

ANNUAL BUDGET



CITY OF SEDONA, AZ
FISCAL YEAR 2022/23

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To view the City of Sedona Budget-in-Brief, click [here](#).



Sedona Shuttle at Soldier's Pass Trailhead

The Sedona Shuttle won first place in the National Rural Transportation Assistance Program (RTAP) "The Bus Stops Here" photo contest. Photo taken by Al Comello for Sedona Chamber of Commerce & Tourism Bureau.

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 01, 2021

Christopher P. Morill

Executive Director



Introduction

INTRODUCTION

While the City budget could be viewed as 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 road improvement, 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.

The City follows the program and performance budgeting approach. This budgeting method focuses on the City's goals, the performance measurements in achieving those goals, and the values obtained for the resources utilized. This method offers 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, as well as the Community Plan, 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 enhances accuracy in projections to help maintain a strong fiscal standing.

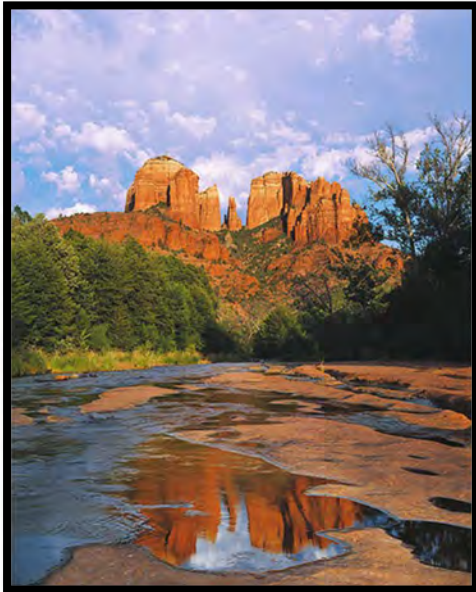
Budget as an Operations Guide

As an operations guide, the budget outlines the estimated amount of work to be done and services to be provided and the costs 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 man-made 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



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

Scott Jablow – Vice Mayor



Vice Mayor Jablow holds a degree in criminal justice and worked for the Port Authority of New York and 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.

Kathy Kinsella – Councilor

Councilor Kinsella has owned her home in Sedona since 2010. She joined the Sedona City Council after serving for three years on the City's Planning & Zoning Commission, which oversees land use development review and design throughout the city. She has more than 25 years' experience working in state and local government in Arizona and New York, and served for ten years as the elected Superintendent of Highways in Rhinebeck, NY before moving to Sedona as a full time resident.

An active volunteer in our community, Kathy is a past President of the League of Women Voters

Greater Verde Valley, has served on the boards of numerous community organizations, and works with local non-profits focusing on food insecurity, civil rights, and justice. She is a recipient of the League of Women Voters Greater Verde Valley 2017 Citizen Engagement Award. Kathy believes in bringing all sides to the table to reach solutions on civic issues.



MEET THE CITY COUNCIL

continued

Tom Lamkin – Councilor



Councilor Lamkin moved to Sedona eight 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 for over three decades, holding several positions in sales management. Tom enjoyed working with 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 and speaking with tourists who ask for help or need more information about Sedona. He is a past president of the local Sedona-Bell Rock Kiwanis Club which serves the children of Sedona through activities coordinated with schools and other volunteer organizations.

When the Council position he now occupies opened up due to a resignation, Tom applied for the position. He felt it was a good time to serve the City of Sedona more directly as he did from 2016 to 2018 on the City Council. He was fortunate to be selected and appointed by the City Council and anticipates utilizing the skills learned during his career. Tom is always available to listen to any citizen input and hopes they will meet with him or communicate with him at their convenience.

Holli Ploog – Councilor

Councilor Ploog and her husband Bert have lived in Sedona since 2013, first visiting as a tourist in winter 1993. They fell in love with the natural beauty of the landscape and the people of Sedona who were welcoming, inclusive, collaborative, supportive, and demonstrated a strong sense of community.

Holli received a B.A. in International Affairs from the Elliott School at George Washington University and a law degree from Golden Gate University where she received the prestigious book award on constitutional law. Her work has been recognized by Who's Who of Executives & Professionals, Who's Who of the West and of the East, Who's Who of American Politics, and Who's Who of Communications.

A retired attorney with a 30-year background in information technology, transformation, and government coalition building, she worked with local, state, federal, and international agencies. Implementing change in a bureaucracy requires community engagement and a great deal of collaboration between stakeholders. This is one of the areas of particular interest to Holli as the City

moves forward with large scale, complex, challenging transportation, transit, and housing proposals.



Holli spent 5 years on the City's Budget Work Group and on the Fiscal Sustainability Work Group, developing financial solutions for large-scale infrastructure projects. She is currently President of the Sedona Arts Center, Past President of the Rotary Club of Sedona, and board member of The Sedona Women. She has served on several local non-profit boards dedicated to public policy issues in the areas of education, justice, and community building. She is the recipient of the 2018 Sprit of Sedona Volunteer of the Year Award.

Holli is passionate about arts and culture and appreciates that creative energy is a hallmark of Sedona. She is an avid reader, traveler, mentor, organizer, community volunteer, and swimmer. She is an advocate of staying healthy and is committed to achieving a sustainable community.

MEET THE CITY COUNCIL

continued

Jon Thompson – Councilor



Councilor Thompson and his wife Felicia spent their honeymoon in Sedona in 1969 and returned for their 25th wedding anniversary, buying a lot determined to make this their retirement home. They realized that dream when they built their

house in west Sedona and moved in on Groundhog Day in 2006.

Both Jon and Felicia earned B.A. degrees from California Lutheran University. Jon 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 California's Silicon Valley. He has held positions from Senior Manager through Vice President at several high-tech companies, including Apple, Silicon Graphics, Crossworlds, IBM, and two pre-IPO startups. "JT" has managed multimillion-dollar budgets and staffs of up to 40. He retired in 2007, again on Groundhog Day.

In his retirement, Jon was a volunteer litter lifter with Keep Sedona Beautiful for over 10 years. He

has done volunteer work at the Verde Valley Medical Center, the Sedona City Clerk's office, and Chamber Music Sedona. In recent years, he has focused his time on causes advocating for human, animal, and planetary health, as a board member of Healthy World Sedona, and as that organization's liaison with the Sustainability Alliance.

From November 2010 to March 2014, he was proud to serve on the Citizens Steering Committee for the Community Plan update, the final 2½ years as Chair. That exceptional experience created the desire to continue serving our magnificent city and was the primary reason JT decided to seek a Council seat. He was elected to Council in 2014, serving a four-year term before deciding to focus his efforts full-time on raising sustainability awareness in the community.

JT returned to Council in March 2021, appointed to serve out the remaining 1½ years of a vacated seat. His hope is to help provide long-term vision to Council. He believes this long-term view has never been more important and challenging than now, when not only preparing for our own future, but also realizing the opportunity and responsibility we share with our state, nation, and world to secure a safe and just future.

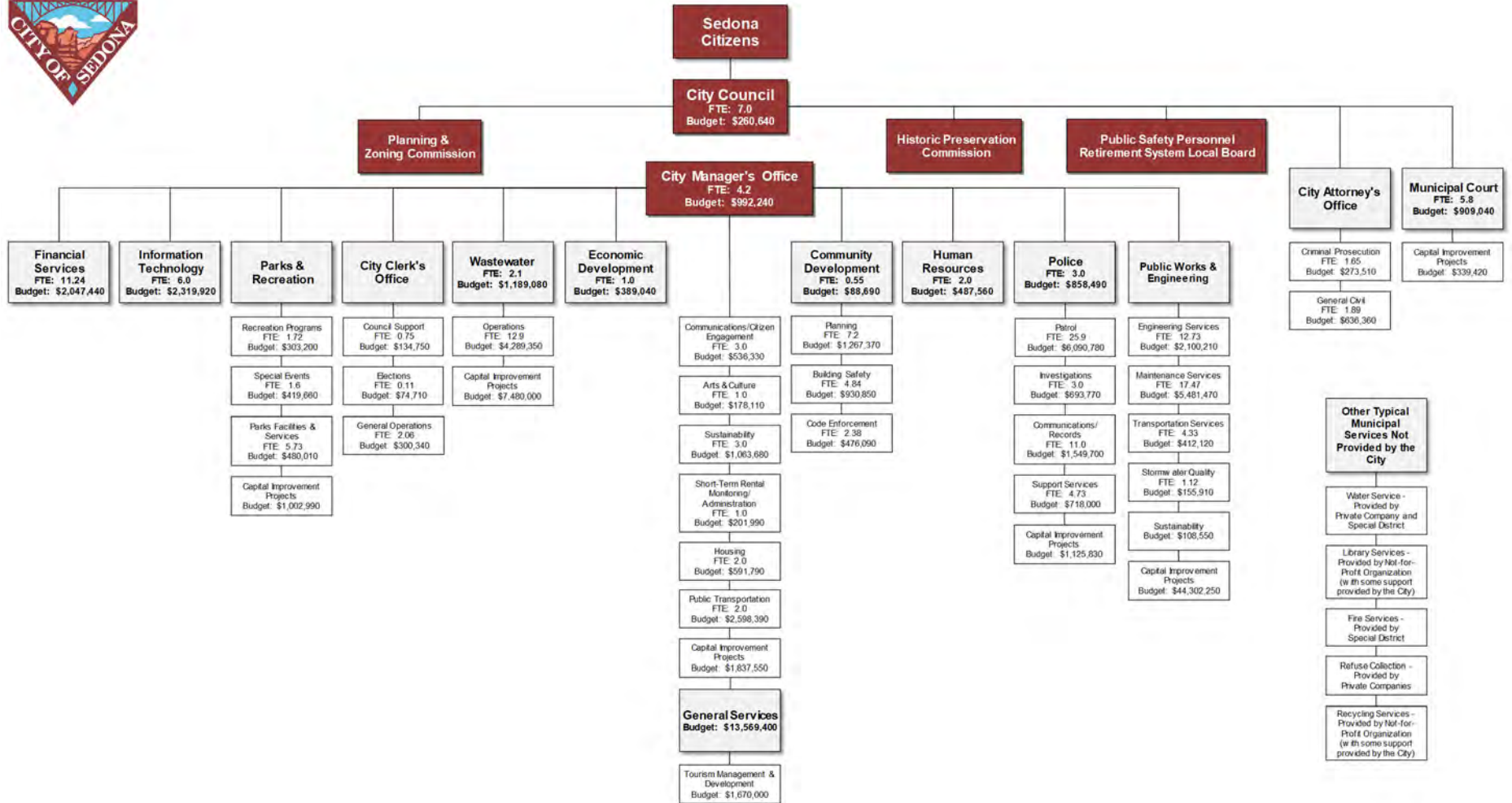
Jessica Williamson – Councilor

Councilor Williamson was born in Los Angeles and raised 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, where Jessica worked for the city. Her last job was Director of Departmental Affairs at the Department of Design & 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 says Sedona's beauty still takes her breath away. You may see her at the Sedona Dog Park where she often thinks that dogs exist to make her laugh. Jessica gardens, with mixed success; she likes to read and belongs to a political book club. She tries to work out at least three times a week, but also likes to cook and makes a very tasty cheesecake.



ORGANIZATION CHART



CITY STAFF

CITY APPOINTED OFFICIALS AND DEPARTMENT HEADS

As of July 1, 2022

City Manager	Karen Osburn
Deputy City Manager	Joanne Keene
Assistant City Manager/ Public Works Director	J. Andy Dickey
City Attorney	Kurt W. Christianson
Magistrate Judge	Paul Schlegel
City Clerk	Joanne Cook
Chief of Police	Charles Husted
Community Development Director	Jess McNeely
Economic Development Director	Molly Spangler
Financial Services Director	Cherie R. White
Wastewater Director	Roxanne Holland
Human Resources Manager	Brenda Tammarine
Information Technology Manager	Charles Hardy
Parks & Recreation Manager	Dawn Norman

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 January 2022, the City Council established the following list of priorities as part of the fiscal year 2022-23 budget process. Funding has been included in the fiscal year 2022-23 budget for all priorities with financial implications. Many of the projects are anticipated to involve staff time only, but some may include additional costs in future years. The funding sources for fiscal year 2022-23, only including staff costs when the priority is an established program, are identified below.



Continuing Priority Items:

- **Complete Various Traffic Improvements** (*\$22.7 million included in Capital Improvements Program for fiscal year 2022-23*)
A comprehensive transportation master plan was completed, and several recommended projects were 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 effective March 1, 2018. The transportation projects included in this priority extend over several fiscal years. Included is a potential transit service system that has been identified as a separate priority due to its significance.
- **Public Transit System** (*Total \$4.0 million: \$2.7 million included in Public Transit operating budget and \$1.4 million included in Capital Improvements Program for fiscal year 2022-23*)
A transit study was completed, and a financial plan was developed by the consultants. The City Council has removed the sunset on the half-cent sales tax to help fund transit operations when the system is fully developed. The build-out of the transit system is expected to extend over several fiscal years. A trailhead shuttle system has been implemented. Another more immediate goal is the implementation of a micro-transit pilot project for an app-enabled on-demand public transportation service.
- **Environmental Stewardship/Sustainability** (*Total \$1.6 million: \$1.1 million included in City Manager's Office budget, approx. \$1,000 included in Parks & Recreation budget, approx. \$109,000 included in Public Works budget, approx. \$307,000 included in General Services budget, and \$120,000 in sustainability specific projects included in Capital Improvements Program for fiscal year 2022-23, does not include \$10.3 of other capital improvement projects that support environmental sustainability goals*)
The City Council gave direction that as opportunities arise, the following sustainability areas should be pursued, keeping in mind the value return of each strategy: improve energy use/efficiency at City Hall facilities, improve internal environmental sustainability practices, explore possible increased use of renewable energy, leverage existing projects/City Council priorities to advance sustainability, leverage existing relationships to develop next steps. This priority focuses on achieving the goals of the climate action plan. This priority is anticipated to be ongoing.

COUNCIL PRIORITIES

continued

Continuing Priority Items (cont'd):

- **Affordable/Workforce Housing** (*approx. \$592,000 included in Affordable Housing Fund budget, plus \$810,000 included in contingency and \$4.6 million budgeted as balance sheet loans*)
This priority was established to address concerns about availability of affordable and workforce housing in Sedona. The City Council approved a portion of discretionary bed tax as an ongoing 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 needs assessment and 5-year action plan for addressing the concerns was completed. A housing manager has been hired, a down-payment assistance program and a rent local program have been implemented, and the City Council has approved a public-private partnership with Sunset Lofts, LLC for the development of a 46-unit apartment complex dedicated to local workforce. This priority is anticipated to be ongoing.
- **Improve Citizen Communications/Relations** (*approx. \$536,000 in City Manager's Office budget and \$15,000 in General Services Budget*)
This priority was established to improve communications with citizens. The City Council has identified goals for this priority, such as more outreach to community groups and increase mass communication. This priority is anticipated to be ongoing.
- **Monitor Short-Term Rentals** (*approx. \$202,000 included in City Manager's Office budget*)
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, concerns regarding the impacts of this new law have been raised. The City Council approved hiring a lobbyist for the 2022 Arizona State Legislative session to be an additional voice for Sedona on the topic of short-term vacation rentals. A Short-Term Rental Specialist position has been created as a dedicated position to helping manage data collection and emergency contact information. The City will continue to pursue meaningful changes to local control at the legislative level. This project is anticipated to be ongoing.
- **Economic Diversification** (*approx. \$389,000 included in Economic Development Department budget*)
Diversifying the Sedona economy has long been a priority. To further this effort, Council approved an Economic Diversification Plan. The Schires v. Carlat case has brought into question the feasibility of many economic diversification strategies. The Arizona Supreme Court found that while the public expenditure in question met the requirement for public purpose, it did not meet the requirement that the expenditure "is not so inequitable and unreasonable that it amounts to an abuse of discretion, thus providing a subsidy to the private entity." Projects will be evaluated in consideration of the impacts of the case. Currently, staff is assessing the viability of the Yavapai County Broadband Final Mile Initiative and will continue to prioritize other partnerships needed to bring broadband to Sedona. This priority is anticipated to be ongoing.
- **Emergency Preparedness** (*\$250,000 included in General Services budget*)
The priority includes an update of the City's emergency preparedness plan, creation of a continuity of operations plan, and a citywide evacuation modeling project. This project is anticipated to be ongoing.

COUNCIL PRIORITIES

continued

Added Priority Items:

- **Sedona Chamber of Commerce & Tourism Bureau (SCCTB) Contract Review** (*only Council time anticipated for fiscal year 2022-23*)
The City Council met with the SCCTB to discuss the future of marketing efforts and decided to not allocate any money to the tourism bureau for destination marketing. Instead, the focus is on efforts of Sustainable Tourism like recycling programming, water quality initiatives and funding for trails, to help offset the effects of visitation on the community. The City Council will also consider structural changes to the current contract with the SCCTB. This priority is anticipated to be ongoing.
- **Neighborhood Impacts Related to Parking/Off-Highway Vehicle (OHV) Use** (*included in Environmental Stewardship/Sustainability and Public Transit System priorities*)
Parking and access issues have increased as a result of drastic increases in surrounding National Forest use. Traffic control employees have been deployed to the busiest locations, and the initial start of a trailhead shuttle system has been implemented to mitigate traffic in and around some of these more heavily impacted areas. The City will work with the Forest Service on an Environmental Impact Study to collect data on OHVs in certain areas. In addition, the City will work with the Forest Service and other stakeholders on the Greater Sedona Recreation Collaboration to look at recreation issues on the forest land. This priority is anticipated to be ongoing.
- **Community Plan Update** (*approx. \$270,000 included in Community Development Department budget*)
Every 10 years, the community is asked to participate in updating the Community Plan, which guides the City in making decisions on projects, programs, and land and building development proposals. Community dialogue is essential in crafting an innovative and balanced Community Plan for the future of Sedona. This ten-year update kicked off with the creation of a work group and public meetings with both the Planning and Zoning Commission and the City Council. Additional public meetings will be held regularly on this topic, with an extensive public outreach process including focus groups, surveys, an online participation platform and more. This project is expected to be complete by the end of calendar year 2023.

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. 2022-20

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2022-2023.

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 July 12, 2022, 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 July 12, 2022, and August 9, 2022, 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

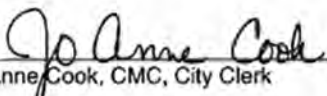
WHEREAS, publication has been duly made as required by law of said estimates, together with a notice that the City Council met on July 12, 2022, and August 9, 2022, at the City Council Chambers for the purpose of hearing taxpayers.

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 2022-2023.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 9th day of August, 2022.


Sandra J. Moriarty, Mayor

ATTEST:


JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:


Kurt W. Christlanson, 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 2022-23 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 2022-23 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 \$105,745,040. The budget is balanced between expenditures, revenues and one-time available fund balances above the policy operating reserve levels, including an estimated General Fund surplus of \$24.0 million¹ and an estimated Wastewater Fund surplus of \$8.2 million.²

*Operating budget is
\$50.0 million.*

*Capital improvements
budget is \$55.8 million.*

The operating budget represents a \$7.1 million or 17% increase from fiscal year 2022-23. The most significant increases are an increase of \$2.2 million in debt service payments for bonds issues for Sedona in Motion projects and a placeholder for possible debt related to land acquisition and \$1.7 million for the full-year implementation of the trailhead shuttle system and initiation of the micro-transit system. Other significant increases include a one-time \$1.0 million additional contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability and \$0.9 million for increases in personnel costs for pay adjustments, salary study adjustments, and changes in insurance and pension rates. Across several departments and programs, ten full-time positions were added to address staffing gaps in expanded City service levels, to improve succession planning, and to further Council priorities including sustainability, housing, and short-term rental monitoring. Further discussion of staffing changes can be found in the Position List/Full-Time Equivalent section.

The capital improvements budget represents a \$35.9 million or 181% increase from fiscal year 2021-22. The most significant increases are \$18.2 million acquisition of land for the strategic protection of the City's future development and \$13.0 million for traffic improvements including construction of a parking garage in the Uptown area, Forest Road extension, pedestrian crossing at Oak Creek, and shared-use paths. The capital improvement expenditures are financed primarily with available fund balances, a one-time resource, and dedicated half-cent sales tax revenues, supplemented with revenues from grants, development impact fees, and other sources.

¹ Allocation of the actual fiscal year 2021-22 General Fund surplus to advance Council priorities will be determined during the fiscal year 2023-24 budget process, and allocation of the actual fiscal year 2022-23 General Fund surplus to advance Council priorities will be determined during the fiscal year 2024-25 budget process.

² During discussions regarding the wastewater rate study, the intention has been to use the surpluses to delay the need for future rate increases.

CITY MANAGER'S BUDGET MESSAGE

continued

The following tables summarize the comparison to the prior year based on budget type and fund type.

SUMMARY COMPARISON BY BUDGET TYPE

(In Thousands)

	FY23 Budget	FY22 Budget	% Change
Operating Budget			
Ongoing Operational	\$ 34,424	\$30,068	14%
One-Time Operational ³	4,224	2,311	83%
Debt Service	7,813	5,830	34%
Contingencies	3,499	4,641	-25%
Subtotal Operating Budget	49,960	42,849	17%
Capital Improvements Budget	55,785	19,844	181%
Subtotal Expenditure Budget	105,745	62,693	69%
Debt Refunding Budget ⁴	-	9,000	100%
Total Expenditures & Other Financing Uses	\$105,745	\$71,693	47%

SUMMARY COMPARISON BY FUND TYPE

(In Thousands)

	FY23 Budget	FY22 Budget	% Change
General Fund	\$ 28,331	\$23,361	21%
Special Revenue Funds	6,612	7,084	-7%
Capital Projects Funds	47,026	15,194	210%
Enterprise Funds	21,676	24,195	-10%
Internal Service Fund	2,100	1,859	13%
Total Expenditures & Other Financing Uses	\$105,745	\$71,693	47%

Prior to the COVID-19 pandemic, the City was experiencing steady economic improvement, and revenues continued to trend upward with the City's largest revenue source, city sales and bed tax revenues, exceeding prior levels experienced by the City. Mandated closures in response to the pandemic occurred during mid-March 2020 to mid-May 2020, which is typically the City's busiest portion of the year for tourism, and hotel occupancy rates hit bottom in April 2020 with an 83% decrease.

However, since reopening, the tourism activity has returned and far exceeded prior highs. The fiscal year 2021-22 estimated sales taxes were up 22% and estimated bed taxes were up 30% resulting in the highest year that the City has ever seen. The significant increases in tourism are primarily responsible for the previously mentioned significant General Fund surpluses anticipated.

³ Includes \$1.0 million increase for a one-time additional contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability, \$0.4 million for professional services for evacuation planning/modeling and evaluation of transferring the Sedona-Oak Creek Airport Authority from Yavapai County to the City, and \$0.2 million for the additional of a pilot Rent Local housing program.

⁴ With increasing interest rates, it is unlikely the City will consider a debt refunding in fiscal year 2022-23.



CITY MANAGER'S BUDGET MESSAGE

continued

In response to the dramatic increases in tourism levels, the City Council directed the Sedona Chamber of Commerce & Tourism Bureau (SCCTB) to fully suspend the destination marketing program during the fiscal year 2021-22 budget process. Even with the suspension of destination marketing, tourism remained strong through most of fiscal year 2022. For the first quarter of fiscal year 2023, sales taxes were down 6% and bed taxes were down 10%, however, still significantly higher than pre-pandemic levels. The “new normal” for Sedona visitation post-pandemic is not yet known, but it is expected that tourism levels will not decrease significantly as private marketing continues, as well as the free advertising that occurs with every social media post and visitors sharing stories of their Sedona experience with others.

The fiscal year 2022 23 budget includes priorities intended to help mitigate the impacts of the tourism such as the implementation of a micro-transit program, design of facilities for the transit system, numerous traffic improvements, and continued deployment of traffic control employees to the busiest trailhead locations.

A summary of the overall budget changes and additional discussion can be found in the Budget Overview section.

FY 2021-22 Accomplishments

Most of the Council Priorities from fiscal year 2021-22 were anticipated to be multi-year projects and are in progress. Their continuation has been included in the fiscal year 2022-23 budget. The projects within these priorities accomplished during fiscal year 2021-22 are below.

- **Complete Various Traffic Improvements** – The transportation projects included in this priority extend over several fiscal years. During fiscal year 2021-22, the most significant project completed was the additional parking at Posse Grounds Park, a shared-use path on Soldiers Pass Road leading to the Sunrise trailhead, and expanded parking restrictions in the surrounding neighborhood.
- **Environmental Stewardship/Sustainability** – The projects included in this priority extend over several fiscal years. During fiscal year 2021-22, an internal green fleet policy was developed, a residential energy retrofit program was implemented, a compost pilot program was initiated, and a new curbside yard waste program was started.
- **Affordable/Workforce Housing** – The projects included in this priority extend over several fiscal years. During fiscal year 2021-22, a housing manager was hired, a down payment assistance program was implemented, and the City entered into a public-private partnership with Sunset Lofts, LLC for the development of a 46-unit apartment complex dedicated to local workforce.
- **Improve Citizen Communications/Relations** – The projects included in this priority extend over multiple fiscal years. During fiscal year 2021-22, a new program, Straight Talk with Karen, was implemented, as well as a monthly email campaign and video production.
- **Monitor Short-Term Rentals (STRs)** – The projects included in this priority extend over multiple fiscal years. During fiscal year 2021-22, the City Council approved hiring a lobbyist for the 2022 Arizona State Legislative session to be an additional voice for Sedona on the topic of short-term vacation rentals. In addition, the noise and trash ordinances were updated in an effort to mitigate the impacts that generated the majority of complaints from STRs and allow for easier/more efficient enforcement.

CITY MANAGER'S BUDGET MESSAGE

continued

FY 2022-23 Priorities

The City Council has evaluated the priorities established and identified those most important for including in the fiscal year 2022-23 budget. Some 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 improvement budgets as appropriate. See the Council Priorities section for a description of each priority.

Community Budget Survey

A public online survey was released to gauge support on a variety of budget topics. In addition to questions related to each topic, participants were asked to rank projects against each other. The survey was open to anyone who wished to respond, and participation was solicited through press releases, eNotify, social media, and the City's website. We would like to thank the members of the community who took the time to respond to this survey and provide their thoughts on their needs, wants, and desires for our city. See the Budget Process section for further discussion of the survey and the responses received.

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, 2021. This is the ninth 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.

Conclusion

Overall, the City's financial condition remains very strong with many options to address the significant Council priorities. I believe the fiscal year 2022-23 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,



Karen Osburn
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 9,600 residents is 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, and 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.

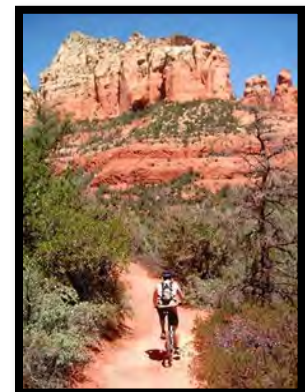
The community was incorporated as a City under Arizona Revised Statutes (ARS) in 1988. It encompasses an area of 18.5 square miles, approximately half of which is under jurisdiction of the U.S. Forest Service.

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, the City Attorney's Office, the City Clerk's Office, Parks & Recreation, Community Development, Public Works, Economic Development, Police, the Municipal Court, Public Transit, Wastewater, and Information Technology. In addition, the City tracks other costs that are of a more citywide 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, refuse collection is private, and recycling service is a not-for-profit organization with some contract funding from the City.

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 predominantly 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 ⁽¹⁾
1990	7,536
1995	8,990
2000	10,192
2010	10,031
2020	9,684
2022 (est.).....	9,614

⁽¹⁾ DES/Yavapai College Regional Economic Development Center (YCREDC)

Gender (YCREDC 2022 est.)

Male	47.5%
Female	52.5%

Age Composition (YCREDC 2022 est.)

0-5	3.2%
6-11	3.3%
12-17	4.1%
18-24	3.4%
25-44	14.4%
45-54	10.8%
55-64	23.1%
65+	37.7%

Median Age.....59.7

Race/Ethnic Origin (YCREDC 2022 est.)

White	88.8%
Hispanic or Latino (any race).....	16.0%
American Indian	0.5%
Asian	2.9%
African American.....	0.8%
Other	7.0%

Income (YCREDC 2022 est.)

Median Household Income..... \$71,367

Labor Force (YCREDC 2022 est.)

Civilian Labor Force.....	5,048
Unemployment Rate.....	3.8%
Education Attainment:	
Less than High School.....	5.9%
High School or equivalent.....	14.3%
Some College or Associates.....	31.8%
Bachelor's or Advanced Degree	47.9%

Industry Ranked by Employment (YCREDC 2022 est.)

Arts, Entertainment, Food, Recreation ..	22.8%
Education, Health Care, Social Assistance	21.0%
Professional, Scientific, Administrative...	10.5%
Retail	11.7%
Construction.....	10.4%
Other Services, except Public Administration	5.8%
Finance, Insurance, Real Estate	5.3%
Information.....	4.2%
Manufacturing	3.7%
Public Administration	1.9%
Transportation, Warehousing, Utilities	1.8%
Wholesale Trade	0.8%
Agriculture, Forestry/Fishing/Hunting, Mining	0.0%

DEMOGRAPHICS

continued

Principal Employers (Number of employees provided by Sedona Chamber of Commerce and City of Sedona)⁽²⁾

Enchantment Resorts	556
L'Auberge de Sedona Resort.....	550
Hilton Sedona Resort at Bell Rock	380
Orchards Inn	220
City of Sedona	146
Arizona Elder Care.....	120
Sedona/Oak Creek School District	115
Kachina Point Rehabilitation Hospital.....	110
Verde Valley Medical Center/Sedona Emergency Department.....	110
Picazzo's Healthy Italian Kitchen.....	80

⁽²⁾Principal employers include the City of Sedona and surrounding region.

General Government Principal Sales Tax Remitters (Arizona Department of Revenue)⁽³⁾

Hotels & Other Lodging	\$14,459,426
Retail Trade	\$9,816,161
Restaurants & Bars.....	\$5,217,637
Rental/Leasing/Licensing.....	\$1,840,313
Construction.....	\$1,806,117
All Other	\$1,041,101
Transportation/Communication/ Utilities	\$789,032

⁽³⁾Due to confidentiality issues, the names of the tax remitters cannot be presented. The categories presented are intended to provide alternative information regarding the sources of the City's transaction privilege tax revenues.

Housing (YCREDC 2022 est.)

Owner-Occupied Housing	62.1% ⁽⁴⁾
Housing Units	7,144

⁽⁴⁾Includes owner-occupied housing that also rents a portion of the home or property.

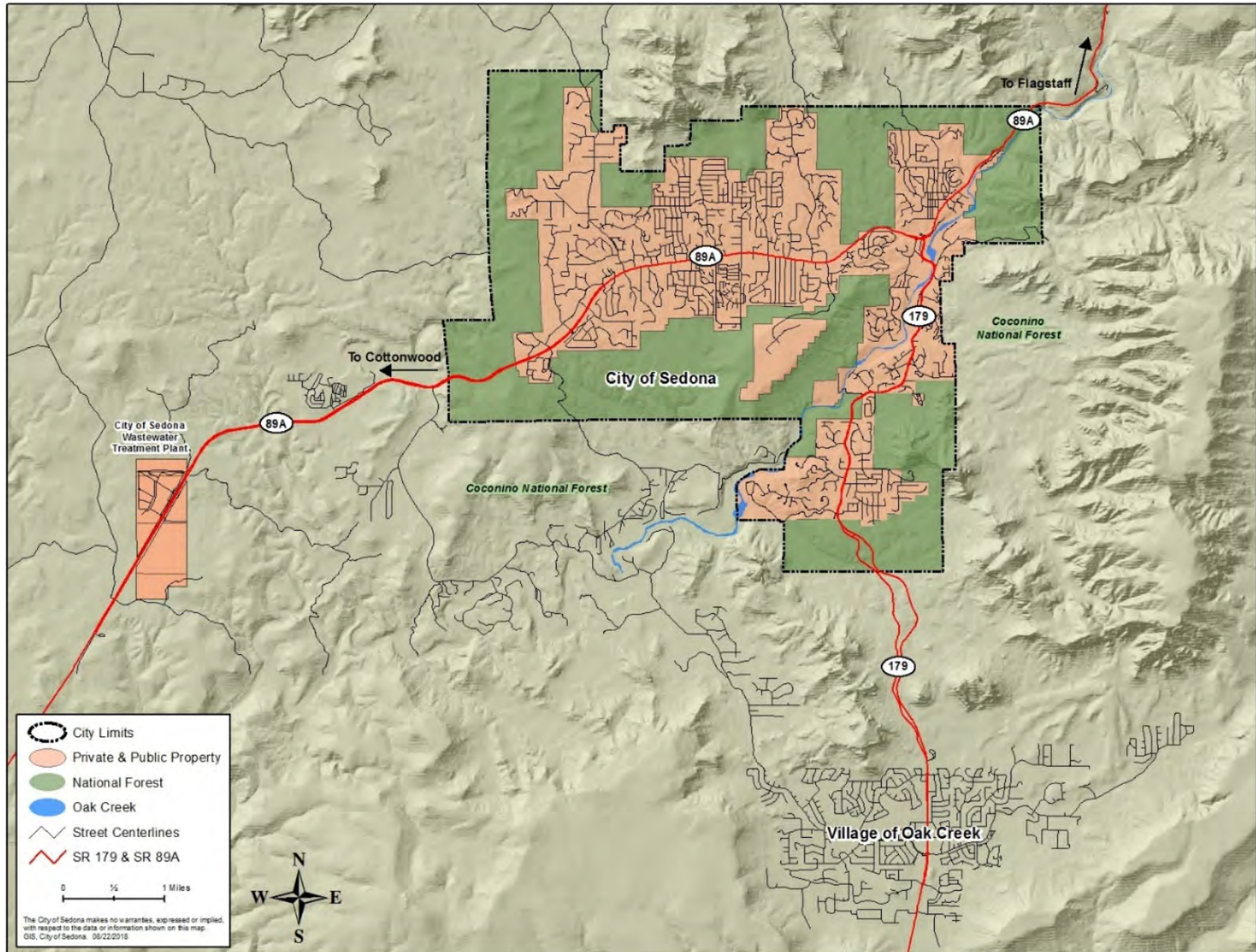
Land Use (2014 – City of Sedona)

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 revenue 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 highway user revenue fund (HURF) revenues and support from the General Fund for the annual street rehabilitation and pavement preservation program, along with other maintenance costs for public streets. The state shared HURF is primarily funded with tax on gasoline and other fuels, but also includes other transportation-related fees.
- The **Affordable Housing Fund** accounts for monies received from developers in lieu of complying with the City's affordable housing requirements along with support from the General Fund for housing programs designed to improve affordability opportunities within the City.
- The **Grants, Donations & Restricted 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. Effective March 1, 2028, the half-cent sales tax will be dedicated to public transit projects and operational costs.

FUND STRUCTURE AND BASIS FOR BUDGETING

continued

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:

- 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, as well as 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 enterprise funds include:

- The **Public Transit Enterprise Fund** accounts for monies collected through fares, grants, and transfers of restricted transportation sales tax revenues. The Public Transit Fund supports the operations of the transit system and transit capital projects.
- 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, wastewater capital projects, and annual debt service.

Internal Service Funds – Internal service funds account for any activity that provides goods 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.

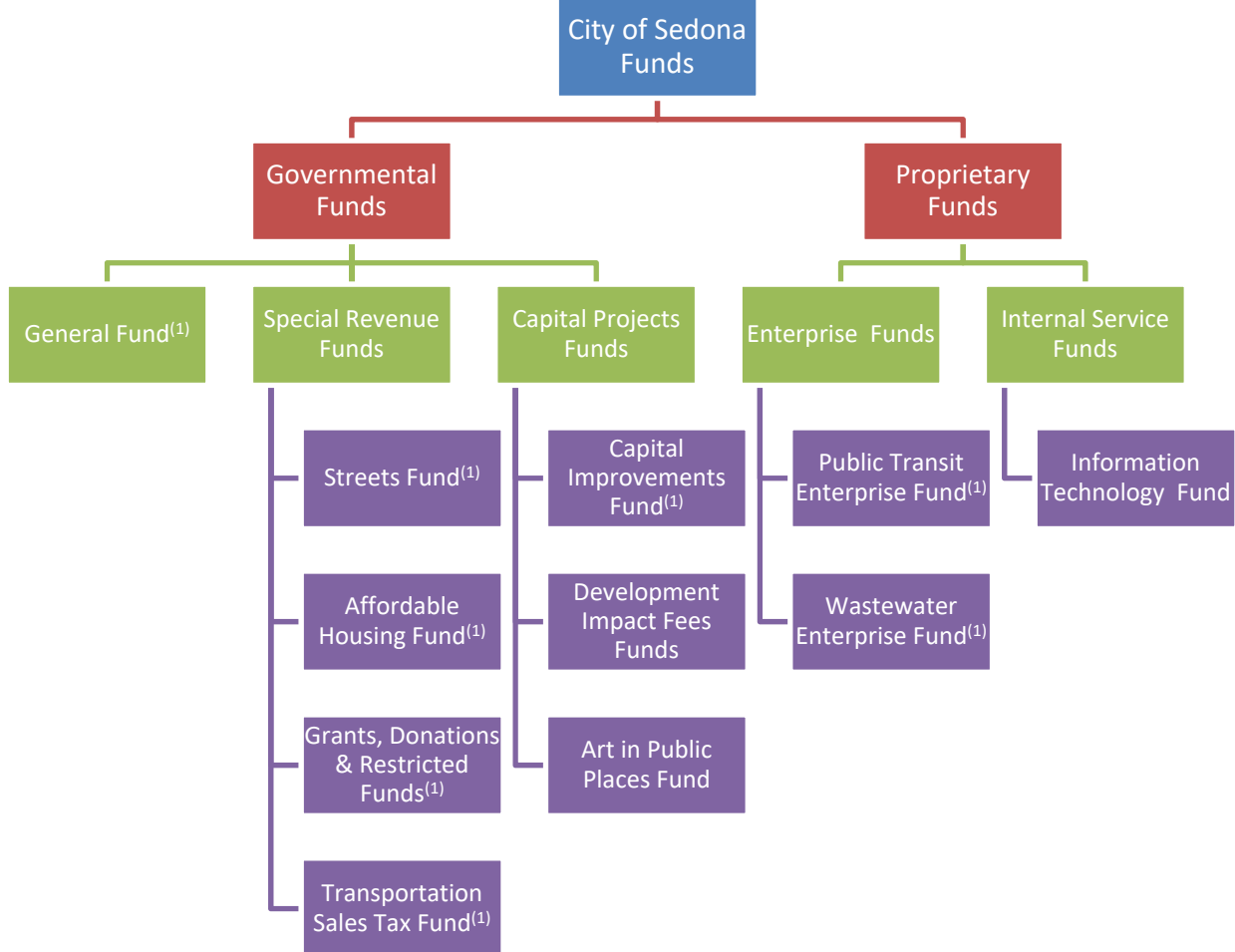
All City funds are subject to appropriation.

FUND STRUCTURE AND BASIS FOR BUDGETING

continued

Fund Structure

The following chart is an illustration of the fund structure:



⁽¹⁾ The General Fund, Streets Fund, Grants, Donations & Restricted Funds, Transportation Sales Tax Fund, Capital Improvements Fund, Public Transit Enterprise Fund, and Wastewater Enterprise Fund are reported as *major funds* in the City's financial statements. The Affordable Housing Fund is rolled into the General Fund for financial statements purposes. 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	Affordable Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Projects Funds	Public Transit Enterprise Fund	Waste-water Enterprise Fund	Information Technology Fund
City Council	X								
City Manager's Office	X		X			X			X
Human Resources	X								X
Financial Services	X						X	X	
City Attorney's Office	X							X	
City Clerk's Office	X								
Parks & Recreation	X			X		X			X
General Services ⁽²⁾	X		X	X	X	X	X	X	
Community Development	X								X
Public Works	X	X		X	X	X	X	X	X
Economic Development	X								X
Police	X			X		X			X
Municipal Court	X			X		X			X
Public Transit							X		
Wastewater								X	
Information Technology							X	X	X

⁽²⁾ The City tracks other costs that are of a more citywide nature or nonoperational nature (e.g., debt service, contingencies, etc.) in the budgetary department, General Services. In addition, support for other outside agencies is recorded in General Services and include:

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



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” ⁽³⁾ to finance expenditures of the current period	Generally recorded when a liability is incurred; however, debt service 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)

⁽³⁾ Revenues are considered available when they are collected 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
Public Transit Enterprise Fund ⁽⁴⁾	Modified Accrual	Full Accrual
Wastewater Enterprise Fund ⁽⁴⁾	Modified Accrual	Full Accrual
Information Technology Internal Service Fund ⁽⁴⁾	Modified Accrual	Full Accrual
All Other Funds	Modified Accrual	Modified Accrual

⁽⁴⁾ The budgetary basis of accounting for the City’s Public Transit Enterprise Fund, Wastewater Enterprise Fund and Information Technology Internal Service Fund differ 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.

Compliance with financial policies is incorporated in day-to-day procedures. The status of compliance with each policy statement is reviewed and updated as part of the annual budget process.

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, unless criteria for use of the operating reserve is met. <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>	√	See the Budget Overview section.

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
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>	√	See the Budget Overview section.
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>	√	See the Budget Overview section.
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>	√	See the Revenue Trends section.
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>	√	See the Department Budgets – Financial Services section.

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 \$100,000 and having a useful life of 3 or more years. <i>(Administrative Policy)</i>	√	See the Capital Improvement Program section.
The first year of the Capital Improvement Program will become the adopted capital budget for the current fiscal year. <i>(Administrative Policy)</i>	√	See the Capital Improvement Program section.
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 forecasted, matched to available revenue sources, and included in the operating budget. <i>(Administrative Policy)</i>	√	See the Capital Improvement Program section.
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 bonded debt financing whenever possible. The forecasts demonstrate adequate cash funding for most capital projects. Certain projects will necessitate debt financing if they are pursued. See the Capital Improvement Program section for further details.

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Debt Management

This policy establishes under what conditions debt financing can be used.

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>	√	A possible land acquisition with 50% debt financing has been included in the fiscal year 2022-23 budget. Certain projects will necessitate debt financing in future years if they are pursued. See the Capital Improvement Program section for further details.
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>	√	During fiscal year 2019-20, the City's credit rating from Standard & Poor's was raised from A to AA- based on the City's stable outlook. No change in the City's rating has occurred since.
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>	√	

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Long-Range Forecasting

This policy seeks to govern the development of long-range forecasts.

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>	√	

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 operating budget, and the extent to which they meet the City's policy objectives. <i>(Administrative Policy)</i>	√	

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Grants Management (cont'd)

STATUS OF GRANTS MANAGEMENT POLICIES

Policy Statement	Status	Comments
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>	√	
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>	--	This policy will be implemented over time. An analysis including both the direct and indirect costs components has been implemented as individual fee changes are proposed.
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>	--	This policy will be implemented over time. An analysis including both the direct and indirect costs components has been implemented as individual fee changes are proposed.

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

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 Annual Comprehensive Financial Report. <i>(Administrative Policy)</i>	√	See the City's Annual Comprehensive Financial Report at www.sedonaaz.gov .
The City's Annual Comprehensive Financial Report 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>	√	A Certificate of Achievement has been awarded each of the past 23 years.
Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis. <i>(Administrative Policy)</i>	√	

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 at least every three years through asset audits of City departments. <i>(Administrative Policy)</i>	--	Due to impacts of COVID-19 and ongoing staffing shortages, the physical inventory has been postponed.

Legend:

√ Compliance with policy standard

-- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Cash Management

The Financial Services Department manages 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 and overnight sweep accounts, when practical. <i>(Administrative Policy)</i>	√	

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/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 \$8,000,000. 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>	√	

Legend:

- √ Compliance with policy standard
- Noncompliance with policy standard

COMPREHENSIVE FINANCIAL POLICIES

continued

Fund Balance

To ensure financial stability, the City of Sedona desires to manage its financial resources by establishing fund balance targets or 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
<p>General Fund: The City shall maintain an unassigned fund balance for the General Fund of 30% of the total adopted budgeted operating expenditures of the Fund. Any use of the unassigned fund balance below 30% must comply with criteria specified in the policy. <i>(Council Policy revised June 22, 2021)</i></p>	√	Unassigned fund balance projected to be 125%. Excess to be appropriated by the City Council during the next budget cycle.
<p>Streets Fund: The fund balance target shall be the difference between the highest expected annual pavement preservation/street rehabilitation cost and the average annual pavement preservation/street rehabilitation cost. <i>(Council Policy revised June 22, 2021)</i></p>	√	Fund balance projected to be on target with General Fund subsidy of \$438,330 for fiscal year 2022-23. See Inter-Fund Transfers section.
<p>Wastewater Enterprise Fund: The fund balance range, 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 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 June 22, 2021)</i></p>	√	Unassigned fund balance projected to be 200%. Excess to be held for elimination of the need for future rate increases.
<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 Improvement Plan. <i>(Council Policy revised June 22, 2021)</i></p>	√	Fund balance projected to be on target with General Fund transfer of \$8,397,170 for fiscal year 2022-23. See Inter-Fund Transfers section.

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>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 debt, fund one-time capital needs, or stabilize taxes, fees, or rates. <i>(Council Policy revised June 22, 2021)</i></p>	√	<p>General Fund surplus for fiscal year 2020-21 was allocated to Council priorities during the fiscal year 2022-23 budget process. Wastewater Enterprise Fund surplus has been earmarked for postponing the need for future rate increases.</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 June 22, 2021)</i></p>	√	<p>General Fund monies have been reserved for projected shortfalls in the Art in Public Places Fund and the Development Impact Fees Funds for fiscal year 2022-23. General Fund transfers are budgeted in fiscal year 2022-23 to eliminate estimated shortfalls in the Streets Fund and Capital Improvements Fund.</p>

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; and other local governmental entities. 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 2022-2023 BUDGET CALENDAR

Date	Description	Legal Requirements
Policy/Strategy Phase		
December 15, 2021	Staff CIP Committee Kickoff Meeting	
December 16, 2021	Operating Budget Kickoff Meeting with Department and Division Heads	
January 4-6, 2022	City Council Retreat and Priority Setting	
January 25, 2022	Long-Range Forecast Presentation	
Budget Development Phase		
January 18, 2022	Online Community Budget Survey Released	
February 13, 2022	Deadline to Submit CIP Requests	
February 20, 2022	CIP Committee Review of Project Submittals	
February 24, 2022	Review of Revenue Projection Assumptions	
March 6, 2022	Operating Base Budgets, Updated CIP Budgets and Decision Packages Due	
March 3-10, 2022	City Manager Review with Departments	
Budget Review Phase		
May 12, 2022	Proposed Budget Distributed to City Council	
May 18-19, 2022	City Council Work Sessions	
July 12, 2022	Public Hearing and City Council Adoption of Tentative Budget	ARS §42-17101 – On or before the third Monday in July
Budget Adoption Phase		
July 22 and 29, 2022	Published Public Notice	ARS §42-17103 – Once a week for 2 consecutive weeks
August 9, 2022	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.)

Policy/Strategy Phase

Kickoff meetings with City staff were held in December 2021 for both the Operating Budget and Capital Improvement Program (CIP) to provide overall guidance for the development of the fiscal year 2022-23 budget.

BUDGET PROCESS AND CALENDAR

continued

Policy/Strategy Phase (cont'd)

In January 2022, 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. This was an opportunity for the City Council to provide key policy directives and goals for consideration during the fiscal year 2022-23 budget process and to provide input on upcoming priorities.

Also in January, staff presented information regarding the significant increases in sales and budget tax revenues, an eight-year forecast of revenues and expenditures, and future economic considerations. Staff also presented information regarding required reserve balances, the significant surplus levels anticipated, recommendations for allocation of surplus to Council priorities, and a list of other potential priorities not yet included in the forecast.

Budget Development Phase

Department heads and program managers used the information from the policy/strategy phase meetings to begin work on their base budgets for continuing operations. In March 2022, the City Manager met with each department and conducted a review of all Operating Base Budgets, Decision Packages and CIP requests.

A public online survey was released to gather broader community interest on a variety of budget topics, including workforce/affordable housing programs, interest in strategic property acquisition, interest in broadband, environmental sustainability projects, and expansion of shared-use path projects. In addition to questions related to each topic, participants were asked to rank projects against each other. The survey was open to anyone who wished to respond, and participation was solicited through press releases, e-notification signups, social media, and the City's website. Over 400 completed surveys were received and included the following results.

- Among the budget initiatives included in the survey, additional funding workforce/affordable housing programs was the highest ranked initiative with 71% supporting additional funding.
- Continued aggressive pursuit of environmental sustainability projects was the second highest ranked initiative with 62% supporting continued prioritization of funding in this area.
- Numerous comments were related to tourism levels, including traffic and increases in impacts to neighborhoods, short-term rentals, the Tourism Bureau contract, public transportation, off-highway vehicles, preferences for resident use of trailheads, and over-use of trails. Other comments were related to workforce housing, airport concerns, shared-use paths, open space preservation, homeless issues, land acquisition, community center, and focus on resident needs.

The full results of the survey are available on the City's website at www.sedonaaz.gov, search "budget survey."

BUDGET PROCESS AND CALENDAR

continued

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 final budget adoption, original revenues and expenditures 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 held public work sessions on May 18th and 19th. During these sessions, the City Council heard from the City Manager, Director of Financial Services, department heads, and program managers regarding department/program 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 the budget cap, on July 12, 2022. Arizona Revised Statutes (ARS) §42-17101 requires tentative budget adoption on or before the third Monday in July.

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 July 22nd and 29th. 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 August 9th, 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 fiscal year 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.

BUDGET PROCESS AND CALENDAR

continued

State-Imposed Expenditure Limitation (cont'd)

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 28, 2018, which is effective through the 2022-23 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.

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

A citizen work group was formed to evaluate the various expenditure limitation options available to Arizona cities and towns. The work group presented its recommendation to the City Council in January 2020 to continue to pursue the Home Rule option in the August 2022 election, which the City Council approved placing on the ballot. The voters approved the Home Rule option once again, and the August 2022 Home Rule authorization is effective for fiscal years 2023-24 through 2026-27.

Budget Implementation/Monitoring/Amendment Phase

Following the adoption of the final budget in August 2022, the City staff began 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.

No amendments can be made to increase the total 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 total budget once adopted. Amendments require approval as follows:

REQUIRED APPROVALS FOR BUDGET AMENDMENTS

Amendment	Required Approval
Use of Contingency Reserve	City Council
Inter-fund, 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 2022-23 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, Community Plan updates, and social concerns such as environmental sustainability, impacts of short-term rentals, and affordable housing. Specific projects within these priority areas have been funded and included in the fiscal year 2022-23 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 9,600. The City's 2020 population decreased as a result of the number of permanent residents displaced by growth in short-term rental properties. The tourism trade has grown significantly over the past several years and showing signs of leveling off.

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.*

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 30 art galleries, over 90 restaurants, and over 80 lodging establishments including resorts, hotels, motels, bed and breakfasts, and timeshares.

An estimated 3 to 4 million visitors from around the world visit the "Red Rock Country" of Sedona and Oak Creek Canyon each year, generating an estimated 77% of the City's total sales and bed tax revenues. Prior to the COVID-19 pandemic, international travelers comprised an estimated 20% of the annual visitors, while domestic long-distance travelers were also estimated at 20% of the annual visitors. Since the COVID-19 pandemic, there has been a substantial decrease in international and domestic long-distance travelers that has been supplemented with a substantial increase in domestic regional travelers.

BUDGET OVERVIEW

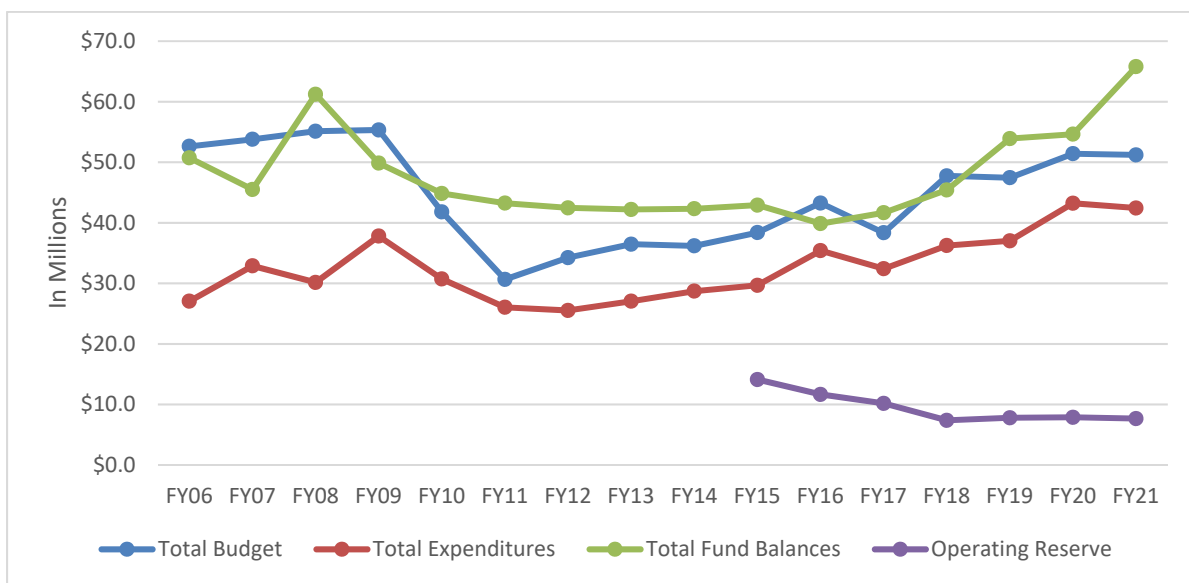
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Economic Overview (cont'd)

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 Great Recession. The City does not levy a property tax and is, therefore, more vulnerable to shifts in economic conditions, particularly with the City's reliance on tourism. Furthermore, past state legislation has impacted local tax collection, collection efforts, and state shared revenues. Future legislative attempts at further impacts are always possible.

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

The City's finances are managed based on conservative practices and the priorities identified by the City Council. The conservative practices are evidenced by the significant balances accumulated over the years and the significance of the unspent budget amounts. The following chart shows the total budgets, actual expenditures, actual fund balances, and minimum operating reserves for fiscal years 2005-06 to 2020-21.



During the Great Recession, the City's sales tax revenues dropped 14% from the previous high, and bed tax revenues dropped 25%. While the City was able to bridge the gap with reduced services, deferred costs, and expenditures freezes without utilizing reserves, this experience led to a City Council commitment to use a portion of the proceeds of bed tax for the management and development of tourism, including a destination marketing program.

The marketing program was focused on increasing interest and visitation to Sedona as a destination with local options for many types of activities and attractions. The focus was on need during the summer and winter seasons with an aim for overnight and higher-income visitors. The tourism management program has been focused on sustainability practices and finding the balance between continued economic health and the attributes that brought so many citizens to Sedona: its natural beauty and livability.

BUDGET OVERVIEW

continued

Economic Overview (cont'd)

Since the inception of the destination marketing program, hotel/motel occupancy rates have increased 4% with a 9% increase in rooms, and average daily room rates have increased 86%.

The Sedona Chamber of Commerce & Tourism Bureau (SCCTB) kicked off the destination marketing program in mid-July 2014. Since the program began, it has exceeded all expectations. In addition, Senate Bill (SB) 1350 took away the City's authority to prohibit short-term residential rentals effective January 1, 2017. The increases in revenue collections for transient occupancy have also been attributable to this legalization of short-term residential rentals.

Since fiscal year 2018-19, the marketing efforts have been reduced, and more effort has been placed on the management of tourism to achieve a sustainable balance. For fiscal year 2020, bed tax revenues were less than the prior year actuals by 13% due to the COVID-19 closures. Since reopening, bed tax revenues have drastically exceeded expectations, as have levels of visitation. In response to the dramatic increases in tourism levels, the City Council directed the SCCTB to fully suspend the destination marketing program during the fiscal year 2022 budget process. Even with the suspension of destination marketing, tourism remained strong through most of fiscal year 2022. The "new normal" for Sedona visitation post-pandemic is not yet known, but it is expected that tourism levels will not decrease significantly as private marketing continues, as well as the free advertising that occurs with every social media post and visitors sharing stories of their Sedona experience with others.

During fiscal year 2021-22, key tourism indicators were strong including average room occupancy rates of 68% and a 23% increase in average daily room rates over the prior year. That represents an increase in average occupancy rates of 4% since the inception of the program with an increase in rooms of 9% and an increase in average daily room rates of 86%.

Mandated closures in response to the COVID-19 pandemic occurred during mid-March 2020 to mid-May 2020, which is typically the City's busiest portion of the year for tourism. Hotel occupancy rates hit bottom in April 2020 with an 83% decrease. Concerned about the City's reliance on tourism, revenue losses for fiscal years 2019-20 and 2020-21 were anticipated to be significant. However, since reopening, the tourism activity has returned and far exceeded prior highs. The estimated fiscal year 2021-22 sales taxes were up 22% and bed taxes were up 30% resulting in the highest year that the City has ever seen.

Sales and bed tax revenues have increased again in FY 2021-22, resulting in the highest year levels experienced.

Long-Range Forecasts

Multiple scenario options were considered in the forecasts.

The City prepared interactive long-range forecasts for all funds 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.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

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 future recessionary period was included in the forecast.

Annual operational costs were 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:

- 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

Capital Improvements

Capital Improvement Plan includes new debt for certain significant priority projects.

The most significant estimated costs for Council Priorities are primarily capital improvement projects. In prior years, 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 most of the capital improvements; however, certain significant priority projects would require debt financing due to projected increases in construction costs and matching of funding sources that will be received in future years.

Other than debt service payments, the capital projects have minimal impact on the operating budget with the exception of the potential transit system project. A financial plan was developed as part of the transit study. Anticipated funding sources include cooperative multijurisdictional intergovernmental agreements and federal grants. Long-range forecasts demonstrate adequate funding exists for the City's estimated portion of costs. Expected funding sources may include the half-cent transportation sales tax, surplus from the payoff of existing bonds in fiscal year 2026-27, and potential debt financing.

Council Priorities

Of the remaining Council Priorities, affordable housing and environmental stewardship/sustainability have the most significant estimated costs, while other priorities have lower costs associated and/or primarily involve staff time.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

The estimated costs for Council Priorities have been included in the fiscal year 2022-23 budget and the long-range forecasts; however, if the approach to the priority has not yet been developed and reasonable estimates of costs have not yet been determined, these have been discussed with the City Council as items not yet incorporated.

Operational Costs

Modest annual inflationary increases were forecasted for operational costs. 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.

Unfunded Liabilities

Since fiscal year 2017-18, the City has adopted a level-funding approach to address its Public Safety Personnel Retirement System (PSPRS) unfunded liability. City police employees who were members of PSPRS before July 1, 2017 (Tiers 1 and 2) participate in the agent multiple-employer plan which tracks assets and liabilities for each individual participating employer. City police employees who were members of PSPRS on or after July 1, 2017 (Tier 3) participate in the cost-sharing multiple-employer plan which does not track assets and liabilities for each individual participating employer. As of the latest actuarial valuation date, June 30, 2021, the unfunded liability for Tiers 1 and 2 employees was \$4.6 million with a funding ratio of 70%. As of June 30, 2021, there were only three Tier 3 employees and an overfunded liability estimate at 107%. The long-range forecast includes annual payments of \$1.1 million calculated as the level payment amount to pay off the unfunded liability for Tiers 1 and 2 employees by the end of the 17-year closed amortization period.

All other eligible City employees participate in the Arizona State Retirement System (ASRS), a cost-sharing multiple-employer plan. While the ASRS plan assets and liabilities are not tracked separately for each individual participating employer, ASRS estimates a proportionate share of the unfunded liability for each participating employer. The City's estimated portion of the unfunded liability as of June 30, 2021 was \$7.9 million with a funding ratio of 79%. ASRS's projections of future contribution rates indicate slight increases can be expected over the next five years. These modest increases have been incorporated in the City's long-range forecasts.

Inter-Fund Transfers

Inter-fund transfers are based on the current policies and City Council direction for subsidies and support of the Streets Fund, Affordable Housing Fund, Capital Improvements Fund, Public Transit Enterprise 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 and support requirements.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

Baseline Forecasts

The following is a summary of the first five years of the baseline forecast presented to the City Council at the start of the budget process.

SUMMARY BASELINE FORECASTS BY FUND NEXT 5 YEARS (In Thousands)

	FY23	FY24	FY25	FY26	FY27
General Fund:					
Revenues	\$45,733	\$44,115	\$46,556	\$47,795	\$49,100
Expenditures	24,180	25,610	26,243	26,837	27,417
Net transfers	(11,766)	(8,848)	(8,335)	(10,556)	(7,694)
Net surplus/deficit	9,787	9,657	11,978	10,402	13,990
Beginning fund balance	25,775	35,562	45,219	57,197	67,598
Ending fund balance	\$35,562	\$45,219	\$57,197	\$67,598	\$81,588
<i>Over (under) minimum reserve requirements</i>	\$27,174	\$36,432	\$48,259	\$58,238	\$71,815
Capital Improvements Fund:					
Revenues and other sources	\$ 2,793	\$ 1,614	\$ 1,660	\$ 1,371	\$ 1,372
Expenditures	6,961	7,228	6,414	6,124	6,124
Net transfers	4,323	3,330	4,220	4,220	4,220
Net surplus/deficit	156	(2,285)	(535)	(534)	(532)
Beginning fund balance	14,186	14,342	12,057	11,523	10,989
Ending fund balance	\$14,342	\$12,057	\$11,523	\$10,989	\$10,457
Wastewater Enterprise Fund:					
Revenues	\$ 6,772	\$ 6,785	\$ 6,800	\$ 6,814	\$6,829
Expenditures	11,644	11,916	10,652	10,785	6,589
Net transfers	3,200	3,100	3,000	2,900	-
Net surplus/deficit	(1,673)	(2,031)	(852)	(1,071)	241
Beginning fund balance	13,924	12,251	10,220	9,368	8,297
Ending fund balance	\$12,251	\$10,220	\$ 9,368	\$ 8,297	\$8,538
<i>Over (under) minimum reserve requirements</i>	\$6,743	\$4,410	\$4,487	\$3,157	\$3,138

Projections for ongoing revenues to support day-to-day operations are primarily trending modestly upward over the term of the forecast. The fund balances of the General Fund and Wastewater Enterprise Fund are projected to far exceed the minimum reserve requirements. Projections for the Capital Improvements Fund demonstrate adequate funding for capital projects included in the baseline scenario.

Fund balances far exceed the minimum reserve requirements.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

Options Beyond Baseline Forecasts

In addition to the baseline scenarios, an interactive forecast model was used to demonstrate the impacts on fund balances based on broad assumptions about the scope of implementation for certain Council priorities and desirable projects. While the baseline scenario projects significant surplus balances, the interactive presentation was intended to bring awareness to the limitations for implementing all desirable projects in the near future.

The Council priorities and desirable projects discussed, as well as economic factors, included the following.

- Scenarios based on economic predictions of construction costs increasing two- and three-times current levels
- Proposed debt financing for capital projects to address likely significant increases in construction costs and to take advantage of lower interest rates before anticipated rate hikes occur
- Proposed multiple land/real estate acquisitions with scenarios for cash funding and partial debt financing of one significant property
- CIP projects in later years with funding not yet identified
- Any other Council priorities not already included in the base budget

FY 2022-23 Citywide Revenue and Expenditure Budgets

The total appropriation for fiscal year 2022-23 has increased by 47% (including carryforward budget amounts) from \$71.7 million to \$105.7 million, which is comprised of an operating budget of \$50.0 million and a capital improvements budget of \$55.8 million.

Total appropriation increased by \$34.1 million or 47%.

Operating budget increased by \$7.1 million or 17%, including \$2.2 million for debt service costs and \$1.7 million for public transit implementation.

The operating budget represents a \$7.1 million or 17% increase from fiscal year 2021-22. The most significant increases are added debt service costs of \$2.2 million for the Series 2022 bonds and a placeholder for possible debt related to land acquisition, and \$1.7 million for the full-year implementation of the public transit system and the initiation of the micro-transit system. Other significant increases include a one-time \$1.0 million additional contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability and \$0.9 million for increases in personnel costs for pay adjustments, salary study adjustments, and changes in insurance and pension rates.

The capital improvements budget represents a \$35.9 million or 181% increase from fiscal year 2021-22. The most significant increases are \$18.2 million acquisition of land for the strategic protection of the City's future development and \$13.0 million for traffic improvements including construction of a parking garage in the Uptown area, Forest Road extension, pedestrian crossing at Oak Creek, and shared-use paths.

Capital improvements budget increased by \$35.9 million or 181%, including \$18.2 million increase for traffic improvements.

The following table reflects the overall revenue and expenditure changes by fund.

BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

BUDGETED REVENUES & EXPENDITURES BY FUND (In Thousands)

Fund	Revenues			Expenditures		
	FY23 Budget	FY22 Budget	% Change	FY23 Budget	FY22 Budget	% Change
General Fund:						
Ongoing Operations	\$49,001	\$37,401	31%	\$ 22,205	\$20,574	8%
One-Time Operations	256	171	49%	2,918	1,277	129%
Debt Service	-	-	-	2,658	1,035	157%
Contingencies	-	-	-	550	475	16%
Total General Fund	\$49,257	\$37,572	31%	\$ 28,331	\$23,361	21%
Streets Fund:						
Ongoing Operations	\$ 1,315	\$ 1,032	27%	\$ 2,116	\$ 1,880	15%
One-Time Operations	-	-	-	135	212	-36%
Total Streets Fund	\$ 1,315	\$ 1,032	27%	\$ 2,301	\$ 2,093	10%
Affordable Housing Fund:						
Ongoing Operations	\$ 87	\$ 93	-7%	\$ 352	\$ 555	-37%
One-Time Operations	-	-	-	240	3	9,500%
Contingencies	-	-	-	810	2,100	-61%
Total Affordable Housing Fund	\$ 87	\$ 93	-7%	\$ 1,402	\$ 2,657	-47%
Grants, Donations & Restricted Funds:						
Ongoing Operations	\$ 116	\$ 46	153%	\$ 85	\$ 26	232%
One-Time Operations	1,809	1,954	-7%	59	227	-74%
Capital Improvements	-	-	-	201	-	∞
Contingencies	500	239	109%	2,039	1,966	4%
Total Grants, Donations & Restricted Funds	\$ 2,425	\$ 2,239	8%	\$ 2,384	\$ 2,218	7%
Transportation Sales Tax Fund:						
Ongoing Operations	\$ 2,709	\$ 2,317	17%	\$ 148	\$ 116	28%
Debt Service	-	-	-	377	-	∞
Capital Improvements	2,584	1,693	53%	-	-	-
Total Transportation Sales Tax Fund	\$ 5,293	\$ 4,010	32%	\$ 526	\$ 116	354%
Capital Improvements Fund:						
Capital Improvements	\$10,431	\$ 2,238	366%	\$ 41,294	\$11,869	248%
Total Capital Improvements Fund	\$10,431	\$ 2,238	366%	\$ 41,294	\$11,869	248%

BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

BUDGETED REVENUES & EXPENDITURES BY FUND

continued
(In Thousands)

Fund	Revenues			Expenditures		
	FY23 Budget	FY22 Budget	% Change	FY23 Budget	FY22 Budget	% Change
Development Impact Fees Funds:						
One-Time Operations	\$ -	\$ -	-	\$ 45	\$ -	∞
Capital Improvements	614	544	13%	5,093	3,189	60%
Debt Service	-	-	-	234	-	∞
Total Development Impact Fees Funds	\$ 614	\$ 544	13%	\$ 5,372	\$ 3,189	68%
Art in Public Places Fund:						
Capital Improvements	\$ 2	\$ 1	175%	\$ 361	\$ 136	165%
Total Art in Public Places Fund	\$ 2	\$ 1	175%	\$ 361	\$ 136	165%
Public Transit Enterprise Fund:						
Ongoing Operations	\$ 255	\$ 118	116%	\$ 2,342	\$ 869	169%
One-Time Operations	-	-	-	340	87	289%
Capital Improvements	489	985	-50%	1,357	1,449	-6%
Total Public Transit Enterprise Fund	\$ 743	\$ 1,103	-33%	\$ 4,040	\$ 2,406	68%
Wastewater Enterprise Fund:						
Ongoing Operations	\$ 6,522	\$ 6,307	3%	\$ 5,144	\$ 4,313	19%
One-Time Operations	-	-	-	370	380	-3%
Capital Improvements	1,645	932	77%	7,480	3,201	134%
Debt Service	-	9,000	-100%	4,541	13,795	-67%
Contingencies	-	-	-	100	100	-
Total Wastewater Enterprise Fund	\$ 8,167	\$16,239	-50%	\$ 17,636	\$21,789	-19%
Information Technology Internal Service Fund:						
Ongoing Operations	\$ 2,149	\$ 1,652	30%	\$ 1,982	\$ 1,735	14%
One-Time Operations	110	73	50%	119	124	-4%
Total Information Technology Fund	\$ 2,258	\$ 1,725	31%	\$ 2,100	\$ 1,859	13%
TOTAL ALL FUNDS	\$80,592	\$66,795	21%	\$105,745	\$71,693	47%
Operating Budget	\$64,827	\$51,403	26%	\$ 49,960	\$42,849	17%
Capital Improvements Budget	\$15,765	\$ 6,393	147%	\$ 55,785	\$19,844	181%
Debt Refunding Budget	\$ -	\$ 9,000	-100%	\$ -	\$ 9,000	-100%

BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

Although the total fiscal year 2022-23 projected new revenues are \$80.6 million and total fiscal year 2022-23 budgeted expenditures are \$105.7 million, an additional \$30.4 million of accumulated balances will be used for one-time capital infrastructure projects, dedicated reserve purposes, and reduction of surplus balances. This does not include an additional \$5.2 million that will be added to reserve balances.

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

TOTAL FUNDING SOURCES AND USES (In Thousands)

FY 2022-23	Revenues & Other Sources of Funds	Expenditures & Other Uses of Funds
Total Revenues & Expenditures	\$ 80,592	\$105,745
Plus: Use of Accumulated Balances:		
General Fund – Net use of paid parking revenues toward debt service payment	148	-
Streets Fund – Use of surplus balances	547	-
Affordable Housing Fund – Use of funding received in prior years for their dedicated purpose	65	-
Grants, Donations & Restricted Funds – Use of funding received in prior years for their dedicated purposes	1,873	-
Transportation Sales Tax Fund – Net of use of accumulated balances set aside for capital projects	6,232	-
Capital Improvements Fund – Use of accumulated balances set aside for funding of capital projects	12,034	-
Development Impact Fee Funds – Use of accumulated balances set aside for funding of capital projects	4,758	-
Art in Public Places Fund – Use of accumulated balances set aside for funding of capital projects and loan from General Fund	342	-
Wastewater Enterprise Fund – Use of accumulated balances set aside for funding of capital projects and equipment replacement and use of surplus balances	4,355	-
Total Use of Accumulated Balances	30,355	-
Less: Additions to Accumulated Reserves:		
Public Transit Enterprise Fund – Net increase in accumulated balances set aside for future transit needs	5,000	-
Information Technology Internal Service Fund – Net addition to underfunded reserves	202	-
Total Additions to Accumulated Reserves	5,202	-
Totals	\$105,745	\$105,745

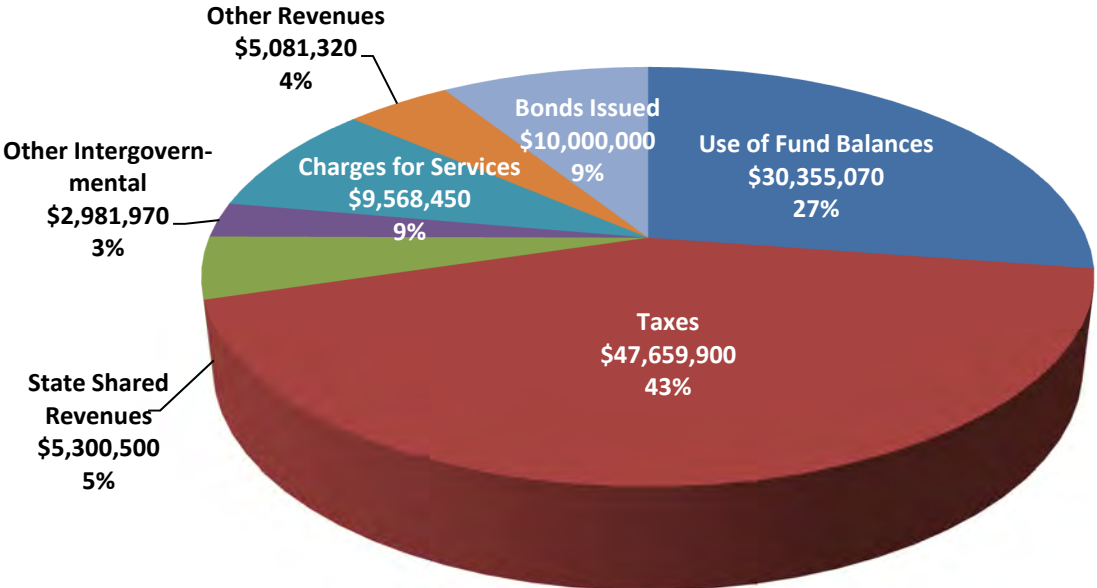
BUDGET OVERVIEW

continued

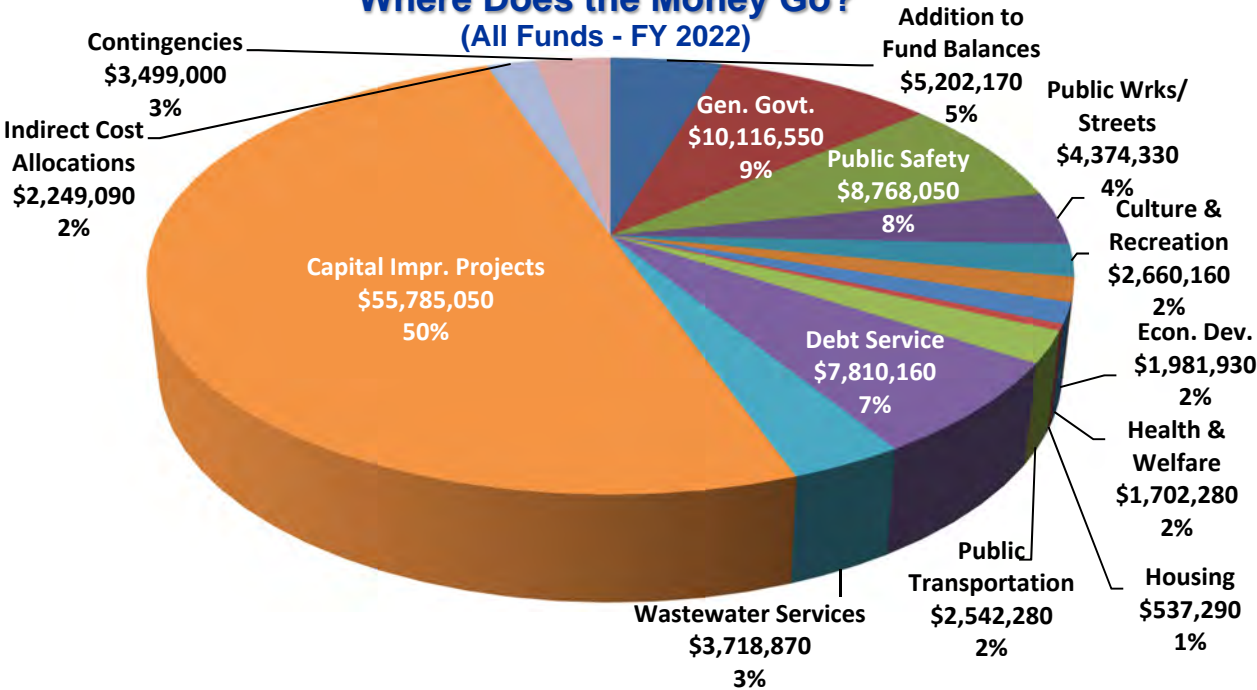
FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

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

Where Does the Money Come From? (All Funds - FY 2023)



Where Does the Money Go? (All Funds - FY 2022)



BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

Decision Packages

For new budgetary needs with a significant dollar impact, generally more than \$25,000, 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. The following Decision Packages have been included in the fiscal year 2022-23 budget.

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

FY 2023 DECISION PACKAGES

Department	Description/Basis of Request	Ongoing Costs	One-Time Costs	Total Request
City Manager's Office	Webmaster (<i>Improve Existing Service Level</i>)	\$ 115,680	\$ 5,600	\$ 121,280
City Manager's Office	Public Relations Professional Services (<i>Improve Existing Service Level</i>)	75,000	-	75,000
City Manager's Office	Environmental Impact Assessment of Off-Highway Vehicles (OHVs) (<i>New – Added Service</i>)	-	75,000	75,000
City Manager's Office	Energy Efficiency Upgrades & Monitoring Technology (<i>Improve Existing Service Level</i>)	-	85,000	85,000
City Manager's Office	Home Hazardous Waste Expansion to Partner Cities (<i>Improve Existing Service Level</i>)	12,000	-	12,000
City Manager's Office	Green Procurement Audit & Surveying (<i>New – Added Service</i>)	-	10,000	10,000
City Manager's Office	Short-Term Rental Specialist (<i>New – Added Service</i>)	90,960	12,500	103,460
City Manager's Office	Housing Coordinator (<i>Improve Existing Service Level</i>)	84,380	8,600	92,980
City Manager's Office	Short-Term to Long-Term Rental Incentives (<i>New – Added Service</i>)	-	240,000	240,000
Financial Services	Budget & Financial Analyst (<i>Improve and Maintain Existing Service Level</i>)	107,470	16,100	123,570
General Services	Grant Writing Professional Services (<i>Improve Existing Service Level</i>)	75,000	-	75,000
General Services	Sedona Historical Society Provider Agreement (<i>New – Added Service</i>)	100,000	-	100,000
General Services	Translation/Interpretation Services (<i>Improve Existing Service Level</i>)	5,000	-	5,000
General Services	Community Engagement Services (<i>Improve Existing Service Level</i>)	10,000	-	10,000
Public Works	New Custodial Maintenance Worker (<i>Improve and Maintain Existing Service Level</i>)	64,050	-	64,050
Police	Communications Specialist (<i>Improve and Maintain Existing Service Level</i>)	68,450	500	98,950
Police	Variable Message Sign (VMS) Speed and Message Trailer (<i>Grant Funded – Improve Existing Service Level</i>)	-	24,000	24,000
Police	DUI Enforcement (<i>Grant Funded – Improve Existing Service Level</i>)	-	2,500	2,500
Public Transit/ Public Works	Grants Analyst (<i>New – Added Service</i>)	107,590	3,900	111,490
Wastewater	Wastewater Inspector (<i>Improve Existing Service Level</i>)	99,690	12,600	112,290
Wastewater	Preventative Maintenance Technician (<i>Improve and Maintain Existing Service Level</i>)	79,520	3,600	83,120
Information Technology	IT Help Desk/Systems Engineer (<i>Improve and Maintain Existing Service Level</i>)	144,700	10,600	155,300
TOTAL		\$1,269,490	\$510,500	\$1,779,990

BUDGET OVERVIEW

continued

FY 2022-23 Citywide 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 2021-22 and carried forward to fiscal year 2022-23.

FY 2023 BUDGET CARRYOVERS

Department	Description	Carryover Amount
General Fund:		
City Manager's Office	Renewable Site Analysis and Contract Review <i>(Not Started)</i>	\$ 10,000
City Manager's Office	Renewable Energy Purchase <i>(Not Started)</i>	12,500
City Manager's Office	Electric Vehicle Charging Infrastructure <i>(Not Started)</i>	38,000
General Services	Small Grants Balance from FY 2021 <i>(Held due to COVID-19)</i>	17,540
Subtotal		78,040
Wastewater Enterprise Fund:		
Wastewater	Slip Line Sewer Lateral for Administration Building <i>(Not Started)</i>	10,000
Wastewater	Programmable Logic Controller (PLC) Rack Upgrade <i>(Not Started)</i>	15,000
Wastewater	Water Information Management Solution (WIMS) Training and Development <i>(Not Started)</i>	5,000
Wastewater	Northview Generator Replacement Install <i>(Not Started)</i>	25,000
Wastewater	Poco Generator Replacement <i>(Not Started)</i>	75,000
Wastewater	Arc Flash Study Update <i>(Not Started)</i>	25,000
Wastewater	Lab Fume Hood Motor Replacement & Relocation <i>(Not Started – plus additional appropriation of \$28,000 added)</i>	12,000
Wastewater	Lab Lighting <i>(Not Started)</i>	500
Subtotal		167,500
Information Technology Internal Service Fund:		
Information Technology	Wireless Network Upgrade <i>(In Process)</i>	2,500
Information Technology	Replace Small Managed Switches <i>(Not Started)</i>	5,100
Information Technology	Replace Catalyst Switches <i>(Not Started – plus additional appropriation of \$5,800 added)</i>	16,000
Subtotal		23,600
TOTAL		\$307,140

BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

Changes from Proposed to Adopted

During the budget process, changes may be made prior to final adoption as new or better information is obtained. In addition, allocation of surpluses to Council Priorities is not included in the proposed budget and reserved for discussion during the City Council budget work sessions. The changes to the proposed budget identified in the City Council budget work sessions include:

- An adjustment was included for the negotiation of the Sedona Chamber of Commerce & Tourism Bureau (SCCTB) contract conducted after the proposed budget was developed.
- Due to project delays, additional carryover to fiscal year 2022-2023 was added for several capital improvement projects and estimated expenditures for fiscal year 2021-22 were reduced.
- Due to construction contracts signed subsequent to preparation of the proposed budget and lower than anticipated, budgeted expenditures for fiscal year 2022-2023 and estimated expenditures for fiscal year 2021-22 were reduced.
- The scope of certain capital improvement projects was increased while other capital improvement projects were delayed to later years.
- Certain expenditures were incurred earlier than anticipated so budgeted expenditures for fiscal year 2022-2023 were reduced and estimated expenditures for fiscal year 2021-22 were increased.
- Due to project delays and increases to project scope, additional budgeted expenditures were added to fiscal year 2022-2023 and estimated expenditures for fiscal year 2021-22 were reduced.
- Grant funding and related expenditures were increased based on further information about likely awards.
- Additional information was obtained regarding a dividend from the risk retention pool anticipated to be distributed in fiscal year 2022-2023.
- Continuation of the agreement with the legislative advocate to pursue meaningful changes to local control regarding short-term rentals was added.
- A temporary position to assist with the required 10-year Community Plan update was added, and a part-time temporary position was added to the Municipal Court to assist with backlogs in workloads.
- While the contracts with the various service organization limit annual Consumer Price Index (CPI) adjustments to a maximum of 5%, the City Council authorized the additional 2.1% to reach the full CPI adjustment of 7.1%. In addition, staff had recommended adding a service contract with the Sedona Historical Society, and the City Council authorized additional funding to cover the cost of creating a full-time Executive Director position.
- The City Council authorized an increase to the small grants program.
- Preliminary estimates of pay adjustments related to the salary study and changes in insurance and pension rates was used for the proposed budget. Further refinement of those numbers were available for the tentative budget adoption.
- The surplus balance for fiscal year 2020-21 and a portion of the estimated surplus for fiscal year 2022-2023 were allocated to a one-time \$1.0 million contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability, fully funding the reserve requirement for the Capital Improvements Fund, a reserve for the Public Transit Enterprise Fund, and fully funding the reserve requirements for the loan programs of the Affordable Housing Fund.
- Impacts to indirect cost allocations based on the above adjustments were included.

BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

No additional changes were made after the tentative budget adoption or prior to the final budget adoption.

SUMMARY OF BUDGET CHANGES FROM PROPOSED TO ADOPTED

	FY2023 Proposed	Adjustments	FY2023 Tentative	Adjustments	FY2023 Adopted
Estimated Fund Balances as of July 1, 2022	\$ 102,915,837	\$ 740,900	\$ 103,656,737	\$ -	\$ 103,656,737
Estimated Revenues	70,052,150	539,990	70,592,140	-	70,592,140
Budgeted Expenditures	(110,424,560)	(4,679,520)	(105,745,040)	-	(105,745,040)
Other Financing Sources	10,000,000	-	10,000,000	-	10,000,000
Estimated Fund Balances as of June 30, 2023	\$ 72,543,427	\$ 5,960,410	\$ 78,503,837	\$ -	\$ 78,503,837

Summary of Changes from FY 2022 to FY 2023

The following table summarizes the changes from the fiscal year 2021-22 adopted budget to the fiscal year 2021-22 adopted budget.



BUDGET OVERVIEW

continued

FY 2022-23 Citywide Revenue and Expenditure Budgets (cont'd)

SUMMARY OF BUDGET CHANGES FROM FY 2022 TO FY 2023

	Operating Budget	Capital Improvements Budget	Debt Refinancing Budget	Totals
FY 2022 Adopted Budget	\$42,817,448	\$19,875,395	\$ 9,000,000	\$ 71,692,843
No refunding of debt planned for FY 2023	-	-	(9,000,000)	(9,000,000)
Increase for traffic improvements including construction of the Uptown parking garage, Forest Road extension, pedestrian crossing at Oak Creek, and shared-use paths	-	12,996,975	-	12,996,975
Net increases for implementation of transit system	1,704,540	(813,100)	-	891,440
Increase for real estate/land acquisition for strategic protection of the City's future development	-	18,170,000	-	18,170,000
Increases for wastewater operating and capital infrastructure needs	70,930	4,317,000	-	4,387,930
Increases for storm drainage improvements	-	1,040,000	-	1,040,000
Increases in debt service for bonds issued for Sedona in Motion projects and a placeholder for possible debt related to real estate/land acquisition	2,232,450	-	-	2,232,450
Tourism Bureau budget reduction	(430,000)	-	-	(430,000)
Increase for evacuation planning and modeling	250,000	-	-	250,000
Increases for short-term rental monitoring and administration and advocate for assistance with short-term rental and other legislation	178,460	-	-	178,460
Increases for sustainability programs and initiatives	268,800	120,000	-	388,800
Decreases in affordable housing expenditures and contingencies (loan programs are balance sheet items, not expenditures)	(1,282,520)	-	-	(1,282,520)
Increases for community service contracts and addition of Sedona Historical Society contract	173,460	-	-	173,460
Increases for communications and community engagement program	227,010	-	-	227,010
Increases for Community Plan update	122,900	-	-	122,900
Increases for Building Safety program to address succession planning and capacity needs	88,260	-	-	88,260
Increases for Police Department capacity	243,272	-	-	243,272
Increases in streets, parks, and facilities maintenance costs	178,390	-	-	178,390
Increases for Information Technology Department capacity	183,890	-	-	183,890
Increases for Financial Services Department to address succession planning and capacity needs	145,465	-	-	145,465
Additional one-time contribution toward PSPRS unfunded liability	1,000,000	-	-	1,000,000
Increases in existing personnel costs for pay adjustments, salary study adjustments, and change in insurance and pension rates	891,745	-	-	891,745
Increases in fuel costs	126,550	-	-	126,550
Increases in liability and property insurance premiums	110,000	-	-	110,000
Increases in contingency for possible grant awards and grant writing	326,530	-	-	326,530
Increases for election costs	45,480	-	-	45,480
Increases in indirect cost allocations (allocations result in double counting of expenditures, not an increase in payments to employees or vendors)	532,070	-	-	532,070
Net increase in other CIP projects	-	78,780	-	78,780
Other miscellaneous changes	(143,140)	-	-	(143,140)
FY 2023 Adopted Budget	\$49,959,990	\$55,785,050	\$ -	\$105,745,040

BUDGET OVERVIEW

continued

General Fund

The General Fund budget increased from \$23.4 million to \$28.3 million this year, an increase of 21%, due to increases in salaries and benefits costs, advancement of Council priorities, increases for inflationary impacts, and increase to debt service costs.

General Fund budgeted expenditures increased 21%.

Salaries & Benefits Expenditures

General Fund budgeted salaries and benefits increased 19%.

Of the total General Fund expenditures, \$15.3 million, or 54%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$2.4 million, or 19%, from fiscal year 2021-22. The adjustments to salaries and benefits included in the fiscal year 2022-23 budget included the following:

- **Pay Adjustments** – The overall salary budgets were increased for pay adjustments and salary study adjustments of approximately 5.2% or \$611,000. Each year, the December Western Region Consumer Price Index (CPI) is used to adjust the pay scale. For December 2021, the CPI was 7.1%; however, the adjustment to the pay scale was capped at 5% to maintain long-term affordability. There were very significant changes in the salary study with 44 positions moving one to two ranges, and a separate Police Department pay scale not tied to the overall City pay scale was created. In addition, all employees were shifted to a July 1 evaluation date, and a review was conducted evaluating where each employee was within their range and how they compared to others within the same range. High performers were given greater increases if it they were deemed too low within the range compared to other employees.
- The estimated vacancy savings offset was increased from approximated \$240,000 to \$500,000.
- **Decision Packages** – Salaries and benefits related Decision Packages of approximately \$517,000 include:
 - A Webmaster position was added for a cost of approximately \$112,000.⁽¹⁾
 - A Short-Term Renal Specialist position was added for a cost of approximately \$88,000.⁽¹⁾
 - A Budget & Financial Analyst position was added to the Financial Services Department to address succession planning and capacity needs for a cost of approximately \$106,000.
 - A half-time Grants Analyst position to be shared with Public Transit was added to the Public Works Department for a cost of approximately \$52,000.
 - A Custodial Maintenance Worker position was added to the Public Works Department to cover increasing service level needs for a cost of approximately \$64,000.
 - A Communications Specialist position was added to the Police Department to allow for adequate address capacity needs for a cost of approximately \$97,000.
- **Benefit Changes** – Increases and decreases to the City's employee benefits for fiscal year 2022-23 were as follows.
 - The City's medical insurance rates increased approximately 6% for an increase in cost of approximately \$42,000.
 - The Arizona State Retirement System (ASRS) rates changed from 12.41% to 12.17%; however, with the pay adjustments, costs increased approximately \$26,000.

⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

General Fund (cont'd)

- While the PSPRS actuarially determined contribution rate decreased from 37.07% of wages to 34.47%, the level-funding approach is continued in the budget. The level-funding has been increased from \$1.0 million to \$1.1 million. In addition, the budget includes an additional one-time contribution of \$1.0 million toward the PSPRS unfunded liability.
- **Other Pay Adjustments** – The remaining adjustments to salaries and benefits accounts are related to various pay changes due to turnover of staff and positions to fill temporary needs.

Supplies & Services Expenditures

Of the total General Fund expenditures, \$8.9 million, or 31%, is attributable to supplies and services. This is an increase of \$1.2 million, or 16%, from fiscal year 2021-22. The adjustments to supplies and services included in the fiscal year 2022-23 budget included the following:

General Fund budgeted supplies and services increased 16%.

- **Ongoing Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$285,000 of ongoing costs.
 - Enhancements to the environmental sustainability program for an expansion of household hazardous waste events to partner cities were included for a cost of approximately \$12,000.⁽¹⁾
 - A service contract with the Sedona Historical Society was added for a cost of \$100,000.
 - Professional services support for public relations, community engagement, translation/interpretation services, and grant writing were added for a cost of \$165,000.⁽¹⁾
 - Other costs mostly related to the addition of new positions were added for a cost of approximately \$8,000.
- **One-Time Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$184,000 of one-time costs.
 - Enhancements to the environmental sustainability program including energy efficiency upgrades and monitoring technology, an environment impact assessment of off-highway vehicles (OHVs), and a green procurement audit and surveying were included for a cost of \$170,000.⁽¹⁾
 - Other costs mostly related to the addition of new positions were added for a cost of approximately \$14,000.
- **Ongoing Costs** – Some of the more significant changes in ongoing costs include the following:
 - Inflationary increases of approximately \$172,000 were added for streets, parks, and facilities maintenance costs.
 - Approximately \$83,000 was added due to increases in fuel prices.
 - The liability and property insurance premiums were increased by \$110,000.
 - The tourism management and development program was decreased by approximately \$430,000 as a result of contract negotiations with the Sedona Chamber of Commerce & Tourism Bureau (SCCTB). An additional \$250,000 is held in contingency to be evaluated at a later date based on the impacts of the suspension of destination marketing.⁽¹⁾
 - Support of the Trail Keepers program of \$50,000 was transferred from SCCTB to the City's budget.⁽¹⁾

⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

General Fund (cont'd)

- Community service contracts were increased a total of approximately \$73,000 for inflationary factors built into the agreements capped at 5%, plus the City Council authorization of the additional 2.1% to reach the full CPI adjustment of 7.1%.
- The small grants program was increased approximately \$34,000 to provide more support to community programs.
- Due to cost increases, the curbside yard waste program was increased by \$34,000.⁽¹⁾
- Inflationary increases and additional support for outsourced plan reviews, surveying, engineering, appraisals, and aerial services of approximately \$74,000 were added.
- Inflationary increases of approximately \$33,000 was added for Police Department capacity needs.
- **One-Time Costs** – Some of the more significant changes in one-time costs include the following:
 - Consultant costs for evacuation planning and modeling and consultant costs for an evaluation of a transfer of the airport authority from Yavapai County were included for a cost of \$400,000.⁽¹⁾
 - Election costs occur every other year and approximately \$45,000 was added for fiscal year 2022-23.

Indirect Cost Allocations

General Fund budgeted indirect cost allocations decreased 62%.

Of the total General Fund expenditures, approximately \$187,000, or <1%, is attributable to indirect cost allocations. This is a decrease of approximately \$300,000, or 62%, from fiscal year 2021-22 due to a reallocation of indirect costs. See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total General Fund expenditures, \$3.4 million, or 12%, is attributable to capital and debt service expenditures. This is an increase of \$1.6 million or 88%.

General Fund budgeted capital and debt service increased 88%.

Debt service costs increased \$1.6 million due to the addition of debt service costs for the Series 2022 Bonds, plus a placeholder for possible debt related to real estate/land acquisition.⁽¹⁾ The bond principal and interest payments are paid based on debt retirement schedules specified in the bond documents. Finance purchases and lease payments are paid based on debt service schedules specified in the agreements.

Capital expenditures for fiscal year 2022-23- of approximately \$265,000 included the following:

- Placeholders for various City facility and parks improvements were included for \$201,000.
- The fiscal year 2021-22 electric vehicle charging infrastructure budget of \$38,000 was carried over to fiscal year 2022-23.⁽¹⁾

⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

General Fund (cont'd)

Contingencies

General Fund contingency budget increased 16%.

Of the total General Fund expenditures, \$550,000, or 2%, is attributable to contingency budgets. This is an increase of \$75,000 or 16% due to a reinstatement of the general operating contingency to the annual amount of \$200,000. During fiscal year 2021-22, the City Council authorized the use of contingency monies for a legislative advocate to address short-term rental concerns at the state legislative level.

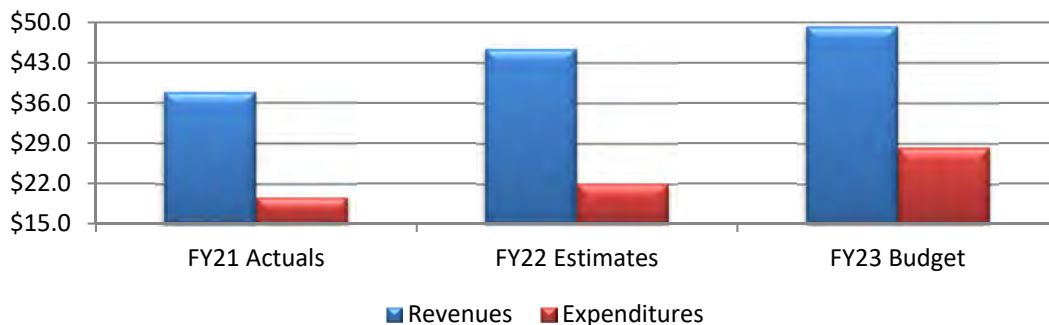
Revenues

General Fund revenues are projected to increase \$11.7 million, or 31%, in fiscal year 2022-23 over the prior year budget amounts. Compared to fiscal year 2021-22 estimates, revenue is projected to increase 9%. City sales and bed tax revenues increased more significantly than anticipated in fiscal year 2021-22, and additional increases, although less in extent, have been projected for fiscal year 2022-23. More details regarding the projection of revenues can be found in the Revenue Trends section.

General Fund budgeted revenues increased 31%.

General Fund Revenues & Expenditures

(In Millions)



Streets Fund

The Streets Fund expenditure budget increased from \$2.1 million to \$2.3 million this year, an increase of 10%. The increase is largely due to reallocation of indirect costs due to the transfer of streets maintenance costs from the General Fund.

Streets Fund budgeted expenditures increased 10%.

Budgeted revenues increased by approximately \$284,000, or 27%. The increase is the net result of anticipated increases in state shared revenues. See the Revenues Trends section for further discussion.

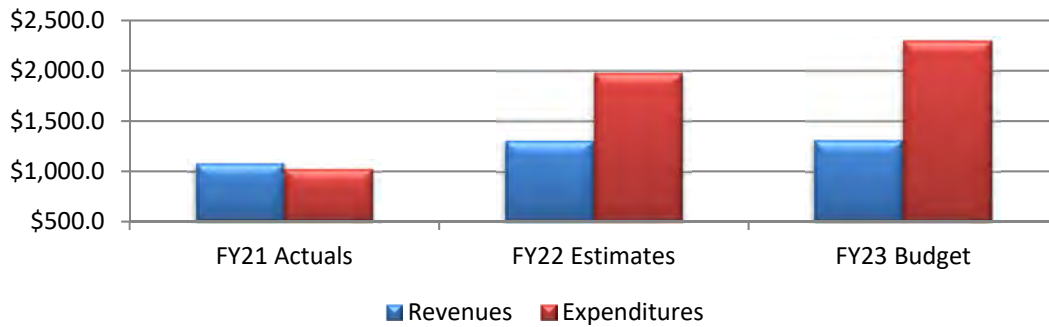
Streets Fund budgeted revenues increased 27%.

BUDGET OVERVIEW

continued

Streets Fund (cont'd)

Streets Fund Revenues & Expenditures (In Thousands)



Affordable Housing Fund

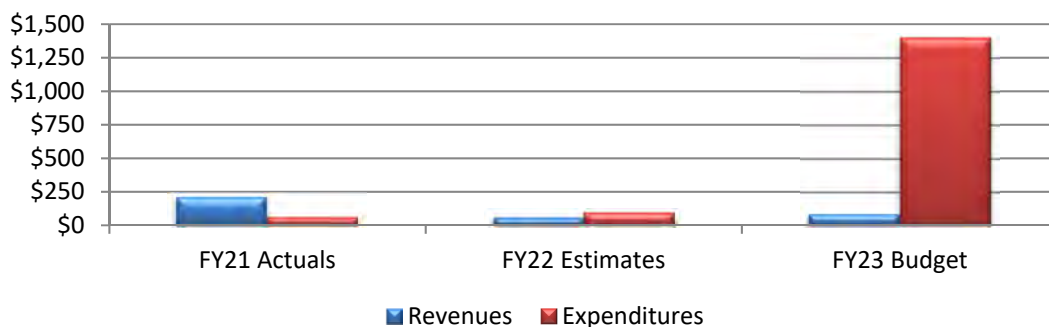
The Affordable Housing Fund expenditure budget decreased from \$2.7 million to \$1.4 million this year, a decrease of 47%. The decrease is primarily due a decrease in the contingency for potential program costs.

Budgeted revenues decreased by \$7,000, or 7%. The decrease is primarily due to changes in the estimated cost shared by the City of Cottonwood.

Affordable Housing Fund budgeted expenditures increased 47%.

Affordable Housing Fund budgeted revenues decreased 7%.

Affordable Housing Fund Revenues & Expenditures (In Thousands)



BUDGET OVERVIEW

continued

Grants, Donations & Restricted Funds

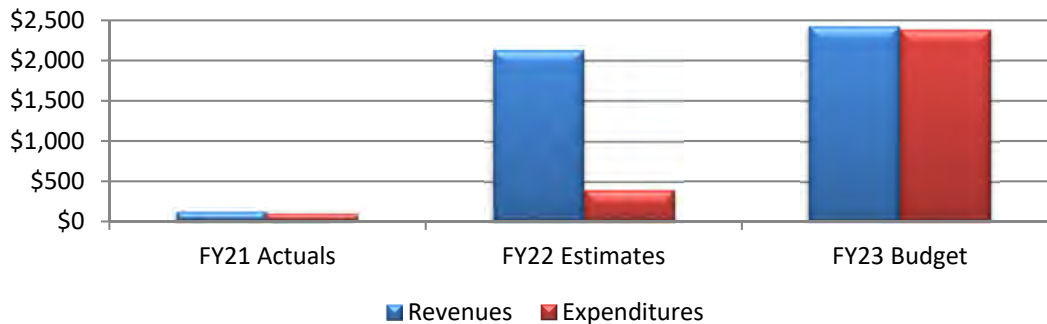
The Grants, Donations & Restricted Funds expenditure budget increased from \$2.2 million to \$2.4 million this year, an increase of 7%. The increase is primarily due to the addition of the capital improvement project for the relocation of the Municipal Court.

Budgeted revenues increased by approximately \$186,000, or 8%. The increase is primarily due to a contingency for unanticipated grants that may arise during the year.

Grants, Donations & Restricted Funds budgeted expenditures increased 7%.

Grants, Donations & Restricted Funds budgeted revenues increased 8%.

Grants, Donations & Restricted Funds Revenues & Expenditures (In Thousands)



Transportation Sales Tax Fund

The Transportation Sales Tax Fund expenditure budget increased from approximately \$116,000 to approximately \$527,000 this year, an increase of 354%, largely due to the addition of debt service costs for the Series 2022 Bonds.⁽¹⁾

Budgeted revenues increased by \$1.3 million, or 32%. The revenues are primarily comprised of the half-cent sales tax dedicated to transportation projects and related administrative and operational costs that was effective March 1, 2018. More details regarding the projection of revenues can be found in the Revenue Trends section.

Transportation Sales Tax Fund budgeted expenditures increased 354%.

Transportation Sales Tax Fund budgeted revenues increased 32%.

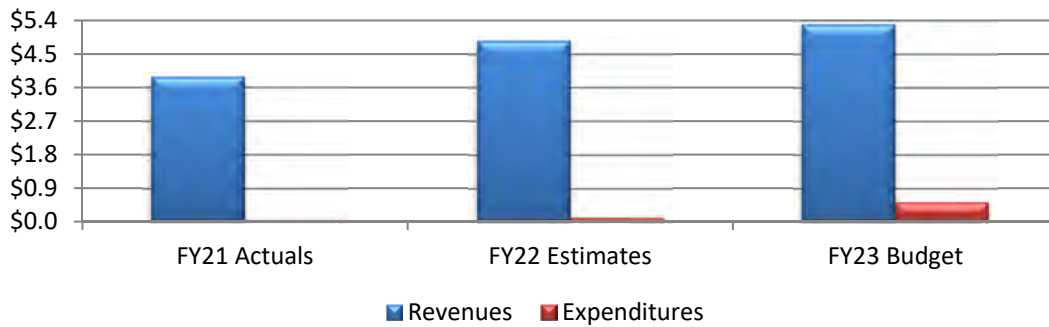
⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

Transportation Sales Tax Fund (cont'd)

Transportation Sales Tax Fund Revenues & Expenditures (In Millions)



Capital Improvements Fund

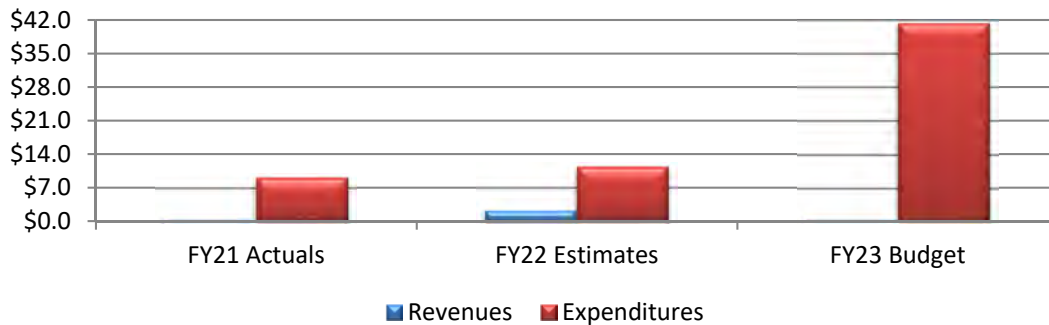
Capital Improvements Fund budgeted expenditures increased 248%.

Capital Improvements Fund budgeted revenues decreased 81%.

The Capital Improvements Fund expenditure budget increased from \$11.9 million to \$41.3 million this year, an increase of 248%. Of the total expenditures, \$22.5 million represents continuing projects. Other capital projects added for fiscal year 2021-22 include \$20.0 million for strategic real estate/land acquisition⁽¹⁾, and an offset of \$2.0 million for an assumed carryover of projects to the subsequent fiscal year.

Budgeted revenues decreased by approximately \$1.8 million, or 81%. The decrease is due to one-time grant funding designated for capital projects in the prior year.

Capital Improvements Fund Revenues & Expenditures (In Millions)



⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

Development Impact Fees Funds

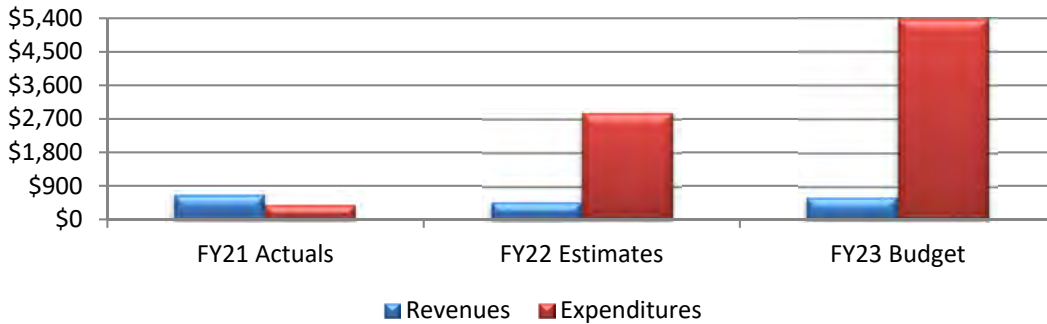
The Development Impact Fees Funds expenditure budget increased from approximately \$3.2 million to \$5.4 million this year, an increase of 68%. The budgeted expenditures are related to streets and transportation projects⁽¹⁾, parks projects⁽¹⁾, and police projects.

Development Impact Fees Funds budgeted expenditures increased 68%.

Budgeted revenues increased from approximately \$544,000 to approximately \$614,000, an increase of 13% due to anticipated large one-time development projects.

Development Impact Fees Funds budgeted revenues increased 13%.

Development Impact Fees Funds Revenues & Expenditures (In Thousands)

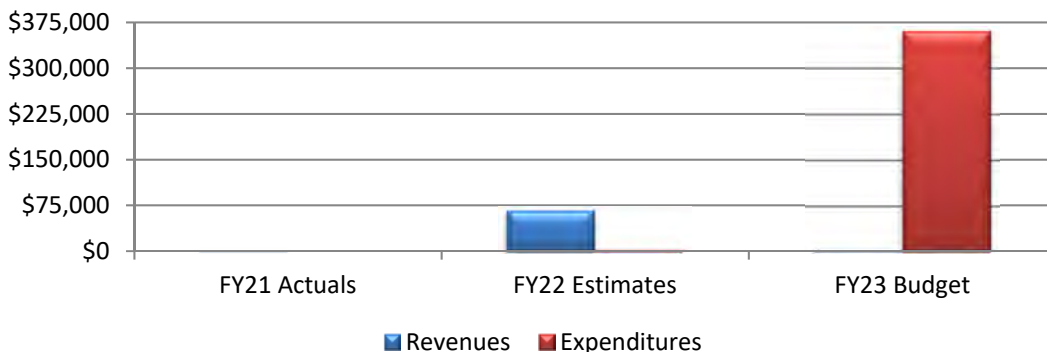


Art in Public Places Fund

Until fiscal year 2021-22, there have been no projects for the Art in Public Places Fund since fiscal year 2015-16. Revenues have been minor. For fiscal year 2022-23, a continuing project is budget for placement of art in several roundabouts for approximately \$361,000.

Art in Public Places Fund budgeted expenditures are approximately \$361,000.

Art in Public Places Fund Revenues & Expenditures



⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

Public Transit Enterprise Fund

The Public Transit Enterprise Fund expenditure budget increased from \$2.4 million to \$4.0 million, an increase of 68%. The increase is largely due to the full-year implementation of the trailhead shuttle system and the implementation of a micro-transit system.⁽¹⁾

Public Transit Fund budgeted expenditures increased 68%.

Salaries & Benefits Expenditures

Public Transit Fund budgeted salaries and benefits increased 49%.

Of the total Public Transit Fund expenditures, approximately \$200,000, or 3%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$65,000, or 49%, over fiscal year 2021-22 due to pay adjustments, changes in benefit rates, and a Decision Package adding a half-time Grants Analyst position for a cost of approximately \$52,000.⁽¹⁾

Supplies & Services Expenditures

Of the total Public Transit Fund expenditures, \$2.1 million, or 52%, is attributable to supplies and services. This is an increase of \$1.4 million, or 209%, primarily due the full-year implementation of the trailhead shuttle system and the implementation of a micro-transit system.⁽¹⁾

Public Transit Fund budgeted supplies and services increased 209%.

Indirect Cost Allocations

Public Transit Fund budgeted indirect cost allocations increased 141%.

Of the total Public Transit Fund expenditures, approximately \$127,000, or 3%, is attributable to indirect cost allocations. This is an increase of approximately \$74,000, or 141%, over fiscal year 2021-22. The increases were primarily due to further implementation of the trailhead shuttle and micro-transit systems.⁽¹⁾ See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total Public Transit Fund expenditures, approximately \$252,000, or 6%, is attributable to capital and debt service expenditures. This is an increase of approximately \$164,000 or 188%.

Public Transit Fund budgeted capital and debt service increased 188%.

Debt service costs increased approximately \$158,000, primarily due to the financed purchase of trailhead shuttle vehicles.⁽¹⁾ Payments for financed purchases are paid based on debt service schedules specified in the agreements.

Capital expenditures for fiscal year 2022-23 of \$24,000 include the intelligent transportation system (ITS) for the trailhead shuttle and micro-transit systems.⁽¹⁾

⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

Public Transit Enterprise Fund (cont'd)

Capital Improvement Projects

Public Transit Fund budgeted capital improvement projects decreased 6%.

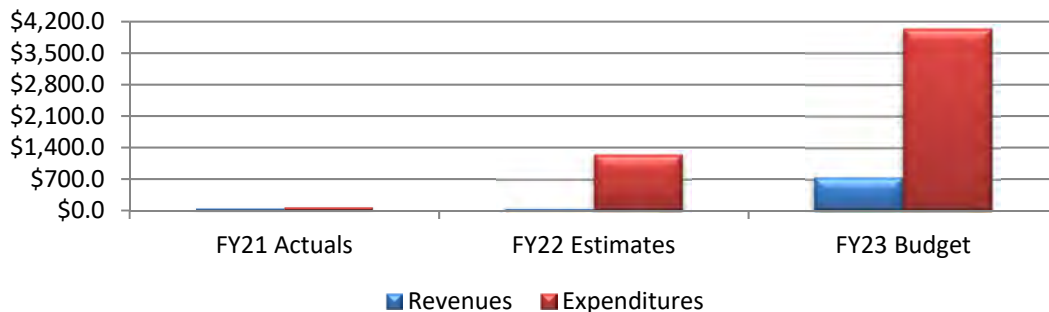
Of the total Public Transit Fund expenditures, \$1.4 million, or 34%, is attributable to continuing capital improvement projects. Projects include approximately \$522,000 for acquisition of trailhead and micro-transit shuttle buses and approximately \$760,000 for design for a maintenance and operations center and a transit mobility hub.⁽¹⁾

Revenues

Public Transit Fund revenues are projected at approximately \$743,000 for fiscal year 2022-23, including approximately \$658,000 of grant funding.

Public Transit Fund budgeted revenues are \$743,000.

Public Transit Enterprise Fund Revenues & Expenditures (In Thousands)



Wastewater Enterprise Fund

The Wastewater Enterprise Fund expenditure budget increased from \$12.8 million to \$17.6 million this year, an increase of 38%. The increase is largely due to an increase in capital improvement projects.

Wastewater Fund budgeted expenditures increased 38%.

Salaries & Benefits Expenditures

Wastewater Fund budgeted salaries and benefits increased 11%.

Of the total Wastewater Fund expenditures, \$1.8 million, or 10%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$179,000, or 11%, over fiscal year 2021-22 due to pay adjustments, changes in benefit rates, and Decision Packages adding a Wastewater Inspector position for a cost of approximately \$99,000 and a Preventative Maintenance Technician position for a cost of approximately \$78,000.

⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

Supplies & Services Expenditures

Of the total Wastewater Fund expenditures, \$2.0 million, or 11%, is attributable to supplies and services. This is an increase of approximately \$38,000 or 2%.

Wastewater Fund budgeted supplies and services increased 2%.

Indirect Cost Allocations

Wastewater Fund budgeted indirect cost allocations increased 57%.

Of the total Wastewater Fund expenditures, \$1.5 million, or 8%, is attributable to indirect cost allocations. This is an increase of approximately \$543,000, or 57%, over fiscal year 2021-22. The most significant increases were related to indirect cost allocations for city financial services and information technology. See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total Wastewater Fund expenditures, \$4.8 million, or 27%, is attributable to capital and debt service expenditures. This is a decrease of approximately \$193,000 or 4%.

Wastewater Fund budgeted capital and debt service decreased 4%.

Debt service costs decreased approximately \$262,000, primarily due to a refunding of bonds in fiscal year 2021-22. The bond principal and interest payments are paid based on debt retirement schedules specified in the bond documents. Lease payments are paid based on debt service schedules specified in the lease agreements.

Capital expenditures for fiscal year 2022-23 of approximately \$213,000 included the following:

- Replacement of generators at pump stations was budgeted for \$125,000.
- Replacement of the lab fume hood motor and relocation of the lab fume hood was budgeted for \$40,000.
- Other miscellaneous technology, equipment, and infrastructure were also included.

Capital Improvement Projects

Of the total Wastewater Fund expenditures, \$7.5 million, or 42%, is attributable to capital improvement projects. This is an increase of approximately \$4.3 million or 134%.

Wastewater Fund budgeted capital improvement projects increased 134%.

Of the total capital improvement expenditures, \$6.5 million represents continuing projects. Other capital projects added for fiscal year 2022-23 include \$460,000 for miscellaneous rehabs and replacements of sewer lines and \$310,000 for an upgrade of the Supervisory Control and Data Acquisition (SCADA) system.

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

Contingencies

No change in Wastewater Fund contingency budget.

Of the total Wastewater Fund expenditures, \$100,000, or less than 1%, is attributable to contingency budgets. This is same level budgeted for fiscal year 2021-22.

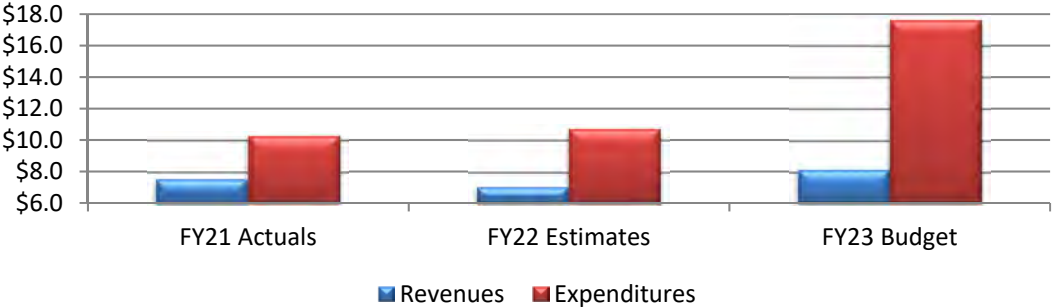
Revenues

Wastewater Fund revenues are projected to increase approximately \$928,000, or 13%, in fiscal year 2022-23. The increase is largely a result of an anticipated increase in capacity fees due to the rate restructuring. See the Revenue Trends section for further discussion.

Wastewater Fund budgeted revenues increased 13%.

Wastewater Enterprise Fund Revenues & Expenditures

(In Millions)



Information Technology Internal Service Fund

The Information Technology Fund expenditure budget increased from \$1.9 million to \$2.1 million this year, an increase of 13%. The increase was primarily the result of increases in salaries and benefits costs.

Information Technology Fund budgeted expenditures increased 13%.

Salaries & Benefits Expenditures

Information Technology Fund budgeted salaries and benefits increased 28%.

Of the total Information Technology Fund expenditures, approximately \$818,000, or 39%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$179,000, or 28%, over fiscal year 2021-22 due to pay adjustments, changes in benefit rates, and a Decision Package adding an IT Help Desk/Systems Engineer position for a cost of approximately \$144,000.

BUDGET OVERVIEW

continued

Information Technology Internal Service Fund (cont'd)

Supplies & Services Expenditures

Of the total Information Technology Fund expenditures, approximately \$1.1 million, or 51%, is attributable to supplies and services. This is an increase of approximately \$90,000, or 9%. The increase was primarily due to increases in hardware, software, and maintenance costs.

Information Technology Fund budgeted supplies and services increased 9%.

Information Technology Fund budgeted indirect cost allocations decreased 1%.

Indirect Cost Allocations

Of the total Information Technology Fund expenditures, approximately \$143,000, or 7%, is attributable to indirect cost allocations. This is a decrease of approximately \$2,000, or 1%, from fiscal year 2021-22. See the Internal Charges section for more details.

Capital Expenditures

Of the total Information Technology Fund expenditures, approximately \$68,000, or 3%, is attributable to capital expenditures. This is a decrease of approximately \$27,000, or 28%.

Information Technology Fund budgeted capital decreased 28%.

Capital expenditures for fiscal year 2022-23 include the following:

- A continuation of the upgrade of the wireless network was budgeted for approximately \$3,000.
- Replacement of catalyst switches were included for approximately \$54,000.
- Replacement of a virtual server operating system was included for \$12,000.

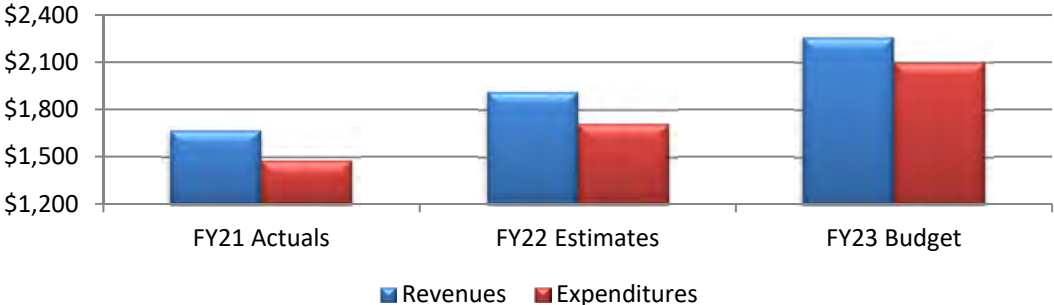
Revenues

Information Technology Fund revenues are projected to increase approximately \$534,000, or 31%, in fiscal year 2022-23. 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 31%.

Information Technology Fund Revenues & Expenditures

(In Thousands)



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	Debt Issuance		Expenditures
General Fund													
General Revenues		\$42,449,900		\$539,400	\$3,953,700		\$331,870	\$47,274,870			(\$21,074,200)		
General Government					\$115,000	\$324,030	\$655,780	\$1,094,810				\$3,976,120	
Public Safety					\$26,000	\$545,300	\$92,140	\$663,440				\$11,021,240	
Public Works & Streets							\$5,000	\$5,000				\$2,840,180	
Health & Welfare					\$9,950			\$9,950				\$1,834,290	
Public Transportation								\$0				\$65,220	
Culture & Recreation						\$115,530	\$93,050	\$208,580				\$3,327,420	
Economic Development								\$0				\$2,058,630	
Debt Service								\$0				\$2,657,590	
Contingencies								\$0				\$550,000	
Total General Fund	\$36,341,046	\$42,449,900	\$0	\$539,400	\$4,104,650	\$984,860	\$1,177,840	\$49,256,650	\$0	(\$21,074,200)	\$0	\$28,330,690	\$36,192,806
Special Revenue Funds													
Streets Fund	\$908,289				\$1,293,000		\$22,400	\$1,315,400	\$438,330			\$2,301,090	\$360,929
Affordable Housing Fund	\$4,667,041				\$60,000		\$26,500	\$86,500	\$1,250,000			\$1,401,790	\$4,601,751
Grants, Donations & Restricted Funds	\$2,136,798		\$500,000		\$1,867,080	\$200	\$57,400	\$2,424,680		(\$1,914,000)		\$2,383,630	\$263,848
Transportation Sales Tax Fund	\$6,283,941	\$5,210,000					\$83,400	\$5,293,400		(\$11,000,170)		\$525,680	\$51,491
Total Special Revenue Funds	\$13,996,069	\$5,210,000	\$500,000	\$0	\$3,220,080	\$200	\$189,700	\$9,119,980	\$1,688,330	(\$12,914,170)	\$0	\$6,612,190	\$5,278,019
Capital Projects Funds													
Capital Improvements Fund	\$29,344,360				\$300,000		\$130,800	\$430,800	\$18,845,840	(\$16,750)	\$10,000,000	\$41,293,700	\$17,310,550
Development Impact Fees Funds	\$5,353,190						\$613,740	\$613,740				\$5,371,910	\$595,020
Art in Public Places Fund ⁽¹⁾	\$257,557						\$1,900	\$1,900	\$16,750			\$360,650	(\$84,443)
Total Capital Projects Funds	\$34,955,107	\$0	\$0	\$0	\$300,000	\$0	\$746,440	\$1,046,440	\$18,862,590	(\$16,750)	\$10,000,000	\$47,026,260	\$17,821,127
Enterprise Funds													
Public Transit Fund													
Administration					\$48,200			\$48,200	\$5,124,890			\$173,090	
Operations & Capital Projects Management					\$120,800	\$85,750		\$206,550	\$2,097,420			\$2,303,970	
Departmental Allocations								\$0	\$205,780			\$205,780	
Capital Projects					\$488,740			\$488,740	\$868,160			\$1,356,900	
Total Public Transit Fund	\$0	\$0	\$0	\$0	\$657,740	\$85,750	\$0	\$743,490	\$8,296,250	\$0	\$0	\$4,039,740	\$5,000,000
Wastewater Fund													
Administration						\$6,248,050	\$1,919,140	\$8,167,190	\$3,200,000			\$223,860	
Operations & Capital Projects Management								\$0				\$3,239,420	
Departmental Allocations								\$0				\$2,051,300	
Capital Projects								\$0	\$1,914,000			\$7,480,000	
Debt Service								\$0				\$4,541,410	
Contingencies								\$0				\$100,000	
Total Wastewater Fund	\$17,201,649	\$0	\$0	\$0	\$0	\$6,248,050	\$1,919,140	\$8,167,190	\$5,114,000	\$0	\$0	\$17,635,990	\$12,846,849
Total Enterprise Funds	\$17,201,649	\$0	\$0	\$0	\$657,740	\$6,333,800	\$1,919,140	\$8,910,680	\$13,410,250	\$0	\$0	\$21,675,730	\$17,846,849
Internal Service Fund													
Information Technology Fund	\$1,162,866						\$2,249,590	\$8,800	\$2,258,390	\$43,950		\$2,100,170	\$1,365,036
Total Internal Service Fund	\$1,162,866	\$0	\$0	\$0	\$0	\$2,249,590	\$8,800	\$2,258,390	\$43,950	\$0	\$0	\$2,100,170	\$1,365,036
Total All Funds	\$103,656,737	\$47,659,900	\$500,000	\$539,400	\$8,282,470	\$9,568,450	\$4,041,920	\$70,592,140	\$34,005,120	(\$34,005,120)	\$10,000,000	\$105,745,040	\$78,503,837

(1) A balance sheet loan has been budgeted in the General Fund to cover the estimated deficit in the Art in Public Places Fund and is projected to be repaid in FY 2023-24.

POSITION LIST/FULL-TIME EQUIVALENTS

SUMMARY OF FULL-TIME EQUIVALENTS BY FUND

Fiscal Year	General Fund	Streets Fund	Affordable Housing Fund	Transp. Sales Tax Fund	Public Transit Fund	Waste-water Fund	Info. Tech. Fund	Totals
FY2021	129.04	-	1.00	1.00	1.00	15.78	5.00	152.82
FY2022	136.21	3.88	1.00	1.00	1.00	15.68	5.00	163.77
FY2023	146.57	4.35	1.00	1.00	1.50	17.08	6.00	177.50

SUMMARY OF FULL-TIME EQUIVALENTS BY DEPARTMENT

Department	FY2021	FY2022	FY2023
City Council	7.00	7.00	7.00
City Manager's Office ⁽¹⁾	7.15	10.00	14.20
Human Resources	2.00	2.00	2.00
Financial Services ⁽²⁾	8.73	10.00	11.24
City Attorney's Office	4.04	3.54	3.54
City Clerk's Office ⁽³⁾	2.88	2.88	2.92
Parks & Recreation ⁽⁴⁾	8.56	8.91	9.05
Community Development ⁽⁵⁾	13.90	13.48	14.97
Public Works ⁽⁶⁾	29.45	33.85	35.65
Economic Development	1.00	1.00	1.00
Police ⁽⁷⁾	43.63	46.63	47.63
Municipal Court ⁽⁸⁾	5.48	5.48	5.80
Public Transit ⁽⁹⁾	1.00	1.00	1.50
Wastewater ⁽¹⁰⁾	13.00	13.00	15.00
Information Technology ⁽¹¹⁾	5.00	5.00	6.00
Total	152.82	163.77	177.50

⁽¹⁾Increase in City Manager's Office was due to addition of Webmaster position, Sustainability Coordinator position, Short-Term Rental Specialist position, and Housing Coordinator position, as well as a partial allocation of the reclassified Assistant City Manager/Director of Public Works position.

⁽²⁾Increase in Financial Services was due to addition of Budget & Financial Analyst position and a temporary city employee position.

⁽³⁾Increase in City Clerk's Office was due to addition of a temporary city employee position.

⁽⁴⁾Increase in Parks & Recreation was due to adjustments for seasonal positions.

⁽⁵⁾Increase in Community Development was due to a planned training overlap of 6-months for an incoming Building Inspector prior to the retirement of the current Building Inspector and the addition of a temporary city employee position.

⁽⁶⁾Increase in Public Works was due to addition of Grants Analyst position split with Public Transit and Custodial Maintenance Worker position, as well as increase in part-time Traffic Control Assistant hours, net of a partial allocation of the reclassified Assistant City Manager/Director of Public Works position.

⁽⁷⁾Increase in Police was due to addition of Communications Specialist position.

⁽⁸⁾Increase in Municipal Court was due to increase in part-time Court Security Officer hours and the addition of a temporary city employee position.

⁽⁹⁾Increase in Public Transit was due to addition of Grants Analyst position split with Public Works.

⁽¹⁰⁾Increase in Wastewater was due to addition of Wastewater Inspector position and Preventative Maintenance Technician position.

⁽¹¹⁾Increase in Information Technology was due to addition of IT Help Desk/Systems Engineer position.

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Authorized Position	FY2021	FY2022	FY2023	Change from FY2022
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)	1.00	1.00	1.00	-
Deputy City Manager (GF)	-	1.00	1.00	-
Assistant City Manager/Director of Public Works (GF)	-	-	0.20	0.20
Assistant City Manager/Director of Community Development (GF)	0.40	-	-	-
Housing Manager (AHF)	-	1.00	1.00	-
Communications & Public Affairs Manager (GF)	1.00	1.00	1.00	-
Sustainability Manager (GF)	-	1.00	1.00	-
Assistant to the City Manager (GF)	-	1.00	1.00	-
Webmaster (GF)	-	-	1.00	1.00
Management Analyst (GF)	1.00	-	-	-
Arts & Culture Coordinator (GF)	0.75	1.00	1.00	-
Public Relations Coordinator (GF)	1.00	1.00	1.00	-
Sustainability Coordinator (GF)	1.00	1.00	2.00	1.00
Short-Term Rental Specialist (GF)	-	-	1.00	1.00
Housing Coordinator (GF)	-	-	1.00	1.00
Executive Assistant (GF)	-	1.00	1.00	-
Administrative Assistant (GF)	1.00	-	-	-
City Manager's Office Total	7.15	10.00	14.20	4.20
Human Resources				
Human Resource Manager (GF)	1.00	1.00	1.00	-
Human Resource Specialist (GF)	1.00	1.00	1.00	-
Human Resources Total	2.00	2.00	2.00	-
Financial Services				
Director of Financial Services (GF)	1.00	1.00	1.00	-
Assistant Financial Services Director (GF)	-	1.00	1.00	-
Budget & Accounting Supervisor (GF)	1.00	-	-	-
Procurement Officer (GF)	-	1.00	1.00	-
Accounting Supervisor (GF)	-	-	1.00	1.00
Accountant III (GF)	1.00	1.00	-	(1.00)
Budget & Financial Analyst (GF)	-	-	1.00	1.00
Revenue Supervisor (GF)	1.00	1.00	1.00	-
Accountant I (GF)	-	-	1.00	1.00
Accounting Technician II (GF)	3.00	3.00	3.00	-
Accounting Technician I (GF)	1.00	1.00	-	(1.00)
Administrative Assistant (GF)	0.73	1.00	1.00	-
Temporary City Employee (GF)	-	-	0.24	0.24
Financial Services Total	8.73	10.00	11.24	1.24

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Authorized Position	FY2021	FY2022	FY2023	Change from FY2022
City Attorney's Office				
City Attorney (GF)	1.00	1.00	1.00	-
Assistant City Attorney (GF)	2.00	1.50	1.50	-
Legal Assistant (GF)	1.00	1.00	1.00	-
Temporary City Employee (GF)	0.04	0.04	0.04	-
City Attorney's Office Total	4.04	3.54	3.54	-
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)	0.88	0.88	0.88	-
Temporary City Employee (GF)	-	-	0.04	0.04
City Clerk's Office Total	2.88	2.88	2.92	0.04
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	-
Recreation Coordinator I (GF)	-	1.00	-	(1.00)
Administrative & Recreation Assistant (GF)	1.00	1.00	2.00	1.00
Recreation Assistant (GF)	0.13	0.13	0.20	0.07
Pool Manager (GF)	0.33	0.33	0.31	(0.02)
Pool Assistant Manager (GF)	0.03	0.45	0.51	0.06
Lifeguard Instructor (GF)	1.43	1.43	-	(1.43)
Lifeguard (GF)	2.21	1.09	1.37	0.28
Swim Instructor (GF)	-	-	1.30	1.30
Aqua Fitness Instructor (GF)	0.19	0.19	0.04	(0.15)
Scorekeeper/Umpire/Referee (GF)	0.24	0.29	0.32	0.03
Parks & Recreation Total	8.56	8.91	9.05	0.14
Community Development				
Assistant City Manager/Director of CommDev (GF)	0.60	-	-	-
Director of Community Development (GF)	-	1.00	1.00	-
Assistant Community Development Director (GF)	1.00	-	-	-
Housing Manager (AHF)	1.00	-	-	-
Chief Building Official (GF)	1.00	1.00	1.00	-
Planning Manager (GF)	-	1.00	1.00	-
Principal Planner (GF)	-	1.00	1.00	-
Senior Planner (GF)	3.00	1.00	-	(1.00)
Associate Planner (GF)	1.00	1.00	2.00	1.00
Building Inspector II (GF)	-	1.00	1.50	0.50
Plans Examiner II (GF)	-	1.00	1.00	-
Senior Code Enforcement Officer (GF)	1.00	1.00	1.00	-
Building Inspector I (GF)	1.00	-	-	-
Code Enforcement Officer (GF)	1.00	1.00	1.00	-
Building Permits Technician (GF)	2.00	2.00	2.00	-
Administrative Assistant (GF)	1.00	1.00	1.00	-
Temporary City Employee (GF)	0.30	0.48	1.47	0.99
Community Development Total	13.90	13.48	14.97	1.49

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Authorized Position	FY2021	FY2022	FY2023	Change from FY2022
Public Works				
Assistant City Manager/Director of Public Works (GF)	-	-	0.71	0.71
Assistant City Manager/Director of Public Works (SF)	-	-	0.05	0.05
Assistant City Manager/Director of Public Works (WWF)	-	-	0.04	0.04
Director of Public Works/City Engineer (GF)	0.93	0.88	-	(0.88)
Director of Public Works/City Engineer (WWF)	0.07	0.07	-	(0.07)
Director of Public Works/City Engineer (SF)	-	0.05	-	(0.05)
Assistant Director of Public Works (GF)	-	0.75	0.75	-
Assistant Director of Public Works (SF)	-	0.25	0.25	-
Engineering Supervisor (GF)	0.90	-	0.75	0.75
Engineering Supervisor (SF)	-	-	0.25	0.25
Engineering Supervisor (WWF)	0.10	-	-	-
Associate Engineer (GF)	2.60	2.50	1.85	(0.65)
Associate Engineer (TSTF)	0.90	-	1.00	1.00
Associate Engineer (WWF)	0.50	0.50	0.15	(0.35)
City Maintenance Manager (GF)	0.91	0.76	0.76	-
City Maintenance Manager (SF)	-	0.15	0.15	-
City Maintenance Manager (WWF)	0.09	0.09	0.09	-
Assistant Engineer (GF)	1.87	1.97	1.95	(0.02)
Assistant Engineer (TSTF)	0.10	1.00	-	(1.00)
Assistant Engineer (WWF)	0.03	0.03	0.05	0.02
Grants Analyst (GF)	-	-	0.50	0.50
Chief Engineering Inspector (GF)	0.50	0.50	0.50	-
Chief Engineering Inspector (WWF)	0.50	0.50	0.50	-
Facilities/Administrative Manager (GF)	0.81	0.78	-	(0.78)
Facilities/Administrative Manager (WWF)	0.19	0.19	-	(0.19)
Facilities/Administrative Manager (SF)	-	0.03	-	(0.03)
Right-of-Way Supervisor (GF)	0.94	0.36	0.36	-
Right-of-Way Supervisor (SF)	-	0.58	0.58	-
Right-of-Way Supervisor (WWF)	0.06	0.06	0.06	-
Facilities Maintenance Supervisor (GF)	0.95	0.91	0.95	0.04
Facilities Maintenance Supervisor (SF)	-	0.04	0.05	0.01
Facilities Maintenance Supervisor (WWF)	0.05	0.05	-	(0.05)
Assistant Project Manager (GF)	-	1.00	1.00	-
Right-of-Way Specialist (GF)	0.94	0.24	0.24	-
Right-of-Way Specialist (SF)	-	0.70	0.70	-
Right-of-Way Specialist (WWF)	0.06	0.06	0.06	-
Bike Park Maintenance Worker (GF)	0.25	0.25	0.25	-
Public Works Administrative Supervisor (GF)	-	-	0.97	0.97
Public Works Administrative Supervisor (SF)	-	-	0.03	0.03
Engineering Services Inspector (GF)	1.20	1.20	1.20	-
Engineering Services Inspector (WWF)	0.80	0.80	0.80	-
City Maintenance Worker II (GF)	3.80	2.54	6.47	3.93
City Maintenance Worker II (SF)	-	1.26	2.20	0.94
City Maintenance Worker II (WWF)	0.20	0.20	0.33	0.13
Facilities Maintenance Worker (GF)	-	1.00	1.00	-
Administrative Assistant (GF)	0.60	0.91	0.91	-
Administrative Assistant (SF)	-	0.09	0.09	-
City Maintenance Worker I (GF)	3.87	4.14	-	(4.14)
City Maintenance Worker I (SF)	-	0.73	-	(0.73)
City Maintenance Worker I (WWF)	0.13	0.13	-	(0.13)
Custodial Maintenance Worker (GF)	2.00	2.00	3.00	1.00
Traffic Control Assistant II (GF)	-	1.00	1.00	-
Traffic Control Assistant (GF)	2.60	2.60	3.10	0.50
Public Works Total	29.45	33.85	35.65	1.80

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Authorized Position	FY2021	FY2022	FY2023	Change from FY2022
Economic Development				
Economic Development Director (GF)	1.00	1.00	1.00	-
Economic Development Total	1.00	1.00 ▲	1.00	-
Police				
Chief of Police (GF)	1.00	1.00	1.00	-
Deputy Police Chief (GF)	-	1.00	1.00	-
Police Commander (GF)	2.00	-	-	-
Police Lieutenant (GF)	-	1.00	1.00	-
Police Sergeant (GF)	5.00	6.00	6.00	-
Police Detective (GF)	2.00	2.00	2.00	-
Police Officer (GF)	17.00	18.00	18.00	-
Communication/Records Supervisor (GF)	1.00	1.00	1.00	-
Communications Specialist (GF)	7.00	7.00	8.00	1.00
Community Service Officer (GF)	1.00	2.00	2.00	-
Executive Assistant (GF)	1.00	1.00	1.00	-
Police Records Clerk II (GF)	1.00	1.00	1.00	-
Property & Evidence Technician (GF)	0.73	0.73	0.73	-
Support Services Technician (GF)	1.00	1.00	1.00	-
Police Records Technician (GF)	1.00	1.00	1.00	-
Community Service Aide (GF)	2.90	2.90	2.90	-
Police Total	43.63	46.63	47.63	1.00
Municipal Court				
Magistrate Judge (GF)	1.00	1.00	1.00	-
Magistrate Judge Pro-Tem (GF)	0.05	0.05	0.05	-
Court Administrator (GF)	1.00	1.00	1.00	-
Court Clerk (GF)	3.00	3.00	3.00	-
Court Security Officer (GF)	0.43	0.43	0.50	0.07
Temporary City Employee (GF)	-	-	0.25	0.25
Municipal Court Total	5.48	5.48	5.80	0.32
Public Transit				
Transit Administrator (PTF)	1.00	1.00	1.00	-
Grants Analyst (PTF)	-	-	0.50	0.50
Public Transit Total	1.00	1.00 ▲	1.50	0.50



POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Authorized Position	FY2021	FY2022	FY2023	Change from FY2022
Wastewater				
Director of Wastewater (WWF)	1.00	1.00	1.00	-
WW Regulatory Compliance Specialist (WWF)	1.00	1.00	1.00	-
Chief Collections Operator (WWF)	1.00	1.00	1.00	-
Chief Plant Operator (WWF)	1.00	1.00	1.00	-
Mechanic/Electrician (WWF)	1.00	1.00	1.00	-
Collections Operator III (WWF)	1.00	1.00	1.00	-
Wastewater Inspector (WWF)	-	-	1.00	1.00
Lab Technician (WWF)	1.00	1.00	1.00	-
Plant Operator III (WWF)	1.00	1.00	-	(1.00)
Collections Operator II (WWF)	1.00	1.00	1.00	-
Plant Operator II (WWF)	1.00	1.00	3.00	2.00
Collections/Camera Operator I (WWF)	-	-	1.00	1.00
Collections Operator I (WWF)	1.00	1.00	-	(1.00)
CCTV Van Operator (WWF)	1.00	1.00	-	(1.00)
Administrative Assistant (WWF)	1.00	1.00	1.00	-
Preventative Maintenance Technician (WWF)	-	-	1.00	1.00
Wastewater Total	13.00	13.00	15.00	2.00
Information Technology				
Information Technology Manager (ITF)	1.00	1.00	1.00	-
GIS Analyst (ITF)	1.00	1.00	1.00	-
Network Engineer (ITF)	1.00	1.00	1.00	-
System Administrator (ITF)	1.00	1.00	1.00	-
IT Help Desk/Systems Engineer (ITF)	-	-	1.00	1.00
IT Support/Help Desk Technician (ITF)	1.00	1.00	1.00	-
Information Technology Total	5.00	5.00	6.00	1.00
City-Wide Totals				
General Fund	129.04	136.21	146.57	10.36
Streets Fund	-	3.88	4.35	0.47
Affordable Housing Fund	1.00	1.00	1.00	-
Transportation Sales Tax Fund	1.00	1.00	1.00	-
Public Transit Fund	1.00	1.00	1.50	0.50
Wastewater Fund	15.78	15.68	17.08	1.40
Information Technology Fund	5.00	5.00	6.00	1.00
Total City Full-Time Equivalents	152.82	163.77	177.50	13.73

(AHF) = Affordable Housing Fund
 (GF) = General Fund
 (ITF) = Information Technology Internal Service Fund
 (PT) = Public Transit Fund
 (SF) = Streets Fund
 (TSTF) = Transportation Sales Tax Fund
 (WWF) = Wastewater Enterprise Fund

POSITION LIST/FULL-TIME EQUIVALENTS

continued

FY 2023 Staffing Changes

The City staffing changes were based on analyses of departmental needs and funding allocations. The fiscal year 2022-23 budget includes the following changes:

- Ten full-time positions were added:
 - A Webmaster position was added to the City Manager's Office to centralize the management of website maintenance and development.
 - A Short-Term Rental Specialist position was added to the City Manager's Office to coordinate all City processes related to monitoring the Short-Term Rental program.
 - A Housing Coordinator position was added to the City Manager's Office to support the Housing Manager and the initiatives of the Housing program.
 - A Budget & Financial Analyst position was added to the Financial Services Department to address staffing gaps in expanded City service levels and improve succession planning.
 - A Grants Analyst position was added and split between the Public Works and Public Transit Departments to better pursue potential grant opportunities and manage the significant grant compliance requirements.
 - A Custodial Maintenance Worker position was added to the Public Works Department to address staffing shortages for increased service needs.
 - A Communications Specialist position was added to the Police Department to address increased demands for dispatch needs.
 - A Wastewater Inspector position was added to the Wastewater Department to increase capacity to cover the needs of the grease trap inspection program, as well as other wastewater operational and capital project inspection needs.
 - A Preventative Maintenance Technician position was added to the Wastewater Department to assist and apprentice with the Mechanic/Electrician position.
 - An IT Help Desk/Systems Engineer position was added to the Information Technology Department to address staffing shortages for increased service needs.
- A temporary 6-month overlap of the retiring Building Inspector with the incoming Building Inspector was included on the Community Development Department to assist with the training and transition of the position.
- Hours were increased for the part-time Traffic Control Assistant positions to address increased needs during times of higher tourism.
- Two temporary positions were added:
 - A temporary position was added to the Financial Services Department to assist with the workload backlogs and training of the incoming Revenue Supervisor as a result of the retirement of the former Revenue Supervisor.
 - A temporary position was added to the City Clerk's Office to assist with the training of the incoming City Clerk as a result of the retirement of the former City Clerk.
 - A temporary position was added to the Community Development Department to assist with the mandatory 10-year update to the Community Plan.
 - A temporary position was added to the Municipal Court to assist with the workload backlogs.

POSITION LIST/FULL-TIME EQUIVALENTS

continued

FY 2023 Staffing Changes (cont'd)

- During fiscal year 2021-22, the City Council authorized staffing changes to address the workload pressures due to significant turnover and difficulties with recruiting, lack of adequate local workforce, and affordability of housing. As a result, the following changes were made subsequent to the fiscal year 2021-22 budget adoption:
 - The Director of Public Works/City Engineer was promoted to Assistant City Manager/Director of Public Works.
 - The City Council authorized funding in the Sustainability program to be determined later if consultant services or an added position would be best to accelerate program initiatives. An additional Sustainability Coordinator position was subsequently added.
 - The Accountant III position in the Financial Services Department was restructured to an Accounting Supervisor position.
 - An Accounting Technician II position in the Financial Services Department was restructured to an Accountant I position.
 - The Accounting Technician I position in the Financial Services Department was restructured to an Accounting Technician II position.
 - The Recreation Coordinator I position in the Parks & Recreation Department was restructured to an Administrative & Recreation Assistant position.
 - An Assistant Engineer position in the Public Works Department was restructured to an Associate Engineer position.
 - The Facilities/Administrative Manager position in the Public Works Department was restructured to a Public Works Administrative Supervisor position.
 - Five City Maintenance Worker I positions in the Public Works Department were restructured to City Maintenance Worker II positions.
 - The hours were increased for the Court Security Officer position in the Municipal Court to address increased needs anticipated with the relocation of the Court to a separate facility.
 - The CCTV Van Operator position in the Wastewater Department was restructured to a Collections/Camera Operator I position.
- Other adjustments included adjustments to the hours of some part-time and temporary positions.

FUND BALANCE

Fund balance is the amount of the City's assets/deferred outflows of resources in excess of year-end liabilities/deferred inflows of resources. 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 2023 CHANGES IN FUND BALANCES

(In Thousands)

	General Fund	Special Revenue Funds				Capital Projects Funds			Enterprise Funds		Information Technology Internal Service Fund
		Streets Fund	Affordable Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Impr. Fund	Dev. Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Waste-water Fund	
Beginning Fund Balances	\$36,341	\$ 908	\$4,667	\$ 2,137	\$ 6,284	\$29,344	\$5,353	\$258	\$ -	\$17,202	\$1,163
Revenues	49,257	1,315	87	2,425	5,293	431	614	2	743	8,167	2,258
Expenditures	28,331	2,301	1,402	2,384	526	41,294	5,372	361	4,040	17,636	2,100
Other Financing Sources (Uses)	(21,074)	438	1,250	(1,914)	(11,000)	28,829	-	17	8,296	5,114	44
Ending Fund Balances	\$36,193	\$ 361	\$4,602	\$ 264	\$ 51	\$17,311	\$ 595	\$ (84)	\$5,000	\$12,847	\$1,365

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. Any use of the unassigned fund balance below 30% must comply with criteria specified in the policy. Appropriation of a minimum contingency has also been included in the operating budget to provide for emergencies. The City currently includes a \$200,000 general operating contingency in the General Fund expenditure budget.

Operating Reserve – The General Fund is estimated to have \$36.2 million in fund balance at the end of fiscal year 2021-22. Of this amount, \$7.6 million is set aside to meet the minimum operating reserve requirement.

Equipment Replacement Reserve – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2022-23 is \$1.5 million for this reserve.

FUND BALANCE

continued

General Fund (cont'd)

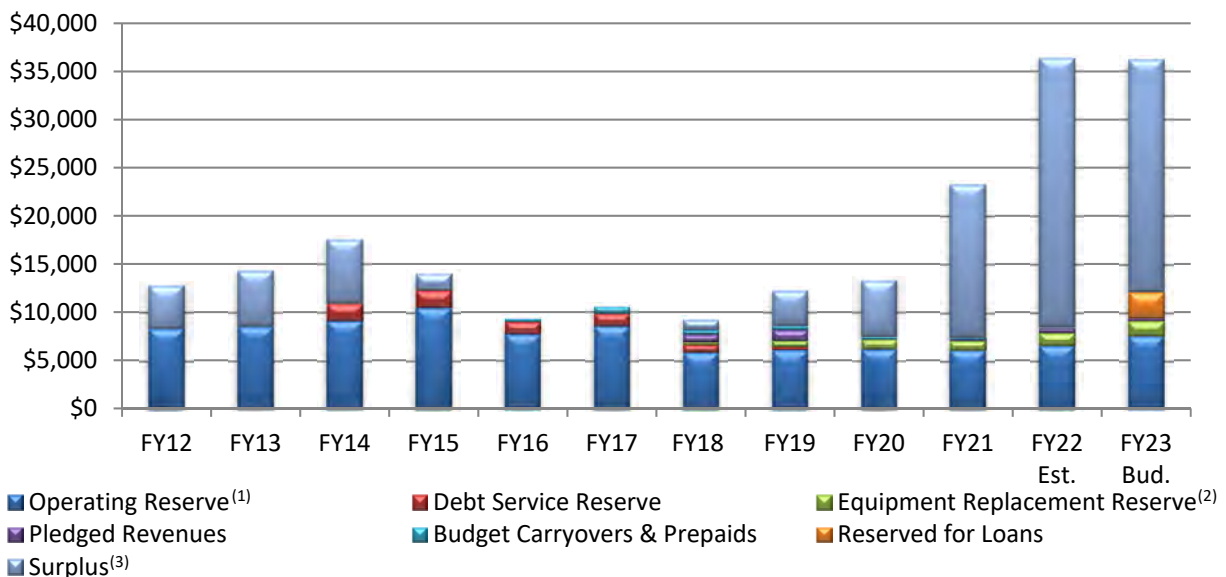
Reserved for Loans – The City Council set aside \$2.7 million to cover the projected deficit in the Art in Public Places Fund of approximately \$84,000, plus \$2.6 million for the projected shortfall for the subsequent year’s capital needs in the Development Impact Fees Funds. The development impact fees are calculated based on assumptions of fee collections over a 10-year period. Since many of the projects are front-loaded in the early portion of the 10-year period, the fees covering these costs will not be available until after costs are incurred. A loan from the General Fund will likely be necessary to cover deficit balances. Since capital improvement projects frequently do not move forward as quickly as budgeted, the actual extent of the deficits may not be as significant as projected.

Paid Parking Revenue Pledged to Uptown Improvement – The City Council promised the merchants in the Uptown area that the net revenues from the paid parking program would be reinvested in the Uptown area. The estimated balance of unspent paid parking revenues at the end of the fiscal year 2022-23 is approximately \$280,000. Most of the future revenue is expected to be used for debt financing payments for a parking garage in Uptown and/or Sedona in Motion projects.

Surplus – The anticipated surplus of \$24.0 million includes an estimate of \$10.0 million from fiscal year 2021-22 to be allocated in the fiscal year 2023-24 budget process once the actual results are known. The anticipated surplus generated during fiscal year 2022-23 of \$14.0 million, plus any additional surpluses experienced in actual results for fiscal year 2022-23 will be also 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 \$24.0 million.

Historical General Fund Balance (In Thousands)



⁽¹⁾ 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.
⁽²⁾ The equipment replacement reserve was started in fiscal year 2017-18.
⁽³⁾ In fiscal years 2015-16 and 2016-17, the surpluses generated in those years were transferred to the Capital Improvements Fund within that fiscal year instead of waiting until the following fiscal year.



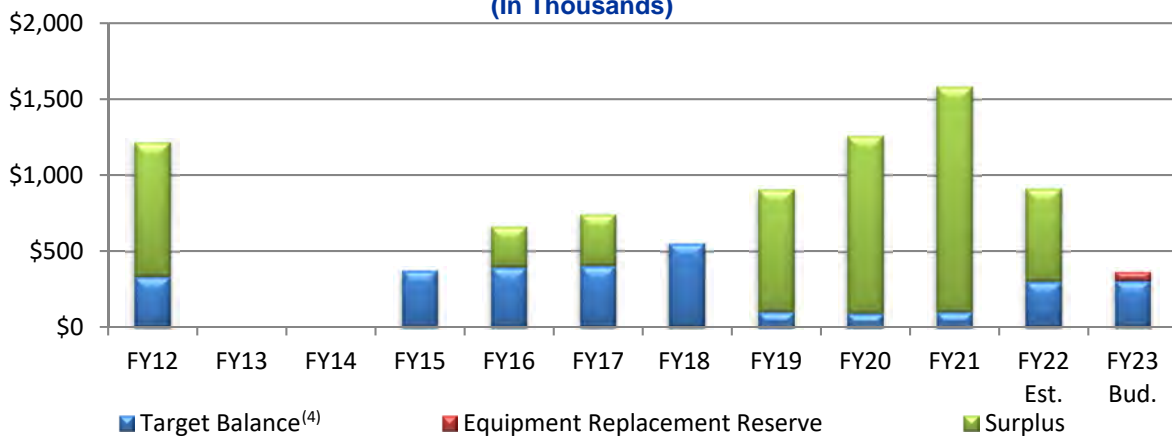
FUND BALANCE continued

Special Revenue Funds

The Streets Fund is projected to meet reserve requirements after General Fund subsidy.

Streets Fund – The City’s policy requires the fund balance target to be the difference between the highest expected annual pavement preservation/street rehabilitation cost and the average annual pavement preservation/street rehabilitation cost. Calculation of annual General Fund subsidy was based on maintaining the required reserve.

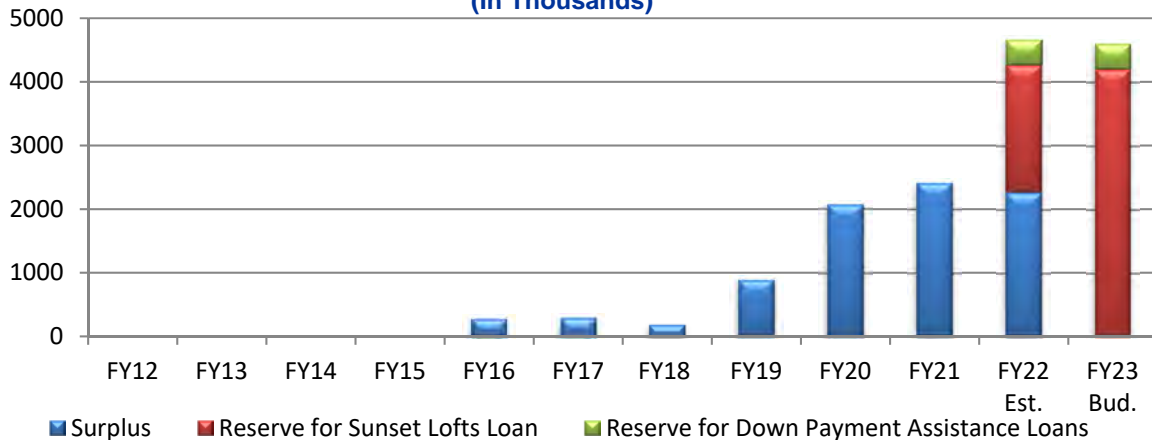
Historical Streets Fund Balance (In Thousands)



⁽⁴⁾ 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. The target balance policy was changed again in fiscal year 2020-21 to target to be the difference between the highest expected annual pavement preservation/street rehabilitation cost and the average annual pavement preservation/street rehabilitation cost.

Affordable Housing Fund – The Affordable Housing Fund has 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 Affordable Housing Fund Balance (In Thousands)

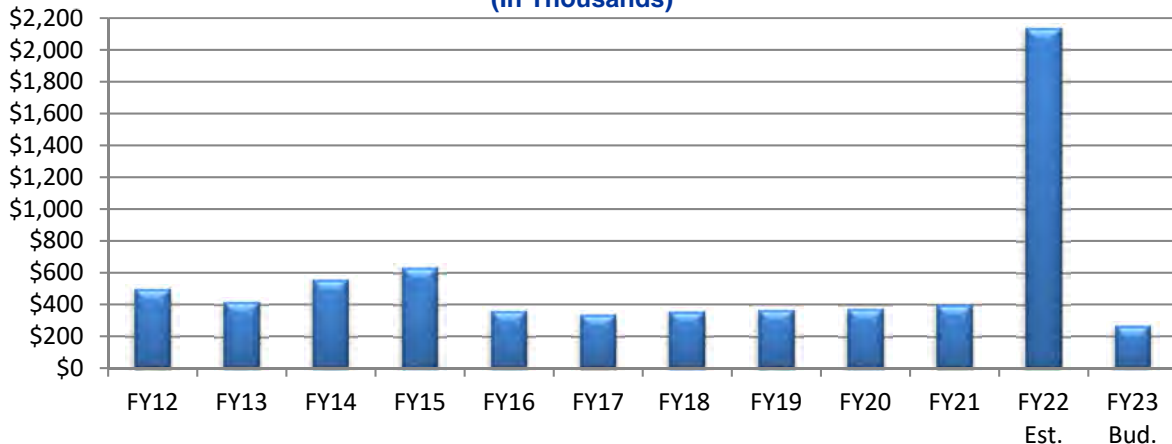


FUND BALANCE continued

Special Revenue Funds (cont'd)

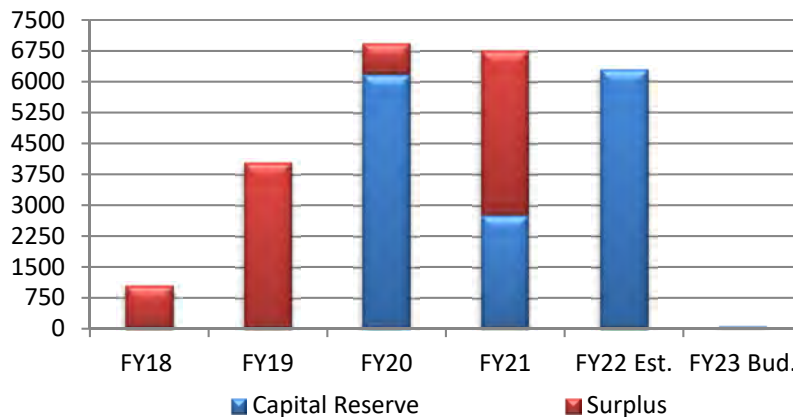
Grants, Donations & Restricted Funds – The Grants, Donations & Restricted Funds have balances that are available for use as needed and within the legal restrictions of the revenues that make up the funds but do not have minimum balance requirements.

Historical Grants, Donations & Restricted Funds Balance (In Thousands)



Transportation Sales Tax Fund – The Transportation Sales Tax Fund is estimated to have a balance of approximately \$51,000 at the end of fiscal year 2022-23. Anticipated capital project costs in the next fiscal year are \$2.8 million and are expected to be covered by revenues received in fiscal year 2023-24.

Historical Transportation Sales Tax Fund Balance (In Thousands)



Capital Projects Funds

Capital Improvements Fund – The fund balance policy for the Capital Improvements Fund requires, 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.

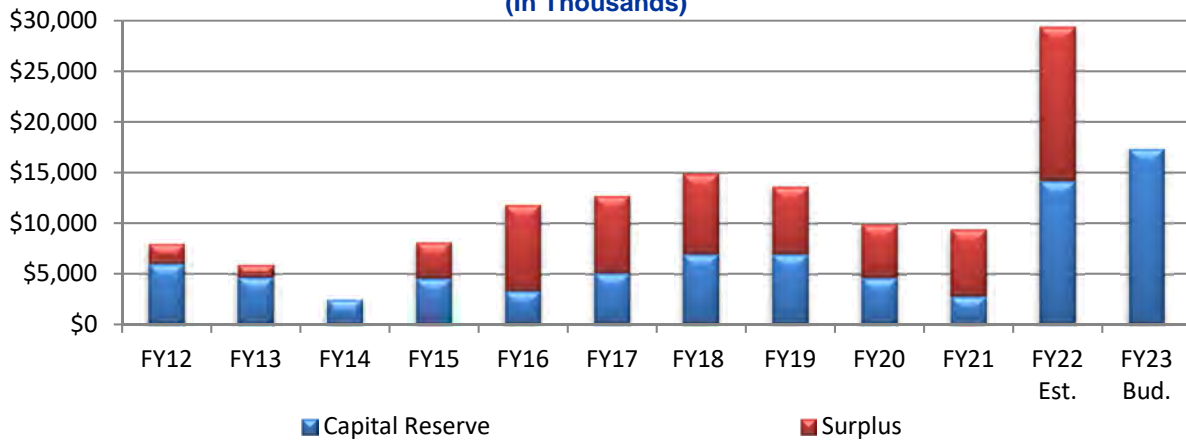
FUND BALANCE continued

Capital Projects Funds (cont'd)

The Capital Improvements Fund is estimated to have a balance of \$17.3 million at the end of fiscal year 2022-23. Anticipated capital project costs in the next fiscal year are \$17.3 million. The one-time transfer from the General Fund was calculated based on maintaining the required reserve.

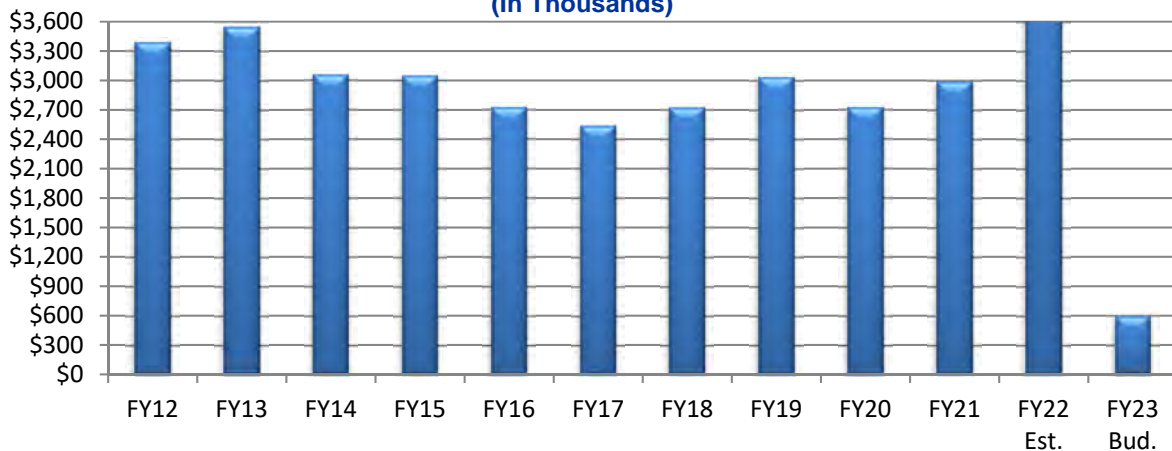
The Capital Projects Fund is projected to meet reserve requirements.

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)

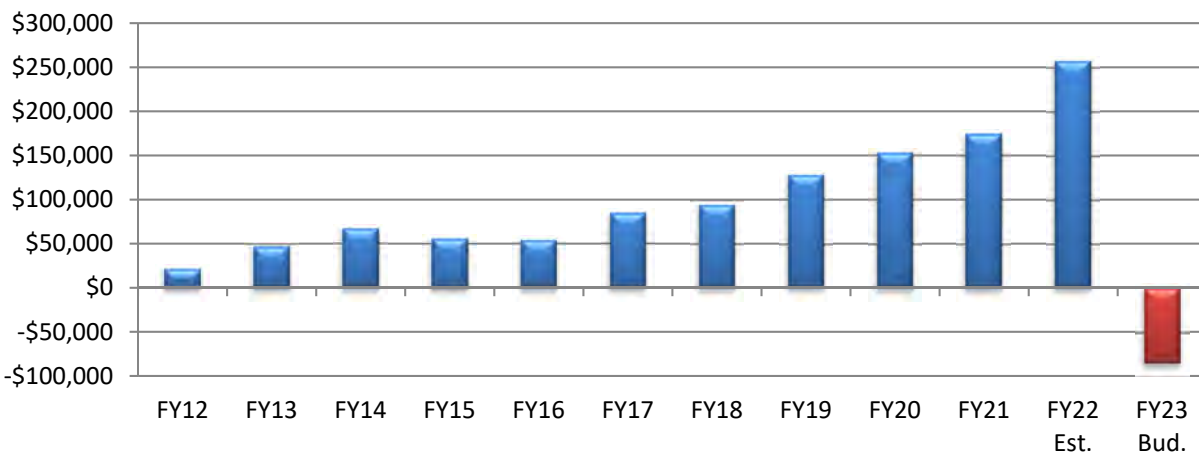


FUND BALANCE continued

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. The estimated ending fund balance for fiscal year 2022-23 will not be sufficient to cover the full cost of the Art in the Roundabouts project. In the fiscal year 2020-21 budget process, the City Council directed to move forward with all of the remaining roundabouts and rely on loans to the Art in Public Places Fund to cover any deficits. A portion of the General Fund balance has been reserved to cover this loan.

Historical Art in Public Places Fund Balance



Enterprise Funds

Public Transit Fund – The Public Transit Enterprise Fund is balanced with federal grant funds and transfers from the Transportation Sales Tax Fund to cover local matching requirements and other costs not grant funded. As implementation of the transit system progresses, applicable reserves such as equipment replacement will be created as appropriate. A portion of the General Fund surplus was allocated in the fiscal year 2022-23 to set up a reserve of \$5.0 million in the Public Transit Enterprise Fund for future implementation costs of the transit system.

Wastewater 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 one 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 \$12.8 million in fund balance at the end of fiscal year 2021-22. Of this amount, \$1.6 million is set aside to meet the maximum operating reserve requirement.
- **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 2022-23, the higher amount is the next year’s pay-as-you-go capital projects’ obligations and is \$1.5 million set aside for this reserve.

FUND BALANCE

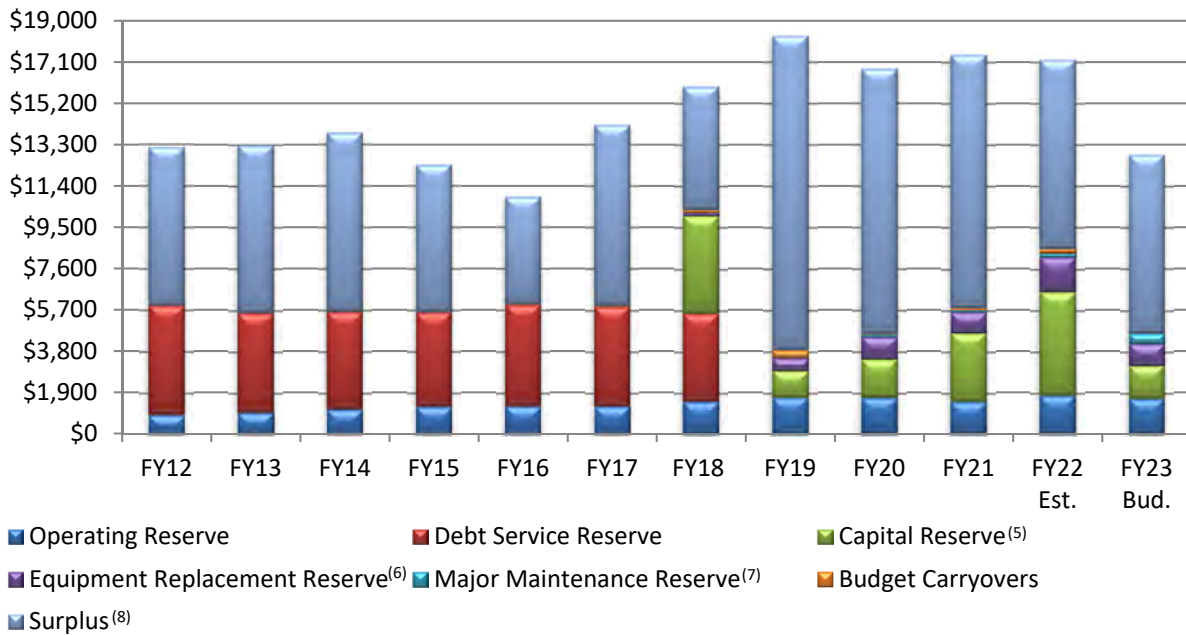
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Enterprise Funds (cont'd)

- **Equipment Replacement Reserve** – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2022-23 is \$1.0 million for this reserve.
- **Major Maintenance Reserve** – Starting fiscal year 2018-19, the City initiated a major maintenance reserve. The estimated balance at the end of fiscal year 2022-23 is approximately \$468,000 for this reserve.
- **Surplus** – The anticipated surplus of \$8.2 million, plus any surpluses experienced in actual results for fiscal year 2022-23 will be available for appropriation by the City Council in accordance with the fund balance policy. A rate study is in process, and one of the goals of the 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 \$8.2 million.

Historical Wastewater Enterprise Fund Balance (In Thousands)



⁽⁵⁾ The capital reserve was started in fiscal year 2017-18.
⁽⁶⁾ The equipment replacement reserve was started in fiscal year 2017-18.
⁽⁷⁾ The major maintenance reserve was started in fiscal year 2018-19.
⁽⁸⁾ When the debt service reserve was released in fiscal year 2018-19, the balance became part of the surplus in the fund.

FUND BALANCE

continued

Information Technology Internal Service Fund

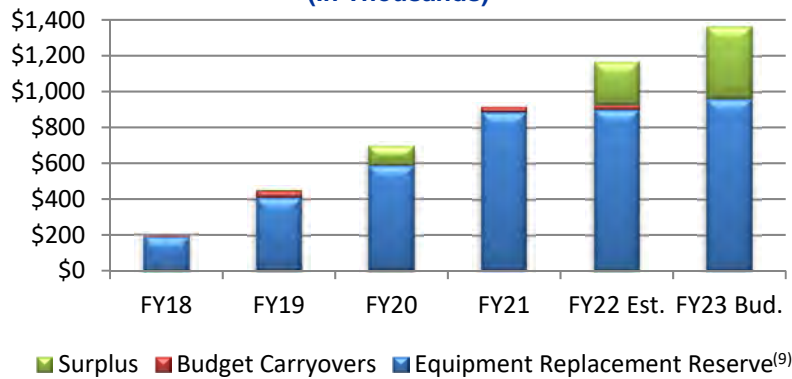
Equipment Replacement Reserve – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2022-23 is approximately \$959,000 for this reserve.

Surplus – The anticipated surplus of approximately \$406,000, plus any surpluses experienced in actual results for fiscal year 2022-23 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 \$406,000.

Historical Information Technology Internal Service Fund Balance

(In Thousands)



⁽⁹⁾ The equipment replacement reserve was started in fiscal year 2017-18.



FUND BALANCE

continued

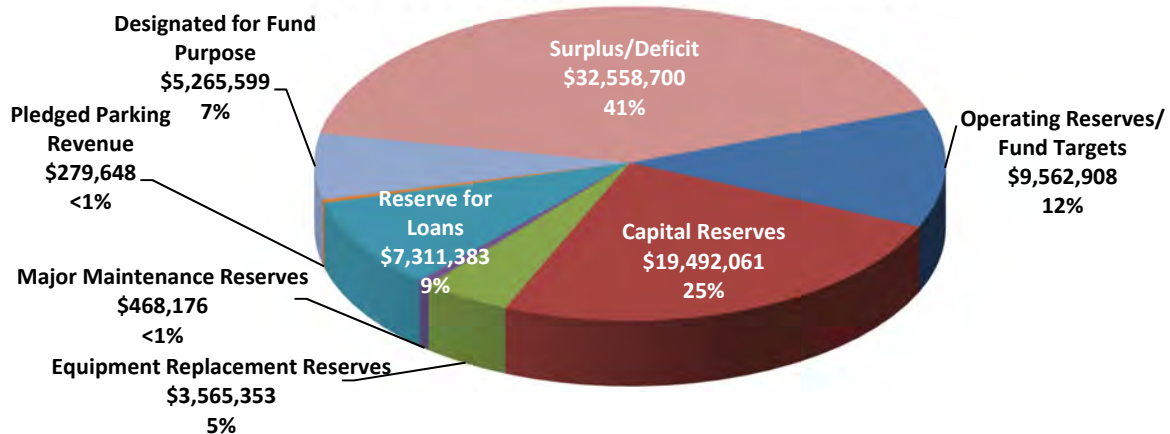
Summary Total Fund Balances

SUMMARY OF FY 2023 RESERVES

(In Thousands)

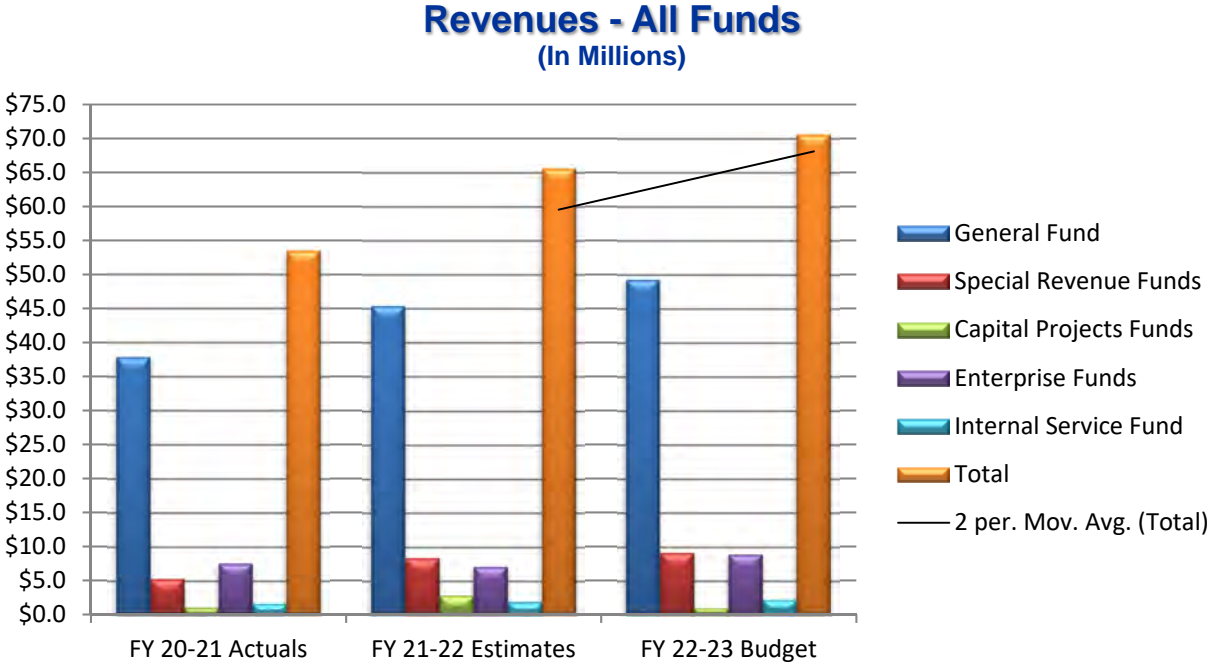
	General Fund	Special Revenue Funds				Capital Projects Funds			Enterprise Funds		Information Technology Internal Service Fund
		Streets Fund	Affordable Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Impr. Fund	Dev. Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Waste-water Fund	
Operating Reserves/ Fund Balance Targets	\$7,622	\$300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,640	\$ -
Capital Reserves	-	-	-	-	51	17,311	595	-	-	1,535	-
Equipment Replacement Reserves	1,541	61	-	-	-	-	-	-	-	1,004	959
Major Maintenance Reserve	-	-	-	-	-	-	-	-	-	468	-
Reserved for Loans	2,711	-	4,600	-	-	-	-	-	-	-	-
Parking Revenue Pledged for Uptown Improvements	280	-	-	-	-	-	-	-	-	-	-
Designated for Fund Purpose	-	-	2	264	-	-	-	-	5,000	-	-
Surplus/Deficit	24,038	-	-	-	-	-	-	(84)	-	8,199	406
Total Fund Balances	\$36,193	\$361	\$4,602	\$264	\$51	\$17,311	\$595	\$(84)	\$5,000	\$12,847	\$1,365

FY 2023 Estimated Fund Balances



REVENUE TRENDS

Total revenues for fiscal year 2022-23 are estimated at \$70.6 million. In comparison to the fiscal year 2021-22 budget, revenue is projected to increase by 22%. Compared to fiscal year 2021-22 estimates, revenue is projected to increase by 8%.



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 84% of the City’s General Fund revenues, and 66% 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 were steadily increasing until the COVID-19 financial crisis. Fiscal year 2019-20 sales tax revenues decreased 6% from the prior fiscal year, and bed tax revenues decreased 13% from the prior year. However, with tourism at an all-time high, fiscal year 2020-21 sales tax collections were approximately \$7.7 million over the budgeted revenue projection, and bed tax collections were approximately \$3.0 million over the budgeted projection. While not as dramatic, sales and bed tax revenues have continued to increase, setting new all-time highs.

City sales and bed tax revenues represent 66% 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 a cyclical recessionary period and subsequent recovery period. The forecast included assumptions of revenue impacts for new hotels and other significant construction projects in fiscal years 2022-23 through 2025-2026.

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

REVENUE TRENDS

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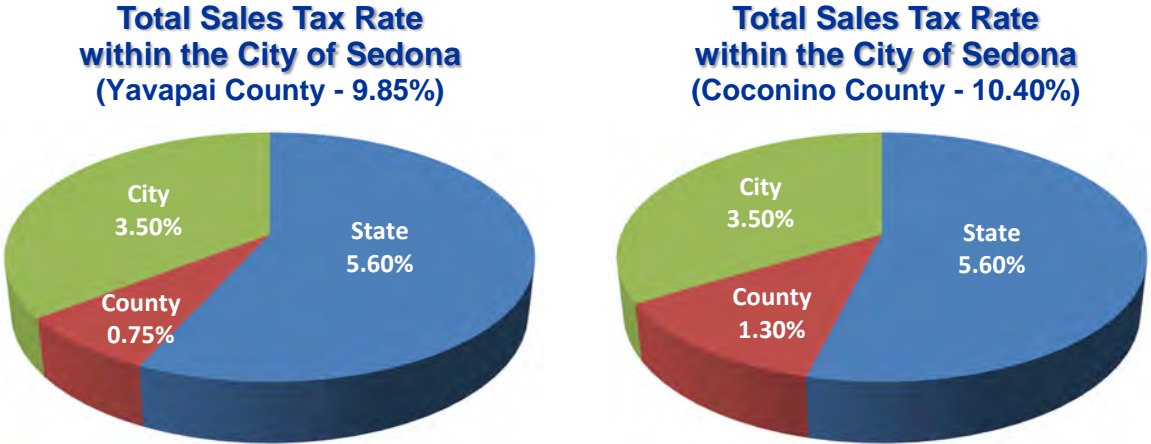
Transaction Privilege Taxes (City Sales Taxes)

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 transaction 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 taxable 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 was originally approved to sunset in 10 years. In November 2021, the City Council made the increase permanent with the intent to use the half-cent toward the implementation of the public transit system after the original 10-year period.

In addition, the City receives a portion of the State sales tax, which is discussed in the State shared revenues portion of this Revenue Trends section.



Other than the half-cent dedicated to transportation, city sales tax revenues are unrestricted for use. By City Council policy, a portion of the sales tax revenue is transferred to the Wastewater Enterprise Fund to assist with debt service payments. See the Inter-Fund Transfers section for additional information.

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

Estimated fiscal year 2021-22 city sales tax revenues increased 22% from the prior fiscal year and are 21% over budgeted projections. The continuing dramatic increases in sales and bed tax revenues for fiscal year 2021-22 were unanticipated. The fiscal year 2022-23 budget projections were based on somewhat conservative but aggressive estimates. The fiscal year 2021-22 estimates during the budget process were based on estimated 12% increase for sales tax and 14% increase in bed tax for the last quarter of the fiscal year. The fiscal year 2022-23 estimates were based on 7% increase for sales tax and 9% increase for bed tax over the fiscal year 2021-22 estimates. The significant increases appear to be a continuing indication of higher tourism levels, as well as impacts of the increases in inflation which started early 2021.

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, with an estimated 77% of total sales and bed tax revenues generated by the City's tourism industry. With the City's heavy reliance on sales and bed tax revenues, susceptibility to economic factors is a significant consideration in projections.

Prior to the COVID-19 pandemic, the City was experiencing significant annual increases in tourism as a result of the implementation of a destination marketing program started in fiscal year 2013-14 and legislation that was passed that took away the City's authority to prohibit short-term residential rentals effective January 1, 2017. These factors have contributed to the recognition of the Sedona area as a highly desirable destination. In addition, the area's outdoor attractions and open spaces have made Sedona a popular location for presumed safe recreation during the pandemic.

With the ever-increasing excess of tourism in the area, the City Council directed the Sedona Chamber of Commerce & Tourism Bureau (SCCTB) to suspend destination marketing for fiscal year 2021-22 and focus strictly on management of the impacts of tourism and the priorities identified in the Sustainable Tourism Plan. For fiscal year 2022-23, the City Council directed the SCCTB to continue the suspension of destination marketing. Even with the suspension of destination marketing, it is expected that tourism levels will not significantly decrease as private marketing continues, as well the free advertising that occurs with every social media post and visitors sharing stories of their Sedona experience with others.

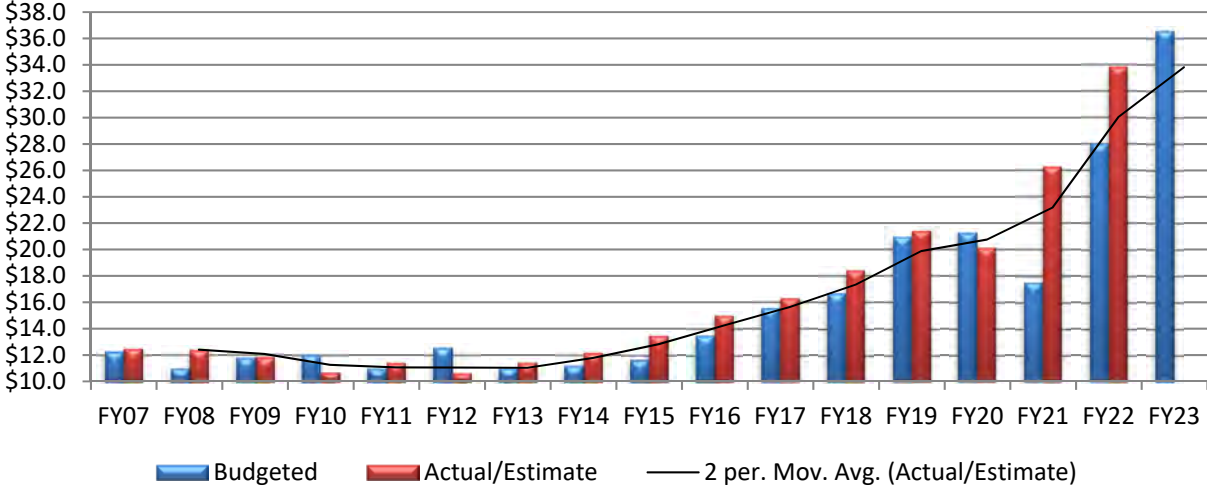
In the 10-year forecast, projected increases were based on recent historical trends and the assumption of continued high tourism levels. A factor was also included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period.

REVENUE TRENDS

continued

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

City Sales Tax Revenues (In Millions)



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 management and promotion of tourism.

The City Council dedicates a significant portion 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 portion of the proceeds from this tax supports the City’s General Fund activities and affordable housing initiatives.

Projections

Estimated fiscal year 2021-22 bed tax revenues increased 30% from the prior fiscal year and are 32% over 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. Prior to the pandemic, this has had an impact on the increases in the bed tax revenues, in addition to other factors such as increasing hotel room occupancy rates and average daily room rates.

As discussed in the transaction privilege taxes category, it is expected that tourism levels will not decrease significantly. In addition, the number of residential properties used exclusively for short-term rentals has continued to increase.

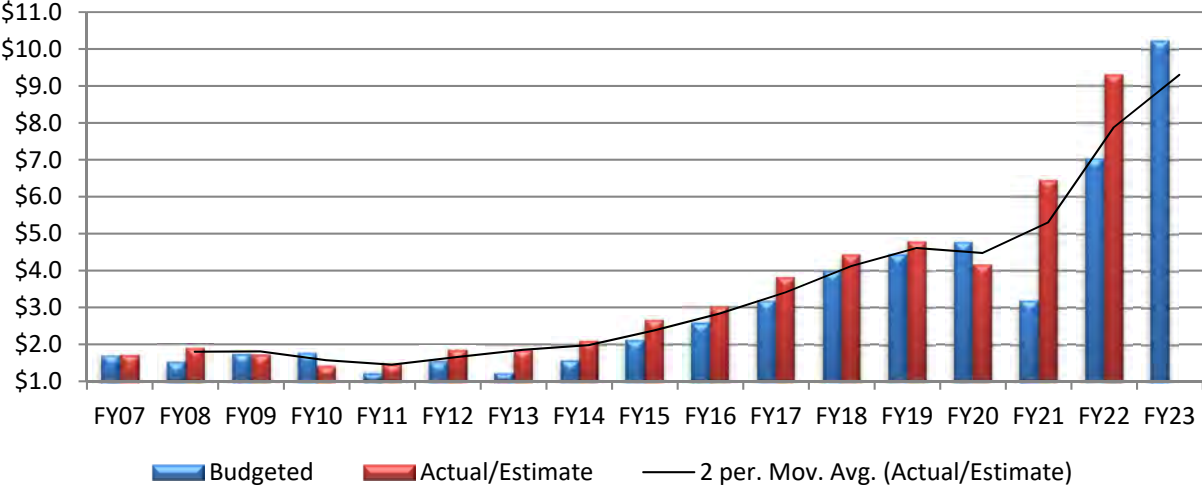
In the 10-year forecast, projected increases were based on recent historical trends and the assumption of continued high tourism levels. A factor was included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period.

REVENUE TRENDS

continued

Transient Occupancy Taxes (Bed Taxes) (cont'd)

Bed Tax Revenues (In Millions - Excluding Contingent Revenues)



In Lieu Fees and Community Facilities Districts

Description

The City created two 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 two 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 two 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.

REVENUE TRENDS

continued

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

In addition, the City may receive in lieu fees from developers who chose to contribute to the City's Affordable Housing Fund 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. An in-lieu fee has also been established for commercial parking requirements in the Uptown area to be used toward the construction and maintenance of a parking garage.

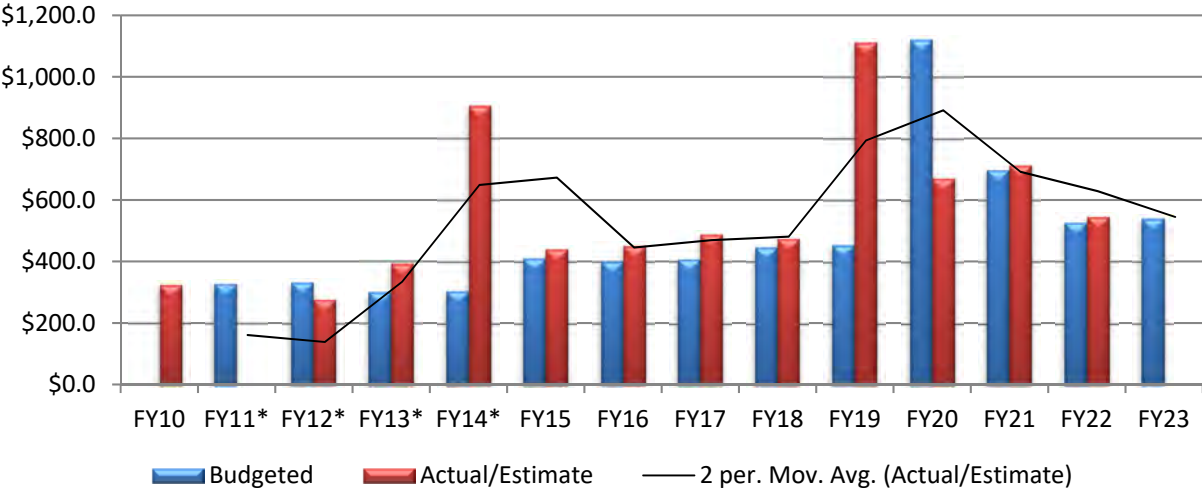
Projections

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 10-year projection.

The fiscal year 2018-19 actual in lieu fees for Affordable Housing included a one-time \$625,000 of a total \$824,000 contribution agreed upon by a lodging establishment; however, the revenue was originally anticipated and budgeted in fiscal year 2019-20. The fiscal year 2020-21 in lieu fees for Affordable Housing included the remaining \$199,000 contribution agreed upon by the lodging establishment. No other significant in lieu fees for Affordable Housing have been identified at this time.

Due to the infrequent occurrence of in lieu fees for public art and parking, no amounts have been included in the projections for these revenue sources.

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.

REVENUE TRENDS

continued

Franchise Fees

Description

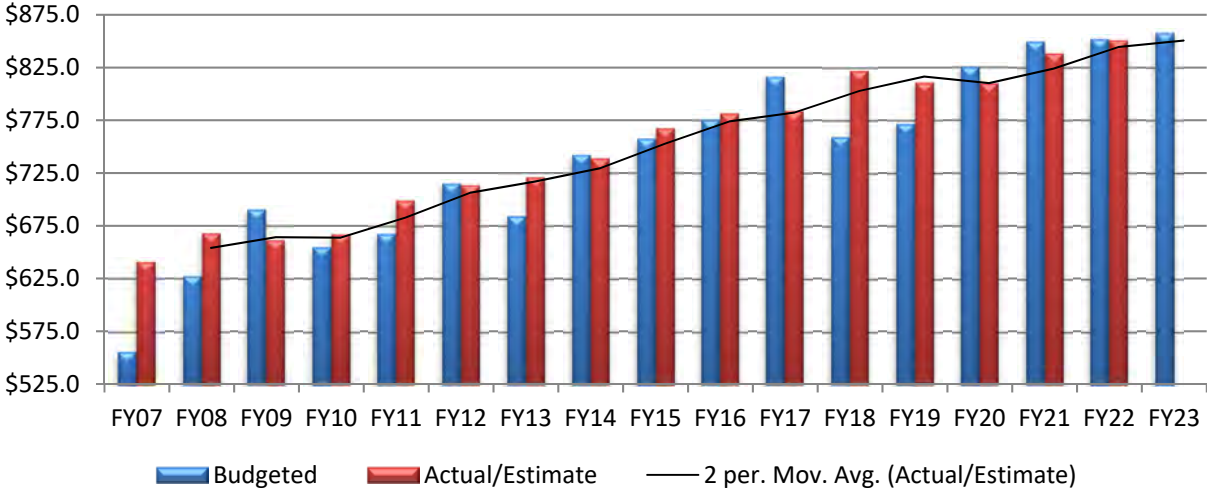
Arizona cities and towns have exclusive control over all rights-of-way dedicated to the municipality. This exclusive control enables the City to grant franchise agreements to utilities using the City’s streets in the distribution of utility services and charge a franchise tax. To grant a franchise to 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.

Franchise Fees
(In Thousands)



REVENUE TRENDS

continued

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 in lieu of local income tax levies. 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.
- **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 2022-23, 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.

REVENUE TRENDS

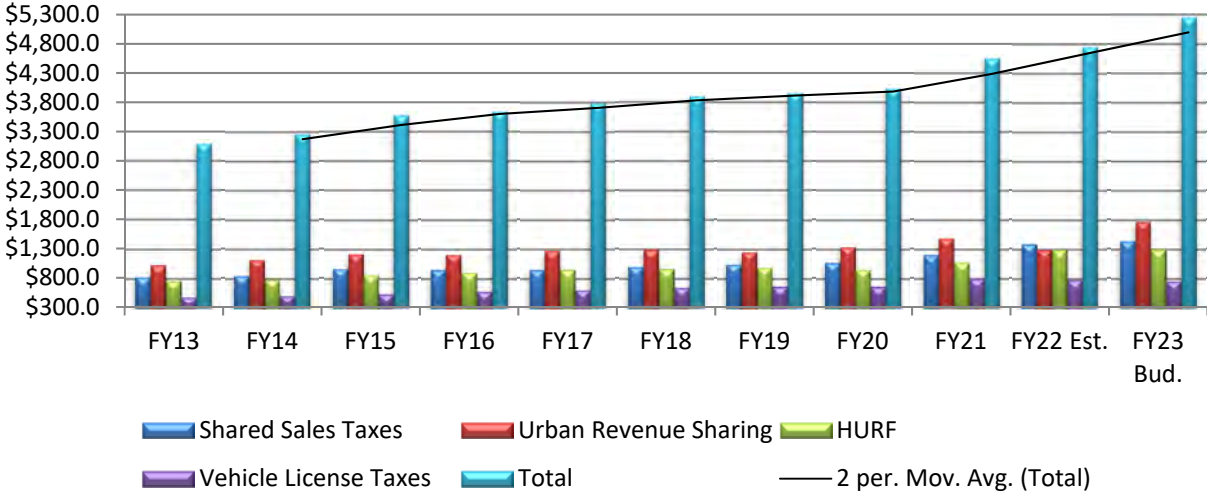
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State Shared Revenues (cont'd)

- Shared Sales Taxes** – The State projected state shared sales taxes to increase 7% over the prior year estimates. The City’s estimate was an increase of 24% over the prior year budget and an increase of 4% over the prior year projections.
- Shared Income Taxes** – The State projected Urban Revenue Sharing to increase 37%. The City’s estimate was an increase at 31% over the prior year budget and a 37% increase from the prior year projections. The State projected an increase of 46% in total state income tax.
- Shared Gas Taxes** – The State projected HURF revenues to increase 13% over the prior year estimates. The City’s estimate was a 26% increase over the prior year budget, but no increase over the prior year projections that were significantly higher than budget. 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 projected VLT to increase 8% over the prior year estimates. The City’s estimate was a decrease of 3% from the prior year budget and a 3% decrease from the prior year projections due to the limited availability of vehicles due to supply chain issues.

While state shared revenues are expected to continue to increase when the overall State revenue increases, the City’s portion may be subject to decreases. The City’s 2020 population decreased as a result of the number of permanent residents displaced by short-term rental properties while many other cities in Arizona have experienced significant population growth. The estimates of the City’s population show continued declines. This is expected to result in Sedona receiving a smaller share of the overall allocations in the future.

State Shared Revenues (In Thousands)



REVENUE TRENDS

continued

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 Yavapai County is ongoing, while Coconino County has changed its funding model with no funding expected for the City in the near future. Flood control monies are allocated to the City’s based on proposed projects, and the 10-year projections are based on historical revenue levels and proposed projects in the Capital Improvement Plan.

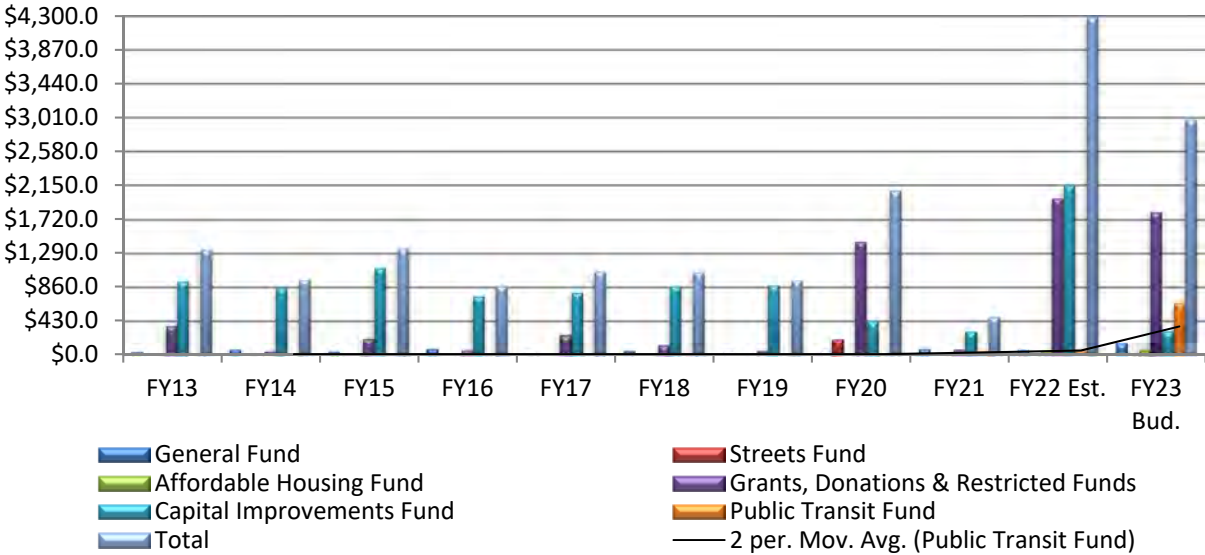
Fiscal year 2019-20 included a one-time \$1.2 million allocation of Cares Act funding and a one-time distribution of state funding of \$197,800 for streets maintenance projects.

Fiscal year 2021-22 included the first half of the American Rescue Plan Act (ARPA) funding of \$1.7 million. The second half has been included in the fiscal year 2022-23 projection.

In addition, a contingency placeholder in both revenues and expenditures of \$500,000 for other possible grants and other donations that may be awarded during the year has been included.

Other Intergovernmental Revenues

(In Thousands - Excluding Contingent Revenues)



REVENUE TRENDS

continued

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. In fiscal year 2018-19, the City eliminated the business license requirement for businesses outside city limits that incurred a sales tax liability to the City. The primary purpose of the licensing requirement is to regulate businesses within the community. Effective January 1, 2020, fees are set at \$70 for a new business license, \$35 for annual renewals, and \$10 for temporary licenses. Business licenses are unrestricted for use.

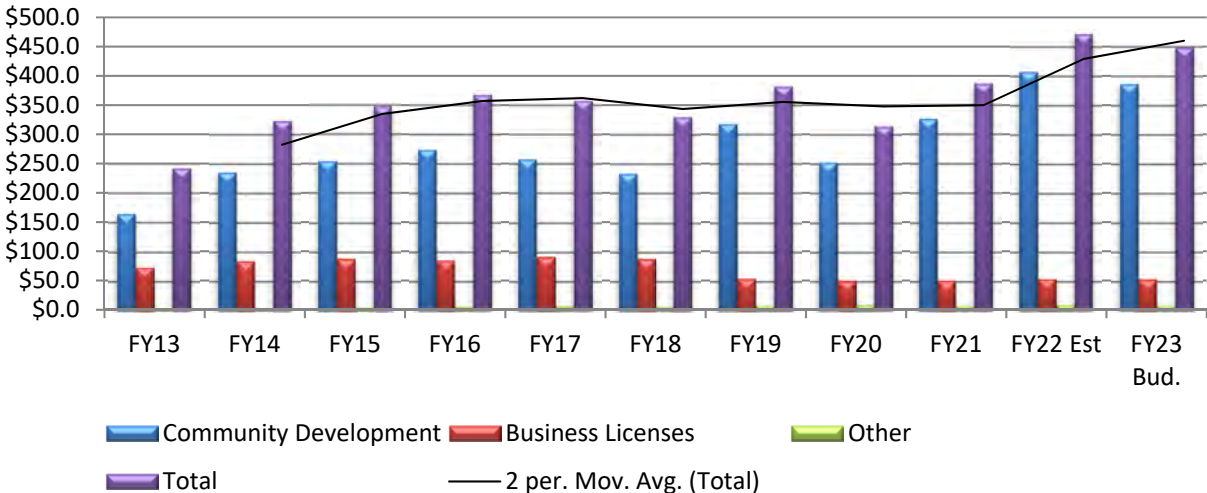
The other miscellaneous licenses and permits are also unrestricted for use.

Projections

Revenue from community development permits and business licenses are projected to decrease slightly.

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)



REVENUE TRENDS

continued

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 the proceeds from the paid parking program, net of program costs, will be reinvested in enhancements to 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.

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 2023 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 \$30 for all new accounts.

REVENUE TRENDS

continued

Charges for Services (excluding internal cost charges) (cont'd)

While the 2013-14 Wastewater Rate Study and Financial Plan adopted by the City Council had recommended a 3% increase in the monthly wastewater rates for fiscal year 2022-23, no increase was enacted to provide some relief to the ratepayers. In fact, none of the recommended rate increases have been enacted since fiscal year 2017-18. The balances in the Wastewater Fund have exceeded the anticipated amounts in the rate study. The past rate increases were part of the findings and recommendations of the rate study. The rate adjustments were designed 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 is in process, and the results of that study will be incorporated in the next year's forecast.

Grants, Donations & Restricted Funds – The vending machine revenues were dedicated to employee appreciation programs; however, the revenues now go directly to a program benefitting the blind.

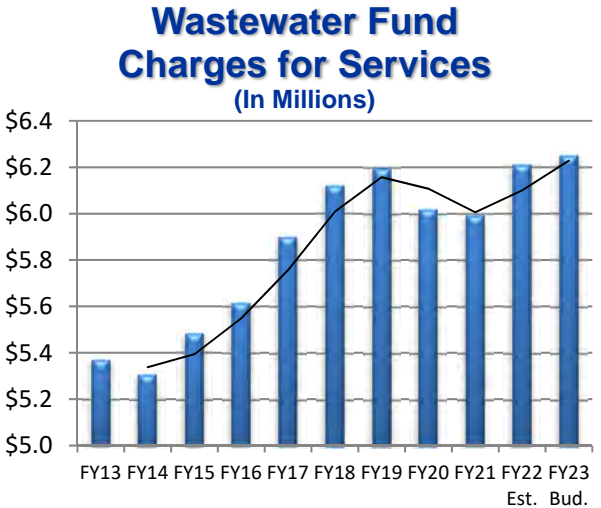
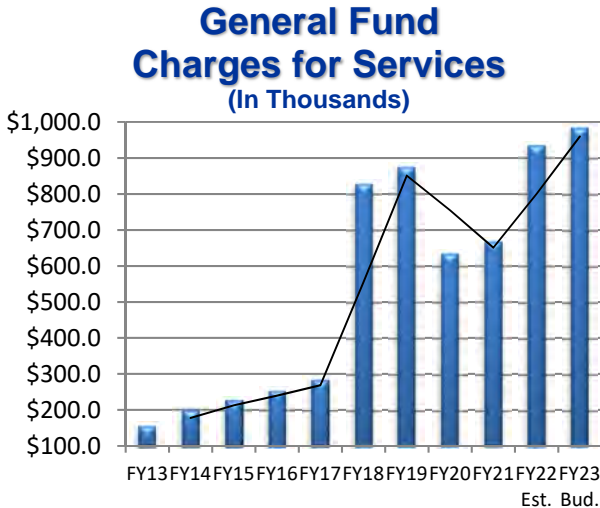
Public Transit Fund – The transit fares are dedicated to the Public Transit Enterprise Fund.

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. Paid parking fees were estimated based on experience in the years of the program when in operation for the full year.

As previously discussed in the Budget Overview, no increase in the monthly wastewater rates was adopted for fiscal year 2022-23. For fiscal years 2019-20 and 2020-21, accommodations were made to help customers during the COVID-19 financial crisis. The flat rates, plus factors for new accounts and shifts between standard and discounted rates, have also 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.

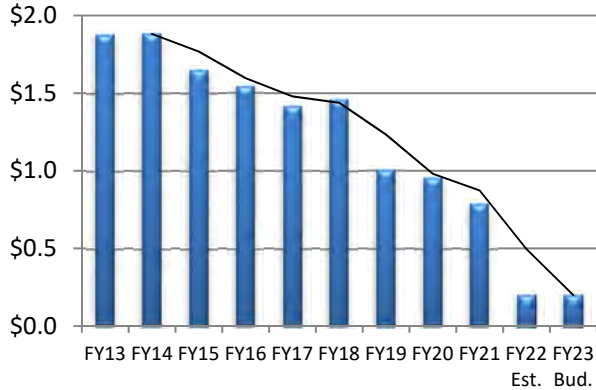


REVENUE TRENDS

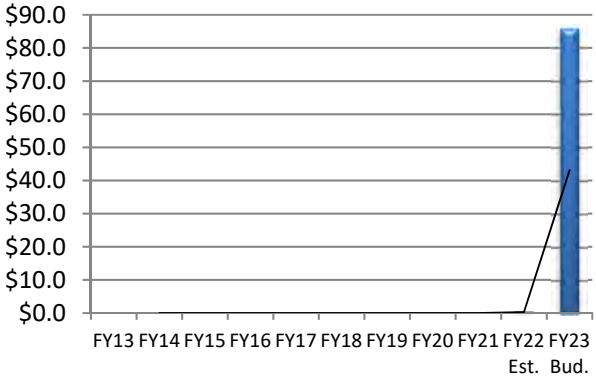
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Charges for Services (excluding internal cost charges) (cont'd)

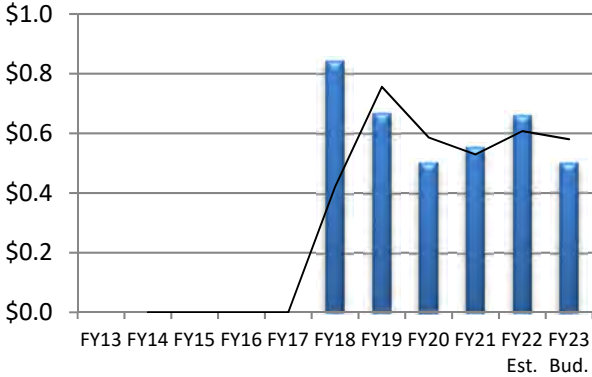
**Grants, Donations & Restricted Funds
Charges for Services
(In Thousands)**



**Public Transit Fund
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 & Restricted Funds starting in fiscal year 2015-16, while the unrestricted court fines are recorded in the General Fund.

REVENUE TRENDS

continued

Fines and Forfeitures (cont'd)

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 issued and in turn the amount of court fine revenue received. Minor increases were projected for court fine revenues for fiscal year 2022-23.

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 2022-23; however, an assumption for properties not complying with the requirements of the deferred connection agreements has been accounted for in the number of accounts paying the environmental penalty rate.

During fiscal year 2020-21, the collection of paid parking citations was transferred from the Municipal Court to the Financial Services Department, which eliminated the requirement to split parking citation fine revenues with other agencies. A minor increase was projected for parking citation fine revenues for fiscal year 2022-23.

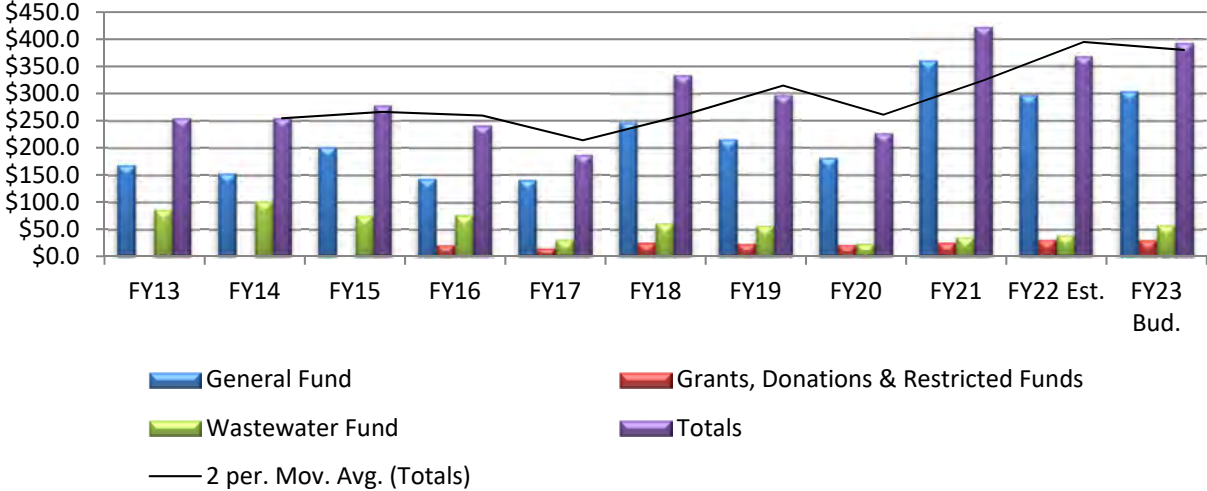
Minor increases and decreases were projected for the other fines, penalties and late fees based on historical averages.

REVENUE TRENDS

continued

Fines and Forfeitures (cont'd)

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. A fee study update was completed in 2019, and increases were effective September 2019. The next fee study update has been budgeted in fiscal year 2022-23.

Projections

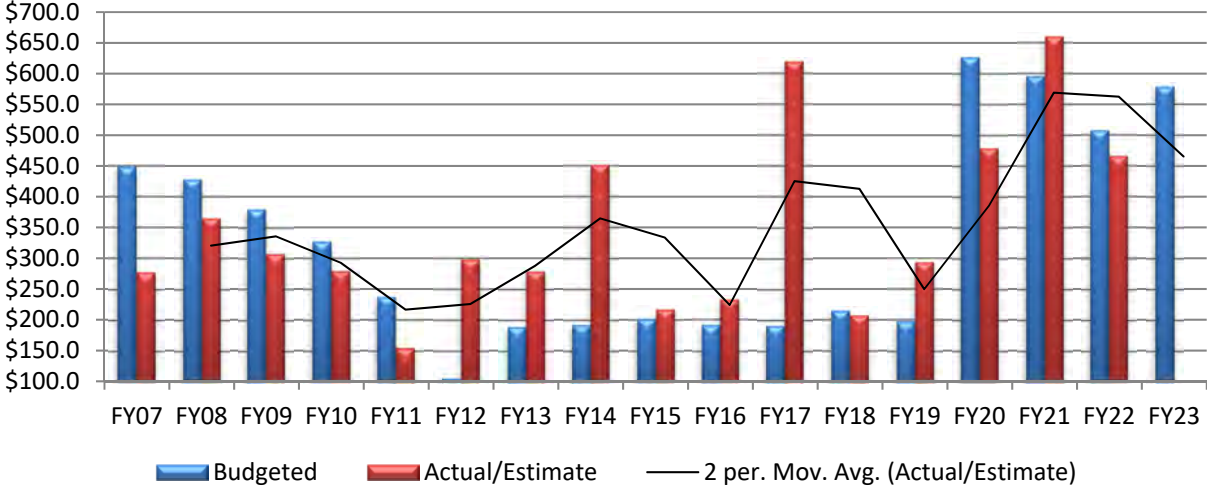
Significant one-time development occurred in fiscal year 2016-17 resulting in significantly higher revenues. In addition to anticipated one-time development, the 10-year forecast was based on ongoing levels of development impact fees and largely adjusted based on an analysis of historical trends and 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.

REVENUE TRENDS

continued

Development Impact Fees (cont'd)

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. Effective November 1, 2021, the rate structure was change from a fixed rate for residential and commercial rates based on the type of business to a water supply fixture (WSFU) unit basis. Fees are calculated as a fixed rate for WSFUs that fall within defined ranges, and a per unit fee for WSFUs that exceed 55. Starting 2023, the new rates will be 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.

Projections

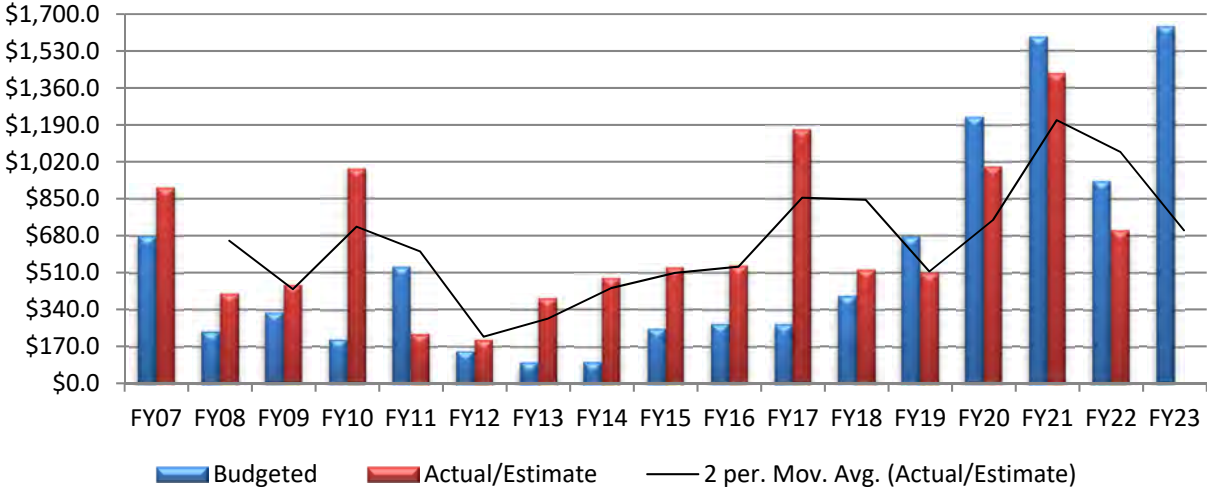
Significant one-time development occurred in fiscal year 2016-17 resulting in significantly higher revenues. In addition to anticipated one-time development, the 10-year forecast was based on ongoing levels of capacity fees and largely adjusted based on an analysis of historical trends and projected 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 2022-23. This source of revenue is expected to decline as the City approaches build-out.

REVENUE TRENDS

continued

Capacity Fees (cont'd)

Capacity Fees (In Thousands)



Other Revenues

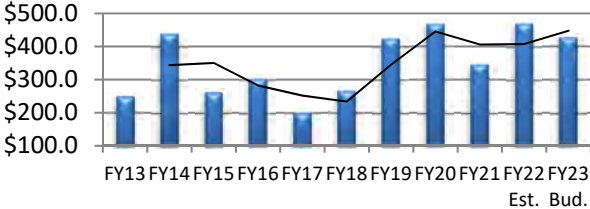
Description

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

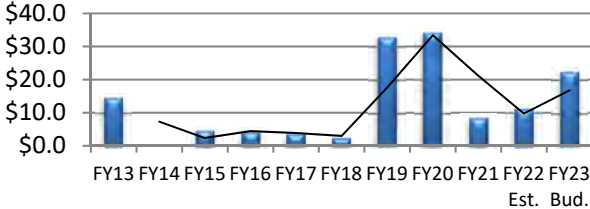
Projections

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. The Art in Public Places Fund includes a one-time donation of \$65,000 in fiscal year 2021-22.

General Fund Other Revenues (In Thousands)



Streets Fund Other Revenues (In Thousands)

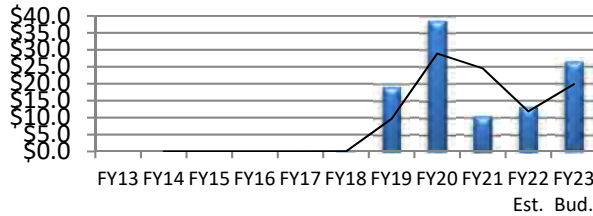


REVENUE TRENDS

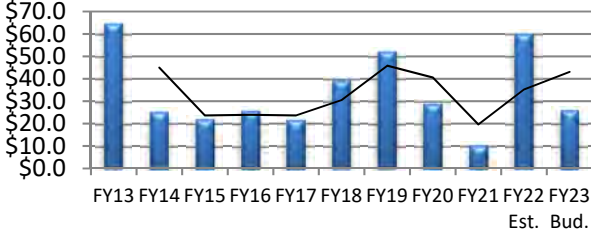
continued

Other Revenues (cont'd)

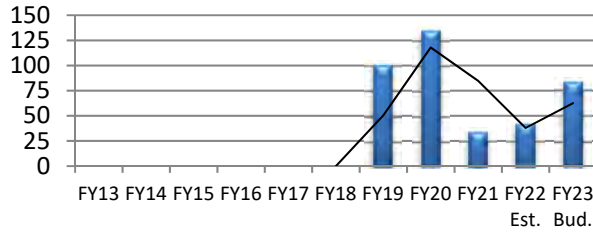
**Affordable Housing Fund
Other Revenues**
(In Thousands)



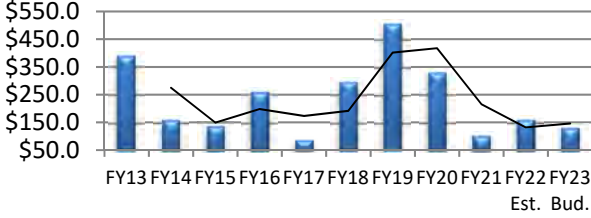
**Grants, Donations & Restricted Funds
Other Revenues**
(In Thousands)



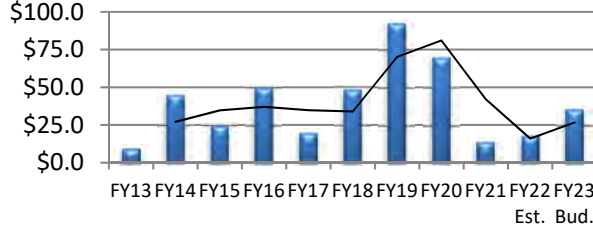
**Transportation Sales Tax Fund
Other Revenues**
(In Thousands)



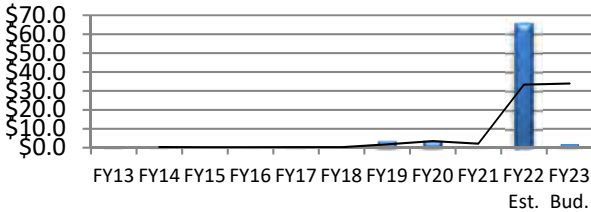
**Capital Improvements Fund
Other Revenues**
(In Thousands)



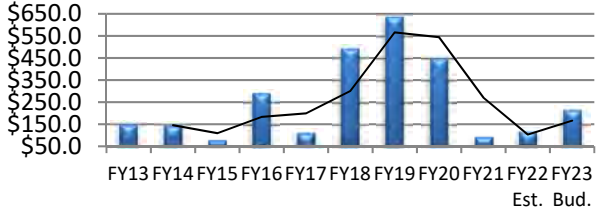
**Development Impact Fees Funds
Other Revenues**
(In Thousands)



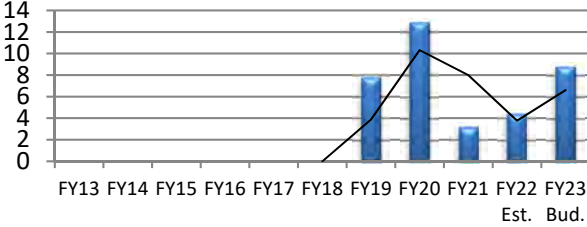
**Art in Public Places Fund
Other Revenues**
(In Thousands)



**Wastewater Fund
Other Revenues**
(In Thousands)



**Information Technology Fund
Other Revenues**
(In Thousands)



REVENUES & OTHER FINANCING SOURCES SUMMARIES

All Funds

	General Fund	Streets Fund	Affordable Housing Fund	Grants, Donations, & Restricted Funds	Transportation Sales Tax Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Enterprise Fund	Information Technology Fund	Totals
Revenues												
City Sales Taxes	\$31,360,000	\$0	\$0	\$0	\$5,210,000	\$0	\$0	\$0	\$0	\$0	\$0	\$36,570,000
Bed Taxes	\$10,232,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,232,000
In Lieu Fees	\$539,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$539,400
Franchise Fees	\$857,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$857,900
State Shared Revenues	\$3,953,700	\$1,293,000	\$0	\$53,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,300,500
Other Intergovernmental	\$150,950	\$0	\$60,000	\$1,813,280	\$0	\$300,000	\$0	\$0	\$657,740	\$0	\$0	\$2,981,970
Licenses and Permits	\$448,280	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$448,280
Charges for Services	\$984,860	\$0	\$0	\$200	\$0	\$0	\$0	\$0	\$85,750	\$6,248,050	\$500	\$7,319,360
Internal Cost Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,249,090	\$2,249,090
Fines and Forfeitures	\$303,690	\$0	\$0	\$31,350	\$0	\$0	\$0	\$0	\$0	\$57,700	\$0	\$392,740
Development Impact Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$578,260	\$0	\$0	\$0	\$0	\$578,260
Capacity Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,645,100	\$0	\$1,645,100
Other Revenues	\$425,870	\$22,400	\$26,500	\$26,050	\$83,400	\$130,800	\$35,480	\$1,900	\$0	\$216,340	\$8,800	\$977,540
Contingent Grants/Donations	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Total Revenues	\$49,256,650	\$1,315,400	\$86,500	\$2,424,680	\$5,293,400	\$430,800	\$613,740	\$1,900	\$743,490	\$8,167,190	\$2,258,390	\$70,592,140
Other Financing Sources												
Transfers from Other Funds	\$0	\$438,330	\$1,250,000	\$0	\$0	\$18,845,840	\$0	\$16,750	\$8,296,250	\$5,114,000	\$43,950	\$34,005,120
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$10,000,000
Total Other Financing Sources	\$0	\$438,330	\$1,250,000	\$0	\$0	\$28,845,840	\$0	\$16,750	\$8,296,250	\$5,114,000	\$43,950	\$44,005,120
GRAND TOTAL	\$49,256,650	\$1,753,730	\$1,336,500	\$2,424,680	\$5,293,400	\$29,276,640	\$613,740	\$18,650	\$9,039,740	\$13,281,190	\$2,302,340	\$114,597,260

All Funds Comparison

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Revenues				
City Sales Taxes	\$36,570,000	\$27,971,400	\$33,820,000	\$27,818,788
Bed Taxes	\$10,232,000	\$7,029,300	\$9,302,000	\$7,150,999
In Lieu Fees	\$539,400	\$525,200	\$544,700	\$714,335
Franchise Fees	\$857,900	\$851,800	\$850,600	\$883,456
State Shared Revenues	\$5,300,500	\$4,312,500	\$4,798,100	\$4,556,363
Other Intergovernmental	\$2,981,970	\$5,135,230	\$4,282,880	\$481,174
Licenses and Permits	\$448,280	\$334,275	\$471,870	\$385,953
Charges for Services	\$7,319,360	\$6,945,550	\$7,144,700	\$6,659,907
Internal Cost Charges	\$2,249,090	\$1,717,020	\$1,908,250	\$1,664,870
Fines and Forfeitures	\$392,740	\$279,600	\$367,690	\$422,276
Development Impact Fees	\$578,260	\$506,760	\$465,390	\$659,553
Capacity Fees	\$1,645,100	\$931,756	\$704,500	\$1,425,829
Other Revenues	\$977,540	\$1,016,060	\$961,240	\$624,548
Contingent Grants/Donations	\$500,000	\$239,000	\$0	\$0
Total Revenues	\$70,592,140	\$57,795,451	\$65,621,920	\$53,448,051
Other Financing Sources				
Transfers from Other Funds	\$34,005,120	\$16,993,390	\$15,463,920	\$12,138,825
Bond Proceeds	\$10,000,000	\$0	\$20,390,220	\$0
Refunding Bonds Issued	\$0	\$9,000,000	\$13,634,390	\$0
Total Other Financing Sources	\$44,005,120	\$25,993,390	\$49,488,530	\$12,138,825
GRAND TOTAL	\$114,597,260	\$83,788,841	\$115,110,450	\$65,586,876



REVENUES & OTHER FINANCING SOURCES SUMMARIES

continued

General Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Revenues				
City Sales Taxes	\$31,360,000	\$23,985,700	\$29,003,000	\$23,972,811
Bed Taxes	\$10,232,000	\$7,029,300	\$9,302,000	\$7,150,999
In Lieu Fees	\$539,400	\$525,200	\$544,700	\$515,335
Franchise Fees	\$857,900	\$851,800	\$850,600	\$883,456
State Shared Sales Taxes	\$1,439,000	\$1,163,600	\$1,387,000	\$1,199,926
Urban Revenue Sharing	\$1,762,000	\$1,349,000	\$1,289,000	\$1,477,587
Vehicle License Taxes	\$752,700	\$775,900	\$775,300	\$795,420
Other Intergovernmental	\$150,950	\$57,110	\$58,200	\$73,995
Licenses and Permits	\$448,280	\$334,275	\$471,870	\$385,953
Charges for Services	\$984,860	\$845,560	\$934,350	\$667,177
Fines and Forfeitures	\$303,690	\$208,300	\$296,840	\$360,370
Other Revenues	\$425,870	\$446,360	\$470,080	\$344,717
GRAND TOTAL	\$49,256,650	\$37,572,105	\$45,382,940	\$37,827,746

Wastewater Enterprise Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Revenues				
Monthly Fees	\$5,876,450	\$5,666,590	\$5,837,490	\$5,609,336
Stand-by Fees	\$351,600	\$356,600	\$351,600	\$357,127
Other Charges for Services	\$20,000	\$23,800	\$19,900	\$24,922
Environmental Penalty Fees	\$33,700	\$20,300	\$30,200	\$20,048
Other Fines and Forfeitures	\$24,000	\$27,200	\$9,300	\$15,911
Capacity Fees	\$1,645,100	\$931,756	\$704,500	\$1,425,829
Other Revenues	\$216,340	\$212,640	\$115,720	\$95,872
Total Revenues	\$8,167,190	\$7,238,886	\$7,068,710	\$7,549,045

Other Financing Sources

Transfer from General Fund	\$3,200,000	\$3,300,000	\$3,300,000	\$3,400,000
Transfer from Grants & Donations Funds	\$1,914,000	\$0	\$0	\$0
Refunding Bonds Issued	\$0	\$9,000,000	\$8,890,000	\$0
Total Other Financing Sources	\$5,114,000	\$12,300,000	\$12,190,000	\$3,400,000

GRAND TOTAL	\$13,281,190	\$19,538,886	\$19,258,710	\$10,949,045
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EXPENDITURES & OTHER FINANCING USES SUMMARIES

All Funds

	General Fund	Streets Fund	Affordable Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Fund	Information Technology Fund	Totals
Expenditures												
City Council	\$260,640	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$260,640
City Manager's Office	\$2,925,930	\$0	\$591,790	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,420	\$3,564,140
Human Resources	\$481,560	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$487,560
Financial Services	\$1,905,530	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$141,060	\$0	\$2,046,590
Information Technology	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,200	\$2,169,740	\$2,239,940
City Attorney's Office	\$809,870	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$909,870
City Clerk's Office	\$509,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$509,800
Parks & Recreation	\$1,183,920	\$0	\$0	\$12,950	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$1,202,870
General Services	\$4,431,440	\$0	\$810,000	\$2,039,800	\$0	\$0	\$45,000	\$0	\$0	\$100,000	\$0	\$7,426,240
Debt Service	\$2,657,590	\$0	\$0	\$0	\$377,270	\$0	\$233,890	\$0	\$0	\$4,541,410	\$0	\$7,810,160
Community Development	\$2,760,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,800	\$2,763,000
Public Works	\$5,412,110	\$2,362,010	\$0	\$2,500	\$148,410	\$0	\$0	\$0	\$0	\$314,370	\$18,240	\$8,257,640
Economic Development	\$388,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$410	\$389,040
Police	\$9,715,280	\$0	\$0	\$127,600	\$0	\$0	\$0	\$0	\$0	\$0	\$67,860	\$9,910,740
Municipal Court	\$897,840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,200	\$909,040
Public Transit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,682,840	\$0	\$0	\$2,682,840
Wastewater	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,478,430	\$0	\$5,478,430
Capital Improvement Projects	\$0	\$0	\$0	\$200,780	\$0	\$41,293,700	\$5,093,020	\$360,650	\$1,356,900	\$7,480,000	\$0	\$55,785,050
Charges to Other Departments	(\$5,762,660)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$5,762,660)
Contributions to Equipment Replacement Reserves	(\$246,990)	(\$60,920)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$219,590)	(\$228,500)	(\$756,000)
Contributions to Major Maintenance Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$369,890)	\$0	(\$369,890)
Total Expenditures	\$28,330,690	\$2,301,090	\$1,401,790	\$2,383,630	\$525,680	\$41,293,700	\$5,371,910	\$360,650	\$4,039,740	\$17,635,990	\$2,100,170	\$105,745,040
Other Financing Uses												
Transfers to Other Funds	\$21,074,200	\$0	\$0	\$1,914,000	\$11,000,170	\$16,750	\$0	\$0	\$0	\$0	\$0	\$34,005,120
Payment to Refunding Bond Escrow Agent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Other Financing Uses	\$21,074,200	\$0	\$0	\$1,914,000	\$11,000,170	\$16,750	\$0	\$0	\$0	\$0	\$0	\$34,005,120
GRAND TOTAL	\$49,404,890	\$2,301,090	\$1,401,790	\$4,297,630	\$11,525,850	\$41,310,450	\$5,371,910	\$360,650	\$4,039,740	\$17,635,990	\$2,100,170	\$139,750,160

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Expenditures (by Department)				
City Council	\$260,640	\$212,860	\$216,800	\$170,746
City Manager's Office ⁽¹⁾	\$2,985,240	\$4,702,430	\$3,902,830	\$3,695,934
Human Resources	\$487,560	\$448,660	\$398,240	\$388,411
Financial Services ⁽²⁾	\$1,973,240	\$1,685,955	\$1,596,150	\$1,342,593
Information Technology ⁽²⁾	\$2,166,520	\$1,849,746	\$1,737,290	\$1,306,994
City Attorney's Office	\$909,870	\$909,390	\$707,840	\$665,966
City Clerk's Office	\$460,760	\$451,255	\$447,110	\$403,770
Parks & Recreation	\$1,192,770	\$1,167,595	\$1,053,600	\$720,381
General Services ⁽¹⁾	\$3,373,220	\$1,421,295	\$1,727,720	\$1,480,410
Contingencies	\$3,499,000	\$4,640,510	\$0	\$0
Community Development	\$2,432,740	\$2,482,650	\$2,310,470	\$2,047,658
Public Works ⁽²⁾	\$7,826,840	\$6,885,175	\$6,751,280	\$5,412,567
Economic Development	\$389,040	\$346,520	\$304,460	\$222,935
Police ⁽³⁾	\$8,574,820	\$7,784,656	\$7,483,090	\$6,270,227
Municipal Court	\$834,040	\$743,000	\$633,340	\$537,196
Public Transit ⁽⁴⁾	\$2,288,520	\$855,680	\$800,470	\$64,646
Wastewater ⁽²⁾	\$5,156,850	\$4,378,775	\$4,180,660	\$3,072,192
Charges to Other Departments	(\$5,762,660)	(\$4,966,860)	(\$4,552,860)	(\$3,975,710)
Contributions to Equipment Replacement Reserves	(\$756,000)	(\$1,207,150)	(\$1,207,150)	\$0
Contributions to Major Maintenance Reserves	(\$369,890)	(\$83,850)	(\$83,850)	\$0
Total Ongoing Expenditures	\$37,923,120	\$34,708,292	\$28,407,490	\$23,826,916

One-Time Expenditures (by Department)

City Manager's Office	\$578,900	\$125,500	\$124,150	\$352,899
Human Resources	\$0	\$25,000	\$10,000	\$0
Financial Services	\$74,200	\$91,500	\$66,610	\$11,231
Information Technology	\$153,400	\$124,005	\$154,600	\$100,934
City Attorney's Office	\$0	\$0	\$2,500	\$0
City Clerk's Office	\$49,040	\$300	\$6,220	\$15,612
Parks & Recreation	\$10,100	\$44,300	\$41,920	\$41,842
General Services	\$554,020	\$192,120	\$199,550	\$7,418
Debt Service ⁽⁵⁾	\$7,810,160	\$5,829,725	\$5,833,930	\$5,723,597
Community Development	\$330,260	\$293,030	\$313,760	\$75,442
Public Works	\$431,420	\$588,360	\$526,810	\$336,698
Economic Development	\$0	\$30,000	\$5,000	\$0
Police	\$1,335,920	\$290,826	\$254,660	\$155,868
Municipal Court	\$75,000	\$82,080	\$51,900	\$16,326
Public Transit	\$309,870	\$87,471	\$74,470	\$1,948
Wastewater	\$321,580	\$336,580	\$196,820	\$231,533
Capital Improvement Projects ⁽⁶⁾	\$55,785,050	\$19,843,754	\$16,267,140	\$11,362,908
Total One-Time Expenditures	\$67,818,920	\$27,984,551	\$24,130,040	\$18,434,256

⁽¹⁾The Sustainable Tourism Contract program was transferred from the City Manager's Office to General Services.

⁽²⁾The increases for the Financial Services, Information Technology, Public Works, and Wastewater Departments included additional staff positions.

⁽³⁾The increase to the Police Department includes a one-time additional contribution of \$1.0 million toward the unfunded pension liability.

⁽⁴⁾The Public Transit Department increased due to the full-year implementation of the trailhead shuttle program and the addition of a micro-transit program.

⁽⁵⁾Debt Service increased due to the issuance of Series 2022 bonds and projected issuance of additional bonds.

⁽⁶⁾Capital improvement projects vary from year-to-year. Some of the significant projects for FY2023 include land acquisition, construction of a parking garage in Uptown, and an extension of Forest Road for an alternate route to and from Uptown.

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Total Expenditures (by Department)				
City Council	\$260,640	\$212,860	\$216,800	\$170,746
City Manager's Office	\$3,564,140	\$4,827,930	\$4,026,980	\$4,048,833
Human Resources	\$487,560	\$473,660	\$408,240	\$388,411
Financial Services	\$2,047,440	\$1,777,455	\$1,662,760	\$1,353,824
Information Technology	\$2,319,920	\$1,973,751	\$1,891,890	\$1,407,928
City Attorney's Office	\$909,870	\$909,390	\$710,340	\$665,966
City Clerk's Office	\$509,800	\$451,555	\$453,330	\$419,382
Parks & Recreation	\$1,202,870	\$1,211,895	\$1,095,520	\$762,223
General Services	\$3,927,240	\$1,613,415	\$1,927,270	\$1,487,828
Debt Service	\$7,810,160	\$5,829,725	\$5,833,930	\$5,723,597
Contingencies	\$3,499,000	\$4,640,510	\$0	\$0
Community Development	\$2,763,000	\$2,775,680	\$2,624,230	\$2,123,100
Public Works	\$8,258,260	\$7,473,535	\$7,278,090	\$5,749,265
Economic Development	\$389,040	\$376,520	\$309,460	\$222,935
Police	\$9,910,740	\$8,075,482	\$7,737,750	\$6,426,095
Municipal Court	\$909,040	\$825,080	\$685,240	\$553,522
Public Transit	\$2,598,390	\$943,151	\$874,940	\$66,594
Wastewater	\$5,478,430	\$4,715,355	\$4,377,480	\$3,303,725
Capital Improvement Projects	\$55,785,050	\$19,843,754	\$16,267,140	\$11,362,908
Charges to Other Departments	(\$5,762,660)	(\$4,966,860)	(\$4,552,860)	(\$3,975,710)
Contributions to Equipment Replacement Reserves	(\$756,000)	(\$1,207,150)	(\$1,207,150)	\$0
Contributions to Major Maintenance Reserves	(\$369,890)	(\$83,850)	(\$83,850)	\$0
Total Expenditures	\$105,742,040	\$62,692,843	\$52,537,530	\$42,261,172
Other Financing Uses				
Transfers to Other Funds	\$34,005,120	\$16,993,390	\$15,463,920	\$12,138,825
Payment to Refunded Bond Escrow Agent	\$0	\$9,000,000	\$8,770,000	\$0
Total Other Financing Uses	\$34,005,120	\$25,993,390	\$24,233,920	\$12,138,825
GRAND TOTAL	\$139,747,160	\$88,686,233	\$76,771,450	\$54,399,997

Total Expenditures (by Expenditure Category)

Personnel	\$18,952,800	\$15,905,255	\$15,346,280	\$12,988,002
Supplies & Services	\$16,001,030	\$13,341,026	\$11,980,750	\$9,868,423
Capital & Debt Service	\$9,258,070	\$7,245,278	\$7,035,110	\$6,376,969
Capital Improvement Projects	\$55,785,050	\$19,843,754	\$16,267,140	\$11,362,908
Internal Charges	\$2,249,090	\$1,717,020	\$1,908,250	\$1,664,870
Contingencies	\$3,499,000	\$4,640,510	\$0	\$0
Other Financing Uses	\$34,005,120	\$25,993,390	\$24,233,920	\$12,138,825
GRAND TOTAL	\$139,750,160	\$88,686,233	\$76,771,450	\$54,399,997

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Expenditures (by Function/Program)				
General Government:				
Information Technology Services ⁽¹⁾	\$1,989,260	\$1,673,376	\$1,566,680	\$1,145,775
City Manager's Office Administration	\$917,240	\$875,160	\$826,940	\$693,545
Planning & Land Development Legal	\$838,470	\$711,340	\$631,170	\$601,327
Municipal Court	\$834,040	\$743,000	\$633,340	\$537,196
Facilities Maintenance ⁽¹⁾	\$806,880	\$653,520	\$675,110	\$525,199
Revenue Management	\$750,480	\$694,080	\$685,540	\$624,672
Financial Services Administration ⁽¹⁾	\$549,040	\$452,515	\$406,650	\$325,292
Communications & Citizens Engagement ⁽¹⁾	\$514,330	\$275,450	\$253,440	\$212,685
Human Resources	\$487,560	\$448,660	\$398,240	\$388,411
City Council & Clerk Support	\$392,430	\$345,910	\$358,720	\$292,253
Procurement & Payment Processing	\$377,020	\$306,430	\$291,060	\$206,658
General Services Administration	\$370,560	\$355,295	\$661,740	\$456,719
City Attorney's Office Administration	\$298,420	\$284,240	\$167,060	\$188,489
Budget Preparation & Management	\$296,700	\$232,930	\$212,900	\$185,971
General Civil Legal	\$274,840	\$276,390	\$223,490	\$186,331
Criminal Prosecution	\$273,510	\$270,950	\$271,770	\$253,750
Community Plan	\$217,380	\$275,160	\$222,890	\$222,314
Short-Term Rental Monitoring & Administration ⁽²⁾	\$193,090	\$0	\$0	\$0
Geographic Information Services	\$177,260	\$176,370	\$170,610	\$161,220
Records Management	\$125,590	\$129,445	\$119,830	\$111,064
City Clerk's Office Administration & Customer Relations	\$104,830	\$107,740	\$107,010	\$99,036
Community Development Administration ⁽³⁾	\$88,690	\$395,880	\$367,210	\$294,617
Clerk Permits, Licenses, & Registrations	\$50,530	\$46,790	\$45,460	\$42,073
Elections	\$29,430	\$14,280	\$13,750	\$12,222
Grants Coordination	\$18,590	\$19,950	\$19,140	\$17,867
Public Safety:				
Patrol	\$4,681,110	\$4,408,185	\$4,260,830	\$3,626,988
Police Communications & Records ⁽¹⁾	\$1,517,900	\$1,287,978	\$1,288,930	\$1,200,013
Building Safety	\$877,750	\$742,950	\$725,160	\$610,438
Police Administration ⁽⁴⁾	\$767,940	\$503,030	\$485,570	\$401,411
Police Support Services	\$630,630	\$685,489	\$602,750	\$499,066
Investigations	\$591,380	\$586,514	\$554,110	\$357,763
Code Enforcement	\$473,550	\$435,130	\$409,560	\$356,358
Traffic & Parking Services	\$415,860	\$340,260	\$317,680	\$184,986
Community Contracts	\$81,530	\$76,419	\$76,420	\$75,169
Public Works & Streets:				
Streets Maintenance	\$3,028,380	\$2,785,670	\$2,748,600	\$2,159,307
Capital Projects Management ⁽¹⁾	\$1,090,750	\$880,370	\$875,520	\$646,533
Engineering Services	\$676,320	\$693,440	\$601,540	\$606,792
Transportation Services ⁽⁵⁾	\$409,620	\$270,870	\$266,340	\$170,705
Culture & Recreation:				
Parks Facilities & Maintenance ⁽⁶⁾	\$1,308,170	\$1,053,350	\$992,560	\$803,711
Community Contracts	\$641,960	\$506,031	\$506,030	\$498,553
Special Events	\$419,660	\$397,595	\$368,830	\$217,592
Aquatics Operations & Maintenance	\$417,430	\$425,230	\$412,810	\$292,088
Recreation Programs	\$295,200	\$253,140	\$243,290	\$176,977
Arts & Culture	\$178,110	\$146,770	\$151,240	\$95,937

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Economic Development:				
Sustainable Tourism Contract ⁽⁷⁾	\$1,670,000	\$2,111,770	\$2,110,980	\$2,454,860
Economic Development	\$389,040	\$346,520	\$304,460	\$222,935
Health & Welfare:				
Wastewater Plant Operations ⁽¹⁾	\$2,115,190	\$1,883,460	\$1,776,490	\$1,236,639
Wastewater Collection System ⁽¹⁾	\$1,551,960	\$1,432,660	\$1,357,160	\$883,170
Sustainability ⁽⁸⁾	\$1,029,230	\$809,750	\$567,170	\$238,908
Wastewater Administration ⁽⁹⁾	\$968,330	\$685,090	\$667,280	\$631,522
Community Contracts	\$423,950	\$395,850	\$395,850	\$389,970
Wastewater Lab	\$310,620	\$284,085	\$285,580	\$232,863
Engineering Services	\$289,870	\$306,670	\$284,730	\$310,160
Wastewater Capital Projects Management	\$223,620	\$165,745	\$164,060	\$142,666
Stormwater Quality	\$155,910	\$189,650	\$163,640	\$169,214
Housing and Redevelopment:				
Housing ⁽¹⁰⁾	\$351,790	\$554,530	\$95,060	\$0
Public Transportation:				
Public Transit Operations ⁽¹¹⁾	\$1,781,810	\$470,070	\$418,940	\$6,000
Community Contracts	\$301,470	\$284,900	\$284,900	\$60,000
Public Transit Administration ⁽¹⁾	\$225,780	\$125,460	\$120,830	\$44,178
Public Transit Capital Projects Management	\$44,680	\$36,150	\$36,700	\$14,468
Contingencies	\$3,499,000	\$4,640,510	\$0	\$0
Charges to Other Departments	(\$5,762,660)	(\$4,966,860)	(\$4,552,860)	(\$3,975,710)
Contributions to Equipment Replacement Reserves	(\$756,000)	(\$1,207,150)	(\$1,207,150)	\$0
Contributions to Major Maintenance Reserves	(\$369,890)	(\$83,850)	(\$83,850)	\$0
Total Ongoing Expenditures	\$37,923,120	\$34,708,292	\$28,407,490	\$23,826,916

One-Time Expenditures (by Function/Program)

General Government:				
Information Technology Services	\$153,400	\$124,005	\$154,600	\$100,934
City Manager's Office Administration	\$75,000	\$75,000	\$78,500	\$0
Planning & Land Development Legal	\$5,050	\$0	\$0	\$0
Municipal Court	\$75,000	\$82,080	\$51,900	\$16,326
Facilities Maintenance	\$156,740	\$155,500	\$129,010	\$125,989
Revenue Management	\$51,700	\$30,000	\$35,010	\$2,731
Financial Services Administration	\$20,000	\$61,500	\$31,600	\$8,500
Communications & Citizens Engagement	\$22,000	\$0	\$37,700	\$16,000
Human Resources	\$0	\$25,000	\$10,000	\$0
City Council & Clerk Support	\$2,960	\$0	\$2,930	\$0
General Services Administration	\$554,020	\$192,120	\$199,550	\$7,418
Budget Preparation & Management	\$2,500	\$0	\$0	\$0
Criminal Prosecution	\$0	\$0	\$2,500	\$0
Community Plan	\$269,570	\$141,570	\$141,910	\$0
Short-Term Rental Monitoring & Administration	\$8,900	\$0	\$0	\$0
Clerk Permits, Licenses, & Registrations	\$800	\$0	\$0	\$0
Elections	\$45,280	\$300	\$3,290	\$15,612

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Public Safety:				
Patrol	\$993,810	\$257,532	\$223,740	\$141,672
Police Communications & Records	\$31,800	\$7,294	\$2,000	\$3,539
Building Safety	\$53,100	\$12,610	\$10,950	\$5,316
Police Administration	\$120,550	\$11,400	\$23,690	\$0
Police Support Services	\$87,370	\$14,600	\$5,230	\$55
Investigations	\$102,390	\$0	\$0	\$0
Code Enforcement	\$2,540	\$0	\$0	\$0
Traffic & Parking Services	\$0	\$0	\$0	\$10,602
Public Works & Streets:				
Streets Maintenance	\$137,860	\$254,140	\$246,460	\$127,007
Capital Projects Management	\$6,060	\$7,600	\$6,060	\$6,051
Engineering Services	\$13,970	\$23,280	\$6,860	\$0
Culture & Recreation:				
Parks Facilities & Maintenance	\$92,420	\$119,040	\$124,420	\$66,814
Special Events	\$0	\$44,300	\$41,920	\$41,842
Aquatics Operations & Maintenance	\$16,100	\$15,000	\$13,000	\$10,836
Recreation Programs	\$8,000	\$0	\$0	\$0
Economic Development:				
Sustainable Tourism Contract	\$0	\$0	\$2,980	\$291,443
Economic Development	\$0	\$30,000	\$5,000	\$0
Health & Welfare:				
Wastewater Plant Operations	\$65,010	\$126,110	\$124,390	\$113,943
Wastewater Collection System	\$191,570	\$168,170	\$42,670	\$105,229
Sustainability	\$233,000	\$48,000	\$2,730	\$45,457
Wastewater Administration	\$10,000	\$19,300	\$10,560	\$0
Wastewater Lab	\$55,000	\$23,000	\$19,200	\$12,361
Engineering Services	\$10,370	\$13,800	\$1,000	\$0
Housing and Redevelopment:				
Housing	\$240,000	\$141,350	\$163,140	\$70,126
Public Transportation:				
Public Transit Operations	\$309,570	\$87,471	\$74,470	\$0
Public Transit Administration	\$300	\$0	\$0	\$1,948
Debt Service	\$7,810,160	\$5,829,725	\$5,833,930	\$5,723,597
Capital Improvement Projects	\$55,785,050	\$19,843,754	\$16,267,140	\$11,362,908
Total One-Time Expenditures	\$67,818,920	\$27,984,551	\$24,130,040	\$18,434,256

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Total Expenditures (by Function/Program)				
General Government:				
Information Technology Services	\$2,142,660	\$1,797,381	\$1,721,280	\$1,246,709
City Manager's Office Administration	\$992,240	\$950,160	\$905,440	\$693,545
Planning & Land Development Legal	\$843,520	\$711,340	\$631,170	\$601,327
Municipal Court	\$909,040	\$825,080	\$685,240	\$553,522
Facilities Maintenance	\$963,620	\$809,020	\$804,120	\$651,188
Revenue Management	\$802,180	\$724,080	\$720,550	\$627,403
Financial Services Administration	\$569,040	\$514,015	\$438,250	\$333,792
Communications & Citizens Engagement	\$536,330	\$275,450	\$291,140	\$228,685
Human Resources	\$487,560	\$473,660	\$408,240	\$388,411
City Council & Clerk Support	\$395,390	\$345,910	\$361,650	\$292,253
Procurement & Payment Processing	\$377,020	\$306,430	\$291,060	\$206,658
General Services Administration	\$924,580	\$547,415	\$861,290	\$464,137
City Attorney's Office Administration	\$298,420	\$284,240	\$167,060	\$188,489
Budget Preparation & Management	\$299,200	\$232,930	\$212,900	\$185,971
General Civil Legal	\$274,840	\$276,390	\$223,490	\$186,331
Criminal Prosecution	\$273,510	\$270,950	\$274,270	\$253,750
Community Plan	\$486,950	\$416,730	\$364,800	\$222,314
Short-Term Rental Monitoring & Administration	\$201,990	\$0	\$0	\$0
Geographic Information Services	\$177,260	\$176,370	\$170,610	\$161,220
Records Management	\$125,590	\$129,445	\$119,830	\$111,064
City Clerk's Office Administration & Customer Relations	\$104,830	\$107,740	\$107,010	\$99,036
Community Development Administration	\$88,690	\$395,880	\$367,210	\$294,617
Clerk Permits, Licenses, & Registrations	\$51,330	\$46,790	\$45,460	\$42,073
Elections	\$74,710	\$14,580	\$17,040	\$27,834
Grants Coordination	\$18,590	\$19,950	\$19,140	\$17,867
Public Safety:				
Patrol	\$5,674,920	\$4,665,717	\$4,484,570	\$3,768,660
Police Communications & Records	\$1,549,700	\$1,295,272	\$1,290,930	\$1,203,552
Building Safety	\$930,850	\$755,560	\$736,110	\$615,754
Police Administration	\$888,490	\$514,430	\$509,260	\$401,411
Police Support Services	\$718,000	\$700,089	\$607,980	\$499,121
Investigations	\$693,770	\$586,514	\$554,110	\$357,763
Code Enforcement	\$476,090	\$435,130	\$409,560	\$356,358
Traffic & Parking Services	\$415,860	\$340,260	\$317,680	\$195,588
Community Contracts	\$81,530	\$76,419	\$76,420	\$75,169
Public Works & Streets:				
Streets Maintenance	\$3,166,240	\$3,039,810	\$2,995,060	\$2,286,314
Capital Projects Management	\$1,096,810	\$887,970	\$881,580	\$652,584
Engineering Services	\$690,290	\$716,720	\$608,400	\$606,792
Transportation Services	\$409,620	\$270,870	\$266,340	\$170,705
Culture & Recreation:				
Parks Facilities & Maintenance	\$1,400,590	\$1,172,390	\$1,116,980	\$870,525
Community Contracts	\$641,960	\$506,031	\$506,030	\$498,553
Special Events	\$419,660	\$441,895	\$410,750	\$259,434
Aquatics Operations & Maintenance	\$433,530	\$440,230	\$425,810	\$302,924
Recreation Programs	\$303,200	\$253,140	\$243,290	\$176,977
Arts & Culture	\$178,110	\$146,770	\$151,240	\$95,937

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Economic Development:				
Sustainable Tourism Contract	\$1,670,000	\$2,111,770	\$2,113,960	\$2,746,303
Economic Development	\$389,040	\$376,520	\$309,460	\$222,935
Health & Welfare:				
Wastewater Plant Operations	\$2,180,200	\$2,009,570	\$1,900,880	\$1,350,582
Wastewater Collection System	\$1,743,530	\$1,600,830	\$1,399,830	\$988,399
Sustainability	\$1,262,230	\$857,750	\$569,900	\$284,365
Wastewater Administration	\$978,330	\$704,390	\$677,840	\$631,522
Community Contracts	\$423,950	\$395,850	\$395,850	\$389,970
Wastewater Lab	\$365,620	\$307,085	\$304,780	\$245,224
Engineering Services	\$300,240	\$320,470	\$285,730	\$310,160
Wastewater Capital Projects Management	\$223,620	\$165,745	\$164,060	\$142,666
Stormwater Quality	\$155,910	\$189,650	\$163,640	\$169,214
Housing and Redevelopment:				
Housing	\$591,790	\$695,880	\$258,200	\$70,126
Public Transportation:				
Public Transit Operations	\$2,091,380	\$557,541	\$493,410	\$6,000
Community Contracts	\$301,470	\$284,900	\$284,900	\$60,000
Public Transit Administration	\$226,080	\$125,460	\$120,830	\$46,126
Public Transit Capital Projects Management	\$44,680	\$36,150	\$36,700	\$14,468
Debt Service	\$7,810,160	\$5,829,725	\$5,833,930	\$5,723,597
Capital Improvement Projects	\$55,785,050	\$19,843,754	\$16,267,140	\$11,362,908
Contingencies	\$3,499,000	\$4,640,510	\$0	\$0
Charges to Other Departments	(\$5,762,660)	(\$4,966,860)	(\$4,552,860)	(\$3,975,710)
Contributions to Equipment Replacement Reserves	(\$756,000)	(\$1,207,150)	(\$1,207,150)	\$0
Contributions to Major Maintenance Reserves	(\$369,890)	(\$83,850)	(\$83,850)	\$0
Total Expenditures	\$105,742,040	\$62,692,843	\$52,537,530	\$42,261,172

Other Financing Uses

Transfers to Other Funds	\$34,005,120	\$16,993,390	\$15,463,920	\$12,138,825
Payment to Refunded Bond Escrow Agent	\$0	\$9,000,000	\$8,770,000	\$0
Total Other Financing Uses	\$34,005,120	\$25,993,390	\$24,233,920	\$12,138,825

GRAND TOTAL	\$139,747,160	\$88,686,233	\$76,771,450	\$54,399,997
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- ⁽¹⁾The increases for the Information Technology, Facilities Maintenance, Financial Services Administration, Communications & Citizens Engagement, Police Communications & Records, Public Works & Streets Capital Projects Management, Wastewater Plant Operations, Wastewater Collections System, and Public Transit Administration included additional staff positions.
- ⁽²⁾A Short-Term Rental Monitoring & Administration program was created to address the new monitoring and licensing requirements granted by the State Legislature.
- ⁽³⁾Community Development Administration decreases due to a reallocation of a portion of certain positions for management of the various Community Development programs.
- ⁽⁴⁾Police Administration increased due to a reallocation and reassignment of positions.
- ⁽⁵⁾Transportation Services increased due to an increase in allotted hours for traffic control assistants.
- ⁽⁶⁾Parks Facilities & Maintenance increased due to increases in costs such as grounds maintenance services, fertilizer, and pesticides.
- ⁽⁷⁾Sustainable Tourism Contract decreased due to adjustments made to the expectations of the SCCTB services to be provided.
- ⁽⁸⁾Sustainability increased due to the expansion of programs to further the Council priorities and increases in costs for the curbside yard waste collection program.
- ⁽⁹⁾Wastewater Administration increased largely due to a reallocation of indirect costs.
- ⁽¹⁰⁾Housing decreased due to a reallocation of down payment assistance loans to a balance sheet account
- ⁽¹¹⁾The Public Transit Department increased due to the full-year implementation of the trailhead shuttle program and the addition of a micro-transit program.

EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

General Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Expenditures				
10-5210 - City Council	\$260,640	\$212,860	\$216,800	\$170,746
10-5220 - City Manager's Office ⁽¹⁾	\$2,925,930	\$4,265,760	\$3,926,120	\$4,045,438
10-5221 - Human Resources	\$481,560	\$473,660	\$408,240	\$388,411
10-5222 - Financial Services ⁽²⁾	\$1,905,530	\$1,644,185	\$1,532,520	\$1,285,917
10-5230 - City Attorney's Office	\$809,870	\$809,390	\$710,340	\$663,101
10-5240 - City Clerk's Office	\$509,800	\$451,555	\$453,330	\$419,382
10-5242 - Parks & Recreation	\$1,183,920	\$1,191,945	\$1,085,870	\$752,417
10-5245/6 - General Services ⁽¹⁾	\$4,431,440	\$2,087,535	\$1,927,200	\$1,487,789
10-5255 - Debt Service ⁽³⁾	\$2,657,590	\$1,034,850	\$1,037,750	\$1,032,801
10-5310 - Community Development	\$2,760,200	\$2,594,030	\$2,420,530	\$2,010,888
10-5320 - Public Works ⁽²⁾	\$5,412,110	\$4,840,970	\$4,810,210	\$4,296,260
10-5330 - Economic Development	\$388,630	\$376,520	\$309,050	\$222,935
10-5510 - Police ⁽⁴⁾	\$9,715,280	\$7,910,713	\$7,540,020	\$6,323,679
10-5520 - Municipal Court	\$897,840	\$813,880	\$677,540	\$542,787
Charges to Other Departments	(\$5,762,660)	(\$4,966,860)	(\$4,552,860)	(\$3,975,710)
Contributions to Equipment Replacement Reserves	(\$246,990)	(\$380,400)	(\$380,400)	\$0
Total General Fund Expenditures	\$28,330,690	\$23,360,593	\$22,122,260	\$19,666,841

Other Financing Uses

Transfer to Streets Fund	\$438,330	\$0	\$0	\$272,840
Transfer to Affordable Housing Fund	\$1,250,000	\$2,296,330	\$2,296,330	\$200,000
Transfer to Capital Improvements Fund	\$10,897,170	\$4,350,000	\$4,350,000	\$4,145,079
Transfer to Development Impact Fees	\$0	\$200	\$200	\$0
Transfer to Public Transit Fund	\$5,244,750	\$224,000	\$224,000	\$0
Transfer to Wastewater Fund	\$3,200,000	\$3,300,000	\$3,300,000	\$3,400,000
Transfer to Information Technology Fund	\$43,950	\$48,970	\$45,220	\$92,401
Total General Fund Other Financing Uses	\$21,074,200	\$10,219,500	\$10,215,750	\$8,110,320

GRAND TOTAL	\$49,404,890	\$33,580,093	\$32,338,010	\$27,777,161
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⁽¹⁾The Sustainable Tourism Contract program was transferred from the City Manager's Office to General Services.

⁽²⁾The increases for the Financial Services and Public Works Departments included additional staff positions.

⁽³⁾Debt Service increased due to the issuance of Series 2022 bonds and projected issuance of additional bonds.

⁽⁴⁾The increase to the Police Department includes a one-time additional contribution of \$1.0 million toward the unfunded pension liability.

EXPENDITURES & OTHER FINANCING USES SUMMARIES - continued

Wastewater Enterprise Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Expenditures				
59-5222/6222 - Financial Services	\$141,060	\$133,270	\$129,740	\$67,907
59-5224/6224 - Information Technology	\$70,200	\$64,865	\$47,530	\$53,232
59-5230 - City Attorney's Office	\$100,000	\$100,000	\$0	\$2,865
59-5245/6 - General Services	\$100,000	\$100,000	\$0	\$0
59-5320/6320 - Public Works	\$314,370	\$392,735	\$356,050	\$364,828
59-5250/6250 - Wastewater Administration ⁽¹⁾	\$978,330	\$704,470	\$677,910	\$631,562
59-5255/6255 - Wastewater Debt Service	\$4,541,410	\$4,794,875	\$4,658,570	\$4,690,796
59-5252 - Wastewater Project Management	\$210,750	\$93,480	\$94,150	\$87,998
59-5252/6252/320 - Wastewater Capital Improvements Projects ⁽²⁾	\$7,480,000	\$3,200,830	\$1,873,130	\$1,797,745
59-5253/6253 - Wastewater Operations ⁽³⁾	\$4,289,350	\$3,917,485	\$3,605,490	\$2,584,205
Contributions to Equipment Replacement Reserves	(\$219,590)	(\$628,800)	(\$628,800)	\$0
Contributions to Major Maintenance Reserves	(\$369,890)	(\$83,850)	(\$83,850)	\$0
Total Wastewater Enterprise Fund Expenditures	\$17,635,990	\$12,789,360	\$10,729,920	\$10,281,138

Other Financing Uses

Payment to Refunded Bond Escrow Agent	\$0	\$9,000,000	\$8,770,000	\$0
Total Wastewater Enterprise Fund Other Financing Uses	\$0	\$9,000,000	\$8,770,000	\$0

GRAND TOTAL	\$17,635,990	\$21,789,360	\$19,499,920	\$10,281,138
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⁽¹⁾Wastewater Administration increased largely due to a reallocation of indirect costs.

⁽²⁾Capital improvement projects vary from year-to-year. The most significant project for FY2023 is for upgrades to major lift stations.

⁽³⁾The increase to Wastewater Operations included additional staff positions.

INTER-FUND TRANSFERS

FY 2023 INTER-FUND TRANSFERS

Transfers Out	Transfers In							
	Streets Fund	Affordable Housing Fund	Capital Improvements Fund	Art in Public Places Fund	Public Transit Enterprise Fund	Wastewater Enterprise Fund	Info. Tech. Internal Service Fund	Totals
General Fund	\$438,330	\$1,250,000	\$10,897,170	\$ -	\$5,244,750	\$3,200,000	\$43,950	\$21,074,200
Grants, Donations & Restricted Funds						1,914,000		1,914,000
Transportation Sales Tax Fund	-	-	7,948,670		3,051,500	-	-	11,000,170
Capital Improvements Fund	-	-	-	16,750	-	-	-	16,750
Totals	\$438,330	\$1,250,000	\$18,845,840	\$16,750	\$8,296,250	\$5,114,000	\$43,950	\$34,005,120

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

- **Ongoing Transfers**

- **Streets Fund Shortfall** – The revenues of the Streets Fund are insufficient to cover the estimated annual costs. The annual transfer is projected at \$438,330 for fiscal year 2022-23 and is based on maintaining a reserve balance for streets rehabilitation/pavement preservation.
- **Funding for Affordable Housing** – The annual transfer to provide funding for the Affordable Housing Fund for fiscal year 2022-23 is \$500,000. The intent was to create a linkage between increases in bed tax revenues partially attributable to short-term rental activity which is believed to have had an impact on the availability of affordable housing within the City.
- **Funding for Capital Projects** – The annual transfer to provide funding for the Capital Improvements Fund for fiscal year 2022-23 is \$2,500,000. The City relies on General Fund monies as a significant source for capital improvement project needs.
- **Funding for Sedona in Motion (SIM) projects** – A portion of the SIM capital improvement projects are funded with transportation sales tax monies. The fiscal year 2022-23 budget projects a transfer of \$7,948,670 from the Transportation Sales Tax Fund to the Capital Improvements Fund to cover those costs.
- **1% for Arts** – Council policy requires 1% of all capital projects budgets to be designated for art in public places. A total of \$16,750 was budgeted in the Capital Improvements Program for transfer to the Art in Public Places Fund for this purpose.

INTER-FUND TRANSFERS

continued

- **Funding for Verde Shuttle** – In accordance with an intergovernmental agreement (IGA) between the City of Cottonwood and City of Sedona, the City of Cottonwood bills the City of Sedona for the grant matching costs for the Verde Shuttle, a public transit line managed and operated by the City of Cottonwood that connects Sedona and Cottonwood. All public transit costs have been consolidated in the Public Transit Enterprise Fund; however, the funding comes from unrestricted revenues in the General Fund. The fiscal year 2022-23 budget includes a transfer of \$244,750 from the General Fund to the Public Transit Enterprise Fund to cover the grant matching requirement.
- **Funding for Sedona-Owned Public Transit System** – A portion of the public transit operating costs and capital improvement projects are funded with transportation sales tax monies. The fiscal year 2022-23 budget projects a transfer of \$2,183,340 for operating costs and \$868,160 for capital improvement costs from the Transportation Sales Tax Fund to the Public Transit Enterprise Fund.
- **Wastewater Subsidy** – The City Council approved an inter-fund transfer of \$3,200,000 for fiscal year 2022-23 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.
- **Paid Parking Program** – The City Council has committed to the merchants in the Uptown area that the proceeds from the paid parking program, net of program costs, will be reinvested in the Uptown area. A portion of the program costs are reported in the Information Technology Internal Service Fund, and a transfer of \$43,950 from the General Fund has been included to cover those costs with the paid parking revenues.
- **One-Time Transfers**
 - **Funding for Affordable Housing** – An estimated \$750,000 of additional funding in fiscal year 2023-24 is needed to cover the projected remaining amount to be loaned of the total \$4.2 million loan for the Sunset Lofts project in the Affordable Housing Fund. Due to the significant surplus projections in the General Fund at this time, the City Council approved a one-time transfer to earmark the monies for the Sunset Lofts project.
 - **Funding for Capital Projects** – The ending fund balance for the Capital Improvements Fund for fiscal year 2022-23 is projected to be short of meeting reserve requirements by \$8,397,170. The City Council approved a one-time transfer from the General Fund surplus to earmark the monies for fully funding reserve requirements.
 - **Funding for Sedona-Owned Public Transit System** – The full implementation of the public transit is expected to be funded with a variety of funding sources, including a substantial amount from federal grants. The City will be expected to match a percentage of federal grant portions with City resources, which will vary depending on the grant received. Due to the significant surplus projections in the General Fund, the City Council approved a one-time transfer of \$5,000,000 to earmark the monies for future costs of the transit system implementation and operations.
 - **Wastewater Subsidy** – The fiscal year 2022-23 budget includes a projected need of \$1,914,000 of American Rescue Plan Act (ARPA) funding to support capital improvement needs.

INTER-FUND TRANSFERS

continued

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 \$133 million of city sales taxes.

Since FY 1989, the Wastewater Enterprise Fund has been subsidized with over \$133 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 from 4% to 2% each year, in order to achieve the ultimate goal of making the Wastewater Enterprise Fund financially self-supporting. The City Council approved the rate increases for the first four years of the plan. Due to current surpluses as a result of the subsidies, additional increases have not yet been approved.

A new rate study is in process that plans to continue the gradual reduction of the subsidy until fully eliminated once the Wastewater Fund debt is paid off and reevaluate the increases needed. The future subsidies proposed in the rate study were approved and adopted in City Council Resolution No. 2020-03. The approved future subsidies are as follows:

FUTURE CITY SALES TAX SUBSIDIES

Fiscal Year	Subsidy
FY 2023-24	\$3,100,000
FY 2024-25	\$3,000,000
FY 2025-26	\$2,900,000
FY 2026-27	\$0

INTERNAL CHARGES

The fiscal year 2022-23 budget includes a cost category labeled internal charges. These costs may 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 an accounting 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, counts of employees/FTEs benefitted, number of accounts payable transactions, and number of cash receiving transactions
Information Technology	Information Technology Services	Number of computers and phones and allocations of software systems used and counts of employees/FTEs benefitted
City Attorney's Office	General Civil	Estimated personnel hours and allocations of property damage claims benefitted and counts of employees/FTEs benefitted
City Clerk's Office	Clerk General Operations	Number of service requests and estimated personnel hours
General Services	General Services Administration	Budgeted expenditures of areas benefitted, historical insurance claims exposure, counts of employees/FTEs benefitted, and postage meter activity
Public Works	Facilities Maintenance	Square footage of facilities

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.

INTERNAL CHARGES

continued

Indirect Cost Allocations (cont'd)

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

SUMMARY OF INDIRECT COST ALLOCATIONS BY BENEFITTING DEPARTMENT

Benefitting Department	Allocating Department								Totals
	City Manager's Office	Human Resources	Financial Services	Information Technology	City Attorney's Office	City Clerk's Office	General Services	Public Works	
City Council	\$ -	\$ -	\$ 7,060	\$ 92,780	\$ 71,530	\$ -	\$ 2,640	\$ 7,950	\$ 181,960
City Manager's Office	(955,500)	41,890	95,320	136,150	31,540	11,610	28,640	68,210	(542,140)
Human Resources	9,990	(492,540)	22,020	60,700	45,070	4,920	2,940	11,860	(335,040)
Financial Services	59,940	31,830	(1,935,210)	174,230	32,870	6,690	19,630	27,690	(1,582,360)
City Attorney's Office	25,290	10,260	27,310	26,940	(546,400)	3,130	8,430	23,640	(421,400)
City Clerk's Office	20,430	8,520	17,280	53,060	22,540	(232,880)	5,460	34,250	(71,340)
Parks & Recreation	103,520	27,190	53,760	72,720	-	-	7,190	21,710	286,090
General Services	-	-	-	-	-	-	(543,840)	-	(543,840)
Community Development	83,360	39,020	80,450	195,330	141,380	139,210	19,810	80,330	778,890
Public Works	213,040	102,970	320,370	255,470	114,950	43,910	189,260	(718,320)	521,650
Economic Development	5,180	3,010	36,640	16,700	-	-	9,190	6,390	77,110
Police	258,710	142,580	227,060	886,680	38,840	10,740	98,150	311,540	1,974,300
Municipal Court	55,780	15,910	33,130	45,290	-	-	7,360	68,960	226,430
Public Transit	12,680	7,420	57,100	20,400	-	-	14,470	12,260	124,330
Wastewater	77,630	44,960	895,460	212,640	47,680	12,670	114,760	19,870	1,425,670
Information Technology	29,980	16,980	62,250	-	-	-	15,910	23,660	148,780
Totals	\$ -	\$ -	\$ -	\$ 2,249,090	\$ -	\$ -	\$ -	\$ -	\$ 2,249,090

INTERNAL CHARGES

continued

Equipment Replacement Reserves and Major Maintenance Reserve

The fiscal year 2022-23 budget includes set-asides for equipment replacement reserves and a wastewater major maintenance reserve. These reserves are intended to aid with better budget and cash flow 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.

Since the estimated useful lives may be different from actual experience, additional funding for the reserves 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 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 equipment capitalized in the City's audited financial statements was used. Again, any equipment under the capitalization threshold has not been included in the initiation of this reserve and 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	\$ 2,510	\$ -
Parks & Recreation	7,480	-
General Services	4,070	-
Community Development	4,400	-
Public Works	83,410	-
Police	205,310	-
Municipal Court	730	-
Wastewater	219,590	369,890
Information Technology	228,500	-
Totals	\$756,000	\$369,890





Fund Summaries

FUND SUMMARIES

All Funds

	General Fund	Streets Fund	Affordable Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Fund	Wastewater Fund	Information Technology Fund	Totals
Revenues												
Ongoing Revenues	\$49,000,940	\$1,315,400	\$86,500	\$115,900	\$5,293,400	\$430,800	\$465,780	\$1,900	\$254,750	\$7,861,290	\$2,148,790	\$66,975,450
One-Time Revenues	\$255,710	\$0	\$0	\$1,808,780	\$0	\$0	\$147,960	\$0	\$488,740	\$305,900	\$109,600	\$3,116,690
Contingent Revenues	\$0	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Total Revenues	\$49,256,650	\$1,315,400	\$86,500	\$2,424,680	\$5,293,400	\$430,800	\$613,740	\$1,900	\$743,490	\$8,167,190	\$2,258,390	\$70,592,140
Expenditures												
Ongoing Expenditures	\$22,451,760	\$2,227,150	\$351,790	\$84,850	\$148,410	\$0	\$0	\$0	\$2,348,970	\$5,733,610	\$2,210,070	\$35,556,610
One-Time Expenditures	\$2,918,330	\$134,860	\$240,000	\$59,000	\$0	\$0	\$45,000	\$0	\$333,870	\$370,450	\$118,600	\$4,220,110
Capital Improvement Projects	\$0	\$0	\$0	\$200,780	\$0	\$41,293,700	\$5,093,020	\$360,650	\$1,356,900	\$7,480,000	\$0	\$55,785,050
Debt Service	\$2,657,590	\$0	\$0	\$0	\$377,270	\$0	\$233,890	\$0	\$0	\$4,541,410	\$0	\$7,810,160
Equipment Replacement Reserve Contributions	(\$246,990)	(\$60,920)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$219,590)	(\$228,500)	(\$756,000)
Major Maintenance Reserve Contributions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$369,890)	\$0	(\$369,890)
Contingency	\$550,000	\$0	\$810,000	\$2,039,000	\$0	\$0	\$0	\$0	\$0	\$100,000	\$0	\$3,499,000
Total Expenditures	\$28,330,690	\$2,301,090	\$1,401,790	\$2,383,630	\$525,680	\$41,293,700	\$5,371,910	\$360,650	\$4,039,740	\$17,635,990	\$2,100,170	\$105,745,040
Net Revenues/Expenditures	\$20,925,960	(\$985,690)	(\$1,315,290)	\$41,050	\$4,767,720	(\$40,862,900)	(\$4,758,170)	(\$358,750)	(\$3,296,250)	(\$9,468,800)	\$158,220	(\$35,152,900)
Transfers and Other Financing Sources (Uses)												
Transfer from other funds	\$0	\$438,330	\$1,250,000	\$0	\$0	\$18,845,840	\$0	\$16,750	\$8,296,250	\$5,114,000	\$43,950	\$34,005,120
Transfer to other funds	(\$21,074,200)	\$0	\$0	(\$1,914,000)	(\$11,000,170)	(\$16,750)	\$0	\$0	\$0	\$0	\$0	(\$34,005,120)
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$10,000,000
Net Transfers and Other Financing Sources (Uses)	(\$21,074,200)	\$438,330	\$1,250,000	(\$1,914,000)	(\$11,000,170)	\$28,829,090	\$0	\$16,750	\$8,296,250	\$5,114,000	\$43,950	\$10,000,000
Beginning Fund Balances	\$36,341,046	\$908,289	\$4,667,041	\$2,136,798	\$6,283,941	\$29,344,360	\$5,353,190	\$257,557	\$0	\$17,201,649	\$1,162,866	\$103,656,737
Ending Fund Balances												
Operating Reserve	\$7,622,421	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,640,487	\$0	\$9,262,908
Streets Fund Reserve	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
Restricted Capital Reserve	\$0	\$0	\$0	\$0	\$51,491	\$17,310,550	\$3,221,960	\$0	\$0	\$1,535,000	\$0	\$22,119,001
Equipment Replacement Reserve	\$1,541,389	\$60,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,004,348	\$958,696	\$3,565,353
Major Maintenance Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$468,176	\$0	\$468,176
Reserved for Loans	\$2,711,383	\$0	\$4,600,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,311,383
Estimated FY22 Surplus to be Allocated	\$10,035,121	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,035,121
Parking Revenue Pledged to Uptown Improvement	\$279,648	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$279,648
Remaining Available Fund Balance	\$14,002,844	\$9	\$1,751	\$263,848	\$0	\$0	(\$2,626,940)	(\$84,443)	\$5,000,000	\$8,198,838	\$406,340	\$25,162,247
Total Ending Fund Balances	\$36,192,806	\$360,929	\$4,601,751	\$263,848	\$51,491	\$17,310,550	\$595,020	(\$84,443)	\$5,000,000	\$12,846,849	\$1,365,036	\$78,503,837

FUND SUMMARIES

continued

All Funds Comparison

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Revenues				
Ongoing Revenues	\$66,975,450	\$52,085,160	\$61,200,270	\$51,635,473
One-Time Revenues	\$3,116,690	\$5,471,291	\$4,421,650	\$1,812,578
Contingent Revenues	\$500,000	\$239,000	\$0	\$0
Total Revenues	\$70,592,140	\$57,795,451	\$65,621,920	\$53,448,051
Expenditures				
Ongoing Expenditures	\$35,553,010	\$31,358,782	\$29,698,490	\$23,826,916
One-Time Expenditures	\$4,223,710	\$2,311,072	\$2,031,970	\$1,347,751
Capital Improvement Projects	\$55,785,050	\$19,843,754	\$16,267,140	\$11,362,908
Debt Service	\$7,810,160	\$5,829,725	\$5,830,930	\$5,723,597
Equipment Replacement Reserve Contributions	(\$756,000)	(\$1,207,150)	(\$1,207,150)	\$0
Major Maintenance Reserve Contributions	(\$369,890)	(\$83,850)	(\$83,850)	\$0
Contingency	\$3,499,000	\$4,640,510	\$0	\$0
Total Expenditures	\$105,745,040	\$62,692,843	\$52,537,530	\$42,261,172
Net Revenues/Expenditures	(\$35,152,900)	(\$4,897,392)	\$13,084,390	\$11,186,879
Other Financing Sources (Uses)				
Transfer from Other Funds	\$34,005,120	\$16,993,390	\$15,463,920	\$12,138,825
Transfer to Other Funds	(\$34,005,120)	(\$16,993,390)	(\$15,463,920)	(\$12,138,825)
Bond Proceeds	\$10,000,000	\$0	\$20,390,220	\$0
Refunding Bonds Issued	\$0	\$9,000,000	\$13,634,390	\$0
Payment to Refunded Bond Escrow Agent	\$0	(\$9,000,000)	(\$8,770,000)	\$0
Total Other Financing Sources (Uses)	\$10,000,000	\$0	\$25,254,610	\$0
Beginning Fund Balances	\$103,656,737	\$64,735,200	\$65,317,737	\$54,130,858
Ending Fund Balances				
Operating Reserve	\$9,262,908	\$8,395,003	\$8,395,003	\$7,664,296
Streets Fund Reserve	\$300,000	\$300,000	\$300,000	\$102,498
Restricted Capital Reserve	\$22,119,001	\$11,455,831	\$28,332,691	\$11,172,913
Equipment Replacement Reserve	\$3,565,353	\$3,355,274	\$3,808,253	\$2,819,863
Major Maintenance Reserve	\$468,176	\$147,286	\$173,286	\$89,436
Reserved for Loans	\$7,311,383	\$0	\$2,400,000	\$0
FY21 Surplus to be Allocated	\$0	\$9,702,647	\$12,196,596	\$0
FY22 Estimated Surplus to be Allocated	\$10,035,121	\$0	\$15,612,635	\$0
Parking Revenue Pledged to Uptown Improvement	\$0	\$0	\$0	\$14,857
Budget Carryovers	\$279,648	\$453,056	\$473,888	\$138,379
Remaining Available Fund Balance	\$0	\$0	\$269,140	\$279,300
Total Ending Fund Balances	\$78,503,837	\$59,837,808	\$103,656,737	\$65,317,737

FUND SUMMARIES

continued

General Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
City Sales Taxes	\$31,360,000	\$23,985,700	\$29,003,000	\$23,972,811
Bed Taxes	\$10,232,000	\$7,029,300	\$9,302,000	\$7,150,999
In Lieu Fees	\$539,400	\$525,200	\$526,700	\$515,335
Franchise Fees	\$857,900	\$851,800	\$850,600	\$883,456
State Shared Sales Taxes	\$1,439,000	\$1,163,600	\$1,387,000	\$1,199,926
Urban Revenue Sharing	\$1,762,000	\$1,349,000	\$1,289,000	\$1,477,587
Vehicle License Taxes	\$752,700	\$775,900	\$775,300	\$795,420
Other Intergovernmental	\$50,950	\$50,810	\$51,200	\$62,163
Licenses and Permits	\$448,280	\$334,275	\$471,870	\$385,953
Charges for Services	\$984,850	\$845,560	\$932,100	\$667,167
Fines and Forfeitures	\$303,690	\$208,300	\$296,840	\$360,370
Other Revenues	\$270,170	\$259,960	\$203,130	\$153,818
Total Ongoing Revenues	\$49,000,940	\$37,379,405	\$45,088,740	\$37,625,005
Ongoing Expenditures				
General Government	\$6,625,180	\$5,905,785	\$5,785,030	\$4,930,744
Public Safety	\$7,446,940	\$6,826,446	\$6,461,350	\$5,335,626
Public Works & Streets	\$2,134,240	\$1,827,770	\$1,836,750	\$1,826,544
Culture & Recreation	\$2,550,050	\$2,159,176	\$2,086,220	\$1,566,298
Economic Development	\$1,981,520	\$2,402,870	\$2,363,150	\$2,636,155
Health & Welfare	\$1,461,480	\$1,283,880	\$1,017,690	\$716,945
Public Transportation	\$65,220	\$60,900	\$60,900	\$60,000
Indirect Cost Allocations	\$187,130	\$487,230	\$726,950	\$671,640
Contingencies	\$550,000	\$475,000	\$0	\$0
Total Ongoing Expenditures	\$23,001,760	\$21,429,057	\$20,338,040	\$17,743,952
Net Ongoing	\$25,999,180	\$15,950,348	\$24,750,700	\$19,881,053
Other				
One-Time Revenues:				
In Lieu Fees	\$0	\$0	\$18,000	\$0
Intergovernmental	\$100,000	\$6,300	\$7,000	\$11,832
Charges for Services	\$10	\$0	\$2,250	\$10
Other Revenues	\$155,700	\$186,400	\$266,950	\$190,899
One-Time Expenditures:				
General Government	(\$1,193,480)	(\$711,370)	(\$672,160)	(\$189,844)
Public Safety	(\$1,332,560)	(\$214,026)	(\$185,140)	(\$112,893)
Public Works & Streets	(\$21,770)	(\$72,740)	(\$56,910)	(\$90,110)
Culture & Recreation	(\$116,520)	(\$168,340)	(\$169,340)	(\$112,915)
Economic Development	\$0	(\$30,000)	(\$7,980)	(\$291,443)
Health & Welfare	(\$233,000)	(\$48,000)	(\$2,730)	(\$45,457)
Debt Service	(\$2,657,590)	(\$1,034,850)	(\$1,037,750)	(\$1,032,801)
Net One-Time Revenues/Expenditures	(\$5,299,210)	(\$2,086,626)	(\$1,837,810)	(\$1,672,722)
Transfers:				
Transfer to Streets Fund	(\$438,330)	\$0	\$0	(\$272,840)
Transfer to Affordable Housing Fund	(\$1,250,000)	(\$2,296,330)	(\$2,296,330)	(200,000)
Transfer to Capital Improvements Fund	(\$10,897,170)	(\$4,350,000)	(\$4,350,000)	(\$4,145,079)
Transfer to Development Impact Fee Funds	\$0	(\$200)	(\$200)	\$0
Transfer to Public Transit Fund	(\$5,244,750)	(\$224,000)	(\$224,000)	\$0
Transfer to Wastewater Fund	(\$3,200,000)	(\$3,300,000)	(\$3,300,000)	(\$3,400,000)
Transfer to Information Technology Fund	(\$43,950)	(\$48,970)	(\$45,220)	(\$92,401)
Net Transfers	(\$21,074,200)	(\$10,219,500)	(\$10,215,750)	(\$8,110,320)
Beginning Fund Balance	\$36,341,046	\$20,691,475	\$23,296,116	\$13,245,531
Equipment Replacement Reserve				
Reserve Contributions	\$246,990	\$380,400	\$380,400	\$0
Equipment Purchases	(\$21,000)	(\$32,610)	(\$32,610)	(\$47,426)
Net Contribution to Equipment Replacement Reserve	\$225,990	\$347,790	\$347,790	(\$47,426)
Ending Fund Balances				
Operating Reserve ⁽¹⁾	\$7,622,421	\$6,603,868	\$6,603,868	\$6,158,134
Equipment Replacement Reserve	\$1,541,389	\$1,330,325	\$1,315,399	\$967,609
FY19 Surplus to be Allocated	\$0	\$0	\$0	\$165,599
FY20 Surplus to be Allocated	\$0	\$0	\$0	\$3,485,642
FY21 Surplus to be Allocated	\$0	\$9,702,647	\$12,196,596	\$0
FY22 Estimated Surplus to be Allocated	\$10,035,121	\$0	\$15,612,635	\$0
Prepaid Balance	\$0	\$0	\$0	\$14,857
Reserve for Loans ⁽²⁾	\$2,711,383	\$0	\$0	\$0
Parking Revenues Pledged to Uptown Improvements	\$279,648	\$453,056	\$473,888	\$138,379
Budget Carryovers	\$0	\$0	\$78,040	\$169,300
Remaining Available Fund Balance	\$14,002,844	\$6,593,591	\$60,620	\$12,196,596
Total Ending Fund Balances	\$36,192,806	\$24,683,487	\$36,341,046	\$23,296,116

⁽¹⁾ Operating reserve is 30% of operating expenditures.

⁽²⁾ The reserve for loans represents the amount expected to be needed for the Art in Public Places Fund to cover the projected deficit for FY2023, plus the amount expected to be needed to meet capital reserve levels for the Development Impact Fees Funds for FY2024.



FUND SUMMARIES

continued

Streets Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Intergovernmental	\$1,293,000	\$1,024,000	\$1,293,000	\$1,069,912
Other Revenues	\$22,400	\$7,890	\$11,200	\$8,291
Total Ongoing Revenues	\$1,315,400	\$1,031,890	\$1,304,200	\$1,078,203
Ongoing Expenditures				
Streets Rehabilitation/Pavement Preservation	\$1,150,000	\$1,150,000	\$900,000	\$974,236
Other Streets Maintenance	\$503,080	\$314,880	\$366,670	\$0
Storm Clean-Up	\$93,760	\$114,470	\$250,400	\$0
Traffic Control	\$236,890	\$219,501	\$183,590	\$0
Internal Charges	\$243,420	\$81,440	\$76,010	\$50,740
Total Ongoing Expenditures	\$2,227,150	\$1,880,291	\$1,776,670	\$1,024,976
Net Ongoing	(\$911,750)	(\$848,401)	(\$472,470)	\$53,227
Other				
One-Time Revenues:				
Intergovernmental	\$0	\$0	\$0	(\$26)
Other	\$0	\$0	\$0	\$36
One-Time Expenditures:				
Other Streets Maintenance	(\$134,860)	(\$212,280)	(\$202,060)	\$0
Net One-Time Revenues/Expenditures	(\$134,860)	(\$212,280)	(\$202,060)	\$10
Transfer from General Fund	\$438,330	\$0	\$0	\$272,840
Beginning Fund Balance	\$908,289	\$1,545,202	\$1,582,819	\$1,256,742
Equipment Replacement Reserve				
Reserve Contributions	\$60,920	\$0	\$0	\$0
Equipment Purchases	\$0	\$0	\$0	\$0
Net Use of Operating Revenues	\$60,920	\$0	\$0	\$0
Ending Fund Balances				
Streets Reserve Policy ⁽¹⁾	\$300,000	\$300,000	\$300,000	\$0
Prior Reserve Policy - 10% of expenditures	\$0	\$0	\$0	\$102,498
Equipment Replacement Reserve	\$60,920	\$0	\$0	\$0
Remaining Available Fund Balance	\$9	\$184,521	\$608,289	\$1,480,321
Total Ending Fund Balances	\$360,929	\$484,521	\$908,289	\$1,582,819

⁽¹⁾The average streets rehabilitation/pavement preservation costs are approximately \$1.1 million per year based on a target of an average of 4.5-5.0 miles per year. Each year, the number of miles maintained may vary based on economies of scale by performing streets maintenance in sections that make the most sense. The estimated highest cost in one year is approximately \$1.4M. The difference in estimated highest cost and estimated average annual costs is approximately \$300,000. Calculation of annual General Fund subsidies were adjusted based on maintaining the required reserve.



FUND SUMMARIES

continued

Affordable Housing Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Intergovernmental	\$60,000	\$69,550	\$45,200	\$0
Other Revenues	\$26,500	\$23,630	\$13,250	\$10,439
Total Ongoing Revenues	\$86,500	\$93,180	\$58,450	\$10,439
Expenditures				
City Manager's Office	\$351,790	\$554,530	\$95,060	\$0
Total Ongoing Expenditures	\$351,790	\$554,530	\$95,060	\$0
One-Time Expenditures				
Net Ongoing	(\$265,290)	(\$461,350)	(\$36,610)	10,439
Other				
One-Time Revenues:				
In Lieu Fees	\$0	\$0	\$0	\$199,000
One-Time Expenditures:				
City Manager	(\$240,000)	(\$2,500)	(\$2,240)	\$0
Community Development	\$0	\$0	\$0	(\$64,865)
Contingency Placeholder	(\$810,000)	(\$2,100,000)	\$0	\$0
Net One-Time Revenues/Expenditures	(\$1,050,000)	(\$2,102,500)	(\$2,240)	\$134,135
Transfer from General Fund	\$1,250,000	\$2,296,330	\$2,296,330	\$200,000
Beginning Fund Balance	\$4,667,041	\$2,449,227	\$2,409,561	\$2,064,987
Ending Fund Balances				
Reserve for Sunset Lofts Loan	\$4,200,000	\$0	\$2,000,000	\$0
Reserve for Down Payment Assistance Loans	\$400,000	\$0	\$400,000	\$0
Remaining Available Fund Balance	\$1,751	\$2,181,707	\$2,267,041	\$2,409,561
Total Ending Fund Balances	\$4,601,751	\$2,181,707	\$4,667,041	\$2,409,561

FUND SUMMARIES

continued

Grants, Donations & Restricted Funds

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Intergovernmental	\$58,300	\$2,900	\$58,300	\$41,909
Charges for Services	\$200	\$1,000	\$200	\$790
Fines & Forfeitures	\$31,350	\$23,800	\$31,350	\$25,947
Contributions & Donations	\$21,450	\$16,800	\$20,750	\$8,508
Other Revenues	\$4,600	\$1,270	\$2,300	\$1,843
Total Grants & Donations Funds Revenues	\$115,900	\$45,770	\$112,900	\$78,997

Ongoing Expenditures				
Parks & Recreation	\$12,950	\$12,950	\$3,650	\$3,806
General Services	\$800	\$800	\$0	\$0
Public Works	\$2,500	\$789	\$3,900	\$0
Police	\$68,600	\$11,000	\$49,650	\$4,279
Municipal Court	\$0	\$0	\$0	\$2,802
Total Ongoing Expenditures	\$84,850	\$25,539	\$57,200	\$10,887
Net Ongoing	\$31,050	\$20,231	\$55,700	\$68,110

Other				
One-Time Revenues:				
Intergovernmental ⁽¹⁾	\$1,808,780	\$1,953,860	\$1,981,780	\$35,342
Contributions & Donations	\$0	\$0	\$15,000	\$0
Other Revenues	\$0	\$0	\$22,050	\$0
Contingency Placeholder	\$500,000	\$239,000	\$0	\$0
One-Time Expenditures:				
Community Development	\$0	(\$138,850)	(\$160,900)	(\$5,262)
Police	(\$59,000)	(\$88,500)	(\$79,560)	(\$48,290)
Capital Improvement Projects	(\$200,780)	\$0	(\$97,000)	(\$25,000)
Contingency Placeholder	(\$2,039,000)	(\$1,965,510)	\$0	\$0
Net One-Time Revenues/Expenditures	\$10,000	\$0	\$1,681,370	(\$43,210)
Transfer to Wastewater Fund	(\$1,914,000)	\$0	\$0	\$0
Beginning Fund Balance	\$2,136,798	\$400,848	\$399,728	\$374,828

Ending Fund Balances				
Total Ending Fund Balances	\$263,848	\$421,079	\$2,136,798	\$399,728

⁽¹⁾Includes \$1,726,500 for American Rescue Plan Act (ARPA) funding for the fiscal years 2021-22 and 2022-23, for a total of award of \$3,453,000.

FUND SUMMARIES

continued

Transportation Sales Tax Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
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Ongoing Revenues

City Sales Taxes	\$5,210,000	\$3,985,700	\$4,817,000	\$3,845,977
Other Revenues	\$83,400	\$23,880	\$41,700	\$34,227
Total Ongoing Revenues	\$5,293,400	\$4,009,580	\$4,858,700	\$3,880,204

Ongoing Expenditures

Public Works & Streets	\$148,410	\$115,800	\$113,010	\$46,214
Total Ongoing Expenditures	\$148,410	\$115,800	\$113,010	\$46,214

Net Ongoing	\$5,144,990	\$3,893,780	\$4,745,690	\$3,833,990
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Other

One-Time Expenditures:

Public Works & Streets	\$0	\$0	\$0	(\$2,100)
Debt Service	(\$377,270)	\$0	\$0	\$0
Net One-Time Revenues/Expenditures	(\$377,270)	\$0	\$0	(\$2,100)

Transfers:

Transfer to Capital Improvements Fund	(\$7,948,670)	(\$5,027,913)	(\$4,252,540)	(\$3,987,229)
Transfer to Public Transit Fund	(\$3,051,500)	(\$1,733,930)	(\$974,770)	(\$20,194)

Net Transfers	(\$11,000,170)	(\$6,761,843)	(\$5,227,310)	(\$4,007,423)
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Beginning Fund Balance	\$6,283,941	\$6,436,735	\$6,765,561	\$6,941,094
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Ending Fund Balances

Capital Reserves	\$51,491	\$2,819,796	\$6,283,941	\$2,763,936
Remaining Available Fund Balance	\$0	\$748,876	\$0	\$4,001,625
Total Ending Fund Balances	\$51,491	\$3,568,672	\$6,283,941	\$6,765,561

FUND SUMMARIES

continued

Capital Improvements Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Intergovernmental	\$300,000	\$300,000	\$245,000	\$85,000
Other Revenues	\$130,800	\$138,180	\$65,400	\$52,475
Total Ongoing Revenues	\$430,800	\$438,180	\$310,400	\$137,475
Other				
One-Time Revenues:				
Intergovernmental	\$0	\$1,700,000	\$1,900,000	\$212,072
Contributions & Donations	\$0	\$100,000	\$95,700	\$50,000
Other Revenues	\$0	\$0	\$0	\$69
One-Time Expenditures:				
Court Project	(\$138,640)	(\$32,000)	(\$40,580)	\$0
Information Technology Project	\$0	(\$200,000)	\$0	\$0
Parks Projects	(\$333,300)	(\$435,163)	(\$445,130)	(\$47,954)
Police Projects	(\$412,040)	(\$1,086,645)	(\$1,089,170)	(\$58,466)
Public Transit Projects	\$0	\$0	\$0	(\$3,098,018)
Public Works Projects	(\$20,160,000)	(\$1,850,000)	\$0	(\$63,604)
Sedona in Motion Projects	(\$18,639,720)	(\$6,656,369)	(\$7,826,300)	(\$3,071,352)
Streets & Transportation Projects	(\$450,000)	(\$1,371,310)	(\$1,493,450)	(\$1,660,362)
Storm Drainage Projects	(\$1,040,000)	(\$237,390)	(\$245,000)	(\$1,133,937)
Sustainability Projects	(\$120,000)	\$0	\$0	\$0
Debt Service	\$0	\$0	(\$134,610)	\$0
Net One-Time Revenues/Expenditures	(\$41,293,700)	(\$10,068,877)	(\$9,278,540)	(\$8,871,552)
Transfers and Other Financing Sources (Uses):				
Transfer from General Fund	\$10,897,170	\$4,350,000	\$4,350,000	\$4,208,683
Transfer from Transportation Sales Tax Fund	\$7,948,670	\$5,027,913	\$4,252,540	\$3,987,229
Transfer to Art in Public Places Fund	(\$16,750)	(\$12,047)	(\$20,860)	(\$21,082)
Bonds Issued	\$10,000,000	\$0	\$20,390,220	\$0
Net Transfers and Other Financing Sources (Uses)	\$28,829,090	\$9,365,866	\$28,971,900	\$8,174,830
Beginning Fund Balance	\$29,344,360	\$11,578,895	\$9,340,600	\$9,899,847
Ending Fund Balances				
Capital Reserve	\$17,310,550	\$2,819,796	\$14,158,860	\$2,763,936
Remaining Available Fund Balance	\$0	\$8,494,268	\$15,185,500	\$6,576,664
Total Ending Fund Balances	\$17,310,550	\$11,314,064	\$29,344,360	\$9,340,600

FUND SUMMARIES

continued

Development Impact Fees Funds

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Development Impact Fees	\$430,300	\$346,300	\$465,390	\$384,693
Other Revenues	\$35,480	\$37,260	\$17,740	\$14,153
Total Ongoing Revenues	\$465,780	\$383,560	\$483,130	\$398,846
Other				
One-Time Revenues:				
Development Impact Fees	\$147,960	\$160,460	\$0	\$274,860
Other Revenues	\$0	\$0	\$0	\$34
One-Time Expenditures:				
Professional Services	(\$45,000)	\$0	\$0	\$0
Parks Projects	(\$366,700)	(\$154,537)	(\$152,260)	(\$24,747)
Police Projects	(\$713,790)	(\$117,665)	(\$75,410)	(\$112,322)
Sedona in Motion Projects	(\$4,012,530)	(\$2,916,696)	(\$2,637,630)	(\$267,626)
Storm Drainage Projects	\$0	\$0	\$0	(\$1,775)
Debt Service	(\$233,890)	\$0	\$0	\$0
Net One-Time Revenues/Expenditures	(\$5,223,950)	(\$3,028,438)	(\$2,865,300)	(\$131,576)
Transfers and Other Financing Sources (Uses):				
Transfer from General Fund	\$0	\$200	\$200	\$0
Transfer to Capital Improvements Fund	\$0	\$0	\$0	\$0
Bonds Issued	\$0	\$0	\$4,744,390	\$0
Net Transfers and Other Financing Sources (Uses)	\$0	\$200	\$4,744,590	\$0
Beginning Fund Balance	\$5,353,190	\$3,103,928	\$2,990,770	\$2,723,500
Ending Fund Balances				
Capital Reserve	\$3,221,960	\$3,491,239	\$2,764,240	\$2,482,041
Remaining Available Fund Balance ⁽¹⁾	(\$2,626,940)	(\$3,031,989)	\$2,588,950	\$508,729
Total Ending Fund Balances	\$595,020	\$459,250	\$5,353,190	\$2,990,770

⁽¹⁾The development impact fee study is based on assumptions of fee collections over a 10-year period. Since many of the projects are front-loaded in the early portion of the 10-year period, the fees covering these costs will not be available until after costs are incurred. Loans may be necessary to cover deficit balances. Since CIP projects frequently do not move forward as quickly as budgeted, the extent of the deficits may not be as significant as they appear.

FUND SUMMARIES

continued

Art in Public Places Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Other Revenues	\$1,900	\$690	\$950	\$735
Total Ongoing Revenues	\$1,900	\$690	\$950	\$735
Other				
One-Time Revenues:				
Other Revenues	\$0	\$0	\$65,000	\$5
One-Time Expenditures:				
Capital Improvement Projects	(\$360,650)	(\$136,000)	(\$3,680)	\$0
Net One-Time Revenues/Expenditures	(\$360,650)	(\$136,000)	\$61,320	\$5
Transfers:				
Transfers from Capital Projects Funds	\$16,750	\$12,047	\$20,860	\$21,082
Beginning Fund Balance	\$257,557	\$172,241	\$174,427	\$152,605
Ending Fund Balances				
Capital Reserves	\$0	\$220,000	\$360,650	\$0
Remaining Available Fund Balance ⁽¹⁾	(\$84,443)	(\$171,022)	(\$103,093)	\$174,427
Total Ending Fund Balances	(\$84,443)	\$48,978	\$257,557	\$174,427

⁽¹⁾The estimated ending fund balance for fiscal year 2022-23 will not be sufficient to cover the full cost of the Art in the Roundabouts project. As discussed in the fiscal year 2020-21 budget process, Council directed to move forward with all of the remaining roundabouts and rely on loans to the Art in Public Places Fund to cover any deficits.

FUND SUMMARIES

continued

Public Transit Enterprise Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Intergovernmental	\$169,000	\$66,400	\$48,200	\$46,400
Charges for Services	\$85,750	\$51,600	\$500	\$0
Total Ongoing Revenues	\$254,750	\$118,000	\$48,700	\$46,400
Ongoing Expenditures				
Administration	\$169,790	\$108,850	\$104,310	\$44,178
Operations	\$1,957,380	\$660,410	\$611,530	\$6,000
Capital Projects Management	\$37,020	\$33,620	\$34,400	\$14,468
Internal Charges/Departmental Allocations	\$181,180	\$66,340	\$75,680	\$0
Total Ongoing Expenditures	\$2,345,370	\$869,220	\$825,920	\$64,646
Net Ongoing	(\$2,090,620)	(\$751,220)	(\$777,220)	(\$18,246)
Other				
One-Time Revenues:				
Intergovernmental	\$488,740	\$985,410	\$0	\$0
One-Time Expenditures:				
Administration	(\$300)	\$0	\$0	(\$1,948)
Operations	(\$309,570)	(\$87,471)	(\$77,470)	\$0
Departmental Allocations	(\$27,600)	\$0	(\$55,680)	\$0
Capital Improvement Projects	(\$1,356,900)	(\$1,449,149)	(\$288,400)	\$0
Net One-Time Revenues/Expenditures	(\$1,205,630)	(\$551,210)	(\$421,550)	(\$1,948)
Transfers:				
Transfer from General Fund	\$5,244,750	\$224,000	\$224,000	\$0
Transfer from Transportation Sales Tax Fund	\$3,051,500	\$1,733,930	\$974,770	\$20,194
Net Transfers	\$8,296,250	\$1,957,930	\$1,198,770	\$20,194
Beginning Fund Balance	\$0	\$0	\$0	\$0
Ending Fund Balances⁽¹⁾				
Total Ending Fund Balances	\$5,000,000	\$655,500	\$0	\$0

⁽¹⁾Since the Public Transit Fund will be primarily reliant on grant funding and transfers from the Transportation Sales Tax Fund, recommendations for an operating reserve policy and a debt service reserve policy will be developed later when the funding plan is more fully developed. A plan for an equipment replacement reserve for the Public Transit Fund will be developed with consideration for matching portion of future asset replacements.

FUND SUMMARIES

continued

Wastewater Enterprise Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Ongoing Revenues				
Charges for Services	\$6,248,050	\$6,046,990	\$6,208,990	\$5,991,385
Fines and Forfeitures	\$57,700	\$47,500	\$39,500	\$35,959
Capacity Fees	\$1,339,200	\$625,900	\$704,500	\$686,366
Other Revenues	\$216,340	\$212,640	\$115,720	\$95,681
Total Ongoing Revenues	\$7,861,290	\$6,933,030	\$7,068,710	\$6,809,391
Ongoing Expenditures				
Wastewater Administration	\$219,550	\$233,090	\$228,720	\$218,822
Wastewater Operations	\$3,356,620	\$3,120,745	\$3,048,560	\$2,025,272
Public Works Engineering Services	\$231,150	\$238,980	\$223,580	\$254,440
Capital Projects Management	\$94,080	\$125,135	\$124,470	\$117,736
Contingencies	\$100,000	\$100,000	\$0	\$0
Indirect Cost Allocations/Departmental Allocations:				
Information Technology	\$285,850	\$215,305	\$216,260	\$188,459
Human Resources	\$51,180	\$52,570	\$45,310	\$41,660
Financial Services	\$299,184	\$203,430	\$184,485	\$168,160
Utility Billing	\$720,566	\$381,390	\$367,965	\$318,086
General Services	\$118,250	\$79,030	\$87,120	\$74,540
City Manager	\$88,410	\$84,250	\$79,540	\$64,590
City Clerk	\$12,670	\$3,160	\$3,010	\$10,280
City Attorney	\$158,280	\$156,680	\$44,920	\$45,275
Facilities Maintenance	\$22,820	\$31,160	\$28,660	\$28,870
Total Ongoing Expenditures	\$5,758,610	\$5,024,925	\$4,682,600	\$3,556,190
Net Ongoing	\$2,102,680	\$1,908,105	\$2,386,110	\$3,253,201
Other				
One-Time Revenues:				
Charges for Services	\$0	\$0	\$0	\$0
Capacity Fees	\$305,900	\$305,856	\$0	\$739,463
Other	\$0	\$0	\$0	\$191
One-Time Expenditures:				
Wastewater Administration	(\$10,000)	(\$19,300)	(\$10,560)	\$0
Wastewater Operations	(\$131,580)	(\$290,280)	(\$186,260)	(\$171,964)
Public Works Engineering Services	(\$11,630)	(\$13,800)	(\$1,410)	\$0
Financial Services	(\$30,040)	(\$30,000)	(\$30,040)	(\$2,731)
Information Technology	(\$7,200)	\$0	\$0	(\$2,143)
Capital Improvement Projects	(\$6,849,000)	(\$3,200,830)	(\$1,873,130)	(\$1,797,745)
Debt Service	(\$4,541,410)	(\$4,794,875)	(\$4,658,570)	(\$4,690,796)
Net One-Time Revenues/Expenditures	(\$11,274,960)	(\$8,043,229)	(\$6,759,970)	(\$5,925,725)
Transfers and Other Financing Sources (Uses):				
Transfer from General Fund	\$3,200,000	\$3,300,000	\$3,300,000	\$3,400,000
Transfer from Grants & Donations Funds	\$1,914,000	\$0	\$0	\$0
Refunding Bonds Issued	\$0	\$9,000,000	\$8,890,000	\$0
Payment to Refunded Bond Escrow Agent	\$0	(\$9,000,000)	(\$8,770,000)	\$0
Net Transfers and Other Financing Sources (Uses)	\$5,114,000	\$3,300,000	\$3,420,000	\$3,400,000
Beginning Fund Balance	\$17,201,649	\$17,403,394	\$17,442,859	\$16,774,952
Equipment Replacement Reserve				
Reserve Contributions	\$219,590	\$628,800	\$628,800	\$0
Equipment Purchases	(\$180,000)	(\$102,000)	\$0	(\$59,569)
Capital Improvement Projects	(\$631,000)	\$0	\$0	\$0
Net Contribution to Equipment Replacement Reserve	(\$591,410)	\$526,800	\$628,800	(\$59,569)
Major Maintenance Reserve				
Reserve Contributions	\$369,890	\$83,850	\$83,850	\$0
Major Maintenance Costs	(\$75,000)	(\$26,000)	\$0	\$0
Net Contribution to Major Maintenance Reserve	\$294,890	\$57,850	\$83,850	\$0
Ending Fund Balances				
Operating Reserve ⁽¹⁾	\$1,640,487	\$1,791,135	\$1,791,135	\$1,506,162
Capital Improvements Reserve	\$1,535,000	\$2,105,000	\$4,765,000	\$3,163,000
Equipment Replacement Reserve	\$1,004,348	\$1,464,727	\$1,595,758	\$966,958
Major Maintenance Reserve	\$468,176	\$147,286	\$173,286	\$89,436
Budget Carryovers	\$0	\$0	\$167,500	\$80,000
Remaining Available Fund Balance	\$8,198,838	\$9,644,772	\$8,708,970	\$11,637,303
Total Ending Fund Balances	\$12,846,849	\$15,152,920	\$17,201,649	\$17,442,859

⁽¹⁾Operating reserve is 33.3% of operating expenditures.



FUND SUMMARIES

continued

Information Technology Internal Service Fund

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
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Ongoing Revenues

Internal Cost Charges	\$2,139,490	\$1,644,015	\$1,860,330	\$1,566,079
Charges for Services	\$500	\$400	\$660	\$555
Other Revenue	\$8,800	\$7,460	\$4,400	\$3,144
Total Ongoing Revenues	\$2,148,790	\$1,651,875	\$1,865,390	\$1,569,778

Ongoing Expenditures

Information Technology Services	\$1,750,520	\$1,504,901	\$1,396,840	\$1,143,246
Departmental Direct Allocations	\$158,930	\$148,539	\$144,930	\$124,145
Indirect Cost Allocations	\$142,720	\$144,830	\$133,070	\$112,660
Total Ongoing Expenditures	\$2,052,170	\$1,798,270	\$1,674,840	\$1,380,051

Net Ongoing	\$96,620	(\$146,395)	\$190,550	\$189,727
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Other

One-Time Revenues:				
Internal Cost Charges	\$109,600	\$73,005	\$47,920	\$98,791
One-Time Expenditures:				
Information Technology Services	(\$109,600)	(\$73,005)	(\$47,920)	(\$98,791)
Net One-Time Revenues/Expenditures	\$0	\$0	\$0	\$0
Transfer from General Fund	\$43,950	\$48,970	\$45,220	\$28,797
Beginning Fund Balance	\$1,162,866	\$953,255	\$915,296	\$696,772

Equipment Replacement Reserve

Reserve Contributions	\$228,500	\$197,950	\$197,950	\$0
Equipment Purchases	(\$166,900)	(\$186,150)	(\$186,150)	\$0
Net Use of Operating Revenues	\$61,600	\$11,800	\$11,800	\$0

Ending Fund Balances

Equipment Replacement Reserve	\$958,696	\$560,222	\$897,096	\$885,296
Budget Carryovers	\$0	\$0	\$23,600	\$30,000
Remaining Available Fund Balance ⁽¹⁾	\$406,340	\$307,408	\$242,170	\$0
Total Ending Fund Balances	\$1,365,036	\$867,630	\$1,162,866	\$915,296

⁽¹⁾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

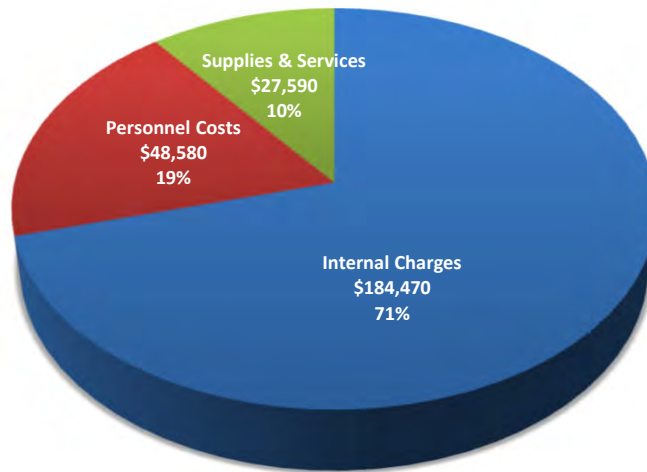
Mission Statement

To encourage partnering to maximize resources and opportunities in sustaining Sedona's vibrant community, which includes an interdependence of residents, visitors, and stakeholders. 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.

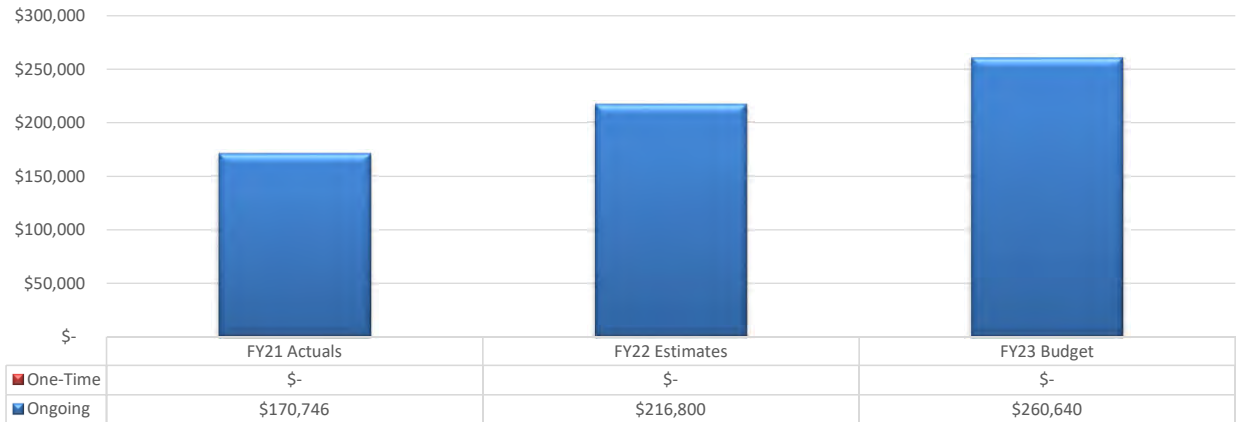
Description

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 2023 PROGRAM EXPENDITURES: \$260,640



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY COUNCIL – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 48,580	19%	\$ 48,560	\$ 48,440	\$ 45,651
Supplies & Services	27,590	11%	21,750	21,550	9,415
Subtotal Direct Costs	\$ 76,170	29%	\$ 70,310	\$ 69,990	\$ 55,066
Internal Charges	184,470	71%	142,550	146,810	115,680
Total Expenditures	\$ 260,640	100%	\$ 212,860	\$ 216,800	\$ 170,746
Expenditures by Fund					
General Fund Portion	\$ 260,640	100%	\$ 212,860	\$ 216,800	\$ 170,746
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 91,220	35%	\$ 74,500	\$ 75,880	\$ 59,761
Estimated Visitor Generated	\$ 169,420	65%	\$ 138,360	\$ 140,920	\$ 110,985
Employee Time Allocation (FTEs)(Budgeted)	7.00		7.00		7.00

FY 2022 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Approved a balanced budget.

Council Priority - Complete Various Traffic Improvements:

- * Approved design of Forest Road Extension and Oak Creek Pedestrian Crossing.
- * Soldiers Pass Road, Shelby Drive, and Chapel Road improvements completed.
- * Shared pathways completed on Sanborn Drive/Thunder Mountain Road and Dry Creek Road.
- * Green striped bike lanes installed along SR 89A.

Council Priority - Public Transit System:

- * Approved purchase of hybrid transit shuttles and micro-transit vehicles.
- * Approved vehicle signage branding.
- * Extended Transportation Sales Tax, removing the February 2028 sunset, to cover public transit implementation and ongoing operational costs.

Council Priority - Affordable Housing:

- * Approved shared Housing Manager position through partnership with City of Cottonwood.
- * Approved development agreement for construction of workforce apartment units.
- * Approved contract for down payment/closing cost assistance program.

Council Priority - Environmental Stewardship/Sustainability:

- * Adopted Climate Action Plan.
- * Added two Sustainability positions.
- * Approved curbside yard waste collection and mulching program.
- * Approved contract to install electric vehicle charging stations at City Hall and Jordan Road.

Council Priority - Trailhead Congestion/Impact to Neighborhoods:

- * Approved positions for Traffic Control Assistants and Community Services Aides to assist with parking restrictions and trail closures.
- * Placed roadside barriers to mitigate illegal parking.
- * Shared-use paths and parking restrictions completed at Soldiers Pass Road and Dry Creek Road.

Council Priority - Community Plan Update:

- * Kicked off October 2021.
- * Established the Plan Sedona interactive website.

Council Priority - Emergency Preparedness:

- * Ready, Set, Go! Campaign launched.
- * Community outreach and training program started.
- * Emergency Plan update started.

Council Priority - Economic Diversification:

- * Approved partnership with Yavapai County to match \$494,000 to participate in a final mile Initiative to bring broadband services and better connectivity to the community.

CITY COUNCIL – Administration
continued

FY 2023 Objectives

Overall City Value - Good Governance:

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

Council Priorities:

- * Traffic improvements - Sedona In Motion
- * Affordable/workforce housing
- * Trailhead congestion/impact to neighborhoods
- * Dells land use planning
- * Community Plan update
- * Sustainable tourism
- * Public transit system
- * Environmental stewardship/sustainability
- * Emergency preparedness
- * Monitor short-term rentals
- * Citizen communications/relations
- * Economic diversification

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
City Council communications reviewed	140	135	135	112	112
Public meetings held	50	50	50	57	50
Hours spent in City Council meetings	150	150	150	150	128

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Expenditures per capita: All General Fund services (ICMA Benchmark 2016-2020)	\$866 (all) / \$1,269 (cities under 30,000 pop.)	\$2,509	\$2,177	\$2,111	\$1,877	\$1,762
Expenditures per capita + annualized visitor population: All General Fund services		\$1,229	\$1,094	\$1,046	\$943	\$914

CITY MANAGER'S OFFICE

Mission Statement

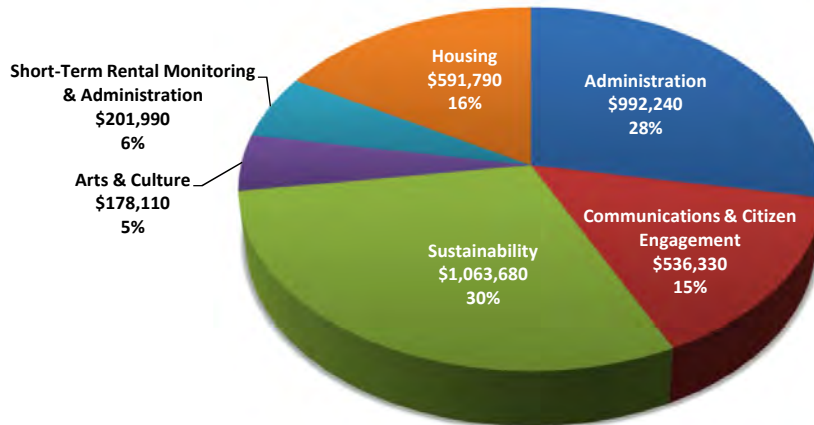
To assist departments and City Council in meeting performance goals by fostering an organizational environment that encourages a commitment to teamwork and delivery of quality municipal services to external customers (residents) and internal customers (employees).

Description

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

- * Administration
- * Communications and Citizen Engagement
- * Sustainability
- * Arts and Culture
- * Short-Term Rental Monitoring and Administration
- * Housing
- * Tourism Management and Development (moved to General Services starting fiscal year 2022-23)

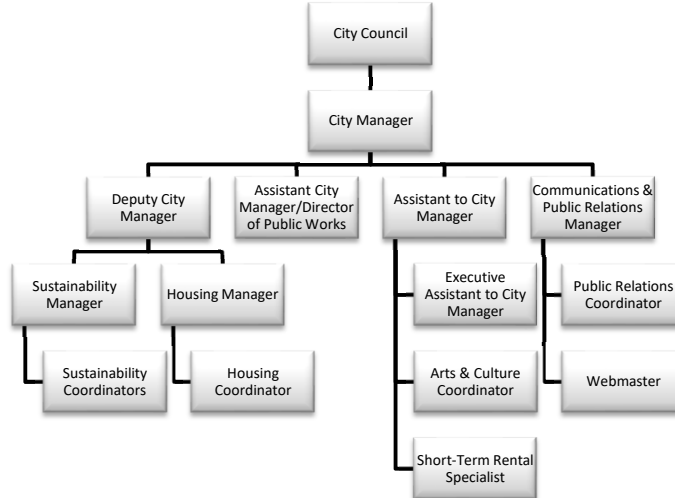
FY 2023 PROGRAM EXPENDITURES: \$3,564,140



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY MANAGER'S OFFICE – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 753,640	76%	\$ 690,860	\$ 668,730	\$ 541,504
Supplies & Services	115,500	12%	117,450	101,980	39,190
Subtotal Direct Costs	\$ 869,140	88%	\$ 808,310	\$ 770,710	\$ 580,695
Internal Charges	123,100	12%	141,850	134,730	112,850
Total Expenditures	\$ 992,240	100%	\$ 950,160	\$ 905,440	\$ 693,545
Expenditures by Fund					
General Fund Portion	\$ 992,240	100%	\$ 950,160	\$ 905,440	\$ 693,545
Funding Sources					
Allocations to Other Departments	\$ 917,240	92%	\$ 875,160	\$ 826,940	\$ 693,545
Funding from General Revenues:					
Estimated Resident Generated	\$ 26,250	3%	\$ 26,250	\$ 27,480	\$ -
Estimated Visitor Generated	\$ 48,750	5%	\$ 48,750	\$ 51,020	\$ -
Employee Time Allocation (FTEs) (Budgeted)	4.20		4.00		4.40

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

FY 2022 Accomplishments

Overall City Value - Good Governance:

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

Council Priority - Complete Various Traffic Improvements:

- * Approved design of Forest Road Extension and Oak Creek Pedestrian Crossing
- * Soldiers Pass Road and Shelby Drive Roadway improvements completed.
- * Shared pathways completed on Sanborn Drive/Thunder Mountain Road and Dry Creek Road.
- * Green striped bike lanes installed along SR 89A.

Council Priority - Public Transit System:

- * Purchased hybrid transit shuttles and micro-transit vehicles.
- * Coordinated vehicle signage branding.
- * Executed extension of Transportation Sales Tax dedicated to transit.
- * Launched trailhead shuttle program.

Council Priority - Affordable Housing:

- * Hired Housing Manager position in partnership with City of Cottonwood.
- * Completed development agreement for construction of workforce apartment units.
- * Launched down payment/closing cost assistance program.

Council Priority - Environmental Stewardship/Sustainability:

- * Developed Climate Action Plan.
- * Expanded Sustainability staff to include a manager and two Sustainability Coordinator positions.
- * Implemented curbside yard waste collection and mulching program.
- * Installed electric vehicle charging stations at City Hall and Jordan Road.

Council Priority - Trailhead Congestion/Impact to Neighborhoods:

- * Added positions for Traffic Control Assistants and Community Services Aides to assist with parking restrictions and trail closures.
- * Placed roadside barriers to mitigate illegal parking.
- * Completed shared-use paths and implemented restrictions at Soldiers Pass Road and Dry Creek Road.

Council Priority - Community Plan Update:

- * Kicked off Community Plan Update project.
- * Established the Plan Sedona interactive website.

Council Priority - Emergency Preparedness:

- * Ready, Set, Go! Campaign launched.
- * Community outreach and training program started.
- * Emergency Plan update completed.
- * Completed the Emergency Preparedness Plan including a resident guide and distributed prior to wildfire season.

Council Priority - Economic Diversification:

- * Approved partnership with Yavapai County to match \$494,000 to participate in the Final Mile Initiative to bring broadband services and better connectivity to the community.

Council Priority - Monitor-Short Term Rentals:

- * Continued advocacy of greater local control to regulate short-term rentals, including engagement of a legislative advocate.

CITY MANAGER'S OFFICE – Administration
continued

FY 2023 Objectives

Overall City Value - Good Governance:

- * Continue to direct staff toward achievements in alignment with City Council priorities.
- * Explore the opportunity to purchase the Cultural Park and assess the feasibility of purchasing the Cultural Park for uses which will benefit the community.
- * Engage local partners to develop a local resource guide and evaluate opportunities to expand existing programs and services that address issues for persons experiencing homelessness.

Council Priority - Complete Various Traffic Improvements

- * Continue to implement Sedona in Motion projects.
- * Extend the Dry Creek Road shared-use path.
- * Begin outreach for a shared-use path or sidewalk in the Andante neighborhood.
- * Continue development of the Uptown parking garage.

Council Priority - Public Transit System:

- * Launch micro-transit.
- * Identify park-and-ride sites.
- * Continue implementation of long-range transit system.

Council Priority - Affordable/Workforce Housing:

- * Identify future strategies to increase the affordable housing supply in the City.

Council Priority - Trailhead Congestion/Impact to Neighborhoods:

- * Continue staffing Traffic Control Assistants and Community Service Aides, placing physical barriers to help trailhead parking issues.
- * Address safety issues on Dry Creek Road.

Council Priority - Community Plan Update:

- * Continue plan development with regular public meetings and extensive public outreach including focus groups, surveys, and an online participation platform.

Council Priority - Sustainable Tourism:

- * Continue pause on the Tourism Bureau's destination marketing efforts.
- * Focus on implementation of the Sustainable Tourism Plan.

Council Priority - Environmental Stewardship/Sustainability:

- * Continue implementation of Climate Action Plan.
- * Complete environmental impact analysis of off-highway vehicles (OHVs) in and around Sedona.

Council Priority - Emergency Preparedness:

- * Partner with Coconino County on a pilot project modeling emergency evacuation routes in Uptown.

Council Priority - Monitor Short-Term Rentals:

- * Expand short-term rental administration program in the City Manager's Office.
- * Continue support of greater local control to regulate short-term rentals.

Council Priority - Citizen Communications/Relations:

- * Continue to expand ways to keep residents informed and engaged in all facets of decision making.

Council Priority - Economic Diversification:

- * Continue diversification efforts including work with Yavapai County to bring broadband to Sedona by 2024.

Council Priority - Sense of Place - Provide Public Gathering Spaces:

- * Accelerate buildout of the Brewer Road Ranger Station Park.
- * Build dedicated pickleball courts at Posse Grounds Park.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
City Council agenda bill items reviewed	140	135	130	110	112
Established Council Priorities	15	13	10	14	16

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
% of City Council annual priority goals completed by established deadlines		80%	80%	80%	80%	80%
National Citizen Survey: Quality of all local government services (% responses favorable) (ICMA Benchmark 2016-2020)	79%	70%	N/A	N/A	68% (Similar to NCS benchmark)	N/A
National Citizen Survey: Overall customer service by Sedona employees (police, receptionists, planners, etc.) (% responses favorable)		79%	N/A	N/A	79% (Similar to NCS benchmark)	N/A
Employee Survey: The City is a good place to work (% responses favorable)		92%	92%	N/A	N/A	N/A

CITY MANAGER'S OFFICE – Communications & Citizen Engagement

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 332,710	62%	\$ 192,670	\$ 182,350	\$ 153,575
Supplies & Services	124,070	23%	29,640	58,060	26,030
Subtotal Direct Costs	\$ 456,780	85%	\$ 222,310	\$ 240,410	\$ 179,605
Internal Charges	79,550	15%	53,140	50,730	49,080
Total Expenditures	\$ 536,330	100%	\$ 275,450	\$ 291,140	\$ 228,685
Expenditures by Fund					
General Fund Portion	\$ 533,210	99%	\$ 272,510	\$ 288,380	\$ 226,605
Other Funds Portion	\$ 3,120	1%	\$ 2,940	\$ 2,760	\$ 2,080
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 187,720	35%	\$ 96,410	\$ 101,900	\$ 80,040
Estimated Visitor Generated	\$ 348,610	65%	\$ 179,040	\$ 189,240	\$ 148,645
Employee Time Allocation (FTEs) (Budgeted)	3.00		2.00		2.00

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, citizen services, and media relations.

A portion of the Communications and Citizen Engagement program is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

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

- * Coordinated City Talk articles for publication; placed news releases in local media publications.
- * Executed social media policy and increased followers.
- * Created specialized website content for top initiatives including COVID-19, Sedona in Motion, and transit.
- * Created and executed Communications Plans on high profile projects including the Community Plan.
- * Executed a FY 2023 budget survey.
- * Executed the Volunteer Luncheon and Citizens Academy in a pandemic.
- * Communicated and produced the City's accomplishments and City Council's priorities to residents in two videos.
- * Launched Straight Talk with Karen and monthly eNews Round Up.

FY 2023 Objectives

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

- * Continue to engage residents in Sedona in Motion public involvement opportunities like work groups, surveys, public meetings, etc.
- * Continue to offer meaningful work group opportunities for citizens.
- * Continue Straight Talk with Karen, the monthly eNews Round Up, and video creation, and seek out other communications initiatives.
- * Refine and reorganize content on communications and citizen engagement webpages.
- * Overall continuous improvement of usability and functionality of the City website and other digital communication tools.
- * Coordinate the 2022 Citizens Academy and Volunteer Luncheon.
- * Conduct the Community Survey.
- * Continue to keep residents informed through website, eNotify, press releases, Community Report, and social media communications.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Citizens participating in City work groups	48	50	50	30	42
Citizens participating in Citizens Academy	22	15	22	22	23
New citizen work groups created	5	5	5	4	4
Active work groups	6	6	6	5	6
Nixle community alert subscribers	3,800	3,200	3,600	3,456	2,565
Total Facebook followers	10,300	10,100	10,100	8,913	7,998
Sedona resident Facebook followers	1,300	1,410	1,410	1,197	1,147
Press releases issued	90	120	120	101	79
Total Instagram followers	3,500	2,800	3,100	2,550	1,420
City Talk columns published	24	24	24	24	24

CITY MANAGER'S OFFICE – Communications & Citizen Engagement

continued

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

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
National Citizen Survey: Respondents likely to use City website or eNotify emails to learn about City issues (% responses favorable)	Not a standard NCS question	80%	N/A	N/A	78%	N/A
National Citizen Survey: Quality of public information services (% responses favorable)	Not a standard NCS question	69%	N/A	N/A	67%	N/A
Digital reach and open rates of City issued e-notifications		4,470 subscribers / 34% open rate	4,660 subscribers / 40% open rate	4,470 subscribers / 34% open rate	4,470 subscribers / 34% open rate	3,960 subscribers / 40% open rate
Citizens Academy Participants Survey: Experience was valuable (% responses favorable)		100%	100%	100%	100%	100%
Work Group Participants Survey: Experience was valuable (% responses favorable)		83%	100%	83%	83%	100%

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Employee Survey: Overall, I am satisfied with internal City communication (% responses favorable)		N/A	75%	N/A	N/A	N/A



CITY MANAGER'S OFFICE – Sustainability

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 305,950	29%	\$ 222,450	\$ 211,050	\$ 98,219
Supplies & Services	616,900	58%	472,100	204,430	147,095
Capital & Debt Service	38,000	4%	38,000	-	5,621
Subtotal Direct Costs	\$ 960,850	90%	\$ 732,550	\$ 415,480	\$ 250,935
Internal Charges	102,830	10%	54,200	52,420	33,430
Total Expenditures	\$ 1,063,680	100%	\$ 786,750	\$ 467,900	\$ 284,365
Expenditures by Fund					
General Fund Portion	\$ 1,060,380	100%	\$ 784,550	\$ 467,100	\$ 283,049
Other Funds Portion	\$ 3,300	0%	\$ 2,200	\$ 800	\$ 1,316
Funding Sources					
Program Revenues	\$ 9,950	1%	\$ 9,950	\$ 8,900	\$ 9,950
Funding from General Revenues:					
Estimated Resident Generated	\$ 368,810	35%	\$ 271,880	\$ 160,650	\$ 96,045
Estimated Visitor Generated	\$ 684,920	64%	\$ 504,920	\$ 298,350	\$ 178,370
Employee Time Allocation (FTEs) (Budgeted)	3.00		2.00		1.00

Sustainability is a significant component of the Community Plan and a Council Priority. The Sustainability program develops and implements policies, projects, and programming to enhance municipal operations and community-wide sustainability.

The Sustainability program offers:

- * Strategic planning for Sedona's sustainability and resiliency in accordance with the Community Plan.
- * Educational classes, workshops, and opportunities for staff and community members to learn more about sustainability.
- * Planning and implementation of sustainability infrastructure such as electric vehicle charging stations and water filling stations.
- * Annual household hazardous waste and electronics collection in a cost-sharing partnership with Yavapai County.
- * Analysis of state and federal policy for implications for Sedona's climate action efforts.
- * Research and best practices to increase the sustainability of City initiatives while working internally with the City team.
- * Data collection for renewable energy generation and consumption of natural resources including paper, water, fuel, electricity, and natural gas.
- * Development of municipal and community-wide greenhouse gas inventories.
- * Coordination of regional cooperative buying opportunities for solar and other sustainable technology.
- * Regional sustainability information through the City's partnership with the Verde Valley Sustainability Alliance and Sustaining Flows Council.
- * Annual financial assistance to Oak Creek Watershed Council for stormwater outreach.

The program finalized the Sedona Climate Action Plan (CAP) which was adopted by Council in July 2021. Staff are currently working on implementing the CAP through programs such as a Green Fleet Policy, community composting, and residential energy efficiency support. The program is working with a new energy data management system and finalizing data collection for all municipal water accounts. Water, energy, fuel, and paper consumption were down in FY 2021 due to pandemic-related remote work and will most likely rise to near pre-pandemic levels during FY 2022. Council approved funding in the FY 2021 budget for the purchase of renewable energy for municipal operations through an Arizona Public Service (APS) subscription service, which has not yet been implemented by APS. Staff are optimistic that the subscription service will be available in the first quarter of FY 2023, which will allow the City to source a larger portion of its energy portfolio from renewable sources.

A portion of the Communications and Citizen Engagement program is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

CITY MANAGER'S OFFICE – Sustainability

continued

FY 2022 Accomplishments

Council Priority - Environmental Stewardship/Sustainability:

- * Finalized Climate Action Plan to identify strategies to take meaningful action on climate change.
- * Installed fleet telematics software on municipal vehicles to identify appropriate vehicles for electrification.
- * Finalized plans for grant-funded electric vehicle chargers at Sunset Park.
- * Deployed an electric police fleet motorcycle.
- * Approved a Green Fleet Policy to transition City fleet to electric vehicles.
- * Hosted community-wide household hazardous waste and electronics recycling event.
- * Hosted Pumpkin-Drop composting event to divert Halloween waste from landfill.
- * Created the framework for a community food scraps compost drop off program at Posse Grounds Park.
- * Conducted a comparative life-cycle analysis of electric buses.
- * Received a \$15,000 grant to engage Sedona's immigrant community in climate action planning.
- * Transitioned the City to a new energy management platform.
- * Hosted Oak Creek stakeholder meetings in partnership with the Arizona Department of Environmental Quality and Oak Creek Watershed Council.
- * Represented the City at biweekly Sustainability Alliance meetings and monthly meetings for Oak Creek Watershed Council and the Verde Valley Sustainability Flows Council.
- * Participated in the development of the Arizona Statewide Transportation Electrification Plan.
- * Launched the Home Energy Retrofit Project, providing residents with funding for energy efficiency projects to reduce emissions and utility bills.

FY 2023 Objectives

Council Priority - Environmental Stewardship/Sustainability:

- * Expand public and City fleet electric vehicle charging infrastructure.
- * Increase number of hybrid and electric vehicles in City fleet.
- * Expand energy retrofit and rebate program.
- * Continue community compost pilot project.
- * Develop on-site solar and energy efficiency projects for City operations.
- * Update the Municipal Sustainability Plan within the context of the Climate Action Plan.
- * Host annual Fix-it Clinic.
- * Create a sustainable procurement guide/policy to align City purchasing with sustainability goals.
- * Continue participation in Oak Creek Watershed Council, Verde River Sustaining Flows Council, and Sustainability Alliance.
- * Expand Spanish-language community engagement.
- * Study the environmental impacts of off-highway vehicles (OHVs).

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Greenhouse gas emissions produced by municipal operations (metric tons of CO2 equivalent)	2,300	N/A	2,500	N/A	N/A
Energy consumed at City facilities (kilowatt hours)	3,500,000	3,500,000	3,947,886	4,177,463	4,281,452
Renewable energy generated at City facilities (kilowatt hours)	3,500,000	3,500,000	1,400,000	1,324,335	1,330,509
Water consumed in City operations (gallons)	15,000,000	15,000,000	17,000,000	16,904,920	14,779,440
Fuel used by City fleet (gallons)	45,000	38,000	45,012	36,226	40,522
Paper purchased for City operations (sheets)	415,000	350,000	435,000	455,000	455,000
Electronics recycling collected (weight in pounds)	12,000	11,438	11,438	15,254	17,237
Household hazardous waste collected (weight in pounds)	12,000	12,900	12,900	10,620	8,770

Council Priority - Environmental Stewardship/Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Sustainability Alliance rating		Silver	Silver	Silver	Bronze	Bronze
Department of Energy SolSmart rating		Silver	Silver	Bronze	Bronze	Bronze
% of energy purchased from renewable sources (goal of 100% renewable energy by 2025)		75%	75%	31%	31%	31%
% reduction in water use at City facilities from 2018 baseline year (goal of 30% reduction by 2025)		N/A	N/A	N/A	N/A	N/A
% of electric vehicles in City fleet (goal of 100% electric fleet by 2030)		5%	5%	3%	1%	1%
% of 100% recycled-content paper purchased (goal of 100% recycled-content paper by 2022)		100%	100%	100%	1%	1%

CITY MANAGER'S OFFICE – Arts & Culture

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 106,900	60%	\$ 92,560	\$ 100,090	\$ 71,407
Supplies & Services	28,600	16%	18,600	15,100	1,650
Subtotal Direct Costs	\$ 135,500	76%	\$ 111,160	\$ 115,190	\$ 73,057
Internal Charges	42,610	24%	35,610	36,050	22,880
Total Expenditures	\$ 178,110	100%	\$ 146,770	\$ 151,240	\$ 95,937
Expenditures by Fund					
General Fund Portion	\$ 178,110	100%	\$ 146,770	\$ 151,240	\$ 95,937
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 62,340	35%	\$ 51,370	\$ 52,930	\$ 33,578
Estimated Visitor Generated	\$ 115,770	65%	\$ 95,400	\$ 98,310	\$ 62,359
Employee Time Allocation (FTEs) (Budgeted)	1.00		1.00		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 program is responsible for overseeing the following major areas: Art in Public Places, the City Hall Art Rotation Program, the Artist in the Classroom Program, the Mayor's Arts Awards, and the monthly Moment of Art presentations to City Council, as well as working with the Community Development Department regarding Art In Private Development.

FY 2022 Accomplishments

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

- * Collected submissions for four roundabouts, created a committee to select six candidates, commissioned maquettes, set up the public display at the library, oversaw the creation of artists videos and the public voting process, presented the finalist recommendations to the City Council, and awarded four artists contracts.
- * During the challenges of COVID-19, hosted a safe and successful artist reception and curated a new Couples Exhibit with master artists, as well as hired musicians to play at the reception for the new year.
- * Integrated culture into the Moment of Art and art exhibits, as well as connected the Director of the Sedona Heritage Museum with programming opportunities for cultural theater.
- * Issued Call for Nominations for potential Mayor's Arts Awards recipients, identified artist to create award for recipients, formed a committee to review nominees, and began planning for the event.
- * Connected with local businesses to promote local artists' work to display and/or purchase.

FY 2023 Objectives

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

- * Supervise the Mayor's Arts Awards Work Group to review and vote on four recipients; procure awards, venue/date, caterer, musician, photographer, videographer to film recipients; oversee filming; plan the program; and emcee the event.
- * Work with Engineering staff to plan installations of art in four roundabouts, design informational brochures for each, and schedule and emcee public unveiling with the artists and the Mayor.
- * Update the City website's Arts and Culture landing page and program pages.
- * Partner with the Director of the Sedona Public Library to develop youth arts exhibits, as well as collaborate on other creative programming through the Artist in the Classroom and City Hall Art Rotation programs.
- * Partner with the Sedona Heritage Museum and collaborate on future cultural programming possibilities.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Artist in the Classroom assignments per year	50	45	45	6	13
Artist in the Classroom students reached	750	750	500	111	210
City Hall Art Rotation Program artists exhibited per year	6	6	11	9	6
City Hall Art Rotation Program viewings plus attendees for Artist Receptions	400	350	350	25	300
Moment of Art for City Council artists performed	24	16	13	0	9

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

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Teacher Survey: Artist in the Classroom experience was valuable (% responses favorable)		100%	100%	95%	90%	100%
National Citizen Survey: Opportunities to attend cultural/arts/music activities (% responses favorable)		69% (Similar to NCS benchmark)	69% (Similar to NCS benchmark)	N/A	66% (Similar to NCS benchmark)	N/A
City Hall Artist Reception Survey: Experience was valuable (% responses favorable)		100%	N/A	100%	100%	N/A



CITY MANAGER'S OFFICE – Short-Term Rental Monitoring & Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 87,710	43%	\$ -	\$ -	\$ -
Supplies & Services	51,750	26%	-	-	-
Subtotal Direct Costs	\$ 139,460	69%	\$ -	\$ -	\$ -
Internal Charges	62,530	31%	-	-	-
Total Expenditures	\$ 201,990	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 161,990	80%	\$ -	\$ -	\$ -
Other Funds Portion	\$ 40,000	20%	\$ -	\$ -	\$ -
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 70,700	35%	\$ -	\$ -	\$ -
Estimated Visitor Generated	\$ 131,290	65%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)					
	1.00		0.00		0.00

The Short-Term Rental Monitoring and Administration program was initiated in FY 2023 with the creation of a Short-Term Rental Specialist position. Costs previously incurred for short-term rental monitoring were recorded in the Administration program of the Community Development Department.

A portion of the Communications and Citizen Engagement program is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2023 Objectives

Council Priority - Monitor Short-Term Rentals:

- * Utilize GovOS tools to enhance monitoring efforts
- * Create monthly reports of the short-term rental impacts
- * Oversee the short-term rental hotline
- * Respond to public records requests regarding short-term rentals
- * Create presentations and communicate with stakeholders
- * Coordinate with Code Enforcement, Police, City Clerk, Information Technology/Geographic Information Systems and other departments' staff to improve reporting capabilities

CITY MANAGER'S OFFICE – Housing

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 215,290	36%	\$ 154,530	\$ 93,940	\$ -
Supplies & Services	322,000	54%	402,500	2,240	-
Subtotal Direct Costs	\$ 537,290	91%	\$ 557,030	\$ 96,180	\$ -
Internal Charges	54,500	9%	-	1,120	-
Total Expenditures	\$ 591,790	100%	\$ 557,030	\$ 97,300	\$ -
Expenditures by Fund					
Other Funds Portion	\$ 591,790	100%	\$ 557,030	\$ 97,300	\$ -
Funding Sources					
Program Revenues	\$ 591,790	100%	\$ 557,030	\$ 97,300	\$ -
Employee Time Allocation (FTEs) (Budgeted)	2.00		1.00		0.00

The Housing program was created in FY 2021 to implement the recently created housing action plan for affordable and workforce housing, addressing the City Council's priority. The Housing program expands and preserves affordable homeownership and rental opportunities in Sedona by developing and implementing policies, projects, and programming which support housing availability, while fostering public-private partnerships in the development and creation of affordable/workforce housing.

FY 2022 Accomplishments

Council Priority - Affordable Housing:

- * Down Payment/Closing Cost Assistance Program launched in January 2022.
- * Priority properties identified for possible acquisition
- * Explored incentive programs for conversion of short-term rentals to long-term rentals, purchase of deed restrictions, and public information campaign.
- * Convened work group to update Development Incentives and Guidelines for Affordable Housing (DIGAH).
- * Coordinated Verde Valley regional conversation.
- * Advocated for Arizona Department of Housing (ADOH) support through the U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program American Rescue Plan funding (HOME-ARP) and Homelessness Prevention Plan.
- * Housing Manager selected to participate in League of Arizona Cities and Towns "Affordable Housing/Street Homelessness Workgroup," as one of two representatives from rural Arizona to represent cities/towns interests regarding pending legislation.

FY 2023 Objectives

Council Priority - Affordable Housing:

- * Encourage the development of affordable housing units.
- * Incentivize the inclusion of affordable units in private development.
- * Increase resources to support affordable housing.
- * Monitor the increase in demand and any loss of affordable units.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Council meetings and work sessions	4	N/A	1	N/A	N/A
Number of applications for down-payment assistance	20	N/A	15	N/A	N/A

Council Priority - Affordable Housing:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Housing Production: New affordable housing units created		100	3	3	3	N/A
Housing Investment: Affordable housing projects assisted with housing funds		3	1	1	1	N/A
Number of down-payment assistance applications approved and funded		10	N/A	4	N/A	N/A

CITY MANAGER'S OFFICE – Sustainable Tourism Contract

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Supplies & Services	\$ -	0%	\$ 2,100,000	\$ 2,102,980	\$ 2,737,503
Internal Charges	-	0%	11,770	10,980	8,800
Total Expenditures	\$ -	0%	\$ 2,111,770	\$ 2,113,960	\$ 2,746,303
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ 2,111,770	\$ 2,113,960	\$ 2,746,303
Funding Sources					
Program Revenues	\$ -	0%	\$ 1,004,186	\$ 1,328,857	\$ 1,021,571
Funding from General Revenues:					
Estimated Resident Generated	\$ -	0%	\$ 387,650	\$ 274,790	\$ 603,656
Estimated Visitor Generated	\$ -	0%	\$ 719,934	\$ 510,313	\$ 1,121,076
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The Sustainable Tourism Contract program was transferred to General Services for FY 2023.

Council Priority - Sustainable Tourism:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Annual daily room rate for hotels (ADR)		N/A	\$232.72	\$323.13	\$279.17	\$210.72
Bed tax collections (in millions)		N/A	\$7.0	\$9.3	\$7.2	\$4.2
City sales tax collections (in millions)		N/A	\$28.0	\$33.8	\$27.8	\$20.2
Hotel occupancy rate		N/A	65%	69.9%	67.4%	57%
Visitors assisted at visitor center, via email, and via telephone		N/A	290,000	124,393	102,930	142,373
Visitor Service Survey: % satisfied measured at visitor center and/or electronically		N/A	97% based on: 2017: 97%, 2018: 96%, 2019: 98%	99%	Online visitor survey on hold during COVID-19 pandemic, reinstated Jan-June 2021: 99%	Survey on hold during COVID 19 pandemic.

HUMAN RESOURCES

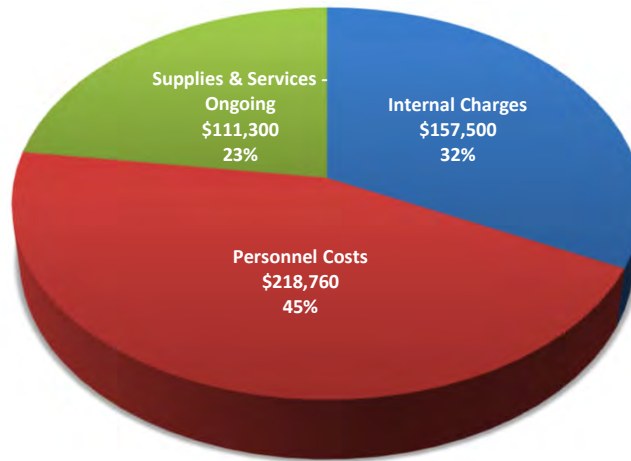
Mission Statement

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.

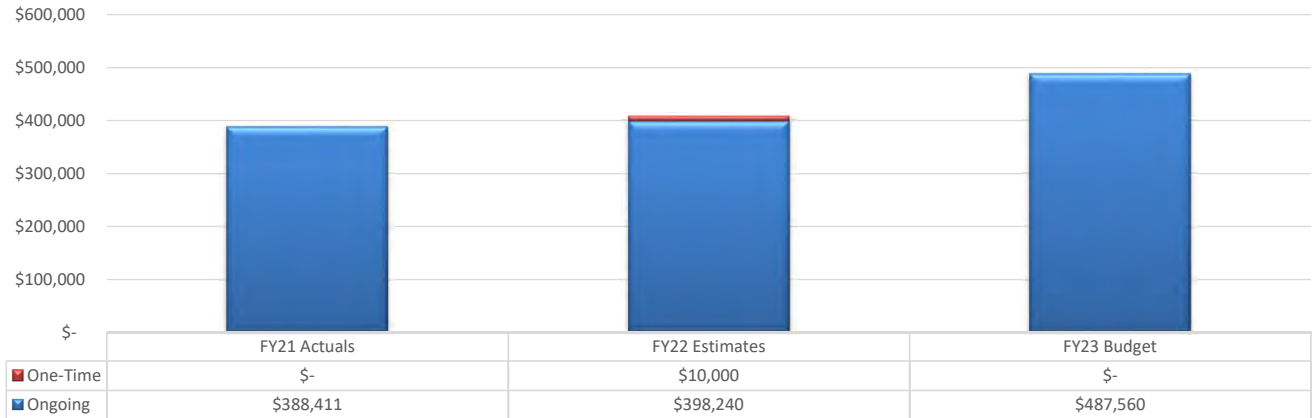
Description

The Human Resources Department provides a full range of services to regular and seasonal employees. The two-person department implements best practices 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.

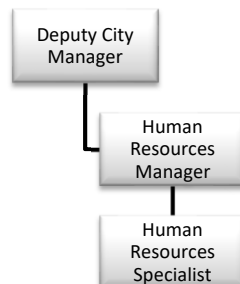
FY 2023 PROGRAM EXPENDITURES: \$487,560



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



HUMAN RESOURCES – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 218,760	45%	\$ 221,060	\$ 209,150	\$ 210,628
Supplies & Services	111,300	23%	125,600	110,000	72,323
Subtotal Direct Costs	\$ 330,060	68%	\$ 346,660	\$ 319,150	\$ 282,951
Internal Charges	157,500	32%	127,000	89,090	105,460
Total Expenditures	\$ 487,560	100%	\$ 473,660	\$ 408,240	\$ 388,411
Expenditures by Fund					
General Fund Portion	\$ 481,560	99%	\$ 473,660	\$ 408,240	\$ 388,411
Other Funds Portion	\$ 6,000	1%	\$ -	\$ -	\$ -
Funding Sources					
Allocations to Other Departments	\$ 481,560	99%	\$ 473,660	\$ 408,240	\$ 388,411
Funding from General Revenues:					
Estimated Resident Generated	\$ 2,100	<1%	\$ -	\$ -	\$ -
Estimated Visitor Generated	\$ 3,900	1%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	2.00		2.00		2.00

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Recruitment and hiring between July 2021 and January 2022 of 46 positions including the key positions of Assistant Finance Director, Court Administrator, Housing Manager, Police Lieutenant, Magistrate Judge, Police Officers, and Sustainability Manager.
- * Continued successful Triage Now workers compensation program.
- * Maintained new in-house workers compensation forms to assist with reduction in future injuries.
- * Pivoted and provided safety training as on-demand learning opportunities in lieu of in-person trainings.
- * Partnered with our risk management provider to increase safety awareness.
- * Continual implementation of innovative and economical recruitment techniques.
- * Increased interaction for new employee on-boarding efforts.
- * Worked closely with supervisors to maintain updated job descriptions and restructured department positions.
- * Maintained employee appreciation programs including pool and park passes and other employee discounts.
- * Focused reduction in workers compensation claims by chairing the Collision Review Board.
- * Implemented innovative on-boarding techniques to allow new employees to be effective in their positions immediately.
- * Created new employee paperless on-boarding system.

FY 2023 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 trainings and on-demand learning seminars.
- * Continue to work with managers to reduce the City's workers compensation claims.
- * 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.
- * Provide an enjoyable workplace of openness, teamwork, equality, fairness, and continual productivity.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Job postings	50	40	67	48	48
Applications received and reviewed	1,000	1,000	1,400	1,100	1,100
Individual job interviews conducted	125	200	150	175	175
Regular new hires on-boarded	30	30	45	36	33
Workers compensation injuries processed	5	5	8	11	8

HUMAN RESOURCES – Administration

continued

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Email and phone call responsiveness		1-24 hours	1-24 hours	1-24 hours	1-24 hours	1-24 hours
Workers comp EMOD ratings		0.75	0.75	0.80	0.80	0.74
Total FTEs per 1,000 population (ICMA Benchmark 2016-2020)	9.5 (all) / 11.3 (cities under 30,000 pop.)	17.1	14.2	15.8	14.6	14.2
Total FTEs per 1,000 population + annualized visitor population		8.3	7.2	7.8	7.3	7.4
Employee Survey: I plan to be working here in five years (% responses favorable)		85%	85%	N/A	N/A	N/A
Turnover percentages (ICMA Benchmark 2016-2020)	6.8% (all) / 7.1% (cities under 30,000 pop.)	8%	8%	22%	11.0%	11.4%
Employee Survey: I am satisfied with our healthcare-related benefits (% responses favorable)		90%	90%	N/A	N/A	N/A
Employee Survey: Employees have good working relationships with coworkers (% responses favorable)		94%	94%	N/A	N/A	N/A
Employee Survey: Employees feel the City is a good place to work (% responses favorable)		92%	92%	N/A	N/A	N/A
Employee Survey: Employees feel their work is meaningful and understand how their job supports the City's mission (% responses favorable)		94%	94%	N/A	N/A	N/A
Workers comp claims per 100 FTEs (ICMA Benchmark 2016-2020)	9.5 (all) / 8.1 (cities under 30,000 pop.)	8.0	10.3	9.0	9.7	7.5
Worker days lost to injury per 100 FTEs (ICMA Benchmark 2016-2020)	71.9 (all) / 55.5 (cities under 30,000 pop.)	15	20.5	20	0	19.8

FINANCIAL SERVICES

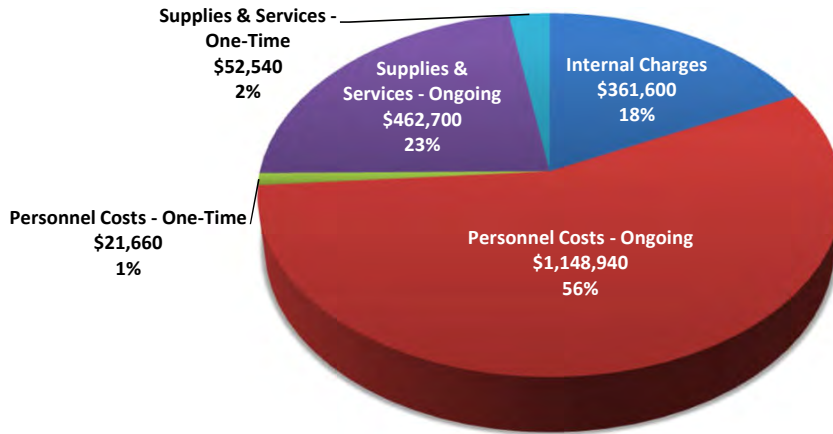
Mission Statement

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

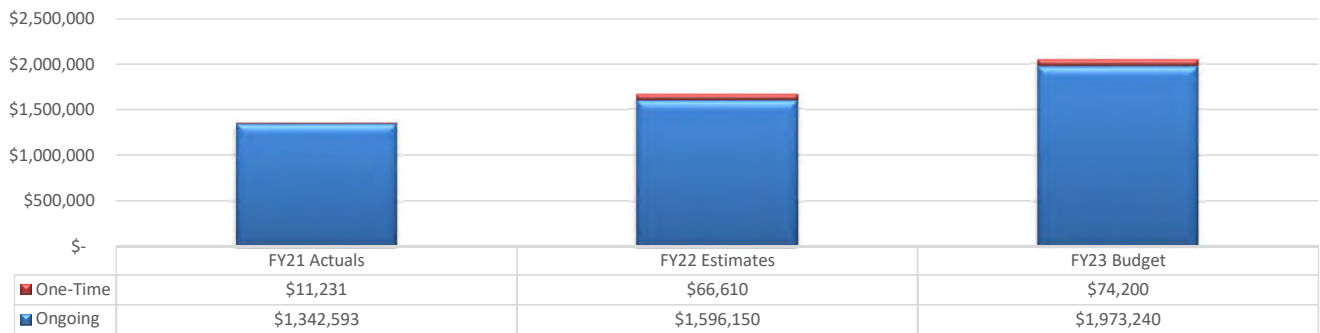
Description

The Financial Services Department is responsible for all financial-related areas such as financial reporting, debt management, treasury services, budget development and monitoring, wastewater billing, cash receipting, payroll, accounts payable, and procurement-related functions.

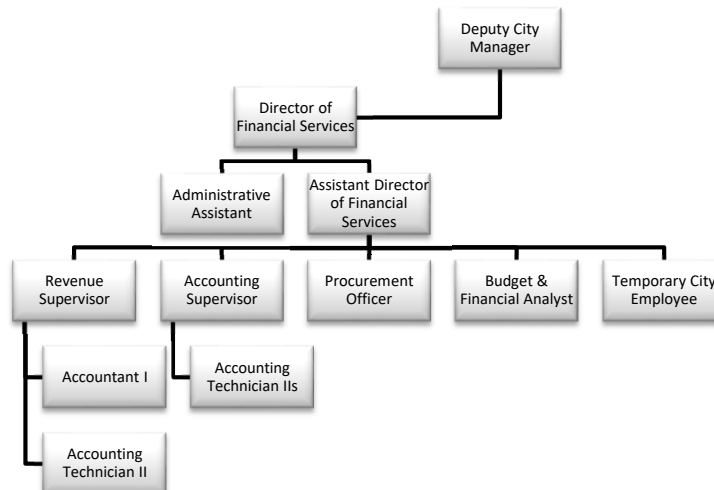
FY 2023 PROGRAM EXPENDITURES: \$2,047,440



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



FINANCIAL SERVICES – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 1,170,600	57%	\$ 954,310	\$ 890,860	\$ 768,640
Supplies & Services	515,240	25%	514,415	458,740	331,604
Subtotal Direct Costs	\$ 1,685,840	82%	\$ 1,468,725	\$ 1,349,600	\$ 1,100,244
Internal Charges	361,600	18%	308,730	313,160	253,580
Total Expenditures	\$ 2,047,440	100%	\$ 1,777,455	\$ 1,662,760	\$ 1,353,824
Expenditures by Fund					
General Fund Portion	\$ 1,905,530	93%	\$ 1,644,185	\$ 1,532,520	\$ 1,285,917
Wastewater Fund Portion	\$ 141,060	7%	\$ 133,270	\$ 129,740	\$ 67,907
Other Funds Portion	\$ 850	<1%	\$ -	\$ 500	\$ -
Funding Sources					
Allocations to Other Departments	\$ 1,857,920	91%	\$ 1,590,195	\$ 1,482,200	\$ 1,246,093
Program Revenues	\$ 189,520	9%	\$ 187,260	\$ 180,560	\$ 107,731
Employee Time Allocation (FTEs) (Budgeted)	11.24		10.00		8.73

A portion of the Financial Services Department 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 department costs is covered by revenues from the paid parking program.

FY 2022 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Received the Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report for FY 2020 – the 22nd year the City has received this award.
- * Hired a Procurement Officer and initiated a centralized procurement system.
- * Update the Purchasing Manual for current practices, sustainability and economic development considerations, and Federal requirements.
- * Obtained the GFOA Distinguished Budget Presentation Award for FY 2021 Budget – the eighth year the City has received the award.
- * Developed a budget-in-brief document for public distribution and submit to GFOA review program.
- * Reached cashback threshold for purchasing card transactions earning over \$21,000 for calendar year 2021 transactions.
- * Completed and implemented the capacity fee portion of the wastewater rate study.

FY 2023 Objectives

Overall City Value - Fiscal Sustainability:

- * Obtain the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report for FY 2022.
- * Obtain the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the FY 2023 Budget.
- * Prepare financial reports timely.
- * Develop and implement policy for investing based on environmental, social, and governance (ESG) principles.
- * Implement an analysis of user fees to identify full cost recovery levels and facilitate policy decisions regarding subsidization of services.
- * Complete the wastewater rate study.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Manual journal entries	850	850	950	962	904
Employee payments (total direct deposits and checks issued)	4,390	4,200	4,230	3,825	4,091
W-2s issued	280	230	257	207	217
Accounts payable payments processed	3,000	4,100	2,800	2,588	3,370
Purchase orders issued	180	240	160	146	118
Operating budget organization units	278	241	257	232	246
Projects in capital improvement plan	65	45	72	65	50
Average wastewater accounts billed per month	6,860	6,860	6,854	6,843	6,854
Wastewater account transfers	750	N/A	750	832	N/A
Wastewater accounts with deferred connection agreements	0	10	3	27	41
Wastewater accounts on environmental penalty	22	22	22	14	15
Delinquent wastewater accounts and total delinquent	50/\$70K	80/\$180K	58/\$77K	30/\$102K	67/\$153K

FINANCIAL SERVICES – Administration
continued

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
GFOA Certificate of Achievement in Financial Reporting		Yes	Yes	Yes	Yes	Yes
Issue monthly financial reports within 60 days of the end of the month (All necessary sales tax information is not available from Arizona Department of Revenue until approximately 45 days after the end of the month.)		Yes	Yes	No	No	No
Average investment yield compared to policy benchmark as of 6/30 (Policy benchmark is the Local Government Investment Pool (LGIP) Pool 5 yield.)		N/A	N/A	0.881% yield / 0.240% benchmark (as of	0.906% yield / 0.060% benchmark	1.199% yield / 0.340% benchmark
Bond Rating (Standard and Poors)		AA-	AA-	AA-	AA-	AA-
Audit findings		0	0	0	0	0
Department ongoing expenditures as percentage of total City operating expenditures		4.15%	4.48%	4.25%	4.35%	4.28%
Internal Survey: Overall satisfaction with service and support (% of responses favorable)		100%	95%	100%	100%	100%
Cost per employee pay		\$31.57	\$27.25	\$30.28	\$27.73	\$22.77
Accounts payable transactions processed within 30 calendar days: Date received by various City departments to date processed by Financial Services (ICMA Benchmark 2016-2020)	81% (all) / 68% (cities under 30,000 pop.)	90%	85%	90%	90%	84%
Purchases made via purchasing card/credit card as a percentage of all purchases (ICMA Benchmark 2016-2020)	6% (all) / 3% (cities under 30,000 pop.)	15%	15%	15%	14%	8.0%
Purchasing card cash back awards (standard transactions)		\$25,000	\$20,000	\$19,674	\$0	\$16,402
Purchasing card cash back awards (Tier 1 transactions - "large ticket" transactions)		\$1,000	\$1,000	\$1,528	\$1,054	\$923
Cost per accounts payable transaction		\$36.03	\$33.30	\$45.27	\$38.87	\$36.04
GFOA Distinguished Budget Presentation Award		Yes	Yes	Yes	Yes	Yes
Percentage difference in budgeted revenues to actuals		10%	10%	14%	31.6%	7%
Percentage difference in budgeted expenditures to actuals		10%	10%	16%	17.4%	11%
Wastewater delinquency rate		15%	28%	15%	19%	27%
Wastewater customers paying electronically		72%	74%	70%	68%	68%
Cost per cash receipt		\$8.76	\$6.49	\$7.91	\$6.95	\$5.90

CITY ATTORNEY'S OFFICE

Mission Statement

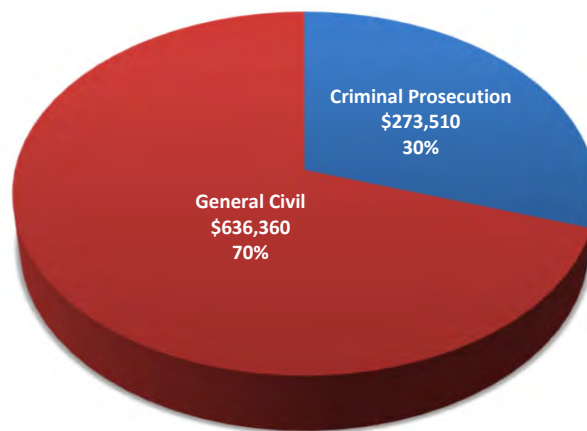
The City Attorney's Office strives to provide quality legal advice and services to the City Council, City departments and commissions and strives to vigorously prosecute criminal cases in a fair manner that leads to just results.

Description

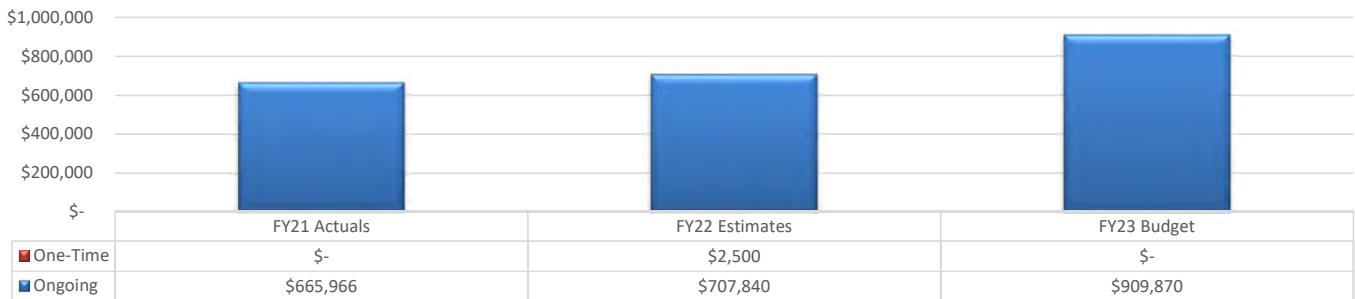
The City Attorney's Office provides internal services to City departments and personnel in several program areas:

- * Administration
- * General Civil
- * Land Development

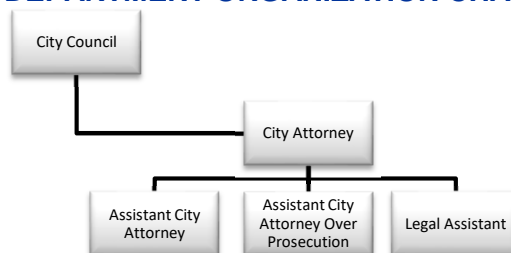
FY 2023 PROGRAM EXPENDITURES: \$909,870



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY ATTORNEY'S OFFICE – Criminal Prosecution

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 229,650	84%	\$ 217,620	\$ 222,370	\$ 210,830
Supplies & Services	2,700	1%	2,700	3,700	-
Subtotal Direct Costs	\$ 232,350	85%	\$ 220,320	\$ 226,070	\$ 210,830
Internal Charges	41,160	15%	50,630	48,200	42,920
Total Expenditures	\$ 273,510	100%	\$ 270,950	\$ 274,270	\$ 253,750
Expenditures by Fund					
General Fund Portion	\$ 273,510	100%	\$ 270,950	\$ 274,270	\$ 253,750
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 95,730	35%	\$ 94,830	\$ 95,990	\$ 88,813
Estimated Visitor Generated	\$ 177,780	65%	\$ 176,120	\$ 178,280	\$ 164,937
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 2022 Accomplishments

Overall City Value - Public Safety:

- * Successfully adapted and provided prosecution services within constraints imposed by the COVID-19 pandemic.
- * Established electronic connection to the Police Department to obtain files in an efficient manner.
- * Effectively and successfully conducted trials during the pandemic.
- * Successfully coordinated with the Sedona Police Department, other law enforcement agencies, and the victim advocate.

FY 2023 Objectives

Overall City Value - Public Safety:

- * Ensure public safety through the promotion of the fair and impartial pursuit of justice.
- * Continue to coordinate efforts in support of public safety with the Sedona Police Department.
- * Identify areas for additional training with the Sedona Police Department.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Criminal cases filed	390	334	418	363	263
Provide an annual case law update to Police Department	4	4	2	5	5
Hours of training provided to Police Department on operational matters	11	11	20	7.0	7.0

CITY ATTORNEY'S OFFICE – General Civil

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 301,270	47%	\$ 308,820	\$ 244,020	\$ 262,934
Supplies & Services	251,250	39%	244,780	110,800	74,843
Subtotal Direct Costs	\$ 552,520	87%	\$ 553,600	\$ 354,820	\$ 337,776
Internal Charges	83,840	13%	84,840	81,250	74,440
Total Expenditures	\$ 636,360	100%	\$ 638,440	\$ 436,070	\$ 412,216
Expenditures by Fund					
General Fund Portion	\$ 536,360	84%	\$ 538,440	\$ 436,070	\$ 409,351
Wastewater Fund Portion	\$ 100,000	16%	\$ 100,000	\$ -	\$ 2,865
Funding Sources					
Allocations to Other Departments	\$ 536,360	84%	\$ 538,440	\$ 436,070	\$ 409,351
Program Revenues	\$ 100,000	16%	\$ 100,000	\$ -	\$ 2,865
Employee Time Allocation (FTEs) (Budgeted)	1.89		1.89		2.39

The City Attorney's Office provides internal services to City departments and personnel in several areas: Administration, Land Development, and General Civil.

The Administration area of the City Attorney's Office provides legal advice to the Mayor and Council, the City Manager, 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 the cost for support services.

The Land Development area is responsible for reviewing all planning and zoning matters related to the City and reviewing changes to the Sedona Land Development Code. In addition, the program provides guidance to staff of the City's Community Development Department and Planning and Zoning Commission on land development matters. The General Civil area is responsible for initiating or defending claims and suits brought against the City.

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Attended all City Council and Planning and Zoning Commission meetings to ensure legal questions were accurately answered.
- * Assisted in reviewing and drafting and in implementation of new ordinances including small wireless facilities, wastewater capacity and connection fees, parking ordinance, and noise regulations.
- * Appealed the superior court ruling in the Arizona Water Company's conditional use permit case.
- * Managed the work of outside counsel on outstanding litigation matters, including Forest Road Connection Project eminent domain cases and matters handled by the Arizona Municipal Risk Retention Pool.
- * Managed, tracked, and assisted City departments in resolving various claims against the City.
- * Monitored bankruptcy petitions involving the City of Sedona.

FY 2023 Objectives

Overall City Value - Good Governance:

- * Continue to staff all City Council and Planning and Zoning Commission meetings.
- * Continue work with Community Development Department and Code Enforcement staff on resolving code enforcement issues on properties that are in violation of the Land Development Code or City Code.
- * Update short-term vacation rental ordinance based on Council direction, staff requests, and new legislation.
- * Develop a Risk Management program to oversee and mitigate organizational risk and continue to improve efficiencies in claims management.
- * Manage the work of outside legal counsel on outstanding litigation matters.
- * Monitor land use legislation and provide advice on impacts to the City.
- * Review and assist with 2022 revisions to the Sedona Land Development Code.

CITY ATTORNEY'S OFFICE – General Civil

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Admin - City Council agenda bill items reviewed	54	84	56	54	52
Admin - Ordinances processed	13	15	14	10	14
Admin - Resolutions processed	36	32	32	29	35
Admin - Public meetings attended	40	54	32	36	52
Admin - Contracts reviewed	138	148	156	107	150
Admin - Legal opinions provided	290	223	326	269	133
Land Development - Planning and zoning matters reviewed	19	24	14	17	26
General Civil - Claims and suits against City	10	10	8	13	15
General Civil - Claims against City resolved without litigation	8	8	6	5	11
General Civil - Traffic accidents involving City vehicles	16	23	16	20	11
General Civil - Claims regarding property damage to City property	22	16	36	22	7



CITY CLERK'S OFFICE

Mission Statement

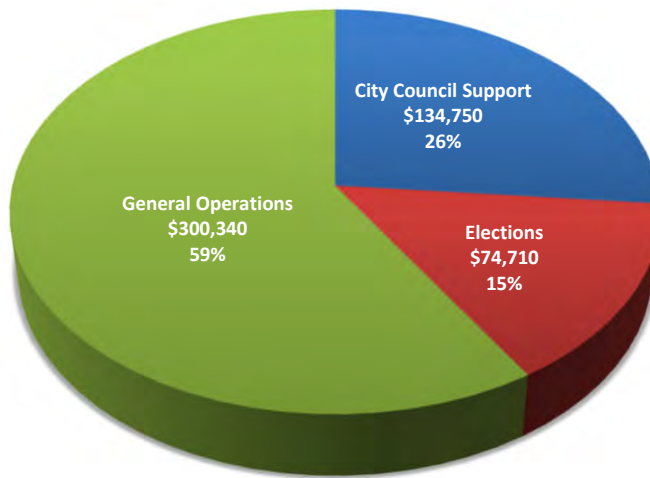
To provide exceptional service to the Mayor and City Council, the public, and City staff so that all may be guaranteed fair and impartial elections and open access to information and the legislative process.

Description

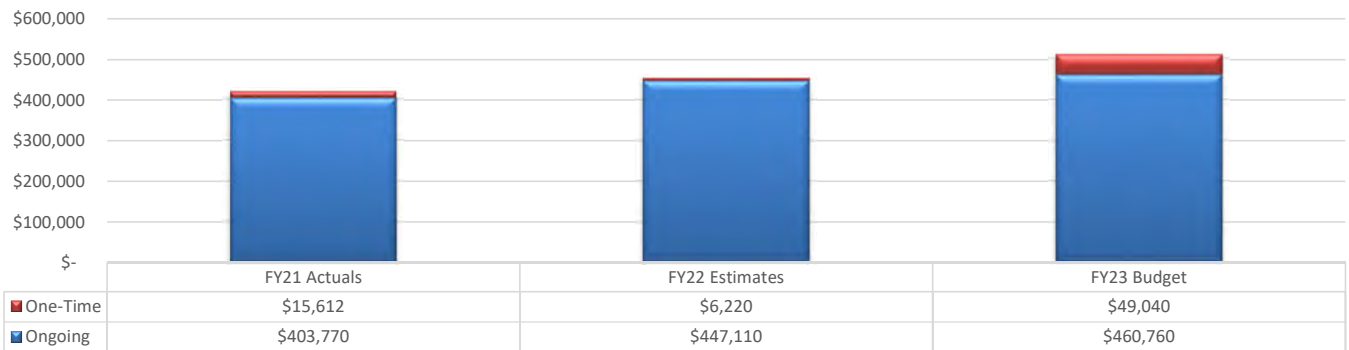
The City Clerk's Department is responsible for the following program areas:

- * City Council Support
- * Elections
- * General Operations, including customer relations; records management; permits, licenses, and registrations; and grants coordination

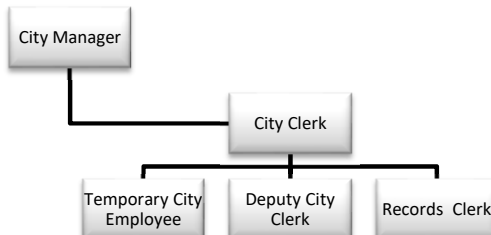
FY 2023 PROGRAM EXPENDITURES: \$509,800



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY CLERK'S OFFICE – City Council Support

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 78,580	58%	\$ 80,220	\$ 92,970	\$ 79,423
Supplies & Services	15,000	11%	15,000	14,500	10,265
Subtotal Direct Costs	\$ 93,580	69%	\$ 95,220	\$ 107,470	\$ 89,687
Internal Charges	41,170	31%	37,830	37,380	31,820
Total Expenditures	\$ 134,750	100%	\$ 133,050	\$ 144,850	\$ 121,507
Expenditures by Fund					
General Fund Portion	\$ 134,750	100%	\$ 133,050	\$ 144,850	\$ 121,507
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 47,160	35%	\$ 46,570	\$ 50,700	\$ 42,527
Estimated Visitor Generated	\$ 87,590	65%	\$ 86,480	\$ 94,150	\$ 78,980
Employee Time Allocation (FTEs) (Budgeted)	0.75		0.73		0.73

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.

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Provided Council support.
- * Completed agendas, packets, minutes, action item lists, and proclamations in an accurate and timely fashion.
- * Processed ordinances, resolutions, and applications for voluntary service on City boards and commissions.

FY 2023 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.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
City Council agendas posted	50	50	50	57	50
City Council communications reviewed	140	140	140	112	112
City Council meetings attended with minutes completed	50	50	50	57	50
Hours spent in City Council meetings	150	150	150	128	128
Ordinances processed	10	10	12	10	8
Resolutions processed	25	25	25	34	19

CITY CLERK'S OFFICE – Elections

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 11,800	16%	\$ 9,230	\$ 11,500	\$ 8,642
Supplies & Services	43,520	58%	1,000	1,400	15,712
Subtotal Direct Costs	\$ 55,320	74%	\$ 10,230	\$ 12,900	\$ 24,354
Internal Charges	19,390	26%	4,350	4,140	3,480
Total Expenditures	\$ 74,710	100%	\$ 14,580	\$ 17,040	\$ 27,834
Expenditures by Fund					
General Fund Portion	\$ 74,710	100%	\$ 14,580	\$ 17,040	\$ 27,834
Funding Sources					
Program Revenues	\$ 10	<1%	\$ -	\$ 10	\$ 10
Funding from General Revenues:					
Estimated Resident Generated	\$ 26,150	35%	\$ 5,100	\$ 5,960	\$ 9,738
Estimated Visitor Generated	\$ 48,550	65%	\$ 9,480	\$ 11,070	\$ 18,086
Employee Time Allocation (FTEs) (Budgeted)	0.11		0.09		0.09

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

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Served as an early voting location for Coconino County.
- * Provided ballot drop boxes for Coconino and Yavapai Counties.
- * Ensured filing and posting of campaign finance filings.
- * Coordinated Primary Election for City Council.

FY 2023 Objectives

Overall City Value - Good Governance:

- * Ensure filing and posting of campaign finance filings.
- * Serve as an early voting location for Coconino County.
- * Provide ballot drop boxes for Coconino and Yavapai Counties.
- * Perform identification verification for conditional provisional voters for Coconino and Yavapai Counties.
- * Prepare packets for City Council candidates.
- * Prepare for Alternative Expenditure Limitation election.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
City elections	0	0	1	0	0

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Cost of primary election for City Council		\$0	\$0	\$15,615	\$0	\$0
Cost of general election for City Council		\$0	\$0	\$0	\$0	\$0
Cost of alternative expenditure limitation election		\$0	\$300	\$10,000	\$0	\$0

CITY CLERK'S OFFICE – General Operations

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 179,130	60%	\$ 171,790	\$ 166,470	\$ 164,809
Supplies & Services	20,230	7%	18,145	13,940	9,971
Subtotal Direct Costs	\$ 199,360	66%	\$ 189,935	\$ 180,410	\$ 174,780
Internal Charges	100,980	34%	113,990	111,030	95,260
Total Expenditures	\$ 300,340	100%	\$ 303,925	\$ 291,440	\$ 270,040
Expenditures by Fund					
General Fund Portion	\$ 300,340	100%	\$ 303,925	\$ 291,440	\$ 270,040
Funding Sources					
Allocations to Other Departments	\$ 230,420	77%	\$ 237,200	\$ 226,840	\$ 210,070
Funding from General Revenues:					
Estimated Resident Generated	\$ 24,470	8%	\$ 23,350	\$ 22,610	\$ 20,990
Estimated Visitor Generated	\$ 45,450	15%	\$ 43,375	\$ 41,990	\$ 38,980
Employee Time Allocation (FTEs) (Budgeted)	2.06		2.06		2.06

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.

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Acted as a gatekeeper for the Sedona Citizens Connect and enhanced messaging to reporting parties.
- * Assisted customers remotely during the COVID-19 pandemic through use of virtual phones.

Overall City Value - Fiscal Sustainability:

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

FY 2023 Objectives

Overall City Value - Good Governance:

- * Act as the gatekeeper for the Sedona Citizens Connect, monitor issues for completion, suggest enhancements, and look for ways to increase usage by citizens.
- * 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	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Sedona Citizens Connect issues processed	165	165	165	180	180
Business license renewals issued	1,275	1,235	1,255	1,241	1,262
New business licenses issued	150	115	100	84	111
Temporary business licenses issued	225	90	200	223	100
Home-based business licenses	205	250	200	229	198
Closed business licenses	110	90	112	115	77
Special event liquor licenses	60	0	50	33	43
Liquor Licenses	15	12	15	13	14
Records requests processed	140	200	140	90	157
Grants awarded	5	5	5	3	5
Civil Union registrations	10	2	10	13	6
Peddler/solicitor permits	2	2	2	3	1
Records requests processed	140	200	140	90	157

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Sedona Citizens Connect average days to close an issue		17	17	18	18	18
Correctly submitted business license renewals received by December 31st and processed by December 31st		100%	100%	100%	100%	N/A
New business licenses processed within 30 days		100%	100%	100%	100%	N/A

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, find ways to get to Yes!, embody Professionalism, show Respect, lead with Innovation, and demonstrate Dedication to Excellence.

Description

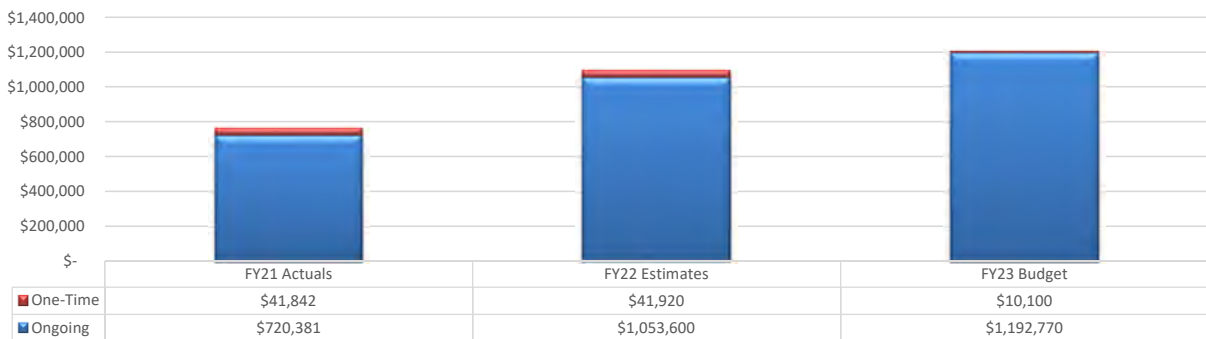
The Parks and Recreation Department is responsible for the following program areas:

- * Recreation Programs
- * Special Events
- * Parks Facilities and Maintenance

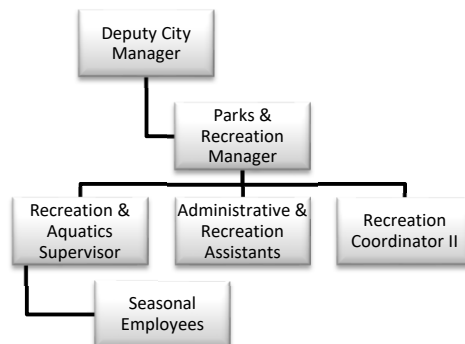
FY 2023 PROGRAM EXPENDITURES: \$1,202,870



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



PARKS & RECREATION – Recreation Programs

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 121,420	40%	\$ 115,480	\$ 90,990	\$ 79,165
Supplies & Services	62,460	21%	49,060	61,500	18,362
Subtotal Direct Costs	\$ 183,880	61%	\$ 164,540	\$ 152,490	\$ 97,527
Internal Charges	119,320	39%	88,600	90,800	79,450
Total Expenditures	\$ 303,200	100%	\$ 253,140	\$ 243,290	\$ 176,977
Expenditures by Fund					
General Fund Portion	\$ 296,200	98%	\$ 245,140	\$ 236,190	\$ 170,958
Other Funds Portion	\$ 7,000	2%	\$ 8,000	\$ 7,100	\$ 6,019
Funding Sources					
Program Revenues	\$ 64,750	21%	\$ 37,400	\$ 42,110	\$ 10,887
Funding from General Revenues:					
Estimated Resident Generated	\$ 83,460	28%	\$ 75,510	\$ 70,410	\$ 58,132
Estimated Visitor Generated	\$ 154,990	51%	\$ 140,230	\$ 130,770	\$ 107,958
Employee Time Allocation (FTEs) (Budgeted)	1.72		1.47		1.47

Throughout the year, Parks and Recreation is pleased to offer a variety of sports leagues, specialty classes, camps, workshops, and volunteer opportunities. We strive to offer programming for different age groups and athletic abilities. By working with volunteers and specialized professionals as independent contractors, we can increase our variety of offerings.

A portion of this program is paid by the Grants, Donations & Restricted Funds. In addition, a portion of the program costs are allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Offered diverse programming to align with current COVID-19 guidelines.
- * Expanded park offerings, introduced a disc golf program and course, and POP - a Pickleball Organized Play program.

FY 2023 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 explore alternative classes and sports offerings

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Recreation programs	20	N/A	20	8	27
Days of programs	740	N/A	770	203	715
Independent contracts signed	18	N/A	18	5	28
Parks and recreation class/program/facility registrants	14,600	14,000	13,000	7,159	8,525
Volunteer Hours	3,600	N/A	3,045	1,055	N/A
Community Partnerships	20	N/A	37	13	N/A

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	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Parks and recreation class/program/facility registrants per 1,000 population (ICMA Benchmark 2016-2020)	2,091 (all) / 4,027 (cities under 30,000 pop.)	1,500	1,446	1,342	714	825

PARKS & RECREATION – Special Events

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 148,260	35%	\$ 164,470	\$ 165,770	\$ 114,954
Supplies & Services	219,700	52%	170,885	143,980	53,258
Capital & Debt Service	-	0%	44,300	41,920	41,842
Subtotal Direct Costs	\$ 367,960	88%	\$ 379,655	\$ 351,670	\$ 210,054
Internal Charges	51,700	12%	62,240	59,080	49,380
Total Expenditures	\$ 419,660	100%	\$ 441,895	\$ 410,750	\$ 259,434
Expenditures by Fund					
General Fund Portion	\$ 409,660	98%	\$ 431,895	\$ 408,750	\$ 259,434
Other Funds Portion	\$ 10,000	2%	\$ 10,000	\$ 2,000	\$ -
Funding Sources					
Program Revenues	\$ 26,300	6%	\$ 109,475	\$ 94,640	\$ 86,874
Funding from General Revenues:					
Estimated Resident Generated	\$ 137,680	33%	\$ 116,350	\$ 110,640	\$ 60,396
Estimated Visitor Generated	\$ 255,680	61%	\$ 216,070	\$ 205,470	\$ 112,164
Employee Time Allocation (FTEs) (Budgeted)	1.60		2.30		1.35

Sedona Parks and Recreation Department provides a multitude of special events to serve the interests and needs of residents. 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. Our established calendar of events is:

- * St. Patrick's Parade
- * Sedona Food Truck Festival
- * Sedona Stumble 5K and 10K Trail Run
- * Celebration of Spring
- * Red Dirt Concerts
- * Movies in the Park
- * 4th of July Wet Fest
- * Star Party
- * Wagfest and Fair
- * Fall Festival
- * Trick or Treat Uptown
- * Turkey Trot
- * Breakfast with Santa
- * Holiday Central
- * Annual Tree Lighting

Our event costs range from \$2,000 to \$26,000.

A portion of this program is paid by the Grants, Donations & Restricted Funds.

FY 2022 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Offered alternative event/programs to align with current COVID-19 restrictions and guidelines.

FY 2023 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Refine, restructure, and reevaluate events to better serve the community with fresh and relevant experiences.
- * Research, outreach, and procurement of new annual event sponsors.
- * Curate events for the local community that focus on quality versus quantity.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Days of events	26	N/A	25	5	11
Event attendance	15,000	N/A	12,400	800	N/A

PARKS & RECREATION – Special Events

continued

**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	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Revenue from event sponsors		\$16,000	\$10,000	\$12,200	\$3,500	\$11,900
Customer Satisfaction Survey: Celebration of Spring (% responses favorable)		100%	100%	100%	N/A	N/A
Customer Satisfaction Survey: Breakfast with Santa (% responses favorable)		100%	100%	N/A	N/A	94%



PARKS & RECREATION – Parks Facilities & Maintenance

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 315,230	66%	\$ 316,630	\$ 254,100	\$ 159,017
Supplies & Services	42,230	9%	30,100	27,300	19,965
Subtotal Direct Costs	\$ 357,460	74%	\$ 346,730	\$ 281,400	\$ 178,981
Internal Charges	122,550	26%	170,130	160,080	146,830
Total Expenditures	\$ 480,010	100%	\$ 516,860	\$ 441,480	\$ 325,811
Expenditures by Fund					
General Fund Portion	\$ 478,060	100%	\$ 514,910	\$ 440,930	\$ 322,025
Other Funds Portion	\$ 1,950	<1%	\$ 1,950	\$ 550	\$ 3,786
Funding Sources					
Program Revenues	\$ 126,980	26%	\$ 59,440	\$ 116,830	\$ 59,883
Funding from General Revenues:					
Estimated Resident Generated	\$ 123,560	26%	\$ 160,100	\$ 113,630	\$ 93,075
Estimated Visitor Generated	\$ 229,470	48%	\$ 297,320	\$ 211,020	\$ 172,853
Employee Time Allocation (FTEs) (Budgeted)	5.73		5.14		5.74

There are nine 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 military/memorial park, 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 and costs for day-to-day maintenance of parks are reflected in the Public Works Department budget. While most features within a park can be rented/reserved, there are seven facilities that generate the most attention. These include: two ramadas at Sunset Park, ten ramadas at Posse Grounds Park, recreation room, multi-use field, softball fields, Posse Grounds Pavilion, and the Hub. 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.

AQUATICS: Open from Memorial Day weekend through Labor Day, the Sedona Community Pool offers activities and quality programming for everyone. Amenities enjoyed at the facility include an 8-lane pool with a 4 to 7 foot depth, a water slide, and an in-deck water feature. Activities offered include: lap swim, recreational swim, various aqua fitness classes, private and group swim lessons, water safety trainings and certifications, private rentals, and special events. Throughout the year, three swim teams train at the facility during non-operating hours. It takes a collaborative effort between the Parks and Recreation and Public Works Departments to keep the aquatic facility running smoothly. The Parks and Recreation Department oversees the management and operations while the Public Works Department oversees the maintenance of the facility.

A portion of this program is paid by the Grants, Donations & Restricted Funds.

FY 2022 Accomplishments

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Draft completed for Posse Grounds Park evaluation.
- * Added new events and rentals position.
- * Developed a sustainable rentals program to manage and process increasing demand for City facilities, which includes reducing City risk, tightening protocols and procedures, and streamlining requests through an online form.

FY 2023 Objectives

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles:

- * Promote and improve existing facilities.
- * Complete the Posse Grounds Park evaluation.
- * Work collaboratively with the Public Works Department to maintain parks and facilities.
- * Improve the rentals process including updating fee structure.

PARKS & RECREATION – Parks Facilities & Maintenance

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Facility rentals processed	300	N/A	305	96	211
Rental hours	4,500	N/A	4,950	606.50	2,550
Aquatics: Staff hired and trained for the season	25	20	22	20	12
Aquatics: Hours spent on staff development	65	66	60	71	24
Aquatics: Days operational in season	365	N/A	365	365	N/A
Aquatics: Days pool open to the public	95	89	78	63	76
Aquatics: Swim Lessons Taught	180	100	149	77	224
Aquatics: Attendance at lap swim and recreational swim	6,400	7,850	5,863	4,137	5,455

**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	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Customer Satisfaction Survey: Overall facilities (% responses favorable)		95%	95%	N/A	N/A	96%
Aquatics: Satisfactory Health Inspections		100%	100%	100%	100%	100%

GENERAL SERVICES

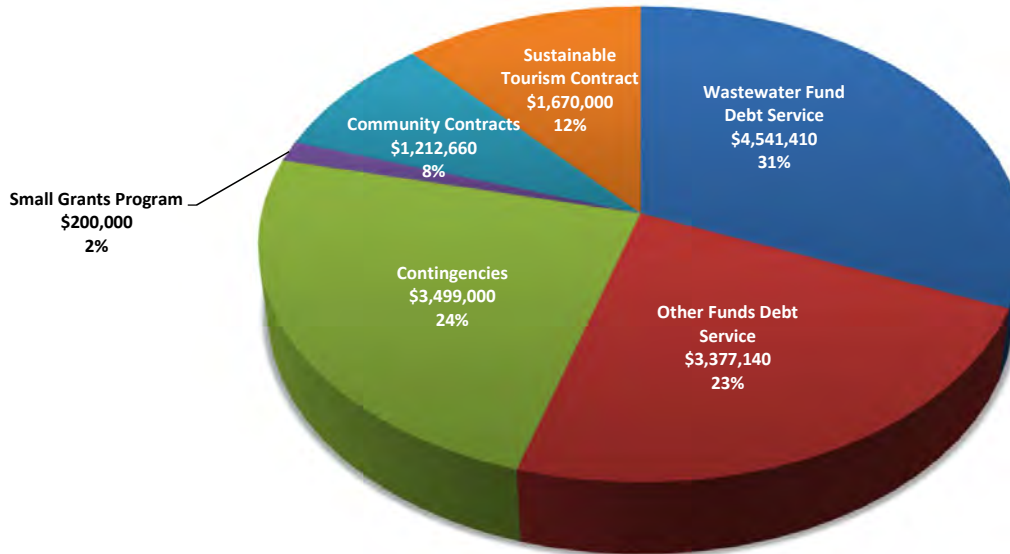
Description

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, Transportation Sales Tax 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; Affordable Housing Fund; Grants, Donations & Restricted Funds; and Wastewater Enterprise Fund contingency budgets, which include the following:

- * \$200,000 general operating contingency (General Fund)
- * \$100,000 general operating contingency (Wastewater Enterprise Fund)
- * \$100,000 contingency for judgments (General Fund)
- * \$250,000 contingency for SCCTB contract (General Fund)
- * \$810,000 contingency for Affordable Housing Program (Affordable Housing Fund)
- * \$500,000 contingency for unknown grants and donations revenues that may be received during the year (Grants, Donations & Restricted Funds)
- * \$1,539,000 contingency for the American Relief Plan Act (Grants, Donations & Restricted Funds)

FY 2023 PROGRAM EXPENDITURES: \$15,239,400



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



GENERAL SERVICES – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ (460,000)	-3%	\$ (253,985)	\$ 26,780	\$ -
Supplies & Services	2,604,150	19%	1,785,500	1,800,580	1,478,549
Capital & Debt Service	7,922,180	58%	5,900,545	5,929,720	5,731,015
Contingencies	3,499,000	26%	4,640,510	-	-
Subtotal Direct Costs	\$ 13,565,330	100%	\$ 12,072,570	\$ 7,757,080	\$ 7,209,564
Internal Charges	4,070	<1%	11,080	4,120	1,860
Total Expenditures	\$ 13,569,400	100%	\$ 12,083,650	\$ 7,761,200	\$ 7,211,424
Expenditures by Fund					
General Fund Portion	\$ 5,419,030	40%	\$ 3,122,385	\$ 2,964,950	\$ 2,520,588
Wastewater Fund Portion	\$ 4,641,410	34%	\$ 4,894,955	\$ 4,658,640	\$ 4,690,836
Other Funds Portion	\$ 3,508,960	26%	\$ 4,066,310	\$ 137,610	\$ -
Funding Sources					
Allocations to Other Departments	\$ 543,840	4%	\$ 425,350	\$ 463,750	\$ 384,530
Program Revenues	\$ 8,163,370	60%	\$ 8,977,395	\$ 4,810,200	\$ 4,706,192
Funding from General Revenues:					
Estimated Resident Generated	\$ 1,701,770	13%	\$ 938,320	\$ 870,540	\$ 742,246
Estimated Visitor Generated	\$ 3,160,420	23%	\$ 1,742,585	\$ 1,616,710	\$ 1,378,456
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The Administration program includes the various "non-departmental" and other centralized expenses, with the exception of the Sustainable Tourism Contract in order to highlight aspects of that agreement. Costs include service contracts with non-profits, Citywide liability and other insurances, debt service, and contingencies.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Small grants awarded	20	26	25	8	19
Average small grant award amount	\$9,000	\$10,500	\$10,810.24	\$5,650	\$8,763
Total small grants awarded	\$200,000	\$275,000	\$270,256	\$45,200	\$166,500
Range of small grant awards	\$3,500 - \$25,000	\$3,500 - \$25,000	\$3,500 - \$25,000	\$1,000 - \$10,200	\$2,000 - \$27,000

GENERAL SERVICES – Sustainable Tourism Contract

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Supplies & Services	\$ 1,670,000	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 1,670,000	100%	\$ -	\$ -	\$ -
Funding Sources					
Program Revenues	\$ 1,461,714	88%	\$ -	\$ -	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 72,900	4%	\$ -	\$ -	\$ -
Estimated Visitor Generated	\$ 135,386	8%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The Sustainable Tourism Contract program was moved from the City Manager's Office in FY 2023.

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 destination services program. The destination services plan is designed to outline the programs and services with a focus on implementing the Sustainable Tourism Plan (the Plan) which was unanimously approved by City Council in March 2019.

The Plan is the strategic plan to balance Sedona's fragile environment and small-town quality of life with a healthy economy and a world-class visitor experience. It is a way to engage visitors more deeply while raising awareness of environmentally and culturally sensitive behavior. It is a plan to improve Sedona's transportation infrastructure while at the same time dispersing visitors and finding ways to get people out of their cars. Finally, it includes more contact between visitors and residents to develop a mutual appreciation and a genuine experience that enriches everyone.

The Plan focuses on tactics that mitigate negative impacts of tourism such as: encouraging multi-modal solutions, additional parking facilities, public transit, wayfinding signage, support of SIM projects, visitor education, and new technologies.

The components of the Plan are aimed to fulfill the following long-term goals and objectives:

1. Implement the Sustainable Tourism Plan to facilitate a healthy balance between the environment, quality of life for residents, the economy and the visitor experience.
2. To attract, manage and monitor sustainable tourism for the benefit of residents, industry, and visitors.
3. To make visiting Sedona a positive and memorable experience.

ENVIRONMENT: To lead the tourism industry in implementing sustainability principles, positioning Sedona as a national and international leader in destination stewardship.

QUALITY OF LIFE: To protect and enhance the quality of life by mitigating impacts of tourism.

QUALITY OF ECONOMY: To shape the Sedona economy in ways that balance its long-term sustainability and vibrancy.

VISITOR EXPERIENCE: To provide an excellent visitor experience that highlights Sedona's sustainability values and keeps visitors coming back.



GENERAL SERVICES – Sustainable Tourism Contract

continued

FY 2022 Accomplishments

Council Priority – Sustainable Tourism:

- * Arizona Office of Tourism (AOT): SCCTB representatives participated in the AOT Strategic Plan Advisory Committee formulating the new 3-Year Strategic Plan and voiced the need to continue communications around recreating responsibly, Leave No Trace (LNT), etc. to address visitor behavior. All rural co-op programs in connection with the statewide tourism industry have been implemented.
- * Communications about Consumer Behavior: The SCCTB continued to use the Sedona Cares Pledge to communicate to visitors the behavioral expectations via website, social media, e-newsletters, print, partners, and the Uptown Visitor Center. Videos were in development that speak to the Soul of Sedona and what makes Sedona special - outdoor recreation, arts and culture, and spiritual health and wellbeing. WalkSedona.com, ParkInSedona.com, and GetAroundSedona.com all continued to educate visitors on how to navigate Sedona in car, on a bike, or on foot.
- * Fly Friendly Agreement: Reconvened the stakeholder group including new helicopter tour operator, Apex Tours, and included the National Park Service (Tuzigoot/Montezuma Castle and Well National Monuments) to review, revise, and reaffirm commitment to this voluntary noise-abatement tool. Recent events with the private tour operators resulted in the need to expand the group to include the Cottonwood Airport as well. This continuing process also included the City, Yavapai County, Sedona Airport, and Keep Sedona Beautiful. A meeting with the Lower Chapel area has been set to examine alternative flight paths over the area to reduce noise impacts with the increase in flights.
- * “Good Neighbor” Short-Term Rental (STR) Coalition/Key Data STR Platform: The SCCTB convened a meeting in January with a group of professional property management companies who wish to form a coalition to promote good behavior by guests. In addition, an individual owner group, the Sedona Short-Term Rental Alliance has also agreed to come to the table so everyone can work together to share the Rent Responsibly language already drafted by a statewide initiative. The SCCTB has worked to establish a distribution system for all the Sedona Cares, LNT, Secret 7, etc. visitor messaging like traditional lodging/concierge so that all visitors coming to greater Sedona can be reached. The SCCTB continued to add properties to the STR platform, comparable to the Smith Travel Research (STAR) report for traditional lodging, to more fully represent the tourism industry. Since signing on with Key Data Dashboard, the SCCTB has received direct source historical and real-time forward-looking visitor insight from 21 property managers and their 406 units in the greater Sedona area.
- * Leave No Trace: The SCCTB continued to promote the new Leave No Trace Proud Supporter program to its partners. Currently, 50 businesses are on board. The support of the Arizona Office of Tourism’s AppreciateAZ destination management program continued as well.
- * Red Rock Off-Highway Vehicle (OHV) Conservation Crew (RROCC)/Tread Lightly!: The rise in OHV/all-terrain vehicle (ATV) impacts resulted in the formation of the RROCC, a coalition of 12 private companies and Tread Lightly! working with the US Forest Service (USFS). This resulted in the voluntary collection of 1% of sales revenue on top of the 3% already collected from USFS permitted outfitters to go toward trail engineering, rider education, and enforcement. To date, a number of trail projects have been done along with rider education by volunteer ambassadors out on Diamondback Gulch and Broken Arrow over busy holiday weekends. The SCCTB worked with Tread Lightly! to develop blogs and other communications to reinforce the need to recreate responsibly when riding on our public lands in and around Sedona. Trailhead signage including the Tread Lightly! principles was approved for major pain points entering the forest and is in development. The official map was updated for use destination wide. A video was in final stages to be shown to renters at time of booking and/or on-site.
- * Sedona Lodging Council (SLC)/Concierge Network: The SCCTB continued to participate in monthly SLC and Concierge Network meetings with the priority being the launch of the Sedona Shuttle. Also, a collateral materials review meeting was held to discuss the tools provided to lodging partners and what else they need to assist visitors in market.
- * Sedona Shuttle: The SCCTB was made the Public Information Officer (PIO) for the City on the March 24 launch of the Sedona Shuttle with the City’s Communications and Public Affairs Manager out on maternity leave for three months. The SCCTB worked with the City’s Transit Administrator, the USFS District Ranger, and the Transit Marketing, LLC, consultant on the marketing plan rollout. Volatility due to supply chain has pushed back the on-demand, micro-transit system until fall/winter.
- * Sedona Trail Keepers 2.0: The SCCTB successfully secured 52 Sedona Trail Keeper (STK) businesses for 2.0. STK 2.0 sponsor businesses committed \$1,000/year for five years, matched by the SCCTB at \$50,000 for area trail maintenance and enhancement. The check presentation event was March 10 at the Uptown Visitor Center.
- * Sedona Verde Valley Tourism Council: A new logo and website were underway. Recent meetings related to supporting the greater Sedona Verde Valley’s indigenous peoples in telling their story to our visitors led to the formation of a subcommittee to begin to address how to do that better. With the American Viticultural Area (AVA) designation received by the Verde Valley in December 2021, there was a lot of buzz around Northern Arizona’s wine country. The Blazin’ M (under new ownership), Old Town Cottonwood, Out of Africa, Verde Canyon Railroad, and the new Verde Valley Archeology Center along with Tuzigoot and Montezuma’s Castle remained continued draws.
- * Verde Shuttle: The SCCTB continued to support the Cities of Sedona and Cottonwood, along with the Transit Marketing, LLC, consultant in providing marketing materials to employers around the Verde Valley for their employees in English and Spanish about how easy it is to take the Verde Shuttle to commute into Sedona to work.
- * Trash Collection at Dry Creek and Port-o-Potties at Soldiers Pass: These services were installed.

GENERAL SERVICES – Sustainable Tourism Contract
continued

FY 2023 Objectives

Council Priority - Sustainable Tourism:

- * Realign Sedona Sustainable Tourism Plan's (STP) Priorities with present day: Heavy focus on Environmental Pillar with newly adopted City of Sedona Climate Action Plan. Identify 1 to 3 key performance indicators (KPIs) per pillar to annualize plan. Hire STP Project Manager to take accountability to move plan forward.
- * Continue/Expand Destination Management Programs: City banner signage and walking historic trail (Tlaquepaque to Uptown) update; Trail Keepers 2.0; Secret 7, Leave No Trace, OHV/ATV mitigation; consider support for Verde Valley Wine Trail highway signage and digital app; trash (Dry Creek) and Port-o-Potties (Soldiers Pass) service until USFS Red Rock Pass installation and Posse Grounds parking/restrooms completed; additional business meetings support including reinstating funding for Sales Manager position.
- * Evaluate Operations and Administration Expenses: Utilizing City's salary survey with inflation and high cost-of-living being driven by continually increasing housing costs and pandemic/supply chain issues.
- * Maintain Pause on Destination Marketing
- * Consider Consumer Education on Behavioral Expectations
- * Indigenous Peoples Support: History program with Sedona Schnebly Citywide Celebration Week-long event.
- * Work with City on Western Gateway visitor servicing on parcel in West Sedona
- * Unique meeting space within City limits to assist smaller hotels and nonprofits

Council Priority - Sustainable Tourism:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Annual average daily room rate for hotels (ADR)		\$300.00	\$232.72	\$323.13	\$279.17	\$210.72
Bed tax collections (in millions)		\$10.2	\$7.0	\$9.3	\$7.2	\$4.2
City sales tax collections (in millions)		\$36.6	\$28.0	\$33.8	\$27.8	\$20.2
Hotel occupancy rate		65%	65%	69.9%	68.2%	57%
Visitors assisted at visitor center, via email, and via telephone		160,000	290,000	124,393	102,930	142,373
Visitor Service Survey: % satisfied measured at visitor center and/or electronically		99%	97% based on: 2017: 97%, 2018: 96%, 2019: 98%	99%	Online visitor survey on hold during COVID-19 pandemic, reinstated Jan-June 2021: 99%	Survey on hold during COVID 19 pandemic.

COMMUNITY DEVELOPMENT

Mission Statement

Serving Sedona by managing quality and sustainable development and working with the community to plan a built environment that is influenced by and preserves the natural environment.

Description

The Community Development Department is comprised of 13 full-time employees, two part-time employees and four program areas. The Department provides support to the City Council, the Planning and Zoning Commission, the Historic Preservation Commission and the Board of Adjustment.

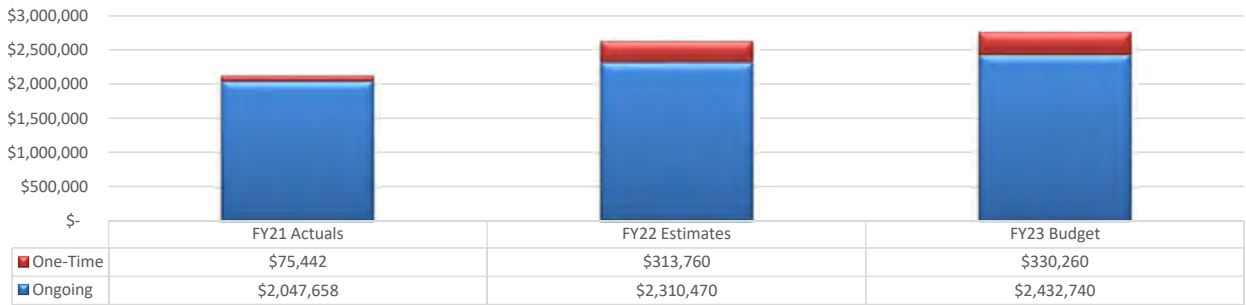
The Community Development Department is responsible for the following program areas:

- * Administration
- * Planning (including the Community Plan and the Planning and Zoning and Historic Preservation Commissions)
- * Building Safety
- * Code Enforcement

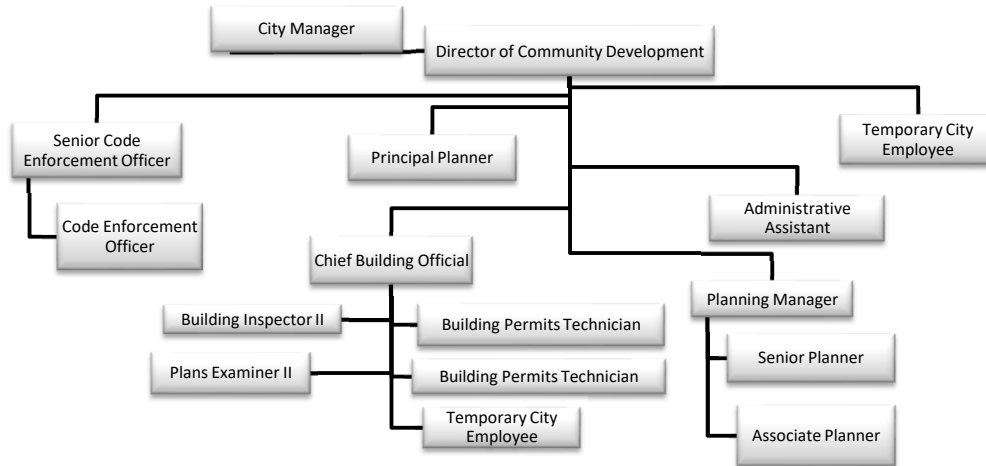
FY 2023 PROGRAM EXPENDITURES: \$2,763,000



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



COMMUNITY DEVELOPMENT – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 48,540	55%	\$ 210,390	\$ 174,830	\$ 154,933
Supplies & Services	7,100	8%	47,600	45,980	43,894
Subtotal Direct Costs	\$ 55,640	63%	\$ 257,990	\$ 220,810	\$ 198,827
Internal Charges	33,050	37%	137,890	146,400	95,790
Total Expenditures	\$ 88,690	100%	\$ 395,880	\$ 367,210	\$ 294,617
Expenditures by Fund					
General Fund Portion	\$ 88,690	100%	\$ 355,880	\$ 327,210	\$ 254,852
Other Funds Portion	\$ -	0%	\$ 40,000	\$ 40,000	\$ 39,765
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 31,040	35%	\$ 138,560	\$ 128,520	\$ 103,116
Estimated Visitor Generated	\$ 57,650	65%	\$ 257,320	\$ 238,690	\$ 191,501
Employee Time Allocation (FTEs) (Budgeted)	0.55		1.50		1.40

The Administration program accounts for support to the other program areas of Community Development: Code Enforcement, Building Safety, Planning (including the Planning and Zoning and Historic Preservation Commissions) and Community Plan efforts.

A portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Good Governance

- * Implementation of process improvement.
- * Staff training completed for each program area.
- * All scheduled Commission training completed.
- * Continued video recording and broadcasting of Planning and Zoning Commission meetings.

Council Priority – Community Plan Update:

- * Initiated the Community Plan Update.

FY 2023 Objectives

Overall City Value - Good Governance

- * Identify and promote professional development opportunities to develop and maintain a highly qualified, professional and responsive work team that supports the City's Core Values and Department's mission.
- * Enhance quality and realize efficiencies in department processes through application and implementation of process improvements.
- * Identify ways to improve communication with our customers specifically, and the community in general, including better utilization of the department's webpages.
- * Improve methods of distribution, collection, and tracking of customer service surveys and results to better identify opportunities for improvement.
- * Improve City project development methods to ensure multi-disciplinary analysis, input and alternatives to optimally align projects with City adopted plans and priorities.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Public Meetings and Work Sessions - City Council	15	0	13	13	0
Public Meetings and Work Sessions - Planning and Zoning Commission	15	15	15	21	5
Public Meetings - Historic Preservation Commission	6	5	7	1	3
Public Meetings - Variance/Appeals	3	2	4	2	3

COMMUNITY DEVELOPMENT – Planning

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 746,890	59%	\$ 561,130	\$ 512,580	\$ 507,173
Supplies & Services	251,790	20%	202,640	179,120	39,242
Subtotal Direct Costs	\$ 998,680	79%	\$ 763,770	\$ 691,700	\$ 546,415
Internal Charges	268,690	21%	286,490	258,750	239,830
Total Expenditures	\$ 1,267,370	100%	\$ 1,050,260	\$ 950,450	\$ 786,245
Expenditures by Fund					
General Fund Portion	\$ 1,267,370	100%	\$ 1,050,260	\$ 950,450	\$ 786,245
Funding Sources					
Program Revenues	\$ 337,320	27%	\$ 222,950	\$ 348,090	\$ 266,721
Funding from General Revenues:					
Estimated Resident Generated	\$ 325,520	26%	\$ 289,560	\$ 210,830	\$ 181,833
Estimated Visitor Generated	\$ 604,530	48%	\$ 537,750	\$ 391,530	\$ 337,691
Employee Time Allocation (FTEs) (Budgeted)	7.20		4.90		5.27

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. Planning staff reviews and processes applications such as zone changes, development reviews, subdivisions, appeals and variances, minor modifications, conditional use permits, temporary use permits, and sign permits and provides support to the Planning and Zoning Commission, Historic Preservation Commission, and the Board of Adjustment. Staff provides 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.

The Planning team's activity workload reflects those applications and permits that are directly related to current and long-range planning. Not reflected in the workload is the team's review of all residential and commercial building permits for zoning compliance.

After years of relatively consistent numbers of projects being reviewed, the number of planning applications has significantly increased in the past year. Just over halfway through the year, the planning team has already processed the number of projects projected for the entire year in some categories, with other categories approaching 75% of the projections for the entire year. Coupled with the increase in number of projects, the complexity of projects has increased, with applications for large hotels and multi-use developments replacing small office buildings.

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. The challenging properties have also led to an increase in variance and minor modification 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.

After years of having a relatively stable team, the last year and half has seen significant changeover in team members, with team members leaving and retiring, existing team members having the opportunity to receive promotions and take on different tasks, and new team members coming on board. This has led to a significant amount of training as new team members settle into their new roles and responsibilities and learn the established processes. This turnover in staff and need for training has led to longer review times for certain applications than has been experienced in the past. As team members settle into their roles, it is expected that these timeframes will decline.

The Planning and Zoning Commission (PandZ) is the decision-making authority for conditional use permits and development review applications. PandZ makes recommendations to the City Council on amendments to the Community Plan and the Land Development Code, specific planning projects, re-zonings, and subdivision requests. The planning team devotes a large proportion of its time to the preparation of materials for PandZ and public review and the holding public hearings.

The Historic Preservation Commission (HPC) is comprised of seven members appointed by the City Council. The HPC was created in 1998 to conduct hearings relative to the identification and preservation of landmarks representing distinctive elements of Sedona's historic, archeological, and cultural heritage.

COMMUNITY DEVELOPMENT – Planning

continued

FY 2022 Accomplishments

Council Priority - Update Land Development Code:

- * Completed a package of revisions to the Land Development Code (LDC).

Council Priority - Affordable Housing:

- * Began discussions with the Housing Manager to find ways to update the Developer Incentives Guidelines for Affordable Housing (DIGAH) and LDC to encourage/incentivize both affordable and market rate long-term housing.

Community Plan Goal - Preserve and celebrate the community's history:

- * Completed exterior renovation of Ranger Station home and begun exterior renovation of the historic barn.

Council Priority - Community Focus Area Development:

- * Uptown CFA Plan draft complete.
- * Reviewed 4 large lodging projects based on CFAs and the Community Plan.

Council Priority - Community Plan Update:

- * Developed a project management and Public Participation Plan for the Community Plan Update.
- * Developed a database of the status and accomplishments of Community Plan policies and actions.
- * Established a citizen work group for the plan update.
- * Created interactive website for project information and public outreach (www.sedonaaz.gov/plansedona).
- * One major amendment to the Community Plan for the City's Uptown parking garage.



COMMUNITY DEVELOPMENT – Planning

continued

FY 2023 Objectives

Overall City Value - Good Governance:

- * Identify areas where updates to the LDC are needed and bring revisions back to the Planning and Zoning Commission and the City Council for approval.
- * Continue to improve records filing through conversion to a parcel-based system.
- * Conduct reviews of all residential and commercial building permit applications within mandated timeframes.
- * Continue to train new staff members in the review of permits and projects.
- * Continue to refine project review process to ensure all relevant staff members provide input on development projects (economic development, housing, sustainability, transit); incorporate evaluations of projects in the materials provided to PandZ and Council to provide greater consideration of Council priorities in decision-making.
- * Establish a new Planning Commissioner Training Program.
- * Expand use of exhibits, illustrations, and/or pictures to help commissioners visualize the project/proposal.

Council Priority - Community Plan Update:

- * Adopt an updated Community Plan by June 2023 in compliance with State law. Have extensive community input, review and support for the updated plan. The process includes drafting recommendations, a revised draft plan, and public hearings with Planning and Zoning Commission and City Council.

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions and encourage active healthy lifestyles:

- * Continue next phase of the Ranger Station Park Master Plan including exterior rehabilitation of the historic buildings.

Council Priority - Sustainable Tourism:

- * Participate in Sustainable Tourism efforts.

Council Priority - Affordable Housing:

- * Participate in Affordable Housing activities.
- * Work with the Housing Manager to update the DIGAH policy document.
- * Work with the Housing Manager to explore code changes that could incentivize affordable housing and/or long-term rental housing.

Planning and Zoning 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.
- * Explore modifying the required findings in the LDC to simplify and clearly state the review criteria for projects.

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.

Community Plan Implementation:

- * Facilitate the review of major community plan amendment requests for the 2022 calendar year.
- * Continue to participate in project evaluation of major development and CIP projects for compliance with the Community Plan.

Council Priority - Dells Land Use Planning:

- * Dells feasibility study following completion of the Community Plan update.

Historic Preservation Commission - Community Plan Community Goal - Preserve and celebrate the community's history:

- * Participate in implementing the Ranger Station Park Master Plan (250 Brewer Rd), including efforts to restore the interior and exterior of both structures.
- * Designate and recognize a historic resource through the Historic Resource Recognition Program.
- * Prepare an Annual Report for State Historic Preservation Office, as required.
- * Host a Historic Preservation appreciation event in May.
- * Update the Historic Uptown Sedona Walking Tour Guide brochure.



COMMUNITY DEVELOPMENT - Planning

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Community Plan Amendments/CFAs	3	3	4	3	2
Zone changes	8	8	9	8	5
Development reviews - major	15	13	18	11	5
Development reviews - minor	2	3	2	0	0
Conditional Use permits	7	5	8	6	3
Temporary Use permits	40	30	40	42	35
Sign permits, permanent	60	60	60	58	50
Film permits	10	9	12	6	6
Subdivisions	5	5	7	4	9
Minor Modifications (formerly Admin. Waiver)	2	3	2	1	4
Land Division permits	25	25	30	29	18
Variance/appeals	3	2	4	2	3
Land Development Code amendments	2	2	1	2	2
Zoning verification letters	20	20	20	26	21
Public meetings and work sessions - City Council	15	15	13	13	12
Public meetings and work sessions - Planning and Zoning Commission	15	15	15	21	5
Public meetings - Historic Preservation Commission	6	5	7	1	3
New landmarked properties - Historic Preservation Commission	1	1	0	0	0
Civic pride/education events - Historic Preservation Commission	2	1	0	0	0
Certificates of Appropriateness issued - Historic Preservation Commission	0	1	0	1	0
Certificates of No Effect issued - Historic Preservation Commission	3	4	3	2	4
Historic Recognition Awards issued - Historic Preservation Commission	2	1	1	0	1
Education training exercises - Historic Preservation Commission	3	1	1	0	0

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Customer Survey: Overall customer service (% responses favorable)		100%	100%	100%	100%	100%
Temporary use permits: Average days to issue		13	12	14	17	11
Sign permits, permanent: Average days to issue		8	5	9	4.7	5.1

COMMUNITY DEVELOPMENT – Building Safety

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 492,520	53%	\$ 433,840	\$ 377,220	\$ 348,653
Supplies & Services	163,120	18%	122,360	171,400	110,295
Capital & Debt Service	10,400	1%	12,610	10,950	5,316
Subtotal Direct Costs	\$ 666,040	72%	\$ 568,810	\$ 559,570	\$ 464,263
Internal Charges	264,810	28%	186,750	176,540	151,490
Total Expenditures	\$ 930,850	100%	\$ 755,560	\$ 736,110	\$ 615,753
Expenditures by Fund					
General Fund Portion	\$ 929,450	100%	\$ 754,160	\$ 734,710	\$ 614,488
Other Funds Portion	\$ 1,400	<1%	\$ 1,400	\$ 1,400	\$ 1,265
Funding Sources					
Program Revenues	\$ 352,300	38%	\$ 236,200	\$ 366,100	\$ 289,323
Funding from General Revenues:					
Estimated Resident Generated	\$ 202,490	22%	\$ 181,780	\$ 129,500	\$ 114,251
Estimated Visitor Generated	\$ 376,060	40%	\$ 337,580	\$ 240,510	\$ 212,179
Employee Time Allocation (FTEs) (Budgeted)	4.84		4.78		4.03

The Building Safety program is responsible for issuing all residential and commercial building permits in accordance with the adopted and amended building codes. This work includes processing and reviewing construction plans, conducting inspections for the work allowed under these permits and coordinating this work with several other departments. Building Safety also partially or wholly processes applications and payments for off-premise signs, temporary signs, wastewater permits, and right-of-way permits. Furthermore, Building Safety has become an active participant with the Code Enforcement Division in the quest to combat the rampant work without a permit issue.

Building Safety strives to be a partner in the permit and building process by fostering a culture that is helpful, approachable, and knowledgeable. It remains our goal to provide effective, fair, and consistent reviews and inspections on a timely basis and within mandated timeframes, and to remain a helpful and watchful team member to other City Departments in our stewardship of the permit process and other related procedures and situations.

In an effort to promote higher quality development, Building Safety has adopted current building codes, in line with the surrounding municipalities and counties, and has increased its expectations and requirements for more complete plan submittals. Making these changes requires staff to invest additional time and effort in customer education and a more thorough and comprehensive review. In the short term, this has resulted in a high number of corrections issued and plan resubmittals received. Additionally, the raised expectations of compliance have created longer review and inspection times, along with a large number of meetings and consultations to inform and educate applicants, designers, architects, and contractors on code and correction requirements. The number of reinspections will also continue to be high as the raised level of compliance with the new City codes and the approved plans initially result in more failed inspections. Over time, however, and with continued training of and interaction with the construction and development community, they will become accustomed to working within the framework of higher standards, and the community as a whole will be safer and better built. This level of enforcement is expected to continue, in part, due to a greater emphasis on in-house and off-site training in order to raise the knowledge and abilities of staff.

Staff consists of the Chief Building Official, Building Inspector II, Plans Examiner I, and two Permit Technician positions. Built into this organizational unit is a training program that prepares and trains staff to allow them to elevate their roles in the division when positions become available, to allow for cross-training to alleviate pressures caused by staff taking time off or busy periods, and to allow staff to be more educated and effective in their positions. FY 2023 will likely see the construction of multiple single family residential, and multi-family residential development projects along with some major City development and construction projects.

A portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

COMMUNITY DEVELOPMENT – Building Safety

continued

FY 2022 Accomplishments

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

- * Permit Technician Rebecca Oium took and passed the ICC Residential Plans Examiner Certification Exam and was promoted to Plans Examiner I.
- * Full-time Building Inspector Bruce Zolman took and passed the ICC Commercial Building Inspector Certification Exam and was promoted to Building Inspector II.
- * Hired and trained a new Permit Technician.
- * Continued an in-house training program for the Permit Technician and Plans Examiner I positions to raise their level of knowledge and understanding of the codes so as to be able to perform increasingly more complicated plan reviews and inspections.
- * Continued a program to address and close the hundreds of open and expired permits going back more than 10 years thus keeping all permits current.
- * Created draft amendments for a proposed adoption of the ICC International Property Maintenance Code to allow the Code Enforcement and Building Safety divisions better tools to address complaints on existing properties with a goal to bring to Council by the end of FY 2022 or the beginning of FY 2023.
- * Helped create and implement new sewer capacity fees.

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

- * Continued a cooperative partnership with the Sedona Fire District including the establishment of monthly coordination meetings and implementing a process to address voids in the communication and permit processes when fire sprinklers and Wildland Urban Interface District requirements are identified by the Fire District.
- * Continued to foster relationships and connections with agencies, community groups, the business community, the SCCTB, and the Sustainability Alliance.
- * Continued the process of working with and coordinating with educational, community, industry, and code organizations to foster awareness, desire, and growth in employment in the construction and municipal inspector/plans examiner positions. (The average age of the workforce in these positions is well over 40 years, and new recruits have been on a steady decline.)

Overall City Value – Good Governance:

- * Consistently met the mandated plan review time frames set within Senate Bill (SB) 1598.
- * Obtained a yearly average of only 1.06 days from residential inspection request to actual inspection and 1.1 days for commercial inspection requests thus meeting our goal of providing inspections within 1.3 days of request. (See ICMA report.)
- * Created a program to address the overwhelming amount of work being done without a permit by making contractors liable through the reporting of such actions to the Registrar of Contractors.
- * Suggested the creation of a Code Enforcement program of recording Notices of Violation at the County so that property owners in default cannot sell their homes without addressing the violations.

FY 2023 Objectives

Overall City Value – Good Governance:

- * Continue to conduct reviews of all residential and commercial building permit applications within the mandated timeframes.
- * Continue to provide fast responses to inspection requests. (The goal is to maintain a yearly average residential and commercial response time of less than 1.3 days from request to inspection.)
- * Continue the in-house training of the Permit Technicians to increase their ability to perform increasingly more involved plan reviews and inspections.
- * Promote the need and provide the resources for staff to expand their knowledge base and expertise by pursuing national building safety certifications.
- * Produce a plan to replace the Building Inspector who will be retiring in April 2023.

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

- * Continue to coordinate plan reviews and inspections with the Sedona Fire District to provide a more efficient and seamless process for the customer in obtaining their final inspection approval and/or Certificates of Occupancy.
- * Adopt/implement the 2018 International Property Maintenance Code, or adopt many of the IPMC requirements into the City Code, to better provide the Building Safety and Code Enforcement divisions with tools to address many of the outstanding code and property maintenance violations.
- * Continue to identify and pursue opportunities for engagement with and education of the contractor and development community regarding the adopted building codes and amendments.
- * Continue to conduct a review of all permit packets and information and revise as necessary in an attempt to make them easier to understand and complete for the customer.
- * Continue to create avenues for growth and promotion from within the Building Safety division through training and reorganization.
- * Continue to explore the expansion and use of our remote inspections process. This allows more inspections per day and less use of City resources.
- * Set the groundwork through training and outreach for the proposed adoption process of the 2024 I-Codes and the 2023 NEC in FY 2024.
- * Explore the process and benefits of electronic permitting and plan reviews, and the allowances for integration into current and future Citywide software. Electronic permit and review processes would greatly reduce the amount of paper and other resources, create easier avenues for storage and sharing of documents and may possibly speed up the permitting process.

COMMUNITY DEVELOPMENT – Building Safety

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Single-family building permits - new construction	70	60	75	70	53
Single-family permits - new construction - Total valuation	\$40,000,000	\$25,000,000	\$45,000,000	\$30,747,559	\$27,113,423
Single-family building permits - remodel/rehab	150	90	145	162	140
Single-family permits - remodel/rehab - Total valuation	\$8,000,000	\$4,750,000	\$7,700,000	\$8,390,892	\$8,893,878
Commercial building permits - new construction	3	5	6	1	4
Commercial building permits, new construction - Total valuation	\$2,500,000	\$5,000,000	\$6,000,000	\$200,000	\$8,082,164
Commercial building permits - remodel/rehab	55	50	57	59	64
Commercial building permits - remodel/rehab - Total valuation	\$4,500,000	\$3,000,000	\$4,750,000	\$7,722,308	\$5,950,686
Manufactured Homes building permits	5	6	4	5	5
Manufactured Homes building permits - Total valuation	\$175,000	\$200,000	\$125,000	\$145,000	\$225,900
Photovoltaic building permits	75	55	100	69	64
Photovoltaic building permits - Total valuation	\$2,500,000	\$1,350,000	\$3,700,000	\$1,776,745	\$1,810,317
Photovoltaic building permits - Total KW	850	725	1,000	692	705
Tenant Occupancy permits (CofOs)	100	80	120	95	55
Miscellaneous permits (sheds, decks, fences, pools, etc.)	225	180	220	259	185
Miscellaneous permits - Total valuation	\$8,200,000	\$4,000,000	\$8,000,000	\$7,225,376	\$3,837,638
Off-premise Sign permits	15	60	13	2	41
Temporary Sign permits	25	60	25	3	31
Right-of-Way permits	175	90	200	106	142
Wastewater permits	30	25	30	39	13
Liquor Licenses	N/A	N/A	N/A	21	0
Inspections	4,400	3,800	4,500	4,398	3,947

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Initial plan review: Timeframe in days - Residential permits		7.0	7.0	5.4	11	11
Initial plan review: Timeframe in days - Residential Alterations		10.0	8.0	8.3	6.5	6.5
Initial plan review: Timeframe in days - Commercial permits		12	12	9.7	17	17
Initial plan review: Timeframe in days - Photovoltaic		6.0	5.0	6.1	6.5	6.5
Initial plan review: Timeframe in days - Tenant Occupancy		4	4	3.1	3.6	3.6
Initial plan review: Timeframe in days - Tenant Improvements (Includes Commercial Alterations)		11.0	7	10.0	7.2	7.2
Initial plan review: Timeframe in days - Miscellaneous permits		5.0	4	4.1	2.4	2.4
Internal Survey: Overall customer service (% responses favorable)		90%	90%	100%	90%	90%

COMMUNITY DEVELOPMENT – Code Enforcement

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 236,930	50%	\$ 211,720	\$ 207,670	\$ 176,911
Supplies & Services	22,420	5%	18,700	11,560	9,547
Subtotal Direct Costs	\$ 259,350	54%	\$ 230,420	\$ 219,230	\$ 186,458
Internal Charges	216,740	46%	204,710	190,330	169,900
Total Expenditures	\$ 476,090	100%	\$ 435,130	\$ 409,560	\$ 356,358
Expenditures by Fund					
General Fund Portion	\$ 474,690	100%	\$ 433,730	\$ 408,160	\$ 355,303
Other Funds Portion	\$ 1,400	<1%	\$ 1,400	\$ 1,400	\$ 1,055
Funding Sources					
Program Revenues	\$ -	0%	\$ -	\$ 290	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 166,630	35%	\$ 152,300	\$ 143,240	\$ 124,725
Estimated Visitor Generated	\$ 309,460	65%	\$ 282,830	\$ 266,030	\$ 231,633
Employee Time Allocation (FTEs) (Budgeted)	2.38		2.30		2.20

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, the natural environment, and providing a good quality of life for residents.

The number of cases investigated increased significantly during the FY2021-2022 fiscal year, and the complexity of certain types has grown as well. Legalized short-term vacation rentals has continued to increase the number and complexity of complaints in two primary areas. First, property owners are modifying their homes without proper approvals, permits, and/or licensed contractors, and secondly, the illegal conversion of non-habitable space into long-term living space (i.e.- garages, sheds, etc.). Some of the most common code cases include outside storage, unsightly properties, overgrown weeds, exterior lighting, illegal signs, and trash violations.

A portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Public Safety:

- * Researched, drafted, and presented a complete revision of the noise ordinance, which was approved and adopted by the City Council in October 2021.
- * Enhanced the working relationship with the City of Sedona Chief Building Official related to the International Residential and Commercial Building Codes (IRC and IBC) and illegal building issues through collaboration in investigations.
- * Took enforcement action against property owners and contractors performing construction work without obtaining required building permits by issuing civil citations.
- * Worked with City Manager's Office to track, monitor, and respond to complaints on short-term rentals. Identified repeat offenders of short-term rental emergency contact requirements and took enforcement action through issuing civil citations.
- * Successful adjudication on civil citations in municipal court for cases involving construction without permits, outside storage, non-permitted use, short-term rental, and business license violations.
- * Participated in code collaboration meetings with Community Development, Police Department, City Attorney, and City Manager staff to identify areas for focused enforcement of code violations.
- * Attended the annual American Association of Code Enforcement (AACE) conference and completed training Code Enforcement investigations, including the International Property Maintenance Code (IPMC).

COMMUNITY DEVELOPMENT – Code Enforcement

continued

FY 2023 Objectives

Overall City Value - Good Governance:

- * Strengthen enforcement action against repeat offenders of building code safety violations by issuance of civil or criminal citations.
- * Work with City Manager's Office to identify repeat violators of short-term rental rules and take enforcement through issuance of civil citations.
- * Through the budget process, equip the code enforcement pickup truck with a laptop computer and accessories needed to be able to use reporting software in the field for entering case notes and photos to increase productivity and efficiency in conducting investigations.

Overall City Value - Public Safety:

- * Provide proactive weed enforcement to ensure properties are maintained free of nuisances and fire hazards. Take abatement action when appropriate.
- * Collaborate with municipal court and legal department to create a fine schedule for the most commonly cited City and Land Development codes in order to aid the court in processing citations issued by code enforcement.

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

- * Provide code enforcement that promotes voluntary compliance in a timely manner through prompt site inspections and/or notice of violation letters.
- * Work with Communications Office to provide education for residents, businesses, and property owners and managers on Dark Sky lighting measures and other key code enforcement issues (proactive messaging regarding our most common violations).
- * Complete continuing education for Code Enforcement staff on building code and permit requirements and code enforcement investigation practices.
- * Assist in developing a Property Maintenance Code to improve community character.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Total code cases/investigations	750	350	730	568	281
Cases resolved through voluntary compliance	250	250	175	141	197
Cases resolved through forced compliance	50	20	50	14	2
Cases unsubstantiated	75	75	70	98	51
Cases closed/miscellaneous	400	95	400	300	93

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Average days from complaint to first investigation		1	1	1	2	1
Average days from investigation to voluntary compliance		45	20	56	56	32
Average days from investigation to transfer to court		N/A	N/A	N/A	N/A	N/A
Average days from investigation to forced compliance		60	N/A	63	63	N/A

COMMUNITY DEVELOPMENT – Housing

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Supplies & Services	\$ -	0%	\$ 138,850	\$ 160,900	\$ 70,126
Expenditures by Fund					
Other Funds Portion	\$ -	0%	\$ 138,850	\$ 160,900	\$ 70,126
Funding Sources					
Program Revenues	\$ -	0%	\$ 138,850	\$ 160,900	\$ 70,126
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		1.00

The Housing program has been transferred to the City Manager's Office with the exception of the Community Development Block Grant (CDBG). The current CDBG was awarded in FY 2020 for a temporary family housing project for low to moderate income families with children enrolled in Sedona public schools who are experiencing homelessness. Hope House, a non-profit entity, is responsible for construction and management of the facility.

FY 2022 Accomplishments

Council Priority - Affordable Housing:

- * Received grant extension from Arizona Department of Housing until March 2022.

FY 2023 Objectives

Council Priority - Affordable Housing:

- * Facilitate close-out of grant process.

PUBLIC WORKS

Mission Statement

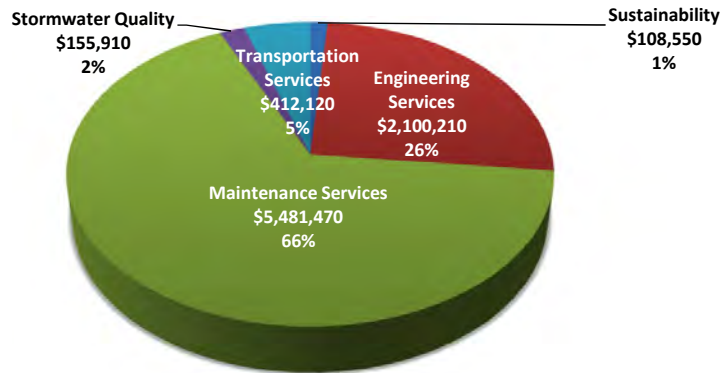
Providing a safe and enjoyable experience through cost effective, quality infrastructure and services.

Description

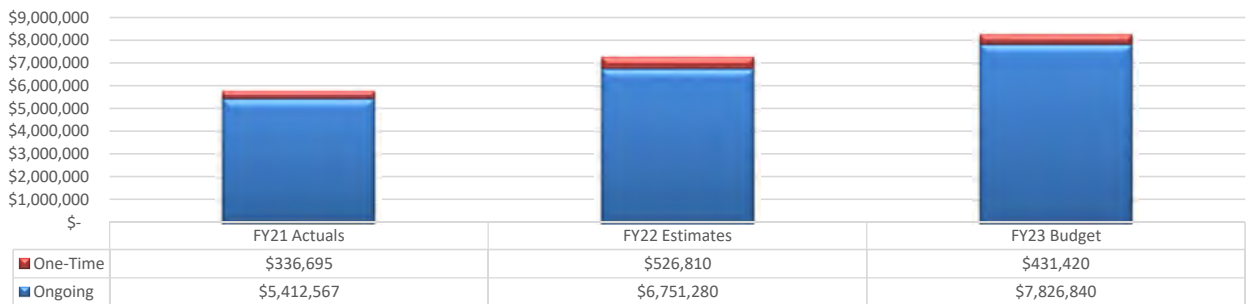
The main program areas and the services included in the Public Works Department are:

- * Engineering Services - Administrative services, office support and supplies, development review, staff training, and general professional services.
- * Sustainability - Curbside Yard Waste Program.
- * Maintenance -
 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.

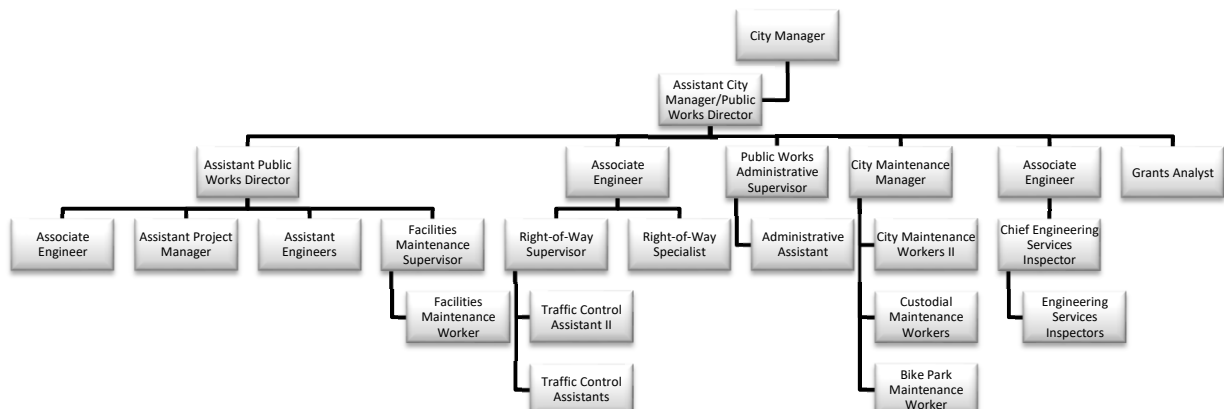
FY 2023 PROGRAM EXPENDITURES: \$8,258,260



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



PUBLIC WORKS – Sustainability

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Supplies & Services	\$ 105,000	97%	\$ 71,000	\$ 102,000	\$ -
Internal Charges	3,550	3%	-	-	-
Total Expenditures	\$ 108,550	100%	\$ 71,000	\$ 102,000	\$ -
Expenditures by Fund					
General Fund Portion	\$ 108,550	100%	\$ 71,000	\$ 102,000	\$ -
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 37,990	35%	\$ 24,850	\$ 35,700	\$ -
Estimated Visitor Generated	\$ 70,560	65%	\$ 46,150	\$ 66,300	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The Sustainability program was initiated in FY 2022 for a new curbside yard waste collection program. During the development of the City's Climate Action Plan, the City Council identified a target of reducing community greenhouse gas emissions by 50% by 2030. In the Plan, implementing annual yard waste collection is identified as one of the high impact practices to reduce emissions. Approximately 24% of municipal waste streams are made up of compostable materials like yard waste and food waste. When organic materials, such as food and yard waste rot in the landfill, they break down anaerobically (without oxygen) and create large amounts of methane. This flammable greenhouse gas is the same as emitted through the production of coal, oil, and natural gas. In contrast, composted yard waste can be used as a natural soil fertilizer in municipal operations. For more information see the webpage www.sedonaaz.gov/curbside.

FY 2022 Accomplishments

Council Priority - Environmental Stewardship/Sustainability:

- * Implemented the first annual curbside yard waste collection program.
- * Provided mulch to the public for re-use.
- * Diverted yard waste from the landfill for re-use.

FY 2023 Objectives

Council Priority - Environmental Stewardship/Sustainability:

- * Implement an annual curbside yard waste collection program.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Cubic yards of yard waste collected (chipped)	300	N/A	300	N/A	N/A
Cubic yards of mulch taken	120	N/A	100	N/A	N/A

PUBLIC WORKS – Engineering Services

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 1,437,410	68%	\$ 1,348,930	\$ 1,267,110	\$ 1,132,891
Supplies & Services	153,230	7%	107,675	93,100	81,622
Capital & Debt Service	30,400	1%	43,180	13,920	6,051
Subtotal Direct Costs	\$ 1,621,040	77%	\$ 1,499,785	\$ 1,374,130	\$ 1,220,564
Internal Charges	479,170	23%	497,640	471,490	403,640
Total Expenditures	\$ 2,100,210	100%	\$ 1,997,425	\$ 1,845,620	\$ 1,624,204
Expenditures by Fund					
General Fund Portion	\$ 1,633,740	78%	\$ 1,485,760	\$ 1,373,300	\$ 1,210,983
Wastewater Fund Portion	\$ 314,370	15%	\$ 392,735	\$ 356,050	\$ 364,828
Other Funds Portion	\$ 152,100	7%	\$ 118,930	\$ 116,270	\$ 48,393
Funding Sources					
Program Revenues	\$ 467,780	22%	\$ 513,835	\$ 475,210	\$ 417,504
Funding from General Revenues:					
Estimated Resident Generated	\$ 571,350	27%	\$ 519,260	\$ 479,640	\$ 422,345
Estimated Visitor Generated	\$ 1,061,080	51%	\$ 964,330	\$ 890,770	\$ 784,355
Employee Time Allocation (FTEs) (Budgeted)	12.73		12.61		11.61

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 the Transportation Sales Tax Fund and represents those funds' share of the cost for support services. In addition, a portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Maintained service in this program area, with the increase in projects and overall development.

Council Priority - Community Focus Area Plans Development:

- * Supported the review and development of Community Focus Areas with the Community Development Department.

FY 2023 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.

Council Priority - Community Focus Area Plans Development:

- * Continue to support development of Community Focus Areas with the Community Development Department.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Building permits reviewed	503	450	450	483	398
Commercial permits reviewed	256	225	225	241	198
Blue stakes completed	3,464	3,310	3,310	3,370	3,408
Efficiency improvement projects completed	3	N/A	3	1	N/A

PUBLIC WORKS – Maintenance Services

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 1,423,240	26%	\$ 1,152,040	\$ 1,312,230	\$ 922,273
Supplies & Services	2,734,360	50%	2,430,791	2,295,820	1,930,991
Capital & Debt Service	379,620	7%	523,040	485,590	306,484
Subtotal Direct Costs	\$ 4,537,220	83%	\$ 4,105,871	\$ 4,093,640	\$ 3,159,748
Internal Charges	944,250	17%	837,930	802,950	625,390
Total Expenditures	\$ 5,481,470	100%	\$ 4,943,801	\$ 4,896,590	\$ 3,785,138
Expenditures by Fund					
General Fund Portion	\$ 3,108,790	57%	\$ 2,828,190	\$ 2,909,390	\$ 2,749,799
Other Funds Portion	\$ 2,372,680	43%	\$ 2,115,611	\$ 1,987,200	\$ 1,035,339
Funding Sources					
Allocations to Other Departments	\$ 960,520	18%	\$ 806,370	\$ 706,720	\$ 643,730
Program Revenues	\$ 1,293,000	24%	\$ 1,024,000	\$ 1,293,000	\$ 1,069,885
Funding from General Revenues:					
Estimated Resident Generated	\$ 1,129,780	21%	\$ 1,089,700	\$ 1,013,900	\$ 725,033
Estimated Visitor Generated	\$ 2,098,170	38%	\$ 2,023,731	\$ 1,882,970	\$ 1,346,490
Employee Time Allocation (FTEs) (Budgeted)	17.47		16.20		13.78

The Maintenance program includes streets, facilities, parks, and aquatics.

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. This program also includes storm clean-up and equipment, supplies, machinery, materials, utilities, and personnel costs for maintenance of traffic control devices.

Facilities maintenance accounts for maintenance of City buildings, service contracts, facility utilities, and facility improvements.

Parks maintenance accounts for maintenance of parks grounds, equipment and machinery, service contracts, and utilities.

Aquatics maintenance accounts for the maintenance of the community pool. The Parks and Recreation Department oversees the management and operations while the Public Works Department oversees the maintenance of the facility.

A portion of the program costs are allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

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

- * Provided required traffic count data and maintained Norther Arizona Council of Governments (NACOG) funding eligibility.
- * Milled and overlaid over 1 mile of streets.
- * Applied Fractured Aggregate Surface Treatment (FAST) on streets in the Arroyo Pinon, Cedar Ridge, Doodle Bug, Mystic Hills, and Thunder Mountain Ranch Development subdivisions.
- * Completed budgeted streets rehabilitation and preservation projects, including 5.84 miles.
- * Increased the paved lane miles assessed as satisfactory.
- * Responded to 100% of storm emergencies requiring response.
- * Completed 98% of variable message sign deployment requests.

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

- * Increased the number of culverts cleaned compared to prior fiscal year.

FY 2023 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.
- * Respond to 100% of storm emergencies requiring response.
- * Complete a minimum of 90% of variable message sign deployment requests.

Community Plan Circulation Goal - Create a more walkable and bike-able community:

- * Continue to enhance bicycle route signage.



PUBLIC WORKS – Maintenance Services

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
ST: Pavement rehabilitation cost	\$1,150,000	\$1,210,000	\$1,250,000	\$1,042,010	\$872,775
ST: Paved lane miles of City maintained streets	177	177	175	175	175
ST: Culverts cleaned	50	50	40	39	39
ST: Storms responded to after normal business hours	3	3	5	2	2
ST: Traffic control signs damaged and replaced	10	10	10	9	9
ST: Christmas Trees Recycled	300	300	209	300	300
PARK: In-house projects completed	8	10	5	5	8

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

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
ST: Centerline miles of streets rehabilitation completed (average annual goal 5.0 miles)		5.0	4.7	5.8	4.1	5.5
ST: Pavement rehabilitation cost per mile (* = cost includes CIP overlay)		\$257,447 *	\$257,447 *	\$248,276 *	\$158,686	\$158,686
ST: Paved lane miles assessed as satisfactory as a percentage of miles assessed (ICMA Benchmark 2016-2020)	71% (all) / 71% (cities under 30,000 pop.)	75%	N/A	75%	70%	N/A
ST: Paved road rehabilitation expenditures, per paved lane mile (ICMA Benchmark 2016-2020)	\$7,819 (all) / \$9,175 (cities under 30,000 pop.)	\$6,497	\$6,836	\$7,143	\$5,954	\$4,987
ST: Maintained NACOG Funding Eligibility (provided traffic count data)		Yes	Yes	Yes	Yes	Yes
ST: National Citizen Survey: Quality of street repair (% responses favorable)		N/A	N/A	N/A	57% (Similar to NCS benchmark)	N/A
ST: Storm emergencies requiring response and responded to		100%	100%	100%	100%	100%

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
FAC: Administrative/office facilities, custodial expenditure per square foot (ICMA Benchmark 2016-2020)	\$1.58 (all) / \$1.71 (cities under 30,000 pop.)	\$1.61	\$1.50	\$1.57	\$1.52	\$1.47

Community Plan Parks, Recreation, and Open Space Goal - Provide activities and amenities that allow for community interactions

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
PARK: Savings due to in-house projects		\$100,000	\$50,000	\$75,000	\$30,000	\$86,870
PARK: Park maintenance expenditure per developed park acre (ICMA Benchmark 2016-2020)	\$5,710 (all) / \$10,874 (cities under 30,000 pop.)	\$8,317	\$7,844	\$7,921	\$7,705	\$7,921

PUBLIC WORKS – Stormwater Quality

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 107,480	69%	\$ 112,680	\$ 101,440	\$ 107,240
Supplies & Services	15,000	10%	26,500	10,910	20,014
Subtotal Direct Costs	\$ 122,480	79%	\$ 139,180	\$ 112,350	\$ 127,254
Internal Charges	33,430	21%	50,470	51,290	41,960
Total Expenditures	\$ 155,910	100%	\$ 189,650	\$ 163,640	\$ 169,214
Expenditures by Fund					
General Fund Portion	\$ 151,410	97%	\$ 185,150	\$ 159,180	\$ 164,773
Other Funds Portion	\$ 4,500	3%	\$ 4,500	\$ 4,460	\$ 4,441
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 54,570	35%	\$ 66,380	\$ 57,270	\$ 59,225
Estimated Visitor Generated	\$ 101,340	65%	\$ 123,270	\$ 106,370	\$ 109,989
Employee Time Allocation (FTEs) (Budgeted)	1.12		1.24		1.26

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.

A portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

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

- * Completed Pre-Monsoon Program.
- * 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.
- * Presented stormwater pollution's effect in Oak Creek to one organization.
- * Held two trash pickup events within Sedona with a total of 16 volunteers, collecting 62 pounds of trash.
- * Installed 31 "NO DUMPING – Drains to Oak Creek" curb markers.
- * Maintained 20 pet waste stations throughout Sedona.
- * Power swept City parking lots on a regular basis.

FY 2023 Objectives

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

- * Complete Pre-Monsoon Program.
- * Meet the ADEQ requirements for MS4 compliance per ADEQ Permit No. AZG2016-002, and our Notice of Intent (NOI) with ADEQ.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Letters written to property owners regarding Pre-Monsoon Program inspection outcomes	10	10	10	0	0
Stormwater compliance inspections (active CIP projects - every two weeks)	25	48	25	31	27
CIP project post-construction Best Management Practices (BMP) inspections	5	18	5	5	17
Stormwater compliance inspections (active private development projects - every month)	60	60	60	83	40
Letters sent regarding illicit discharges to the MS4	10	10	10	9	6
Public outreach tabling events	1	6	1	1	5
Educational brochures sent to local contractors	60	50	60	53	45
Presentations to local organizations	1	2	1	1	1
Trash pickup events	1	2	1	2	1
Pounds of dog feces collected through semimonthly pet waste station maintenance	5,000	4,300	3,500	4,625	3,882
Stormwater based articles in news outlets	3	3	3	5	4
Dry weather outfall monitoring inspections	57	61	61	57	53
Visual and analytical wet weather monitoring inspections	12	28	12	0	43
Internal inspections of City maintenance yards	18	18	18	18	18

PUBLIC WORKS – Stormwater Quality
continued

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

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
MS4 Compliant		Yes	Yes	Yes	Yes	Yes
Single family home active construction site inspections		75	75	75	75	86
Private development post-construction BMP inspections		5	4	4	8	4

PUBLIC WORKS – Transportation Services

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 261,680	63%	\$ 199,490	\$ 193,660	\$ 113,780
Supplies & Services	10,000	2%	8,189	9,870	5,686
Subtotal Direct Costs	\$ 271,680	66%	\$ 207,679	\$ 203,530	\$ 119,465
Internal Charges	140,440	34%	63,980	66,710	51,240
Total Expenditures	\$ 412,120	100%	\$ 271,659	\$ 270,240	\$ 170,705
Expenditures by Fund					
General Fund Portion	\$ 409,620	99%	\$ 270,870	\$ 266,340	\$ 170,705
Other Funds Portion	\$ 2,500	1%	\$ 789	\$ 3,900	\$ -
Funding Sources					
Program Revenues	\$ 2,500	1%	\$ 789	\$ 3,900	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 143,370	35%	\$ 94,800	\$ 93,220	\$ 59,747
Estimated Visitor Generated	\$ 266,250	65%	\$ 176,070	\$ 173,120	\$ 110,958
Employee Time Allocation (FTEs) (Budgeted)	4.33		3.80		2.80

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, and a new focus on managing traffic and parking issues at trailheads. A reduction in travel times and trailhead traffic and parking issues will improve the quality of life for residents and the Sedona experience for visitors.

A portion of the program is also funded with Sedona Trails and Pathways System (ST&PS) donations.

FY 2022 Accomplishments

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

- * Continued and expanded traffic control operations management.
- * Continued measuring travel time delay.
- * Increased the number of days traffic control operations were deployed.
- * Maintained traffic control operations for 12 of 13 holidays expected to have high congestion.
- * Began assisting with trailhead traffic and parking control.

FY 2023 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 in Uptown to be 15 minutes, SR 179 to be 30 minutes and 10 minutes for SR 89A on Cook's Hill.
- * 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.
- * Continue developing methods and level of assistance with trailhead traffic and parking control.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Days with traffic control on SR 89A	115	125	110	106	86
Days with traffic control on SR 179	175	173	170	165	118
Holiday weekends with delays > 15 min. – SR 89A Uptown	1	N/A	1	1	N/A
Holiday weekends with delays > 30 min. – SR 179	8	6	9	10	7
Holiday weekends with delays > 10 min. – SR 89A Cook's Hill	8	6	9	10	6
Holiday weekends with traffic control	12	12	12	12	10
Days of delays > 15 min. – SR 89A Uptown	5	N/A	10	8	N/A
Days of delays > 30 min. – SR 179	50	40	55	60	35
Days of delays > 10 min. – SR 89A Cook's Hill	75	50	95	91	45
Days of delays > 15 min. – SR 89A NB - "Y" to Rainbow Trout Farm	30	N/A	35	N/A	N/A
Total miles of ST&PS complete	7.9	N/A	3.2	1.3	N/A

PUBLIC WORKS – Transportation Services
continued

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

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Percentage of weekends providing assistance with management of trailhead parking out of 45 congested weekends		100%	N/A	100%	31%	N/A
Traffic control operations maintained for days experiencing high congestion (> 30 min.) on SR 179		90%	N/A	90%	80%	N/A

ECONOMIC DEVELOPMENT

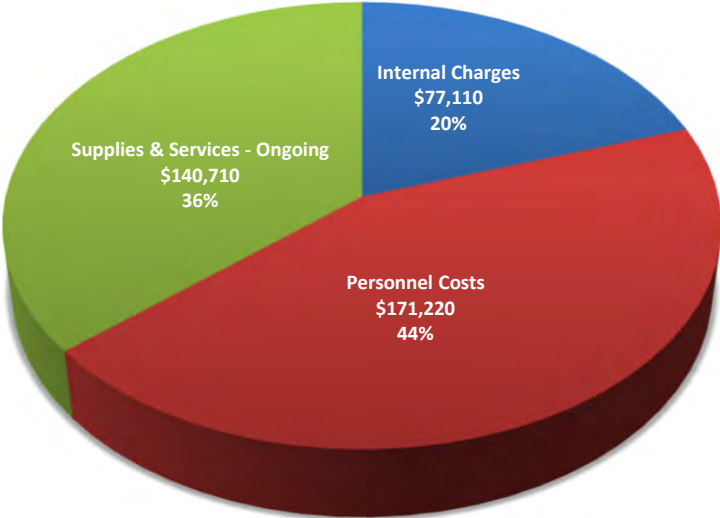
Mission Statement

The mission of the Economic Development Department is to diversify Sedona's economy consistent with the Community Plan and Economic Diversification Strategic Plan. The diversification strategy plan consists of four key pillars that emphasize community development, business development, economic gardening/entrepreneurship, and marketing and branding.

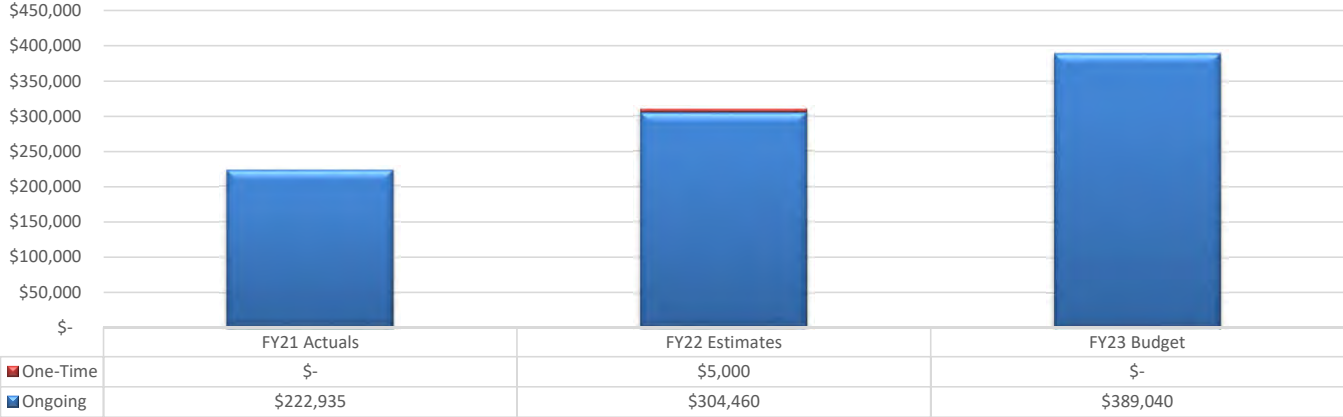
Description

- The Economic Development Department offers:
- * Strategic planning and implementation of the City's economic diversification vision.
 - * Business assistance to local businesses inclusive of assistance with financing, business planning, and community assistance.
 - * Additional resources to partner organizations to help establish or develop business.
 - * Data and demographic information both locally and regionally.
 - * Advocating as the voice of the businesses while working internally with the City team.

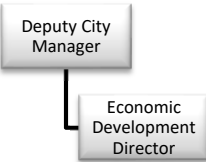
FY 2023 PROGRAM EXPENDITURES: \$389,040



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



ECONOMIC DEVELOPMENT – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 171,220	44%	\$ 169,670	\$ 169,550	\$ 165,627
Supplies & Services	140,710	36%	163,200	99,010	24,468
Subtotal Direct Costs	\$ 311,930	80%	\$ 332,870	\$ 268,560	\$ 190,095
Internal Charges	77,110	20%	43,650	40,900	32,840
Total Expenditures	\$ 389,040	100%	\$ 376,520	\$ 309,460	\$ 222,935
Expenditures by Fund					
General Fund Portion	\$ 388,630	100%	\$ 376,520	\$ 309,050	\$ 222,935
Other Funds Portion	\$ 410	<1%	\$ -	\$ 410	\$ -
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 136,160	35%	\$ 131,780	\$ 108,310	\$ 78,027
Estimated Visitor Generated	\$ 252,880	65%	\$ 244,740	\$ 201,150	\$ 144,908
Employee Time Allocation (FTEs) (Budgeted)	1.00		1.00		1.00

FY 2022 Accomplishments

The majority of FY 2022, like the latter half of FY 2020 was dedicated to being a responsive and engaged resources for businesses impacted by the pandemic. The department served as a nexus for many businesses seeking assistance during the pandemic. Additionally, the department routinely worked with regional, state, national, and other entities to regularly stay up to date on the latest information and impacts regarding businesses and business development.

Council Priority - Economic Diversification:

- * Worked with Verde Valley Regional Economic Organization (VVREO), Northern Arizona Council of Governments (NACOG), Arizona Public Service (APS), and Yavapai County on last mile solutions for Sedona. This includes exploration of numerous funding opportunities. The City will be moving forward with an intergovernmental agreement (IGA) to partner with Yavapai County on its county-wide broadband initiative.
- * Work with Public Works to adopt a dig once policy as well as budget for conduit in an effort to facilitate and reduce the cost of connectivity investments.
- * Partnering regionally with Camp Verde, Cottonwood, and Northern Arizona University (NAU) on a pilot internship/workforce development program. To date, we have secured grant funds for this project. Project will begin in 2022 and should be completed by FY 2023.
- * Continued to leverage public funds to support city initiatives – currently, through the Congressional Appropriations process, \$1.4 million is in review for capital improvement projects (upgrade of Emergency Operations Center and improvements to Shelby Drive) that will supplement the General Fund.
- * Continued work with NAU and Coconino County as well as other partner to monitor business recovery and business needs through several surveys since the beginning of the pandemic. The feedback helped direct our local and regional business assistance.
- * Engaged the immigrant community through Northern Arizona Interfaith Council to improve relationships and focus on local business development and assistance needs. Partnered with Local First Arizona to deliver an entrepreneurial program, Fuerza Local, in Spanish to reach and assist more local businesses. The first course should begin spring of 2022.
- * Partnered with Northern Arizona Center for Entrepreneurship and Technology (NACET) to provide entrepreneurial and virtual incubation resources.
- * Continue the exploration of co-working and commercial kitchen solutions to address entrepreneurial needs.
- * Purchased new data tool to help economic gardening efforts by providing demographic, leakage, and spending pattern information. Additionally, this tool has been useful to other departments such as with Transit's understanding of trailhead data.
- * Worked with more than 50 local business owners this year to provide assistance, programming and networking to additional resources.
- * Hosted and/or partnered to host over 20 workshops and webinars. A majority of these were in relation to economic recovery from the impacts of the pandemic.
- * Worked and facilitated the creation of the Yavapai County Economic Resource Alliance (YCERA) for the purpose of building collaboration, sharing information, and exploring other partnerships to facilitate business attraction and expansion.
- * Provided business services such as loan applications, business planning, data, sustainability certification, and access to other technical resources.
- * Leveraged the capacity of the Economic Development Department through the addition of an AmeriCorps Volunteers in Service to America (VISTA) volunteer.
- * The department director continues to chair the loan committee for VVREO.
- * The department director continues to serve on the NACOG Economic Development Council.
- * The department director was elected to the NACET board of directors.

FY 2023 Objectives

Council Priority - Economic Diversification:

- * Implement a five-year economic development diversification plan.
- * Support, attract, and expand targeted industries for diversification.
- * Generate more opportunities for entrepreneurs to learn and thrive.
- * Create a marketing plan in alignment with the economic development diversification plan.
- * Continue to build contacts and networks.

ECONOMIC DEVELOPMENT – Administration

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Unique website visits	800	800	804	750	720
Inquiries from businesses	50	50	50	100	100
Business visits/outreach	30	30	40	30	30
Businesses assisted with business planning	25	25	25	25	25
Business workshops/trainings hosted or partnered	10	10	12	20	20

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	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Expansion and investment in targeted sector		\$500,000	\$100,000	\$4,000,000	\$1,500,000	\$200,000
Private capital investment invested by businesses served		\$500,000	\$250,000	\$3,000,000	\$2,000,000	\$650,000
Number of business loans / total value of loans		5 / \$500,000	5 / \$350,000	7 / \$6,500,000	25 / \$8,000,000	25 / \$2,200,000
Jobs resulting from businesses served		15	10	30	15	15
Jobs created above median earnings*		10	8	20	8	12
Percentage of businesses surveyed that find value in the workshops		100%	100%	85%	85%	100%

*The 2020 median wage as computed by Yavapai County for the City of Sedona was \$15.74 per hour. For comparison, the national median wage for 2020 was \$20.04 per hour.

POLICE

Mission Statement

Our mission is to preserve the public peace through the enforcement of the law, protection of life and property, providing exceptional service, and collaborative community partnerships.

Description

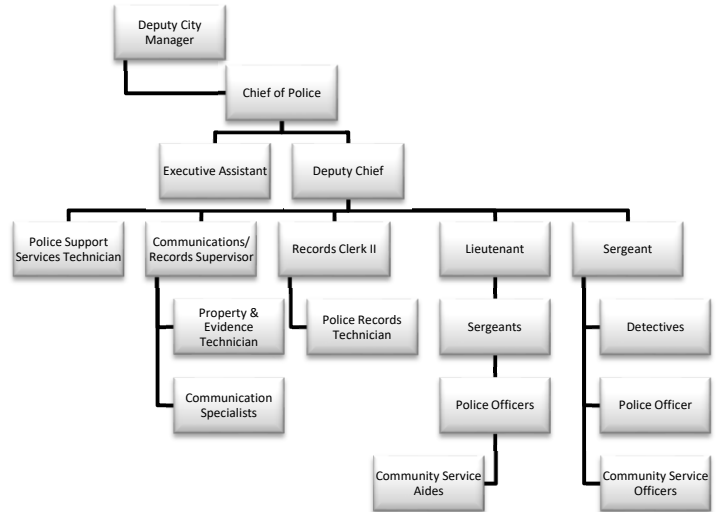
With a steadfast focus on "Selfless Service For All", we will continue to foster public trust and strengthen community relationships while striving for excellence through employee development, self-discipline, and strong leadership. Our foundational core values include: Community, Compassion, and Honor.

Guided by a philosophy of community policing, collaborative problem-solving, and a focus on fostering strong community partnerships, the Police 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.

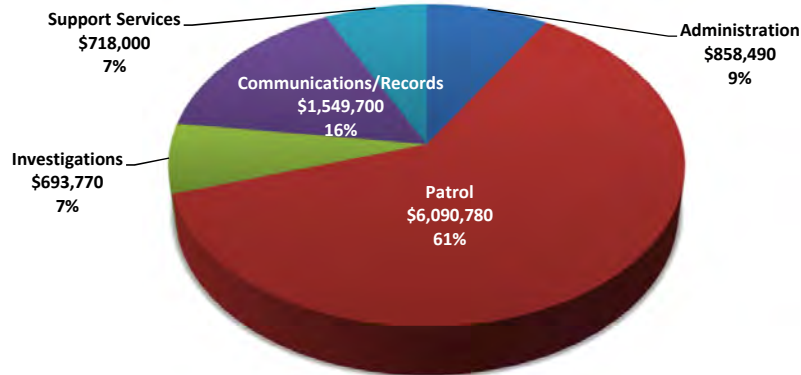
The Police Department is responsible for the following primary program areas:

- * Administration - includes the Office of the Chief of Police, Deputy Chief, Police Volunteers, and the Executive Assistant, and administration of the Uptown Paid Parking Program
- * Patrol Division - includes all patrol functions: Special Weapons and Tactics (SWAT), Community Services Aides, K-9-unit, School Resource Officer, Police Explorers, Community Services Officers, and Animal Control
- * Support Services Division - includes all support functions of the Department and assists the patrol division operations, including Police Volunteers, Investigations and Communications. This program secures, operates, and oversees the Computer Aided Dispatch/Records Management System, crime analysis, in-car video recording systems, the Police Community Academy, radios, grants and state and federal mandated reporting.
- * Investigations Program – conducts follow up criminal investigations, background investigations, processing criminal complaints assigned to the municipal and county courts, and sex offender registrant monitoring.
- * Communications/Records Program – provides support to all Department personnel through radio communications, Computer Aided Dispatch, Mobile Data Computer software applications, records storage and retrieval, and public record access and production.
- * Traffic and Parking Services – are responsible for parking enforcement in the Uptown area and some trailhead parking lots, assist with traffic control during special events and spontaneous, urgent field incidents, and handle minor issues with the pay stations in the Uptown area.

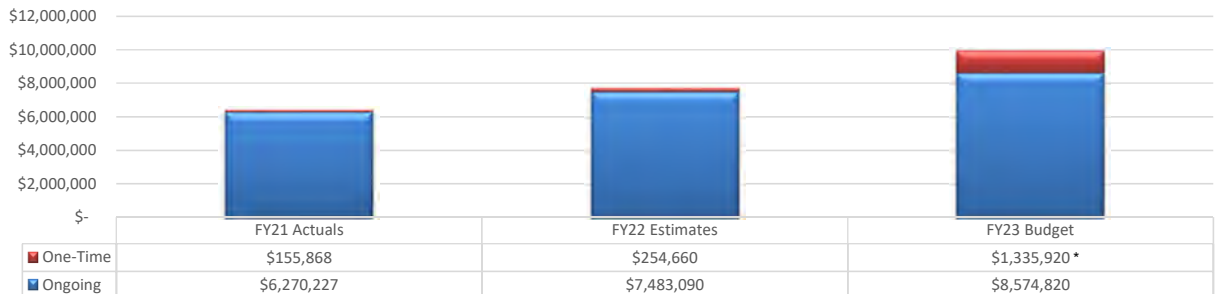
DEPARTMENT ORGANIZATION CHART



FY 2023 PROGRAM EXPENDITURES: \$9,910,740



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



*The City Council approved a one-time additional contribution to the Public Safety Personnel Retirement System (PSPRS) of \$1 million.

POLICE – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 619,530	72%	\$ 312,950	\$ 304,600	\$ 275,866
Supplies & Services	76,650	9%	61,840	55,650	44,735
Capital & Debt Service	23,860	3%	9,600	22,490	-
Subtotal Direct Costs	\$ 720,040	84%	\$ 384,390	\$ 382,740	\$ 320,601
Internal Charges	138,450	16%	103,240	99,740	80,810
Total Expenditures	\$ 858,490	100%	\$ 487,630	\$ 482,480	\$ 401,411
Expenditures by Fund					
General Fund Portion	\$ 848,110	99%	\$ 481,530	\$ 478,250	\$ 400,607
Other Funds Portion	\$ 10,380	1%	\$ 6,100	\$ 4,230	\$ 804
Funding Sources					
Program Revenues	\$ 10,800	1%	\$ 6,800	\$ 5,180	\$ 3,055
Funding from General Revenues:					
Estimated Resident Generated	\$ 296,690	35%	\$ 168,290	\$ 167,060	\$ 139,425
Estimated Visitor Generated	\$ 551,000	64%	\$ 312,540	\$ 310,240	\$ 258,931
Employee Time Allocation (FTEs) (Budgeted)	3.00		2.00		2.00

The Police Administration program (Office of the Chief of Police) consists of the Police Chief, the Deputy 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, and facility maintenance coordination. 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.

The Administration program also focuses on quality of life issues important to the public we serve through our Police Volunteers and the Police Explorer Post. These programs and the people who staff them work tirelessly to improve our way of life in Sedona by handling lower-level calls for service and other tasks so the sworn officers stay in the field and available for calls for service.

The Sedona Police Volunteer program is comprised of local volunteers dedicated to assisting the Sedona Police Department (SPD) in serving fellow members of our community and providing professional public safety services. Some of the assistance the volunteers provide are fingerprinting, vacation house watch, prisoner transport, traffic/crowd control, special events, and speed monitoring. Sedona Police Volunteers serve our community and the Sedona Police Department with honesty, fairness, and integrity at all times.

Sedona Police Explorer Post 7100 is a community-based policing program. We educate and involve young men and women between the ages of 14-21 in police operations and spark interest in law enforcement. Our members become involved in community activities and provide support to the police department. The Explorers program is part of the Boy Scouts of America but is distinctively different from scouting. It's developed and supervised by local organizations and provides an opportunity for young people to explore a particular career area. They meet often and learn about not only about policing, but also about decision-making, building character, leadership, anti-bullying, and personal accountability. They travel to various competitions in the Western U.S. and apply their skills and abilities against other Explorer posts from Arizona and beyond. They also volunteer hundreds of hours of their personal time helping various non-profits and events in Sedona and the Verde Valley.

A portion of this program is paid by the Grants, Donations & Restricted Funds. In addition, a portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value – Public Safety:

- * Submitted applications for grant funding to the Governor's Office of Highway Safety to assist with departmental operations.
- * Continued to utilize Nextdoor to enhance communication and engagement with Sedona residents.
- * Conducted Active Attacker training for the City Council and provided safety tips which included building layouts and exit locations.
- * Fostered a collaborative relationship and localized team with the Sedona Fire Department regarding enhanced emergency management practice and homeland security preparations.
- * Joined the Yavapai County Regional Field Force Team.
- * Updated the SPD Policy Manual, ensuring alignment with contemporary police standards and disseminated to employees.
- * Deployed message trailers in response to COVID-19 precautions, trailhead parking, safety, weather, and traffic messages, along with speed enforcement.
- * Implementation of COVID-19 safety protocols and staff remained healthy throughout the pandemic.
- * Revitalized our awards and recognition program for employees.
- * Trained and deployed a new School Resource Officer.
- * Completed the regional dispatch assessment.

POLICE – Administration
continued

FY 2023 Objectives

Overall City Value - Public Safety:

- * Develop training materials for Critical Incident/Emergency Management deployment, and conduct training exercises for critical City staff and Council members.
- * Continue to train Department employees on mental health problems, recognition, and responses.
- * Secure multiple grant awards in community donations to purchase additional equipment to enhance Department operations.
- * Achieve consistent full staffing levels, to optimize operations and service levels.
- * Provide leadership and wellness trainings for staff.
- * Actively train for and engage in a regional Peer Support program with Sedona Fire and other partner agencies.
- * Launch pilot drone initiative.
- * Begin and complete the second phase remodel of the department facility.
- * Expand initiative for consistent bio-hazard/decontamination of field vehicles and holding-cells.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Sworn staff attending training on Critical Incident Training (CIT)/Mental Health Interactions	5	5	10	16	16
Sworn staff attending training on Incident Command System/National Incident Management System (ICS/NIMS) protocols	5	5	7	1	1
Community interaction events	12	12	11	7	7

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Retention of sworn employees (excluding retirement)		100% (27/27)	100% (27/27)	92% (25/27)	100% (27/27)	81% (5/27)
Retention of civilian employees (excluding retirement)		94% (17/18)	94% (17/18)	89% (16/18)	83% (15/18)	71% (11/18)
Sworn personnel turnover (ICMA Benchmark 2016-2020)	4.5% (all) / 5.3% (cities under 30,000 pop.)	7.5%	7.5%	7.5%	0%	18.52%
Sworn police overtime as % of total sworn police compensation (ICMA Benchmark 2016-2020)	5.3% (all) / 4.3% (cities under 30,000 pop.)	4.6%	4.6%	4.6%	4.2%	5.6%
FTEs: Sworn positions per 1,000 population (ICMA Benchmark 2016-2020)	2.3 (all) / 2.8 (cities under 30,000 pop.)	2.7	2.6	2.7	2.4	2.6

POLICE – Patrol

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 4,151,950	68%	\$ 3,114,510	\$ 2,941,840	\$ 2,550,195
Supplies & Services	448,310	7%	392,205	388,480	380,359
Capital & Debt Service	218,500	4%	228,032	187,710	72,324
Subtotal Direct Costs	\$ 4,818,760	79%	\$ 3,734,747	\$ 3,518,030	\$ 3,002,878
Internal Charges	1,272,020	21%	1,271,230	1,284,220	961,370
Total Expenditures	\$ 6,090,780	100%	\$ 5,005,977	\$ 4,802,250	\$ 3,964,248
Expenditures by Fund					
General Fund Portion	\$ 5,927,480	97%	\$ 4,851,607	\$ 4,618,020	\$ 3,867,030
Other Funds Portion	\$ 163,300	3%	\$ 154,370	\$ 184,230	\$ 97,218
Funding Sources					
Program Revenues	\$ 159,440	3%	\$ 105,650	\$ 179,920	\$ 69,452
Funding from General Revenues:					
Estimated Resident Generated	\$ 2,075,970	34%	\$ 1,715,110	\$ 1,617,820	\$ 1,363,179
Estimated Visitor Generated	\$ 3,855,370	63%	\$ 3,185,217	\$ 3,004,510	\$ 2,531,617
Employee Time Allocation (FTEs) (Budgeted)	25.90		25.90		20.00

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, Community Service Officers [CSOs] and Community Services Aides [CSAs]), and effectively dealing with various quality of life matters. The personnel within the program are also responsible for temporary holding facility and 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 ongoing mandated professional development of personnel within the program.

The Special Weapons and Tactics (SWAT) program operates under the Patrol Division Commanding Officer, as most of the members are assigned to the Patrol Division. The Verde Valley Regional SWAT Team consists of officers and supervisors from all police agencies in the Verde Valley. In the past several years, Sedona Police Department has dedicated two officers to the 12-person SWAT team. This year we are adding a third officer to the SWAT team. The SWAT team is an ancillary assignment, where officers are called in to deploy to a field incident as needed.

A portion of this program is paid by the Grants, Donations & Restricted Funds. In addition, a portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Public Safety:

- * Deployed officers at special events at Posse Grounds for foot patrols.
- * Maintained budget funding to accommodate the SWAT team members.
- * Awarded a grant for targeted driving under the influence (DUI) enforcement for impaired drivers paid for by the Governor's Office of Highway Safety (GOHS).
- * Awarded two motorcycles by GOHS; one Zero Electric and one BMW.
- * Two additional automated external defibrillators (AEDs) were donated to the police department and deployed/assigned to officers on patrol.
- * Two recruits successfully graduated the police academy and are on field training.
- * Successfully trained and deployed a motorcycle officer to assist with traffic issues.
- * New officers graduated from the academy and successfully completed field training.
- * We used Command Solutions from Motorola computer aided dispatch (CAD)/records management system(RMS) to improve deployment of resources throughout the City.
- * The mobile digital speed indicator was deployed 10 times in high traffic areas, to collect data and address concerns of unsafe driving and anticipate an additional 10 more times to meet our yearly goal.
- * Due to COVID-19 protocols, classes were limited for critical incident training (CIT)/mental health trainings. We were able to send one officer so far this year.
- * Thus far, we have participated in seven community presentations at schools, community group meetings, and citizen academies.
- * We successfully recruited and hired a new patrol lieutenant.
- * We tested and hired a second administration sergeant.

POLICE – Patrol
continued

FY 2023 Objectives

Overall City Value - Public Safety:

- * Deploy officers in Uptown and other areas as needed on bicycles and foot patrols.
- * Continue to enhance and produce the information/data available with Command Solutions from Motorola CAD/RMS System to improve deployment of resources throughout the City.
- * Recruit and hire officers to achieve and maintain full staffing levels.
- * Deploy the mobile digital speed indicator in high traffic areas on at least 20 occasions before June 30, 2023, to collect data and address concerns of unsafe driving.
- * Continue to train officers on mental health problems, recognitions, and responses to complete the International Association of Chiefs of Police (IACP) One Mind Challenge.
- * Actively engage our schools and community groups through classroom reading opportunities and presentations, and crime prevention/Neighborhood Watch presentations.
- * Test, select, and train a new school resource officer (SRO) to be deployed and assigned by start of the new school year. The SRO will spend 75% of working hours in our schools.
- * Test, select, and train a new K-9 handler and purchase a new K-9.

WORKLOAD INDICATORS	Benchmark	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
UCR Part I violent crimes *Criminal homicide, sexual assault, rape, robbery and aggravated assault		46	46	48	50	50
UCR Part I property crimes *Burglary, theft and arson		200	200	232	183	183
UCR Part 2 crimes *Criminal damage, disorderly conduct, drug offense, fraud, assault, domestic violence, juvenile offenses and prostitution.		500	500	560	539	539
Traffic collisions - Fatal (ICMA Benchmark 2016-2020)	28.3 (all) / 0.7 (cities under 30,000 pop.)	0	0	0	0	1
Traffic collisions - Injury		30	30	52	55	55
Traffic collisions - Non-injury		250	250	304	241	241
Officer-initiated activity		9,500	9,500	9,256	9,922	9,922
Warnings		1,300	1,300	1,170	1,668	1,668
Calls for service from the community		7,400	7,400	7,046	11,533	6,331
Citations		1,800	1,800	1,246	1,065	1,065
Arrests - Misdemeanor		460	460	366	370	370
Arrests - Felony		120	120	112	94	94
Arrests - DUI (increased due to state DUI funding and Verde Valley DUI Taskforce details in FY 21)		55	55	48	65	65
Deploy mobile digital speed indicator sign in areas of reported OHV/city streets speeding or unsafe driving issues within city limits		15 deploys	15 deploys	14 deploys	10 deploys	10 deploys

POLICE – Patrol
continued

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Maintain a response time of seven minutes or less 90% of the time to emergency calls		90%	90%	80%	90%	90%
Average response time (minutes) - Priority 1 (ICMA Benchmark 2016-2020) *Collisions with injuries or death and attempted suicides	4.6 (all) / 4.0 (cities under 30,000 pop.)	5	N/A	6.18	5.16	N/A
Average response time (minutes) - Priority 2 *Domestic Violence, just occurred sex offenses, bomb threats, deaths and medical assists		5	N/A	6.34	5.30	N/A
Average response time (minutes) - Priority 3 *Collisions with no injuries, assaults, suspicious activity and abuse cases		6	N/A	8.12	6.45	N/A
Calls for service from the community per sworn FTE (ICMA Benchmark 2016-2020)	601 (all) / 992 (cities under 30,000 pop.)	345	345	336	302	302
Calls for service from the community and officer initiated activity per sworn FTE		790	790	777	774	774
Calls for service from the community and officer initiated activity per 1,000 population		1,600	1,600	1,568	1,563	1,563
Calls for service from the community per 1,000 population (ICMA Benchmark 2016-2020)	824 (all) / 1,371 (cities under 30,000 pop.)	700	700	678	609	609
DUI arrests per 1,000 population (ICMA Benchmark 2016-2020)	3.3 (All) / 3.5 (cities under 30,000 pop.)	6	6	4.61	6.25	6.25
UCR Part I property crimes reported per 1,000 population (ICMA Benchmark 2016-2020)	30.3 (all) / 32.0 (cities under 30,000 pop.)	20	20	22.3	17.6	17.6
UCR Part I violent crimes reported per 1,000 population (ICMA Benchmark 2016-2020)	4.5 (all) / 4.2 (cities under 30,000 pop.)	4.5	4.5	4.6	4.8	4.8
UCR Part 2 crime reported per 1,000 population		50	50	53.85	51.83	51.83

POLICE – Investigations

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 522,470	75%	\$ 415,710	\$ 386,040	\$ 233,599
Supplies & Services	59,930	9%	52,664	49,240	31,164
Subtotal Direct Costs	\$ 582,400	84%	\$ 468,374	\$ 435,280	\$ 264,763
Internal Charges	111,370	16%	118,140	118,830	93,000
Total Expenditures	\$ 693,770	100%	\$ 586,514	\$ 554,110	\$ 357,763
Expenditures by Fund					
General Fund Portion	\$ 692,670	100%	\$ 585,414	\$ 553,010	\$ 356,720
Other Funds Portion	\$ 1,100	<1%	\$ 1,100	\$ 1,100	\$ 1,043
Funding Sources					
Program Revenues	\$ 26,000	4%	\$ 25,860	\$ 26,300	\$ 37,200
Funding from General Revenues:					
Estimated Resident Generated	\$ 233,720	34%	\$ 196,230	\$ 184,730	\$ 112,197
Estimated Visitor Generated	\$ 434,050	63%	\$ 364,424	\$ 343,080	\$ 208,366
Employee Time Allocation (FTEs) (Budgeted)	3.00		3.00		4.00

The Investigations program consists of sworn personnel who are assigned to conduct follow up criminal investigations, background investigations, 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 task 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.

The Investigations program includes the Partners Against Narcotics Trafficking (PANT) program. The Department provides a sworn police officer to work on the PANT task force to combat illegal narcotics possession, use, sales, and transportation. With this commitment of resources, the Department is able to fill a seat on the PANT Board of Directors.

A portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Public Safety:

- * Completed backgrounds using the Lean process in compliance with AZ POST rules
- * Worked with several different law enforcement agencies in multi-jurisdiction, such as the Attorney General's Office relating to crimes against children and Homeland Security for human trafficking.
- * Exceeded the state's clearance rates for violent crimes by 52%.
- * Exceeded the state's clearance rates for property crimes by 20%.
- * Tested and selected new detective, due to prior detective being promoted to sergeant.
- * Conducted two Sexual Offender Registrant compliance operations.

FY 2023 Objectives

Overall City Value - Public Safety:

- * Conduct two Sexual Offender Registrant compliance operations.
- * Maintain case clearance to maximum of six months, excluding complicated paper crime cases. Paper crime cases requires subpoenaed bank records, which can take more than six months to receive all required documents.
- * Train new detective in advance forensic interviewing.
- * Initiate proactive field operations in conjunction with criminal investigations and crime prevention.
- * Complete backgrounds using Lean process and in compliance with AZ POST rules.

POLICE – Investigations

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Total cases assigned (felony and misdemeanor) (Decreased due to one detective In FY20, also handling backgrounds and training)	190	190	188	71	71
Detective initiated arrests (Due to COVID-19, there were restrictions in custody arrests)	15	15	12	7	7
Felony and misdemeanor cases sent to prosecuting attorney's office for filing charges	50	50	60	43	43
Conduct sexual offender registrant compliance operations	2	2	2	2	2

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Exceed annual state crime clearance rate (16.73%*) for property crime (ICMA Benchmark 2016-2020) *Arizona Department of Public Safety Crime Report 2019	28.1% (all) / 31.6% (cities under 30,000 pop.)	35% (exceeds state by 18.3%)	35% (exceeds state by 18.3%)	43% (exceeds state by 26.2%)	29.3% (exceeds state by 12.6%)	27.2% (exceeds state by 10.5%)
Exceed annual state crime clearance rate (38.17%*) for violent crime (ICMA Benchmark 2016-2020) *Arizona Department of Public Safety Crime Report 2019	53.8% (all) / 60.8% (cities under 30,000 pop.)	50% (exceeds state by 11.8%)	50% (exceeds state by 11.8%)	65.7% (exceeds state by 27.5%)	85% (exceed state by 46.8%)	41.1% (exceed state by 2.93%)
Complete investigation on all cases (including lengthy fraud cases) within six months from being assigned		90%	90%	85%	85%	85%

NOTE: Clearance rate means when a case is closed due to an arrest, declined prosecution, or the victim no longer wants to proceed with prosecution after the suspect has been identified.

POLICE – Communications/Records

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 962,880	62%	\$ 802,670	\$ 815,900	\$ 773,163
Supplies & Services	92,920	6%	66,012	61,610	60,930
Subtotal Direct Costs	\$ 1,055,800	68%	\$ 868,682	\$ 877,510	\$ 834,093
Internal Charges	493,900	32%	426,590	413,420	369,460
Total Expenditures	\$ 1,549,700	100%	\$ 1,295,272	\$ 1,290,930	\$ 1,203,553
Expenditures by Fund					
General Fund Portion	\$ 1,548,710	100%	\$ 1,294,452	\$ 1,290,110	\$ 1,202,890
Other Funds Portion	\$ 990	<1%	\$ 820	\$ 820	\$ 663
Funding Sources					
Program Revenues	\$ 4,000	<1%	\$ 4,300	\$ 3,900	\$ 3,637
Funding from General Revenues:					
Estimated Resident Generated	\$ 540,990	35%	\$ 451,840	\$ 450,460	\$ 419,971
Estimated Visitor Generated	\$ 1,004,710	65%	\$ 839,132	\$ 836,570	\$ 779,945
Employee Time Allocation (FTEs) (Budgeted)	11.00		11.00		11.00

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.

A portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Public Safety:

- * Reduced records request wait times from 14 days to 7 days.
- * Reduced report merging backlog from 150 reports to 100 reports.
- * Dispatched calls to officers within 90 seconds of receiving the call.
- * Dispatcher successfully completed phlebotomy course to help support the PD with blood draws.
- * Implemented Text to 9-1-1 protocols.
- * Property and Evidence installed wall cabinets and reorganized property and evidence intake area for improved efficiencies.

FY 2023 Objectives

Overall City Value - Public Safety:

- * Achieve and maintain as close to 100% dispatcher employment as possible.
- * Dispatch calls to officers within 90 seconds from receiving the call.
- * Participate in discussions with Yavapai College to implement a "Dispatcher Training Academy" as part of their criminal justice curriculum with expected launch date in the spring of 2022.
- * Begin the process of switching data reporting for the FBI from Unified Crime Reporting (UCR) to National Incident Based Reporting System (NIBRS).
- * Reduce report request time from 7 days to 5 days.
- * Maintain report merging backlog of 100 reports.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Telephone calls received - Emergency	8,250	8,250	8,054	6,188	6,188
Telephone calls received - Non-Emergency	35,000	35,000	32,830	27,422	27,422

POLICE – Communications/Records

continued

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Time to answer 9-1-1 calls (seconds) (National Emergency Number Association (NENA) benchmark standard)	10	4	4	4	4	4
Average time to dispatch call to field unit (seconds)		100	100	100	101	101
Average backlog of records merged into system once the reports are approved by a supervisor		100 cases	100 cases	150 cases	200 cases	200 cases
Average wait time for public records requests once the reports are approved by a supervisor (days)		3	3	5	14	14



POLICE – Support Services

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 462,760	64%	\$ 525,050	\$ 451,880	\$ 391,668
Supplies & Services	67,110	9%	51,759	31,360	13,362
Capital & Debt Service	24,260	3%	9,600	5,230	-
Subtotal Direct Costs	\$ 554,130	77%	\$ 586,409	\$ 488,470	\$ 405,030
Internal Charges	163,870	23%	113,680	119,510	94,090
Total Expenditures	\$ 718,000	100%	\$ 700,089	\$ 607,980	\$ 499,120
Expenditures by Fund					
General Fund Portion	\$ 698,310	97%	\$ 697,710	\$ 600,630	\$ 496,431
Other Funds Portion	\$ 19,690	3%	\$ 2,379	\$ 7,350	\$ 2,689
Funding Sources					
Program Revenues	\$ 17,500	2%	\$ -	\$ 20,000	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 245,170	34%	\$ 245,030	\$ 205,790	\$ 174,692
Estimated Visitor Generated	\$ 455,330	63%	\$ 455,059	\$ 382,190	\$ 324,428
Employee Time Allocation (FTEs) (Budgeted)	4.73		4.73		3.73

The Support Services program is managed by the Commanding Officer, currently a Lieutenant. Within Support Services are the Investigations Section, Communications/Dispatch, Evidence, Records, Police Support Services Technician, Community Service Officer, School Resource Officer (SRO), K-9 Officer, the Traffic Unit, and the Support Services Sergeant. Support Services handles all support functions of the Department and assists the patrol division 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 Computerized Aide Dispatch/Record Management System (CAD/RMS), crime analysis, in-car video recording systems, the Police Community Academy, radios (both hand-held and mobile vehicle), department grants, and state and federal mandated reporting, including but not limited to Uniformed Crime Reporting/National Incident Based Reporting System.

A portion of this program is paid by the Grants, Donations & Restricted Funds. In addition, a portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Public Safety:

- * Continued providing data-driven policing training to the staff using the crime analysis program, called Command Solutions.
- * Acquired a modular classroom with electricity and running water at the PD Firearms Range.
- * Conversion of former PD Firearms Range classroom into training simulator room.
- * Eliminated the need for paid storage facility through the acquisition of a storage container to be held at the PD Firearms Range.
- * Conducted a community police academy.
- * Deployed the SRO full-time to various schools in Sedona; achieved 75% deployment rate at the high school.
- * Assisted the Sedona Fire District with fire drills at both Sedona Red Rock High School and West Sedona School campuses.
- * Identified and trained a replacement for the SRO, anticipating retirement in one year.
- * Conducted a presentation at the Department's community police academy about animal safety.
- * Conducted ARS 28-3511 (impound) hearings.
- * Attended and achieved Level A of National Animal Care and Control Association (NACA) certification.

FY 2023 Objectives

Overall City Value - Public Safety:

- * Implement phase 2 of 4 of the radio infrastructure project that will increase radio communication in the Uptown area and along SR 179.
- * Conduct at least one Community Police Academy.
- * Create data-driven policing strategies.
- * Complete inspection and enhanced audit of property and evidence to coincide with industry standards.

POLICE – Support Services
continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Fire drills conducted at Sedona Red Rock High School and Junior High School	10	10	10	10	10
Fire drills conducted at West Sedona School	10	10	10	10	10
Lock-down/evacuation drills conducted at Sedona Red Rock High School and Junior High School	2	2	2	2	2
Lock-down/evacuation drills conducted at West Sedona School	2	2	2	2	2
Awareness training sessions conducted geared toward student issues/trends at Sedona Red Rock High School and Junior High School	6	6	6	6	6
Awareness training sessions conducted geared toward student issues/trends at West Sedona School	3	3	3	3	3
Crime prevention presentations conducted by SRO	3	3	3	3	3

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Percentage of time SRO is deployed at a school, when in session		75%	75%	75%	75%	75%



MUNICIPAL COURT

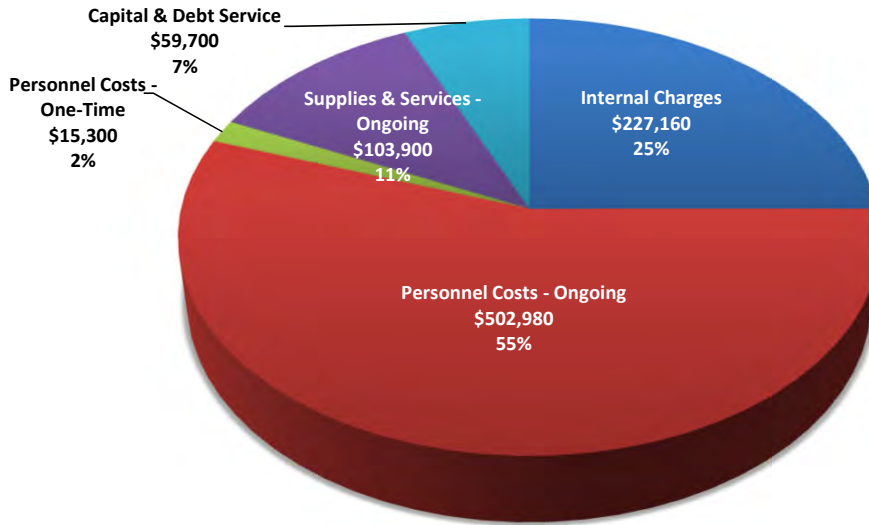
Mission Statement

To serve the community and to protect individual rights through the administration of justice. We pledge to serve each member of our community with fairness, respect, and dignity.

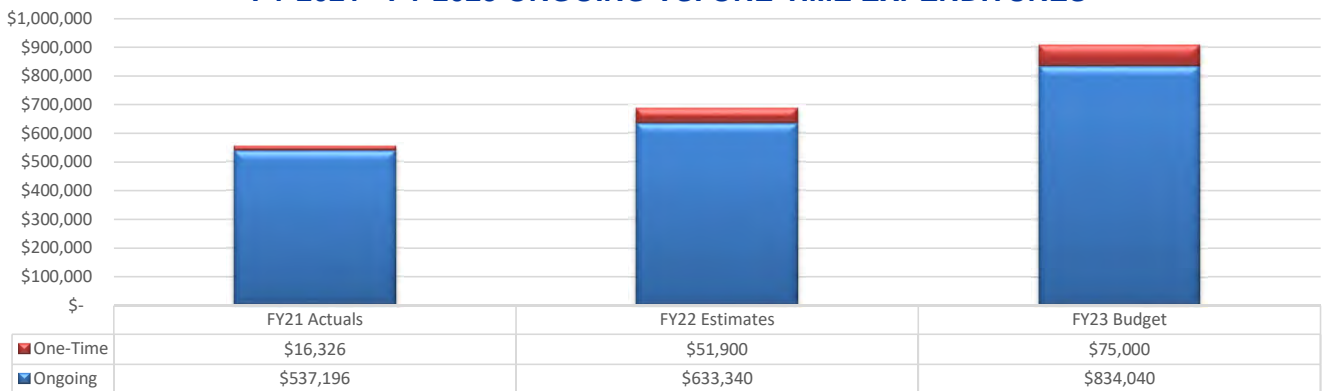
Description

The Magistrate 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: criminal misdemeanor cases, civil and criminal traffic, parking, and city code violations. The Court handles petitions for orders of protection and injunctions prohibiting harassment. The Judge also performs weddings.

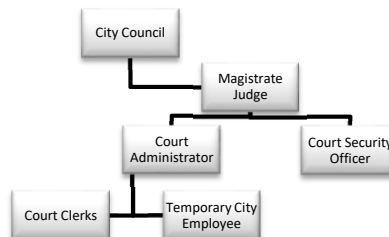
FY 2023 PROGRAM EXPENDITURES: \$909,040



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



MUNCIPAL COURT – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 518,280	57%	\$ 473,560	\$ 404,500	\$ 354,137
Supplies & Services	103,900	11%	95,100	73,040	53,850
Capital & Debt Service	59,700	7%	82,080	51,900	14,564
Subtotal Direct Costs	\$ 681,880	75%	\$ 650,740	\$ 529,440	\$ 422,552
Internal Charges	227,160	25%	174,340	155,800	130,970
Total Expenditures	\$ 909,040	100%	\$ 825,080	\$ 685,240	\$ 553,522
Expenditures by Fund					
General Fund Portion	\$ 897,840	99%	\$ 813,880	\$ 677,540	\$ 542,787
Other Funds Portion	\$ 11,200	1%	\$ 11,200	\$ 7,700	\$ 10,735
Funding Sources					
Program Revenues	\$ 210,000	23%	\$ 179,900	\$ 203,600	\$ 204,767
Funding from General Revenues:					
Estimated Resident Generated	\$ 244,660	27%	\$ 225,810	\$ 168,570	\$ 122,064
Estimated Visitor Generated	\$ 454,380	50%	\$ 419,370	\$ 313,070	\$ 226,691
Employee Time Allocation (FTEs) (Budgeted)	5.80		5.48		5.48

A portion of the program is paid by the Grants, Donations & Restricted Funds. In addition, a portion of the program costs is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department.

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Hired new City Magistrate.
- * Created, filled, and trained new lead clerk position in lieu of a court administrator.
- * Effective management of increasing caseload.
- * Analyzed areas that are lacking efficiency and implemented new plans.
- * Initiated plan to remodel office.
- * Cross-trained staff to handle all types of cases.
- * Came into compliance with records retention schedules.
- * Improved collection of outstanding fines via order to show cause (OSC) hearings and the Fines/Fees and Restitution Enforcement (FARE) program and the Tax Intercept Program (TIP).
- * Clerks received training in Civil Traffic and AJACS Case Management System.
- * Judge and clerks fulfilled annual COJET training requirements.

FY 2023 Objectives

Overall City Value - Good Governance:

- * Complete relocation of court facilities and inform the public of the new location.
- * Apply for available grant funding to improve and update courtroom security.
- * Improve security measures before the public enters the courtroom.
- * Update and implement security procedures and protocols.
- * Adapt to the new remodeled courtroom.
- * Improve payment collection on outstanding receivables with emphasis on outstanding parking fines.
- * Continual training and better utilization of case management systems.
- * Maintain professional relationship with City Prosecutor's Office to continue efficient processing of case flow.
- * Complete transition to AJACS case management system.

Overall City Value - Fiscal Sustainability:

- * Improve payment collection on outstanding receivables with particular emphasis on outstanding parking fines.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Local - Non-Criminal Ordinance citations filed	85	N/A	75	56	N/A
Orders of Protection and Injunctions Against Harassments filed	40	80	45	45	68
Civil Traffic citations filed	1,250	1,106	1,000	1,217	928
Criminal citations filed	300	298	275	265	246

PUBLIC TRANSIT

Mission Statement

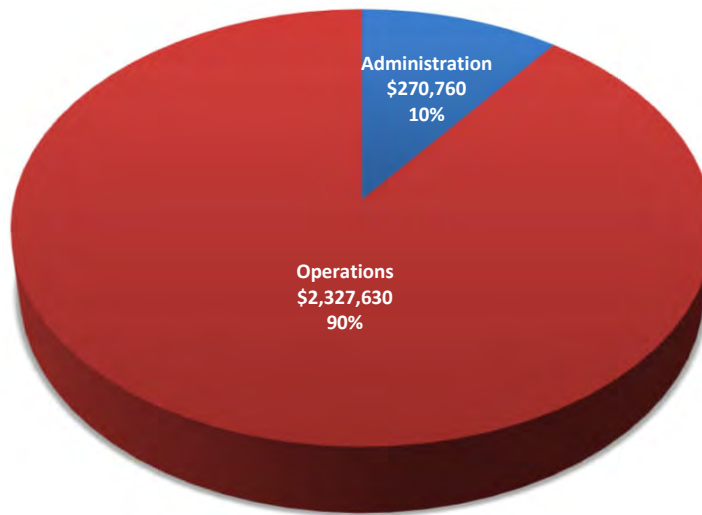
To provide a quality public transportation system to the residents and visitors of Sedona.

Description

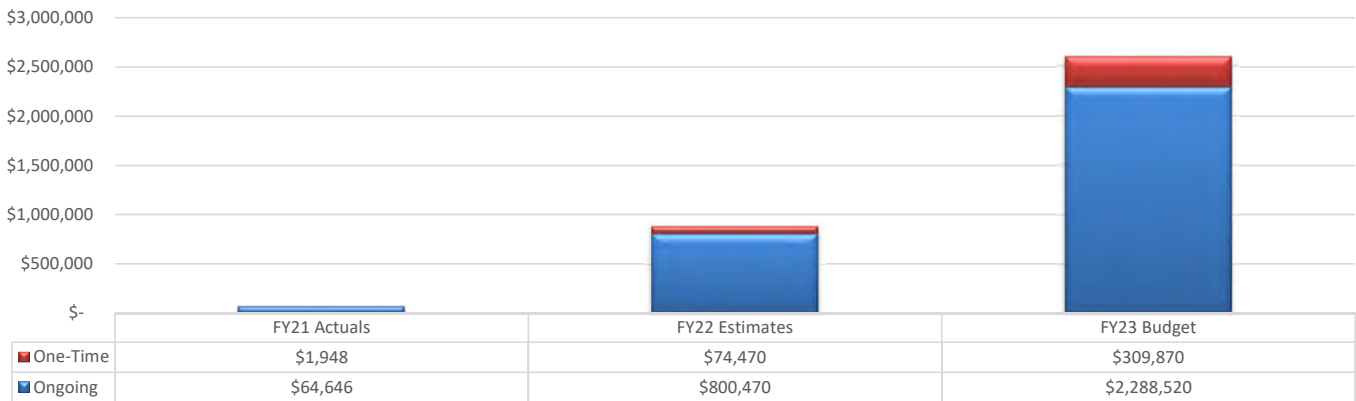
The Department is responsible for the development, administration, and delivery of all public transportation services for the City. The Public Transit Department is responsible for the following program areas:

- * Administration
- * Operations

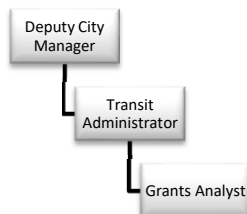
FY 2023 PROGRAM EXPENDITURES: \$2,598,390



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



PUBLIC TRANSIT – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 199,560	74%	\$ 134,370	\$ 137,610	\$ 57,873
Supplies & Services	7,550	3%	8,100	1,100	2,721
Subtotal Direct Costs	\$ 207,110	76%	\$ 142,470	\$ 138,710	\$ 60,594
Internal Charges	63,650	24%	19,140	18,820	-
Total Expenditures	\$ 270,760	100%	\$ 161,610	\$ 157,530	\$ 60,594
Expenditures by Fund					
Other Funds Portion	\$ 270,760	100%	\$ 161,610	\$ 157,530	\$ 60,594
Funding Sources					
Program Revenues	\$ 48,200	18%	\$ 66,400	\$ 48,200	\$ 46,400
Funding from General Revenues:					
Estimated Resident Generated	\$ 77,900	29%	\$ 33,320	\$ 38,270	\$ 4,968
Estimated Visitor Generated	\$ 144,660	53%	\$ 61,890	\$ 71,060	\$ 9,226
Employee Time Allocation (FTEs) (Budgeted)	1.50		1.00		0.00

The Administration program provides direction and assistance to all Public Transit program and its contractors and serves as the primary liaison to other City departments.

FY 2022 Accomplishments

Community Plan Circulation Goal - Reduce dependency on single-occupancy vehicles:

- * Trailhead shuttle deployment set for March 24, 2022.
- * Secured partial funding through an FTA 5339 Grant for two micro-transit vehicles - Service launch anticipated for Fall 2022.

FY 2023 Objectives

Community Plan Circulation Goal - Reduce dependency on single-occupancy vehicles:

- * Oversee implementation of the Sedona Area Transit Implementation Plan (SATIP)
- * Obtain and administer grant funding for the implementation of both the short range and long rang transit plans as specified within the SATIP.

PUBLIC TRANSIT - Operations

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Supplies & Services	\$ 2,042,380	88%	\$ 660,410	\$ 611,530	\$ 6,000
Capital & Debt Service	224,570	10%	87,471	74,470	-
Subtotal Direct Costs	\$ 2,266,950	97%	\$ 747,881	\$ 686,000	\$ 6,000
Internal Charges	60,680	3%	33,660	31,410	-
Total Expenditures	\$ 2,327,630	100%	\$ 781,541	\$ 717,410	\$ 6,000
Expenditures by Fund					
Other Funds Portion	\$ 2,327,630	100%	\$ 781,541	\$ 717,410	\$ 6,000
Funding Sources					
Program Revenues	\$ 205,800	9%	\$ 50,550	\$ -	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 742,640	32%	\$ 255,850	\$ 251,090	\$ 2,100
Estimated Visitor Generated	\$ 1,379,190	59%	\$ 475,141	\$ 466,320	\$ 3,900
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The Operations program includes the operational costs for the trailhead shuttles and the micro-transit system.

FY 2022 Accomplishments

Community Plan Circulation Goal - Reduce dependency on single-occupancy vehicles:

- * Completed planned routing and time-tables for four trailhead shuttle routes serving the following trailheads:
 - Cathedral Rock trailhead
 - Dry Creek trailhead
 - Little Horse trailhead
 - Mescal trailhead (delayed until Summer 2022)
 - Soldier's Pass trailhead
- * USFS Special Use Permit Application completed and submitted for shuttle access to the trailheads listed above. Anticipate permit to be issued in March 2022.
- * Identified locations for the interim transit operations facility and trailhead shuttle park and ride locations. All locations to become fully operational on or before March 24, 2022.
- * Five-year service agreement awarded to MV Transportation, Inc. to operate the trailhead shuttles and micro-transit service.
- * Contract award issued to TransLoc for the provision of Intelligent Transportation System (ITS) software solutions to support both the trailhead shuttle and micro-transit services.
- * Five trailhead shuttle transit vehicles have been procured and have been delivered to City Hall.
- * Micro-transit simulation completed - July 2021.
- * Three micro-transit vehicles on order - expected delivery is in October 2022.
- * ADOT awarded the City two additional micro-transit vehicles through the 5339 competitive grant, as submitted in May 2021.
- * Transit website sedonashuttle.com completed and online.
- * Sedona Shuttle vehicle and context branding complete.
- * 5311 Grant application for administrative, planning, and micro-transit operating funds for FY 2024 submitted on February 22, 2022.

FY 2023 Objectives

Community Plan Circulation Goal - Reduce dependency on single-occupancy vehicles:

- * Deploy four trailhead shuttle routes and a micro-transit on-demand service providing connections to West Sedona, Uptown, the Tlaquepaque shopping village, the Hillside Shopping Center, and the trailhead shuttle park and ride locations located at Posse Grounds park and SR 179 at Bowstring Drive.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Passengers per vehicle revenue hour	12.5	20	12.5	N/A	N/A
Ridership	125,100	38,880	42,100	N/A	N/A

PUBLIC TRANSIT - Operations

continued

Community Plan Circulation Goal - Reduce dependency on single-occupancy vehicles:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Percentage of service delivered (FTA National Database Benchmark)	100%	98%	98%	N/A	N/A	N/A

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Cost per vehicle revenue hour (FTA National Database Benchmark)	\$74.00	\$73.90	\$57	\$105.80	N/A	N/A
Farebox recovery ratio (FTA National Database Benchmark)	15%	15%	15%	0	N/A	N/A
On-time performance (FTA National Database Benchmark)	87%	87%	87%	N/A	N/A	N/A
Miles traveled between road calls (FTA National Database Benchmark)	15,000	15,000	15,000	N/A	N/A	N/A
Passengers carried between valid complaints (FTA National Database Benchmark)	1,500	3,000	3,000	N/A	N/A	N/A

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Miles traveled between preventable collisions (FTA National Database Benchmark)	100,000	100,000	100,000	N/A	N/A	N/A



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

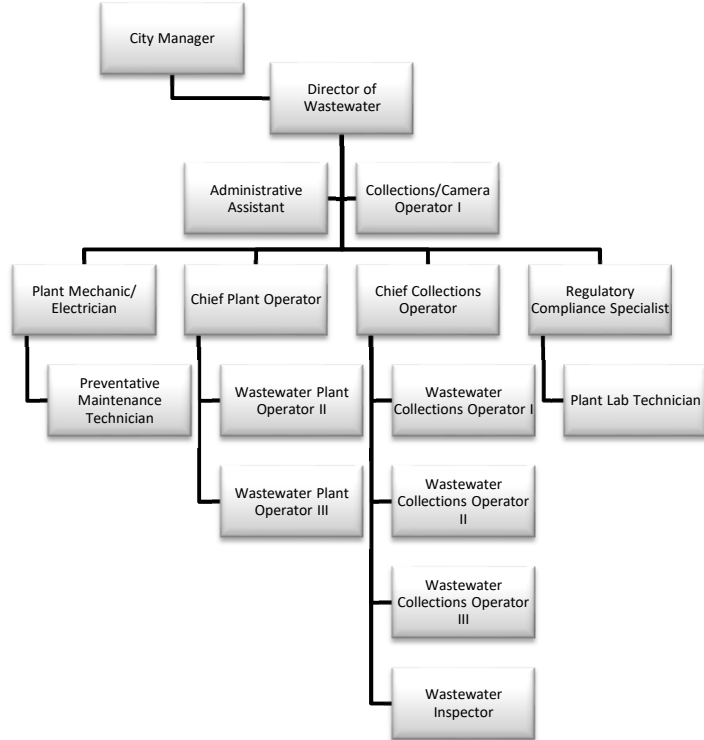
The Wastewater Department is responsible for the day-to-day operations of the wastewater collection system and treatment facility and the disposal of A+ quality treated effluent. The Wastewater Department works collaboratively with several City departments who assist in the administration, operation, and expansion of wastewater facilities; the Finance Department performs administrative duties related to wastewater billing and bill collection functions, in addition to management of other administrative support functions; and the Public Works Department provides construction inspection of capital improvements projects, blue-staking, plan reviews, and capacity fee determinations related to connections to the collection system.

The Wastewater Department consists of the following program areas:

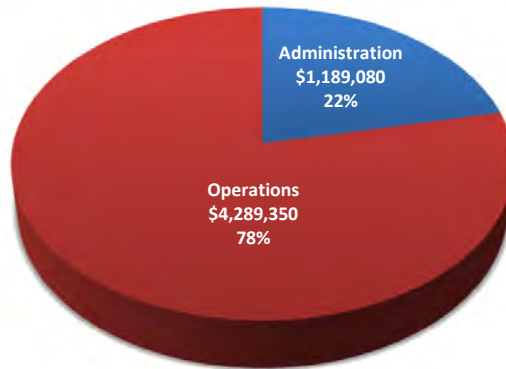
- * Administration, including capital projects management
- * Operations, including collection system, wastewater treatment, and laboratory service

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.

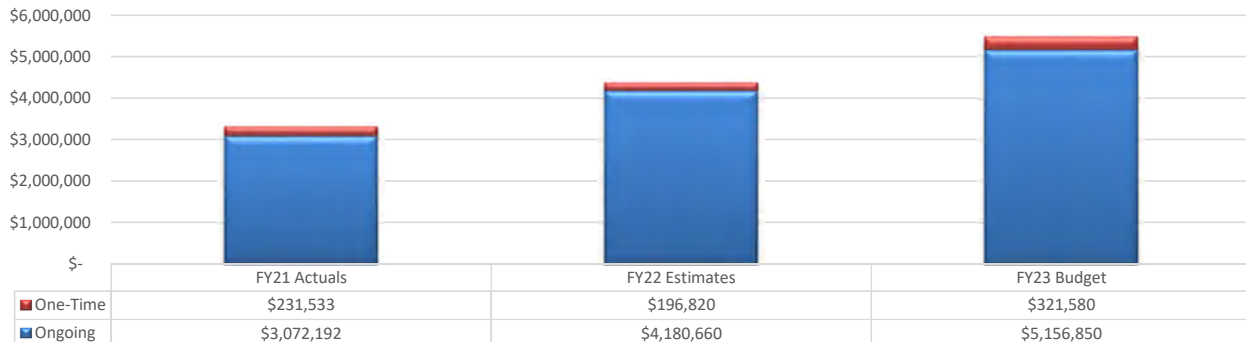
DEPARTMENT ORGANIZATION CHART



FY 2023 PROGRAM EXPENDITURES: \$5,478,430



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



WASTEWATER – Administration

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 253,170	21%	\$ 268,190	\$ 270,280	\$ 261,475
Supplies & Services	40,700	3%	44,870	38,520	29,935
Capital & Debt Service	10,000	1%	16,000	7,460	-
Subtotal Direct Costs	\$ 303,870	26%	\$ 329,060	\$ 316,260	\$ 291,410
Internal Charges	885,210	74%	468,810	455,730	428,110
Total Expenditures	\$ 1,189,080	100%	\$ 797,870	\$ 771,990	\$ 719,520
Expenditures by Fund					
Wastewater Fund Portion	\$ 1,189,080	100%	\$ 797,870	\$ 771,990	\$ 719,520
Funding Sources					
Program Revenues	\$ 1,189,080	100%	\$ 797,870	\$ 771,990	\$ 719,520
Employee Time Allocation (FTEs) (Budgeted)	2.10		2.55		2.65

The Administration program consists of the Director of Wastewater, 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 Director of Wastewater oversees the Wastewater Capital Projects Management and provides project management 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; bidding phased project management to secure qualified contractors to complete the improvements; and overseeing all construction activities to ensure quality construction with minimal change orders.

FY 2022 Accomplishments

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

- * Maintained active membership in the Arizona Water Association and participated in organizing educational opportunities for wastewater operators throughout the state.
- * Completed all required regulatory quarterly, semi-annual, and annual reports on time.
- * Developed a Collection System Capacity, Management, Operation, and Maintenance Manual (CMOM) Program.
- * Completed construction of Phase II of the SR179 Sewer Main Upsize project.

Overall City Value – Fiscal Sustainability

- * Processed over 1,200 purchase transactions with 90% correct coding and on-time payments.
- * Auctioned surplus equipment and material through public auction.

Overall City Value – Good Governance:

- * Actively managed 30+ service contracts with vendors for work varying from waste disposal to technical support.
- * Conducted a monthly Lunch and Learn program to offer training on wastewater treatment, laboratory processes, collection system work, and computer skills.
- * Became a member of AZWARN; a statewide mutual aid assistance program for utilities.

FY 2023 Objectives

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.
- * Provide sound judgment in making decisions during design and construction of capital projects to ensure fiscal responsibility.
- * Provide analysis of operational and/or personnel needs required by capital improvements.

Overall City Value – Good Governance:

- * Improve the Department web page layout to focus on public education of the wastewater collection and treatment process.
- * Continue to reduce paper files to comply with retention guidelines.
- * Continue to implement means to collect and track data for a more transparent presentation of performance measures.
- * Continue to develop a cross-training program between collections and treatment operations.
- * Continue to participate in STEAM events at local school districts.
- * Develop an Education and Outreach Program.

WASTEWATER – Administration

continued

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Tours given	13	6	10	1	3
Regulatory compliance reports submitted	12	12	12	11	11
Total CIP Projects	5	7	5	5	3
Total amount of CIP projects	\$5,894,500	\$2,457,800	\$2,027,270	\$1,783,600	\$3,402,725
Total amount of construction contract change orders	\$5,000	\$147,500	\$410,435	\$272,500	\$87,375

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Average percentage of change orders to original contract amount for construction phase		>5%	6%	9.4%	3.8%	2.6%
Single family residential monthly sewer rate for high flows. (Benchmark is average monthly sewer bill of 10 participating municipalities in the Valley Cities Consortium for FY2020, most recent data readily available.)	\$47.18	\$61.11	\$61.11	\$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 FY2020, most recent data readily available.)	\$34.97	\$47.52	\$47.52	\$47.52	\$47.52	\$47.52

WASTEWATER – Operations

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 1,353,160	32%	\$ 1,112,750	\$ 998,420	\$ 870,562
Supplies & Services	1,581,970	37%	1,557,905	1,453,780	1,264,777
Capital & Debt Service	224,280	5%	155,720	69,970	121,465
Subtotal Direct Costs	\$ 3,159,410	74%	\$ 2,826,375	\$ 2,522,170	\$ 2,256,805
Internal Charges	1,129,940	26%	1,091,110	1,083,320	327,400
Total Expenditures	\$ 4,289,350	100%	\$ 3,917,485	\$ 3,605,490	\$ 2,584,205
Expenditures by Fund					
Wastewater Fund Portion	\$ 4,289,350	100%	\$ 3,917,485	\$ 3,605,490	\$ 2,584,205
Funding Sources					
Program Revenues	\$ 4,289,350	100%	\$ 3,917,485	\$ 3,605,490	\$ 2,584,205
Employee Time Allocation (FTEs) (Budgeted)	12.90		10.45		10.35

Treatment Plant Operations consist 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, grit removal), secondary treatment (activated sludge, secondary clarification), tertiary treatment (rotating disk filters), disinfection (UV), and disposal (irrigation, wetlands, aquifer recharge) resulting in over 400 million gallons of A+ quality effluent annually. The WWRP also includes three solids-handling facilities (aerobic digester, centrifuge, and drying beds) which process over 200 dry tons of sludge annually.

The Collections System operations consist of a Chief Collections Operator and three 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. In addition, operators are responsible for conducting CCTV assessments of the entire collection system at least once every 5 years, including videoing, reviewing, coding defects, and scheduling repairs. The collections system consists of approximately 5,600 connections, 110 miles of gravity sewer pipes, 1,950 manholes, and 17 lift stations.

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 reported to ADEQ 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 effluent is maintained, which also helps the Department maintain permit compliance with ADEQ.

FY 2022 Accomplishments

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

- * Rehabilitated Aeration Basin #3, including the replacement of diffusers.
- * Completed the final phase of the WWRP interceptor line assessment with findings of minimal deficiencies in the sewer infrastructure between City limits and the WWRP.
- * Performed all scheduled preventative maintenance at each of the 17 lift stations.
- * Achieved 100% passing rate for all laboratory performance evaluation studies. In these studies, samples are provided from an outside source, all analysts test the samples, and the results are sent to the company that provided the samples. The company determines whether or not the analysts pass the performance evaluation.
- * Renewed laboratory license through the Arizona Department of Health Services.
- * Revised the Laboratory Quality Assurance Plan and Lab Safety Plan.
- * Developed a Compliance Sampling Book to ensure all ADEQ required sampling is completed without permit deficiencies occurring.
- * Completed 100% of required daily, monthly, quarterly, and semi-annual samples and tests.
- * Accurately reported results of all lab tests required by ADEQ.

WASTEWATER – Operations

continued

FY 2023 Objectives

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

- * Maintain regulatory compliance.
- * Expand 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.
- * Perform regular maintenance of plant equipment to maintain efficient operation.
- * Respond to non-emergency service calls within 24 hours.
- * Complete at least two inspections per year for every grease trap on record.
- * Conduct CCTV operations to assess at least 20% of the gravity sewer mains.
- * Maintain the highest of safety standards in sampling and testing wastewater.
- * Complete annual AZDHS inspections with zero deficiencies.
- * Complete all required Proficiency Testing with a 100% pass rate.
- * Complete 100% of all compliance sample testing required by the APP permit.
- * Accurately and honestly report all data collected.
- * Follow professional methods for testing procedures.

WORKLOAD INDICATORS	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Average daily influent flow (million gallons per day)	1.20	1.20	1.22	1.10	1.080
Volume of treated effluent sent to wetlands (million gallons)	80	90	59	74	64
Volume of treated effluent sent to injection wells (million gallons)	120	75	111	90	46
Volume of treated effluent sent to irrigation (million gallons)	200	200	192	216	250
Amount of biosolids disposed (dry tons)	300	250	329	269	254
Grease trap inspections	>100	135	46	20	105
Collections service calls (odor complaints, broken manhole covers, etc.)	35	>20	30	24	13
Sewer hotline calls (out of collections services calls and collections emergency callouts, this is the number that were reported through the sewer hotline)	25	N/A	19	7	N/A
Number of samples collected and tested in wastewater laboratory	1,217	N/A	1,150	1,088	N/A
Amount spent for wetlands maintenance	\$31,000	\$31,000	\$16,000	\$15,950	\$18,232
Amount spent for injection well maintenance	\$67,700	\$64,700	\$60,000	\$36,300	\$53,477
Amount spent for irrigation maintenance	\$76,000	\$46,000	\$33,000	\$32,033	\$21,974
Collections emergency callouts (sewer is actively spilling into the environment)	<5	>10	7	13	2

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Percentage of collections service calls that are the City of Sedona's responsibility (problem exists in the City's sewer lines or is a result of operator error)		<40%	>40%	15%	67%	57%
Percent of lab 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.)		100%	100%	100%	100%	100%

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Cost per million gallons for wetlands		\$388	\$344	\$270	\$216	\$285
Cost per million gallons for injection wells		\$564	\$862	\$539	\$407	\$1,163
Cost per million gallons for irrigation		\$380	\$230	\$172	\$149	\$88

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
Percentage of collections emergency callouts that are the City of Sedona's responsibility (spill is a result of a problem in the City sewer system or operator error)		<40%	>40%	25%	8%	0%

WASTEWATER – Operations
continued

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

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
ADEQ reportable Aquifer Protection Permit Violations (violations that occur at the WWRP)		<5	5	4	3	3
ADEQ reportable collection system incidents (sewer spills over 50 gallons)		<5	>3	5	4	3
AZDHS annual laboratory inspection deficiencies		0	>5	0	0	N/A

INFORMATION TECHNOLOGY

Mission Statement

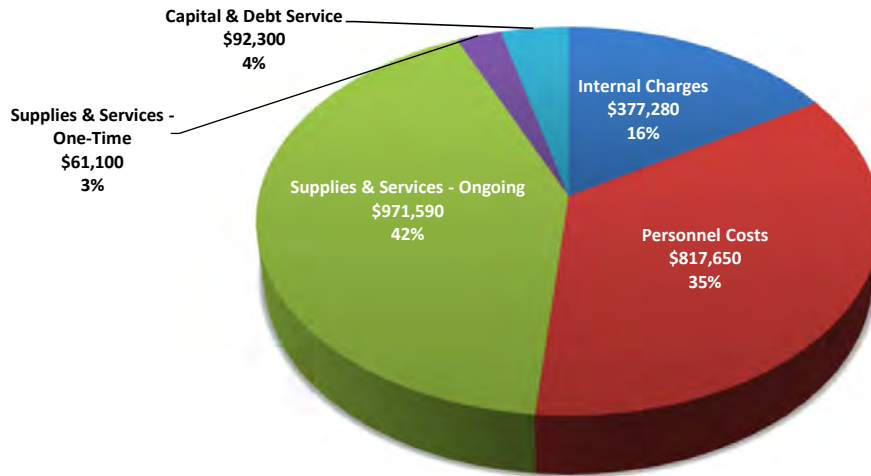
- * Provide reliable state-of-the-art technologies that empower City staff to be successful.
- * Be prepared for future organizational needs and changes.
- * Use sound judgment in identifying and recommending reasonable solutions.

Vision:
Proactive

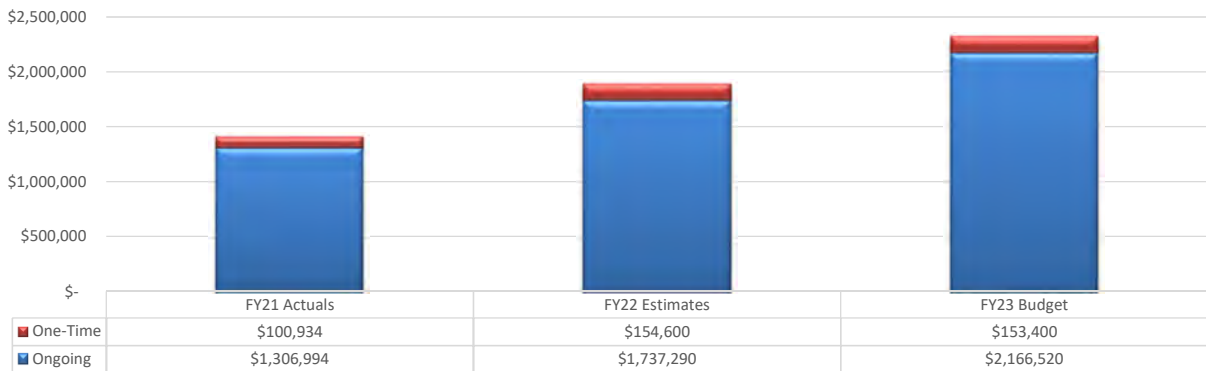
Description

The Information Technology Department 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.

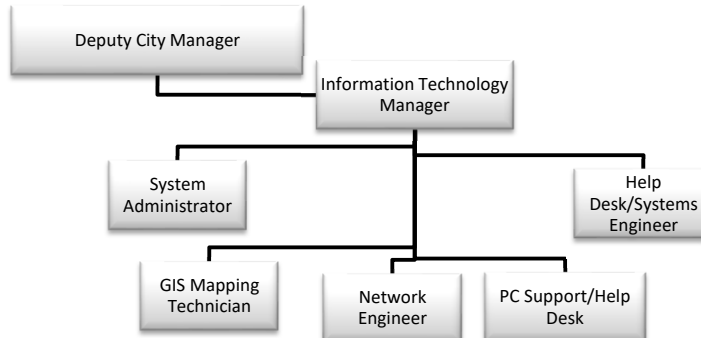
FY 2023 PROGRAM EXPENDITURES: \$2,319,920



FY 2021 - FY 2023 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



INFORMATION TECHNOLOGY – Information Technology Services

BUDGET SUMMARY	FY2023 Budget	% of FY2023 Budget	FY2022 Budget	FY2022 Estimate	FY2021 Actual
Program Expenditures					
Personnel Services	\$ 817,650	35%	\$ 638,330	\$ 639,340	\$ 620,583
Supplies & Services	1,032,690	45%	893,431	783,990	598,968
Capital & Debt Service	92,300	4%	95,100	133,780	72,287
Subtotal Direct Costs	\$ 1,942,640	84%	\$ 1,626,861	\$ 1,557,110	\$ 1,291,838
Internal Charges	377,280	16%	346,890	334,780	116,090
Total Expenditures	\$ 2,319,920	100%	\$ 1,973,751	\$ 1,891,890	\$ 1,407,928
Expenditures by Fund					
Wastewater Fund Portion	\$ 70,200	3%	\$ 64,865	\$ 47,530	\$ 53,232
Other Funds Portion	\$ 2,249,720	97%	\$ 1,908,886	\$ 1,844,360	\$ 1,354,696
Funding Sources					
Allocations to Other Departments	\$ 2,249,220	97%	\$ 1,908,486	\$ 1,843,700	\$ 1,354,141
Program Revenues	\$ 70,700	3%	\$ 65,265	\$ 48,190	\$ 53,787
Employee Time Allocation (FTEs) (Budgeted)	6.00		5.00		5.00

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

The Information Technology Services program has been aggressively re-engineering systems to cut costs. These systems include upgrading the City's WiFi system to the latest standards and system consolidation.

During the FYs 2021 and 2022 the COVID-19 pandemic has had a major impact on the program. The City was quickly transformed into a mobile environment. This included new mobile computers, new untested technologies, new services, and considerable security enhancements. Cost increases are caused by many factors, including licensing costs, additional technologies implemented for our mobile workforce, additional portable computers, and enhanced security. New technologies include Zoom, softphones (software phones for user's extension on their mobile computers while working remotely), third-factor authentication, security certificates, virtual private networks, and network devices. Portable computers, specifically Surfaces, also require a more frequent replacement rate compared to desktops.

The Information Technology department cost increases are also due to City facility increases, such as Brewer Road and housing both the transit center and police department at the Sinagua building. Cost increases include new secure network switches and routers, wi-fi equipment, software licensing, hardware maintenance and licensing, and fiber connectivity.

INFORMATION TECHNOLOGY – Information Technology Services

continued

FY 2022 Accomplishments

Overall City Value - Good Governance:

- * Replaced desktops that are due with mobile computers.
- * Replaced City Complex Wi-Fi to latest standards.
- * Created an Employee Status Change application to streamline and improve communication between all departments, HR, and IT.
- * Created a Password Expire notice application that automatically notifies employees when their password is going to expire, enhancing remote work capabilities.
- * Modified the City's phone system to comply with the new 10 digit dialing requirements.
- * Continued toward the next level of disaster recovery -backup and replication enhancements.
- * Continued system consolidation where possible saving the City money.
- * Worked with Public Works and Community Development on technology needs for the uptown parking garage.
- * Worked with Public Works and Community Development on technology needs for the transit center.
- * Worked with Public Works and Police for the Police Department remodel.
- * Relocated the Municipal Court's IT systems to Brewer road.
- * Plan toward consolidating the uptown parking garage, transit center, uptown cameras, and possibly the Police Department's substation into one localized WAN to be connected back to the City Complex, potentially saving tens of thousands of dollars over the next few years alone.
- * Increased City remote work capability.
- * Created more SharePoint sites.
- * Increased security through implementing secure an MFA (multi factor authentication) VPN (virtual private network) tunnel.
- * Moved Zoom to US based servers for increased security.
- * Added employee asset tracking to the City's IT Inventory application.
- * Created an application to automatically cleanse temporary files off the City's ERP (Springbrook) system.
- * Upgraded the RS2 server (responsible for keycard door locks).
- * Implemented electronic signature capabilities.
- * Increased security through implementing secure an MFA (multi factor authentication) VPN (virtual private network) tunnel.
- * Upgraded Parks and Rec's Posse Grounds WLAN (wireless local access network) between networked buildings and added 6 additional security cameras and a video storage server.
- * Created a Document Training application for the Police Department.
- * Upgraded the City's (5) telephony servers and migrated them to the City's virtual host servers.
- * Provided a new panic alarm and audio paging system via the existing telephone network for the court.
- * Developed and implemented a secure and isolated network for the transit vendor.
- * Implemented a transit dispatch telephony system (FTA compliant) by augmenting our existing telephone system.
- * Implemented a new Automatic Location Index (ALI) system to provide precise locations of 911 calls from within City of Sedona networks.
- * Worked with Facilities and Public Works to develop new building/office numbering for the ALI project above which includes ALL City facilities that contain any telephones.
- * Upgraded PD's telephone recording system.
- * Worked with AZDPS to connect the INTOXILYZER 9000 system to the state network.
- * Worked with SCADA vendor to re-address the entire WW SCADA network allowing us to better monitor and secure the system while planning for future growth of the WW network and provide path redundancy for both the short and long term.

FY 2023 Objectives

Overall City Value - Good Governance:

- * Segregate City Complex Wi-Fi to increase security.
- * Continue to the next level of disaster recovery.
- * Continue system consolidation saving the City money.
- * Continue to work with Public Works and Community Development on technology needs for the uptown parking garage.
- * Continue to work with Public Works and Community Development on technology needs for the transit center.
- * Continue to work toward consolidating the uptown parking garage, transit center, uptown cameras, and possibly the Police Department's substation into one localized WAN to be connected back to the City Complex, potentially saving tens of thousands of dollars over the next few years alone.
- * Continue to work with Public Works and Police for the Police Department remodel.
- * Increase City remote work capability.
- * Continue progress on network segmentation for improved security posture.
- * Begin evaluation of premise cabling for consideration of cabling upgrades and repairs.

INFORMATION TECHNOLOGY – Information Technology Services

continued

WORKLOAD INDICATORS	Benchmark	FY23 Projection	FY22 Projection	FY22 Estimate	FY21 Actual	FY20 Actual
Unique systems (unique technologies)*		600	93	528	449	120
Supported network devices (total)		130	N/A	120	107	N/A
End points served		400	316	368	316	288
Number of facilities with full networking systems		11	N/A	9	4	N/A
SQL databases/total size		78/534GB	77/528GB	78/531GB	77/528GB	77/530GB
Help Desk requests per end point (ICMA Benchmark 2016-2020)	5.9 (all) / 8.1 (cities under 30,000 pop.)	12	13.2	11.35	14.15	16.48
Help Desk requests received (FY21 Covid spike, FY18 Helpdesk position starts full-time)	FY18: 3,065	4,800	4,172	4,177	4,471	4,745
Help Desk requests percentage fielded by Engineers		34%	N/A	27%	20%	N/A

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY23 Target	FY22 Target	FY22 Estimate	FY21 Actual	FY20 Actual
% of Help Desk requests resolved within 4 Hours (ICMA Benchmark 2016-2020)	61% (all) / 71% (cities under 30,000 pop.)	80%	85%	83.0%	79.8%	79.69%
IT expenditures per end point served (ICMA Benchmark 2016-2020)	\$3,113 (all) / \$2,349 (cities under 30,000 pop.)	\$4,626	\$4,093	\$3,868	\$3,859	\$3,239
IT expenditures per FTE		\$10,424	\$12,000	\$9,327	\$8,613	\$6,493

* The FY20 Actual and FY22 Projection were based on server-based systems. The counts have increased due to a change to more cloud-based systems and an increase in the number of security systems.





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, impact fees, 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 seven 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 \$100,000 are included in the CIP, rather than the operating budget. Items under \$100,000, 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 \$100,000 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 2023-2032 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 2023-2032 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 three 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:

- Arts & Culture
- Information Technology
- Municipal Court
- Parks & Recreation
- Police
- Public Transit
- Public Works
- Sedona in Motion
- Storm Drainage
- Streets & Transportation
- Sustainability
- Wastewater

FY 2023 CIP budget is \$58,104,790.

The first year of the CIP is included in the current fiscal year budget. The total fiscal year 2022-23 CIP budget amount is \$58,104,790 and includes funding for the Art in Public Places Fund of \$16,750. The 10-year CIP total is \$169,904,120, with \$35,223,410 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, Streets 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 2022-23 is the sixth year since these reserves were established. 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. See the Budget Summary – Internal Charges section for further discussion.

Capital equipment under \$100,000 and streets maintenance costs funded by HURF are not included in the CIP.

Outside of the CIP, the City also funds a streets maintenance plan for pavement preservation and streets rehabilitation within the City, accounted for in the Streets Fund. 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 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
- City Council Priorities
- Prior year capital budgets and requests
- Development Impact Fee Study
- Parking Management Plan
- Parks and Recreation Master Plan
- Storm Drainage Master Plan
- Transportation Master Plan
- Transit System Study
- Wastewater 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
 - If the project can be delayed, it is most likely not Priority I.
- Priority II: ESSENTIAL (Should-Do) – Projects that address clearly demonstrated needs or objectives.
 - Rehabilitates or replaces an obsolete public facility or attachment thereto
 - Reduces energy consumption or supports the goals of the Climate Action Plan
 - Maintains existing natural resources, mitigates impacts of high tourism, or supports the goals of the Sustainable Tourism Plan
 - Reduces future operating and maintenance costs
 - Leverages available state or federal funding or other restricted funding with near-term expirations
- 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
 - Stimulates economic growth and private capital investment
 - Promotes intergovernmental cooperation
 - Enhances cultural or natural resources
- Priority IV: DESIRABLE (Other Year) – Desirable projects that are not included within 3-year funded time frame because of funding and/or staffing 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, City Manager	Joanne Keene, Deputy City Manager
J. Andy Dickey, Assistant City Manager/Director of Public Works	Roxanne Holland, Wastewater Director
Sandra Phillips, Assistant Director of Public Works	Jess McNeely, Community Development Director
Cherie R. White, Director of Financial Services	Charles Husted, Chief of Police
Charles Hardy, Information Technology Manager	Stephanie Foley, Deputy Police Chief
Robert Weber, Transit Administrator	Karl Waak, Police Lieutenant
Stephen Craver, Associate Engineer	Keith Lay, Associate Engineer
Robert Welch, Associate Engineer	James Crowley, Associate Engineer
Dawn Norman, Parks & Recreation Manager	Hanako Ueda, Assistant Engineer
Molly Spangler, Economic Development Director	Larry Farhat, Facilities Maintenance Supervisor
Alicia Peck, Sustainability Manager	

To start the process, a CIP kickoff meeting was held with the City staff committee members in December 2021, 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 for feedback and input, including available and appropriate funding sources, in January 2022. The public City Council Work Sessions were held on May 18 and May 19, 2022.

Council Action

The final CIP document was adopted by City Council in August 2022 as part of the fiscal year 2022-23 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.

Sedona in Motion

The largest 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 half-cent sales tax dedicated to transportation projects and related administrative and operational costs is the primary funding source for these projects. While the tax was set to sunset after 10 years, subsequent to budget adoption the City Council removed the sunset in anticipation of need to cover the portion of operational costs of the public transit system not paid by expected federal grant funding.

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
- City sales taxes dedicated to transportation
- Community Facilities Districts' monies
- Debt financing
- Development impact fees
- Grants and other outside participation
- Paid parking revenue
- 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 \$35.2 million of unfunded projects after Year 3. 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 typically delayed until reserves/fund balances have been accumulated to cover the costs. While the City Council's preference has been pay-as-you-go funding, debt financing will be considered for certain priority projects.

Unfunded projects after Year 3 may be delayed until adequate funding is available.

A brief description of each revenue/funding source follows.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Funding the Capital Improvement Plan (cont'd)

- **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. To comply with this requirement for City projects, the City transfers capital reserve funding to the Art in Public Places Fund in the amount required. In addition, developers can choose to include public art in their development projects or contribute to the City's Art in Public Places Fund based on a per square foot investment calculation.¹
- **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 received 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.
- **Debt Financing:** The proceeds of new bond issuances would be used to cover the costs of certain capital improvement projects. The bonds would be repaid over a period of several years in accordance with a debt retirement schedule identified in the bond covenants.
- **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 improvements and enhancements impacting 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 a portion 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.

¹ For fiscal year 2022-23, the required investment for developers is \$0.588 per square foot.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Significant FY 2023 Capital Projects

The fiscal year 2022-23 CIP includes 38 separate capital projects. Some of the more significant projects include the following:

Police

- **PD-03 Police Station Remodel (\$1.1 million in FY 2023, \$2.4 million total):** The current police station was never designed as a critical, 24-hour public 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. The police personnel, equipment, and work space needs have outgrown the current facility design and footprint. This is a multi-year project that began in fiscal year 2017-18, and estimated completion is October 2022.

Public Works

- **PW-05 Real Estate/Land Acquisition (\$20.0 million in FY 2023, \$21.6 million total):** The acquisition of real estate and/or land will be made to strategically protect the City's future development. This is a multi-year project that began in fiscal year 2020-21, and estimated completion is June 2024.

Sedona in Motion

- **SIM-03a Uptown Parking Garage (\$8.2 million in FY 2023, \$19.0 million total):** The Transportation Master Plan recommended increasing the supply of parking facilities centered within the Uptown area. The project includes design and construction of a parking structure on property purchased by the City on Forest Road. This is a multi-year project that began in fiscal year 2019-20, and estimated completion is June 2023.
- **SIM-04c Pedestrian Crossing at Oak Creek (\$1.7 million in FY 2023, \$2.8 million total):** The City Council identified this project as a high priority in the Transportation Master Plan. The project includes design and construction of a north-south pedestrian crossing of State Route (SR) 179 at Oak Creek near the Tlaquepaque Arts & Crafts Village corridor. The pedestrian crossing will be a multi-use pathway proposed along the west embankment of Oak Creek and passing beneath the SR 179 bridge over Oak Creek to connect with existing sidewalks along SR 179 on each side. This is a multi-year project that began in fiscal year 2018-19, and estimated completion is February 2023.
- **SIM-05b Forest Road Connection (\$7.6 million in FY 2023, \$14.8 million total):** The City Council identified this project as a high priority in the Transportation Master Plan. The project includes construction of a new roadway to extend Forest Road from its current terminus to intersect with SR 89A to allow for an alternate route out of the Uptown area. This is a multi-year project that began in fiscal year 2017-18, and estimated completion is August 2023.
- **SIM-05d Ranger Road/Brewer Road Intersection Improvements & Ranger Road Extension (\$2.8 million in FY 2023, \$2.9 million total):** The project includes construction to improve the existing Ranger Road/Brewer Road intersection and an extension of Ranger Road to the proposed Transit Hub location. This is a multi-year project that began in fiscal year 2021-22, and estimated completion is June 2023.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Significant FY 2022 Capital Projects (cont'd)

- SIM-011m Dry Creek Road Pathway from SR 89A to the Two Fences Hiking Trail (\$1.5 million in FY 2023, \$2.9 million total):** The Transportation Master Plan proposed various shared-use paths to improve the walkability and bikeability of the City. The project includes installing a shared-use path along Dry Creek Road to extend the portion of the path along Dry Creek Road already completed from Thunder Mountain Road to Forest Road 152. This is a multi-year project that began in fiscal year 2021-22 and is estimated to be completed in June 2024.

Wastewater

- WW-01F Major Lift Station Upgrades (\$6.4 million in FY 2023, \$6.6 million total):** The last upgrade to three major lift stations was completed in 2008. This project will upgrade the obsolete controls allowing for efficient and reliable automation, and wet well coatings will be refreshed. This is a multi-year project that began in fiscal year 2020-21, and estimated completion is June 2023.

Flexibility of Project Programming & Assumed Project Carryovers

While CIP projects programmed for fiscal year 2022-23 were considered the priority projects, some of these projects are still somewhat speculative and require additional vetting and/or outreach. Since some projects may stall, the City Council granted authority for projects programmed in later fiscal years to be moved forward as a replacement of a stalled fiscal year 2022-23 project. Projects would move forward based on priority and feasibility of forward progress.

With the uncertainties of which projects will move forward in fiscal year 2022-23 and in order to present a more reasonable estimate of CIP expenditures, generalized adjustments to the CIP have been included as an estimate of project carryovers to the following year. The adjustments were based on an estimation of the maximum workload capacity of project managers each year. The following table summarizes the carryovers included in the plan.

10-YEAR CAPITAL IMPROVEMENT PLAN

(In Thousands)

	Projects Proposed	Estimated Net Carryover to Following Year ²	Proposed Budget
FY 2023	\$ 58,105	\$(2,000)	\$ 56,105
FY 2024	26,540	2,000	28,540
FY 2025	11,717	-	11,717
Future Years	73,542	-	73,542
Grand Totals	\$169,904	\$ -	\$169,904

² Estimations of project balances not completed as of year-end and carried over to the following fiscal year were entered as offsets to the budget totals. Each year during the budget process, projects are reevaluated so the projects proposed and carryovers estimated may shift between years beyond the proposed budget year.



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

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 2023-2032 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.

The following table summarizes the projected annual impact of the fiscal year 2022-23 CIP on the City's operating budget:



CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Impact on the Operating Budget (cont'd)

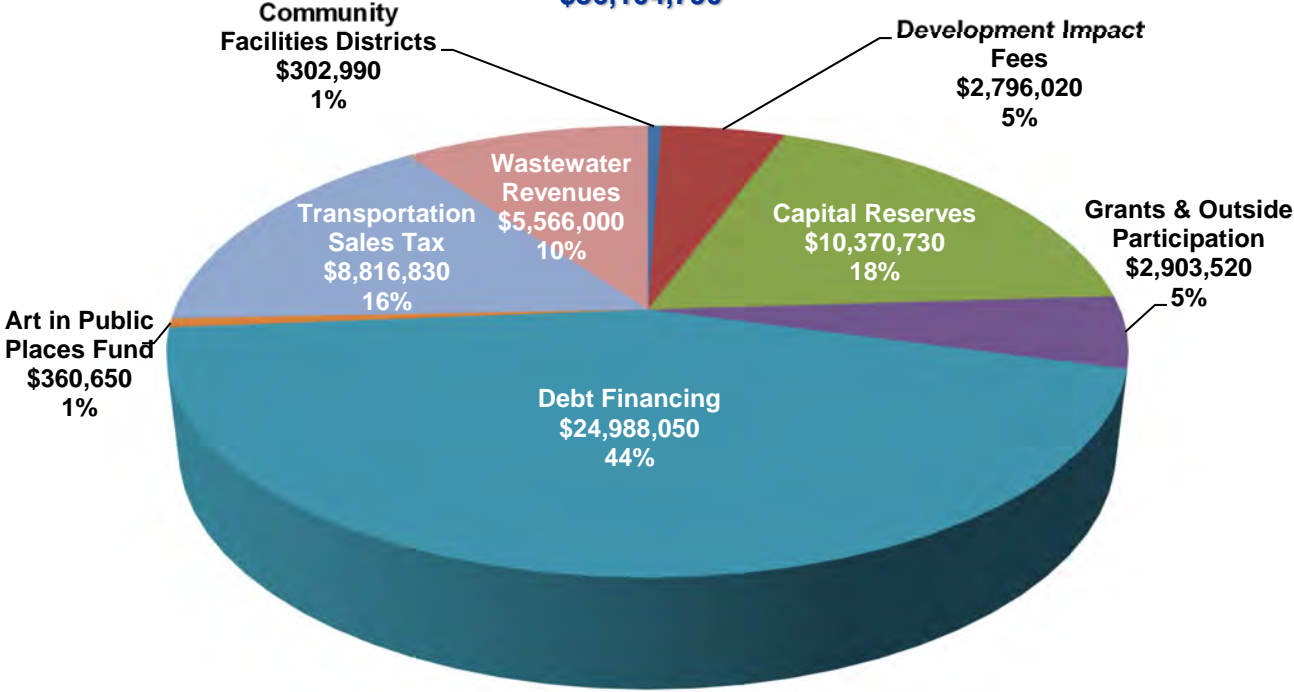
FY 2023 CIP IMPACTS ON OPERATING BUDGET

FY 2023 Projects	Operating Impact	Projected Annual Amount
PR-03B Improvements at Ranger Station – Interior Restoration of House and Barn	Utilities, janitorial, and maintenance	\$ 2,500
PR-03C Build-Out of Ranger Station Park	Event planning, parks maintenance, utilities, supplies, etc.	38,000
PR-05 Shade Structure and Playground Equipment Replacement	Eliminate annual replacement of wood chips	(500)
PR-09 Posse Grounds Park Pickleball Courts	Utilities, maintenance and upkeep, supplies, etc.	4,000
PD-03 Police Station Remodel	Utilities and janitorial	10,000
PT-01 Transit Maintenance/Operations Center	Utilities, janitorial, maintenance, landscaping, and debt service	637,430
PT-02 Transit Hub	Utilities, janitorial, maintenance, landscaping, and debt service	156,890
PT-03 Transit Bus Acquisition	Transit operations and maintenance of vehicles (costs will be partially offset by an unknown amount of cooperative funding through multijurisdictional intergovernmental agreements and grant funding) and debt service	6,386,590
PT-04 Bus Stop Improvements	Maintenance	3,000
PW-03 Sign Shop	Reduction of costs or acquiring signs offset by supplies costs	(37,000)
PW-05 Real Estate/Land Acquisition	Debt service	1,000,000
SIM-01b Uptown Northbound Improvements	Pavement management, striping, and signage maintenance	5,000
SIM-03a Uptown Parking Garage	Operating costs for a parking garage and debt service	1,015,730
SIM-04c Pedestrian Crossing at Oak Creek	Utilities, site sweeping, refuse pickup, landscape maintenance, general maintenance of site infrastructure and features, and debt service	139,320
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, signage maintenance, and debt service	804,450
SIM-05d Ranger Road/Brewer Road Intersection & Ranger Road Extension Improvements	Pavement management, stormwater drainage, sewer, striping, and signage maintenance	3,000
SIM-11e Navoti Drive to Dry Creek Road Shared-Use Path	Pavement maintenance of paths, pavement patching, curb replacement, signage, striping, etc.	3,000
SIM-11h Chapel Road Shared-Use Path	Pavement maintenance of paths, pavement patching, curb replacement, signage, striping, etc.	3,000
SIM-11j Piñon Drive Shared-Use Path	Pavement maintenance of paths, pavement patching, curb replacement, signage, striping, etc.	1,000
SIM-11m Dry Creek Road Pathway, 89A to Two Fences	Pavement maintenance of paths, pavement patching, signage, striping, etc.	3,000
SIM-11n Harmony Shared-Use Path and Drainage Improvements	Pavement maintenance of paths, pavement patching, curb replacement, signage, striping, etc.	2,000
SD-03 Improvements to Back O' Beyond Road, Low Water Crossing	Debris, large rock, and sediment removal	500
SD-12 Schnebly & Grove Drainage Improvements	Debris, large rock, and sediment removal	500
SUS-01 Posse Grounds Park Solar Lighting	Replacements for vandalism or breakage	2,000
Total		\$10,185,410

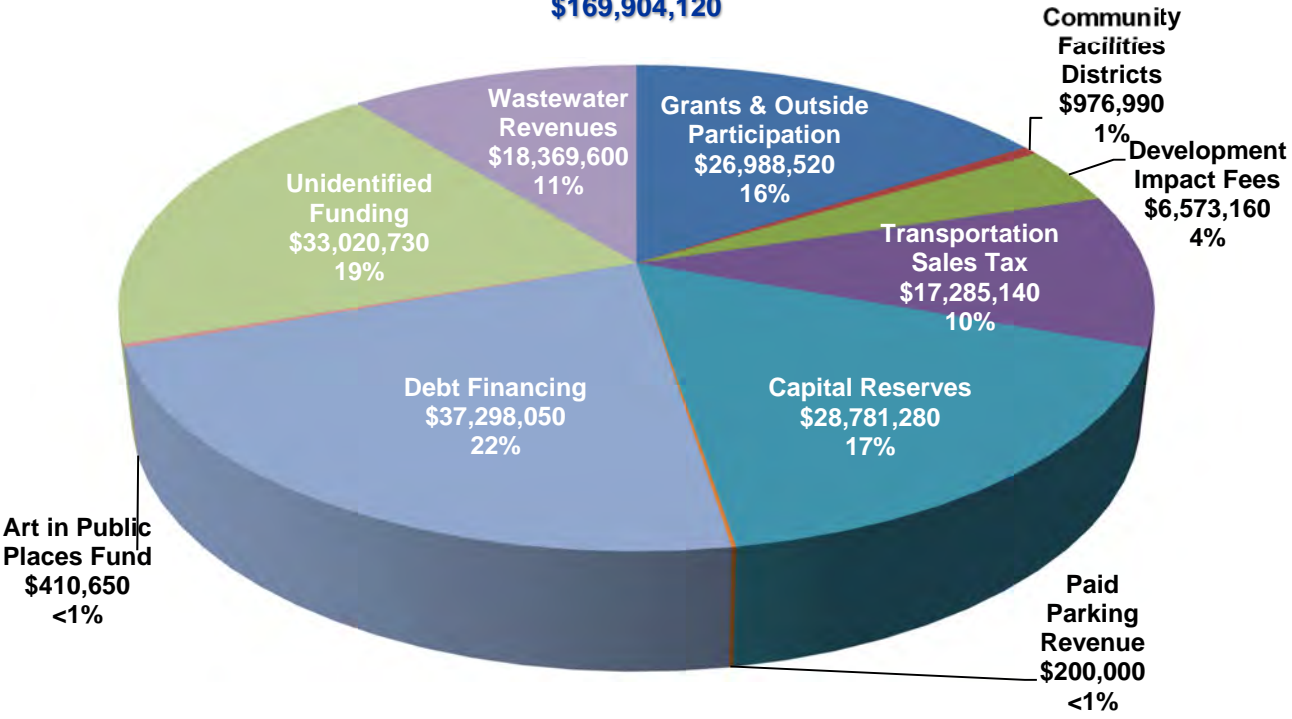
Note: This list represents projects that were approved for funding in fiscal year 2022-23 that have a quantifiable impact on the City's operating budget. For a complete list of funded projects, see the Summary of Capital Projects section.

SUMMARY OF CAPITAL PROJECTS

FY 2023 CAPITAL IMPROVEMENT PROJECTS BY FUNDING SOURCE
\$56,104,790



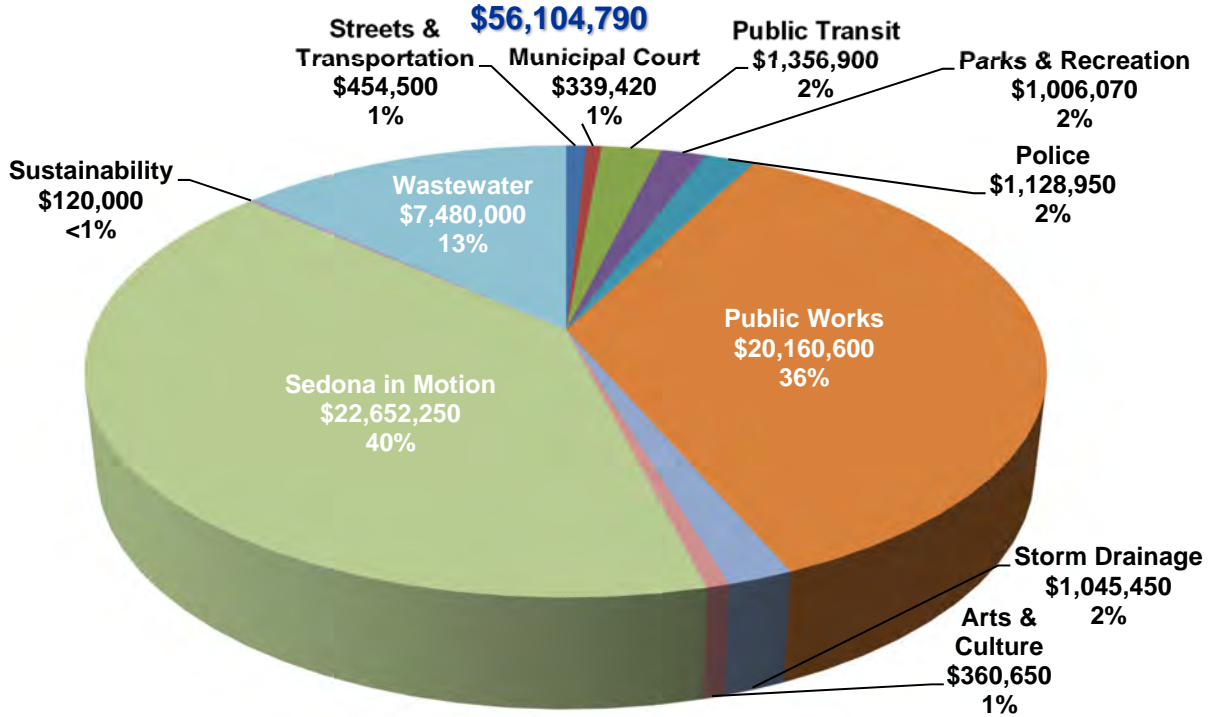
FYs 2023-2032 CAPITAL IMPROVEMENT PROJECTS BY FUNDING SOURCE
\$169,904,120



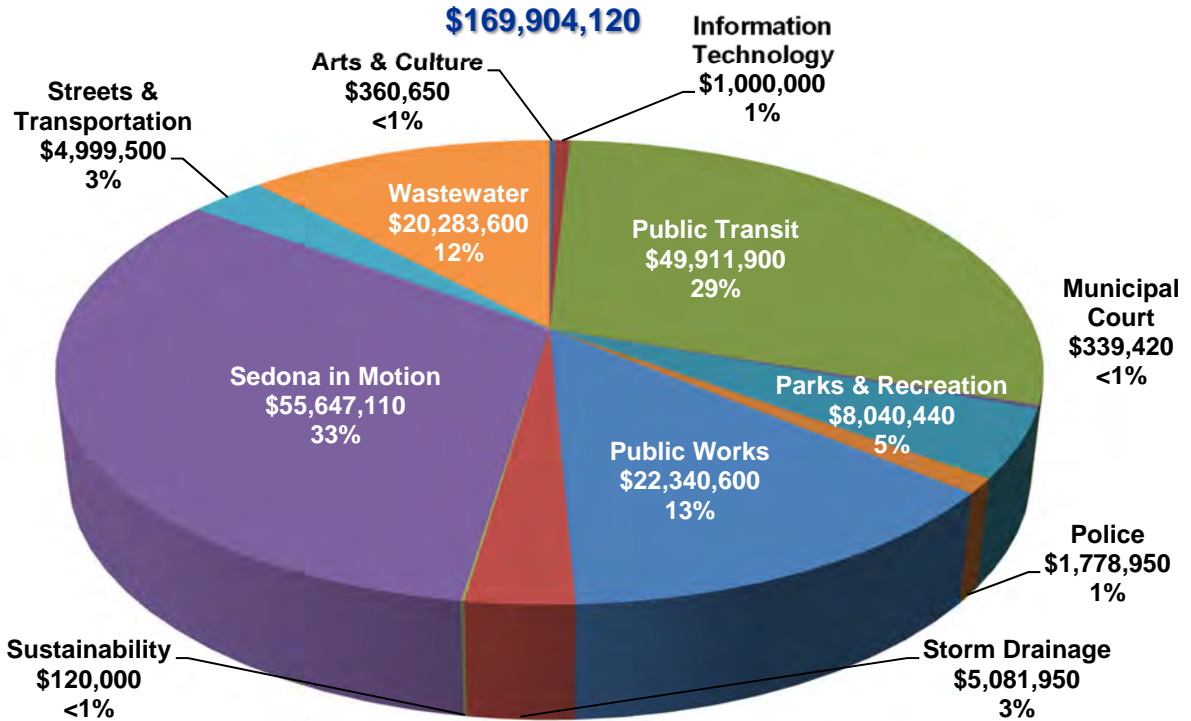
SUMMARY OF CAPITAL PROJECTS

continued

FY 2023 CAPITAL IMPROVEMENT PROJECTS BY CATEGORY



FYs 2023-2032 CAPITAL IMPROVEMENT PROJECTS BY CATEGORY



SUMMARY OF CAPITAL PROJECTS
continued

FY 2023 - FY 2032 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	FY2023	FY2024	FY2025	Future Years	Totals (excluding Prior Years Estimate)
AC - Arts & Culture										
Art in the Roundabouts	Restricted	Important (Could-Do)	259	AC-02	\$3,680	\$360,650	\$0	\$0	\$0	\$360,650
IT - Information Technology										
Citywide Business Software	Capital Reserves	Essential (Should-Do)	260	IT-01	\$0	\$0	\$500,000	\$500,000	\$0	\$1,000,000
MC - Municipal Court										
Court Relocation/Remodel	Restricted & Capital Reserves	Imperative (Must-Do)	261	MC-02	\$117,580	\$339,420	\$0	\$0	\$0	\$339,420
PR - Parks & Recreation										
Concession Stand/Restrooms Building - Renovation and Redesign	Restricted	Important (Could-Do)	262	PR-01	\$0	\$0	\$77,000	\$482,000	\$0	\$559,000
Restructure of Posse Grounds Park	Restricted, Capital Reserves, & Unidentified	Important (Could-Do)	263	PR-02	\$81,411	\$25,000	\$0	\$0	<i>\$3,500,000</i>	\$3,525,000
Improvements at Ranger Station / Interior Restoration of House and Barn	Restricted & Capital Reserves	Important (Could-Do)	264	PR-03B	\$10,060	\$587,220	\$0	\$0	\$0	\$587,220
Build-Out of Ranger Station Park	Restricted & Capital Reserves	Important (Could-Do)	265	PR-03C	\$20,120	\$150,860	\$1,575,370	\$0	\$0	\$1,726,230
Shade Structures and Playground Equipment Replacement	Restricted & Capital Reserves	Important (Could-Do)	266	PR-05	\$442,010	\$102,990	\$0	\$0	\$0	\$102,990
Posse Grounds Park Pickleball Courts	Restricted	Essential (Should-Do)	267	PR-09	\$0	\$140,000	\$1,400,000	\$0	\$0	\$1,540,000
PR - Parks & Recreation Subtotal (excluding projects not funded)					\$553,601	\$1,006,070	\$3,052,370	\$482,000	\$0	\$4,540,440
Projects Not Funded					\$0	\$0	\$0	\$0	\$3,500,000	\$3,500,000
PD - Police										
Radio Infrastructure	Capital Reserves	Imperative (Must-Do)	268	PD-02	\$251,115	\$100,000	\$150,000	\$500,000	\$0	\$750,000
Police Station Remodel	Restricted & Capital Reserves	Imperative (Must-Do)	269	PD-03	\$1,327,131	\$1,028,950	\$0	\$0	\$0	\$1,028,950
PD - Police Subtotal					\$1,578,246	\$1,128,950	\$150,000	\$500,000	\$0	\$1,778,950
PT - Public Transit										
Transit Maintenance/Operations Center (ESP)	Restricted	Essential (Should-Do)	270	PT-01	\$60,000	\$600,000	\$700,000	\$4,330,000	\$11,180,000	\$16,810,000
Transit Hub (ESP)	Restricted	Essential (Should-Do)	271	PT-02	\$982,939	\$159,500	\$130,000	\$1,290,000	\$1,880,000	\$3,459,500
Transit Bus Acquisition (ESP)	Restricted	Essential (Should-Do)	272	PT-03	\$13,900	\$522,400	\$0	\$0	\$12,200,000	\$12,722,400
Bus Stop Improvements (ESP)	Restricted	Essential (Should-Do)	273	PT-04	\$184,500	\$75,000	\$25,000	\$300,000	\$300,000	\$700,000
West Sedona Intercept Lot (ESP)	Restricted, Capital Reserves, & Unidentified	Essential (Should-Do)	274	PT-05	\$2,145,079	\$0	\$0	\$105,000	<i>\$16,115,000</i>	\$16,220,000
PT - Public Transit Subtotal					\$3,386,418	\$1,356,900	\$855,000	\$6,025,000	\$25,560,000	\$33,796,900
Projects Not Funded					\$0	\$0	\$0	\$0	\$16,115,000	\$16,115,000

ESP = Environmental Sustainability Project

SUMMARY OF CAPITAL PROJECTS

continued

FY 2023 - FY 2032 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	FY2023	FY2024	FY2025	Future Years	Totals (excluding Prior Years Estimate)
PW - Public Works										
Uptown Enhancements	Restricted	Important (Could-Do)	N/A	PW-01	\$195,856	\$0	\$0	\$0	\$250,000	\$250,000
Sign Shop	Capital Reserves	Essential (Should-Do)	275	PW-03	\$0	\$140,600	\$0	\$0	\$0	\$140,600
Facilities Study	Capital Reserves	Essential (Should-Do)	N/A	PW-04	\$0	\$0	\$0	\$0	\$50,000	\$50,000
Real Estate/Land Acquisition	Restricted & Capital Reserves	Essential (Should-Do)	276	PW-05	\$0	\$20,020,000	\$1,600,000	\$0	\$0	\$21,620,000
Hitching Post Restroom Remodel	Unidentified	Desirable (Other Year)	N/A	PW-07	\$0	\$0	\$0	\$0	\$280,000	\$280,000
PW - Public Works Subtotal					\$195,856	\$20,160,600	\$1,600,000	\$0	\$580,000	\$22,340,600
Projects Not Funded										
\$0										
SIM - Sedona in Motion										
Sedona in Motion Unspecified Projects	Capital Reserves	Imperative (Must-Do)	277	SIM-00	\$0	(\$2,000,000)	\$2,000,000	\$0	\$0	\$0
Uptown Northbound Improvements	Restricted	Essential (Should-Do)	278	SIM-01b	\$136,255	\$500,000	\$1,100,000	\$0	\$0	\$1,600,000
Uptown Pedestrian Improvements (ESP)	Unidentified	Desirable (Other Year)	N/A	SIM-02	\$0	\$0	\$0	\$0	\$5,048,000	\$5,048,000
Uptown Parking Garage	Restricted & Capital Reserves	Essential (Should-Do)	279	SIM-03a	\$2,713,420	\$8,149,770	\$8,120,920	\$0	\$0	\$16,270,690
Uptown One Way Streets/Parking	Restricted	Important (Could-Do)	280	SIM-03b	\$0	\$0	\$50,000	\$100,000	\$0	\$150,000
Schnebly Hill Roundabout Expansion	Unidentified	Desirable (Other Year)	N/A	SIM-04a	\$0	\$0	\$0	\$0	\$5,447,990	\$5,447,990
SR 179 Lane Expansion from Schnebly Hill Roundabout to Y	Unidentified	Desirable (Other Year)	N/A	SIM-04b	\$0	\$0	\$0	\$0	\$111,000	\$111,000
Pedestrian Crossing at Oak Creek (ESP)	Restricted & Capital Reserves	Essential (Should-Do)	281	SIM-04c	\$561,860	\$1,691,280	\$580,000	\$0	\$0	\$2,271,280
Ranger/SR 179 Intersection Improvements (ESP)	Restricted & Capital Reserves	Essential (Should-Do)	282	SIM-04e	\$0	\$75,000	\$779,760	\$0	\$0	\$854,760
Portal Lane to Brewer Road Connection	Restricted & Capital Reserves	Essential (Should-Do)	283	SIM-05a	\$60,226	\$516,200	\$502,770	\$0	\$0	\$1,018,970
Forest Road Connection	Restricted & Capital Reserves	Imperative (Must-Do)	284	SIM-05b	\$6,247,744	\$7,587,000	\$1,000,000	\$0	\$0	\$8,587,000
Ranger Road / Brewer Road Intersection & Ranger Ext Improvements (ESP)	Restricted	Essential (Should-Do)	285	SIM-05d	\$139,300	\$2,810,000	\$0	\$0	\$0	\$2,810,000
Neighborhood Street Connections	Restricted & Unidentified	Desirable (Other Year)	N/A	SIM-06	\$0	\$0	\$0	\$0	\$1,166,420	\$1,166,420
Neighborhood Vehicles - Tourism Focus	Unidentified	Desirable (Other Year)	N/A	SIM-09	\$0	\$0	\$0	\$0	\$340,000	\$340,000
West SR 89A Access Improvements and Adaptive Signal Control	Restricted	Desirable (Other Year)	N/A	SIM-10	\$0	\$0	\$0	\$0	\$2,970,000	\$2,970,000
Rodeo Road to Dry Creek Road - Shared-Use Path (ESP)	Restricted	Desirable (Other Year)	286	SIM-11a	\$0	\$0	\$0	\$325,000	\$0	\$325,000
Navoti Dr to Dry Creek Rd Shared-Use Path (ESP)	Restricted & Capital Reserves	Important (Could-Do)	287	SIM-11e	\$73,939	\$800,000	\$0	\$0	\$0	\$800,000
Chapel Road Shared-Use Path (ESP)	Restricted & Capital Reserves	Important (Could-Do)	288	SIM-11h	\$921,599	\$700,000	\$0	\$0	\$0	\$700,000
Pinon Drive Shared-Use Path (ESP)	Restricted	Important (Could-Do)	289	SIM-11j	\$222,880	\$186,000	\$0	\$0	\$0	\$186,000
Dry Creek Road Pathway, 89A to Two Fences (ESP)	Restricted & Capital Reserves	Essential (Should-Do)	290	SIM-11m	\$30,000	\$1,455,000	\$1,414,000	\$0	\$0	\$2,869,000
Harmony Shared-Use Path and Drainage Improvements (ESP)	Restricted & Capital Reserves	Important (Could-Do)	291	SIM-11n	\$0	\$155,000	\$514,000	\$700,000	\$0	\$1,369,000
Travel Information System	Restricted & Capital Reserves	Important (Could-Do)	N/A	SIM-12a	\$99,301	\$0	\$0	\$0	\$625,000	\$625,000
Traffic Video Cameras	Restricted & Capital Reserves	Important (Could-Do)	292	SIM-12b	\$21,492	\$27,000	\$0	\$0	\$100,000	\$127,000
SIM - Sedona in Motion Subtotal (excluding projects not funded)					\$11,228,016	\$22,652,250	\$16,061,450	\$1,125,000	\$3,695,000	\$43,533,700
Projects Not Funded					\$0	\$0	\$0	\$0	\$12,113,410	\$12,113,410

ESP = Environmental Sustainability Project

SUMMARY OF CAPITAL PROJECTS

continued

FY 2023 - FY 2032 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	FY2023	FY2024	FY2025	Future Years	Totals (excluding Prior Years Estimate)
SD - Storm Drainage										
Improvements to Back-O-Beyond Road, Low Water Crossing (Yavapai County) (ESP)	Restricted & Capital Reserves	Important (Could-Do)	293	SD-03	\$75,000	\$772,750	\$0	\$0	\$0	\$772,750
View Drive Area Drainage Improvements (Yavapai County) (ESP)	Restricted & Unidentified	Important (Could-Do)	N/A	SD-04	\$0	\$0	\$0	\$0	\$1,660,750	\$1,660,750
Saddlerock Area Drainage Improvements (Yavapai County) (ESP)	Restricted & Unidentified	Important (Could-Do)	N/A	SD-05	\$0	\$0	\$0	\$0	\$1,484,250	\$1,484,250
Mystic Hills Lift Station Access Improvements (Coconino County) (ESP)	Restricted	Important (Could-Do)	294	SD-08	\$0	\$0	\$40,000	\$250,000	\$0	\$290,000
Stormwater Drainage Easements Acquisition (ESP)	Capital Reserves & Unidentified	Important (Could-Do)	295	SD-09	\$0	\$0	\$50,000	\$50,000	\$350,000	\$450,000
Schnebly & Grove Drainage Improvements (ESP)	Capital Reserves	Important (Could-Do)	296	SD-12	\$0	\$272,700	\$151,500	\$0	\$0	\$424,200
SD - Storm Drainage Subtotal (excluding projects not funded)					\$75,000	\$1,045,450	\$241,500	\$300,000	\$0	\$1,586,950
Projects Not Funded					\$0	\$0	\$0	\$0	\$3,495,000	\$3,495,000
ST - Streets & Transportation										
Forest/Ranger/SR 89A Intersection Improvements	Capital Reserves	Important (Could-Do)	297	ST-08	\$67,000	\$454,500	\$4,545,000	\$0	\$0	\$4,999,500
ST - Streets & Transportation Subtotal					\$67,000	\$454,500	\$4,545,000	\$0	\$0	\$4,999,500
SUS - Sustainability										
Posse Ground Park Solar Lighting (ESP)	Capital Reserves	Essential (Should-Do)	298	SUS-01	\$0	\$120,000	\$0	\$0	\$0	\$120,000
SUS - Sustainability Subtotal					\$0	\$120,000	\$0	\$0	\$0	\$120,000
Subtotal Non-Wastewater Projects (excluding projects not funded)					\$17,205,397	\$48,624,790	\$27,005,320	\$8,932,000	\$29,835,000	\$114,397,110
WW - Wastewater										
WW Collection System Improvements - Misc. Rehabs/Replacements	WW Revenues	Essential (Should-Do)	299	WW-01D	\$0	\$460,000	\$0	\$0	\$0	\$460,000
WW Collection System Improvements - Future Collections Projects	WW Revenues	Important (Could-Do)	300	WW-01E	\$0	\$0	\$100,000	\$1,035,000	\$0	\$1,135,000
WW Collection System Improvements - Major Lift Station Upgrades	Restricted & WW Revenues	Imperative (Must-Do)	301	WW-01F	\$205,016	\$6,365,000	\$0	\$0	\$0	\$6,365,000
WW Collection System Improvements - Juniper Lane Extension	WW Revenues	Important (Could-Do)	302	WW-01H	\$10,520	\$170,000	\$0	\$0	\$0	\$170,000
SCADA System and Configuration Upgrade	WW Revenues	Essential (Should-Do)	303	WW-04	\$0	\$310,000	\$0	\$0	\$0	\$310,000
WWRP Odor Control Upgrades	WW Revenues	Important (Could-Do)	304	WW-05	\$24,660	\$0	\$185,000	\$150,000	\$0	\$335,000
WWRP Recharge Wells	WW Revenues	Desirable (Other Year)	N/A	WW-06	\$5,216,968	\$0	\$0	\$0	\$5,143,600	\$5,143,600
WWRP Reservoir Liner Replacement	WW Revenues	Important (Could-Do)	305	WW-07	\$0	\$0	\$0	\$50,000	\$1,000,000	\$1,050,000
WWRP Drying Beds Replacement	WW Revenues	Important (Could-Do)	306	WW-08	\$0	\$0	\$150,000	\$1,500,000	\$0	\$1,650,000
WWRP Treatment Process Upgrades	WW Revenues	Essential (Should-Do)	307	WW-09	\$0	\$60,000	\$1,000,000	\$50,000	\$1,820,000	\$2,930,000
Wastewater Master Plan Update	WW Revenues	Important (Could-Do)	308	WW-10	\$0	\$0	\$100,000	\$0	\$100,000	\$200,000
WWRP Paving	WW Revenues	Desirable (Other Year)	N/A	WW-11	\$0	\$0	\$0	\$0	\$420,000	\$420,000
Area 4 Valve Vault Upgrade	WW Revenues	Essential (Should-Do)	309	WW-14	\$0	\$115,000	\$0	\$0	\$0	\$115,000
WW - Wastewater Subtotal					\$5,457,164	\$7,480,000	\$1,535,000	\$2,785,000	\$8,483,600	\$20,283,600
TOTAL ALL PROJECTS (excluding projects not funded)					\$22,662,561	\$56,104,790	\$28,540,320	\$11,717,000	\$38,318,600	\$134,680,710
Total Projects Not Funded					\$0	\$0	\$0	\$0	\$35,223,410	\$35,223,410
Grand Totals Funded and Unfunded					\$22,662,561	\$56,104,790	\$28,540,320	\$11,717,000	\$73,542,010	\$169,904,120

ESP = Environmental Sustainability Project

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Art in the Roundabouts

Location:

SR 179 Roundabouts

Phase: of Project #: AC-02
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

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 adds art pieces to the four remaining roundabouts on SR179. Included in the project for FY 2023 are the expenditures for the payments to four artists, the installation costs for each roundabout, and costs for unveiling events.

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 four remaining roundabouts on SR 179 that will have new sculpture installations.

	Original	Revised (if applicable)
Start Date	July 2019	May 2021
Estimated Completion Date	June 2020	June 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:

The RFP was issued in May 2021. Responses were due July 2021. Recommendations made to Council in February 2022. Contracts and first half payment made to four artists March 2022.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The budget was increased for the exclusion of the donated sculpture. Four new sculptures will be installed from the finalists in the RFP process. Due to delays related to COVID-19 and staffing capacity, the project was delayed and sculptures are anticipated to be installed in FY 2023.

Project Balance		
Original Approved Project Budget		\$300,000
Approved Budget Increases/Decreases		\$6,000
Current Approved Total Project Budget		\$306,000
Requested Budget Increase/Decrease		\$58,330
Requested Total Project Budget		\$364,330
Estimated Expenditures through June 30, 2022		\$3,680
Budget Balance Remaining		\$360,650

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Construction - Contracted		\$40,000				\$40,000
New Appropriation	Construction - Contracted		\$57,000				\$57,000
Carry Over	Public Art Purchase	\$3,680	\$262,320				\$266,000
New Appropriation	Public Art Purchase		\$1,330				\$1,330
Totals		\$3,680	\$360,650	\$0	\$0	\$0	\$364,330

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
1% for Arts	\$3,680	\$360,650				\$364,330
Totals	\$3,680	\$360,650	\$0	\$0	\$0	\$364,330

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Ongoing operating impacts will include minimal maintenance costs anticipated to begin after FY 2025 and are expected to be absorbed in the City's existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Citywide Business Software

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

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 and did not occur until Nov/Dec 2018 due to lack of returned communications from Springbrook personnel. While there were a few useful items learned in the trainings, staff agreed that the software is deficient for the City's needs.

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 organizational needs, enhances 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 Financial Services, Public Works, Community Development, City Clerk, and Parks and Recreation.

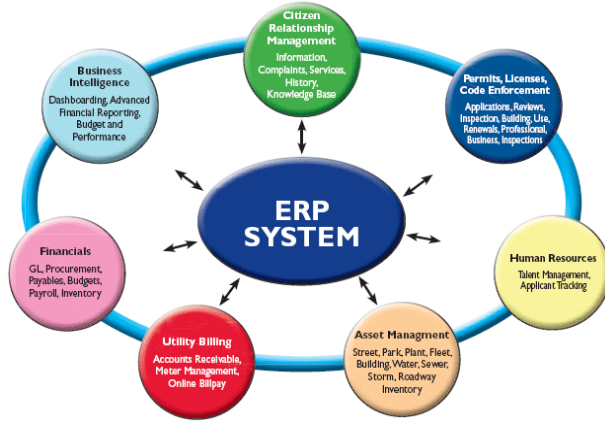
A software selection committee consisting of employees across multiple departments would be responsible for viewing product demos and selection of a vendor for recommendation to Council. The budget request is a placeholder based on rough estimates which will be refined once the demos and RFP process begins.

Location:

Citywide System

	Original	Revised (if applicable)
Start Date	April 2019	April 2019
Estimated Completion Date	June 2021	June 2025

Enterprise Resource Planning (ERP) System



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Due to staffing constraints, the project has been delayed.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Due to workloads with other significant projects in process, the timeline for this project has been delayed.

Project Balance	
Original Approved Project Budget	\$1,000,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$1,000,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,000,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$1,000,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	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	FY2023	FY2024	FY2025	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:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
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 agreement and the ADP contract. Until a replacement system is identified, the net impact of those costs is currently unknown.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Court Relocation/Remodel

Location: 221 Brewer Road

Phase: 2 of 2 **Project #:** MC-02
(If Applicable)

	Original	Revised (if applicable)
Start Date	January 2022	
Estimated Completion Date	June 2023	

Ranking: Imperative (Must-Do)

Environmental Sustainability Project? No

Project Description:
Establish a new court facility by remodeling the 221 Brewer Road north building.



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 city started leasing the school district administration building at 221 Brewer Road 2021. This was determined to be the best location for the court relocation.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Phase 1 of remodel work complete with possible delay in some technology equipment.

Project Balance	
Original Approved Project Budget	\$244,190
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$244,190
Requested Budget Increase/Decrease	\$212,810
Requested Total Project Budget	\$457,000
Estimated Expenditures through June 30, 2022	\$117,580
Budget Balance Remaining	\$339,420

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The original budget was for a remodel of the Sinagua building. The budget has been revised to change the scope for the remodel of the 221 Brewer Road north building.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$32,000					\$32,000
Carry Over	Construction - Contracted	\$21,400	\$105,190				\$126,590
New	Construction - Contracted		\$212,810				\$212,810
Carry Over	Technology	\$64,180	\$21,420				\$85,600
Totals		\$117,580	\$339,420	\$0	\$0	\$0	\$457,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Grant	\$16,870	\$35,780				\$52,650
Court Restricted Revenues	\$60,130	\$165,000				\$225,130
Capital Reserves	\$40,580	\$138,640				\$179,220
Totals		\$117,580	\$339,420	\$0	\$0	\$457,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
No additional operating impacts anticipated from Phase 2 of the remodel.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Concession Stand/Restrooms Building - Renovation and Redesign

Location:

Posse Grounds Park

Phase: of Project #: PR-01
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

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 a renovated building with restrooms, concessions, storage and improved access. The existing building will be renovated.

	Original	Revised (if applicable)
Start Date	July 2020	July 2023
Estimated Completion Date	June 2021	June 2025



Project Justification:

This building has been in need of repair and remodel for many years; however, the demand for the building was not high enough to justify the budget. With the increase of special events and the development of the bike skills park and Pavilion, the demand has increased and will continue to do so. This is the main public restroom facility for the skate park, basketball court, ball fields, special events, rentals, dog park and bike park. The restroom also supports the Pavilion rentals during the fall/winter seasons when the Pavilion restrooms are closed and as a back-up for the Hub when plumbing fails. This building also serves as storage space for parks and recreation.

For Continuing Projects

Estimated Project Status as of June 30, 2022:

N/A

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

This project has been delayed due to the economic impacts of the COVID-19 pandemic and the relative lower priority of this project compared to other more critical City infrastructure needs.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Design - Contracted			\$77,000			\$77,000
Future Estimate	Construction - Contracted				\$282,000		\$282,000
Future Estimate	Contingency				\$200,000		\$200,000
Totals		\$0	\$0	\$77,000	\$482,000	\$0	\$559,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals	
Summit CFD			\$77,000	\$182,000		\$259,000	
Fairfield CFD				\$300,000		\$300,000	
Totals		\$0	\$0	\$77,000	\$482,000	\$0	\$559,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

The existing building will be renovated therefore, operating expenses are already accounted for.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Restructure of Posse Grounds Park

Location:
Posse Grounds Park

Phase: of **Project #:** PR-02
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

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, conduct 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.

The project costs in FY 2025 are placeholders. Once the evaluation and options are approved, individual projects will require prioritization.

	Original	Revised (if applicable)
Start Date	July 2019	July 2019
Estimated Completion Date	June 2020	June 2026



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 the fields are maintained and designed as sports 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, 2022:
The evaluation is expected to be approximately 80% complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The initial budget was for project evaluation only. The cost for design was added and updated for revisions. Additional revisions may be needed based on other projects impacting the park and the direction on the final scope of the project. The original timeline was for the project evaluation. The estimated completion date has been extended to cover the implementation of the park restructure.

Project Balance	
Original Approved Project Budget	\$60,000
Approved Budget Increases/Decreases	\$32,072
Current Approved Total Project Budget	\$92,072
Requested Budget Increase/Decrease	\$14,339
Requested Total Project Budget	\$106,411
Estimated Expenditures through June 30, 2022	\$81,411
Budget Balance Remaining	\$25,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Project Evaluation	\$81,411	\$10,661				\$92,072
New							
Appropriation	Project Evaluation		\$14,339				\$14,339
	Future Estimate Placeholder					\$3,500,000	\$3,500,000
Totals		\$81,411	\$25,000	\$0	\$0	\$3,500,000	\$3,606,411

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves	\$81,411	\$25,000				\$106,411
Unidentified					\$3,500,000	\$3,500,000
Totals		\$81,411	\$25,000	\$0	\$0	\$3,606,411

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
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, more and larger events would likely 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 will be determined once an approach to the restructure of the park has been decided.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Improvements at Ranger Station / Interior Restoration of House and Barn

Location:
Brewer Road Property

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	April 2022
Estimated Completion Date	June 2023	June 2023

Ranking:

Environmental Sustainability Project?

Project Description:
This project will address the historical restoration of the interior of the house and barn.



Project Justification:
The City purchased the "Old Ranger Station" at 250 Brewer Road in 2014 and has 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. The exterior building repairs and improvements began in FY 2021 and interior restoration will continue into FY 2023.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Pre-design effort complete, and ready for design to begin.

Project Balance	
Original Approved Project Budget	\$325,000
Approved Budget Increases/Decreases	\$720
Current Approved Total Project Budget	\$325,720
Requested Budget Increase/Decrease	\$271,560
Requested Total Project Budget	\$597,280
Estimated Expenditures through June 30, 2022	\$10,060
Budget Balance Remaining	\$587,220

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Increased budget to reflect current environment of increased cost of construction. Project accelerated due to increase in priority.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New							
Appropriation	Design - Contracted	\$10,000	\$25,000				\$35,000
Carry Over	Construction - Contracted		\$325,000				\$325,000
New							
Appropriation	Construction - Contracted		\$235,000				\$235,000
Carry Over	Arts Transfer	\$60	\$660				\$720
New							
Appropriation	Arts Transfer		\$1,560				\$1,560
Totals		\$10,060	\$587,220	\$0	\$0	\$0	\$597,280

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$4,240	\$163,140				\$167,380
Summit CFD		\$60,000				\$60,000
Fairfield CFD		\$140,000				\$140,000
Capital Reserves	\$5,820	\$224,080				\$229,900
Totals		\$10,060	\$587,220	\$0	\$0	\$597,280

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$2,500	\$2,500	\$2,500
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$2,500	\$2,500	\$2,500

Explanation of Operating Impacts:
Once the park is built out, there will be impacts to the operating budget due to additional demands for event planning, parks maintenance, utilities, commodities, etc. The full operational impacts will be determined once a plan for the use of the park is created. Building maintenance is included now.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Build-Out of Ranger Station Park

Location:
250 Brewer Road

Phase: 3 of 3 **Project #:** PR-03C
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	April 2022
Estimated Completion Date	June 2025	June 2024

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:

Design and construction of the Ranger Station Park including parking lot, restrooms, lawn, plaza, landscaping, gardens, playground and central seating areas.



Project Justification:

The City purchased the "Old Ranger Station" at 250 Brewer Road in 2014 and has 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. Completion of this resident amenity has been requested by many members of the community, and approved for acceleration by the City Council.

For Continuing Projects

Estimated Project Status as of June 30, 2022:

Pre-design effort complete, and ready for design to begin.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$1,746,350
Requested Total Project Budget	\$1,746,350
Estimated Expenditures through June 30, 2022	\$20,120
Budget Balance Remaining	\$1,726,230

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The project is accelerated at the request of the City Council. The former Project PR-03D was combined with PR-03C due to the full build-out of the park being pursued at the same time. Council accelerated the priority for this project.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Design - Contracted	\$20,000	\$75,000				\$95,000
New Appropriation	Construction - Contracted			\$1,425,000			\$1,425,000
New Appropriation	Construction - In-House		\$75,000				\$75,000
New Appropriation	Contingency			\$142,000			\$142,000
New Appropriation	Arts Transfer	\$120	\$860	\$8,370			\$9,350
Totals		\$20,120	\$150,860	\$1,575,370	\$0	\$0	\$1,746,350

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals	
Development Impact Fees - Post 7/2014	\$8,480	\$63,560	\$615,280			\$687,320	
Summit CFD			\$95,000			\$95,000	
Fairfield CFD			\$20,000			\$20,000	
Capital Reserves	\$11,640	\$87,300	\$845,090			\$944,030	
Totals		\$20,120	\$150,860	\$1,575,370	\$0	\$0	\$1,746,350

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$38,000	\$38,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$38,000	\$38,000

Explanation of Operating Impacts:

Once the park is built out, there will be impacts to the operating budget due to additional demands for event planning, parks maintenance, utilities, commodities, etc. The facility operational impacts are currently included in PR-03B.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Shade Structures and Playground Equipment Replacement

Phase: of Project #: PR-05
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

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, 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.

A design was completed in 2016 that would replace both playgrounds at Posse Grounds Park. The new playground design will be inclusive by nature to invite children of all abilities to play and imagine together. The rubberized playground surface will be ADA accessible so as to not alienate 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 playground users. These are the last two playgrounds that need to be covered in order to accomplish one of the goals in the Master Plan.

Location:

Posse Grounds Park

	Original	Revised (if applicable)
Start Date	July 2020	July 2020
Estimated Completion Date	June 2021	December 2022



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Design was completed in 2016 and updated in February 2021 by Play it Safe Inc. Received updated quote for construction in February 2021. Installation expected to be 80% complete by June 30, 2022.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The budget was increased for estimated increases in construction costs. This project was delayed due to the unexpected economic impacts of the COVID-19 situation and the low priority of this project relative to other more critical City infrastructure needs.

Project Balance	
Original Approved Project Budget	\$466,740
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$466,740
Requested Budget Increase/Decrease	\$78,260
Requested Total Project Budget	\$545,000
Estimated Expenditures through June 30, 2022	\$442,010
Budget Balance Remaining	\$102,990

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$26,990					\$26,990
Carry Over	Construction - Contracted	\$413,010	\$24,730				\$437,740
New Appropriation	Construction - Contracted		\$78,260				\$78,260
Carry Over	Arts Transfer	\$2,010					\$2,010
Totals		\$442,010	\$102,990	\$0	\$0	\$0	\$545,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Pre 8/2014	\$24,490					\$24,490
Summit CFD	\$50,000	\$102,990				\$152,990
Fairfield CFD	\$165,000					\$165,000
Capital Reserves	\$202,520					\$202,520
Totals		\$442,010	\$102,990	\$0	\$0	\$545,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies		-\$500	-\$500	-\$500
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	-\$500	-\$500	-\$500

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:
 Posse Grounds Park Pickleball Courts

Location:
 Posse Grounds Park

Phase: of **Project #:** PR-09
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	June 2024	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:
 This project will be constructed on a site location that does not impact the Posse Grounds Park Evaluation. Completion of this project will result in eight (8) pickleball courts with lighting. It will include installation of benches, drinking/refilling water station, chain-link fencing and gates, sport court lighting system with timer, waste receptacles, and parking.



Project Justification:
 The sport of pickleball is growing continuously, and there are no signs of the trend changing direction. The shared use tennis/pickleball court (4 courts) is used daily, sometimes offering two sessions, by local players who have over 300 members in their group. The daily scheduled play is well attended during spring/summer/fall seasons, averaging 30 players each session, if not more. On days where both a morning and afternoon/evening session are offered, there can be over 60 players on a single day. Dedicated courts with lights are needed; the current shared use causes conflict due to pickleball being a fast-paced sport. In addition, due to the limited number of courts, it discourages use due to the wait time.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
 N/A

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$1,540,000
Requested Total Project Budget	\$1,540,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$1,540,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Design - Contracted		\$140,000				\$140,000
New Appropriation	Construction - Contracted			\$1,400,000			\$1,400,000
Totals		\$0	\$140,000	\$1,400,000	\$0	\$0	\$1,540,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Pre		\$140,000	\$1,400,000			\$1,540,000
Totals		\$0	\$140,000	\$1,400,000	\$0	\$1,540,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
 None anticipated.

Total Operating Impacts:				
	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies			\$1,000	\$1,000
Contractual Services			\$3,000	\$3,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$4,000	\$4,000

Explanation of Operating Impacts:
 There will be impacts to the operating budget due to utilities, maintenance and upkeep, commodities, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Radio Infrastructure

Location:

Southwest Drive Antenna

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

Enhance radio system to improve radio transmitting and receiving of police radio communications. Identify and recommend various alternatives to ensure that the radio system will meet current and future interoperability requirements. Recent analysis of the system, shows there needs to be four phases to the project. Each phase will be evaluated before the next phase is required in the following fiscal year.

 Phase 2 is to create one simulcast site on the west side of the City. This will increase the radio coverage in the West Sedona area.

Project Justification:

A vital and critical resource to any public safety entity is reliable and effective radio communications. For the past several years, police personnel have experienced ongoing problems with transmitting and receiving radio communications, including dead spots (inability to communicate based on terrain or infrastructure blockage), and frequent inaudible or garbled transmissions. This is a public safety issue that impacts our ability to keep our employees and the public safe. Slight improvements have been made to the system based on recommendations from the previous system assessment study along with the planned upgrading of other system components. There are five major antenna sites, which are designed to either listen or talk to the other antenna sites, but not both. The project is to get all the antenna sites to listen and talk, which will improve the radio coverage within the City.

 In FY 2019, radio equipment was purchased to improve the radio infrastructure at the Forest Road location, the Airport location and the Chapel location, which will improve the Uptown area and along most of SR 179 to the Doodle Bug area. This phase has been delayed due to numerous issues outside of our control and should be completed towards the end of FY 2022. Before each new phase is started, the improvements from the prior phase will be evaluated before moving forward onto the next phase. The Phase 2 request is \$100,000 delayed to FY 2023 for enhancement of the current radio infrastructure (transmitting/receiving towers, equipment) for the antenna at the Southwest Drive location, which will improve the areas between Southwest Drive and Soldier Pass Road. In FY 2024, \$150,000 is requested to enhance the current radio infrastructure located at the Police Department, which will improve the area between the department and Bristlecone Drive. If the work during the different phases does not fix the communications problem, in FY 2025, \$500,000 is requested to build radio infrastructure near the high school to improve this area. These different phases will eliminate dead spots and increase reliability and coverage.

 This project qualifies as Priority I because clear radio communications between/among officers and dispatch is critical and necessary in the performance of the mission to protect the public and the officers.

	Original	Revised (if applicable)
Start Date	July 2017	January 2019
Estimated Completion Date	June 2018	June 2025



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Phase one was delayed due to COVID-19 and a contract issue between the Airport and Sedona Fire Department, who manages the radio infrastructure, relating to the Airport antenna. All of the equipment for Phase 1 should be installed and ready for testing, before Phase 2 can start.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

In 2018, a meeting was held with Motorola and Sedona Fire Communications to discuss updating the antennas at the simulcast sites to improve transmission. The updates discussed will be done in different phases so not to interrupt the current communication systems. Phase 1 consisted of purchasing the equipment. The equipment is made to order and is a very long process. Phase 2 consists of updating the Southwest Drive site which has been delayed to FY 2023. In Phase 3 which will take place in FY 2024, the Police Department site will be updated. If the work during the different phases does not fix the communications problem, Phase 4 will be building a brand new site at Sedona High School. During the build in Phase 2, the radio equipment and the communication consoles in our dispatch center will be updated and some items replaced. This upgrade would improve the communication with the new equipment being installed in this project. The installment of the equipment for Phase 1 has been delayed due to issues with the Airport antenna. There were concrete base issues, issues with height requirements by the FAA, COVID-19 delays, and contract issues between the Airport and the Sedona Fire Department.

Project Balance	
Original Approved Project Budget	\$155,000
Approved Budget Increases/Decreases	\$196,115
Current Approved Total Project Budget	\$351,115
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$351,115
Estimated Expenditures through June 30, 2022	\$251,115
Budget Balance Remaining	\$100,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Study	\$49,990					\$49,990
Carry Over	Equipment Purchase	\$201,125	\$100,000				\$301,125
Future Estimate	Equipment Purchase			\$150,000			\$150,000
Future Estimate	Placeholder				\$500,000		\$500,000
Totals		\$251,115	\$100,000	\$150,000	\$500,000	\$0	\$1,001,115

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals	
Capital Reserves	\$251,115	\$100,000	\$150,000	\$500,000		\$1,001,115	
Totals		\$251,115	\$100,000	\$150,000	\$500,000	\$0	\$1,001,115

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
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

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

Design and remodel existing police station, adding square footage to the original footprint from the adjacent courtyard.

A rebuild of a portion of the current police station, incorporating space from the adjacent courtyard area will provide 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 the 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 previous 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 remodel of the existing station. Expansion into the court administration area was considered and ultimately determined to not be necessary. The cost savings in remodeling versus a new build is significant, and a remodel of the police station is now the preferred option.

This project qualifies as Priority 2 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.

Phase 1 of this project will consist of remodeling the men's and women's locker rooms, as well as expanding into the courtyard with new locker rooms and storage. Phase 2 will include the remaining remodel work.

Location:

Police Station - City Hall 102 Roadrunner Dr, Sedona, AZ

	Original	Revised (if applicable)
Start Date	July 2018	August 2019
Estimated Completion Date	June 2021	October 2022



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Construction will be approximately 50% complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The original budget included expansion into the current Court location. The scope was changed to limit the expansion to the adjacent courtyard. The revised budget from FY 2022 to FY 2023 is the result of an increase in design costs and construction costs due to bids being higher than expected, and needing additional design support during construction. Design began in FY 2020, and construction to be completed in FY 2023.

Project Balance	
Original Approved Project Budget	\$2,511,168
Approved Budget Increases/Decreases	-\$1,267,057
Current Approved Total Project Budget	\$1,244,111
Requested Budget Increase/Decrease	\$1,111,970
Requested Total Project Budget	\$2,356,081
Estimated Expenditures through June 30, 2022	\$1,327,131
Budget Balance Remaining	\$1,028,950

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$210,409					\$210,409
New	Appropriation		\$23,830				\$137,711
Carry Over	Construction - Contracted	\$988,000	\$32,000				\$1,020,000
New	Appropriation		\$970,000				\$970,000
Carry Over	Temporary Relocation	\$12,000					\$12,000
Carry Over	Arts Transfer	\$1,702					\$1,702
New	Appropriation		\$1,139	\$3,120			\$4,259
Totals		\$1,327,131	\$1,028,950	\$0	\$0	\$0	\$2,356,081

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$128,792	\$713,790				\$842,582
Grant	\$900,000					\$900,000
Capital Reserves	\$298,339	\$315,160				\$613,499
Totals		\$1,327,131	\$1,028,950	\$0	\$0	\$2,356,081

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

The grant funding is an approved FY 2022 Congressionally Directed Spending Request.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$10,000	\$10,000	\$10,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$10,000	\$10,000	\$10,000

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:
Transit Maintenance/Operations Center

Phase: of **Project #:** PT-01
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:

In FY 2022, a siting study was completed, which determined the best location for the facility, and included a facility use needs assessment. This includes office space and associated facilities, maintenance space with needs beyond transit, and storage space needs. The facility design would begin in FY 2023 and be complete in FY 2024. Construction would begin in FY 2025 and be complete in FY 2026.

The 5% contingency may need to increase if federal funds are acquired for the project.

Battery Electric Bus (BEB) chargers are also included for FY 2026.

Project Justification:

A storage and maintenance center will be needed for the new transit system. The facility will provide a location to store buses, for administrative and operations staff offices, and for a maintenance facility.

Location:
TBD

	Original	Revised (if applicable)
Start Date	July 2021	February 2022
Estimated Completion Date	June 2025	June 2026

Enhanced Transit Service – Tourism Focused

PROJECT DESCRIPTION:

- 1 Implement a tourist-focused bus shuttle system from Village of Oak Creek to State Rock State Park. Buses would run every 15 to 20 minutes, 8 am to 8 pm, between March and October.
- 2 Park-and-Ride lot near Red Rock Ranger Station; additional steps 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 36 minutes.
- Also, with no traffic, it takes 12 minutes to travel from Bell Rock Blvd (VOC) to the "V". 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.

- Reduced Vehicle Emissions.

COSTS:

- Capital Costs = \$2.4 M (3 new buses and park-and-ride lot improvements).
- Operating Costs = \$480,000 / 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, 2022:
Application for grant funding will be submitted. Study will be complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Study delayed and funding application delayed due to ADOT funding process.

Project Balance	
Original Approved Project Budget	\$16,870,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$16,870,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$16,870,000
Estimated Expenditures through June 30, 2022	\$60,000
Budget Balance Remaining	\$16,810,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Study	\$60,000					\$60,000
Carry Over	Design - Contracted		\$600,000	\$700,000			\$1,300,000
Carry Over	Construction - Contracted				\$4,330,000	\$8,670,000	\$13,000,000
Carry Over	Equipment Purchase					\$1,860,000	\$1,860,000
Carry Over	Contingency					\$650,000	\$650,000
Totals		\$60,000	\$600,000	\$700,000	\$4,330,000	\$11,180,000	\$16,870,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Grant				\$2,598,000	\$6,708,000	\$9,306,000
Outside Participation				\$475,000		\$475,000
Transportation Sales Tax	\$60,000	\$600,000	\$700,000			\$1,360,000
Debt Financing				\$1,257,000	\$4,472,000	\$5,729,000
Totals	\$60,000	\$600,000	\$700,000	\$4,330,000	\$11,180,000	\$16,870,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Grant funding from FTA will be sought. Outside participation for implementation includes cost sharing with Coconino and Yavapai Counties.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$53,300
Debt Service			\$584,130	\$584,130
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$584,130	\$637,430

Explanation of Operating Impacts:

Once in operation, the facility will require ongoing preventative maintenance to be placed in our Facility Maintenance Plan. This will include paint, flooring, and HVAC needs, on a scheduled basis. In addition, annual costs will include items such as utilities and landscaping.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Transit Hub

Location:
215 W SR 89A & 65 Brewer Road

Phase: of **Project #:** PT-02
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:

In FY 2022, a siting study will be completed, which will consider the best location for the facility, and a facility use needs assessment. This will consider the need for office space and associated facilities and storage space needs. The site is anticipated to incorporate complete streets multimodal elements. The facility design would also begin in FY 2023 and be complete in FY 2024. Construction would begin in FY 2025 and be complete in FY 2026.

Project Justification:

A transit hub will be needed for the new transit system. The facility will provide a location to fuel/energize buses, provide light maintenance, disinfect, and an operator break room.

Enhanced Transit Service – Tourism Focused

PROJECT DESCRIPTION:

- Implement a tourist-focused bus shuttle system from Village of Oak Creek to State 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 36 minutes.
- Also, with no traffic, it takes 12 minutes to travel from Red Rock Blvd (NCD) 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.

Reduced Vehicle Emissions.

COSTS:

- Capital Costs = \$2.4 M (\$ 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:

- Droping 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, 2022:

Study will be complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Funding application delayed due to ADOT funding process.

Project Balance	
Original Approved Project Budget	\$3,460,000
Approved Budget Increases/Decreases	\$952,939
Current Approved Total Project Budget	\$4,412,939
Requested Budget Increase/Decrease	\$29,500
Requested Total Project Budget	\$4,442,439
Estimated Expenditures through June 30, 2022	\$982,939
Budget Balance Remaining	\$3,459,500

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Study	\$30,000					\$30,000
Carry Over	Land Acquisition	\$952,939					\$952,939
Carry Over	Design - Contracted		\$130,000	\$130,000			\$260,000
Carry Over	Construction - Contracted					\$1,290,000	\$1,290,000
Carry Over	Equipment Purchase					\$460,000	\$460,000
New							
Appropriation	Technology		\$29,500				\$29,500
Carry Over	Contingency					\$130,000	\$130,000
Totals		\$982,939	\$159,500	\$130,000	\$1,290,000	\$1,880,000	\$4,442,439

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals	
Grant				\$774,000	\$1,128,000	\$1,902,000	
Transportation Sales Tax	\$982,939	\$159,500	\$130,000			\$1,272,439	
Debt Financing				\$516,000	\$752,000	\$1,268,000	
Totals		\$982,939	\$159,500	\$130,000	\$1,290,000	\$1,880,000	\$4,442,439

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Grant funding from FTA will be sought.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$27,600
Debt Service			\$129,290	\$129,290
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$129,290	\$156,890

Explanation of Operating Impacts:

Once in operation, the facility will require on-going preventative maintenance to be placed in our Facility Maintenance Plan. This will include paint, flooring, and HVAC needs, on a scheduled basis. In addition, annual costs will include items such as utilities and landscaping.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Transit Bus Acquisition

Location:
N/A

Phase: of **Project #:** PT-03
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	July 2021
Estimated Completion Date	June 2025	June 2027

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
As recommended in the Sedona-Oak Creek Canyon Transit Plan, bus acquisition will be needed for the new transit system. Acquisition is scheduled as follows:
- FY 2022 & FY 2023 - Trailhead route & micro-transit buses
- FY 2026 - Core routes, paratransit, additional trailhead
- FY 2027 - OCC route, Slide Rock route buses

Enhanced Transit Service – Tourism Focused

PROJECT DESCRIPTION:
 1. 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.
 2. Park-and-Ride lot near Red Rock Ranger Station; additional steps 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 36 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 24 minutes.
 - Reduced Vehicle Emissions.

COSTS:
 - Capital Costs = \$2.4 M (3 new buses and park-and-ride lot improvements)
 - Operating Costs = \$480,000 / 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.

Project Justification:
Buses will be needed for the new transit system. The first phase of buses will be diesel fueled. Later phase buses are assumed to be electric.

Smaller sized vans (light duty passenger vans) are estimated to cost \$100,000 each for the vehicle, including technology.

Medium sized buses (medium duty coaches) are estimated to cost \$120,000 each for the vehicle, including technology.

Larger buses (heavy duty coaches) are estimated to cost \$740,000 each for the vehicle, and \$50,000 each for the technology add on, for a total of \$790,000 each.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Application for grant funding submitted. Trailhead shuttle buses acquired. Micro-transit buses to be 100% funded by the City have been ordered.

Project Balance	
Original Approved Project Budget	\$1,350,000
Approved Budget Increases/Decreases	-\$1,111,700
Current Approved Total Project Budget	\$238,300
Requested Budget Increase/Decrease	\$298,000
Requested Total Project Budget	\$536,300
Estimated Expenditures through June 30, 2022	\$13,900
Budget Balance Remaining	\$522,400

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget adjusted for trailhead and micro-transit buses acquired through lease purchase agreements. Delayed due to delays in construction of necessary facilities.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New							
Appropriation	Vehicle Purchase		\$298,000				\$298,000
Future Estimate	Vehicle Purchase					\$12,200,000	\$12,200,000
Carry Over	Vehicle Purchase	\$13,900	\$224,400				\$238,300
Totals		\$13,900	\$522,400	\$0	\$0	\$12,200,000	\$12,736,300

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Grant		\$488,740			\$10,370,000	\$10,858,740
Transportation Sales Tax	\$13,900	\$33,660				\$47,560
Debt Financing					\$1,830,000	\$1,830,000
Totals	\$13,900	\$522,400	\$0	\$0	\$12,200,000	\$12,736,300

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Grant funding from FTA will be sought. Also, if awarded, ARPA grant funding from Coconino County will be used for additional trailhead shuttles.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services	\$563,770	\$563,770	\$563,770	\$6,200,000
Debt Service				\$186,590
Revenue Offset				
Total Expenditure Impacts	\$563,770	\$563,770	\$563,770	\$6,386,590

Explanation of Operating Impacts:
Once in operation, the buses will require ongoing maintenance including items such as fuel, operating labor, and tire maintenance.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Bus Stop Improvements

Location:
N/A

Phase: of **Project #:** PT-04
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
The FY 2022 costs are for acquiring the Old Chevron Property at the Y (125 W SR 89A) from ADOT. FY 2023 costs are for demolition of existing structures. FY 2024 and FY 2025 costs are associated with improving the property.

The future improvements will include making bus stop locations safe for access to and by buses once the transit system is operational.

	Original	Revised (if applicable)
Start Date	August 2021	
Estimated Completion Date	June 2026	



Project Justification:
The improvements are identified in the Transit Plan and are necessary for the transit system to operate.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
The 125 SR 89A property will be acquired.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$259,500
Requested Total Project Budget	\$259,500
Estimated Expenditures through June 30, 2022	\$184,500
Budget Balance Remaining	\$75,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Land Acquisition	\$164,500					\$164,500
New Appropriation	Demolition/Site Prep - In-House		\$75,000				\$75,000
Future Estimate	Design - Contracted			\$25,000			\$25,000
New Appropriation	Construction - Contracted	\$20,000					\$20,000
Future Estimate	Construction - Contracted				\$300,000	\$300,000	\$600,000
Totals		\$184,500	\$75,000	\$25,000	\$300,000	\$300,000	\$884,500

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax	\$184,500	\$75,000	\$25,000	\$300,000	\$300,000	\$884,500
Totals		\$184,500	\$75,000	\$25,000	\$300,000	\$884,500

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services	\$3,000	\$3,000	\$3,000	\$6,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$3,000	\$3,000	\$3,000	\$6,000

Explanation of Operating Impacts:
Maintenance costs for the 125 SR 89A property will begin in FY 2023. Future maintenance is for future bus stop improvements.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
West Sedona Intercept Lot

Location:
4205 W SR 89A

Phase: of **Project #:** PT-05
(If Applicable)

	Original	Revised (if applicable)
Start Date	June 2021	
Estimated Completion Date	June 2026	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:

This project includes a new parking lot (70-spaces estimated), transit stop, shared-use path connection to the site, viewing platform, restroom facility, right in/out at SR 89A, driveway connection to Upper Red Rock Loop Road, and other site amenities like an information kiosk, shade structure, and/or picnic table, etc.

The future years includes placeholder for a possible parking garage.



Project Justification:

An intercept lot in West Sedona was recommended by the Sedona Area Transit Implementation Plan. In June 2021, two parcels located at 4205 W SR 89A were acquired for development into an intercept lot. The intercept lot will allow those traveling to Sedona to park and access the transit system prior to congested areas. This will provide a better visitor experience and reduce congestion, benefiting all who travel in the Sedona area, including residents.

For Continuing Projects

Estimated Project Status as of June 30, 2022:

Land acquisition complete.

Project Balance	
Original Approved Project Budget	\$2,150,000
Approved Budget Increases/Decreases	-\$4,921
Current Approved Total Project Budget	\$2,145,079
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$2,145,079
Estimated Expenditures through June 30, 2022	\$2,145,079
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	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Land Acquisition	\$2,145,079					\$2,145,079
Future Estimate	Design - Contracted				\$105,000		\$105,000
Future Estimate	Construction - Contracted					\$1,060,000	\$1,060,000
Future Estimate	Contingency					\$55,000	\$55,000
Unfunded	Future Estimate Placeholder					\$15,000,000	\$15,000,000
Totals		\$2,145,079	\$0	\$0	\$105,000	\$16,115,000	\$18,365,079

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals	
Grant					\$892,000	\$892,000	
Transportation Sales Tax				\$105,000	\$223,000	\$328,000	
Capital Reserves	\$2,145,079					\$2,145,079	
Unidentified					\$15,000,000	\$15,000,000	
Totals		\$2,145,079	\$0	\$0	\$105,000	\$16,115,000	\$18,365,079

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

FTA grant funding would be sought.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$5,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$5,000

Explanation of Operating Impacts:

Additional operational and maintenance costs relate to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure will be covered within existing capacity. Additional recurring maintenance costs are related to materials and supplies for pavement maintenance (seal coating, or other), pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Sign Shop

Location:
2070 Contractors Road

Phase: of **Project #:** PW-03
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	June 2023	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:

This project would include building a sign shop at the Contractors Road maintenance facility. The existing garage will need to be remodeled to include adding HVAC, work benches, shelving, and installation of a wall and door. Equipment would be acquired as well.



Project Justification:

A sign shop would save on current expenditures for signs and posts, and logo decals for vehicles. In addition, the time it takes to order and acquire signs/decals would be significantly reduced. With new Sedona Trails & Pathways System (ST&PS) facilities and street improvements being constructed, as well as need for parking control, the need for new signs increases each year.

For Continuing Projects

Estimated Project Status as of June 30, 2022:

N/A

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$140,600
Requested Total Project Budget	\$140,600
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$140,600

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Design - Contracted		\$10,000				\$10,000
New Appropriation	Construction - Contracted		\$50,000				\$50,000
New Appropriation	Equipment Purchase		\$80,000				\$80,000
New Appropriation	Arts Transfer		\$600				\$600
Totals		\$0	\$140,600	\$0	\$0	\$0	\$140,600

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves		\$140,600				\$140,600
Totals		\$0	\$140,600	\$0	\$0	\$140,600

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies	-\$37,000	-\$37,000	-\$37,000	-\$37,000
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	-\$37,000	-\$37,000	-\$37,000	-\$37,000

Explanation of Operating Impacts:

So far in FY 2021 and 2022, just over \$74,000 has been spent on signs and posts. This includes operating and capital project costs. We expect to save approximately 50% on the cost of acquiring signs annually.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Real Estate/Land Acquisition

Location:
To be determined

Phase: of Project #: PW-05
(If Applicable)

	Original	Revised (if applicable)
Start Date	June 2021	July 2022
Estimated Completion Date	June 2023	June 2024

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:

Purchase of real estate/land for the purpose of strategic protection of the City's future development.

The FY 2023 funds are a placeholder for acquiring property that will be determined at a later date.

The FY 2024 funds are a placeholder for potential transit shuttle exchange and/or park-n-ride property.



Project Justification:

Real estate/land acquired can be used for City priorities or leased and limited to uses authorized by the City.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$1,850,000
Approved Budget Increases/Decreases	-\$1,850,000
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$20,020,000
Requested Total Project Budget	\$20,020,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$20,020,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Increased for placeholder for purchase of property that could be identified during the fiscal year. Property purchased in FY 2021 was moved to PT-05.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New							
Appropriation	Land Acquisition		\$20,020,000				\$20,020,000
Future Estimate	Land Acquisition			\$1,600,000			\$1,600,000
	Totals	\$0	\$20,020,000	\$1,600,000	\$0	\$0	\$21,620,000

Project Funding Estimates:

Funding Source	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves	\$10,020,000	\$1,600,000			\$11,620,000
Debt Financing	\$10,000,000				\$10,000,000
Totals	\$20,020,000	\$1,600,000	\$0	\$0	\$21,620,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service		\$1,000,000	\$1,000,000	\$1,000,000
Revenue Offset				
Total Expenditure Impacts	\$0	\$1,000,000	\$1,000,000	\$1,000,000

Explanation of Operating Impacts:

Depending on the property acquired, an analysis will need to be conducted to determine the portion for public use that will be debt financed and the portion that will be private use that will be cash funded. Other operating impacts are to be determined and will depend on the use of property acquired. Any undeveloped land with sewer availability will incur annual fees of \$367.

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: Imperative (Must-Do)

Environmental Sustainability Project? No

Project Description:
These funds could be used for a number of projects if opportunities are available. Some examples include:

 * SIM-01 - SIM-12: General overages related to uncertainty of construction scope
 * SIM-10 - Driveway consolidations along SR 89A in West Sedona

 This project is also used for an offset to Public Works managed projects for an assumed carryover since historically there has been some carryover of CIP budget capacity to the following year. The projects delayed or deferred may be in any category, not just Sedona in Motion.



Project Justification:
N/A

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$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	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Contingency		-\$2,000,000	\$2,000,000			\$0
	Totals		\$0	-\$2,000,000	\$2,000,000	\$0	\$0

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves		-\$2,000,000	\$2,000,000			\$0
Totals		\$0	-\$2,000,000	\$2,000,000	\$0	\$0

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Operating impacts will be determined as projects are identified.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Uptown Northbound Improvements

Location:
Uptown (SR 89A)

Phase: of **Project #:** SIM-01b
(If Applicable)

	Original	Revised (if applicable)
Start Date	March 2021	March 2021
Estimated Completion Date	June 2022	June 2024

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:
This project includes further data collection, modeling, and analysis to identify strategies that will help alleviate northbound congestion. Recommendations that resulted from the study are a right turn lane at Amara Lane and geometric improvements between L'Auberge de Sedona Resort and Jordan Road.

PROJECT DESCRIPTION:

- Construct a raised median with decorative fence to direct pedestrians to controlled crossings.
- Construct an additional southbound travel lane on SR 89A through Uptown.
- Construct a turnaround or roundabout at the north end (e.g. at Art Barr).
- Construct a roundabout at the south end (Jordan Road) of Uptown on SR 89A.
- Create one-way access from 89A to free parking via Schnebly Road (NOT Schnebly Hill Road, see #5 on map above).

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.
- Roundabouts facilitate U-turns and serve to keep vehicles consistently moving at safe speeds.

COSTS:

- Total estimated cost is \$3.6M.

TRADEOFFS:

- Lengthy duration 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.

Project Justification:
While the southbound delay has been drastically reduced with the completion of SIM-01a, northbound congestion appears to have worsened. This project will identify strategies to help alleviate northbound congestion through Uptown that often spills back to the "Y" roundabout and creates congestion for northbound SR 179, and northbound SR 89A coming down Cook's Hill.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Study and analysis will be complete. Design will be underway.

Project Balance	
Original Approved Project Budget	\$535,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$535,000
Requested Budget Increase/Decrease	\$1,201,255
Requested Total Project Budget	\$1,736,255
Estimated Expenditures through June 30, 2022	\$136,255
Budget Balance Remaining	\$1,600,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget revised to include construction costs of recommended alternatives that resulted from the study. Schedule revised to accommodate proposed improvements.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Project Evaluation	\$71,255					\$71,255
Carry Over	Design - Contracted	\$65,000	\$70,000				\$135,000
New Appropriation	Design - Contracted		\$30,000				\$30,000
Carry Over	Construction - Contracted		\$400,000				\$400,000
New Appropriation	Construction - Contracted			\$1,100,000			\$1,100,000
Totals		\$136,255	\$500,000	\$1,100,000	\$0	\$0	\$1,736,255

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$84,074	\$223,140	\$490,910			\$798,124
Transportation Sales Tax	\$52,181	\$276,860	\$609,090			\$938,131
Totals		\$136,255	\$500,000	\$1,100,000	\$0	\$1,736,255

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$5,000	\$15,000	\$5,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$5,000	\$15,000	\$5,000

Explanation of Operating Impacts:
Seal coat will be provided for new asphalt after two years. Other operational impacts are due to new signage, striping, and shared-use path.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Uptown Parking Garage

Phase: of Project #: SIM-03a
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:

This project is associated with Strategy 3 of the City's 2017 Transportation Master Plan (TMP). The project involves the Design and Development (FYs 2021 and 2022) of a new parking garage on Forest Road consistent with the Uptown Sedona Parking Facility, Needs, Siting and Design Concept Assessment report by Walter P Moore. Construction of the project is anticipated for FY 2023.

Project Justification:

The City's 2017 TMP indicates a lack of awareness for existing parking as well as a need for additional parking in the Uptown area. In 2019, the City commissioned a study to assess existing and future parking conditions in Uptown. The study examined demand, adequacy of current parking, locations for additional parking, and parking layout concepts. The study concluded that additional parking inventory along with parking management changes will be needed to accommodate future parking demand. Of the locations evaluated for additional parking, the study's authors recommended the North Forest Road site, finding the site to be the most advantageous.

Location:

Uptown - 430 & 460 Forest Road

	Original	Revised (if applicable)
Start Date	August 2017	December 2017
Estimated Completion Date	December 2017	June 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Design will be 100% complete. Post-design services will not yet be started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The construction budget reflects latest opinion of cost from the CMAR, recent bid results from other projects, and inflationary trends. Additional design and construction costs are related to the site excavation (rock) requirements, addition of a solar array system, and police substation. Schedule was revised for further study and concept design, as well as the addition for construction of added electric vehicle supply equipment and photovoltaic array facilities.

Project Balance	
Original Approved Project Budget	\$14,356,700
Approved Budget Increases/Decreases	\$217,230
Current Approved Total Project Budget	\$14,573,930
Requested Budget Increase/Decrease	\$4,410,180
Requested Total Project Budget	\$18,984,110
Estimated Expenditures through June 30, 2022	\$2,713,420
Budget Balance Remaining	\$16,270,690

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Land Acquisition	\$898,880					\$898,880
Carry Over	Design - Contracted	\$1,518,050					\$1,518,050
New Appropriation	Design - Contracted	\$178,490	\$275,000	\$275,000			\$728,490
Carry Over	Construction - Contracted	\$118,000	\$7,874,770	\$4,164,230			\$12,157,000
New Appropriation	Construction - Contracted			\$3,635,770			\$3,635,770
New Appropriation	Arts Transfer			\$45,920			\$45,920
Totals		\$2,713,420	\$8,149,770	\$8,120,920	\$0	\$0	\$18,984,110

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Paid Parking Revenue	\$898,880					\$898,880
Transportation Sales Tax	\$844,520					\$844,520
Capital Reserves			\$4,637,920			\$4,637,920
Debt Financing	\$970,020	\$8,149,770	\$3,483,000			\$12,602,790
Totals		\$2,713,420	\$8,149,770	\$8,120,920	\$0	\$18,984,110

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$68,000	\$68,000	\$68,000
Debt Service	\$621,290	\$474,870	\$474,870	\$947,730
Revenue Offset				
Total Expenditure Impacts	\$621,290	\$542,870	\$542,870	\$1,015,730

Explanation of Operating Impacts:

Operating costs for a parking garage vary depending on the type of structure and whether fees will be charged. Annual costs could be anywhere from \$68,000 to \$136,000. A parking in-lieu fee for the Uptown District may be implemented. This fee, in addition to the net revenues already generated by the Main Street paid parking program, could cover most if not all of the debt service and operating costs. Once the garage is operational, a parking fee study will be completed.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Uptown One Way Streets/Parking

Location:
N/A

Phase: of **Project #:** SIM-03b
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2017	July 2023
Estimated Completion Date	December 2017	June 2025

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:
This project is associated with Strategy 3 of the City's 2017 Transportation Master Plan (TMP). The project involves the 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.

Uptown Sedona Parking Improvements

PROJECT DESCRIPTION:
 1. Expand parking areas either through additional parking lots, on-street parking, or a new parking garage.
 2. 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.

Legend:
 Public Parking
 Existing Off-Street Parking
 Existing On-Street Parking

Signage:
 LOT 1
 PAY PARKING
 FREE PARKING

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 somewhere within the Uptown area. The conversion of Van Deren, Wilson, and Smith Road between Forest Road and Schnebly Road to one-way street couplets would allow one lane to be inexpensively converted to additional on-street parking.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Concept design, and one-way capacity analysis completed.

Project Balance	
Original Approved Project Budget	\$111,100
Approved Budget Increases/Decreases	\$38,900
Current Approved Total Project Budget	\$150,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$150,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$150,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Estimated increase in costs due to delayed implementation of this project to allow SIM-03a to be completed prior to pursuing this project. The schedule was revised to allow SIM-03a to be completed prior to moving forward with this project.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted			\$50,000			\$50,000
Carry Over	Construction - Contracted				\$100,000		\$100,000
Totals		\$0	\$0	\$50,000	\$100,000	\$0	\$150,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax			\$50,000	\$100,000		\$150,000
Totals	\$0	\$0	\$50,000	\$100,000	\$0	\$150,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$2,000
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$2,000

Explanation of Operating Impacts:
Material costs for additional signage and striping. Average annual costs for maintaining signage and striping would be minimal at approximately \$2,000 per year.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Pedestrian Crossing at Oak Creek

Location: SR 179 just west of the Oak Creek bridge

Phase: of **Project #:** SIM-04c
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2018	July 2018
Estimated Completion Date	June 2023	February 2023

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
Design and construction of a north-south pedestrian crossing at SR 179 and Oak Creek near the Tlaquepaque corridor. The pedestrian crossing will be a multi-use pathway proposed along the west embankment of Oak Creek and passing beneath the SR 179 bridge over Oak Creek to connect with existing sidewalks along SR 179 on each side.

PROJECT DESCRIPTION:

- Schnably Hill Road roundabout is expanded to 2 lanes.
- SR 179 from Schnably Hill roundabout to the Y is expanded to 2 lanes in each direction.
- A pedestrian tunnel or bridge is added at Tlaquepaque, replacing the existing crosswalk.
- Addition of separated right-turn lane towards southbound 179 and separated right-turn lane towards Uplown.

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 BSA).
- Possible impact to trees/landscaping (limited to areas closest to the roadway).

Project Justification:
The pedestrian crossing will serve to reduce conflicts between pedestrian and vehicle traffic on SR 179 near the Tlaquepaque corridor. Additionally, the pathway will enhance opportunities to expand the multi-use pathway network and improve connectivity of multi-use pathways across Sedona.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Final design is estimated to be complete and construction started.

Project Balance	
Original Approved Project Budget	\$2,261,135
Approved Budget Increases/Decreases	\$22,326
Current Approved Total Project Budget	\$2,283,461
Requested Budget Increase/Decrease	\$549,679
Requested Total Project Budget	\$2,833,140
Estimated Expenditures through June 30, 2022	\$561,860
Budget Balance Remaining	\$2,271,280

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The project budget for design was increased to accommodate changes needed in the design for unforeseen existing conditions and to accommodate post construction services. Additional cost for easement/right-of-way to account for increase in valuation, and increased construction cost to reflect current bidding environment. Project was identified as a higher priority and moved forward.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Land Acquisition	\$25,000					\$25,000
New Appropriation	Land Acquisition	\$42,000					\$42,000
Carry Over	Design - Contracted	\$484,131					\$484,131
New Appropriation	Design - Contracted	\$8,199					\$8,199
Carry Over	Construction - Contracted		\$1,691,280	\$80,520			\$1,771,800
New Appropriation	Construction - Contracted			\$499,480			\$499,480
Carry Over	Arts Transfer	\$2,530					\$2,530
Totals		\$561,860	\$1,691,280	\$580,000	\$0	\$0	\$2,833,140

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax	\$231,335		\$580,000			\$811,335
Capital Reserves	\$255,595					\$255,595
Debt Financing	\$74,930	\$1,691,280				\$1,766,210
Totals		\$561,860	\$1,691,280	\$580,000	\$0	\$2,833,140

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$6,500	\$6,500	\$6,500
Debt Service	\$87,070	\$66,550	\$66,550	\$132,820
Revenue Offset				
Total Expenditure Impacts	\$87,070	\$73,050	\$73,050	\$139,320

Explanation of Operating Impacts:
Operating impacts include utilities (irrigation and electric); routine site sweeping and refuse pickup; landscape maintenance; and general operating and maintenance of site infrastructure and features.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Ranger/SR 179 Intersection Improvements

Location:
Ranger Road/SR 179

Phase: of **Project #:** SIM-04e
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	June 2024	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
The project would include signal preemption to allow buses turning northbound SR 179 to Ranger Road. In addition, a southbound Ranger Road to SR 179 slip/auxiliary lane will need to be considered.



Project Justification:
This project is identified in the Transit Plan to improve access for buses to the proposed Transit Hub location.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$854,760
Requested Total Project Budget	\$854,760
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$854,760

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Design - Contracted		\$75,000	\$22,500			\$97,500
New Appropriation	Construction - Contracted			\$750,000			\$750,000
New Appropriation	Arts Transfer			\$7,260			\$7,260
Totals		\$0	\$75,000	\$779,760	\$0	\$0	\$854,760

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014		\$4,500	\$46,350			\$50,850
Transportation Sales Tax		\$70,500				\$70,500
Capital Reserves			\$733,410			\$733,410
Totals		\$0	\$75,000	\$779,760	\$0	\$854,760

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Impacts to operational costs are expected to be minimal and to be absorbed in existing budget authority.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Portal Lane to Brewer Road Connection

Phase: of **Project #:** SIM-05a
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:

Construction of new roadway improvements to connect/extend Portal Lane from its current terminus through Tlaquepaque to an intersection with Brewer Road. Portal Lane exiting traffic would be directed to exit out to Brewer Road, unless they are traveling south on SR 179. Will partner with Tlaquepaque to reconfigure the lot which will improve circulation and encourage vehicles to exit onto Brewer Road.

Project Justification:

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 2024

Major Neighborhood Connections



PROJECT DESCRIPTION:

- Make Portal Lane one-way in to Tlaquepaque / Los Alamos 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 Schnelby Hill roundabout, reducing SR 179 congestion.
 - With no traffic, it takes 12 minutes to travel from Bell Rock Blvd (W02) to the "Y". It saves congestion it takes 30 minutes. This level of severe congestion occurred on 8 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 30 minutes, to 20 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, 2022:

Parking lot design is complete. Design of the connection to Brewer Road will be underway with the design of the Brewer/Ranger intersection (SIM-05d) to determine how the new connection will be oriented with the new intersection.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Construction budget updated to reflect an extension to Brewer Road, rather than Ranger Road, which will require a bridge over Soldier Wash. Land acquisition costs omitted as the value of the acquisition will be recognized by improvements on the private portion of the Portal Lane parking lot. Completion extended due to additional stakeholder coordination in order to procure necessary access easement, as well as coordinate with Brewer/Ranger Road Intersection Improvements (SIM-05d).

Project Balance	
Original Approved Project Budget	\$763,600
Approved Budget Increases/Decreases	-\$82,374
Current Approved Total Project Budget	\$681,226
Requested Budget Increase/Decrease	\$397,970
Requested Total Project Budget	\$1,079,196
Estimated Expenditures through June 30, 2022	\$60,226
Budget Balance Remaining	\$1,018,970

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$55,895					\$55,895
New Appropriation	Design - Contracted	\$4,000	\$16,200				\$20,200
Carry Over	Construction - Contracted		\$500,000	\$125,000			\$625,000
New Appropriation	Construction - Contracted			\$375,000			\$375,000
Carry Over	Arts Transfer	\$331					\$331
New Appropriation	Arts Transfer			\$2,770			\$2,770
Totals		\$60,226	\$516,200	\$502,770	\$0	\$0	\$1,079,196

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$18,141	\$230,370	\$223,140			\$471,651
Transportation Sales Tax	\$8,615	\$285,830				\$294,445
Capital Reserves	\$33,470		\$279,630			\$313,100
Totals		\$60,226	\$516,200	\$502,770	\$0	\$1,079,196

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$2,000	\$10,000	\$2,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$2,000	\$10,000	\$2,000

Explanation of Operating Impacts:

Increased operating and maintenance costs related to additional infrastructure, including pavement management (i.e. crack sealing, surface treatments), pavement striping, and signage maintenance. A seal coat would be required in FY 2025 for approximately \$10,000.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Forest Road Connection

 Phase: of Project #: SIM-05b
(If Applicable)

Ranking: Imperative (Must-Do)

 Environmental Sustainability Project? No

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 Justification:

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. The new connection between Uptown and West Sedona will provide the only secondary access, beyond the Y Roundabout. This provides a safety improvement as a secondary emergency access that will be valuable when access through the Y Roundabout is restricted.

Location:

Forest Road

	Original	Revised (if applicable)
Start Date	December 2017	December 2017
Estimated Completion Date	June 2020	August 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Final design complete, and construction approximately 25% complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Construction budget was increased consistent with the most recent cost data from the consultant and to reflect inflationary trends. Land acquisition costs further increased due to increased property values and to reflect consideration of one full parcel acquisition by the City. Project delayed due to design modifications, stakeholder design coordination and public outreach, additional time for acquisition of right-of-ways and easements, and re-bid of construction contract.

Project Balance	
Original Approved Project Budget	\$1,321,200
Approved Budget Increases/Decreases	\$5,071,946
Current Approved Total Project Budget	\$6,393,146
Requested Budget Increase/Decrease	\$8,441,598
Requested Total Project Budget	\$14,834,744
Estimated Expenditures through June 30, 2022	\$6,247,744
Budget Balance Remaining	\$8,587,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Study	\$36,894					\$36,894
Carry Over	Land Acquisition	\$1,600,000					\$1,600,000
New Appropriation	Land Acquisition	\$1,111,530	\$630,000				\$1,741,530
Carry Over	Design - Contracted	\$307,645					\$307,645
New Appropriation	Design - Contracted	\$159,913	\$57,000				\$216,913
Carry Over	Construction - Contracted	\$3,030,650	\$1,416,845				\$4,447,495
New Appropriation	Construction - Contracted		\$5,483,155	\$1,000,000			\$6,483,155
Carry Over	Arts Transfer	\$1,112					\$1,112
Totals		\$6,247,744	\$7,587,000	\$1,000,000	\$0	\$0	\$14,834,744

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$319,356	\$1,088,920	\$446,280			\$1,854,556
Transportation Sales Tax	\$295,185	\$1,351,080	\$553,720			\$2,199,985
Capital Reserves	\$149,203					\$149,203
Debt Financing	\$5,484,000	\$5,147,000				\$10,631,000
Totals		\$6,247,744	\$7,587,000	\$1,000,000	\$0	\$14,834,744

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$5,000	\$5,000	\$5,000
Debt Service	\$524,090	\$400,580	\$400,580	\$799,450
Revenue Offset				
Total Expenditure Impacts	\$524,090	\$405,580	\$405,580	\$804,450

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:

Ranger Road / Brewer Road Intersection & Ranger Ext Improvements

 Phase: of Project #: SIM-05d
(If Applicable)

Ranking: Essential (Should-Do)

 Environmental Sustainability Project? Yes

Project Description:

This project consists of a study, design, and construction to improve the existing Ranger Road/Brewer Road intersection and extension of Ranger Road to the proposed Transit Hub location.

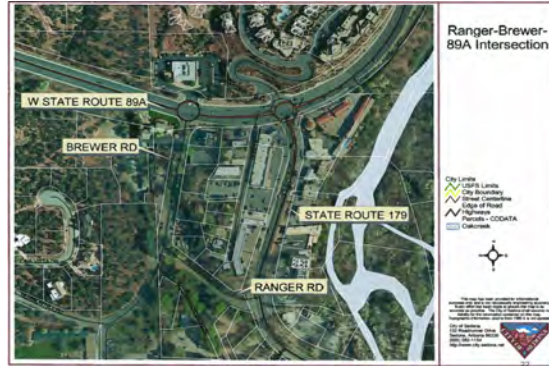
Project Justification:

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, and accommodate potential transit improvements via a Ranger Road extension.

Location:

Ranger Road / Brewer Road

	Original	Revised (if applicable)
Start Date	July 2021	
Estimated Completion Date	June 2023	



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Design underway.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Project Balance	
Original Approved Project Budget	\$2,949,300
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$2,949,300
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$2,949,300
Estimated Expenditures through June 30, 2022	\$139,300
Budget Balance Remaining	\$2,810,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$139,300	\$200,000				\$339,300
Carry Over	Construction - Contracted		\$2,610,000				\$2,610,000
Totals		\$139,300	\$2,810,000	\$0	\$0	\$0	\$2,949,300

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$8,360	\$168,600				\$176,960
Transportation Sales Tax	\$130,940	\$2,641,400				\$2,772,340
Totals		\$139,300	\$2,810,000	\$0	\$0	\$2,949,300

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$3,000	\$13,000	\$3,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$3,000	\$13,000	\$3,000

Explanation of Operating Impacts:

Crack sealing, pavement markings, drainage, signs, and sewer maintenance. Seal coat in FY 2025.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Rodeo Road to Dry Creek Road - Shared-Use Path

Location: West Sedona, Rodeo Road to Dry Creek Road

Phase: of **Project #:** SIM-11a
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2018	July 2018
Estimated Completion Date	June 2020	June 2025

Ranking: Desirable (Other Year)

Environmental Sustainability Project? Yes

Project Description:
Construction of roadway improvements, restripe existing lanes for walking and bicycling facilities.



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, a shared-use trail system will be constructed.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Design is on hold. A portion of this path is expected to be completed by future development.

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Delayed due to other higher priority needs.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Land Acquisition				\$75,000		\$75,000
Future Estimate	Design - Contracted				\$50,000		\$50,000
Future Estimate	Construction - Contracted				\$200,000		\$200,000
Totals		\$0	\$0	\$0	\$325,000	\$0	\$325,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax				\$325,000		\$325,000
Totals		\$0	\$0	\$0	\$325,000	\$325,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$10,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$10,000

Explanation of Operating Impacts:
Additional operational and maintenance costs related to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure will be covered within existing capacity. Additional recurring maintenance costs are related to materials and supplies for pavement maintenance (seal coating, etc.) of paths, pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Navoti Dr to Dry Creek Rd Shared-Use Path

 Phase: of Project #:
(If Applicable)

 Ranking:

 Environmental Sustainability Project?
Project Description:

This project would provide a shared-use pathway connection from Navoti Drive to White Bear Road and Dry Creek Road. This will also provide a multimodal connection to western Sedona/Red Rock High School other than SR 89A.

Break out of Phase 1 includes portion of shared-use path from Dry Creek Road to back side of the Library in FY 2022. Remaining portion of the trail in Phase 2 is dependent upon easements from property owners and to be completed in FY 2023.

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 and residents are encouraged to leave their vehicles at their place of lodging/residence. To have a measurable impact on traffic congestion, shared-use path connections will be required.

Location:

White Bear Road (Sedona Public Library) to Navoti Drive

	Original	Revised (if applicable)
Start Date	February 2019	June 2019
Estimated Completion Date	June 2019	June 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Phase 1 will be completed.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Original budget was based on a preliminary planning estimate. The budget estimate was updated after development of an updated cost estimate reflecting current bidding environment. Due to advancement of other higher priorities, this project was delayed and has been split into two phases. Phase 1 will be completed in FY 2022. Phase 2 will be completed in FY 2023 as it is contingent upon acquiring easements from adjacent property owners.

Project Balance	
Original Approved Project Budget	\$156,550
Approved Budget Increases/Decreases	\$397,389
Current Approved Total Project Budget	\$553,939
Requested Budget Increase/Decrease	\$320,000
Requested Total Project Budget	\$873,939
Estimated Expenditures through June 30, 2022	\$73,939
Budget Balance Remaining	\$800,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$53,445					\$53,445
New Appropriation	Design - Contracted	\$20,000					\$20,000
Carry Over	Construction - Contracted		\$500,000				\$500,000
New Appropriation	Construction - Contracted		\$300,000				\$300,000
Carry Over	Arts Transfer	\$494					\$494
Totals		\$73,939	\$800,000	\$0	\$0	\$0	\$873,939

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax	\$24,000	\$800,000				\$824,000
Capital Reserves	\$49,939					\$49,939
Totals		\$73,939	\$800,000	\$0	\$0	\$873,939

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$3,000	\$3,000	\$3,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$3,000	\$3,000	\$3,000

Explanation of Operating Impacts:

Additional operational and maintenance costs related to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure will be covered within existing capacity. Additional recurring maintenance costs are related to materials and supplies for pavement maintenance (seal coating, etc.) of paths, pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Chapel Road Shared-Use Path

Location:
Chapel Road

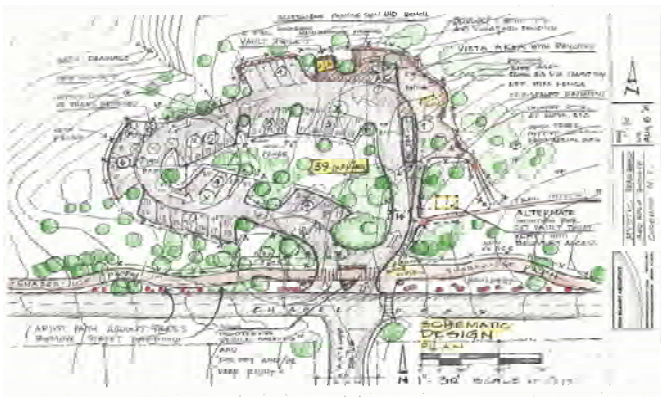
Phase: of Project #: SIM-11h
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2019	August 2019
Estimated Completion Date	June 2020	March 2023

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
Construction of a shared-use path on the north side of Chapel Road from SR 179 to Fox Road. A new parking lot will be constructed in partnership with the Forest Service at the Mystic Trailhead in FY 2023.



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 and residents are encouraged to leave their vehicles at their place of lodging/residence. To have a measurable impact on traffic congestion, shared-use path connections will be required.

This project will provide a safe walkway for residents and tourists between SR 179 and the Chapel of the Holy Cross. This would make it safer for tourists off loading from buses on SR 179 and walking along the roadway. It would also improve access to the Mystic Hills trailhead.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Portion for shared-use path will be complete, and design for parking lot will be complete.

Project Balance	
Original Approved Project Budget	\$623,200
Approved Budget Increases/Decreases	\$13,399
Current Approved Total Project Budget	\$636,599
Requested Budget Increase/Decrease	\$985,000
Requested Total Project Budget	\$1,621,599
Estimated Expenditures through June 30, 2022	\$921,599
Budget Balance Remaining	\$700,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Original budget was based on planning level estimate. Several factors have contributed to the delay including added levels of coordination and impacts of COVID-19.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$75,910					\$75,910
New Appropriation	Design - Contracted	\$40,000					\$40,000
Carry Over	Construction - Contracted	\$560,000					\$560,000
New Appropriation	Construction - Contracted	\$245,000	\$700,000				\$945,000
Carry Over	Arts Transfer	\$689					\$689
Totals		\$921,599	\$700,000	\$0	\$0	\$0	\$1,621,599

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax	\$852,000	\$700,000				\$1,552,000
Capital Reserves	\$69,599					\$69,599
Totals		\$921,599	\$700,000	\$0	\$0	\$1,621,599

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$3,000	\$3,000	\$3,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$3,000	\$3,000	\$3,000

Explanation of Operating Impacts:
Additional operational and maintenance costs related to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure will be covered within existing capacity. Additional recurring maintenance costs are related to materials and supplies for pavement maintenance (seal coating, etc.) of paths, pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Pinon Drive Shared-Use Path

Location:
Pinon Drive and SR 89A

Phase: of **Project #:** SIM-11j
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	July 2021
Estimated Completion Date	July 2021	August 2022

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
This project would provide a shared-use pathway connection from SR 89A along Pinon Drive to Cedar Lane.



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 and residents are encouraged to leave their vehicles at their place of lodging/residence. To have a measurable impact on traffic congestion, shared-use path connections will be required.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Design will be complete, and construction will be approximately 60% complete.

Project Balance	
Original Approved Project Budget	\$353,680
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$353,680
Requested Budget Increase/Decrease	\$55,200
Requested Total Project Budget	\$408,880
Estimated Expenditures through June 30, 2022	\$222,880
Budget Balance Remaining	\$186,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The construction budget has been increased based on the current bidding environment. The timeline has been extended due to project delay issues in FY 2022, staff vacancies, COVID-19, supply chain issues, and bidding challenges.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$32,152					\$32,152
Carry Over	Construction - Contracted	\$190,728	\$130,800				\$321,528
New Appropriation	Construction - Contracted		\$55,200				\$55,200
Totals		\$222,880	\$186,000	\$0	\$0	\$0	\$408,880

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Development Impact Fees - Pre 8/2014	\$38,680					\$38,680
Transportation Sales Tax	\$184,200	\$186,000				\$370,200
Totals		\$222,880	\$186,000	\$0	\$0	\$408,880

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$1,000	\$1,000	\$1,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$1,000	\$1,000	\$1,000

Explanation of Operating Impacts:
Additional operational and maintenance costs related to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure will be covered within existing capacity. Additional recurring maintenance costs are related to materials and supplies for pavement maintenance (seal coating, etc.) of paths, pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Dry Creek Road Pathway, 89A to Two Fences

Location:
Dry Creek Road

Phase: of **Project #:** SIM-11m
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	May 2022
Estimated Completion Date	June 2023	June 2024

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
This project would include installing a shared-use path along Dry Creek Road to extend the portion of the path that will be completed in FY 2022.



Project Justification:
This is a part of the Sedona Trails & Pathways System (ST&PS) and recommended in the updated Trails and Pathways Master Plan. Completing this segment would provide a safe multimodal facility for the full length of Dry Creek Road. This is an area that experiences high volumes of bicycle use.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$1,400,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$1,400,000
Requested Budget Increase/Decrease	\$1,499,000
Requested Total Project Budget	\$2,899,000
Estimated Expenditures through June 30, 2022	\$30,000
Budget Balance Remaining	\$2,869,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget increased to reflect current higher bidding environment. Project delayed due to staffing constraints.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$30,000	\$70,000				\$100,000
New Appropriation	Design - Contracted		\$85,000				\$85,000
Carry Over	Construction - Contracted		\$1,300,000				\$1,300,000
New Appropriation	Construction - Contracted			\$1,400,000			\$1,400,000
New Appropriation	Arts Transfer			\$14,000			\$14,000
Totals		\$30,000	\$1,455,000	\$1,414,000	\$0	\$0	\$2,899,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax	\$30,000	\$1,455,000				\$1,485,000
Capital Reserves			\$1,414,000			\$1,414,000
Totals		\$30,000	\$1,455,000	\$1,414,000	\$0	\$2,899,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$3,000	\$3,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$3,000	\$3,000

Explanation of Operating Impacts:
Once constructed the facility will require ongoing maintenance. This includes surface material, striping, and signing.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Harmony Shared-Use Path and Drainage Improvements

Location:

Harmony/Andante Neighborhood

Phase: of Project #: SIM-11n
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	December 2024	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:

This project would provide a shared-use pathway connection from Thunder Mountain Road to SR 89A. This will also provide a multimodal connection to businesses for the residents of this neighborhood.



Project Justification:

The residents of this neighborhood have requested sidewalks and paths for safe pedestrian travel. The Council discussed this project at the retreat as an important project to continue to move ahead as a priority.

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 cultures where visitors and residents are encouraged to leave their vehicles at their place of lodging/residence. To have a measurable impact on traffic congestion, shared-use path connections will be required.

For Continuing Projects

Estimated Project Status as of June 30, 2022:

N/A

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$1,369,000
Requested Total Project Budget	\$1,369,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$1,369,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Land Acquisition		\$30,000	\$10,000			\$40,000
New Appropriation	Design - Contracted		\$125,000				\$125,000
New Appropriation	Construction - Contracted			\$500,000	\$700,000		\$1,200,000
New Appropriation	Arts Transfer			\$4,000			\$4,000
Totals		\$0	\$155,000	\$514,000	\$700,000	\$0	\$1,369,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax		\$155,000	\$110,000	\$700,000		\$965,000
Capital Reserves			\$404,000			\$404,000
Totals		\$0	\$155,000	\$514,000	\$700,000	\$1,369,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				\$2,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$2,000

Explanation of Operating Impacts:

Additional operational and maintenance costs related to added infrastructure. Additional personnel time related to managing additional facilities/infrastructure will be covered within existing capacity. Additional recurring maintenance costs are related to materials and supplies for pavement maintenance (seal coating, etc.) of paths, pavement patching, curb replacement, signage and striping, etc.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Traffic Video Cameras

Phase: of Project #: SIM-12b
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:

Cameras will provide real-time video monitoring and evaluation of current road conditions and traffic congestion at key locations. Information Technology to help evaluate options for mid-block camera data connections and service and equipment required to post photos to city website.

In the future years, \$100,000 has been added to account for future intelligent transportation system improvements like fixed digital message signs and additional traffic monitoring cameras or other equipment.

Project Justification:

The cameras will provide staff with real-time road and traffic conditions at key locations. Should the chosen locations have limited deployment time the cameras can be relocated to other key locations.

Location:

Citywide

	Original	Revised (if applicable)
Start Date	October 2018	October 2018
Estimated Completion Date	June 2021	June 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:

Three new video cameras have been installed.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The budget was increased to allow for additional new cameras. Project completion extended to account for added cameras.

Project Balance	
Original Approved Project Budget	\$47,470
Approved Budget Increases/Decreases	\$1,022
Current Approved Total Project Budget	\$48,492
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$48,492
Estimated Expenditures through June 30, 2022	\$21,492
Budget Balance Remaining	\$27,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$6,518	\$12,000				\$18,518
Carry Over	Construction - Contracted	\$14,761	\$15,000				\$29,761
Future Estimate	Construction - Contracted					\$100,000	\$100,000
Carry Over	Arts Transfer	\$213					\$213
	Totals	\$21,492	\$27,000	\$0	\$0	\$100,000	\$148,492

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Transportation Sales Tax		\$27,000			\$100,000	\$127,000
Capital Reserves	\$21,492					\$21,492
	Totals	\$21,492	\$27,000	\$0	\$0	\$148,492

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

None anticipated.

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)

	Original	Revised (if applicable)
Start Date	July 2021	
Estimated Completion Date	June 2023	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

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.



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 private residential parcels. During large monsoon storms, this area is routinely isolated. From a public safety standpoint, 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, 2022:
Design will be complete.

Project Balance	
Original Approved Project Budget	\$723,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$723,000
Requested Budget Increase/Decrease	\$124,750
Requested Total Project Budget	\$847,750
Estimated Expenditures through June 30, 2022	\$75,000
Budget Balance Remaining	\$772,750

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget updated to reflect increased cost in current bid environment.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Land Acquisition		\$20,000				\$20,000
Carry Over	Design - Contracted	\$75,000					\$75,000
Carry Over	Construction - Contracted		\$648,000				\$648,000
New Appropriation	Construction - Contracted		\$102,000				\$102,000
New Appropriation	Arts Transfer		\$2,750				\$2,750
Totals		\$75,000	\$772,750	\$0	\$0	\$0	\$847,750

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Yavapai County Flood Control		\$300,000				\$300,000
Capital Reserves	\$75,000	\$472,750				\$547,750
Totals		\$75,000	\$772,750	\$0	\$0	\$847,750

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$500	\$500	\$500
Debt Service				
Revenue Offset				
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)

Location:
West Mallard Drive

Phase: of **Project #:** SD-08
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2025	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

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 Mystic Hills wastewater lift station. Corps of Engineers' requirements will be determined, and right-of-way needs will be defined.



Project Justification:
This project will develop a design and costs to improve public road ingress and egress to the Mystic Hills 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.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$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	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Design - Contracted			\$40,000			\$40,000
Future Estimate	Construction - Contracted				\$250,000		\$250,000
Totals		\$0	\$0	\$40,000	\$250,000	\$0	\$290,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Coconino County Flood Control			\$40,000	\$250,000		\$290,000
Totals	\$0	\$0	\$40,000	\$250,000	\$0	\$290,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$500
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$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)

	Original	Revised (if applicable)
Start Date	July 2016	
Estimated Completion Date	June 2032	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:

Acquisition of drainage easements as needed for upcoming CIP drainage projects throughout the City. 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 CIP drainage projects. Staff expects these funds to be necessary for acquisition of easements for upcoming drainage projects.

For Continuing Projects

Estimated Project Status as of June 30, 2022:

This is an ongoing budget item used to obtain easements as needed.

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):

This is an ongoing budget item used to obtain easements as needed.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Land Acquisition			\$50,000	\$50,000		\$100,000
Unfunded	Land Acquisition					\$350,000	\$350,000
Totals		\$0	\$0	\$50,000	\$50,000	\$350,000	\$450,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves			\$50,000	\$50,000		\$100,000
Unidentified					\$350,000	\$350,000
Totals		\$0	\$0	\$50,000	\$50,000	\$350,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
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:
Schnebly & Grove Drainage Improvements

Location:
Lazy Bear Estates

Phase: of **Project #:** SD-12
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	December 2023	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
Development of plans, specifications, and cost estimate to intercept and direct flows down Schnebly Road into existing infrastructure. This is a project created from the outreach to residents through the Stormwater Master Plan Update.



Project Justification:
Residents requested that the City review options to help alleviate drainage concerns in this area. Substantial flooding occurs in the area during monsoons. Infrastructure is well under capacity now that this area is built out.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Concept design will be started.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$424,200
Requested Total Project Budget	\$424,200
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$424,200

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Design - Contracted		\$70,000				\$70,000
New Appropriation	Construction - Contracted		\$200,000	\$150,000			\$350,000
New Appropriation	Arts Transfer		\$2,700	\$1,500			\$4,200
Totals		\$0	\$272,700	\$151,500	\$0	\$0	\$424,200

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves		\$272,700	\$151,500			\$424,200
Totals		\$0	\$272,700	\$151,500	\$0	\$424,200

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$500	\$500
Debt Service				
Revenue Offset				
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:
Forest/Ranger/SR 89A Intersection Improvements

Location:
SR 89A & Brewer Road

Phase: of **Project #:** ST-08
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	
Estimated Completion Date	June 2024	

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:
This project will include a new roundabout at a new Forest/Ranger/SR 89A intersection, a new bus lane on SR 89A, and modifications to the Brewer roundabout.



Project Justification:
The improvements are identified in the Transit Plan and are necessary to provide adequate access to the Transit Hub.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Study will be complete.

Project Balance	
Original Approved Project Budget	\$60,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$60,000
Requested Budget Increase/Decrease	\$5,006,500
Requested Total Project Budget	\$5,066,500
Estimated Expenditures through June 30, 2022	\$67,000
Budget Balance Remaining	\$4,999,500

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Study	\$60,000					\$60,000
New Appropriation	Study	\$7,000					\$7,000
New Appropriation	Design - Contracted		\$450,000				\$450,000
New Appropriation	Construction - Contracted			\$4,500,000			\$4,500,000
New Appropriation	Arts Transfer		\$4,500	\$45,000			\$49,500
Totals		\$67,000	\$454,500	\$4,545,000	\$0	\$0	\$5,066,500

Project Funding Estimates:

Funding Source	FY2023	FY2024	FY2025	Future Years	Project Totals	
Capital Reserves	\$67,000	\$454,500	\$4,545,000		\$5,066,500	
Totals		\$67,000	\$454,500	\$0	\$0	\$5,066,500

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Once the improvements are implemented, ongoing maintenance will be required for pavement, striping, signing, and sidewalk improvements. Impact of operational costs will be identified after the scope of the project has been determined.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Posse Ground Park Solar Lighting

Location:
Posse Grounds Park

Phase: of **Project #:** SUS-01
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2022	
Estimated Completion Date	June 2023	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
Project would install 25 solar bollards and solar parking lot lights with light-emitting diode (LED), dark sky compliant fixtures at Posse Grounds Park along driveways, ramadas, and volleyball and tennis parking lots. Solar lighting would be installed at locations not impacted by the ongoing Posse Grounds Park evaluation.

If desired, this project could expand to a second phase. Phase 2 would be contingent on park evaluation and master plan direction at Posse Grounds Park and include transitioning athletic field lighting and remaining exterior lighting to LEDs.



Project Justification:
The Climate Action Plan sets a number of goals from reducing energy consumption, cutting carbon emissions, improving community equity and resilience, and mitigating effects to natural ecosystems. City greenhouse gas inventories have identified Posse Grounds Park as a location subject to energy consumption reductions. The park is also seeing increasing demand and experiences a lack of patron safety due to poor park lighting around parking lots and walkways.

Rather than installing utility connected lights, solar lights that are independent from the utility grid and offering zero emissions should be installed at this this location instead of the high-pressure sodium (HPS) light fixtures and other lighting technologies that are often found in park settings.

Installing solar LEDs would result in utility cost savings, carbon emissions reductions from less energy consumption, less maintenance, and improved light quality versus installing traditional lighting technologies to improve lighting and safety conditions at the park. The lights installed would also maintain dark sky compliance and mitigate impacts to nighttime ecosystem functions.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$120,000
Requested Total Project Budget	\$120,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$120,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Project Management Contracted		\$50,000				\$50,000
New Appropriation	Equipment Purchase		\$70,000				\$70,000
Totals		\$0	\$120,000	\$0	\$0	\$0	\$120,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Capital Reserves		\$120,000				\$120,000
Totals		\$0	\$120,000	\$0	\$0	\$120,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipate.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies		\$2,000	\$2,000	\$2,000
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$2,000	\$2,000	\$2,000

Explanation of Operating Impacts:
No extra personnel is anticipated to be needed. Ongoing supplies would be needed in the event of vandalism or breakage, but no increase in utility costs is associated with this project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
WW Collection System Improvements - Misc. Rehabs/Replacements

Location:
Foothills Drive, El Camino Road, Northview Road, Lazy Bear Estates

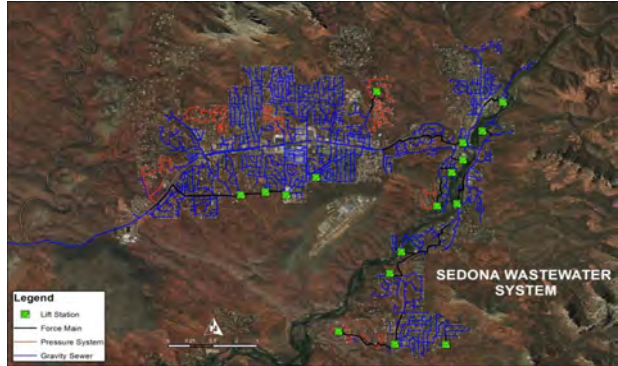
Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	July 2022
Estimated Completion Date	June 2022	June 2023

Ranking:

Environmental Sustainability Project?

Project Description:
This project will install pipe lining in Foothills Drive and El Camino Road, replace a portion of the 18-inch main line in Northview Road upstream of Carroll Canyon lift station, and repair offset joints and re-line the 8-inch mains in Lazy Bear Estates.



Project Justification:
The 2017 Wastewater Master Plan Update (WWMP) included both condition assessments of existing sewer infrastructure and capacity analysis of the sewer collection system. During the desktop condition assessment, several pipes were identified as having issues such as deteriorated pipe lining, offset joints, cracks in the pipe, and general deterioration from hydrogen sulfide gases.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Project not yet started.

Project Balance	
Original Approved Project Budget	\$390,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$390,000
Requested Budget Increase/Decrease	\$70,000
Requested Total Project Budget	\$460,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$460,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Increased construction budget by 17% to account for higher construction costs. Design delayed due to staff capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted		\$40,000				\$40,000
Carry Over	Construction - Contracted		\$350,000				\$350,000
New Appropriation	Construction - Contracted		\$70,000				\$70,000
Totals		\$0	\$460,000	\$0	\$0	\$0	\$460,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues		\$460,000				\$460,000
Totals		\$0	\$460,000	\$0	\$0	\$460,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
There are no additional operating impacts resulting from this project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
 WW Collection System Improvements - Future Collections Projects

Location:
 N/A

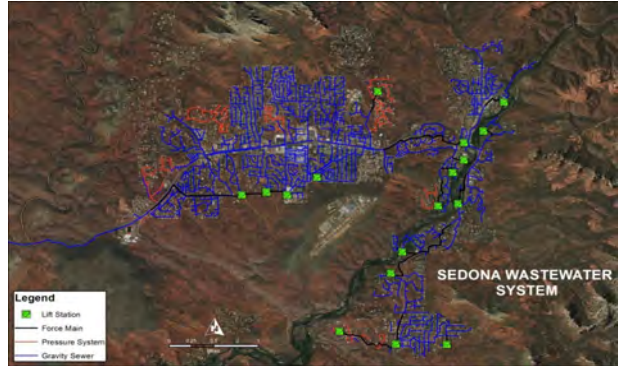
Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	July 2022
Estimated Completion Date	June 2023	June 2024

Ranking:

Environmental Sustainability Project?

Project Description:
 This project will include future repairs, rehabilitation, and/or replacements of collection system piping or lift stations.



Project Justification:
 Majority of the sewer collection system is nearing 30 years old. As the Wastewater Department continues its annual sewer video (CCTV) evaluations and completes more in-depth condition assessments of the sewer interceptor, it is likely that rehabilitation or replacement of sewer pipes will be necessary. Additionally, many of the lift stations are also nearing 20-30 years old and may need repairs and/or replacement within the next 10 years.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
 N/A

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
 Project delayed due to staff capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Design - Contracted			\$100,000			\$100,000
Future Estimate	Construction - Contracted				\$1,035,000		\$1,035,000
Totals		\$0	\$0	\$100,000	\$1,035,000	\$0	\$1,135,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues			\$100,000	\$1,035,000		\$1,135,000
Totals	\$0	\$0	\$100,000	\$1,035,000	\$0	\$1,135,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
 None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
 No additional operational impacts are anticipated due to this project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
WW Collection System Improvements - Major Lift Station Upgrades

Location:
N/A

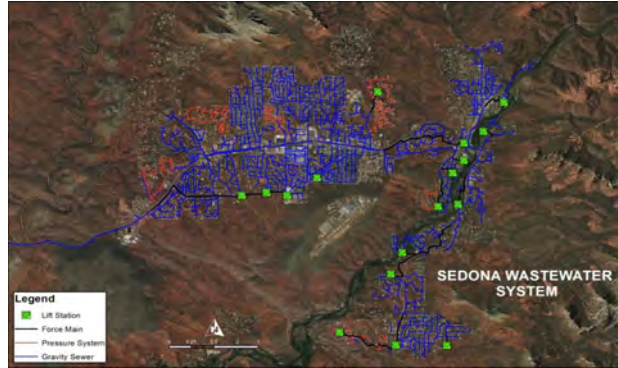
Phase: of **Project #:** WW-01F
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2020	July 2021
Estimated Completion Date	June 2022	June 2023

Ranking: Imperative (Must-Do)

Environmental Sustainability Project? No

Project Description:
This project will upgrade the obsolete controls at each of the three major lift stations, allowing for efficient and reliable automation. Additionally, pumps, variable frequency drives, flow meters, and transfer switches will be replaced, and the wet well coatings will be refreshed.



Project Justification:
The last upgrade to the three major lift stations was completed in 2008, which consisted mainly of electrical upgrades and wet well improvements. Controls used to automate the lift stations have become obsolete, thus finding repair parts is increasingly difficult. Components such as the variable frequency drives, flow meters, and transfer switches have all operated less efficiently and/or experienced failures over the past few years. The pumps at each lift station are 30 years old, have been rebuilt several times, and are nearing the end of their effective life. Replacing this equipment is imperative to maintain reliable operations and avoid catastrophic failures that could result in major overflows reaching Oak Creek and costly emergency bypass pumping of these lift stations. Refreshing the wet well coatings will prolong the structural integrity of the wet wells.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Design will be complete.

Project Balance	
Original Approved Project Budget	\$960,000
Approved Budget Increases/Decreases	\$172,000
Current Approved Total Project Budget	\$1,132,000
Requested Budget Increase/Decrease	\$5,438,016
Requested Total Project Budget	\$6,570,016
Estimated Expenditures through June 30, 2022	\$205,016
Budget Balance Remaining	\$6,365,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Increased construction budget to account for an increase in material pricing, and for the additional scope of work. Project delayed due to staff capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted	\$95,016	\$4,984				\$100,000
New Appropriation	Design - Contracted		\$145,016				\$145,016
Carry Over	Construction - Contracted		\$922,000				\$922,000
New Appropriation	Construction - Contracted		\$2,748,000				\$2,748,000
New Appropriation	Equipment Purchase		\$2,545,000				\$2,545,000
Carry Over	Contingency	\$110,000					\$110,000
Totals		\$205,016	\$6,365,000	\$0	\$0	\$0	\$6,570,016

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Grant		\$1,914,000				\$1,914,000
Equipment Replacement Reserve		\$631,000				\$631,000
Wastewater Revenues	\$205,016	\$3,820,000				\$4,025,016
Totals		\$205,016	\$6,365,000	\$0	\$0	\$6,570,016

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
American Rescue Plan Act (ARPA) funding will be used toward this project.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Energy savings are anticipated with new equipment. Until the equipment is specified, the savings cannot be quantified. An evaluation of potential savings will be included with the design.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
WW Collection System Improvements - Juniper Lane Extension

Location:
Juniper Lane

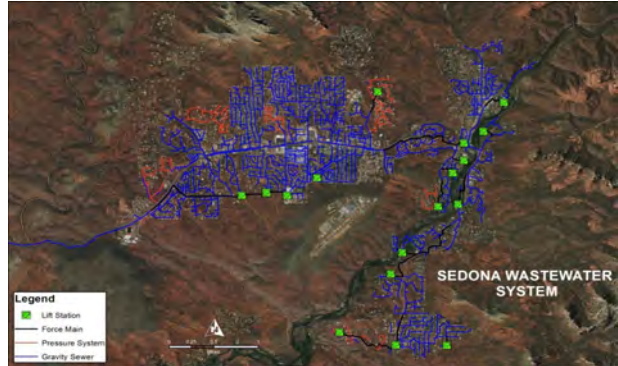
Phase: of **Project #:** WW-01H
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	
Estimated Completion Date	June 2022	

Ranking: Important (Could-Do)

Environmental Sustainability Project? N/A

Project Description:
This project would install approximately 200 linear feet of 8-inch sewer main in Juniper Lane, which would complete a required portion of sewer main in order to activate an existing dryline in the SR179 right of way.



Project Justification:
In 2011, in conjunction with the SR179 Realignment Project, an 8-inch dryline sewer was installed for future use. In order to make the dryline active, approximately 200 linear feet of sewer will need to be installed in Juniper Lane to tie the dryline into the active collection system. The extension would allow for the potential connection of up to 31 properties, 9 of which are undeveloped. Developed properties are currently served with private septic systems. Property owners looking to develop have approached the City with interest in connecting to sewer over installing a septic system. There is a potential for cost sharing or fair share reimbursement agreements with property owners wishing to connect. In addition, deferment agreements for properties currently on septic would be required for future connection.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Complete

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$180,520
Requested Total Project Budget	\$180,520
Estimated Expenditures through June 30, 2022	\$10,520
Budget Balance Remaining	\$170,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New Appropriation	Design - Contracted	\$10,520					\$10,520
New Appropriation	Construction - Contracted		\$170,000				\$170,000
Totals		\$10,520	\$170,000	\$0	\$0	\$0	\$180,520

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues	\$10,520	\$170,000				\$180,520
Totals		\$10,520	\$170,000	\$0	\$0	\$180,520

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Cost sharing or fair share reimbursement agreements may be possible.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Impacts to operational costs would be minimal and expected to be within existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
SCADA System and Configuration Upgrade

Phase: of **Project #:** WW-04
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

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.

Location:
N/A

	Original	Revised (if applicable)
Start Date	July 2017	July 2022
Estimated Completion Date	June 2019	June 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:
Project not yet scheduled to begin.

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The budget was increased due to increases in costs due to delays in project start. Project delayed to accommodate budget constraints and staff workload.

Project Balance	
Original Approved Project Budget	\$185,000
Approved Budget Increases/Decreases	\$125,000
Current Approved Total Project Budget	\$310,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$310,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$310,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Equipment Purchase		\$310,000				\$310,000
Totals		\$0	\$310,000	\$0	\$0	\$0	\$310,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues		\$310,000				\$310,000
Totals	\$0	\$310,000	\$0	\$0	\$0	\$310,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
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)

	Original	Revised (if applicable)
Start Date	February 2017	February 2017
Estimated Completion Date	June 2019	June 2025

Ranking:

Environmental Sustainability Project?

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, 2022:
The odor control study was completed in FY 2017. The project is on hold until FY 2024.

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, 2022	\$24,660
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Project delayed due to staff capacity and other higher priority projects taking precedence.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Project Evaluation	\$24,660					\$24,660
Future Estimate	Design - Contracted			\$55,000			\$55,000
Future Estimate	Construction - Contracted			\$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	FY2023	FY2024	FY2025	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:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				\$9,300
Contractual Services				
Debt Service				
Revenue Offset				
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 Reservoir Liner Replacement

Location:
 Wastewater Reclamation Plant

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2020	July 2024
Estimated Completion Date	June 2021	June 2026

Ranking:

Environmental Sustainability Project?

Project Description:
 This project will replace the liner in the 70-million gallon water reservoir used for irrigation of effluent.



Project Justification:
 The reservoir liner in reservoir 1 is used to prevent seepage in a 70 million gallon earthen reservoir. The reservoir holds treated effluent prior to it being irrigated for disposal. Each year, the liner is inspected for holes, tears, or other damage and repair. The liner is original to the construction of the reservoir and is necessary to maintain compliance with the Arizona Department of Environmental Quality. In recent years, the number and cost of repairs has gradually increased leading to the need for future replacement of the liner.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
 Design complete, construction not started

Project Balance	
Original Approved Project Budget	\$1,050,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$1,050,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,050,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$1,050,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
 Project delayed due to budget constraints and staffing capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Design - Contracted				\$50,000		\$50,000
Carry Over	Construction - Contracted					\$1,000,000	\$1,000,000
Totals		\$0	\$0	\$0	\$50,000	\$1,000,000	\$1,050,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues				\$50,000	\$1,000,000	\$1,050,000
Totals		\$0	\$0	\$50,000	\$1,000,000	\$1,050,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
 None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
 Operating costs are not anticipated to increase and may decrease after improvements are completed.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
 WWRP Drying Beds Replacement

Location:
 Wastewater Reclamation Plant

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	July 2023
Estimated Completion Date	June 2022	June 2025

Ranking:

Environmental Sustainability Project?

Project Description:
 This project would replace the original conventional drying beds with new drying beds.



Project Justification:
 The existing drying beds (original drying beds, plus upgraded drying beds from 2012) do not provide the capacity to adequately manage biosolids. Recent changes to the Aquifer Protection Permit by the Arizona Department of Environmental Quality have further reduced the capacity of the drying beds by placing limits on the operational level that the beds can be filled.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
 N/A

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
 Project delayed due to budget constraints and staffing capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Design - Contracted			\$150,000			\$150,000
Future Estimate	Construction - Contracted				\$1,500,000		\$1,500,000
Totals		\$0	\$0	\$150,000	\$1,500,000	\$0	\$1,650,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals	
Wastewater Revenues			\$150,000	\$1,500,000		\$1,650,000	
Totals		\$0	\$0	\$150,000	\$1,500,000	\$0	\$1,650,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
 None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
 Operating costs are not anticipated to increase and may decrease after improvements are completed.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
WWRP Treatment Process Upgrades

Location:
Wastewater Reclamation Plant

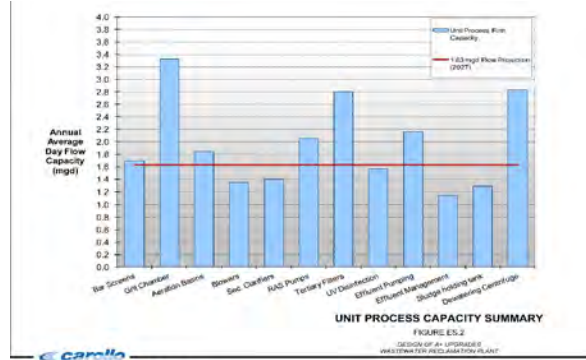
Phase: 1 of 3 **Project #:** WW-09
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	June 2027	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:
This project will be a multi-phased project to upgrade the ultra-violet (UV) disinfection, sludge digester, and aeration basin processes in order to provide adequate capacity for projected build-out flows.



Project Justification:
A study of process capacity for the WWRP A+ Upgrades in 2012 showed there were several processes at the treatment plant that were limited in capacity. Immediate needs for capacity to the blowers, secondary clarifier, and sludge digester were completed as part of the WWRP A+ Upgrades construction project in 2016. However, the study also showed that the UV disinfection and sludge digester would require upgrades to increase capacity to meet project build-out flows of 1.8 - 2.0 million gallons per day. Additionally, while capacity was added to the sludge digester as part of the WWRP A+ Upgrades, a second upgrade will be required for build-out flows.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
N/A

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$1,060,000
Requested Total Project Budget	\$1,060,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$1,060,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
New							
Appropriation	Design - Contracted		\$60,000				\$60,000
Future Estimate	Design - Contracted				\$50,000	\$120,000	\$170,000
New							
Appropriation	Construction - Contracted			\$1,000,000			\$1,000,000
Future Estimate	Construction - Contracted					\$1,700,000	\$1,700,000
	Totals	\$0	\$60,000	\$1,000,000	\$50,000	\$1,820,000	\$2,930,000

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues		\$60,000	\$1,000,000	\$50,000	\$1,820,000	\$2,930,000
Totals	\$0	\$60,000	\$1,000,000	\$50,000	\$1,820,000	\$2,930,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

	FY2023	FY2024	FY2025	Future Annual Cost
Total Operating Impacts:				
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
To be determined - the operating impacts would be dependent on the media installed as part of the upgrades (diffusers, UV lights, etc.).

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Wastewater Master Plan Update

Location:
Citywide

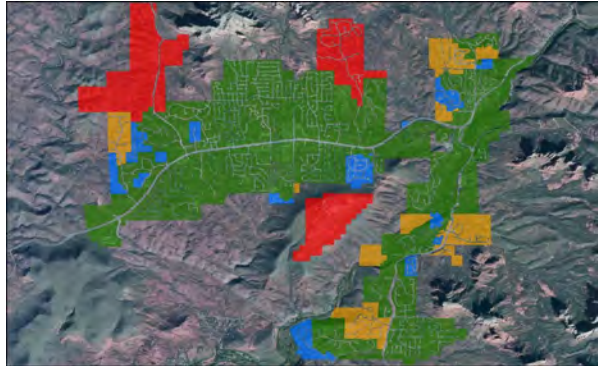
Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	July 2023
Estimated Completion Date	June 2023	June 2024

Ranking:

Environmental Sustainability Project?

Project Description:
This project would provide an update to the Wastewater Master Plan for the collection system, if necessary.



Project Justification:
Previous updates to the Wastewater Master Plan were completed in 2000 and 2017. Industry standard is to update master plans every 5 years in order to address capacity issues due to growth and to identify infrastructure improvements needed due to an aging system. The funds allocated in FY 2023 are to provide an update to the 2017 Wastewater Master Plan.

For Continuing Projects

Estimated Project Status as of June 30, 2022:
Project not yet scheduled to begin.

Project Balance	
Original Approved Project Budget	\$0
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, 2022	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Project delayed due to budget constraints and staffing capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Future Estimate	Master Plan			\$100,000		\$100,000	\$200,000
Totals		\$0	\$0	\$100,000	\$0	\$100,000	\$200,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues			\$100,000		\$100,000	\$200,000
Totals	\$0	\$0	\$100,000	\$0	\$100,000	\$200,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Any operating costs will be determined based on the projects identified in the master plan.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Area 4 Valve Vault Upgrade

Phase: of **Project #:** WW-14
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:
This project will replace the existing slide gate that provides level control to the Area 4 pump station with a motor-operated valve.

Project Justification:
Water level in the Area 4 pump station is controlled by a custom fabricated motor-operated slide gate that was originally installed in the 1990s. The slide gate has worn to a point that it will not close completely, resulting in water continually flowing into the overflow when pumps are not operating. If the slide gate is stuck in the open position, an offsite discharge would result in a permit violation and potential for flooding of downstream properties along Forest Service Road 525 exist.

Location:
N/A

	Original	Revised (if applicable)
Start Date	July 2021	July 2021
Estimated Completion Date	June 2022	June 2023



For Continuing Projects

Estimated Project Status as of June 30, 2022:
Design complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):
It was determined that professional electrical engineering design would be required. This is being completed in FY 2022. The budget for construction has been increased due to inflation, availability of parts, and long lead times. Moved construction out to FY 2023 because of long lead times and parts availability.

Project Balance	
Original Approved Project Budget	\$65,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$65,000
Requested Budget Increase/Decrease	\$50,000
Requested Total Project Budget	\$115,000
Estimated Expenditures through June 30, 2022	\$0
Budget Balance Remaining	\$115,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Carry Over	Construction - Contracted		\$65,000				\$65,000
New Appropriation	Construction - Contracted		\$50,000				\$50,000
Totals			\$0	\$115,000	\$0	\$0	\$115,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2023	FY2024	FY2025	Future Years	Project Totals
Wastewater Revenues		\$115,000				\$115,000
Totals		\$0	\$115,000	\$0	\$0	\$115,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2023	FY2024	FY2025	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
No increase to existing operational costs anticipated.



Debt Service

DEBT SERVICE

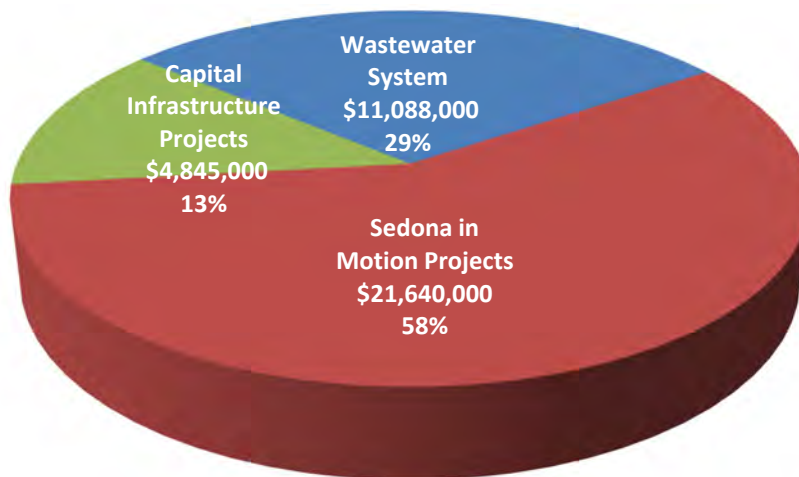
Bonds Overview

While pay-as-you go funding has been used for capital projects in recent years, the City assumed debt in the past to fund the construction of capital projects. During fiscal year 2021-22, the City issued the first “new money” bonds since 2007 for Sedona in Motion (SIM) projects based on an anticipation of significant increases in construction costs and expected increases in interest rates. A placeholder for possible debt related to land acquisition has been included in the for fiscal year 2022-23 for \$10 million with an estimated annual debt service cost of \$1 million.

Current approach is primarily pay-as-you-go funding of capital projects.

The City has approximately \$38 million in outstanding bonds – all of which are excise tax revenue bonds. The past bond issuances have been for construction of the wastewater treatment system and other capital infrastructure projects. The chart below represents the percentage of outstanding bonds for various categories of projects as of July 1, 2022.

OUTSTANDING BONDS BY PROJECT TOTAL \$37,573,000



Bond Rating

In September 2019, Standard & Poor’s (S&P) performed a rating review of the City’s financial condition and raised the City’s bond rating from A to AA- based on the City’s stable outlook. The rating affirms a confidence in the City’s financial management and its economic outlook. A high bond rating means 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 fiscal year 2022-23 by bond issuance.

FY 2023 BOND PAYMENTS⁽¹⁾

Bond Series	FY23 Principal ⁽²⁾	FY23 Interest ⁽²⁾	Total FY23 Payment
Series 1998 ⁽³⁾	\$ 1,190,000	\$ 3,120,000	\$ 4,310,000
Second Series 2015	935,000	93,993	1,028,993
Series 2021	125,000	101,709	226,709
Series 2022	-	1,232,450	1,232,450
Total Annual Payment	\$ 2,250,000	\$ 4,548,182	\$ 6,798,152

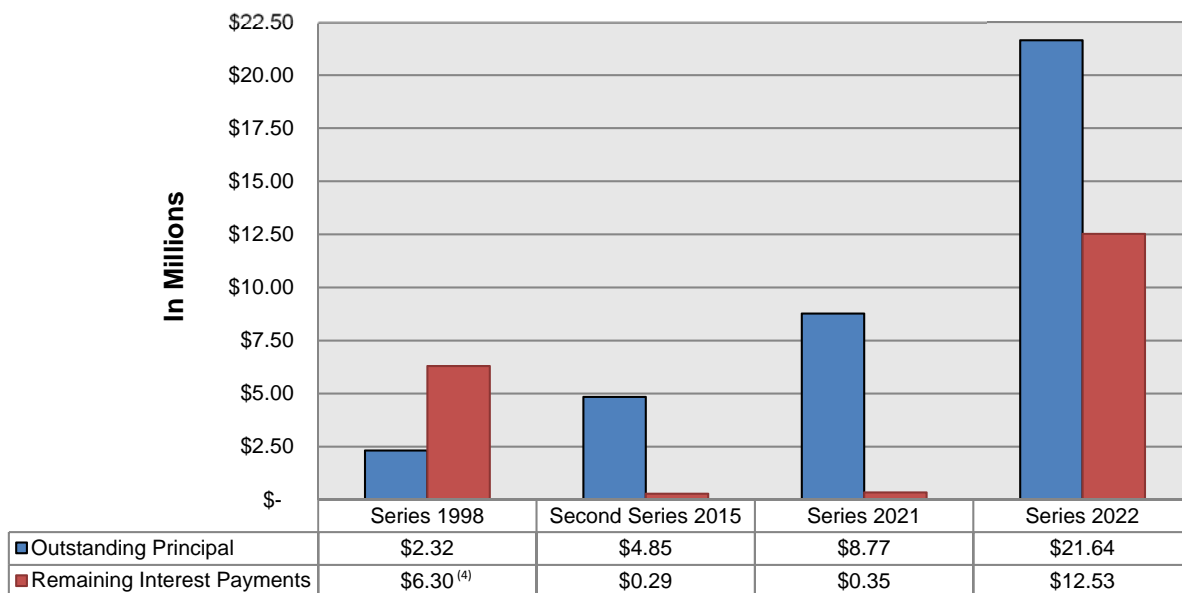
⁽¹⁾Does not include a budgeted placeholder of \$1 million annual debt service cost for a potential debt issuance related to land acquisition.

⁽²⁾The July 1, 2022 principal and interest payments have been accrued in the prior year. These amounts represent the principal and interest payments for January 1, 2023 and July 1, 2023.

⁽³⁾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 following chart summarizes the total outstanding principal and interest on City bonds outstanding for the next twenty years, which is when all current outstanding bonds will be retired.

REMAINING BOND PRINCIPAL AND INTEREST⁽³⁾



⁽³⁾Does not include a budgeted placeholder for a potential debt issuance of an estimated \$10 million related to land acquisition.

⁽⁴⁾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⁽⁵⁾

Fiscal Year	General Fund ⁽⁶⁾		Transportation Sales Tax Fund ⁽⁶⁾		Development Impact Fees Fund ⁽⁶⁾		Wastewater Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022-23	\$ 935,000	\$ 715,148	\$ -	\$ 377,130	\$ -	\$ 234,166	\$ 1,315,000	\$3,221,708	\$ 6,798,152
2023-24	945,000	550,662	-	288,252	-	178,980	1,257,000	3,280,259	6,500,113
2024-25	970,000	532,289	-	288,252	-	178,980	4,233,000	98,786	6,301,307
2025-26	990,000	513,471	-	288,252	-	178,980	4,283,000	49,683	6,303,386
2026-27	1,478,760	494,265	287,640	288,252	178,600	178,980	-	-	2,906,497
2027-28 through 2031-32	2,746,800	1,995,210	1,667,700	1,211,377	1,035,500	752,162	-	-	9,408,750
2032-33 through 2036-37	3,465,000	1,278,396	2,103,750	776,169	1,306,250	481,935	-	-	9,411,500
2037-38 through 2041-42	4,221,000	519,624	2,562,750	315,486	1,591,250	195,890	-	-	9,406,000
Total	\$15,751,560	\$6,599,025	\$6,621,840	\$3,833,170	\$4,111,600	\$2,380,073	\$11,088,000	\$6,650,436	\$57,035,704

⁽⁵⁾Does not include a budgeted placeholder of \$1 million annual debt service cost for a potential debt issuance of an estimated \$10 million related to land acquisition.

⁽⁶⁾The payments for Series 2022 are preliminarily allocated between the General Fund, Transportation Sales Tax Fund, and the Development Impact Fees Fund. Depending on the progress of the various SIM projects, the use of the bond proceeds may be allocated to general capital reserves, paid parking revenues, transportation sales tax, and/or development impact fees.

The fiscal years 2022-23 and 2023-24 include payment of the CABs, which require payment of the compounded interest on the maturity date.

Governmental Accounting Standards Board Statement No. 87

The City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, in the fiscal year 2021-22 financial statements. Prior to GASB Statement No. 87 (GASB 87), leases were classified as capital or operating. Capital leases involved ownership characteristics, while operating leases were essentially renting an asset. Capital leases were recorded as liabilities for the balance of the lease principal and as assets for the asset being leased. Operating leases had no balance sheet impact.

With the implementation of GASB 87, the distinction of capital vs. operating no longer exists, only leases. Former operating leases are now recorded on the balance sheet. In addition, many of the former capital leases have been renamed as financed purchases. A financed purchase is a contract that transfers ownership of the asset to the lessee at the end of the contract and does not contain termination options other than a fiscal funding or cancellation clause that is not reasonably certain of being exercised.

Former capital leases that have been reclassified as financed purchases include the energy efficiency equipment, the police camera system, multiple police vehicles, and the street sweeper.

DEBT SERVICE

continued

Governmental Accounting Standards Board Statement No. 87 (cont'd)

The operating leases added to the fiscal year 2021-22 financial statements include copiers, a postage meter, several parking lots, and the former school district administrative site. Discussion of these new debt categories follow.

Financed Purchases

The City has entered into financed purchase agreements for police vehicles, public transit vehicles, a street sweeper, a police camera system, and energy saving equipment. The following table details the remaining principal and interest payments for all financed purchase agreements.

FUTURE PAYMENTS FOR FINANCED PURCHASES

Fiscal Year	General Fund		Streets Fund		Public Transit Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	
2022-23	\$194,725	\$ 65,548	\$ 49,016	\$ 4,145	\$138,603	\$12,809	\$ 464,845
2023-24	199,050	63,597	50,021	3,140	139,934	11,145	466,855
2024-25	203,491	61,578	51,046	2,114	141,612	8,416	468,258
2025-26	142,503	59,487	52,092	1,068	143,681	5,655	404,485
2026-27	106,851	58,529	-	-	146,295	2,853	314,528
2027-28 through 2030-31	152,878	13,956	-	-	-	-	166,834
Total	\$999,497	\$322,695	\$202,175	\$10,467	\$710,125	\$40,877	\$2,285,835

Leases

The City has entered into lease agreements for parking lots, the former school district administrative site, copiers, a postage meter, fleet vehicles, and a snow plow/dump truck. The following table details the remaining principal and interest payments for all leases.

FUTURE LEASE PAYMENTS

Fiscal Year	General Fund		Streets Fund		Public Transit Fund		Wastewater Fund		Information Technology Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2022-23	\$ 154,684	\$ 37,094	\$ 37,107	\$ 4,921	\$ 6,057	\$8,617	\$19,225	\$ 4,289	\$15,213	\$34	\$ 287,241
2023-24	163,962	36,526	39,217	2,810	1,589,218	782	19,602	3,250	7,619	5	1,862,991
2024-25	152,035	32,169	22,973	824	-	-	15,667	2,044	-	-	225,712
2025-26	147,184	29,000	7,343	181	-	-	13,388	1,125	-	-	198,221
2026-27	126,482	26,220	-	-	-	-	7,443	332	-	-	160,447
2027-28 through 2031-32	632,591	103,426	-	-	-	-	-	-	-	-	736,017
2032-33 through 2036-37	654,904	55,493	-	-	-	-	-	-	-	-	710,397
2037-38 through 2040-41	415,654	9,846	-	-	-	-	-	-	-	-	425,500
Total	\$2,515,346	\$349,153	\$185,035	\$26,499	\$1,595,275	\$9,399	\$97,350	\$16,429	\$22,832	\$39	\$4,817,361

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 issuances 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 for next five years.

PLEDGED REVENUE COVERAGES⁽⁷⁾

Fiscal Year	Pledged Excise Tax Revenues	Principal	Interest	Total	Coverage
2022-23 (budget)	\$46,375,040	\$2,250,000	\$4,548,152	\$6,798,152	6.82
2023-24 (proj.)	44,795,590	2,202,000	4,298,113	6,500,113	6.89
2024-25 (proj.)	47,248,330	5,203,000	1,098,307	6,301,307	7.50
2025-26 (proj.)	48,508,080	5,273,000	1,030,386	6,303,386	7.70
2026-27 (proj.)	49,839,630	1,945,000	961,497	2,906,497	17.15

⁽⁷⁾Does not include a budgeted placeholder of \$1 million annual debt service cost for a potential debt issuance of an estimated \$10 million related to land acquisition.

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

No debt service reserves are required since covered by bond insurance.

In accordance with the bond covenants, the City has bond insurance in place to guarantee payments in lieu of reserve requirements.

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. There are no uninsured bonds remaining.

Outstanding Debt Balances

The following information details the outstanding debt balances for the next five years, assuming no early redemptions or refinancing. The final payment is July 1, 2042.

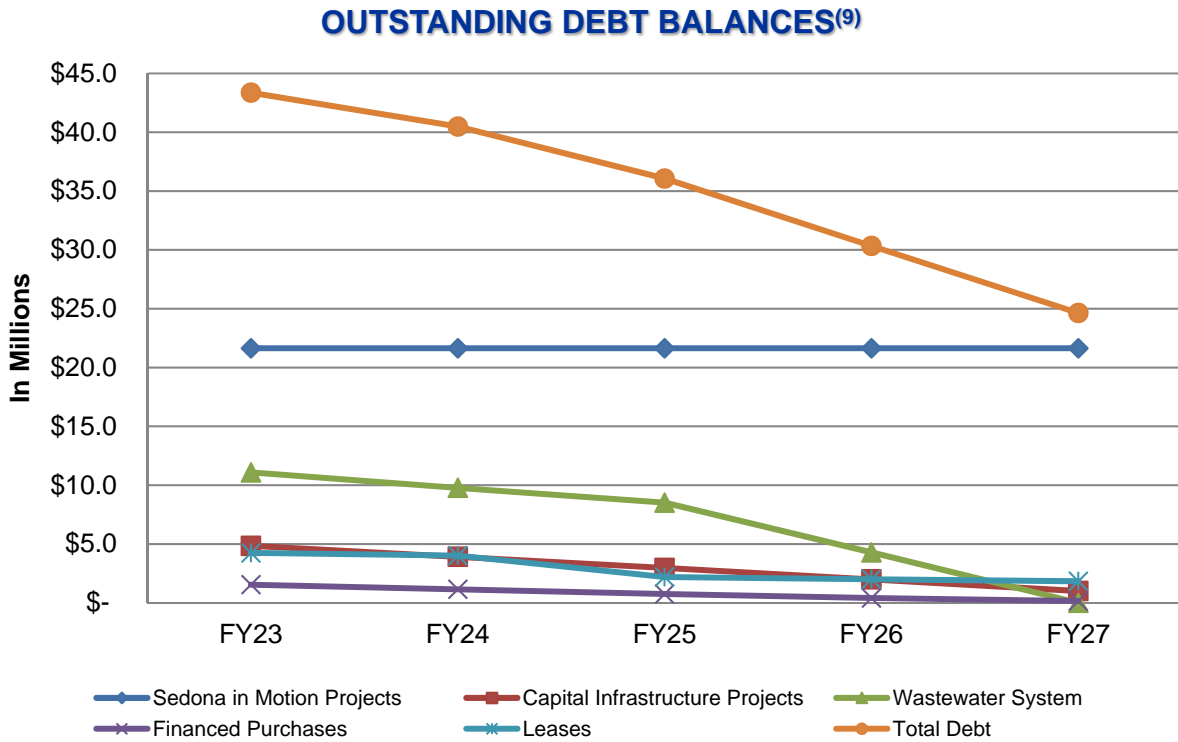
OUTSTANDING DEBT BALANCES BY FISCAL YEAR⁽⁸⁾

As of July 2	Sedona in Motion Projects	Capital Infrastructure Projects	Wastewater System	Financed Purchases	Leases	Totals
2022	\$21,640,000	\$4,845,000	\$11,088,000	\$1,542,974	\$4,247,569	\$43,363,543
2023	21,640,000	3,910,000	9,773,000	1,152,010	4,015,283	40,490,293
2024	21,640,000	2,965,000	8,516,000	752,978	2,195,665	36,069,643
2025	21,640,000	1,995,000	4,283,000	410,860	2,004,990	30,333,850
2026	21,640,000	1,005,000	-	152,878	1,837,075	24,634,953

⁽⁸⁾Does not include a budgeted placeholder of \$1 million annual debt service cost for a potential debt issuance of an estimated \$10 million related to land acquisition.

DEBT SERVICE continued

Outstanding Debt Balances (cont'd)



⁽⁹⁾Does not include a budgeted placeholder of \$1 million annual debt service cost for a potential debt issuance of an estimated \$10 million related to land acquisition.

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.



DEBT SERVICE
continued

Outstanding Debt Balances (cont'd)

The following table summarizes the status of the outstanding debt by issuance.

STATUS OF OUTSTANDING DEBT

Debt Issue	Remaining Payment Dates	Interest Rate	Remaining Principal	Remaining Interest	Status
Series 1998 Bonds	7/1/2023-24	5.24%	\$ 2,320,000	\$ 6,300,000	Not subject to call prior to stated maturity date
Second Series 2015 Bonds	7/1/2023-27	1.94%	4,845,000	285,568	Eligible to be called without premium
Series 2021 Bonds	7/1/2023-26	1.16%	8,768,000	350,436	Prepayment penalty
Series 2022 Bonds	7/1/2027-42	4.0%-5.0%	21,640,000	12,526,700	Callable 7/1/2032 without premium
Energy Efficiency Equipment	12/20/2022-30	3.60%	304,649	58,526	No prepayment penalty
FY 2021 Police Vehicles	FY 2023-FY 2025	1.82%-1.85%	189,625	7,028	Early termination penalty
Police Camera System	8/30/2022-25	1.85%	149,555	6,980	Early termination penalty
Street Sweeper	4/26/2023-26	2.05%	202,175	10,467	Early termination penalty
FY 2022 Police Vehicles	FY 2023-FY 2027	1.74%-2.72%	370,261	26,917	No prepayment penalty
Trailhead Shuttles	12/15/2022-26	1.95%	710,125	40,877	No prepayment penalty
Fleet Vehicles	FY 2023-FY 2027	4.74%-8.79%	328,899	36,551	No prepayment penalty
Parking Lots	FY 2023-FY 2034	0.185%-1.245% (imputed)	1,698,211	16,739	No termination penalty
Copiers	FY 2023-FY 2024	0.218% (imputed)	24,817	43	No termination penalty
Postage Meter	FY 2023-FY 2026	0.577% (imputed)	18,226	224	No termination penalty
School District Administrative Site	FY 2023-FY 2041	1.485% (imputed)	2,178,542	305,458	No termination penalty if execute purchase

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
7/1/2023	\$ 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	\$ 2,320,000	\$ 6,300,000		\$ 8,620,000

* 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 REFUNDING BONDS, SECOND SERIES 2015
Original Principal \$8,030,000
Issued December 16, 2015
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2023	\$ -		\$ 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	\$ 4,845,000		\$ 285,568	\$ 5,130,568

Refinanced a portion of the outstanding Series 2007, which was used for:

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, 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
EXCISE TAX REVENUE REFUNDING BONDS, SERIES 2021
Original Principal \$8,890,000
Issued August 13, 2021
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2023	\$ -		\$ 50,854	\$ 50,854
7/1/2023	125,000	1.16%	50,854	175,854
1/1/2024	-		50,129	50,159
7/1/2024	127,000		50,129	177,129
1/1/2025	-		49,393	49,393
7/1/2025	4,233,000	1.16%	49,393	4,282,393
1/1/2026	-		24,841	24,841
7/1/2026	4,283,000	1.16%	24,841	4,307,841
Total	\$ 8,768,000		\$ 350,436	\$ 9,118,436

Bond Purpose	Convertible or "cinderella" refunding of the outstanding Series 2012
Subject to Call for Redemption Prior to Stated Maturity Dates?	Yes, subject to "make whole" price
Private Placement?	Yes

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
EXCISE TAX REVENUE BONDS, SERIES 2022
 Original Principal \$21,640,000
 Issued March 10, 2022
 (General Fund, Transportation Sales Tax Fund, Development Impact Fees Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2023	\$ -		\$ 761,450	\$ 761,450
7/1/2023	-		471,000	471,000
1/1/2024	-		471,000	471,000
7/1/2024	-		471,000	471,000
1/1/2025	-		471,000	471,000
7/1/2025	-		471,000	471,000
1/1/2026	-		471,000	471,000
7/1/2026	-		471,000	471,000
1/1/2027	-		471,000	471,000
7/1/2027	940,000	5.00%	471,000	1,411,000
1/1/2028	-		447,500	447,500
7/1/2028	975,000	5.00%	447,500	1,422,500
1/1/2029	-		423,125	423,125
7/1/2029	1,025,000	5.00%	423,125	1,448,125
1/1/2030	-		397,500	397,500
7/1/2030	1,100,000	5.00%	397,500	1,497,500
1/1/2031	-		370,000	370,000
7/1/2031	1,150,000	5.00%	370,000	1,520,000
1/1/2032	-		341,250	341,250
7/1/2032	1,200,000	5.00%	341,250	1,541,250
1/1/2033	-		311,250	311,250
7/1/2033	1,250,000	5.00%	311,250	1,561,250
1/1/2034	-		280,000	280,000
7/1/2034	1,325,000	4.00%	280,000	1,605,000
1/1/2035	-		253,500	253,500
7/1/2035	1,375,000	4.00%	253,500	1,628,500
1/1/2036	-		226,600	226,600
7/1/2036	1,425,000	4.00%	226,600	1,651,000
1/1/2037	-		197,500	197,500
7/1/2037	1,500,000	4.00%	197,500	1,697,500
1/1/2038	-		167,500	167,500
7/1/2038	1,550,000	4.00%	167,500	1,717,500
1/1/2039	-		136,500	136,500
7/1/2039	1,600,000	4.00%	136,500	1,736,500
1/1/2040	-		104,500	104,500
7/1/2040	1,675,000	4.00%	104,500	1,779,500
1/1/2041	-		71,000	71,000
7/1/2041	1,750,000	4.00%	71,000	1,821,000
1/1/2042	-		36,000	36,000
7/1/2042	1,800,000	4.00%	36,000	1,836,000
Total	\$ 21,640,000		\$ 12,526,700	\$ 34,166,700

Bond Purpose

1. Uptown parking garage
2. Forest Road extension
3. Pedestrian crossing at Oak Creek
4. Or any projects within the Transportation Master Plan

Subject to Call for Redemption Prior to Stated Maturity Dates?

Yes, on or after July 1, 3032, without premium

Private Placement?

No

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA MIDSTATE ENERGY FINANCED PURCHASE

Original Principal \$373,498

Issued December 11, 2018

(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
12/20/2022	\$ 26,764	3.60%	\$ 10,967	\$ 37,731
12/20/2023	28,481	3.60%	10,004	38,485
12/20/2024	30,275	3.60%	8,979	39,253
12/20/2025	32,147	3.60%	7,889	40,036
12/20/2026	34,105	3.60%	6,731	40,836
12/20/2027	36,147	3.60%	5,504	41,651
12/20/2028	38,281	3.60%	4,202	42,483
12/20/2029	38,831	3.60%	2,824	41,655
12/20/2030	39,618	3.60%	1,426	41,045
Total	\$ 304,649		\$ 58,526	\$ 363,175

Debt Purpose

Energy efficient equipment

Subject to Early Payoff?

Yes, no penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
FY 2021 POLICE VEHICLES FINANCED PURCHASES

Original Principal \$67,442
Issued July 30, 2020
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/30/2022	\$ 16,706	1.82%	\$ 929	\$ 17,634
7/30/2023	17,010	1.82%	625	17,634
7/30/2024	17,319	1.82%	315	17,634
Total	\$ 51,035		\$ 1,869	\$ 52,903

Original Principal \$183,119
Issued November 20, 2020
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
11/20/2022	\$ 45,352	1.85%	\$ 2,564	\$ 47,916
11/20/2023	46,191	1.85%	1,725	47,916
11/20/2024	47,046	1.85%	870	47,916
Total	\$ 138,590		\$ 5,159	\$ 143,749

Debt Purpose	4 police vehicles
Subject to Early Payoff?	Yes, with termination penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
POLICE CAMERA SYSTEM FINANCED PURCHASE
Original Principal \$185,261
Issued August 30, 2020
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
8/30/2022	\$ 36,367	1.85%	\$ 2,767	\$ 39,134
8/30/2023	37,040	1.85%	2,094	39,134
8/30/2024	37,725	1.85%	1,409	39,134
8/30/2025	38,423	1.85%	711	39,134
Total	\$ 149,555		\$ 6,980	\$ 156,535

Debt Purpose	Police camera system
Subject to Early Payoff?	Yes, with termination penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
STREET SWEEPER FINANCED PURCHASE
Original Principal \$250,206
Issued April 26, 2021
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
4/26/2022	\$ 48,031	2.05%	\$ 5,129	\$ 53,160
4/26/2023	49,016	2.05%	4,145	53,160
4/26/2024	50,021	2.05%	3,140	53,160
4/26/2025	51,046	2.05%	2,114	53,160
4/26/2026	52,092	2.05%	1,068	53,160
Total	\$ 202,175		\$ 10,467	\$ 212,641

Debt Purpose	Street Sweeper
Subject to Early Payoff?	Yes, with termination penalty

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA FY 2022 POLICE VEHICLES FINANCED PURCHASES

Original Principal \$126,794

Issued November 18, 2021

(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
11/18/2022	\$ 24,492	1.74%	\$ 2,206	\$ 26,698
11/18/2023	24,918	1.74%	1,780	26,698
11/18/2024	25,531	1.74%	1,347	26,698
11/18/2025	25,792	1.74%	905	26,698
11/18/2026	26,241	1.74%	457	26,698
Total	\$ 126,794		\$ 6,695	\$ 133,489

Original Principal \$243,466

Issued April 28, 2022

(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
4/28/2023	\$ 46,115	2.72%	\$ 6,622	\$ 52,738
4/28/2024	47,370	2.72%	5,368	52,738
4/28/2025	48,658	2.72%	4,079	52,738
4/28/2026	49,982	2.72%	2,756	52,738
4/28/2027	51,341	2.72%	1,396	52,738
Total	\$ 243,466		\$ 20,222	\$ 263,688

Debt Purpose	5 police vehicles
Subject to Early Payoff?	No prepayment penalty



DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
TRAILHEAD SHUTTLES TAXABLE FINANCED PURCHASE
Original Principal \$710,125
Issued January 12, 2022
(Public Transit Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
12/15/2022	\$ 138,603	1.95%	\$ 12,809	\$ 151,412
12/15/2023	139,934	1.95%	11,145	151,078
12/15/2024	141,612	1.95%	8,416	150,028
12/15/2025	143,681	1.95%	5,655	149,335
12/15/2026	146,295	1.95%	2,853	149,142
Total	\$ 710,125		\$ 40,877	\$ 751,002

Debt Purpose	5 shuttle vehicles
Subject to Early Payoff?	Yes, no prepayment penalty

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA PRE-GASB 87 PARKING LOT LEASES

Original Principal \$6,741 (as of GASB 87 implementation)
Issued November 4, 2013
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
10/31/2022	\$ 1,124	0.185%	\$ 1	\$ 1,125

Lease Purpose

Sacajawea Plaza – 46 parking spaces

Subject to Early Termination?

Yes, no termination penalty

Original Principal \$6,289 (as of GASB 87 implementation)
Issued April 28, 2016
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/28/2022	\$ 899	0.218%	\$ 1	\$ 900
10/28/2022	899	0.218%	1	900
1/28/2023	900	0.218%	-	900
Total	\$ 2,697		\$ 3	\$ 2,700

Lease Purpose

L&L Printing – 32 parking spaces

Subject to Early Termination?

Yes, no termination penalty

Original Principal \$5,158 (as of GASB 87 implementation)
Issued April 1, 2018
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
10/1/2022	\$ 737	0.218%	\$ 1	\$ 738
1/1/2023	738	0.218%	-	738
Total	\$ 1,475		\$ 1	\$ 1,476

Lease Purpose

Sedona Fire District – 24 parking spaces

Subject to Early Termination?

Yes, no termination penalty

Original Principal \$12,658 (as of GASB 87 implementation)
Issued January 1, 2020
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
12/30/2022	\$ 6,329	0.218%	\$ 14	\$ 6,343

Lease Purpose

Wayside Chapel – 55 parking spaces

Subject to Early Termination?

Yes, no termination penalty



DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
PRE-GASB 87 COPIERS LEASE*
 Original Principal \$3,305 (as of GASB 87 implementation)
 Issued January 1, 2019
 (Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/30/2022	\$ 110	0.218%	\$ -	\$ 110
8/30/2022	110	0.218%	-	110
10/30/2022	110	0.218%	-	110
11/30/2022	110	0.218%	-	110
12/30/2022	110	0.218%	-	110
1/30/2023	110	0.218%	-	110
2/28/2023	110	0.218%	-	110
3/30/2023	110	0.218%	-	110
4/30/2023	110	0.218%	-	110
5/30/2023	110	0.218%	-	110
6/30/2023	110	0.218%	-	110
7/30/2023	110	0.218%	-	110
8/30/2023	110	0.218%	-	110
9/30/2023	110	0.218%	-	110
10/30/2023	110	0.218%	-	110
11/30/2023	110	0.218%	-	110
12/30/2023	110	0.218%	-	110
Total	\$ 1,985		\$ 3	\$ 1,989

Original Principal \$38,012 (as of GASB 87 implementation)
Issued January 1, 2019
 (Information Technology Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/30/2022	\$ 1,266	0.218%	\$ 4	\$ 1,271
8/30/2022	1,267	0.218%	4	1,271
10/30/2022	1,267	0.218%	4	1,271
11/30/2022	1,267	0.218%	3	1,271
12/30/2022	1,268	0.218%	3	1,271
1/30/2023	1,268	0.218%	3	1,271
2/28/2023	1,268	0.218%	2	1,271
3/30/2023	1,268	0.218%	2	1,271
4/30/2023	1,269	0.218%	2	1,271
5/30/2023	1,269	0.218%	2	1,271
6/30/2023	1,269	0.218%	2	1,271
7/30/2023	1,269	0.218%	1	1,271
8/30/2023	1,269	0.218%	1	1,271
9/30/2023	1,270	0.218%	1	1,271
10/30/2023	1,270	0.218%	1	1,271
11/30/2023	1,270	0.218%	-	1,271
12/30/2023	1,270	0.218%	-	1,271
Total	\$ 22,832		\$ 39	\$ 22,871

Lease Purpose	11 copiers
Subject to Early Termination?	Yes, no termination penalty

* The lease includes variable payments, a per copy charge, that are not included in the liability because they are not fixed in substance.



DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
FY 2020 ENTERPRISE FLEET LEASES

Original Principal \$104,911
Issued from October 3, 2019 to October 16, 2019
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 21,592	6.78%-7.64%	\$ 3,181	\$ 24,773
FY 2024	23,236	6.78%-7.64%	1,536	24,773
FY 2025	8,132	6.78%-7.64%	125	8,258
Total	\$ 52,960		\$ 4,843	\$ 57,803

Original Principal \$148,515
Issued from October 10, 2019 to February 12, 2020
(Streets Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 30,173	4.74%-7.55%	\$ 3,646	\$ 33,819
FY 2024	31,937	4.74%-7.55%	1,883	33,819
FY 2025	15,329	4.74%-7.55%	261	15,589
Total	\$ 77,438		\$ 5,790	\$ 83,228

Original Principal \$33,178
Issued November 18, 2019
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 6,789	6.29%	\$ 887	\$ 7,676
FY 2024	7,229	6.29%	447	7,676
FY 2025	3,149	6.29%	50	3,198
Total	\$ 17,166		\$ 1,384	\$ 18,550

Lease Purpose	7 fleet vehicles and snow plow/dump truck
Subject to Early Payoff?	Yes, no penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
FY 2021 PARKING LOT LEASE*
Original Principal \$98,146
Issued January 19, 2021
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/1/2023	\$ 6,564	1.245%	\$ 1,137	\$ 7,701
7/1/2024	6,877	1.245%	1,055	7,932
7/1/2025	7,200	1.245%	969	8,170
7/1/2026	7,535	1.245%	880	8,415
7/1/2027	7,881	1.245%	786	8,667
7/1/2028	8,240	1.245%	688	8,927
7/1/2029	8,610	1.245%	585	9,195
7/1/2030	8,993	1.245%	478	9,471
7/1/2031	9,389	1.245%	366	9,755
7/1/2032	9,799	1.245%	249	10,048
7/1/2033	10,222	1.245%	127	10,349
Total	\$ 91,311		\$ 7,321	\$ 98,632

Lease Purpose	Sinagua Plaza – 17 parking spaces
Subject to Early Termination?	Yes, no termination penalty

*Each year, the annual lease payment will be adjusted based on the greater of 3% or the Consumer Price Index escalation. The liability reflects an assumed 3% annual increase.

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA FY 2021 ENTERPRISE FLEET LEASES

Original Principal \$23,873

Issued June 14, 2021

(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 4,488	4.82%	\$ 833	\$ 5,321
FY 2024	4,709	4.82%	611	5,321
FY 2025	4,941	4.82%	380	5,321
FY 2026	5,185	4.82%	136	5,321
Total	\$ 19,323		\$ 2,962	\$ 21,283

Original Principal \$36,523

Issued May 27, 2021

(Streets Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 6,934	4.89%	\$ 1,274	\$ 8,208
FY 2024	7,280	4.89%	927	8,208
FY 2025	7,645	4.89%	563	8,208
FY 2026	7,343	4.89%	181	7,524
Total	\$ 29,201		\$ 2,945	\$ 32,147

Lease Purpose

2 fleet vehicles

Subject to Early Payoff?

Yes, no penalty

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA POSTAGE METER LEASE

Original Principal \$22,717

Issued July 1, 2021

(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
12/31/2022	\$ 1,128	0.577%	\$ 25	\$ 1,153
3/31/2023	1,130	0.577%	23	1,153
6/30/2023	1,132	0.577%	21	1,153
9/30/2023	1,133	0.577%	20	1,153
12/31/2023	1,135	0.577%	18	1,153
3/31/2024	1,137	0.577%	17	1,153
6/30/2024	1,138	0.577%	15	1,153
9/30/2024	1,140	0.577%	13	1,153
12/31/2024	1,142	0.577%	12	1,153
3/31/2025	1,143	0.577%	10	1,153
6/30/2025	1,145	0.577%	8	1,153
9/30/2025	1,147	0.577%	7	1,153
12/31/2025	1,148	0.577%	5	1,153
3/31/2026	1,150	0.577%	3	1,153
6/30/2026	1,151	0.577%	2	1,153
Total	\$ 17,099		\$ 198	\$ 17,297

Lease Purpose	Postage meter
Subject to Early Termination?	Yes, no termination penalty

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA FY 2022 ENTERPRISE FLEET LEASES

Original Principal \$87,985
Issued from September 16, 2021 to November 22, 2021
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 16,142	4.93%-6.36%	\$ 3,939	\$ 20,081
FY 2024	17,081	4.93%-6.36%	3,000	20,081
FY 2025	18,075	4.93%-6.36%	2,006	20,081
FY 2026	19,127	4.93%-6.36%	954	20,081
FY 2027	6,210	4.93%-6.36%	77	6,287
Total	\$ 76,636		\$ 9,976	\$ 86,612

Original Principal \$62,186
Issued July 6, 2021 to June 23, 2022
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2023	\$ 11,113	4.96%-8.79%	\$ 3,399	\$ 14,513
FY 2024	11,711	4.96%-8.79%	2,802	14,513
FY 2025	12,519	4.96%-8.79%	1,994	14,513
FY 2026	13,388	4.96%-8.79%	1,125	14,513
FY 2027	7,443	4.96%-8.79%	332	7,775
Total	\$ 56,174		\$ 9,653	\$ 65,827

Lease Purpose	5 fleet vehicles
Subject to Early Payoff?	Yes, no penalty

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
SCHOOL DISTRICT ADMINISTRATIVE SITE LEASE*
 Original Principal \$2,277,233
 Issued August 1, 2021
 (General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
8/1/2022-6/1/2023	\$ 97,446	1.485%	\$ 29,054	\$ 126,500
7/1/2023-6/1/2024	107,828	1.485%	30,172	138,000
7/1/2024-6/1/2025	109,440	1.485%	28,560	138,000
7/1/2025-6/1/2026	111,076	1.485%	26,924	138,000
7/1/2026-6/1/2027	112,737	1.485%	25,263	138,000
7/1/2027-6/1/2028	114,422	1.485%	23,578	138,000
7/1/2028-6/1/2029	116,133	1.485%	21,867	138,000
7/1/2029-6/1/2030	117,870	1.485%	20,130	138,000
7/1/2030-6/1/2031	119,632	1.485%	18,368	138,000
7/1/2031-6/1/2032	121,421	1.485%	16,579	138,000
7/1/2032-6/1/2033	123,236	1.485%	14,763	138,000
7/1/2033-6/1/2034	125,079	1.485%	12,921	138,000
7/1/2034-6/1/2035	126,949	1.485%	11,051	138,000
7/1/2035-6/1/2036	128,847	1.485%	9,153	138,000
7/1/2036-6/1/2037	130,773	1.485%	7,227	138,000
7/1/2037-6/1/2038	132,728	1.485%	5,272	138,000
7/1/2038-6/1/2039	134,713	1.485%	3,287	138,000
7/1/2039-6/1/2040	136,727	1.485%	1,273	138,000
7/1/2040	11,486	1.485%	14	11,500
Total	\$ 2,178,542		\$ 305,458	\$ 2,484,000

Lease Purpose	School District Administrative site
Subject to Early Termination?	Yes, no termination penalty if execute purchase

*In the fourth lease year (8/1/2024-7/31/2025) and subsequent lease years, the monthly lease payment will be adjusted based on the Consumer Price Index escalation. The liability does not reflect these escalations since their amount is unknown. The agreement allows the City to have the first option to purchase the property after July 26, 2029, and the City will receive \$2,000 a month in credit from the lease towards purchase of the property.

DEBT SERVICE

continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA FY 2022 PARKING LOT LEASE*

Original Principal \$1,599,899

Issued January 1, 2022

(Public Transit Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
8/1/2022	\$ 549	0.59%	\$ 785	\$ 1,334
9/1/2022	550	0.59%	784	1,334
10/1/2022	550	0.59%	784	1,334
11/1/2022	550	0.59%	784	1,334
12/1/2022	550	0.59%	784	1,334
1/1/2023	551	0.59%	783	1,334
2/1/2023	551	0.59%	783	1,334
3/1/2023	551	0.59%	783	1,334
4/1/2023	551	0.59%	783	1,334
5/1/2023	552	0.59%	782	1,334
6/1/2023	552	0.59%	782	1,334
7/1/2023	1,589,218	0.59%	782	1,590,000
Total	\$ 1,595,275		\$ 9,399	\$ 1,604,674

Lease Purpose

Church of the Red Rocks – parking lot on 2 land parcels

Subject to Early Termination?

Yes, no termination penalty

*The agreement includes a purchase option allowing the City to have the first option to purchase the property before the end of the lease term or any extension terms. The City paid the \$10,000 option fee which will be credited towards purchase of the property.



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.

Administrative Office of the Courts (AOC) – The Arizona Constitution authorizes an administrative director and staff to assist the Chief Justice with administrative duties. Under the direction of the Chief Justice, the administrative director and the staff of the AOC provide the necessary support for the supervision and administration of all state courts.

Adopted Budget – Formal action made by the City Council that sets the spending limits for the fiscal year.

Advance Sedona Quality (ASQ) – The City's Lean Six Sigma program.

Affordable Housing – As defined in the City's Developer Incentives Guidelines for Affordable Housing (DIGAH), a housing unit that is affordable to the target population specified in the development agreement when the monthly cost of homeownership or rent, including mortgage, property taxes, utilities, and HOA fees, or rent and utilities, does not exceed 35% of household gross monthly income.

Agent Multiple-Employer Pension Plan – A pension plan in which the assets of the participating employers are pooled for investment purposes, but separate accounts are maintained for each individual employer. Each participating employer's share of the pooled assets is legally available to pay the defined benefit pensions of only its retirees.

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.

American Rescue Plan Act of 2021 (ARPA) – An economic stimulus bill passed by the U.S. Congress and signed into law by President Joe Biden on March 11, 2021, to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession.

AmeriCorps VISTA Program – An anti-poverty program designed to provide needed resources to nonprofit organizations and public agencies to increase their capacity to lift communities out of poverty. The program provides opportunities for Americans 18 years or older from a diverse range of backgrounds to dedicate a year of full-time service with an organization to create or expand programs designed to empower individuals and communities in overcoming poverty.

Amortization – A process of allocating the cost of an intangible asset over a period of time or the repayment of a liability over time.

Annual Comprehensive Financial Report (ACFR) – A set of governmental financial statements that comply with the accounting requirements promulgated by the Governmental Accounting Standards Board.

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.

GLOSSARY

continued

AppreciateAZ – A program developed by the Arizona Office of Tourism that promotes sustainable tourism tactics and responsible recreation throughout Arizona, advocating for visitation in a manner that will not deplete the state's environmental, economic, or cultural resources.

Appropriation – An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

Arizona Judicial Automated Court System (AJACS) – The court's case management system provided by the Administrative Office of the Courts (AOC).

Arizona Public Service (APS) – The largest electric utility in Arizona and the principal subsidiary of Pinnacle West Capital Corporation.

Arizona State Retirement System (ASRS) – Pension plan for state and local government not covered by other pension plans. The plan is a component unit of the State of Arizona.

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.

Audit – An examination to provide independent assurance that the City's financial statements are fairly presented.

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 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.

Carbon Dioxide (CO₂) Equivalent – A metric measure that includes all the molecules that absorb heat and warm the atmosphere and used to compare the emissions of greenhouse gases based on consistent unit of measure.

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 Code or Sedona City Code (SCC) – Codification of the City's ordinances approved by the City Council.

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.

GLOSSARY

continued

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.

Community Development Block Grant (CDBG) – A grant program managed by the U.S. Department of Housing and Urban Development provided on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The City's CDBG award is a pass-through grant from the Arizona Department of Housing and administered by Northern Arizona Council of Governments.

Community Focus Area (CFA) – A location where the City will play a proactive role to implement the community's vision.

Community Plan – An expression of the Sedona citizens' vision of their community and is the City's "general plan" required by the State of Arizona.

Component Unit – Legally separate entity for which the government is considered to be financially accountable.

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.

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.

Constituents of Emerging Concern (CEC) Suite – Unregulated chemicals that the environmental fate and potential effects on aquatic life and/or human health are unknown.

Contingency – Monies budgeted to be used to finance unforeseen expenditures or potential projects not yet defined adequately to budget specific accounts.

Coronavirus Aid, Relief, and Economic Security (CARES) Act – An economic stimulus bill passed by the U.S. Congress and signed into law by President Donald Trump on March 27, 2020, in response to the economic fallout of the COVID-19 pandemic in the United States.

Coronavirus Disease 2019 (COVID-19) – A disease caused by a virus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), the respiratory illness responsible for an ongoing global pandemic of the novel virus first identified in Wuhan, China in December 2019.

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.

Cost-Sharing Multiple-Employer Pension Plan – A pension plan in which the participating employers pool their assets and their obligations to provide defined benefit pensions. Plan assets can be used to pay the pensions of the retirees of any participating employer.

GLOSSARY

continued

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.

COVID-19 – Coronavirus disease 2019: a potentially severe, primarily respiratory illness caused by a coronavirus and characterized by fever, coughing, and shortness of breath. In some patients, the disease can also damage major organs, as the heart or kidneys.

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.

Debt Setoff Program (DSO) – Also referred to as the Tax Intercept Program (TIP), established to hold offenders accountable for financial obligations owed to Arizona courts and other state agencies. The Arizona Department of Revenue intercepts Arizona state tax refunds and the Arizona Lottery intercepts lottery winnings on behalf of Arizona courts and other state agencies.

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.

Deferred Inflows of Resources – An acquisition of net position by the City that is applicable to a future reporting period.

Deferred Outflows of Resources – A consumption of net position by the City that is applicable to a future reporting period.

Defined Benefit Pension Plan – A pension plan that provides a fixed, pre-established benefit for employees at retirement.

Defined Contribution Pension Plan – A pension plan in which employees contribute a fixed amount or a percentage of their paychecks.

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.

Destination Management Organization (DMO) – An incorporated not-for-profit organization or governmental unit that is responsible for the tourism promotion and marketing of a destination on a year-round basis.

Developer Incentives Guidelines for Affordable Housing (DIGAH) – The City's policy document that provides guidelines and offer incentives that encourage the construction and retention of affordable housing in Sedona.

GLOSSARY

continued

Development Impact Fees (DIF) – 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.

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.

Economic Injury Disaster Loan (EIDL) – A federal small business loan program that supports small businesses' recovery from the COVID-19 disaster's economic impacts by providing accessible and borrower-friendly capital.

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.

Environmental Sustainability Project (ESP) – Capital improvement projects aligned with the Community Plan value of environmental stewardship and the Council Priority for environmental sustainability.

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.

Financed Purchase – A contract that transfers ownership of the financed asset to the lessee at the end of the contract and does not contain termination options other than a fiscal funding or cancellation clause that is not reasonably certain of being exercised.

Fines/Fees and Restitution Enforcement (FARE) Program – A statewide initiative of the Arizona Judicial branch developed in 2003 to assist Arizona courts with the compliance of monetary court orders. Courts are given the ability to assign outstanding debt associated to civil traffic, criminal traffic, and criminal violations. The program is a public/private partnership between the Administrative Office of the Courts (AOC), the Motor Vehicle Division, Arizona Department of Revenue, and a private vendor.

GLOSSARY

continued

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%).

Full-Time Equivalent (FTE) – A measurement of the ratio an employee works based on regularly scheduled hours worked and the assumption of 2,080 hours for a 1.0 or full-time employee.

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/deferred outflows of resources over liabilities/deferred inflows of resources 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.

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.

GLOSSARY

continued

Grants, Donations & Restricted Funds – A group of funds used to track the revenues and expenditures of grants, donations, and other revenues restricted for specific purposes.

Great Recession – A period of marked general decline (recession) observed in national economies globally that occurred between 2007 and 2009. At the time, the International Monetary Fund (IMF) concluded that it was the most severe economic and financial meltdown since the Great Depression.

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.

HOME Investment Partnerships Program – A program offered by the U.S. Department of Housing and Urban Development (HUD) to provide formula grants to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people.

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.

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.

International Monetary Fund (IMF) – An international financial institution, headquartered in Washington, D.C., consisting of 190 countries "working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world."

GLOSSARY

continued

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.

Lean – A way of thinking about creating needed value with fewer resources and less waste; a practice consisting of continuous experimentation to achieve perfect value with zero waste.

Lean Six Sigma – A process improvement methodology designed to eliminate problems, remove waste and inefficiency, and improve working conditions to provide a better response to customers' needs. It combines the tools, methods, and principles of Lean and Six Sigma into one popular and powerful methodology for improving operations.

Lease – A contractual arrangement calling for the lessee (user) to pay the lessor (owner) for use of an asset. Property, buildings, vehicles and equipment are common assets that are leased.

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.

Municipal Separate Storm Sewer System (MS4) Permit – Authorizes the discharge of stormwater to protected surface waters.

National Citizen Survey (NCS) – A collaborative effort between National Research Center, Inc. and the International City/County Management Association to conduct standardized surveys to assure high quality research methods and directly comparable results across communities. NCS considers the benchmarks identified in their surveys to be proprietary and only provides information regarding whether survey results were higher, similar to, or lower than the benchmark average of the participating communities.

Net Position – The excess of assets/deferred outflows of resources over liabilities/deferred inflows of resources 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.

GLOSSARY

continued

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.

Northern Arizona Council of Governments (NACOG) – A nonprofit corporation representing local governments to provide a wide variety of services within Apache, Coconino, Navajo, and Yavapai Counties.

Off-Highway Vehicle (OHV) – A motorized vehicle that is operated primarily off of highways and is designed, modified, or purpose-built primarily for recreational nonhighway all-terrain travel. This includes a tracked or wheeled vehicle, utility vehicle, all-terrain vehicle, motorcycle, four-wheel drive vehicle, dune buggy, sand rail, amphibious vehicle, ground effects or air-cushion vehicle and any other means of land transportation deriving motive power from a source other than muscle or wind.

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.

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.

Partners Against Narcotics Trafficking (PANT) – A multi-agency task force charged with drug enforcement within Yavapai County.

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.

Paycheck Protection Program Loan – A Small Business Administration (SBA) backed loan that helps businesses keep their workforce employed during the COVID-19 crisis.

GLOSSARY

continued

Per- and Polyfluoroalkyl Substances (PFAS) – Chemical compounds used in a variety of industrial, agricultural, military and commercial product applications that are a persistent pollutant in the environment known as “forever chemicals.”

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.

Public Safety Personnel Retirement System (PSPRS) – Pension plan for police and fire employees who are regularly assigned hazardous duty. The plan is a component unit of the State of Arizona.

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.

Request for Proposals (RFP) – A document that announces a project, describes it, and solicits bids from qualified contractors to complete it.

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.

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.

GLOSSARY

continued

Secret 7 – A guide to hidden trails and locations in Sedona. The goal is to give visitors more reasons to return and extend their stay, as well as disperse crowds from the areas that are getting worn out to aid in sustainability efforts. It offers a chance to build a unique Sedona experience and personalized itinerary from the seven different categories of activities, and within each category, there are seven different places that offer a doorway to lesser-known parts of Sedona.

Sedona Chamber of Commerce & Tourism Bureau (SCCTB) – A non-profit organization made up of businesses and organizations who wish to directly benefit from the products and services available to partners, as well as the destination management organization (DMO) for Sedona.

Sedona City Code (SCC) – Codification of the City's ordinances approved by the City Council.

Sedona in Motion (SIM) – A branding name for the projects identified in the City's Transportation Master Plan.

Sedona Trails & Pathways System (ST&PS) – A branding name for the citywide network of nonmotorized, shared-use pathways used by bicyclists, walkers, hikers, runners, and other uses for both recreation and transportation. It does not include the forest trails.

Six Sigma – A set of management techniques intended to improve business processes by greatly reducing the probability that an error or defect will occur.

Small Business Administration (SBA) – Federal agency created in 1953 to help small business owners and entrepreneurs pursue the American dream. SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation's only go-to resource and voice for small businesses.

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.

Smith Travel Research (STAR) Report – A report obtained by the Sedona Chamber of Commerce & Tourism Bureau that provides statistical data on traditional hotel occupancy and average daily room rates.

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.

GLOSSARY

continued

Sustainability Alliance – A project operating under Cornucopia Community Advocates, a 501(c)3 non-profit organization, a collaborative coalition of local non-profits guiding the Sedona/Verde Valley region of Arizona toward a sustainable future addressing a wide range of issues like water, waste, climate change, food, and hunger.

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.

Tax Intercept Program (TIP) – Also referred to as the Debt Setoff Program (DSO), established to hold offenders accountable for financial obligations owed to Arizona courts and other state agencies. The Arizona Department of Revenue intercepts Arizona state tax refunds and the Arizona Lottery intercepts lottery winnings on behalf of Arizona courts and other state agencies.

Tier 1 Employee – Employees participating in PSPRS with a membership date before January 1, 2012. These employees are only eligible for a defined benefit plan.

Tier 2 Employee – Employees participating in PSPRS with a membership date on or after January 1, 2012 and before July 1, 2017. These employees are eligible for a defined benefit plan with a hybrid plan option of an additional defined contribution 401(a) account.

Tier 3 Employee – Employees participating in PSPRS with a membership date on or after July 1, 2017. These employees are eligible for a defined contribution plan only or a defined benefit plan with a hybrid plan option of an additional defined contribution 401(a) account.

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 levies a 3% unrestricted City sales tax and a 0.5% City sales tax dedicated to transportation projects and related administrative and operational costs and was originally approved to sunset in 10 years. In November 2021, the City Council made the increase permanent with the intent to use the half-cent toward the implementation of the public transit system after the original 10-year period.

Transient Occupancy Tax – The City levies 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.

Unfunded Liability – Debt obligations that do not have enough funds set aside to pay them.

Urban Revenue Sharing – State shared income tax revenues.

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.

GLOSSARY

continued

Verde Shuttle – Formerly branded as Verde Lynx, a public transit line managed and operated by the City of Cottonwood that connects Sedona and Cottonwood. The City of Cottonwood bills the City of Sedona for the grant matching costs under the terms of an intergovernmental agreement (IGA).

Wastewater Enterprise Fund – A fund that accounts for the administrative, plant operations, and capital cost associated with the City's sewer system.

Water Supply Fixture Unit (WSFU) – A factor chosen to identify the load-producing effects of different water fixtures (e.g., sink, shower, dishwasher, etc.) expressed as multiples of that factor. WSFUs for two or more fixtures can be added to determine their combined effect on a water piping system.

Workload Indicators – Statistical information that measures various aspects of inputs to an activity or program or outputs in units of service delivered or product produced.

Y Intersection – The roundabout intersection that permits travel in three directions: northeast bound on State Road (SR) 89A to enter the Uptown area, south bound on SR 179 toward the Chapel area, and west bound on SR 89A toward West Sedona.



ACRONYMS

Acronym	Description	Acronym	Description
AAED	Arizona Association of Economic Development	AZ	Arizona
AC	Arts & Culture	AZDHS	Arizona Department of Health Services
ACFR	Annual Comprehensive Financial Report	AZWARN	Arizona Water/Wastewater Agency Response Network
ADA	Americans with Disabilities Act	BMP	Best Management Practices
ADEQ	Arizona Department of Environmental Quality	CAB	Capital Appreciation Bond
ADOH	Arizona Department of Housing	CAD	Computer Aided Dispatch
ADOT	Arizona Department of Transportation	CARES	Coronavirus Aid, Relief, and Economic Security
ADP	Automatic Data Processing, LLC	CAT	Cottonwood Area Transit
ADR	Average Daily Room Rate	CBWG	Citizens Budget Work Group
ADU	Accessory Dwelling Unit	CCTV	Closed Circuit Television
AED	Automated External Defibrillator	CD	Community Development
AJACS	Arizona Judicial Automated Court System	CDBG	Community Development Block Grant
AOC	Administrative Office of the Courts	CDC	Centers for Disease Control and Prevention
APP	Aquifer Protection Permit	CEC	Constituents of Emerging Concern
APS	Arizona Public Service	CFA	Community Focus Area
ARPA	American Rescue Plan Act of 2021	CFD	Community Facilities District
ARS	Arizona Revised Statutes	CFS	Cubic Feet per Second
ASQ	Advance Sedona Quality	CIP	Capital Improvement Program
ASRS	Arizona State Retirement System	CIT	Critical Incident Training
AVA	American Viticultural Area	CM	City Manager
		CMOM	Capacity, Management, Operation, and Maintenance Manual

ACRONYMS

continued

Acronym	Description	Acronym	Description
CO2	Carbon Dioxide	EMOD	Experience Modification Rating
COD	Chemical Oxygen Demand	ESP	Environmental Sustainability Project
CofO	Certificate of Occupancy	FAA	Federal Aviation Administration
COJET	Committee on Judicial Education and Training	FARE	Fines/Fees and Restitution Enforcement Program
COLA	Cost of Living Adjustment	FAST	Fractured Aggregate Surface Treatment
COP	Certificate of Participation	FBI	Federal Bureau of Investigation
COVID-19	Coronavirus Disease 2019	FEMA	Federal Emergency Management Agency
CPI	Consumer Price Index	FHWA	Federal Highway Administration
CPR	Cardiopulmonary Resuscitation	FSWG	Fiscal Sustainability Work Group
CSA	Community Services Aide	FTA	Federal Transit Authority
CSO	Community Services Officer	FTE	Full Time Equivalent
DIF	Development Impact Fees	FY	Fiscal Year (July 1 - Jun 30)
DIGAH	Developer Incentives Guidelines for Affordable Housing	GAAP	Generally Accepted Accounting Principles
DMO	Destination Management Organization	GASB	Governmental Accounting Standards Board
DMS	Dynamic Message Sign	GFOA	Government Finance Officers Association
DPS	Arizona Department of Public Safety	GIS	Geographic Information Systems
DSO	Debt Setoff Program	GIITEM	Gang and Immigration Intelligence Team Enforcement Mission
DUI	Driving Under the Influence	G.O.	General Obligation
EEC	Economic Estimates Commission		
EEOC	Equal Employment Opportunity Commission		
EIDL	Economic Injury Disaster Loan		

ACRONYMS

continued

Acronym	Description	Acronym	Description
GOHS	Governor's Office of Highway Safety	K-9	Canine
HOME-ARP	American Rescue Plan Act funding for HUD's HOME Investment Partnerships Program	KPI	Key Performance Indicator
HPC	Historic Preservation Commission	KVM	Keyboard-Video-Mouse
HPS	High-Pressure Sodium	KW	Kilowatt
HR	Human Resources	LDC	Land Development Code
HT	Human Trafficking	LED	Light-Emitting Diode
HUD	U.S. Department of Housing and Urban Development	LNT	Leave No Trace
HURF	Highway User Revenues Fund	MC	Municipal Court
IACP	International Association of Chiefs of Police	MCTC	Model City Tax Code
ICMA	International City/County Management Association	MGD	Million Gallons per Day
ICC	International Code Council	MPC	Municipal Property Corporation
ICS	Incident Command System	MS4	Municipal Separate Storm Sewer System
IGA	Intergovernmental Agreement	N/A	Not Applicable or Not Available
IMF	International Monetary Fund	NACA	National Animal Care and Control Association
IP	Internet Protocol	NACET	Northern Arizona Center for Entrepreneurship and Technology
IPMC	International Property Maintenance Code	NACOG	Northern Arizona Council of Governments
ISO	International Organization for Standardization	NAU	Northern Arizona University
IT	Information Technology	NCS	National Citizen Survey
ITS	Intelligent Transportation System	NEC	National Electric Code
		NENA	National Emergency Number Association
		NEV	Neighborhood Electric Vehicle

ACRONYMS

continued

Acronym	Description	Acronym	Description
NIBRS	National Incident Based Reporting System	ROW	Right of Way
NIMS	National Incident Management System	S&P	Standard & Poor's
NOI	Notice of Intent	SATIP	Sedona Area Transit Implementation Plan
O&M	Operation and Maintenance	SB	Senate Bill
OCC	Oak Creek Canyon	SB	South Bound
OHV	Off-Highway Vehicle	SBA	Small Business Administration
OSC	Order to Show Cause	SBDC	Small Business Development Center
P&Z	Planning and Zoning	SCADA	Supervisory Control and Data Acquisition
P25	Project 25	SCC	Sedona City Code
PANT	Partners Against Narcotics Trafficking	SCCTB	Sedona Chamber of Commerce and Tourism Bureau
PD	Police Department	SFD	Sedona Fire District
PFAS	Per- and Polyfluoroalkyl Substances	SD	Storm Drainage
PHB	Pedestrian Hybrid Beacon	SIM	Sedona in Motion
PLC	Programmable Logic Controller	SPD	Sedona Police Department
POST	Peace Officer Standards and Training	SR	State Route
PR	Parks & Recreation Department	SRO	School Resource Officer
PSPRS	Public Safety Personnel Retirement System	ST	Streets & Transportation
PW	Public Works	ST&PS	Sedona Trails & Pathways System
RFP	Request for Proposals	STAR	Smith Travel Research
RICO	Racketeer Influenced and Corrupt Organizations	STEAM	Science, Technology, Engineering, Arts, and Mathematics
RMS	Records Management System		

ACRONYMS

continued

Acronym	Description	Acronym	Description
STEM	Science, Technology, Engineering, and Mathematics	VLT	Vehicle License Tax
STEP	Sedona Traffic Enforcement Program	VOC	Village of Oak Creek
STK	Sedona Trail Keeper	VOIP	Voice over Internet Protocol
STP	Surface Transportation Program or Sustainable Tourism Plan	VVREO	Verde Valley Regional Economic Organization
STR	Short-Term Rental	VSS	Volatile Suspended Solids
SWAT	Special Weapons and Tactics	WAN	Wide Area Network
TIP	Tax Intercept Program	WIMS	Water Information Management Solution
TPT	Transaction Privilege Tax (Sales Tax)	WSFU	Water Supply Fixture Unit
TSS	Total Suspended Solids	WW	Wastewater
UCR	Uniform Crime Reporting	WWRP	Wastewater Reclamation Plant
USFS	United States Forest Service	YCERA	Yavapai County Economic Resource Alliance
UV	Ultraviolet	YCREDC	Yavapai County Regional Economic Development Center
VISTA	Volunteers in Service to America		



Official Budget Forms

City of Sedona

Fiscal year 2023

City Council adopted the Tentative Budget on July 12, 2022



Final budget adoption will occur on August 9, 2022 at 4:00 p.m.
in the City Council Chambers, 102 Roadrunner Drive, Sedona, Arizona 86336

The Budget may be reviewed at:
City's website 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 G—Full-time employees and personnel compensation

City of Sedona
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2023

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		
2022	Adopted/adjusted budgeted expenditures/expenses*	E	1	23,360,593	7,083,800	0	15,193,775	0	15,195,200	1,859,475	62,692,843
2022	Actual expenditures/expenses**	E	2	22,122,260	2,563,700	0	14,143,220	0	11,977,390	1,710,960	52,517,530
2023	Beginning fund balance/(deficit) or net position/(deficit) at July 1***		3	36,341,046	13,996,069	0	34,955,107	0	17,201,649	1,162,866	103,656,737
2023	Primary property tax levy	B	4	0							0
2023	Secondary property tax levy	B	5								0
2023	Estimated revenues other than property taxes	C	6	49,256,650	9,119,980	0	1,046,440	0	8,910,680	2,258,390	70,592,140
2023	Other financing sources	D	7	0	0	0	10,000,000	0	0	0	10,000,000
2023	Other financing (uses)	D	8	0	0	0	0	0	0	0	0
2023	Interfund transfers in	D	9	0	1,688,330	0	18,862,590	0	13,410,250	43,950	34,005,120
2023	Interfund Transfers (out)	D	10	21,074,200	12,914,170	0	16,750	0	0	0	34,005,120
2023	Line 11: Reduction for fund balance reserved for future budget year expenditures										
	Maintained for future debt retirement										0
	Maintained for future capital projects				51,491		17,821,127		1,535,000		19,407,618
	Maintained for future financial stability		11	7,622,421	300,000				1,640,487		9,562,908
	Reserve for loans			2,711,383	4,600,000						7,311,383
	Equipment replacement reserve			1,541,389	60,920				1,004,348	958,696	3,565,353
	Major maintenance reserve								468,176		468,176
2023	Total financial resources available		12	52,648,303	6,877,798	0	47,026,260	0	34,874,568	2,506,510	143,933,439
2023	Budgeted expenditures/expenses	E	13	28,330,690	6,612,190	0	47,026,260	0	21,675,730	2,100,170	105,745,040

Expenditure limitation comparison		2022	2023
1	Budgeted expenditures/expenses	\$ 71,692,843	\$ 105,745,040
2	Add/subtract: estimated net reconciling items		
3	Budgeted expenditures/expenses adjusted for reconciling items	71,692,843	105,745,040
4	Less: estimated exclusions		
5	Amount subject to the expenditure limitation	\$ 71,692,843	\$ 105,745,040
6	EEC expenditure limitation	\$ 71,692,843	\$ 105,745,040

X 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 beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts 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 2023

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
General Fund			
Local taxes			
City Sales Taxes	\$ 23,985,700	\$ 29,003,000	\$ 31,360,000
Bed Taxes	7,029,300	9,302,000	10,232,000
Franchise Fees	851,800	850,600	857,900
Licenses and permits			
Building Permit Fees	235,000	363,700	350,000
Business Licenses	54,000	54,190	54,000
Misc Community Development/Public Works	42,900	49,150	41,100
City Clerk	2,375	4,830	3,180
Intergovernmental			
State Shared Sales Taxes	1,163,600	1,387,000	1,439,000
State Urban Revenue Sharing	1,349,000	1,289,000	1,762,000
Federal Grants & Aid	6,300	7,000	100,000
State Grants, Aid, & Reimbursements	25,860	26,300	26,000
County-Vehicle License Taxes	775,900	775,300	752,700
County-IGA/Other	9,950	8,900	9,950
Other Govt	15,000	16,000	15,000
Charges for services			
Recreation Programs	33,000	39,000	60,000
Daily Swim Fees/Swimming Lessons/Water			
Aerobics/Aquatics Special Programs	18,040	20,530	23,080
Plan Review Fees	145,000	253,400	250,000
Misc. Community Development Fees	41,550	54,510	62,520
Misc. Parks and Recreation Fees	16,500	19,500	28,950
Paid Parking Fees	576,000	523,200	537,000
Misc. Police Fees	4,800	8,200	8,300
Other Misc. Charges for Services	11,720	16,010	15,010
Fines and forfeits			
Court Fines	179,900	203,000	207,000
STEP Administration Fees	3,600	5,150	5,100
Parking Fines	10,500	84,000	85,000
Misc. Fines	14,300	4,690	6,590
Interest on investments			
Interest Earnings	218,390	87,210	174,420
Tax Audits - Interest/Penalty	1,220	1,250	1,250
Miscellaneous			
In-lieu Fees	525,200	544,700	539,400
Parks & Recreation Rentals	39,300	90,700	93,000
AMRRP Dividends	165,100	165,100	155,700
Auction Revenues	21,300	69,700	
Other Misc. Revenues	1,050	56,120	1,500
Total General Fund	\$ 37,573,155	\$ 45,382,940	\$ 49,256,650

* 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 2023

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
Special revenue funds			
Streets Fund:			
HURF Revenues	\$ 1,024,000	\$ 1,293,000	\$ 1,293,000
Interest Earnings	7,890	11,200	22,400
	<u>\$ 1,031,890</u>	<u>\$ 1,304,200</u>	<u>\$ 1,315,400</u>
Affordable Housing Fund:			
Intergovernmental - Other IGA	\$ 69,550	\$ 45,200	\$ 60,000
Interest Earnings	23,630	13,250	26,500
	<u>\$ 93,180</u>	<u>\$ 58,450</u>	<u>\$ 86,500</u>
Grants, Donations, & Restricted Funds:			
Federal Grants & Aid	\$ 1,865,360	\$ 1,865,350	\$ 1,726,500
State Grants & Aid	30,400	174,730	140,580
Charges for Services	1,000	200	200
Fines & Forfeitures	23,800	31,350	31,350
Donations	16,800	35,750	21,450
Interest Earnings	1,270	2,300	4,600
Other Misc. Revenues		22,050	
Contingent Grants & Donations	300,000		500,000
	<u>\$ 2,238,630</u>	<u>\$ 2,131,730</u>	<u>\$ 2,424,680</u>
Transportation Sales Tax Fund:			
Transportation Sales Tax	\$ 3,985,700	\$ 4,817,000	\$ 5,210,000
Interest Earnings	23,880	41,700	83,400
	<u>\$ 4,009,580</u>	<u>\$ 4,858,700</u>	<u>\$ 5,293,400</u>
Total special revenue funds	<u>\$ 7,373,280</u>	<u>\$ 8,353,080</u>	<u>\$ 9,119,980</u>
Capital projects funds			
Capital Improvements Fund:			
Federal Grants & Aid	\$ 1,400,000	\$ 1,400,000	\$
State Grants & Aid	300,000	500,000	
County Flood Control	300,000	245,000	300,000
Contributions and Donations	100,000	95,700	
Interest Earnings	138,180	65,400	130,800
	<u>\$ 2,238,180</u>	<u>\$ 2,306,100</u>	<u>\$ 430,800</u>
Art in Public Places Fund:			
Contributions and Donations	\$	\$ 65,000	\$
Interest Earnings	690	950	1,900
	<u>\$ 690</u>	<u>\$ 65,950</u>	<u>\$ 1,900</u>
Development Impact Fees Funds:			
Development Impact Fees	\$ 506,760	\$ 465,390	\$ 578,260
Interest Earnings	37,260	17,740	35,480
	<u>\$ 544,020</u>	<u>\$ 483,130</u>	<u>\$ 613,740</u>
Total capital projects funds	<u>\$ 2,782,890</u>	<u>\$ 2,855,180</u>	<u>\$ 1,046,440</u>

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

City of Sedona
Revenues other than property taxes
Fiscal Year 2023

Source of revenues	Estimated revenues 2022	Actual revenues* 2022	Estimated revenues 2023
Enterprise funds			
Public Transit Fund:			
<u>Federal Grants</u>	\$ 1,051,810	\$ 48,200	\$ 657,740
<u>Charges for Services</u>	50,550	500	85,750
	<u>\$ 1,102,360</u>	<u>\$ 48,700</u>	<u>\$ 743,490</u>
Wastewater Fund:			
<u>Charges for Services</u>	\$ 6,046,990	\$ 6,208,990	\$ 6,248,050
<u>Capacity Fees</u>	931,756	704,500	1,645,100
<u>Interest Earnings</u>	201,390	102,570	205,140
<u>Misc. Revenues</u>	58,750	52,650	68,900
	<u>\$ 7,238,886</u>	<u>\$ 7,068,710</u>	<u>\$ 8,167,190</u>
Internal service funds			
Information Technology Fund:			
<u>Internal Cost Charges</u>	\$ 1,717,020	\$ 1,908,250	\$ 2,249,090
<u>Other Charges for Services</u>	400	660	500
<u>Interest Earnings</u>	7,460	4,400	8,800
	<u>\$ 1,724,880</u>	<u>\$ 1,913,310</u>	<u>\$ 2,258,390</u>
Total internal service funds	<u>\$ 1,724,880</u>	<u>\$ 1,913,310</u>	<u>\$ 2,258,390</u>
Total all funds	<u>\$ 57,795,451</u>	<u>\$ 65,621,920</u>	<u>\$ 70,592,140</u>

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

City of Sedona
Other financing sources/(uses) and interfund transfers
Fiscal year 2023

Fund	Other financing 2023		Interfund transfers 2023	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer to Streets Fund	\$	\$	\$	\$ 438,330
Transfer to Afford. Housing Fund				1,250,000
Transfer to Cap. Impr. Fund				10,897,170
Transfer to Public Transit Fund				5,244,750
Transfer to Wastewater Fund				3,200,000
Transfer to Info. Tech. Fund				43,950
Total General Fund	\$	\$	\$	\$ 21,074,200
Special revenue funds				
Streets - from General Fund	\$	\$	\$ 438,330	\$
Afford. Housing - from General Fund			1,250,000	
Grants, Don. & Restr. - to Wastewater				1,914,000
Transp. Sales Tax - to Cap. Impr. Fund				7,948,670
Transp. Sales Tax - to Public Transit				3,051,500
Total special revenue funds	\$	\$	\$ 1,688,330	\$ 12,914,170
Capital projects funds				
Cap. Impr. - Bond Issuance	\$ 10,000,000	\$	\$	\$
Cap. Impr. - from General Fund			10,897,170	
Cap. Impr. - from Transp. Sales Tax			7,948,670	
Cap. Impr. - to Art in Public Places				16,750
Art in Public Places - from Cap. Impr.			16,750	
Total capital projects funds	\$ 10,000,000	\$	\$ 18,862,590	\$ 16,750
Enterprise funds				
Public Transit - from General Fund	\$	\$	\$ 5,244,750	\$
Public Transit - from Transp. Sales Tax			3,051,500	
Wastewater - From General Fund			3,200,000	
Wastewater - From Grants, Don. & Restr.			1,914,000	
Total enterprise funds	\$	\$	\$ 13,410,250	\$
Internal service funds				
Info. Tech - from General Fund	\$	\$	\$ 43,950	\$
Total Internal Service Funds	\$	\$	\$ 43,950	\$
Total all funds	\$ 10,000,000	\$	\$ 34,005,120	\$ 34,005,120

City of Sedona
Expenditures/expenses by fund
Fiscal year 2023

Fund/Department	Adopted budgeted expenditures/ expenses 2022	Expenditure/ expense adjustments approved 2022	Actual expenditures/ expenses* 2022	Budgeted expenditures/ expenses 2023
General Fund				
City Council	\$ 70,310	\$	\$ 69,990	\$ 76,170
City Manager	3,894,190	75,000	3,641,210	2,515,310
Human Resources	346,660		319,150	324,060
Financial Services	1,370,025	(26,800)	1,226,430	1,551,550
City Attorney	674,140	(220)	580,890	684,870
City Clerk	295,385		300,780	348,260
Parks & Recreation	870,975		775,910	890,350
General Services	1,574,735		1,896,370	3,847,370
Community Development	1,778,190		1,648,510	1,976,910
Public Works	3,580,380	(16,500)	3,577,350	4,173,250
Economic Development	332,870		268,150	311,520
Police	5,879,839	(2,006)	5,504,300	7,535,670
Municipal Court	639,540		521,740	670,680
Other Public Safety		26,800	26,780	30,000
Indirect Cost Allocations	487,230		726,950	187,130
Debt Service	1,034,850		1,037,750	2,657,590
Contingency	550,000	(75,000)		550,000
Total General Fund	\$ 23,379,319	\$ (18,726)	\$ 22,122,260	\$ 28,330,690
Special revenue funds				
Streets Fund	\$ 2,076,860	\$ 15,711	\$ 1,978,730	\$ 2,301,090
Affordable Housing Fund	2,657,030		97,300	1,401,790
Grants, Don. & Restr. Funds	2,217,610	789	374,660	2,383,630
Transportation Sales Tax Fund	115,800		113,010	525,680
Total special revenue funds	\$ 7,067,300	\$ 16,500	\$ 2,563,700	\$ 6,612,190
Capital projects funds				
Capital Improvements Fund	\$ 11,274,261	\$ 594,616	\$ 11,274,240	\$ 41,293,700
Art in Public Places Fund	136,000		3,680	360,650
Develop. Impact Fees Funds	3,132,134	56,764	2,865,300	5,371,910
Total capital projects funds	\$ 14,542,395	\$ 651,380	\$ 14,143,220	\$ 47,026,260
Enterprise funds				
Public Transit Fund	\$ 3,060,290	\$ (654,450)	\$ 1,247,470	\$ 4,039,740
Wastewater Fund	12,789,360		10,729,920	17,635,990
Total enterprise funds	\$ 15,849,650	\$ (654,450)	\$ 11,977,390	\$ 21,675,730
Internal service funds				
Information Technology Fund	\$ 1,854,179	\$ 5,296	\$ 1,710,960	\$ 2,100,170
Total internal service funds	\$ 1,854,179	\$ 5,296	\$ 1,710,960	\$ 2,100,170
Total all funds	\$ 62,692,843	\$	\$ 52,517,530	\$ 105,745,040

* 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 2023

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2022	2022	2022	2023
City Council:				
General Fund	\$ 70,310	\$	\$ 69,990	\$ 76,170
Department total	\$ 70,310	\$	\$ 69,990	\$ 76,170
City Manager:				
General Fund	\$ 3,894,190	\$ 75,000	\$ 3,641,210	\$ 2,515,310
Affordable Housing Fund	557,030		96,180	537,290
Information Technology Fund	5,140		3,560	46,420
Department total	\$ 4,456,360	\$ 75,000	\$ 3,740,950	\$ 3,099,020
Human Resources:				
General Fund	\$ 346,660	\$	\$ 319,150	\$ 324,060
Information Technology Fund				6,000
Department total	\$ 346,660	\$	\$ 319,150	\$ 330,060
Financial Services:				
General Fund	\$ 1,370,025	\$ (26,800)	\$ 1,226,430	\$ 1,551,550
Public Transit Fund			500	750
Wastewater Fund	125,500		122,670	133,540
Department total	\$ 1,495,525	\$ (26,800)	\$ 1,349,600	\$ 1,685,840
City Attorney:				
General Fund	\$ 674,140	\$ (220)	\$ 580,890	\$ 684,870
Wastewater Fund	100,000			100,000
Department total	\$ 774,140	\$ (220)	\$ 580,890	\$ 784,870
City Clerk:				
General Fund	\$ 295,385	\$	\$ 300,780	\$ 348,260
Department total	\$ 295,385	\$	\$ 300,780	\$ 348,260
Parks & Recreation:				
General Fund	\$ 870,975	\$	\$ 775,910	\$ 890,350
Grants, Don. & Restr. Funds	12,950		3,650	12,950
Information Technology Fund	7,000		6,000	6,000
Department total	\$ 890,925	\$	\$ 785,560	\$ 909,300
General Services:				
General Fund	\$ 1,574,735	\$	\$ 1,896,370	\$ 3,847,370
Grants, Don. & Restr. Funds	800			800
Develop. Impact Fee Funds				45,000
Department total	\$ 1,575,535	\$	\$ 1,896,370	\$ 3,893,170
Community Development:				
General Fund	\$ 1,778,190	\$	\$ 1,648,510	\$ 1,976,910
Affordable Housing Fund				
Grants, Don. & Restr. Funds	138,850		160,900	
Information Technology Fund	42,800		42,800	2,800
Department total	\$ 1,959,840	\$	\$ 1,852,210	\$ 1,979,710
Public Works:				
General Fund	\$ 3,580,380	\$ (16,500)	\$ 3,577,350	\$ 4,173,250
Streets Fund	1,995,420	15,711	1,902,720	2,057,670
Grants, Don. & Restr. Funds		789	3,900	2,500
Transportation Sales Tax Fund	115,800		113,010	148,410
Public Transit Fund		13,540	250	500
Wastewater Fund	301,245		272,480	256,850
Information Technology Fund	17,130		15,940	18,240
Department total	\$ 6,009,975	\$ 13,540	\$ 5,885,650	\$ 6,657,420



City of Sedona
Expenditures/expenses by department
Fiscal year 2023

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2022	2022	2022	2023
Economic Development				
General Fund	\$ 332,870	\$	\$ 268,150	\$ 311,520
Information Technology Fund			410	410
Department total	\$ 332,870	\$	\$ 268,560	\$ 311,930
Police:				
General Fund	\$ 5,879,839	\$ (2,006)	\$ 5,504,300	\$ 7,535,670
Grants, Don. & Restr. Funds	38,500	61,000	129,210	127,600
Information Technology Fund	65,269		68,520	67,860
Department total	\$ 5,983,608	\$ 58,994	\$ 5,702,030	\$ 7,731,130
Municipal Court:				
General Fund	\$ 639,540	\$	\$ 521,740	\$ 670,680
Information Technology Fund	11,200		7,700	11,200
Department total	\$ 650,740	\$	\$ 529,440	\$ 681,880
Other Public Safety:				
General Fund	\$	\$ 26,800	\$ 26,780	\$ 30,000
Department total	\$	\$ 26,800	\$ 26,780	\$ 30,000
Indirect Cost Allocations:				
General Fund	\$ 487,230	\$	\$ 726,950	\$ 187,130
Streets Fund	81,440		76,010	243,420
Affordable Housing Fund			1,120	54,500
Public Transit Fund	52,800		50,230	127,130
Wastewater Fund	950,720		920,870	1,494,190
Information Technology Fund	144,830		133,070	142,720
Department total	\$ 1,717,020	\$	\$ 1,908,250	\$ 2,249,090
Debt Service:				
General Fund	\$ 1,034,850	\$	\$ 1,037,750	\$ 2,657,590
Transportation Sales Tax Fund				377,270
Capital Improvements Fund			134,610	
Develop. Impact Fee Funds				233,890
Public Transit Fund			3,000	3,000
Wastewater Fund	4,794,875		4,658,570	4,541,410
Department total	\$ 5,829,725	\$	\$ 5,833,930	\$ 7,813,160
Contingency:				
General Fund	\$ 550,000	\$ (75,000)	\$	\$ 550,000
Affordable Housing Fund	2,100,000			810,000
Grants, Don. & Restr. Funds	2,026,510	(61,000)		2,039,000
Wastewater Fund	100,000			100,000
Department total	\$ 4,776,510	\$ (136,000)	\$	\$ 3,499,000
Capital Improvement Projects:				
Grants, Don. & Restr. Funds	\$	\$	\$ 77,000	\$ 200,780
Capital Improvements Fund	11,274,261	594,616	11,139,630	41,293,700
Art in Public Places Fund	136,000		3,680	360,650
Develop. Impact Fee Funds	3,132,134	56,764	2,865,300	5,093,020
Public Transit Fund	2,170,000	(720,851)	288,400	1,356,900
Wastewater Fund	3,163,000	37,830	1,873,130	7,480,000
Department total	\$ 19,875,395	\$ (31,641)	\$ 16,247,140	\$ 55,785,050
Public Transit:				
Public Transit Fund	\$ 837,490	\$ 52,861	\$ 824,710	\$ 2,474,060
Department total	\$ 837,490	\$ 52,861	\$ 824,710	\$ 2,474,060

City of Sedona
Expenditures/expenses by department
Fiscal year 2023

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2022	2022	2022	2023
<i>Wastewater:</i>				
Wastewater Fund	\$ 3,193,265	\$ (37,830)	\$ 2,838,430	\$ 3,463,280
Department total	\$ 3,193,265	\$ (37,830)	\$ 2,838,430	\$ 3,463,280
<i>Information Technology:</i>				
Public Transit Fund	\$	\$	\$ 80,380	\$ 77,400
Wastewater Fund	60,755		43,770	66,720
Information Technology Fund	1,560,810	5,296	1,432,960	1,798,520
Department total	\$ 1,621,565	\$ 5,296	\$ 1,557,110	\$ 1,942,640

* 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 2023

Fund	Full-time equivalent (FTE)	Employee salaries and hourly costs	Retirement costs	Healthcare costs	Other benefit costs	Total estimated personnel compensation
	2023	2023	2023	2023	2023	2023
General Fund	146	\$ 9,544,280	\$ 3,028,510	\$ 1,895,250	\$ 864,020	\$ 15,332,060
Special revenue funds						
Streets Fund	4	\$ 274,230	\$ 33,010	\$ 64,240	\$ 28,680	\$ 400,160
Affordable Housing Fund	2	152,340	18,410	32,130	12,410	215,290
Grants, Don. & Restr. Funds		1,760	51,950		90	53,800
Transportation Sales Tax Fund	1	83,870	10,090	16,340	8,110	118,410
Total special revenue funds	7	\$ 510,440	\$ 61,510	\$ 112,710	\$ 49,200	\$ 733,860
Enterprise funds						
Public Transit Fund	2	\$ 148,220	\$ 17,890	\$ 21,420	\$ 12,030	\$ 199,560
Wastewater Fund	17	1,248,470	150,370	282,360	134,670	1,815,870
Total enterprise funds	19	\$ 1,396,690	\$ 168,260	\$ 303,780	\$ 146,700	\$ 2,015,430
Internal service funds						
Information Technology Fund	6	\$ 597,550	\$ 72,020	\$ 99,650	\$ 48,430	\$ 817,650
Total internal service fund	6	\$ 597,550	\$ 72,020	\$ 99,650	\$ 48,430	\$ 817,650
Total all funds	178	\$ 12,048,960	\$ 3,330,300	\$ 2,411,390	\$ 1,108,350	\$ 18,899,000