
Total Expenditures	\$ 13,400	100%	\$ 12,690	\$ 11,830	\$ -
Expenditures by Fund					
General Fund Portion	\$ 13,400	100%	\$ 12,690	\$ 11,830	\$ -
Funding Sources					
Funding from General Revenues	\$ 13,400	100%	\$ 12,690	\$ 11,830	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.08		0.08		0.00

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

In FY 2017, the costs associated with this program were consolidated in one Administration program for the City Clerk's Office.

FY 2018 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Identified numerous grant opportunities and shared with appropriate staff members.

FY 2019 Objectives

Overall City Value - Fiscal Sustainability:

- * Identify grant opportunities and share with appropriate staff members.
- * Assist with grant follow-up.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Grants processed	N/A	0	5	2	3

CITY CLERK'S OFFICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5240-01 - Administration					
Personnel (ongoing)	\$0	\$0	\$0	\$204,970	
Supplies & Services (ongoing)	\$0	\$0	\$0	\$48,364	
Administration Total	\$0	\$0	\$0	\$253,334	
10-5240-05 - City Council Support					
Personnel (ongoing)	\$78,130	\$73,100	\$71,220	\$0	
Supplies & Services (ongoing)	\$15,000	\$15,000	\$15,000	\$0	
Direct Costs (Ongoing) Subtotal	\$93,130	\$88,100	\$86,220	\$0	
Internal Charges	\$37,920	\$31,820	\$31,820	\$0	Budget Increase: Increase in allocation of IT costs for PC and projector replacement
City Council Support Total	\$131,050	\$119,920	\$118,040	\$0	
10-5240-06 - Elections					
Personnel (ongoing)	\$8,430	\$7,930	\$7,860	\$0	
Supplies & Services (ongoing)	\$1,000	\$1,400	\$1,000	\$0	
Direct Costs (Ongoing) Subtotal	\$9,430	\$9,330	\$8,860	\$0	
Internal Charges	\$5,710	\$3,470	\$3,470	\$0	Budget Increase: Change in allocation of Finance costs
Ongoing Total	\$15,140	\$12,800	\$12,330	\$0	
Supplies & Services (one-time)	\$42,500	\$0	\$500	\$0	Budget: Biennial election
Elections Total	\$57,640	\$12,800	\$12,830	\$0	
10-5240-07 - Customer Relations					
Personnel (ongoing)	\$62,670	\$59,020	\$56,690	\$0	
Internal Charges	(\$62,680)	(\$59,030)	(\$59,030)	\$0	
Customer Relations Total	(\$10)	(\$10)	(\$2,340)	\$0	
10-5240-08 - Records Management					
Personnel (ongoing)	\$50,410	\$48,090	\$48,620	\$0	
Supplies & Services (ongoing)	\$8,355	\$8,350	\$6,150	\$0	Current Year Under Budget: Savings on code updates
Direct Costs (Ongoing) Subtotal	\$58,765	\$56,440	\$54,770	\$0	
Internal Charges	(\$58,750)	(\$56,460)	(\$56,460)	\$0	
Records Management Total	\$15	(\$20)	(\$1,690)	\$0	

CITY CLERK'S OFFICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5240-09 - Sustainability					
Personnel (ongoing)	\$11,450	\$11,140	\$11,570	\$0	
Supplies & Services (ongoing)	\$4,000	\$4,000	\$4,000	\$0	
Direct Costs (Ongoing) Subtotal	\$15,450	\$15,140	\$15,570	\$0	
Internal Charges	\$8,870	\$7,650	\$7,650	\$0	Budget Increase: Change in allocation of Finance costs
Ongoing Total	\$24,320	\$22,790	\$23,220	\$0	
Supplies & Services (one-time)	\$18,000	\$0	\$0	\$0	Budget: Approved Decision Package - Hazardous Household Materials Cleanup
Sustainability Total	\$42,320	\$22,790	\$23,220	\$0	
10-5240-10 - Permits, Licenses, & Registrations					
Personnel (ongoing)	\$23,910	\$22,510	\$22,360	\$0	
Internal Charges	\$10,020	\$9,550	\$9,550	\$0	
Permits, Licenses, & Registrations Total	\$33,930	\$32,060	\$31,910	\$0	
10-5240-16 - Grants Coordination					
Personnel (ongoing)	\$9,370	\$8,800	\$7,940	\$0	
Supplies & Services (ongoing)	\$750	\$750	\$750	\$0	
Direct Costs (Ongoing) Subtotal	\$10,120	\$9,550	\$8,690	\$0	
Internal Charges	\$3,280	\$3,140	\$3,140	\$0	
Grants Coordination Total	\$13,400	\$12,690	\$11,830	\$0	
General Fund Totals					
Personnel Subtotal	\$244,370	\$230,590	\$226,260	\$204,970	
Supplies & Services (Ongoing) Subtotal	\$29,105	\$29,500	\$26,900	\$48,364	
Direct Costs (Ongoing) Subtotal	\$273,475	\$260,090	\$253,160	\$253,334	
Internal Charges Subtotal	(\$55,630)	(\$59,860)	(\$59,860)	\$0	
Ongoing Subtotal	\$217,845	\$200,230	\$193,300	\$253,334	
Supplies & Services (One-Time) Subtotal	\$60,500	\$0	\$500	\$0	
General Fund Total	\$278,345	\$200,230	\$193,800	\$253,334	
Wastewater Enterprise Fund					
59-5240-01 - Administration					
Personnel (ongoing)	\$0	\$0	\$0	\$12,322	
Wastewater Enterprise Fund Total	\$0	\$0	\$0	\$12,322	

CITY CLERK'S OFFICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
GRAND TOTALS					
Personnel (Ongoing) Subtotal	\$244,370	\$230,590	\$226,260	\$217,292	
Supplies & Services (Ongoing) Subtotal	\$29,105	\$29,500	\$26,900	\$48,364	
Direct Costs (Ongoing) Subtotal	\$273,475	\$260,090	\$253,160	\$265,656	
Internal Charges Subtotal	(\$55,630)	(\$59,860)	(\$59,860)	\$0	
Ongoing Subtotal	\$217,845	\$200,230	\$193,300	\$265,656	
Supplies & Services (One-Time) Subtotal	\$60,500	\$0	\$500	\$0	
Grand Total	\$278,345	\$200,230	\$193,800	\$265,656	

CITY CLERK'S OFFICE
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE	FY16 FTE
City Clerk	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00
Records Clerk ⁽¹⁾	0.88	0.88	0.88	0.88
Total	2.88	2.88	2.88	2.88

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5240-01	Administration ⁽²⁾	0.00	0.00	2.66
10-5240-05	City Council Support	0.80	0.80	0.00
10-5240-06	Elections	0.09	0.09	0.00
10-5240-07	Customer Relations	0.83	0.83	0.00
10-5240-08	Records Management	0.66	0.66	0.00
10-5240-09	Sustainability	0.18	0.18	0.00
10-5240-10	Permits/Licenses/Registrations	0.24	0.24	0.00
10-5240-16	Grants Coordination	0.08	0.08	0.00

General Fund Total 2.88 2.88 2.66

Wastewater Enterprise Fund

59-5240-01	Administration ⁽³⁾	0.00	0.00	0.22
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Wastewater Enterprise Fund Total 0.00 0.00 0.22

Grand Total 2.88 2.88 2.88

⁽¹⁾ Part-time position

⁽²⁾ Beginning FY2018, the City Clerk's Office positions were allocated to individual programs.

⁽³⁾ Beginning FY2018, the allocations to the Wastewater Fund are made via indirect cost allocations instead of a direct allocation of salaries.

PARKS & RECREATION

Mission Statement

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

It is the culture of the Sedona Parks and Recreation Department to work within an environment of CITY PRIDE: Deliver the best Customer service, display unwavering Integrity, foster Teamwork and find ways to get to Yes! Embody Professionalism, show Respect, lead with Innovation and demonstrate Dedication to Excellence.

Description

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

- * Recreation Programs
- * Special Events
- * Aquatics Operations and Maintenance
- * Parks Facilities and Maintenance

FY 2018 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * 31 Community Partnerships in FY 2018.
- * 3,712 Volunteer Hours accumulated in FY 2018.
- * \$99,550 worth of Free Stuff accumulated in FY 2018 (Sponsorship money, donations of items, monetary volunteer hours).
- * Process 173 facility rentals.

Community Plan Community Goal - Preserve and celebrate the community's history:

- * Completed the permitting process through ADOT to allow the hanging of American flags on the light poles of State Route 89A.

FY 2019 Objectives

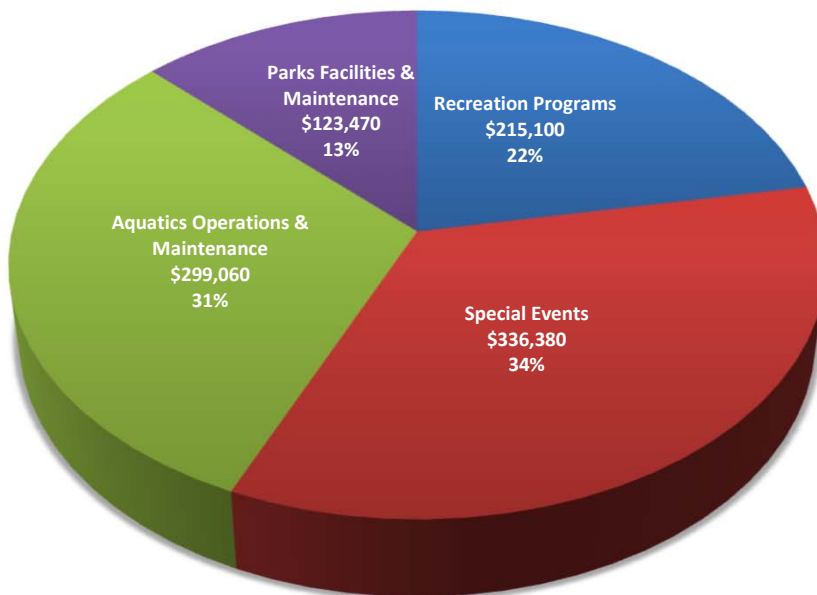
Overall City Value - Fiscal Sustainability:

- * Improve tracking for the new budget objectives.

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Apply for Trail Maintenance Grant.
- * Promote the parks and amenities creatively.
- * Diversify programming at the community pool.

FY 2019 PROGRAM EXPENDITURES: \$974,010



PARKS & RECREATION – Recreation Programs

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 109,270	51%	\$ 104,630	\$ 96,910	\$ 80,232
Supplies & Services	47,700	22%	50,085	47,135	43,493
Capital & Debt Service	-	0%	-	-	288
Subtotal Direct Costs	\$ 156,970	73%	\$ 154,715	\$ 144,045	\$ 124,013
Internal Charges	58,130	27%	49,880	49,880	-
Total Expenditures	\$ 215,100	100%	\$ 204,595	\$ 193,925	\$ 124,013
Expenditures by Fund					
General Fund Portion	\$ 213,700	99%	\$ 199,095	\$ 192,825	\$ 120,348
Other Funds Portion	\$ 1,400	1%	\$ 5,500	\$ 1,100	\$ 3,666
Funding Sources					
Program Revenues	\$ 53,000	25%	\$ 49,650	\$ 50,600	\$ 57,819
Funding from General Revenues	\$ 162,100	75%	\$ 154,945	\$ 143,325	\$ 66,195
Employee Time Allocation (FTEs) (Budgeted)	1.57		1.58		1.19

Throughout the year, Parks and Recreation is pleased to offer a variety of sports leagues, specialty classes and workshops. We strive to offer programming for different age groups and athletic abilities. By working with specialized professionals as independent contractors, we are able to increase our variety of offerings.

A portion of this program is paid by the Grants and Donations Funds.

FY 2018 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Maintained participant levels in Grasshopper Youth Basketball League.
- * Increased the number of summer camps offered.

FY 2019 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Increase programs provided for adults.
- * Create programs utilizing new fitness trail.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Recreation programs	10	15	N/A	14	16
Independent contracts signed	13	9	N/A	14	15

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Revenue from City programs		\$38,831	\$55,010	\$48,000	\$48,000	\$50,000
Parks and recreation class/program/facility registrants per 1,000 population (ICMA Benchmark 2016-2017)	1,398 (all) / 851 (cities under 30,000 pop.)	N/A	975	N/A	1,064	1,053

PARKS & RECREATION – Special Events

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 115,340	34%	\$ 109,190	\$ 106,440	\$ 100,039
Supplies & Services	179,000	53%	147,669	136,800	147,558
Subtotal Direct Costs	\$ 294,340	88%	\$ 256,859	\$ 243,240	\$ 247,597
Internal Charges	42,040	12%	36,760	36,760	-
Total Expenditures	\$ 336,380	100%	\$ 293,619	\$ 280,000	\$ 247,597
Expenditures by Fund					
General Fund Portion	\$ 327,380	97%	\$ 278,619	\$ 274,800	\$ 221,596
Other Funds Portion	\$ 9,000	3%	\$ 15,000	\$ 5,200	\$ 26,002
Funding Sources					
Program Revenues	\$ 59,000	18%	\$ 26,900	\$ 16,000	\$ 33,041
Funding from General Revenues	\$ 277,380	82%	\$ 266,719	\$ 264,000	\$ 214,557
Employee Time Allocation (FTEs) (Budgeted)	1.30		1.30		1.20

Sedona Parks and Recreation Department provides a multitude of special events to serve the interests and needs of local residents and visitors. The diversity of events is reflective of community interests and requests, and they are widely acclaimed by the public as being high quality, appropriate to the City's character and resident expectations.

A portion of this program is paid by the Grants and Donations Funds.

FY 2018 Accomplishments

Community Plan Parks, Recreations, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Transitioned Uptown Halloween from Sedona Mainstreet Program, and re-created National Day of the Cowboy with the Sedona Family Foot Rodeo.
- * 61% increase in Facebook "likes" and 57% increase in Facebook "follows."
- * Offered 23 days of events in one year, including three new events.
- * Partnered to create the Sedona Northern Lights event in December.

FY 2019 Objectives

Community Plan Parks, Recreations, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Refining and restructuring events to better meet the needs of the community.
- * Introduction of two new events in the fall.
- * Research, outreach, and procurement of new annual event sponsors.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Days of events	N/A	51	N/A	23	32

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Revenue from event sponsors		\$38,775	\$15,793	\$15,000	\$7,000	\$9,000
Customer Satisfaction Survey: Celebration of Spring (% responses favorable)		95%	91%	90%	99%	95%
Customer Satisfaction Survey: Pumpkin Splash (% responses favorable)		N/A	91%	90%	92%	95%
Customer Satisfaction Survey: Breakfast with Santa (% responses favorable)		N/A	98	90%	100%	95%

PARKS & RECREATION – Aquatics Operations & Maintenance

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 182,110	61%	\$ 178,000	\$ 173,350	\$ 83,983
Supplies & Services	16,500	6%	16,500	16,500	12,216
Subtotal Direct Costs	\$ 198,610	66%	\$ 194,500	\$ 189,850	\$ 96,199
Internal Charges	100,450	34%	80,510	80,510	-
Total Expenditures	\$ 299,060	100%	\$ 275,010	\$ 270,360	\$ 96,199
Expenditures by Fund					
General Fund Portion	\$ 299,060	100%	\$ 275,010	\$ 270,360	\$ 96,199
Funding Sources					
Program Revenues	\$ 40,280	13%	\$ 31,100	\$ 33,000	\$ 31,764
Funding from General Revenues	\$ 258,780	87%	\$ 243,910	\$ 237,360	\$ 64,435
Employee Time Allocation (FTEs) (Budgeted)	4.52		4.25		3.42

Open from early April through November, the Sedona Community Pool has activities for everyone. Amenities enjoyed at the pool include a shallow end (4-foot deep) with a water slide and a deep end (7-foot deep) that allows diving off of the deck. Activities offered include lap swim, open swim, water aerobics, aqua Zumba and swim lessons. There also three swim teams that train at this facility.

The Parks and Recreation Department is responsible for the operational aspects of the aquatic services. The Public Works Department is responsible for the maintenance aspects of the aquatic services.

FY 2018 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Increase in the number of pool users.
- * Increase in the number of swim lesson participants.
- * Addition of new swim team contract.
- * Addition of Spring Season, extending the pool season an additional 8 weeks.

FY 2019 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Implement a new cost-effective swim lesson program that offers innovative and successful teaching methods that includes safety concepts built into the curriculum.
- * Train and certify an in-house swim instructor trainer.
- * Restructuring of staff to enhance the youth employment program by providing advancement/leadership opportunities.
- * Increase the number of certified swim instructors.
- * Increase private pool rentals and birthday parties.
- * Expand aqua aerobic programs and increase participation.
- * Expand marketing avenues.

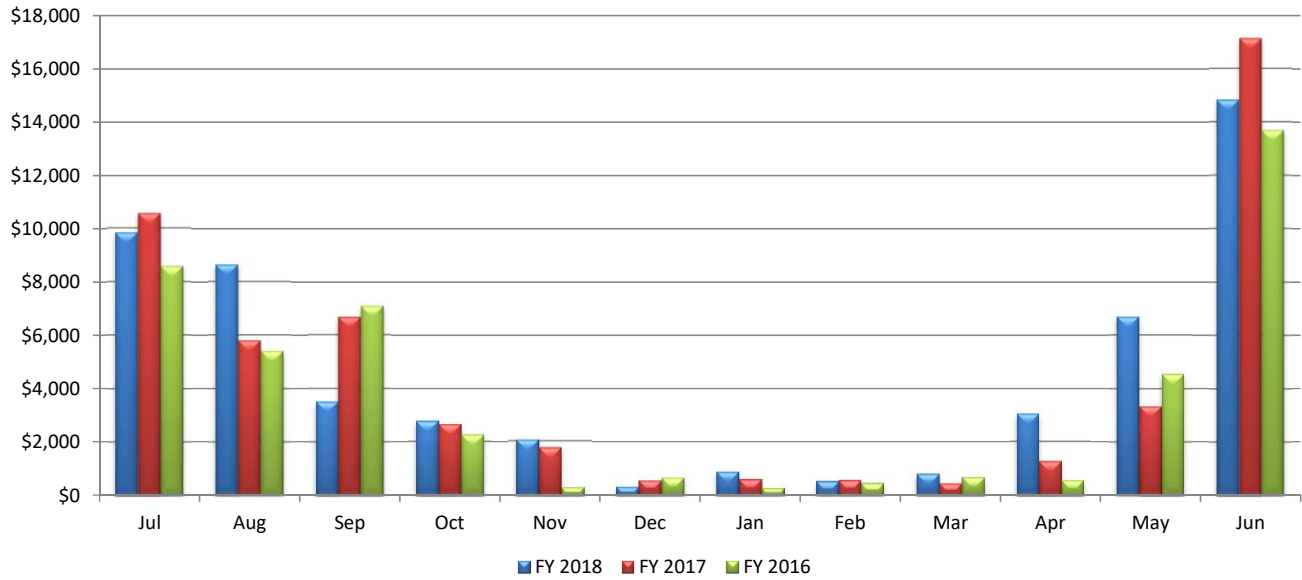
WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Days operational	176	183	N/A	231	231
Swim lessons taught	246	359	380	368	380
Attendance at lap swim and open swim	5,081	6,036	6,300	11,140	11,500
Staff hired and trained for the season	N/A	14	N/A	26	18

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

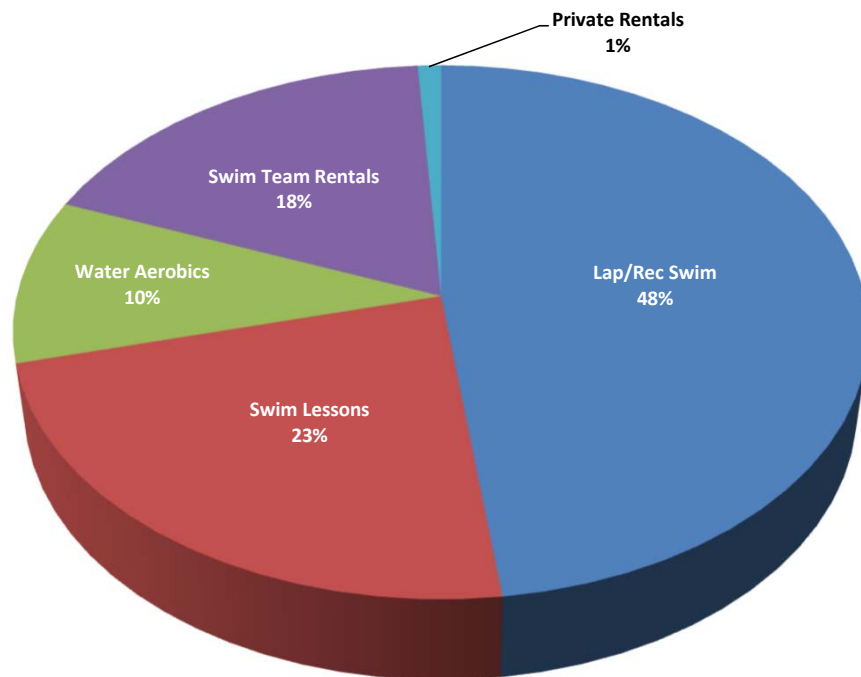
PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Satisfactory health inspections		100%	100%	N/A	100%	100%
Customer Satisfaction Survey: Overall aquatic services (% responses favorable)		N/A	N/A	N/A	N/A	85%

PARKS & RECREATION – Aquatics
continued

POOL REVENUES BY MONTH



POOL REVENUES BY TYPE



PARKS & RECREATION – Parks Facilities & Maintenance

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 64,410	52%	\$ 61,800	\$ 54,430	\$ -
Supplies & Services	36,000	29%	36,100	6,700	1,710
Capital & Debt Service	-	0%	30,000	3,880	34,291
Subtotal Direct Costs	\$ 100,410	81%	\$ 127,900	\$ 65,010	\$ 36,001
Internal Charges	23,060	19%	20,210	20,210	-
Total Expenditures	\$ 123,470	100%	\$ 148,110	\$ 85,220	\$ 36,001
Expenditures by Fund					
General Fund Portion	\$ 90,470	73%	\$ 86,110	\$ 76,640	\$ -
Other Funds Portion	\$ 33,000	27%	\$ 62,000	\$ 8,580	\$ 36,001
Funding Sources					
Program Revenues	\$ 66,000	53%	\$ 82,600	\$ 46,080	\$ 34,291
Funding from General Revenues	\$ 57,470	47%	\$ 65,510	\$ 39,140	\$ 1,711
Employee Time Allocation (FTEs) (Budgeted)	0.75		0.75		0.00

There are 9 City parks totaling 123.18 acres owned and/or maintained by the City of Sedona. This system includes a neighborhood and community park as well as unique sites such as a small botanical garden, pocket parks, a historical park, a wetlands preserve, and most recently a neighborhood park property with historical significance. Overall, the City of Sedona is an active community with a hearty appetite for high quality park and recreation sites, facilities, and services. The City parks and facilities are maintained by the Public Works Department.

While most features within a park can be rented/reserved, there are 6 facilities that generate the most attention. These include: 2 ramadas at Sunset Park, 10 ramadas at Posse Grounds Park, recreation room, multi-use field, softball fields, and the Posse Grounds Pavilion. The facilities are rented for a variety of reasons which include special events, sports leagues and practices, birthday parties, baby showers, weddings, and concerts.

A portion of this program is paid by the Grants and Donations Funds.

FY 2018 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Programed new class utilizing our Fitness Trail equipment.
- * Hired a maintenance person specifically for the Bike Park.
- * Completed the Dog Park CIP and held a grand reopening.

FY 2019 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Increase programming at the Pavilion.
- * Promote existing facilities.
- * Construct the Tot Loop at the Bike Park.
- * Work alongside the Public Works Department to maintain parks and facilities.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Facility rentals processed	N/A	161	N/A	173	210
Rental hours	N/A	357	N/A	665	1,400

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Customer Satisfaction Survey: Overall facilities (% responses favorable)		N/A	N/A	N/A	N/A	85%

PARKS & RECREATION
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5242-23 - Recreation Programs					
Personnel (ongoing)	\$109,270	\$104,630	\$96,910	\$80,232	Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$46,300	\$44,585	\$46,035	\$39,827	
Direct Costs (Ongoing) Subtotal	\$155,570	\$149,215	\$142,945	\$120,059	
Internal Charges	\$58,130	\$49,880	\$49,880	\$0	
Ongoing Total	\$213,700	\$199,095	\$192,825	\$120,059	
Capital & Debt Service	\$0	\$0	\$0	\$288	
One-Time Total	\$0	\$0	\$0	\$288	
Recreation Programs Total	\$213,700	\$199,095	\$192,825	\$120,348	
10-5242-24 - Special Events					
Personnel (ongoing)	\$115,340	\$109,190	\$106,440	\$100,039	Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$170,000	\$132,669	\$131,600	\$121,557	
Direct Costs (Ongoing) Subtotal	\$285,340	\$241,859	\$238,040	\$221,596	Budget Increase: \$40,000 added for holiday decorations to be paid from Paid Parking Program revenues
Internal Charges	\$42,040	\$36,760	\$36,760	\$0	
Special Events Total	\$327,380	\$278,619	\$274,800	\$221,596	
10-5242-25 - Aquatics Operations & Maintenance					
Personnel (ongoing)	\$182,110	\$178,000	\$173,350	\$83,983	
Supplies & Services (ongoing)	\$16,500	\$16,500	\$16,500	\$12,216	
Direct Costs (Ongoing) Subtotal	\$198,610	\$194,500	\$189,850	\$96,199	
Internal Charges	\$100,450	\$80,510	\$80,510	\$0	
Aquatics Operations & Maintenance Total	\$299,060	\$275,010	\$270,360	\$96,199	
10-5242-26 - Parks Facilities & Maintenance					
Personnel (ongoing)	\$64,410	\$61,800	\$54,430	\$0	Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$3,000	\$4,100	\$2,000	\$0	
Direct Costs (Ongoing) Subtotal	\$67,410	\$65,900	\$56,430	\$0	Current Year Under Budget: Savings in tech support for facility rentals
Internal Charges	\$23,060	\$20,210	\$20,210	\$0	
Parks Facilities & Maintenance Total	\$90,470	\$86,110	\$76,640	\$0	

PARKS & RECREATION
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund Totals					
Personnel Subtotal	\$471,130	\$453,620	\$431,130	\$264,254	
Supplies & Services (Ongoing) Subtotal	\$235,800	\$197,854	\$196,135	\$173,600	
Direct Costs (Ongoing) Subtotal	\$706,930	\$651,474	\$627,265	\$437,854	
Internal Charges Subtotal	\$223,680	\$187,360	\$187,360	\$0	
Ongoing Subtotal	\$930,610	\$838,834	\$814,625	\$437,854	
Capital & Debt Service Subtotal	\$0	\$0	\$0	\$288	
General Fund Total	\$930,610	\$838,834	\$814,625	\$438,142	

Donations & Contributions Fund

15-5242-23 - Recreation Programs

Supplies & Services (ongoing)	\$1,400	\$5,500	\$1,100	\$3,666	Current Year Under Budget: Budgeted high in case of additional contributions
Recreation Programs Total	\$1,400	\$5,500	\$1,100	\$3,666	

15-5242-24 - Special Events

Supplies & Services (ongoing)	\$9,000	\$15,000	\$5,200	\$26,002	Current Year Under Budget: Budgeted high in case of additional contributions
Direct Costs (Ongoing) Subtotal	\$9,000	\$15,000	\$5,200	\$26,002	
Special Events Total	\$9,000	\$15,000	\$5,200	\$26,002	

15-5242-26 - Parks Facilities & Maintenance

Supplies & Services (ongoing)	\$3,000	\$2,000	\$4,700	\$1,710	Current Year Over Budget: Additional contributions received
Parks Facilities & Maintenance Total	\$3,000	\$2,000	\$4,700	\$1,710	

Donations & Contributions Fund Totals

Supplies & Services (Ongoing) Subtotal	\$13,400	\$22,500	\$11,000	\$31,378	
Donations & Contributions Fund Total	\$13,400	\$22,500	\$11,000	\$31,378	

Operating Grants Fund

16-5242-26 - Parks Facilities & Maintenance

Supplies & Services (ongoing)	\$0	\$30,000	\$0	\$0	Budget Decrease: Separated one-time costs Current Year Under Budget: Grant not received
Ongoing Total	\$0	\$30,000	\$0	\$0	
Supplies & Services (one-time)	\$30,000	\$0	\$0	\$0	Budget: Trail maintenance grant
Capital & Debt Service	\$0	\$0	\$0	\$18,774	
One-Time Total	\$30,000	\$0	\$0	\$18,774	
Operating Grants Fund Total	\$30,000	\$30,000	\$0	\$18,774	

PARKS & RECREATION
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
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Capital Grants Fund

19-5242-26 - Parks Facilities & Maintenance

Capital & Debt Service	\$0	\$30,000	\$3,880	\$15,517	
Capital Grants Fund Total	\$0	\$30,000	\$3,880	\$15,517	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$471,130	\$453,620	\$431,130	\$264,254	
Supplies & Services (Ongoing) Subtotal	\$249,200	\$250,354	\$207,135	\$204,978	
Direct Costs (Ongoing) Subtotal	\$720,330	\$703,974	\$638,265	\$469,232	
Internal Charges Subtotal	\$223,680	\$187,360	\$187,360	\$0	
Ongoing Subtotal	\$944,010	\$891,334	\$825,625	\$469,232	
Supplies & Services (One-Time) Subtotal	\$30,000	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$0	\$30,000	\$3,880	\$34,579	
One-Time Subtotal	\$30,000	\$30,000	\$3,880	\$34,579	
Grand Total	\$974,010	\$921,334	\$829,505	\$503,811	

PARKS & RECREATION
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Administrative Assistant	1.00	1.00	0.00
Head Lifeguard ⁽¹⁾	0.64	0.00	0.00
Parks and Recreation Manager	1.00	1.00	1.00
Recreation & Aquatics Supervisor	1.00	1.00	1.00
Recreation Coordinator II Lifeguard ⁽¹⁾	1.00	1.00	1.00
Lifeguard ⁽¹⁾	1.92	1.96	1.58
Lifeguard Instructor ⁽¹⁾	1.05	0.69	0.00
Pool Manager ⁽¹⁾	0.00	0.00	0.34
Pool Office Assistant ⁽¹⁾	0.00	0.70	0.45
Recreation Assistant ⁽¹⁾	0.13	0.15	0.15
Referee ⁽¹⁾	0.15	0.14	0.09
SAI Instructor Trainer ⁽¹⁾	0.06	0.00	0.00
Scorekeeper ⁽¹⁾	0.09	0.09	0.05
Water Aerobics Instructor ⁽¹⁾	0.10	0.16	0.15
Total	8.14	7.89	5.81

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5242-23	Recreation Programs ⁽²⁾	1.57	1.58	1.19
10-5242-24	Special Events	1.30	1.30	1.20
10-5242-25	Aquatics ⁽³⁾	4.52	4.26	3.42
10-5242-26	Parks Facilities & Maintenance	0.65	0.65	0.00
10-5242-89	Capital Projects Management	0.10	0.10	0.00
General Fund Total		8.14	7.89	5.81

⁽¹⁾ Temporary positions

⁽²⁾ Includes 0.37 of temporary positions.

⁽³⁾ Includes 3.77 of temporary positions.

GENERAL SERVICES

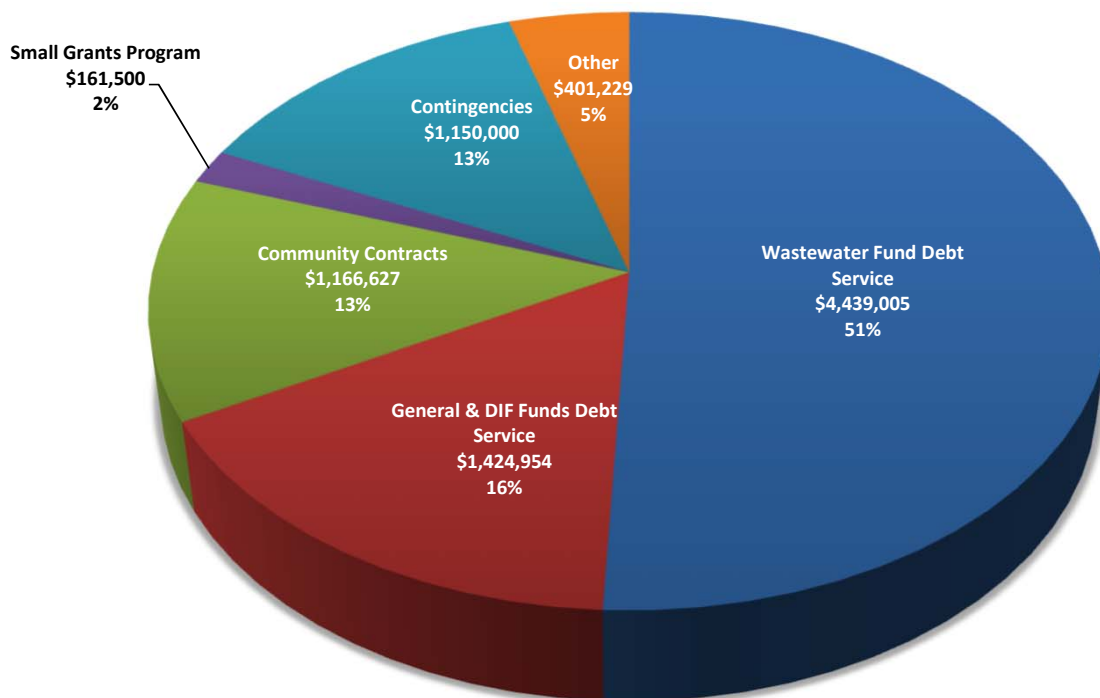
Description

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

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

- * \$250,000 general operating contingency (General Fund)
- * \$100,000 general operating contingency (Wastewater Enterprise Fund)
- * \$100,000 contingency for judgments (General Fund)
- * \$300,000 contingency for potential bed tax revenue increases (55% pledged to the tourism management and development program, 45% available for other City purposes not budgeted) (General Fund)
- * \$300,000 contingency for unknown grants and donations revenues that may be received during the year (Grants and Donations Funds)
- * \$100,000 contingency for unknown affordable housing costs (Affordable Housing Fund)

FY 2019 PROGRAM EXPENDITURES: \$8,743,315



GENERAL SERVICES – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 10,000	<1%	\$ 347,346	\$ 208,663	\$ 6,687
Supplies & Services	1,709,926	20%	1,531,488	1,541,628	3,516,908
Capital & Debt Service	5,863,959	67%	5,863,745	5,863,738	5,851,461
Contingencies	1,150,000	13%	1,065,543	-	-
Subtotal Direct Costs	\$ 8,733,885	100%	\$ 8,808,122	\$ 7,614,029	\$ 9,375,056
Internal Charges	9,430	<1%	10,930	10,930	-
Total Expenditures	\$ 8,743,315	100%	\$ 8,819,052	\$ 7,624,959	\$ 9,375,056
Expenditures by Fund					
General Fund Portion	\$ 3,794,660	43%	\$ 4,159,981	\$ 3,204,891	\$ 4,209,363
Wastewater Fund Portion	\$ 4,539,115	52%	\$ 4,384,855	\$ 4,409,855	\$ 5,144,495
Other Funds Portion	\$ 409,540	5%	\$ 274,216	\$ 10,213	\$ 21,198
Funding Sources					
Allocations to Other Departments	\$ 350,420	4%	\$ 365,010	\$ 365,010	\$ -
Program Revenues	\$ 4,948,655	57%	\$ 4,659,071	\$ 4,420,068	\$ 5,710,225
Funding from General Revenues	\$ 3,444,240	39%	\$ 3,794,971	\$ 2,839,881	\$ 3,664,831
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Small grants awarded	18	22	N/A	17	N/A
Average small grant award amount	\$8,506	\$6,817	N/A	\$9,500	N/A
Total small grants awarded	\$153,100	\$149,978	\$161,500	\$161,500	\$161,500
Range of small grant awards	\$100 - \$28,000	\$500 - \$23,300	N/A	\$1,020 - \$24,000	N/A

GENERAL SERVICES

continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5245-01 - Administration					
Personnel (ongoing)	\$10,000	\$378,476	\$208,663	\$6,687	Budget Decrease: Hall/Parker refunds were one-time Current Year Under Budget: Carryover
Supplies & Services (ongoing)	\$543,299	\$644,435	\$583,935	\$3,516,908	
Direct Costs (Ongoing) Subtotal	\$553,299	\$1,022,911	\$792,598	\$3,523,595	Budget Decrease: Reduction of estimated costs for Paid Parking Program and fuel and maintenance for pooled vehicles Current Year Under Budget: Savings in pooled vehicle fuel and maintenance costs
Internal Charges	(\$341,100)	(\$354,200)	(\$354,200)	\$0	
Ongoing Total	\$212,199	\$668,711	\$438,398	\$3,523,595	
Capital & Debt Service	\$0	\$0	\$0	\$685,768	
One-Time Total	\$0	\$0	\$0	\$685,768	
Administration Total	\$212,199	\$668,711	\$438,398	\$4,209,363	
10-5245-09 - Sustainability					
Supplies & Services (ongoing)	\$100,000	\$0	\$0	\$0	Budget Increase: Moved Sedona Recycles contract from 10-5245-90, Council increased \$14,555
Sustainability Total	\$100,000	\$0	\$0	\$0	
10-5245-90 - Comm Contracts - Public Safety					
Supplies & Services (ongoing)	\$69,285	\$54,395	\$54,395	\$0	Budget Increase: Increase in Humane Society contract
Comm Contracts - Public Safety Total	\$69,285	\$54,395	\$54,395	\$0	
10-5245-91 - Comm Contracts - Cult & Recr					
Supplies & Services (ongoing)	\$494,392	\$427,780	\$456,000	\$0	Budget Increase: Increase in Sedona Library contract, Council increased an additional \$25,000 Current Year Over Budget: Increase in Sedona Library contract not budgeted
Comm Contracts - Cult & Recr Total	\$494,392	\$427,780	\$456,000	\$0	
10-5245-92 - Comm Contracts - Health & Welf					
Supplies & Services (ongoing)	\$174,365	\$251,998	\$251,998	\$0	Budget Decrease: Moved Sedona Recycles contract to 10-5245-09
Comm Contracts - Health & Welf Total	\$174,365	\$251,998	\$251,998	\$0	

GENERAL SERVICES

continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5245-93 - Comm Contracts - Public Transp					
Supplies & Services (ongoing)	\$328,585	\$187,500	\$195,300	\$0	Budget Increase: Increase in Verde Lynx contract, approved Decision Package - expansion of Verde Lynx Current Year Over Budget: Increase in Verde Lynx contract not budgeted
Comm Contracts - Public Transp Total	\$328,585	\$187,500	\$195,300	\$0	
10-5246-01 - Administration					
Contingencies	\$650,000	\$900,000	\$0	\$0	Budget Decrease: Eliminated contingency for City's portion of increase in Bed Tax revenues
Administration Total	\$650,000	\$900,000	\$0	\$0	
10-5255-15 - Debt Service					
Capital & Debt Service	\$1,415,414	\$1,431,310	\$1,443,790	\$0	
Debt Service Total	\$1,415,414	\$1,431,310	\$1,443,790	\$0	
General Fund Totals					
Personnel Subtotal	\$10,000	\$378,476	\$208,663	\$6,687	
Supplies & Services (Ongoing) Subtotal	\$1,709,926	\$1,566,108	\$1,541,628	\$3,516,908	
Direct Costs (Ongoing) Subtotal	\$1,719,926	\$1,944,584	\$1,750,291	\$3,523,595	
Internal Charges Subtotal	(\$341,100)	(\$354,200)	(\$354,200)	\$0	
Contingencies Subtotal	\$650,000	\$900,000	\$0	\$0	
Ongoing Subtotal	\$2,028,826	\$2,490,384	\$1,396,091	\$3,523,595	
Capital & Debt Service Subtotal	\$1,415,414	\$1,431,310	\$1,443,790	\$685,768	
General Fund Total	\$3,444,240	\$3,921,694	\$2,839,881	\$4,209,363	

Affordable Housing Fund

12-5246-01 - Administration					
Contingencies	\$100,000	\$0	\$0	\$0	Budget Increase: Approved Decision Package - Affordable Housing
Affordable Housing Fund Total	\$100,000	\$0	\$0	\$0	

Operating Grants Fund

16-5246-01 - Administration					
Contingencies	\$300,000	\$300,000	\$0	\$0	Budget Increase: Reinstated to original budget level prior to transfers for unanticipated grants in FY18
Operating Grants Fund Total	\$300,000	\$300,000	\$0	\$0	

GENERAL SERVICES

continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
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Dev. Impact Fees - General Government - Post 1/1/12

45-5255-15 - Debt Service

Capital & Debt Service	\$9,540	\$22,700	\$10,213	\$21,198	Budget Decrease: Based on debt retirement schedules
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Fees - General Government - Post 1/1/12 Total	\$9,540	\$22,700	\$10,213	\$21,198	
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Wastewater Enterprise Fund

59-5245-01 - Administration

Personnel (ongoing)	\$0	(\$25,000)	\$0	\$0	Budget Increase: Eliminate vacancy savings offset
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Administration Total	\$0	(\$25,000)	\$0	\$0	
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59-5246-01 - Administration

Contingencies	\$100,000	\$0	\$0	\$0	Budget Increase: FY18 originally budgeted at \$100,000, but was transferred to cover an unanticipated generator purchase
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Administration Total	\$100,000	\$0	\$0	\$0	
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59-5255-15 - Debt Service

Capital & Debt Service	\$4,439,005	\$4,409,735	\$4,409,735	\$5,144,495	
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Debt Service Total	\$4,439,115	\$4,409,855	\$4,409,855	\$5,144,495	
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Wastewater Enterprise Fund Totals

Personnel Subtotal	\$0	(\$25,000)	\$0	\$0	
Internal Charges Subtotal	\$110	\$120	\$120	\$0	
Contingencies Subtotal	\$100,000	\$0	\$0	\$0	

Ongoing Subtotal	\$100,110	(\$24,880)	\$120	\$0	
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Capital & Debt Service Subtotal	\$4,439,005	\$4,409,735	\$4,409,735	\$5,144,495	
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Wastewater Enterprise Fund Total	\$4,539,115	\$4,384,855	\$4,409,855	\$5,144,495	
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GRAND TOTALS

Personnel (Ongoing) Subtotal	\$10,000	\$353,476	\$208,663	\$6,687	
Supplies & Services (Ongoing) Subtotal	\$1,709,926	\$1,566,108	\$1,541,628	\$3,516,908	
Direct Costs (Ongoing) Subtotal	\$1,719,926	\$1,919,584	\$1,750,291	\$3,523,595	

Internal Charges Subtotal	(\$340,990)	(\$354,080)	(\$354,080)	\$0	
Contingencies Subtotal	\$1,150,000	\$1,200,000	\$0	\$0	

Ongoing Subtotal	\$2,528,936	\$2,765,504	\$1,396,211	\$3,523,595	
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Capital & Debt Service Subtotal	\$5,863,959	\$5,863,745	\$5,863,738	\$5,851,461	
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Grand Total	\$8,392,895	\$8,629,249	\$7,259,949	\$9,375,056	
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COMMUNITY DEVELOPMENT

Mission Statement

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

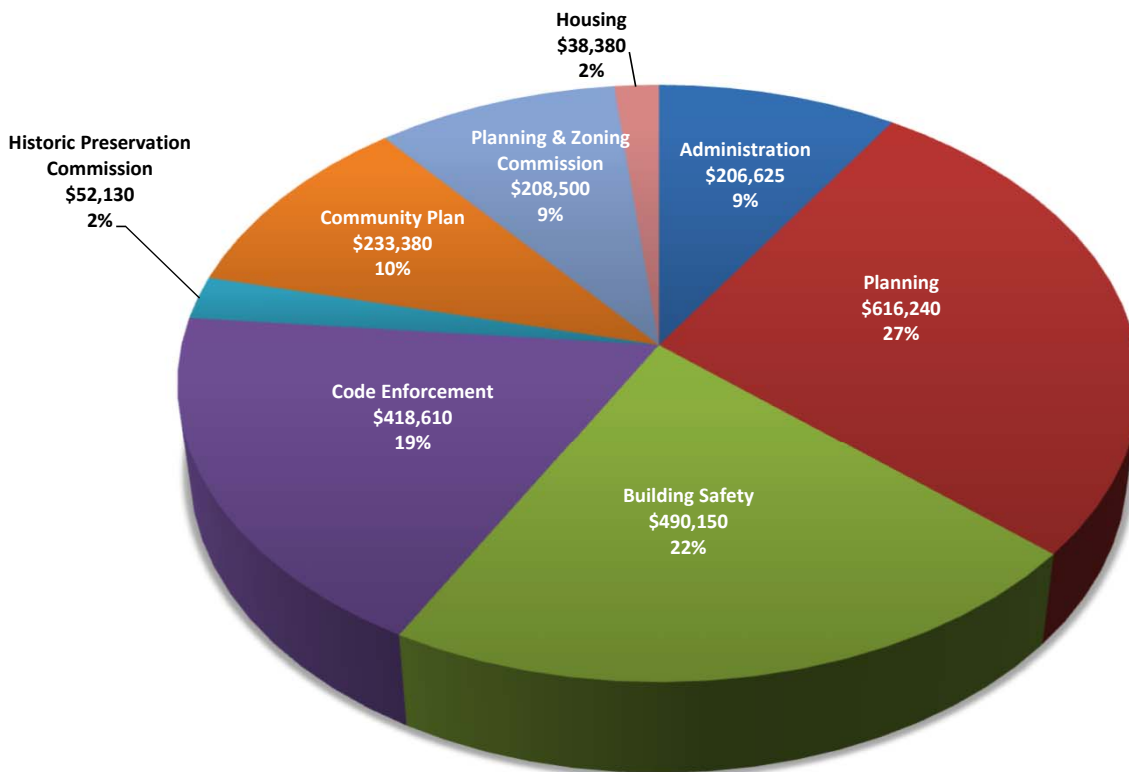
Description

The Community Development Department is comprised of 13 full-time employees and one part-time employee and 8 program areas. The Department provides support to the City Council and the Historic Preservation and Planning and Zoning Commissions, as well as the Board of Adjustment.

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

- * Administration
- * Planning
- * Building Safety
- * Code Enforcement
- * Historic Preservation Commission
- * Community Plan
- * Planning and Zoning Commission
- * Housing (new)

FY 2019 PROGRAM EXPENDITURES: \$2,264,015



COMMUNITY DEVELOPMENT – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 152,390	74%	\$ -	\$ -	\$ -
Supplies & Services	8,975	4%	-	-	-
Subtotal Direct Costs	\$ 161,365	78%	\$ -	\$ -	\$ -
Internal Charges	45,260	22%	-	-	-
Total Expenditures	\$ 206,625	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 206,625	100%	\$ -	\$ -	\$ -
Funding Sources					
Funding from General Revenues	\$ 206,625	100%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	1.20		0.00		0.00

The Administration program accounts for support to the other program areas of Community Development: Code Enforcement, Building Safety, Planning, Historic Preservation Commission, Planning and Zoning Commission, and Community Plan efforts.

This program was created beginning FY 2019.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * No staff turnover.
- * 100% of staff fully trained.
- * All scheduled Commissioner training completed.

Overall City Value - Fiscal Sustainability:

- * Operated all department functions within budget.

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * New Chief Building Official started June 2017.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Create and maintain a highly qualified, professional and responsive work team that supports the City's Core Values and Department's mission.
- * Provide excellent support and assistance to our greatest asset - our Team.
- * Promote efficiency, reliability and leadership among Department staff to address the City's Core Values and foster open communications with the community.
- * Develop and maintain an attitude of teamwork and quality in our day to day operations.
- * Encourage and install job satisfaction through professional development and enhancement.
- * Respect values that may be different than ours.
- * Communicate in an honest and fair manner.
- * Provide excellent support and assistance to the Historic Preservation and Planning and Zoning Commissions, Board of Adjustment and City Council.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
City Council meetings, public hearings, and work sessions	22	18	N/A	18	20
Planning and Zoning Commission meetings, public hearings, work sessions, and site visits	20	22	30	29	32
Historic Preservation Commission meetings and public hearings	11	9	8	6	4

COMMUNITY DEVELOPMENT – Planning

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 316,890	51%	\$ 276,670	\$ 268,600	\$ 195,845
Supplies & Services	165,650	27%	317,055	171,543	152,826
Capital & Debt Service	-	0%	-	-	11,032
Subtotal Direct Costs	\$ 482,540	78%	\$ 593,725	\$ 440,143	\$ 359,702
Internal Charges	133,700	22%	116,050	116,050	-
Total Expenditures	\$ 616,240	100%	\$ 709,775	\$ 556,193	\$ 359,702
Expenditures by Fund					
General Fund Portion	\$ 616,240	100%	\$ 709,775	\$ 556,193	\$ 359,702
Funding Sources					
Program Revenues	\$ 47,760	8%	\$ 64,200	\$ 45,310	\$ 76,060
Funding from General Revenues	\$ 568,480	92%	\$ 645,575	\$ 510,883	\$ 283,642
Employee Time Allocation (FTEs) (Budgeted)	3.28		2.99		2.15

The Planning program plans and regulates all land uses and development within City limits, informing and educating property owners, residents, and business owners of the City's vision, and land use and development policies and procedures. The Planning staff review and process various applications and permits such as zone change requests, development proposals, subdivisions, appeals and variances, administrative waivers, conditional use permits, temporary use permits, and sign permits and provide support to the Planning and Zoning Commission, Historic Preservation Commission, and the Board of Adjustment. The staff also provide research and technical assistance related to zoning codes, land use, housing, historic preservation, and demographics. Additionally, they are responsible for maintaining and implementing the Community Plan. Of note, the Planning team's activity demand only reflects those applications and permits that are directly related to current and long-range planning. Not reflected in the activity demand is the team's review of all residential and commercial building permits for zoning compliance.

In general, the number of planning applications processed has held steady for the past couple years, with increases in some areas offset by decreases in others. However, the complexity of projects has increased, with applications for large hotels and multi-use developments replacing small office buildings. In addition, as Sedona approaches build-out, the properties available include more challenging development projects, such as building on steeper slopes, floodplains, and oddly shaped parcels. The rising complexity and challenging nature of recent projects has resulted in more staff time being devoted to each application than has been seen in the past. In addition, the challenging properties have become more appealing to developers, which has led to a steady stream of variance and administrative waiver applications as well as zoning verification letters, as potential developers seek to determine how to best utilize the limited vacant land remaining in the City.

FY 2018 Accomplishments

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * Zone change for former Racquet Club subdivision application completed.
- * Completed development review for Andante Inn façade remodel.

Council Priority - Update Land Development Code:

- * Initiated the Land Development Code (LDC) update.
- * Completed amendments to LDC regulations addressing accessory dwelling units (Section 918).

Council Priority - Revise City Sign Code:

- * Sign Code revision completed.

COMMUNITY DEVELOPMENT - Planning

continued

FY 2019 Objectives

Overall City Value - Good Governance:

- * Promote a positive professional image of the Planning division by fostering a culture that is helpful, approachable, and knowledgeable.
- * Create and implement plans and policies that realize the vision of the Community Plan.
- * Continue to maintain an effective, fair, and consistent application review.
- * Conduct reviews of all residential and commercial building permit applications within mandated timeframe.

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * Manage planning applications, development review, zoning, and conditional use permits.
- * Facilitate the Planning and Zoning and Historic Preservation Commissions' work programs

Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the built and natural environments:

- * Manage sign permits, off-premise, temporary, and permanent signs.
- * Encourage high-quality, sustainable development that respects and enhances its context.
- * Provide education for residents, businesses and property owners.

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active healthy lifestyles:

- * Implement the Ranger Station Park Master Plan.

Council Priority - Update Land Development Code:

- * Complete the Land Development Code update.

Council Priority - Sustainable Tourism:

- * Participate in Sustainable Tourism.

Council Priority - Affordable Housing:

- * Participate in Affordable Housing activities.

Council Priority - Create a Wireless Master Plan:

- * Complete the Wireless Communication Master Plan and amendments to Article 17, Wireless Communications, Land Development Code.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Community Plan amendments	1	5	2	2	3
Zone changes	2	6	2	3	4
Development reviews	6	3	6	8	10
Conditional use permits	5	4	8	6	6
Temporary use permits	69	70	70	66	70
Sign permits, permanent	88	115	90	90	100
Sign permits, temporary	69	103	105	92	100
Sign permits, off-premise	N/A	N/A	N/A	57	70
Film permits	12	15	12	12	12
Subdivisions	3	1	2	3	3
Administrative waivers	7	3	4	4	2
Land division permits	17	20	20	17	20
Variance/appeals	2	4	2	3	1
Land Development Code amendments	2	3	1	1	1
Zoning verification letters	N/A	14	N/A	22	20

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Development review: Average days to residential issue		N/A	N/A	N/A	N/A	N/A
Development review: Average days to commercial issue		N/A	N/A	N/A	N/A	N/A
Temporary use permits: Average days to issue		N/A	N/A	N/A	N/A	N/A
Sign permits, permanent: Average days to issue		N/A	N/A	N/A	N/A	N/A
Sign permits, temporary: Average days to issue		N/A	N/A	N/A	N/A	N/A
Sign permits, off-premise: Average days to issue		N/A	N/A	N/A	0	0
Film permits: Average days to issue		N/A	N/A	N/A	N/A	N/A

COMMUNITY DEVELOPMENT – Building Safety

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 291,660	60%	\$ 418,810	\$ 363,160	\$ 313,517
Supplies & Services	29,230	6%	25,065	43,300	13,876
Capital & Debt Service	-	0%	3,000	3,000	11,032
Subtotal Direct Costs	\$ 320,890	65%	\$ 446,875	\$ 409,460	\$ 338,425
Internal Charges	169,260	35%	170,810	170,810	-
Total Expenditures	\$ 490,150	100%	\$ 617,685	\$ 580,270	\$ 338,425
Expenditures by Fund					
General Fund Portion	\$ 490,150	100%	\$ 617,685	\$ 580,270	\$ 338,425
Funding Sources					
Program Revenues	\$ 350,200	71%	\$ 357,750	\$ 348,850	\$ 349,254
Funding from General Revenues	\$ 139,950	29%	\$ 259,935	\$ 231,420	\$ (10,829)
Employee Time Allocation (FTEs) (Budgeted)	3.18		4.75		4.80

The Building Safety program is responsible for issuing all residential and commercial building permits in accordance with the adopted building codes. This includes processing and reviewing plans, conducting inspections for the work allowed under these permits, and coordinating this work with several other departments.

Both the plan reviews and inspections increased in part due to a 40% increase in new home applications from FY 2016 to FY 2017. There are approximately 20 to 25 inspections required per house, not including reinspections, which add another 20% onto the total inspections and requires additional site visits. New home inspections account for at least 25% of all inspections in FY 2017. The Building Safety Division averaged 17.3 inspections per day in FY 2017 as opposed to 13.8 inspections in FY 2016.

Plan submittal expectations have been elevated, resulting in the need for more complete applications. This has resulted in an increase in the number of corrections issued and plan resubmittals received in FY 2018. Additionally, the raised expectations of compliance creates longer review and inspection times, along with more meetings with applicants to educate them on the correction requirements. The number of reinspections will continue to increase as more inspections are failed due to this raised level of expectations and a change in tolerance of construction that does not comply with, or follow, City-approved plans. FY 2019 will likely see the construction of a 45-unit apartment complex, several new lodging projects, lodging remodels, and a new veterinarian clinic.

FY 2018 Accomplishments

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:
* Hired a Chief Building Official

FY 2019 Objectives

Overall City Value - Good Governance:

- * Promote a positive professional image of Building Safety by fostering a culture that is helpful, approachable, and knowledgeable.
- * Continue to maintain an effective, fair, and consistent review of plans and inspections.
- * Conduct reviews of all residential and commercial building permit applications within mandated timeframe.

Overall City Value - Fiscal Sustainability:

- * Update building permit fee schedule.

Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the built and natural environments:

- * Provide education for residents, businesses, and property owners.
- * Facilitate the establishment of cooperative partnerships with other agencies, community groups, residents and business.

Council Priority - Building Code Update:

- * Initiate Building Code update.

COMMUNITY DEVELOPMENT – Building Safety

continued

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Single-family building permits - new construction	32	45	37 (revised)	37	25
Single-family permits - new construction - Total valuation	\$15,389,389	\$21,517,400	\$13,000,000		
Single-family building permits - remodel/rehab	121	113	115 (revised)	112	95
Single-family permits - remodel/rehab - Total valuation	\$5,266,210	\$6,585,226			
Commercial building permits - new construction	5	3	2 (revised)	0	2
Commercial building permits, new construction - Total valuation	\$4,304,500	\$938,000			
Commercial building permits - remodel/rehab	83	93	120	88	90
Commercial building permits - remodel/rehab - Total valuation	\$7,869,490	\$3,551,700	\$3,685,123		
Manufactured homes building permits	6	3	12	2	3
Manufactured homes building permits - Total valuation	\$262,483	\$283,000	\$900,000		
Photovoltaic building permits	52	67	62	73	50
Photovoltaic building permits - Total valuation	\$966,598	\$1,219,833	\$843,844		
Tenant Occupancy permits (CofOs)	56	107	75	73	80
Miscellaneous permits (sheds, decks, fences, pools, etc.)	210	198	210	156	150
Inspections	3,596	4,515	4,800 (revised)	4,800	4,800

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Initial plan review: Timeframe in days - Commercial permits		N/A	N/A	21	N/A	21
Initial plan review: Timeframe in days - Solar panels		N/A	N/A	7	N/A	7
Initial plan review: Timeframe in days - Tenant occupancy		N/A	N/A	5	N/A	5
Initial plan review: Timeframe in days - Tenant improvements		N/A	N/A	5	N/A	5
Initial plan review: Timeframe in days - Temporary use permits		N/A	N/A	14	N/A	14
Initial plan review: Timeframe in days - Miscellaneous permits		N/A	N/A	5	N/A	5

COMMUNITY DEVELOPMENT – Code Enforcement

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 195,030	47%	\$ 197,140	\$ 199,750	\$ 160,598
Supplies & Services	36,350	9%	25,380	12,184	6,027
Subtotal Direct Costs	\$ 231,380	55%	\$ 222,520	\$ 211,934	\$ 166,625
Internal Charges	187,230	45%	167,600	167,600	-
Total Expenditures	\$ 418,610	100%	\$ 390,120	\$ 379,534	\$ 166,625
Expenditures by Fund					
General Fund Portion	\$ 418,610	100%	\$ 390,120	\$ 379,534	\$ 166,625
Funding Sources					
Funding from General Revenues	\$ 418,610	100%	\$ 390,120	\$ 379,534	\$ 166,625
Employee Time Allocation (FTEs) (Budgeted)	2.45		2.42		2.25

The Code Enforcement program is responsible for the enforcement of City Codes regulating land use matters; public nuisances; public health, safety and welfare issues; building standards; and other city ordinances and ensuring compliance in a timely manner within the limits of the law. Code enforcement activities are important for accomplishing community goals such as protecting property values and the natural environment.

Although the number of cases has remained relatively stable over the last two years, the complexity of some types has grown. The advent of legalized short-term vacation rentals has resulted in increases in two primary areas. First, property owners are modifying their homes without proper approvals, permits, and/or licensed contractors. Secondly, there have been a number of illegal conversions of non-habitable space into long-term living space (crawl space, sheds, etc.). Some of the most common code cases include outside storage, unsightly properties, overgrown weeds, exterior lighting, illegal signs, and noise violations. Two current code cases considered complex are making their way through the legal process. In both instances, these cases span over a two year period.

FY 2018 Accomplishments

Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the built and natural environments:

- * Established cooperative working relationship with Police Department related to off-hour code enforcement issues.

Community Plan Land Use, Housing, and Growth Goal - Create mixed use walkable districts:

- * Created a map of the Uptown area where street performance activities are suggested to be located in order to minimize negative impacts to pedestrian access and shops.

Council Priority - Monitor Short-Term Rentals:

- * Mailed a citywide informational letter to all residential properties and property owners regarding changes to short-term vacation rental ordinances.
- * Proactively working with property managers to ensure voluntary compliance with short-term vacation ordinances.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Promote a positive professional image of code enforcement by fostering a culture that is helpful, approachable, and knowledgeable.
- * Continue to maintain an effective, fair, and consistent code enforcement program.
- * Provide education for residents, businesses, and property owners.

Overall City Value - Public Safety:

- * Provide proactive weed enforcement to ensure properties are maintained free of nuisances and fire hazards.

Community Plan Land Use, Housing, and Growth Goal - Ensure harmony between the built and natural environments:

- * Provide code enforcement efforts that promote voluntary compliance and effect prompt correction of notices of violation.
- * Provide proactive off-premises sign enforcement.
- * Continue to monitor administration of code enforcement programs, making changes as necessary to enhance their effectiveness.
- * Facilitate the establishment of cooperative partnerships with other agencies, community groups, residents, and businesses.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Total code cases	413	423	492	433	442
Cases resolved through voluntary compliance	N/A	218	220	225	200
Cases resolved through forced compliance	N/A	3	2	5	2
Cases unsubstantiated	N/A	90	90	86	110
Cases unresolved	N/A	112	103	117	130

COMMUNITY DEVELOPMENT - Code Enforcement
continued

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Average days from complaint to first investigation		1	N/A	1	1	1
Average days from investigation to voluntary compliance		N/A	N/A	N/A	N/A	N/A
Average days from investigation to forced compliance		N/A	N/A	N/A	N/A	N/A

COMMUNITY DEVELOPMENT – Historic Preservation Commission

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 35,280	68%	\$ 50,970	\$ 50,770	\$ 39,414
Supplies & Services	4,200	8%	9,950	3,400	4,939
Subtotal Direct Costs	\$ 39,480	76%	\$ 60,920	\$ 54,170	\$ 44,353
Internal Charges	12,650	24%	14,640	14,640	-
Total Expenditures	\$ 52,130	100%	\$ 75,560	\$ 68,810	\$ 44,353
Expenditures by Fund					
General Fund Portion	\$ 52,130	100%	\$ 75,560	\$ 68,810	\$ 44,353
Funding Sources					
Funding from General Revenues	\$ 52,130	100%	\$ 75,560	\$ 68,810	\$ 44,353
Employee Time Allocation (FTEs) (Budgeted)	0.35		0.47		0.40

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

- * Conduct hearings relative to the identification and preservation of landmarks representing distinctive elements of Sedona's historic, archeological, and cultural history.
- * Identify and preserve the historic resources that represent distinctive elements of Sedona's historic, archaeological, architectural, and cultural heritage.
- * Promote the use and adaptive reuse of historic resources for the education, pleasure, and welfare of the people of the community.
- * Foster civic pride in the accomplishments of indigenous people, pioneers, artists, and others of the past.
- * Protect and enhance Sedona's attractiveness as a destination to visitors and the economic benefit incurred through tourism.

FY 2018 Accomplishments

Community Plan Community Goal - Preserve and celebrate the community's history:

- * Update to Article 15 (HP Ordinance): Adopted Jan 2017.
- * USFS Ranger Station (Brewer Road) property conceptual master plan: Completed.
- * Landmark Properties Appreciation Open House and Ranger Station 100 Year Anniversary Party: May 2017.

FY 2019 Objectives

Community Plan Community Goal - Preserve and celebrate the community's history:

- * Update Historic Landmark Information and Historic Resource Survey.
- * Create a Historic Resource Recognition Program.
- * Assist the City in implementing USFS Ranger Station (Brewer Road) Master Plan.
- * Prepare an Annual Report for City Council and State Historic Preservation Office.
- * Host a Historic Preservation appreciation event in May 2018.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Public meetings	11	9	8	6	4
New landmarked properties	0	0	1	0	1
Civic pride/education events	1	1	1	1	1
Certificates of appropriateness issued	0	0	1	0	1
Certificate of No Effect	N/A	6	N/A	3	4
Historic Recognition Awards issued	N/A	0	2	0	1
Educational training exercises (Commissioners)	2	1	3	1	1

COMMUNITY DEVELOPMENT – Community Plan

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 141,740	61%	\$ 199,000	\$ 196,350	\$ 280,087
Supplies & Services	23,500	10%	26,050	13,600	14,776
Subtotal Direct Costs	\$ 165,240	71%	\$ 225,050	\$ 209,950	\$ 294,863
Internal Charges	68,140	29%	64,570	64,570	-
Total Expenditures	\$ 233,380	100%	\$ 289,620	\$ 274,520	\$ 294,863
Expenditures by Fund					
General Fund Portion	\$ 233,380	100%	\$ 289,620	\$ 274,520	\$ 294,863
Funding Sources					
Funding from General Revenues	\$ 233,380	100%	\$ 289,620	\$ 274,520	\$ 294,863
Employee Time Allocation (FTEs) (Budgeted)	1.46		2.02		2.90

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

FY 2018 Accomplishments

Council Priority - Community Focus Area Plans Development:

- * Western Gateway CFA; completed.
- * Schnebly CFA; completed.
- * Industrial Park (Shelby/Sunset) CFA; initiated.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Major amendments to the Community Plan (mandatory); process
- * Minor amendments to the Community Plan; process

Council Priority - Community Focus Area Plans Development:

- * Industrial Park (Shelby/Sunset) CFA; complete final draft for recommendation.
- * CFA planning efforts: initiate other identified areas (Uptown, Coffeepot).

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Public meetings	1	N/A	2	N/A	N/A
Work group meetings	4	N/A	2	N/A	N/A
Planning and Zoning Commission meetings	14	N/A	5	N/A	N/A
City Council meetings	9	N/A	5	N/A	N/A

COMMUNITY DEVELOPMENT – Planning & Zoning Commission

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 130,150	62%	\$ 143,610	\$ 139,660	\$ 133,984
Supplies & Services	9,000	4%	15,250	4,100	1,363
Subtotal Direct Costs	\$ 139,150	67%	\$ 158,860	\$ 143,760	\$ 135,347
Internal Charges	69,350	33%	72,670	72,670	-
Total Expenditures	\$ 208,500	100%	\$ 231,530	\$ 216,430	\$ 135,347
Expenditures by Fund					
General Fund Portion	\$ 208,500	100%	\$ 231,530	\$ 216,430	\$ 135,347
Funding Sources					
Funding from General Revenues	\$ 208,500	100%	\$ 231,530	\$ 216,430	\$ 135,347
Employee Time Allocation (FTEs) (Budgeted)	1.32		1.45		1.50

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

FY 2018 Accomplishments

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * Major Community Plan Amendment and Zone Change request for former racquet club subdivision, recommendations forwarded to Council.
- * Accessory Dwelling Unit ordinance amendments, recommendations forwarded to Council.
- * Conducted 22 public meetings.
- * 5 Community Plan amendments (4 Major, 1 Minor).
- * 15 Development applications.

Council Priority - Community Focus Area Plans Development:

- * 1 CFA (Schnebly).

Council Priority - Revise City Sign Code:

- * Sign Code amendments, recommendations forwarded to Council.

FY 2019 Objectives

Staff:

Overall City Value - Good Governance:

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

Commission:

Overall City Value - Good Governance:

- * Conduct meetings in accordance with Open Meeting Laws, Rules and Operating Procedures.
- * Make decisions based on facts, utilizing codes, regulations, reports, testimony, data, and other applicable documentation.

Community Plan Land Use, Housing, and Growth Goal - Grow only within currently established residential and commercial limits:

- * Hold hearings to review and act upon matters related to planning and development.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Work sessions	5	6	10	8	8
Public meetings	15	13	20	18	20
Site visits	0	3	5	3	4
Community Plan amendments	1	5	2	3	2
Zone changes	2	6	4	3	4
Development reviews	6	5	8	3	10
Conditional use permits	5	4	8	6	6
Subdivisions	3	1	3	3	1
Land Development Code amendments	2	3	1	0	1
CFA projects	2	1	2	1	1

COMMUNITY DEVELOPMENT – Housing

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Supplies & Services	38,380	100%	-	-	-
Total Expenditures	\$ 38,380	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
Other Funds Portion	\$ 38,380	100%	\$ -	\$ -	\$ -
Funding Sources					
Program Revenues	\$ 38,380	100%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

Housing is a new program area identified as one of the City Council's current priorities and is intended to better understand existing housing conditions, explore options for the expansion and preservation of homeownership and rental opportunities in Sedona; provide provisions for access to safe, decent, affordable housing; and encourage public-private partnerships in the development and creation of affordable housing.

This program is paid from the Grants and Donations Funds.

FY 2018 Accomplishments

Council Priority - Affordable Housing:

- * Participated in a start-up, grassroots citizens group working on housing issues.
- * Initiated a major Community Plan amendment to create a multi-family high density designation to assist in achieving housing diversity and affordability.
- * Completed the City's Community Development Block Grant program providing financial assistance to income qualified homeowners for home improvements.

FY 2019 Objectives

Council Priority - Affordable Housing:

- * Continue to work with the grassroots citizens group on related housing issues.
- * Update the Development Incentives and Guidelines for Affordable Housing policy.
- * Create a policy for the use of dedicated housing funds.
- * Create a Housing Report providing background information, identified issues, and possible strategies.
- * Update housing baseline report including housing, inventory, availability, rents and housing costs, salaries, etc.
- * Identify key housing issues and needs and possible solutions.
- * Partner where appropriate in the creation and preservation of more affordable housing options.
- * Partner with Habitat for Humanity to create affordable housing options in Sedona.
- * Collect information related to the impacts of the allowance of short-term vacation rentals on the long-term rental market.

Council Priority - Affordable Housing:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Housing Investment: Affordable housing projects assisted with housing funds		N/A	N/A	N/A	N/A	1
Housing Production: New affordable housing units		N/A	N/A	N/A	N/A	3

COMMUNITY DEVELOPMENT
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5310-01 - Administration					
Personnel (ongoing)	\$152,390	\$0	\$0	\$0	Budget Increase: Reallocated costs
Supplies & Services (ongoing)	\$8,975	\$0	\$0	\$0	Budget Increase: Reallocated costs
Direct Costs (Ongoing) Subtotal	\$161,365	\$0	\$0	\$0	
Internal Charges	\$45,260	\$0	\$0	\$0	
Administration Total	\$206,625	\$0	\$0	\$0	
10-5310-31 - Planning					
Personnel (ongoing)	\$316,890	\$276,670	\$268,600	\$195,845	Budget Increase: Reallocated costs Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$48,150	\$317,055	\$171,543	\$152,826	Budget Decrease: Separated one-time costs Current Year Under Budget: Carryover
Direct Costs (Ongoing) Subtotal	\$365,040	\$593,725	\$440,143	\$348,670	
Internal Charges	\$133,700	\$116,050	\$116,050	\$0	Budget Increase: Change in allocations of City Clerk and Facilities Management costs
Ongoing Total	\$498,740	\$709,775	\$556,193	\$348,670	
Supplies & Services (one-time)	\$117,500	\$0	\$0	\$0	Budget: Carryover of Land Development Code update, implementation of Schnebly CFA, and sign regulations
Capital & Debt Service	\$0	\$0	\$0	\$11,032	
One-Time Total	\$117,500	\$0	\$0	\$11,032	
Planning Total	\$616,240	\$709,775	\$556,193	\$359,702	
10-5310-32 - Building Safety					
Personnel (ongoing)	\$291,660	\$418,810	\$363,160	\$313,517	Budget Decrease: Reallocated portion to Admin, one position eliminated, approved Decision Package - increase Temporary Inspector hours Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$28,230	\$25,065	\$43,300	\$13,876	Current Year Over Budget: Contracted services due to vacancy
Direct Costs (Ongoing) Subtotal	\$319,890	\$443,875	\$406,460	\$327,393	
Internal Charges	\$169,260	\$170,810	\$170,810	\$0	
Ongoing Total	\$489,150	\$614,685	\$577,270	\$327,393	
Supplies & Services (one-time)	\$1,000	\$0	\$0	\$0	Budget: Furniture replacements
Capital & Debt Service	\$0	\$3,000	\$3,000	\$11,032	
One-Time Total	\$1,000	\$3,000	\$3,000	\$11,032	
Building Safety Total	\$490,150	\$617,685	\$580,270	\$338,425	

COMMUNITY DEVELOPMENT
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5310-33 - Code Enforcement					
Personnel (ongoing)	\$195,030	\$197,140	\$199,750	\$160,598	Budget Decrease: Reallocated portion to Admin, one position eliminated
Supplies & Services (ongoing)	\$34,350	\$25,380	\$12,184	\$6,027	
Direct Costs (Ongoing) Subtotal	\$229,380	\$222,520	\$211,934	\$166,625	
Internal Charges	\$187,230	\$167,600	\$167,600	\$0	Budget Increase: Change in allocations of City Clerk, IT, and Facilities Management costs
Ongoing Total	\$416,610	\$390,120	\$379,534	\$166,625	
Supplies & Services (one-time)	\$2,000	\$0	\$0	\$0	Budget: Furniture replacements, camera with telescoping abilities
Code Enforcement Total	\$418,610	\$390,120	\$379,534	\$166,625	
10-5310-62 - Historic Preservation Commission					
Personnel (ongoing)	\$35,280	\$50,970	\$50,770	\$39,414	Budget Decrease: Reallocated portion to Admin
Supplies & Services (ongoing)	\$4,200	\$9,950	\$3,400	\$4,939	Budget Decrease: Reduction in Travel & Training Current Year Under Budget: Savings in Travel & Training
Direct Costs (Ongoing) Subtotal	\$39,480	\$60,920	\$54,170	\$44,353	
Internal Charges	\$12,650	\$14,640	\$14,640	\$0	Budget Decrease: Change in allocations of IT costs
Historic Preservation Commission Total	\$52,130	\$75,560	\$68,810	\$44,353	
10-5310-67 - Community Plan					
Personnel (ongoing)	\$141,740	\$199,000	\$196,350	\$280,087	Budget Decrease: Reallocated portion to Admin, one position eliminated
Supplies & Services (ongoing)	\$16,500	\$26,050	\$13,600	\$14,776	Current Year Under Budget: Savings in Professional Services
Direct Costs (Ongoing) Subtotal	\$158,240	\$225,050	\$209,950	\$294,863	
Internal Charges	\$68,140	\$64,570	\$64,570	\$0	
Ongoing Total	\$226,380	\$289,620	\$274,520	\$294,863	
Supplies & Services (one-time)	\$7,000	\$0	\$0	\$0	Budget: Carryover for illustrations and drawings for CFA plans
Community Plan Total	\$233,380	\$289,620	\$274,520	\$294,863	
10-5310-71 - Planning & Zoning Commission					
Personnel (ongoing)	\$130,150	\$143,610	\$139,660	\$133,984	Budget Decrease: Reallocated portion to Admin, one position eliminated
Supplies & Services (ongoing)	\$9,000	\$15,250	\$4,100	\$1,363	Budget Decrease: Reduction in Travel & Training Current Year Under Budget: Savings in Travel & Training
Direct Costs (Ongoing) Subtotal	\$139,150	\$158,860	\$143,760	\$135,347	
Internal Charges	\$69,350	\$72,670	\$72,670	\$0	
Planning & Zoning Commission Total	\$208,500	\$231,530	\$216,430	\$135,347	

COMMUNITY DEVELOPMENT
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund Totals					
Personnel Subtotal	\$1,263,140	\$1,286,200	\$1,218,290	\$1,123,445	
Supplies & Services (Ongoing) Subtotal	\$149,405	\$418,750	\$248,127	\$193,807	
Direct Costs (Ongoing) Subtotal	\$1,412,545	\$1,704,950	\$1,466,417	\$1,317,251	
Internal Charges Subtotal	\$685,590	\$606,340	\$606,340	\$0	
Ongoing Subtotal	\$2,098,135	\$2,311,290	\$2,072,757	\$1,317,251	
Supplies & Services (One-Time) Subtotal	\$127,500	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$0	\$3,000	\$3,000	\$22,063	
One-Time Subtotal	\$127,500	\$3,000	\$3,000	\$22,063	
General Fund Total	\$2,225,635	\$2,314,290	\$2,075,757	\$1,339,315	

Affordable Housing Fund

12-5310-59 - Housing

Supplies & Services (ongoing)	\$38,380	\$0	\$0	\$0	Budget Increase: Permit fees for Habitat for Humanity project
Affordable Housing Fund Total	\$38,380	\$0	\$0	\$0	

Operating Grants Fund

16-5310-34 - CDBG

Supplies & Services (ongoing)	\$0	\$0	\$86,928	\$203,892	Current Year Over Budget: CDBG grant carried over from FY17, covered by grants contingency
Operating Grants Fund Total	\$0	\$0	\$86,928	\$203,892	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$1,263,140	\$1,286,200	\$1,218,290	\$1,123,445
Supplies & Services (Ongoing) Subtotal	\$187,785	\$418,750	\$335,055	\$397,699
Direct Costs (Ongoing) Subtotal	\$1,450,925	\$1,704,950	\$1,553,345	\$1,521,143
Internal Charges Subtotal	\$685,590	\$606,340	\$606,340	\$0
Ongoing Subtotal	\$2,136,515	\$2,311,290	\$2,159,685	\$1,521,143
Supplies & Services (One-Time) Subtotal	\$127,500	\$0	\$0	\$0
Capital & Debt Service Subtotal	\$0	\$3,000	\$3,000	\$22,063
One-Time Subtotal	\$127,500	\$3,000	\$3,000	\$22,063
Grand Total	\$2,264,015	\$2,314,290	\$2,162,685	\$1,543,207

COMMUNITY DEVELOPMENT
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Administrative Assistant	1.00	1.00	1.00
Assistant Community Development Director	1.00	1.00	0.00
Assistant Planner	0.00	2.00	2.00
Associate Planner	1.00	0.00	0.00
Building Inspector	1.00	1.00	1.00
Building Permits Technician	2.00	0.00	0.00
Chief Building Official	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	1.00
Development Services Manager	0.00	0.00	0.00
Development Services Representative	0.00	1.00	1.00
Director of Community Development	1.00	1.00	1.00
Economic Development & Business Relations Manager	0.00	0.00	0.00
Plans Examiner	0.00	1.00	1.00
Principal Planner	0.00	0.00	1.00
Senior Code Enforcement Officer	1.00	1.00	1.00
Senior Planner	3.00	3.00	3.00
Temporary City Employee ⁽¹⁾	0.24	0.08	0.00
Total	13.24	14.08	14.00

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5310-01	Administration	1.20	0.00	0.00
10-5310-31	Planning	3.28	2.99	2.15
10-5310-32	Building Safety	3.18	4.74	4.80
10-5310-33	Code Enforcement	2.45	2.41	2.25
10-5310-62	Historic Preservation Commission ⁽²⁾	0.35	0.47	0.40
10-5310-67	Community Plan	1.46	2.02	2.90
10-5310-71	Planning & Zoning Commission ⁽²⁾	1.32	1.45	1.50
Grand Total		13.24	14.08	14.00

⁽¹⁾ Temporary position

⁽²⁾ The appointed commissioners are unpaid volunteers and are not included in the employee full-time equivalency (FTE) count.

PUBLIC WORKS

Mission Statement

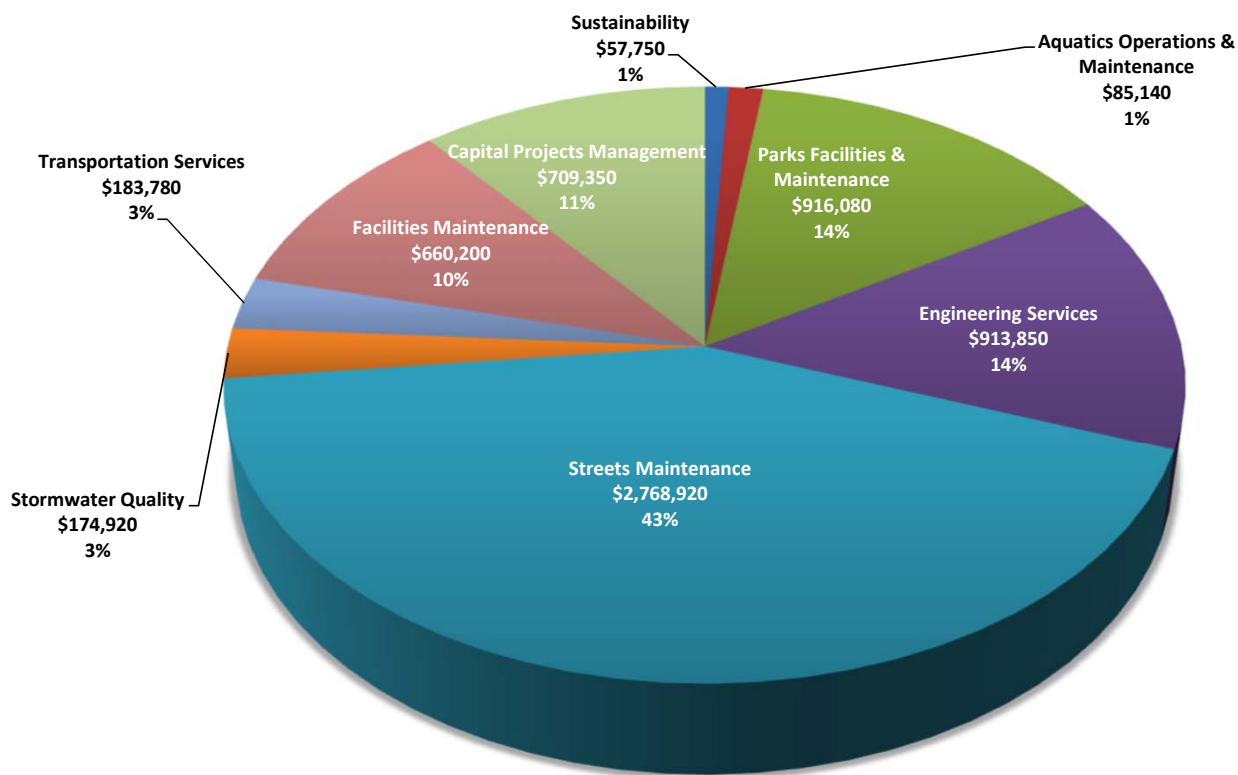
Providing a safe and enjoyable experience through cost effective, quality infrastructure and services.

Description

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

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

FY 2019 PROGRAM EXPENDITURES: \$6,469,990



PUBLIC WORKS – Sustainability

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Supplies & Services	\$ 55,000	95%	\$ -	\$ -	\$ -
Internal Charges	2,750	5%	-	-	-
Total Expenditures	\$ 57,750	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 57,750	100%	\$ -	\$ -	\$ -
Funding Sources					
Funding from General Revenues	\$ 57,750	100%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The Sustainability program includes the agreement with the U.S. Forest Service for trails maintenance (Adopt-a-Trail program) and the support of the Oak Creek Watershed Council.

The costs associated with the U.S. Forest Service trails maintenance were recorded in the Parks Facilities and Maintenance program prior to FY 2019. The costs associated with the Oak Creek Watershed Council were recorded in the Stormwater Quality program prior to FY 2019.

FY 2018 Accomplishments

Council Priority - Environmental Sustainability:

- * Continued participation in Oak Creek Watershed Council.
- * Provided annual financial assistance to the U.S. Forest Service for trails maintenance.

FY 2019 Objectives

Council Priority - Environmental Sustainability:

- * Continue participation in Oak Creek Watershed Council.
- * Provide annual financial assistance to the U.S. Forest Service for trails maintenance.

Council Priority - Environmental Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Financial assistance to the U.S. Forest Service for trails maintenance		\$30,000	\$0	\$40,000	\$40,000	\$50,000

PUBLIC WORKS – Aquatics Operations & Maintenance

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 12,310	14%	\$ 12,220	\$ 11,840	\$ -
Supplies & Services	37,000	43%	36,160	36,160	-
Capital & Debt Service	26,500	31%	-	-	-
Subtotal Direct Costs	\$ 75,810	89%	\$ 48,380	\$ 48,000	\$ -
Internal Charges	9,330	11%	7,880	7,880	-
Total Expenditures	\$ 85,140	100%	\$ 56,260	\$ 55,880	\$ -
Expenditures by Fund					
General Fund Portion	\$ 85,140	100%	\$ 56,260	\$ 55,880	\$ -
Funding Sources					
Funding from General Revenues	\$ 85,140	100%	\$ 56,260	\$ 55,880	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.20		0.20		0.00

The program accounts for the maintenance of the community pool.

The costs associated with this program were recorded in the Parks and Recreation Department in FY 2017.

FY 2018 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Maintained the level of maintenance to allow expansion of programming and participation, in events and rentals, for the public pool facility.

FY 2019 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Continue to build team effectiveness with the Parks and Recreation Department to provide a high level of service for maintenance of the public pool facility.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Days operational in season	176	183	N/A	231	231
Attendance at lap swim and open swim	5,081	6,036	6,300	11,410	11,500

**Community Plan Parks, Recreation, and Open Space Goal -
Provide activities and amenities that allow for community interactions
and encourage active and healthy lifestyles:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Health inspections passed		100%	100%	N/A	100%	100%

PUBLIC WORKS – Parks Facilities & Maintenance

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 264,130	29%	\$ 270,460	\$ 277,050	\$ 265,835
Supplies & Services	334,300	36%	339,695	328,722	198,944
Capital & Debt Service	7,500	1%	19,230	27,263	25,588
Subtotal Direct Costs	\$ 605,930	66%	\$ 629,385	\$ 633,035	\$ 490,367
Internal Charges	310,150	34%	297,020	297,020	-
Total Expenditures	\$ 916,080	100%	\$ 926,405	\$ 930,055	\$ 490,367
Expenditures by Fund					
General Fund Portion	\$ 916,080	100%	\$ 926,405	\$ 930,055	\$ 485,123
Other Funds Portion	\$ -	0%	\$ -	\$ -	\$ 5,244
Funding Sources					
Program Revenues	\$ 4,800	1%	\$ -	\$ 4,700	\$ -
Funding from General Revenues	\$ 911,280	99%	\$ 926,405	\$ 925,355	\$ 490,367
Employee Time Allocation (FTEs) (Budgeted)	4.28		4.45		5.16

This program accounts for maintenance of parks grounds, equipment and machinery, service contracts, and utilities.

FY 2018 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * In-house projects completed in FY 2018 included the Sinagua Property communication line, Ranger Station Park material screening, Wastewater material screening, Ranger Station Park sewer line, Uptown wayfinding parking lot sign and post installations, Wastewater Plant communication lines, and 401 Jordan Road.
- * Continued to build in-house staff abilities. This has resulted in more projects being completed in-house during regular business hours, which is not reflected in the savings.
- * Maintained lawn area maintenance below \$5,000 per acre in FY 2018.

FY 2019 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Maintain lawn area maintenance below \$5,000 per acre in FY 2019.
- * Save \$70,000 or more due to completing in-house projects in FY 2019.
- * Continue to build in-house staff abilities.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Parks lawn area acres	6.0	6.2	6.2	6.2	6.2
Parks maintained acres	64	72	72 (revised)	72	72
Parks lawn area maintenance cost	\$17,950	\$18,400	\$23,600 (revised)	\$25,200	\$25,600
In-house projects completed	2	6	5	7	8
In-house projects contractor bid amount	\$57,900	\$208,815	\$100,000	\$276,200	\$200,000
In-house projects actual cost	\$21,250	\$93,780	\$35,000	\$172,000	\$100,000

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Parks lawn area cost per acre		\$3,000	\$3,000	\$3,800	\$4,100	\$4,100
Savings due to in-house projects		\$36,650	\$115,000	\$65,000	\$104,000	\$100,000
Park maintenance expenditure per developed park acre (ICMA Benchmark 2016-2017)	\$4,793 (all) / \$8,889 (cities under 30,000 pop.)	\$9,096	\$6,455	\$8,351	\$8,291	\$8,128

PUBLIC WORKS – Engineering Services

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 621,870	68%	\$ 654,770	\$ 667,060	\$ 727,219
Supplies & Services	64,900	7%	109,581	98,581	46,986
Subtotal Direct Costs	\$ 686,770	75%	\$ 764,351	\$ 765,641	\$ 774,205
Internal Charges	227,080	25%	269,810	269,810	-
Total Expenditures	\$ 913,850	100%	\$ 1,034,161	\$ 1,035,451	\$ 774,205
Expenditures by Fund					
General Fund Portion	\$ 627,400	69%	\$ 717,871	\$ 727,441	\$ 592,451
Wastewater Fund Portion	\$ 286,450	31%	\$ 316,290	\$ 308,010	\$ 181,754
Funding Sources					
Program Revenues	\$ 299,250	33%	\$ 320,290	\$ 320,510	\$ 186,704
Funding from General Revenues	\$ 614,600	67%	\$ 713,871	\$ 714,941	\$ 587,501
Employee Time Allocation (FTEs) (Budgeted)	6.85		7.56		9.01

The Engineering Services program is responsible for administrative services, office support and supplies, development review, staff training, and general professional services.

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

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Maintained service in this program area, with the increase in projects and overall development.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Continue to build team effectiveness with the Community Development Department to provide a high level of service for development services support.

Overall City Value - Fiscal Sustainability:

- * Continue to support the review and update of DIF fees.

Council Priority - Land Development Code Update:

- * Continue to support the review and update of the LDC with the Community Development Department.

Council Priority - Community Focus Area Plans Development:

- * Continue to support development of CFA's with the Community Development Department.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Building permits reviewed	295	305	305	320	330
Commercial permits reviewed	211	229	250	230	250

PUBLIC WORKS – Streets Maintenance

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 397,870	14%	\$ 346,100	\$ 348,090	\$ 243,539
Supplies & Services	1,931,850	70%	1,867,627	1,825,627	1,837,507
Capital & Debt Service	40,000	1%	72,000	72,000	52,800
Subtotal Direct Costs	\$ 2,369,720	86%	\$ 2,285,727	\$ 2,245,717	\$ 2,133,846
Internal Charges	399,200	14%	366,230	366,230	-
Total Expenditures	\$ 2,768,920	100%	\$ 2,651,957	\$ 2,611,947	\$ 2,133,846
Expenditures by Fund					
General Fund Portion	\$ 1,561,540	56%	\$ 1,448,467	\$ 1,408,457	\$ 907,252
Other Funds Portion	\$ 1,207,380	44%	\$ 1,203,490	\$ 1,203,490	\$ 1,226,595
Funding Sources					
Program Revenues	\$ 933,200	34%	\$ 958,200	\$ 958,500	\$ 947,216
Funding from General Revenues	\$ 1,835,720	66%	\$ 1,693,757	\$ 1,653,447	\$ 1,186,630
Employee Time Allocation (FTEs) (Budgeted)	5.42		5.18		3.26

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

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

FY 2018 Accomplishments

Community Plan Circulation Goal - Provide for safe and smooth flow of traffic:

- * Provided required traffic count data and maintained NACOG funding eligibility.
- * Milled and overlaid Brewer Road.
- * Applied Fractured Aggregate Surface Treatment (FAST) on Sky Mountain Ranch, Indian Cliffs, and Saddlerock Subdivisions streets.
- * Completed budgeted streets rehabilitation and preservation projects, including 5.9 miles.
- * Increased the paved lane miles assessed as satisfactory.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Increased the number of culverts cleaned compared to prior fiscal year.

FY 2019 Objectives

Community Plan Circulation Goal - Provide for safe and smooth flow of traffic:

- * Continue to accelerate re-paving program with a target to complete 4 to 5 miles of street rehabilitation per year.
- * Continue to Increase the paved lane miles assessed as satisfactory.

Community Plan Circulation Goal - Create a more walkable and bike-able community:

- * Continue to enhance bicycle route signage.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Pavement rehabilitation cost	\$1,269,000	\$1,226,594	\$1,150,000	\$1,150,000	\$1,150,000
Paved lane miles of City maintained streets	173	173	N/A	175	176
Number of culverts cleaned	22	25	30	27	30

PUBLIC WORKS – Streets
continued

**Community Plan Circulation Goal -
Provide for safe and smooth flow of traffic:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Centerline miles of streets rehabilitation completed (average annual goal 5.0 miles)		2.3	6.8	5.0	5.9	6.2
Pavement rehabilitation cost per mile (* = cost includes CIP overlay)		\$552,000	\$180,400	\$230,000	\$280,600 *	\$279,300 *
Paved lane miles assessed as satisfactory as a percentage of miles assessed (ICMA Benchmark 2016-2017)	75% (all) / 61% (cities under 30,000 pop.)	N/A	43%	N/A	48%	50%
Paved road rehabilitation expenditures, per paved lane mile (ICMA Benchmark 2016-2017)	\$6,033 (all) / \$7,999 (cities under 30,000 pop.)	\$6,510	\$7,090	\$6,957	\$6,957	\$6,979
Maintained NACOG Funding Eligibility (provided traffic count data)		Yes	Yes	Yes	Yes	Yes

PUBLIC WORKS – Stormwater Quality

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 102,090	58%	\$ 98,760	\$ 99,970	\$ 94,097
Supplies & Services	34,000	19%	59,500	59,500	43,424
Subtotal Direct Costs	\$ 136,090	78%	\$ 158,260	\$ 159,470	\$ 137,521
Internal Charges	38,830	22%	38,160	38,160	-
Total Expenditures	\$ 174,920	100%	\$ 196,420	\$ 197,630	\$ 137,521
Expenditures by Fund					
General Fund Portion	\$ 174,920	100%	\$ 196,420	\$ 197,630	\$ 137,521
Funding Sources					
Funding from General Revenues	\$ 174,920	100%	\$ 196,420	\$ 197,630	\$ 137,521
Employee Time Allocation (FTEs) (Budgeted)	1.29		1.30		1.30

The Stormwater Quality Program is responsible for Arizona Department of Environmental Quality (ADEQ) permit fees, supplies, street sweeping of City parking lots, analytical monitoring of stormwater outfalls, professional services, and public outreach.

FY 2018 Accomplishments

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Completed Pre-Monsoon Program for FY 2018.
- * Met the ADEQ requirements for Municipal Separate Storm Sewer System (MS4) compliance per ADEQ Permit No. AZG2016-002, and our Notice of Intent with ADEQ.
- * Held 8 tabling/outreach events, interacting with 677 people for a total of 72 education hours.
- * Presented stormwater pollution's effect in Oak Creek to two organizations.
- * Held two trash pickup events within Sedona with a total of 18 volunteers, collecting 159 pounds of trash.
- * Installed numerous "NO DUMPING – Drains to Oak Creek" curb markers.
- * Maintained 13 pet waste stations throughout Sedona, collecting 3,572 pounds of feces during FY 2017, and 2,228 pounds of feces during the first 8 months of FY 2018.
- * City parking lots were power swept on a regular basis.
- * Identified and collected GPS information on 286 stormwater outfalls.

FY 2019 Objectives

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Complete Pre-Monsoon Program for FY 2019.
- * Meet the ADEQ requirements for MS4 compliance per ADEQ Permit No. AZG2016-002, and our Notice of Intent (NOI) with ADEQ.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Letters written to property owners regarding Pre-Monsoon Program inspection outcomes	11	21	N/A	15	15
Stormwater compliance inspections (active CIP projects - every two weeks)	13	27	N/A	30	30
CIP project post-construction Best Management Practices (BMP) inspections	0	0	N/A	19	22
Stormwater compliance inspections (active private development projects - every month)	23	12	N/A	4	36
Letters sent regarding illicit discharges to the MS4	20	6	N/A	11	10
Held public outreach tabling events	5	8	N/A	4	4
Sent educational brochures to local contractors	136	142	N/A	142	142
Presentations to local organizations	0	2	N/A	2	2
Held trash pickup events	0	2	N/A	2	2
Collected pounds of dog feces through semimonthly pet waste station maintenance	2,800	3,572	N/A	2,228	3,500
Stormwater based articles in news outlets	5	4	N/A	3	3
Dry weather outfall monitoring inspections	0	28	N/A	61	57
Visual and analytical wet weather monitoring inspections	0	0	N/A	20	20
Internal inspections of City maintenance yards	0	0	N/A	6	12

PUBLIC WORKS – Stormwater
continued

**Community Plan Environment Goal -
Preserve and protect the natural environment:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
MS4 Compliant		Yes	Yes	Yes	Yes	Yes
Single family home active construction site inspections		0	0	N/A	39	75
Private development post-construction BMP inspections		0	0	N/A	8	8

PUBLIC WORKS – Transportation Services

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 130,380	71%	\$ 111,290	\$ 91,520	\$ -
Supplies & Services	5,750	3%	4,573	4,573	-
Capital & Debt Service	-	0%	16,000	16,000	-
Subtotal Direct Costs	\$ 136,130	74%	\$ 131,863	\$ 112,093	\$ -
Internal Charges	47,650	26%	43,620	43,620	-
Total Expenditures	\$ 183,780	100%	\$ 175,483	\$ 155,713	\$ -
Expenditures by Fund					
General Fund Portion	\$ 183,780	100%	\$ 175,483	\$ 155,713	\$ -
Funding Sources					
Program Revenues	\$ 10,020	5%	\$ -	\$ -	\$ -
Funding from General Revenues	\$ 173,760	95%	\$ 175,483	\$ 155,713	\$ -
Employee Time Allocation (FTEs) (Budgeted)	2.80		1.82		0.00

The Transportation Services program is responsible for traffic congestion relief. The new traffic control operations includes setting up, operating, and maintaining on-going traffic control operations throughout the year, primarily focused on improving traffic flows through Uptown and the State Route (SR) 179 corridor. A reduction in travel times will improve the quality of life for residents and the Sedona experience for visitors. This program was started the latter part of FY 2017 and costs for that year were recorded in the Streets Maintenance program.

FY 2018 Accomplishments

Community Plan Circulation Goal - Provide for safe and smooth flow of traffic:

- * Began traffic control operations management by public works in FY 2017.
- * Began measuring travel time delay in February 2017.
- * Increased the number of days traffic control operations were maintained for days experiencing high congestion on SR 89A and SR 179.
- * Maintained traffic control operations for 10 of 13 holidays expected to have high congestion in FY 2018.

FY 2019 Objectives

Community Plan Circulation Goal - Provide for safe and smooth flow of traffic:

- * Reduce the number of days of travel time, exceeding the high congestion threshold on SR 89A and SR 179, below the number of days experienced in the previous fiscal year. The thresholds considered high congestion on SR 89A and SR 179 are 42 minutes and 36 minutes respectively.
- * Maintain traffic control operations for a minimum of 90% of those days experiencing high congestion on SR 89A and SR 179.
- * Maintain traffic control operations for all holidays expected to have high congestion.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Days with traffic control on SR 89A	N/A	35	58	62	72
Days with traffic control on SR 179	N/A	12	12	20	25
Holiday weekends with delays > 42 min. – SR 89A Uptown	N/A	3	3	7	7
Holiday weekends with delays > 36 min. – SR 179	N/A	3	3	6	6
Holiday weekends with traffic control (* Began measuring February 2017)	N/A	6*	11	14	13
Days of delays > 42 min. – SR 89A Uptown (* Began measuring February 2017)	N/A	11*	10	24	20
Days of delays > 36 min. – SR 179 (* Began measuring February 2017)	N/A	6*	6	14	13
Average peak vehicles per hour, with traffic control, vehicles traveling SB SR 89A thru Uptown (weekends, March thru June)	N/A	846	N/A	860	880
Average peak vehicles per hour, WITHOUT traffic control, vehicles traveling SB SR 89A thru Uptown (weekends, March thru June)	N/A	799	N/A	810	830
Average peak vehicles per hour, with traffic control, vehicles traveling SB SR 89A thru Uptown (weekends, July thru Thanksgiving)	N/A	N/A	N/A	860	880
Average peak vehicles per hour, WITHOUT traffic control, vehicles traveling SB SR 89A thru Uptown (weekends, July thru Thanksgiving)	N/A	N/A	N/A	780	800



PUBLIC WORKS – Transportation Services
continued

**Community Plan Circulation Goal -
Provide for safe and smooth flow of traffic:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Average travel time reduction, with traffic control vs. without, vehicles traveling SB SR 89A thru Uptown (weekends, March thru June) NOTE: Travel time reduced from 41 min. to 26 min. in FY17.		N/A	15 minutes	N/A	17 minutes	18 minutes
Average travel time reduction, with traffic control vs. without, vehicles traveling SB SR 89A through Uptown (weekends, July thru Thanksgiving) NOTE: Travel time reduced from 33 min. to 30 min. in FY18.		N/A	N/A	N/A	3 minutes	5 minutes
Traffic control operations maintained for days experiencing high congestion (>42min. and 36 min.) on SR 89A and SR 179		N/A	46%	N/A	47%	75%

PUBLIC WORKS – Facilities Maintenance

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 122,030	18%	\$ 116,510	\$ 103,910	\$ 97,429
Supplies & Services	386,350	59%	329,177	353,850	343,986
Capital & Debt Service	86,000	13%	168,190	40,000	78,608
Subtotal Direct Costs	\$ 594,380	90%	\$ 613,877	\$ 497,760	\$ 520,023
Internal Charges	65,820	10%	57,240	57,240	-
Total Expenditures	\$ 660,200	100%	\$ 671,117	\$ 555,000	\$ 520,023
Expenditures by Fund					
General Fund Portion	\$ 660,200	100%	\$ 671,117	\$ 555,000	\$ 520,023
Funding Sources					
Allocations to Other Departments	\$ 654,900	99%	\$ 564,540	\$ 564,540	\$ -
Funding from General Revenues	\$ 5,300	1%	\$ 106,577	\$ (9,540)	\$ 520,023
Employee Time Allocation (FTEs) (Budgeted)	1.79		1.60		1.60

This program accounts for maintenance of City buildings, service contracts, facility utilities, and facility improvements.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Developed Property Management Maintenance Plan.

Overall City Value - Fiscal Sustainability:

- * FY 2018 reported administrative/office facilities custodial expenditure per square foot well below the average reported in the ICMA key performance indicators.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Continue to enhance Property Management Maintenance Plan.
- * Utilize Property Manager program to continue to improve customer service.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Facilities maintenance cost	\$474,000	\$422,600	\$498,190	\$398,910	\$487,000
City maintained facilities	21	22	22	22	22
Property Manager requests submitted	N/A	N/A	N/A	310	350

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Administrative/office facilities, custodial expenditure per square foot (ICMA Benchmark 2016-2017)	\$1.75 (all) / \$3.03 (cities under 30,000 pop.)	N/A	\$0.70	N/A	\$0.66	\$0.81
Facilities cost per facility		\$22,574	\$19,209	\$22,645	\$18,132	\$21,468

PUBLIC WORKS – Capital Projects Management

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 503,530	71%	\$ 368,910	\$ 362,960	\$ 341,389
Supplies & Services	14,690	2%	9,120	9,120	-
Subtotal Direct Costs	\$ 518,220	73%	\$ 378,030	\$ 372,080	\$ 341,389
Internal Charges	191,130	27%	190,530	190,530	-
Total Expenditures	\$ 709,350	100%	\$ 568,560	\$ 562,610	\$ 341,389
Expenditures by Fund					
General Fund Portion	\$ 556,480	78%	\$ 453,530	\$ 507,940	\$ 254,586
Wastewater Fund Portion	\$ 51,950	7%	\$ 115,030	\$ 54,670	\$ 86,803
Other Funds Portion	\$ 100,920	14%	\$ -	\$ -	\$ -
Funding Sources					
Allocations to Other Departments	\$ -	0%	\$ -	\$ -	\$ -
Program Revenues	\$ 152,870	22%	\$ 115,030	\$ 54,670	\$ 86,803
Funding from General Revenues	\$ 556,480	78%	\$ 453,530	\$ 507,940	\$ 254,586
Employee Time Allocation (FTEs) (Budgeted)					
	4.82		3.55		3.34

The Public Works Department manages projects for multiple budget programs. These projects in the Capital Improvement Program (CIP) include:

- * Drainage – Juniper Hills drainage, easement acquisition, and Coffee Pot Drainage Basin improvements.
- * Municipal Court – Sinagua building remodel.
- * Public Works – Recycle drop off locations and Uptown enhancements.
- * Streets and Sedona in Motion – Transportation master plan implementation projects and road overlay projects.
- * Wastewater – Collections system master plan implementation projects, remodel or expansion of administrative building, and tertiary filter upgrades.

A portion of the Capital Projects Management program is allocated to the Wastewater Enterprise Fund and the Transportation Sales Tax Fund and represents those funds' share of the cost for support services.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Maintained the comprehensible communication report for capital improvement project updates. See www.sedonaaz.gov/CIP.
- * Completed 68% of budgeted capital improvement projects across multiple departments.

Council Priority - Complete Various Traffic Improvements:

- * Began implementation of projects recommended in the Transportation Master Plan Update.

FY 2019 Objectives

Overall City Value - Good Governance:

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

Overall City Value - Fiscal Sustainability:

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

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Complete wastewater projects recommended in the Wastewater Master Plan Update.

Council Priority - Complete Various Traffic Improvements:

- * Complete traffic improvement projects recommended in the Transportation Master Plan Update. See www.sedonaaz.gov/SIM.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Projects Budgeted	31	26	23	26	37
Projects budgeted (CIP \$M)	\$14.1M	\$10.9M	\$14.1M	\$12.2M	\$13.1M
Projects completed (CIP \$M)	\$9.7M	\$9.6M	\$12.7M	\$7.0M	\$10.5M
Value of Parks and Recreation projects (not including land acq.)	\$1.42M	\$1.5M	\$49,500	\$429,775	\$0
Value of Streets projects budgeted	\$2.17M	\$1.70M	\$4.49M	\$2.36M	\$5.0M

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Projects completed (%)		69%	89%	90%	57%	80%
Projects completed (CIP \$M) / FTE		\$3.59M	\$3.85M	\$4.55M	\$2.3M	\$2.8M
Projects completed (#) / FTE		11.5	10.4	8.7 (revised)	6.0	8.6



PUBLIC WORKS
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5320-09 - Sustainability					
Supplies & Services (ongoing)	\$55,000	\$0	\$0	\$0	Budget Increase: Moved Oak Creek Watershed Council contribution and USFS agreement for trails maintenance from 10-5320-68 and 10-5320-26
Internal Charges	\$2,750	\$0	\$0	\$0	
Sustainability Total	\$57,750	\$0	\$0	\$0	
10-5320-25 - Aquatics Operations & Maintenance					
Personnel (ongoing)	\$12,310	\$12,220	\$11,840	\$0	
Supplies & Services (ongoing)	\$37,000	\$36,160	\$36,160	\$0	Budget Increase: Reallocation of machinery & equipment between capital and non-capital
Direct Costs (Ongoing) Subtotal	\$49,310	\$48,380	\$48,000	\$0	
Internal Charges	\$9,330	\$7,880	\$7,880	\$0	Budget Increase: Change in allocation of Finance costs
Ongoing Total	\$58,640	\$56,260	\$55,880	\$0	
Capital & Debt Service	\$26,500	\$0	\$0	\$0	Budget: Pool cover replacement, pool reel replacement, pool chair lift
Aquatics Operations & Maintenance Total	\$85,140	\$56,260	\$55,880	\$0	
10-5320-26 - Parks Facilities & Maintenance					
Personnel (ongoing)	\$264,130	\$270,460	\$277,050	\$260,590	
Supplies & Services (ongoing)	\$323,300	\$339,695	\$328,722	\$198,944	
Direct Costs (Ongoing) Subtotal	\$587,430	\$610,155	\$605,772	\$459,534	
Internal Charges	\$310,150	\$297,020	\$297,020	\$0	
Ongoing Total	\$897,580	\$907,175	\$902,792	\$459,534	
Supplies & Services (one-time)	\$11,000	\$0	\$0	\$0	Budget: Conex storage container, scoreboard replacement, gas can storage blast cabinet, toughshed
Capital & Debt Service	\$7,500	\$19,230	\$27,263	\$25,588	Budget: Fence replacement
One-Time Total	\$18,500	\$19,230	\$27,263	\$25,588	
Parks Facilities & Maintenance Total	\$916,080	\$926,405	\$930,055	\$485,123	
10-5320-38 - Engineering Services					
Personnel (ongoing)	\$426,950	\$450,020	\$459,590	\$557,036	Budget Decrease: Reallocation of positions
Supplies & Services (ongoing)	\$35,400	\$63,751	\$63,751	\$35,415	Budget Decrease: One-time aerial photo in FY18
Direct Costs (Ongoing) Subtotal	\$462,350	\$513,771	\$523,341	\$592,451	
Internal Charges	\$165,050	\$204,100	\$204,100	\$0	
Engineering Services Total	\$627,400	\$717,871	\$727,441	\$592,451	

PUBLIC WORKS
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5320-39 - Streets Maintenance					
Personnel (ongoing)	\$397,870	\$346,100	\$348,090	\$243,539	Budget Increase: Reallocation of positions, approved Decision Package - increase to Maintenance Worker II
Supplies & Services (ongoing)	\$731,850	\$717,627	\$675,627	\$610,913	
Direct Costs (Ongoing) Subtotal	\$1,129,720	\$1,063,727	\$1,023,717	\$854,452	
Internal Charges	\$341,820	\$312,740	\$312,740	\$0	
Ongoing Total	\$1,471,540	\$1,376,467	\$1,336,457	\$854,452	
Supplies & Services (one-time)	\$50,000	\$0	\$0	\$0	Budget: Carryover of drainage job order contract
Capital & Debt Service	\$40,000	\$72,000	\$72,000	\$52,800	Budget: ADA sidewalk improvements
One-Time Total	\$90,000	\$72,000	\$72,000	\$52,800	
Streets Maintenance Total	\$1,561,540	\$1,448,467	\$1,408,457	\$907,252	
10-5320-68 - Stormwater Quality					
Personnel (ongoing)	\$102,090	\$98,760	\$99,970	\$94,097	Budget Decrease: Moved Oak Creek Watershed Council contribution to 10-5320-09, moved a portion of street sweeping contract to 10-5320-39
Supplies & Services (ongoing)	\$34,000	\$59,500	\$59,500	\$43,424	
Direct Costs (Ongoing) Subtotal	\$136,090	\$158,260	\$159,470	\$137,521	
Internal Charges	\$38,830	\$38,160	\$38,160	\$0	
Stormwater Quality Total	\$174,920	\$196,420	\$197,630	\$137,521	
10-5320-77 - Transportation Services					
Personnel (ongoing)	\$130,380	\$111,290	\$91,520	\$0	Budget Increase: Portion of Paid Parking Revenues used to enhance transportation services Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$5,750	\$4,573	\$4,573	\$0	
Direct Costs (Ongoing) Subtotal	\$136,130	\$115,863	\$96,093	\$0	
Internal Charges	\$47,650	\$43,620	\$43,620	\$0	
Ongoing Total	\$183,780	\$159,483	\$139,713	\$0	
Capital & Debt Service	\$0	\$16,000	\$16,000	\$0	
Transportation Services Total	\$183,780	\$175,483	\$155,713	\$0	

PUBLIC WORKS
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5320-79 - Facilities Maintenance					
Personnel (ongoing)	\$122,030	\$116,510	\$103,910	\$97,429	Current Year Under Budget: Overtime savings
Supplies & Services (ongoing)	\$386,350	\$329,177	\$353,850	\$343,986	Budget Increase: Increased electric
Direct Costs (Ongoing) Subtotal	\$508,380	\$445,687	\$457,760	\$441,415	
Internal Charges	(\$589,080)	(\$507,300)	(\$507,300)	\$0	
Ongoing Total	(\$80,700)	(\$61,613)	(\$49,540)	\$441,415	
Capital & Debt Service	\$86,000	\$168,190	\$40,000	\$78,608	Budget: HVAC replacement; building improvements at Jordan Historical Bldg, Contractors Rd bldg, Brewer Rd bldg, and other misc improvements
Facilities Maintenance Total	\$5,300	\$106,577	(\$9,540)	\$520,023	
10-5320-89 - Capital Projects Management					
Personnel (ongoing)	\$367,580	\$276,890	\$331,300	\$254,586	Budget Increase: Reallocation of positions Current Year Over Budget: Reallocation of positions
Supplies & Services (ongoing)	\$7,800	\$7,230	\$7,230	\$0	
Direct Costs (Ongoing) Subtotal	\$375,380	\$284,120	\$338,530	\$254,586	
Internal Charges	\$181,100	\$169,410	\$169,410	\$0	
Capital Projects Management Total	\$556,480	\$453,530	\$507,940	\$254,586	
General Fund Totals					
Personnel Subtotal	\$1,823,340	\$1,682,250	\$1,723,270	\$1,507,276	
Supplies & Services (Ongoing) Subtotal	\$1,616,450	\$1,557,713	\$1,529,413	\$1,232,682	
Direct Costs (Ongoing) Subtotal	\$3,439,790	\$3,239,963	\$3,252,683	\$2,739,958	
Internal Charges Subtotal	\$507,600	\$565,630	\$565,630	\$0	
Ongoing Subtotal	\$3,947,390	\$3,805,593	\$3,818,313	\$2,739,958	
Supplies & Services (One-Time) Subtotal	\$61,000	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$160,000	\$275,420	\$155,263	\$156,997	
One-Time Subtotal	\$221,000	\$275,420	\$155,263	\$156,997	
General Fund Total	\$4,168,390	\$4,081,013	\$3,973,576	\$2,896,955	
Streets Fund					
11-5320-39 - Streets Maintenance					
Supplies & Services (ongoing)	\$1,150,000	\$1,150,000	\$1,150,000	\$1,226,595	
Internal Charges	\$57,380	\$53,490	\$53,490	\$0	
Streets Maintenance Total	\$1,207,380	\$1,203,490	\$1,203,490	\$1,226,595	
Streets Fund Totals					
Supplies & Services (Ongoing) Subtotal	\$1,150,000	\$1,150,000	\$1,150,000	\$1,226,595	
Internal Charges Subtotal	\$57,380	\$53,490	\$53,490	\$0	
Streets Fund Total	\$1,207,380	\$1,203,490	\$1,203,490	\$1,226,595	

PUBLIC WORKS
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
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Transportation Sales Tax Fund

17-5320-89 - Capital Projects Management

Personnel (ongoing)	\$95,920	\$0	\$0	\$0	Budget Increase: Added engineering position to assist with management of SIM project
Supplies & Services (ongoing)	\$5,000	\$0	\$0	\$0	Budget Increase: Added engineering position to assist with management of SIM project
Transportation Sales Tax Fund Total	\$100,920	\$0	\$0	\$0	

Capital Grants Fund

19-5320-26 - Parks Facilities & Maintenance

Personnel (ongoing)	\$0	\$0	\$0	\$5,245	
Capital Grants Fund Total	\$0	\$0	\$0	\$5,245	

Wastewater Enterprise Fund

59-5320-38 - Engineering Services

Personnel (ongoing)	\$194,920	\$204,750	\$207,470	\$170,183	
Supplies & Services (ongoing)	\$29,500	\$45,830	\$34,830	\$11,571	Budget Decrease: Eliminated Legal Services and Rent budgets Current Year Under Budget: Savings in Legal Services and Rent budgets
Direct Costs (Ongoing) Subtotal	\$224,420	\$250,580	\$242,300	\$181,754	
Internal Charges	\$62,030	\$65,710	\$65,710	\$0	
Engineering Services Total	\$286,450	\$316,290	\$308,010	\$181,754	

59-5320-89 - Capital Projects Management

Personnel (ongoing)	\$40,030	\$92,020	\$31,660	\$86,803	Budget Decrease: Reallocation of positions Current Year Under Budget: Reallocation of positions
Supplies & Services (ongoing)	\$1,890	\$1,890	\$1,890	\$0	
Direct Costs (Ongoing) Subtotal	\$41,920	\$93,910	\$33,550	\$86,803	
Internal Charges	\$10,030	\$21,120	\$21,120	\$0	Budget Decrease: Change in allocations of indirect costs
Capital Projects Management Total	\$51,950	\$115,030	\$54,670	\$86,803	

PUBLIC WORKS
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
Wastewater Enterprise Fund Totals					
Personnel Subtotal	\$234,950	\$296,770	\$239,130	\$256,986	
Supplies & Services (Ongoing) Subtotal	\$31,390	\$47,720	\$36,720	\$11,571	
Direct Costs (Ongoing) Subtotal	\$266,340	\$344,490	\$275,850	\$268,557	
Internal Charges Subtotal	\$72,060	\$86,830	\$86,830	\$0	
Ongoing Subtotal	\$338,400	\$431,320	\$362,680	\$268,557	
Capital & Debt Service Subtotal	\$0	\$0	\$0	\$0	
Wastewater Enterprise Fund Total	\$338,400	\$431,320	\$362,680	\$268,557	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$2,154,210	\$1,979,020	\$1,962,400	\$1,769,507
Supplies & Services (Ongoing) Subtotal	\$2,802,840	\$2,755,433	\$2,716,133	\$2,470,848
Direct Costs (Ongoing) Subtotal	\$4,957,050	\$4,734,453	\$4,678,533	\$4,240,355
Internal Charges Subtotal	\$637,040	\$705,950	\$705,950	\$0
Ongoing Subtotal	\$5,594,090	\$5,440,403	\$5,384,483	\$4,240,355
Supplies & Services (One-Time) Subtotal	\$61,000	\$0	\$0	\$0
Capital & Debt Service Subtotal	\$160,000	\$275,420	\$155,263	\$156,997
One-Time Subtotal	\$221,000	\$275,420	\$155,263	\$156,997
Grand Total	\$5,815,090	\$5,715,823	\$5,539,746	\$4,397,351

PUBLIC WORKS
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Administrative Assistant ⁽¹⁾	0.60	0.60	0.60
Assistant Engineer	3.00	2.00	2.00
Associate Engineer	3.00	3.00	3.00
Bike Park Maintenance Worker ⁽²⁾	0.25	0.25	0.00
Chief Engineering Inspector	1.00	1.00	1.00
City Maintenance Supervisor	1.00	1.00	1.00
City Maintenance Worker I	4.00	6.00	6.00
City Maintenance Worker II	4.00	2.00	2.00
Director of Public Works/City Engineer	1.00	1.00	1.00
Engineering Services Inspector	2.00	2.00	2.00
Engineering Supervisor	1.00	1.00	1.00
Facilities Maintenance Manager	1.00	1.00	1.00
Public Works Administrative Supervisor	1.00	1.00	1.00
Right-of-Way Specialist	1.00	1.00	2.00
Right-of-Way Supervisor	1.00	1.00	0.00
Traffic Control Assistant ⁽²⁾	2.60	1.72	0.00
Total	27.45	25.57	23.60

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5320-25	Aquatics	0.20	0.20	0.00
10-5320-26	Parks Facilities & Maintenance	4.28	4.44	5.15
10-5320-35	Storm Clean-Up	0.30	0.00	0.00
10-5320-36	Traffic Control	1.70	0.00	0.00
10-5320-38	Engineering Services	4.49	4.93	6.67
10-5320-39	Streets Maintenance	3.42	5.17	3.25
10-5320-42	Uptown Paid Parking	0.29	0.00	0.00
10-5320-68	Stormwater Quality	1.29	1.29	1.29
10-5320-77	Transportation Services	2.51	1.82	0.00
10-5320-79	Facilities Maintenance	1.79	1.60	1.60
10-5320-89	Capital Projects Management	3.42	2.65	2.45
General Fund Total		23.69	22.10	20.41

Transportation Sales Tax Fund				
17-5320-89	Capital Projects Management	1.00	0.00	0.00
Transportation Sales Tax Fund Total		1.00	0.00	0.00

Wastewater Enterprise Fund				
59-5320-38	Engineering Services	2.36	2.58	2.30
59-5320-89	Capital Projects Management	0.40	0.89	0.89
Wastewater Enterprise Fund Total		2.76	3.47	3.19

Grand Total 27.45 25.57 23.60

⁽¹⁾ Part-time position
⁽²⁾ Temporary positions

ECONOMIC DEVELOPMENT

Mission Statement

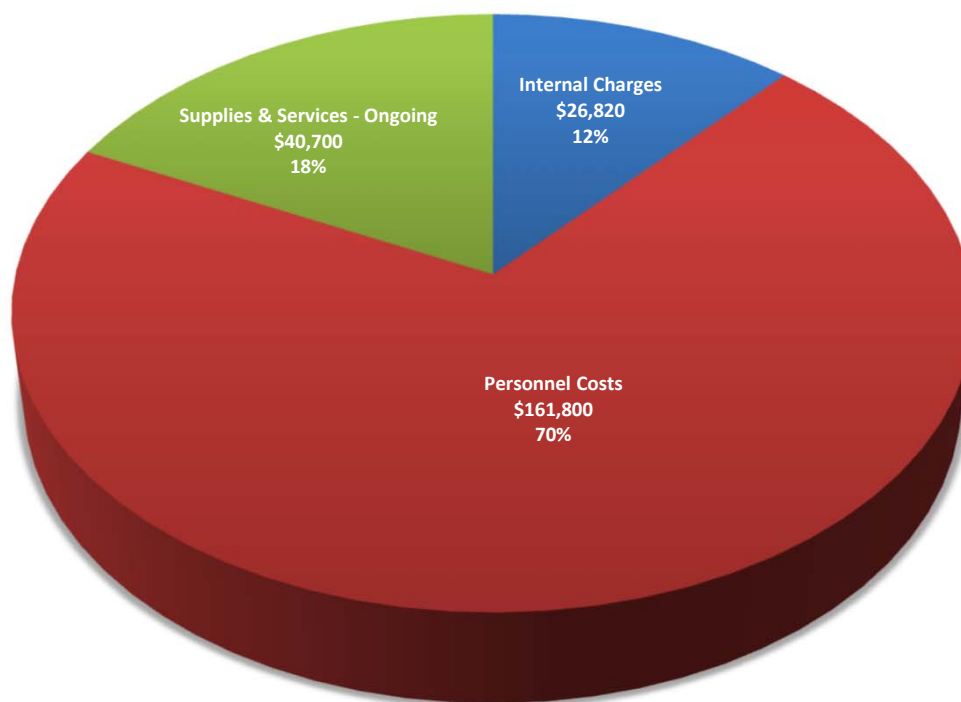
The mission of the Economic Development Department is to diversify Sedona's economy consistent with the Community Plan. The Department focuses on services and programs that foster entrepreneurship, leveraging existing public and private resources at the local, regional, and state levels whenever possible.

Description

The Economic Development Department offers:

- * Support and guidance on the steps necessary to start a business in Sedona.
- * Links to knowledge and other resources to help establish or grow your business.
- * Information about the Revolving Loan Program offered through our partnership with the Verde Valley Regional Economic Organization.
- * Seminars and other opportunities to learn more about business planning, financial structuring, small business loans, marketing, and training.

FY 2019 EXPENDITURES: \$229,320



ECONOMIC DEVELOPMENT – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 161,800	71%	\$ 152,670	\$ 152,950	\$ -
Supplies & Services	40,700	18%	32,300	32,300	-
Subtotal Direct Costs	\$ 202,500	88%	\$ 184,970	\$ 185,250	\$ -
Internal Charges	26,820	12%	26,510	26,510	-
Total Expenditures	\$ 229,320	100%	\$ 211,480	\$ 211,760	\$ -
Expenditures by Fund					
General Fund Portion	\$ 229,320	100%	\$ 211,480	\$ 211,760	\$ -
Funding Sources					
Funding from General Revenues	\$ 229,320	100%	\$ 211,480	\$ 211,760	\$ -
Employee Time Allocation (FTEs) (Budgeted)	1.00		1.00		0.00

The Economic Development program was recorded in the City Manager's Office in FY 2017.

FY 2018 Accomplishments

Community Plan Economic Development Goal - Recruit new businesses and organizations representing different business and institutional sectors that diversify Sedona's economic base:

- * Completed the Verde Valley Regional Economic Organization (VVREO) regional economic development strategic plan.

Community Plan Economic Development Goal - Support local owned businesses:

- * Acquired \$100,000 in grant funds for business assistance.
 1. Acquired grant funding in partnership with the City of Cottonwood to provide business assistance services.
 2. Through a grant, we hosted two Launchpad events for small businesses and entrepreneurs.
- * Started a Coffee Talk small business education series.
- * Updated the website and created some marketing materials.
- * Enhanced VVREO loan program through marketing, materials, and processes.
- * Worked with more than 50 local business owners.
- * Provided business services such as loan applications, business planning, data, and access to other technical resources.
- * Served on grant review committees for ACF and VVRIC.

FY 2019 Objectives

Community Plan Economic Development Goal - Recruit new businesses and organizations representing different business and institutional sectors that diversify Sedona's economic base:

- * Complete local five-year economic development diversification plan.
- * Identify targeted industries for diversification.
- * Generate more opportunities for entrepreneurs to learn and thrive.
- * Create marketing materials and opportunities.
- * Continue to build contacts and networks.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Inquiries from businesses	N/A	N/A	25	>50	50
Business visits/outreach	N/A	N/A	25	>30	30
Jobs resulting from businesses served	N/A	N/A	5	10	15
Jobs created above livable wage*	N/A	N/A	3	3	5
Businesses assisted with business planning	N/A	N/A	8	25	25
Unique website visits	N/A	N/A	100	680	750
Business workshops/trainings hosted	N/A	N/A	N/A	10	10

Community Plan Economic Development Goal - Recruit new businesses and organizations representing different business and institutional sectors that diversify Sedona's economic base:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Expansion and investment in targeted sector		N/A	N/A	\$0	\$0	\$50,000
Private capital investment invested by businesses served		N/A	N/A	\$0	> \$50,000	\$50,000
Number of business loans / total value of loans		N/A	N/A	2/\$50K	3/\$400K	2/\$100K

*Livable wage is based on the Massachusetts Institute of Technology (MIT) self sufficiency wage data for Yavapai County. It is defined as the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2,080 hours per year).

ECONOMIC DEVELOPMENT
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5330-01 - Administration					
Personnel (ongoing)	\$161,800	\$152,670	\$152,950	\$0	
Supplies & Services (ongoing)	\$40,700	\$32,300	\$32,300	\$0	Budget Increase: Approved Decision Package - Marketing (\$6,500)
Direct Costs (Ongoing) Subtotal	\$202,500	\$184,970	\$185,250	\$0	
Internal Charges	\$26,820	\$26,510	\$26,510	\$0	
General Fund Total	\$229,320	\$211,480	\$211,760	\$0	

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Economic Development Director ⁽¹⁾	1.00	1.00	0.00
Total	1.00	1.00	0.00

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5330-01	Administration ⁽¹⁾	1.00	1.00	0.00
General Fund Total		1.00	1.00	0.00

⁽¹⁾ The Economic Development Program was moved to its own separate department beginning FY2018.

POLICE

Mission Statement

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

Description

Under the philosophy of community policing and problem solving partnerships, the Department provides professional law enforcement, traffic safety, and crime prevention services to the residents, business owners, and visitors of Sedona. The Department deploys personnel 24 hours a day, 7 days a week in our Communications center and in the field responding to emergency incidents and non-emergency calls for service, and conducting proactive patrol operations. Additional administrative and support personnel are assigned various shifts throughout the week to provide field personnel and the public with timely information, documents, and other important material and services. The Police Department is the sole public safety agency within the Sedona city government.

The Police Department is responsible for the following primary program areas:

- * Administration (includes the Office of the Chief of Police and the Executive Assistant)
- * Patrol Division (includes all patrol functions, SWAT, and the Community Services Aides [Uptown Parking Program])
- * Support Services Division (includes General Detectives and Investigators assigned to PANT and GIITEM, Communications/Records, the Administrative Sergeant, K-9, School Resource Officer, and the Community Services Officer [Animal Control])

Under the Administration program is this additional program:

- * Uptown Parking Program
- * Community Relations (includes Police Volunteers and the Police Explorers)

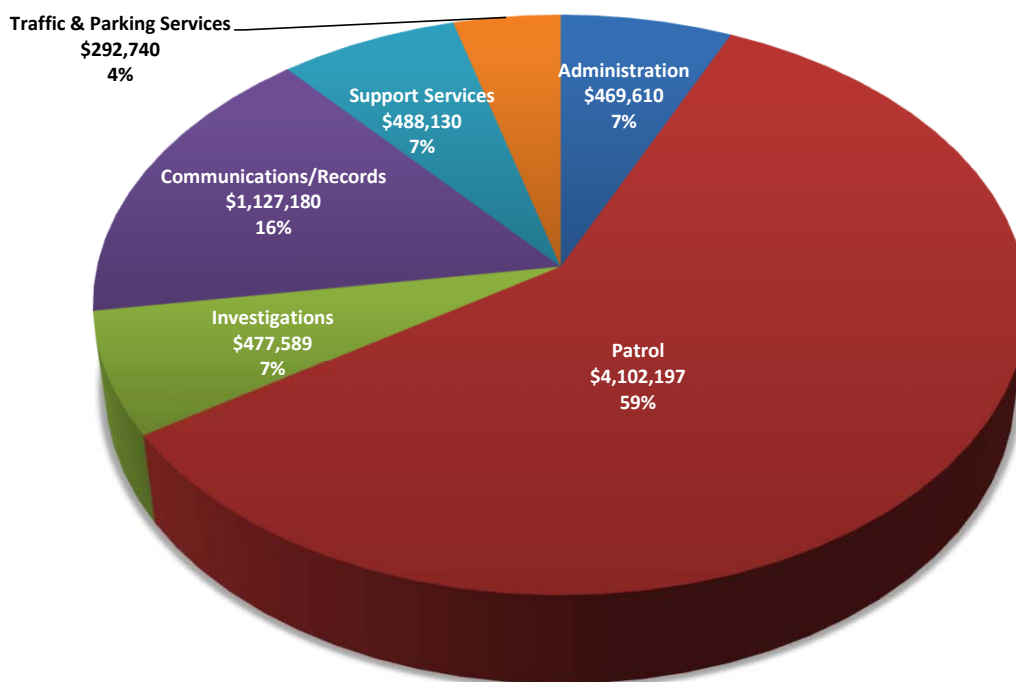
Under the Patrol Division program area are these additional programs:

- * SWAT
- * Traffic and Parking Services (Community Services Aides (CSAs))

Under the Support Services Division program are these additional programs:

- * Communications Section
- * Investigations Section (includes regular Detectives, PANT Investigator, and GIITEM Investigator)
- * K-9
- * Animal Control (Community Services Officer)

FY 2019 PROGRAM EXPENDITURES: \$6,957,446



POLICE – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 298,330	64%	\$ 429,610	\$ 421,090	\$ 202,250
Supplies & Services	73,610	16%	78,309	80,309	92,762
Capital & Debt Service	-	0%	-	-	20,000
Subtotal Direct Costs	\$ 371,940	79%	\$ 507,919	\$ 501,399	\$ 315,012
Internal Charges	97,670	21%	132,120	132,120	-
Total Expenditures	\$ 469,610	100%	\$ 640,039	\$ 633,519	\$ 315,012
Expenditures by Fund					
General Fund Portion	\$ 456,260	97%	\$ 628,689	\$ 622,169	\$ 307,356
Other Funds Portion	\$ 13,350	3%	\$ 11,350	\$ 11,350	\$ 7,656
Funding Sources					
Program Revenues	\$ 13,500	3%	\$ 11,650	\$ 11,365	\$ 7,971
Funding from General Revenues	\$ 456,110	97%	\$ 628,389	\$ 622,154	\$ 307,041
Employee Time Allocation (FTEs) (Budgeted)	2.00		3.00		3.00

The Police Administration program (Office of the Chief of Police) consists of the Police Chief and the Chief's Executive Assistant. The Chief's Office is responsible for essential administrative services such as the development and implementation of policy and procedure, budget planning and management, long range planning, grant development and management, coordination of all training and travel, facility maintenance coordination, and conducting the Police Citizens Academy. Liaisons to the City Manager and the City Council are also assigned to this program, as well as media relations and the investigations and reporting of all Department complaints and commendations.

A portion of this program is paid by the Grants and Donations Funds.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Obtained City funding and purchased a new Computer Aided Dispatch/Records Management System (CAD/RMS). Initiated start-up of data input, and began training all employees.
- * Evaluated a new in-car camera system, deferring funding request until the FY 2020 budget cycle.
- * Held 3 community-police events, including National Night Out, Coffee with a Cop, and a Hispanic Outreach.
- * Trained all sworn Department supervisors and command staff on basic Incident Command System (ICS) within the National Incident Management System framework.
- * Submitted applications for grant funding from three governmental and community entities to enhance Department operations.
- * Worked with the Sedona Fire District (SFD) and local law enforcement agencies to develop training exercises to increase emergency preparedness and responses to critical incidents within the City of Sedona and the Verde Valley. Participated in 2 critical incident exercises with first responder partners.
- * Held a Supervisory and Management Training and Teambuilding Retreat in December 2017.
- * Purchased new uniforms for all sworn officers, using Asset Forfeiture funds.
- * Tested and hired one Police Commander, one Police Lieutenant, two Police Sergeants, and two Police Detectives.
- * Maintained full staffing levels of sworn police officers during all FY 2018.
- * Worked with City staff to develop and promote an emergency notification system (Nixle) for residents and visitors.
- * Negotiated and entered into an Intergovernmental Agreement (IGA) with the Coconino County Sheriff's Office to handle some calls for service in the Oak Creek Canyon area and be compensated for our employee's time and equipment use.
- * Trained all sworn employees on the use of Narcan (Naxalone), to be administered to persons who have overdosed on opioid-related compounds.

POLICE – Administration
continued

FY 2019 Objectives

Overall City Value - Public Safety:

- * Provide leadership to Department personnel to enable a smooth transition to a new CAD/RMS (Spillman) system, which can be a frustrating and difficult experience even when done correctly.
- * Continue to refine the (Lexipol) SPD Policy Manual, ensuring it is up to date and properly disseminated in whole to the employees by September 1, 2018.
- * Review and refine the organizational hierarchy (organizational chart), using existing personnel if possible, to reflect enhanced efficiencies of operation and administration workload.
- * Secure multiple grant awards and community donations to purchase additional equipment to enhance Department operations, including officer safety equipment, community and public welfare equipment, and K-9 and Equestrian Unit donations/grants.
- * Continue to work with our first responder colleagues (SFD and other regional law enforcement agencies) to enhance our mutual aid response plans to critical incidents, including potential mass casualty events. Plan and conduct at least one multi-agency critical incident exercise.
- * Finalize and disseminate policies and procedures for ancillary assignments, such as Police Bicycle Patrol, Equestrian Detail, and Traffic (Motorcycle) Detail.
- * Develop training materials for Critical Incident/Emergency Management deployment, and conduct training exercises for critical City staff and Council Members.
- * Train all Department employees on Critical Incident Training (CIT) and mental health problem recognition and responses.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Leadership Team development sessions	4 sessions	0 sessions	2 sessions	1 session	1 session
Employee survey of Department leadership effectiveness	2 surveys	0 surveys	1 survey	0 surveys	1 survey
Train all employees on Critical Incident Training (CIT)/Mental Health Interactions	0 employees	10 employees	40 employees	10 employees	42 employees
Train all supervisory and command staff on Incident Command System/National Incident Management System (ICS/NIMS) protocols	1 employee	2 employees	7 employees	7 employees	7 employees
Conduct community interaction events	1 event	1 event	2 events	3 events	4 events
Hours of volunteer donated time	3,751	4,194	4,489	3,600	4,000
Explorers' participation in community events	N/A	N/A	3	3	5

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Retention of sworn employees		63% (17/27)	85% (23/27)	93% (25/27) (revised)	96% (26/27)	96% (26/27)
Retention of civilian employees		83% (10/12)	75% (9/12)	83% (10/12) (revised)	67% (8/12)	83% (10/12)
Sworn personnel turnover (ICMA Benchmark 2016-2017)	3.9% (all) / 6.0% (cities under 30,000 pop.)	29%	14%	N/A	4%	7%
Sworn police overtime as % of total sworn police compensation (ICMA Benchmark 2016-2017)	5.9% (all) / 6.1% (cities under 30,000 pop.)	N/A	14.6%	N/A	10.3%	7.2%
FTEs: Sworn positions per 1,000 population (ICMA Benchmark 2016-2017)	2.7 (all) / 4.5 (cities under 30,000 pop.)	N/A	2.5	N/A	2.9	2.8
FTEs: Sworn Police per 1,000 population + Annualized Visitor Population		N/A	1.3	N/A	1.4	1.4

POLICE – Patrol

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 2,660,280	65%	\$ 2,403,584	\$ 2,420,060	\$ 2,347,555
Supplies & Services	249,065	6%	256,583	254,583	200,632
Capital & Debt Service	192,512	5%	213,769	218,700	204,687
Subtotal Direct Costs	\$ 3,101,857	76%	\$ 2,873,936	\$ 2,893,343	\$ 2,752,874
Internal Charges	1,000,340	24%	886,040	886,040	-
Total Expenditures	\$ 4,102,197	100%	\$ 3,759,976	\$ 3,779,383	\$ 2,752,874
Expenditures by Fund					
General Fund Portion	\$ 4,097,197	100%	\$ 3,718,976	\$ 3,738,383	\$ 3,165,019
Other Funds Portion	\$ 5,000	<1%	\$ 41,000	\$ 41,000	\$ (412,145)
Funding Sources					
Program Revenues	\$ 24,400	1%	\$ 53,100	\$ 53,350	\$ (403,206)
Funding from General Revenues	\$ 4,077,797	99%	\$ 3,706,876	\$ 3,726,033	\$ 3,156,080
Employee Time Allocation (FTEs) (Budgeted)	21.00		22.00		24.00

The Patrol program is currently managed by a Police Lieutenant and consists of all sworn and civilian uniformed personnel who carry out the Department's direct field operations to the community, which includes responding to emergency and routine calls for service, enforcing traffic laws, enforcing parking ordinances (through patrol officers and Community Services Aides [CSAs]), and effectively dealing with various quality of life matters. The personnel within the program are also responsible for jail operations, maintenance of the Department's fleet of vehicles, coordination and maintenance of the police range and training facility, maintenance of all equipment utilized within the program, and ensuring the on-going mandated professional development of personnel within the program.

A portion of this program is paid by the Grants and Donations Funds.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Conducted 4 speed enforcement and awareness operations through the use of the portable electronic speed radar displays signs.
- * Secured asset forfeiture funding from Partners Against Narcotic Trafficking (PANT) and purchased, trained, and deployed a new K-9/officer team.
- * Purchased 4 police bicycles from a local vendor to start our ancillary Police Bicycle Officer program, and requested a grant from the Governor's Office of Highway Safety (GOHS) to purchase 5 additional bicycles. Deployed our first bicycle police officers at the Sedona Mountain Bike Festival and the St. Patrick's Day Parade.
- * Applied for grant funding for the purchase of 5 additional police bicycles, ballistic helmets and shields for 5 sworn employee, and automated external defibrillators (AEDs) for at least half of all patrol vehicles.
- * Conducted 3 homeless outreach/illegal camping operations with U.S. Forest Service and veterans/homeless non-profit personnel.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Enhance the deployment of officers to the ancillary Police Bicycle Officer program. Deploy officers on police bicycles at least 25% of their work hours during the busy months of September-November and March-May, in high density areas such as Uptown, and during special events.
- * Develop and deploy the ancillary Police Equestrian program, and deploy equestrian officer(s) at special events and in tactical field incidents when available.
- * Develop a culture where supervisors and patrol officers better understand the crime picture in their area and the City, using a CompStat model with data from the new CAD/RMS system. Continue to enhance and produce the information/data available with this new system.
- * Examine and test field officer deployment models used by other police departments similar in size to Sedona, and initiate a change to a different model if efficiencies can be achieved.
- * Maintain as close to 100% retention of sworn police officers throughout the year.
- * Reduce response time by 10% for emergency and non-emergency calls for service.
- * Develop enhanced, more efficient reporting and investigation system for high risk events, such as pursuits, uses of force, and traffic collisions.

POLICE – Patrol
continued

WORKLOAD INDICATORS	Benchmark	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
UCR Part I violent crimes		141	42	100	50	50
UCR Part I property crimes		215	201	190	550	500
Traffic collisions - Fatal (ICMA Benchmark 2016-2017)	31 (all) / 1 (cities under 30,000 pop.)	1	0	0	0	0
Traffic collisions - Injury		25	30	22	100	50
Traffic collisions - Non-injury		242	240	200	700	500
Officer-initiated activity		4,693	9,360	4,852	10,000	11,000
Calls for service		9,982	14,825	16,000	15,000	15,500
Warnings		2,242	3,764	N/A	4,000	4,500
Citations		624	833	N/A	1,200	1,500
Arrests - Misdemeanor		349	419	N/A	400	450
Arrests - Felony		85	68	N/A	60	70
Arrests - DUI		34	45	N/A	60	75
Deploy mobile digital speed indicator sign in areas of reported OHV speeding or unsafe driving		0 deploys	2 deploys	4 deploys	4 deploys	4 deploys

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Maintain a response time of 5 minutes or less 90% of the time to emergency calls		82%	N/A	90%	88%	90%
Average response time - Priority 1 (ICMA Benchmark 2016-2017)	5.3 (all) / 6.6 (cities under 30,000 pop.)	4 minutes	4 minutes	N/A	6 minutes	5 minutes
Average response time - Priority 2		11 minutes	10 minutes	N/A	10 minutes	8 minutes
Calls for service per sworn FTE (ICMA Benchmark 2016-2017)	438 (all) / 676 (cities under 30,000 pop.)	N/A	576	N/A	512	543
Calls for service per 1,000 population (ICMA Benchmark 2016-2017)	650 (all) / 1,207 (cities under 30,000 pop.)	979	1,452	1,567	1,469	1,518
Calls for service per 1,000 population + annualized visitor population		502	735	783	734	758
DUI arrests per 1,000 population (ICMA Benchmark 2016-2017)	3.8 (All) / 5.7 (cities under 30,000 pop.)	3.3	4.4	N/A	5.9	7.3
DUI arrests per 1,000 population + annualized visitor population		1.7	2.2	N/A	2.9	3.7
UCR Part I property crimes reported per 1,000 population	26.9 (all) / 27.5 (cities under 30,000 pop.)	21.1	19.7	18.6	53.9	49.0
UCR Part I property crimes reported per 1,000 population + annualized visitor population		10.8	10.0	9.3	26.9	24.4
UCR Part I violent crimes reported per 1,000 population	3.2 (all) / 1.9 (cities under 30,000 pop.)	13.8	4.1	9.8	4.9	4.9
UCR Part I violent crimes reported per 1,000 population + annualized visitor population		7.1	2.1	4.9	2.4	2.4

POLICE – Investigations

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 326,390	68%	\$ 373,990	\$ 360,420	\$ 252,589
Supplies & Services	54,479	11%	50,594	50,594	36,782
Subtotal Direct Costs	\$ 380,869	80%	\$ 424,584	\$ 411,014	\$ 289,371
Internal Charges	96,720	20%	98,280	98,280	-
Total Expenditures	\$ 477,589	100%	\$ 522,864	\$ 509,294	\$ 289,371
Expenditures by Fund					
General Fund Portion	\$ 477,589	100%	\$ 522,864	\$ 509,294	\$ 289,371
Funding Sources					
Program Revenues	\$ -	0%	\$ -	\$ -	\$ -
Funding from General Revenues	\$ 477,589	100%	\$ 522,864	\$ 509,294	\$ 289,371
Employee Time Allocation (FTEs) (Budgeted)	3.73		3.73		3.73

The Investigations program is managed by the Support Services Commanding Officer (currently a Lieutenant) and consists of sworn personnel who are assigned to conduct follow up criminal investigations, background investigations and reviews of various city permit and license applications, processing of criminal complaints assigned to the municipal and county courts, police employee background investigations, and sex offender registrant monitoring. Personnel in this program are also assigned to specialized regional investigative tasks forces which bring resources and expertise to the Department and community that would not otherwise be feasible. Property and evidence processing and storage functions are also carried out within this program by civilian personnel.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Conducted 2 Sexual Offender Registrant compliance operations.
- * Changed manner in which Detectives kept cases open, leading to a 6-month maximum time frame for a case to remain open.
- * Realigned Investigations Section so that the assignment as a Detective is no longer permanent. A Detective will be assigned between 2 to 3 years maximum, allowing for more employees to be trained and assigned.
- * Participated in 1 regional enforcement task force to serve outstanding arrest warrants by June 30, 2018.
- * Implemented enhanced criminal investigations case management processes by December 31, 2017 to ensure that all follow up investigations were readily available and cases were completed in a timely manner.
- * Conducted a review of deployment needs and investigator responsibilities by July 5, 2017.
- * Increased clearance rates for violent crimes by 8%, and property crimes by 5%.
- * Focused on identifying human trafficking (HT) cases, and conducted seminars aimed at educating the public on human trafficking indicators; enhanced law enforcement partnerships combating HT occurrences in our City and within the Verde Valley.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Train 2 new detectives; rotate existing detectives back to the Patrol Division.
- * Conduct 2 Sexual Offender Registrant compliance operations.
- * Maintain case clearance to maximum of 6 months.
- * Develop familiarity of the CAD/RMS system to track case management and clearance rates (baseline).

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Total cases assigned (felony and misdemeanor)	103	117	N/A	140	125
Detective initiated arrests	10	15	N/A	12	20
Felony cases filed	6	2	N/A	3	5
Conduct sexual offender registrant compliance operations	1	2	2	2	2

POLICE – Investigations
continued

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Exceed annual Arizona state crime clearance rate (15.8%) for property crime (ICMA Benchmark 2016-2017)	24.0% (all) / 31.7% (cities under 30,000 pop.)	16% (exceeds state by 0.2%)	25.6% (exceeds state by 9.8%)	23% (exceeds state by 7.2%)	25% (exceeds state by 9.2%)	30% (exceeds state by 14.2%)
Exceed annual Arizona state crime clearance rate (31.9%) for violent crime (ICMA Benchmark 2016-2017)	47.5% (all) / 62.2% (cities under 30,000 pop.)	61.5% (exceeds state by 26.6%)	73.4% (exceeds state by 41.5%)	82% (exceeds state by 50.1%)	67% (exceeds state by 35.1%)	70% (exceeds state by 38.1%)
Complete investigation on all cases (including lengthy fraud cases) within 6 months from being assigned		55%	60%	80%	80%	100%

POLICE – Communications/Records

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 706,470	63%	\$ 647,930	\$ 621,820	\$ 534,456
Supplies & Services	54,620	5%	50,290	50,290	39,761
Subtotal Direct Costs	\$ 761,090	68%	\$ 698,220	\$ 672,110	\$ 574,217
Internal Charges	366,090	32%	393,710	393,710	-
Total Expenditures	\$ 1,127,180	100%	\$ 1,091,930	\$ 1,065,820	\$ 574,217
Expenditures by Fund					
General Fund Portion	\$ 1,127,180	100%	\$ 1,091,930	\$ 1,065,820	\$ 574,217
Funding Sources					
Program Revenues	\$ 4,200	<1%	\$ 4,100	\$ 4,400	\$ 3,743
Funding from General Revenues	\$ 1,122,980	100%	\$ 1,087,830	\$ 1,061,420	\$ 570,474
Employee Time Allocation (FTEs) (Budgeted)	10.00		10.00		9.00

The Communications/Records program consists of civilian personnel who provide support to all Department personnel through radio communications, Computer-Aided Dispatching (CAD), Mobile Data Computer software applications, records storage and retrieval, and public record access and production. The Communications Section employs specially trained personnel who are responsible for answering 9-1-1 emergency telephone lines including all wireless and Voice Over Internet Protocol (VOIP) calls from all providers in our jurisdiction, interpreting the level of priority of the call, and dispatching the call for service to field personnel. Additionally, personnel within this program are the answering and relay point for after-hours calls for emergency service or questions for other City departments.

The Records Section provides first-level contact for all Police Department business and is the primary service provider for public inquiries, report releases, and other front-counter customer services. This function is responsible for processing police reports; facilitating tow hearings; collecting court bonds and administrative fees; and tracking and recording court dispositions, citations, and any other patrol related documentation. In addition, Records responds to all civil and criminal subpoenas and processes requests for the disclosure of public records. The Records Clerk verifies and inputs data into the Department's Records Management System (RMS) and various other criminal justice databases for the purpose of collection and analyses of statistical data related to state and federal reporting requirements.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Dispatched calls to officers within 45 seconds from the time received.
- * Updated the Public Records Request form.
- * Switched vendors handling public requests for traffic collision reports, saving customers (public) an average of \$2.50 per request and saving insurance companies an average of \$11.50 per request.
- * Upgraded the 9-1-1 System from Viper to Vesta/Airbus through the CenturyLink Management Services.
- * Reviewed the current response protocols to 9-1-1 calls where the location was unknown, or it was fairly certain that the person on the line accidentally dialed the emergency number. Began writing protocols to be implemented in FY 2019.
- * Actively participated in the Spillman (CAD/RMS) project system, becoming Department experts to train other staff.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Hire 2 Dispatchers to fill existing vacancies.
- * Maintain as close to 100% dispatcher employment as possible.
- * Dispatch calls to officers within 45 seconds from receiving the call.
- * Examine feasibility of consolidating dispatch operations with Cottonwood Regional Dispatch Center.
- * Update the Public Records Request protocols.
- * Switch data reporting for the FBI from UCR to NIBRS, years ahead of the mandated time frame.
- * Transition to paperless collision reporting using the AZTraCS system.
- * Find efficiencies with the new CAD/RMS system to streamline Records and Communications functions.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Telephone calls received - Emergency	N/A	N/A	N/A	6,000	6,500
Telephone calls received - Non-Emergency	N/A	N/A	N/A	28,000	30,000
Average time to dispatch call to field unit	50 seconds	40 seconds	45 seconds	45 seconds	45 seconds
UCR Part I crimes reported - Non-Violent	215	201	N/A	515	550
UCR Part I crimes reported - Violent	141	42	N/A	50	50
Average backlog of records merged into system	N/A	200 cases	0 cases	160 cases	100 cases
Average wait time for public records requests	N/A	120 hours	24 hours	72 hours	24 hours



POLICE - Communications/Records

continued

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Exceed National Emergency Number Association (NENA) standard (10 seconds) for answering 9-1-1 calls		exceeds by 5 seconds	exceeds by 5 seconds	exceeds by 6 seconds	exceeds by 5 seconds	exceeds by 5 seconds
Decrease backlog of records merged into system		N/A	N/A	200 cases reduction	40 cases reduction	60 cases reduction
Decrease wait time for public records requests		N/A	N/A	96 hours reduction	48 hours reduction	48 hours reduction

POLICE – Support Services

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 374,930	77%	\$ 58,860	\$ 109,110	\$ -
Supplies & Services	41,160	8%	57,295	17,295	3,666
Subtotal Direct Costs	\$ 416,090	85%	\$ 116,155	\$ 126,405	\$ 3,666
Internal Charges	72,040	15%	30,280	30,280	-
Total Expenditures	\$ 488,130	100%	\$ 146,435	\$ 156,685	\$ 3,666
Expenditures by Fund					
General Fund Portion	\$ 483,130	99%	\$ 101,435	\$ 151,685	\$ 3,630
Other Funds Portion	\$ 5,000	1%	\$ 45,000	\$ 5,000	\$ 36
Funding Sources					
Program Revenues	\$ 5,000	1%	\$ -	\$ 5,000	\$ 7,836
Funding from General Revenues	\$ 483,130	99%	\$ 146,435	\$ 151,685	\$ (4,170)
Employee Time Allocation (FTEs) (Budgeted)	3.00		1.00		0.00

The Support Services program is managed by the Commanding Officer, currently a Lieutenant. Within Support Services are the Investigations Section (which includes regular Detectives and investigators assigned to PANT and GIITEM), Communications/Dispatch, Records, the Administrative/Special Operations Sergeant, and the Community Services Officer (Animal Control). Support Services handles all support functions of the Department and supports the field operations. This program secures, operates, and oversees the computerized systems of the Department (other than IT-related components), including 9-1-1 telephone and VOIP systems, the CAD/RMS system, and radios (both hand-held and mobile vehicle).

A portion of this program is paid from the Grants and Donations Funds.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Investigated, secured funding for, and implemented the new CAD/RMS system (Spillman).
- * Investigated and recommended the next generation of in-car camera system, and potentially body-cameras for officers.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Oversee and properly manage the integration of the new CAD/RMS system throughout the Department.
- * Ensure a smooth transition and training for 2 newly assigned Detectives.
- * Assist the Chief of Police in the selection of the next command officer and subsequent change in Department hierarchy.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Calls for service (animal related, directly to the CSO)	N/A	N/A	N/A	2,100	2,500
SRO lock-down drills	N/A	N/A	N/A	3 drills	3 drills
% of time SRO is deployed at a school, when in session	90%	75%	N/A	100%	100%
Hispanic Outreach Event	N/A	N/A	N/A	1	1

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
School staff satisfaction survey: Rating of SRO services at Sedona Red Rock High School		N/A	90%	90%	90%	95%
School staff satisfaction survey: Rating of SRO services at West Sedona School		N/A	90%	90%	90%	95%

POLICE – Traffic & Parking Services

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 124,310	42%	\$ 119,820	\$ 85,260	\$ 72,159
Supplies & Services	59,680	20%	47,620	47,620	3,497
Subtotal Direct Costs	\$ 183,990	63%	\$ 167,440	\$ 132,880	\$ 75,656
Internal Charges	108,750	37%	87,480	87,480	-
Total Expenditures	\$ 292,740	100%	\$ 254,920	\$ 220,360	\$ 75,656
Expenditures by Fund					
General Fund Portion	\$ 292,740	100%	\$ 254,920	\$ 220,360	\$ 75,656
Funding Sources					
Program Revenues	\$ 73,590	25%	\$ 44,620	\$ 56,220	\$ 14,850
Funding from General Revenues	\$ 219,150	75%	\$ 210,300	\$ 164,140	\$ 60,806
Employee Time Allocation (FTEs) (Budgeted)	2.90		2.90		2.90

The Traffic and Parking Services program consists of part-time civilian personnel, known as Community Services Aides (CSAs), who are responsible for parking enforcement in the Uptown area and at some trail head parking lots. They also assist patrol officers in some traffic control (movement of traffic) during special events and spontaneous, urgent field incidents. With the addition of the pay stations in the Uptown area, CSAs patrol and enforce parking regulations, and they ensure the operation of the parking kiosks.

FY 2018 Accomplishments

Overall City Value - Public Safety:

- * Create and implement a process for collecting money from the new parking meters installed in the Uptown area.
- * Deploy personnel efficiently and effectively to provide timely response to parking complaints and ensure effective levels of parking enforcement.
- * Identify and develop key metrics to effectively track and measure workload and productivity factors for Community Service Aide activities in Uptown.
- * Increase patrols in the parking lots and trailheads by 50%, due to Engineering Services assuming the traffic duties in Uptown.

FY 2019 Objectives

Overall City Value - Public Safety:

- * Maintain full deployment of personnel (the CSAs are part-time civilian employees who are difficult to recruit and retain).

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Parking citations	336	1,564	1,500	1,500	1,600

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Increase enforcement level by 10% on all parking violations		N/A	1,228 citations increase / 365% increase	64 citations decrease / 4% decrease	64 citations decrease / 4% decrease	100 citations increase / 7% decrease

POLICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5510-01 - Administration					
Personnel (ongoing)	\$298,330	\$429,610	\$421,090	\$202,250	Budget Decrease: Reallocation of positions
Supplies & Services (ongoing)	\$59,060	\$66,959	\$68,959	\$85,106	Budget Decrease: Reallocation of positions
Direct Costs (Ongoing) Subtotal	\$357,390	\$496,569	\$490,049	\$287,356	
Internal Charges	\$97,670	\$132,120	\$132,120	\$0	Budget Decrease: Reallocation of positions
Ongoing Total	\$455,060	\$628,689	\$622,169	\$287,356	
Supplies & Services (one-time)	\$1,200	\$0	\$0	\$0	Budget: Furniture replacements
Capital & Debt Service	\$0	\$0	\$0	\$20,000	
One-Time Total	\$1,200	\$0	\$0	\$20,000	
Administration Total	\$456,260	\$628,689	\$622,169	\$307,356	
10-5510-43 - Patrol					
Personnel (ongoing)	\$2,660,280	\$2,403,584	\$2,420,060	\$2,342,732	Budget Increase: Approved Decision Package - additional PSPRS contribution
Supplies & Services (ongoing)	\$244,065	\$215,583	\$213,583	\$179,291	Budget Increase: Increase in firearms and tactical gear/supplies; added speed sign reporting and Spillman training
Direct Costs (Ongoing) Subtotal	\$2,904,345	\$2,619,167	\$2,633,643	\$2,522,023	
Internal Charges	\$1,000,340	\$886,040	\$886,040	\$0	Budget Increase: Increase in funding of equipment replacement reserve
Ongoing Total	\$3,904,685	\$3,505,207	\$3,519,683	\$2,522,023	
Capital & Debt Service	\$192,512	\$213,769	\$218,700	\$642,996	Budget: Vehicle lease payments
Patrol Total	\$4,097,197	\$3,718,976	\$3,738,383	\$3,165,019	
10-5510-44 - Investigations					
Personnel (ongoing)	\$326,390	\$373,990	\$360,420	\$252,589	Budget Decrease: Reallocation of positions
Supplies & Services (ongoing)	\$54,479	\$50,594	\$50,594	\$36,782	Budget Increase: Added TLO investigations database subscription; increased investigations Travel & Training
Direct Costs (Ongoing) Subtotal	\$380,869	\$424,584	\$411,014	\$289,371	
Internal Charges	\$96,720	\$98,280	\$98,280	\$0	
Investigations Total	\$477,589	\$522,864	\$509,294	\$289,371	

POLICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
10-5510-45 - Communications/Records					
Personnel (ongoing)	\$706,470	\$647,930	\$621,820	\$534,456	Current Year Under Budget: Estimated vacancy savings
Supplies & Services (ongoing)	\$52,620	\$50,290	\$50,290	\$39,761	
Direct Costs (Ongoing) Subtotal	\$759,090	\$698,220	\$672,110	\$574,217	
Internal Charges	\$366,090	\$393,710	\$393,710	\$0	Budget Decrease: Reduction of allocations of IT indirect costs for reduction of hardware/software maintenance costs
Ongoing Total	\$1,125,180	\$1,091,930	\$1,065,820	\$574,217	
Supplies & Services (one-time)	\$2,000	\$0	\$0	\$0	Budget: Shredder
Communications/Records Total	\$1,127,180	\$1,091,930	\$1,065,820	\$574,217	
10-5510-74 - Support Services					
Personnel (ongoing)	\$374,930	\$58,860	\$109,110	\$0	Budget Increase: Reallocation of positions Current Year Over Budget: Reallocation of positions
Supplies & Services (ongoing)	\$36,160	\$12,295	\$12,295	\$3,630	Budget Increase: Reallocations of positions
Direct Costs (Ongoing) Subtotal	\$411,090	\$71,155	\$121,405	\$3,630	
Internal Charges	\$72,040	\$30,280	\$30,280	\$0	Budget Increase: Reallocations of positions
Support Services Total	\$483,130	\$101,435	\$151,685	\$3,630	
10-5510-81 - Traffic & Parking Services					
Personnel (ongoing)	\$124,310	\$119,820	\$85,260	\$72,159	Current Year Under Budget: Estimated vacancy savings
Supplies & Services (ongoing)	\$59,680	\$47,620	\$47,620	\$3,497	Budget Increase: Added costs for maintenance of Paid Parking kiosks
Direct Costs (Ongoing) Subtotal	\$183,990	\$167,440	\$132,880	\$75,656	
Internal Charges	\$108,750	\$87,480	\$87,480	\$0	Budget Increase: Increase to funding of Equipment Replacement Reserve
Traffic & Parking Services Total	\$292,740	\$254,920	\$220,360	\$75,656	
General Fund Totals					
Personnel Subtotal	\$4,490,710	\$4,033,794	\$4,017,760	\$3,404,185	
Supplies & Services (Ongoing) Subtotal	\$506,064	\$443,341	\$443,341	\$348,068	
Direct Costs (Ongoing) Subtotal	\$4,996,774	\$4,477,135	\$4,461,101	\$3,752,253	
Internal Charges Subtotal	\$1,741,610	\$1,627,910	\$1,627,910	\$0	
Ongoing Subtotal	\$6,738,384	\$6,105,045	\$6,089,011	\$3,752,253	
Supplies & Services (One-Time) Subtotal	\$3,200	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$192,512	\$213,769	\$218,700	\$662,996	
One-Time Subtotal	\$195,712	\$213,769	\$218,700	\$662,996	
General Fund Total	\$6,934,096	\$6,318,814	\$6,307,711	\$4,415,249	

POLICE
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
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RICO Fund

14-5510-43 - Patrol

Supplies & Services (ongoing)	\$5,000	\$41,000	\$41,000	\$21,341	Budget Decrease: One-time purchase of uniform replacements in FY18 Current Year Under Budget: Error in estimation by department
RICO Fund Total	\$5,000	\$41,000	\$41,000	\$21,341	

Donations & Contributions Fund

15-5510-01 - Administration

Supplies & Services (ongoing)	\$13,350	\$11,350	\$11,350	\$7,656	Budget Increase: Added costs for Pink Patch Program
Administration Total	\$13,350	\$11,350	\$11,350	\$7,656	

15-5510-74 - Support Services

Supplies & Services (ongoing)	\$5,000	\$45,000	\$5,000	\$36	Budget Decrease: Reduction in anticipated donations Current Year Under Budget: Donations not received for K-9 purchase as expected
Support Services Total	\$5,000	\$45,000	\$5,000	\$36	

Donations & Contributions Fund Totals

Supplies & Services (Ongoing) Subtotal	\$18,350	\$56,350	\$16,350	\$7,692	
Donations & Contributions Fund Total	\$18,350	\$56,350	\$16,350	\$7,692	

Operating Grants Fund

16-5510-43 - Patrol

Personnel (ongoing)	\$0	\$0	\$0	\$4,823	
Operating Grants Fund Total	\$0	\$0	\$0	\$4,823	

GRAND TOTALS

Personnel (Ongoing) Subtotal	\$4,490,710	\$4,033,794	\$4,017,760	\$3,409,008	
Supplies & Services (Ongoing) Subtotal	\$529,414	\$540,691	\$500,691	\$377,101	
Direct Costs (Ongoing) Subtotal	\$5,020,124	\$4,574,485	\$4,518,451	\$3,786,109	
Internal Charges Subtotal	\$1,741,610	\$1,627,910	\$1,627,910	\$0	
Ongoing Subtotal	\$6,761,734	\$6,202,395	\$6,146,361	\$3,786,109	
Supplies & Services (One-Time) Subtotal	\$3,200	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$192,512	\$213,769	\$218,700	\$662,996	
One-Time Subtotal	\$195,712	\$213,769	\$218,700	\$662,996	
Grand Total	\$6,957,446	\$6,416,164	\$6,365,061	\$4,449,106	

POLICE
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Administrative Assistant	0.00	0.00	1.00
Chief of Police	1.00	1.00	1.00
Communication Specialist	7.00	7.00	7.00
Communications/Records Supervisor	1.00	1.00	1.00
Community Services Aide ⁽¹⁾	2.90	2.90	2.90
Community Services Officer	1.00	1.00	2.00
Executive Assistant to the Chief of Police	1.00	1.00	0.00
Police Commander	2.00	2.00	1.00
Police Detective	2.00	2.00	2.00
Police Lieutenant	0.00	0.00	1.00
Police Officer	17.00	17.00	17.00
Police Records Technician	1.00	1.00	1.00
Police Sergeant	5.00	5.00	5.00
Property & Evidence Technician ⁽¹⁾	0.73	0.73	0.73
Police Support Services Technician	1.00	1.00	0.00
Total	42.63	42.63	42.63

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5510-01	Administration	2.00	3.00	3.00
10-5510-43	Patrol	21.00	22.00	24.00
10-5510-44/63	Investigations	3.73	3.73	3.73
10-5510-45	Communications/Records	10.00	10.00	9.00
10-5510-64	Community Relations	1.00	1.00	0.00
10-5510-74	Support Services	2.00	0.00	0.00
10-5510-81	Traffic & Parking Services	2.90	2.90	2.90
General Fund Total		42.63	42.63	42.63

⁽¹⁾ Part-time positions

MUNICIPAL COURT

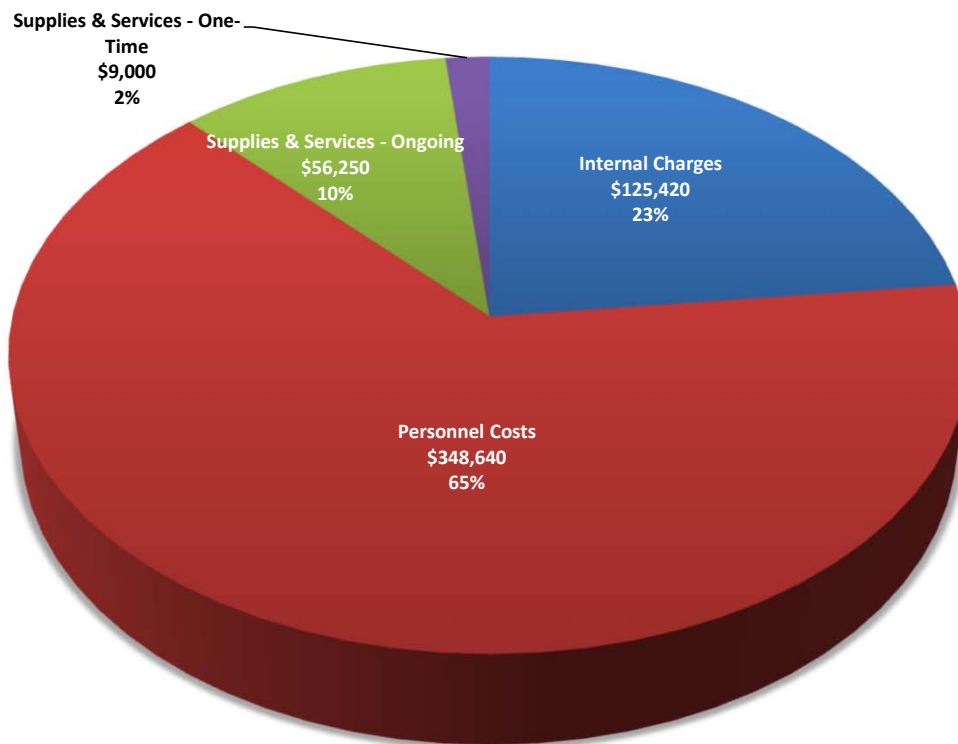
Mission Statement

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

Description

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

FY 2019 EXPENDITURES: \$539,310



MUNICIPAL COURT – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 348,640	65%	\$ 317,070	\$ 293,120	\$ 289,894
Supplies & Services	65,250	12%	44,300	43,400	32,127
Subtotal Direct Costs	\$ 413,890	77%	\$ 361,370	\$ 336,520	\$ 322,022
Internal Charges	125,420	23%	93,240	93,240	-
Total Expenditures	\$ 539,310	100%	\$ 454,610	\$ 429,760	\$ 322,022
Expenditures by Fund					
General Fund Portion	\$ 528,110	98%	\$ 454,610	\$ 429,760	\$ 320,418
Other Funds Portion	\$ 11,200	2%	\$ -	\$ -	\$ 1,604
Funding Sources					
Program Revenues	\$ 11,200	2%	\$ -	\$ -	\$ 1,604
Funding from General Revenues	\$ 528,110	98%	\$ 454,610	\$ 429,760	\$ 320,418
Employee Time Allocation (FTEs) (Budgeted)	4.66		4.25		4.20

A portion of the Municipal Court is paid by the Grants and Donations Funds.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Hired new City Magistrate.
- * Hired and trained a new Court Administrator.
- * Managed caseload so that defendants are offered a prompt resolution.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Complete relocation of Court facilities and inform the public of the new location.
- * Maintain professional relationship with City Prosecutor's Office to continue efficient processing of case flow.
- * Complete transition to AJACS case management system.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Orders of Protection and Injunctions Against Harassment filed	43	75	N/A	80	N/A
Orders of Protection and Injunctions Against Harassment processed	42	75	N/A	80	N/A
Civil traffic citation counts filed: TR1-TR5 Category	1,158	957	1,325	1,000	N/A
Civil traffic citation counts processed: TR1-TR5 Category	1,318	972	N/A	1,000	N/A
City parking citations filed	374	839	N/A	1,100	N/A
City parking citations processed	382	753	N/A	1,100	N/A
Criminal charges filed: R01-R89	227	286	N/A	300	N/A
Criminal charges processed	217	296	N/A	300	N/A
Non-parking City ordinance violations filed	4	30	N/A	30	N/A
Non-parking City ordinance violations processed	3	28	N/A	30	N/A

MUNICIPAL COURT
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
General Fund					
10-5520-01 - Administration					
Personnel (ongoing)	\$348,640	\$317,070	\$293,120	\$289,894	Budget Increase: Approved Decision Package - increase Court Clerk from part-time to full-time Current Year Under Budget: Vacancy savings
Supplies & Services (ongoing)	\$45,050	\$44,300	\$43,400	\$30,523	
Direct Costs (Ongoing) Subtotal	\$393,690	\$361,370	\$336,520	\$320,418	
Internal Charges	\$125,420	\$93,240	\$93,240	\$0	Budget Increase: Increased allocations of Facilities Maintenance costs
Ongoing Total	\$519,110	\$454,610	\$429,760	\$320,418	
Supplies & Services (one-time)	\$9,000	\$0	\$0	\$0	Budget: Furniture replacement
General Fund Total	\$528,110	\$454,610	\$429,760	\$320,418	

Court Restricted Revenues Fund

13-5520-48 - Court Enhancement Fees

Supplies & Services (ongoing)	\$0	\$0	\$0	\$548
Court Enhancement Fees Total	\$0	\$0	\$0	\$548

13-5520-49 - JCEF Time Payment Fees

Supplies & Services (ongoing)	\$0	\$0	\$0	\$1,056
JCEF Time Payment Fees Total	\$0	\$0	\$0	\$1,056

Court Restricted Revenues Fund Totals

Supplies & Services (Ongoing) Subtotal	\$0	\$0	\$0	\$1,604
Court Restricted Revenues Fund Total	\$0	\$0	\$0	\$1,604

Operating Grants Fund

16-5520-30 - AOC Security Grant

Supplies & Services (ongoing)	\$11,200	\$0	\$0	\$0	Budget Increase: Possible grant
Operating Grants Fund Total	\$11,200	\$0	\$0	\$0	

MUNICIPAL COURT
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
GRAND TOTALS					
Personnel (Ongoing) Subtotal	\$348,640	\$317,070	\$293,120	\$289,894	
Supplies & Services (Ongoing) Subtotal	\$56,250	\$44,300	\$43,400	\$32,127	
Direct Costs (Ongoing) Subtotal	\$404,890	\$361,370	\$336,520	\$322,022	
Internal Charges Subtotal	\$125,420	\$93,240	\$93,240	\$0	
Ongoing Subtotal	\$530,310	\$454,610	\$429,760	\$322,022	
Supplies & Services (One-Time) Subtotal	\$9,000	\$0	\$0	\$0	
Grand Total	\$539,310	\$454,610	\$429,760	\$322,022	

MUNICIPAL COURT
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Court Administrator	1.00	1.00	1.00
Court Clerk	3.00	2.60	2.60
Magistrate Judge ⁽¹⁾	0.60	0.60	0.60
Magistrate Judge Pro Tem ⁽²⁾	0.05	0.05	0.00
Total	4.65	4.25	4.20

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
General Fund				
10-5520-01	Administration	4.48	4.25	4.20
10-5220-42	Uptown Paid Parking	0.17	0.00	0.00
General Fund Total		4.65	4.25	4.20

⁽¹⁾ Part-time position
⁽²⁾ Temporary position

WASTEWATER

Mission Statement

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

Description

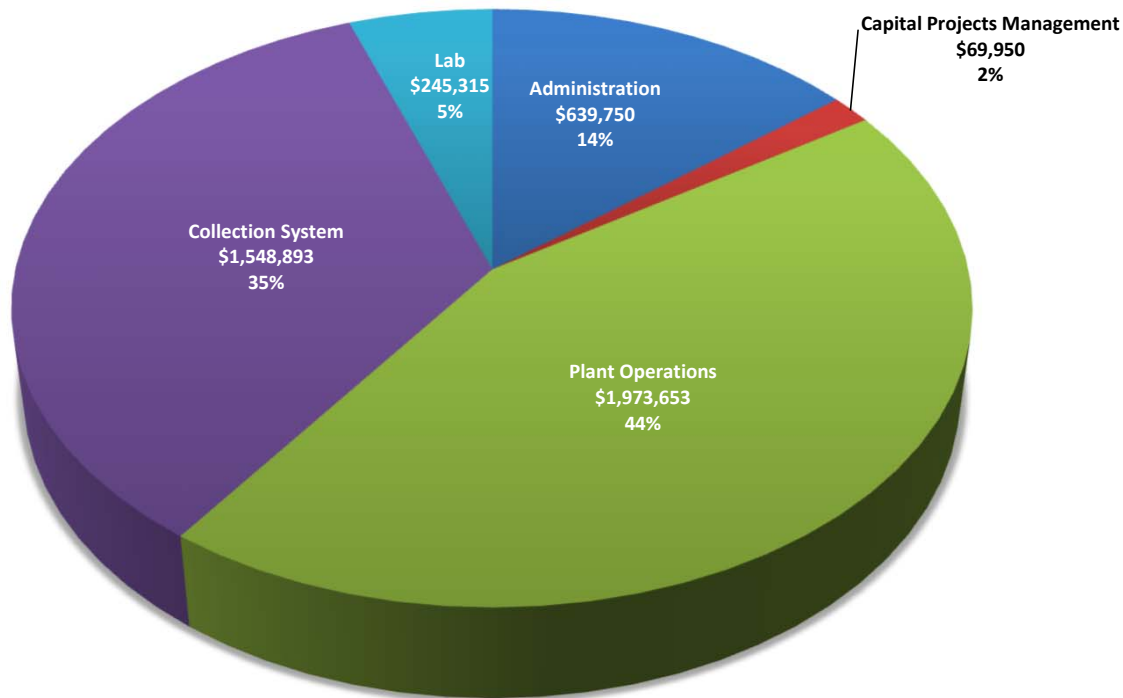
The Wastewater Department is responsible for the day-to-day operations of the wastewater collection system, treatment facility, and disposal of A+ quality treated effluent. The Wastewater Department works collaboratively with several City departments who assist in the administration, operation, and expansion of wastewater facilities; the Finance Department performs administrative duties related to sewer billing and bill collection functions, in addition to management of other administrative support functions; the Public Works Department shares the responsibilities of capital improvements project management, and performs inspections, blue-staking, plan reviews, and capacity fee determinations related to connections to the collection system.

The Wastewater Department consists of the following program areas:

- * Administration
- * Collection System
- * Plant Operations
- * Lab
- * Wastewater Capital Projects

The wastewater utility is funded by a combination of user fees (monthly sewer fees and new connection fees) and a city sales tax subsidy. These revenues are expended in the operational costs of the collection system, debt service, and capital improvement costs.

FY 2019 PROGRAM EXPENDITURES: \$4,477,560



WASTEWATER ADMINISTRATION – Administration

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 191,750	30%	\$ 178,300	\$ 114,270	\$ 138,107
Supplies & Services	49,980	8%	79,969	65,369	31,173
Capital & Debt Service	10,000	2%	50,000	40,000	-
Subtotal Direct Costs	\$ 251,730	39%	\$ 308,269	\$ 219,639	\$ 169,280
Internal Charges	388,020	61%	368,850	368,850	-
Total Expenditures	\$ 639,750	100%	\$ 677,119	\$ 588,489	\$ 169,280
Expenditures by Fund					
Wastewater Fund Portion	\$ 639,750	100%	\$ 677,119	\$ 588,489	\$ 169,280
Funding Sources					
Program Revenues	\$ 639,750	100%	\$ 677,119	\$ 588,489	\$ 169,280
Employee Time Allocation (FTEs) (Budgeted)	2.15		1.65		1.20

The Administration program consists of the Wastewater Manager, the Regulatory Compliance Specialist, and the Department's Administrative Assistant. The personnel within the program provide essential administrative services such as the development and implementation of policy and procedure, budget planning and management, monitoring and reporting to state regulatory agencies, and long-range planning. The Administration program also oversees all wastewater capital improvement projects and shares the project management duties related to CIP projects with the Public Works Department.

FY 2018 Accomplishments

Overall City Value - Good Governance:

- * Successfully collaborated with the Human Resources department to recruit and hire a lab technician, plant operator, and changed the administrative assistant position to full-time – bringing the Department to a fully staffed status.

Overall City Value - Fiscal Sustainability:

- * Processed over 1,200 purchase transactions.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Implementation of a contract with Arizona Power Authority for power credits through hydropower from Hoover Dam.
- * Actively managed 30+ service contracts with vendors for work varying from waste disposal to technical support.
- * Successfully completed an amendment to the Aquifer Protection Permit to include new monitoring requirements for point of compliance wells and aquifer recharge.
- * Maintained active membership in the Arizona Water Association and participated in organizing educational opportunities for wastewater operators.

FY 2019 Objectives

Overall City Value - Good Governance:

- * Reduce paper files to comply with retention guidelines.
- * Complete administration office building remodel to create a more efficient use of space for staff training, lab equipment, and offices for staff members.
- * Implement means to collect and track data for a more transparent presentation of performance measures.

Overall City Value - Fiscal Sustainability:

- * Process purchase transactions with the goal of having 90% of invoices and p-card transactions each month processed with correct coding and within 30 days.
- * Continue programs to recover value from Department assets by sale of surplus material.
- * Implement process improvement to more efficiently process invoices and credit card transactions.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Improve the Department web page layout to focus on public education of the wastewater collection and treatment process.
- * Develop a database to more accurately and efficiently monitor and report on regulatory compliance issues.
- * Update safety program and actively track staff certifications to ensure staff is up-to-date on required safety training and industry standards for safety procedures.
- * Continue to develop of a cross-training program between collections and treatment operations.
- * Participate in STEM events at local school districts.

WASTEWATER ADMINISTRATION – Administration
continued

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
Single family residential monthly sewer rate (Benchmark is average monthly sewer bill of 10 participating municipalities in the Valley Cities Consortium for FY2016, most recent data readily available.)	\$44.19	\$56.50	\$58.76	\$61.11	\$61.11	\$61.11
Single family residential monthly sewer rate for low flows (Benchmark is average monthly low flow sewer bill low flow of 10 participating municipalities in the Valley Cities Consortium for FY2016, most recent data readily available.)	\$33.20	\$43.94	\$45.70	\$47.52	\$47.52	\$47.52

WASTEWATER CAPITAL – Capital Projects Management

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 57,730	83%	\$ 60,540	\$ 59,040	\$ 64,796
Subtotal Direct Costs	\$ 57,730	83%	\$ 60,540	\$ 59,040	\$ 64,796
Internal Charges	12,220	17%	12,300	12,300	-
Total Expenditures	\$ 69,950	100%	\$ 72,840	\$ 71,340	\$ 64,796
Expenditures by Fund					
Wastewater Fund Portion	\$ 69,950	100%	\$ 72,840	\$ 71,340	\$ 64,796
Funding Sources					
Program Revenues	\$ 69,950	100%	\$ 72,840	\$ 71,340	\$ 64,796
Employee Time Allocation (FTEs) (Budgeted)	0.55		0.55		0.60

The Wastewater Manager oversees the Wastewater Capital Projects program and provides project management, along with Public Works Engineering staff, for capital projects throughout the collection system and at the Wastewater Reclamation Plant (WWRP). Project management consists of overseeing contracts with design professionals to provide upgrades to the existing infrastructure in response to increase capacity, improve operations, or repair/upgrade antiquated or deteriorating infrastructure; bid phased project management to secure qualified contractors to complete the improvements; and oversight of all construction activities to ensure quality construction with minimal change orders.

FY 2018 Accomplishments

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Completed the construction of the WWRP Headworks Bar Screen Replacement Project.
- * Completed the 2017 Wastewater Master Plan Update.
- * Completed the Preliminary Design Report for the Tertiary Filter Upgrades project. Evaluated and compared the life cycle costs and benefits of rehabilitation of the existing sand filters vs. the installation of new cloth media filters.
- * Worked with Public Works Engineering staff to complete in-house design of a concrete track-out pad located at the air drying beds.
- * Worked with Public Works Engineering staff to request and evaluate proposals, and secure a contract with a professional design firm to complete design services for the WWRP Collection System Improvements (Mystic Hills and Chapel Lift Station Replacements) project.

FY 2019 Objectives

Overall City Value - Fiscal Sustainability:

- * Provide sound judgment in making decisions during design and construction of capital projects to ensure fiscal responsibility.

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Collaboratively work with Public Works Engineering in the design, plan review, bidding, and construction of capital improvement projects.
- * Provide analysis of operational and/or personnel needs required by capital improvements.

WASTEWATER OPERATIONS – Plant Operations

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 390,240	20%	\$ 408,340	\$ 377,750	\$ 326,046
Supplies & Services	956,983	48%	1,109,315	871,440	784,313
Capital & Debt Service	139,000	7%	224,244	224,244	37,498
Subtotal Direct Costs	\$ 1,486,223	75%	\$ 1,741,899	\$ 1,473,434	\$ 1,147,857
Internal Charges	487,430	25%	368,440	368,440	-
Total Expenditures	\$ 1,973,653	100%	\$ 2,110,339	\$ 1,841,874	\$ 1,147,857
Expenditures by Fund					
Wastewater Fund Portion	\$ 1,973,653	100%	\$ 2,110,339	\$ 1,841,874	\$ 1,147,857
Funding Sources					
Program Revenues	\$ 1,973,653	100%	\$ 2,110,339	\$ 1,841,874	\$ 1,147,857
Employee Time Allocation (FTEs) (Budgeted)					
	4.45		5.40		4.30

The program consists of a Chief Plant Operator, three plant operators, and a plant mechanic/electrician, who are responsible for the treatment, disinfection, and disposal of wastewater. The treatment process consists of pre-treatment (screening/headworks), secondary treatment (activated sludge/secondary clarification), tertiary treatment (sand filters), disinfection (UV), and disposal (irrigation, wetlands, aquifer recharge) resulting in over 400 million gallons of A+ quality effluent annually. The WWRP also includes 3 solids-handling facilities (aerobic digester, centrifuge, and drying beds) which process approximately 300 dry tons of sludge annually.

FY 2018 Accomplishments

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Collaboratively worked with the Public Works Department to make improvements to the WWRP headworks.
- * Conducted plant tours for several groups including Sedona-Oak Creek School District and Yavapai College, and individuals interested in the wastewater treatment process.
- * Began operation of recharge wells.
- * Successfully trained new personnel in all aspects of plant operations, allowing them to participate in rotating operation of treatment processes and on-call responsibilities.
- * Worked with the Public Works Department to complete in-house maintenance of the wetlands.
- * Attended training for Hach Water Information Management Solution software to more efficiently collect data, report on data collected, and assist with data management to make informed decisions on the treatment process.

FY 2019 Objectives

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Maintain regulatory compliance, achieving less than 5 violations per year.
- * Implement the use of the JobCal program to schedule work orders for system repairs, maintenance, and routine inspections.
- * Maintain safety of plant personnel by participating in required safety training and practicing safe operations of equipment.
- * Optimize operations of recharge wells.
- * Send 1 operator per year to Hach Water Information Management Solution training.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Annual average influent flow (millions of gallons)	409.05	418.78	422	427	436
Average daily influent flow (million gallons per day)	1.12	1.15	1.16	1.17	1.19
Volume of treated effluent sent to wetlands (million gallons)	N/A	51.2	N/A	70.8	75
Amount spent for wetlands maintenance	N/A	\$30,982	N/A	\$49,800	\$92,000
Volume of treated effluent sent to injection wells (million gallons)	N/A	8.4	N/A	80.5	125
Amount spent for injection well maintenance	N/A	\$29,417	N/A	\$36,000	\$67,400
Volume of treated effluent sent to irrigation (million gallons)	N/A	307.4	N/A	221.1	175
Amount spent for irrigation maintenance	N/A	\$27,715	N/A	\$31,000	\$76,000
Volume of treated effluent used as re-use for construction activities (There is no cost to the City for this and no cost to the end-user.)	N/A	0.20	N/A	0.30	0

WASTEWATER OPERATIONS – Wastewater Plant Operations
continued

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
On-the-job injuries resulting in worker's compensation		1	0	N/A	1	0

**Community Plan Environment Goal -
Preserve and protect the natural environment:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
ADEQ reportable APP Violations		9	6	5	3	5
Cost per million gallons for wetlands		N/A	\$605.12	N/A	\$703.39	\$1,226.67
Cost per million gallons for injection wells * Note that the cost in FY 2017 is not representative of actual operating costs because the wells were on-line for only 3 months.		N/A	\$3,501.99	N/A	\$447.20	\$539.20
Cost per million gallons for irrigation		N/A	\$90.16	N/A	\$140.21	\$434.29

WASTEWATER OPERATIONS – Collection System

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 291,500	19%	\$ 290,080	\$ 306,120	\$ 316,811
Supplies & Services	824,383	53%	677,125	656,350	532,942
Capital & Debt Service	48,500	3%	149,500	126,500	67,935
Subtotal Direct Costs	\$ 1,164,383	75%	\$ 1,116,705	\$ 1,088,970	\$ 917,688
Internal Charges	384,510	25%	144,900	144,900	-
Total Expenditures	\$ 1,548,893	100%	\$ 1,261,605	\$ 1,233,870	\$ 917,688
Expenditures by Fund					
Wastewater Fund Portion	\$ 1,548,893	100%	\$ 1,261,605	\$ 1,233,870	\$ 917,689
Funding Sources					
Program Revenues	\$ 1,548,893	100%	\$ 1,261,605	\$ 1,233,870	\$ 917,689
Employee Time Allocation (FTEs) (Budgeted)	3.40		3.40		3.50

This program consists of a Chief Collections Officer and two collections operators who are responsible for managing the collection and transportation of domestic sewage through a wastewater collection system, which is comprised of sewer pipes and lift stations, to the Wastewater Reclamation Plant (WWRP) for treatment. The collections system consists of approximately 5,600 connections, 110 miles of gravity sewer pipes, 1,950 manholes, and 17 lift stations.

FY 2018 Accomplishments

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Completed phase 1 of the inspection of the WWRP interceptor line that runs between the City limits and the WWRP.
- * System regulatory compliance for all but 1 overflow incident, resulting in one day of non-compliance.
- * Completed generator replacement at the SR 179 Lift Station to ensure adequate power supply in the event of emergency operations of the lift station during a power outage.
- * Maintained current inspections of 130 grease traps at Sedona businesses to ensure minimal fats, oils, and grease enter the collection system.

FY 2019 Objectives

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Maintain regulatory compliance, achieving less than 3 violations per year.
- * Improve preventative maintenance program.
- * Improve review process for television inspection documents to enhance identification and repair of system deficiencies.
- * Implement the use of the JobCal program to schedule work orders for pump repairs, routine contract inspections, and system repairs for manholes, pump stations, and lines.

WORKLOAD INDICATORS	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Number of service calls	14	12	N/A	13	12
Number of emergency callouts	N/A	N/A	N/A	5	10

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
On-the-job injuries resulting in worker's compensation		0	1	N/A	0	0

Community Plan Environment Goal - Preserve and protect the natural environment:

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
ADEQ reportable collection system incidents		1	2	5	2	3

WASTEWATER OPERATIONS – Lab

BUDGET SUMMARY	FY2019 Budget	% of FY2019 Budget	FY2018 Budget	FY2018 Estimate	FY2017 Actual
Program Expenditures					
Personnel Services	\$ 109,990	45%	\$ 111,890	\$ 157,690	\$ 95,919
Supplies & Services	84,095	34%	75,824	67,346	58,378
Capital & Debt Service	12,000	5%	7,500	-	-
Subtotal Direct Costs	\$ 206,085	84%	\$ 195,214	\$ 225,036	\$ 154,298
Internal Charges	39,230	16%	28,640	28,640	-
Total Expenditures	\$ 245,315	100%	\$ 223,854	\$ 253,676	\$ 154,298
Expenditures by Fund					
Wastewater Fund Portion	\$ 245,315	100%	\$ 223,854	\$ 253,676	\$ 154,298
Funding Sources					
Program Revenues	\$ 245,315	100%	\$ 223,854	\$ 253,676	\$ 154,298
Employee Time Allocation (FTEs) (Budgeted)					
	1.45		1.00		1.00

The wastewater laboratory is responsible for sampling, testing, and reporting of water quality data required by the Arizona Department of Environmental Quality (ADEQ). The Regulatory Compliance Specialist oversees lab operations, while the lab tests are conducted primarily by the Lab Technician, with assistance from the Regulatory Compliance Specialist and qualified Plant Operators. Water quality testing methods and certifications are regulated by the Arizona Department of Health Services (AZDHS). Lab results are inputted into the Hach Water Information Management Solution database and are reported to ADEQ on ADEQ's Self Monitoring Report Forms on a quarterly, semi-annual, and annual basis. The laboratory also performs numerous tests on samples from all stages of the treatment process; those test results are used to make operational decisions on process control to ensure a high quality of effluent is maintained, which also helps the Department maintain permit compliance with ADEQ.

FY 2018 Accomplishments

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Completed Proficiency Testing through AZDHS.
- * Assisted the Public Works Department in securing means to measure stormwater quality data.
- * Completed 100% of required daily, monthly, quarterly, semi-annual, and annual samples and tests as required by ADEQ per the plants APP permit.
- * Accurately reported results of all lab tests required by ADEQ.

FY 2019 Objectives

Community Plan Environment Goal - Preserve and protect the natural environment:

- * Complete annual AZDHS inspections with zero deficiencies.
- * Maintain the highest levels of quality assurance, quality control, and safety standards in sampling and testing wastewater.
- * Follow professional standard methods for testing procedures.
- * Accurately and honestly report all data gathered.
- * Develop a method and become certified by AZDHS to conduct storm water testing for E. Coli bacteria.
- * Develop better methods to analyze historical data for better process control procedures.

WASTEWATER OPERATIONS - Lab
continued

WORKLOAD INDICATORS	Benchmark	FY16 Actual	FY17 Actual	FY18 Projection	FY18 Estimate	FY19 Projection
Compliance samples required: Daily samples analyzed per year (Benchmark is total number of samplers per year that are required as a part of APP permit. If this benchmark is not met, it results in a violation of the APP permit.)	365	365	365	N/A	365	365
Compliance samples required: Other samples analyzed (Benchmark is number of samples per year required as a part of APP permit. If benchmark is not met, it results in a violation of the APP permit.)	72	72	72	N/A	72	90
Daily process control samples: Effluent, activated sludge, sandfilter - used to evaluate and make adjustments to process, not required by ADEQ (Benchmark is total days of scheduled sampling and testing; goal is at least 95% or 347 days.)	365	358	352	N/A	361	347
Weekday samples: Activated sludge for TSS, influent and effluent for pH, temperature, conductivity - used to evaluate/make adjustments, not required (Benchmark is total days of scheduled sampling/testing; goal is at least 80% or 208 days.)	260	206	163	N/A	180	208
Process control samples 3 per week: Activated sludge analyzed for oxygen uptake - used to evaluate condition of microorganisms, not required by ADEQ (Benchmark is total days of scheduled sampling and testing; goal is at least 80% or 125 days.)	156	10	0	N/A	76	125
Process control samples 2 per week: Influent and effluent for TSS/VSS, COD, ammonia - used to evaluate efficiency of process, not required by ADEQ (Benchmark is the total days of scheduled sampling/testing; goal is at least 80% or 83 days.)	104	44	17	N/A	42	83

**Community Plan Environment Goal -
Preserve and protect the natural environment:**

PERFORMANCE MEASURES	Benchmark	FY16 Actual	FY17 Actual	FY18 Target	FY18 Estimate	FY19 Target
AZDHS annual inspection deficiencies		0	1	N/A	0	0
AZDHS annual inspection recommendations		0	3	N/A	0	0
% completed of all compliance samples required by ADEQ to be analyzed		100%	100%	N/A	100%	100%
% of analysts passing Proficiency Testing (Samples of unknown concentrations are purchased from a company, samples are analyzed by each analyst, and results are sent to the company. They report results to AZ Dept of Health.)		N/A	100%	N/A	100%	100%

WASTEWATER
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
Wastewater Enterprise Fund					
59-5250-01 - Administration					
Personnel (ongoing)	\$191,750	\$178,300	\$114,270	\$138,107	Current Year Under Budget: Vacancy savings and restructuring
Supplies & Services (ongoing)	\$43,930	\$79,969	\$65,369	\$31,173	Budget Decrease: HVAC replacement in FY18, separation of one-time costs Current Year Under Budget: Savings in Voice & Data Communications
Direct Costs (Ongoing) Subtotal	\$235,680	\$258,269	\$179,639	\$169,280	
Internal Charges	\$388,020	\$368,850	\$368,850	\$0	
Ongoing Total	\$623,700	\$627,119	\$548,489	\$169,280	
Supplies & Services (one-time)	\$6,050	\$0	\$0	\$0	Budget: Refrigerator, furniture replacements
Capital & Debt Service	\$10,000	\$50,000	\$40,000	\$0	
One-Time Total	\$16,050	\$50,000	\$40,000	\$0	
Administration Total	\$639,750	\$677,119	\$588,489	\$169,280	
59-5252-89 - Capital Projects Management					
Personnel (ongoing)	\$57,730	\$60,540	\$59,040	\$64,796	
Internal Charges	\$12,220	\$12,300	\$12,300	\$0	
Capital Projects Management Total	\$69,950	\$72,840	\$71,340	\$64,796	
59-5253-55 - Plant Operations					
Personnel (ongoing)	\$390,240	\$408,340	\$377,750	\$326,046	Current Year Under Budget: Vacancy savings and restructuring
Supplies & Services (ongoing)	\$845,783	\$1,109,315	\$871,440	\$784,313	Budget Decrease: Separation of one-time costs Current Year Under Budget: Carryovers, savings in injection well maintenance, savings in sludge hauling and disposal
Direct Costs (Ongoing) Subtotal	\$1,236,023	\$1,517,655	\$1,249,190	\$1,110,359	
Internal Charges	\$487,430	\$368,440	\$368,440	\$0	Budget Increase: Increased funding of equipment replacement reserve and added major maintenance reserve funding.
Ongoing Total	\$1,723,453	\$1,886,095	\$1,617,630	\$1,110,359	
Supplies & Services (one-time)	\$111,200	\$0	\$0	\$0	Budget: Main breaker fuses, carover UV flow meter, gas monitor clip, gates for valve pits, flir infrared camera, carryover influent channel cover replacement, vehicle maintenance/repairs, carryover O&M update, carryover PLC rack 4 install, move blower controls, carryover WIMS training, user conference
Capital & Debt Service	\$139,000	\$224,244	\$224,244	\$37,498	Budget: Replace VFDs and EIM valve, approved Decision Package - cattail cutter
One-Time Total	\$250,200	\$224,244	\$224,244	\$37,498	
Plant Operations Total	\$1,973,653	\$2,110,339	\$1,841,874	\$1,147,857	

WASTEWATER
continued

EXPENDITURE SUMMARY

Cost Category	FY2019 Budget	FY2018 Budget	FY2018 Est. Actuals	FY2017 Actuals	Explanation of Changes
59-5253-56 - Collection System					
Personnel (ongoing)	\$291,500	\$290,080	\$306,120	\$316,811	Current Year Over Budget: Restructuring Budget Increase: Increase in pump station electrical costs Current Year Under Budget: In-town office addition not completed, savings in odor control
Supplies & Services (ongoing)	\$735,383	\$677,125	\$656,350	\$532,942	
Direct Costs (Ongoing) Subtotal	\$1,026,883	\$967,205	\$962,470	\$849,753	
Internal Charges	\$384,510	\$144,900	\$144,900	\$0	Budget Increase: Increased funding of equipment replacement reserve and added major maintenance reserve funding.
Ongoing Total	\$1,411,393	\$1,112,105	\$1,107,370	\$849,753	
Supplies & Services (one-time)	\$89,000	\$0	\$0	\$0	Budget: Light fixture replacements, interceptor line, Uptown pump station improvements, certification trainings
Capital & Debt Service	\$48,500	\$149,500	\$126,500	\$67,935	Budget: Flir camera
One-Time Total	\$137,500	\$149,500	\$126,500	\$67,935	
Collection System Total	\$1,548,893	\$1,261,605	\$1,233,870	\$917,689	
59-5253-66 - Lab					
Personnel (ongoing)	\$109,990	\$111,890	\$157,690	\$95,919	Current Year Over Budget: Restructuring
Supplies & Services (ongoing)	\$73,695	\$75,824	\$67,346	\$58,378	
Direct Costs (Ongoing) Subtotal	\$183,685	\$187,714	\$225,036	\$154,298	
Internal Charges	\$39,230	\$28,640	\$28,640	\$0	Budget Increase: Increased funding of equipment replacement reserve and added major maintenance reserve funding.
Ongoing Total	\$222,915	\$216,354	\$253,676	\$154,298	
Supplies & Services (one-time)	\$10,400	\$0	\$0	\$0	Budget: Furniture replacements, lab equipment replacements
Capital & Debt Service	\$12,000	\$7,500	\$0	\$0	Budget: Lab fume hood motor replacement and relocation
One-Time Total	\$22,400	\$7,500	\$0	\$0	
Lab Total	\$245,315	\$223,854	\$253,676	\$154,298	
Wastewater Enterprise Fund Totals					
Personnel Subtotal	\$1,041,210	\$1,049,150	\$1,014,870	\$941,679	
Supplies & Services (Ongoing) Subtotal	\$1,698,790	\$1,942,233	\$1,660,505	\$1,406,807	
Direct Costs (Ongoing) Subtotal	\$2,740,000	\$2,991,383	\$2,675,375	\$2,348,486	
Internal Charges Subtotal	\$1,311,410	\$923,130	\$923,130	\$0	
Ongoing Subtotal	\$4,051,410	\$3,914,513	\$3,598,505	\$2,348,486	
Supplies & Services (One-Time) Subtotal	\$216,650	\$0	\$0	\$0	
Capital & Debt Service Subtotal	\$209,500	\$431,244	\$390,744	\$105,433	
One-Time Subtotal	\$426,150	\$431,244	\$390,744	\$105,433	
Wastewater Enterprise Fund Total	\$4,477,560	\$4,345,756	\$3,989,248	\$2,453,920	

WASTEWATER
continued

POSITIONS/ALLOCATIONS SUMMARIES

Position	FY19 FTE	FY18 FTE	FY17 FTE
Administrative Assistant	1.00	1.00	0.60
Chief Collections Officer	1.00	1.00	1.00
Chief Plant Operator	1.00	1.00	1.00
Director of Wastewater	0.00	1.00	1.00
Plant Chemist	0.00	1.00	1.00
Wastewater Manager	1.00	0.00	0.00
WW Collections Operator - Entry	0.00	1.00	1.00
WW Collections Operator I	1.00	0.00	0.00
WW Collections Operator II	1.00	0.00	0.00
WW Collections Operator III	1.00	1.00	1.00
WW Lab Technician	1.00	0.00	0.00
WW Plant Mechanic/Electrician	1.00	1.00	1.00
WW Plant Operator - Entry	0.00	2.00	2.00
WW Plant Operator I	1.00	2.00	1.00
WW Plant Operator II	1.00	0.00	0.00
WW Regulatory Compliance Specialist	1.00	0.00	0.00
Total	12.00	12.00	10.60

Org Unit	Org Description	FY19 FTE	FY18 FTE	FY17 FTE
Wastewater Enterprise Fund				
59-5250-01	Administration	2.15	1.65	1.20
59-5252-89	Capital Projects Management	0.55	0.55	0.60
59-5253-55	Plant Operations	4.45	5.40	4.30
59-5253-56	Collection System	3.40	3.40	3.50
59-5253-66	Lab	1.45	1.00	1.00
Wastewater Enterprise Fund Total		12.00	12.00	10.60



Capital Improvement Program

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

Introduction

Providing infrastructure is a primary function of a local government. Maintaining public safety, city services, parks and recreation facilities, adequate transportation systems, and the community's quality of life are all heavily dependent on how the City plans for future infrastructure needs.

Providing infrastructure is a primary function of a local government.

CIP identifies and balances capital needs within fiscal capabilities and limitations.

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

Generally, the CIP includes improvements that are relatively expensive, have a multi-year useful life, like capital outlay items, and result in capital assets. These include the construction of new buildings, additions to or renovations of existing buildings, construction of streets, sewer improvements, land purchases, and major software or equipment purchases.

Due to the nature and total costs of the identified projects, the City often builds up revenue over a period of time in order to save for major projects; therefore, a major funding source is the City's "Capital Reserves." The reserve funds identified represent existing available funds that were accumulated over time when revenues exceeded expenditures, in order to fund major capital expenditures. However, projects could be simultaneously funded from general operating funds, grants, intergovernmental funding, and/or bond funds or other debt financing.

"Capital Reserves," accumulated over time, are a major funding source for projects.

First year of CIP is appropriated. First 3 years of CIP are funded.

The first year of the CIP is the basis for actual *appropriations* authorized by the City Council for capital projects when adopting the Annual Budget. The remaining nine years are a guide for the future development of the City's new and replacement infrastructure needs. The projects reflected in the second and third years of the Plan reflect projects the City believes it has the financial ability to fund within that time frame. The remaining 7 years of the Plan reflect projects that are important to the community, but their inclusion in the Plan does not necessarily mean that the City has or will have the requisite funding to complete them.

The overall CIP schedule is formulated to reflect City priorities and needs, by taking into consideration:

- The City's goals and policies
- Various master and strategic plans
- Urgency of a project
- The City's ability to administer a project
- The involvement of outside agencies
- The potential for future project funding
- Ongoing operational requirements

The CIP is a dynamic process, with anticipated projects being changed, added, and deleted from the plan as the ten-year timeline moves forward.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Capital Projects

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

The objectives used to develop the CIP are:

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



Capital projects:

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

The Fiscal Years 2019-2028 Capital Improvement Program provides an implementation schedule for each of the capital improvements that provides for:

- Coordination and timing of project construction/acquisition amongst other competing needs
- Estimate of each project's costs
- Anticipated sources of revenue for financing the project
- Estimate of the impact of each project on City revenues and ongoing operating budgets

No project will be funded unless operating impacts assessed and funding available.

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

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Capital Projects (cont'd)

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

The major items of the Fiscal Years 2019-2028 Capital Improvement Program are categorized by broad service area, then itemized by project title, year, and cost on the summary sheet of the CIP document. The project detail sheets for individual projects anticipated within the first 3 years of the program follow the summary sheet.

Project detail sheets are included for those projects anticipated within the first 3 years of the program.

The broad service area categories included in the Capital Improvement Program are:

- Art in Public Places
- Information Technology
- Municipal Court
- Parks and Recreation
- Police
- Public Works
- Storm Drainage
- Sedona in Motion
- Streets & Transportation
- Wastewater

FY 2019 CIP budget is \$13,049,843.

The first year of the CIP is included in the current fiscal year budget. The total fiscal year 2018-19 budget amount is \$13,049,843 and includes funding for the Art in Public Places Fund of \$48,914. The 10-year CIP total is \$107,068,888, with \$22,172,000 of projects with no funding identified. See the Funding the Capital Improvement Plan for further discussion of funding.

Capital Outlay in the Operating Budget

In addition to the Capital Improvement Program, the City funds an equipment replacement reserve out of the General Fund, Wastewater Fund, and Information Technology Fund operating budgets. These plans provide replacements for capital equipment such as vehicles, technology-related items, and other equipment as the existing equipment meets its useful life. Fiscal year 2018-19 is the second year to establish these reserves. Previously, the replacement of equipment was simply added to the budgets of the applicable funds. Over time, the City expects to build up the equipment replacement reserves so all equipment replacement needs are fully funded.

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

Capital equipment under \$50,000 and streets maintenance costs funded by HURF are not included in the CIP.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Capital Improvement Program Development Process

In developing the CIP, staff looked at a variety of comprehensive assessments of the City's capital assets and priorities in order to provide a more complete understanding of the City's future needs. These have included:

- Sedona Community Plan
- Prior year capital budgets and requests
- City Council Priorities
- Development Impact Fee Study
- Storm Drainage Master Plan
- Wastewater Master Plan
- Parks and Recreation Master Plan
- Parking Management Plan
- Transportation Master Plan

These studies and planning documents serve as the foundation for the staff recommendations set forth in the Capital Improvement Program. As the City moves forward and in particular as the priorities and needs of the community change, the ongoing infrastructure needs and project priorities must continue to be assessed.

Project managers were instructed to rank projects using the following definitions:

- Priority I: IMPERATIVE (Must-Do) – Projects that cannot reasonably be postponed in order to avoid harmful or otherwise undesirable consequences.
 - Corrects a condition dangerous to public health or safety
 - Satisfies a legal obligation
 - Alleviates an emergency service disruption or deficiency
 - Prevents irreparable damage to a valuable public facility
- Priority II: ESSENTIAL (Should-Do) – Projects that address clearly demonstrated needs or objectives.
 - Rehabilitates or replaces an obsolete public facility or attachment thereto
 - Stimulates economic growth and private capital investment
 - Reduces future operating and maintenance costs
 - Leverages available state or federal funding
- Priority III: IMPORTANT (Could-Do) – Projects that benefit the community but may be delayed without detrimental effects to basic services.
 - Provides a new or expanded level of service
 - Promotes intergovernmental cooperation
 - Reduces energy consumption
 - Enhances cultural or natural resources
- Priority IV: DESIRABLE (Other Year) – Desirable projects that are not included within 3-year funded timeframe because of funding limitations



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

CIP Committee

The annual Capital Improvement Plan process begins at the staff level with the CIP Committee.

CITY STAFF COMMITTEE

Karen Osburn, Assistant City Manager	Andy Dickey, Director of Public Works
Cherie Wright, Director of Financial Services	Stephen Craver, Engineering Supervisor
David McGill, Chief of Police	James Crowley, Associate Engineer
Roxanne Holland, Wastewater Manager	Robert Welch, Associate Engineer
Audree Juhlin, Director of Community Development	David Peck, Associate Engineer
Michael Goimarac, Magistrate Judge	Ryan Mortillaro, Assistant Engineer
Rachel Murdoch, Parks & Recreation Manager	Charles Hardy, Information Technology Manager



To start the process, a CIP kickoff meeting was held with the City staff committee members in January 2018, at which time each department was asked to anticipate their capital needs over the next ten years and to prepare capital project requests in accordance with the established CIP requirements. These project requests provided a basis for review, assessment of appropriateness for capital funding, and prioritization of projects for the ten-year plan.

The Committee then presented the proposed CIP to the City Manager and Citizen Budget Work Group for feedback and input, including available and appropriate funding sources. The public City Council Work Sessions were held on April 25 and 26, 2018.

Council Action

The final CIP document was adopted by City Council in June 2018 as part of the fiscal year 2018-19 budget.

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

Fiscal Sustainability Work Group & Sedona in Motion

The City Council identified long-term fiscal sustainability to be a priority. In order to obtain citizen input and develop recommendations from the public, a work group, referred to as the Fiscal Sustainability Work Group (FSWG), was created to develop recommendations for the long-term funding of capital infrastructure. In developing a long-term capital infrastructure funding strategy, the FSWG assessed the following:

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Fiscal Sustainability Work Group & Sedona in Motion (cont'd)

- The extent of the City's long-range capital needs
- The extent of current resources available to fund capital infrastructure
- Options for reducing operating costs
- Options for increasing funding resources
- Options for debt financing
- Current policy requirements

The FSWG presented the following recommendations to Council for consideration:

- Increase the city sales tax rate by 1% and dedicate to the funding of transportation-related projects and related administrative and operational costs to accelerate the completion of those projects
- Set a sunset on the tax increase of ten years
- Continue to fund other non-transportation-related projects with the current funding sources
- Adopt recommended changes to the fund balance policy
- Adopt a recommended debt policy

At the time the FSWG made its recommendations, the Transportation Master Plan was not yet complete. The projects were not yet fully vetted or approved by the City Council. The estimated cost of the projects within the Transportation Master Plan was very significant, and funding levels were inadequate to address these projects. Ultimately, the City Council chose to eliminate several of the proposed projects; thus, reducing the costs significantly and the extent of the funding gap. The City Council approved an increase in the city sales tax rate of 0.5%, instead of the 1% increase recommended by the FSWG. All other recommendations made by the FSWG were approved.

City Council approved a half-cent sales tax increase dedicated to transportation-related projects and related administrative and operational costs.

Capital Reserves dedicated to SIM projects are to be spent first. The half-cent sales will be accumulated and spent starting in FY 2019-20.

The CIP category, Sedona in Motion (SIM), reflects the projects from the Transportation Master Plan and are intended to help alleviate traffic congestion largely related to tourism. The City Council had dedicated a portion of the Capital Reserves to fund some of the projects during the fiscal year 2017-18 budget process that remained unspent. Those funds were carried over and re-appropriated to the SIM projects. In addition, one of the changes to the fund balance policy was a reduction of the General Fund Operating Reserve from 50% to 30%. The City Council directed that the monies released from the General Fund Operating Reserve be transferred to the Capital Reserves and dedicated to SIM projects. The dedicated Capital Reserves are to be spent first while the dedicated half-cent sales tax accumulates to a sufficient balance to fund SIM projects in fiscal year 2019-20.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Funding the Capital Improvement Plan

The City has developed a multi-year plan for capital improvement funding that anticipates revenue/funding from a variety of sources. This plan is part of the ongoing effort by the City Council and management to meet the needs of our community, by most efficiently utilizing existing revenue sources and limiting increases in the tax burden within the City. This strategy includes:



- Managing the costs of capital projects
- Utilizing alternative funding sources (grants), when possible
- Identifying possible funding shortfalls in order to reprioritize projects or recommend new sources of revenue (typically fees or taxes)

To do so, and in recognizing the need to balance the projects requested with the funds available, as well as the capacity for staff and the physical environment to manage a set of projects at any one time, projects may have a high priority but not begin in the first fiscal year of the plan.

The anticipated funding sources include both restricted and unrestricted sources of funds. Unrestricted sources are those that can be used for a variety of projects as needed and include the capital reserves/surplus balances (accumulated savings). Restricted sources are sources that must be used for specific projects and include:

- | | |
|--|--|
| • 1% for Arts monies | • Development impact fees |
| • Bed tax allocation | • Grants and other outside participation |
| • City sales taxes dedicated to transportation | • Paid parking revenue |
| • Community Facilities Districts' monies | • Wastewater Fund revenues |

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

The 10-year CIP includes \$22.2 million of unfunded projects after Year 3. The most likely funding source for these projects would be surplus balances in the General Fund. Projects are planned based on funding availability, with a focus on the first 3 years of the plan. If funding is not available at the time originally programmed, projects are delayed until reserves/fund balances have been accumulated to cover the costs. The City Council's preference is pay-as-you-go funding instead of debt financing.

*Unfunded projects
after Year 3 may be
delayed until adequate
funding is available.*

A brief description of each revenue/funding source follows.

- **1% for Arts Monies:** In 1992, the City Council adopted a resolution requiring 1% of all capital projects budgets to be designated for art in public places. In addition, developers can choose to include public art in their development projects or contribute to the City's Art in Public Places Fund.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Funding the Capital Improvement Plan (cont'd)

- **Bed Tax Allocation:** For the fiscal year 2018-19, the Sedona Chamber of Commerce & Tourism Bureau agreed to cap their share of the bed tax revenues to the same amount estimated in FY2017-18 and to contribute the amount exceeding that cap to SIM projects. See the Revenue Trends section for further discussion of the bed tax revenues.
- **City Sales Taxes Dedicated to Transportation:** Effective March 1, 2018, the City Council approved a half cent sales tax increase dedicated to transportation projects and related administrative and operational costs.
- **Community Facilities Districts' (CFDs) Monies:** Within the City's jurisdictional boundaries, there are two separate legal entities set up to collect and spend payments in lieu of city sales and bed taxes from two specific timeshare development agreements. The revenues are restricted by State statute and each executed development agreement. Projects funded through the CFDs will be reflected in the overall infrastructure plan but are part of a separate legally adopted budget for these two sole and separate entities and are not part of the City's budget.
- **Development Impact Fees:** Fees are assessed to offset costs incurred by the City in providing additional public services created by new development. This funding is regulated by local ordinance and state statute and is restricted.
- **Grants and Other Participation:** Funds may be contributed by another governmental unit or organization to support a particular function or project.
- **Paid Parking Revenues:** The City Council promised the merchants in the Uptown area that a portion of the proceeds from the paid parking program, net of program costs, would be reinvested in the Uptown area.
- **Wastewater Revenues:** User fees and capacity fees are collected and used to pay the current wastewater debt, operation, and capital improvements for the wastewater treatment system. Wastewater revenues also include 25% of the city sales tax collected and existing fund balance (accumulated savings) created over time in order to fund future wastewater related projects.
- **Reserves/Fund Balances/Surplus Funds:** The amount of assets in excess of the liabilities or appropriations for expenditures and required reserve balances is designated as surplus funds. Both the General Fund and Wastewater Enterprise Fund balances are in excess of existing reserve requirements. Other funds have fund balances that are available for use as needed and within the legal restrictions of the revenues that make up each fund.

Significant FY 2019 Capital Projects

Some of the more significant capital projects included in the fiscal year 2018-19 CIP include the following:

Storm Drainage

- **SD-02 Coffee Pot Drainage Basin, Little Elf Drive Area (\$2.0 million in FY 2019):** The planned improvements in the Little Elf Drive area are the final phase of improvements in the Coffee Pot Drainage Basin. Drainage capacity will be increased, and a sediment basin will be constructed. Estimated completion is June 2019.



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Significant FY 2019 Capital Projects (cont'd)

Sedona in Motion

- **SIM-01 Uptown Roadway Improvements (\$1.7 million in FY 2019, \$3.6 million total):** The City Council identified this project as the highest priority in the Transportation Master Plan. The project includes construction of a raised median with a decorative barrier or landscaping, construction of a turn-around or roundabout at the north end of Uptown, construction of an additional southbound travel lane on SR 89A through Uptown, construction of a roundabout on SR 89A at Jordan Road, development of a new access to public parking via Schnebly Road, and traffic signal alterations. This is a multi-year project, and estimated completion is June 2020.

Wastewater

- **WW-01 Collections System Improvements (\$2.6 million in FY 2019):** The first phase of this project is improvements to the Mystic Hills and Chapel lift stations. This project will increase the wet well capacity and upgrade the pumps. Estimated completion is June 2019.
- **WW-02 Tertiary Filter Upgrades (\$1.6 million in FY 2019, \$1.9 million total):** The existing filters are original to the plant construction. Filter efficiency has decreased, maintenance costs have increased, and the mechanical parts are beginning to fail. This is a multi-year project, and estimated completion is June 2019.

Impact on the Operating Budget

The City's operating budget is directly affected by the CIP. When certain types of capital projects are developed and completed, they also have ongoing financial impacts. For example, if the City were to construct a new park or ball field, the operating budget would increase to include capacity for any new staff, equipment, utilities, supplies, etc. that would be necessary to maintain and operate the new facility.

In the Fiscal Years 2019-2028 Capital Improvement Program, the individual projects include an estimated future operating budget impact, if it is possible to identify the cost at this time in the project's lifecycle. The City carefully considers these operating costs when deciding which projects move forward in the CIP.

Added operating costs are considered when deciding which CIP project will move forward.



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Impact on the Operating Budget (cont'd)

The following table summarizes the projected annual impact of the fiscal year 2018-19 CIP on the City's operating budget:

FY 2019 CIP IMPACTS ON OPERATING BUDGET

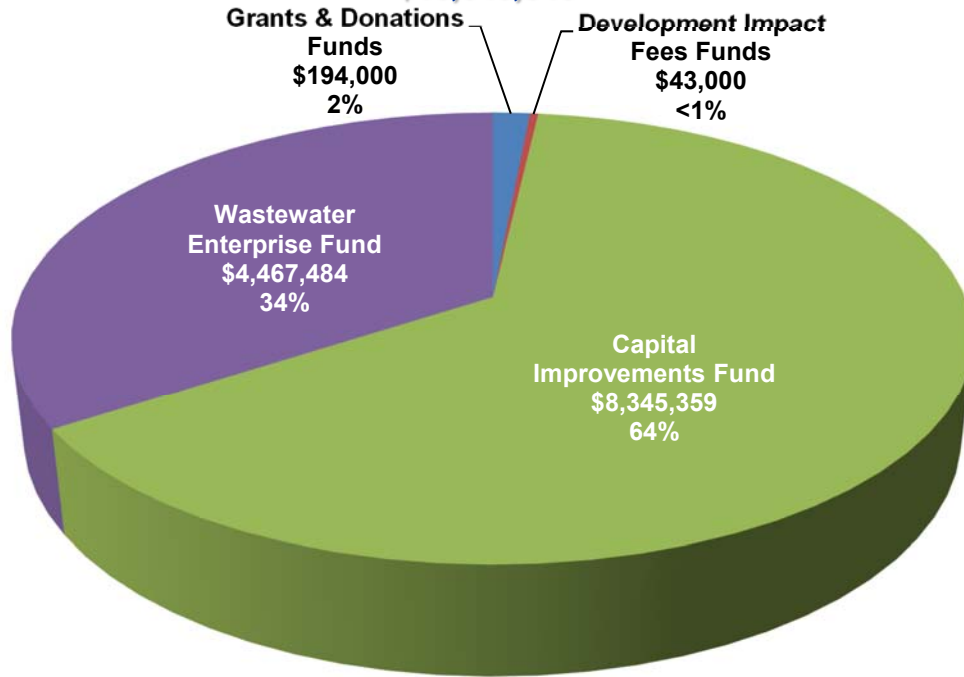
FY 2019 Projects	Operating Impact	Annual Amount
MC-01 Sinagua Courtroom Remodel	Utilities, janitorial, and maintenance supplies	\$ 1,500
SD-02 Coffee Pot Drainage Basin, Little Elf Drive Area	Weed control, debris removal, sediment removal, maintenance of trash rack, erosion repair, etc.	1,500
SD-07 Juniper Hills Area Drainage Improvements	Debris removal, erosion repair, etc.	500
SIM-01 Uptown Roadway Improvements	Crack sealing, fog seal, pavement markings, drainage, signs	7,000
SIM-03a Uptown Parking Improvements	Signage and striping	2,000
SIM-03b Wayfinding Signage	Signage maintenance	2,000
SIM 05a Portal Lane to Ranger Road Connection	Pavement management, striping, and signage maintenance	2,000
SIM-05b Forest Road Connection	Pavement management, stormwater drainage, striping, and signage maintenance	5,000
Total		\$ 21,500

Note: This list represents projects that were approved for funding in fiscal year 2018-19 that have a known and quantifiable impact on the City's operating budget. For a complete list of funded projects, see the Summary of Capital Projects section.

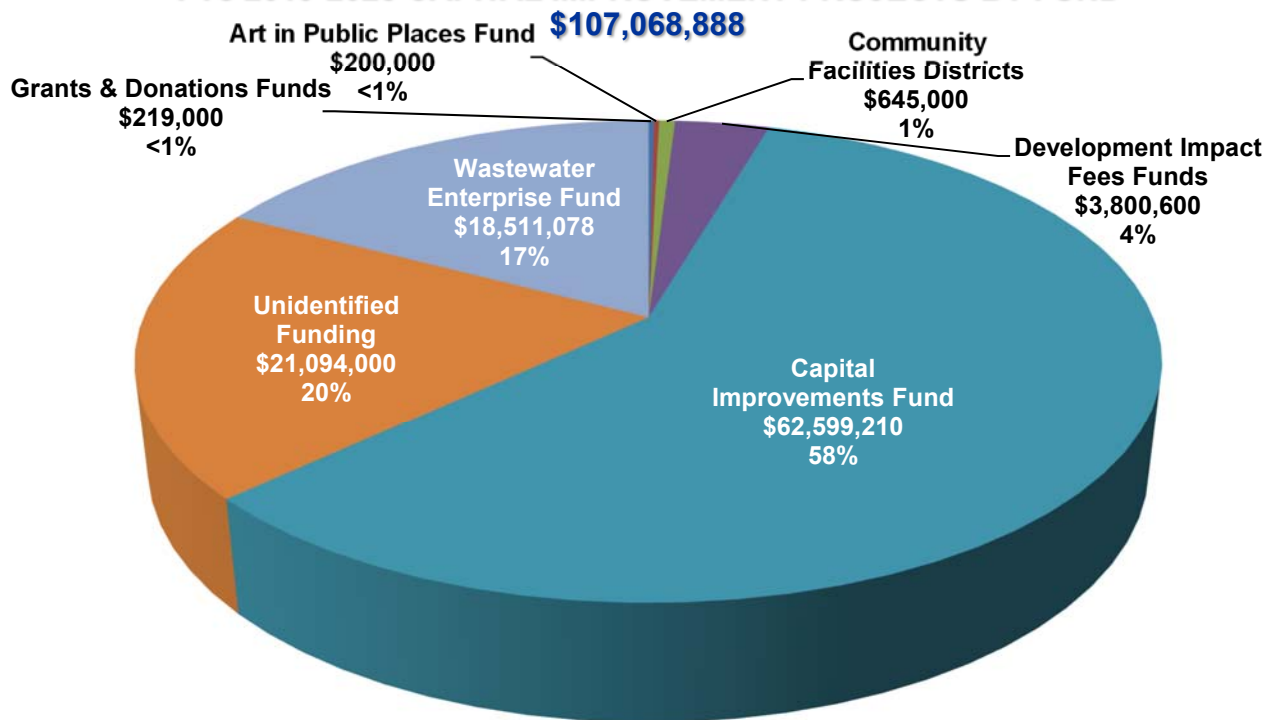


SUMMARY OF CAPITAL PROJECTS

FY 2019 CAPITAL IMPROVEMENT PROJECTS BY FUND \$13,049,843



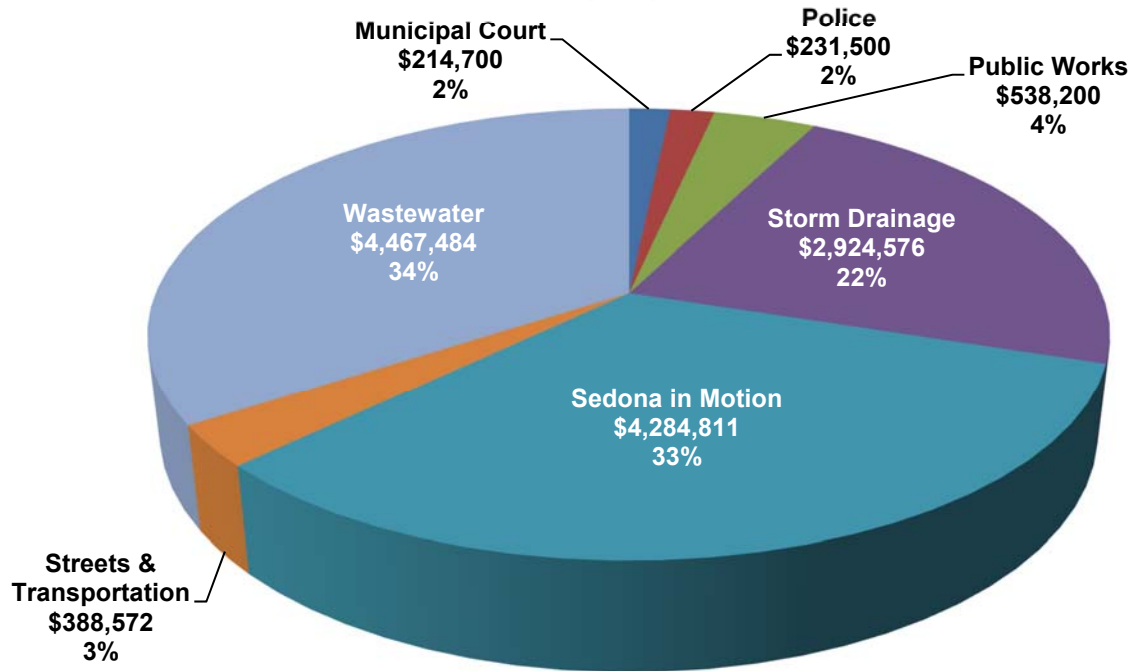
FYs 2019-2028 CAPITAL IMPROVEMENT PROJECTS BY FUND



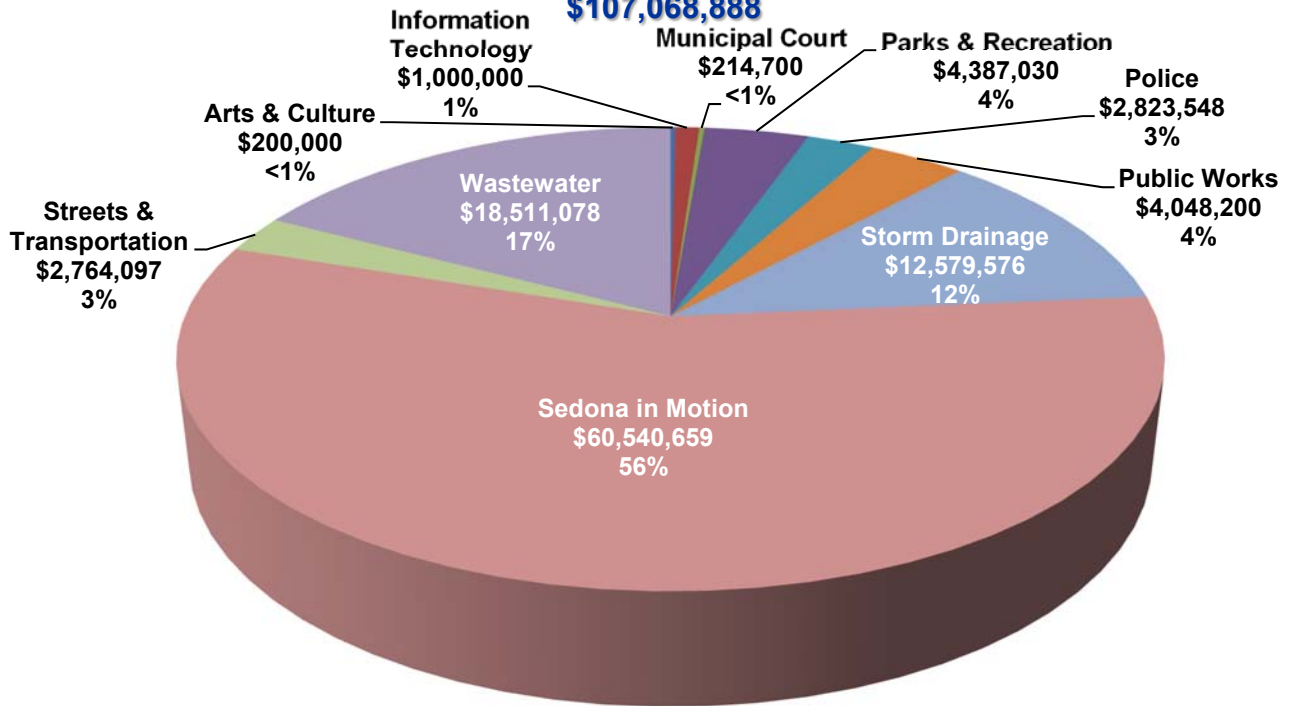
SUMMARY OF CAPITAL PROJECTS

continued

FY 2019 CAPITAL IMPROVEMENT PROJECTS BY CATEGORY
\$13,049,843



FYs 2019-2028 CAPITAL IMPROVEMENT PROJECTS BY CATEGORY
\$107,068,888



SUMMARY OF CAPITAL PROJECTS
continued

FY 2019 - FY 2028 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

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

Project Name	Funding Sources Type	Priority	Page #	Project #	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Totals (excluding Prior Years Estimate)
AC - Arts & Culture										
Rehabilitate Memorial for Schnebly Home Site	Restricted	Desirable (Other Year)	N/A	AC-01	\$0	\$0	\$0	\$0	\$50,000	\$50,000
Art in the Roundabouts	Restricted	Important (Could-Do)	288	AC-02	\$0	\$0	\$150,000	\$0	\$0	\$150,000
AC - Arts & Culture Subtotal					\$0	\$0	\$150,000	\$0	\$50,000	\$200,000
IT - Information Technology										
Citywide Business Software	Capital Reserves	Essential (Should-Do)	289	IT-01	\$0	\$0	\$500,000	\$500,000	\$0	\$1,000,000
MC - Municipal Court										
Sinagua Courtroom Remodel	Restricted & Capital Reserves	Essential (Should-Do)	290	MC-01	\$48,800	\$214,700	\$0	\$0	\$0	\$214,700
PR - Parks & Recreation										
New Concession Stand	Restricted	Important (Could-Do)	291	PR-01	\$0	\$0	\$270,000	\$0	\$0	\$270,000
Evaluation of Posse Grounds Park	Restricted & Capital Reserves	Important (Could-Do)	292	PR-02	\$0	\$0	\$30,000	\$0	\$535,000	\$565,000
Improvements at Ranger Station	Restricted	Essential (Should-Do)	293	PR-03	\$286,729	\$0	\$150,000	\$150,000	\$1,925,000	\$2,225,000
Playground Surface Replacement	Restricted	Essential (Should-Do)	294	PR-04	\$0	\$0	\$160,000	\$0	\$0	\$160,000
Shade Structures and Playground Equipment Replacement	Restricted & Capital Reserves	Essential (Should-Do)	295	PR-05	\$24,490	\$0	\$0	\$442,030	\$0	\$442,030
New Toddler Pool	Restricted	Desirable (Other Year)	N/A	PR-06	\$0	\$0	\$0	\$0	\$75,000	\$75,000
Bike Skills Park- Phase III	Restricted & Capital Reserves	Desirable (Other Year)	N/A	PR-07	\$279,783	\$0	\$0	\$0	\$290,000	\$290,000
Dog Park Improvements	Restricted	Desirable (Other Year)	N/A	PR-08	\$278,198	\$0	\$0	\$0	\$360,000	\$360,000
PR - Parks & Recreation Subtotal					\$869,200	\$0	\$610,000	\$592,030	\$3,185,000	\$4,387,030

SUMMARY OF CAPITAL PROJECTS
continued

FY 2019 - FY 2028 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

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

Project Name	Funding Sources Type	Priority	Page #	Project #	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Totals (excluding Prior Years Estimate)
PD - Police										
Radio Infrastructure	Capital Reserves	Imperative (Must-Do)	296	PD-02	\$93,173	\$231,500	\$68,500	\$0	\$0	\$300,000
Police Station Remodel	Restricted & Capital Reserves	Imperative (Must-Do)	297	PD-03	\$20,200	\$0	\$655,701	\$1,341,493	\$0	\$1,997,194
Shooting Range Improvements	Restricted & Capital Reserves	Important (Could-Do)	298	PD-04	\$558,714	\$0	\$166,354	\$0	\$0	\$166,354
In-Car Video System Replacement	Capital Reserves	Important (Could-Do)	299	PD-05	\$0	\$0	\$0	\$260,000	\$0	\$260,000
Police Motorcycles	Restricted & Unidentified	Desirable (Other Year)	N/A	PD-06	\$0	\$0	\$0	\$0	\$100,000	\$100,000
PD - Police Subtotal (excluding projects not funded)					\$672,087	\$231,500	\$890,555	\$1,601,493	\$0	\$2,723,548
Projects Not Funded					\$0	\$0	\$0	\$0	\$100,000	\$100,000
PW - Public Works										
Uptown Enhancements	Restricted	Important (Could-Do)	300	PW-01	\$0	\$400,000	\$390,000	\$390,000	\$2,730,000	\$3,910,000
Recycle Drop Off Locations	Capital Reserves	Important (Could-Do)	301	PW-02	\$0	\$138,200	\$0	\$0	\$0	\$138,200
PW - Public Works Subtotal					\$0	\$538,200	\$390,000	\$390,000	\$2,730,000	\$4,048,200
SD - Storm Drainage										
Coffee Pot Drainage Basin, Little Elf Drive Area (Yavapai County)	Restricted & Capital Reserves	Imperative (Must-Do)	302	SD-02	\$0	\$2,011,220	\$0	\$0	\$0	\$2,011,220
Improvements to Back-O-Beyond Road, Low Water Crossing (Yavapai County)	Restricted & Capital Reserves	Essential (Should-Do)	303	SD-03	\$0	\$0	\$370,000	\$350,000	\$0	\$720,000
View Drive Area Drainage Improvements (Yavapai County)	Restricted & Unidentified	Essential (Should-Do)	N/A	SD-04	\$0	\$0	\$0	\$0	\$1,660,750	\$1,660,750
Saddlerock Area Drainage Improvements (Yavapai County)	Restricted & Unidentified	Essential (Should-Do)	N/A	SD-05	\$0	\$0	\$0	\$0	\$1,484,250	\$1,484,250
Juniper Hills Area Drainage Improvements (Coconino County)	Restricted & Capital Reserves	Essential (Should-Do)	304	SD-07	\$63,175	\$893,356	\$0	\$0	\$0	\$893,356
Mystic Hills Lift Station Access Improvements (Coconino County)	Restricted	Essential (Should-Do)	305	SD-08	\$0	\$0	\$240,000	\$0	\$0	\$240,000
Stormwater Drainage Easements Acquisition	Restricted & Unidentified	Imperative (Must-Do)	306	SD-09	\$45,260	\$20,000	\$50,000	\$50,000	\$350,000	\$470,000
Stormwater Master Plan Update & Project Implementations	Restricted & Capital Reserves	Essential (Should-Do)	307	SD-10	\$0	\$0	\$250,000	\$475,000	\$4,375,000	\$5,100,000
SD - Storm Drainage Subtotal (excluding projects not funded)					\$108,435	\$2,924,576	\$910,000	\$875,000	\$4,375,000	\$9,084,576
Projects Not Funded					\$0	\$0	\$0	\$0	\$3,495,000	\$3,495,000

SUMMARY OF CAPITAL PROJECTS
continued

FY 2019 - FY 2028 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

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

Project Name	Funding Sources Type	Priority	Page #	Project #	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Totals (excluding Prior Years Estimate)
SIM - Sedona in Motion										
Sedona in Motion Unspecified Projects	Restricted & Capital Reserves	Important (Could-Do)	308	SIM-00	\$0	\$600,000	\$1,800,000	\$170,000	\$100,000	\$2,670,000
Uptown Roadway Improvements	Capital Reserves	Imperative (Must-Do)	309	SIM-01	\$131,300	\$1,713,490	\$1,737,200	\$0	\$0	\$3,450,690
Uptown Pedestrian Improvements	Restricted & Unidentified	Essential (Should-Do)	310	SIM-02	\$0	\$0	\$0	\$1,333,300	\$5,666,700	\$7,000,000
Uptown Parking Improvements	Restricted & Capital Reserves	Essential (Should-Do)	311	SIM-03a	\$16,155	\$215,245	\$0	\$0	\$15,000,000	\$15,215,245
Wayfinding Signage	Restricted & Capital Reserves	Essential (Should-Do)	312	SIM-03b	\$0	\$151,500	\$151,500	\$150,000	\$0	\$453,000
Schnebly Hill Roundabout Expansion	Restricted	Important (Could-Do)	N/A	SIM-04a	\$0	\$0	\$0	\$0	\$5,399,000	\$5,399,000
SR 179 Lane Expansion from Schnebly Hill Roundabout to Y	Restricted	Important (Could-Do)	N/A	SIM-04b	\$0	\$0	\$0	\$0	\$108,600	\$108,600
Pedestrian Crossing at Tlaquepaque	Restricted	Essential (Should-Do)	313	SIM-04c	\$0	\$0	\$0	\$150,000	\$1,850,000	\$2,000,000
SR 89A & SR 179 Right Turn Y Roundabout Bypass	Restricted & Capital Reserves	Imperative (Must-Do)	314	SIM-04d	\$0	\$539,976	\$615,000	\$1,586,548	\$0	\$2,741,524
Portal Lane to Ranger Road Connection	Capital Reserves	Essential (Should-Do)	315	SIM-05a	\$20,200	\$743,400	\$0	\$0	\$0	\$743,400
Forest Road Connection	Restricted & Capital Reserves	Imperative (Must-Do)	316	SIM-05b	\$0	\$121,200	\$1,200,000	\$0	\$0	\$1,321,200
Neighborhood Street Connections	Restricted & Unidentified	Important (Could-Do)	317	SIM-06	\$0	\$0	\$1,642,800	\$770,000	\$1,800,000	\$4,212,800
Enhanced Transit Service - Commuter/Resident	Restricted	Important (Could-Do)	318	SIM-07	\$0	\$0	\$0	\$140,000	\$0	\$140,000
Enhanced Transit Service - Tourism	Restricted & Unidentified	Essential (Should-Do)	319	SIM-08	\$0	\$200,000	\$0	\$0	\$3,204,300	\$3,404,300
Neighborhood Vehicles - Tourism Focus	Restricted	Important (Could-Do)	N/A	SIM-09	\$0	\$0	\$0	\$0	\$340,000	\$340,000
West SR 89A Access Improvements and Adaptive Signal Control	Unidentified	Important (Could-Do)	N/A	SIM-10	\$0	\$0	\$0	\$0	\$2,970,000	\$2,970,000
Bicycle and Pedestrian Improvements	Restricted & Unidentified	Essential (Should-Do)	320	SIM-11	\$0	\$0	\$1,911,050	\$615,350	\$4,936,000	\$7,462,400
Travel Information System	Capital Reserves	Important (Could-Do)	321	SIM-12	\$0	\$0	\$908,500	\$0	\$0	\$908,500
SIM - Sedona in Motion Subtotal (excluding projects not funded)					\$167,655	\$4,284,811	\$9,966,050	\$4,915,198	\$22,797,600	\$41,963,659
Projects Not Funded					\$0	\$0	\$0	\$0	\$18,577,000	\$18,577,000

SUMMARY OF CAPITAL PROJECTS
continued

FY 2019 - FY 2028 Master Summary Project List by Major Program

Project dollar amounts in grey and italics are unfunded.

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

Project Name	Funding Sources Type	Priority	Page #	Project #	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Totals (excluding Prior Years Estimate)
ST - Streets & Transportation										
Dry Creek Road Overlay	Restricted & Capital Reserves	Essential (Should-Do)	322	ST-01	\$72,296	\$388,572	\$0	\$0	\$0	\$388,572
Sanborn Drive/Thunder Mountain Road Overlay	Restricted & Capital Reserves	Essential (Should-Do)	323	ST-02	\$144,531	\$0	\$810,525	\$0	\$0	\$810,525
Ranger Road / Brewer Road Intersection Improvements	Capital Reserves	Essential (Should-Do)	324	ST-03	\$0	\$0	\$302,500	\$1,262,500	\$0	\$1,565,000
ST - Streets & Transportation Subtotal					\$216,827	\$388,572	\$1,113,025	\$1,262,500	\$0	\$2,764,097
Subtotal Non-Wastewater Projects (excluding projects not funded)					\$2,083,004	\$8,582,359	\$14,529,630	\$10,136,221	\$33,137,600	\$66,385,810
WW - Wastewater										
Wastewater Collections System Improvements	WW Revenues	Imperative (Must-Do)	325	WW-01	\$50,000	\$2,575,000	\$855,000	\$275,000	\$1,375,000	\$5,080,000
WWRP Tertiary Filter Upgrades	WW Revenues	Imperative (Must-Do)	326	WW-02	\$292,516	\$1,607,484	\$0	\$0	\$0	\$1,607,484
Remodel or Expand WWRP Administrative Building	WW Revenues	Essential (Should-Do)	327	WW-03	\$10,000	\$285,000	\$0	\$0	\$0	\$285,000
SCADA System and Configuration Upgrade	WW Revenues	Essential (Should-Do)	328	WW-04	\$0	\$0	\$185,000	\$125,000	\$0	\$310,000
WWRP Odor Control Upgrades	WW Revenues	Important (Could-Do)	329	WW-05	\$24,660	\$0	\$185,000	\$150,000	\$0	\$335,000
WWRP Recharge Wells	WW Revenues	Important (Could-Do)	330	WW-06	\$7,521,164	\$0	\$0	\$153,819	\$4,989,775	\$5,143,594
WWRP Reservoir Liner Replacement	WW Revenues	Desirable (Other Year)	N/A	WW-07	\$0	\$0	\$0	\$0	\$1,050,000	\$1,050,000
WWRP Drying Beds Replacement	WW Revenues	Desirable (Other Year)	N/A	WW-08	\$0	\$0	\$0	\$0	\$1,650,000	\$1,650,000
WWRP Treatment Process Upgrades	WW Revenues	Desirable (Other Year)	N/A	WW-09	\$0	\$0	\$0	\$0	\$2,530,000	\$2,530,000
Wastewater Master Plan Update	WW Revenues	Desirable (Other Year)	N/A	WW-10	\$0	\$0	\$0	\$0	\$100,000	\$100,000
WWRP Paving	WW Revenues	Desirable (Other Year)	N/A	WW-11	\$0	\$0	\$0	\$0	\$420,000	\$420,000
WW - Wastewater Subtotal					\$7,898,340	\$4,467,484	\$1,225,000	\$703,819	\$12,114,775	\$18,511,078
TOTAL ALL PROJECTS (excluding projects not funded)					\$9,981,344	\$13,049,843	\$15,754,630	\$10,840,040	\$45,252,375	\$84,896,888
Total Projects Not Funded					\$0	\$0	\$0	\$0	\$22,172,000	\$22,172,000
Grand Totals Funded and Unfunded					\$9,981,344	\$13,049,843	\$15,754,630	\$10,840,040	\$67,424,375	\$107,068,888

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Art in the Roundabouts

Phase: of Project #: AC-02
(If Applicable)

Ranking: Important (Could-Do)

Project Description:

To continue adding public art for beautification of SR 179. The Schnebly Roundabout public art piece was the last to be installed in FY 2016. The next project is tentatively scheduled to start in FY 2020 and contemplates selecting art pieces for both remaining roundabouts.

Project Justification:

This project will enhance the City's image as a city animated by the arts, where public art may be enjoyed by residents and visitors. The roundabouts along SR 179 and SR 89A are highly visible. There are two remaining roundabouts on SR 179 that have yet to have art placed.

Location:

SR 179 Roundabouts

	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2020	



For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Construction			\$20,000			\$20,000
Future Estimate	Public Art Purchase			\$130,000			\$130,000
Totals		\$0	\$0	\$150,000	\$0	\$0	\$150,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
1% for Arts			\$150,000			\$150,000
Totals	\$0	\$0	\$150,000	\$0	\$0	\$150,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Maintenance costs for current public art have been minimal and absorbed in the City's existing budget. If there are any significant costs associated with future art projects, they will be determined once the projects are more fully identified.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Citywide Business Software **Location:** N/A

Phase: of **Project #:** IT-01
(If Applicable)

Ranking: Essential (Should-Do)

	Original	Revised (if applicable)
Start Date	April 2019	
Estimated Completion Date	June 2021	

Project Description:
Replace existing ERP (Enterprise Resource Planning) Springbrook software.

Project Justification:
The City purchased Springbrook in 2012 which is primarily financial based; however, it also includes other modules such as permits and code enforcement. While considered an integrated system, the City has struggled with many of its components. The report generation is limited and often takes several steps to print a simple report. The data gathering function necessary for performance measures is also weak and in some cases, not able to provide desired data. Additionally, this program does not consistently and accurately communicate with other users and modules creating confusion and duplication of efforts.

In addition, customer service has been poor. Many requests for service have taken weeks and sometimes months to resolve. With all the turnover that has been experienced since Springbrook was implemented, requests have been made for additional training which was originally approved by Council in the FY 2017 budget process that still has not occurred due to lack of returned communications from Springbrook personnel.

It would be beneficial for the City to have an ERP system that would consolidate existing systems for ease of management and shared resources. Systems like Sedona Citizens Connect (a.k.a. Report It), if tied into an ERP system, could potentially be transferred to the right department for processing. The sharing of resources could reduce staff time by keeping employees from entering data multiple times. The overhead of keeping multiple systems operational increases staff time and resources. Costs could be reduced with consolidation.

This request is to budget for funds to replace this outdated system with a more comprehensive program that utilizes current technologies, better addresses the varied organization needs, enhance the City's overall efficiencies and provides for better customer service. General components of a replacement system would include: operates in real time, common data base that supports all applications, parcel based, online capabilities, permit and licenses, code enforcement, financial management, utility billing and collections, plan review, etc. Departments that would benefit from an integrated system include Finance, Public Works, Community Development, City Clerk, and Parks and Recreation.

A software selection committee consisting of employees across multiple departments would be responsible for viewing product demos and selection of a vendor for recommendation to Council. The start of this process would begin the latter part of FY 2019. The budget request is a placeholder based on rough estimates which will be refined for the FY 2020 budget process once the demos and RFP process begins.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Technology			\$500,000	\$500,000		\$1,000,000
Totals		\$0	\$0	\$500,000	\$500,000	\$0	\$1,000,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves			\$500,000	\$500,000		\$1,000,000
Totals	\$0	\$0	\$500,000	\$500,000	\$0	\$1,000,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Operational impacts would typically include an ongoing software maintenance agreement which would be offset by the elimination of the Springbrook maintenance agreements.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Sinagua Courtroom Remodel

Phase: of Project #: MC-01
(If Applicable)

Ranking: Essential (Should-Do)

Project Description:

Establish a separate courtroom, office space for 3 clerks, court administrator office, judge's chambers, jury room, lawyer conference room, file room, bathroom facilities, and kitchen area.

Project Justification:

The court and City Council compete for use of the council chambers due to respective schedules. The judge conducts in-court business Monday through Wednesday. There are only 10 actual days out of the month during which to schedule in-court business. As work of the court increases, this limitation becomes more apparent. There have already been instances where time sensitive matters have been redirected to other courts because the courtroom was not available. The Sinagua building is approximately 4,000 square feet, and the remodel will encompass the total square footage.

Location:

55 Sinagua Drive

	Original	Revised (if applicable)
Start Date	July 2017	July 2017
Estimated Completion Date	June 2018	November 2018



For Continuing Projects

Estimated Project Status as of June 30, 2018:

Design is expected to be complete by June 30, 2018.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The initial project budget was based on placeholders. Now that the project is in design, a more refined cost has been determined. In addition, a portion of the budget originally contemplated the City Attorney also moving to the new facility which is no longer part of the project scope. With a more refined cost determined and additional budget needed, the project timeline was extended.

Project Balance	
Original Approved Project Budget	\$273,000
Approved Budget Increases/Decreases	-\$50,500
Current Approved Total Project Budget	\$222,500
Requested Budget Increase/Decrease	\$41,000
Requested Total Project Budget	\$263,500
Estimated Expenditures through June 30, 2018	\$48,800
Budget Balance Remaining	\$214,700

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$19,500	\$3,000				\$22,500
Carry Over	Construction		\$150,000				\$150,000
New	Construction		\$41,000				\$41,000
Carry Over	Technology	\$29,300	\$20,700				\$50,000
Totals		\$48,800	\$214,700	\$0	\$0	\$0	\$263,500

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Court Restricted Revenues	\$19,500	\$194,000				\$213,500
Capital Reserves	\$29,300	\$20,700				\$50,000
Totals	\$48,800	\$214,700	\$0	\$0	\$0	\$263,500

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies	\$150	\$300	\$300	\$300
Contractual Services	\$600	\$1,200	\$1,200	\$1,200
Total Expenditure Impacts	\$750	\$1,500	\$1,500	\$1,500

Explanation of Operating Impacts:

Estimated utilities, janitorial, and maintenance supplies.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

New Concession Stand

Location:

Posse Grounds Park

Phase: of Project #: PR-01
(If Applicable)

Ranking: Important (Could-Do)

Project Description:

The concession stand and restrooms building (combined) is located between the softball fields at Posse Grounds Park. An approved budget would allow for concept and development of plans and specification for an entirely new building with restrooms, storage, concession capabilities, and improved access. The original building will be torn down.

	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2020	



Project Justification:

This building has been in need of repair and remodel for many years; however, the demand for the building was not large enough to justify the budget. With the increase of special events at this facility as well as the development of the new bike skills park and Pavilion, the demand on this building has begun to increase and will continue to do so. This is the main public restroom facility for the skate park, basketball court, ball fields, special events, rentals, and bike park. This restroom will support any Pavilion rentals as well during the fall/winter seasons since those restrooms are closed. This building also provides storage for Little League and for the bike park maintenance equipment and tools.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Design			\$30,000			\$30,000
Future Estimate	Construction			\$220,000			\$220,000
Future Estimate	Contingency			\$20,000			\$20,000
Totals		\$0	\$0	\$270,000	\$0	\$0	\$270,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Summit CFD			\$270,000			\$270,000
Totals	\$0	\$0	\$270,000	\$0	\$0	\$270,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

A new building will replace the currently existing building so operating expenses are already accounted for.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Evaluation of Posse Grounds Park

Location:

Posse Grounds Park

Phase: of Project #: PR-02
(If Applicable)

Ranking: Important (Could-Do)

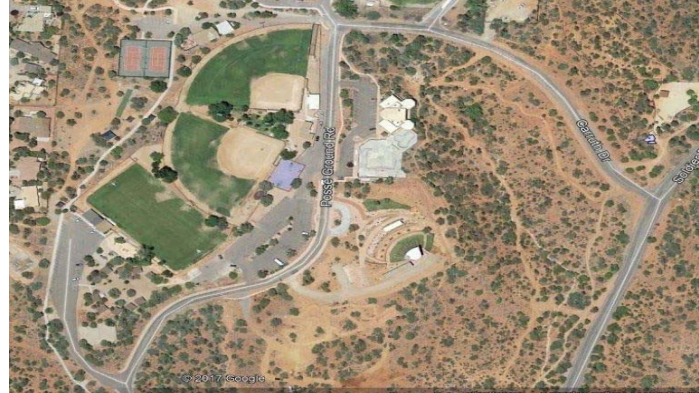
	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2020	

Project Description:

Evaluate the current needs and goals of the park land. Where once it was good enough to function as just a community park and sports area, the desire may be to focus on event space as well. Hire a firm to evaluate, community outreach and design a feasible space that could benefit the majority of park users. Identify constraints, limitations and possibilities for mingling of the park amenities.

Project Justification:

Sedona is a city with multiple annual special events. Event promoters need an area that can efficiently, safely, and strategically work as an event venue. Posse Grounds Park is gaining popularity as a location to hold events; however, it has limited parking, fencing restraints, limited lighting and electrical, multiple competing facilities, and really, the fields are maintained and meant to be used as athletic fields. Each event that takes place causes a different level of damage to the fields. If Council is going to continue to support events and event growth in Sedona, in lieu of purchasing new land, it may be appropriate to reevaluate the needs of the park. A plan could be created to potentially move around amenities or restructure in a way that both events and sports can still use the park. It was shown in the most recent Community Survey that the purchasing of new land for parks is not a desire. Chapter 6 of the Community Plan says, "1. Provide and support community events, festivals, and programs that offer a variety of opportunities for social interaction and contribute to a sense of community."



For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Evaluation			\$30,000			\$30,000
Future Estimate	Design					\$35,000	\$35,000
Future Estimate	Construction					\$500,000	\$500,000
Totals		\$0	\$0	\$30,000	\$0	\$535,000	\$565,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Development Impact Fees - Post					\$535,000	\$535,000
Capital Reserves			\$30,000			\$30,000
Totals	\$0	\$0	\$30,000	\$0	\$535,000	\$565,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

The potential for rental income is strong for an event venue. With convenience of layout I believe more larger events would entertain renting the park. There could potentially be additional costs for water, electricity and man hours spent on upkeep. Creating a more inviting event venue would also have an impact on the park in general. Efforts would have to be made to balance the facility for events and general park users. The operational impacts would be determined once an evaluation is complete.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Improvements at Ranger Station

Location:

Brewer Road Property

Phase: 1B of 4 Project #: PR-03
(If Applicable)

Ranking: Essential (Should-Do)

	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2023	

Project Description:

Continued development and construction of improvements approved in the Ranger Station Master Plan:
 FY 2017: The master plan was completed, hazardous material was removed from the site, one building and three sheds removed, and Phase 1 of the master plan was designed.
 FY 2018: Phase 1A funding supports the completion of underground utilities and rough grading which also utilizes available resources from the Soldier Wash project. This creates efficiencies and cost saving opportunities.
 FYs 2020-2021: There are significant repairs that will need to be completed to preserve the existing structures. These repairs cannot wait. Exterior restoration work for the barn and house would be completed in FY 2020. Interior restoration work for the barn and the house would be completed in FY 2021.
 FY 2023: Phase 1B funding supports the construction of the parking lot, restrooms, lawn, playground, and central seating areas.
 FYs 2024-2025: Funding supports Phase 2 (the plaza, landscape barn and house areas), Phase 3 (perimeter trail and landscaping), and Phase 4 (the pickleball court and gardens).

Project Justification:

The City purchased the "Old Ranger Station" at 250 Brewer Road in 2014 and has now developed a master plan for the site. This master plan reflects the future community vision for this property as a community park. Detailed design needs to be developed, for all phases of the Master Plan, to allow construction of the approved master plan concepts. Although the development of the park is scheduled in future years due to funding availability, the current historic barn and house are dilapidated and in dire need of repair and restoration before further degradation occurs. These repairs and improvements are requested over two years between FY 2020 to FY 2021.



For Continuing Projects

Estimated Project Status as of June 30, 2018:

Site environmental work, site structure removal (as previously specified), and Phase 1 design are complete. In addition, the underground utilities and rough grading are anticipated to be complete by June 30, 2018.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	\$261,600
Approved Budget Increases/Decreases	\$25,129
Current Approved Total Project Budget	\$286,729
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$286,729
Estimated Expenditures through June 30, 2018	\$286,729
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Master Plan	\$17,646					\$17,646
Carry Over	Demolition/Site Prep	\$28,353					\$28,353
Carry Over	Design	\$50,630					\$50,630
Future Estimate	Design					\$75,000	\$75,000
Carry Over	Construction	\$133,987					\$133,987
Future Estimate	Construction			\$150,000	\$150,000	\$1,850,000	\$2,150,000
Carry Over	Environmental	\$56,113					\$56,113
Totals		\$286,729	\$0	\$150,000	\$150,000	\$1,925,000	\$2,511,729

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Development Impact Fees - Post			\$150,000	\$150,000	\$1,925,000	\$2,225,000
Summit CFD	\$85,214					\$85,214
Fairfield CFD	\$201,515					\$201,515
Totals	\$286,729	\$0	\$150,000	\$150,000	\$1,925,000	\$2,511,729

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$600
Contractual Services				\$9,120
Total Expenditure Impacts	\$0	\$0	\$0	\$9,720

Explanation of Operating Impacts:

There will be impacts to the operating budget due to additional demands for event planning, parks maintenance, utilities, commodities, etc.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Playground Surface Replacement

Phase: of Project #: PR-04
(If Applicable)

Ranking: Essential (Should-Do)

Project Description:

Replace the existing wood chips with a rubberized, cleaner and more accessible surface.

Project Justification:

Wood chips are considered ADA accessible. However, they are dirty, painful, in constant need of refurbishing, and really not friendly for wheelchairs or strollers regardless of their designation. The playgrounds at Sunset Park are highly used. There are summer camps, mommy & tot groups, homeschool groups, and everyday park users that play on these playgrounds. It is the park recommended to tourists because of the shaded playgrounds and splash pad. It would be ideal to resurface the popular playgrounds with a new user-friendly surface that is extremely low maintenance.

Location:

Sunset Park

	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2020	



For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Construction			\$160,000			\$160,000
Totals		\$0	\$0	\$160,000	\$0	\$0	\$160,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals	
Summit CFD			\$70,000			\$70,000	
Fairfield CFD			\$90,000			\$90,000	
Totals		\$0	\$0	\$160,000	\$0	\$0	\$160,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs		-\$290	-\$290	-\$290
Materials & Supplies		-\$4,710	-\$4,710	-\$4,710
Contractual Services				
Total Expenditure Impacts	\$0	-\$5,000	-\$5,000	-\$5,000

Explanation of Operating Impacts:

Savings would result from the elimination of the need to replenish the wood chips annually.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Shade Structures and Playground Equipment Replacement

Location:

Posse Grounds Park

Phase: of Project #: PR-05
(If Applicable)

Ranking: Essential (Should-Do)

	Original	Revised (if applicable)
Start Date	July 2020	
Estimated Completion Date	June 2021	

Project Description:

Remove all existing outdated playground equipment, and replace with new inclusive and adaptive equipment. Completion of this project will result in two new shade structures and two new playgrounds. Includes installation of a rubberized safety playground surface, new equipment, water feature, and shade structures over both of the new playground areas.



Project Justification:

According to the 2012 Parks and Recreation Master Plan: Capital Maintenance Priorities - Upgrade Existing Playgrounds at Posse Grounds Community Park, shade structures should be installed on all playgrounds within 1-3 years.

A design was completed in 2016 that would replace both playgrounds at Posse Grounds Park. The new playground design will be inclusive by nature so as to invite children of all abilities to play and imagine together. The rubberized playground surface will be ADA accessible so as not to eliminate anyone (adult or child) from being able to use the park. By installing this weather/sun protection structure, it will increase the life of the playground equipment and protect the users of the playground equipment. These are the last two playgrounds that need to be covered in order to accomplish one of the goals in the Master Plan.

Outside funding is being looked into for project support.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Design was completed in 2016.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	\$30,630
Approved Budget Increases/Decreases	-\$6,140
Current Approved Total Project Budget	\$24,490
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$24,490
Estimated Expenditures through June 30, 2018	\$24,490
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$24,490					\$24,490
Future Estimate	Construction				\$400,000		\$400,000
Future Estimate	Contingency				\$40,000		\$40,000
Future Estimate	Arts Transfer				\$2,030		\$2,030
Totals		\$24,490	\$0	\$0	\$442,030	\$0	\$466,520

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Development Impact Fees - Pre	\$24,490			\$22,000		\$46,490
Summit CFD				\$50,000		\$50,000
Fairfield CFD				\$165,000		\$165,000
Capital Reserves				\$205,030		\$205,030
Totals	\$24,490	\$0	\$0	\$442,030	\$0	\$466,520

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

There is already a playground here so it would not increase the level of work that Maintenance is already providing. It may decrease costs, however, since wood chips would not have to be replaced annually.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Radio Infrastructure

Location:

N/A

Phase: of Project #: PD-02
(If Applicable)

Ranking: Imperative (Must-Do)

	Original	Revised (if applicable)
Start Date	July 2017	July 2018
Estimated Completion Date	June 2018	June 2020

Project Description:

Continue to enhance the radio infrastructure via redesign and installation of key components.

The reconfiguration of the current radio infrastructure, coupled with the addition of towers at critical locations, will enhance the ability to communicate with field units to an acceptable level. The new radio system will be P-25 compliant (new mandate for first responder interoperability and compatibility), and the communication reception/transmission will be marked improvement from the current system.



Project Justification:

Radio communications is a vital and critical resource to our police officers and the public. For the past several years, personnel have experienced on-going problems with transmitting and receiving radio messages, including dead spots and garbled transmissions. Over the past year, slight improvements have been made, but a recent analysis of the system by radio experts revealed that a redesign of our current radio system and the purchase of compatible hand-held radios are a necessity to improve our overall communications ability to an acceptable level. (The purchase of hand-held radios is explained in Project PD-01.)

We are requesting to budget \$300,000 over two years (\$231,500 the first year; \$68,500 the second year) to enhance our current radio infrastructure (transmitting/receiving towers, equipment) and potentially installing additional towers with equipment to eliminate dead spots and increase reliability and coverage.

Work on this project was approved in last year's budget, but partially funded at \$155,000, which has not been spent. Another \$600,000 was estimated for FY 2019 but was not funded. We are requesting to carry over the funded amount of \$155,000, to partially pay for the first year of work. We have asked to carry over and repurpose a FY 2018 project (womens locker room) to purchase the hand-held radios (see PD-01) that compliments this request, which if granted will leave \$76,500 that could be used for the remaining balance of the first year of this project. This leaves an additional amount needed of \$68,500 for the second year (FY 2020) of this two-year project.

This project qualifies as Priority 1 because clear radio communications between/among officers and dispatch is critical and necessary in the performance of our mission to protect the public and our officers. We are confident that this new system, coupled with the new radios (PD-01), will achieve the clear radio communication threshold desired.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	\$40,000
Approved Budget Increases/Decreases	\$284,673
Current Approved Total Project Budget	\$324,673
Requested Budget Increase/Decrease	\$68,500
Requested Total Project Budget	\$393,173
Estimated Expenditures through June 30, 2018	\$93,173
Budget Balance Remaining	\$300,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The increased budget request is based on a recent analysis of the system. A recent analysis of the system was conducted, and the approach to the radio communication problems has been revised. Due to the increase in budget needed, the project has been delayed to FY 2019.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Study	\$49,990					\$49,990
Carry Over	Equipment	\$43,183	\$231,500				\$274,683
New	Equipment			\$68,500			\$68,500
Totals		\$93,173	\$231,500	\$68,500	\$0	\$0	\$393,173

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves	\$93,173	\$231,500	\$68,500			\$393,173
Totals	\$93,173	\$231,500	\$68,500	\$0	\$0	\$393,173

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

No additional operating costs anticipated.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Police Station Remodel

Location:

Police Station - City Hall 102 Roadrunner Dr, Sedona, AZ

Phase: of **Project #:** PD-03
(If Applicable)

Ranking: Imperative (Must-Do)

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2021	

Project Description:

Design and remodel existing police station, adding square footage to the original footprint from the soon-to-be-vacant Magistrate's offices and adjacent courtyard.

A complete rebuild of the current police station, incorporating space from the soon to be vacated Magistrate's offices and the adjacent patio will lead to a modern, well-functioning public safety facility that meets the needs of a modern police force.



Project Justification:

The current police station was never designed as a critical, 24-hour public safety facility and does not allow for efficient, effective and safe workflow processes, security of confidential/sensitive documents or work stations, or accommodations for support functions. Since the station opened in 1998, it has been operating as a 24/7 police facility, 365 days per year, which has significantly worn on our facility much more rapidly than an office building with limited hours of operation. The police personnel, equipment, and work space needs have outgrown the current facility design and footprint.

The current station lacks a proper evidence storage room, interview room, public meeting space, proper storage areas, and proper officer work stations. The communications center and evidence storage rooms flood during rains. Of critical importance is the unsafe factors associated with prisoner detention and processing.

During last budget discussions, the need to either remodel or build a new station was discussed. It was the desire of the Citizens Budget Work Group and the City Council to begin moving in the direction of either a new police station or a complete remodel of the existing station, and funding placeholders were set in FY 2019 and FY 2020 for a remodel. Because the Magistrate will be moving to another facility, adjacent space to the existing police station has been made available. The cost savings in remodeling versus a new build is significant, and a complete remodel of the police station is now the preferred option.

This project qualifies as Priority 1 based on the critical need to have a high functioning, 24-hour public safety building that can be operational at all times and can withstand any/all natural or man-made hazards.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Active

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Project Balance	
Original Approved Project Budget	\$20,000
Approved Budget Increases/Decreases	\$200
Current Approved Total Project Budget	\$20,200
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$20,200
Estimated Expenditures through June 30, 2018	\$20,200
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$20,000					\$20,000
Future Estimate	Design			\$210,000	\$20,000		\$230,000
Future Estimate	Construction			\$410,000	\$1,230,000		\$1,640,000
Future Estimate	Equipment				\$50,000		\$50,000
Future Estimate	Technology			\$25,000	\$25,000		\$50,000
Future Estimate	Temporary			\$5,000	\$5,000		\$10,000
Carry Over	Arts Transfer	\$200					\$200
Future Estimate	Arts Transfer			\$5,701	\$11,493		\$17,194
Totals		\$20,200	\$0	\$655,701	\$1,341,493	\$0	\$2,017,394

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Development Impact Fees - Post			\$49,930	\$100,670		\$150,600
Capital Reserves	\$20,200		\$605,771	\$1,240,823		\$1,866,794
Totals	\$20,200	\$0	\$655,701	\$1,341,493	\$0	\$2,017,394

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$14,000	\$14,000	\$14,000
Total Expenditure Impacts	\$0	\$14,000	\$14,000	\$14,000

Explanation of Operating Impacts:

The new building (footprint) will have additional space to heat/cool and will have a slight increase in utility and janitorial expenses annually.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Shooting Range Improvements

Phase: of Project #: PD-04
(If Applicable)

Ranking: Important (Could-Do)

Project Description:

A study has been completed on the renovation and enhancement of the police shooting range. The study encompassed needed critical safety improvements and enhancements that would provide the department with an effective training facility. The continuance of this project will focus on the construction of training rooms, restrooms, secured storage areas, parking areas, and a new access road to the facility.

The completion of needed renovations will enhance the training and the human needs when utilizing the range.

Location:

Shooting Range at the WW Plant

	Original	Revised (if applicable)
Start Date	July 2016	May 2018
Estimated Completion Date	June 2018	June 2020



Project Justification:

Over the years, the police department shooting range has been renovated to address critical safety issues and make minor improvements to enhance its functionality as a training facility. The department is in need of dedicated space and areas in which their training activities can be conducted in a safe, secured, and controlled location. The areas adjacent to the shooting range are large enough to accommodate the space needed for the construction of restrooms, training rooms, secured storage areas, and parking areas. Additionally, a new access road to the facility could be design and constructed to provide an entrance to the facility that would not require travel through sensitive areas within the Wastewater Treatment Plant or the recreational wetlands. Such improvements to the facility would create opportunities to provide training space for other city departments.

This project is being funded from a carry over of two separate projects in FY 2018 that were not completed, the purchase and installation of a modular classroom, and the construction of a restroom facility to accommodate male and female students. Based on the projected costs of both these projects as individual projects (related to their construction, particularly the restrooms), we have combined these projects into one project - the construction/installation of a classroom with an attached restroom combined. This should realize some overall cost savings.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Budgeted FY 2018 improvements have been delayed due to a change in strategy.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budgeted FY 2018 improvements have been delayed due to a change in strategy.

Project Balance	
Original Approved Project Budget	\$796,250
Approved Budget Increases/Decreases	-\$71,182
Current Approved Total Project Budget	\$725,068
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$725,068
Estimated Expenditures through June 30, 2018	\$558,714
Budget Balance Remaining	\$166,354

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Study	\$19,900					\$19,900
Carry Over	Design	\$50,655					\$50,655
Carry Over	Construction	\$375,495		\$164,954			\$540,449
Carry Over	Equipment	\$109,373					\$109,373
Carry Over	Arts Transfer	\$3,291		\$1,400			\$4,691
Totals		\$558,714	\$0	\$166,354	\$0	\$0	\$725,068

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Development Impact Fees - Pre	\$56,526					\$56,526
Development Impact Fees - Post	\$38,474					\$38,474
RICO Monies	\$41,388		\$25,000			\$66,388
Capital Reserves	\$422,326		\$141,354			\$563,680
Totals	\$558,714	\$0	\$166,354	\$0	\$0	\$725,068

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services	\$1,500	\$1,500	\$1,500	\$1,500
Total Expenditure Impacts	\$1,500	\$1,500	\$1,500	\$1,500

Explanation of Operating Impacts:

The addition of a large classroom may have an incremental increase in utilities to support the additional square footage. The addition of a larger male/female restroom will also incur slightly additional maintenance costs (maintaining, servicing the facility).



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

In-Car Video System Replacement

Location:

N/A

Phase: of Project #: PD-05
(If Applicable)

Ranking: Important (Could-Do)

Project Description:

Replacement of the audio/video system in all patrol cars; potential mandate of wearing body-cameras.

Today's modern police organizations have in-car and/or body cameras to record officers' actions and field incidents, and it has become almost a required piece of law enforcement equipment. Departments choosing not to deploy these systems will be the focus of scrutiny, as they will be the anomaly. We currently have the L-3 system in our patrol vehicles, and this project will replace them. The option to wear the body-camera piece of the new system will be determined at the time of purchase, after consultation with city leaders and legal.

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		



Project Justification:

The current in-car video system is 9 years old. Although the system needs to be updated now, the Department can delay purchase of a new system for 2-3 years.

Department staff has research replacement systems and analyzed for cost, reliability, number of other agencies using, ease of use, security and other factors. At this time, we are requesting to purchase the WatchGuard system. This new platform is reasonable in cost, reliable, and state of the art. Their cameras are smaller than other companies, and their cloud-based storage is preferred. The system is all digital, with no need to download and store antiquated DVDs.

The option to utilize the body-camera accessory is available, and is contained in the all-in-one-system price (e.g., it comes with the system, and the Department can opt not to utilize it).

The preference is to replace all units at once (24 units + 5 spare body cameras), so each officer is equipped with the same system, the training is the same, and the storage/retrieval system is the same.

https://watchguardvideo.com/body-cameras/vista-wifi?gclid=EAlaIqobChMI09uv64P02AIVGUwNCh3-dgm5EAAYASAAEgKqbfD_BwE

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Equipment				\$260,000		\$260,000
Totals		\$0	\$0	\$0	\$260,000	\$0	\$260,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves				\$260,000		\$260,000
Totals	\$0	\$0	\$0	\$260,000	\$0	\$260,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

This is a replacement of current equipment, so no additional operating costs are expected. However, if the department decides to equip officers with the body-camera utility, there will be additional storage costs for additional video data.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Uptown Enhancements

Location: Uptown

Phase: of **Project #:** PW-01
(If Applicable)

Ranking: Important (Could-Do)

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2019	

Project Description:
This project currently serves as a placeholder for enhancement(s) to Uptown as identified and prioritized by the Uptown Parking Advisory Committee (merchant group). Specifics will be provided once final recommendations are made. One project will include hiring an expert on parking garage siting and design to work alongside the advisory group and city staff as the city develops the Uptown CFA and study the conditions under which additional parking would be needed and how best to provide that additional parking given the other aspirations for future development of this focus area. This project will be funded through paid parking revenue but is programmed as part of the SIM-03b project in order to tie it to the strategies supported through the TMP and not as part of this project.

Other FY 2019 projects include:
Engineering and reconstruction of the north and southwestern corners of the SR 89A and Forest Rd intersection to accommodate large numbers of pedestrians waiting to cross at the crosswalks.
Misc sidewalk connections between public parking lots and Main Street
Extension of pedestrian lighting between Municipal Parking Lot and Jordan Road public parking lot

Project Justification:
As a result of implementing paid parking on Main Street in Uptown, the City committed to reinvest the proceeds of the paid parking in to Uptown. It was agreed that the Uptown stakeholders would be involved in determining what those enhancements would consist of. This group has conducted a survey of the larger merchant group and has met and completed an initial prioritization of projects for FY 2019. This CIP project budget is based on completing the first phase recommendations in FY 2019. Subsequent years' projects will be identified later.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$400,000
Requested Total Project Budget	\$400,000
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$400,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Construction		\$400,000				\$400,000
Future Estimate	Construction			\$390,000	\$390,000	\$2,730,000	\$3,510,000
Totals		\$0	\$400,000	\$390,000	\$390,000	\$2,730,000	\$3,910,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Paid Parking Revenue		\$400,000	\$390,000	\$390,000	\$2,730,000	\$3,910,000
Totals	\$0	\$400,000	\$390,000	\$390,000	\$2,730,000	\$3,910,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
The operational impacts will be determined once the project is more defined.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Recycle Drop Off Locations

Phase: of Project #: PW-02
(If Applicable)

Ranking: Important (Could-Do)

Project Description:

Add three recycling drop off locations within the City of Sedona. Includes construction costs for walls and earthwork for a 5' x 4' area; as well as three 8-cubic yard bins/dumpsters and two polyethylene glass bins per site.

Project Justification:

Environmental sustainability has been identified as a priority area for City Council. In the recent citizen survey, 90% of respondents said they support the city investing in creating sustainability policies and programs to increase recycling services. When asked to select up to three service areas for the City to contribute additional funding in order to expand existing services over the next few years, the number one area (ranked by 36% of respondents) was recycling services. The City's Community Plan, Environment section, lists supporting recycling and other waste stream reduction efforts as one of its identified environment policies.

Location:

Three sites TBD

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2019	



For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$138,200
Requested Total Project Budget	\$138,200
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$138,200

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Construction		\$120,000				\$120,000
New	Equipment		\$17,000				\$17,000
New	Arts Transfer		\$1,200				\$1,200
Totals		\$0	\$138,200	\$0	\$0	\$0	\$138,200

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves		\$138,200				\$138,200
Totals	\$0	\$138,200	\$0	\$0	\$0	\$138,200

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Sedona Recycles, Inc. will be responsible for any maintenance needed.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Coffee Pot Drainage Basin, Little Elf Drive Area (Yavapai County)

Location:

Little Elf Drive

Phase: 4 of 4 **Project #:** SD-02
(If Applicable)

Ranking: Imperative (Must-Do)

Project Description:

Design and installation of storm drainage improvements in the Little Elf Drive area. The design in FY 2019 is for construction phase services. Construction would also be in FY 2019. In this phase of construction within the Coffee Pot Drainage Basin, existing drainage capacity will be increased. A sediment basin will also be constructed as part of this project to protect the downstream infrastructure.

	Original	Revised (if applicable)
Start Date	October 2018	
Estimated Completion Date	June 2019	



Project Justification:

The 2005 Stormwater Master Plan identified this work. Storm drainage improvements will reduce damages from flooding, prevent natural erosion from occurring and control silt runoff in the Little Elf Drive area. These improvements are required to provide downstream capacity to allow capacity increasing improvements in the Little Elf area. These improvements are the final major improvements programed in the Coffee Pot Drainage Basin. This project is identified in the Stormwater Master Plan as CP-C8.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$2,011,220
Requested Total Project Budget	\$2,011,220
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$2,011,220

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Design		\$30,000				\$30,000
New	Construction		\$1,965,000				\$1,965,000
Appropriation	Arts Transfer		\$16,220				\$16,220
Totals		\$0	\$2,011,220	\$0	\$0	\$0	\$2,011,220

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Yavapai County Flood Control		\$350,000				\$350,000
Development Impact Fees - Post		\$23,000				\$23,000
Capital Reserves		\$1,638,220				\$1,638,220
Totals	\$0	\$2,011,220	\$0	\$0	\$0	\$2,011,220

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies		\$1,500	\$1,500	\$1,500
Contractual Services				
Total Expenditure Impacts	\$0	\$1,500	\$1,500	\$1,500

Explanation of Operating Impacts:

The operating expenditures account for costs related to weed control, debris removal, removal of sediment from the sediment basin, maintenance of trash rack at the system inlet, erosion repair, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Improvements to Back-O-Beyond Road, Low Water Crossing (Yavapai County)

Location:

Back O' Beyond Road

Phase: of Project #: SD-03
(If Applicable)

Ranking: Essential (Should-Do)

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		

Project Description:

Development of plans, specifications, and cost estimate to eliminate one low water crossing along Back O' Beyond Road. Corps of Engineers' requirements will be determined, and right-of-way needs will be defined. The Yavapai County Flood Control funds do not become available until FY 2020.



Project Justification:

This project will develop a design and costs to improve public road ingress and egress for the Cathedral Rock Trailhead parking area and some private residential parcels. During large monsoon storms, this area is routinely isolated. From a public safety standpoint, trailhead parking area ingress and egress is important. This project provides drainage improvements not shown in the 2005 Stormwater Master Plan.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Land Acquisition			\$20,000			\$20,000
Future Estimate	Design			\$125,000			\$125,000
Future Estimate	Construction			\$225,000	\$350,000		\$575,000
Totals		\$0	\$0	\$370,000	\$350,000	\$0	\$720,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Yavapai County Flood Control			\$350,000	\$350,000		\$700,000
Capital Reserves			\$20,000			\$20,000
Totals	\$0	\$0	\$370,000	\$350,000	\$0	\$720,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies			\$500	\$500
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$500	\$500

Explanation of Operating Impacts:

The operating expenditures account for costs related to debris removal, erosion repair, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Juniper Hills Area Drainage Improvements (Coconino County)

Phase: of Project #: SD-07
(If Applicable)

Ranking: Essential (Should-Do)

Location:

Juniper Lane

	Original	Revised (if applicable)
Start Date	July 2017	October 2017
Estimated Completion Date	June 2019	April 2019

Project Description:

Design and installation of Storm Drainage Improvements in the Juniper Lane Area (project design in FY 2018 and construction phase design services in FY 2019). Capacity of existing drainage improvements would be increased from a point along Juniper Lane, just north of Cindy Lane, to an outlet near Oak Creek on the eastern leg of 141 Juniper Lane. These improvements have been identified in the budget to occur after the completion of the drainage improvements in the Brewer/Tlaquepaque area. These improvements will be in the Coconino County Flood Control area. To install this storm drainage improvement, the removal of approximately 800 feet of private street structure will occur. The City will replace the street but will not take ownership of or maintain the replaced street in the future.



Project Justification:

The 2005 Stormwater Master Plan did not identify this work; however, community representatives have communicated their concerns to City staff regarding the lack of storm drainage improvements in this area. In addition, projects in the Yavapai County Flood Control area, identified in the 2005 Stormwater Master Plan, do not compete with this project for Coconino County Flood Control funds. Storm drainage improvements will reduce damages from flooding, prevent natural erosion from occurring, and control silt runoff in the Juniper Lane area.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

The design of the project will be complete by April 2018. Construction Phase design services will take place during FY 2019.

Project Balance	
Original Approved Project Budget	\$701,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$701,000
Requested Budget Increase/Decrease	\$255,531
Requested Total Project Budget	\$956,531
Estimated Expenditures through June 30, 2018	\$63,175
Budget Balance Remaining	\$893,356

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Approximately 550 feet of 42" diameter drainage pipe was added to the downstream end of the proposed system to carry the storm water to Oak Creek since historic flow characteristics cannot be achieved at the originally proposed system outlet. There are also multiple utilities to avoid and relocate as well as hard rock excavation throughout the project. Design was delayed; however, adequate time is available to complete by anticipated completion date.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$63,175	\$36,825				\$100,000
Carry Over	Construction		\$600,000				\$600,000
New	Construction		\$250,000				\$250,000
Carry Over	Arts Transfer		\$1,000				\$1,000
New	Arts Transfer		\$5,531				\$5,531
Totals		\$63,175	\$893,356	\$0	\$0	\$0	\$956,531

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Coconino County Flood Control	\$63,175	\$450,000				\$513,175
Capital Reserves		\$443,356				\$443,356
Totals	\$63,175	\$893,356	\$0	\$0	\$0	\$956,531

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies		\$500	\$500	\$500
Contractual Services				
Total Expenditure Impacts	\$0	\$500	\$500	\$500

Explanation of Operating Impacts:

The operating expenditures account for costs related to debris removal, erosion repair, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Mystic Hills Lift Station Access Improvements (Coconino County)

Phase: of Project #: SD-08
(If Applicable)

Ranking: Essential (Should-Do)

Project Description:

Development of plans, specifications, and cost estimate to improve the low water crossing at the west end of West Mallard Drive, for the driveway leading to the Mallard Wastewater Lift Station. Corps of Engineer requirements will be determined, and right-of-way needs will be defined. Coconino County Flood Control District Funds have been designated for this project.

Project Justification:

This project will develop a design and costs to improve public road ingress and egress to the Mallard Wastewater Lift Station during the summer monsoon season. During summer monsoon storms, this area has been isolated at times, and road embankment is undermined and requires repair. This project provides drainage improvements not shown in the Stormwater Master Plan, and mainly benefits access to the wastewater lift station.

Location:

West Mallard Drive

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		



For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Design			\$40,000			\$40,000
Future Estimate	Construction			\$200,000			\$200,000
Totals		\$0	\$0	\$240,000	\$0	\$0	\$240,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Coconino County Flood Control			\$240,000			\$240,000
Totals	\$0	\$0	\$240,000	\$0	\$0	\$240,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies			\$500	\$500
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$500	\$500

Explanation of Operating Impacts:

The operating expenditures account for costs related to debris removal, erosion repair, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Stormwater Drainage Easements Acquisition

Location:

City-Wide

Phase: of Project #: SD-09
(If Applicable)

Ranking: Imperative (Must-Do)

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2019	

Project Description:

Acquisition of drainage easements throughout City. It is proposed that initially the City begin acquiring drainage easements for the major drainage ways for Coffee Pot and Dry Creek (designated together as the Carroll Canyon subbasin). The project would require identification of drainage ways to be acquired, sizing of easements, appraisal of easements, and offers to purchase easements in the City's name. This assumes work is contracted out.



Project Justification:

There are major drainage ways throughout the City that are identified only as public drainage easements. The primary responsibility for maintenance of these drainage ways lies with the property owner. For public safety and maintenance resources, it may be better for the City of Sedona to own and maintain these drainage ways. City ownership will help to assure more uniform maintenance of major drainage ways, which should reduce the adverse impact of major storms on areas throughout the City. In prior years, these funds were used for survey work, easement appraisals, and easement acquisition associated with the Soldier Wash/Brewer Road Crossing drainage improvements and the Coffee Pot Drainage Basin drainage improvements. Staff expects these funds to be necessary in FY 2019 for acquisition of easements within the Little Elf area of the Coffee Pot Basin and Juniper Lane.

For Contin

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	\$72,500
Approved Budget Increases/Decreases	-\$27,240
Current Approved Total Project Budget	\$45,260
Requested Budget Increase/Decrease	\$20,000
Requested Total Project Budget	\$65,260
Estimated Expenditures through June 30, 2018	\$45,260
Budget Balance Remaining	\$20,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Land Acquisition	\$45,260					\$45,260
New	Land Acquisition		\$20,000				\$20,000
Future Estimate	Land Acquisition			\$50,000	\$50,000	\$350,000	\$450,000
Totals		\$45,260	\$20,000	\$50,000	\$50,000	\$350,000	\$515,260

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Development Impact Fees - Pre	\$30,095					\$30,095
Development Impact Fees - Post	\$15,165	\$20,000	\$50,000	\$50,000		\$135,165
Unidentified					\$350,000	\$350,000
Totals		\$45,260	\$20,000	\$50,000	\$50,000	\$515,260

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

None anticipated - operating impacts are identified in conjunction with the specific drainage projects.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Stormwater Master Plan Update & Project Implementations

Location:

City-Wide

Phase: of **Project #:** SD-10
(If Applicable)

Ranking: Essential (Should-Do)

	Original	Revised (if applicable)
Start Date	July 2017	July 2019
Estimated Completion Date	June 2022	June 2022

Project Description:

In FY 2020, we will complete an update of the 2005 Stormwater Master Plan. This will include looking at the hydrology, and facility improvements and priorities. This will also account for the infrastructure completed since the 2005 Plan was complete.

In FY 2021, we will continue to update the Master Plan to include remapping the floodplains reduced by previous storm drainage improvement projects.

The FY 2021 and beyond construction funds are allocated to accommodate projects recommended in the study, in the Coconino and Yavapai County areas. This is due to already having projects designated from the current Stormwater Master Plan for this time period. At this time, we expect these projects to be small in scope.



Project Justification:

Master Plans are typically updated every 5 to 10 years. Since the 2005 Plan was complete, major infrastructure has been added to the City's storm drainage system. For program improvement projects, it is necessary to account for the improvements and changes to the storm drainage system that have occurred since the last update. In addition, since the 2005 Plan was complete, priorities for storm drainage construction may have changed, and new priorities will be reflected by updating the Plan.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Master Plan			\$250,000	\$150,000	\$150,000	\$550,000
Future Estimate	Construction				\$325,000	\$4,225,000	\$4,550,000
Totals		\$0	\$0	\$250,000	\$475,000	\$4,375,000	\$5,100,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Coconino County Flood Control			\$125,000	\$400,000	\$2,800,000	\$3,325,000
Yavapai County Flood Control					\$1,500,000	\$1,500,000
Capital Reserves			\$125,000	\$75,000		\$200,000
Unidentified					\$75,000	\$75,000
Totals	\$0	\$0	\$250,000	\$475,000	\$4,375,000	\$5,100,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Operating impacts will be determined when the projects have been identified.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Sedona in Motion Unspecified Projects

Location:
Various

Phase: of **Project #:** SIM-00
(If Applicable)

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		

Ranking: Important (Could-Do)

Project Description:

These funds could be used for a number of projects if opportunities are available. Some examples in FY 2019 are:

- SIM-02 - Temporary signal or small pedestrian improvements
- SIM-04c - Could further explore feasibility of a pedestrian bridge/tunnel
- SIM-05 - General overages related to uncertainty of construction scope
- SIM-10 - Driveway consolidations along SR 89A in West Sedona

In FY 2020, the majority of these funds would be utilized if it is determined that a roundabout would be preferable to a turnaround at the north end of Uptown as part of SIM-01.

Project Justification:

N/A

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$211,500
Current Approved Total Project Budget	\$211,500
Requested Budget Increase/Decrease	\$388,500
Requested Total Project Budget	\$600,000
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$600,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Contingency		\$211,500				\$211,500
New	Contingency		\$388,500				\$388,500
Future Estimate	Contingency			\$1,800,000	\$170,000	\$100,000	\$2,070,000
Totals		\$0	\$600,000	\$1,800,000	\$170,000	\$100,000	\$2,670,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax			\$1,800,000	\$170,000	\$100,000	\$2,070,000
Capital Reserves		\$600,000				\$600,000
Totals	\$0	\$600,000	\$1,800,000	\$170,000	\$100,000	\$2,670,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

N/A

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Uptown Roadway Improvements

Location:
Uptown (SR 89A)

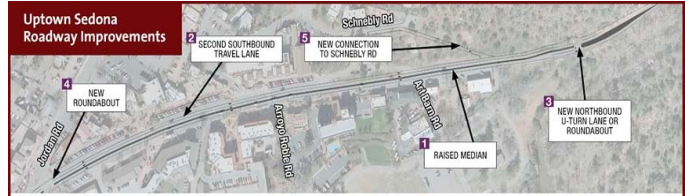
Phase: of **Project #:** SIM-01
(If Applicable)

Ranking: Imperative (Must-Do)

	Original	Revised (if applicable)
Start Date	July 2017	April 2018
Estimated Completion Date	June 2018	June 2020

Project Description:

Construction of Uptown roadway improvements consisting of the following:
 1. Construction of a raised median with decorative landscaping or decorative barrier to direct pedestrians to controlled crossings;
 2. Construction of an additional southbound travel lane on SR 89A through Uptown;
 3. Construction of a turnaround or roundabout at the north end of Uptown near Art Barn Road (Contingency funds are shown in FY 2019 if it is determined that a roundabout is necessary);
 4. Construction of a roundabout at the south end (Jordan Road) of Uptown on SR 89A;
 5. Construction of a new access road from SR 89A to free parking via Schnebly Road; and
 6. Timing signal analysis and coordinate mid-block and Forest Road traffic signals.



PROJECT DESCRIPTION:

- 1 Construct a raised median with decorative fence to direct pedestrians to controlled crossings.
- 2 Construct an additional southbound travel lane on SR 89A through Uptown.
- 3 Construct a turnaround or roundabout at the north end (e.g. at Art Barn).
- 4 Construct a roundabout at the south end (Jordan Road) of Uptown on SR 89A.
- 5 Create one-way access from 89A to free parking via Schnebly Road (NOT Schnebly Hill Road, see #5 on map above).

TRADEOFFS:

- Lengthy disruption from construction.
- Possible loss of some landscape area, seating and sidewalk at Jordan Road to expand roadway.
- Expands two lanes of traffic to three, impacting pedestrian crossings and overall character in Uptown.
- Possible added traffic near Schnebly Road.

BENEFITS:

- With no traffic, it takes 7 minutes to travel from the Trout Farm to the Y. In severe congestion it takes 42 minutes. This level of severe congestion occurred on 7 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 42 minutes, to 15 minutes.
- Raised median reduces turning movement conflicts and uncontrolled pedestrian crossings.

COSTS:

- Total estimated cost is \$3.6M.

Project Justification:

The Uptown roadway improvements will reduce turning movement and pedestrian conflicts between through traffic and local traffic. Analysis shows that this combination of improvements would reduce travel time under peak congested conditions from 42 minutes to 15 minutes.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Conceptual Design Complete

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Cost revised consistent with Final TMP costs. Awaiting completion of TMP.

Project Balance	
Original Approved Project Budget	\$3,545,120
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$3,545,120
Requested Budget Increase/Decrease	\$36,870
Requested Total Project Budget	\$3,581,990
Estimated Expenditures through June 30, 2018	\$131,300
Budget Balance Remaining	\$3,450,690

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Land Acquisition		\$213,130				\$213,130
New	Land Acquisition		\$36,870				\$36,870
Carry Over	Design	\$130,000	\$302,000				\$432,000
Carry Over	Construction		\$1,147,000	\$1,720,000			\$2,867,000
Carry Over	Arts Transfer	\$1,300	\$14,490	\$17,200			\$32,990
Totals		\$131,300	\$1,713,490	\$1,737,200	\$0	\$0	\$3,581,990

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves	\$131,300	\$1,713,490	\$1,737,200			\$3,581,990
Totals	\$131,300	\$1,713,490	\$1,737,200	\$0	\$0	\$3,581,990

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies			\$2,000	\$2,000
Contractual Services			\$5,000	\$5,000
Total Expenditure Impacts	\$0	\$0	\$7,000	\$7,000

Explanation of Operating Impacts:

Operating costs include crack sealing, fog seal, pavement markings, drainage, signs. A seal coat would be required in FY 2022 for approximately \$15,000.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Uptown Pedestrian Improvements

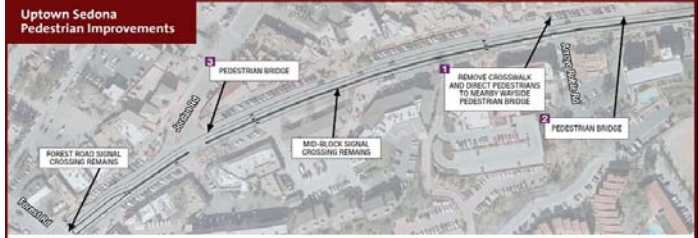
Location:
Uptown Sedona

Phase: of **Project #:** SIM-02
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2018	July 2020
Estimated Completion Date	June 2020	June 2023

Ranking: Essential (Should-Do)

Project Description:
The contingency funds for FY 2019 are in place in case it is determined that a temporary pedestrian signal may be necessary at the Arroyo Roble crosswalk. It could also be utilized if there are other small scale pedestrian improvements opportunities that are identified.



Construction of pedestrian bridge crossing over SR 89A, to replace existing at-grade crossing at Jordan Road, Wayside Chapel and mid-block Uptown. This project complements TMP strategy 1 (prior Uptown Roadway Improvements project), which proposes a landscaped/decorative median barrier to redirect pedestrian traffic to controlled crossings.

PROJECT DESCRIPTION:
 1 Remove crosswalk at Arroyo Roble and direct pedestrians to Wayside bridge crossing.
 2 Construct a pedestrian bridge over 89A at Wayside Chapel.
 3 Construct a pedestrian bridge over 89A at Jordan Road.

BENEFITS:
 • With no traffic, it takes 7 minutes to travel from the Trout Farm to the Y. In severe congestion it takes 42 minutes. This level of severe congestion occurred on 7 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 42 minutes, to 19 minutes.
 • Improved pedestrian safety.

COSTS:
 • Total estimated cost is \$6 M.

TRADEOFFS:
 • Less convenient for pedestrians.
 • Possible impact to views.
 • Requires elevators for ADA accessibility.
 • Pedestrian bridges will occupy portions of existing sidewalk and landscaped area.

Project Justification:
This project would improve traffic flow and reduce delays on SR 89A through Uptown due to interruptions caused by pedestrians. Conflicts between vehicles and pedestrians would be significantly reduced, greatly improving pedestrian crossing safety and vehicular travel times.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
View shed analysis/illustrations Complete

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Project budget and scope revised consistent with the completed TMP. Rescheduled to follow anticipated completion schedule for the Uptown Roadway Improvements project (SIM-01)

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Land Acquisition				\$200,000		\$200,000
Future Estimate	Design				\$1,133,300		\$1,133,300
Future Estimate	Construction					\$5,666,700	\$5,666,700
Totals		\$0	\$0	\$0	\$1,333,300	\$5,666,700	\$7,000,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax				\$1,333,300		\$1,333,300
Unidentified					\$5,666,700	\$5,666,700
Totals	\$0	\$0	\$0	\$1,333,300	\$5,666,700	\$7,000,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$5,000
Total Expenditure Impacts	\$0	\$0	\$0	\$5,000

Explanation of Operating Impacts:
Operating costs include signal maintenance, bridge structure maintenance (deck, paint, elevator etc.). These costs are cumulative for each project beginning the year of construction.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Uptown Parking Improvements

Location:
N/A

Phase: of **Project #:** SIM-03a
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2017	December 2017
Estimated Completion Date	December 2017	December 2026

Ranking: Essential (Should-Do)

Project Description:

This project is associated with Strategy 3 of the City's 2017 TMP. The project involves three components as follows:
 1. Design and construction of converting Smith Road, Wilson Road, and Van Deren Road to one-way streets between Forest Road and Schnebly Road, in order to improve parking supply and safety (a Contingency amount of \$50,000 was added to cover potential additional construction costs).
 2. Engage services of consultant with expertise in siting, design, needs assessment and cost estimating for parking structures, to assess parking capacity and needs in Uptown and study area configuration and potential options for siting, design of future parking. This would be done in conjunction with the 2018 CFA planning for Uptown.
 3. Design and development of new parking facilities consistent with the needs and siting assessment.

PROJECT DESCRIPTION:
 - Expand parking areas either through additional parking lots, on-street parking, or a new parking garage.
 - Enhance signs that provide directions to city parking lots.

BENEFITS:
 - Less congestion related to searching for parking.

COSTS:
 - A new parking structure would cost between \$5M and \$15M depending on the size and design.

TRADEOFFS:
 - Parking structure could impact views.
 - Additional parking in Uptown brings more vehicles and traffic into the Uptown area.

Project Justification:

The City's 2017 TMP indicates a lack of awareness for existing parking as well as a need for additional parking. The study indicated that demand for on-street parking is very high compared to off-street parking and that 28% of traffic congestion in Uptown can be attributed to arriving visitors searching for parking along SR 89A. The TMP recommends focus on improving awareness of existing parking through marketing, outreach, and added tools by which patrons can locate parking. Additionally, the TMP recommends increasing the supply of parking facilities centered within the Uptown area; however, given the range of strategies and projects, construction of a new parking structure or creation of other additional parking is not one of the highest priority projects. Therefore, to move this project forward in a more timely fashion, should it be a high priority of Uptown stakeholders, it would need to be funded through the paid parking revenue. This study would inform the City and the stakeholders about options and costs. Since the Uptown CFA is commencing, this type of analysis is also needed to inform the CFA planning process.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Bollard lighting completed and design will be started.

Project Balance	
Original Approved Project Budget	\$111,100
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$111,100
Requested Budget Increase/Decrease	\$120,300
Requested Total Project Budget	\$231,400
Estimated Expenditures through June 30, 2018	\$16,155
Budget Balance Remaining	\$215,245

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Project was split and schedule revised for earlier development of street side parking opportunities and to more closely reflect project development and construction associated with an off street parking structure.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Study		\$80,000				\$80,000
Future Estimate	Study					\$134,200	\$134,200
Future Estimate	Land Acquisition					\$650,000	\$650,000
Carry Over	Design	\$10,000					\$10,000
New	Design		\$40,000				\$40,000
Future Estimate	Design					\$2,549,100	\$2,549,100
Carry Over	Construction	\$6,094	\$93,906				\$100,000
Future Estimate	Construction					\$11,666,700	\$11,666,700
Carry Over	Arts Transfer	\$61	\$1,039				\$1,100
Appropriation	Arts Transfer		\$300				\$300
Totals		\$16,155	\$215,245	\$0	\$0	\$15,000,000	\$15,231,400

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Paid Parking Revenue		\$80,000				\$80,000
Transportation Sales Tax					\$15,000,000	\$15,000,000
Capital Reserves	\$16,155	\$135,245				\$151,400
Totals	\$16,155	\$215,245	\$0	\$0	\$15,000,000	\$15,231,400

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies		\$2,000	\$2,000	\$2,000
Contractual Services				
Total Expenditure Impacts	\$0	\$2,000	\$2,000	\$2,000

Explanation of Operating Impacts:

Material costs for additional signage and striping. Personnel costs and contractual services costs may be necessary for a parking garage.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Wayfinding Signage

Phase: of Project #:
(If Applicable)

Ranking:

Project Description:

This project is associated with Strategy 3 of the City's 2017 TMP. The project involves improving driver awareness of the existing parking supply through improved wayfinding, developing branded parking signage unique and in stark contrast to MUTCD sign standards to clearly direct traffic to parking areas, and developing and installing vehicular and pedestrian wayfinding signage for the three distinct districts within Sedona (Uptown, West Sedona, Gallery Row). The Sedona Chamber of Commerce and Tourism Bureau is funding the wayfinding study in FY 2018 using product development funds. This funding will support phased implementation.

Project Justification:

The City's 2017 TMP indicates a lack of awareness for existing parking as well as a need for additional parking. The study indicated that demand for on-street parking is very high compared to off-street parking and that 28% of traffic congestion in Uptown can be attributed to arriving visitors searching for parking along SR 89A. The TMP recommends focus on improving awareness of existing parking through improved signage, marketing, outreach, and added tools by which patrons can locate parking. It also recommends overall improvements to vehicular and pedestrian wayfinding to/from all destinations through branded wayfinding signage.

Location:

Citywide

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2021	

Uptown Sedona Parking Improvements

PROJECT DESCRIPTION:

- Expand parking areas either through additional parking lots, on-street parking, or a new parking garage.
- Enhance signs that provide directions to city parking lots.

BENEFITS:

- Less congestion related to searching for parking.

COSTS:

- A new parking structure would cost between \$5M and \$15M depending on the size and design.

TRADEOFFS:

- Parking structure could impact views.
- Additional parking in Uptown brings more vehicles and traffic into the Uptown area.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$453,000
Requested Total Project Budget	\$453,000
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$453,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Construction		\$150,000	\$150,000	\$150,000		\$450,000
New	Arts Transfer		\$1,500	\$1,500			\$3,000
Totals		\$0	\$151,500	\$151,500	\$150,000	\$0	\$453,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax				\$150,000		\$150,000
Capital Reserves		\$151,500	\$151,500			\$303,000
Totals	\$0	\$151,500	\$151,500	\$150,000	\$0	\$453,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$2,000
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$2,000

Explanation of Operating Impacts:

Materials are for signage maintenance.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Pedestrian Crossing at Tlaquepaque

Location:
SR 179 at Tlaquepaque

Phase: of **Project #:** SIM-04c
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2023	

Ranking: Essential (Should-Do)

Project Description:
Construction of a pedestrian bridge or tunnel at Tlaquepaque to connect north and south commercial areas.

Adding additional northbound and southbound travel lanes from Schnebly Hill roundabout through the "Y"

PROJECT DESCRIPTION:

- 1 Schnebly Hill Road roundabout is expanded to 2 lanes.
- 2 SR 179 from Schnebly Hill roundabout to the Y is expanded to 2 lanes in each direction.
- 3 A pedestrian tunnel or bridge is added at Tlaquepaque, replacing the existing crosswalk.
- 4 Addition of separated right-turn lane towards southbound 179 and separated right-turn lane towards Uptown.

BENEFITS:

- With no traffic, it takes 12 minutes to travel from Bell Rock Blvd (VOC) to the "Y" in severe congestion it takes 36 minutes. This level of severe congestion occurred on 6 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 36 minutes, to 24 minutes.

COSTS:

- Total estimated cost is \$8.9M.

TRADEOFFS

- Bike lanes and sidewalks reduced from 8 feet to 5 feet each.
- Center medians (and landscaping) reduced in width.
- Possible reduction in travel lane from 12" to 11" (equal to lanes on 89A).
- Possible impact to trees/landscaping (limited to areas closest to the roadway).

Project Justification:
A pedestrian tunnel or bridge would eliminate conflicts between pedestrians and vehicles on SR 179. Traffic flow on SR 179 would be improved, and area traffic congestion reduced

For Continuing Projects

Estimated Project Status as of June 30, 2018:
Not Started

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Land Acquisition					\$200,000	\$200,000
Future Estimate	Design				\$150,000		\$300,000
Future Estimate	Construction					\$1,500,000	\$1,500,000
Totals		\$0	\$0	\$0	\$150,000	\$1,850,000	\$2,000,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax				\$150,000	\$1,850,000	\$2,000,000
Totals	\$0	\$0	\$0	\$150,000	\$1,850,000	\$2,000,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Operating impacts will be dependent on the approach taken to address the crossing needs.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
SR 89A & SR 179 Right Turn Y Roundabout Bypass

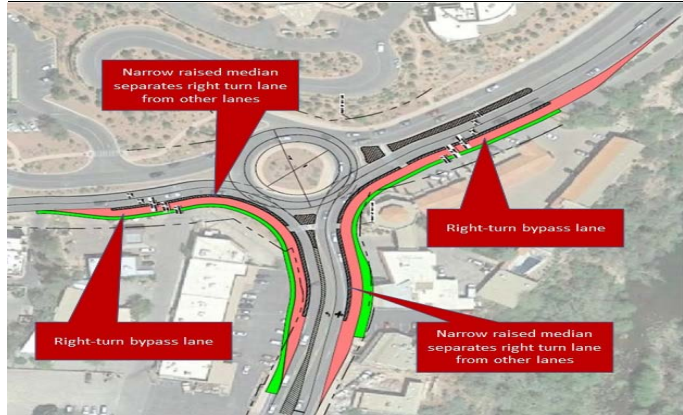
Location:
SR 89A / SR 179 Intersection

Phase: of **Project #:** SIM-04d
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2022	

Ranking: Imperative (Must-Do)

Project Description:
Construction of separated right turn lanes at the "Y" roundabout for SR 179 to northbound SR 89A and SR 89A to southbound SR179. The right turn lane would be separated from the roundabout approach lanes by a narrow median forming a bypass lane.



Project Justification:
The addition of right turn lanes to the "Y" roundabout removes right turning traffic volumes from the overall traffic volume within the roundabout. This reduction of traffic flow within the roundabout will improve the Levels Of Service at the "Y" roundabout from a LOS D to a LOS C and improve the performance of both the west and south approach.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
Not Started

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$2,741,524
Requested Total Project Budget	\$2,741,524
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$2,741,524

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Land Acquisition			\$615,000			\$615,000
New	Design		\$537,290				\$537,290
New	Construction				\$1,586,548		\$1,586,548
Appropriation	Arts Transfer		\$2,686				\$2,686
Totals		\$0	\$539,976	\$615,000	\$1,586,548	\$0	\$2,741,524

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Grant		\$268,645	\$307,500	\$793,274		\$1,369,419
Bed Tax Allocation		\$268,900				\$268,900
Transportation Sales Tax				\$793,274		\$793,274
Capital Reserves		\$2,431	\$307,500			\$309,931
Totals	\$0	\$539,976	\$615,000	\$1,586,548	\$0	\$2,741,524

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Grant dollars are associated with an ADOT Northcentral District Minor Application. Grant provides for 50% funding of project (excepting Arts Transfer).

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Any new maintenance costs will be handled by ADOT.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Portal Lane to Ranger Road Connection

Phase: of Project #: SIM-05a
(If Applicable)

Ranking: Essential (Should-Do)

Project Description:

Construction of new roadway improvements to connect/extend Portal Lane from its current terminus through Tlaquepaque to an intersect with Ranger Road. Portal Lane would become a one-way access road into Tlaquepaque/Los Abridados and all traffic would exit out to Ranger Road.

Project Justification:

The Transportation Master Plan, Strategy 5, Major Roadway Connections. Consistent with the Neighborhood and Regional Roadway Connections strategy, this strategy similarly intends to promote a better-connected community by improving thoroughfares for through-travel between adjoining neighborhoods. Improving local street connectivity between subdivisions/neighborhoods and offering parallel, and alternate routes for local trips, traffic volumes can be reduced on the Arterial roadways of SR 89A and SR 179.

Location:

Portal Lane

	Original	Revised (if applicable)
Start Date	July 2017	July 2017
Estimated Completion Date	June 2018	June 2019

PROJECT DESCRIPTION:

- Make Portal Lane one-way in to Tlaquepaque / Los Abridados area.
- Connect Tlaquepaque parking lot to Ranger Road / Brewer Road for exiting vehicles.
- Extend west end of Forest Road to connect to Southbound SR 89A.

BENEFITS:

- Brewer/Ranger connection diverts vehicles that would be making a U-turn movement at the Schnebly Hill roundabout, reducing SR 179 congestion.
- With no traffic, it takes 12 minutes to travel from Bell Rock Blvd (VOC) to the "Y." In severe congestion it takes 36 minutes. This level of severe congestion occurred on 6 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 36 minutes, to 33 minutes.
- Brewer/Ranger connection is a relatively low cost improvement.
- Brewer/Ranger connection creates a more convenient route for northbound and westbound SR179 travelers, with minimal impact to southbound SR179 travelers.
- Forest Road connection allows Uptown residents and emergency responders to avoid congestion in Uptown and at the "Y."

COSTS:

- Total estimated cost for Brewer/Ranger connection is \$500K.
- Total estimated cost for Forest connection is \$1.3M.

TRADEOFFS:

- Forest Road connection requires property acquisition.
- Potential for increased traffic in Forest Road neighborhoods.
- Impacts to private property.
- Visual and aesthetic impacts.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Feasibility/Concept Study 50% Complete

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Updated project costs to include a contingency. Additional stakeholder coordination.

Project Balance	
Original Approved Project Budget	\$763,600
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$763,600
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$763,600
Estimated Expenditures through June 30, 2018	\$20,200
Budget Balance Remaining	\$743,400

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Land Acquisition		\$400,000				\$400,000
Carry Over	Design	\$20,000	\$40,000				\$60,000
Carry Over	Construction		\$300,000				\$300,000
Carry Over	Arts Transfer	\$200	\$3,400				\$3,600
Totals		\$20,200	\$743,400	\$0	\$0	\$0	\$763,600

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves	\$20,200	\$743,400				\$763,600
Totals		\$20,200	\$743,400	\$0	\$0	\$763,600

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$2,000	\$8,000	\$2,000
Total Expenditure Impacts	\$0	\$2,000	\$8,000	\$2,000

Explanation of Operating Impacts:

Increased operating and maintenances costs related to additional infrastructure, including pavement management (i.e. crack sealing, surface treatments), pavement striping and signage maintenance.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Forest Road Connection

Location:
Forest Road

Phase: of **Project #:** SIM-05b
(If Applicable)

	Original	Revised (if applicable)
Start Date	December 2017	
Estimated Completion Date	June 2020	

Ranking: Imperative (Must-Do)

Project Description:
Construction of new roadway improvements to connect/extend Forest Road from its current terminus to intersect with SR 89A. Residents and visitors would use the Forest Road connection to bypass SR 89A in Uptown and the "Y" to get from Uptown to West Sedona. At its intersection with SR 89A, vehicles would be able to turn right onto southbound SR 89A, but precluded from making a left turn from Forest Road to northbound SR 89A. Vehicles on northbound SR 89A would be able to make a left turn onto Forest Road at a directional median opening at the intersection of SR 89A and Forest Road. A cost contingency has been added to the project recognizing the difficulty of the terrain and right-of-way constraints.

PROJECT DESCRIPTION:

- Make Portal Lane one-way in to Tlaquepaque / Los Abogados area.
- Connect Tlaquepaque parking lot to Ranger Road / Brewer Road for exiting vehicles.
- Extend west end of Forest Road to connect to Southbound SR 89A.

BENEFITS:

- Brewer/Ranger connection diverts vehicles that would be making a U-turn movement at the Schenely Hill roundabout, reducing SR 179 congestion.
- With no traffic, it takes 12 minutes to travel from Bell Rock Blvd (VOG) to the "Y". In severe congestion it takes 36 minutes. This level of severe congestion occurred on 6 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 36 minutes, to 33 minutes.
- Brewer/Ranger connection is a relatively low cost improvement
- Brewer/Ranger connection creates a more convenient route for northbound and westbound SR179 travelers, with minimal impact to southbound SR179 travelers.
- Forest Road connection allows Uptown residents and emergency responders to avoid congestion in Uptown and at the "Y".

COSTS:

- Total estimated cost for Brewer/Ranger connection is \$500K.
- Total estimated cost for Forest connection is \$1.3M.

TRADEOFFS:

- Forest Road connection requires property acquisition.
- Potential for increased traffic in Forest Road neighborhoods.
- Impacts to private property.
- Visual and aesthetic impacts.

Project Justification:
The Transportation Master Plan, Strategy 5, Major Roadway Connections. Consistent with the Neighborhood and Regional Roadway Connections strategy, this strategy similarly intends to promote a better-connected community by improving thoroughfares for through-travel between adjoining neighborhoods. Improving local street connectivity between subdivisions/neighborhoods and offering parallel, and alternate routes for local trips, traffic volumes can be reduced on the Arterial roadways of SR 89A and SR 179.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
Feasibility Study Completed

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$1,321,200
Requested Total Project Budget	\$1,321,200
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$1,321,200

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
New	Land Acquisition			\$400,000			\$400,000
New	Design		\$120,000				\$120,000
New	Construction			\$800,000			\$800,000
Appropriation	Arts Transfer		\$1,200				\$1,200
Totals		\$0	\$121,200	\$1,200,000	\$0	\$0	\$1,321,200

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax			\$800,000			\$800,000
Capital Reserves		\$121,200	\$400,000			\$521,200
Totals	\$0	\$121,200	\$1,200,000	\$0	\$0	\$1,321,200

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$5,000	\$5,000
Total Expenditure Impacts	\$0	\$0	\$5,000	\$5,000

Explanation of Operating Impacts:
Increased operating and maintenance costs related to additional infrastructure, including pavement management (i.e. crack sealing, surface treatments), stormwater drainage facilities, pavement striping and signage maintenance.)

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Neighborhood Street Connections

Location:
Various

Phase: 1 of 10 **Project #:** SIM-06
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2027	

Ranking: Important (Could-Do)

Project Description:
This project establishes small roadway connections between neighborhoods to create a system of alternative routes to SR 89A. The routes would primarily be used by residents who are familiar with Sedona's neighborhoods and streets. The connections would improve the residents' convenience and allow them to walk, bicycle, or drive to destinations in West Sedona without using SR 89A.
FY 2020: Northview Road / Sunset Drive
FY 2020: Shelby Drive / Sunset Drive (convert from private to public)
FY 2021: White Bear Road / Calle del Sol

Neighborhood Vehicular Connections

Legend:
 - County Boundary
 - School
 - City Park
 - New Connection
 - Existing Connectivity

PROJECT DESCRIPTION:
 • Set of new neighborhood vehicular connections meant to accommodate local residents, keeping short trips off SR 89A.
 • Examples are shown on the map (other connections could be identified).

BENEFITS:
 • Gives residents alternatives.
 • Reduces number of trips on SR 89A.
 • Promotes safety.

COSTS:
 • Estimated cost for the 7 connections shown is \$2.8M.

TRADEOFFS:
 • Potential for minor increased traffic through neighborhood segments.
 • Potentially requires property acquisition.

Project Justification:
New neighborhood connecting streets will provide residents with alternatives to travel in and around Sedona. Instead of relying on SR 89A, to travel between neighborhoods, residents will be able to use local streets to move around West Sedona. As connectivity increases, travel distances decrease and route options increase, allowing more direct travel between destinations, creating a more accessible and resilient transportation network. A connected network reduces transportation impacts by distributing trips. A connected network encourages walking and bicycling as connected streets are generally not as large and are more comfortable to walk and bike along.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
Not Started

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Land Acquisition			\$150,000	\$200,000	\$550,000	\$900,000
Future Estimate	Design			\$190,000	\$65,000	\$150,000	\$405,000
Future Estimate	Construction			\$1,200,000	\$435,000	\$1,000,000	\$2,635,000
Future Estimate	Contingency			\$100,000	\$70,000	\$100,000	\$270,000
Future Estimate	Arts Transfer			\$2,800			\$2,800
Totals		\$0	\$0	\$1,642,800	\$770,000	\$1,800,000	\$4,212,800

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax			\$1,250,000	\$770,000		\$2,020,000
Capital Reserves			\$392,800			\$392,800
Unidentified					\$1,800,000	\$1,800,000
Totals	\$0	\$0	\$1,642,800	\$770,000	\$1,800,000	\$4,212,800

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$6,000	\$9,000
Total Expenditure Impacts	\$0	\$0	\$6,000	\$9,000

Explanation of Operating Impacts:
Operating costs include crack sealing, fog seal, pavement markings, drainage, and signs. These costs are cumulative for each project beginning the year after construction.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Enhanced Transit Service - Commuter/Resident

Phase: of Project #: SIM-07
(If Applicable)

Ranking: Important (Could-Do)

Project Description:

The project is associated with Strategy 7 of the City's TMP. The project proposes extension of the existing Verde Lynx bus service to Village of Oak Creek with the potential to expand operating hours.

Project Justification:

The Transportation Master Plan, Strategy 7 Enhanced Transit Service - Fixed Route, states that transit is most efficient when a series of high demand activity centers are linked via linear corridors. This allows for high visibility of available transit routes as well as a clear understanding of where the transit goes and how to access the service. Sedona's two major thoroughfares, SR 89A and SR 179, are ideal opportunities for transit service "trunk" lines. These two main routes throughout the region serve employment centers, schools, visitor attractions, and civic spaces. This allows destinations to be served with a minimum of out-of-direction travel for passengers, creating a more efficient system and a more desirable customer experience. The Verde Lynx service, operated by Cottonwood Area Transit (CAT), does not extend south to the VOC.

Location:

N/A

	Original	Revised (if applicable)
Start Date	July 2020	
Estimated Completion Date	June 2021	

Enhanced Transit Service – Commuter/Resident Focused

PROJECT DESCRIPTION:

- Extend Verde Lynx bus service to Village of Oak Creek. Bus would run hours similar to current Verde Lynx: Monday – Saturday, 6:00 am - 7:15 pm, with the potential to expand.

BENEFITS:

- Extended Verde Lynx service will connect Sedona to Village of Oak Creek, benefiting residents, commuting employees, and visitors.
- Reduces vehicle emissions.

COSTS:

- Capital Costs = \$140,000 (1 new bus).
- Operating Costs = \$329,420 / yr. Costs would be shared between ADOT, Coconino County, Yavapai County, and City of Sedona.

TRADEOFFS:

- Ongoing operational expenses to operate the service.
- Multi-jurisdictional coordination necessary.
- May take time for ridership to expand.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Vehicles				\$140,000		\$140,000
Totals		\$0	\$0	\$0	\$140,000	\$0	\$140,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax				\$140,000		\$140,000
Totals		\$0	\$0	\$0	\$140,000	\$0

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$330,000	\$330,000
Total Expenditure Impacts	\$0	\$0	\$330,000	\$330,000

Explanation of Operating Impacts:

The operating expense for expanded transit includes extending the hours of operation and providing the new service to the Village of Oak Creek. These costs are cumulative for each project beginning the year after construction for vehicle, operations, and maintenance costs.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Enhanced Transit Service - Tourism

Phase: of **Project #:** SIM-08
(If Applicable)

Ranking: Essential (Should-Do)

Location:
Greater Sedona - Oak Creek Canyon

	Original	Revised (if applicable)
Start Date	July 2018	
Estimated Completion Date	June 2023	

Project Description:

The project is associated with Strategy 8 of the City's TMP. The project proposes Implementation of a tourist-focused bus shuttle system from Village of Oak Creek to Slide Rock State Park, together with construction of a Park-and-Ride lot, Bus Stop improvements and Travel Information Center. As a first phase a transit system development study and implementation plan will be developed in 2019. The majority of the study will be funded through federal transit planning grant funds.

Project Justification:

The Transportation Master Plan, Strategy 8 Enhanced Transit Service - Fixed Route, states that transit is most efficient when a series of high demand activity centers are linked via linear corridors. This allows for high visibility of available transit routes as well as a clear understanding of where the transit goes and how to access the service. Sedona's two major thoroughfares, SR 89A and SR 179, are ideal opportunities for transit service "trunk" lines. These two main routes throughout the region serve employment centers, schools, visitor attractions, and civic spaces. This allows destinations to be served with a minimum of out-of-direction travel for passengers, creating a more efficient system and a more desirable customer experience. The Verde Lynx service, operated by Cottonwood Area Transit (CAT), does not extend south to the VOC. Connections into Oak Creek Canyon will require cooperative governance through multiple jurisdictions given this area is outside of the City's boundaries.

Enhanced Transit Service – Tourism Focused

PROJECT DESCRIPTION:

- Implement a tourist-focused bus shuttle system from Village of Oak Creek to Slide Rock State Park. Buses would run every 15 to 20 minutes, 8 am to 8 pm, between March and October.
- Park-and-Ride lot near Red Rock Ranger Station; additional stops and pick-up points along SR 179 and SR 89A.

BENEFITS:

- Reduced vehicles entering Oak Creek Canyon from Sedona, reducing congestion. High usage could result in 2,000 to 3,000 fewer vehicles in Oak Creek Canyon on an average day in peak season.
- With no traffic, it takes 7 minutes to travel from the Trout Farm to the "Y". In severe congestion it takes 42 minutes. This level of severe congestion occurred on 7 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 42 minutes, to 38 minutes.
- Also, with no traffic, it takes 12 minutes to travel from Bell Rock Blvd (VOC) to the "Y". In severe congestion it takes 36 minutes. This level of severe congestion occurred on 6 days between February

1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 36 minutes, to 34 minutes.

- Reduced Vehicle Emissions.

COSTS:

- Capital Costs = \$2.4 M (8 new buses and park-and-ride lot improvements).
- Operating Costs = \$460,000 / yr. Costs may be shared between ADOT, Coconino County, Yavapai County, and City of Sedona.

TRADEOFFS:

- Ongoing operational expenses to operate the service.
- Multi-jurisdictional coordination necessary.
- Need to create strong incentives for utilization.
- Seasonality of operations/ demand periods.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Exploring Feasibility

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$30,000
Current Approved Total Project Budget	\$30,000
Requested Budget Increase/Decrease	\$170,000
Requested Total Project Budget	\$200,000
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$200,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Study		\$30,000				\$30,000
New	Study		\$170,000				\$170,000
Future Estimate	Land Acquisition					\$150,000	\$150,000
Future Estimate	Design					\$252,300	\$252,300
Future Estimate	Construction					\$1,682,000	\$1,682,000
Future Estimate	Vehicles					\$1,120,000	\$1,120,000
Totals		\$0	\$200,000	\$0	\$0	\$3,204,300	\$3,404,300

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Grant		\$160,000				\$160,000
Outside Participation		\$10,000				\$10,000
Capital Reserves		\$30,000				\$30,000
Unidentified					\$3,204,300	\$3,204,300
Totals	\$0	\$200,000	\$0	\$0	\$3,204,300	\$3,404,300

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

\$10,000 contribution from Coconino County, received in FY18.
 \$30,000 grant match from City of Sedona. Budgeted in Gen Svcs in FY18 (carryover from operating budget)
 \$160,000 FTA transit planning grant, passed through ADOT (reimbursement grant)

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$500,000
Total Expenditure Impacts	\$0	\$0	\$0	\$500,000

Explanation of Operating Impacts:

A new bus service will require on-going operation and maintenance costs. The bus service will be subject to seasonal variations in ridership demand, making operations more complex and difficult to manage. The service will require multi-jurisdictional support and coordination. Unless congestion is eliminated from Oak Creek Canyon, buses will be impacted by congestion and bus routes will experience chronic schedule delays.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Bicycle and Pedestrian Improvements

Location:
Uptown to West Sedona

Phase: of **Project #:** SIM-11
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2019	
Estimated Completion Date	June 2026	

Ranking: Essential (Should-Do)

Project Description:

The Transportation Master Plan, Strategy 11, Walking and Bicycling Facilities, indicates that these improvements collectively encourage use of alternative modes of travel in Sedona, and support a park-once culture where visitors are encouraged to leave their vehicles at their place of lodging. To have a measurable impact on traffic congestion, incentives such as limited parking availability in Uptown, would be required. Projected components of the project are as follows:

1. Shared-use path from Uptown to West Sedona.
2. Wide paved shoulders to Dry Creek Road.
3. Bicycle boulevard parallel both north and south of SR 89A using existing streets and some new connecting pathways.
4. Various sidewalk connections.
5. Signalized pedestrian crossings on SR 89A.

PROJECT DESCRIPTION:

- 1 Shared use path from Uptown to West Sedona.
- 2 Wide paved shoulders on Dry Creek Road.
- 3 Bicycle boulevard parallel both north and south of 89A using existing streets and some new connecting pathways.
- 4 Various sidewalk connections.

BENEFITS:

- Replacing car trips with bicycle and pedestrian trips can reduce local congestion, especially during peak season.
- Improved comfort and safety for bicyclists and pedestrians.
- Connects neighborhoods to each other.
- Provides a recreational opportunity.

COSTS:

- Shared use path and bike boulevard connections: \$1.2M /mile.
- Sidewalk costs: \$800,000 per mile.

TRADEOFFS:

- Possibly requires property acquisition or expanded use of existing easements.
- Coordination with US Forest Service for shared use path.
- Some neighborhoods may not want increased bicycle and pedestrian traffic.

Project Justification:

The Transportation Master Plan, Strategy 11, Walking and Bicycling Facilities, indicates that these improvements collectively encourage use of alternative modes of travel in Sedona, and support a park-once culture where visitors are encouraged to leave their vehicles at their place of lodging. To have a measurable impact on traffic congestion, incentives such as limited parking availability in Uptown, would be required.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Not Started

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Land Acquisition			\$297,100	\$508,100	\$630,500	\$1,435,700
Future Estimate	Design			\$357,250	\$107,250	\$538,800	\$1,003,300
Future Estimate	Construction			\$1,250,000		\$3,766,700	\$5,016,700
Future Estimate	Arts Transfer			\$6,700			\$6,700
Totals		\$0	\$0	\$1,911,050	\$615,350	\$4,936,000	\$7,462,400

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Transportation Sales Tax			\$1,134,350	\$615,350		\$1,749,700
Capital Reserves			\$776,700			\$776,700
Unidentified					\$4,936,000	\$4,936,000
Totals	\$0	\$0	\$1,911,050	\$615,350	\$4,936,000	\$7,462,400

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$2,000	\$10,000
Total Expenditure Impacts	\$0	\$0	\$2,000	\$10,000

Explanation of Operating Impacts:

Additional operational and maintenance costs related to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure. Additional recurring maintenance costs related to materials and supplies for pavement maintenance (seal coating, or other) of paths, pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Travel Information System

Phase: of Project #:
(If Applicable)

Ranking:

Project Description:

Travel information technology on corridors leading to Sedona - Implement advanced Intelligent Transportation System (ITS) technology and infrastructure on the corridors leading to Sedona, at alternate routes' decision points such as I-17/SR 260 in Camp Verde and at SR 89A/I-17 in Flagstaff. The technology will have the capability of communicating real-time travel times to inbound Sedona travelers, via advanced highway signing and dynamic travel time information, allowing travelers to make a decision based on their preferred travel time. Data will be obtained either by private data providers, or through a system developed collaboratively with ADOT. This would also include development of a smartphone app to provide travel time, transit and parking information.

Project Justification:

The Transportation Master Plan, Strategy 12, Travel Information System, indicates real-time traveler information will maximize the efficiency and capacity of SR 179 and SR 260. Travelers who choose to use SR 260, based on real-time travel information, would arrive in Sedona quicker and under less-congested routes. The mobility pattern data shows that approximately 4,000 weekend trips, and 2,500 weekday trips could potentially be diverted from SR 179 to SR 260/SR 89A to access Sedona.

Location:

N/A

	Original	Revised (if applicable)
Start Date	August 2017	July 2019
Estimated Completion Date	February 2018	June 2020

Traveler Information

PROJECT DESCRIPTION:

- Electronic message signs on I-17 at Camp Verde and at 89A south of Flagstaff display travel time information to Sedona.

BENEFITS:

- With no traffic, it takes 12 minutes to travel from Bell Rock Blvd (VOC) to the "Y." In severe congestion it takes 36 minutes. This level of severe congestion occurred on 6 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 36 minutes, to 26 minutes.
- Keeping drivers informed of real travel time information enables them to make informed decisions regarding alternative routes.

COSTS:

- Design and construction cost = \$100,000.

TRADEOFFS:

- Coordination required between ADOT, City of Sedona.
- Concern from businesses about diverting traffic.
- Would modestly increase congestion on SR 89A in West Sedona because of traffic diverted through Cottonwood.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

Coordinating with ADOT

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget was revised consistent with the Final TMP. Project rescheduled consistent with ADOT anticipated schedule.

Project Balance	
Original Approved Project Budget	\$151,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$151,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$151,000
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$151,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Design			\$125,000			\$125,000
Carry Over	Construction			\$100,000			\$100,000
Future Estimate	Construction			\$625,000			\$625,000
Carry Over	Technology			\$50,000			\$50,000
Carry Over	Arts Transfer			\$1,000			\$1,000
Future Estimate	Arts Transfer			\$7,500			\$7,500
Totals		\$0	\$0	\$908,500	\$0	\$0	\$908,500

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves			\$908,500			\$908,500
Totals	\$0	\$0	\$908,500	\$0	\$0	\$908,500

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$5,000	\$5,000
Total Expenditure Impacts	\$0	\$0	\$5,000	\$5,000

Explanation of Operating Impacts:

Contractual services would include monthly fees to data providers and maintenance of a smartphone app.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Dry Creek Road Overlay

Phase: of Project #: ST-01
(If Applicable)

Ranking: Essential (Should-Do)

Project Description:

The project will include a mill and overlay, with minor shoulder widening. The segments of Dry Creek Road included are between White Bear Road and Color Cove Road and between Forest Service Road 152 and the city-limit boundary. The City partnered with Yavapai County to combine this project with their Boynton Pass Road project.

Project Justification:

The overlay work is needed based on a standard pavement overlay cycle. The pavement was degraded to the point of overlay being necessary. The majority of the budget will be funded through Surface Transportation Program (STP) funds. These are federal funds administered by the Arizona Department of Transportation (ADOT) through the Northern Arizona Council of Governments (NACOG).

Location:

Dry Creek Road

	Original	Revised (if applicable)
Start Date	September 2017	May 2018
Estimated Completion Date	December 2017	September 2018



For Continuing Projects

Estimated Project Status as of June 30, 2018:

Construction is not expected to begin until after June 30, 2018.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The grant funding amount is reduced based on utilizing the HURF-exchange program where federal dollars are converted to state dollars at 90% of the original amount. The City's local contribution is shown as carryover in FY 2019. This revised construction timeline is due to the design being prolonged while waiting for initiation of the HURF-exchange program. It is hoped construction will begin by July 2018.

Project Balance	
Original Approved Project Budget	\$605,399
Approved Budget Increases/Decreases	-\$144,531
Current Approved Total Project Budget	\$460,868
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$460,868
Estimated Expenditures through June 30, 2018	\$72,296
Budget Balance Remaining	\$388,572

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$71,580					\$71,580
Carry Over	Construction		\$388,224				\$388,224
Carry Over	Arts Transfer	\$716	\$348				\$1,064
Totals		\$72,296	\$388,572	\$0	\$0	\$0	\$460,868

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Grant		\$353,446				\$353,446
Capital Reserves	\$72,296	\$35,126				\$107,422
Totals	\$72,296	\$388,572	\$0	\$0	\$0	\$460,868

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Federal grant through NACOG

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies		\$20,000		
Contractual Services				
Total Expenditure Impacts	\$0	\$20,000	\$0	\$0

Explanation of Operating Impacts:

Typical practice is to provide a seal coat approximately two years after placement of new asphalt.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Sanborn Drive/Thunder Mountain Road Overlay

Phase: of Project #: ST-02
(If Applicable)

Ranking: Essential (Should-Do)

Project Description:

The project will consist of a mill and overlay, as well as curb on the south side of the roadway.

Project Justification:

The overlay work is needed based on a standard pavement overlay cycle. The pavement has degraded to the point of overlay being necessary. A significant portion of the budget will be funded through Surface Transportation Program (STP) funds. These are federal funds administered by the Arizona Department of Transportation (ADOT) through the Northern Arizona Council of Governments (NACOG).

Location:

From Rhapsody Road to Coffee Pot Drive

	Original	Revised (if applicable)
Start Date	July 2018	December 2016
Estimated Completion Date	August 2018	October 2019



For Continuing Projects

Estimated Project Status as of June 30, 2018:

Design Complete

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The construction cost increased due to the inclusion of curb on the south side of the roadway in preparation for a future multi-use path. The increase in design cost is due to inclusion of post-design services in FY 2019. Design will be finalized in FY 2018; however, construction has been delayed until FY 2020 to accelerate other transportation projects.

Project Balance	
Original Approved Project Budget	\$738,820
Approved Budget Increases/Decreases	-\$56,646
Current Approved Total Project Budget	\$682,174
Requested Budget Increase/Decrease	\$272,882
Requested Total Project Budget	\$955,056
Estimated Expenditures through June 30, 2018	\$144,531
Budget Balance Remaining	\$810,525

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$143,100		\$6,000			\$149,100
Carry Over	Construction			\$530,000			\$530,000
New	Construction			\$270,000			\$270,000
Carry Over	Arts Transfer	\$1,431		\$1,643			\$3,074
New	Arts Transfer			\$2,882			\$2,882
Totals		\$144,531	\$0	\$810,525	\$0	\$0	\$955,056

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Grant			\$353,454			\$353,454
Capital Reserves	\$144,531		\$457,071			\$601,602
Totals	\$144,531	\$0	\$810,525	\$0	\$0	\$955,056

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Surface Transportation Program (STP) funds. These are typically federal funds administered by the Arizona Department of Transportation (ADOT) through the Northern Arizona Council of Governments (NACOG). However, we are progressing this project through the HURF exchange program which converts federal funds to state funds at 90% of the amount of federal funding. This is why the grant amount is less from FY 2018 to FY 2020.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$20,000
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$20,000

Explanation of Operating Impacts:

Typical practice is to provide a seal coat approximately two years after placement of new asphalt.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Ranger Road / Brewer Road Intersection Improvements

Location:
Ranger Road/ Brewer Road

Phase: of **Project #:** ST-03
(If Applicable)

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		

Ranking: Essential (Should-Do)

Project Description:
This project consists of a study, design, and construction to improve the existing Ranger Road/Brewer Road intersection between SR 179 and SR 89A.



Project Justification:
The improvement of SR 179 has routed additional traffic onto Ranger and Brewer Roads. Also, traffic volumes are nearing the capacity of the Y-Intersection. The current intersection and roadways are not adequate for present traffic and are in need of upgrading. Future increases in traffic will create safety issues, render the intersection ineffective, and create added congestion at adjacent intersections. The intent of the improvements would be to improve the efficiency of the intersection.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
N/A

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$0
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Future Estimate	Land Acquisition			\$50,000			\$50,000
Future Estimate	Design			\$200,000			\$200,000
Future Estimate	Construction				\$1,250,000		\$1,250,000
Future Estimate	Environmental			\$50,000			\$50,000
Future Estimate	Arts Transfer			\$2,500	\$12,500		\$15,000
Totals		\$0	\$0	\$302,500	\$1,262,500	\$0	\$1,565,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Capital Reserves			\$302,500	\$1,262,500		\$1,565,000
Totals	\$0	\$0	\$302,500	\$1,262,500	\$0	\$1,565,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies			\$3,000	
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$3,000	\$0

Explanation of Operating Impacts:
Typical practice is to provide a seal coat approximately two years after placement of new asphalt.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Wastewater Collections System Improvements

Location:

Citywide

Phase: 1 of 5 **Project #:** WW-01
(If Applicable)

Ranking: Imperative (Must-Do)

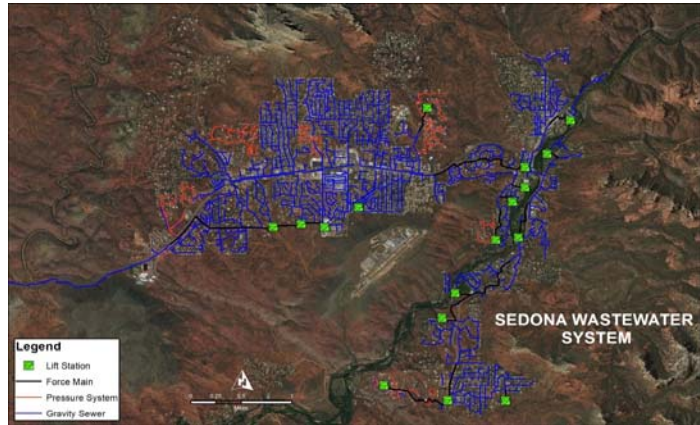
Project Description:

This project is a multi-phased project as a result of the 2017 Wastewater Master Plan Update. FY 2019 includes improvements to the Mystic Hills and Chapel lift stations to increase wet well capacity and upgrade pumps and repair of the SR 179 sewer main that runs underneath the pedestrian bridge near Tlaquepaque. FY 2020 includes upsizing a portion of the SR 179 sewer main, the replacement of air release valves on the Brewer Road force main, and the expansion of the sewer main on Quail Tail Trail. Projects in FY 2021 and beyond include repairs to fractured or deteriorating pipe citywide, potentially converting cluster system connections into standard sewer connections, and potential future repairs to the sewer main that runs from the Carroll Canyon lift station to the Wastewater Reclamation Plant (WWRP).

Phases of the project are as follows:

- Phase 1 - Mystic Hills and Chapel Lift Stations Improvements
- Phase 2 - SR179 Sewer Main Repair at Oak Creek Pedestrian Bridge
- Phase 3 - Quail Tail Trail Sewer Expansion
- Phase 4 - SR 179 Sewer Main Upsize
- Phase 5 - Brewer Rd. Force Main Air Release Valve Replacements

	Original	Revised (if applicable)
Start Date	July 2017	March 2018
Estimated Completion Date	June 2018	June 2019



Project Justification:

The 2017 Wastewater Master Plan Update included both condition assessments of existing sewer infrastructure and capacity analysis of the sewer collection system. The Master Plan identified several areas of pipe citywide that were in poor condition, having either deterioration from hydrogen sulfide gasses or pipe failures/fractures. In addition, the Master Plan evaluated the operation of the City's 17 lift stations and identified improvements that are required for proper function of the lift stations. Finally, the Master Plan evaluated the need to remove cluster systems from the collections system, converting them to a standard sewer connection.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

The Mystic Hills and Chapel Lift Stations Improvements design is starting in FY 2018, and construction has been postponed to FY 2019.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Overall project budget has been reduced from FY 2018 based on results and recommendations from the 2017 Wastewater Master Plan Update. A total of \$2,279,970 was budgeted in FY 2018 for the Mystic Hills & Chapel Lift Stations Improvements, upsizing a portion of the SR179 sewer main, and upsizing the Brewer Road force main.

Project Balance	
Original Approved Project Budget	\$1,820,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$1,820,000
Requested Budget Increase/Decrease	\$805,000
Requested Total Project Budget	\$2,625,000
Estimated Expenditures through June 30, 2018	\$50,000
Budget Balance Remaining	\$2,575,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$50,000	\$200,000				\$250,000
New	Design		\$215,000				\$215,000
Future Estimate	Design			\$25,000	\$25,000	\$125,000	\$175,000
Carry Over	Construction		\$1,300,000				\$1,300,000
New	Construction		\$590,000				\$590,000
Future Estimate	Construction			\$730,000	\$250,000	\$1,250,000	\$2,230,000
Carry Over	Contingency		\$270,000				\$270,000
Future Estimate	Contingency			\$100,000			\$100,000
Totals		\$50,000	\$2,575,000	\$855,000	\$275,000	\$1,375,000	\$5,130,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Wastewater Revenues	\$50,000	\$2,575,000	\$855,000	\$275,000	\$1,375,000	\$5,130,000
Totals	\$50,000	\$2,575,000	\$855,000	\$275,000	\$1,375,000	\$5,130,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

There are no additional operational impacts associated with any of the scheduled collection system improvements.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
WWRP Tertiary Filter Upgrades

Location:
WWRP

Phase: of **Project #:** WW-02
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2016	June 2018
Estimated Completion Date	June 2017	June 2019

Ranking: Imperative (Must-Do)

Project Description:
A study is currently underway to evaluate 20-year life cycle costs of rehabilitating the existing sand filters or replacing the sand filters with more modern technology such as cloth media. In addition to life cycle costs, an evaluation of level of treatment for current and potential future regulated nutrients will be included in the study. The study will be completed in FY 2018, with design and construction of the recommended filter media commencing in FY 2019.



Project Justification:
The existing tertiary filters (sand filters) are the original filters for the Wastewater Reclamation Plant construction. A decrease in filter efficiency has been experienced in the past 3-4 years, in combination with increased maintenance costs, results in a need for upgrading the tertiary filters. In addition, the mechanical parts of the existing sand filters are beginning to fail, making this project a Priority 1 project. The tertiary filters are an essential part of the treatment process to meet A+ water quality.

For Continuing Projects

Estimated Project Status as of June 30, 2018:
It is anticipated that the study will be completed in FY 2018 and design/construction will commence in FY 2019.

Project Balance	
Original Approved Project Budget	\$500,000
Approved Budget Increases/Decreases	\$1,400,000
Current Approved Total Project Budget	\$1,900,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,900,000
Estimated Expenditures through June 30, 2018	\$292,516
Budget Balance Remaining	\$1,607,484

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Project design and construction was delayed in order to complete a study comparing life-cycle costs of different filter media.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Design	\$111,866	\$75,000				\$186,866
Carry Over	Construction	\$180,650	\$1,322,095				\$1,502,745
Carry Over	Contingency		\$210,389				\$210,389
Totals		\$292,516	\$1,607,484	\$0	\$0	\$0	\$1,900,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Wastewater Revenues	\$292,516	\$1,607,484				\$1,900,000
Totals	\$292,516	\$1,607,484	\$0	\$0	\$0	\$1,900,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Until the study is complete, with recommended media the operational impact is unknown.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Remodel or Expand WWRP Administrative Building

Location:

Wastewater Reclamation Plant

Phase: of Project #:
(If Applicable)

Ranking:

	Original	Revised (if applicable)
Start Date	February 2018	
Estimated Completion Date	December 2018	

Project Description:

This project provides a remodel and/or expansion of the existing administrative building to accommodate growing staff and provide a more efficient use of the existing space.

Project Justification:

With the reorganization of the Wastewater Department in July 2017, a need for more office space in the administrative building was realized. There is currently 1 office, however there are 2 administrative supervisors in need of an office. Additionally, space is limited in the lab. The lab technician has a desk in the lab; however, equipment is stored and operated in the restroom to accommodate this. The existing conference room is unable to accommodate all staff at one time. All-hands staff meetings are held weekly, in addition all-hands staff training sessions are held 10-12 times per year. The training sessions cannot be held in other City meeting rooms, as the staff has to be available at a moment's notice if a treatment process needs attention during the training. Additionally, a large conference room would accommodate multi-municipality training sessions and large CIP progress meetings which are held regularly when projects are in construction. The remodel will provide a better use of the administrative assistant space, provide 3 additional offices (1 for the Regulatory Compliance Specialist, 1 for the Lab Technician, and 1 spare office for Public Works inspectors during CIP construction or future staff). The remodel will also provide for a secure, locked Supervisory Control and Data Acquisition (SCADA) room, as recommended in a 2016 Study. A more efficient space for filing, copying, and greeting will also be included with the remodel.



For Continuing Projects

Estimated Project Status as of June 30, 2018:

Due to the change in project plan, the project will not be started until FY 2019.

Project Balance	
Original Approved Project Budget	
Approved Budget Increases/Decreases	\$25,000
Current Approved Total Project Budget	\$25,000
Requested Budget Increase/Decrease	\$270,000
Requested Total Project Budget	\$295,000
Estimated Expenditures through June 30, 2018	\$10,000
Budget Balance Remaining	\$285,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

N/A

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Evaluation	\$10,000	\$15,000				\$25,000
New	Design		\$15,000				\$15,000
New	Construction		\$230,000				\$230,000
New	Technology		\$25,000				\$25,000
Totals		\$10,000	\$285,000	\$0	\$0	\$0	\$295,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Wastewater Revenues	\$10,000	\$285,000				\$295,000
Totals	\$10,000	\$285,000	\$0	\$0	\$0	\$295,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Operating costs are already accounted for with the existing square footage.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

SCADA System and Configuration Upgrade

Location:

N/A

Phase: of Project #:
(If Applicable)

Ranking:

	Original	Revised (if applicable)
Start Date	July 2017	April 2019
Estimated Completion Date	June 2019	June 2021

Project Description:

Supervisory Control And Data Acquisition (SCADA) is an essential function of Wastewater Operations, as it is the computerized control system for operating and monitoring plant processes. The intent of this project is to upgrade SCADA system components and thereby assure appropriate long term functionality and security for this critical system. The functionality aspect of the project involves upgrading Programmable Logic Controllers (PLC) to newer versions that are supported by the manufacturer and for which parts are readily available. It also involves making repairs to the existing fiber optic system. The security aspect of the project is concerned with configuring the system to reduce the likelihood of unauthorized access to the system from outside the City. Through a study completed in 2016 of the City's SCADA system, projects were prioritized by importance. This project includes pursuing projects identified as a priority 1.

Project Justification:

A study of the system in 2016 noted that a number of control devices for the system were no longer supported by the manufacturer and parts would become more difficult to obtain. In order to reduce the SCADA failure, recommendations were made to upgrade the PLCs and associated devices. In addition, the fiber optic system has been compromised through rodent damage. This project would proceed based on the study report to make prioritized repairs. The current SCADA system has a number of security issues as currently configured and located. If this project is not pursued, the City can expect failures of the SCADA system, without continued support from the manufacturer. This would mean that staff would have to attempt to monitor and control more of the process manually, likely resulting in an increase in overtime pay as the system operates 24 hours per day. The existing staff level would not be able to do this, and a potential for an increase in violations of our permit with Arizona Department of Environmental Quality would occur due to the inability to timely monitor the system. Failure to maintain the system can result in fines of up to \$25,000 per day for the first violation and \$50,000 per day for the second.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Delayed to accommodate budget constraints.

Project Balance	
Original Approved Project Budget	\$185,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$185,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$185,000
Estimated Expenditures through June 30, 2018	\$0
Budget Balance Remaining	\$185,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Equipment			\$185,000			\$185,000
Future Estimate	Equipment				\$125,000		\$125,000
Totals		\$0	\$0	\$185,000	\$125,000	\$0	\$310,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Wastewater Revenues			\$185,000	\$125,000		\$310,000
Totals	\$0	\$0	\$185,000	\$125,000	\$0	\$310,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

No additional operating costs are anticipated.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

WWRP Odor Control Upgrades

Location:

Wastewater Reclamation Plant

Phase: of Project #:
(If Applicable)

Ranking:

	Original	Revised (if applicable)
Start Date	February 2017	February 2017
Estimated Completion Date	June 2019	June 2021

Project Description:

This project is for upgrades to the existing odor control unit, as recommended by the 2017 WWRP Odor Control Evaluation Basis of Design Report.

Project Justification:

The existing odor control unit at the WWRP is rated for a flow of 0.9 million gallons per day. Current average daily flows of 1.2 million gallons per day exceed this rating. The project will implement upgrades to the odor control unit, as identified and recommended by the 2017 WWRP Odor Control Evaluation Basis of Design Report.

For Continuing Projects

Estimated Project Status as of June 30, 2018:

The odor control study was completed in FY 2017. The upgrades are planned for FY 2019.

Project Balance	
Original Approved Project Budget	\$25,000
Approved Budget Increases/Decreases	-\$340
Current Approved Total Project Budget	\$24,660
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$24,660
Estimated Expenditures through June 30, 2018	\$24,660
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The preliminary estimated cost of this project increased by \$150,000. When the original estimate was done with the FY 2018 budget process, the WWRP Odor Control Evaluation was not complete. A more detailed cost estimate was prepared with the completion of the evaluation and a Basis of Design Report in FY 2017. Delayed to accommodate budget constraints.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Evaluation	\$24,660					\$24,660
Future Estimate	Design			\$55,000			\$55,000
Future Estimate	Construction			\$130,000	\$150,000		\$280,000
Totals		\$24,660	\$0	\$185,000	\$150,000	\$0	\$359,660

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Wastewater Revenues	\$24,660		\$185,000	\$150,000		\$359,660
Totals	\$24,660	\$0	\$185,000	\$150,000	\$0	\$359,660

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$9,300
Contractual Services				
Total Expenditure Impacts	\$0	\$0	\$0	\$9,300

Explanation of Operating Impacts:

Annual replacement of media for the new unit

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: WWRP Recharge Wells

Location: Wastewater Reclamation Plant

Phase: 3 of 4 **Project #:** WW-06
(If Applicable)

Ranking: Important (Could-Do)

	Original	Revised (if applicable)
Start Date	July 2009	July 2009
Estimated Completion Date	June 2020	June 2024

Project Description:

The project represents the construction of up to 6 recharge (injection) wells for the disposal of up to 2.0 million gallons per day of treated effluent. Design of Recharge Wells No. 3 and No. 4 began in FY 2017. The Arizona Department of Environmental Quality (ADEQ) required that a new Point of Compliance (POC) well be installed as part of the recharge operations. The design and construction of the POC well will be completed in FY 2018. A total of 6 recharge wells were identified as needed in the Effluent Management Optimization Plan. However, water demand from future land uses in the area, revised built-out flow projections from the 2017 Wastewater Master Plan Update, and/or efficiency of Wells No. 1-5 may result in Recharge Well No. 6 not being necessary.

Note: The amount shown for prior years under the category "demolition/site prep" represent the costs associated with the design and construction of 27 acres of wetlands.

Project Justification:

In 2013, based on evaluation of wetlands, spray irrigation, and aquifer recharge, the Effluent Management Optimization Plan was completed. The plan evaluated the optimum combination of effluent management strategies at build-out flows, or 2.0 million gallons per day (MGD).

For Continuing Projects

Estimated Project Status as of June 30, 2018:

N/A

Project Balance	
Original Approved Project Budget	\$7,878,258
Approved Budget Increases/Decreases	\$3,275,000
Current Approved Total Project Budget	\$11,153,258
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$11,153,258
Estimated Expenditures through June 30, 2018	\$7,521,164
Budget Balance Remaining	\$3,632,094

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The overall budget for the recharge program is unchanged; however, the construction of Wells No. 3-6 has been postponed. Injection Wells No. 1 and 2 were brought on-line in the fall of 2017. Current rates of recharge, combined with lower than anticipated growth of wastewater flows show that the operation of 2 wells at this time, in addition to the wetlands and spray irrigation, are sufficient for adequate effluent management. Additionally, a longer period to operate the existing wells will likely result in design efficiencies that can be incorporated into the design of future wells. Design and construction of future recharge wells are delayed until FY 2022.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Carry Over	Demolition/Site Prep	\$1,657,999					\$1,657,999
Carry Over	Design	\$1,085,402			\$153,819		\$1,239,221
Future Estimate	Design					\$230,000	\$230,000
Carry Over	Construction	\$4,409,233				\$3,149,215	\$7,558,448
Future Estimate	Construction					\$1,256,500	\$1,256,500
Carry Over	Environmental	\$109,779				\$113,000	\$222,779
Future Estimate	Environmental					\$25,000	\$25,000
Carry Over	Equipment	\$162,202					\$162,202
Carry Over	Legal Services	\$96,549					\$96,549
Carry Over	Contingency					\$216,060	\$216,060
Totals		\$7,521,164	\$0	\$0	\$153,819	\$4,989,775	\$12,664,758

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2019	FY2020	FY2021	Future Years	Project Totals
Wastewater Revenues	\$7,521,164			\$153,819	\$4,989,775	\$12,664,758
Totals	\$7,521,164	\$0	\$0	\$153,819	\$4,989,775	\$12,664,758

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2019	FY 2020	FY 2021	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$22,000
Contractual Services				\$30,000
Total Expenditure Impacts	\$0	\$0	\$0	\$52,000

Explanation of Operating Impacts:

Maintenance and repairs of pumps, filters, and purchase of salt for the chlorine generation system. Also well rehabilitation every 4-5 years.





Debt Service

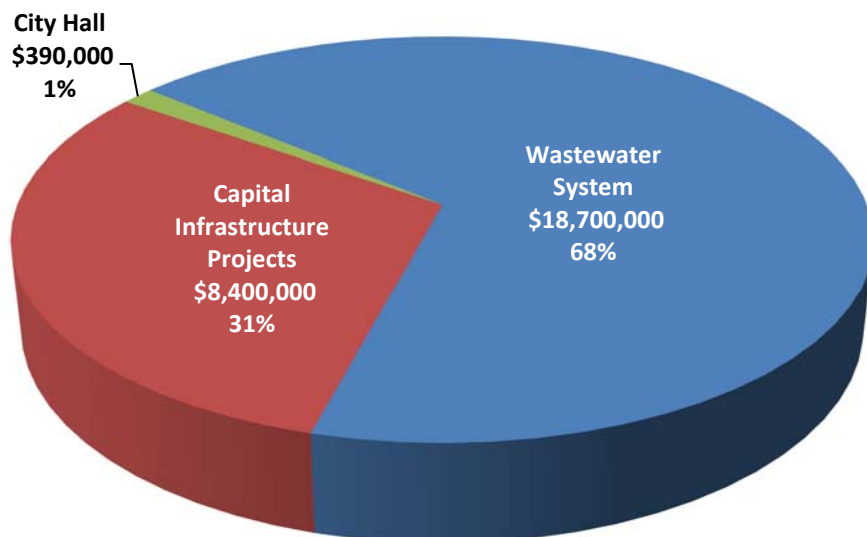
DEBT SERVICE

Bonds Overview

While pay-as-you go funding has been used for capital projects in recent years, the City has assumed debt in the past to fund the construction of capital projects. The City has approximately \$27 million in outstanding bonds – all of which are excise tax revenue bonds. The majority of prior years’ bond issuances has been for construction of the wastewater treatment system. A small percentage of the outstanding bonds remaining comes from the purchase of the City Hall campus. The chart below represents the percentage of outstanding bonds for various categories of projects as of July 1, 2018.

Current approach is pay-as-you-go funding of capital projects. Existing debt was used to fund capital projects in the past.

OUTSTANDING BONDS BY PROJECT
TOTAL \$27,490,000



Bond Rating

The City has maintained a high-grade rating with Standard & Poor’s (S&P) of AA, which demonstrates a very strong capacity to meet financial commitments. The rating affirms a confidence in the City’s financial management and its economic outlook. A high bond rating mean the City is able to sell bonds to finance capital projects at lower interest rates. The rating also increases the value of existing bonds for investors.

S&P Bond Rating:
AA

DEBT SERVICE

continued

Bonded Debt Repayment Summary

The table below summarizes the principal and interest payments for the 2018-2019 fiscal year by bond issuance.

FY 2019 BOND PAYMENTS

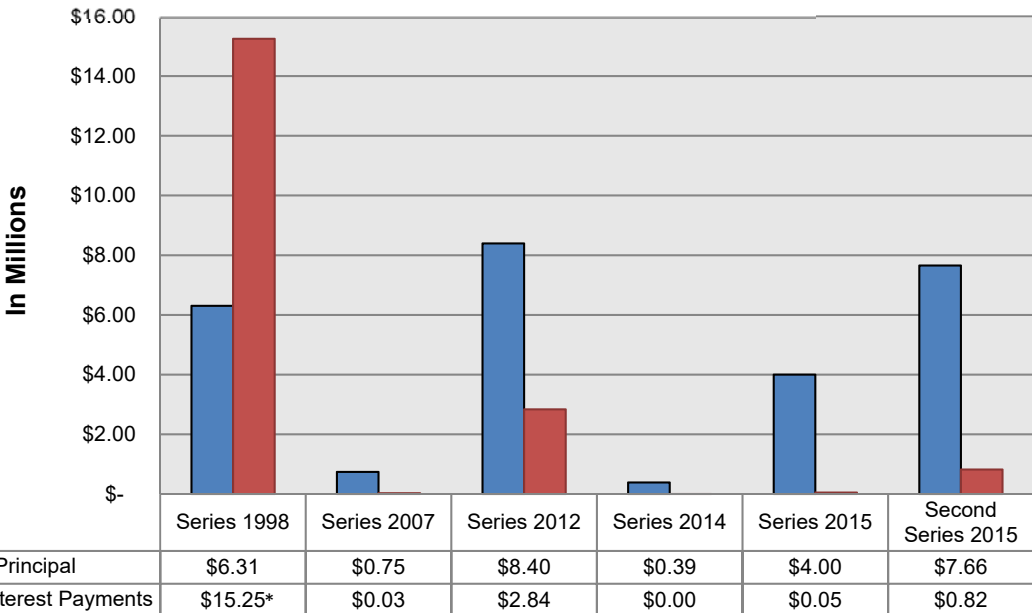
Bond Series	FY19 Principal*	FY19 Interest*	Total FY19 Payment
Series 1998**	\$ -	\$ -	\$ -
Series 2007	745,000	30,731	775,731
Series 2012	-	377,775	377,775
Series 2014	390,000	2,574	392,574
Series 2015	4,000,000	52,000	4,052,000
Second Series 2015	105,000	148,507	253,507
Total Annual Payment	\$ 5,240,000	\$ 611,587	\$ 5,851,587

* The July 1, 2108 principal and interest payments have been accrued in the prior year. These amounts represent the principal and interest payments for January 1, 2019 and July 1, 2019.

** The Series 1998 bonds are comprised of capital appreciation bonds (CABs). CABs offer an investment return on an initial principal amount and are reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return. The next maturity date is not until July 1, 2020.

The following chart summarizes the total outstanding principal and interest on City bonds outstanding for the next nine years, which is when all current outstanding bonds will be retired.

REMAINING BOND PRINCIPAL AND INTEREST



* Represents compounded interest on CABs.



DEBT SERVICE
continued

Bonded Debt Repayments by Fund

The following table details the remaining principal and interest payments of all outstanding bonds by fund.

FUTURE BOND PAYMENTS BY FUND

Fiscal Year	General Fund		Development Impact Fees Fund		Wastewater Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2018-19	\$1,230,523	\$ 181,750	\$ 9,477	\$ 63	\$ 4,000,000	\$ 429,775	\$ 5,851,588
2019-20	885,000	146,470			1,400,000	3,287,775	5,719,245
2020-21	900,000	129,301			1,330,000	3,357,775	5,717,076
2021-22	920,000	111,841			1,255,000	3,432,775	5,719,616
2022-23	935,000	93,993			1,190,000	3,497,775	5,716,768
2023-24	945,000	75,854			1,130,000	3,557,775	5,708,629
2024-25	970,000	57,521			4,105,000	377,775	5,510,296
2025-26	990,000	38,703			4,290,000	193,050	5,511,753
2026-27	1,005,000	19,497			-	-	1,024,497
Total	\$8,780,523	\$ 854,930	\$ 9,477	\$ 63	\$18,700,000	\$18,134,475	\$46,479,468

The fiscal years 2020-21 through 2024-25 include payment of the CABs, which require payment of the compounded interest on the maturity date.

Capital Leases

The City has entered into 2 lease agreements for the purchase of police vehicles. The following table details the remaining principal and interest payments for all capital leases – all of which will be paid from the General Fund.

FUTURE CAPITAL LEASE PAYMENTS

Fiscal Year	Principal	Interest	Totals
2018-19	\$169,032	\$20,601	\$189,633
2019-20	177,341	12,292	189,633
2020-21	68,740	3,575	72,315
Total	\$415,113	\$36,468	\$451,581

DEBT SERVICE

continued

Debt Limitations

The Arizona Constitution limits the City's bonded debt capacity (outstanding principal) to a certain percentage of the City's secondary assessed valuation for general obligation (G.O.) bonds as follows:

BONDED DEBT LIMITATIONS

Bond Purpose	Debt Limit as Percentage of Assessed Valuation of Taxable Property
General Municipal Purposes	6%
Water, Lighting, and Sewer Projects	20%
Acquisition and Development of Land for Open Space Preserves, Parks, Playgrounds, and Recreational Facilities	20%

The City's bond holdings do not include G.O. bonds and, therefore, are not subject to debt limitation. The City has no plans to issue G.O. bonds in the future.

No plans to issue G.O. bonds in the future.

Pledged Revenues

The City has pledged future excise taxes to repay the excise tax revenue bonds, including the following:

EXCISE TAXES PLEDGED TO REPAY REVENUE BONDS

City Sales Taxes	Transient Occupancy Taxes (or Bed Taxes)
Franchise Taxes	License and Permit Fees
State Shared Sales Taxes	State Shared Income Taxes
Vehicle License Taxes	Charges for Services

The following table summarizes projected pledged revenue coverage through the final payment on July 1, 2027.

PLEDGED REVENUE COVERAGES

Fiscal Year	Pledged Excise Tax Revenues	Principal	Interest	Total	Coverage
2018-19 (budget)	26,578,820	5,240,000	611,587	5,851,587	4.54
2019-20 (proj.)	25,525,230	2,285,000	3,434,245	5,719,245	4.46
2020-21 (proj.)	24,446,630	2,230,000	3,487,076	5,717,076	4.28
2021-22 (proj.)	25,594,430	2,175,000	3,544,616	5,719,616	4.47
2022-23 (proj.)	26,817,590	2,125,000	3,591,768	5,716,768	4.69
2023-24 (proj.)	27,367,590	2,075,000	3,633,629	5,708,629	4.79
2024-25 (proj.)	27,929,790	5,075,000	435,296	5,510,296	5.07
2025-26 (proj.)	28,515,880	5,280,000	231,753	5,511,753	5.17
2026-27 (proj.)	29,103,223	1,005,000	19,497	1,024,497	28.41

DEBT SERVICE

continued

Pledged Revenues (cont'd)

The bond covenants require that excise tax revenues be equal to at least 1.50 times the total payments for all bonds secured by a pledge of excise tax revenues. If at any time it appears that the excise tax revenues will not be sufficient to meet this 1.50 coverage requirement, the City must either impose a new excise tax or increase the rates for taxes currently imposed to reach the 1.50 coverage requirement, to the extent permitted by law.

*Projected pledged
revenues far exceed
coverage requirements.*

Debt Service Reserves

*In addition to bond
insurance
requirements, debt
service reserves are
fully funded.*

In accordance with the bond covenants, the City has bond insurance in place to guarantee payments in lieu of reserve requirements. However, the City has chosen to maintain reserve balances to ensure adequate funding available for private placement bonds not requiring insurance.

For the City's Wastewater Enterprise Fund, the City's adopted policy requires a debt service reserve with a target equal to the average of one year of enterprise fund debt service repayment requirements for uninsured bonds. For fiscal year 2018-19, the amount reserved is \$4,052,000, which complies with the policy requirement.

The adopted policy also authorizes the City to establish additional committed or assigned fund balances in any amount as deemed necessary. The City has set aside \$300,000 in the General Fund to cover fluctuations in ongoing debt service payment levels in fiscal year 2019-20 and after.

Outstanding Debt Balances

The following information details the outstanding debt balances until all debt is paid, assuming no early redemptions or refinancing. The final payment is July 1, 2027.

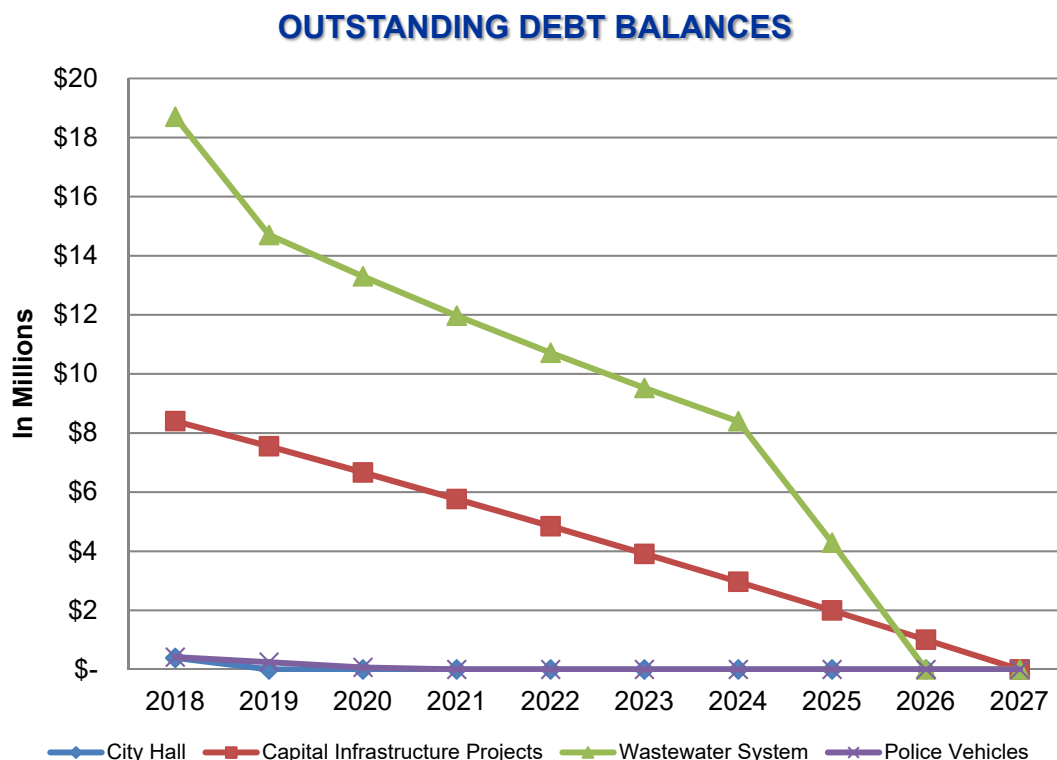
OUTSTANDING DEBT BALANCES BY FISCAL YEAR

As of July 2	City Hall	Capital Infrastructure Projects	Wastewater System	Police Vehicles	Totals
2018	\$390,000	\$8,400,000	\$18,700,000	\$415,113	\$27,490,000
2019	-	7,550,000	14,700,000	246,080	22,250,000
2020	-	6,665,000	13,300,000	68,740	19,965,000
2021	-	5,765,000	11,970,000	-	17,735,000
2022	-	4,845,000	10,715,000	-	15,560,000
2023	-	3,910,000	9,525,000	-	13,435,000
2024	-	2,965,000	8,395,000	-	11,360,000
2025	-	1,995,000	4,290,000	-	6,285,000
2026	-	1,005,000	-	-	1,005,000
2027	-	-	-	-	-

DEBT SERVICE

continued

Outstanding Debt Balances (cont'd)



The City currently has no plans for refinancing any of the outstanding bonds; however, periodic reviews are undertaken to determine advantageous refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants essential to operations and management.

No current plans for refunding any of the outstanding bonds.



DEBT SERVICE
continued

Outstanding Debt Balances (cont'd)

The following table summarizes the status of the outstanding bonds by issuance.

STATUS OF OUTSTANDING DEBT

Debt Issue	Remaining Payment Dates	Interest Rate	Remaining Principal	Remaining Interest	Status
Series 1998 Bonds	7/1/2020-2024	5.20%-5.24%	\$6,305,000	\$15,245,000	Not subject to call prior to stated maturity date
Series 2007 Bonds	7/1/2019	4.125%	745,000	30,731	Eligible to be called without premium
Series 2012 Bonds	7/1/2025-2026	4.50%	8,395,000	2,837,475	Eligible to be called on or after 7/1/2022 without premium
Series 2014 Bonds	7/1/2019	0.66%	390,000	2,573	Eligible to be called without premium
Series 2015 Bonds	7/1/2019	1.30%	4,000,000	52,000	Eligible to be called without premium
Second Series 2015 Bonds	7/1/2019-2027	1.94%	7,655,000	821,687	Eligible to be called through 12/15/2018 with 1% premium, no premium after 12/15/2018
Jan. 2017 Capital Lease	1/31/2019-2020	4.75%	218,919	15,719	No prepayment penalty
Oct. 2017 Capital Lease	10/14/2018-2020	5.20%	196,193	20,749	No prepayment penalty

DEBT SERVICE
continued

Individual Debt Issuances

The following tables detail each outstanding debt issue, including the type of debt instrument, dates of issuance and/or refinance, remaining principal and interest payments, and the purpose of the debt.

SEDONA WASTEWATER MUNICIPAL PROPERTY CORPORATION*
EXCISE TAX REVENUE BONDS, SERIES 1998

Original Principal \$41,035,000

Issued August 26, 1998

(Wastewater Fund)

Remaining Payment Dates	Principal	Compounded Interest	Yield	Total
7/1/2020	\$ 1,400,000	\$ 2,910,000	5.20%	\$ 4,310,000
7/1/2021	1,330,000	2,980,000	5.20%	4,310,000
7/1/2022	1,255,000	3,055,000	5.24%	4,310,000
7/1/2023	1,190,000	3,120,000	5.24%	4,310,000
7/1/2024	1,130,000	3,180,000	5.24%	4,310,000
Total	\$ 6,305,000	\$ 15,245,000		\$ 21,550,000

* The Sedona Wastewater Municipal Property Corporation (SWMPC) is a nonprofit corporation incorporated under the laws of the State of Arizona. The SWMPC was formed for the purpose of assisting the City in obtaining financing for various projects of the City and exists only to serve the City. The SWMPC board of directors consists of three members which are appointed by the City Council.

The only remaining portion of the bond series are capital appreciation bonds (CABs). CABs offer an investment return on an initial principal amount and are reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return.

Bond Purpose	<ol style="list-style-type: none"> 1. Refinanced all of the outstanding Certificate of Participation Series 1993 2. Refinanced all of the outstanding Series 1995 3. Refinanced all of the outstanding Series 1997 4. Provided approximately \$29.8 million new money for the wastewater system
Subject to Call for Redemption Prior to Stated Maturity Dates?	No
Private Placement?	No

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
EXCISE TAX REVENUE BONDS, SERIES 2007

Original Principal \$8,795,000

Issued November 28, 2007

(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2019	\$ -		\$ 15,365	\$ 15,365
7/1/2019	745,000	4.125%	15,366	760,366
Total	\$ 745,000		\$ 30,731	\$ 775,731

Bond Purpose

1. Chapel area drainage
2. State Route 179 improvements including pedestrian bridge, landscaping, lighting, etc.
3. Harmony-Windsong drainage (partial)

**Subject to Call for Redemption
Prior to Stated Maturity Dates?**

Yes, without premium

Private Placement?

No

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2012

Original Principal \$8,395,000

Issued February 8, 2012

(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2019	\$ -		\$ 188,887	\$ 188,887
7/1/2019	-		188,888	188,888
1/1/2020	-		188,887	188,887
7/1/2020	-		188,888	188,888
1/1/2021	-		188,887	188,887
7/1/2021	-		188,888	188,888
1/1/2022	-		188,887	188,887
7/1/2022	-		188,888	188,888
1/1/2023	-		188,887	188,887
7/1/2023	-		188,888	188,888
1/1/2024	-		188,887	188,887
7/1/2024	-		188,888	188,888
1/1/2025	-		188,887	188,887
7/1/2025	4,105,000	4.50%	188,888	4,293,888
1/1/2026	-		96,525	96,525
7/1/2026	4,290,000	4.50%	96,525	4,386,525
Total	\$ 8,395,000		\$ 2,837,475	\$ 11,232,475

Bond Purpose	Refinanced a portion of the Wastewater Municipal Property Corporation outstanding Series 1998
Subject to Call for Redemption Prior to Stated Maturity Dates?	Yes, on or after July 1, 2022, without premium
Private Placement?	No

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2014

Original Principal \$1,879,700

Issued May 22, 2014

(General Fund Portion)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2019	\$ -		\$ 1,256	\$ 1,256
7/1/2019	380,523	0.66%	1,255	381,778
Total	\$ 380,523		\$ 2,511	\$ 383,034

(Development Impact Fund Portion)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2019	\$ -		\$ 31	\$ 31
7/1/2019	9,477	0.66%	31	9.508
Total	\$ 9,477		\$ 62	\$ 9.539

Bond Purpose

Refinanced a portion of the outstanding Series 2004, which was used to refinance all of the City's outstanding Series 1999, which was used to purchase the City Hall complex

Subject to Call for Redemption Prior to Stated Maturity Dates?

Yes, without premium

Private Placement?

Yes



DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2015
Original Principal \$10,390,000
Issued June 16, 2015
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2019	\$ -		\$ 26,000	\$ 26,000
7/1/2019	4,000,000	1.30%	26,000	4,026,000
Total	\$ 4,000,000		\$ 52,000	\$ 4,052,000

Bond Purpose	Refinanced all of the outstanding Series 2005, which was used to refinance a portion of the Wastewater Municipal Property Corporation outstanding Series 1998
Subject to Call for Redemption Prior to Stated Maturity Dates?	Yes, without premium
Private Placement?	Yes

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
EXCISE TAX REVENUE REFUNDING BONDS, SECOND SERIES 2015
Original Principal \$8,030,000
Issued December 16, 2015
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2019	\$ -		\$ 74,253	\$ 74,253
7/1/2019	105,000	1.94%	74,254	179,254
1/1/2020	-		73,235	73,235
7/1/2020	885,000	1.94%	73,235	958,235
1/1/2021	-		64,650	64,250
7/1/2021	900,000	1.94%	64,651	964,651
1/1/2022	-		55,920	55,920
7/1/2022	920,000	1.94%	55,921	975,921
1/1/2023	-		46,996	46,996
7/1/2023	935,000	1.94%	46,997	981,997
1/1/2024	-		37,927	37,927
7/1/2024	945,000	1.94%	37,927	982,927
1/1/2025	-		28,760	28,760
7/1/2025	970,000	1.94%	28,761	998,761
1/1/2026	-		19,351	19,351
7/1/2026	990,000	1.94%	19,352	1,009,352
1/1/2027			9,748	9,748
7/1/2027	1,005,000	1.94%	9,749	1,014,749
Total	\$ 7,655,000		\$ 821,687	\$ 8,476,687

Bond Purpose	Refinanced a portion of the outstanding Series 2007
Subject to Call for Redemption Prior to Stated Maturity Dates?	Yes, subject to 1% premium if prepaid Dec. 16, 2017 through Dec. 15, 2018, no premium after Dec. 15, 2018
Private Placement?	Yes

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

**CITY OF SEDONA
CAPITAL LEASE**
Original Principal \$438,309
Issued January 31, 2017
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/31/2019	\$ 106,920	4.75%	\$ 10,399	\$ 117,319
1/31/2020	111,999	4.75%	5,320	117,319
Total	\$ 218,919		\$ 15,719	\$ 234,638

Lease Purpose	Police vehicles
Subject to Early Payoff?	Yes, no penalty

**CITY OF SEDONA
CAPITAL LEASE**
Original Principal \$268,509
Issued October 14, 2017
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
10/14/2018	\$ 62,112	5.20%	\$ 10,202	\$ 72,314
10/14/2019	65,342	5.20%	6,972	72,314
10/14/2020	68,739	5.20%	3,575	72,314
Total	\$ 196,193		\$ 20,749	\$ 216,942

Lease Purpose	Police vehicles
Subject to Early Payoff?	Yes, no penalty



Appendices

GLOSSARY

Accessory Dwelling Unit (ADU) – A complete independent residential living space that can be created within, attached to, or detached from a single-family home. An ADU includes provisions for living, sleeping, eating, cooking and sanitation. An ADU can provide supplementary housing that can be integrated into existing single-family neighborhoods to provide a typically lower priced housing alternative.

Accrual Basis of Accounting – A method of accounting in which revenues are recorded when measurable and earned, and expenditures (or expenses) are recognized when a good or service is used, regardless of the timing of related cash flows. It is also referred to as the full accrual basis of accounting.

Adopted Budget – Formal action made by the City Council that sets the spending limits for the fiscal year.

Allocation – Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

Annualized Costs – Operating costs incurred at annual rates for a portion of the prior fiscal year and which must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.

Appropriation – An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

Art in Public Places Fund – A fund used to track the one-percent of certain capital projects budgets designated by the City Council to be used for art in public places.

Assessed Valuation – Valuation that the County sets on real estate or other property as a basis for levying taxes.

Assigned Revenues – Revenues that are intended to be used for specific purposes (“earmarked”). Changes in assignments do not require formal action.

Balanced Budget – A budget in which available resources and projected revenues equal or exceed budgeted expenditures. The State or local government may set the legal requirements for a balanced budget.

Basis of Accounting – Method used to determine when revenues and expenditures/expenses are recorded.

Bed Tax – The City collects a 3.5% bed tax, also referred to as transient lodging tax, in addition to the City sales tax. The bed tax supports the General Fund. A portion of the bed tax is used to fund the Chamber Visitor Center and the destination marketing programs.

Bond – A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specific rate.

Bond Covenant – A legally binding promise made by a bond issuer to a bondholder, and spelled out clearly in the bond documents.

Bonds Proceeds – Debt issuances derived from the sale of bonds for the purpose of constructing major capital facilities.

Budget – A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.

GLOSSARY

continued

Budgetary Control – The control of management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Call for Redemption – When specifically authorized in the bond documents, the ability to redeem a bond at some point before the bond reaches its date of maturity.

Capacity Fees – These fees are a one-time charge when a resident or business connects to the wastewater system.

Capital Appreciation Bond (CAB) – A bond on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity. At maturity the investor receives a single payment representing the initial principal amount and the investment return.

Capital Assets – Assets of a long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Capital Improvements Fund – The fund that accounts for the City's major capital and engineering studies. The Capital Improvements Fund revenue is provided by a transfer of surplus fund balances from the General Fund.

Capital Improvements Program – The City's ten-year plan for capital projects and the identification of funding sources to pay for them.

Capital Lease – Long-term lease agreement that provides a bargain purchase option or transfer of ownership at the end of the lease term.

Capital Outlay – Expenditures that result in the acquisition of or addition to capital assets.

Capital Project – Any project having assets of significant value and having a useful life of three years or more. Capital projects include the purchase of land, design, and engineering and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital projects are permanent attachments intended to remain with the land.

Capital Projects Fund – Fund type used to account for revenues from restricted, committed, or assigned sources that are designated to finance capital outlays (excluding capital outlays financed by proprietary funds). The City's capital projects funds include the Capital Improvements Fund, Development Impact Fees Funds and Art in Public Places Fund.

Certificate of Participation (COP) – A financial instrument, a form of financing, used by governmental entities that allows an individual to buy a share of the lease revenue of an agreement made by the entity.

Charges for Services – Fees for services provided such as wastewater services, parks and recreation services, plan reviews, etc.

City Sales Tax – Technically, Arizona assesses a transaction privilege tax (TPT) as opposed to a sales tax; however, it is commonly referred to as a sales tax. TPT differs from a "true" sales tax imposed by many other states as it is imposed upon the seller or lessor rather than the purchaser or lessee.

Committed Revenues – Revenues that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by the Council taking the same formal action that imposed the constraint originally.

GLOSSARY

continued

Community Focus Area (CFA) – A location where the City will play a proactive role to implement the community's vision.

Compounded Rate – A type of interest rate that accounts for the reinvestment of interest rather than paying it out. Interest is then earned on the principal balance plus previously accumulated interest.

Comprehensive Annual Financial Report (CAFR) – A set of governmental financial statements that comply with the accounting requirements promulgated by the Governmental Accounting Standards Board.

Community Facilities District (CFD) Fund – The fund accounts for payments in lieu of sales and bed taxes from timeshare development agreements. The City has two Community Facilities Districts that are legally separate entities. The City Council sits as the board for each of these districts, and City management performs parallel duties for the districts.

Contingency – Monies budgeted to be used to finance unforeseen expenditures or potential projects not yet defined adequately to budget specific accounts.

Cost Driver – Available information used as the basis for allocating indirect costs such as number of employees per department or program.

Cost Recovery – The extent to which fees cover the direct and indirect costs of providing a particular service. For instance, full cost recovery would mean that the fees cover all the direct and indirect cost.

Court Bond – A dollar amount set by a judge that must be paid by the defendant charged with a crime to ensure that the defendant returns for trial.

Debt Capacity – Limitations set by Arizona Revised Statutes on the total amount of bonds that can be outstanding at any given time.

Debt Service – Payment of principal, interest, and related service charges on obligations resulting from the issuance of bonds.

Decision Package – A package of justification and documentation for new budgetary needs with a significant dollar impact, generally more than \$5,000, and/or budgetary requests that result in new programs or services.

Department – A major administrative division of the City that indicates overall management responsibility for an operation or group of related operations within a functional area.

Depreciation – The decrease in value of capital assets.

Depreciation Expense – The allocation of the cost of capital assets to periods in which the assets are used. The City uses the straight-line depreciation method, which allocates the same amount each period over the estimated useful life of the asset.

Development Impact Fees – Fees assessed to offset costs incurred by the municipality in providing additional public services created by new development as provided for in ARS §9-463.05 .

Development Impact Fees Funds – The fund that accounts for the development impact fees restricted for certain costs, generally for capital acquisition or related debt service necessitated by new development.

Direct Costs – Costs that can be directly linked with a specific cost objective.

GLOSSARY

continued

Economic Estimates Commission (EEC) – The commission responsible for estimating Arizona's personal income and the percentage change in the per capita personal income for each fiscal year and calculating the State-imposed expenditure limitation based on those estimates.

Employee Benefits – The cost for employee benefits including health insurance and disability insurance.

Enterprise Fund – Fund type established to account for an activity for which a fee is charged to external users for goods or services.

Estimated Revenue – The amount of projected revenue to be collected during the fiscal year.

Excise Tax – An excise is considered an indirect tax, meaning that the producer or seller who pays the tax to the government is expected to try to recover or shift the tax by raising the price paid by the buyer. The City's bond documents have defined the pledged excise taxes as city sales taxes, bed taxes, franchise taxes, license and permit fees, state shared sales taxes, state shared income taxes, vehicle license taxes, and charges for services.

Expenditure/Expense – This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

Expenditure Limitation – The Arizona State Legislature imposed constitutional amendment that limits the annual expenditures of all municipalities. The Economic Estimates Commission, based on population growth and inflation, sets this limit; however, voters of cities and towns may elect an alternative expenditure limit.

Experience Modification Rating (EMOD) – An adjustment of the annual workers compensation premium based on previous loss experience.

Fiscal Year – A 12-month period of time to which the Annual Budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. For the City of Sedona, it is July 1 through June 30.

Forecast – Multi-year projections of City revenues, expenditures, and fund balances based on assumptions and/or scenario options. It is used as a planning and decision-making tool and is not adopted by the City Council.

Franchise Fee (or Franchise Tax) – The franchise fee is based on the gross sales of the utility companies. Those that currently pay the franchise fees are: Arizona Public Service (2%), Unisource Energy Services (2%), Suddenlink Communications (2%) Arizona Water Company (3%), and Oak Creek Water Company (3%).

Fund – An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.

Fund Accounting – An accounting system for recording resources whose use has been limited by the granting agency, legislation, the governing agency, contracts and agreements, or other authorities.

Fund Balance – The excess of assets over liabilities in governmental funds. For budgetary purposes, the proprietary funds are converted to the same basis of accounting as the governmental funds and report a budgetary fund balance.

GLOSSARY

continued

General Fund – A fund used to account for all general-purpose transactions of the City that do not require a special type of fund.

General Obligation (G.O.) Bond – A type of municipal bond that is secured by a state or local government's pledge to use legally available resources, including tax revenues, to repay bond holders.

Generally Accepted Accounting Principles (GAAP) – The standard framework of guidelines for financial accounting.

Goal – A statement of broad direction, purpose or intent based on the needs of the community. A goal is general and timeless; that is, it is not concerned with a specific achievement in a specific time period.

Government Finance Officers Association of the United States and Canada (GFOA) – A professional association of approximately 19,100 state and local government finance officers in the U.S. and Canada.

Governmental Accounting Standards Board (GASB) – A private organization that is the source of generally accepted accounting principles for state and local governments in the U.S.

Governmental Fund – A fund type generally used to account for tax-supported activities. The City has three different types of governmental funds: the General Fund, special revenues funds, and capital projects funds.

Grant – A contribution by the state or federal government or other agency to support a particular function.

Grants & Donations Funds – A group of funds used to track the revenues and expenditures of grants and donations restricted for specific purposes.

Highway User Revenue Fund (HURF) – Arizona cities receive a share of state motor vehicle fuel taxes, and the formula is based on two separate calculations. First, it is based on a City's population in relation to the State's total population. Second, it is based on the county in which the revenues were generated. These funds are restricted to be utilized for the construction and maintenance of streets and highways.

Indirect Cost Allocation Plan – Mechanism for determining the allocation of indirect costs to the benefitting departments or programs.

Indirect Costs – Costs that are not directly accountable, such as administrative costs, to a particular cost objective.

Information Technology Internal Service Fund – A fund used to track the City's information technology costs that are allocated to the various departments and programs.

Infrastructure – Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include roads, bridges, tunnels, drainage systems, and sewer systems.

Inter-fund Transfer – Amount transferred from one fund to another without equivalent flows of assets in return and without a requirement for repayment.

Internal Service Fund – Fund type established to account for any activity that provides good or services to other funds, departments, or agencies of the government on a cost reimbursement basis.

GLOSSARY

continued

Internal Charges – Costs that were internally allocated between departments or programs and do not represent ongoing payments for goods or services.

Internal Control – A process for assuring achievement of the City's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.

International City/County Management Association (ICMA) – A professional association of approximately 11,000 city, town, and county managers, their staffs, and others throughout the world.

Investment Grade Bond Rating – A bond is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's or Baa3 or higher by Moody's. Generally, they are bonds that are judged by the rating agency as likely enough to meet payment obligations that banks are allowed to invest in them.

License Fees – Revenues from this source would include the fees collected from business licenses, liquor licenses, civil union registrations, etc.

Line Item – Accounts for specific expenditures and revenues in departments.

Major Fund – Governmental or enterprise fund reported as a separate column in the City's financial statements and subject to a separate opinion in the independent auditor's report.

Matching Requirements – Some grants require the City to match a portion of the grant funding. For instance, a \$10,000 grant with a 10% matching requirement would require the City to pay \$1,000 toward the costs of the program/project. In other words, the total cost of the program/project would be \$11,000 (\$10,000 paid by the grant and \$1,000 paid by the City).

Model City Tax Code (MCTC) – The document is designed to assist the business community in determining which items are taxed by each individual city and town and which items are exempt from taxation. The MCTC provides a greater degree of uniformity, but also retains the right of individual cities and towns to determine the items taxed as well as the exemptions to be granted.

Modified Accrual Accounting – Basis of accounting required for use by governmental funds in which revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred.

Municipal Property Corporation (MPC) – A separate legal entity created for the purpose of assisting the City in obtaining financing for various construction projects.

Net Position – The excess of assets over liabilities in proprietary funds. For budgetary purposes, the proprietary funds are converted to the same basis of accounting as the governmental funds and report a budgetary fund balance.

Nonmajor Fund – All other funds not reported as a major fund. Nonmajor governmental funds, nonmajor enterprise funds, and all internal service funds are each consolidated in the City's financial statements.

Nonspendable Fund Balance – The portion of fund balance that cannot be spent either because the underlying resources are not in spendable form or because the City is legally or contractually required to maintain the resources intact.

One-Time Expenditures – Nonrecurring expenditures, expenditures not made annually, or significant revenues in excess of routine levels, such as capital asset purchases, one-time studies, payoff of debt, election costs, nonroutine increases to reserves, and nonroutine increases to contingencies.

GLOSSARY

continued

One-Time Revenues – Revenue sources not received annually, or significant revenues in excess of routine levels, such as significant construction-related revenues (e.g., permit fees, capacity fees, development impact fees), fluctuating grants and/or donations, and “windfall” revenues.

Ongoing Expenditures – Expenditures typically occurring every year.

Ongoing Revenues – Revenue sources available on a constant basis to support operating and capital budgetary needs. These revenues are typically received every year.

Operating Expenditures – Expenditures for the ongoing operations of the City, including personnel, supplies, services and materials, and indirect cost allocations. Excludes capital expenses, debt service, and transfers to other funds.

Operating Revenue – Resources derived from recurring revenue sources used to finance recurring operating expenditures.

Other Financing Sources – Increase in fund balance other than revenues. Only items identified in authoritative accounting standards may be classified as other financing sources.

Other Financing Uses – Decrease in fund balance other than expenditures. Only items identified in authoritative accounting standards may be classified as other financing uses.

Pay-As-You-Go – A funding method using existing cash reserves or revenues that will be recognized the same year that the expenditure is undertaken.

Performance Measure – Indicators that measure service efforts and accomplishments.

Permit Fees – Revenues from this source would include the fees collected from building permits, zoning permits, and a variety of other programs.

Personnel Services – Expenditures for salaries, wages, and fringe benefits of a government's employees.

Pledged Revenues – A formal commitment of specific revenues to collateralize or secure revenue bonds.

Premium – In the context of early bond redemption calls, an additional amount paid over the par value of the bond.

Program – A group of related activities performed by one or more functions/departments where there is a desire to budget and identify expenditures independently related to specific purposes or objectives.

Project 25 (P25) – A suite of standards for digital radio communications for use by federal, state, and local public safety agencies to enable them to communicate with other agencies and mutual aid response teams in emergencies.

Proprietary Fund – Fund type that focuses on the determination of cost recovery through user fees, financial position, and cash flows. The City has two different types of proprietary funds: enterprise funds and internal service funds.

Refunding – Issuance of new debt whose proceeds are used to repay previously issued debt. The purpose is typically to refinance at a lower interest rate.

Reserve Requirements – In the context of debt service, a requirement in the bond documents to maintain a reserve to cover the repayment of bond principal and interest.

GLOSSARY

continued

Reserves – Account that records a portion of the fund balance that must be segregated for some future use, and that is, therefore, not available for further appropriation or expenditure.

Restricted Revenues – Are legally restricted for a specific purpose by external resource providers (e.g., grant providers), constitutionally, or through enabling legislation (i.e., legislation that creates a new revenue source and restricts its use). Restrictions can be changed or lifted only with the consent of the resource providers.

Revenues – Amounts estimated to be received from taxes and other sources during the fiscal year.

Revenue Bonds – A special type of municipal bond distinguished by its guarantee of repayment solely from revenues specifically pledged.

Sedona in Motion (SIM) – A branding name for the projects identified in the City's Transportation Master Plan.

Special Revenue Fund – Fund type used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government. The City's special revenue funds include the Streets Fund and Grants & Donations Funds.

State Shared Income Tax Revenue – Arizona cities share a portion of the total amount collected from the state income tax. A City's portion of the state income tax is based on the relationship of its population to the total population of all cities and towns within the state. This is referred to as Urban Revenue Sharing in the budget.

State Shared Sales Tax – Arizona cities share a portion of the total amount collected from the state sales tax, which is currently 5.6%. A City's portion of the state sales tax is based on the relationship of its population to the total population of all cities and towns within the state.

Streets Fund – A fund that accounts for major street improvements including rehabilitation and pavement preservation. The major source of funding for the Streets Fund is the Highway User Revenue Fund (HURF), which is the City's share of the State gas tax.

Surplus Funds – Available fund balances that exceed the City's reserve policy requirements.

Tax – A compulsory contribution to government revenue, levied by the government on workers' income and business profits or added to the cost of some goods, services, and transactions.

Transaction Privilege Tax (TPT) – The transaction privilege tax is commonly referred to as sales tax. TPT differs from a "true" sales tax imposed by many other states as it is imposed upon the seller or lessor rather than the purchaser or lessee. The City collects a 3% City sales tax.

Transient Occupancy Tax – The City collects a 3.5% transient lodging tax, also referred to as bed tax, in addition to the City sales tax. The bed tax supports the General Fund. A portion of the bed tax is used to fund the Chamber Visitor Center and the destination marketing programs.

Unassigned Fund Balance – The remainder of fund balance after the nonspendable, restricted, committed, and assigned components.

Urban Revenue Sharing – State shared income tax revenues.

GLOSSARY

continued

User Fees – Fees assessed to the users of a particular service. Governments typically augment tax revenues with user fees, since some services are not utilized by all taxpayers and some customers may not be taxpayers.

Vehicle License Taxes (VLT) – Arizona charges a vehicle license tax in lieu of a personal property tax on vehicles. The VLT is based on an assessed value of 60% of the manufacturer's base retail price reduced by 16.25% for each year since the vehicle was first registered in Arizona. Distributions are based on the collections within each county and allocated

Wastewater Enterprise Fund – A fund that accounts for the administrative, plant operations, and capital cost associated with the City's sewer system.

Workload Indicators – Statistical information the measures various aspects of inputs to an activity or program or outputs in units of service delivered or product produced.



ACRONYMS

Acronym	Description	Acronym	Description
AAED	Arizona Association of Economic Development	CFA	Community Focus Area
AC	Arts & Culture	CFD	Community Facilities District
ADA	Americans with Disabilities Act	CFS	Cubic Feet per Second
ADEQ	Arizona Department of Environmental Quality	CIP	Capital Improvement Program
ADOT	Arizona Department of Transportation	CIT	Critical Incident Training
ADP	Automatic Data Processing, LLC	CM	City Manager
ADR	Average Daily Room Rate	COD	Chemical Oxygen Demand
ADU	Accessory Dwelling Unit	COLA	Cost of Living Adjustment
AED	Automated External Defibrillator	COP	Certificate of Participation
APS	Arizona Public Service	CPI	Consumer Price Index
ARS	Arizona Revised Statutes	CSA	Community Services Aide
ASRS	Arizona State Retirement System	CSO	Community Services Officer
AZ	Arizona	DIF	Development Impact Fees
AZDHS	Arizona Department of Health Services	DUI	Driving Under the Influence
BMP	Best Management Practices	EEC	Economic Estimates Commission
CAB	Capital Appreciation Bond	EEOC	Equal Employment Opportunity Commission
CAD	Computer Aided Dispatch	EMOD	Experience Modification Rating
CAFR	Comprehensive Annual Financial Report	FAST	Fractured Aggregate Surface Treatment
CAT	Cottonwood Area Transit	FBI	Federal Bureau of Investigation
CD	Community Development	FEMA	Federal Emergency Management Agency
CDBG	Community Development Block Grant	FHWA	Federal Highway Administration
		FSWG	Fiscal Sustainability Work Group

ACRONYMS

continued

Acronym	Description	Acronym	Description
FTA	Federal Transit Authority	LDC	Land Development Code
FTE	Full Time Equivalent	MC	Municipal Court
FY	Fiscal Year (July 1 - Jun 30)	MCTC	Model City Tax Code
GAAP	Generally Accepted Accounting Principles	MGD	Million Gallons per Day
GASB	Governmental Accounting Standards Board	MPC	Municipal Property Corporation
GFOA	Government Finance Officers Association	N/A	Not Applicable or Not Available
GIS	Geographic Information Systems	NACOG	Northern Arizona Council of Governments
G.O.	General Obligation	NENA	National Emergency Number Association
GOHS	Governor's Office of Highway Safety	NEV	Neighborhood Electric Vehicle
HPC	Historic Preservation Commission	NIBRS	National Incident Based Reporting System
HR	Human Resources	NIMS	National Incident Management System
HT	Human Trafficking	NOI	Notice of Intent
HURF	Highway User Revenues Fund	O&M	Operation and Maintenance
ICMA	International City/County Management Association	OCC	Oak Creek Canyon
ICS	Incident Command System	P&Z	Planning and Zoning
IGA	Intergovernmental Agreement	P25	Project 25
IT	Information Technology	PANT	Partners Against Narcotics Trafficking
ITS	Intelligent Transportation System	PD	Police Department
K-9	Canine	PHB	Pedestrian Hybrid Beacon
KVM	Keyboard-Video-Mouse	PLC	Programmable Logic Controller
		POST	Peace Officer Standards and Training

ACRONYMS

continued

Acronym	Description	Acronym	Description
PR	Parks & Recreation Department	STEP	Sedona Traffic Enforcement Program
PSPRS	Public Safety Personnel Retirement System	STP	Surface Transportation Program
PW	Public Works	S.W.A.T.	Special Weapons and Tactics
RICO	Racketeer Influenced and Corrupt Organizations	TPT	Transaction Privilege Tax (Sales Tax)
RMS	Records Management System	TSS	Total Suspended Solids
ROW	Right of Way	UCR	Uniform Crime Reporting
S&P	Standard & Poor's	USFS	United States Forest Service
SB	South Bound	UV	Ultraviolet
SCADA	Supervisory Control and Data Acquisition	VVREO	Verde Valley Regional Economic Organization
SCCTB	Sedona Chamber of Commerce and Tourism Bureau	VLT	Vehicle License Tax
SFD	Sedona Fire District	VOC	Village of Oak Creek
SD	Storm Drainage	VOIP	Voice over Internet Protocol
SIM	Sedona in Motion	VSS	Volatile Suspended Solids
SPD	Sedona Police Department	WIMS	Water Information Management Solution
SR	State Route	WW	Wastewater
SRO	School Resource Officer	WWRP	Wastewater Reclamation Plant
ST	Streets & Transportation	YCREDC	Yavapai County Regional Economic Development Center
STEM	Science, Technology, Engineering, and Math		

OFFICIAL BUDGET FORMS

CITY OF SEDONA

Fiscal Year 2019

City Council adopted the Tentative Budget on May 22 2018



Final budget adoption will occur on June 26, 2018 at 3:30 p.m. in the City Council Chambers, 102 Roadrunner Drive, Sedona, Arizona 86336

The Budget may be reviewed at the:

City's website www.sedonaaz.gov

City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona

City of Sedona Public Library, 3250 White Bear Road, Sedona Arizona

CITY OF SEDONA
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CITY OF SEDONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2019

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2018	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	21,103,987	1,844,840	0	8,866,485	0	14,372,991	1,563,815	47,752,118
2018	Actual Expenditures/Expenses**	E	19,669,350	1,337,720	0	5,044,175	0	12,098,652	1,490,366	39,640,263
2019	Fund Balance/Net Position at July 1***		8,453,089	2,230,101		17,272,267		13,528,390	132,114	41,615,961
2019	Primary Property Tax Levy	B	0							0
2019	Secondary Property Tax Levy	B								0
2019	Estimated Revenues Other than Property Taxes	C	28,593,840	4,417,470	0	2,040,011	0	7,110,300	1,727,300	43,888,921
2019	Other Financing Sources	D	0	0	0	0	0	0	0	0
2019	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2019	Interfund Transfers In	D	0	353,200	0	2,297,814	0	4,487,900	0	7,138,914
2019	Interfund Transfers (Out)	D	7,090,000	0	0	48,914	0	0	0	7,138,914
2019	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:		300,000					4,052,000		4,352,000
	Amounts for Operating Reserve Policies		5,866,642	120,738				1,804,570		7,791,950
	Equipment Replacement Reserve		586,750					531,050	32,820	1,150,620
	Major Maintenance Reserve							71,150		71,150
	Restricted Capital Reserves			4,022,500		6,924,396		1,225,000		12,171,896
2019	Total Financial Resources Available		23,203,537	2,857,533	0	14,636,782	0	17,442,820	1,826,594	59,967,266
2019	Budgeted Expenditures/Expenses	E	21,620,888	2,018,630	0	8,348,985	0	13,739,599	1,727,361	47,455,463

EXPENDITURE LIMITATION COMPARISON

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

	2018	2019
1.	\$ 47,752,118	\$ 47,455,463
2.		
3.	47,752,118	47,455,463
4.		
5.	\$ 47,752,118	\$ 47,455,463
6.	\$ 47,752,118	\$ 47,455,463

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

CITY OF SEDONA
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
GENERAL FUND			
Local taxes			
City Sales Taxes	\$ 16,673,800	\$ 17,271,200	\$ 17,951,600
Bed Taxes	3,977,200	4,298,500	4,446,000
Franchise Fees	759,400	797,200	771,800
Contingent Bed Taxes	550,000		550,000
Licenses and permits			
Building Permit Fees	357,100	347,100	223,360
Business Licenses	91,900	93,600	92,010
Misc Community Development/Public Works	35,200	31,410	32,360
City Clerk	2,350	2,850	2,450
Intergovernmental			
State Shared Sales Taxes	966,900	989,400	996,500
State Urban Revenue Sharing	1,303,500	1,287,800	1,297,000
State Grants	26,060	23,500	30,000
County-Vehicle License Taxes	617,600	633,100	642,600
Charges for services			
Recreation Programs	48,000	48,000	50,000
Daily Swim Fees	20,100	22,000	22,000
Plan Review Fees			125,590
Expedited Plan Reviews	10,000		
Other Contracted Plan Reviews	10,000	3,000	3,000
Misc Community Development Fees	12,600	16,150	17,350
Misc. Parks & Recreation Fees	12,750	16,300	12,800
Paid Parking Fees	282,800	514,000	520,000
Misc. Police Fees	9,600	6,400	8,400
Other Misc. Charges for Services	3,100	7,950	8,100
Fines and forfeits			
Court Fines	99,800	159,400	159,400
Parking Fees and Fines	27,000		
STEP Administration Fees	10,000	21,600	18,500
Misc. Fines	5,100	10,950	7,540
Interest on investments			
Interest Earnings	56,050	80,730	82,350
Tax Audits - Interest/Penalty	4,200	2,700	2,700
Miscellaneous			
In-lieu Fees	445,400	456,100	456,100
Parks & Recreation Rentals	29,000	31,000	36,280
Other Rentals	11,100	5,100	
Auction Revenues	17,200	16,300	16,600
Other Misc. Revenues	3,450	57,290	11,450
Total General Fund	\$ 26,478,260	\$ 27,250,630	\$ 28,593,840

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

**CITY OF SEDONA
Revenues Other Than Property Taxes
Fiscal Year 2019**

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
SPECIAL REVENUE FUNDS			
Streets Fund:	\$	\$	\$
HURF Revenues	858,200	958,500	933,200
Contributions and Donations	100,000		
Interest Earnings	3,700	18,740	19,020
	\$ 961,900	\$ 977,240	\$ 952,220
Grants and Donation Funds:	\$	\$	\$
Grants and Other Intergovernmental	91,600	33,980	84,200
Donations	69,100	31,798	29,450
Fines & Forfeitures	12,800	26,800	26,800
Other Misc. Revenues	5,560	4,390	3,250
Contingent Grants & Donations	300,000		300,000
	\$ 479,060	\$ 96,968	\$ 443,700
Transportation Sales Tax Fund:	\$	\$	\$
Transportation Sales Tax		1,097,700	2,976,900
Interest Earnings		4,170	44,650
	\$	\$ 1,101,870	\$ 3,021,550
Total Special Revenue Funds	\$ 1,440,960	\$ 2,176,078	\$ 4,417,470
CAPITAL PROJECTS FUNDS			
Capital Improvement Fund:	\$	\$	\$
County Flood Control	696,000	767,400	748,300
Grants and Other Intergovernmental	371,657	381,657	792,091
Contributions and Donations	175,000	129,400	50,000
Interest Earnings	29,200	219,900	224,200
	\$ 1,271,857	\$ 1,498,357	\$ 1,814,591
Art in Public Places Fund:	\$	\$	\$
Interest Earnings	230	200	200
	\$ 230	\$ 200	\$ 200
Development Impact Fee Funds:	\$	\$	\$
Developer Impact Fees	213,880	137,500	197,410
Interest Earnings	11,610	29,670	27,810
	\$ 225,490	\$ 167,170	\$ 225,220
Total Capital Projects Funds	\$ 1,497,577	\$ 1,665,727	\$ 2,040,011
ENTERPRISE FUNDS			
Wastewater - Charges for Services	\$ 6,164,200	\$ 6,129,400	\$ 6,145,000
Wastewater - Capacity Fees	403,100	302,700	673,300
Wastewater - Misc. Revenues	156,250	673,260	292,000
	\$ 6,723,550	\$ 7,105,360	\$ 7,110,300
Total Enterprise Funds	\$ 6,723,550	\$ 7,105,360	\$ 7,110,300

**CITY OF SEDONA
Revenues Other Than Property Taxes
Fiscal Year 2019**

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
INTERNAL SERVICE FUNDS			
Information Technology Fund:	\$	\$	\$
Internal Cost Charges	1,621,480	1,621,480	1,726,300
Other Charges for Services	650	1,000	1,000
	\$ 1,622,130	\$ 1,622,480	\$ 1,727,300
Total Internal Service Funds	\$ 1,622,130	\$ 1,622,480	\$ 1,727,300
TOTAL ALL FUNDS	\$ 37,762,477	\$ 39,820,275	\$ 43,888,921

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

CITY OF SEDONA
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2019

FUND	OTHER FINANCING 2019		INTERFUND TRANSFERS 2019	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Transfer to Streets Fund	\$	\$	\$	\$ 253,200
Transfer to Wastewater Fund				4,487,900
Transfer to Capital Improvements Fund				2,248,900
Transfer to Affordable Housing Fund				100,000
Total General Fund	\$	\$	\$	\$ 7,090,000
SPECIAL REVENUE FUNDS				
Streets - From General Fund	\$	\$	\$ 253,200	\$
Affordable Housing - From General Fund			100,000	
Total Special Revenue Funds	\$	\$	\$ 353,200	\$
DEBT SERVICE FUNDS				
	\$	\$	\$	\$
Total Debt Service Funds	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS				
Cap Impr - From General Fund	\$	\$	\$ 2,248,900	\$
Cap Impr - To Art in Public Places				48,914
Art in Public Places - From Cap Impr			48,914	
Total Capital Projects Funds	\$	\$	\$ 2,297,814	\$ 48,914
ENTERPRISE FUNDS				
Wastewater - From General Fund	\$	\$	\$ 4,487,900	\$
Total Enterprise Funds	\$	\$	\$ 4,487,900	\$
INTERNAL SERVICE FUNDS				
	\$	\$	\$	\$
Total Internal Service Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$ 7,138,914	\$ 7,138,914

**CITY OF SEDONA
Expenditures/Expenses by Fund
Fiscal Year 2019**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
GENERAL FUND				
City Council	\$ 77,775	\$	\$ 74,315	\$ 72,805
City Manager	3,138,700	(1,482)	3,195,560	3,175,077
Human Resources	308,275	8,500	289,645	311,110
Financial Services	961,155		918,670	1,089,800
City Attorney	631,360		580,310	630,640
City Clerk	260,090	1,482	253,660	333,975
Parks & Recreation	651,474		627,265	706,930
General Services	1,955,258	(51,424)	1,750,291	1,719,926
Community Development	1,707,950		1,469,417	1,540,045
Public Works	3,421,205	94,178	3,407,946	3,660,790
Economic Development	184,970		185,250	202,500
Police	4,654,910	35,994	4,679,801	5,192,486
Municipal Court	361,370		336,520	402,690
Indirect Cost Allocations	456,910		456,910	516,700
Debt Service	1,431,310	12,484	1,443,790	1,415,414
Contingency	900,000	(98,457)		650,000
Total General Fund	\$ 21,102,712	\$ 1,275	\$ 19,669,350	\$ 21,620,888
SPECIAL REVENUE FUNDS				
Streets Fund	\$ 1,203,490	\$	\$ 1,203,490	\$ 1,207,380
Grants & Donations Funds	641,350		134,230	710,330
Transportation Sales Tax				100,920
Total Special Revenue Funds	\$ 1,844,840	\$	\$ 1,337,720	\$ 2,018,630
CAPITAL PROJECTS FUNDS				
Develop. Impact Fees Funds	\$ 1,452,300	\$ (12,208)	\$ 282,215	\$ 52,540
Capital Improvements Fund	7,426,669	(276)	4,761,960	8,296,445
Art in Public Places Fund				
Total Capital Projects Funds	\$ 8,878,969	\$ (12,484)	\$ 5,044,175	\$ 8,348,985
ENTERPRISE FUNDS				
Wastewater - Administration	\$ 270,665	\$ (12,396)	\$ 219,639	\$ 251,730
Wastewater - Operations	3,073,111	160,156	2,846,480	2,914,420
Wastewater - Debt Service	4,409,735		4,409,735	4,439,005
Wastewater - Capital	5,077,050		3,209,188	4,467,484
Wastewater - Dept Allocations	1,442,430	(47,760)	1,413,610	1,566,960
Wastewater - Contingency	100,000	(100,000)		100,000
Total Enterprise Funds	\$ 14,372,991	\$	\$ 12,098,652	\$ 13,739,599
INTERNAL SERVICE FUNDS				
Information Technology Fund	\$ 1,552,606	\$ 11,209	\$ 1,490,366	\$ 1,727,361
Total Internal Service Funds	\$ 1,552,606	\$ 11,209	\$ 1,490,366	\$ 1,727,361
TOTAL ALL FUNDS	\$ 47,752,118	\$ 0	\$ 39,640,263	\$ 47,455,463

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

**CITY OF SEDONA
Expenditures/Expenses by Department
Fiscal Year 2019**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
City Council:				
General Fund	\$ 77,775	\$	\$ 74,315	\$ 72,805
Department Total	\$ 77,775	\$	\$ 74,315	\$ 72,805
City Manager:				
General Fund	\$ 3,138,700	\$ (1,482)	\$ 3,195,560	\$ 3,175,077
Department Total	\$ 3,138,700	\$ (1,482)	\$ 3,195,560	\$ 3,175,077
Human Resources:				
General Fund	\$ 308,275	\$ 8,500	\$ 289,645	\$ 311,110
Department Total	\$ 308,275	\$ 8,500	\$ 289,645	\$ 311,110
Financial Services:				
General Fund	\$ 961,155	\$	\$ 918,670	\$ 1,089,800
Wastewater Fund	168,850		168,850	270,050
Department Total	\$ 1,130,005	\$	\$ 1,087,520	\$ 1,359,850
Information Technology:				
Wastewater Fund	\$ 75,130	\$	\$ 68,800	\$ 106,080
Information Technology Fund	1,246,376	11,209	1,184,136	1,399,631
Department Total	\$ 1,321,506	\$ 11,209	\$ 1,252,936	\$ 1,505,711
City Attorney:				
General Fund	\$ 631,360	\$	\$ 580,310	\$ 630,640
Wastewater Fund	100,000	(47,760)	52,240	100,000
Department Total	\$ 731,360	\$ (47,760)	\$ 632,550	\$ 730,640
City Clerk:				
General Fund	\$ 260,090	\$ 1,482	\$ 253,660	\$ 333,975
Department Total	\$ 260,090	\$ 1,482	\$ 253,660	\$ 333,975
Parks & Recreation:				
General Fund	\$ 651,474	\$	\$ 627,265	\$ 706,930
Grants & Donations Funds	82,500		32,380	43,400
Department Total	\$ 733,974	\$	\$ 659,645	\$ 750,330
Community Development:				
General Fund	\$ 1,707,950	\$	\$ 1,469,417	\$ 1,540,045
Grants & Donations Funds				38,380
Department Total	\$ 1,707,950	\$	\$ 1,469,417	\$ 1,578,425
Public Works:				
General Fund	\$ 3,421,205	\$ 94,178	\$ 3,407,946	\$ 3,660,790
Streets Fund	1,150,000		1,150,000	1,150,000
Transportation Sales Tax Fund				100,920
Wastewater Fund	344,490		275,850	266,340
Department Total	\$ 4,915,695	\$ 94,178	\$ 4,833,796	\$ 5,178,050
Economic Development				
General Fund	\$ 184,970	\$	\$ 185,250	\$ 202,500
Department Total	\$ 184,970	\$	\$ 185,250	\$ 202,500
Police:				
General Fund	\$ 4,654,910	\$ 35,994	\$ 4,679,801	\$ 5,192,486
Grants & Donations Funds	61,350	42,470	57,350	23,350
Department Total	\$ 4,716,260	\$ 78,464	\$ 4,737,151	\$ 5,215,836

**CITY OF SEDONA
Expenditures/Expenses by Department
Fiscal Year 2019**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
Municipal Court:				
General Fund	\$ 361,370	\$	\$ 336,520	\$ 402,690
Grants & Donations Funds				11,200
Department Total	\$ 361,370	\$	\$ 336,520	\$ 413,890
General Services:				
General Fund	\$ 1,955,258	\$ (51,424)	\$ 1,750,291	\$ 1,719,926
Wastewater Fund	(25,000)			
Department Total	\$ 1,930,258	\$ (51,424)	\$ 1,750,291	\$ 1,719,926
Indirect Cost Allocations:				
General Fund	\$ 456,910	\$	\$ 456,910	\$ 516,700
Streets Fund	53,490		53,490	57,380
Wastewater Fund	847,870		847,870	824,490
Information Technology Fund	306,230		306,230	327,730
Department Total	\$ 1,664,500	\$	\$ 1,664,500	\$ 1,726,300
Contingency:				
General Fund	\$ 900,000	\$ (98,457)	\$	\$ 650,000
Grants & Donations Funds	300,000	(42,470)		400,000
Wastewater Fund	100,000	(100,000)		100,000
Department Total	\$ 1,300,000	\$ (240,927)	\$	\$ 1,150,000
Capital Improvement Projects:				
Develop. Impact Fee Funds	\$ 1,429,600	\$ 276	\$ 271,999	\$ 43,000
Capital Improvements Fund	7,426,669	(276)	4,761,960	8,296,445
Grants & Donations Funds	197,500		44,500	194,000
Wastewater Fund	5,077,050		3,209,188	4,467,484
Department Total	\$ 14,130,819	\$	\$ 8,287,647	\$ 13,000,929
Debt Service:				
General Fund	\$ 1,431,310	\$ 12,484	\$ 1,443,790	\$ 1,415,414
Develop. Impact Fee Funds	22,700	(12,484)	10,216	9,540
Wastewater Fund	4,409,735		4,409,735	4,439,005
Department Total	\$ 5,863,745	\$	\$ 5,863,741	\$ 5,863,959
Wastewater:				
Wastewater Fund	\$ 3,274,866	\$ 147,760	\$ 3,066,119	\$ 3,166,150
Department Total	\$ 3,274,866	\$ 147,760	\$ 3,066,119	\$ 3,166,150

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

CITY OF SEDONA
Full-Time Employees and Personnel Compensation
Fiscal Year 2019

FUND	Full-Time Equivalent (FTE) 2019	Employee Salaries and Hourly Costs 2019	Retirement Costs 2019	Healthcare Costs 2019	Other Benefit Costs 2019	Total Estimated Personnel Compensation 2019
GENERAL FUND	124	\$ 7,611,863	\$ 1,652,952	\$ 1,344,090	\$ 590,775	\$ 11,199,680
SPECIAL REVENUE FUNDS						
Transportation Sales Tax	1	\$ 64,860	\$ 7,550	\$ 17,530	\$ 5,980	\$ 95,920
Total Special Revenue Funds	1	\$ 64,860	\$ 7,550	\$ 17,530	\$ 5,980	\$ 95,920
CAPITAL PROJECTS FUNDS						
		\$	\$	\$	\$	\$
Total Capital Projects Funds		\$	\$	\$	\$	\$
ENTERPRISE FUNDS						
Wastewater Fund	15	\$ 894,820	\$ 104,200	\$ 186,860	\$ 90,280	\$ 1,276,160
Total Enterprise Funds	15	\$ 894,820	\$ 104,200	\$ 186,860	\$ 90,280	\$ 1,276,160
INTERNAL SERVICE FUND						
Information Technology Fund	5	\$ 419,310	\$ 48,820	\$ 78,820	\$ 35,540	\$ 582,490
Total Internal Service Fund	5	\$ 419,310	\$ 48,820	\$ 78,820	\$ 35,540	\$ 582,490
TOTAL ALL FUNDS	145	\$ 8,990,853	\$ 1,813,522	\$ 1,627,300	\$ 722,575	\$ 13,154,250