

# AGENDA



# 3:30 P.M.

## CITY COUNCIL SPECIAL MEETING

## TUESDAY, JUNE 25, 2019

### NOTES:

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

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

### GUIDELINES FOR PUBLIC COMMENT

#### PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

#### PROCEDURES:

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

### 1. CALL TO ORDER

### 2. ROLL CALL

### 3. SPECIAL BUSINESS

LINK TO DOCUMENT =

- a. AB 2497 **Public hearing/discussion/possible action** regarding approval of a resolution adopting the City of Sedona's Budget for Fiscal Year 2019-20.

### 4. EXECUTIVE SESSION

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

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

### 5. ADJOURNMENT

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

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

Susan L. Irvine, CMC  
City Clerk

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

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

CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

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



**CITY COUNCIL  
AGENDA BILL**

**AB 2497  
June 25, 2019  
Special Business**

**Agenda Item: 3a**  
**Proposed Action & Subject:** Public hearing/discussion/possible action regarding approval of a resolution adopting the City of Sedona’s Budget for Fiscal Year 2019-20.

<b>Department</b>	Financial Services Department City Manager’s Office
<b>Time to Present</b>	15 minutes
<b>Total Time for Item</b>	30 minutes
<b>Other Council Meetings</b>	Council Retreat January 15, 2019 Budget Work Sessions April 17 and 18, 2019 Regular Meeting May 28, 2019
<b>Exhibits</b>	A. FY 2019-20 Budget Summary B. Resolution C. Official Budget Forms, Exhibit to Resolution D. PowerPoint Presentation

City Attorney Approval	Reviewed 6/17/19 RLP	<b>Expenditure Required</b>
		\$ 51,416,630
City Manager’s Recommendation	Approve the final Budget for FY20.	<b>Amount Budgeted</b>
		\$ 51,416,630
		Account No. (Description) FY 2019-20 Total Budget Expenditures will be made within the total, and may be less
		Finance Approval <input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** The purpose of this item is to provide the public an opportunity to speak on the City’s adopted Fiscal Year (FY) 2019-20 Tentative Budget and to obtain Council approval of the Final Budget for FY 2019-20.

The FY 2019-20 budget is balanced with available surpluses exceeding reserve requirements identified. The total budget, after changes made throughout the budget process, is \$51,416,630. This represents a \$4.0 million or 8% increase from FY 2018-19. The most significant increases include:

- An increase in the Affordable Housing Fund of \$1.9 million to be spent pending further analysis and direction from Council regarding the strategies that will be employed for addressing affordable housing concerns.
- An increase in the capital improvement projects of \$1.0 million due to a placeholder for land acquisition for park and ride and/or transit hub facilities and/or rights of way pending further analysis and direction from Council regarding potential transit services.

Other budgetary changes related to Decision Packages and salary and benefit increases are discussed later in this agenda bill.

### ***FY 2019-20 Budget Process***

The City Council Budget retreat was held on January 15, 2019 and provided the Council an opportunity to review and begin establishing priorities for the new fiscal year. In January 2019, staff began work on their base budgets for continuing operations and the development of the capital budget and ten-year capital plan. In March, the City Manager and members of the Citizen's Budget Work Group (Lou Harper, Charlotte Hosseini, Anne Khoury, and Holli Ploog) met with each department and conducted a thorough review of all budget requests. The City Council then held work sessions on the budget on April 17 and 18, 2019. The City Council heard from the City Manager's Office and Department Heads regarding department level of service objectives by service program area, workload indicators, performance measures, and significant expenditure changes. These sessions also provided an opportunity to receive input from members of the public. The City Council adopted a \$51,547,230 Tentative Budget or Expenditure Cap on May 28, 2019.

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

### ***FY 2019-20 Budget Summary***

The final proposed budget of \$51,416,630 reflects a \$130,600 reduction from the Tentative Budget adopted on May 28, 2019. The reduction is a result of an adjustment to the Tourism Management & Development program. The budgeted amount for the Sedona Chamber of Commerce and Tourism Bureau's (SCC&TB) contract has been reduced to \$2,492,500, which leaves a balance of \$130,600 of the 55% of bed taxes dedicated to tourism management and development. As directed by Council, this balance of \$130,600 has been reflected as a transfer from the General Fund to the Capital Improvements Fund to cover a portion of the costs related to the potential transit project. The reduction of General Fund expenditures also impacts the calculation of the Operating Reserve, which has been reduced by \$39,180.

The budgets by fund are:

<b>Fund</b>	<b>FY 2019-20 Tentative Budget</b>
<b>General Fund</b>	\$21,916,188
<b>Streets Fund</b>	1,206,020
<b>Grants and Donations Funds</b>	3,045,245
<b>Transportation Sales Tax Fund</b>	93,870
<b>Capital Improvements Fund</b>	7,354,550
<b>Developer Impact Fee Funds</b>	2,212,057
<b>Art in Public Places Fund</b>	130,000
<b>Wastewater Fund</b>	13,925,680
<b>Information Technology Fund</b>	1,533,020
<b>Total</b>	<b>\$51,416,630</b>

Detailed department schedules of the adopted FY 2019-20 Tentative Budget (prior to the final adjustment) were posted to the City's website ([www.SedonaAz.gov](http://www.SedonaAz.gov)) for review by interested members of the public. A summary of the Tentative Budget was posted as a public notice on June 5<sup>th</sup> and 12<sup>th</sup> in the Sedona Red Rock News, along with notice of the public hearing.

The City of Sedona's Proposed Final Budget includes funding to respond to City Council priorities as well as other issues that were identified at the January 2019 Council Retreat and at subsequent public meetings.

The Community Facilities District (CFD) budgets associated with capital improvements benefiting those Districts are a separate process. The CFD Board meetings are scheduled for June 25, 2019 for tentative budget adoption and July 23, 2019 for final budget adoption.

***FY 2019-20 Budget Changes Over Prior Year***

The following summarizes the budgeted changes in fund balances:

	<b>FY 2019-20 Proposed Budget</b>
<b>Estimated Beginning Fund Balances</b>	\$50,321,621
<b>Estimated Revenues</b>	45,138,788
<b>Budgeted Expenditures</b>	(51,416,630)
<b>Estimated Ending Fund Balances</b>	<b>\$44,043,779</b>
<b>Estimated Policy Reserves as of June 30, 2020</b>	(23,803,249)
<b>Excess Resources Available</b>	<b>\$20,240,530</b>
<b>Estimated Balances Pledged to Purposes for which Monies Collected in Excess of Policy Reserves as of June 30, 2020</b>	(16,962,664)
<b>Remaining Available Fund Balances in Excess of Policy Reserves</b>	<b>\$3,277,866</b>

The estimated reduction in fund balances of \$6.3 million (\$50.3 million to \$44.0 million) includes:

- Utilization of fund balances in the Capital Improvements Fund of \$4.4 million for capital projects
- Utilization of fund balances in the Development Impact Fees Funds of \$1.5 million for capital projects
- Utilization of fund balances in the Wastewater Fund of \$2.7 million for capital projects

The recommended budget does not include any new taxes but does include preliminary estimations of increases in development review fees, development impact fees, and wastewater capacity fees.

The new budget requests included in the FY 2019-20 Proposed Final Budget, as discussed and reviewed during the City Council work sessions, include:

- Salary and benefit increases
  - The recommended budget includes a wage adjustment pool for merit increases that averages approximately 2.6%. The Consumer Price Index (CPI) for the Western Region as of December 2018 was 3.1%.
  - Medical insurance rates increased approximately 5%.
  - The Arizona State Retirement System (ASRS) rates increased from 11.80% of wages to 12.11%.
  - The Public Safety Personnel Retirement System (PSPRS) minimum contribution rates changed from 31.52% of wages to 31.12%; however, the budget includes a continuation of the level-funding approach taken to address the unfunded liability. The budgeted PSPRS contribution remains flat at \$1 million.
  - The City's worker's compensation rates increased as a result of a change in our experience modification rating (EMOD) from 0.70 to 0.79. The EMOD is based on a rolling 3-year claims history. While an increase, the EMOD is still quite low. The rating is based on an assumption that the average risk factor is 1.0. The EMOD of 0.79 means the City is rated as safer than industry average.
- Position changes
  - The Management Analyst in City Manager's Office was reclassified from a nonexempt position to an exempt position.
  - A part-time Administrative Assistant position was added to the Financial Services Department.
  - Various adjustments to temporary positions in the Parks & Recreation Department were included.
  - A Transit Manager position was contingently added until further direction from Council regarding a potential transit system is clarified.
  - Two Custodial Maintenance Worker positions were added with the cost offset by savings in contracted services.
  - A Police Records Clerk position was added. This position was contingently approved pending further review by the new Police Chief.
  - A CCTV Van Operator position was added to the Wastewater Department.
- The budget includes \$408,510 of General Fund FY2019 budgeted projects, \$340,100 of Wastewater Fund FY2019 budgeted projects, and \$36,750 of Information Technology Fund FY2019 budgeted projects to be carried over to FY2020.

- Total Decision Packages included in the budget were \$2,921,930 (\$2,623,450 of one-time costs and \$298,480 of ongoing costs). This amount includes a \$2,000,000 contingency in the Affordable Housing Fund pending further analysis and direction from Council regarding the strategies that will be employed for addressing affordable housing concerns.

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

The Proposed Final Budget includes a significant investment in the priorities established in the Community Plan, including: transportation improvements; land use planning of Community Focus Areas (CFAs); investment in infrastructure to maintain the City’s roads and streets; preservation and expansion of the City’s parks; affordable housing program funding; and economic diversification program funding.

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

**Alternative(s):** The City Council may change the amount of the proposed final budget prior to final adoption, so long as it does not exceed the Tentative Budget cap of \$51,547,230.

**MOTION**

**I move to:** approve Resolution No. 2019-\_\_ adopting the Budget for Fiscal Year 2019-20 including the budget attachments.

**Exhibit A**  
**City of Sedona**  
**FY 2019-20 Final Budget - Consolidated Financial Schedule**

Fund/Department	Beginning Fund Balances	Revenues						Other Financing Sources (Uses)			Ending Fund Balances	
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues	Total Revenues	Transfers In	Transfer Out		Expenditures
<b>General Fund</b>												
General Revenues		\$23,811,500		\$496,500	\$2,997,500			\$27,305,500		(\$7,186,173)		
General Government						\$531,900	\$829,290	\$1,361,190			\$2,904,975	
Public Safety					\$22,000	\$8,400	\$23,750	\$54,150			\$7,960,425	
Public Works & Streets								\$0			\$3,048,455	
Health & Welfare								\$0			\$802,890	
Transportation								\$0			\$413,714	
Culture & Recreation						\$85,000	\$36,280	\$121,280			\$2,658,229	
Economic Development								\$0			\$2,790,750	
Debt Service								\$0			\$1,036,750	
Contingencies								\$0			\$300,000	
<b>Total General Fund</b>	<b>\$11,093,317</b>	<b>\$23,811,500</b>	<b>\$0</b>	<b>\$496,500</b>	<b>\$3,019,500</b>	<b>\$625,300</b>	<b>\$889,320</b>	<b>\$28,842,120</b>	<b>\$0</b>	<b>(\$7,186,173)</b>	<b>\$21,916,188</b>	<b>\$10,833,076</b>
<b>Special Revenue Funds</b>												
Streets Fund	\$635,012				\$1,001,830		\$13,430	\$1,015,260	\$190,760		\$1,206,020	\$635,012
Grants & Donations Funds	\$724,990		\$300,000	\$625,000	\$445,215	\$1,900	\$54,040	\$1,426,155	\$1,100,000		\$3,045,245	\$205,900
Transportation Sales Tax Fund	\$4,037,246	\$3,028,700					\$27,800	\$3,056,500			\$93,870	\$6,999,876
<b>Total Special Revenue Funds</b>	<b>\$5,397,248</b>	<b>\$3,028,700</b>	<b>\$300,000</b>	<b>\$625,000</b>	<b>\$1,447,045</b>	<b>\$1,900</b>	<b>\$95,270</b>	<b>\$5,497,915</b>	<b>\$1,290,760</b>	<b>\$0</b>	<b>\$4,345,135</b>	<b>\$7,840,788</b>
<b>Capital Projects Funds</b>												
Development Impact Fees Funds	\$2,977,652						\$671,170	\$671,170	\$31,786		\$2,212,057	\$1,468,551
Capital Improvements Fund	\$12,794,975				\$350,000		\$281,000	\$631,000	\$2,416,627	(\$52,320)	\$7,354,550	\$8,435,732
Art in Public Places Fund	\$132,512						\$1,530	\$1,530	\$52,320		\$130,000	\$56,362
<b>Total Capital Projects Funds</b>	<b>\$15,905,139</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$953,700</b>	<b>\$1,303,700</b>	<b>\$2,500,733</b>	<b>(\$52,320)</b>	<b>\$9,696,607</b>	<b>\$9,960,645</b>
<b>Wastewater Enterprise Fund</b>												
Wastewater Administration						\$6,166,183	\$1,647,030	\$7,813,213	\$3,447,000		\$209,585	
Wastewater Operations								\$0			\$3,510,025	
Departmental Allocations								\$0			\$1,413,045	
Capital Projects								\$0			\$4,000,000	
Debt Service								\$0			\$4,693,025	
Contingencies								\$0			\$100,000	
<b>Total Wastewater Enterprise Fund</b>	<b>\$17,599,586</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,166,183</b>	<b>\$1,647,030</b>	<b>\$7,813,213</b>	<b>\$3,447,000</b>	<b>\$0</b>	<b>\$13,925,680</b>	<b>\$14,934,119</b>
<b>Internal Service Fund</b>												
Information Technology	\$326,331						\$1,679,440	\$2,400	\$1,681,840		\$1,533,020	\$475,151
<b>Total Internal Service Fund</b>	<b>\$326,331</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,679,440</b>	<b>\$2,400</b>	<b>\$1,681,840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,533,020</b>	<b>\$475,151</b>
<b>Total All Funds</b>	<b>\$50,321,621</b>	<b>\$26,840,200</b>	<b>\$300,000</b>	<b>\$1,121,500</b>	<b>\$4,816,545</b>	<b>\$8,472,823</b>	<b>\$3,587,720</b>	<b>\$45,138,788</b>	<b>\$7,238,493</b>	<b>(\$7,238,493)</b>	<b>\$51,416,630</b>	<b>\$44,043,779</b>

**RESOLUTION NO. 2019-\_\_\_**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA,  
ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2019-2020.**

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 28, 2019, 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 28, 2019 and June 25, 2019, 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 28, 2019, and June 25, 2019, at the City Council Chambers for the purpose of hearing taxpayers.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the said estimates of revenues and expenditures/expense shown on the accompanying Official Budget Forms attached hereto and incorporated herein, as now increased, reduced, or changed by the Council, are hereby adopted as the budget of the City of Sedona, Arizona for the Fiscal Year 2019-2020.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 25<sup>th</sup> day of June, 2019.

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Sandra J. Moriarty, Mayor

ATTEST:

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Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

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Robert L. Pickels, Jr., City Attorney



**OFFICIAL BUDGET FORMS**

**CITY OF SEDONA**

**Fiscal Year 2020**

**City Council adopted the Tentative Budget on May 28, 2019**



Final budget adoption will occur on June 25, 2019 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.sedonaz.gov](http://www.sedonaz.gov)

City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona

City of Sedona Public Library, 3250 White Bear Road, Sedona Arizona

**CITY OF SEDONA**  
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Schedule E—Expenditures/Expenses by Fund

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

Schedule G—Full-Time Employees and Personnel Compensation

**CITY OF SEDONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2020**

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	
2019	Adopted/Adjusted Budgeted Expenditures/Expenses*	E 1	21,594,222	2,019,630	0	8,373,985	0	13,739,599	1,728,027	47,455,463
2019	Actual Expenditures/Expenses**	E 2	20,059,404	1,409,029	0	5,400,349	0	9,887,227	1,587,250	38,343,259
2020	Fund Balance/Net Position at July 1***	3	11,093,317	5,397,248		15,905,139		17,599,586	326,331	50,321,621
2020	Primary Property Tax Levy	B 4	0							0
2020	Secondary Property Tax Levy	B 5								0
2020	Estimated Revenues Other than Property Taxes	C 6	28,842,120	5,497,915	0	1,303,700	0	7,813,213	1,681,840	45,138,788
2020	Other Financing Sources	D 7	0	0	0	0	0	0	0	0
2020	Other Financing (Uses)	D 8	0	0	0	0	0	0	0	0
2020	Interfund Transfers In	D 9	0	1,290,760	0	2,500,733	0	3,447,000	0	7,238,493
2020	Interfund Transfers (Out)	D 10	7,186,173	0	0	52,320	0	0	0	7,238,493
2020	Reduction for Amounts Not Available:	11								
LESS:	Parking Revenue Pledged to Uptown Improvements		428,654							428,654
	Amounts for Operating Reserve Policies		6,173,831	120,602			1,955,335			8,249,768
	Equipment Replacement Reserve		952,725				975,641	359,351		2,287,717
	Major Maintenance Reserve						180,500			180,500
	Restricted Capital Reserves			6,006,941		5,330,091	1,748,232			13,085,264
2020	Total Financial Resources Available	12	25,194,054	6,058,380	0	14,327,161	0	24,000,091	1,648,820	71,228,506
2020	Budgeted Expenditures/Expenses	E 13	21,916,188	4,345,135	0	9,696,607	0	13,925,680	1,533,020	51,416,630

**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

	2019	2020
1 Budgeted expenditures/expenses	\$ 47,455,463	\$ 51,416,630
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	47,455,463	51,416,630
4 Less: estimated exclusions		
5 Amount subject to the expenditure limitation	\$ 47,455,463	\$ 51,416,630
6 EEC expenditure limitation	\$ 47,455,463	\$ 51,416,630

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 2020**

SOURCE OF REVENUES	ESTIMATED REVENUES 2019	ACTUAL REVENUES* 2019	ESTIMATED REVENUES 2020
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
City Sales Taxes	\$ 17,951,600	\$ 18,277,600	\$ 18,217,100
Bed Taxes	4,446,000	4,769,300	4,769,300
Franchise Fees	771,800	807,600	825,100
Contingent Bed Taxes	550,000		
<b>Licenses and permits</b>			
Building Permit Fees	223,360	265,200	305,000
Business Licenses	92,010	57,000	57,000
Misc Community Development/Public Works	32,360	27,000	36,550
City Clerk	2,450	2,660	2,500
<b>Intergovernmental</b>			
State Shared Sales Taxes	996,500	1,037,000	1,040,600
State Urban Revenue Sharing	1,297,000	1,251,700	1,256,100
State Grants	30,000	2,750	22,000
County-Vehicle License Taxes	642,600	665,500	700,800
<b>Charges for services</b>			
Recreation Programs	50,000	29,400	25,000
Daily Swim Fees	22,000	22,000	22,000
Plan Review Fees	125,590	150,500	173,100
Other Contracted Plan Reviews	3,000	3,000	75,000
Misc. Community Development Fees	17,350	14,120	21,450
Misc. Parks and Recreation Fees	13,000	27,747	29,700
Paid Parking Fees	520,000	540,000	265,000
Misc. Police Fees	8,400	6,700	6,400
Other Misc. Charges for Services	7,900	7,600	7,650
<b>Fines and forfeits</b>			
Court Fines	159,400	180,800	181,700
STEP Administration Fees	18,500	12,300	10,000
Misc. Fines	7,540	15,260	15,060
<b>Interest on investments</b>			
Interest Earnings	82,350	124,010	124,010
Tax Audits - Interest/Penalty	2,700	3,300	3,300
<b>Miscellaneous</b>			
In-lieu Fees	456,100	485,100	496,500
Parks & Recreation Rentals	36,280	41,000	45,000
Auction Revenues	16,600	27,400	11,200
Other Misc. Revenues	11,450	82,190	98,000
<b>Total General Fund</b>	<b>\$ 28,593,840</b>	<b>\$ 28,935,737</b>	<b>\$ 28,842,120</b>

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

**CITY OF SEDONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2020**

SOURCE OF REVENUES	ESTIMATED REVENUES 2019	ACTUAL REVENUES* 2019	ESTIMATED REVENUES 2020
<b>SPECIAL REVENUE FUNDS</b>			
Streets Fund:	\$	\$	\$
HURF Revenues	933,200	1,021,400	1,001,830
Interest Earnings	19,020	13,850	13,430
	\$ 952,220	\$ 1,035,250	\$ 1,015,260
Grants and Donations Funds:	\$	\$	\$
Grants and Other Intergovernmental	84,200	57,130	445,215
Donations	29,450	60,327	23,950
Fines & Forfeitures	26,800	23,100	24,300
In Lieu Fees			625,000
Charges for Services	1,500	2,300	1,900
Other Misc. Revenues	1,750	8,747	5,790
Contingent Grants & Donations	300,000		300,000
	\$ 443,700	\$ 151,604	\$ 1,426,155
Transportation Sales Tax Fund:	\$	\$	\$
Transportation Sales Tax	2,976,900	3,028,700	3,028,700
Interest Earnings	44,650	27,800	27,800
	\$ 3,021,550	\$ 3,056,500	\$ 3,056,500
<b>Total Special Revenue Funds</b>	<b>\$ 4,417,470</b>	<b>\$ 4,243,354</b>	<b>\$ 5,497,915</b>
<b>CAPITAL PROJECTS FUNDS</b>			
Capital Improvement Fund:	\$	\$	\$
County Flood Control	748,300	752,274	350,000
Grants and Other Intergovernmental	792,091	170,000	
Contributions and Donations	50,000	50,000	50,000
Interest Earnings	224,200	231,800	231,000
	\$ 1,814,591	\$ 1,204,074	\$ 631,000
Art in Public Places Fund:	\$	\$	\$
Interest Earnings	200	1,590	1,530
	\$ 200	\$ 1,590	\$ 1,530
Development Impact Fees Funds:	\$	\$	\$
Development Impact Fees	197,410	267,050	626,350
Interest Earnings	27,810	45,210	44,820
	\$ 225,220	\$ 312,260	\$ 671,170
<b>Total Capital Projects Funds</b>	<b>\$ 2,040,011</b>	<b>\$ 1,517,924</b>	<b>\$ 1,303,700</b>
<b>ENTERPRISE FUNDS</b>			
Wastewater - Charges for Services	\$ 6,145,000	\$ 6,159,470	\$ 6,166,183
Wastewater - Capacity Fees	673,300	449,700	1,227,000
Wastewater - Misc. Revenues	292,000	401,430	420,030
	\$ 7,110,300	\$ 7,010,600	\$ 7,813,213
<b>Total Enterprise Funds</b>	<b>\$ 7,110,300</b>	<b>\$ 7,010,600</b>	<b>\$ 7,813,213</b>

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

**CITY OF SEDONA**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2020**

SOURCE OF REVENUES	ESTIMATED REVENUES 2019	ACTUAL REVENUES* 2019	ESTIMATED REVENUES 2020
<b>INTERNAL SERVICE FUNDS</b>			
Information Technology Fund:	\$	\$	\$
Internal Cost Charges	1,726,300	1,717,280	1,678,640
Other Charges for Services	1,000	800	800
Interest Earnings		2,400	2,400
	\$ 1,727,300	\$ 1,720,480	\$ 1,681,840
<b>Total Internal Service Funds</b>	\$ 1,727,300	\$ 1,720,480	\$ 1,681,840
<b>TOTAL ALL FUNDS</b>	\$ 43,888,921	\$ 43,428,095	\$ 45,138,788

\* 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 2020**

FUND	OTHER FINANCING 2020		INTERFUND TRANSFERS 2020	
	SOURCES	(USES)	IN	(OUT)
<b>GENERAL FUND</b>				
Transfer to Streets Fund	\$	\$	\$	\$ 190,760
Transfer to Wastewater Fund				3,447,000
Transfer to Capital Improvements Fund				2,416,627
Transfer to Affordable Housing Fund				1,100,000
Transfer to Development Impact Fees				31,786
<b>Total General Fund</b>	\$	\$	\$	\$ 7,186,173
<b>SPECIAL REVENUE FUNDS</b>				
Streets - From General Fund	\$	\$	\$ 190,760	\$
Affordable Housing - From General Fund			1,100,000	
<b>Total Special Revenue Funds</b>	\$	\$	\$ 1,290,760	\$
<b>DEBT SERVICE FUNDS</b>				
	\$	\$	\$	\$
<b>Total Debt Service Funds</b>	\$	\$	\$	\$
<b>CAPITAL PROJECTS FUNDS</b>				
Cap Impr - From General Fund	\$	\$	\$ 2,416,627	\$
Cap Impr - To Art in Public Places				52,320
Art in Public Places - From Cap Impr			52,320	
Development Impact Fees Funds			31,786	
<b>Total Capital Projects Funds</b>	\$	\$	\$ 2,500,733	\$ 52,320
<b>ENTERPRISE FUNDS</b>				
Wastewater - From General Fund	\$	\$	\$ 3,447,000	\$
<b>Total Enterprise Funds</b>	\$	\$	\$ 3,447,000	\$
<b>INTERNAL SERVICE FUNDS</b>				
	\$	\$	\$	\$
<b>Total Internal Service Funds</b>	\$	\$	\$	\$
<b>TOTAL ALL FUNDS</b>	\$	\$	\$ 7,238,493	\$ 7,238,493

**CITY OF SEDONA**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2020**

<b>FUND/DEPARTMENT</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2019</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2019</b>	<b>ACTUAL EXPENDITURES/ EXPENSES* 2019</b>	<b>BUDGETED EXPENDITURES/ EXPENSES 2020</b>
<b>GENERAL FUND</b>				
City Council	\$ 72,805	\$	\$ 68,425	\$ 73,470
City Manager	3,175,077	(27,458)	3,065,010	3,602,560
Human Resources	311,110		298,680	302,850
Financial Services	1,089,800		1,051,900	1,162,060
City Attorney	630,640	5,683	524,420	705,530
City Clerk	333,975		323,187	267,860
Parks & Recreation	706,930	4,500	700,094	763,240
General Services	1,719,926	(3,110)	1,560,277	1,875,206
Community Development	1,540,045	(5,416)	1,481,595	1,493,410
Public Works	3,660,790	3,818	3,533,620	3,792,385
Economic Development	202,500	9,000	209,150	256,030
Police	5,192,486		4,853,622	5,237,607
Municipal Court	402,690		388,160	393,350
Indirect Cost Allocations	516,700		584,350	653,880
Debt Service	1,415,414		1,416,914	1,036,750
Contingency	650,000	(13,683)		300,000
<b>Total General Fund</b>	<b>\$ 21,620,888</b>	<b>\$ (26,666)</b>	<b>\$ 20,059,404</b>	<b>\$ 21,916,188</b>
<b>SPECIAL REVENUE FUNDS</b>				
Streets Fund	\$ 1,207,380	\$	\$ 1,203,180	\$ 1,206,020
Grants & Donations Funds	710,330	1,000	143,009	3,045,245
Transportation Sales Tax	100,920		62,840	93,870
<b>Total Special Revenue Funds</b>	<b>\$ 2,018,630</b>	<b>\$ 1,000</b>	<b>\$ 1,409,029</b>	<b>\$ 4,345,135</b>
<b>CAPITAL PROJECTS FUNDS</b>				
Develop. Impact Fees Funds	\$ 52,540	\$ 40,483	\$ 57,540	\$ 2,212,057
Capital Improvements Fund	8,296,445	(15,483)	5,342,809	7,354,550
Art in Public Places Fund				130,000
<b>Total Capital Projects Funds</b>	<b>\$ 8,348,985</b>	<b>\$ 25,000</b>	<b>\$ 5,400,349</b>	<b>\$ 9,696,607</b>
<b>ENTERPRISE FUNDS</b>				
Wastewater - Administration	\$ 251,730	\$	\$ 242,400	\$ 209,585
Wastewater - Operations	2,914,420		2,465,230	3,464,065
Wastewater - Debt Service	4,439,005		4,439,005	4,693,025
Wastewater - Capital	4,467,484		1,448,252	4,000,000
Wastewater - Dept Allocations	1,566,960		1,292,340	1,459,005
Wastewater - Contingency	100,000			100,000
<b>Total Enterprise Funds</b>	<b>\$ 13,739,599</b>	<b>\$</b>	<b>\$ 9,887,227</b>	<b>\$ 13,925,680</b>
<b>INTERNAL SERVICE FUNDS</b>				
Information Technology Fund	\$ 1,727,361	\$ 666	\$ 1,587,250	\$ 1,533,020
<b>Total Internal Service Funds</b>	<b>\$ 1,727,361</b>	<b>\$ 666</b>	<b>\$ 1,587,250</b>	<b>\$ 1,533,020</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 47,455,463</b>	<b>\$</b>	<b>\$ 38,343,259</b>	<b>\$ 51,416,630</b>

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



**CITY OF SEDONA**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2020**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2019	2019	2019	2020
<b>City Council:</b>				
General Fund	\$ 72,805		\$ 68,425	\$ 73,470
<b>Department Total</b>	<b>\$ 72,805</b>	<b>\$</b>	<b>\$ 68,425</b>	<b>\$ 73,470</b>
<b>City Manager:</b>				
General Fund	\$ 3,175,077	(27,458)	3,065,010	\$ 3,602,560
Develop. Impact Fee Funds		25,000		
Information Technology Fund				2,280
<b>Department Total</b>	<b>\$ 3,175,077</b>	<b>\$ (2,458)</b>	<b>\$ 3,065,010</b>	<b>\$ 3,604,840</b>
<b>Human Resources:</b>				
General Fund	\$ 311,110		298,680	\$ 302,850
<b>Department Total</b>	<b>\$ 311,110</b>	<b>\$</b>	<b>\$ 298,680</b>	<b>\$ 302,850</b>
<b>Financial Services:</b>				
General Fund	\$ 1,089,800		1,051,900	\$ 1,162,060
Wastewater Fund	270,050		203,550	142,500
<b>Department Total</b>	<b>\$ 1,359,850</b>	<b>\$</b>	<b>\$ 1,255,450</b>	<b>\$ 1,304,560</b>
<b>Information Technology:</b>				
Wastewater Fund	\$ 106,080		63,860	\$ 94,125
Information Technology Fund	1,399,631	666	1,268,790	1,317,950
<b>Department Total</b>	<b>\$ 1,505,711</b>	<b>\$ 666</b>	<b>\$ 1,332,650</b>	<b>\$ 1,412,075</b>
<b>City Attorney:</b>				
General Fund	\$ 630,640	5,683	524,420	\$ 705,530
Wastewater Fund	100,000			100,000
<b>Department Total</b>	<b>\$ 730,640</b>	<b>\$ 5,683</b>	<b>\$ 524,420</b>	<b>\$ 805,530</b>
<b>City Clerk:</b>				
General Fund	\$ 333,975		323,187	\$ 267,860
<b>Department Total</b>	<b>\$ 333,975</b>	<b>\$</b>	<b>\$ 323,187</b>	<b>\$ 267,860</b>
<b>Parks &amp; Recreation:</b>				
General Fund	\$ 706,930	4,500	700,094	\$ 763,240
Information Technology Fund				1,000
Grants & Donations Funds	43,400	18,967	59,849	16,200
<b>Department Total</b>	<b>\$ 750,330</b>	<b>\$ 23,467</b>	<b>\$ 759,943</b>	<b>\$ 780,440</b>
<b>Community Development:</b>				
General Fund	\$ 1,540,045	(5,416)	1,481,595	\$ 1,493,410
Information Technology Fund				22,800
Grants & Donations Funds	38,380		38,380	330,000
<b>Department Total</b>	<b>\$ 1,578,425</b>	<b>\$ (5,416)</b>	<b>\$ 1,519,975</b>	<b>\$ 1,846,210</b>
<b>Public Works:</b>				
General Fund	\$ 3,660,790	3,818	3,533,620	\$ 3,792,385
Streets Fund	1,150,000		1,150,000	1,150,000
Information Technology Fund				14,900
Transportation Sales Tax Fund	100,920		62,840	93,870
Wastewater Fund	266,340		263,640	275,760
<b>Department Total</b>	<b>\$ 5,178,050</b>	<b>\$ 3,818</b>	<b>\$ 5,010,100</b>	<b>\$ 5,326,915</b>

**CITY OF SEDONA**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2020**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2019	2019	2019	2020
<b>Economic Development</b>				
General Fund	\$ 202,500	9,000	209,150	\$ 256,030
Grants & Donations Funds		27,500	27,500	
<b>Department Total</b>	<b>\$ 202,500</b>	<b>\$ 36,500</b>	<b>\$ 236,650</b>	<b>\$ 256,030</b>
<b>Police:</b>				
General Fund	\$ 5,192,486		4,853,622	\$ 5,237,607
Information Technology Fund				40,720
Grants & Donations Funds	23,350	3,000	10,990	106,000
<b>Department Total</b>	<b>\$ 5,215,836</b>	<b>\$ 3,000</b>	<b>\$ 4,864,612</b>	<b>\$ 5,384,327</b>
<b>Municipal Court:</b>				
General Fund	\$ 402,690		388,160	\$ 393,350
Information Technology Fund				7,750
Grants & Donations Funds	11,200		4,615	15,815
<b>Department Total</b>	<b>\$ 413,890</b>	<b>\$</b>	<b>\$ 392,775</b>	<b>\$ 416,915</b>
<b>General Services:</b>				
General Fund	\$ 1,719,926	(3,110)	1,560,277	\$ 1,875,206
Information Technology Fund				3,500
Grants & Donations Funds				19,400
<b>Department Total</b>	<b>\$ 1,719,926</b>	<b>\$ (3,110)</b>	<b>\$ 1,560,277</b>	<b>\$ 1,898,106</b>
<b>Indirect Cost Allocations:</b>				
General Fund	\$ 516,700		584,350	\$ 653,880
Streets Fund	57,380		53,180	56,020
Wastewater Fund	824,490		761,290	846,620
Information Technology Fund	327,730		318,460	122,120
<b>Department Total</b>	<b>\$ 1,726,300</b>	<b>\$</b>	<b>\$ 1,717,280</b>	<b>\$ 1,678,640</b>
<b>Contingency:</b>				
General Fund	\$ 650,000	(13,683)		\$ 300,000
Grants & Donations Funds	400,000	(48,467)		2,300,000
Wastewater Fund	100,000			100,000
<b>Department Total</b>	<b>\$ 1,150,000</b>	<b>\$ (62,150)</b>	<b>\$</b>	<b>\$ 2,700,000</b>
<b>Capital Improvement Projects:</b>				
Develop. Impact Fee Funds	\$ 43,000	15,483	48,000	\$ 2,212,057
Capital Improvements Fund	8,296,445	(15,483)	5,342,809	7,354,550
Art in Public Places Fund				130,000
Grants & Donations Funds	194,000		1,675	257,830
Wastewater Fund	4,467,484		1,448,252	4,000,000
<b>Department Total</b>	<b>\$ 13,000,929</b>	<b>\$</b>	<b>\$ 6,840,736</b>	<b>\$ 13,954,437</b>
<b>Debt Service:</b>				
General Fund	\$ 1,415,414		1,416,914	\$ 1,036,750
Develop. Impact Fee Funds	9,540		9,540	
Wastewater Fund	4,439,005		4,439,005	4,693,025
<b>Department Total</b>	<b>\$ 5,863,959</b>	<b>\$</b>	<b>\$ 5,865,459</b>	<b>\$ 5,729,775</b>
<b>Wastewater:</b>				
Wastewater Fund	\$ 3,166,150		2,707,630	\$ 3,673,650
<b>Department Total</b>	<b>\$ 3,166,150</b>	<b>\$</b>	<b>\$ 2,707,630</b>	<b>\$ 3,673,650</b>

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

**CITY OF SEDONA**  
**Full-Time Employees and Personnel Compensation**  
**Fiscal Year 2020**

<b>FUND</b>	<b>Full-Time Equivalent (FTE)</b>	<b>Employee Salaries and Hourly Costs</b>	<b>Retirement Costs</b>	<b>Healthcare Costs</b>	<b>Other Benefit Costs</b>	<b>Total Estimated Personnel Compensation</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
<b>GENERAL FUND</b>	129	\$ 7,881,047	\$ 1,702,142	\$ 1,392,819	\$ 635,971	\$ 11,611,979
<b>SPECIAL REVENUE FUNDS</b>						
Transportation Sales Tax	1	\$ 65,030	\$ 7,770	\$ 14,730	\$ 6,340	\$ 93,870
Grants & Donations		25,000				25,000
<b>Total Special Revenue Funds</b>	<b>1</b>	<b>\$ 90,030</b>	<b>\$ 7,770</b>	<b>\$ 14,730</b>	<b>\$ 6,340</b>	<b>\$ 118,870</b>
<b>CAPITAL PROJECTS FUNDS</b>						
		\$	\$	\$	\$	\$
<b>Total Capital Projects Funds</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ENTERPRISE FUNDS</b>						
Wastewater Funds	16	\$ 1,080,560	\$ 129,080	\$ 200,310	\$ 113,010	\$ 1,522,960
<b>Total Enterprise Funds</b>	<b>16</b>	<b>\$ 1,080,560</b>	<b>\$ 129,080</b>	<b>\$ 200,310</b>	<b>\$ 113,010</b>	<b>\$ 1,522,960</b>
<b>INTERNAL SERVICE FUND</b>						
Information Techonology Fund	5	\$ 437,410	\$ 52,240	\$ 77,180	\$ 37,040	\$ 603,870
<b>Total Internal Service Fund</b>	<b>5</b>	<b>\$ 437,410</b>	<b>\$ 52,240</b>	<b>\$ 77,180</b>	<b>\$ 37,040</b>	<b>\$ 603,870</b>
<b>TOTAL ALL FUNDS</b>	<b>151</b>	<b>\$ 9,489,047</b>	<b>\$ 1,891,232</b>	<b>\$ 1,685,039</b>	<b>\$ 792,361</b>	<b>\$ 13,857,679</b>

# ANNUAL BUDGET

City Council Special Meeting  
Final Proposed Budget  
June 25, 2019



City of Sedona, Arizona  
Fiscal Year 2019/20

# FY 2019-20 Budget Calendar

	Participants	Date
Leadership Team Budget Planning Meeting	Leadership Team	December 13, 2018
Operating Budget Kickoff Meeting	Staff	January 7, 2019
Capital Improvement Program (CIP) Budget Kickoff Meeting	Staff CIP Team	January 7, 2019
City Council Retreat	Council, Staff, CBWG	January 15, 2019
CIP Requests Due	Staff CIP Team	February 4, 2019
Review of CIP Project Submittals	Staff	February 13, 2019
Operating Base Budgets and Decision Packages Due	Staff	February 14, 2019
Department Narratives Due	Staff	February 21, 2019
Review of Revenue Projections	Chamber, Staff	February 27, 2019
CIP Funding/Budget Balancing	CMO, Finance	February 28, 2019
Citizens Budget Work Group (CBWG) Kickoff Meeting	CBWG, Staff	March 12, 2019
City Manager Review of Operating Base Budgets, and Decision Package Requests	Staff, CBWG	March 19-20, 2019
City Manager Review of CIP Budgets	Staff, CBWG	March 21, 2019
Proposed Budget Distributed to City Council	Staff	April 9, 2019
City Council Work Sessions	Council, Staff	April 17-18, 2019
City Council Adoption of Tentative Budget	Council, Staff	May 28, 2019
City Council Adoption of Budget	Council, Staff	<b>June 25, 2019</b>
Board Adoption of Tentative CFD Budget	Board, Staff	June 25, 2019
Board Adoption of Final CFD Budget	Board, Staff	July 23, 2019



# Citizens Budget Work Group

## *Special Thanks to Work Group Members*

Lou Harper	Charlotte Hosseini
Anne Khoury	Holli Ploog

*Thank You*

**Fiscal Year 2019/20 Annual Budget**

Special Thanks to Brenda Tammarine for PowerPoint Design!



# Revenue Forecasts

## *Special Thanks Input Provided*

Cari Meyer

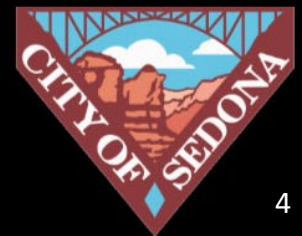
Molly Spangler

Jennifer Wesselhoff

THANK

*You*

**Fiscal Year 2019/20 Annual Budget**





# FY 2020 Budget is Balanced

All Funds	FY 2020 Budget
Estimated July 1, 2019 Fund Balances	\$50.3M
Estimated Revenues	45.1M
Less Estimated Policy Reserves as of June 30, 2020:	
Operating Reserves	(8.1M)
Capital Reserves	(13.1M)
Equipment Replacement Reserves	(2.3M)
Major Maintenance Reserve	(0.2M)
Streets Fund Reserve	(0.1M)
<b>Total Resources Available</b>	<b>\$71.7M</b>
Budgeted Expenditures	(51.4M)
<b>Excess Resources Available</b>	<b>\$20.2M</b>

**Fiscal Year 2019/20 Annual Budget**







# Council Priorities Included

Priority Item	Budget Location	FY2020 Budget Amount <sup>(1)</sup>
Complete various traffic improvements (High)	CIP	\$6,753,589
Update Building Code (High)	CommDev	\$2,500
Environmental stewardship/sustainability (High)	CMO	\$169,850
	<u>General Services</u>	<u>\$203,100<sup>(2)</sup></u>
	Total	\$372,950
Housing (High)	Affordable Housing Fund	\$2,000,000
Storm water projects (High)	CIP	\$1,773,120
Sedona Chamber of Commerce & Tourism Bureau (High)	CMO	\$2,492,500
Permanent Base Adjustment (High)	CMO Finance	Staff time only

(1) Does not include costs for staff time

(2) \$100,000 is contingent recommendation pending further evaluation of recycling program

## Fiscal Year 2019/20 Annual Budget



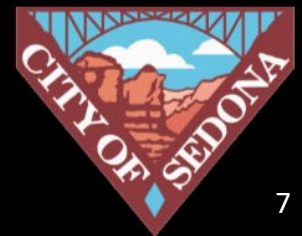


# Council Priorities Included

Priority Item	Budget Location	FY2020 Budget Amount <sup>(1)</sup>
Political capital & communication (High)	CMO	Staff time only
CFA development (Medium)	CommDev	\$8,500
Monitor short-term rentals (Medium)	CommDev	\$20,000
Economic diversification (Medium)	EconDev	\$91,300
Emergency preparedness (Medium)	Police (lead)	Staff time only
Parks land acquisition (Low)	None	\$0
Complete Dells land use planning (Low)	None	\$0
Sense of place (Low)	None	\$0

(1) Does not include costs for staff time

## Fiscal Year 2019/20 Annual Budget





# FY 2020 Changes in Fund Balances

	FY 2020 Budget
Estimated July 1, 2019 Fund Balances	\$50.3M
Estimated Revenues	45.1M
Budgeted Expenditures	(51.4M)
<b>Estimated June 30, 2020 Fund Balances</b>	<b>\$44.0M</b>
Estimated Policy Reserves as of June 30, 2020	(23.8M)
<b>Excess Resources Available</b>	<b>\$20.2M</b>
Estimated Balances Pledged to Purposes for which Monies Collected in Excess of Policy Reserves	(17.0M)
<b>Remaining Available Fund Balances in Excess of Policy Reserves</b>	<b>\$3.3M</b>

**Fiscal Year 2019/20 Annual Budget**

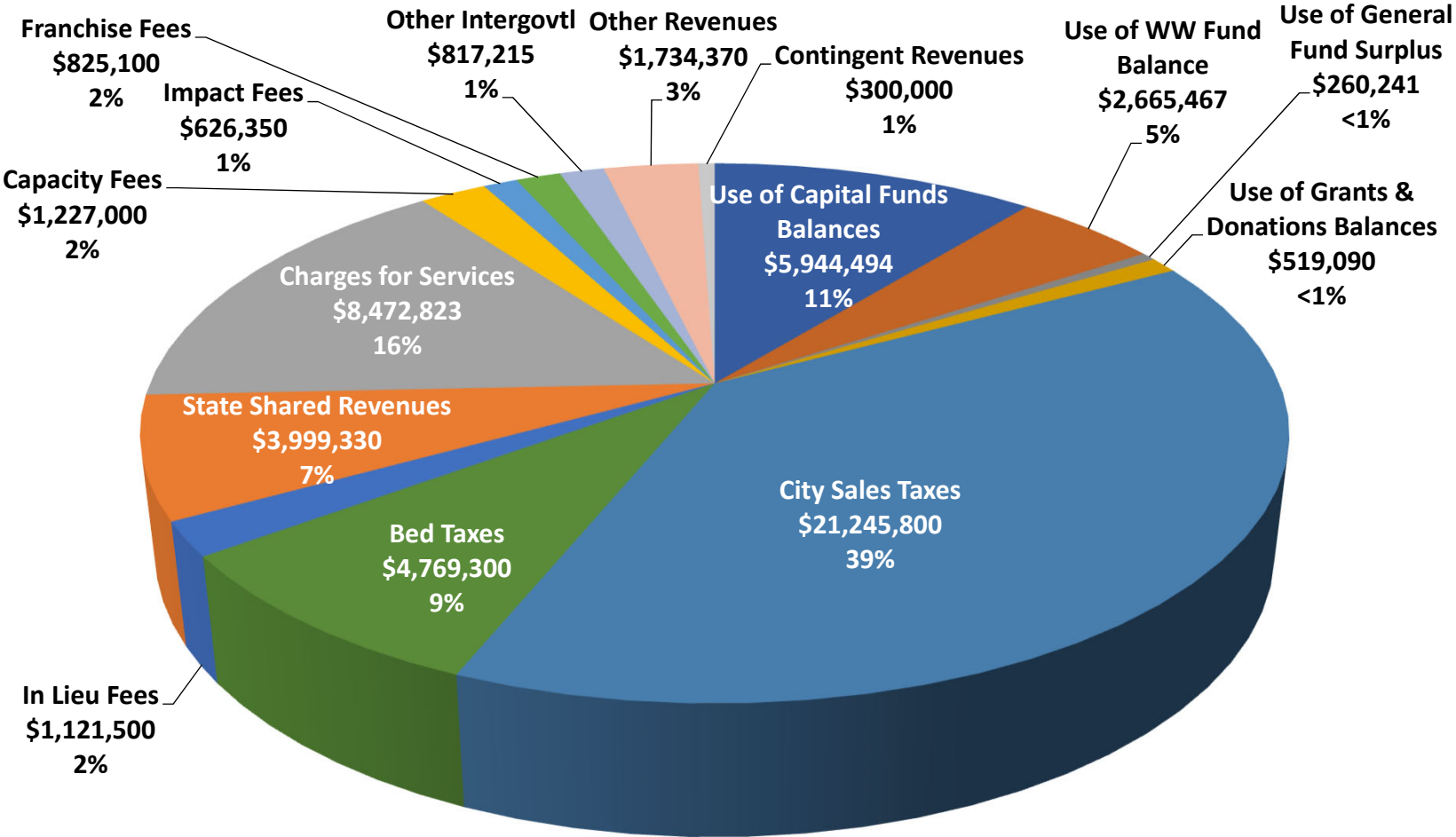


# Revenues by Fund

(In Thousands)

	Ongoing Revenues			One-Time & Contingent Revenues			Total Revenues		
Fund	FY2020 Proposed	FY2019 Budget	% Change	FY2020 Proposed	FY2019 Budget	% Change	FY2020 Proposed	FY2019 Budget	% Change
General	\$28,745	\$28,035	3%	\$ 97	\$ 559	-83%	\$28,842	\$28,594	<1%
Streets	1,015	952	7%	-	-	0%	1,015	952	7%
Grants & Donations	58	85	-31%	1,368	359	281%	1,426	444	221%
Transportation Sales Tax	3,057	3,022	1%	-	-	0%	3,057	3,022	1%
Capital Improvement	581	973	-40%	50	842	-94%	631	1,815	-65%
Development Impact Fees	275	225	22%	396	-	∞%	671	225	198%
Art in Public Places	2	-	∞%	-	-	0%	2	-	∞%
Wastewater	7,118	6,728	6%	695	382	82%	7,813	7,110	10%
Information Technology	1,563	1,649	-5%	119	79	51%	1,682	1,727	-3%
<b>Totals</b>	<b>\$42,414</b>	<b>\$41,677</b>	<b>2%</b>	<b>\$2,725</b>	<b>\$2,212</b>	<b>23%</b>	<b>\$45,139</b>	<b>\$43,889</b>	<b>3%</b>
% of Grand Total	<b>94%</b>	<b>95%</b>		<b>6%</b>	<b>5%</b>				

# Proposed FY 2020 Funding Sources



# Revenues by Type

(In Thousands)

	FY2020 Proposed	FY2019 Budget	Increase/ (Decrease)	% Change
City Sales Taxes	\$21,246	\$20,929	\$ 317	2%
Bed Taxes	4,769	4,446	323	7%
State Shared Revenues	3,999	3,869	130	3%
Wastewater Charges for Services	6,166	6,145	21	<1%
Other Miscellaneous	8,659	7,650	1,009	13%
Contingent Revenues	300	850	(550)	(65%)
<b>Totals</b>	<b>\$45,139</b>	<b>\$43,889</b>	<b>\$1,250</b>	<b>3%</b>

# Revenue Changes

(In Thousands)

<b>FY 2019 Budget</b>	<b>\$43,889</b>
City sales tax increases	317
Bed tax increases	323
Eliminated contingent bed taxes	(550)
Capital projects grants decrease	(782)
Eliminated Coconino County Flood Control funding	(398)
Paid parking decrease	(255)
Capacity fees increase	554
Impact fees increase	429
In lieu fees increase	625
CDBG grant added	330
Other adjustments	657
<b>FY 2020 Budget</b>	<b>\$45,139</b>



## Fiscal Year 2019/20 Annual Budget



# City Sales & Bed Tax Through April 2019

3%  
Sales Tax Increase for  
April YTD  
over Budget

18%  
Sales Tax Increase from  
Prior Year  
April YTD Actual  
(6% Excluding Transportation Tax)

\$460K  
Sales Tax Collections to  
Date over Budget

9%  
Bed Tax Increase  
for April YTD  
over Budget

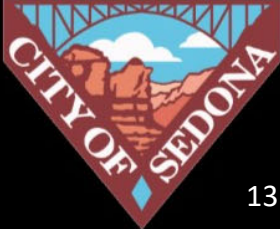
8%  
Bed Tax Increase from  
Prior Year  
April YTD Actual

\$341K  
Bed Tax  
Collections to Date over  
Budget

2% (over Budget)  
<-1% (over Estimate)  
Sales Tax  
Projected Increase

7% (over Budget)  
0% (over Estimate)  
Bed Tax  
Projected Increase

## Fiscal Year 2019/20 Annual Budget





# Expenditures by Fund

(In Thousands)

	Ongoing Expenditures			One-Time & Contingent Expenditures			Total Expenditures		
Fund	FY2020 Proposed	FY2019 Budget	% Change	FY2020 Proposed	FY2019 Budget	% Change	FY2020 Proposed	FY2019 Budget	% Change
General	\$19,833	\$18,754	6%	\$2,082	\$2,840	-27%	\$21,916	\$21,594	1%
Streets	1,206	1,207	<1%	-	-	0%	1,206	1,207	<1%
Grants & Donations	27	80	-67%	3,019	631	379%	3,045	710	329%
Transportation Sales Tax	94	101	-7%	-	-	0%	94	101	-7%
Capital Improvement	-	-	0%	7,355	8,281	-11%	7,355	8,281	-11%
Development Impact Fees	-	-	0%	2,212	93	2278%	2,212	93	2278%
Art in Public Places	-	-	0%	130	-	∞%	130	-	∞%
Wastewater	4,161	4,085	2%	9,765	9,654	1%	13,926	13,740	1%
Information Technology	1,349	1,438	-6%	183	290	-37%	1,533	1,728	-11%
<b>Totals</b>	<b>\$26,670</b>	<b>\$25,666</b>	<b>4%</b>	<b>\$24,747</b>	<b>\$21,789</b>	<b>14%</b>	<b>\$51,417</b>	<b>\$47,455</b>	<b>8%</b>
% of Grand Total	<b>52%</b>	<b>54%</b>		<b>48%</b>	<b>46%</b>				

# Expenditures by Type

(In Thousands)

	FY2020 Proposed	FY2019 Budget	Increase/ (Decrease)	% Change
Personnel	\$13,858	\$13,106	\$ 751	6%
Operations	15,175	14,413	762	5%
<b>Subtotal Operational Costs</b>	<b>\$29,033</b>	<b>\$27,519</b>	<b>\$ 1,514</b>	<b>6%</b>
Capital Improvement Projects <sup>(1)</sup>	13,954	12,985	969	7%
Debt Service	5,730	5,864	(134)	-2%
Contingencies	2,700	1,087	1,613	148%
<b>Totals</b>	<b>\$51,417</b>	<b>\$47,455</b>	<b>\$4,092</b>	<b>8%</b>

<sup>(1)</sup> Does not include projects funded by the Community Facilities Districts. Those projects will be included in the budget proposals for those separate entities.

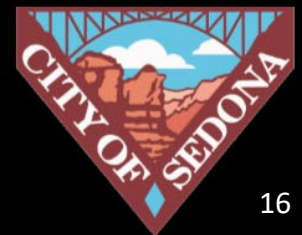


# Salary & Benefit Changes

(In Thousands)

<b>FY 2019 Budget</b>	<b>\$13,106</b>
Wage adjustments	130
Health insurance 5% rate increase (net of changes in elections)	(23)
ASRS 3% rate increase	108
Workers comp increase	14
Correction of prior year error in on call pay	123
Decision packages	346
Other adjustments	54
<b>FY 2020 Budget</b>	<b>\$13,858</b>

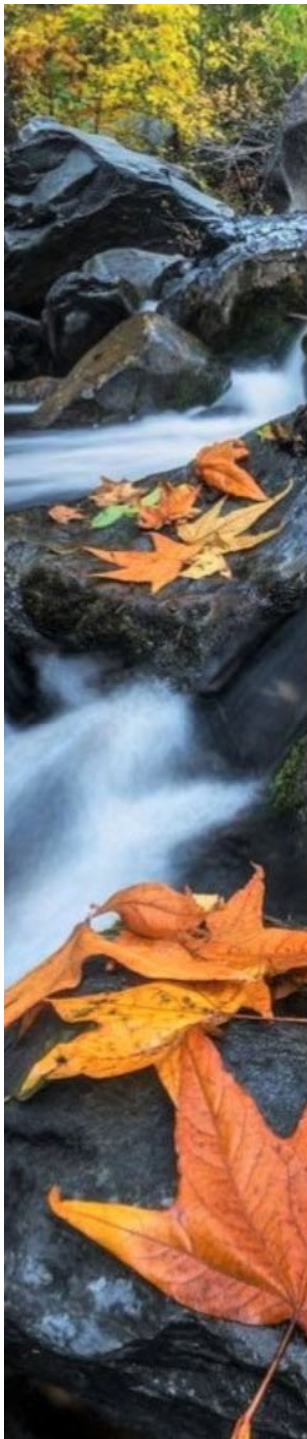
**Fiscal Year 2019/20 Annual Budget**



# Operations Changes

(In Thousands)

<b>FY 2019 Budget</b>	<b>\$14,413</b>
Tourism management & development increase	316
CDBG grant added	330
Community service contracts increase	35
Holiday decorations enhancement (in addition to \$40k already allocated)	40
Decrease in one-time costs	(142)
Decision packages	652
Adjustment for fleet management leases	(93)
Other adjustments	(376)
<b>FY 2020 Budget</b>	<b>\$15,175</b>



**Fiscal Year 2019/20 Annual Budget**



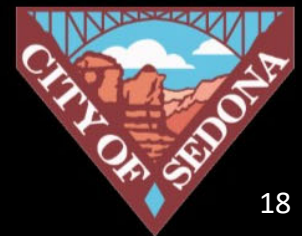
# CIP Changes

(In Thousands)

<b>FY 2019 Budget</b>	<b>\$12,985</b>
Arts & Culture increase	130
Information Technology increase	100
Municipal Court increase	71
Parks & Recreation increase	279
Police increase	167
Public Works decrease	(321)
Storm Drainage decrease	(2,540)
Sedona in Motion increase	3,939
Streets & Transportation decrease	(388)
Wastewater decrease	(467)
<b>FY 2020 Budget</b>	<b>\$13,954</b>



**Fiscal Year 2019/20 Annual Budget**



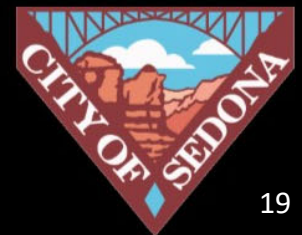


# Debt Service Changes

(In Thousands)

<b>FY 2019 Budget</b>	<b>\$5,864</b>
General Fund decrease	(378)
Development Impact Fee Fund decrease	(10)
Wastewater increase	254
<b>FY 2020 Budget</b>	<b>\$5,730</b>

**Fiscal Year 2019/20 Annual Budget**



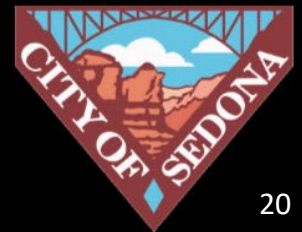


# Contingencies Changes

(In Thousands)

<b>FY 2019 Budget</b>	<b>\$1,087</b>
Eliminate contingency placeholder for increase in bed tax	(300)
Reinstate General Fund contingency used in FY 2019	14
Reduction of General Fund contingency	(50)
Reinstate Grants & Donations Funds contingency used in FY 2019	49
Increased Affordable Housing contingency	1,900
<b>FY 2020 Budget</b>	<b>\$2,700</b>

**Fiscal Year 2019/20 Annual Budget**



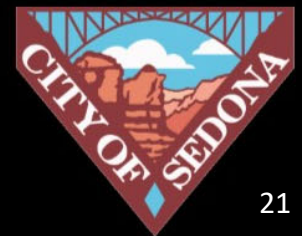


# FY 2020 Contingencies Totals

(In Thousands)

	General Fund	Grants & Donations	Wastewater Enterprise Fund
General operating contingency	\$200	\$ -	\$100
Affordable housing program	-	2,000	
Unknown grants and donations	-	300	-
Judgments	100	-	-
<b>FY 2020 Budget</b>	<b>\$300</b>	<b>\$2,300</b>	<b>\$100</b>

**Fiscal Year 2019/20 Annual Budget**

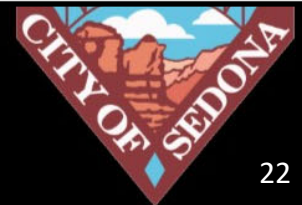




# FY 2020 Transfers

	Transfers In						
	Streets Fund	Affordable Housing Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Wastewater Enterprise Fund	Totals
<b>Transfers Out</b>							
General Fund (Subsidies)	\$190,760	\$1,100,000	\$1,992,671	\$31,786	\$ -	\$3,447,000	\$6,672,163
General Fund (Paid Parking Revenues)			275,699				275,699
General Fund (remainder of FY18 bed tax true-up)			17,711				17,711
General Fund (remainder of estimated FY20 bed tax allocated to tourism management)			130,600				130,600
Capital Improvements Fund					52,320		52,320
<b>Totals</b>	<b>\$190,760</b>	<b>\$1,100,000</b>	<b>\$2,416,627</b>	<b>\$31,786</b>	<b>\$52,320</b>	<b>\$3,447,000</b>	<b>\$7,238,493</b>

**Fiscal Year 2019/20 Annual Budget**



# Capital Improvements by Funding Source

Funding Source	FY 2020
Unrestricted:	
Capital Reserves	\$ 6,632,860
Restricted:	
Coconino County Flood Control	232,830
Yavapai County Flood Control	350,000
Development Impact Fees Funds	2,212,057
Paid Parking Revenues	275,699
Bed Tax Allocation	148,311
Grants	11,200
RICO Monies	25,000
Court Restricted Revenues	232,830
1% for Arts	130,000
Wastewater Revenues	4,000,000
Community Facilities Districts	280,000
<b>Total</b>	<b>\$14,297,957</b>

# Capital Improvements by Project Type

(including 1% Arts Transfers)

Project Type	Carryover	New Appropriation	FY 2020 Totals
Art in Public Places	\$ -	\$ 130,000	\$ 130,000
Information Technology	-	100,000	100,000
Municipal Court	235,330	36,577	271,907
Parks and Recreation	29,988	529,646	559,634
Police	184,179	309,829	494,008
Public Works	100,000	115,699	215,699
Storm Drainage	20,200	260,350	280,550
Sedona in Motion	3,584,362	4,661,797	8,246,159
Streets & Transportation	-	-	-
Wastewater	2,795,297	1,204,703	4,000,000
<b>Total</b>	<b>\$6,949,356</b>	<b>\$7,348,601</b>	<b>\$14,297,957</b>

# Questions or Comments?

**Fiscal Year 2019/20 Annual Budget**

