

ANNUAL BUDGET



CITY OF SEDONA, AZ
FISCAL YEAR 2023/24

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WELCOME TO



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Planning process for updating
the Sedona Community Plan
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The only winter blues we get here
are in the sky.

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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 2022 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*

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**City of Sedona
Arizona**

For the Fiscal Year Beginning

July 01, 2022

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.

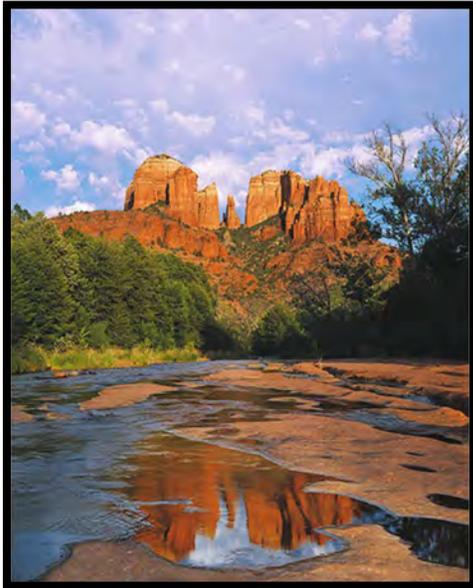
Budget as an Operations Guide

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 the various programs and services and the resources needed 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 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



Scott Jablow – Mayor



Scott holds a degree in criminal justice and worked for the Port Authority of New York & New Jersey for over 30 years – first as a police officer and later a Senior Police Accident investigator receiving specialized training through Northwestern University and the U.S Department of Transportation. Throughout his career, Scott also 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, Scott served on the board of the Sedona Fire District, the City of Sedona’s Planning & Zoning Commission, and the City’s Personnel Board.

MEET THE CITY COUNCIL

continued

Holli Ploog – Vice Mayor



Holli and her husband Bert have lived in Sedona since 2013, having first visited as a tourist in the winter of 1993. They fell in love with the natural beauty of Sedona's landscape and the people of Sedona who were welcom-

ing, 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 and Professionals, Who's Who of the West, Who's Who of the East, Who's Who of American Politics, and Who's Who of Communications. She is excited to bring her energy and expertise to local government.

A retired attorney with a 30-year background in information technology, transformation, and government coalition building, she has worked with local, state, federal, and international agen-

cies. Implementing change in a bureaucracy, whether large or small, 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, and challenging transportation, transit, and housing proposals.

Holli spent five years serving on the City's Budget work group and on its Fiscal Sustainability work group, developing financial solutions for large-scale infrastructure projects. She is Past 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. Holli 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.

Melissa Dunn – Councilor



Melissa has owned her home in Sedona since 2009. She loves Sedona and loves living here.

She is well-traveled (20 countries, 50 states) and has lived abroad, broadening both her overall perspective, and understanding of the world.

Melissa holds a Bachelor's in Political Science and a Master's in Sociology from the University of Kentucky, as well as holding a Master's Degree in Human Centered Design and Engineering from the University of Washington. She is also All but Dissertation [ABD] PhD Sociology from the University of Illinois Urbana-Champaign.

Melissa has had an extensive corporate career in Technology (Microsoft, Amazon, Sears Digital, Sainsbury's Argos UK) leading large teams focused on understanding and solving consumer problems, taking into account the impacts of societal and cultural differences and approaches.

Melissa has 4 adult children, 3 dogs, and 1 husband.

Melissa believes we, as residents of Sedona, need to know what we want Sedona to be, understand where we are now, and determine what incremental steps we need to take right now to get to our destination.

MEET THE CITY COUNCIL

continued

Brian Fultz– Councilor



Brian is originally from Crown Point, Indiana and earned a B.S. in Aeronautical & Astronautical Engineering from Purdue University. He also holds an MBA from The University of Chicago Booth School of Business. Brian and his

wife, Amy, have lived in Ohio, Wisconsin, Kentucky, Illinois, Georgia, Florida, and Tokyo, Japan before calling Sedona home. They purchased their home near the Chapel in 2004 and became full-time residents in 2021.

Brian has worked for numerous companies like General Electric and Accenture in a variety of functional roles but has found his passion as a small business owner since 2006. He currently is Founder/CEO of Peak Innovation, a marketing & sales strategy consulting firm, and co-owns and is managing partner of Restoration Holdings, a company that owns four Sir Grout franchises.

Being involved in the community has been a priority for Brian, and he enjoyed being a member of the Sedona Community Plan Update work group. He is active at Aletheia Church where he serves as a small group leader and volunteers in support of city parks and recreation events. One of his favorite activities has been to serve on a grant reading panel for the Arizona Community Foundation.

Brian is an avid outdoorsman with a passion for mountain biking, hiking, and trail running here in Red Rock Country. He is a member of Keep Sedona Beautiful and the Verde Valley Cyclist Coalition.

Addressing the needs of our community, both residents and businesses, drove Brian to run for Sedona City Council, and he is focused on bringing balance and sustainability to housing, traffic, healthcare, and preservation of our red rocks. Brian likes to say that while it may not take a rocket scientist to solve our problems in Sedona, it can't hurt to have one around!

Pete Furman – Councilor



Pete Furman is a father of two, a grandfather of three, and married to his life-partner Lisa Voss for over 20 years. An engineer by training (bachelor's and master's degrees from the University of Illinois), Pete started his engineering career in Phoenix in the 80s (when he first visited Sedona).

He subsequently worked in marketing, sales, project management, product strategy, and late in his career started a high-tech company in San Jose, CA.

In 2006, Pete helped an acquaintance run for Mayor of San Jose. He won and asked Pete to be his Chief of Staff and to help him run the 10th largest city in the U.S., which he did for 8 years.

After terming out of office, Pete and the now former Mayor started a non-profit that helped educate local/regional/state officials about pensions and fiscal responsibility issues.

Pete and Lisa moved to Sedona in 2018 and quickly enrolled in the Sedona Citizens Academy and then the Sedona Police Department Citizen Academy. Pete served on the City's Expenditure Limitation Options work group (which considered the pros/cons of Home Rule) and the Citizens Budget work group. Pete was a member of the Sedona Police Pension Board (the PSPRS local board) and the Planning and Zoning Commission when elected to Council in August 2022. When he's not volunteering time to the City of Sedona, Pete rides road and mountain bikes. At home, Pete enjoys cooking, reading, and listening to podcasts.

MEET THE CITY COUNCIL

continued

Kathy Kinsella – Councilor



Kathy has owned her home in Sedona since 2010. She joined the Sedona City Council after serving three years on the City's Planning and 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.

Jessica Williamson – Councilor

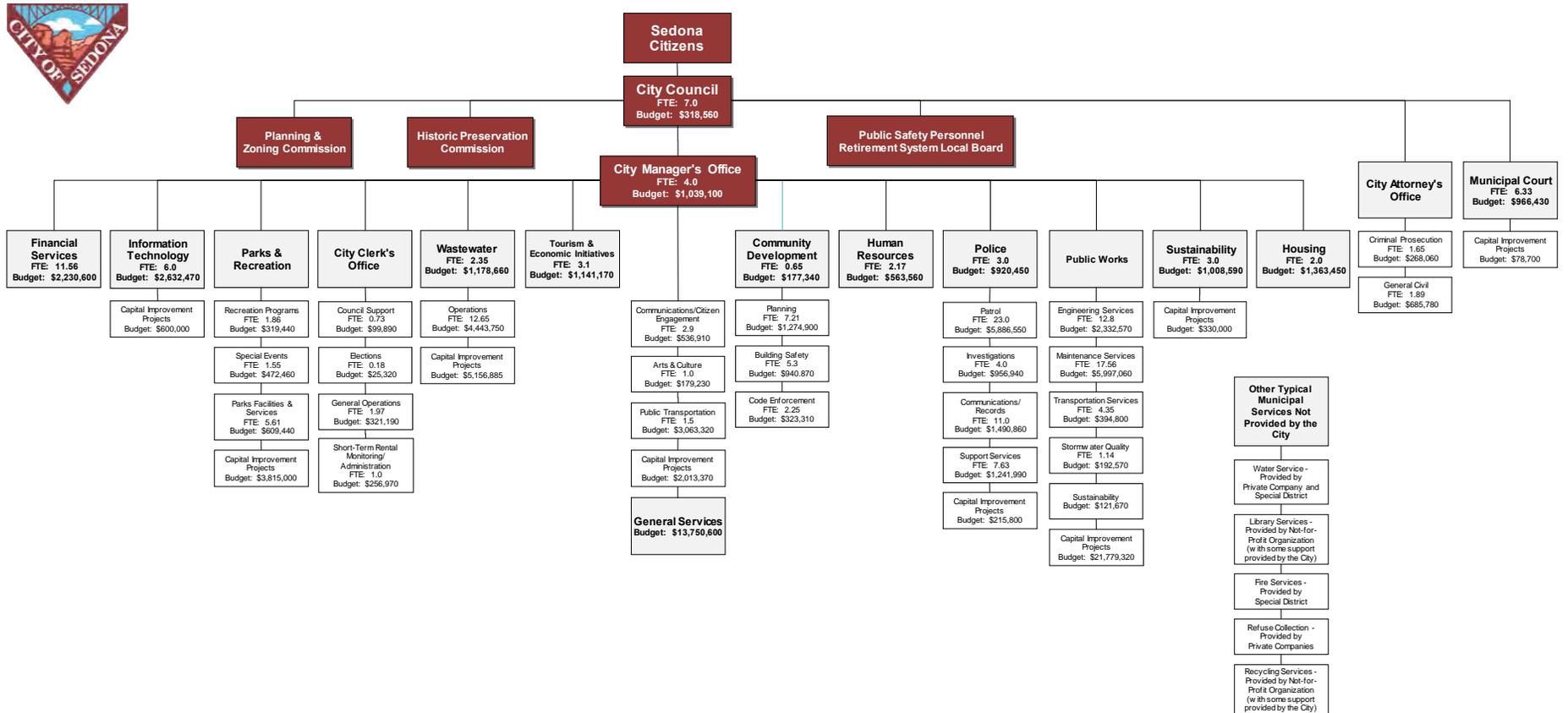


Jessica was born in Los Angeles and raised in Santa Barbara. She graduated from the University of California at Santa Barbara with a B.A. in Sociology. She moved to New York City with her husband so he could attend Columbia

University. They lived in New York City for 30 years, where Jessica worked for the city. Her last position was Director of Departmental Affairs at the Department of Design and Construction, the agency in charge of cleaning up the World Trade Center after the 9/11 attacks. Jessica spent some time stationed at the site as part of the cleanup team.

The Williamsons moved to West Sedona in 2003. Jessica 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, 2023

City Manager	Karen Osburn
Deputy City Manager	J. Andy Dickey
Deputy City Manager	Vacant
City Attorney	Kurt W. Christianson
Magistrate Judge	Paul Schlegel
Chief of Police	Stephany Foley
Financial Services Director	Cherie R. White
Public Works Director/City Engineer	Kurtis Harris
Community Development Director	Steve Mertes
Wastewater Director	Roxanne Holland
Human Resources Manager	Brenda Tammarine
Information Technology Manager	Charles Hardy
City Clerk	Joanne Cook
Parks & Recreation Manager	Josh Frewin
Housing Manager	Shannon Boone
Tourism & Economic Initiatives Manager	Vacant
Sustainability Manager	Bryce Beck

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 for communities with a population of 10,000 or more.⁽¹⁾ Since the City’s population has fallen below 10,000, the next Plan will be adopted by the City Council in March 2024; however, substantial community outreach has been and will be conducted throughout the process, as well as the significant involvement of a citizen work group. Visit www.PlanSedona.com for more information.

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, and a 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.

⁽¹⁾ A bill was introduced in the Arizona 2023 Legislative Session and approved by the House authorizing cities with less than 10,000 population to opt for voter approval, however, the speaker of the Senate did not bring it forward for a Senate vote, so the bill died.

COMMUNITY PLAN

continued

Value – Environmental Stewardship (cont'd):

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.

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 in 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.

COMMUNITY PLAN

continued

Value – Improved Traffic Flow (cont'd):

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.

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.

COMMUNITY PLAN

continued

Value – Economic Diversity (cont'd):

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.

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.

COMMUNITY PLAN continued

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.

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 responsible outdoor recreation.
- Provide activities and amenities that allow for community interactions and encourage active and healthy lifestyles.

COMMUNITY PLAN continued

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.

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 2023, the City Council established the following list of priorities as part of the fiscal year 2023-24 budget process. Most are large, continuing, multi-year projects. Funding has been included in the fiscal year 2023-24 budget for all priorities with financial implications. Some of the projects are anticipated to involve staff time only, but some may include additional costs in future years. The fiscal year 2023-24 funding sources identified below only include staff costs when the priority is an established program.



Continuing Priority Items:

- **Complete Various Traffic Improvements** (*\$20.4 million included in Capital Improvements Program for fiscal year 2023-24*)

Community Plan Connection: Value – Improved Traffic Flow, Plan Element – Circulation

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 \$4.7 million: \$2.9 million included in Public Transit Fund operating budget and \$1.8 million included in Capital Improvements Program for fiscal year 2023-24*)

Community Plan Connection: Value – Improved Traffic Flow, Plan Element – Circulation

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.

- **Improve Citizen Communications/Relations** (*approx. \$537,000 in City Manager's Office budget*)

Community Plan Connection: Value – Community Connections, Plan Element – Community

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 increased mass communication. City staff has created video communications for topics such as State of the City and Council priorities, hired both additional staff and an outside public relations firm to increase the amount of work product, and established dedicated open office hours with the City Manager for citizen input on any topic. This priority is anticipated to be ongoing.

COUNCIL PRIORITIES

continued

Continuing Priority Items (cont'd):

- **Environmental Stewardship/Sustainability** *(Total \$1.8 million: \$1.0 million included in Sustainability Department budget, approx. \$122,000 included in Public Works Department budget, \$362,000 included in General Services budget, and \$330,000 in sustainability specific projects included in Capital Improvements Program for fiscal year 2023-24, does not include \$15.9 of other capital improvement projects that support environmental sustainability goals)*

Community Plan Connection: Value – Environmental Stewardship, Plan Element – Environment

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.

- **Affordable/Workforce Housing and Homelessness** *(approx. \$957,000 included in Housing Fund budget, plus \$18.9 million budgeted as balance sheet loans)*

Community Plan Connection: Value – Economic Diversity, Plan Element – Land Use, Housing and Growth

This priority was established to address concerns about the lack of availability of affordable and workforce housing in Sedona and the contribution to homelessness concerns. 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 state legislation allowing short-term rentals. The development of a needs assessment and 5-year action plan for addressing the concerns was completed. City staff to move forward this priority was hired, a down-payment assistance program and a rent local program have been implemented, the City Council approved a public-private partnership with Sunset Lofts, LLC for the development of a 46-unit apartment complex dedicated to local workforce, and property has been purchased for approximately 30 low-income units. The fiscal year 2023-24 budget includes a potential safe-place-to-park program for Sedona workforce living in their vehicles, development of a strategic plan for addressing homelessness issues, and a designation of an additional \$12 million for potential affordable/workforce housing development loans. This priority is anticipated to be ongoing.

- **Manage Impacts of Short-Term Rentals** *(approx. \$257,000 included in City Clerk's Office budget)*

Community Plan Connection: Value – Sense of Place, Plan Element – Land Use, Housing and Growth

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. A lobbyist has been hired to be an additional voice for Sedona in the state legislative sessions regarding 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, emergency contact information, and the permitting process. A 24-hour, 7-day-a-week complaint hotline has been established. Updates have been made to the trash and noise ordinances in an effort to mitigate the impacts that generated the majority of complaints and allow for easier/more efficient enforcement. The City will continue to pursue meaningful changes to local control at the state legislative level. This project is anticipated to be ongoing.

COUNCIL PRIORITIES

continued

Continuing Priority Items (cont'd):

- **Economic Diversification** (*approx. \$62,000 included in Tourism & Economic Initiatives Department budget*)

Community Plan Connection: Value – Economic Diversity, Plan Element – Economic Development

Diversifying the Sedona economy has long been a priority. To further this effort, the City 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 are pursuing opportunities to bring broadband to Sedona. This priority is anticipated to be ongoing.

- **Neighborhood Impacts Related to Parking/Off-Highway Vehicle (OHV) Use** (*only staff time anticipated for fiscal year 2023-24*)

Community Plan Connection: Value – Environmental Stewardship, Plan Element – Environment

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. Fines have been updated to discourage illegal parking. The City has worked with the Forest Service on an Environmental Impact Study to collect data on OHVs in certain areas. In addition, the City is working 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.

- **Other Property Acquisitions** (*no costs anticipated for fiscal year 2023-24; other acquisitions in future years of the 10-year Capital Improvements Program*)

Community Plan Connection: Value – All, Plan Element – All

Available land within city boundaries is limited. The City Council has directed that staff identify potential strategic property acquisitions for furthering priorities and Community Plan objectives. Recent purchases include property for a new parking lot at the western entrance to the city; the former Cultural Park, a 41-acre property, that will be go through an extensive planning process for the potential multiple uses of this land; property for a future low-income housing development estimated at 30 units; and a trailhead shuttle park-and-ride lot on State Route 179. Future potential purchases include the former school district administrative site currently leased by the City and possible land acquisitions adjacent to Oak Creek for the purpose of conservation and possible passive recreation such as a natural walking path. This priority is anticipated to be ongoing.

- **Airport Evaluation** (*\$80,000 included in General Services budget*)

Community Plan Connection: Value – Environmental Stewardship, Plan Element – Environment

The Sedona Airport is within City limits; however, the land owned by Yavapai County and is managed by Sedona-Oak Creek Airport Authority, a legally separate entity governed by a 13-member Board of Directors approved by the County’s Board of Supervisors. The City is considering acquisition of the airport for greater local decision-making. A study to perform due diligence on the implications of this decision is anticipated to be completed during fiscal year 2023-24. Next steps will depend on the results of the study and the consultant’s recommendations.

COUNCIL PRIORITIES

continued

Continuing Priority Items (cont'd):

- **Accelerate Ranger Station Park Buildout** (\$2.3 million included in Capital Improvements Program for fiscal year 2023-24, including \$315,000 of funding paid by Community Facilities Districts – separate legal entities not part of the City's budget)

Community Plan Connection: Value – Community Connections, Plan Element – Parks, Recreation, and Open Space

The City purchased the “Old Ranger Station” in 2014 and developed a master plan for the site. This master plan reflects the future community vision for this property as a community park. Completion of this resident amenity has been requested by many members of the community and approved for acceleration by the Council. A shared-use path, site grading and exterior restoration of the house and barn has been completed. The fiscal year 2023-24 budget includes completion of the house and barn interior restoration and construction of various park features, including playground, landscaping and lawn areas, restrooms, and a parking lot. This project is expected to be completed in fiscal year 2023-24.

- **Pickleball Courts** (\$1.5 million included in Capital Improvements Program for fiscal year 2023-24)

Community Plan Connection: Value – Community Connections, Plan Element – Parks, Recreation, and Open Space

The sport of pickleball is growing continuously, and there are no signs of the trend changing direction. The four shared-use tennis/pickleball courts at Posse Grounds Park are used daily, sometimes offering two sessions, by local pickleball players who have over 300 members in their group. Eight pickleball courts with lighting are planned, including installation of benches, drinking/refilling water station, chain-link fencing and gates, sport court lighting system with timer, waste receptacles, and parking. This project is expected to be completed in fiscal year 2023-24.

- **Community Plan Update** (approx. \$228,000 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 citizen work group and public meetings with both the Planning and Zoning Commission and the City Council. Additional public meetings have been and 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 completed by March 2024.

Added Priority Items:

- **Enterprise Resource Planning (ERP) System** (\$600,000 included in Capital Improvements Program for fiscal year 2023-24)

Community Plan Connection: Value – All, Plan Element – All

While an integrated enterprise resource planning (ERP) software system is needed and has been budgeted for some years, a lack of adequate staffing and significant workloads have delayed pursuit of this project. Due to concerns regarding the discontinuation of support for the current system, the City Council has elevated this project to priority status due to the potential impacts to all priorities if the current system fails. This project is expected to take two to three years to complete.

COUNCIL PRIORITIES

continued

Added Priority Items (cont'd):

- **Revisit Land Development Code** (*only staff time anticipated for fiscal year 2023-24*)
Community Plan Connection: Value – Sense of Place, Plan Element – Land Use, Housing, and Growth

This project focuses on looking at the Land Development Code with fresh eyes and new thinking as a result of the Community Plan update in process and the policy goals being identified, as well as to address other newer policy goals like housing, sustainability and tourism management. This project is expected to take two to three years to complete.

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



BUDGET RESOLUTION

RESOLUTION NO. 2023-25

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, ADOPTING THE BUDGET FOR FISCAL YEAR 2023-2024.

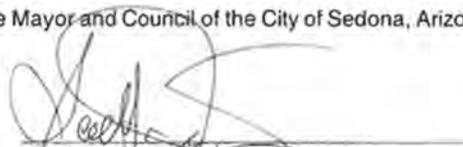
WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the City Council did, on July 11, 2023, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year and also an estimate of revenues 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 11, 2023, and August 8, 2023, 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

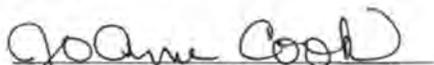
WHEREAS, publication has been duly made as required by law of said estimates, together with a notice that the City Council met on July 11, 2023, and August 8, 2023, at the City Council Chambers for the purpose of hearing taxpayers.

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 2023-2024.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 8th day of August, 2023.


Scott M. Jablow, Mayor

ATTEST:


JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:


Kurt W. Christianson, 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 2023-24 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 2023-24 budget includes the priorities set by the City Council and the ongoing priorities of public safety, quality service, investment in the community, and investment in City employees.

The total budget is \$85,819,620. 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 \$8.7 million¹ and an estimated Wastewater Fund surplus of \$6.0 million.²

*Operating budget is
\$52.2 million.*

*Capital improvements
budget is \$33.6 million.*

The operating budget represents a \$3.0 million or 6% increase from fiscal year 2022-23. The most significant increases are \$1.3 million for increases in personnel costs for pay adjustments, added and reallocated positions, and changes in insurance and pension rates; \$0.2 million increase in a one-time additional contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability; \$0.5 million increase in community service contracts with six local non-profit organizations that provide services that otherwise would not be as cost-effective to operate as a City function such as the Sedona Public Library, Inc.; \$0.5 million increase in contingencies for grants; and \$0.4 million for addition of a Community Development Block Grant for a transitional housing project. Five full-time positions were added to address staffing gaps in expanded City service levels, to improve succession planning, and to form a City-operated tourism bureau. Further discussion of staffing changes can be found in the Position List/Full-Time Equivalent section.

The capital improvements budget represents a \$23.0 million or 41% decrease from fiscal year 2022-23. The most significant decreases are \$20.0 million for acquisition of land for the strategic protection of the City’s future development and \$2.3 million for wastewater system infrastructure needs. The fiscal year 2023-24 capital improvement expenditures are financed with available fund balances, a one-time resource, as well as bond proceeds restricted for transportation projects, dedicated half-cent sales tax revenues, grants, development impact fees, and other sources.

¹ During the fiscal year 2023-24 budget process, the City Council allocated \$4.6 million of the estimated \$11.5 million fiscal year 2022-23 General Fund surplus. Allocation of the remaining actual fiscal year 2022-23 General Fund surplus to advance Council priorities will be determined during the fiscal year 2024-25 budget process, and allocation of the actual fiscal year 2023-24 General Fund surplus to advance Council priorities will be determined during the fiscal year 2025-26 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)

	FY24 Budget	FY23 Budget	% Change
Operating Budget			
Ongoing Operational	\$36,048	\$ 34,342	5%
One-Time Operational ³	5,349	4,536	18%
Debt Service	7,425	7,813	-5%
Contingencies ⁴	3,413	2,512	36%
Subtotal Operating Budget	52,236	49,204	6%
Capital Improvements Budget	33,584	56,542	-41%
Total Expenditure Budget	\$85,820	\$105,745	-19%

SUMMARY COMPARISON BY FUND TYPE

(In Thousands)

	FY24 Budget	FY23 Budget	% Change
General Fund	\$29,280	\$ 28,328	3%
Special Revenue Funds	7,071	7,324	-3%
Capital Projects Funds	26,894	46,196	-42%
Enterprise Funds	20,222	21,784	-7%
Internal Service Fund	2,352	2,114	11%
Total Expenditures Budget	\$85,820	\$105,745	-19%

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. After reopening, tourism activity returned and far exceeded prior highs to the point that the City Council placed a hold on destination marketing for fiscal year 2021-22. However, fiscal year 2021-22 sales taxes were up 18% and bed taxes were up 25% resulting in the highest year the City had ever seen. As a result, the City Council continued the hold on destination marketing for fiscal year 2022-23.

For fiscal year 2022-23, sales taxes were down 3% and bed taxes were down 4%. The decrease was likely due to the reopening of Europe, significant inflation possibly impacting the amount of travel, talk of a coming recession possibly impacting the amount of travel, and the City's hold placed on destination marketing. Sales and bed tax projections for fiscal year 2023-24 are based on conservative estimates in case of a recession occurring during the year.

³ Includes \$0.2 million increase in a one-time additional contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability and \$0.4 million for addition of a Community Development Block Grant for a transitional housing project.

⁴ Includes \$0.5 million increase for grants including American Rescue Plan Act (ARPA) monies not yet spent and net \$0.4 million increase for reallocation of a portion of the Sedona Chamber of Commerce & Tourism Bureau contract available to be used toward the new City-operated tourism bureau as programs and other costs are determined.

CITY MANAGER'S BUDGET MESSAGE

continued

In April 2023, the Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) gave notice that they would not pursue renewal of their contract to serve as the City's Tourism Bureau. Shortly after, the City Council designated the City as the official Destination Marketing Organization (DMO) for Sedona. Bringing the tourism bureau in-house provides an opportunity to address tourism and its impacts on the community in a more holistic manner. In October 2023, the City Council appointed an 11-member tourism advisory board to advise the Council and staff on decisions related to tourism strategic planning, branding and marketing, visitor management programs, regional tourism efforts, and any other tourism-related matters. One of the primary goals of establishing this advisory body was to ensure sufficiently broad diversity in representation, perspectives, and opinions.

With inflation tapering off and decreased talk of a recession, the first quarter of fiscal year 2023-24 showed sales taxes up 4% and bed taxes up 9%. While Sedona has been impacted by prior recessions and seen some decreases in sales and bed taxes, the local economy continues to maintain a high level of resiliency and quickly recovers from any downturns. After several years of reduced and then fully eliminated destination marketing, the City will pursue some strategic, targeted, and measurable marketing efforts focused on bolstering visitation during the slower summer and winter seasons. This will be initiated by the City's new in-house tourism bureau.

The fiscal year 2023-24 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 2022-23 Council Priority Accomplishments

Most of the Council Priorities from fiscal year 2022-23 were anticipated to be multi-year projects and are in progress. Their continuation has been included in the fiscal year 2023-24 budget. The projects within these priorities accomplished during fiscal year 2022-23 are below.

- **Complete Various Traffic Improvements** – The transportation projects included in this priority extend over several fiscal years. During fiscal year 2022-23, the most significant projects completed were:
 - New roadway improvements to connect the Los Abrigados Resort and Spa driveway through the Ranger Station Park to Brewer Road for an alternate exit avoiding U-turns at the Schnebly Hill Road roundabout and reduce northbound State Route (SR) 179 congestion.
 - A shared-use path along Chapel Road providing a safe walkway for residents and tourists between SR 179 and the Chapel of the Holy Cross and improving access to the Mystic Hills trailhead.
 - A shared-use path along Piñon Drive to provide a safe walkway and serve as the start of an east-west pathway connection across west Sedona.
- **Affordable/Workforce Housing** – The projects included in this priority extend over several fiscal years. During fiscal year 2022-23, a Rent Local program and a deed restriction program was launched, property was acquired for a multi-family development for potentially 30 units of affordable housing, and a Community Development Block Grant was awarded to Steps to Recovery Homes for a transitional housing project.

CITY MANAGER'S BUDGET MESSAGE

continued

FY 2022-23 Council Priority Accomplishments (cont'd)

- **Environmental Stewardship/Sustainability** – The projects included in this priority extend over several fiscal years. During fiscal year 2022-23, the most significant projects completed were:
 - Installed four direct current (DC) fast electric vehicle charging stations at Posse Grounds Park, the first DC fast chargers for the City of Sedona.
 - Entered the Green Power Partner Program with Arizona Public Service (APS) to source renewable energy.
 - Launched a pool of six electric bikes for municipal operations.
- **Improve Citizen Communications/Relations** – The projects included in this priority extend over multiple fiscal years. During fiscal year 2022-23, two videos were produced for the City's accomplishments and Council priorities and a Web Content Manager position was created and an overhaul of the City's website has begun.
- **Monitor Short-Term Rentals (STRs)** – The projects included in this priority extend over multiple fiscal years. During fiscal year 2022-23, a short-term rental annual permitting program was developed, and a majority of the short-term rentals were permitted during the first two months of program launch.
- **Other Property Acquisitions** – The projects included in this priority extend over multiple fiscal years. During fiscal year 2022-23, the former Cultural Park, a 41-acre property, was acquired. An extensive planning process will be facilitated to identify the highest priorities for the potential multiple uses of this land.

FY 2023-24 Council Priorities

The City Council has evaluated the priorities established and identified those most important for including in the fiscal year 2023-24 budget. Most are large, continuing, multi-year projects. 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, 2022. This is the tenth year the City has received this award. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

CITY MANAGER'S BUDGET MESSAGE

continued

Conclusion

Overall, the City's financial condition remains very strong with many options to address the significant Council priorities. I believe the fiscal year 2023-24 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 9,790 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, City Hall Art Rotation 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. Other local contributors such as the Sedona Gallery Association, First Friday Art Walks, Sedona Art Center, Sedona Film Festival, and Sedona Art Festival also help make 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 19 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, Tourism and Economic Initiatives, Housing, Sustainability, 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
2023 (est.)	9,790

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

Gender (YCREDC 2023 est.)

Male	46.6%
Female	53.4%

Age Composition (YCREDC 2023 est.)

0-5	1.6%
6-11	3.2%
12-17	4.2%
18-24	3.4%
25-44	14.3%
45-54	9.7%
55-64	23.2%
65+	40.5%
Median Age	60.8

Race/Ethnic Origin (YCREDC 2023 est.)

White	82.0%
Hispanic or Latino (Any race)	12.4%
Asian	2.5%
American Indian	1.0%
African American	0.6%
Other	5.3%
Two or More Races	8.7%

Income (YCREDC 2023 est.)

Median Household Income	\$65,847
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Labor Force (YCREDC 2023 est.)

Civilian Labor Force	5,143
Unemployment Rate	4.4%
Education Attainment:	
Less than High School	4.9%
High School or equivalent	19.8%
Some College or Associates	25.7%
Bachelor's or Advanced Degree	49.6%

Industry Ranked by Employment (YCREDC 2023 est.)

Professional, Scientific, Administrative...	24.7%
Arts, Entertainment, Food, Recreation	
Education, Health Care, Social	
Assistance	20.6%
Accommodation	13.9%
Retail Trade	12.2%
Finance, Insurance, Real Estate	6.8%
Construction	5.2%
Other Services, except Public	
Administration	4.4%
Transportation, Warehousing, Utilities	3.5%
Public Administration	3.3%
Wholesale Trade	2.1%
Manufacturing	1.8%
Information	1.0%
Agriculture, Forestry/Fishing/Hunting,	
Mining	0.4%

DEMOGRAPHICS

continued

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

Enchantment Resorts	473
L'Auberge de Sedona Resort.....	300
Hilton Sedona Resort at Bell Rock	227
Orchards Inn	220
City of Sedona	178
Red Mountain Sedona	147
Arizona Elder Care.....	120
Villas at Poco Diablo	108
Sedona/Oak Creek School District	97
Verde Valley Medical Center/Sedona Emergency Department.....	92

⁽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	\$17,397,904
Retail	\$10,805,316
Restaurants & Bars.....	\$6,017,287
Rental/Leasing/Licensing.....	\$1,986,469
Construction.....	\$1,894,492
All Other	\$1,442,855
Transportation/Communication/ Utilities	\$815,536

⁽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 2023 est.)

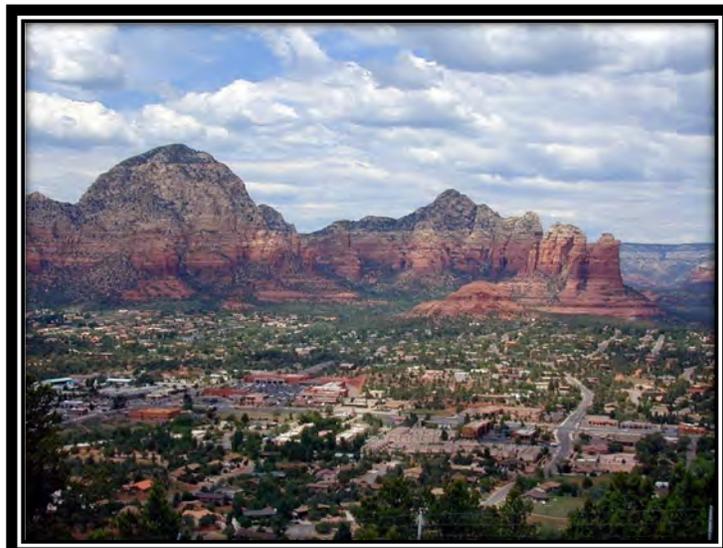
Owner-Occupied Housing	56.3% ⁽⁴⁾
Housing Units	6,426

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

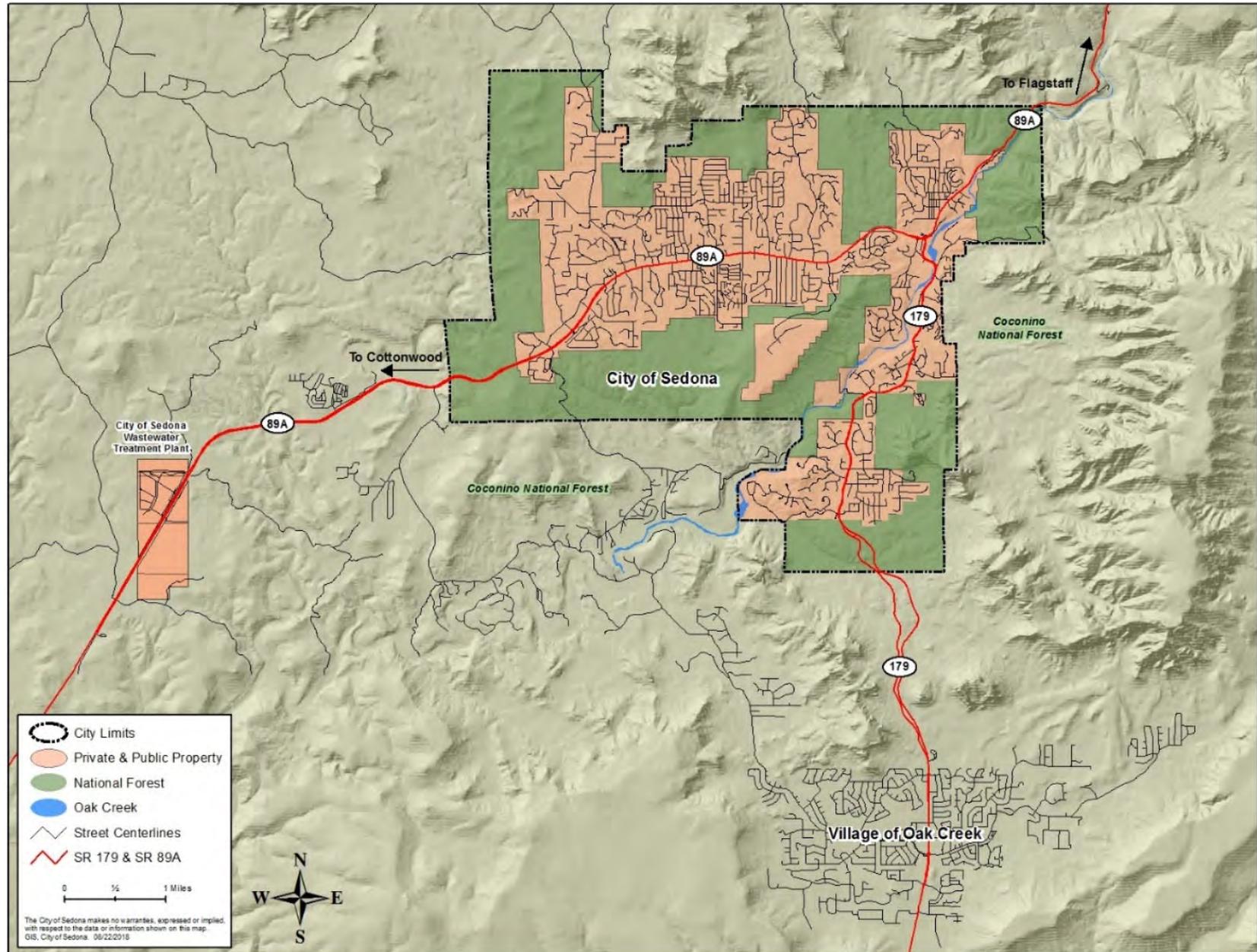
Land Use (2014 – City of Sedona)

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 support from fees and charges and represent the full cost of the service provided.

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, along with support from the General Fund, for the maintenance for of the City's public streets including the annual street rehabilitation and pavement preservation program. The state-shared HURF is primarily funded with tax on gasoline and other fuels, but also includes other transportation-related fees.
- The **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 and programs designed to address homelessness needs.
- 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 goods 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,⁽¹⁾ 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.

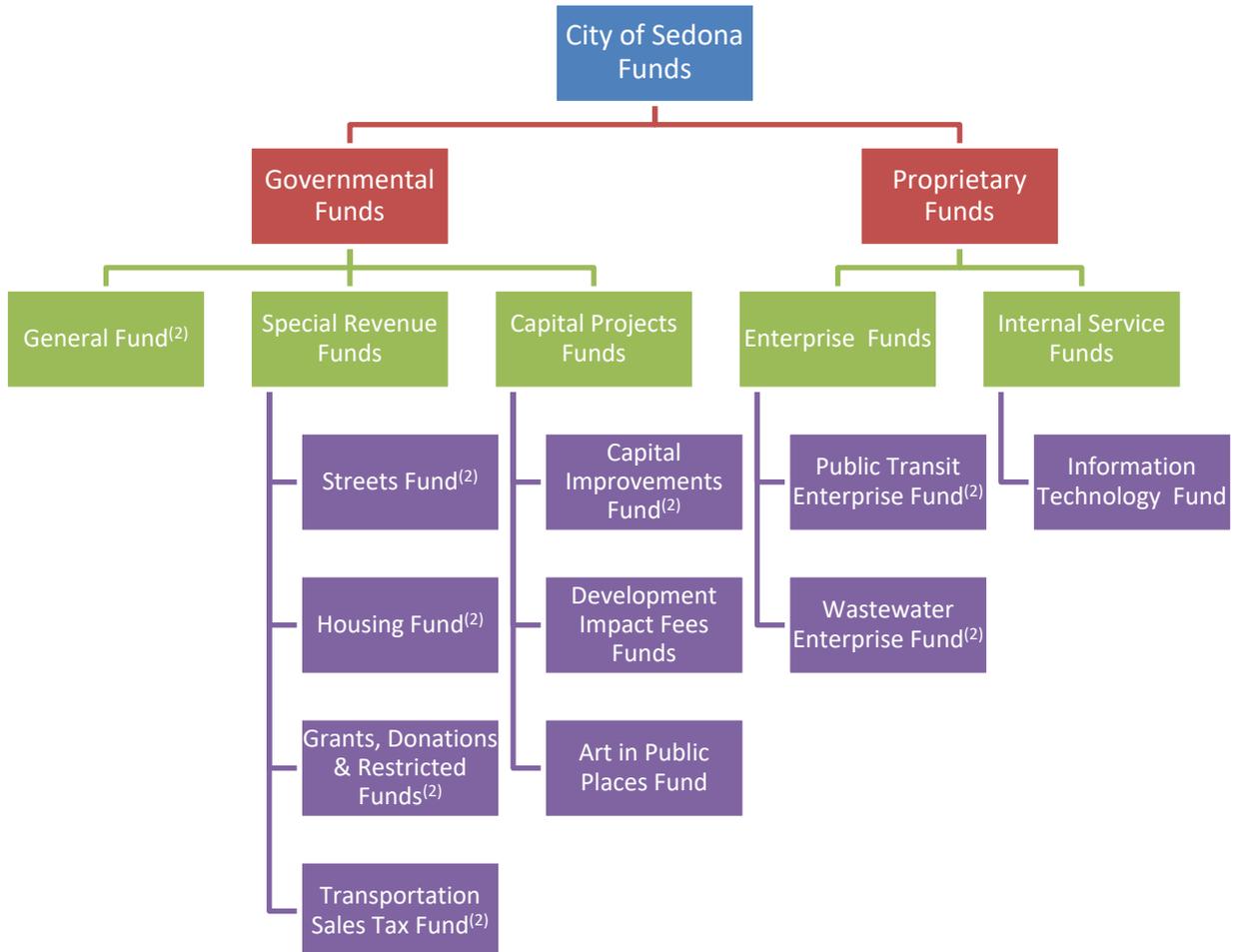
⁽¹⁾ The subsidy to the Wastewater Enterprise Fund will be eliminated after fiscal year 2025-26.

FUND STRUCTURE AND BASIS FOR BUDGETING

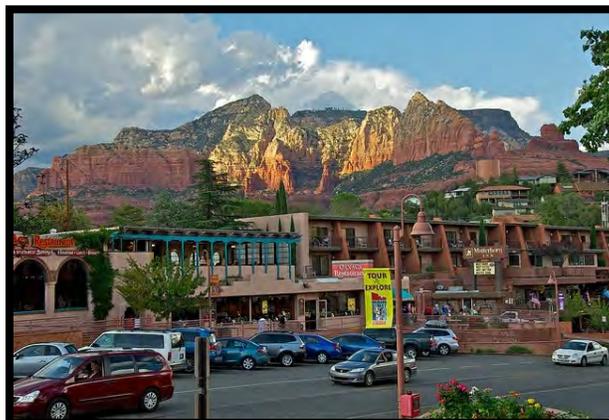
continued

Fund Structure

The following chart is an illustration of the fund structure:



⁽²⁾ 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 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	Housing Fund	Grants, Donations & Restricted Funds	Transportation Sales Tax Fund	Capital Projects Funds	Public Transit Enterprise Fund	Wastewater Enterprise Fund	Information Technology Fund
City Council	X								
City Manager's Office	X					X			X
Human Resources	X								
Financial Services	X						X	X	
City Attorney's Office	X							X	
City Clerk's Office	X								
Parks & Recreation	X			X		X			
General Services ⁽³⁾	X			X	X	X		X	
Community Development	X								X
Public Works	X	X		X	X	X	X	X	X
Tourism & Economic Initiatives	X			X					
Housing			X	X					
Sustainability	X					X			
Police	X			X		X			X
Municipal Court	X			X		X			X
Public Transit							X		
Wastewater								X	
Information Technology				X				X	X

⁽³⁾ 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.
- Sedona Recycles, Inc.
- Humane Society of Sedona, Inc.
- Verde Valley Caregivers Coalition
- Adult Community Center of Sedona, Inc.
- Sedona Historical Society, Inc.

FUND STRUCTURE AND BASIS FOR BUDGETING

continued

Basis of Accounting

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

REVENUES AND EXPENDITURES/EXPENSES RECOGNITION

Basis of Accounting	Revenues	Expenditures/Expenses
Modified Accrual	Recognized in the period when they become both “measurable” and “available” ⁽⁴⁾ 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)

⁽⁴⁾ 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 ⁽⁵⁾	Modified Accrual	Full Accrual
Wastewater Enterprise Fund ⁽⁵⁾	Modified Accrual	Full Accrual
Information Technology Internal Service Fund ⁽⁵⁾	Modified Accrual	Full Accrual
All Other Funds	Modified Accrual	Modified Accrual

⁽⁵⁾ The budgetary basis of accounting for the Public Transit Enterprise Fund, Wastewater Enterprise Fund and Information Technology Internal Service Fund differs from the financial statement basis of accounting primarily due to State laws. The major differences are as follows:

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



COMPREHENSIVE FINANCIAL POLICIES

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

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

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

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 cover 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>	√	No bonded debt financing planned for fiscal year 2023-24. 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 principles 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. If it will significantly increase the effectiveness of the grant, the City may waive or reduce indirect costs. <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 services, 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 25 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 \$10,000,000. Coverage is provided on a claims-made basis with a \$50,000 deductible. <i>(Administrative Policy)</i>	√	
The City’s liability insurance program is administered by the City Attorney’s Office. Worker’s Compensation claims are reviewed by the Human Resources Department and handled through the Arizona Municipal Workers Compensation Pool. <i>(Administrative Policy)</i>	√	
The City has an aggressive safety program, which promotes employee safety on the job and focuses on risk control techniques designed to minimize accident-related losses. <i>(Administrative Policy)</i>	√	

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 27, 2023)</i></p>	√	<p>Unassigned fund balance projected to be 63%. Excess to be appropriated by the City Council during the next budget cycle.</p>
<p>Streets Fund: The fund balance target shall be 30% of the total adopted budgeted operating expenditures of the Fund. This shall be in addition to a separate fund balance with a target equal to the difference between the highest expected annual pavement preservation/street rehabilitation cost and the average annual pavement preservation/street rehabilitation cost. For the purpose of calculation, this reserve shall be in addition to all other required reservations of fund balance including, but not limited to, equipment replacement reserves. <i>(Council Policy revised June 27, 2023)</i></p>	√	<p>Unassigned fund balance projected to be 30% with General Fund subsidy of \$2,298,349 for fiscal year 2023-24. See Inter-Fund Transfers section.</p>
<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 reservations 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 27, 2023)</i></p>	√	<p>Unassigned fund balance projected to be 140%. Excess to be held for elimination of the need for future rate increases.</p>

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>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 27, 2023)</i></p>	√	
<p>If it is determined there is a surplus (an amount in excess of the fund balance target or the upper limit of the fund balance range for any fund), the funds may be designated or appropriated at the next budget cycle to eliminate shortfalls in related funds, reduce or avoid debt, fund one-time capital needs, or stabilize taxes, fees, or rates. <i>(Council Policy revised June 27, 2023)</i></p>	√	<p>General Fund surplus for fiscal year 2021-22 was allocated to Council priorities during the fiscal year 2023-24 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 27, 2023)</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 2023-24. General Fund transfers are budgeted in fiscal year 2023-24 to eliminate estimated shortfalls in the Streets Fund and Housing 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 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 2023-2024 BUDGET CALENDAR

Date	Description	Legal Requirements
Policy/Strategy Phase		
January 9, 2023	Staff CIP Committee Kickoff Meeting	
January 11, 2023	Operating Budget Kickoff Meeting with Department and Division Heads	
January 17-19, 2023	City Council Retreat and Priority Setting	
Budget Development Phase		
January 26, 2023	Online Community Budget Survey Released	
February 9, 2023	Deadline to Submit CIP Requests	
February 16, 2023	CIP Committee Review of Project Submittals	
March 2, 2023	Operating Base Budgets, Updated CIP Budgets and Decision Packages Due	
March 9, 2023	Citizens Budget Work Group Kickoff Meeting	
March 22, 2023	Review of Revenue Projection Assumptions	
March 23, 2023	Citizens Budget Work Group Review of Community Service Contracts	
April 3-13, 2023	City Manager Review with Departments	
April 6, 2023	Citizens Budget Work Group Review of Overall Budget Summary	
April 17, 2023	Citizens Budget Work Group Review of Select Programs, Decision Packages, and CIP Projects	
Budget Review Phase		
May 24, 2023	Proposed Budget Distributed to City Council	
June 14-15, 2023	City Council Work Sessions	
July 11, 2023	Public Hearing and City Council Adoption of Tentative Budget	ARS §42-17101 – On or before the third Monday in July
Budget Adoption Phase		
July 19 and 26, 2023	Published Public Notice	ARS §42-17103 – Once a week for 2 consecutive weeks
August 8, 2023	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 January 2023 for both the Operating Budget and Capital Improvement Program (CIP) to provide overall guidance for the development of the fiscal year 2023-24 budget.

BUDGET PROCESS AND CALENDAR

continued

Policy/Strategy Phase (cont'd)

In January 2023, the City Council met to review the existing priorities and to update or set new priorities as necessary that will guide their efforts for the following fiscal year and beyond. During the retreat, staff presented an interactive eight-year forecast of revenues and expenditures with a variety of scenario options. Staff also presented information regarding required reserve balances and anticipated changes in revenue and expenditures levels. This was an opportunity for the City Council to provide key policy directives and goals for consideration during the fiscal year 2023-24 budget process and to provide input on upcoming priorities.

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 April 2023, the City Manager met with each department and conducted a review of all Operating Base Budgets, Decision Packages and CIP requests.

Each year, a Citizens Budget Work Group is formed to participate and provide input in the budget development process. This was the ninth year the City has included a citizen work group in the budget development process. The goals for the work included recommended changes to programs and services and any community issues with budget implications, recommendations on the additional major budget requests for fiscal year 2023-24, hear presentations by the six service providers of their proposals for renewals of their agreements and review and provide recommendations, and summarize and present their recommendations to the City Council. The group members brought insights from their unique perspectives and added value to the overall process.

A public online survey was released to gather broader community interest on a variety of budget topics, including uses for the former Cultural Park property, neighborhood street connections, broadband funding, options for addressing homelessness, and sustainability/resiliency 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 680 completed surveys were received and included the following results.

- Among the budget initiatives included in the survey, planning for uses of the former Cultural Park property was the highest ranked initiative with open space preservation as the highest scoring use for the property.
- Continued aggressive pursuit of sustainability/resiliency projects was the second highest ranked initiative with open space/creek preservation as the highest scoring project.
- Numerous additional comments were included with many related to reduction of spending, no on amenities serving the homeless, improving the community pool, saving the environment, increased focus on resident needs, reduction of tourism, and restoration of local control for short-term rentals.

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 June 14th and 15th. 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 11, 2023. 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 19th and 26th. 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 8th, 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.

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 since fiscal year 1996-97.

A citizen work group has evaluated 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 pursue once again the Home Rule option at the next opportunity in the August 2022 election, which the City Council approved placing on the ballot.

On August 2, 2022, voters approved the Home Rule option, which is effective through the 2026-27 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 2026-27 budget year.

Budget Implementation/Monitoring/Amendment Phase

Following the adoption of the final budget in August 2023, 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 capacity. 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 2023-24 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, affordable housing, and homelessness issues. Specific projects within these priority areas have been funded and included in the fiscal year 2023-24 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 9,790. 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 is 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; over 80 lodging establishments including resorts, hotels, motels, bed and breakfasts, and timeshares; and over 1,000 short-term rental properties ranging from a single room to 10+ bedroom homes to unique experiences, such as glamping in a cave.

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.

BUDGET OVERVIEW

continued

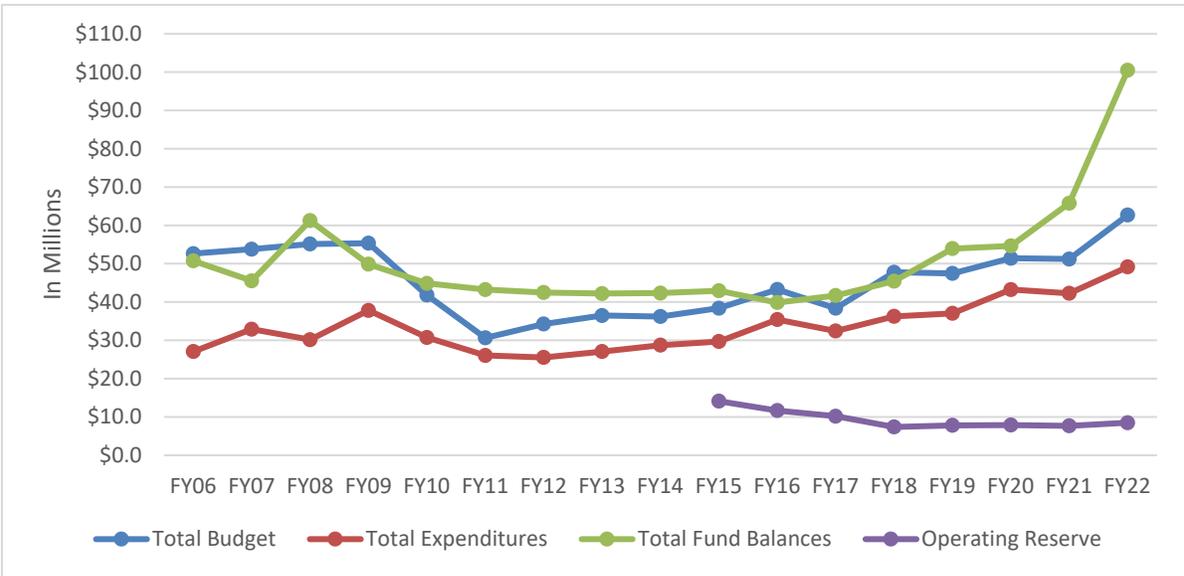
Economic Overview (cont'd)

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.

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

Past state legislation has impacted local tax collection, collection efforts, and state shared revenues. Future legislative attempts at further impacts are always possible.

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 2021-22.



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 2019-20, bed tax revenues were less than the prior year actuals by 13% due to the COVID-19 closures. Since reopening, bed tax revenues drastically exceeded expectations, as well as 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 2021-22 budget process. Even with the suspension of destination marketing, tourism remained strong through most of fiscal year 2021-22. As a result, the City Council continued the hold on destination marketing for fiscal year 2022-23.

For fiscal year 2022-23, sales taxes were down 3% and bed taxes were down 4%. The decrease was likely due to the reopening of Europe, significant inflation possibly impacting the amount of travel, talk of a coming recession possibly impacting the amount of travel, and the City's hold placed on destination marketing. Sales and bed tax projections for fiscal year 2023-24 have been based on conservative estimates in case of a recession occurring during the year.

In April 2023, the Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) gave notice that they would not pursue renewal of their contract to serve as the City's Tourism Bureau. Shortly after, the City Council designated the City as the official Destination Marketing Organization (DMO) for Sedona. Bringing the tourism bureau in-house provides an opportunity to address tourism and its impacts on the community in a more holistic manner. In October 2023, the City Council appointed an 11-member tourism advisory board to advise the Council and staff on decisions related to tourism strategic planning, branding and marketing, visitor management programs, regional tourism efforts, and any other tourism-related matters. One of the primary goals of establishing this advisory body was to ensure sufficiently broad diversity in representation, perspectives, and opinions.

With inflation tapering off and decreased talk of a recession, the first quarter of fiscal year 2023-24 showed sales taxes up 4% and bed taxes up 9%. While Sedona has been impacted by prior recessions and seen some decreases in sales and bed taxes, the local economy continues to maintain a high level of resiliency and quickly recovers from any downturns. After several years of reduced and then fully eliminated destination marketing, the City will pursue some strategic, targeted, and measurable marketing efforts focused on bolstering visitation during the slower summer and winter seasons. This will be initiated by the City's new in-house tourism bureau.

Increases in sales and bed tax revenues have resumed in the first quarter for FY 2023-24.

BUDGET OVERVIEW

continued

Economic Overview (cont'd)

During fiscal year 2022-23, key tourism indicators were strong including an average hotel occupancy rate of 65% compared to the 2022 national average of 63% and an average hotel daily room rate of \$310 compared to the 2022 national average of \$149. In comparison, during fiscal year 2021-22, the average hotel occupancy rate was 68% compared to the 2021 national average of 58% and the average hotel daily room rate was \$344 compared to the 2021 national average of \$143.

The average hotel occupancy rate for fiscal year 2022-23 represents a decrease of 4% from the prior year and a 1% decrease since the original inception of the destination marketing program. The average hotel daily room rate for fiscal year 2022-23 represents a decrease of 10% from the prior year and a 68% increase since the original inception of the destination marketing program. While rates are down compared to the incredibly high peak in fiscal year 2021-22, the comparison to the pre-destination marketing program numbers seems to reflect a level stability in tourism levels considering the significance of added rooms during that timeframe. Several hotels within city limits have been added, as well as added hotels in the nearby communities, and the opening up of the short-term rental market has also added a significant number of rooms. The City is working with consultants to analyze various data sources to obtain a better estimation of the number of visitors and the changes in visitation over time.

See the Revenue Trends section for additional information on the long-term trends in city sales and bed tax revenues.

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 8-year forecasts served to evaluate the longer-term needs of the City, and multiple scenario options were developed throughout the budget process to consider the impacts of various decision options.

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

An assumed 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 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 to keep pace with industry comparable wages and to not fall behind the market

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

- 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 included 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 for the City’s portion of costs include the half-cent transportation sales tax, surplus from the payoff of existing bonds in fiscal year 2026-27, and potential debt financing.

Other 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.

The estimated costs for Council Priorities have been included in the fiscal year 2023-24 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 in 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.

BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

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, 2022, the unfunded liability for Tiers 1 and 2 employees was \$5.5 million with a funding ratio of 68%. As of June 30, 2022, there were only six Tier 3 employees and an overfunded liability estimate at 111%. 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 16-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, 2022, was \$10.6 million with a funding ratio of 74%. 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, 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.

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.



BUDGET OVERVIEW

continued

Long-Range Forecasts (cont'd)

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

	FY24	FY25	FY26	FY27	FY28
General Fund:					
Revenues	\$ 39,249	\$ 39,172	\$ 41,301	\$43,382	\$ 43,497
Expenditures	27,145	27,342	28,255	29,445	29,173
Net transfers	(11,748)	(17,442)	(11,189)	(6,156)	(12,597)
Net surplus/deficit	357	(5,612)	1,858	6,422	1,727
Beginning fund balance	26,035	26,391	20,779	22,637	29,059
Ending fund balance	\$ 26,391	\$ 20,779	\$ 22,637	\$29,059	\$ 30,786
<i>Over (under) minimum reserve requirements</i>	\$ 16,682	\$ 10,777	\$ 12,125	\$17,955	\$ 19,529
Capital Improvements Fund:					
Revenues and other sources	\$ 167	\$ 354	\$ 131	\$ 131	\$ 131
Expenditures	25,386	12,304	2,461	2,461	2,461
Net transfers	7,667	12,595	4,148	4,148	4,148
Net surplus/deficit	(17,553)	645	1,817	1,817	1,817
Beginning fund balance	20,336	2,783	3,429	5,246	7,063
Ending fund balance	\$ 2,783	\$ 3,429	\$5,246	\$7,063	\$8,880
Wastewater Enterprise Fund:					
Revenues	\$ 6,989	\$ 9,383	\$ 8,207	\$ 6,845	\$6,854
Expenditures	11,603	12,693	11,307	7,130	7,294
Net transfers	3,100	3,000	2,900	-	-
Net surplus/deficit	(1,514)	(310)	(200)	(285)	(439)
Beginning fund balance	11,606	10,092	9,782	9,582	9,297
Ending fund balance	\$10,092	\$ 9,782	\$ 9,582	\$ 9,297	\$8,858
<i>Over (under) minimum reserve requirements</i>	\$ 4,584	\$ 939	\$ 2,559	\$ 3,451	\$2,742

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 of implementing all desirable projects in the near future.

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

- Projected impacts of a more severe recessionary scenario
- Scenarios based on economic predictions of construction costs increasing 1½- and two-times current levels
- Projected impacts of estimated wastewater rate increases to address potential construction cost increases
- Debt financing option for future potential purchase of the former school district administrative site currently leased by the City as opposed to a cash-funded purchase
- CIP projects in later years with funding not yet identified
- Any other Council priorities not already included in the base budget

FY 2023-24 Citywide Revenue and Expenditure Budgets

The total appropriation for fiscal year 2023-24 has decreased by 19% (including carryforward budget amounts) from \$105.7 million to \$85.8 million, which is comprised of an operating budget of \$52.2 million and a capital improvements budget of \$33.6 million.

Total appropriation decreased by \$20.0 million or 19%.

Operating budget increased by \$3.0 million or 6%.

The operating budget represents a \$3.0 million or 6% increase from fiscal year 2022-23. The most significant increases are \$1.3 million for increases in personnel costs for pay adjustments, added and reallocated positions, and changes in insurance and pension rates; \$0.2 million increase in a one-time additional contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability; \$0.5 million increase in community service contracts with six local non-profit organizations that provide services

that otherwise would not be as cost-effective to operate as a City function such as the Sedona Public Library, Inc.; \$0.5 million increase in contingencies for grants; and \$0.4 million for addition of a Community Development Block Grant for a transitional housing project.

The capital improvements budget represents a \$23.0 million or 41% increase from fiscal year 2022-23. The most significant decreases are \$20.0 million for acquisition of land for the strategic protection of the City's future development and \$2.3 million for wastewater system infrastructure needs.

Capital improvements budget decreased by \$23.0 million or 41%.

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

BUDGET OVERVIEW

continued

FY 2023-24 Citywide Revenue and Expenditure Budgets (cont'd)

BUDGETED REVENUES & EXPENDITURES BY FUND

(In Thousands)

Fund	Revenues			Expenditures		
	FY24 Budget	FY23 Budget	% Change	FY24 Budget	FY23 Budget	% Change
General Fund:						
Ongoing Operations	\$42,905	\$49,001	-12%	\$23,107	\$ 22,108	5%
One-Time Operations	50	256	-81%	2,944	3,012	-2%
Debt Service	-	-	-	2,293	2,658	-14%
Contingencies	-	-	-	937	550	70%
Total General Fund	\$42,954	\$49,257	31%	\$29,280	\$ 28,328	3%
Streets Fund:						
Ongoing Operations	\$ 1,024	\$ 1,315	-22%	\$ 2,379	\$ 2,164	10%
One-Time Operations	-	-	-	140	159	-12%
Total Streets Fund	\$ 1,024	\$ 1,315	-22%	\$ 2,519	\$ 2,323	8%
Housing Fund:						
Ongoing Operations	\$ 122	\$ 87	41%	\$ 503	\$ 352	43%
One-Time Operations	-	-	-	454	240	89%
Capital Improvements	-	-	-	-	1,500	-100%
Total Housing Fund	\$ 122	\$ 87	41%	\$ 957	\$ 2,092	-54%
Grants, Donations & Restricted Funds:						
Ongoing Operations	\$ 197	\$ 116	70%	\$ 154	\$ 85	81%
One-Time Operations	2,479	1,809	37%	488	236	107%
Capital Improvements	-	-	-	79	201	-61%
Contingencies	500	500	-	2,375	1,862	28%
Total Grants, Donations & Restricted Funds	\$ 3,176	\$ 2,425	31%	\$ 3,096	\$ 2,384	30%
Transportation Sales Tax Fund:						
Ongoing Operations	\$ 572	\$ 2,709	-79%	\$ 159	\$ 148	7%
Debt Service	-	-	-	341	377	-10%
Capital Improvements	3,929	2,584	52%	-	-	-
Total Transportation Sales Tax Fund	\$ 4,501	\$ 5,293	-15%	\$ 499	\$ 526	-5%
Capital Improvements Fund:						
Capital Improvements	\$ 1,246	\$10,431	-88%	\$17,586	\$ 40,398	-56%
Total Capital Improvements Fund	\$ 1,246	\$10,431	-88%	\$17,586	\$ 40,398	-56%

BUDGET OVERVIEW

continued

FY 2023-24 Citywide Revenue and Expenditure Budgets (cont'd)

BUDGETED REVENUES & EXPENDITURES BY FUND

continued
(In Thousands)

Fund	Revenues			Expenditures		
	FY24 Budget	FY23 Budget	% Change	FY24 Budget	FY23 Budget	% Change
Development Impact Fees Funds:						
One-Time Operations	\$ -	\$ -	-	\$ 78	\$ 45	73%
Capital Improvements	1,065	614	73%	8,749	5,159	70%
Debt Service	-	-	-	249	234	6%
Total Development Impact Fees Funds	\$ 1,065	\$ 614	73%	\$ 9,075	\$ 5,438	67%
Art in Public Places Fund:						
Capital Improvements	\$ 4	\$ 2	115%	\$ 232	\$ 361	-36%
Total Art in Public Places Fund	\$ 4	\$ 2	115%	\$ 232	\$ 361	-36%
Public Transit Enterprise Fund:						
Ongoing Operations	\$ 438	\$ 255	72%	\$ 2,457	\$ 2,376	3%
One-Time Operations		-	-	435	340	28%
Capital Improvements	1,065	489	118%	1,781	1,431	24%
Total Public Transit Enterprise Fund	\$ 1,503	\$ 743	102%	\$ 4,673	\$ 4,148	13%
Wastewater Enterprise Fund:						
Ongoing Operations	\$ 6,723	\$ 6,522	3%	\$ 5,243	\$ 5,117	2%
One-Time Operations	50	-	∞	508	386	31%
Capital Improvements	1,676	1,645	2%	5,157	7,492	-31%
Debt Service	-	-	-	4,541	4,541	<-1%
Contingencies	-	-	-	100	100	-
Total Wastewater Enterprise Fund	\$ 8,449	\$ 8,167	3%	\$15,548	\$ 17,636	-12%
Information Technology Internal Service Fund:						
Ongoing Operations	\$ 2,441	\$ 2,148	14%	\$ 2,047	\$ 1,994	3%
One-Time Operations	141	111	27%	306	120	155%
Total Information Technology Fund	\$ 2,582	\$ 2,258	14%	\$ 2,352	\$ 2,114	131%
TOTAL ALL FUNDS	\$66,624	\$80,592	21%	\$85,820	\$105,745	47%
Operating Budget	\$57,640	\$64,827	-11%	\$52,236	\$ 49,204	6%
Capital Improvements Budget	\$ 8,984	\$15,765	-43%	\$33,584	\$ 56,542	-41%

BUDGET OVERVIEW

continued

FY 2023-24 Citywide Revenue and Expenditure Budgets (cont'd)

Although the total fiscal year 2023-24 projected new revenues are \$66.6 million and total fiscal year 2023-24 budgeted expenditures are \$85.8 million, an additional \$34.5 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 \$15.3 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 2023-24	Revenues & Other Sources of Funds	Expenditures & Other Uses of Funds
Total Revenues & Expenditures	\$66,624	\$85,820
Plus: Use of Accumulated Balances:		
General Fund – Net use of surplus balance toward funding for potential affordable/workforce housing development loans	9,463	-
Grants, Donations & Restricted Funds – Use of funding received in prior years for their dedicated purposes	104	-
Transportation Sales Tax Fund – Net of use of accumulated balances set aside for capital projects	3,316	-
Capital Improvements Fund – Use of accumulated balances set aside for funding of capital projects	14,099	-
Development Impact Fee Funds – Use of accumulated balances set aside for funding of capital projects	3,504	-
Art in Public Places Fund – Use of accumulated balances set aside for funding of capital projects and loan from General Fund	209	-
Wastewater Enterprise Fund – Use of accumulated balances set aside for funding of capital projects and equipment replacement and use of surplus balances	3,815	-
Total Use of Accumulated Balances	34,509	-
Less: Additions to Accumulated Reserves:		
Streets Fund – Addition of an operating reserve and increase in equipment replacement reserve	803	-
Housing Fund – Increase in balances reserved for potential affordable/workforce housing development loans	14,000	-
Public Transit Enterprise Fund – Increase in equipment replacement reserve	237	-
Information Technology Internal Service Fund – Net addition to underfunded reserves	274	-
Total Additions to Accumulated Reserves	15,314	-
Totals	\$85,820	\$85,820

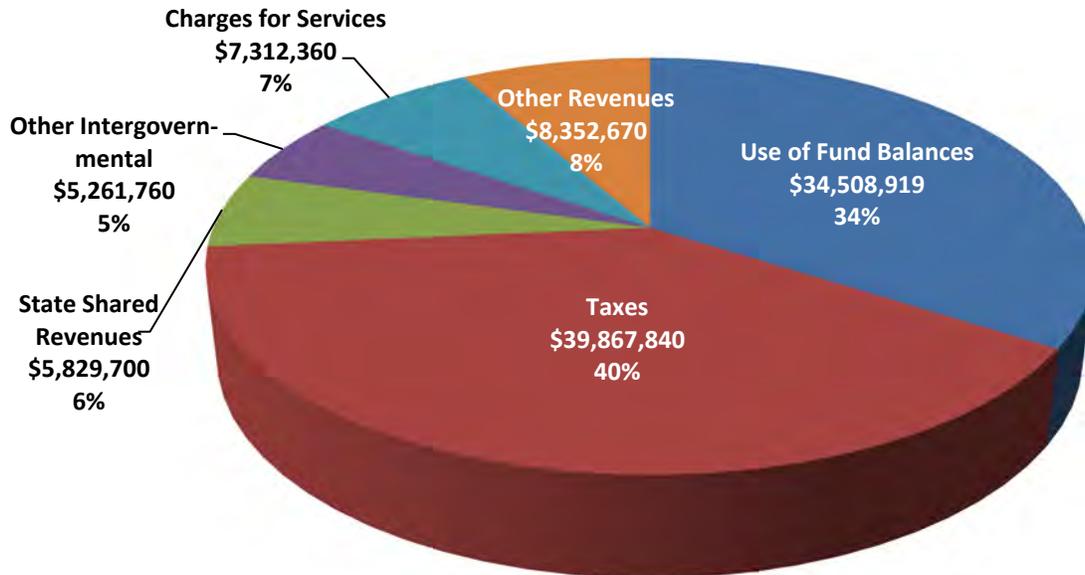
BUDGET OVERVIEW

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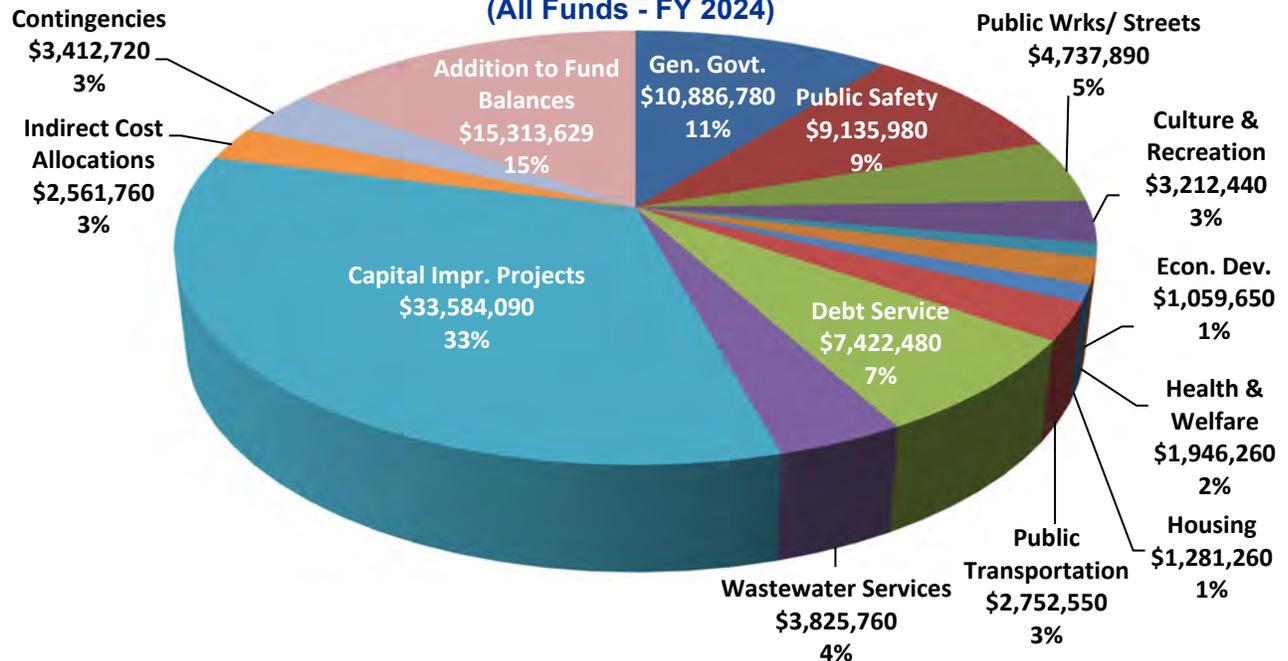
FY 2023-24 Citywide Revenue and Expenditure Budgets (cont'd)

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

Where Does the Money Come From? (All Funds - FY 2024)



Where Does the Money Go? (All Funds - FY 2024)



BUDGET OVERVIEW

continued

FY 2023-24 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 2023-24 budget.

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

FY 2024 DECISION PACKAGES

Department	Description/Basis of Request	Ongoing Costs	One-Time Costs	Total Request
Human Resources	Tuition Reimbursement Program (<i>New – Added Service</i>)	\$ 10,000	\$ -	\$ 10,000
Financial Services	Investment Advisory and Consulting Services (<i>Improve Existing Service Level</i>)	50,000	40,000	90,000
Community Development	Master Plan for Former Cultural Park (<i>New – Added Service</i>)	-	125,000	125,000
Community Development	Transfer Temporary Planner Position to Full-Time (<i>Improve and Maintain Existing Service Level</i>)	11,200	-	11,200
Tourism & Economic Initiatives	Tourism Data Collection Project (<i>New – Added Service – at net cost of \$0</i>)	-	-	-
Police	Second Motor Officer Position (<i>Improve Existing Service Level</i>)	121,460	12,000	133,460
Police	Speed and Traffic Enforcement (<i>Grant Funded – Improve Existing Service Level</i>)	-	1,200	1,200
Police	DUI Enforcement (<i>Grant Funded – Improve Existing Service Level</i>)	-	1,200	1,200
Municipal Court	Temporary Court Clerk (<i>Improve and Maintain Existing Service Level</i>)	-	49,040	49,040
Housing	Homelessness – Cold/Wet Weather Emergency Fund (<i>New – Added Service</i>)	15,000	-	15,000
Housing	Strategic Plan to Address Homelessness (<i>New – Added Service</i>)	-	54,000	54,000
Housing	Safe-Place-to-Park (<i>New – Added Service</i>)	-	400,000	400,000
Public Transit	Trailhead Shuttle Multimedia Screens (<i>New – Added Service – at net cost of \$0</i>)	-	-	-
Information Technology	IT Communications – Cellular Boost for Wastewater Reclamation Plant (<i>Improve Existing Service Level</i>)	-	36,230	36,230
TOTAL		\$207,660	\$718,260	\$926,330

BUDGET OVERVIEW

continued

FY 2023-24 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 2022-23 and carried forward to fiscal year 2023-24.

FY 2024 BUDGET CARRYOVERS

Department	Description	Carryover Amount
General Fund:		
General Services	Airport Evaluation (<i>In Process</i>)	\$ 80,000
General Services	Evacuation Modeling Project (<i>In Process</i>)	12,000
Community Development	Community Plan Update Consultant (<i>In Process</i>)	50,000
Subtotal		142,000
Grants, Donations & Restricted Funds:		
Tourism & Economic Initiatives	Broadband Study (<i>In Process</i>)	10,000
Police	Trained Narcotic Detection/Tracking Dog (<i>In Process</i>)	12,500
Information Technology	Financial System Upgrade (<i>Not Started</i>)	48,300
Subtotal		70,800
Development Impact Fees Funds:		
General Services	5-Year Fee Study Update (<i>Working on contract – plus additional appropriation of \$33,000 added</i>)	45,000
Wastewater Enterprise Fund:		
Financial Services	Wastewater Rate Study (<i>On Hold</i>)	30,000
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
Subtotal		75,000
Information Technology Internal Service Fund:		
Information Technology	Police Video System On-Premises Storage Backup (<i>Not Started</i>)	9,600
TOTAL		\$342,400

BUDGET OVERVIEW

continued

FY 2023-24 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:

- Certain capital improvement projects were delayed to later years or fiscal year 2023-24 cost estimates were reduced.
- Updates were made for new information for estimated capital improvement costs for fiscal year 2022-23.
- Acquisition of a vehicle was changed to a financed purchase instead of a cash purchase.
- Due to project delays, additional budgeted expenditures were added to fiscal year 2023-24 and estimated expenditures for fiscal year 2022-23 were reduced.
- The Decision Package for the Safe-Place-to-Park program was previously recommended to defer to the following year; however, additional information was obtained, and the Decision Package was added.
- Grant funding not awarded was removed.
- Due to the growth in programs and initiatives, a second Deputy City Manager position was added.
- A communications support contract for the City Council was eliminated.
- The cost for replacement of the short-term rental permitting software was added.
- The City received late notification from City of Cottonwood that the matching portion for the Verde Shuttle would be increasing.
- Preliminary estimates of pay adjustments, turnover, and related costs were used for the proposed budget. Further refinement of those numbers was available for the tentative budget adoption.
- The surplus balance for fiscal year 2021-22 and a portion of the estimated surplus for fiscal year 2022-23 was allocated to a one-time \$1.2 million contribution toward the Public Safety Personnel Retirement System (PSPRS) unfunded liability and to set aside \$12 million for potential affordable/workforce housing development loans.
- Impacts to indirect cost allocations based on the above adjustments were included.

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

	FY2024 Proposed	Adjustments	FY2024 Tentative	Adjustments	FY2024 Adopted
Estimated Fund Balances as of July 1, 2023	\$ 99,094,843	\$(1,030,619)	\$ 98,064,224	\$ -	\$ 98,064,224
Estimated Revenues	66,956,080	(331,750)	66,624,330	-	66,624,330
Budgeted Expenditures	(84,477,530)	(1,342,090)	(85,819,620)	-	(85,819,620)
Estimated Fund Balances as of June 30, 2024	\$ 81,573,393	\$(2,704,459)	\$ 78,868,934	\$ -	\$ 78,868,934

BUDGET OVERVIEW

continued

FY 2023-24 Citywide Revenue and Expenditure Budgets (cont'd)

Summary of Changes from FY 2023 to FY 2024

The following table summarizes the changes from the fiscal year 2022-23 adopted budget to the fiscal year 2023-24 adopted budget.

SUMMARY OF BUDGET CHANGES FROM FY 2023 TO FY 2024

	Operating Budget	Capital Improvements Budget	Totals
FY 2023 Adopted Budget	\$49,959,990	\$55,785,050	\$105,745,040
Increases for traffic improvements including construction of the Uptown parking garage, Forest Road extension, pedestrian crossing at Oak Creek, and shared-use paths	-	512,070	512,070
Increases for implementation of transit system operating and capital infrastructure	85,510	424,470	509,980
Decrease for real estate/land acquisition for strategic protection of the City's future development	-	(20,020,000)	(20,020,000)
Net decreases for wastewater operating and capital infrastructure needs	185,020	(2,323,110)	(2,138,090)
Decreases in debt service payments on bonds compared to placeholder in prior year	(387,760)	-	(387,760)
Reduction in tourism management contingency	(250,000)	-	(250,000)
Reduction of Sedona Chamber of Commerce & Tourism Bureau contract (offset with retention of Visitor Center contract and allocation for funding of tourism data collection project and trailhead shuttle multimedia screens)	(981,500)	-	(981,500)
Reallocation of Economic Development to Tourism & Economic Initiatives (including addition of 2.0 FTEs)	114,130	-	114,130
Addition of tourism and economic initiatives contingency	637,400	-	637,400
Net Increases for sustainability programs and initiatives	(48,530)	330,000	281,470
Decrease in housing expenditures and contingencies (loan programs are balance sheet items, not expenditures)	(488,500)	-	(488,500)
Increase for Community Development Block Grant (CDBG) for a transitional housing project	406,100	-	406,100
Increase for master plan for the former Cultural Park	125,000	-	125,000
Increases for community service contracts (largest increase for Sedona Public Library, Inc. at \$323,240)	466,130	-	466,130
Increase in grant contingencies for remaining American Rescue Plan Act (ARPA) monies	336,320	-	336,320
Decreases for Police Department capital infrastructure needs	-	(910,030)	(910,030)
Increases in streets maintenance costs	268,830	-	268,830
Increases in utility costs	127,390	-	127,390
Increase in contribution toward PSPRS unfunded liability	200,000	-	200,000
Increases in personnel costs for pay adjustments, other added positions, and change in insurance and pension rates	964,480	-	964,480
Increases in indirect cost allocations (allocations result in double counting of expenditures, not an increase in payments to employees or vendors)	312,670	-	312,670
Net decreases in other CIP projects	-	(214,360)	(214,360)
Other miscellaneous changes	202,850	-	202,850
FY 2024 Adopted Budget	\$52,235,530	\$33,584,090	\$ 85,819,620

BUDGET OVERVIEW

continued

General Fund

The General Fund budget increased from \$28.3 million to \$29.3 million this year, an increase of 3%, primarily due to increases in salaries and benefits costs.

General Fund budgeted expenditures increased 3%.

Salaries & Benefits Expenditures

General Fund budgeted salaries and benefits increased 8%.

Of the total General Fund expenditures, \$16.5 million, or 56%, is attributable to salaries and benefits for the City’s employees. This is an increase of approximately \$1.2 million, or 8%, from fiscal year 2022-23. The adjustments to salaries and benefits included in the fiscal year 2023-24 budget included the following:

- **Pay Adjustments** – The overall salary budgets were increased for pay adjustments of approximately 5%. Each year, the December West Region Consumer Price Index (CPI) is used to adjust the pay scale. For December 2022, the CPI was 6.2%; however, the adjustment to the pay scale was capped at 5% to maintain long-term affordability.
- **Decision Packages** – Salaries and benefits related Decision Packages of approximately \$158,000 include:
 - A Police Officer position was added to serve as a second motor officer position to address traffic-related issues.
 - A temporary planner position was transferred to full-time to capacity needs for the Community Development Department.
 - A temporary Court Clerk position was added to assist with backlogs experienced by the Municipal Court.
- **Additional Positions** – The Economic Development Department was restructured as a Tourism & Economic Initiatives Department to include a newly formed City-operating Tourism Bureau. A portion of the cost for the former Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) contract has been reallocated to cover the cost of a Tourism & Economic Initiatives Manager and two Tourism & Economic Initiatives Coordinators.⁽¹⁾
- **Benefit Changes** – Increases and decreases to the City’s employee benefits for fiscal year 2023-24 were as follows.
 - The City’s medical insurance rates increased approximately 7%.
 - The Arizona State Retirement System (ASRS) rates increase from 12.17% to 12.29%.
 - While the PSPRS actuarially determined contribution rate increased from 34.47% of wages to 40.58%, the level-funding approach of \$1.1 million is continued in the budget. In addition, the budget includes an additional one-time contribution of \$1.2 million toward the PSPRS unfunded liability, \$200,000 greater than the one-time contribution in fiscal year 2022-23.
- **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.

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

BUDGET OVERVIEW

continued

General Fund (cont'd)

Supplies & Services Expenditures

General Fund budgeted supplies and services decreased 9%.

Of the total General Fund expenditures, \$8.0 million, or 27%, is attributable to supplies and services. This is a decrease of approximately \$828,000, or 9%, from fiscal year 2022-23. The adjustments to supplies and services included in the fiscal year 2023-24 budget included the following:

- **Ongoing Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$84,050 of ongoing costs.
 - Professional investment advisory services were included for a cost of \$50,000.
 - A tuition reimbursement program was added for a cost of \$10,000.
 - Other costs related to the addition of a second motor officer position were added at approximately \$24,000.
- **One-Time Decision Packages** – Supplies and services costs included in the Decision Packages represent approximately \$170,000 of one-time costs.
 - Consultant services for a master plan of the former Cultural Park were included for a cost of \$125,000.
 - Consultant services for banking services were included for a cost of \$40,000.
 - Other costs related to the addition of a second motor officer position were added for \$5,000.
- **Ongoing Costs** – Some of the more significant changes in ongoing costs include the following:
 - The former Economic Development Department was renamed as the Tourism & Economic Initiatives Department. Most of the costs related to economic diversification were carried over to the new department with some reductions. The former Sedona Chamber of Commerce & Tourism Bureau (SCCTB) contract was reallocated to a tourism initiatives contingency with portions allocated during the budget process to various costs of the Tourism & Economic Initiatives Department, including staffing as discussed above, a tourism data collection project, support for the Visitor Center, and trailhead shuttle multimedia screens. The net impact to supplies and services accounts was a reduction of approximately \$975,000.⁽¹⁾
 - Increases to the community service contracts totaled approximately \$466,000, with the largest increase being the Sedona Public Library, Inc. at approximately \$323,000. Typically, these contracts include a provision for increases based on the December West Region Consumer Price Index (CPI). All six contracts were up for renewal and renegotiation this year, and the requests were evaluated by the Citizens Budget Work Group (CBWG). The staff recommendations resulted in an average increase of 39%, ranging from 14% to 60% increases.
- **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 reduced by \$308,000.⁽¹⁾
 - Consultant costs for various sustainability projects in fiscal year 2022-23 were reduced by \$180,000.⁽¹⁾

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

BUDGET OVERVIEW

continued

General Fund (cont'd)

Indirect Cost Allocations

General Fund budgeted indirect cost allocations increased 172%.

Of the total General Fund expenditures, approximately \$509,000, or 2%, is attributable to indirect cost allocations. This is an increase of approximately \$322,000, or 172%, from fiscal year 2022-23 due to increases in and a reallocation of indirect costs. See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total General Fund expenditures, \$3.3 million, or 11%, is attributable to capital and debt service expenditures. This is a decrease of approximately \$167,000 or 5%.

General Fund budgeted capital and debt service decreased 5%.

Debt service costs decreased by approximately \$274,000 to \$2.8 million largely due to reallocation of debt service costs for the Series 2022 Bonds.⁽¹⁾ The bond principal and interest payments are paid based on debt retirement schedules specified in the bond documents. Financed purchases and lease payments are paid based on debt service schedules specified in the agreements.

Capital expenditures for fiscal year 2023-24 of approximately \$451,000 included the following:

- Placeholders for various City facility and parks improvements for \$319,000.
- Upfit for replacement police vehicles for \$109,000.
- A replacement utility vehicle for parks and recreation programs for \$23,000.

Contingencies

General Fund contingency budget increased 70%.

Of the total General Fund expenditures, approximately \$937,000, or 3%, is attributable to contingency budgets. This is an increase of approximately \$387,000 or 17% due to the net addition of a contingency for tourism and economic initiatives. The dollar amount for the former contract with the SCCTB was used to establish the budget amounts for the new City-operated tourism bureau with a portion set aside as contingency while the new program is being developed.

Revenues

General Fund revenues were projected to decrease \$6.3 million, or 13%, in fiscal year 2023-24 from the prior year budget amounts. Compared to fiscal year 2022-23 estimates, revenue is projected to decrease 1%. After ongoing significant increases in city sales and bed tax revenues, fiscal year 2022-23 amounts were slightly less than fiscal year 2021-22 and significantly lower than original projections. More details regarding the projection of revenues can be found in the Revenue Trends section.

General Fund budgeted revenues decreased 13%.

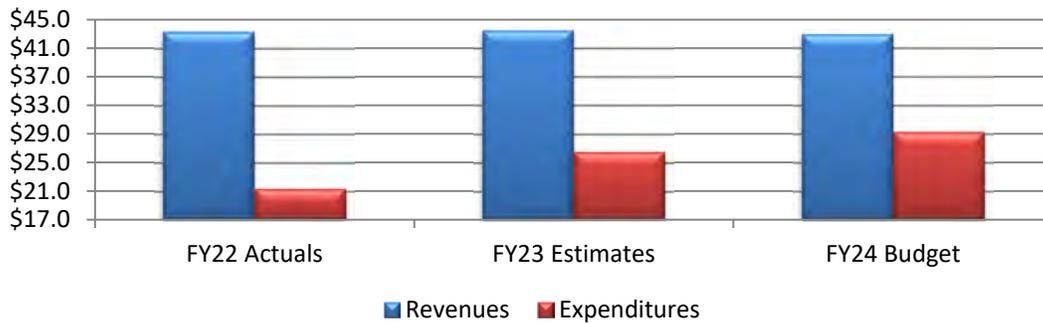
⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

General Fund (cont'd)

General Fund Revenues & Expenditures (In Millions)



Streets Fund

The Streets Fund expenditure budget increased from \$2.3 million to \$2.5 million this year, an increase of 8%. The increase is largely due to reallocation of indirect costs due to increases in costs for supplies and services.

Streets Fund budgeted expenditures increased 8%.

Salaries & Benefits Expenditures

Streets Fund budgeted salaries and benefits increased 3%.

Of the total Streets Fund expenditures, approximately \$412,000, or 16%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$12,000, or 3%, over fiscal year 2022-23 due to pay adjustments and changes in benefit rates, offset by a reduction of position allocations to the Streets Fund.

Supplies & Services Expenditures

Of the total Streets Fund expenditures, \$1.7 million, or 69%, is attributable to supplies and services. This is an increase of approximately \$217,000, or 14%, largely due to increases in costs for the streets rehabilitation and pavement preservation program.

Streets Fund budgeted supplies and services increased 14%.

Indirect Cost Allocations

Streets Fund budgeted indirect cost allocations decreased 62%.

Of the total Streets Fund expenditures, approximately \$229,000, or 9%, is attributable to indirect cost allocations. This is a decrease of approximately \$15,000, or 6%, from fiscal year 2022-23 due to a reallocation of indirect. See the Internal Charges section for more details.

BUDGET OVERVIEW

continued

Streets Fund (cont'd)

Capital & Debt Service Expenditures

Of the total Streets Fund expenditures, approximately \$140,000, or 6%, is attributable to capital and debt service expenditures. This is a decrease of approximately \$19,000 or 12%.

Streets Fund budgeted capital and debt service decreased 12%.

Debt service costs increased by approximately \$2,000 to approximately \$95,000 and represent payments for financed purchases and leases. Financed purchases and lease payments are paid based on debt service schedules specified in the agreements.

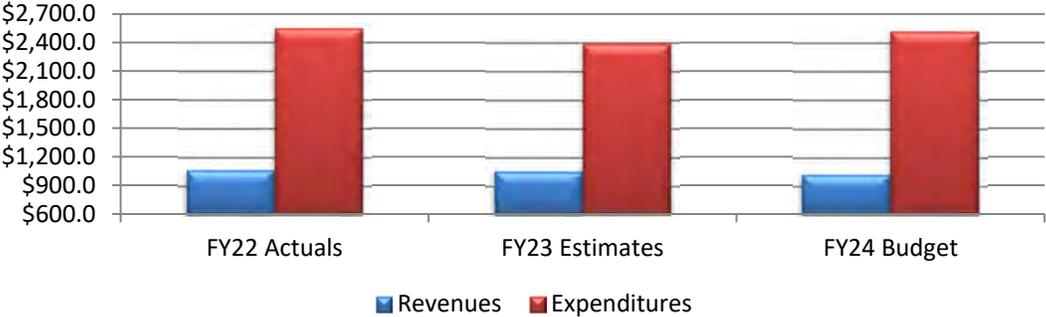
Capital expenditures for fiscal year 2023-24 of approximately \$45,000 were included for potential sidewalk improvements.

Revenues

Streets Fund budgeted revenues decreased 22%.

Streets Fund revenues were projected to decrease approximately \$292,000, or 22%, to \$1.0 million in fiscal year 2023-24. The decrease is largely a result of a projected reduction of state shared gas taxes. See the Revenue Trends section for further discussion.

**Streets Fund
Revenues & Expenditures**
(In Thousands)



Housing Fund⁽¹⁾

The Housing Fund expenditure budget decreased from \$2.1 million to \$957,000 this year, a decrease of 54%. The decrease is primarily due to a land acquisition for a low-income housing development that occurred in the prior year, offset by the addition of a placeholder for a potential safe-place-to-park program for Sedona workforce.

Housing Fund budgeted expenditures decreased 54%, while revenues increased 41%.

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

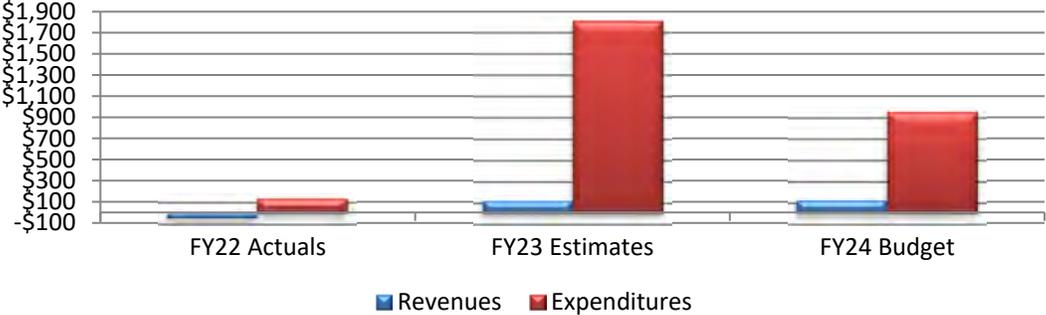
BUDGET OVERVIEW

continued

Housing Fund (cont'd)

Budgeted revenues increased by approximately \$35,000, or 41%, to approximately \$122,000 in fiscal year 2023-24. The increase is primarily due to an anticipated increase in investment earnings due to increases in interest rates. See the Revenue Trends section for further discussion.

Housing Fund Revenues & Expenditures (In Thousands)



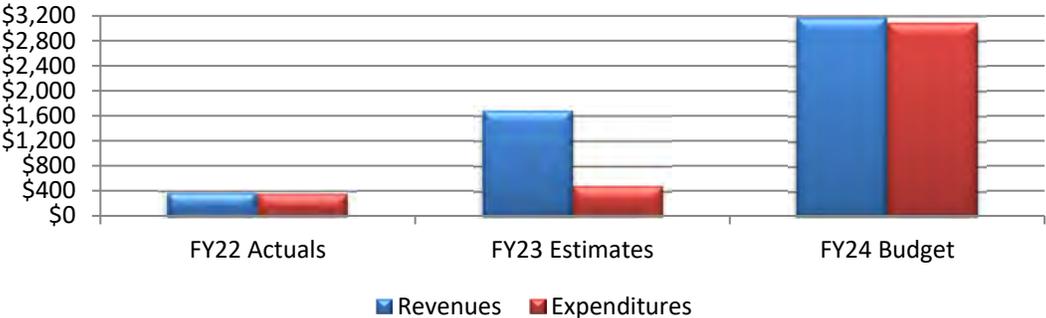
Grants, Donations & Restricted Funds

Grants, Donations, Restricted Funds budgeted expenditures increased 30%, while increased 31%.

The Grants, Donations & Restricted Funds expenditure budget increased from \$2.4 million to \$3.1 million, an increase of 30%. The increase is primarily due to the addition of a Community Development Block Grant for a transitional housing project⁽¹⁾ and an increase in grant contingency largely for unspent American Rescue Plan Act (ARPA) monies.

Budgeted revenues increased by approximately \$751,000, or 31%, to \$3.2 million in fiscal year 2023-24. The increase is primarily due to the corresponding increases in grant expenditures. See the Revenue Trends section for further discussion.

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



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

BUDGET OVERVIEW

continued

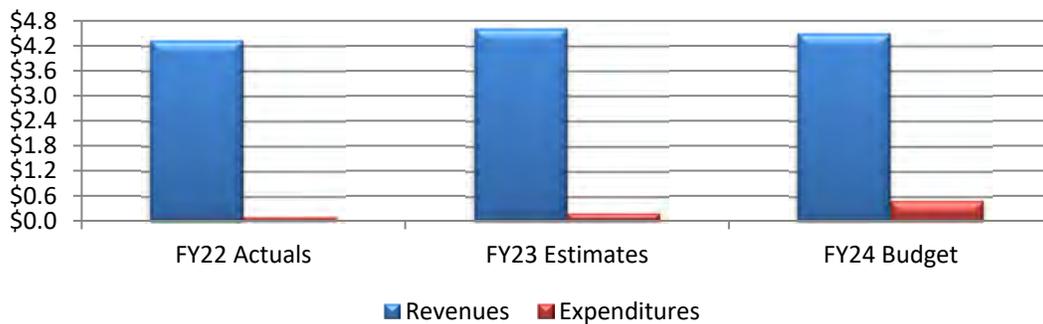
Transportation Sales Tax Fund

The Transportation Sales Tax Fund expenditure budget decreased from approximately \$526,000 to approximately \$499,000 this year, a decrease of 5%, largely due to reallocation of debt service costs for the Series 2022 Bonds.⁽¹⁾

Transportation Sales Tax Fund budgeted expenditures decreased 5%, while revenues decreased 15%.

Budgeted revenues decreased by approximately \$793,000 million, or 15%, to \$4.5 million in fiscal year 2023-24. 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. See the Revenue Trends section for further discussion.

Transportation Sales Tax Fund Revenues & Expenditures (In Millions)



Capital Improvements Fund

The Capital Improvements Fund expenditure budget decreased from \$40.4 million to \$17.6 million this year, a decrease of 56%. Of the total expenditures, \$15.5 million represents continuing projects. Some of the other capital projects added for fiscal year 2023-24 include \$795,000 for additional shared-use path projects, \$600,000 for replacement of the City's business software,⁽¹⁾ and \$330,000 for sustainability projects.

Capital Improvements Fund budgeted expenditures decreased 56%, while revenues increased 189%.

Budgeted revenues increased by approximately \$816,000, or 189%, to \$1.2 million in fiscal year 2023-24. The increase is due to one-time grant funding and an anticipated increase in investment earnings due to increases in interest rates. See the Revenue Trends section for further discussion.

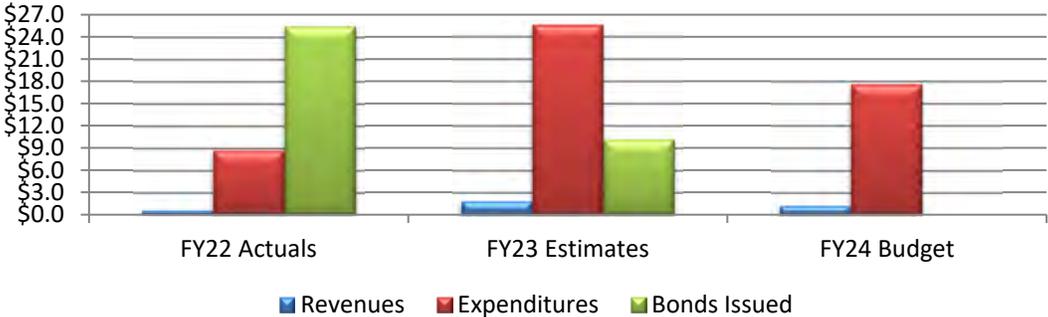
⁽¹⁾ Costs associated with the advancement of Council priorities.

BUDGET OVERVIEW

continued

Capital Improvements Fund (cont'd)

Capital Improvements Fund Revenues & Expenditures (In Millions)



Development Impact Fees Funds

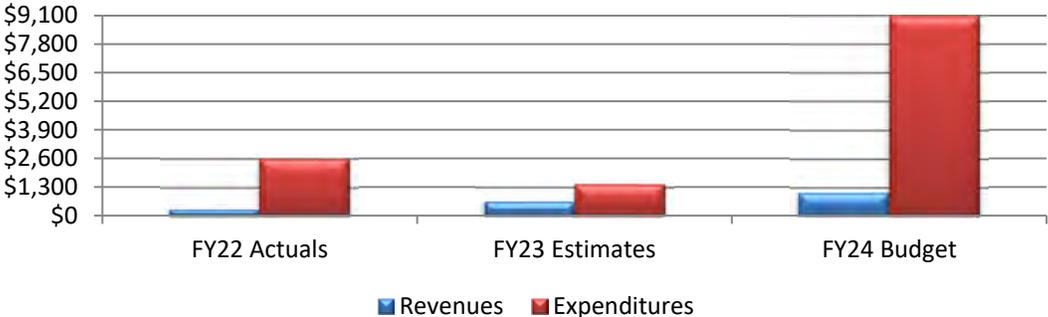
The Development Impact Fees Funds expenditure budget increased from approximately \$5.4 million to \$9.1 million this year, an increase of 67%. The budgeted expenditures are primarily related to capital improvements for streets and transportation projects and parks projects.⁽¹⁾

Development Impact Fees Funds budgeted expenditures increased 67%.

Budgeted revenues increased from approximately \$614,000 to \$1.1 million, an increase of 73% due to anticipated large one-time development projects. See the Revenue Trends section for further discussion.

Development Impact Fees Funds budgeted revenues increased 73%.

Development Impact Fees Funds Revenues & Expenditures (In Thousands)



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

BUDGET OVERVIEW

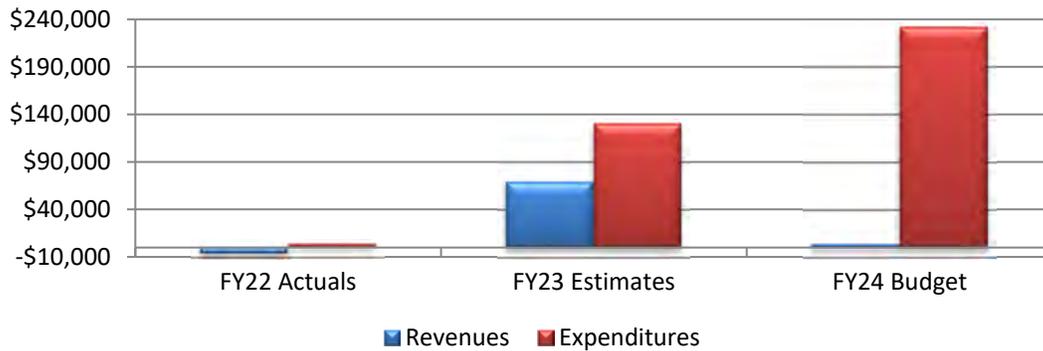
continued

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 other than a \$65,000 donation received in fiscal year 2022-23. For fiscal year 2023-24, the completion of a continuing project is budget for placement of art in several roundabouts for approximately \$232,000.

Art in Public Places Fund budgeted expenditures are approximately \$232,000.

Art in Public Places Fund Revenues & Expenditures



Public Transit Enterprise Fund⁽¹⁾

The Public Transit Enterprise Fund expenditure budget increased from \$4.1 million to \$4.7 million, an increase of 13%. The increase is largely due to an increase in capital improvement projects.

Public Transit Fund budgeted expenditures increased 13%.

Salaries & Benefits Expenditures

Public Transit Fund budgeted salaries and benefits increased 5%.

Of the total Public Transit Fund expenditures, approximately \$210,000, or 4%, is attributable to salaries and benefits for the City’s employees. This is an increase of approximately \$10,000, or 5%, over fiscal year 2022-23 due to pay adjustments and changes in benefit rates.

Supplies & Services Expenditures

Of the total Public Transit Fund expenditures, \$2.1 million, or 45%, is attributable to supplies and services. This is a decrease of approximately \$51,000, or 2%, primarily due to delays in the zero emissions study, which was transferred to a future year in the capital improvement project for future bus acquisitions.

Public Transit Fund budgeted supplies and services decreased 2%.

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

BUDGET OVERVIEW

continued

Public Transit Enterprise Fund (cont'd)

Indirect Cost Allocations

Public Transit Fund budgeted indirect cost allocations increased 26%.

Of the total Public Transit Fund expenditures, approximately \$160,000, or 3%, is attributable to indirect cost allocations. This is an increase of approximately \$33,000, or 26%, over fiscal year 2022-23. The increases were primarily due to planned implementation of the and micro-transit systems. See the Internal Charges section for more details.

Capital & Debt Service Expenditures

Of the total Public Transit Fund expenditures, approximately \$435,000, or 9%, is attributable to capital and debt service expenditures. This is an increase of approximately \$183,000 or 73%.

Public Transit Fund budgeted capital and debt service increased 73%.

Debt service costs increased by approximately \$76,000 to approximately \$304,000, primarily due to a revised financed purchase of micro-transit vehicles.⁽²⁾ Payments for financed purchases are paid based on debt service schedules specified in the agreements.

Capital expenditures for fiscal year 2023-24 of approximately \$131,000 include approximately \$65,000 for multimedia screens for the trailhead shuttle system, approximately \$62,000 for the intelligent transportation system (ITS) for the trailhead shuttle and micro-transit systems, and \$5,000 for improvements to bus stops.

Capital Improvement Projects

Public Transit Fund budgeted capital improvement projects increased 24%.

Of the total Public Transit Fund expenditures, \$1.8 million, or 38%, is attributable to capital improvement projects. This is an increase of approximately \$350,000 or 24%.

Of the total capital improvement expenditures, \$1.7 million represents continuing projects. Other capital projects added for fiscal year 2023-24 are minimal.

Revenues

Public Transit Fund revenues were projected to increase approximately \$759,000, or 102%, to \$1.5 million in fiscal year 2023-24. The increase is largely the result of estimated increases in grant funding for operations and capital improvements. See the Revenue Trends section for further discussion.

Public Transit Fund budgeted revenues increased 102%.

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

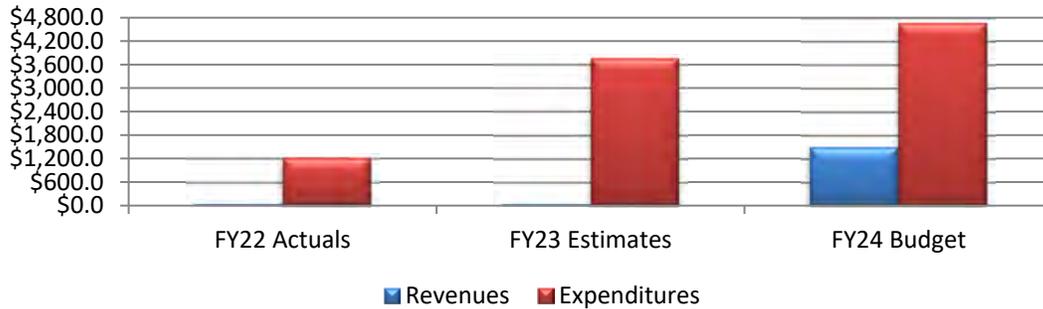
⁽²⁾ The original order was cancelled by the vendor due to a mix-up in the chassis promised to Sedona. A new order was placed for vehicles with a higher price, and a new financed purchase agreement at a higher interest rate was approved.

BUDGET OVERVIEW

continued

Public Transit Enterprise Fund (cont'd)

Public Transit Enterprise Fund Revenues & Expenditures (In Thousands)



Wastewater Enterprise Fund

The Wastewater Enterprise Fund expenditure budget decreased from \$17.6 million to \$15.5 million this year, a decrease of 12%. The decrease is largely due to a decrease in capital improvement projects.

Wastewater Fund budgeted expenditures decreased 12%.

Salaries & Benefits Expenditures

Wastewater Fund budgeted salaries and benefits increased 3%.

Of the total Wastewater Fund expenditures, \$1.89 million, or 13%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$51,000, or 3%, over fiscal year 2022-23 due to pay adjustments and changes in benefit rates.

Supplies & Services Expenditures

Of the total Wastewater Fund expenditures, \$2.1 million, or 13%, is attributable to supplies and services. This is an increase of approximately \$136,000 or 7%. The increase was largely due to an increase in utility costs, mostly due to proposed rate increases for electricity.

Wastewater Fund budgeted supplies and services increased 7%.

Indirect Cost Allocations

Wastewater Fund budgeted indirect cost allocations decreased 5%.

Of the total Wastewater Fund expenditures, \$1.4 million, or 9%, is attributable to indirect cost allocations. This is a decrease of approximately \$73,000, or 5%, from fiscal year 2022-23. See the Internal Charges section for more details.

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

Capital & Debt Service Expenditures

Of the total Wastewater Fund expenditures, \$4.9 million, or 32%, is attributable to capital and debt service expenditures. This is an increase of approximately \$134,000 or 3%.

Wastewater Fund budgeted capital and debt service increased 3%.

Debt service costs increased by approximately \$171,000 to \$4.7 million, largely due to estimated financed purchase payments for a replacement vactor truck. Bond principal and interest payments are paid based on debt retirement schedules specified in the bond documents. Financed purchases and lease payments are paid based on debt service schedules specified in the agreements.

Capital expenditures for fiscal year 2023-24 of approximately \$178,000 included the following:

- Replacement of plant equipment (chlorine pumps, polymer skids) for \$60,000.
- Replacement of small vehicles (golf cart, all-terrain vehicle) for \$45,000.
- A Decision Package for a cellular boost for approximately \$36,000.
- Other miscellaneous technology items and equipment were also included.

Capital Improvement Projects

Of the total Wastewater Fund expenditures, \$5.2 million, or 33%, is attributable to capital improvement projects. This is a decrease of approximately \$2.3 million or 31%.

Wastewater Fund budgeted capital improvement projects decreased 31%.

Of the total capital improvement expenditures, \$4.9 million represents continuing projects. Other capital projects added for fiscal year 2023-24 are minimal.

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 the same level budgeted for fiscal year 2022-23.

Revenues

Wastewater Fund revenues were projected to increase approximately \$281,000, or 3%, to \$8.4 million in fiscal year 2023-24. The increase is largely a result of an anticipated increase in investment earnings due to increases in interest rates. See the Revenue Trends section for further discussion.

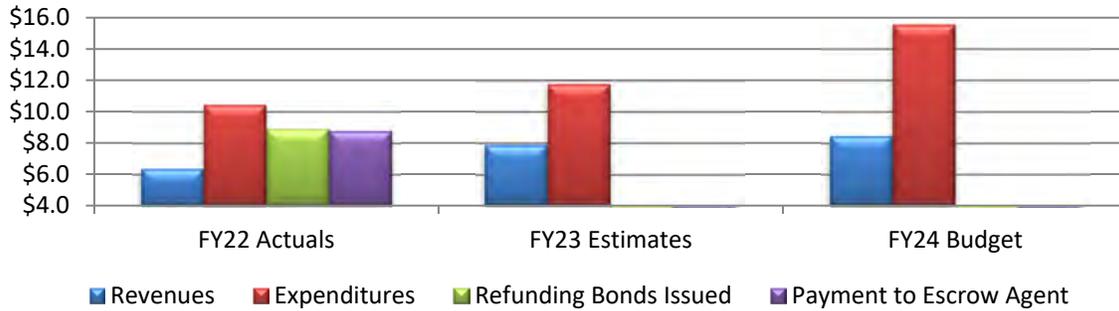
Wastewater Fund budgeted revenues increased 3%.

BUDGET OVERVIEW

continued

Wastewater Enterprise Fund (cont'd)

Wastewater Enterprise Fund Revenues, Expenditures, & Debt Refinancing (In Millions)



Information Technology Internal Service Fund

The Information Technology Fund expenditure budget increased from \$2.1 million to \$2.4 million this year, an increase of 11%. The increase was primarily the result of increases in hardware/software replacement, maintenance, and support costs.

Information Technology Fund budgeted expenditures increased 11%.

Salaries & Benefits Expenditures

Information Technology Fund budgeted salaries and benefits increased 4%.

Of the total Information Technology Fund expenditures, approximately \$852,000, or 36%, is attributable to salaries and benefits for the City's employees. This is an increase of approximately \$34,000, or 4%, over fiscal year 2022-23 due to pay adjustments and changes in benefit rates.

Supplies & Services Expenditures

Of the total Information Technology Fund expenditures, approximately \$1.2 million, or 19%, is attributable to supplies and services. This is an increase of approximately \$67,000, or 6%. The increase was primarily due to increases in hardware/software maintenance and support costs.

Information Technology Fund budgeted supplies and services increased 6%.

Indirect Cost Allocations

Information Technology Fund budgeted indirect cost allocations increased 13%.

Of the total Information Technology Fund expenditures, approximately \$161,000, or 7%, is attributable to indirect cost allocations. This is an increase of approximately \$18,000, or 13%, from fiscal year 2022-23. See the Internal Charges section for more details.

BUDGET OVERVIEW

continued

Information Technology Internal Service Fund (cont'd)

Capital & Debt Service Expenditures

Of the total Information Technology Fund expenditures, approximately \$188,000, or 8%, is attributable to capital and debt service expenditures. This is an increase of approximately \$120,000, or 176%.

Information Technology Fund budgeted capital increased 176%.

Debt service costs increased by approximately \$40,000, due to implementation of GASB 87 and the reclassification of leases previously recording as operating leases. Lease payments are paid based on debt service schedules specified in the lease agreements.

Capital expenditures for fiscal year 2023-24 of approximately \$148,000 included the following:

- Replacement of virtual server hardware and software was included for approximately \$130,000.
- Other miscellaneous equipment was also included.

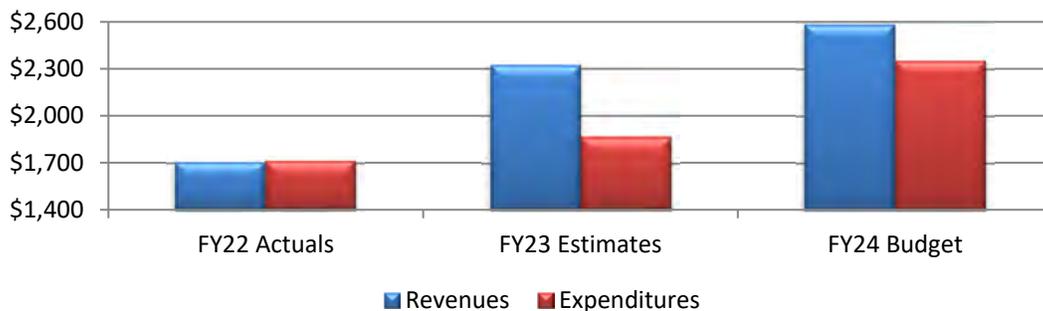
Revenues

Information Technology Fund revenues were projected to increase approximately \$323,000, or 14%, to \$2.6 million in fiscal year 2023-24. 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 14%.

Information Technology Fund Revenues & Expenditures

(In Thousands)



CONSOLIDATED FINANCIAL SCHEDULE

Fund/Department	Beginning Fund Balances	Revenues						Total Revenues	Other Financing Sources (Uses)			Ending Fund Balances
		Taxes	Contingent Revenues	In-Lieu Fees	Intergovernmental	Charges for Services	Other Revenues		Transfers In	Transfer Out	Expenditures	
General Fund												
General Revenues		\$34,983,500		\$552,340	\$4,749,000		\$632,940	\$40,917,780		(\$23,136,819)		
General Government					\$9,100	\$309,390	\$574,080	\$892,570			\$4,448,070	
Public Safety					\$38,100	\$515,800	\$404,300	\$958,200			\$11,499,940	
Public Works & Streets							\$5,000	\$5,000			\$3,130,600	
Health & Welfare					\$9,600			\$9,600			\$1,916,230	
Public Transportation								\$0			\$80,000	
Culture & Recreation						\$101,000	\$70,250	\$171,250			\$3,844,320	
Tourism Management & Economic Development								\$0			\$1,131,170	
Debt Service								\$0			\$2,292,620	
Contingencies								\$0			\$937,400	
Total General Fund	\$29,419,918	\$34,983,500	\$0	\$552,340	\$4,805,800	\$926,190	\$1,686,570	\$42,954,400	\$0	(\$23,136,819)	\$29,280,350	\$19,957,149
Special Revenue Funds												
Streets Fund	\$360,920				\$994,000		\$29,560	\$1,023,560	\$2,298,349		\$2,518,840	\$1,163,989
Affordable Housing Fund	\$4,900,000				\$60,330		\$61,520	\$121,850	\$14,835,500		\$957,350	\$18,900,000
Grants, Donations & Restricted Funds	\$339,108		\$500,000		\$2,566,640		\$109,270	\$3,175,910		(\$184,400)	\$3,095,750	\$234,868
Transportation Sales Tax Fund	\$9,510,690	\$4,332,000					\$168,540	\$4,500,540		(\$7,316,840)	\$499,350	\$6,195,040
Total Special Revenue Funds	\$15,110,718	\$4,332,000	\$500,000	\$0	\$3,620,970	\$0	\$368,890	\$8,821,860	\$17,133,849	(\$7,501,240)	\$7,071,290	\$26,493,897
Capital Projects Funds												
Capital Improvements Fund	\$27,444,277				\$775,000		\$471,330	\$1,246,330	\$6,767,760	(\$4,526,410)	\$17,586,210	\$13,345,747
Development Impact Fees Funds ⁽¹⁾	\$2,133,493						\$1,064,600	\$1,064,600	\$4,507,280		\$9,075,490	(\$1,370,117)
Art in Public Places Fund ⁽²⁾	\$139,315						\$4,090	\$4,090	\$19,130		\$232,000	(\$69,465)
Total Capital Projects Funds	\$29,717,085	\$0	\$0	\$0	\$775,000	\$0	\$1,540,020	\$2,315,020	\$11,294,170	(\$4,526,410)	\$26,893,700	\$11,906,165
Enterprise Funds												
Public Transit Fund												
Administration					\$42,600			\$42,600	\$3,407,600		\$178,330	
Operations & Capital Projects Management					\$280,000		\$114,000	\$394,000			\$2,494,220	
Departmental Allocations							\$1,300	\$1,300			\$219,560	
Capital Projects					\$1,064,690			\$1,064,690			\$1,781,370	
Total Public Transit Fund	\$5,000,000	\$0	\$0	\$0	\$1,387,290	\$115,300	\$0	\$1,502,590	\$3,407,600	\$0	\$4,673,480	\$5,236,710
Wastewater Fund												
Administration							\$6,270,370	\$2,178,230	\$8,448,600	\$3,100,000	\$236,110	
Operations & Capital Projects Management								\$0			\$3,477,770	
Departmental Allocations								\$0			\$2,036,870	
Capital Projects								\$0	\$184,400		\$5,156,890	
Debt Service								\$0			\$4,540,700	
Contingencies								\$0			\$100,000	
Total Wastewater Fund	\$17,380,955	\$0	\$0	\$0	\$0	\$6,270,370	\$2,178,230	\$8,448,600	\$3,284,400	\$0	\$15,548,340	\$13,565,615
Total Enterprise Funds	\$22,380,955	\$0	\$0	\$0	\$1,387,290	\$6,385,670	\$2,178,230	\$9,951,190	\$6,692,000	\$0	\$20,221,820	\$18,802,325
Internal Service Fund												
Information Technology Fund	\$1,435,548						\$2,562,260	\$19,600	\$2,581,860	\$44,450	\$2,352,460	\$1,709,398
Total Internal Service Fund	\$1,435,548	\$0	\$0	\$0	\$0	\$2,562,260	\$19,600	\$2,581,860	\$44,450	\$0	\$2,352,460	\$1,709,398
Total All Funds	\$98,064,224	\$39,315,500	\$500,000	\$552,340	\$10,589,060	\$9,874,120	\$5,793,310	\$66,624,330	\$35,164,469	(\$35,164,469)	\$85,819,620	\$78,868,934

⁽¹⁾ A balance sheet loan has been budgeted in the General Fund to cover the estimated deficit in the Development Impact Fees Funds and is projected to be repaid in FY 2027-28.

⁽²⁾ 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 2024-25.

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
FY2022	136.21	3.88	1.00	1.00	1.00	15.68	5.00	163.77
FY2023	145.57	4.35	2.00	1.00	1.50	17.08	6.00	177.50
FY2024	150.08	4.11	2.00	1.00	1.50	17.10	6.00	181.89

SUMMARY OF FULL-TIME EQUIVALENTS BY DEPARTMENT

Department	FY2022	FY2023	FY2024
City Council	7.00	7.00	7.00
City Manager's Office ⁽¹⁾	10.00	14.20	7.90
Human Resources	2.00	2.00	2.17
Financial Services	10.00	11.24	11.56
City Attorney's Office	3.54	3.54	3.54
City Clerk's Office ⁽²⁾	2.88	2.92	3.88
Parks & Recreation	8.91	9.05	9.02
Community Development ⁽³⁾	13.48	14.97	15.41
Public Works	33.85	35.65	35.85
Tourism & Economic Initiatives ⁽⁴⁾	1.00	1.00	3.10
Sustainability ⁽⁵⁾	-	-	3.00
Police ⁽⁶⁾	46.63	47.63	48.63
Municipal Court	5.48	5.80	6.33
Housing ⁽⁵⁾	-	-	2.00
Public Transit	1.00	1.50	1.50
Wastewater	13.00	15.00	15.00
Information Technology	5.00	6.00	6.00
Total	163.77	177.50	181.89

⁽¹⁾Decrease in City Manager's Office was due to the establishment of stand-alone departments for Sustainability and Housing, the transfer of an authorized FTE to Community Development, the transfer of the Short-Term Rental Monitoring & Administration program to the City Clerk's Office, and a partial allocation of a position to the new Tourism & Economic Initiatives Department, offset by the restructure of a part-time Assistant City Manager position to a full-time Deputy City Manager position.

⁽²⁾Increase in City Clerk's Office due to the transfer of the Short-Term Rental Monitoring & Administration program from the City Manager's Office, offset by the reduction of temporary city employee hours.

⁽³⁾Decrease in Community Development was due to the net of a transferred authorized FTE from the City Manager's Office, elimination of the 6-month overlap for an incoming Building Inspector prior to the retirement of the former Building Inspector, and reduction of a temporary city employee hours.

⁽⁴⁾Increase in Tourism & Economic Initiatives was due the transition from the former Economic Development Department to include a City-operated Tourism Bureau.

⁽⁵⁾Increases in Sustainability and Housing were due to the establishment of stand-alone departments instead of programs under the City Manager's Office.

⁽⁶⁾Increase in Police was due to the addition of a motor officer position.

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

Department/Authorized Position	FY2022	FY2023	FY2024	Change from FY2023
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	2.00	1.00
Assistant City Manager/Director of Public Works (GF)	-	0.20	-	(0.20)
Housing Manager (AHF)	1.00	1.00	-	(1.00)
Communications & Public Affairs Manager (GF)	1.00	1.00	1.00	-
Sustainability Manager (GF)	1.00	1.00	-	(1.00)
Assistant to the City Manager (GF)	1.00	1.00	-	(1.00)
Web Content Manager (GF)	-	1.00	1.00	-
Arts & Culture Coordinator (GF)	1.00	1.00	1.00	-
Special Initiatives Coordinator (GF)	-	-	0.90	0.90
Public Relations Coordinator (GF)	1.00	1.00	-	(1.00)
Sustainability Coordinator (GF)	1.00	2.00	-	(2.00)
Short-Term Rental Specialist (GF)	-	1.00	-	(1.00)
Housing Coordinator (AHF)	-	1.00	-	(1.00)
Executive Assistant (GF)	1.00	1.00	1.00	-
City Manager's Office Total	10.00	14.20	7.90	(6.30)
Human Resources				
Human Resource Manager (GF)	1.00	1.00	1.17	0.17
Human Resource Specialist (GF)	1.00	1.00	1.00	-
Human Resources Total	2.00	2.00	2.17	0.17
Financial Services				
Director of Financial Services (GF)	1.00	1.00	1.00	-
Assistant Financial Services Director (GF)	1.00	1.00	1.00	-
Procurement Officer (GF)	1.00	1.00	1.00	-
Accounting Supervisor (GF)	-	1.00	1.00	-
Accountant III (GF)	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	-	-	-
Administrative Assistant (GF)	1.00	1.00	1.00	-
Temporary City Employee (GF)	-	0.24	0.56	0.32
Financial Services Total	10.00	11.24	11.56	0.32

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

continued

Department/Authorized Position	FY2022	FY2023	FY2024	Change from FY2023
City Attorney's Office				
City Attorney (GF)	1.00	1.00	1.00	-
Assistant City Attorney (GF)	1.50	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	3.54	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	-
Short-Term Rental Specialist (GF)	-	-	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	2.92	3.88	0.96
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	-	-	-
Administrative & Recreation Assistant (GF)	1.00	2.00	1.00	(1.00)
Events & Rentals Coordinator (GF)	-	-	1.00	1.00
Recreation Assistant (GF)	0.13	0.20	0.26	0.06
Pool Manager (GF)	0.33	0.31	0.27	(0.04)
Pool Assistant Manager (GF)	0.45	0.51	0.46	(0.05)
Lifeguard Instructor (GF)	1.43	-	-	-
Lifeguard (GF)	1.09	1.37	1.15	(0.22)
Swim Instructor (GF)	-	1.30	1.50	0.20
Aqua Fitness Instructor (GF)	0.19	0.04	0.03	(0.01)
Scorekeeper/Umpire/Referee (GF)	0.29	0.32	0.35	0.03
Parks & Recreation Total	8.91	9.05	9.02	(0.03)
Community Development				
Director of Community Development (GF)	1.00	1.00	1.00	-
Chief Building Official (GF)	1.00	1.00	1.00	-
Planning Manager (GF)	1.00	1.00	1.00	-
Principal Planner (GF)	1.00	1.00	1.00	-
Senior Planner (GF)	1.00	-	-	-
Associate Planner (GF)	1.00	2.00	3.00	1.00
Building Inspector II (GF)	1.00	1.50	1.00	(0.50)
Plans Examiner II (GF)	1.00	1.00	1.00	-
Senior Code Enforcement Officer (GF)	1.00	1.00	1.00	-
Building Permits Technician II (GF)	-	-	1.00	1.00
Code Enforcement Officer (GF)	1.00	1.00	1.00	-
Building Permits Technician I (GF)	2.00	2.00	2.00	-
Administrative Assistant (GF)	1.00	1.00	1.00	-
Temporary City Employee (GF)	0.48	1.47	0.41	(1.06)
Community Development Total	13.48	14.97	15.41	0.44

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

continued

Department/Authorized Position	FY2022	FY2023	FY2024	Change from FY2023
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)	0.88	-	0.84	0.84
Director of Public Works/City Engineer (SF)	0.05	-	0.10	0.10
Director of Public Works/City Engineer (WWF)	0.07	-	0.06	0.06
Assistant Director of Public Works (GF)	0.75	0.75	0.75	-
Assistant Director of Public Works (SF)	0.25	0.25	0.25	-
Engineering Supervisor (GF)	-	0.75	0.75	-
Engineering Supervisor (SF)	-	0.25	0.25	-
Associate Engineer (GF)	2.50	1.85	1.85	-
Associate Engineer (TSTF)	-	1.00	1.00	-
Associate Engineer (WWF)	0.50	0.15	0.15	-
City Maintenance Manager (GF)	0.76	0.76	0.76	-
City Maintenance Manager (SF)	0.15	0.15	0.15	-
City Maintenance Manager (WWF)	0.09	0.09	0.09	-
Assistant Engineer (GF)	1.97	1.95	1.95	-
Assistant Engineer (TSTF)	1.00	-	-	-
Assistant Engineer (WWF)	0.03	0.05	0.05	-
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)	0.78	-	-	-
Facilities/Administrative Manager (WWF)	0.19	-	-	-
Facilities/Administrative Manager (SF)	0.03	-	-	-
Right-of-Way Supervisor (GF)	0.36	0.36	0.36	-
Right-of-Way Supervisor (SF)	0.58	0.58	0.58	-
Right-of-Way Supervisor (WWF)	0.06	0.06	0.06	-
Facilities Maintenance Supervisor (GF)	0.91	0.95	0.95	-
Facilities Maintenance Supervisor (SF)	0.04	0.05	0.05	-
Facilities Maintenance Supervisor (WWF)	0.05	-	-	-
Assistant Project Manager (GF)	1.00	1.00	1.00	-
Right-of-Way Specialist (GF)	0.24	0.24	0.24	-
Right-of-Way Specialist (SF)	0.70	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)	2.54	6.47	6.76	0.29
City Maintenance Worker II (SF)	1.26	2.20	1.91	(0.29)
City Maintenance Worker II (WWF)	0.20	0.33	0.33	-
Facilities Maintenance Worker (GF)	1.00	1.00	1.00	-
Administrative Assistant (GF)	0.91	0.91	0.91	-
Administrative Assistant (SF)	0.09	0.09	0.09	-
City Maintenance Worker I (GF)	4.14	-	-	-
City Maintenance Worker I (SF)	0.73	-	-	-
City Maintenance Worker I (WWF)	0.13	-	-	-
Custodial Maintenance Worker (GF)	2.00	3.00	3.00	-
Traffic Control Assistant II (GF)	1.00	1.00	1.00	-
Traffic Control Assistant (GF)	2.60	3.10	3.10	-
Public Works Total	33.85	35.65	35.85	0.20

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

continued

Department/Authorized Position	FY2022	FY2023	FY2024	Change from FY2023
Tourism & Economic Initiatives (previously Economic Development)				
Economic Development Director (GF)	1.00	1.00	-	(1.00)
Tourism & Economic Initiatives Manager (GF)	-	-	1.00	1.00
Special Initiatives Coordinator (GF)	-	-	0.10	0.10
Tourism & Economic Initiatives Coordinator (GF)	-	-	2.00	2.00
Tourism & Economic Initiatives Total	1.00	1.00	3.10	2.10
Sustainability				
Sustainability Manager (GF)	-	-	1.00	1.00
Sustainability Coordinator (GF)	-	-	2.00	2.00
Sustainability Total	-	-	3.00	3.00
Police				
Chief of Police (GF)	1.00	1.00	1.00	-
Deputy Police Chief (GF)	1.00	1.00	1.00	-
Police Lieutenant (GF)	1.00	1.00	2.00	1.00
Police Sergeant (GF)	6.00	6.00	5.00	(1.00)
Police Detective (GF)	2.00	2.00	2.00	-
Police Officer (GF)	18.00	18.00	19.00	1.00
Communication/Records Supervisor (GF)	1.00	1.00	1.00	-
Communications Specialist (GF)	7.00	8.00	8.00	-
Community Service Officer (GF)	2.00	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	46.63	47.63	48.63	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	0.50	0.50	-
Temporary City Employee (GF)	-	0.25	0.78	0.53
Municipal Court Total	5.48	5.80	6.33	0.53
Housing				
Housing Manager (AHF)	-	-	1.00	1.00
Housing Coordinator (AHF)	-	-	1.00	1.00
Housing Total	-	-	2.00	2.00
Public Transit				
Transit Administrator (PTF)	1.00	1.00	1.00	-
Grants Analyst (PTF)	-	0.50	0.50	-
Public Transit Total	1.00	1.50	1.50	-

POSITION LIST/FULL-TIME EQUIVALENTS

continued

POSITION LIST

continued

Department/Authorized Position	FY2022	FY2023	FY2024	Change from FY2023
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	-
Wastewater Inspector (WWF)	-	1.00	1.00	-
Collections Operator III (WWF)	1.00	1.00	1.00	-
Lab Technician (WWF)	1.00	1.00	1.00	-
Plant Operator III (WWF)	1.00	-	-	-
Collections Operator II (WWF)	1.00	1.00	1.00	-
Plant Operator II (WWF)	1.00	3.00	3.00	-
Collections/Camera Operator I (WWF)	-	1.00	1.00	-
Collections Operator I (WWF)	1.00	-	-	-
Preventative Maintenance Technician (WWF)	-	1.00	1.00	-
CCTV Van Operator (WWF)	1.00	-	-	-
Administrative Assistant (WWF)	1.00	1.00	1.00	-
Wastewater Total	13.00	15.00	15.00	-
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	-
Systems Engineer (ITF)	-	1.00	1.00	-
IT Support/Help Desk Technician (ITF)	1.00	1.00	1.00	-
Information Technology Total	5.00	6.00	6.00	-
City-Wide Totals				
General Fund	136.21	145.57	150.18	4.61
Streets Fund	3.88	4.35	4.11	(0.24)
Affordable Housing Fund	1.00	2.00	2.00	-
Transportation Sales Tax Fund	1.00	1.00	1.00	-
Public Transit Fund	1.00	1.50	1.50	-
Wastewater Fund	15.68	17.08	17.10	0.02
Information Technology Fund	5.00	6.00	6.00	-
Total City Full-Time Equivalents	163.77	177.50	181.89	4.39

- (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

FY 2024 Staffing Changes

The City staffing changes were based on analyses of departmental needs and funding allocations. The fiscal year 2023-24 budget includes the following changes:

POSITION LIST/FULL-TIME EQUIVALENTS

continued

FY 2024 Staffing Changes (cont'd)

- Five full-time positions were added:
 - A full-time temporary planner position was converted to a permanent Associate Planner position in the Community Development Department.
 - A Police Officer position was added to the Police Department for a second motor officer position to address traffic-related issues.
 - The Economic Development Department was restructured as a Tourism & Economic Initiatives Department to include a newly formed City-operating Tourism Bureau. A portion of the cost for the former Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) contract has been reallocated to cover the cost of a Tourism & Economic Initiatives Manager and two Tourism & Economic Initiatives Coordinators.
- The following positions were added or eliminated for facilitation of retirement transitions:
 - A temporary 6-month overlap of the retiring Building Inspector with the incoming Building Inspector to assist with the training and transition of the position was eliminated in the Community Development Department.
 - A temporary 2-month overlap of the retiring Human Resources Manager with the incoming Human Resources Manager was included in the Human Resources Department to assist with training and transition of the position.
- The following positions or portions of positions were transferred to another department:
 - The Housing Manager and Housing Coordinator positions were transferred to a new Housing Department.
 - The Sustainability Manager and Sustainability Coordinator positions were transferred to a new Sustainability Department.
 - The authorized FTE for the Assistant to the City Manager position was transferred to the Community Development Department for an additional Building Permits Technician position.
 - The Public Relations Coordinator was reclassified to a Special Initiatives Coordinator and a portion of the position was transferred to the new Tourism & Economic Initiatives Department.
 - The Economic Development Director was restructured as a second Deputy City Manager position.
 - The part-time Assistant City Manager was eliminated, and the Director of Public Works position returned to full-time.
- During fiscal year 2022-23, 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, a Police Sergeant position in the Police Department was restructured to Police Lieutenant position.
- Other adjustments included adjustments to the hours of some 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 2024 CHANGES IN FUND BALANCES

(In Thousands)

	General Fund	Special Revenue Funds				Capital Projects Funds			Enterprise Funds		Information Technology Internal Service Fund
		Streets Fund	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	Waste-water Fund	
Beginning Fund Balances	\$29,420	\$ 361	\$4,900	\$ 339	\$ 9,511	\$27,444	\$ 2,133	\$139	\$5,000	\$17,381	\$1,436
Revenues	42,954	1,024	122	3,176	4,501	1,246	1,065	4	1,503	8,449	2,582
Expenditures	29,280	2,519	957	3,096	499	17,586	9,075	232	4,673	15,548	2,352
Other Financing Sources (Uses)	(23,137)	2,298	14,836	(184)	(7,317)	2,241	4,507	19	3,408	3,284	44
Ending Fund Balances	\$19,957	\$1,164	\$18,900	\$ 235	\$ 6,195	\$13,346	\$(1,370)	\$ (69)	\$5,237	\$13,566	\$1,709

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 \$20.0 million in fund balance at the end of fiscal year 2023-24. Of this amount, \$8.0 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 2023-24 is \$1.8 million for this reserve.

FUND BALANCE

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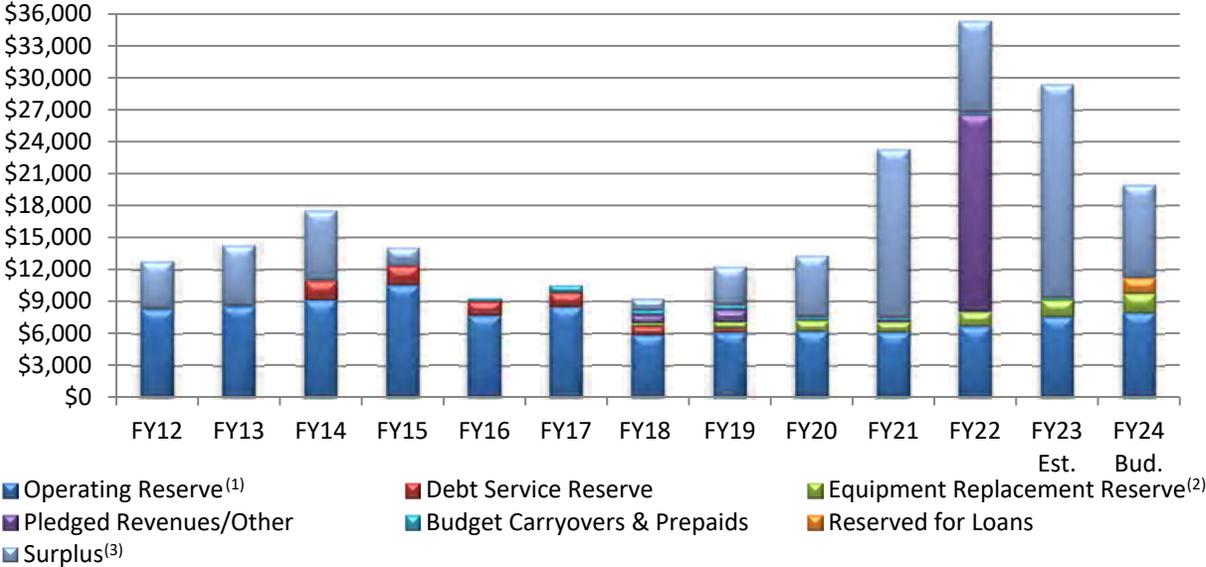
General Fund (cont'd)

Reserved for Loans – The City Council set aside \$1.4 million to cover the projected deficit in the Art in Public Places Fund of approximately \$69,000, plus \$1.4 million for the projected deficit 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.

Surplus – The anticipated surplus of \$8.7 million includes an estimate of \$3.9 million from fiscal year 2022-23 to be allocated in the fiscal year 2024-25 budget process once the actual results are known. The anticipated surplus generated during fiscal year 2023-24 of \$1.8 million, plus any additional surpluses experienced in actual results for fiscal year 2023-24 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 \$8.7 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

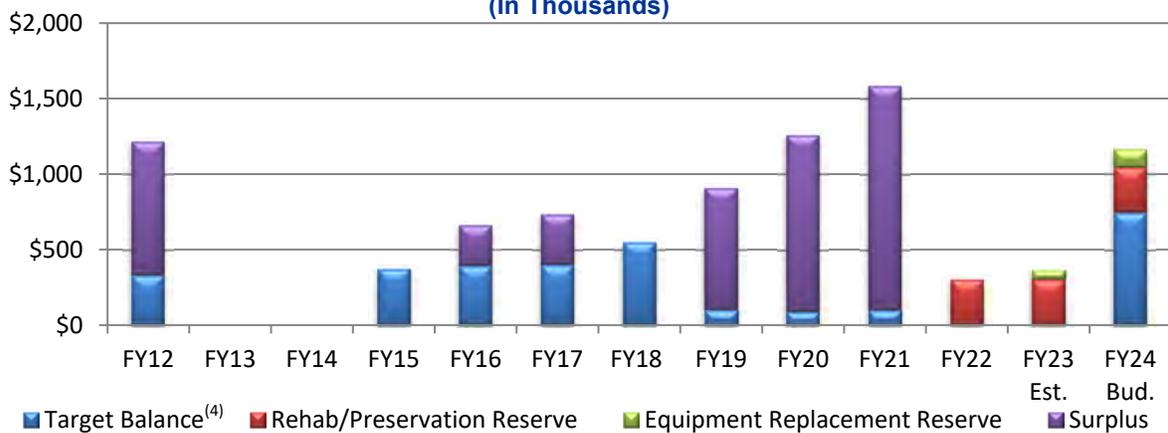
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Special Revenue Funds

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 not less than 30% of the total adopted budgeted operating expenditures of the Fund. This shall be in addition to a separate fund balance with a target equal to 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 reserves.

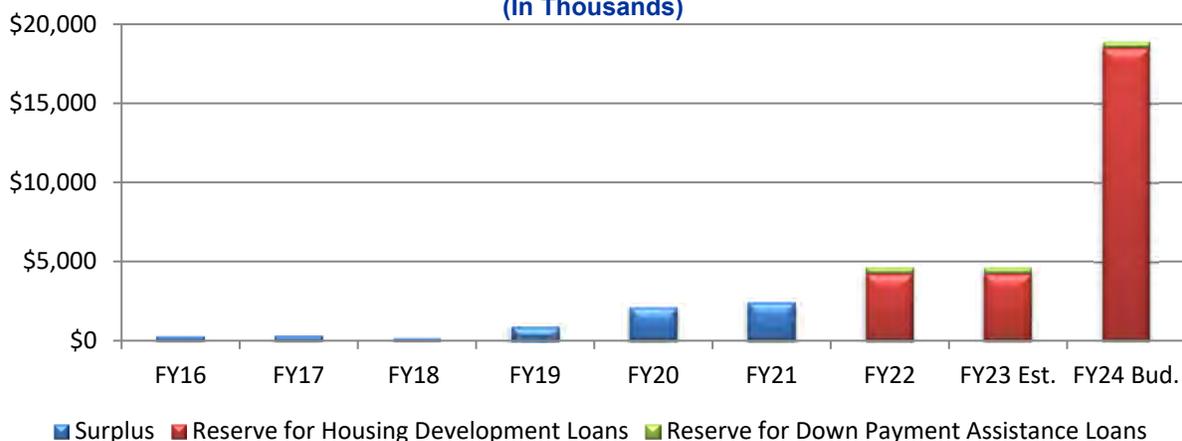
Historical Streets Fund Balance (In Thousands)



⁽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 2021-22 to be the difference between the highest expected annual pavement preservation/street rehabilitation cost and the average annual pavement preservation/street rehabilitation cost. In fiscal year 2023-24, the target was changed to 30% of budgeted operating expenditures in addition to the pavement preservation/street rehabilitation reserve.

Housing Fund – The 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 Housing Fund Balance (In Thousands)



FUND BALANCE

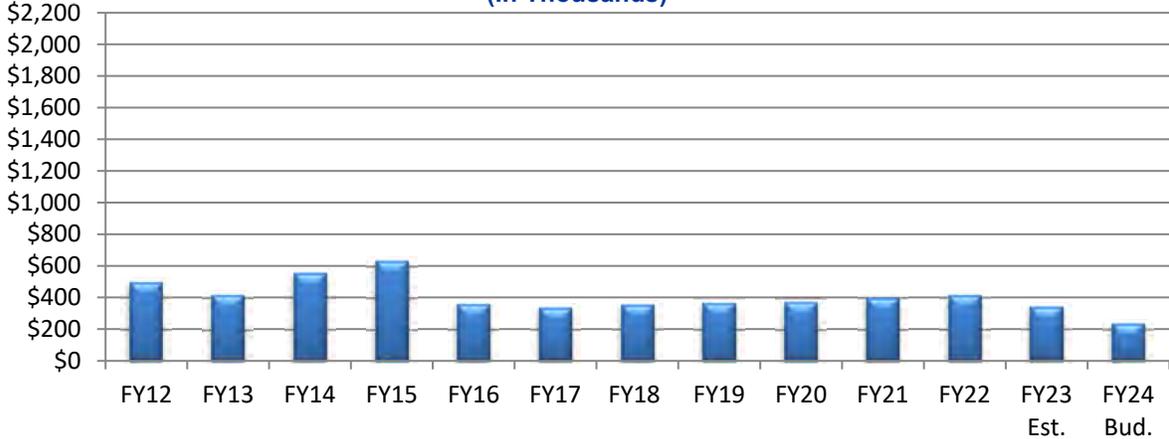
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Special Revenue Funds (cont'd)

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

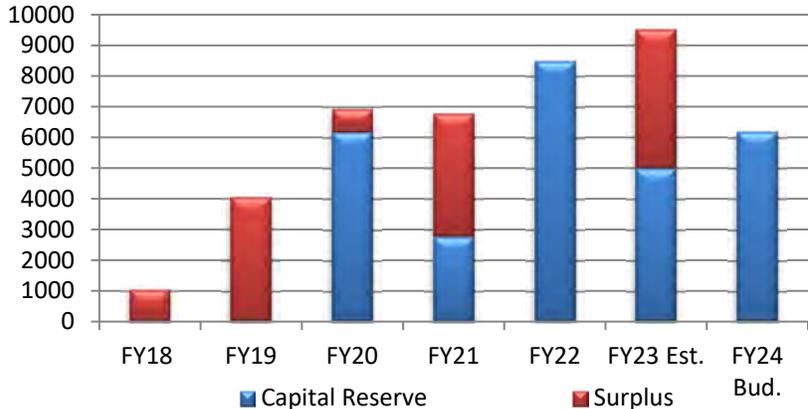
(In Thousands)



Transportation Sales Tax Fund – The Transportation Sales Tax Fund is estimated to have a balance of \$6.2 million at the end of fiscal year 2023-24. Anticipated capital project costs in the next fiscal year are \$7.4 million and are expected to be covered by revenues received in fiscal year 2024-25.

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

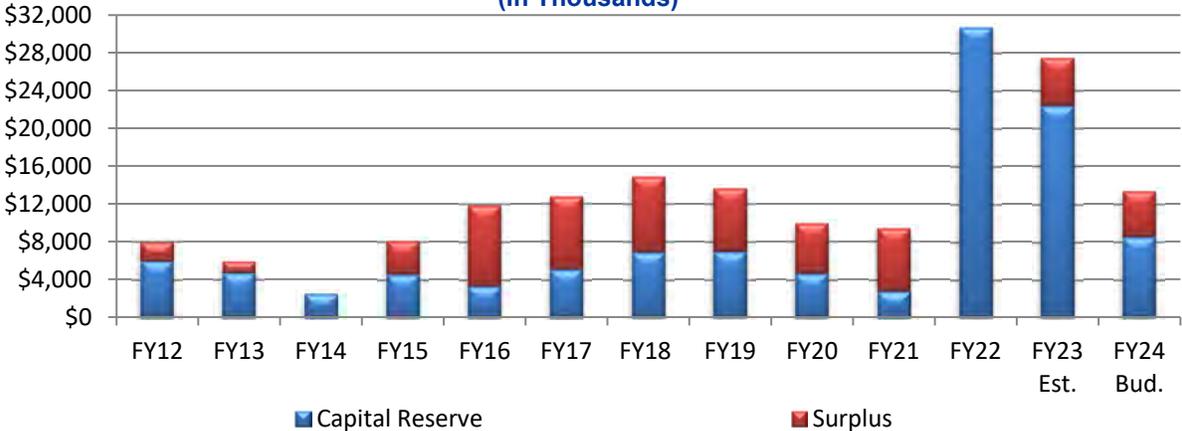
Capital Projects Funds (cont'd)

The Capital Improvements Fund is estimated to have a balance of \$13.3 million at the end of fiscal year 2023-24. Anticipated capital project costs in the next fiscal year are \$8.5 million. The anticipated surplus of \$4.8 million, plus any surpluses experienced in actual results for fiscal year 2023-24 will be available for appropriation by the City Council in accordance with the fund balance policy. The intention is to maintain the surplus balance in the Fund for future capital needs.

The Capital Projects Fund is projected to meet reserve requirements and have a surplus of \$4.8 million.

Historical Capital Improvements Fund Balance

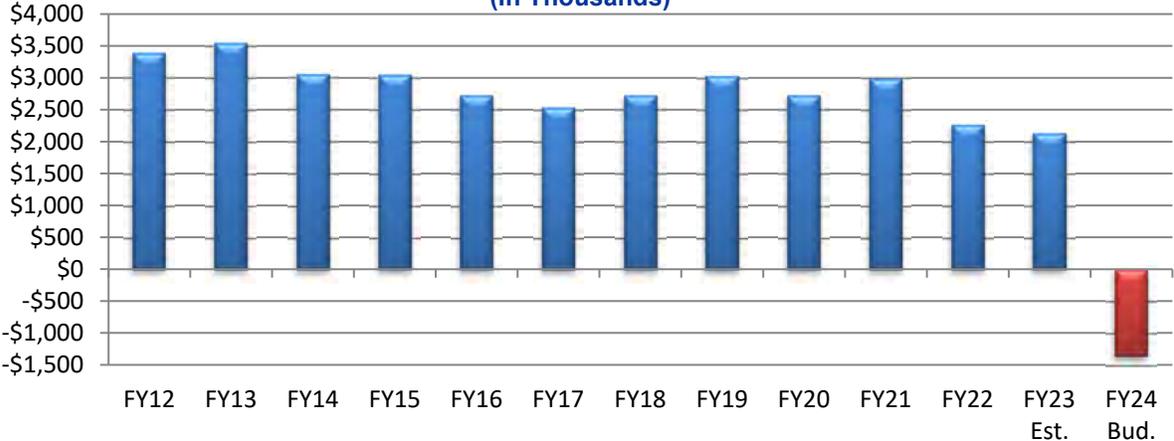
(In Thousands)



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. The estimated ending fund balance for fiscal year 2023-24 will not be sufficient to cover the budgeted expenditures. A portion of the General Fund balance has been reserved to cover this loan.

Historical Development Impact Fees Funds Balance

(In Thousands)



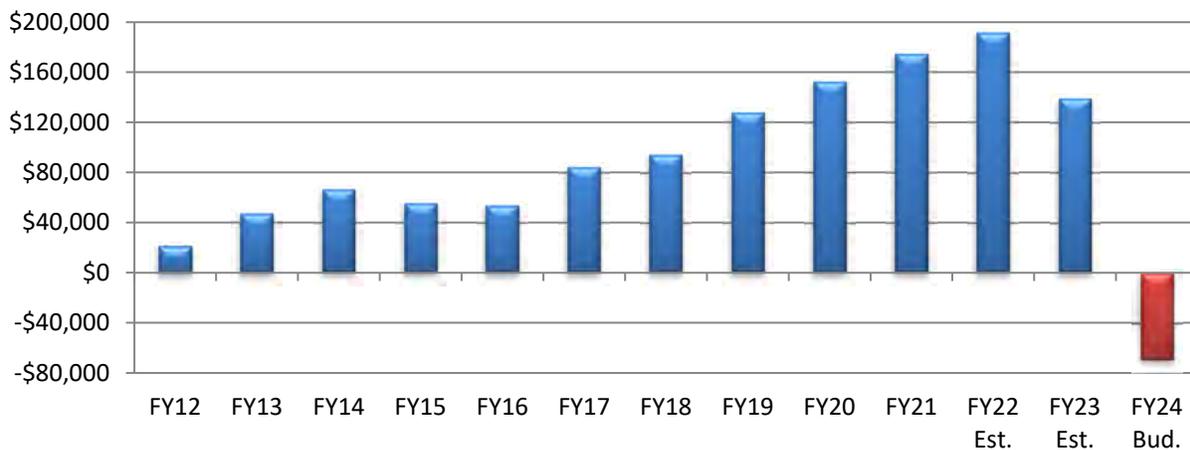
FUND BALANCE

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 2023-24 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.

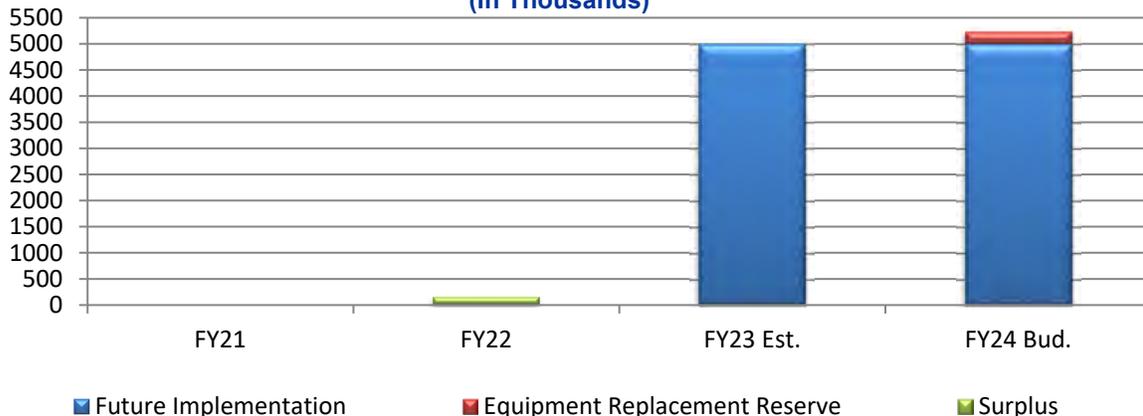
Historical Art in Public Places Fund Balance



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. A portion of the General Fund surplus was allocated in the fiscal year 2023-24 to set up a reserve of \$5.0 million in the Public Transit Enterprise Fund for future implementation costs of the transit system.

Historical Public Transit Enterprise Fund Balance (In Thousands)



FUND BALANCE

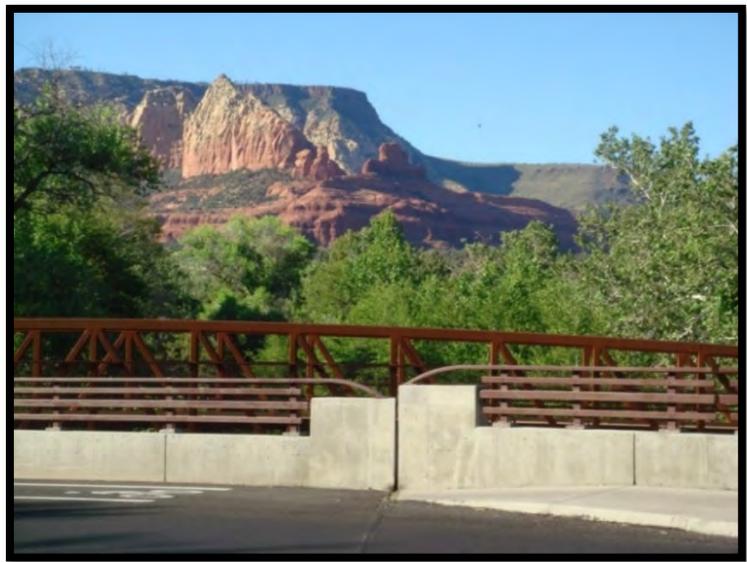
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Enterprise Funds (cont'd)

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 \$13.6 million in fund balance at the end of fiscal year 2023-24. Of this amount, \$1.9 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 2023-24, the higher amount is the next year’s pay-as-you-go capital projects’ obligations and is \$4.0 million set aside for this reserve.
- **Equipment Replacement Reserve** – Starting fiscal year 2017-18, the City initiated an equipment replacement reserve. The estimated balance at the end of fiscal year 2023-24 is \$1.2 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 2023-24 is approximately \$486,000 for this reserve.
- **Surplus** – The anticipated surplus of \$6.0 million, plus any surpluses experienced in actual results for fiscal year 2023-24 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 \$6.0 million.

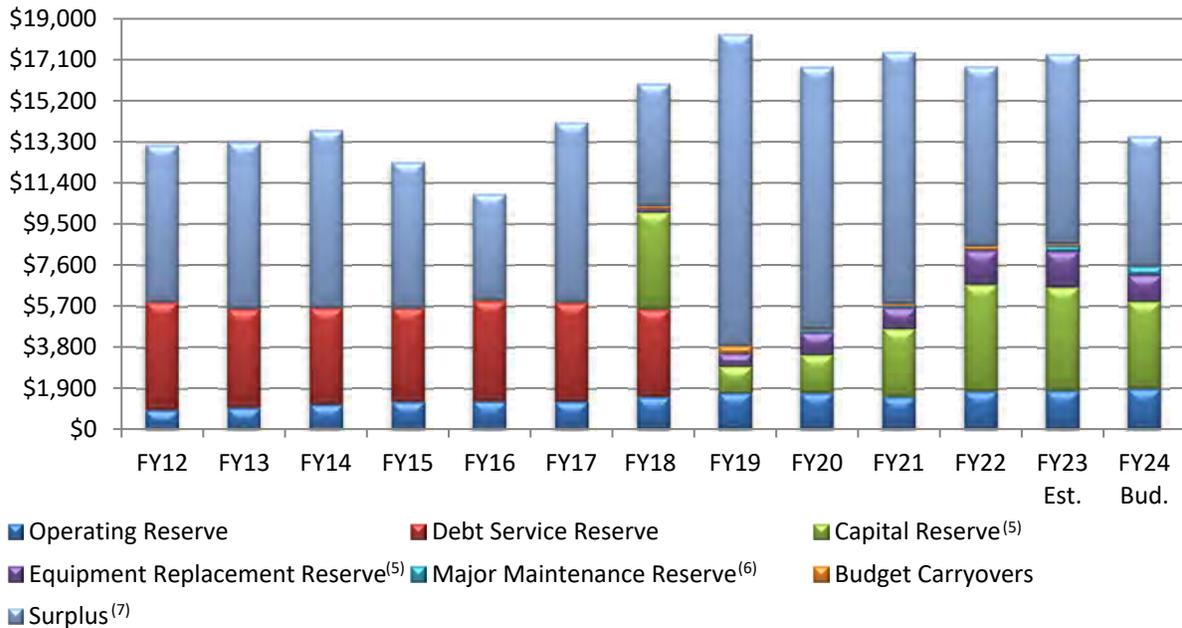


FUND BALANCE

continued

Enterprise Funds (cont'd)

Historical Wastewater Enterprise Fund Balance (In Thousands)



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

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 2023-24 is \$1.0 million for this reserve.

Surplus – The anticipated surplus of approximately \$670,000, plus any surpluses experienced in actual results for fiscal year 2023-24 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 \$670,000.

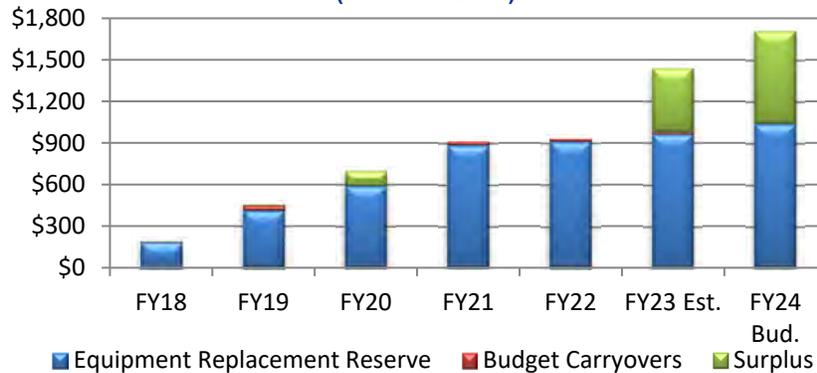
FUND BALANCE

continued

Information Technology Internal Service Fund (cont'd)

Historical Information Technology Internal Service Fund Balance

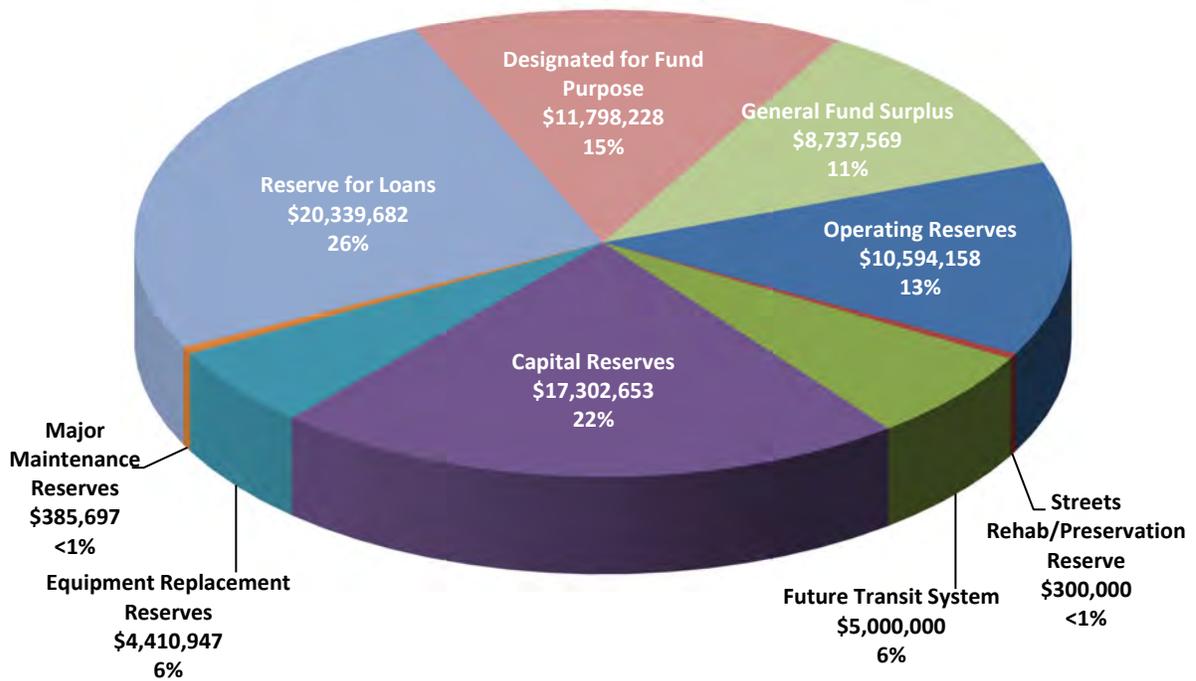
(In Thousands)



Summary Total Fund Balances

FY 2024 Estimated Fund Balances

\$78,868,934



FUND BALANCE

continued

Summary Total Fund Balances (cont'd)

SUMMARY OF FY 2024 RESERVES

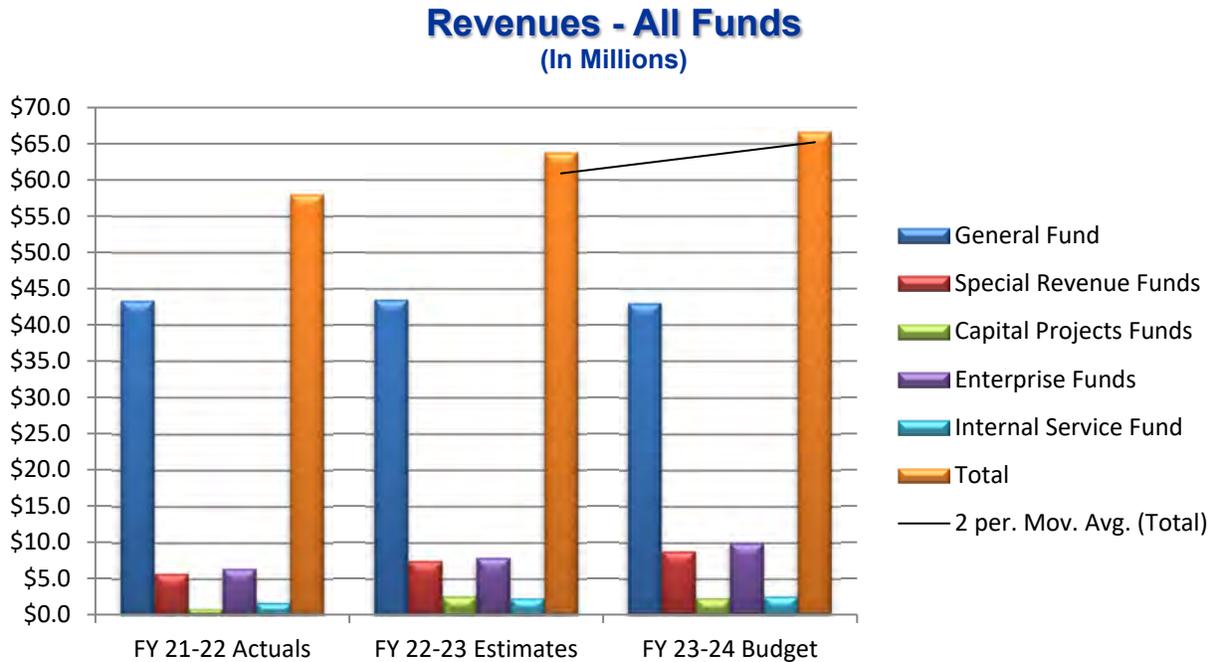
(In Thousands)

	General Fund	Special Revenue Funds				Capital Projects Funds			Enterprise Funds		Information Technology Internal Service Fund
		Streets Fund	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	Waste-water Fund	
Operating Reserves	\$7,961	\$ 742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,891	\$ -
Streets Rehab/ Preservation Reserve	-	300	-	-	-	-	-	-	-	-	-
Future Transit System	-	-	-	-	-	-	-	-	5,000	-	-
Capital Reserves	-	-	-	-	6,195	8,503	(1,370)	(69)	-	4,045	-
Equipment Replace. Reserves	1,819	122	-	-	-	-	-	-	237	1,195	1,039
Major Maint. Reserve	-	-	-	-	-	-	-	-	-	386	-
Reserved for Loans	1,440	-	18,900	-	-	-	-	-	-	-	-
Designated for Fund Purpose	-	-	-	235	-	4,843	-	-	-	6,050	670
General Fund Surplus	8,738	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	\$19,957	\$1,164	\$18,900	\$235	\$6,195	\$13,346	\$(1,370)	\$(69)	\$5,237	\$13,566	\$1,709



REVENUE TRENDS

Total revenues for fiscal year 2023-24 are estimated at \$66.6 million. In comparison to the fiscal year 2022-23 budget, revenue is projected to decrease by 6%. Compared to fiscal year 2022-23 estimates, revenue is projected to increase by 4%.



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 79% of the City’s General Fund revenues, and 58% 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 2021-22 sales tax collections were \$4.8 million over the budgeted revenue projection, and bed tax collections were \$1.9 million over the budgeted projection. Fiscal year 2022-23 sales and bed taxes were slightly lower than fiscal year 2021-22, while the first quarter fiscal year 2023-24 once again is showing slight increases.

City sales and bed tax revenues represent 58% 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 an 8-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 2023-24 through 2026-2027.

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

REVENUE TRENDS

continued

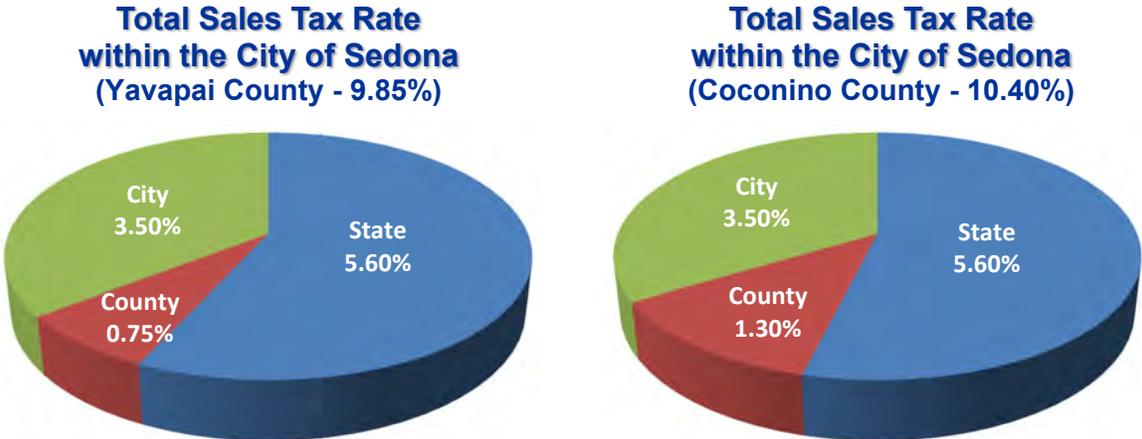
Transaction Privilege Taxes (City Sales Taxes)

Description

Arizona cities and towns under State law have the authority to establish certain taxes for revenue purposes. Transaction privilege taxes, generally referred to as sales taxes, are the largest revenue source for the City. The local 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 and long-term residential rentals.

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 the 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)

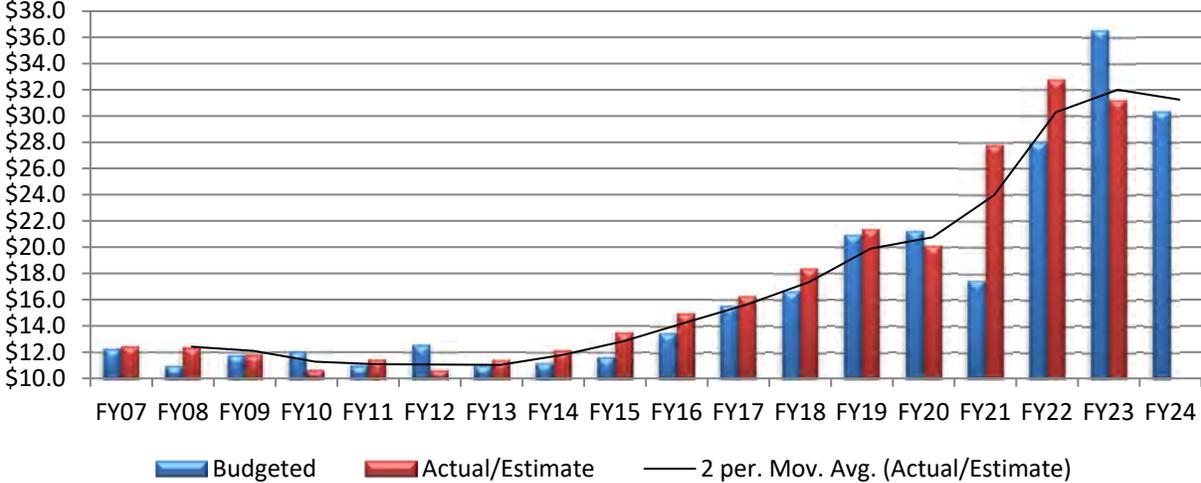
Projections

Estimated fiscal year 2022-23 city sales tax revenues decreased 5% from the prior fiscal year and are 15% under budgeted projections. At the time of budget preparation, sales and bed tax revenues were still increasing at significant levels – 25% and 37% higher than the prior year, respectively. The fiscal year 2023-24 budget projections were based on somewhat conservative but aggressive estimates. The fiscal year 2022-23 estimates during the budget process were based on an estimated 15% increase for sales tax and 20% increase in bed tax for the last quarter of the fiscal year – lower than what had been experienced for the year to date. The fiscal year 2023-24 estimates were based on 7% increase for sales tax and 8% increase for bed tax over the fiscal year 2022-23 estimates – even lower than what had been experienced to date. The slight decreases during fiscal year 2022-23 may have been impacted by 1) the reopening of Europe possibly drawing away some tourism, 2) significant inflation possibly having some impact on how much people travel, 3) talk of a possible coming recession also possibly having some impact on how much people travel, and 4) the hold on destination marketing. See the Budget Overview – Economic Overview section for discussion regarding the hold placed on destination marketing.

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.

In the 8-year forecast, projected increases were based on historical trends and the assumption of long-term attractiveness as a premier tourist destination. A factor was included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period.

City Sales Tax Revenues (In Millions)



REVENUE TRENDS

continued

Transient Occupancy Taxes (Bed Taxes)

Description

The City assesses a transient occupancy tax, referred to as bed tax, which is allocated to the General Fund. This tax was increased from 3% to 3.5% effective January 1, 2014.

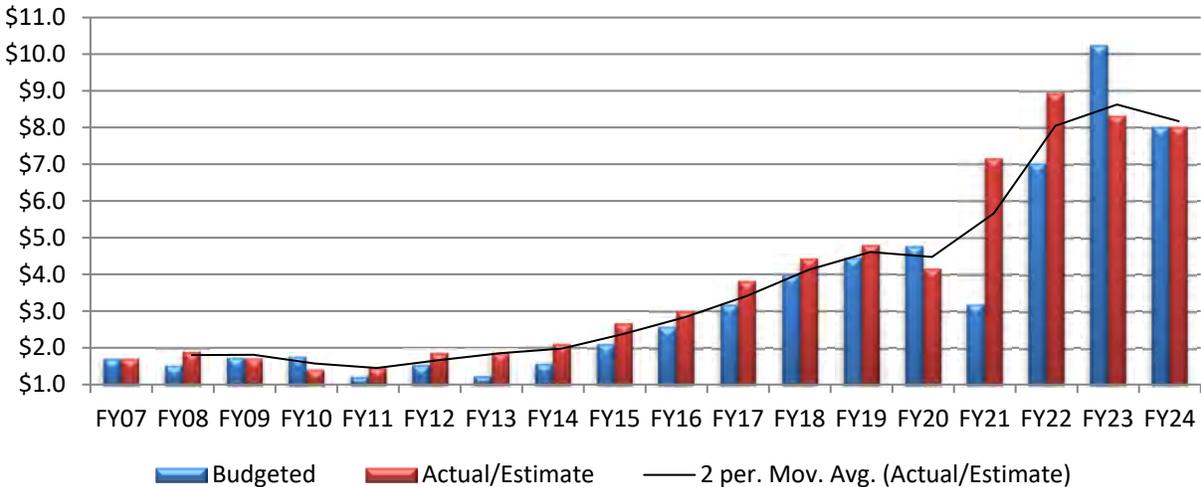
The City Council dedicates a significant portion of the proceeds from this tax to the management and promotion of tourism, including a contract with the Sedona Chamber of Commerce & Tourism Bureau for partial support of the operation of the Visitor’s Center. The remaining portion of the proceeds from this tax supports the City’s General Fund activities and affordable housing initiatives.

Projections

Estimated fiscal year 2022-23 bed tax revenues decreased 7% from the prior fiscal year and are 19% under 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 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.

In the 8-year forecast, projected increases were based on historical trends and the assumption of long-term attractiveness as a premier tourist destination. A factor was included for inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period.

Bed Tax Revenues
(In Millions - Excluding Contingent Revenues)



REVENUE TRENDS

continued

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 benefiting 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.

In addition, the City may receive in lieu fees from developers who chose to contribute to the City’s 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 for 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 8-year projection.

The fiscal year 2018-19 actual in lieu fees for the Housing Fund 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 the Housing Fund included the remaining \$199,000 contribution agreed upon by the lodging establishment. No other significant in lieu fees for the Housing Fund have been identified at this time.

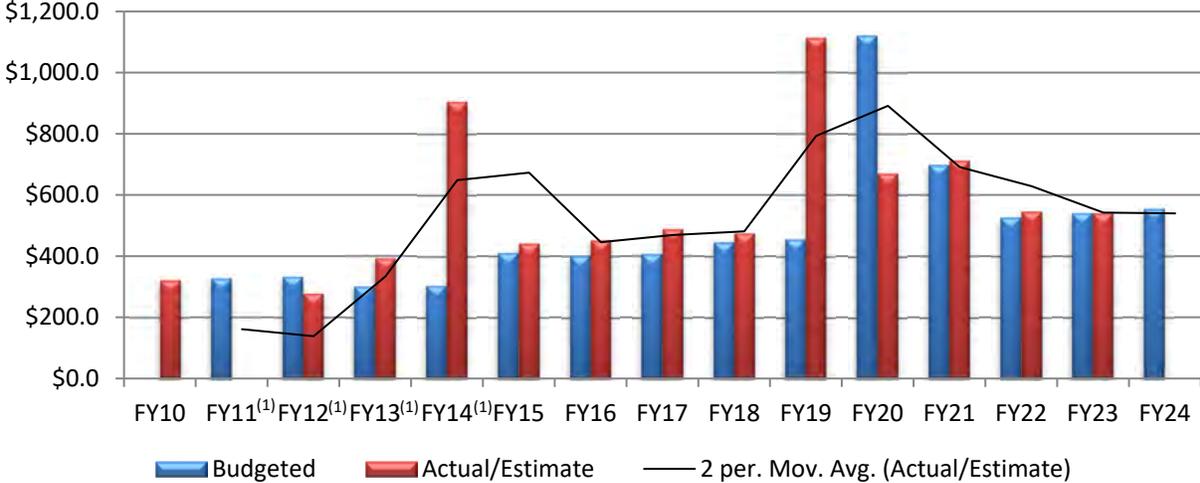
Due to the infrequent occurrence of in lieu fees for public art and parking, no amounts have been included in the projections for these revenue sources.

REVENUE TRENDS

continued

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

In Lieu Fees (In Thousands)



⁽¹⁾ Under modified accrual accounting, the City defers revenue recognition for receivables not collected within 60 days after year end. Fiscal year 2010-11 revenues were received after the 60-day period. Similarly, the revenues for subsequent years were recognized in the following year when received until fiscal year 2013-14 when revenues for both fiscal years 2012-13 and 2013-14 were recognized.

Franchise Fees

Description

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

The City has franchise agreements with Unisource Energy Services (gas), Arizona Public Service (electric), Altice USA (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

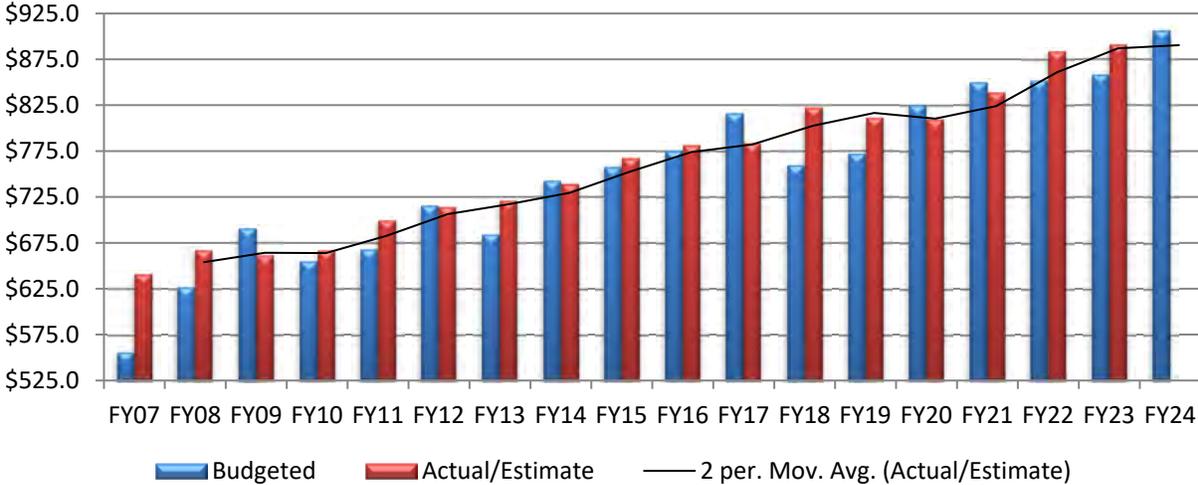
Since franchise fees have not grown significantly over the past few years, conservative estimates of inflationary increases and decreases based on the assumption of another cyclical recessionary period and subsequent recovery period were used in the 8-year projection.

REVENUE TRENDS

continued

Franchise Fees (cont'd)

Franchise Fees (In Thousands)



State Shared Revenues

Description

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

- **Shared Sales Taxes** – A portion of State’s sales tax revenues are distributed to the cities and towns and allocated primarily on each city’s or town’s share of the population to the total population of all incorporated cities and towns in the State based on annual census estimates. State shared sales tax revenues are unrestricted for use and are received semimonthly.
- **Shared Income Taxes** – State law provides that 15% of the State’s income tax revenues are to be shared with the cities and towns in lieu of local income tax levies. Referred to as Urban Revenue Sharing, these monies are allocated primarily based 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 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 amount 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 based on “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 requiring these funds be used solely for street and highway purposes. These revenues are received monthly and recorded in the City’s Streets Fund.

REVENUE TRENDS

continued

State Shared Revenues (cont'd)

- **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 8-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 2023-24, estimates were used based on the 8-year forecast assumptions. The State also provides estimates of the City's portion of shared revenues, but these estimates are received very late in the City's budget adoption process. The City's estimates are comparable to the State estimates.

- **Shared Sales Taxes** – The State projected state shared sales taxes to increase 6% over the prior year estimates. The City's estimate was an increase of 1% over the prior year budget and flat compared to the prior year projections.
- **Shared Income Taxes** – The State projected Urban Revenue Sharing to increase 40%. The City's estimate was an increase of 49% over the prior year budget and a 41% increase from the prior year projections.
- **Shared Gas Taxes** – The State projected HURF revenues to decrease 1% from the prior year estimates. The City's estimate was a 23% decrease from the prior year budget and a 3% decrease from the prior year projections that were significantly under budget. Growth in future years is expected to be very modest as fuel reduction from conservation, vehicle efficiencies, and transition to more hybrid and electric vehicles affect the amount of gasoline used.
- **Shared Vehicle License Taxes** – The State projected VLT to decrease 4% from the prior year estimates. The City's estimate was a decrease of 10% from the prior year budget and a 5% decrease from the prior year projections due to the limited availability of vehicles due to supply chain issues.

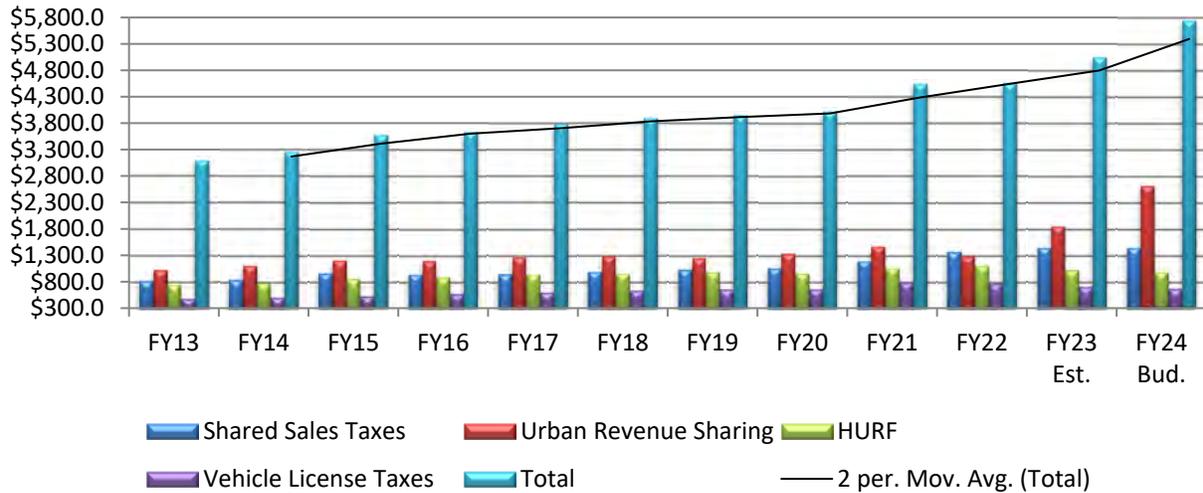
While state shared revenues are expected to continue to increase when the overall State revenue increases, the City's portion may be subject to decreases. The City's 2020 Census population decreased as a result of the number of permanent residents displaced by short-term rental properties while many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

REVENUE TRENDS

continued

State Shared Revenues (cont'd)

State Shared Revenues (In Thousands)



Other Intergovernmental

Description

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

Projections

The projections of other intergovernmental revenues are primarily based on anticipated revenues for specific capital improvement projects and anticipated grants. Flood control funding from both 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 8-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 estimate.

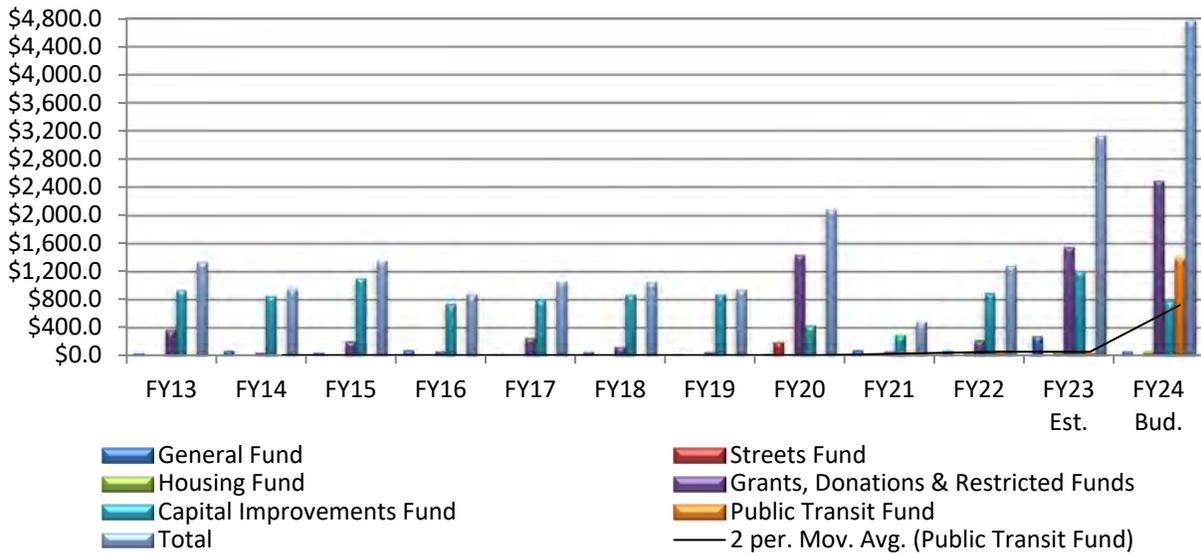
In addition, a contingency placeholder in both revenues and expenditures of \$500,000 for other possible grants and other donations that may be awarded during the year has been included.

REVENUE TRENDS

continued

Other Intergovernmental (cont'd)

Other Intergovernmental Revenues (In Thousands - Excluding Contingent Revenues)



Licenses & Permits

Description

The licenses and permits category includes community development permits (e.g., building permits, conditional use permits, sign permits, etc.), business licenses, short-term rental permits, 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 licenses for all businesses physically located within 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.

Effective January 1, 2023, the City requires permits for all short-term rental properties physically located within the city limits. Permit fees are set at \$200 per unit. Short-term rental permit fees are unrestricted for use.

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

REVENUE TRENDS

continued

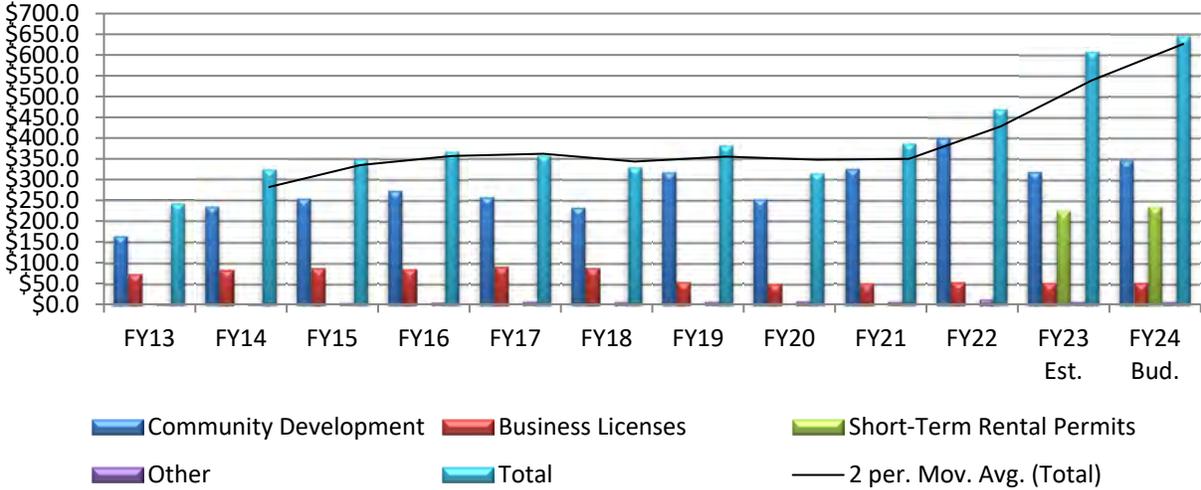
Licenses & Permits (cont'd)

Projections

Revenues from community development permits and business licenses are projected to increase slightly. Revenues from short-term rental permits are projected to increase as compliance with the new requirement increases.

In the 8-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 8-year forecast for estimated changes to user fee schedules.

Licenses & Permits (In Thousands)



Charges for Services (excluding internal cost charges)

Description

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

General Fund – The charges for services in the General Fund include recreation user fees, community development fees, paid parking fees, and other miscellaneous charges for services. These fees are generally unrestricted for use; however, the City Council has promised the merchants in the Uptown area that the proceeds from the paid parking program, net of program costs, will be reinvested in enhancements to the Uptown area. Currently, they are being used to cover a portion of the debt service payments for the Series 2022 Bonds, which are used to finance transportation improvements that also benefit the Uptown area.

REVENUE TRENDS

continued

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

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 2024 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 nonresidential customers are based on the type of business/organization.

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.

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 through fiscal year 2022-23, no increase has been enacted since fiscal year 2017-18 to provide some relief to the ratepayers. The balances in the Wastewater Fund 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 forecast when complete.

Public Transit Fund – The Public Transit Enterprise Fund was initiated in fiscal year 2020-21, and the transit fares are dedicated to this fund.

REVENUE TRENDS

continued

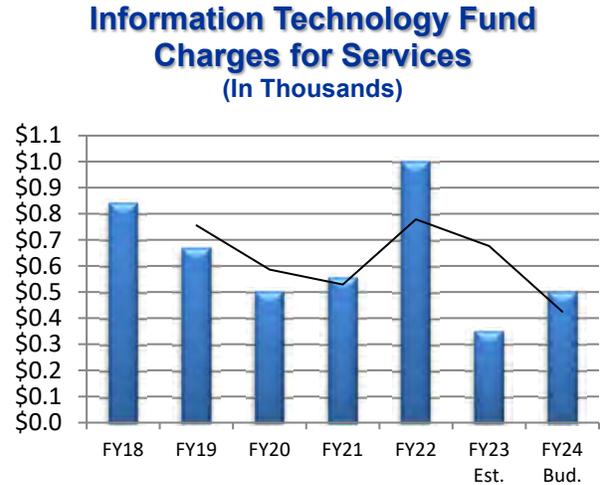
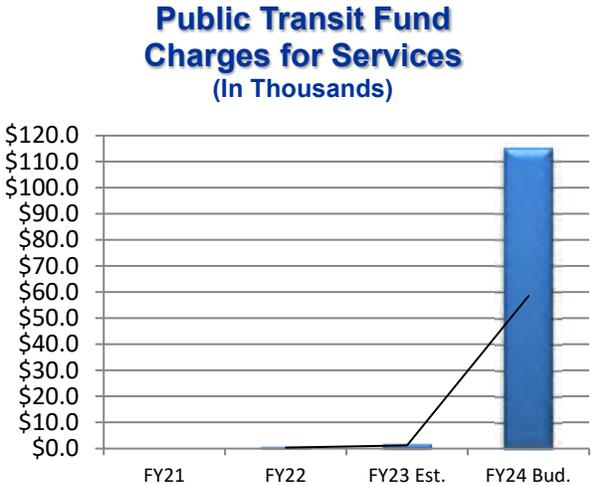
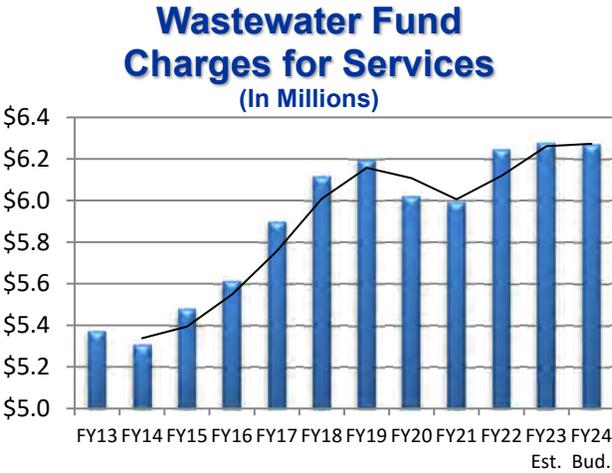
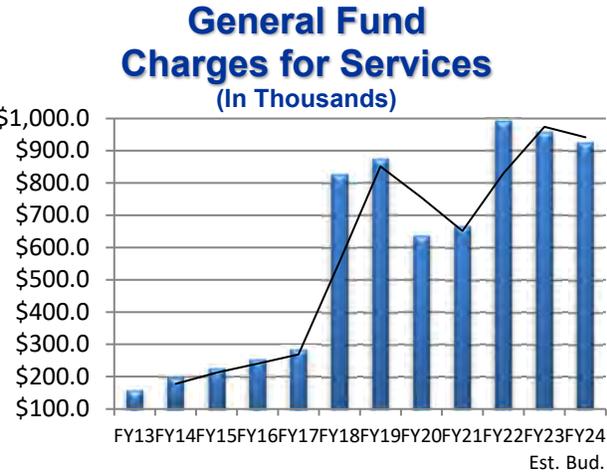
Charges for Services (excluding internal cost charges) (cont'd)

Information Technology Fund – The Information Technology Fund was initiated in fiscal year 2017-18. The Geographic Information Systems fees are unrestricted for use. For more information on internal cost charges, see the Internal Charges section.

Projections

Most of the General Fund charges for services were forecasted with minor increases in a few of the later years of the 8-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 2023-24. 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 been included in the forecast. Account setup fees were forecasted with minor increases in a few of the later years of the 8-year forecast for estimated changes to user fee schedules.



REVENUE TRENDS

continued

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.

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 2023-24.

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 if certain criteria was 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 2023-24; 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. Parking citation fine revenues for fiscal year 2023-24 have been projected as flat.

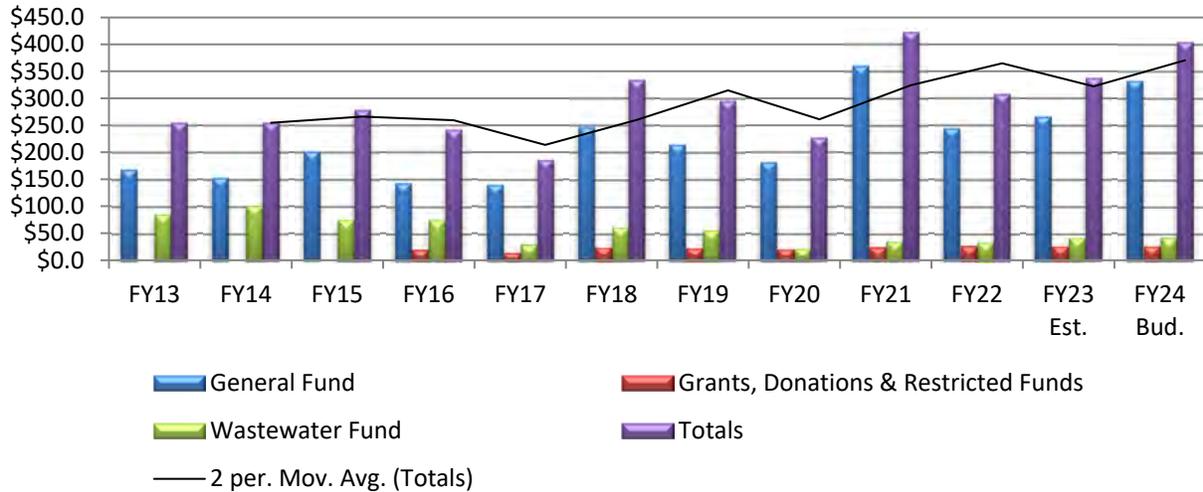
REVENUE TRENDS

continued

Fines and Forfeitures (cont'd)

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

Fines and Forfeitures (In Thousands)



Development Impact Fees

Description

Development impact fees are assessed by the City on new development for the purpose of financing infrastructure ultimately needed to support a growing community. As mandated by State law, impact fee revenue can only be used to support new projects and capital infrastructure. Legislative changes effective in fiscal year 2014-15 further restricted the uses of development impact fees and the methods for calculating impact fees. Fees collected after the legislative changes 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 in September 2019. The next fee study update has been budgeted for fiscal year 2023-24.

Projections

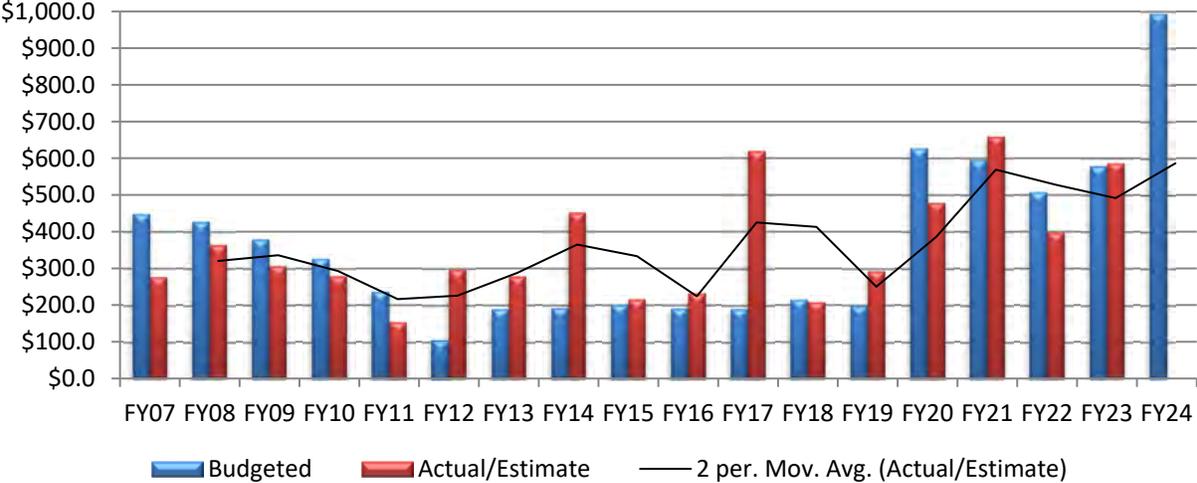
Significant one-time development can result in significantly higher revenues, and expected large development projects have been included in the projections. In addition to anticipated one-time development, the 8-year forecast was based on ongoing levels of development impact fees and largely adjusted 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 changed from a fixed rate for residential and nonresidential rates based on the type of business/organization 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. Rates are increased each January 1 based on the Engineering News-Record construction cost index inflation factor. Capacity fees are used to offset the cost of the wastewater reclamation plant capacity improvements.

Projections

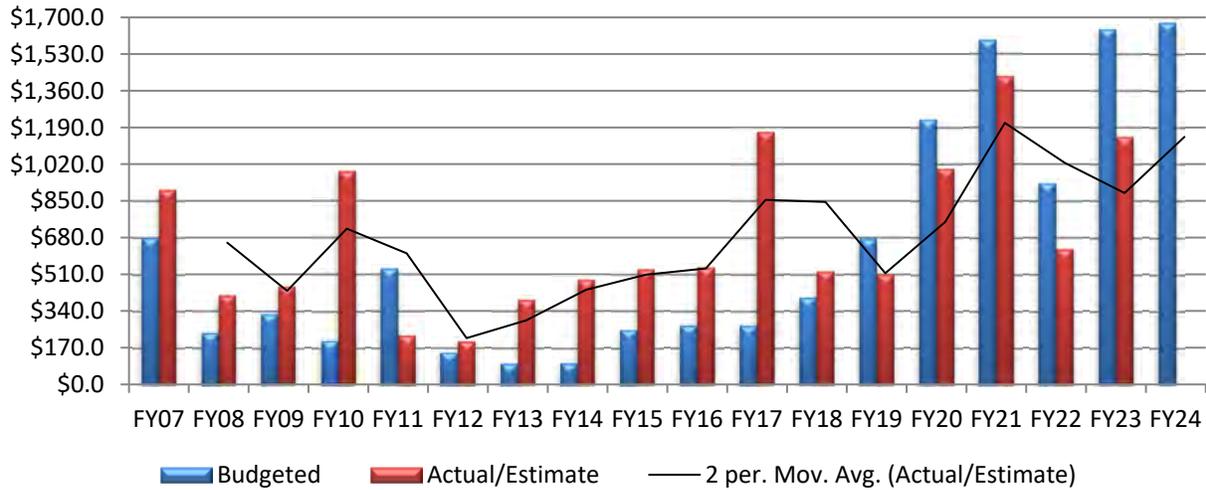
Significant one-time development can result in significantly higher revenues, and expected large development projects have been included in the projections. In addition to anticipated one-time development, the 8-year forecast was based on ongoing levels of capacity fees and largely adjusted based on 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. 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

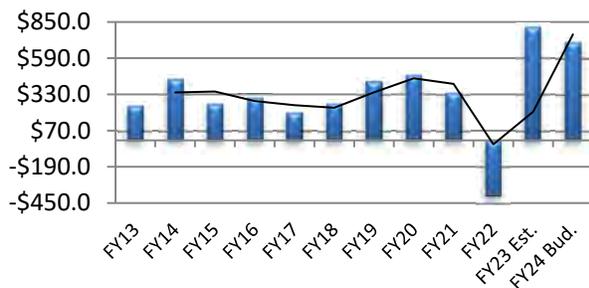
Description

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

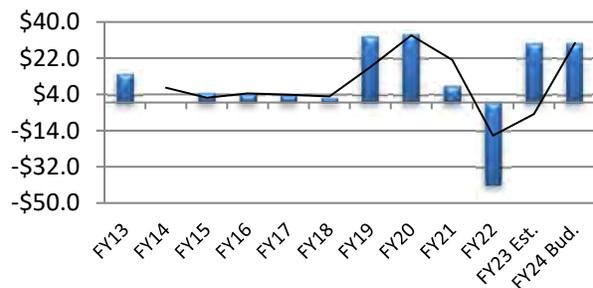
Projections

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 2022-23. Unrealized losses on investments are included in fiscal year 2021-22 for all funds participating in the City's pooled investments.

General Fund Other Revenues (In Thousands)



Streets Fund Other Revenues (In Thousands)

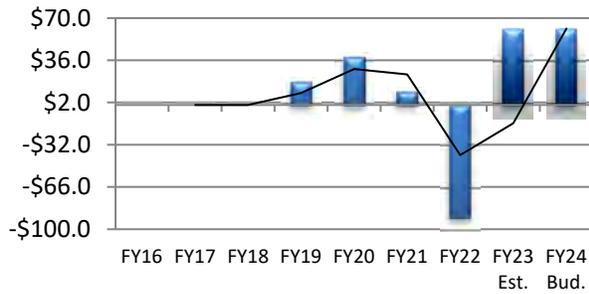


REVENUE TRENDS

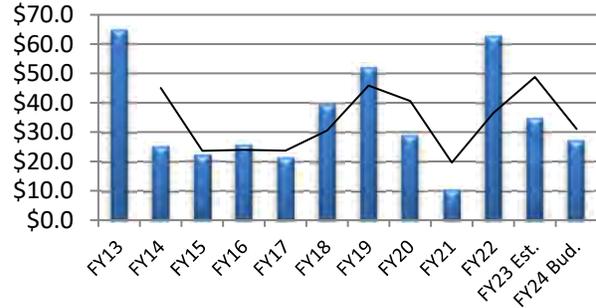
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Other Revenues (cont'd)

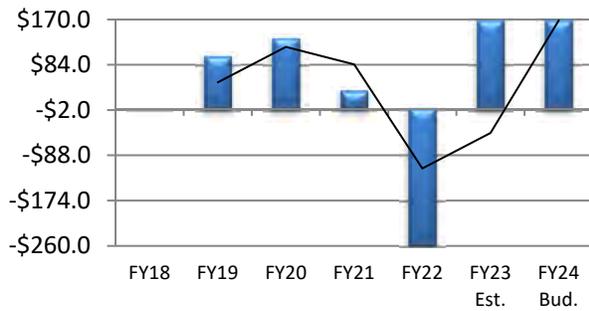
Housing Fund Other Revenues (In Thousands)



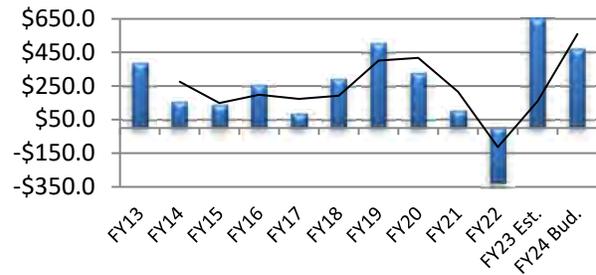
Grants, Donations & Restricted Funds Other Revenues (In Thousands)



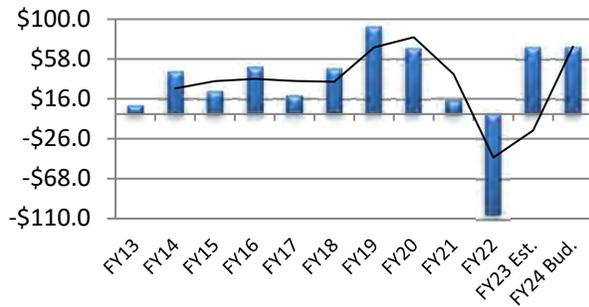
Transportation Sales Tax Fund Other Revenues (In Thousands)



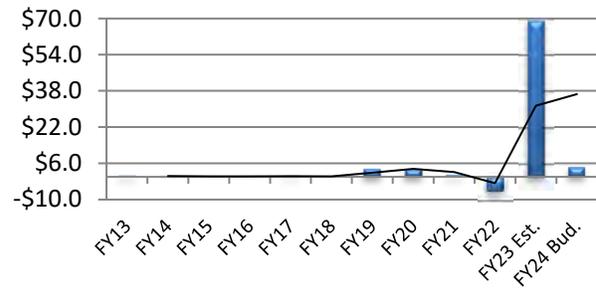
Capital Improvements Fund Other Revenues (In Thousands)



Development Impact Fees Funds Other Revenues (In Thousands)



Art in Public Places Fund Other Revenues (In Thousands)

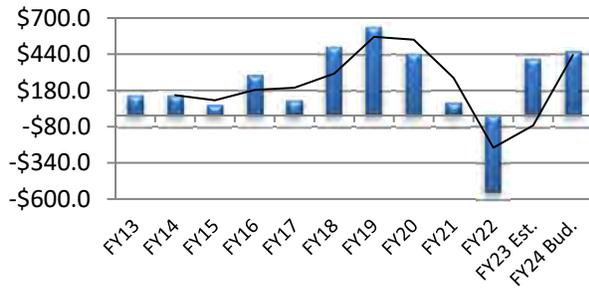


REVENUE TRENDS

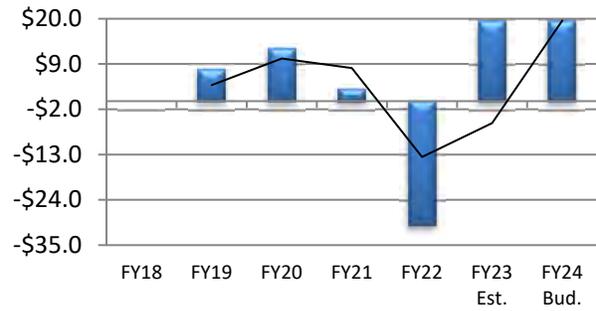
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Other Revenues (cont'd)

Wastewater Fund Other Revenues (In Thousands)



Information Technology Fund Other Revenues (In Thousands)



REVENUES & OTHER FINANCING SOURCES SUMMARIES

All Funds

	General Fund	Streets Fund	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	\$26,052,000	\$ -	\$ -	\$ -	\$4,332,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,384,000
Bed Taxes	8,025,000	-	-	-	-	-	-	-	-	-	-	8,025,000
In Lieu Fees	552,340	-	-	-	-	-	-	-	-	-	-	552,340
Franchise Fees	906,500	-	-	-	-	-	-	-	-	-	-	906,500
State Shared Revenues	4,749,000	994,000	-	86,700	-	-	-	-	-	-	-	5,829,700
Other Intergovernmental	56,800	-	60,330	2,482,340	-	775,000	-	-	1,387,290	-	-	4,761,760
Licenses and Permits	644,580	-	-	-	-	-	-	-	-	-	-	644,580
Charges for Services	926,190	-	-	-	-	-	-	-	115,300	6,270,370	500	7,312,360
Internal Cost Charges	-	-	-	-	-	-	-	-	-	-	2,561,760	2,561,760
Fines and Forfeitures	332,850	-	-	27,700	-	-	-	-	-	43,600	-	404,150
Development Impact Fees	-	-	-	-	-	-	993,500	-	-	-	-	993,500
Capacity Fees	-	-	-	-	-	-	-	-	-	1,675,570	-	1,675,570
Other Revenues	709,140	29,560	61,520	79,170	168,540	471,330	71,100	4,090	-	459,060	19,600	2,073,110
Contingent Grants and Donations	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Total Revenues	\$42,954,400	\$ 1,023,560	\$ 121,850	\$ 3,175,910	\$4,500,540	\$ 1,246,330	\$ 1,064,600	\$ 4,090	\$ 1,502,590	\$ 8,448,600	\$ 2,581,860	\$ 66,624,330
Other Financing Sources												
Transfers from Other Funds	\$ -	\$ 2,298,349	\$ 14,835,500	\$ -	\$ -	\$ 6,767,760	\$ 4,507,280	\$ 19,130	\$ 3,407,600	\$ 3,284,400	\$ 44,450	\$ 35,164,469
GRAND TOTAL	\$42,954,400	\$ 3,321,909	\$ 14,957,350	\$ 3,175,910	\$ 4,500,540	\$ 8,014,090	\$ 5,571,880	\$ 23,220	\$ 4,910,190	\$ 11,733,000	\$ 2,626,310	\$ 101,788,799

REVENUES & OTHER FINANCING SOURCES SUMMARIES

continued

All Funds Comparison

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Revenues				
City Sales Taxes	\$ 30,384,000	\$ 36,570,000	\$ 31,246,000	\$ 32,752,291
Bed Taxes	8,025,000	10,232,000	8,315,000	8,942,766
In Lieu Taxes and Fees	552,340	539,400	539,620	545,178
Franchise Fees	906,500	857,900	890,500	883,545
State Shared Revenues	5,829,700	5,300,500	5,115,900	4,604,842
Other Intergovernmental	4,761,760	2,981,970	3,128,719	1,278,613
Licenses and Permits	644,580	448,280	608,410	469,114
Charges for Services	7,312,360	7,319,360	7,234,590	7,239,552
Internal Cost Charges	2,561,760	2,249,090	2,303,150	1,735,650
Fines and Forfeitures	404,150	392,740	337,070	307,298
Development Impact Fees	993,500	578,260	586,710	396,256
Capacity Fees	1,675,570	1,645,100	1,146,210	626,266
Other Revenues	2,073,110	977,540	2,326,522	(1,384,365)
Contingent Grants and Donations	500,000	500,000	-	-
Total Revenues	\$ 66,624,330	\$ 70,592,140	\$ 63,778,401	\$ 58,397,006
Other Financing Sources				
Transfers from Other Funds	\$ 35,164,469	\$ 34,005,120	\$ 28,376,350	\$ 14,787,211
Bond Proceeds	-	10,000,000	10,148,000	\$ 34,313,903
Total Other Financing Sources	\$ 35,164,469	\$ 44,005,120	\$ 38,524,350	\$ 49,101,114
GRAND TOTAL	\$ 101,788,799	\$ 114,597,260	\$ 102,302,751	\$ 107,498,120

REVENUES & OTHER FINANCING SOURCES SUMMARIES

continued

General Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Revenues				
City Sales Taxes	\$ 26,052,000	\$ 31,360,000	\$ 26,791,000	\$ 28,156,541
Bed Taxes	8,025,000	10,232,000	8,315,000	8,942,766
In Lieu Taxes and Fees	552,340	539,400	539,650	545,178
Franchise Fees	906,500	857,900	890,500	883,545
State Shared Sales Taxes	1,454,000	1,439,000	1,454,000	1,374,160
Urban Revenue Sharing	2,618,000	1,762,000	1,852,000	1,289,131
Vehicle License Taxes	677,000	752,700	713,000	772,587
Other Intergovernmental	56,800	150,950	278,060	72,118
Licenses and Permits	644,580	448,280	608,410	469,114
Charges for Services	926,190	984,860	956,840	991,851
Fines and Forfeitures	332,850	303,690	266,090	244,155
Other Revenues	709,140	425,870	812,530	(30,803)
Total Revenues	\$ 42,954,400	\$ 49,256,650	\$ 43,477,080	\$ 43,710,343

Other Financing Sources

Transfers from Development Impact Fees Funds	\$	-	\$	-	\$	-	\$	194
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GRAND TOTAL		\$ 42,954,400	\$ 49,256,650	\$ 43,477,080	\$ 43,710,537
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Wastewater Enterprise Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Revenues				
Monthly Fees	\$ 5,932,470	\$ 5,875,950	\$ 5,920,550	\$ 5,874,805
Stand-by Fees	321,400	351,600	339,700	348,723
Other Charges for Services	16,500	20,500	15,450	22,416
Environmental Penalty Fees	24,900	33,700	24,580	26,615
Other Fines and Forfeitures	18,700	24,000	18,700	8,318
Capacity Fees	1,675,570	1,645,100	1,146,210	626,266
Other Revenues	459,060	216,340	410,970	(553,313)
Total Revenues	\$ 8,448,600	\$ 8,167,190	\$ 7,876,160	\$ 6,353,830

Other Financing Sources

Transfer from General Fund	\$ 3,100,000	\$ 3,200,000	\$ 3,200,000	\$ 3,300,000
Transfer from Grants & Donations Funds	184,400	1,914,000	1,280,000	-
Bonds Proceeds	-	-	-	8,890,000

Total Other Financing Sources	\$ 3,284,400	\$ 5,114,000	\$ 4,480,000	\$ 12,190,000
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GRAND TOTAL		\$ 11,733,000	\$ 13,281,190	\$ 12,356,160	\$ 18,543,830
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EXPENDITURES & OTHER FINANCING USES SUMMARIES

All Funds

	General Fund	Streets Fund	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	\$ 318,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,560
City Manager's Office	1,753,920	-	-	-	-	-	-	-	-	-	1,320	1,755,240
Human Resources	563,560	-	-	-	-	-	-	-	-	-	-	563,560
Financial Services	2,079,300	-	-	-	-	-	-	-	4,160	147,140	-	2,230,600
City Attorney's Office	853,840	-	-	-	-	-	-	-	-	100,000	-	953,840
City Clerk's Office	703,370	-	-	-	-	-	-	-	-	-	-	703,370
Parks & Recreation	1,387,590	-	-	13,750	-	-	-	-	-	-	-	1,401,340
General Services	3,718,320	-	-	2,428,800	-	-	78,000	-	-	100,000	-	6,325,120
Debt Service	2,292,620	-	-	-	340,590	-	248,570	-	-	4,540,700	-	7,422,480
Community Development	2,713,620	-	-	-	-	-	-	-	-	-	2,800	2,716,420
Public Works	5,866,060	2,579,760	-	1,500	158,760	-	-	-	58,340	354,450	19,800	9,038,670
Tourism & Economic Initiatives	1,131,170	-	-	10,000	-	-	-	-	-	-	-	1,141,170
Housing	-	-	957,350	406,100	-	-	-	-	-	-	-	1,363,450
Sustainability	1,008,590	-	-	-	-	-	-	-	-	-	-	1,008,590
Police	10,333,140	-	-	108,600	-	-	-	-	-	-	55,050	10,496,790
Municipal Court	951,310	-	-	-	-	-	-	-	-	-	15,120	966,430
Public Transit	-	-	-	-	-	-	-	-	3,066,320	-	-	3,066,320
Wastewater	-	-	-	-	-	-	-	-	-	5,622,410	-	5,622,410
Information Technology	-	-	-	48,300	-	-	-	-	-	116,500	2,467,670	2,632,470
Capital Improvement Projects	-	-	-	78,700	-	17,586,210	8,748,920	232,000	1,781,370	5,156,890	-	33,584,090
Charges to Other Departments	(6,129,200)	-	-	-	-	-	-	-	-	-	-	(6,129,200)
Contributions to Equipment												
Replacement Reserves	(265,420)	(60,920)	-	-	-	-	-	-	(236,710)	(226,780)	(209,300)	(999,130)
Contributions to Major Maintenance Reserves	-	-	-	-	-	-	-	-	-	(362,970)	-	(362,970)
Total Expenditures	\$ 29,280,350	\$ 2,518,840	\$ 957,350	\$ 3,095,750	\$ 499,350	\$ 17,586,210	\$ 9,075,490	\$ 232,000	\$ 4,673,480	\$ 15,548,340	\$ 2,352,460	\$ 85,819,620
Other Financing Uses												
Transfers to Other Funds	\$ 23,136,819	\$ -	\$ -	\$ 184,400	\$ 7,316,840	\$ 4,526,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,164,469
GRAND TOTAL	\$ 52,417,169	\$ 2,518,840	\$ 957,350	\$ 3,280,150	\$ 7,816,190	\$ 22,112,620	\$ 9,075,490	\$ 232,000	\$ 4,673,480	\$ 15,548,340	\$ 2,352,460	\$ 120,984,089

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Expenditures (by Department)				
City Council	\$ 318,560	\$ 260,640	\$ 242,015	\$ 189,090
City Manager's Office ⁽¹⁾⁽²⁾	1,755,240	2,985,240	2,507,771	3,684,314
Human Resources	537,660	487,560	455,410	383,082
Financial Services	2,130,890	1,973,240	1,809,530	1,483,238
City Attorney's Office	953,840	909,670	730,020	693,097
City Clerk's Office ⁽²⁾	703,070	460,760	436,990	435,228
Parks & Recreation	1,340,770	1,192,770	1,097,162	964,265
General Services ⁽³⁾	2,688,420	3,373,220	3,717,550	1,672,449
Contingencies	3,412,720	2,511,790	-	-
Community Development	2,478,140	2,423,670	2,277,920	2,203,918
Public Works ⁽⁴⁾	8,490,690	7,770,405	7,690,735	7,245,529
Tourism & Economic Initiatives ⁽³⁾	931,170	-	-	-
Economic Development ⁽³⁾	-	389,040	231,750	294,498
Housing ⁽¹⁾	503,350	-	-	-
Sustainability ⁽¹⁾	898,930	-	-	-
Police ⁽⁵⁾	8,864,330	8,574,820	8,004,839	7,273,168
Municipal Court	866,330	834,040	733,795	624,057
Public Transit	2,636,310	2,288,520	1,643,420	775,120
Wastewater	5,202,780	5,124,240	4,604,810	3,987,482
Information Technology	2,239,050	2,183,700	1,853,430	1,582,343
Charges to Other Departments	(6,129,200)	(5,762,660)	(5,080,500)	(4,478,970)
Contributions to Equipment Replacement Reserves	(999,130)	(756,000)	(756,000)	(1,040,764)
Contributions to Major Maintenance Reserves	(362,970)	(369,890)	(370,390)	(500)
Total Ongoing Expenditures	\$ 39,460,950	\$ 36,854,775	\$ 31,830,257	\$ 27,970,644
One-Time Expenditures (by Department)				
City Council	\$ -	\$ 1,910	\$ 2,070	\$ -
City Manager's Office ⁽¹⁾	-	576,960	333,090	144,383
Human Resources	25,900	-	-	10,203
Financial Services	99,710	74,200	57,650	53,264
City Attorney's Office	-	-	-	895
City Clerk's Office	300	47,130	27,910	8,552
Parks & Recreation	60,570	10,100	30,610	41,842
General Services	223,980	554,020	354,930	232,634
Debt Service	7,422,480	7,810,160	7,574,335	6,406,435
Community Development	238,280	335,430	156,060	269,844
Public Works	547,980	547,815	609,880	464,996
Tourism & Economic Initiatives	210,000	-	-	-
Economic Development	-	1,940	9,100	5,000
Housing ⁽¹⁾	860,100	-	-	-
Sustainability ⁽¹⁾	109,660	-	-	-
Police ⁽⁵⁾	1,632,460	1,461,100	1,446,300	258,639
Municipal Court	100,100	75,000	74,660	49,381
Public Transit	430,010	312,870	170,600	47,960
Wastewater	419,630	337,190	297,740	150,967
Information Technology	393,420	202,940	126,440	97,872
Capital Improvement Projects ⁽⁶⁾	33,584,090	56,541,500	32,841,354	12,964,331
Total One-Time Expenditures	\$ 46,358,670	\$ 68,890,265	\$ 44,112,729	\$ 21,207,198

⁽¹⁾The Sustainability and Housing Departments were transferred from the City Manager's Office as stand-alone departments.

⁽²⁾The increase for the City Clerk's Office was due to the transfer of the Short-Term Rental Monitoring & Administration program from the City Manager's Office.

⁽³⁾The decrease for General Services was due to the elimination of the Sustainable Tourism Contract program and the budget capacity used to create the Tourism & Economic Initiatives Department, along with the restructure of the Economic Development Department.

⁽⁴⁾The increase for the Public Works Department was due to an increase in the streets maintenance program.

⁽⁵⁾The increase for the Police Department included an additional staff position and an increase in a one-time additional contribution toward the unfunded pension liability.

⁽⁶⁾Capital improvement projects vary from year-to-year. FY2023 included a significant land acquisition for \$20 million.

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Total Expenditures (by Department)				
City Council	\$ 318,560	\$ 262,550	\$ 244,085	\$ 189,090
City Manager's Office	1,755,240	3,562,200	2,840,861	3,828,697
Human Resources	563,560	487,560	455,410	393,285
Financial Services	2,230,600	2,047,440	1,867,180	1,536,502
City Attorney's Office	953,840	909,670	730,020	693,992
City Clerk's Office	703,370	507,890	464,900	443,780
Parks & Recreation	1,401,340	1,202,870	1,127,772	1,006,107
General Services	2,912,400	3,927,240	4,072,480	1,905,083
Debt Service	7,422,480	7,810,160	7,574,335	6,406,435
Contingencies	3,412,720	2,511,790	-	-
Community Development	2,716,420	2,759,100	2,433,980	2,473,762
Public Works	9,038,670	8,318,220	8,300,615	7,710,525
Tourism & Economic Initiatives	1,141,170	-	-	-
Economic Development	-	390,980	240,850	299,498
Housing	1,363,450	-	-	-
Sustainability	1,008,590	-	-	-
Police	10,496,790	10,035,920	9,451,139	7,531,807
Municipal Court	966,430	909,040	808,455	673,438
Public Transit	3,066,320	2,601,390	1,814,020	823,080
Wastewater	5,622,410	5,461,430	4,902,550	4,138,449
Information Technology	2,632,470	2,386,640	1,979,870	1,680,215
Capital Improvement Projects	33,584,090	56,541,500	32,841,354	12,964,331
Charges to Other Departments	(6,129,200)	(5,762,660)	(5,080,500)	(4,478,970)
Contributions to Equipment Replacement Reserves	(999,130)	(756,000)	(756,000)	(1,040,764)
Contributions to Major Maintenance Reserves	(362,970)	(369,890)	(370,390)	(500)
Total Expenditures	\$ 85,819,620	\$ 105,745,040	\$ 75,942,986	\$ 49,177,842
Other Financing Uses				
Transfers to Other Funds	\$ 35,164,469	\$ 34,005,120	\$ 28,376,350	\$ 14,787,211
Payment to Refunded Bond Escrow Agent	-	-	-	8,769,995
Total Other Financing Uses	\$ 35,164,469	\$ 34,005,120	\$ 28,376,350	\$ 23,557,206
GRAND TOTAL	\$ 120,984,089	\$ 139,750,160	\$ 104,319,336	\$ 72,735,048

Total Expenditures (by Expenditure Category)

Personnel	\$ 20,300,310	\$ 18,900,320	\$ 17,655,740	\$ 15,085,924
Supplies & Services	16,363,880	16,010,390	13,948,297	11,952,877
Capital & Debt Service	9,596,860	9,531,950	9,194,445	7,439,060
Capital Improvement Projects	33,584,090	56,541,500	32,841,354	12,964,331
Internal Charges	2,561,760	2,249,090	2,303,150	1,735,650
Contingencies	3,412,720	2,511,790	-	-
Other Financing Uses	35,164,469	34,005,120	28,376,350	23,557,206
GRAND TOTAL	\$ 120,984,089	\$ 139,750,160	\$ 104,319,336	\$ 72,735,048

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
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Ongoing Expenditures (by Function/Program)

General Government:

Information Technology Services	\$ 2,058,640	\$ 2,006,440	\$ 1,686,570	\$ 1,418,782
City Manager's Office Administration	1,039,100	917,240	776,500	819,912
Facilities Maintenance ⁽¹⁾	991,950	801,945	814,260	715,845
Municipal Court	866,330	834,040	733,795	624,057
Planning & Land Development Legal	834,460	836,470	748,870	570,922
Revenue Management	817,790	750,480	726,600	656,554
General Services Administration ⁽²⁾	815,630	370,560	717,710	606,664
Financial Services Administration	634,620	549,040	476,340	361,408
Human Resources	537,660	487,560	455,410	383,082
Communications & Citizens Engagement	536,910	514,330	384,790	240,043
Procurement & Payment Processing	452,910	377,020	388,890	272,892
City Council & Clerk Support	418,450	392,430	369,055	329,758
General Civil Legal	380,620	374,840	230,560	223,158
Community Plan	281,370	216,600	304,080	207,016
Criminal Prosecution	268,060	273,510	259,600	269,888
Short-Term Rental Monitoring & Administration	256,970	193,090	231,240	-
City Attorney's Office Administration	236,460	198,220	183,290	164,228
Budget Preparation & Management	225,570	296,700	217,700	192,384
Geographic Information Services	180,410	177,260	166,860	163,560
Community Development Administration	177,340	88,690	87,520	341,488
Records Management	156,780	125,590	114,800	114,239
City Clerk's Office Administration & Customer Relations	98,400	104,830	101,720	105,877
Clerk Permits, Licenses, & Registrations	66,010	50,530	48,840	42,988
Elections	25,020	29,430	27,810	12,790
Grants Coordination	-	18,590	16,780	18,664

Public Safety:

Patrol	4,588,020	4,578,680	4,367,850	4,198,717
Police Communications & Records	1,490,360	1,517,900	1,386,460	1,260,137
Police Support Services	1,228,520	1,148,920	1,148,669	842,574
Building Safety	930,360	907,210	842,400	717,186
Investigations ⁽³⁾	789,540	591,380	481,380	544,297
Police Administration	767,890	737,940	620,480	427,443
Code Enforcement	323,310	437,800	351,620	403,129
Community Contracts	97,590	81,530	81,350	76,232
Other Public Safety	30,000	30,000	25,130	26,778

Public Works & Streets:

Streets Maintenance ⁽⁴⁾	3,380,440	2,949,660	3,203,510	3,176,002
Capital Projects Management	1,132,560	1,090,750	1,021,300	886,854
Engineering Services	791,770	677,565	657,530	583,682
Transportation Services	391,800	412,495	379,470	293,575
Sedona Trails & Pathways System (ST&PS)	3,000	2,500	3,600	5,897

Culture & Recreation:

Parks Facilities & Maintenance	1,240,560	1,306,370	1,120,295	1,029,772
Community Contracts ⁽⁵⁾	1,015,200	641,960	641,960	506,031
Aquatics Operations & Maintenance	493,150	411,830	386,530	356,756
Special Events	472,460	417,180	380,382	332,354
Recreation Programs	283,580	297,680	263,280	223,858
Arts & Culture	179,230	178,110	165,590	143,805

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Economic Development:				
Tourism & Economic Initiatives	931,170	-	-	-
Sustainable Tourism Contract	-	1,670,000	1,670,220	1,873,385
Economic Development	-	389,040	231,750	294,498
Health & Welfare:				
Wastewater Plant Operations	2,060,840	2,092,090	1,941,660	1,717,211
Wastewater Collection System	1,634,720	1,543,650	1,187,410	1,260,321
Sustainability	1,072,600	939,230	767,591	573,812
Wastewater Administration	969,610	968,330	947,340	654,168
Community Contracts	598,000	513,950	515,960	395,850
Wastewater Lab	328,560	309,420	287,950	262,556
Engineering Services	319,010	289,870	265,810	263,306
Wastewater Capital Projects Management	225,990	223,620	260,760	161,710
Stormwater Quality	192,570	183,910	164,210	171,408
Housing and Redevelopment:				
Housing Administration	295,000	-	-	-
Housing Programs	178,240	-	-	-
Homelessness Programs	30,110	-	-	-
Housing	-	351,790	289,470	135,356
Public Transportation:				
Public Transit Operations	2,093,520	1,781,810	1,186,820	449,745
Verde Shuttle Contract	294,380	236,250	229,820	170,192
Public Transit Administration	204,030	225,780	183,560	119,819
Community Contracts	80,000	65,220	65,220	60,900
Public Transit Capital Projects Management	44,380	44,680	43,220	35,363
Contingencies	3,412,720	2,511,790	-	-
Charges to Other Departments	(6,129,200)	(5,762,660)	(5,080,500)	(4,478,970)
Contributions to Equipment Replacement Reserves	(999,130)	(756,000)	(756,000)	(1,040,764)
Contributions to Major Maintenance Reserves	(362,970)	(369,890)	(370,390)	(500)
Total Ongoing Expenditures	\$ 39,460,950	\$ 36,854,775	\$ 31,830,257	\$ 27,970,644

One-Time Expenditures (by Function/Program)

General Government:				
Information Technology Services	\$ 393,420	\$ 202,940	\$ 126,440	\$ 97,872
City Manager's Office Administration	-	75,000	75,000	78,500
Facilities Maintenance	185,040	155,535	153,340	121,199
Municipal Court	100,100	75,000	74,660	49,381
Planning & Land Development Legal	-	10,220	5,170	-
Revenue Management	34,710	51,700	36,540	16,165
General Services Administration	223,980	554,020	354,930	232,634
Financial Services Administration	40,000	20,000	21,110	37,099
Human Resources	25,900	-	-	10,203
Communications & Citizens Engagement	-	22,000	20,000	12,270
Procurement & Payment Processing	25,000	-	-	-
City Council & Clerk Support	-	4,870	2,070	724
Community Plan	227,770	269,570	140,380	80,179
Criminal Prosecution	-	-	-	866
Short-Term Rental Monitoring & Administration	-	6,960	-	-
City Attorney's Office Administration	-	-	-	28
Budget Preparation & Management	-	2,500	-	-
Records Management	-	-	-	521
Clerk Permits, Licenses, & Registrations	-	800	750	-
Elections	300	43,370	27,160	7,308

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Public Safety:				
Patrol	1,175,290	1,046,480	1,059,810	227,350
Police Communications & Records	500	28,070	30,000	-
Police Support Services	136,710	163,610	147,610	4,840
Building Safety	10,510	53,100	10,510	11,235
Investigations	167,400	102,390	102,390	2,140
Police Administration	152,560	120,550	106,490	24,309
Code Enforcement	-	2,540	-	-
Public Works & Streets:				
Streets Maintenance	140,240	241,920	243,040	222,734
Capital Projects Management	6,180	6,060	6,180	19,824
Engineering Services	47,610	12,710	44,620	5,241
Culture & Recreation:				
Parks Facilities & Maintenance	158,870	100,360	150,750	83,174
Aquatics Operations & Maintenance	16,250	21,700	26,510	12,806
Special Events	-	-	-	41,842
Recreation Programs	35,860	8,000	7,000	-
Economic Development:				
Tourism & Economic Initiatives	210,000	-	-	-
Sustainable Tourism Contract	-	-	-	2,981
Economic Development	-	1,940	9,100	5,000
Health & Welfare:				
Wastewater Plant Operations	171,550	83,610	71,970	82,821
Wastewater Collection System	227,960	187,880	155,070	41,808
Sustainability	109,660	233,000	228,090	48,393
Wastewater Administration	-	9,500	14,500	10,791
Wastewater Lab	20,120	56,200	56,200	15,547
Engineering Services	18,500	11,630	9,050	18
Housing and Redevelopment:				
Homelessness Programs	860,100	-	-	-
Housing	-	240,000	10,000	180,669
Public Transportation:				
Public Transit Operations	430,010	312,570	170,600	47,960
Public Transit Administration	-	300	-	-
Debt Service	7,422,480	7,810,160	7,574,335	6,406,435
Capital Improvement Projects	33,584,090	56,541,500	32,841,354	12,964,331
Total One-Time Expenditures	\$ 46,358,670	\$ 68,890,265	\$ 44,112,729	\$ 21,207,198

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Total Expenditures (by Function/Program)				
General Government:				
Information Technology Services	\$ 2,452,060	\$ 2,209,380	\$ 1,813,010	\$ 1,516,654
City Manager's Office Administration	1,039,100	992,240	851,500	898,412
Facilities Maintenance	1,176,990	957,480	967,600	837,044
Municipal Court	966,430	909,040	808,455	673,438
Planning & Land Development Legal	834,460	846,690	754,040	570,922
Revenue Management	852,500	802,180	763,140	672,719
General Services Administration	1,039,610	924,580	1,072,640	839,298
Financial Services Administration	674,620	569,040	497,450	398,507
Human Resources	563,560	487,560	455,410	393,285
Communications & Citizens Engagement	536,910	536,330	404,790	252,313
Procurement & Payment Processing	477,910	377,020	388,890	272,892
City Council & Clerk Support	418,450	397,300	371,125	330,482
General Civil Legal	380,620	374,840	230,560	223,158
Community Plan	509,140	486,170	444,460	287,195
Criminal Prosecution	268,060	273,510	259,600	270,754
Short-Term Rental Monitoring & Administration	256,970	200,050	231,240	-
City Attorney's Office Administration	236,460	198,220	183,290	164,256
Budget Preparation & Management	225,570	299,200	217,700	192,384
Geographic Information Services	180,410	177,260	166,860	163,560
Community Development Administration	177,340	88,690	87,520	341,488
Records Management	156,780	125,590	114,800	114,760
City Clerk's Office Administration & Customer Relations	98,400	104,830	101,720	105,877
Clerk Permits, Licenses, & Registrations	66,010	51,330	49,590	42,988
Elections	25,320	72,800	54,970	20,098
Grants Coordination	-	18,590	16,780	18,664
Public Safety:				
Patrol	5,763,310	5,625,160	5,427,660	4,426,067
Police Communications & Records	1,490,860	1,545,970	1,416,460	1,260,137
Police Support Services	1,365,230	1,312,530	1,296,279	847,414
Building Safety	940,870	960,310	852,910	728,421
Investigations	956,940	693,770	583,770	546,437
Police Administration	920,450	858,490	726,970	451,752
Code Enforcement	323,310	440,340	351,620	403,129
Community Contracts	97,590	81,530	81,350	76,232
Other Public Safety	30,000	30,000	25,130	26,778
Public Works & Streets:				
Streets Maintenance	3,520,680	3,191,580	3,446,550	3,398,736
Capital Projects Management	1,138,740	1,096,810	1,027,480	906,678
Engineering Services	839,380	690,275	702,150	588,923
Transportation Services	391,800	412,495	379,470	293,575
Sedona Trails & Pathways System (ST&PS)	3,000	2,500	3,600	5,897
Culture & Recreation:				
Parks Facilities & Maintenance	1,399,430	1,406,730	1,271,045	1,112,946
Community Contracts	1,015,200	641,960	641,960	506,031
Aquatics Operations & Maintenance	509,400	433,530	413,040	369,562
Special Events	472,460	417,180	380,382	374,196
Recreation Programs	319,440	305,680	270,280	223,858
Arts & Culture	179,230	178,110	165,590	143,805

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

All Funds Comparison (by Function/Program)

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Economic Development:				
Tourism & Economic Initiatives	1,141,170	-	-	-
Sustainable Tourism Contract	-	1,670,000	1,670,220	1,876,366
Economic Development	-	390,980	240,850	299,498
Health & Welfare:				
Wastewater Plant Operations	2,232,390	2,175,700	2,013,630	1,800,032
Wastewater Collection System	1,862,680	1,731,530	1,342,480	1,302,129
Sustainability	1,182,260	1,172,230	995,681	622,205
Wastewater Administration	969,610	977,830	961,840	664,959
Community Contracts	598,000	513,950	515,960	395,850
Wastewater Lab	348,680	365,620	344,150	278,103
Engineering Services	337,510	301,500	274,860	263,324
Wastewater Capital Projects Management	225,990	223,620	260,760	161,710
Stormwater Quality	192,570	183,910	164,210	171,408
Housing and Redevelopment:				
Housing Administration	295,000	-	-	-
Housing Programs	178,240	-	-	-
Homelessness Programs	890,210	-	-	-
Housing	-	591,790	299,470	316,025
Public Transportation:				
Public Transit Operations	2,523,530	2,094,380	1,357,420	497,705
Verde Shuttle Contract	294,380	236,250	229,820	170,192
Public Transit Administration	204,030	226,080	183,560	119,819
Community Contracts	80,000	65,220	65,220	60,900
Public Transit Capital Projects Management	44,380	44,680	43,220	35,363
Debt Service	7,422,480	7,810,160	7,574,335	6,406,435
Capital Improvement Projects	33,584,090	56,541,500	32,841,354	12,964,331
Contingencies	3,412,720	2,511,790	-	-
Charges to Other Departments	(6,129,200)	(5,762,660)	(5,080,500)	(4,478,970)
Contributions to Equipment Replacement Reserves	(999,130)	(756,000)	(756,000)	(1,040,764)
Contributions to Major Maintenance Reserves	(362,970)	(369,890)	(370,390)	(500)
Total Expenditures	\$85,819,620	\$105,745,040	\$75,942,986	\$49,177,842

Other Financing Uses

Transfers to Other Funds	\$ 35,164,469	\$ 34,005,120	\$ 28,376,350	\$ 14,787,211
Payment to Refunded Bond Escrow Agent	-	-	-	8,769,995
Total Other Financing Uses	\$ 35,164,469	\$ 34,005,120	\$ 28,376,350	\$ 23,557,206
GRAND TOTAL	\$ 120,984,089	\$ 139,750,160	\$ 104,319,336	\$ 72,735,048

⁽¹⁾The increase for Facilities Maintenance includes increases in utilities, custodial and other maintenance costs, and the addition of maintenance for bus stops and park-and-rides.

⁽²⁾The increase for General Services is due to the reallocation of the budgeted vacancy savings offset to departmental budgets.

⁽³⁾The increase for Police Investigations is largely due to the reallocation of a sergeant position from Patrol.

⁽⁴⁾The increase for Streets Maintenance is largely due to cost increases for maintenance needs.

⁽⁵⁾The increase for Culture & Recreation Community Contracts is largely due to a significant increase in the contract with the Sedona Public Library.

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

General Fund

	FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actuals
Expenditures				
City Council	\$ 318,560	\$ 262,550	\$ 244,085	\$ 189,090
City Manager's Office ⁽¹⁾	1,753,920	2,923,990	2,470,791	3,684,156
Human Resources	563,560	481,560	449,160	392,559
Financial Services	2,079,300	1,905,530	1,775,440	1,439,323
City Attorney's Office	853,840	809,670	728,820	676,663
City Clerk's Office ⁽²⁾	703,370	507,890	464,900	443,780
Parks & Recreation	1,387,590	1,181,440	1,117,797	988,045
General Services ⁽³⁾	3,718,320	4,431,440	4,071,280	1,905,012
Debt Service	2,292,620	2,657,590	2,545,955	1,242,221
Community Development	2,713,620	2,756,300	2,431,380	2,258,071
Public Works	5,866,060	5,419,390	5,392,705	4,663,137
Tourism & Economic Initiatives ⁽³⁾	1,131,170	-	-	-
Economic Development ⁽³⁾	-	390,570	235,440	299,340
Sustainability ⁽¹⁾	1,008,590	-	-	-
Police ⁽⁴⁾	10,333,140	9,711,550	9,126,319	7,364,920
Municipal Court	951,310	897,840	797,135	663,654
Charges to Other Departments	(6,129,200)	(5,762,660)	(5,080,500)	(4,478,970)
Contributions to Equipment Replacement Reserves	(265,420)	(246,990)	(246,990)	(380,400)
Total General Fund Expenditures	\$ 29,280,350	\$ 28,327,660	\$ 26,523,717	\$ 21,350,601
Other Financing Uses				
Transfer to Streets Fund	\$ 2,298,349	\$ 438,330	\$ 1,395,900	\$ 195,564
Transfer to Affordable Housing Fund	14,835,500	1,250,000	2,071,355	2,296,321
Transfer to Capital Improvements Fund	2,500,000	10,897,170	10,897,170	4,354,921
Transfer to Grants, Donations & Restricted Funds	-	-	5,390	-
Transfer to Public Transit Fund	358,520	5,244,750	5,230,280	170,147
Transfer to Wastewater Fund	3,100,000	3,200,000	3,200,000	3,300,000
Transfer to Information Technology Fund	44,450	43,950	45,520	26,899
Total General Fund Other Financing Uses	\$ 23,136,819	\$ 21,074,200	\$ 22,845,615	\$ 10,343,852
GRAND TOTAL	\$ 52,417,169	\$ 49,401,860	\$ 49,369,332	\$ 31,694,453

⁽¹⁾The Sustainability Department was transferred from the City Manager's Office as a stand-alone department.

⁽²⁾The increase for the City Clerk's Office was due to the transfer of the Short-Term Rental Monitoring & Administration program from the City Manager's Office.

⁽³⁾The decrease for General Services was due to the elimination of the Sustainable Tourism Contract program and the budget capacity used to create the Tourism & Economic Initiatives Department, along with the restructure of the Economic Development Department.

⁽⁴⁾The increase for the Police Department included an additional staff position and an increase in a one-time additional contribution toward the unfunded pension liability.

EXPENDITURES & OTHER FINANCING USES SUMMARIES

continued

Wastewater Enterprise Fund

	FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actuals
Expenditures				
Financial Services	\$ 147,140	\$ 141,060	\$ 88,680	\$ 96,563
Information Technology	116,500	75,200	55,130	43,577
City Attorney's Office	100,000	100,000	1,200	17,329
General Services	100,000	100,000	-	-
Public Works	354,450	314,370	295,170	331,808
Wastewater Administration	969,610	977,830	961,840	665,028
Wastewater Debt Service	4,540,700	4,541,410	4,539,810	4,658,820
Wastewater Project Management	209,050	210,750	240,450	93,226
Wastewater Capital Improvements Projects ⁽¹⁾	5,156,890	7,492,000	2,471,039	1,754,689
Wastewater Operations	4,443,750	4,272,850	3,700,260	3,380,265
Contributions to Equipment Replacement Reserves	(226,780)	(219,590)	(219,590)	(612,505)
Contributions to Major Maintenance Reserves	(362,970)	(369,890)	(370,390)	(500)
Total Wastewater Enterprise Fund Expenditures	\$ 15,548,340	\$ 17,635,990	\$ 11,763,599	\$ 10,428,300

Other Financing Uses

Payment to Refunded Bond Escrow Agent	\$ -	\$ -	\$ -	\$ 8,769,995
GRAND TOTAL	\$ 15,548,340	\$ 17,635,990	\$ 11,763,599	\$ 19,198,295

⁽¹⁾Capital improvement projects vary from year-to-year. A significant portion of the upgrades to major lift stations project was delayed from FY2023 to FY2024.

INTER-FUND TRANSFERS

FY 2024 INTER-FUND TRANSFERS

Transfers Out	Transfers In								
	Streets Fund	Housing Fund	Capital Improvements Fund	Development Impact Fees Funds	Art in Public Places Fund	Public Transit Enterprise Fund	Waste-water Enterprise Fund	Information Technology Internal Service Fund	Totals
General Fund	\$2,298,349	\$14,835,500	\$2,500,000	\$ -	\$ -	\$ 358,520	\$3,100,000	\$44,450	\$23,136,819
Grants, Donations & Restricted Funds	-	-	-	-	-	-	184,400	-	184,400
Transportation Sales Tax Fund	-	-	4,267,760	-	-	3,049,080	-	-	7,316,840
Capital Improvements Fund	-	-	-	4,507,280	19,130	-	-	-	4,526,410
Totals	\$2,298,349	\$14,835,500	\$6,767,760	\$4,507,280	\$19,130	\$3,407,600	\$3,284,400	\$44,450	\$35,164,469

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 \$1,556,200 for fiscal year 2023-24.
- **Funding for Housing** – The annual transfer to provide funding for the Housing Fund for fiscal year 2023-24 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 2023-24 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 2023-24 budget projects a transfer of \$4,267,760 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 \$19,130 was budgeted in the Capital Improvements Program for transfer to the Art in Public Places Fund for this purpose.
- **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 2023-24 budget includes a transfer of \$294,020 from the General Fund to the Public Transit Enterprise Fund to cover the grant matching requirement.

INTER-FUND TRANSFERS

continued

- **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 2023-24 budget projects a transfer of \$1,267,710 for operating costs and \$1,781,370 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 \$3,100,000 for fiscal year 2023-24 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 \$44,450 from the General Fund has been included to cover those costs with the paid parking revenues.
- **One-Time Transfers**
 - **Streets Fund Shortfall** – An operating reserve of \$742,149 for the Streets Fund is recommended. The transfer from the General Fund for fiscal year 2023-24 would need to be increased to cover this additional cost.
 - **Funding for Housing** – An estimated \$1,935,500 of additional funding in fiscal year 2023-24 is needed if the City Council chooses to increase the total amount to be loaned for the Sunset Lofts project from \$4.2 million to an estimated \$6.2 million. An estimated \$400,000 of additional funding in fiscal year 2023-24 is needed if the City Council chooses to proceed with a Safe-Place-to-Park program. In addition, the City Council approved a one-time transfer from the General Fund surplus of \$12,000,000 for potential future affordable housing projects.
 - **Bond Proceeds for Capital Projects** – The Series 2022 bonds were issued to cover costs of transportation master plan projects. The bond proceeds were recorded in the Capital Improvements Fund; however, the costs are incurred in other funds as well, and transfers are necessary to pay for the transportation master plan project costs in those funds. An estimated \$4,507,280 is budgeted for transfers to the Development Impact Fees Funds.
 - **Tourism Funding for Transit** – An estimated \$64,500 of monies earmarked for the new tourism initiatives program will be used to cover the cost of multimedia screens to be installed in the trailhead shuttle vehicles.
 - **Wastewater Subsidy** – The fiscal year 2023-24 budget includes a projected need of \$184,400 of American Rescue Plan Act (ARPA) funding to support capital improvement needs.

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 \$136 million of city sales taxes.

Since FY 1989, the Wastewater Enterprise Fund has been subsidized with over \$136 million of city sales taxes.

INTER-FUND TRANSFERS
continued

City Sales Tax Subsidy to Wastewater Enterprise Fund (cont'd)

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 to 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 2024-25	\$3,000,000
FY 2025-26	\$2,900,000
FY 2026-27	\$0



INTERNAL CHARGES

The fiscal year 2023-24 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 benefiting 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 BENEFITING DEPARTMENT**

Benefiting Department	Allocating Department								
	City Manager's Office	Human Resources	Financial Services	Information Technology	City Attorney's Office	City Clerk's Office	General Services	Public Works	Totals
City Council	\$ -	\$ -	\$ 9,650	\$ 133,550	\$ 72,390	\$ -	\$ 2,290	\$ 19,950	\$ 237,830
City Manager's Office	(1,018,090)	25,410	48,870	90,030	31,910	8,570	14,690	37,810	(760,800)
Human Resources	11,220	(563,560)	22,680	60,470	31,910	2,440	2,980	30,560	(403,300)
Financial Services	72,530	36,130	(2,021,890)	229,760	30,940	8,570	17,960	40,790	(1,585,210)
City Attorney's Office	26,240	11,360	27,430	40,610	(585,780)	-	6,600	23,030	(450,510)
City Clerk's Office	21,190	12,540	18,570	178,650	37,270	(255,180)	6,730	34,260	54,030
Parks & Recreation	80,790	29,850	56,420	73,340	-	-	7,190	43,060	290,650
General Services	-	-	-	-	-	-	(524,940)	-	(524,940)
Community Development	96,940	51,020	79,450	240,090	97,410	75,290	19,110	87,420	746,730
Public Works	233,160	117,640	344,080	327,440	128,280	73,540	180,200	(846,800)	557,540
Tourism & Economic Initiatives	16,700	10,260	33,090	7,920	-	-	7,410	6,140	81,520
Sustainability	16,160	9,930	29,340	34,930	-	-	6,280	35,160	131,800
Police	269,340	161,050	294,730	881,180	107,410	79,670	104,150	319,160	2,216,690
Municipal Court	43,090	18,370	30,960	58,950	-	-	6,380	73,800	231,550
Housing	10,770	6,620	35,690	15,360	-	-	8,110	5,640	82,190
Public Transit	8,080	4,970	74,570	7,320	-	-	16,260	45,860	157,060
Wastewater	80,800	49,670	844,620	182,160	48,260	7,100	103,020	17,550	1,333,180
Information Technology	31,080	18,740	73,740	-	-	-	15,580	26,610	165,750
Totals	\$ -	\$ -	\$ -	\$2,251,760	\$ -	\$ -	\$ -	\$ -	\$2,561,760

INTERNAL CHARGES

continued

Equipment Replacement Reserves and Major Maintenance Reserve

The fiscal year 2023-24 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.

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	89,380	-
Police	217,770	-
Municipal Court	730	-
Public Transit	236,710	-
Wastewater	226,780	362,970
Information Technology	209,300	-
Totals	\$99,130	\$362,970



Fund Summaries

FUND SUMMARIES

All Funds

	General Fund	Streets Fund	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	\$ 42,904,890	\$ 1,023,560	\$ 121,850	\$ 196,670	\$ 4,500,540	\$ 821,330	\$ 456,900	\$ 4,090	\$ 437,900	\$ 7,448,130	\$ 2,441,090	\$ 60,356,950
One-Time Revenues	49,510	-	-	2,479,240	-	425,000	607,700	-	1,064,690	1,000,470	140,770	5,767,380
Contingent Revenues	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Total Revenues	42,954,400	1,023,560	121,850	3,175,910	4,500,540	1,246,330	1,064,600	4,090	1,502,590	8,448,600	2,581,860	66,624,330
Expenditures												
Ongoing Expenditures	23,372,050	2,439,520	503,350	153,930	158,760	-	-	-	2,693,810	5,832,920	2,255,990	37,410,330
One-Time Expenditures	2,943,700	140,240	454,000	487,800	-	-	78,000	-	435,010	507,580	305,770	5,352,100
Capital Improvement Projects	-	-	-	78,700	-	17,586,210	8,748,920	232,000	1,781,370	5,156,890	-	33,584,090
Debt Service	2,292,620	-	-	-	340,590	-	248,570	-	-	4,540,700	-	7,422,480
Equipment Replacement Reserve Contributions	(265,420)	(60,920)	-	-	-	-	-	-	(236,710)	(226,780)	(209,300)	(999,130)
Major Maintenance Reserve Contributions	-	-	-	-	-	-	-	-	-	(362,970)	-	(362,970)
Contingency	937,400	-	-	2,375,320	-	-	-	-	-	100,000	-	3,412,720
Total Expenditures	29,280,350	2,518,840	957,350	3,095,750	499,350	17,586,210	9,075,490	232,000	4,673,480	15,548,340	2,352,460	85,819,620
Net Revenues/Expenditures	13,674,050	(1,495,280)	(835,500)	80,160	4,001,190	(16,339,880)	(8,010,890)	(227,910)	(3,170,890)	(7,099,740)	229,400	(19,195,290)
Transfers and Other Financing Sources (Uses)												
Transfer from other funds	-	2,298,349	14,835,500	-	-	6,767,760	4,507,280	19,130	3,407,600	3,284,400	44,450	35,164,469
Transfer to other funds	(23,136,819)	-	-	(184,400)	(7,316,840)	(4,526,410)	-	-	-	-	-	(35,164,469)
Net Transfers and Other Financing Sources (Uses)	(23,136,819)	2,298,349	14,835,500	(184,400)	(7,316,840)	2,241,350	4,507,280	19,130	3,407,600	3,284,400	44,450	-
Beginning Fund Balances	29,419,918	360,920	4,900,000	339,108	9,510,690	27,444,277	2,133,493	139,315	5,000,000	17,380,955	1,435,548	98,064,224
Ending Fund Balances												
Operating Reserve	7,961,169	742,149	-	-	-	-	-	-	-	1,890,840	-	10,594,158
Street Rehab/Preservation Reserve	-	300,000	-	-	-	-	-	-	-	-	-	300,000
Future Transit System Implementation	-	-	-	-	-	-	-	-	5,000,000	-	-	5,000,000
Restricted Capital Reserve	-	-	-	-	7,390,580	8,502,560	2,757,770	-	-	4,044,635	-	22,695,545
Equipment Replacement Reserve	1,818,729	121,840	-	-	-	-	-	-	236,710	1,194,613	1,039,055	4,410,947
Major Maintenance Reserve	-	-	-	-	-	-	-	-	-	385,697	-	385,697
Reserves for Loans	1,439,682	-	18,900,000	-	-	-	-	-	-	-	-	20,339,682
Estimated FY23 Surplus to be Allocated	6,905,779	-	-	-	-	-	-	-	-	-	-	6,905,779
Remaining Available Fund Balance	1,831,790	-	-	234,868	(1,195,540)	4,843,187	(4,127,887)	(69,465)	-	6,049,830	670,343	8,237,126
Total Ending Fund Balances ⁽¹⁾	\$ 19,957,149	\$ 1,163,989	\$ 18,900,000	\$ 234,868	\$ 6,195,040	\$ 13,345,747	\$ (1,370,117)	\$ (69,465)	\$ 5,236,710	\$ 13,565,615	\$ 1,709,398	\$ 78,868,934

⁽¹⁾ A balance sheet loan has been budgeted in the General Fund to cover the estimated deficit in the Development Impact Fees Funds and is projected to be repaid in FY 2027-28. A balance sheet loan has also 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 2024-25.

FUND SUMMARIES

continued

All Funds Comparison

	FY2023 Budget	FY2022 Budget	FY2022 Est. Actuals	FY2021 Actuals
Revenues				
Ongoing Revenues	\$ 60,356,950	\$ 66,974,210	\$ 60,274,432	\$56,513,371
One-Time Revenues	5,767,380	3,117,930	3,503,969	1,883,635
Contingent Revenues	500,000	500,000	-	-
Total Revenues	66,624,330	70,592,140	63,778,401	58,397,006
Expenditures				
Ongoing Expenditures	37,410,330	35,468,875	32,799,477	\$29,011,907
One-Time Expenditures	5,352,100	4,538,605	3,854,210	1,836,433
Capital Improvement Projects	33,584,090	\$56,541,500	32,841,354	12,964,331
Debt Service	7,422,480	7,810,160	7,574,335	6,406,435
Equipment Replacement Reserve Contributions	(999,130)	(756,000)	(756,000)	(1,040,764)
Major Maintenance Reserve Contributions	(362,970)	(369,890)	(370,390)	(500)
Contingency	3,412,720	2,511,790	-	-
Total Expenditures	85,819,620	105,745,040	75,942,986	49,177,842
Net Revenues/Expenditures	(19,195,290)	(35,152,900)	(12,164,585)	9,219,164
Other Financing Sources (Uses)				
Transfer from Other Funds	35,164,469	34,005,120	28,376,350	14,787,211
Transfer to Other Funds	(35,164,469)	(34,005,120)	(28,376,350)	(14,787,211)
Bond Proceeds	-	10,000,000	10,148,000	25,423,903
Refunding Bonds Issued	-	-	-	8,890,000
Payment to Refunded Bond Escrow Agent	-	-	-	(8,769,995)
Total Other Financing Sources (Uses)	-	10,000,000	10,148,000	25,543,908
Beginning Fund Balances	98,064,224	103,656,737	100,080,809	65,317,736
Ending Fund Balances				
Operating Reserve	10,594,158	9,262,908	9,393,567	8,477,650
Streets Rehab/Preservation Reserve	300,000	300,000	300,000	300,000
Restricted Capital Reserve	22,695,545	24,825,320	36,615,061	49,337,926
Future Transit System Implementation	5,000,000	-	-	-
Equipment Replacement Reserve	4,410,947	3,565,353	4,277,217	3,860,227
Major Maintenance Reserve	385,697	468,176	219,927	20,887
Pledged to Capital Projects	-	-	-	11,024,110
Pledged to Affordable Housing	-	-	-	750,000
Pledged to PSPRS Unfunded Liability	-	-	-	1,000,000
Pledged to Public Transit	-	-	-	5,000,000
Reserved for Loans	20,339,682	6,911,383	4,900,000	4,600,000
FY22 Surplus to be Allocated	-	10,035,121	8,634,278	-
FY23 Estimated Surplus to be Allocated	6,905,779	-	-	-
Prepaid Balance	-	-	-	67,053
Financed Purchases Escrow Accounts	-	-	-	370,339
Parking Revenue Pledged to Uptown Improvement	-	279,648	-	260,053
Budget Carryovers	-	-	342,400	334,760
Remaining Available Fund Balance	8,237,126	22,855,928	33,381,774	14,677,803
Total Ending Fund Balances	\$ 78,868,934	\$ 78,503,837	\$ 98,064,224	\$ 100,080,808

FUND SUMMARIES
continued

General Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
City Sales Taxes	\$ 26,052,000	\$ 31,360,000	\$ 26,791,000	\$ 28,156,541
Bed Taxes	8,025,000	10,232,000	8,315,000	8,942,766
In Lieu Fees	552,340	539,400	539,620	527,178
Franchise Fees	906,500	857,900	890,500	883,545
State Shared Sales Taxes	1,454,000	1,439,000	1,454,000	1,374,160
Urban Revenue Sharing	2,618,000	1,762,000	1,852,000	1,289,131
Vehicle License Taxes	677,000	752,700	713,000	772,588
Other Intergovernmental	56,800	50,950	19,810	65,131
Licenses and Permits	644,580	448,280	608,410	469,114
Charges for Services	926,180	984,850	956,810	986,918
Fines and Forfeitures	332,350	303,690	266,090	244,155
Other Revenues	660,140	270,170	654,300	(787,004)
Total Ongoing Revenues	42,904,890	49,000,940	43,060,540	42,924,223
Ongoing Expenditures				
General Government	7,503,550	6,617,265	6,447,710	5,519,153
Public Safety	7,572,130	7,440,650	6,861,569	6,363,570
Public Works & Streets	2,212,280	2,033,730	2,179,660	1,675,181
Culture & Recreation	3,018,600	2,540,170	2,344,412	2,006,837
Tourism & Economic Initiatives	849,650	-	-	-
Economic Development	-	1,981,520	1,861,600	2,117,925
Health & Welfare	1,626,570	1,489,480	1,306,181	1,031,491
Public Transportation	80,000	65,220	65,220	60,900
Indirect Cost Allocations	509,270	187,130	421,930	612,700
Contingencies	937,400	550,000	-	-
Total Ongoing Expenditures	24,309,450	22,905,165	21,488,282	19,387,757
Net Ongoing	18,595,440	26,095,775	21,572,258	23,536,466
Other				
One-Time Revenues:				
In Lieu Fees	-	-	-	18,000
Intergovernmental	-	100,000	258,250	6,987
Charges for Services	10	10	30	4,933
Other Revenues	49,500	155,700	158,230	756,200
One-Time Expenditures:				
General Government	(749,700)	(1,195,505)	(911,110)	(635,447)
Public Safety	(1,619,570)	(1,328,830)	(1,278,260)	(197,198)
Public Works & Streets	(53,790)	(101,560)	(121,960)	(74,573)
Culture & Recreation	(177,980)	(130,060)	(184,260)	(137,822)
Tourism & Economic Initiatives	(200,000)	-	-	-
Economic Development	-	(1,940)	(4,100)	(7,981)
Health & Welfare	(109,660)	(233,000)	(228,090)	(48,002)
Debt Service	(2,292,620)	(2,657,590)	(2,545,955)	(1,242,221)
Net One-Time Revenues/Expenditures	(5,153,810)	(5,392,775)	(4,857,225)	(1,557,124)
Transfers:				
Transfer from Development Impact Fee Funds	-	-	-	194
Transfer to Streets Fund	(2,298,349)	(438,330)	(1,395,900)	(195,564)
Transfer to Housing Fund	(14,835,500)	(1,250,000)	(2,071,355)	(2,296,321)
Transfer to Grants, Donations & Restricted Funds	-	-	(5,390)	-
Transfer to Capital Improvements Fund	(2,500,000)	(10,897,170)	(10,897,170)	(4,354,921)
Transfer to Public Transit Fund	(358,520)	(5,244,750)	(5,230,280)	(170,147)
Transfer to Wastewater Fund	(3,100,000)	(3,200,000)	(3,200,000)	(3,300,000)
Transfer to Information Technology Fund	(44,450)	(43,950)	(45,520)	(26,899)
Net Transfers	(23,136,819)	(21,074,200)	(22,845,615)	(10,343,658)
Beginning Fund Balance	29,419,918	36,341,046	35,312,200	23,296,116
Equipment Replacement Reserve				
Reserve Contributions	265,420	246,990	246,990	380,400
Equipment Purchases	(33,000)	(21,000)	(8,690)	-
Net Contribution to Equipment Replacement Reserve	232,420	225,990	238,300	380,400
Ending Fund Balances				
Operating Reserve ⁽¹⁾	7,961,169	7,622,421	7,597,830	6,714,698
Equipment Replacement Reserve	1,818,729	1,541,389	1,586,309	1,348,009
Pledged to Capital Projects	-	-	-	11,024,110
Pledged to Affordable Housing	-	-	-	750,000
Pledged to PSPRS Unfunded Liability	-	-	-	1,000,000
Pledged to Public Transit	-	-	-	5,000,000
Reserve for Loans ⁽²⁾	1,439,682	2,711,383	-	-
FY22 Surplus to be Allocated	-	10,035,121	8,634,278	-
FY23 Estimated Surplus to be Allocated	6,905,779	-	-	-
Prepaid Balance	-	-	-	67,053
Financed Purchases Escrow Accounts	-	-	-	370,339
Parking Revenues Pledged to Uptown Improvements	-	279,648	-	260,053
Budget Carryovers	-	-	142,000	143,660
Remaining Available Fund Balance	1,831,790	14,005,874	11,459,501	8,634,278
Total Ending Fund Balances	\$ 19,957,149	\$ 36,195,836	\$ 29,419,918	\$ 35,312,200

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

⁽²⁾The reserve for loans represents the amount expect to be needed for the Art in Public Places Fund to cover the projected deficit for fiscal year 2022-23, plus the amount expected to be needed to meet capital reserve levels for the Development Impact Fees Funds for fiscal year 2023-24.

FUND SUMMARIES

continued

Streets Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Intergovernmental	\$ 994,000	\$ 1,293,000	\$ 1,025,000	\$ 1,110,757
Other Revenues	29,560	22,400	29,560	(41,226)
Total Ongoing Revenues	1,023,560	1,315,400	1,054,560	1,069,531
Ongoing Expenditures				
Streets Rehabilitation/Pavement Preservation	1,300,000	1,150,000	1,350,000	1,566,095
Other Streets Maintenance	524,500	465,800	403,990	362,535
Storm Clean-Up	117,810	118,600	106,240	211,410
Traffic Control	268,430	246,740	235,910	164,442
Internal Charges	228,780	243,420	191,130	70,220
Total Ongoing Expenditures	2,439,520	2,224,560	2,287,270	2,374,702
Net Ongoing	(1,415,960)	(909,160)	(1,232,710)	(1,305,171)
Other				
One-Time Revenues:				
Intergovernmental	-	-	-	2
Other	-	-	-	13
One-Time Expenditures:				
Other Streets Maintenance	(140,240)	(159,130)	(163,190)	(173,226)
Net One-Time Revenues/Expenditures	(140,240)	(159,130)	(163,190)	(173,211)
Transfer from General Fund	2,298,349	438,330	1,395,900	195,564
Beginning Fund Balance	360,920	908,289	300,000	1,582,818
Equipment Replacement Reserve				
Reserve Contributions	60,920	60,920	60,920	-
Equipment Purchases	-	-	-	-
Net Contribution to Equipment Replacement Reserve	60,920	60,920	60,920	-
Ending Fund Balances				
Operating Reserve ⁽¹⁾	742,149	-	-	-
Street Rehab/Preservation Reserve Policy ⁽²⁾	300,000	300,000	300,000	300,000
Equipment Replacement Reserve	121,840	60,920	60,920	-
Remaining Available Fund Balance	-	(21,671)	-	-
Total Ending Fund Balances	\$ 1,163,989	\$ 339,249	\$ 360,920	\$ 300,000

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

⁽²⁾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

Housing Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Intergovernmental	\$ 60,330	\$ 60,000	\$ 58,400	\$ 42,603
Other Revenues	61,520	26,500	61,520	(91,054)
Total Ongoing Revenues	121,850	86,500	119,920	(48,451)
Ongoing Expenditures				
City Manager's Office	-	351,790	289,470	135,356
Housing	503,350	-	-	-
Total Ongoing Expenditures	503,350	351,790	289,470	135,356
Net Ongoing	(381,500)	(265,290)	(169,550)	(183,807)
Other				
One-Time Expenditures:				
City Manager's Office	-	(240,000)	(10,000)	(2,240)
Housing	(454,000)	-	-	-
Capital Improvement Projects	-	(1,500,000)	(1,511,640)	-
Net One-Time Revenues/Expenditures	(454,000)	(1,740,000)	(1,521,640)	(2,240)
Transfer from General Fund ⁽¹⁾	14,835,500	1,250,000	2,071,355	2,296,321
Beginning Fund Balance	4,900,000	4,667,041	4,519,835	2,409,561
Ending Fund Balances				
Nonspendable portion for Sunset Lofts Loan ⁽²⁾	1,929,330	-	1,929,330	1,739,794
Reserve for Sunset Lofts Loan ⁽³⁾	4,270,670	4,200,000	2,270,670	2,460,206
Reserve for 2250 Shelby Drive Development Loan ⁽⁴⁾	300,000	-	300,000	-
Nonspendable portion for Down Payment Assistance Loans ⁽⁵⁾	25,000	-	25,000	25,000
Reserve for Down Payment Assistance Loans ⁽⁶⁾	375,000	-	375,000	375,000
Reserve for Future Affordable Housing Project Loans	12,000,000	-	-	-
Remaining Available Fund Balance	-	(288,249)	-	(80,165)
Total Ending Fund Balances	\$ 18,900,000	\$ 3,911,751	\$ 4,900,000	\$ 4,519,835

⁽¹⁾The fiscal year 2022-23 estimated transfer from the General Fund is \$821,355 higher than originally budgeted and was approved by Council for the acquisition of 2250 Shelby Drive. The fiscal year 2023-24 transfer from the General Fund is \$14,335,500 higher than the ongoing annual transfer of \$500,000 due to the potential increase to the loan for Sunset Lofts, one-time costs exceeding the balance available, and a one-time transfer of \$12,000,000 for other potential loans for affordable housing development.

⁽²⁾The nonspendable portion for the Sunset Lofts loan represents the amount already loaned.

⁽³⁾The reserve for the Sunset Lofts loan represents the remaining balance of the \$4.2 million to be loaned. Fiscal year 2023-24 includes an additional \$2 million for the increased costs related to the project in case Council approves the increase.

⁽⁴⁾The reserve for the 2250 Shelby Drive development loan represents the estimated \$300,000 to be loaned.

⁽⁵⁾The nonspendable portion for the down payment assistance loans represents the amount already loaned.

⁽⁶⁾The reserve for down payment assistance loans represents the remaining balance of the \$400,000 to be loaned.

FUND SUMMARIES

continued

Grants, Donations & Restricted Funds

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Intergovernmental	\$ 89,800	\$ 58,300	\$ 75,000	\$ 58,839
Charges for Services	-	200	-	94
Fines & Forfeitures	27,700	31,350	27,700	28,209
Contributions & Donations	70,150	21,450	11,960	20,828
Other Revenues	9,020	4,600	15,420	(12,672)
Total Grants & Donations Funds Revenues	196,670	115,900	130,080	95,298
Ongoing Expenditures				
Parks & Recreation	13,750	12,950	3,975	12,061
General Services	53,480	800	1,200	-
Public Works	1,500	2,500	1,500	5,897
Police	85,200	68,600	70,340	43,522
Municipal Court	-	-	-	1,192
Total Ongoing Expenditures	153,930	84,850	77,015	62,672
Net Ongoing	42,740	31,050	53,065	32,626

Other

One-Time Revenues:				
Intergovernmental ⁽¹⁾	2,479,240	1,808,780	1,546,559	220,944
Contributions & Donations	-	-	7,500	15,000
Other Revenues	-	-	-	39,583
Contingency Placeholder	500,000	500,000	-	-
One-Time Expenditures:				
Community Development	-	-	-	(178,430)
Tourism & Economic Initiatives	(10,000)	-	-	-
Economic Development	-	-	(5,000)	-
Housing	(406,100)	-	-	-
Police	(23,400)	(187,910)	(178,550)	(72,676)
Information Technology	(48,300)	(48,300)	-	-
Capital Improvement Projects	(78,700)	(200,780)	(224,495)	(42,136)
Contingency Placeholder	(2,375,320)	(1,861,790)	-	-
Net One-Time Revenues/Expenditures	37,420	10,000	1,146,014	(17,715)
Transfers:				
Transfer from General Fund	-	-	5,390	-
Transfer to Wastewater Fund	(184,400)	(1,914,000)	(1,280,000)	-
Net Transfers	(184,400)	(1,914,000)	(1,274,610)	-
Beginning Fund Balance	339,108	2,136,798	414,639	399,728

Ending Fund Balances

Budget Carryovers	-	-	70,800	-
Remaining Available Fund Balance	234,868	263,848	268,308	414,639
Total Ending Fund Balances	\$ 234,868	\$ 263,848	\$ 339,108	\$ 414,639

⁽¹⁾Fiscal year 2023-24 amount includes \$2,059,720 of previously unspent American Rescue Plan Act (ARPA) funding.



FUND SUMMARIES

continued

Transportation Sales Tax Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
City Sales Taxes	\$ 4,332,000	\$ 5,210,000	\$ 4,455,000	\$ 4,595,750
Other Revenues	168,540	83,400	168,540	(259,733)
Total Ongoing Revenues	4,500,540	5,293,400	4,623,540	4,336,017
Ongoing Expenditures				
Public Works & Streets	158,760	148,410	113,070	112,949
Total Ongoing Expenditures	158,760	148,410	113,070	112,949
Net Ongoing	4,341,780	5,144,990	4,510,470	4,223,068
Other				
One-Time Expenditures:				
Debt Service	(340,590)	(377,270)	(92,000)	-
Net One-Time Revenues/Expenditures	(340,590)	(377,270)	(92,000)	-
Transfers:				
Transfer to Capital Improvements Fund	(4,267,760)	(7,948,670)	(259,420)	(1,683,646)
Transfer to Public Transit Fund	(3,049,080)	(3,051,500)	(3,146,505)	(806,838)
Net Transfers	(7,316,840)	(11,000,170)	(3,405,925)	(2,490,484)
Beginning Fund Balance	9,510,690	6,283,940	8,498,145	6,765,561
Ending Fund Balances				
Capital Reserves	7,390,580	2,757,810	4,984,440	8,816,830
Remaining Available Fund Balance ⁽¹⁾	(1,195,540)	(2,706,320)	4,526,250	(318,685)
Total Ending Fund Balances	\$ 6,195,040	\$ 51,490	\$ 9,510,690	\$ 8,498,145

⁽¹⁾Fiscal year 2023-24 shows insufficient monies to cover the capital reserve requirements. If necessary, there is more than sufficient capital reserves to cover costs; however, since CIP projects frequently do not move forward as quickly as budgeted, the extent of the deficit may not occur and the use of capital reserves funding for Sedona in Motion (SIM) projects may not be needed.

FUND SUMMARIES

continued

Capital Improvements Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Intergovernmental	\$ 350,000	\$ 300,000	\$ 300,000	\$ 213,439
Other Revenues	471,330	130,800	648,730	(374,534)
Total Ongoing Revenues	821,330	430,800	948,730	(161,095)
Other				
One-Time Revenues:				
Intergovernmental	425,000	-	900,000	679,386
Contributions & Donations	-	-	-	45,727
Other Revenues	-	-	-	24
One-Time Expenditures:				
Court Project	-	(138,640)	(100,875)	(49,740)
Information Technology Project	(600,000)	-	-	-
Parks Projects	(1,152,500)	(675,357)	(247,200)	(323,096)
Police Projects	(215,800)	(412,040)	(145,010)	(1,172,582)
Public Works Projects	-	(20,160,000)	(20,156,780)	-
Sedona in Motion Projects	(13,707,910)	(17,450,760)	(4,105,430)	(5,121,554)
Streets & Transportation Projects	(650,000)	(511,200)	(260,200)	(1,407,569)
Storm Drainage Projects	(930,000)	(1,050,000)	(408,415)	(213,439)
Sustainability Projects	(330,000)	-	-	-
Bond Issuance Costs	-	-	(148,000)	(420,824)
Net One-Time Revenues/Expenditures	(17,161,210)	(40,397,997)	(24,671,910)	(7,983,667)
Transfers and Other Financing Sources (Uses):				
Transfer from General Fund	2,500,000	10,897,170	10,897,170	4,354,921
Transfer from Transportation Sales Tax Fund	4,267,760	7,948,670	259,420	1,683,645
Transfer from Development Impact Fee Funds	-	-	-	1,026
Transfer to Development Impact Fee Funds	(4,507,280)	-	(643,890)	(1,588,140)
Transfer to Art in Public Places Fund	(19,130)	(16,750)	(8,780)	(26,950)
Transfer to Public Transit Fund	-	-	(192,140)	(336,566)
Bonds Issued	-	10,000,000	10,148,000	25,423,903
Net Transfers and Other Financing Sources (Uses)	2,241,350	28,829,090	20,459,780	29,511,839
Beginning Fund Balance	27,444,277	29,344,361	30,707,677	9,340,600
Ending Fund Balances				
Capital Reserve	8,502,560	17,310,550	22,355,491	32,526,206
Remaining Available Fund Balance	4,843,187	895,704	5,088,786	(1,818,529)
Total Ending Fund Balances	\$ 13,345,747	\$ 18,206,254	\$ 27,444,277	\$ 30,707,677

FUND SUMMARIES

continued

Development Impact Fees Funds

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Development Impact Fees	\$ 385,800	\$ 430,300	\$ 444,800	\$ 396,256
Other Revenues	71,100	35,480	71,100	(105,705)
Total Ongoing Revenues	456,900	465,780	515,900	290,551
Other				
One-Time Revenues:				
Development Impact Fees	607,700	147,960	141,910	-
Other Revenues	-	-	-	12
One-Time Expenditures:				
Professional Services	(78,000)	(45,000)	-	-
Parks Projects	(2,257,510)	(432,374)	(150,200)	(156,311)
Police Projects	-	(713,790)	(253,460)	(621,561)
Sedona in Motion Projects	(6,491,410)	(4,012,530)	(784,470)	(1,737,318)
Debt Service	(248,570)	(233,890)	(248,570)	(84,570)
Net One-Time Revenues/Expenditures	(8,467,790)	(5,289,624)	(1,294,790)	(2,599,748)
Transfers and Other Financing Sources (Uses):				
Transfer from Capital Improvements Fund	4,507,280	-	643,890	1,588,140
Transfer to General Fund	-	-	-	(194)
Transfer to Capital Improvements Fund	-	-	-	(1,026)
Net Transfers and Other Financing Sources (Uses)	4,507,280	-	643,890	1,586,920
Beginning Fund Balance	2,133,493	5,353,190	2,268,493	2,990,770
Ending Fund Balances				
Capital Reserve	2,757,770	3,221,960	4,241,640	2,764,240
Budget Carryovers	-	-	45,000	-
Remaining Available Fund Balance ⁽¹⁾	(4,127,887)	(2,692,614)	(2,153,147)	(495,747)
Total Ending Fund Balances	\$(1,370,117)	\$ 529,346	\$ 2,133,493	\$ 2,268,493

⁽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

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Other Revenues	\$ 4,090	\$ 1,900	\$ 4,090	\$ (6,259)
Total Ongoing Revenues	4,090	1,900	4,090	(6,259)
Other				
One-Time Revenues:				
Other Revenues	-	-	65,000	2
One-Time Expenditures:				
Capital Improvement Projects	(232,000)	(360,650)	(130,000)	(3,675)
Net One-Time Revenues/Expenditures	(232,000)	(360,650)	(65,000)	(3,673)
Transfers:				
Transfers from Capital Projects Funds	19,130	16,750	8,780	26,950
Beginning Fund Balance	139,315	257,557	191,445	174,427
Ending Fund Balances				
Capital Reserves	-	-	232,000	295,650
Remaining Available Fund Balance	(69,465)	(84,443)	(92,685)	(104,205)
Total Ending Fund Balances⁽¹⁾	\$ (69,465)	\$ (84,443)	\$ 139,315	\$ 191,445

⁽¹⁾The estimated ending fund balance for fiscal years 2022-23 and 2023-24 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 a loan to the Art in Public Places Fund to cover any deficits. The loan will be repaid with future revenues and arts transfer monies.

FUND SUMMARIES
continued

Public Transit Enterprise Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Intergovernmental	\$ 322,600	\$ 169,000	\$ 42,600	\$ 49,490
Charges for Services	115,300	85,750	1,700	660
Other Revenues	-	-	-	80
Total Ongoing Revenues	437,900	254,750	44,300	50,230
Ongoing Expenditures				
Administration	175,330	169,790	153,710	104,309
Operations	2,265,210	1,957,380	1,359,460	590,918
Capital Projects Management	38,710	37,020	36,720	33,223
Indirect Cost Allocations/Departmental Allocations	214,560	211,730	147,420	79,885
Total Ongoing Expenditures	2,693,810	2,375,920	1,697,310	808,335
Net Ongoing	(2,255,910)	(2,121,170)	(1,653,010)	(758,105)
Other				
One-Time Revenues:				
Intergovernmental	1,064,690	488,740	-	-
One-Time Expenditures:				
Administration	(3,000)	(3,300)	(1,500)	(3,000)
Operations	(427,010)	(309,570)	(169,100)	(44,960)
Departmental Allocations	(5,000)	(27,600)	-	-
Capital Improvement Projects	(1,781,370)	(1,431,380)	(1,892,140)	(360,661)
Net One-Time Revenues/Expenditures	(1,151,690)	(1,283,110)	(2,062,740)	(408,621)
Transfers:				
Transfer from General Fund	358,520	5,244,750	5,230,280	170,147
Transfer from Capital Improvements Fund	-	-	192,140	336,566
Transfer from Transportation Sales Tax Fund	3,049,080	3,051,500	3,146,505	806,838
Net Transfers	3,407,600	8,296,250	8,568,925	1,313,551
Beginning Fund Balance	5,000,000	-	146,825	-
Equipment Replacement Reserve				
Reserve Contributions	236,710	-	-	-
Equipment Purchases	-	-	-	-
Net Contribution to Equipment Replacement Reserve	236,710	-	-	-
Ending Fund Balances⁽¹⁾				
Future System Implementation Reserve	5,000,000	-	5,000,000	-
Equipment Replacement Reserve	236,710	-	-	-
Remaining Available Fund Balance	-	4,891,970	-	146,825
Total Ending Fund Balances	\$ 5,236,710	\$ 4,891,970	\$ 5,000,000	\$ 146,825

⁽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. As assets are now being acquired, an equipment replacement reserve is recommended.

FUND SUMMARIES

continued

Wastewater Enterprise Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Charges for Services	\$ 6,270,370	\$ 6,248,050	\$ 6,275,700	\$ 6,245,944
Fines and Forfeitures	43,600	57,700	43,280	34,934
Capacity Fees	725,100	1,339,200	840,310	626,266
Other Revenues	409,060	216,340	410,490	(553,380)
Total Ongoing Revenues	7,448,130	7,861,290	7,569,780	6,353,764
Ongoing Expenditures				
Wastewater Administration	241,800	219,550	217,310	227,158
Wastewater Operations	3,350,440	3,199,010	2,684,910	2,895,528
Public Works Engineering Services	246,810	231,150	220,760	205,586
Capital Projects Management	94,560	94,080	80,330	125,080
Contingencies	100,000	100,000	-	-
Indirect Cost Allocations/Departmental Allocations:				
Information Technology	282,530	290,850	279,080	191,269
Human Resources	56,620	51,180	45,960	43,610
Financial Services	286,770	299,180	263,470	171,036
Utility Billing	690,540	720,570	716,760	349,068
General Services	106,430	118,250	111,520	80,260
City Manager	92,110	88,410	67,380	78,950
City Clerk	7,100	12,670	11,830	2,920
City Attorney	156,690	158,280	47,760	61,629
Facilities Maintenance	23,320	22,820	22,020	31,580
Total Ongoing Expenditures	5,735,720	5,606,000	4,769,090	4,463,674
Net Ongoing	1,712,410	2,255,290	2,800,690	1,890,090
Other				
One-Time Revenues:				
Capacity Fees	950,470	305,900	305,900	-
Other	50,000	-	480	66
One-Time Expenditures:				
Wastewater Administration	-	(9,500)	(14,500)	(10,791)
Wastewater Operations	(349,630)	(272,690)	(247,590)	(140,176)
Public Works Engineering Services	(18,500)	(11,630)	(9,050)	(18)
Utility Billing	(30,100)	(30,040)	-	(11,629)
Information Technology	(39,350)	(7,200)	(1,330)	(1,508)
Capital Improvement Projects	(4,525,890)	(6,861,000)	(2,471,039)	(1,754,689)
Debt Service	(4,540,700)	(4,541,410)	(4,539,810)	(4,658,820)
Net One-Time Revenues/Expenditures	(8,503,700)	(11,427,570)	(6,976,939)	(6,577,565)
Transfers and Other Financing Sources (Uses):				
Transfer from General Fund	3,100,000	3,200,000	3,200,000	3,300,000
Transfer from Grants & Donations Funds	184,400	1,914,000	1,280,000	-
Refunding Bonds Issued	-	-	-	8,890,000
Payment to Refunded Bond Escrow Agent	-	-	-	(8,769,995)
Net Transfers and Other Financing Sources (Uses)	3,284,400	5,114,000	4,480,000	3,420,005
Beginning Fund Balance	17,380,955	17,201,649	16,788,394	17,442,859
Equipment Replacement Reserve				
Reserve Contributions	226,780	219,590	219,590	612,505
Equipment Purchases	(70,000)	(180,000)	(129,820)	-
Capital Improvement Projects	(631,000)	(631,000)	-	-
Net Contribution to Equipment Replacement Reserve	(474,220)	(591,410)	89,770	612,505
Major Maintenance Reserve				
Reserve Contributions	362,970	369,890	370,390	500
Major Maintenance Costs	(197,200)	(75,000)	(171,350)	-
Net Contribution to Major Maintenance Reserve	165,770	294,890	199,040	500
Ending Fund Balances				
Operating Reserve ⁽¹⁾	1,890,840	1,640,487	1,795,737	1,762,952
Capital Improvements Reserve	4,044,635	1,535,000	4,801,490	4,935,000
Equipment Replacement Reserve	1,194,613	1,004,348	1,668,833	1,579,063
Major Maintenance Reserve	385,697	468,176	219,927	20,887
Budget Carryovers	-	-	75,000	167,500
Remaining Available Fund Balance	6,049,830	8,198,838	8,819,968	8,322,992
Total Ending Fund Balances	\$ 13,565,615	\$ 12,846,849	\$ 17,380,955	\$ 16,788,394

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



FUND SUMMARIES
continued

Information Technology Internal Service Fund

	FY2024 Budget	FY2023 Budget	FY2023 Est. Actuals	FY2022 Actuals
Ongoing Revenues				
Internal Cost Charges	\$ 2,420,990	\$ 2,138,250	\$ 2,183,040	\$ 1,638,894
Charges for Services	500	500	350	1,003
Other Revenue	19,600	8,800	19,602	(30,334)
Total Ongoing Revenues	2,441,090	2,147,550	2,202,992	1,609,563
Ongoing Expenditures				
Information Technology Services	2,001,250	1,760,150	1,465,150	1,410,294
Departmental Direct Allocations ⁽¹⁾	94,090	161,410	191,420	126,187
Indirect Cost Allocations	160,650	142,720	117,550	129,980
Total Ongoing Expenditures	2,255,990	2,064,280	1,774,120	1,666,461
Net Ongoing	185,100	83,270	428,872	(56,898)
Other				
One-Time Revenues:				
Internal Cost Charges	140,770	110,840	120,110	96,756
One-Time Expenditures:				
Information Technology Services	(140,770)	(110,840)	(120,110)	(96,365)
Departmental Direct Allocations	-	-	-	(391)
Net One-Time Revenues/Expenditures	-	-	-	-
Transfer from General Fund	44,450	43,950	45,520	26,899
Beginning Fund Balance	1,435,548	1,162,866	933,156	915,296
Equipment Replacement Reserve				
Reserve Contributions	209,300	228,500	228,500	47,859
Equipment Purchases	(165,000)	(166,900)	(200,500)	-
Net Use of Operating Revenues	44,300	61,600	28,000	47,859
Ending Fund Balances				
Equipment Replacement Reserve	1,039,055	958,696	961,155	933,155
Budget Carryovers	-	-	9,600	23,600
Remaining Available Fund Balance ⁽²⁾	670,343	392,990	464,793	(23,599)
Total Ending Fund Balances	\$ 1,709,398	\$ 1,351,686	\$ 1,435,548	\$ 933,156

⁽¹⁾Some technology costs formerly recorded as departmental direct allocations have been moved to the Information Technology Department budget for FY 2024 and allocated through the indirect cost allocation process to improve coordination with the Information Technology Department.

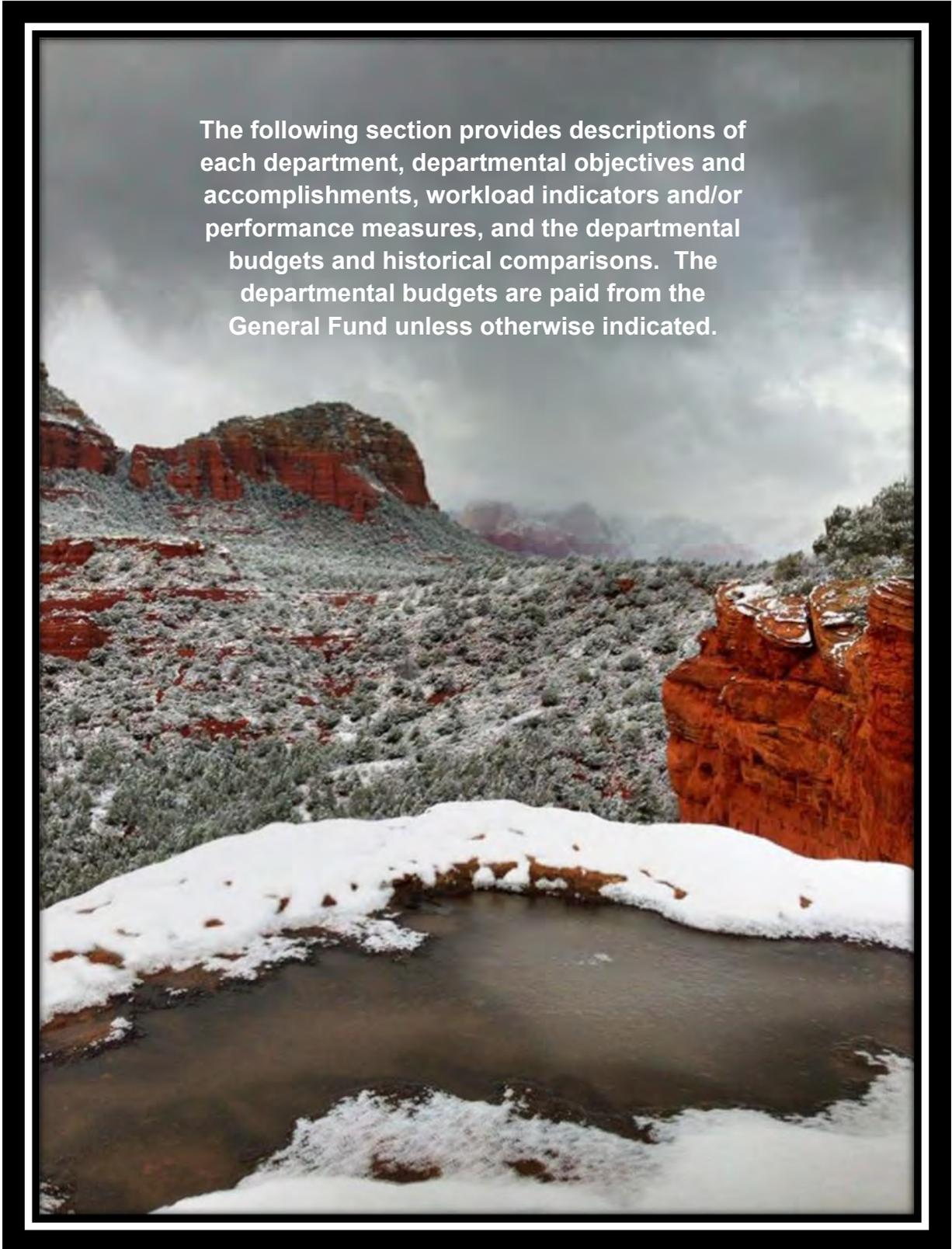
⁽²⁾The remaining available fund balance will be added to the equipment replacement reserve.



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

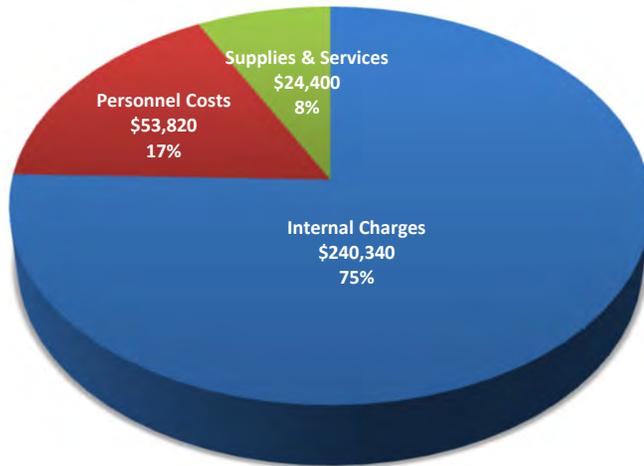
Mission Statement

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.

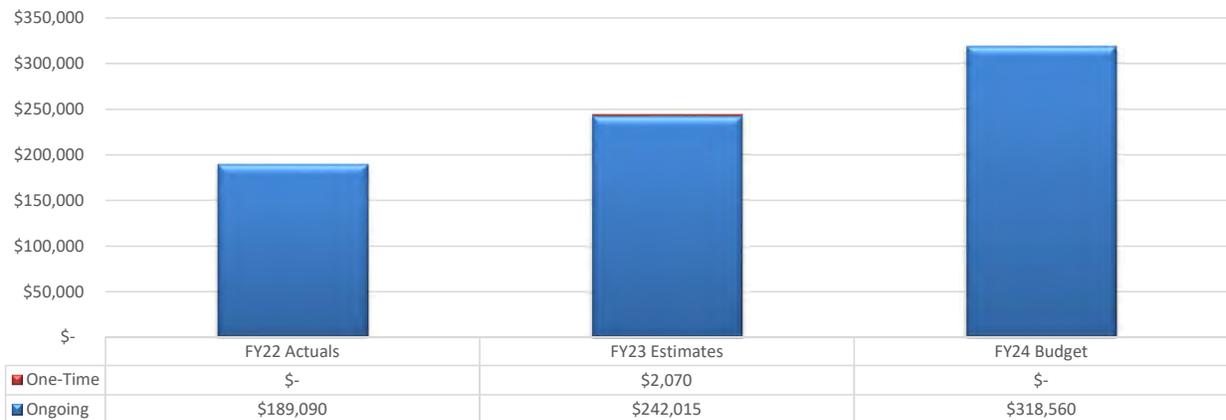
Description

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 2024 PROGRAM EXPENDITURES: \$318,560



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY COUNCIL – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 53,820	17%	\$ 48,580	\$ 51,450	\$ 44,944
Supplies & Services	24,400	8%	29,500	22,005	16,355
Subtotal Direct Costs	\$ 78,220	25%	\$ 78,080	\$ 73,455	\$ 61,300
Internal Charges	240,340	75%	184,470	170,630	127,790
Total Expenditures	\$ 318,560	100%	\$ 262,550	\$ 244,085	\$ 189,090
Expenditures by Fund					
General Fund Portion	\$ 318,560	100%	\$ 262,550	\$ 244,085	\$ 189,090
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 111,500	35%	\$ 91,890	\$ 85,430	\$ 66,182
Estimated Visitor Generated	\$ 207,060	65%	\$ 170,660	\$ 158,655	\$ 122,908
Employee Time Allocation (FTEs) (Budgeted)	7.00		7.00		7.00

FY 2023 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Approved a balanced budget.

Council Priority - Complete Various Traffic Improvements:

- * Broke ground on Forest Road Extension and issued construction bid for Oak Creek Pedestrian Crossing.
- * Completed the right-hand turn lane on Amara Lane.
- * Over two miles of shared pathways completed or currently under construction on Shelby Drive, Chapel Road, and Dry Creek Road to Navoti Drive.
- * Started the design of Dry Creek Phase II and neighborhood outreach of Andante shared pathways.
- * Approved needs assessment for Uptown parking garage.

Council Priority - Public Transit System:

- * Approved purchase contract for micro-transit vehicles.
- * Continued operation of the Sedona trailhead shuttles; over 200,000 boardings logged in first 9 months of service.
- * Approved staff position for the hiring of Transit Grants Analyst; hired August 2022.

Council Priority - Affordable Housing:

- * Approved funding to launch the Down Payment Assistance Program; funded two first-time home buyers by end of February.
- * Approved the Rent Local Program.
- * Approved the Use Deed Restriction Program.
- * Acquired property at 2250 Shelby Dr. for development of workforce housing.
- * Approved a staff position for the hiring of a Housing Coordinator; hired January 2023.
- * Approved City ordinance to update the Electrical Code to reduce costs for multi-family units.

Council Priority - Environmental Stewardship/Sustainability:

- * Approved the allocation of funds to launch the second round of the Home Energy Retrofit Program.
- * Approved contract for the installation of direct-current fast-charging stations at Posse Grounds Park and electric vehicle charging stations at Sunset Park.
- * Approved the allocation of funds for City e-bike fleet procurement.

Council Priority - Improve Citizen Communications/Relations:

- * 2022 State of the City video and FY 2024 Council Priorities video completed.
- * Launched video series with locals and staff on day-to-day operations and activities of interest.
- * Approved a staff position for the hiring of a Web Content Manager; hired December 2022.

Council Priority - Manage Impacts from Short-Term Rentals:

- * Approved staff position for a Short-Term Rental Specialist to begin July 2022.
- * Approved new contract for legislative advocate for 2023 session.
- * Approved update to City ordinance for the implementation of SB 1168 provisions and directed staff to implement a short-term rental permit program effective February 2023.

Council Priority - Economic Diversification:

- * Approved contract with broadband consultant to assist the city in identifying potential Internet service providers (ISPs) interested in investing in Sedona.
- * Hosted two Feurza Local cohorts to assist Spanish-speaking businesses.
- * Requested staff convene a citizen work group to provide potential recommendations for improving quality and access to local healthcare.

Council Priority - Emergency Preparedness:

- * Emergency Operations Plan updated.
- * Directed staff to initiate a Threat and Hazard Identification Risk Assessment.
- * Approved a contract and initiation of the city-wide evacuation modeling project.

CITY COUNCIL – Administration
continued

FY 2023 Accomplishments (cont'd)

Council Priority - Trailhead Congestion/Impact to Neighborhoods:

- * Continued approval of staff positions to deploy Traffic Control Assistants and Community Services Aides to assist with parking restrictions and trail closures.
- * Extended the boulders on Dry Creek Road to City limits to restrict on-site parking.
- * Continued shuttle services to Dry Creek Vista, Soldiers Pass, Cathedral Rock, and Little Horse Trailheads; shuttle services added to Mescal Trailhead in the Fall.
- * Approved contract to lease one park-and-ride location and directed staff to construct two additional park-and-ride lots.

Council Priority - Community Plan Update:

- * Directed staff to convene a citizen work group to oversee the update and outreach process.
- * Kicked off Community Forum for public engagement.
- * Completed Phase Two of update that included Community-wide workshops.

Council Priority - Other Property Acquisition:

- * Approved purchase agreement for property at 125 SR 89A.
- * Approved purchase agreement for property at 2250 Shelby Drive.
- * Approved purchase agreement for the Cultural Park property.
- * Approved settlement agreements for property acquisition for the Forest Road Extension Project.

Council Priority - Accelerate Ranger Station Park Buildout:

- * Completed restoration of the outside historic barn and house at the future Ranger Station Park.
- * Directed staff to start the design of interior improvements and construction of the shared use pathways through the park.

Council Priority - Chamber Contract Review:

- * Continued to not allocate any money for destination marketing.
- * Explored new approaches to ongoing contractual relationship.

Council Priority - Environmental Impact Study of OHVs/USFS Motorized Trail Access:

- * Directed staff to initiate an Environmental Impact Study Assessment.
- * OHV information webpage created.

Council Priority - Airport:

- * Approved contract for consulting services to evaluate the possibility of the airport becoming City operated.

Council Priority - Home Rule:

- * Home Rule election passed 64.45% Yes, and 35.55% No.

FY 2024 Objectives

Overall City Value - Good Governance:

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

Council Priorities:

- * Implement traffic improvements - Sedona in Motion.
- * Expand public transit system.
- * Construct affordable/workforce housing units.
- * Explore opportunities for environmental stewardship/sustainability.
- * Pursue innovative strategies for economic diversification.
- * Complete Emergency Preparedness Plan.
- * Improve citizen communications/relations.
- * Monitor short-term rentals.
- * Mitigate trailhead congestion/impact to neighborhoods.
- * Complete Community Plan update.
- * Accelerate Ranger Station Park buildout.
- * Complete environmental impact study on OHVs/trail access.
- * Review assessment for airport acquisition.
- * Construct eight pickleball courts at Posse Grounds Park.
- * Initiate and implement enterprise resource planning (ERP) system.
- * Revisit Sedona Land Development Code in light of newer policy goals, i.e., housing and sustainability.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
City Council communications reviewed	185	140	185	182	112
Public meetings held	56	50	56	54	57
Hours spent in City Council meetings	180	150	170	169	150

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Expenditures per capita: All General Fund services (ICMA Benchmark 2016-2021)	\$875 (all) / \$1,256 (cities under 30,000 pop.)	\$2,527	\$2,509	\$2,369	\$2,024	\$1,877
Expenditures per capita + annualized visitor population: All General Fund services		\$1,259	\$1,229	\$1,197	\$1,013	\$943



CITY MANAGER'S OFFICE

Mission Statement

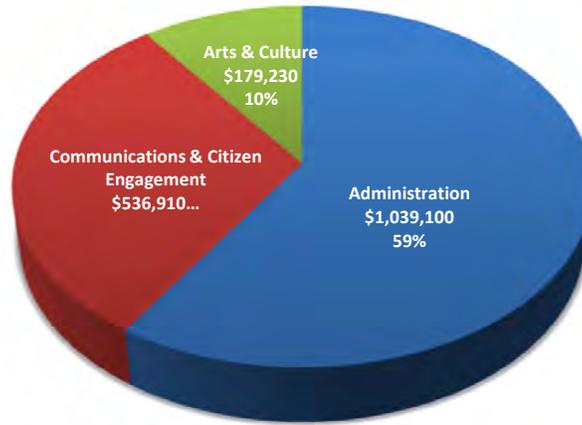
To assist departments and City Council in meeting performance goals by fostering an organizational environment that encourages a commitment to teamwork and delivery of quality municipal services to external customers (residents) and internal customers (employees).

Description

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

- * Administration
- * Communications and Citizen Engagement
- * Sustainability (moved to stand-alone department effective fiscal year 2023-24)
- * Arts and Culture
- * Short-Term Rental Monitoring and Administration (moved to City Clerk's Office effective fiscal year 2023-24)
- * Housing (moved to stand-alone department effective fiscal year 2023-24)
- * Tourism Management and Development (moved to General Services starting fiscal year 2022-23)

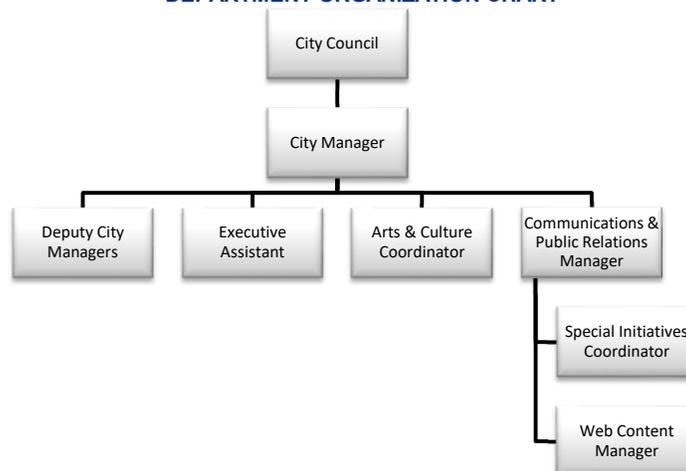
FY 2024 PROGRAM EXPENDITURES: \$1,755,240



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY MANAGER'S OFFICE – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 765,530	74%	\$ 753,640	\$ 624,680	\$ 676,208
Supplies & Services	127,100	12%	115,500	117,020	95,024
Subtotal Direct Costs	\$ 892,630	86%	\$ 869,140	\$ 741,700	\$ 771,232
Internal Charges	146,470	14%	123,100	109,800	127,180
Total Expenditures	\$ 1,039,100	100%	\$ 992,240	\$ 851,500	\$ 898,412
Expenditures by Fund					
General Fund Portion	\$ 1,039,100	100%	\$ 992,240	\$ 851,500	\$ 898,412
Funding Sources					
Allocations to Other Departments	\$ 1,039,100	100%	\$ 917,240	\$ 776,500	\$ 819,912
Program Revenues	\$ -	0%	\$ -	\$ -	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ -	0%	\$ 26,250	\$ 26,250	\$ 27,475
Estimated Visitor Generated	\$ -	0%	\$ 48,750	\$ 48,750	\$ 51,025
Employee Time Allocation (FTEs) (Budgeted)	4.00		4.20		4.00

The Administration program consists of the City Manager, Deputy City Manager, Assistant 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 2023 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Presented a balanced budget for Council approval.

Council Priorities - Complete Various Traffic Improvements:

- * Broke ground on Forest Road Extension and issued construction bid for Oak Creek Pedestrian Crossing.
- * Completed the right-hand turn lane on Amara Lane.
- * Over two miles of shared use pathways completed or currently under construction on Shelby Drive, Chapel Road, and Dry Creek Road to Navoti Drive.
- * Started the design of Dry Creek Phase II and neighborhood outreach of Andante shared pathways.
- * Approved needs assessment for Uptown parking garage.
- * Initiated design modifications for northbound SR 89A traffic at Forest Road intersection.

Council Priorities - Public Transit System:

- * Approved purchase contract for micro-transit vehicles.
- * Continued operation of the Sedona trailhead shuttles; over 200,000 boardings logged in first nine months of service.
- * Hired a Transit Grants Analyst.

Council Priorities - Affordable Housing:

- * Funded two first time homeowners through the Down Payment Assistance Program.
- * Launched the Rent Local Program.
- * Approved the Use Deed Restriction Program.
- * Acquired property at 2250 Shelby Dr. for development of workforce housing.
- * Hired a Housing Coordinator.
- * Approved City ordinance to update the Electrical Code to reduce costs for multi-family units.

Council Priorities - Environmental Stewardship/Sustainability:

- * Approved the allocation of funds to launch the second round of the Home Energy Retrofit Program.
- * Approved contract for the installation of direct-current fast-charging stations at Posse Grounds Park and electric vehicle charging stations at Sunset Park.
- * Approved the allocation of funds for City e-bike fleet procurement.
- * Partnered with Northern Arizona Solar Co-op; 57 households contracted for residential solar.
- * Launched a food compost pilot program with 50 slots for participants filled.
- * Joined Green Power Partner Program through APS to begin sourcing 100% of municipal energy from a renewable energy farm.

Council Priorities - Improve Citizen Communications/Relations:

- * Completed the 2022 State of the City video and FY 2024 Council Priorities video.
- * Launched video series with locals and staff on day-to-day operations and activities of interest.
- * Hired a Web Content Manager.

CITY MANAGER'S OFFICE – Administration
continued

FY 2023 Accomplishments (cont'd)

Council Priorities - Manage Impacts from Short-Term Rentals:

- * Hired a Short-Term Rental Specialist.
- * Approved a new contract for legislative advocate for 2023 session.
- * Approved update to City ordinance for the implementation of SB 1168 provisions and implemented a short-term rental permit program effective Feb 2023.
- * Continued to operate short-term rental complaint hotline and respond to issues.

Council Priorities - Economic Diversification:

- * Approved contract with broadband consultant to assist the city in identifying potential Internet service providers (ISPs) interested in investing in Sedona.
- * Committed funds to bring broadband to Sedona.
- * Hosted two Fuerza Local cohorts to assist Spanish-speaking businesses.
- * Convened a citizen work group to provide potential recommendations for improving quality and access to local healthcare.

Council Priorities - Emergency Preparedness:

- * Emergency Operations Plan updated.
- * Started a Threat and Hazard Identification Risk Assessment.
- * Initiated a city-wide evacuation modeling project.

Council Priorities - Trailhead Congestion/Impact to Neighborhoods:

- * Continued to deploy Traffic Control Assistants and Community Services Aides to assist with parking restrictions and trail closures.
- * Extended the boulders on Dry Creek Road to City limits to restrict on-street parking.
- * Continued shuttle services to Dry Creek Vista, Soldiers Pass, Cathedral Rock and Little Horse Trailheads; shuttle services added to Mescal Trailhead in the Fall.
- * Approved contract to lease one park-and-ride location and constructed two additional park-and-ride lots.
- * Actively working with counties and USFS to restrict on Street parking.

Council Priority - Community Plan Update:

- * Convened a citizen work group to oversee the update and outreach processes.
- * Kicked off Community Forum for public engagement.
- * Completed Phase Two of update that included Community-wide workshops.

Council Priority - Other Property Acquisition:

- * Approved purchase agreement for property at 125 SR 89A.
- * Approved purchase agreement for property at 2250 Shelby Drive.
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- * Approved settlement agreements for property acquisition for the Forest Road Extension Project.

Council Priority - Accelerate Ranger Station Park Buildout:

- * Completed restoration of the outside historic barn and house at the future Ranger Station Park.
- * Began design of interior improvements and construction of the shared use pathways through the park.

Council Priority - Chamber Contract Review:

- * Continued to not allocate any money for destination marketing.
- * Explored new approaches to ongoing contractual relationship.

Council Priority - Environmental Impact Study of OHVs/USFS Motorized Trail Access:

- * Initiated an Environmental Impact Study Assessment.
- * OHV information webpage created.

Council Priority - Airport:

- * Approved contract for consulting services to evaluate the possibility of the airport becoming City operated.

Council Priority - Home Rule:

- * Home Rule election passed 64.45% Yes, and 35.55% No.

FY 2024 Objectives

Council Priorities:

- * Implement traffic improvements - Sedona in Motion.
- * Expand public transit system.
- * Construct affordable/workforce housing units.
- * Explore opportunities for environmental stewardship/sustainability to reduce municipal footprint.
- * Pursue innovative strategies for economic diversification.
- * Complete emergency preparedness plan document.
- * Improve citizen communications and relations.
- * Monitor/regulate short-term rentals.
- * Mitigate trailhead congestion/impact to neighborhoods.
- * Update Community Plan.
- * Accelerate Ranger Station Park buildout.
- * Complete environmental impact study on OHVs/trail access.
- * Review assessment for airport acquisition.
- * Construct eight pickleball courts at Posse Grounds Park.
- * Initiate and implement enterprise resource planning (ERP) system.
- * Revisit Sedona Land Development Code in light of newer policy goals, i.e., housing and sustainability.

CITY MANAGER'S OFFICE – Administration

continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
City Council agenda bill items reviewed	185	140	185	182	110
Established Council Priorities	19	15	19	14	14

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 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 2016-2021)	79%	N/A	70%	55% (Lower than NCS benchmark)	N/A	68% (Similar to NCS benchmark)
National Citizen Survey: Overall customer service by Sedona employees (police, receptionists, planners, etc.) (% responses favorable)		N/A	79%	82% (Similar to NCS benchmark)	N/A	79% (Similar to NCS benchmark)
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	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 348,770	65%	\$ 332,710	\$ 278,820	\$ 178,102
Supplies & Services	100,470	19%	124,070	54,360	23,301
Subtotal Direct Costs	\$ 449,240	84%	\$ 456,780	\$ 333,180	\$ 201,403
Internal Charges	87,670	16%	79,550	71,610	50,910
Total Expenditures	\$ 536,910	100%	\$ 536,330	\$ 404,790	\$ 252,313
Expenditures by Fund					
General Fund Portion	\$ 535,590	100%	\$ 533,210	\$ 402,030	\$ 249,590
Other Funds Portion	\$ 1,320	<1%	\$ 3,120	\$ 2,760	\$ 2,723
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 187,920	35%	\$ 187,720	\$ 141,680	\$ 88,310
Estimated Visitor Generated	\$ 348,990	65%	\$ 348,610	\$ 263,110	\$ 164,003
Employee Time Allocation (FTEs) (Budgeted)	2.90		3.00		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 2023 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.
- * Increased engagement and followers on social media platforms with more targeted content and videos.
- * Created specialized website content for top initiatives including Sedona in Motion (SIM), emergency management and transit.
- * Created and executed Communications Plans on high profile projects including SIM projects like Dry Creek Road Shared-Use Path Phase II.
- * Executed the National Citizen Survey and FY 2023 budget survey.
- * Communicated and produced the City's accomplishments and City Council's priorities to residents in two videos.
- * Executed first year of successful Straight Talk with Karen and monthly eNews Round Up.
- * Established scope of work for Web Content Manager, on-boarded employee, and initiated optimization project for the existing website.

FY 2024 Objectives

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

- * Continue to engage residents in high profile initiatives like SIM and the Community Plan update with 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, video creation, and seek out other communications initiatives.
- * Improve functionality and usability of existing website and related platforms, with a focus on search engine optimization, navigation, and content.
- * Coordinate the 2023 Citizens Academy and Volunteer Luncheon.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Citizens participating in City work groups	75	48	76	42	30
Citizens participating in Citizens Academy	20	22	22	21	22
New citizen work groups created	8	5	8	4	4
Active work groups	11	6	11	6	5
Nixle community alert subscribers	4,300	3,800	4,100	3,652	3,456
Total Facebook followers	10,800	10,300	9,900	9,288	8,913
Sedona resident Facebook followers	1,500	1,300	1,328	1,191	1,197
Press releases issued	95	90	95	101	101
Total Instagram followers	4,100	3,500	3,800	2,990	2,550
City Talk columns published	24	24	24	21	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	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 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	N/A	80%	N/A	N/A	78%
National Citizen Survey: Quality of public information services (% responses favorable)		N/A	69%	69% (Similar to NCS benchmark)	N/A	67%
Digital reach and open rates of City issued e-notifications		5,250 subscribers / 40% open rate	4,470 subscribers / 34% open rate	5,000 subscribers / 40% open rate	4,705 subscribers / 40% open rate	4,470 subscribers / 34% open rate
Citizens Academy Participants Survey: Experience was valuable (% responses favorable)		75%	100%	70%	100%	100%
Work Group Participants Survey: Experience was valuable (% responses favorable)		100%	83%	100%	100%	83%

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Employee Survey: Overall, I am satisfied with internal City communication (% responses favorable)		75%	N/A	75%	N/A	N/A

CITY MANAGER'S OFFICE – Sustainability

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ -	0%	\$ 305,950	\$ 239,860	\$ 208,771
Supplies & Services	-	0%	616,900	511,901	242,735
Capital & Debt Service	-	0%	38,000	43,860	20,339
Subtotal Direct Costs	\$ -	0%	\$ 960,850	\$ 795,621	\$ 471,845
Internal Charges	-	0%	102,830	92,650	48,360
Total Expenditures	\$ -	0%	\$ 1,063,680	\$ 888,271	\$ 520,205
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ 1,060,380	\$ 885,071	\$ 515,983
Other Funds Portion	\$ -	0%	\$ 3,300	\$ 3,200	\$ 4,222
Funding Sources					
Program Revenues	\$ -	0%	\$ 9,950	\$ 9,600	\$ 11,568
Funding from General Revenues:					
Estimated Resident Generated	\$ -	0%	\$ 368,810	\$ 307,530	\$ 178,023
Estimated Visitor Generated	\$ -	0%	\$ 684,920	\$ 571,141	\$ 330,614
Employee Time Allocation (FTEs) (Budgeted)	0.00		3.00		2.00

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 Sustainability program is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department. Starting FY 2024, the Sustainability program has been moved to a separate department.

CITY MANAGER'S OFFICE – Sustainability

continued

FY 2023 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.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Greenhouse gas emissions produced by municipal operations (metric tons of CO2 equivalent)	N/A	2,300	2,300	2,500	N/A
Energy consumed in City operations (MWh) through APS	N/A	N/A	3,500,000	3,947,886	4,177,463
Renewable energy generated at City facilities (kilowatt hours)	N/A	3,500,000	3,500,000	1,400,000	1,324,335
Water consumed in City operations (gallons)	N/A	15,000,000	15,000,000	17,000,000	16,904,920
Fuel used by City fleet (gallons)	N/A	45,000	45,000	45,012	36,226
Paper purchased for City operations (sheets)	N/A	415,000	415,000	435,000	455,000
Electronics recycling collected (weight in pounds)	N/A	12,000	12,000	11,438	15,254
Household hazardous waste collected (weight in pounds)	N/A	12,000	12,000	12,900	10,620

Council Priority - Environmental Stewardship/Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Sustainability Alliance rating		N/A	Silver	Silver	Silver	Bronze
Department of Energy SolSmart rating		N/A	Silver	Silver	Bronze	Bronze
% of energy purchased from renewable sources (goal of 100% renewable energy by 2025)		N/A	75%	75%	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)		N/A	5%	5%	3%	1%
% of 100% recycled-content paper purchased (goal of 100% recycled-content paper by 2022)		N/A	100%	100%	100%	1%

CITY MANAGER'S OFFICE – Arts & Culture

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 106,470	59%	\$ 106,900	\$ 103,110	\$ 100,084
Supplies & Services	28,600	16%	28,600	23,800	10,181
Subtotal Direct Costs	\$ 135,070	75%	\$ 135,500	\$ 126,910	\$ 110,265
Internal Charges	44,160	25%	42,610	38,680	33,540
Total Expenditures	\$ 179,230	100%	\$ 178,110	\$ 165,590	\$ 143,805
Expenditures by Fund					
General Fund Portion	\$ 179,230	100%	\$ 178,110	\$ 165,590	\$ 143,805
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 62,730	35%	\$ 62,340	\$ 57,960	\$ 50,332
Estimated Visitor Generated	\$ 116,500	65%	\$ 115,770	\$ 107,630	\$ 93,473
Employee Time Allocation (FTEs) (Budgeted)	1.00		1.00		1.00

Being a city animated by the arts, the Arts and Culture division 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 Community Development regarding Art in Private Development.

FY 2023 Accomplishments

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

- * Created and supervised the Mayor's Arts Awards Work Group to review submissions for a new award design and commission an artist to create 4 new awards. Submitted a Call for Nominations for the Mayor's Arts Awards recipients and began to plan the event.
- * Relaunched the Artist in the Classroom program, procuring 27 artists, vetting and signing up a combination of fourteen new and returning high level artists.
- * Partnered with the new Director of the Sedona Heritage Museum on cultural programming and brought "A Woman by Design: A Play About the Architect Mary Colter" to Sedona.
- * Collaborated with the new Web Content Manager to update Arts and Culture landing page and program pages on the City website.
- * Contributed an article regarding Sedona's film history published in "ArtSource America," a high-end public relations magazine for artists, which recently expanded distribution from the southwest to a national reach.

FY 2024 Objectives

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

- * Create and supervise the Mayor's Arts Awards events: procure awards, venue/date, caterer, musician, photographer, videographer to film recipients, oversee filming and emcee the event.
- * Work with Public Works and engineering staff to plan installation of the four roundabouts: Susan Kliewer's "Julian + Maria," Don Kennell's "Sedona Roadrunner," James Muir's "Eternal," and Mark Feldtkeller's "Look in Up;" design informational brochures for each; schedule and emcee public unveiling with the artists and Mayor.
- * Partner with the Director of Sedona Library to develop youth arts exhibits, as well as collaborate on other creative programming through Artist in the Classroom and the City Hall Art Rotation programs.
- * Continue to partner with the Director of the Sedona Heritage Museum and collaborate on future cultural programming possibilities, as part of the Community Plan directives.
- * Exhibit and celebrate the work of Amy Ernst, Max Ernst's granddaughter, for her first show in Sedona, after showing in Cologne, Germany, Sarasota, Florida, and New York City.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Artist in the Classroom assignments per year	50	50	40	10	6
Artist in the Classroom students reached	750	750	650	250	111
City Hall Art Rotation Program artists exhibited per year	25	6	15	11	9
City Hall Art Rotation Program viewings plus attendees for Artist Receptions	200	400	125	40	25
Moment of Art for City Council artists performed	24	24	24	13	0

CITY MANAGER'S OFFICE – Arts & Culture

continued

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

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
City Hall Artist Reception Survey: Experience was valuable (% responses favorable)		100%	100%	100%	100%	100%
National Citizen Survey: Opportunities to attend cultural/arts/music activities (% responses favorable)		N/A	69% (Similar to NCS benchmark)	64% (Similar to NCS benchmark)	N/A	66% (Similar to NCS benchmark)
Artist Survey: Artist in the Classroom experience was valuable (% responses favorable)		100%	N/A	95%	90%	0

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

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ -	0%	\$ 87,710	\$ 92,740	\$ -
Supplies & Services	-	0%	49,810	66,840	-
Subtotal Direct Costs	\$ -	0%	\$ 137,520	\$ 159,580	\$ -
Internal Charges	-	0%	62,530	71,660	-
Total Expenditures	\$ -	0%	\$ 200,050	\$ 231,240	\$ -
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ 160,050	\$ 166,600	\$ -
Other Funds Portion	\$ -	0%	\$ 40,000	\$ 64,640	\$ -
Funding Sources					
Program Revenues	\$ -	0%	\$ -	\$ 226,400	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ -	0%	\$ 70,020	\$ 1,690	\$ -
Estimated Visitor Generated	\$ -	0%	\$ 130,030	\$ 3,150	\$ -
Employee Time Allocation (FTEs) (Budgeted)	0.00		1.00		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 Short-Term Rental Monitoring and Administration program is allocated to the Information Technology Internal Service Fund for technology costs not managed by the Information Technology Department. The Short-Term Rental Monitoring and Administration program has been transferred to the City Clerk's Office for FY 2024.

FY 2023 Accomplishments

Council Priority - Monitor Short-Term Rentals:

- * Adoption of amendments to short-term rental regulation ordinance that allowed implementation of SB 1168.
- * Developed short-term rental annual permitting program.
- * Launched permitting software and integration of fee payment portal.
- * Permitted majority of Sedona short-term rentals during the first two months of program launch.
- * Represented short-term rental program to community, targeting property managers and realtors for education opportunities.

FY 2024 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.
- * Coordinate with Code Enforcement and Police to enforce violations on a complaint basis.
- * Continue enhancement of short-term rental information on City website.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Total number of short-term rentals within city limits**. **2022 numbers reflect the number of active properties within city limits. Prior total STR counts were based on the number of emergency contact registrations.	N/A	N/A	1,071	1,215	N/A
Number of permitted short-term rentals within city limits**. **2022 numbers reflect the number of emergency contact registrations; the annual permitting program launched January 2023.	N/A	N/A	1,050	1,105	N/A

Council Priority - Monitor Short-Term Rentals:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Percent (%) of short-term rentals in compliance with permit requirements**. **2022 numbers reflect the number of emergency contact registrations; the annual permitting program launched January 2023.		N/A	N/A	98%	90%	N/A

CITY MANAGER'S OFFICE – Housing

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ -	0%	\$ 215,290	\$ 177,570	\$ 94,114
Supplies & Services	-	0%	322,000	75,950	43,482
Subtotal Direct Costs	\$ -	0%	\$ 537,290	\$ 253,520	\$ 137,596
Internal Charges	-	0%	54,500	45,950	-
Total Expenditures	\$ -	0%	\$ 591,790	\$ 299,470	\$ 137,596
Expenditures by Fund					
Other Funds Portion	\$ -	0%	\$ 591,790	\$ 299,470	\$ 137,596
Funding Sources					
Program Revenues	\$ -	0%	\$ 591,790	\$ 299,470	\$ 137,596
Employee Time Allocation (FTEs) (Budgeted)	0.00		2.00		1.00

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. Starting FY 2024, the Housing program has been moved to a separate department.

FY 2023 Accomplishments

Council Priority - Affordable Housing:

- * Rent Local program launched September 2022.
- * Deed restriction program launched January 2023.
- * Down Payment Assistance Program updated to expand eligibility and adjust to current economic situation January 2023.
- * Electrical Code update to reduce unnecessary expense of building multi-family completed September 2022.
- * Hope House project awarded 2022 Housing Hero Award.
- * Acquired 2250 Shelby Dr for multi-family development and negotiated with developer to submit the Low-Income Housing Tax Credit (LIHTC) program application for 30 units of affordable housing.
- * Awarded CDBG funds to Steps to Recovery Homes for a transitional housing project.
- * Housing Manager selected to participate in League of Arizona Cities and Towns review committee monitoring the Housing Supply Study Committee Hearings; hosted one of four hearings across the state in Sedona.
- * Coordinated with Plan Sedona workgroup, Community Development Department, and consultants to host a public engagement event on housing and land use.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Council meetings and work sessions	N/A	4	4	1	N/A
Number of applications for down-payment assistance	N/A	20	20	15	N/A

Council Priority - Affordable/Workforce Housing:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Housing Production: New affordable housing units created		N/A	100	100	3	3
Housing Investment: Affordable housing projects assisted with housing funds		N/A	3	3	1	1
Number of down-payment assistance applications approved and funded		N/A	10	10	1	N/A

CITY MANAGER'S OFFICE – Tourism & Economic Initiatives

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Supplies & Services	\$ -	0%	\$ -	\$ -	\$ 1,866,216
Subtotal Direct Costs	\$ -	0%	\$ -	\$ -	\$ 1,866,216
Internal Charges	-	0%	-	-	10,150
Total Expenditures	\$ -	0%	\$ -	\$ -	\$ 1,876,366
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ -	\$ -	\$ 1,876,366
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ -	0%	\$ -	\$ -	\$ 656,728
Estimated Visitor Generated	\$ -	0%	\$ -	\$ -	\$ 1,219,638
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	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Annual daily room rate for hotels (ADR)		N/A	N/A	N/A	\$343.70	\$279.17
Bed tax collections (in millions)		N/A	N/A	N/A	\$8.9	\$7.2
City sales tax collections (in millions)		N/A	N/A	N/A	\$32.8	\$27.8
Hotel occupancy rate		N/A	N/A	N/A	68.1%	67.4%
Visitors assisted at visitor center, via email, and via telephone		N/A	N/A	N/A	124,393	102,930
Visitor Service Survey: % satisfied measured at visitor center and/or electronically		N/A	N/A	N/A	99%	Online visitor survey on hold during COVID-19 pandemic, reinstated Jan-June 2021: 99%

HUMAN RESOURCES

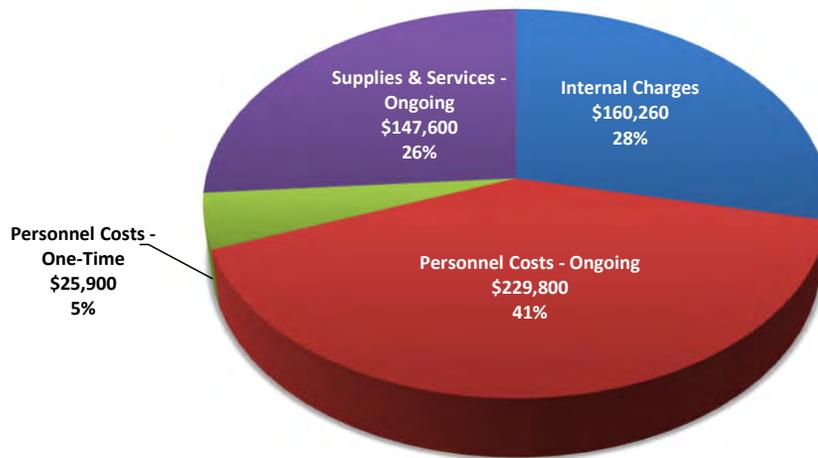
Mission Statement

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.

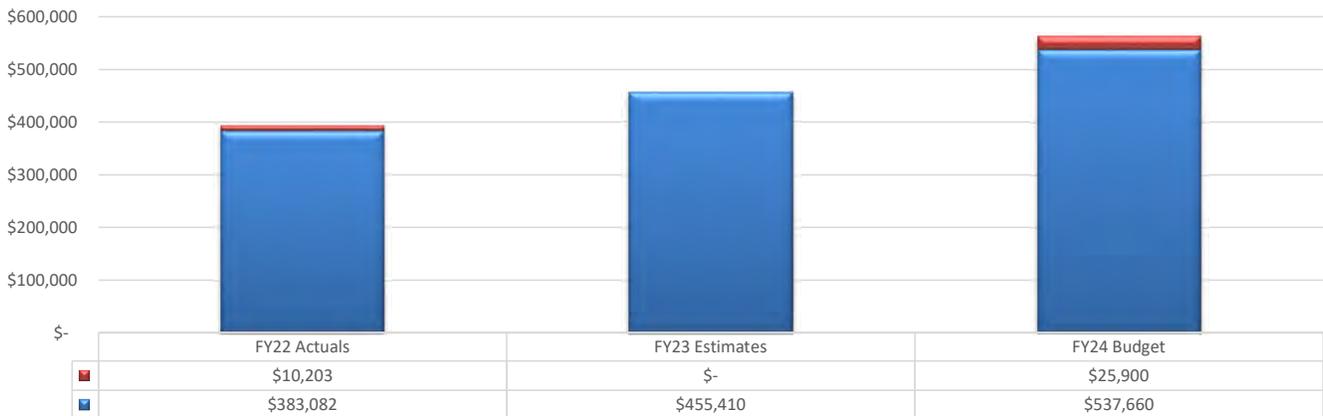
Description

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.

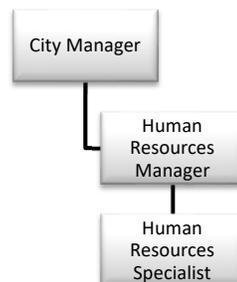
FY 2024 PROGRAM EXPENDITURES: \$563,560



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



HUMAN RESOURCES – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 255,700	45%	\$ 218,760	\$ 217,780	\$ 208,972
Supplies & Services	147,600	26%	111,300	106,250	69,763
Subtotal Direct Costs	\$ 403,300	72%	\$ 330,060	\$ 324,030	\$ 278,735
Internal Charges	160,260	28%	157,500	131,380	114,550
Total Expenditures	\$ 563,560	100%	\$ 487,560	\$ 455,410	\$ 393,285
Expenditures by Fund					
General Fund Portion	\$ 563,560	100%	\$ 481,560	\$ 449,160	\$ 392,559
Other Funds Portion	\$ -	0%	\$ 6,000	\$ 6,250	\$ 726
Funding Sources					
Allocations to Other Departments	\$ 563,560	100%	\$ 487,560	\$ 455,410	\$ 393,285
Employee Time Allocation (FTEs) (Budgeted)	2.17		2.00		2.00

FY 2023 Accomplishments

Overall City Value - Good Governance:

- * Recruitment and hiring between July 2022 and March 2023 of 41 positions including the key positions of Chief of Police, Deputy Chief or Police, Police Lieutenant, Communications Supervisor, Grants Analyst, Web Content Manager, and Housing Coordinator.
- * 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.
- * Implemented a new annual review system for all employees to streamline the process and to realign all employees to a July 1 review date.
- * Created new employee paperless on-boarding system.
- * Resumed the annual employee appreciation event for the first time since the COVID-19 pandemic.

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Job postings	70	50	76	67	48
Applications received and reviewed	700	1,000	1,100	1,400	1,100
Individual job interviews conducted	200	125	270	150	175
Regular new hires on-boarded	35	30	50	45	36
Workers compensation claims with medical treatment(s)	10	5	15	10	11

HUMAN RESOURCES – Administration
continued

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Workers comp claims per 100 FTEs (ICMA Benchmark 2016-2021)	10.0 (all) / 8.7 (cities under 30,000 pop.)	6.5	8.0	9.9	6.9	9.7
Workers comp EMOD ratings		0.80	0.75	0.75	0.80	0.80
Worker days lost to injury per 100 FTEs (ICMA Benchmark 2016-2021)	73.9 (all) / 63.5 (cities under 30,000 pop.)	0	15	0	0	0
Total FTEs per 1,000 population (ICMA Benchmark 2016-2021)	9.4 (all) / 10.9 (cities under 30,000 pop.)	15.7	17.1	15.4	15.2	14.6
Total FTEs per 1,000 population + annualized visitor population		7.8	8.3	7.8	7.6	7.3
Employee Survey: I plan to be working here in five years (% responses favorable)		85%	85%	N/A	N/A	N/A
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
Turnover percentages (ICMA Benchmark 2016-2021)* *ICMA benchmarks do not include retirements, deaths, or part-time positions	6.8% (all) / 7.1% (cities under 30,000 pop.)	8%	8%	22%	22%	11.0%
Email and phone call responsiveness		1-24 hours	1-24 hours	1-24 hours	1-24 hours	1-24 hours

FINANCIAL SERVICES

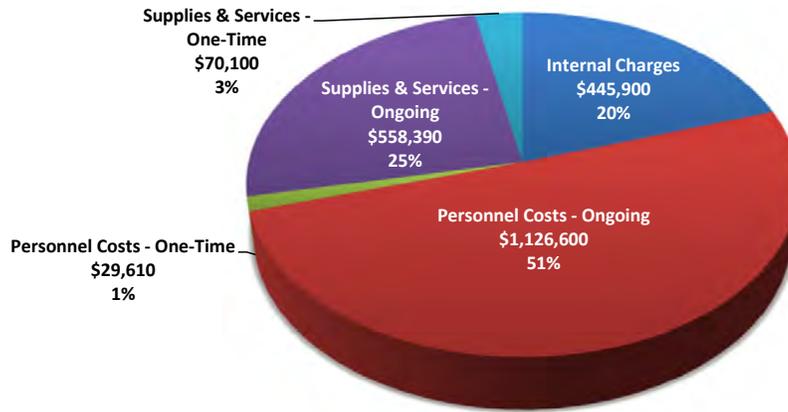
Mission Statement

Achieving high customer satisfaction by being a key financial resource, treating every customer with consideration and respect, and operating as a unified team with integrity, clarity, and transparency. We strive to exceed expectations and inspire joy in others by providing friendly, accurate, and timely financial services.

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.

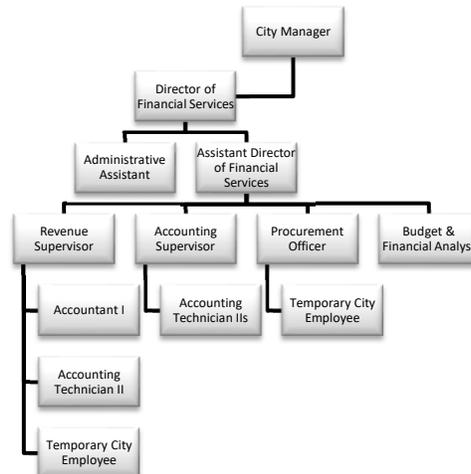
FY 2024 PROGRAM EXPENDITURES: \$2,230,600



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



FINANCIAL SERVICES – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 1,156,210	52%	\$ 1,170,600	\$ 1,065,110	\$ 859,384
Supplies & Services	628,490	28%	515,240	443,540	391,018
Subtotal Direct Costs	\$ 1,784,700	80%	\$ 1,685,840	\$ 1,508,650	\$ 1,250,402
Internal Charges	445,900	20%	361,600	358,530	286,100
Total Expenditures	\$ 2,230,600	100%	\$ 2,047,440	\$ 1,867,180	\$ 1,536,502
Expenditures by Fund					
General Fund Portion	\$ 2,079,300	93%	\$ 1,905,530	\$ 1,775,440	\$ 1,439,323
Wastewater Fund Portion	\$ 147,140	7%	\$ 141,060	\$ 88,680	\$ 96,563
Other Funds Portion	\$ 4,160	<1%	\$ 850	\$ 3,060	\$ 616
Funding Sources					
Allocations to Other Departments	\$ 2,035,280	91%	\$ 1,858,770	\$ 1,733,730	\$ 1,392,318
Program Revenues	\$ 195,330	9%	\$ 188,670	\$ 133,450	\$ 144,184
Employee Time Allocation (FTEs) (Budgeted)	11.56		11.24		10.00

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 2023 Accomplishments

Overall City Value - Fiscal Sustainability:

- * Received the Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report for FY 2021 – the 23rd year the City has received this award.
- * Obtained the GFOA Distinguished Budget Presentation Award for FY 2022 Budget – the ninth year the City has received the award.
- * Completed updates to the Procurement Manual for current practices, sustainability and economic development considerations, and Federal requirements.
- * Procured and implemented a new fleet card program (fuel cards) that provides the City with volume purchase discounts and enhanced software that streamlined the Accounts Payable process.
- * Procured and began implementation of a contract management software.
- * Developed various procurement templates for citywide use.

FY 2024 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 2023.
- * Obtain the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the FY 2024 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.
- * Complete the implementation of the contract management software.
- * Roll out the new centralized procurement program.
- * Develop, coordinate, and facilitate solicitations required to secure a new Enterprise Resource Planning (ERP) software. Participate in selection and implementation of new ERP software.
- * Develop a procurement webpage.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Manual journal entries	850	850	850	1,160	962
Employee payments (total direct deposits and checks issued)	4,570	4,390	4,487	4,282	3,825
W-2s issued	280	280	259	257	207
Accounts payable payments processed	3,700	3,000	3,600	3,577	2,588
Purchase orders issued	250	180	200	211	146
Operating budget organization units	260	278	268	268	232
Projects in capital improvement plan	79	65	69	72	65
Average wastewater accounts billed per month	6,880	6,860	6,876	6,854	6,843
Wastewater account transfers	550	750	530	729	832
Wastewater accounts with deferred connection agreements	0	0	0	3	27
Wastewater accounts on environmental penalty	15	22	15	18	14
Delinquent wastewater accounts and total delinquent balance	40/\$70K	50/\$70K	33/\$71K	58/\$71K	30/\$102K



FINANCIAL SERVICES – Administration

continued

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 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	2.977% yield / 4.92% benchmark	1.090% yield / 1.180% benchmark	0.906% yield / 0.060% 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		4.48%	4.15%	4.08%	3.98%	4.35%
Internal Survey: Overall satisfaction with service and support (% of responses favorable)		100%	100%	100%	97%	100%
Cost per employee pay		\$32.25	\$43.23	\$27.50	\$27.35	\$38.87
Accounts payable transactions processed within 30 calendar days: Date received by various City departments to date processed by Financial Services (ICMA Benchmark 2016-2021)	81% (all) / 69% (cities under 30,000 pop.)	92%	90%	92%	92%	90%
Purchases made via purchasing card/credit card as a percentage of all purchases (ICMA Benchmark 2016-2021)	5% (all) / 3% (cities under 30,000 pop.)	10%	15%	10%	9%	14%
Purchasing card cash back awards		\$35,000	\$25,000	\$32,997	\$21,202	\$0
Cost per accounts payable transaction (procurement function separated starting FY24)		\$37.23	\$36.03	\$73.75	\$43.55	\$38.87
GFOA Distinguished Budget Presentation Award		Yes	Yes	Yes	Yes	Yes
Percentage difference in budgeted revenues to actuals		+/-10%	10%	-10%	<1%	31.6%
Percentage difference in budgeted expenditures to actuals		15%	10%	28%	16%	17.4%
Wastewater delinquency rate		15%	15%	13%	13%	19%
Wastewater customers paying electronically		82%	72%	79%	76%	68%
Cost per cash receipt		\$6.95	\$8.76	\$6.95	\$5.68	\$6.95

CITY ATTORNEY'S OFFICE

Mission Statement

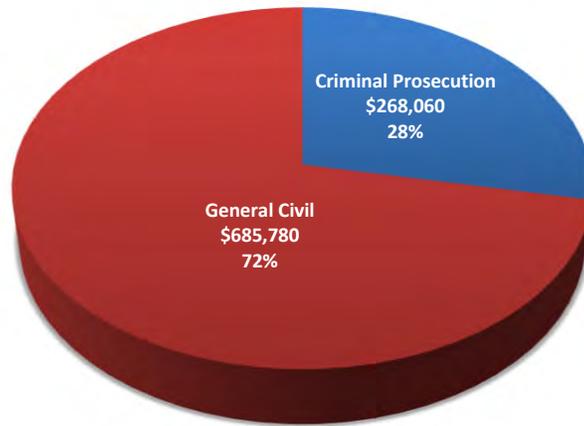
The City Attorney's Office strives to provide quality legal advice and services to the City Council, City departments and commissions and strives to vigorously prosecute criminal cases in a fair manner that leads to just results.

Description

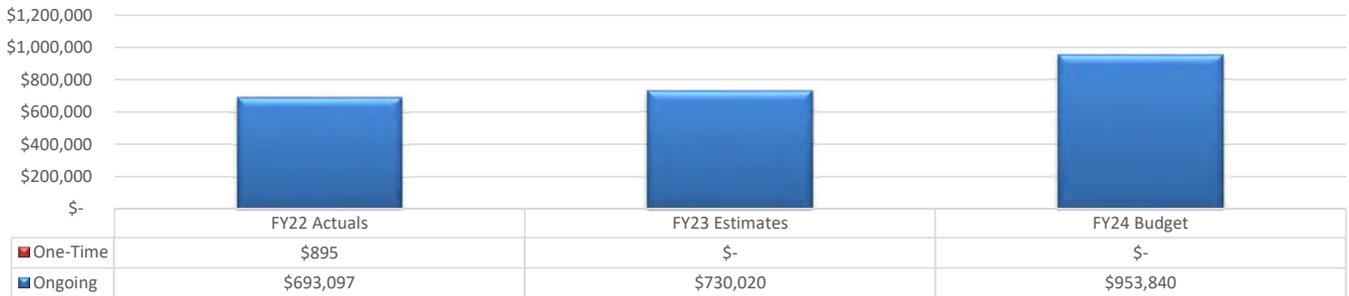
The City Attorney's Office provides internal services to City departments and personnel in several program areas:

- * General Civil
- * Criminal Prosecution

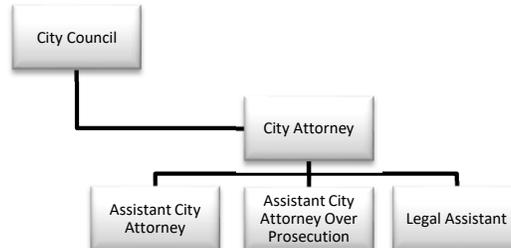
FY 2024 PROGRAM EXPENDITURES: \$953,840



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY ATTORNEY'S OFFICE – Criminal Prosecution

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 233,250	87%	\$ 229,650	\$ 223,340	\$ 222,348
Supplies & Services	2,700	1%	2,700	1,200	866
Subtotal Direct Costs	\$ 235,950	88%	\$ 232,350	\$ 224,540	\$ 223,214
Internal Charges	32,110	12%	41,160	35,060	47,540
Total Expenditures	\$ 268,060	100%	\$ 273,510	\$ 259,600	\$ 270,754
Expenditures by Fund					
General Fund Portion	\$ 268,060	100%	\$ 273,510	\$ 259,600	\$ 270,754
Funding Sources					
Program Revenues	\$ 3,000	1%	\$ -	\$ 3,000	\$ 1,950
Funding from General Revenues:					
Estimated Resident Generated	\$ 92,770	35%	\$ 95,730	\$ 89,810	\$ 94,081
Estimated Visitor Generated	\$ 172,290	64%	\$ 177,780	\$ 166,790	\$ 174,723
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 2023 Accomplishments

Overall City Value - Public Safety:

- * Successfully adapted and provided prosecution services while adapting to significant changes in court administration and leadership.
- * Continued to move toward a paperless criminal law practice through the use and administration of electronic means for tracking all criminal matters and filing of motions.
- * Adopted new case handling procedures to satisfy judicial requirements.
- * Overcame challenges associated with court moving to new location.
- * Overcame challenge of not having access to criminal case media files for trial or disclosure due to failure of the evidence software program.
- * Established electronic connection to the Police Department to obtain files in an efficient manner.
- * Provided support to police department regarding specific legal issues, including, evidence/property retention, marijuana violation policies, search warrants, and the forfeiture of marijuana, tetrahydrocannabinol (THC) products, and related drug paraphernalia.
- * Successfully handled appeal of a code enforcement conviction in Superior Court.

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Criminal cases filed	338	390	324	326	363
Provide an annual case law update to Police Department	4	4	4	2	5
Hours of training provided to Police Department on operational matters	15	11	11	20	7.0

CITY ATTORNEY'S OFFICE – General Civil

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 324,370	47%	\$ 301,270	\$ 282,260	\$ 232,147
Supplies & Services	258,250	38%	251,050	115,500	112,861
Subtotal Direct Costs	\$ 582,620	85%	\$ 552,320	\$ 397,760	\$ 345,008
Internal Charges	103,160	15%	83,840	72,660	78,230
Total Expenditures	\$ 685,780	100%	\$ 636,160	\$ 470,420	\$ 423,238
Expenditures by Fund					
General Fund Portion	\$ 585,780	85%	\$ 536,160	\$ 469,220	\$ 405,909
Wastewater Fund Portion	\$ 100,000	15%	\$ 100,000	\$ 1,200	\$ 17,329
Funding Sources					
Allocations to Other Departments	\$ 585,780	85%	\$ 536,160	\$ 469,220	\$ 405,909
Program Revenues	\$ 100,000	15%	\$ 100,000	\$ 1,200	\$ 17,329
Employee Time Allocation (FTEs) (Budgeted)	1.89		1.89		1.89

The City Attorney's Office provides internal services to City Council and 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 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 2023 Accomplishments

Overall City Value - Good Governance:

- * Attended all City Council and Planning and Zoning Commission meetings and other meetings as requested to provide legal advice.
- * Assisted in reviewing and drafting and in implementation of new and amended ordinances including short-term rental permits, fireworks, public urination, wildlife feeding, and Land Development Code updates.
- * Provide legal representation in the acquisition of several parcels of real property, including the former Cultural Park.
- * Obtained favorable outcome in the Arizona Water Company's conditional use permit case in the Arizona Court of Appeals and negotiated settlement agreement with Son Silver West.
- * 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.
- * Provided written legal opinions to City officials and staff on over 100 different legal topics.
- * Reviewed HR policy updates and represented the City before the Board of Adjustment hearing officer.
- * Provide legal advice to the City Clerk's office on open meeting law and election issues and for the fulfillment of public record requests.
- * Managed, tracked, and assisted City departments in resolving various claims against the City.
- * Monitored bankruptcy petitions involving the City of Sedona.

FY 2024 Objectives

Overall City Value - Good Governance:

- * Continue to staff all City Council and Planning and Zoning Commission meetings.
- * Review all contracts, policies, and ordinances; provided legal advice to City departments.
- * 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 rental permit, wildlife, and improper motor vehicle equipment ordinances based on information learned during implementation.
- * 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 adopted land use legislation and provide advice on impacts to the City.
- * Review and assist with 2023 revisions to the Sedona Land Development Code.
- * Hire and train new Assistant City Attorney.



CITY ATTORNEY'S OFFICE – General Civil

continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Admin - City Council agenda bill items reviewed	185	54	185	182	54
Admin - Ordinances processed	10	13	12	9	10
Admin - Resolutions processed	35	36	35	40	29
Admin - Public meetings attended	65	40	66	67	36
Admin - Contracts reviewed	126	138	138	165	107
Admin - Legal opinions provided	267	290	200	331	269
Land Development - Planning and zoning matters reviewed	15	19	16	13	17
General Civil - Claims and suits against City	9	10	6	10	13
General Civil - Claims against City resolved without litigation	6	8	4	10	5
General Civil - Traffic accidents involving City vehicles	17	16	14	16	20
General Civil - Claims regarding property damage to City property	21	22	14	28	22

CITY CLERK'S OFFICE

Mission Statement

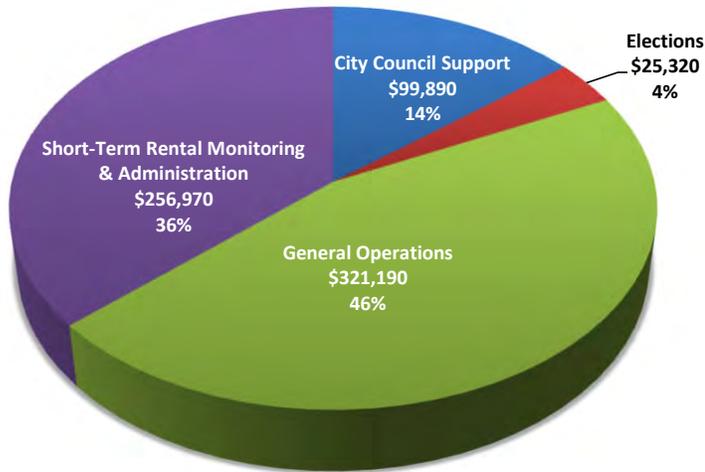
To provide exceptional service to the Mayor and City Council, the public, and City staff so that all may be guaranteed fair and impartial elections and open access to information and the legislative process.

Description

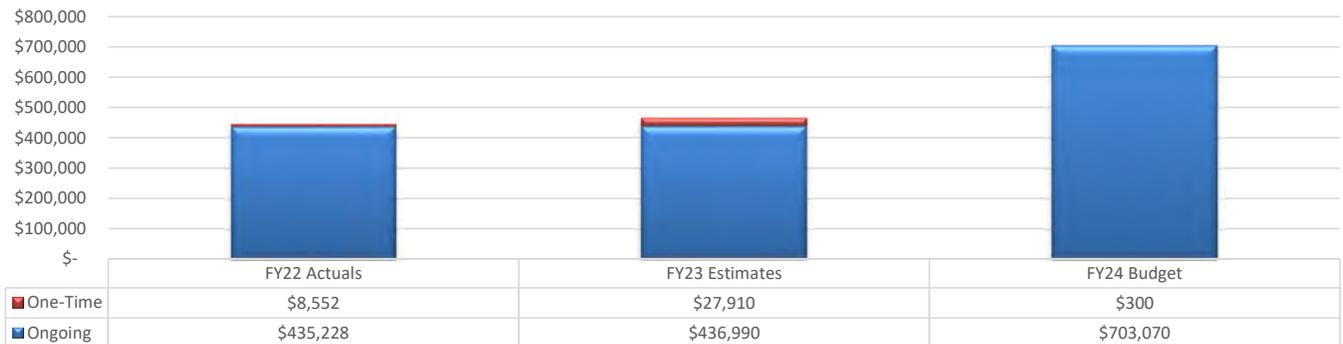
The City Clerk's Department is responsible for the following program areas:

- * City Council Support
- * Elections
- * General Operations, including customer relations, records management, permits, licenses, and registrations.
- * Short-Term Rental Monitoring and Administration

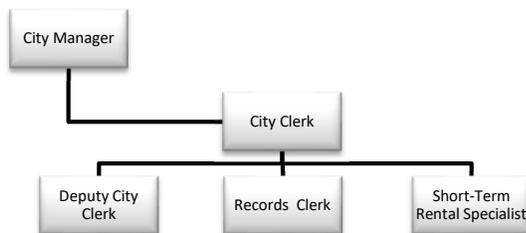
FY 2024 PROGRAM EXPENDITURES: \$703,370



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



CITY CLERK'S OFFICE – City Council Support

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 79,780	80%	\$ 78,580	\$ 75,080	\$ 90,098
Supplies & Services	2,500	3%	15,000	14,500	14,815
Subtotal Direct Costs	\$ 82,280	82%	\$ 93,580	\$ 89,580	\$ 104,912
Internal Charges	17,610	18%	41,170	37,460	36,480
Total Expenditures	\$ 99,890	100%	\$ 134,750	\$ 127,040	\$ 141,392
Expenditures by Fund					
General Fund Portion	\$ 99,890	100%	\$ 134,750	\$ 127,040	\$ 141,392
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 34,960	35%	\$ 47,160	\$ 44,460	\$ 49,487
Estimated Visitor Generated	\$ 64,930	65%	\$ 87,590	\$ 82,580	\$ 91,905
Employee Time Allocation (FTEs) (Budgeted)					
	0.73		0.75		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 2023 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 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
City Council agendas posted	56	50	56	54	57
City Council agenda bills processed	185	N/A	185	182	112
City Council meetings attended with minutes completed	56	50	56	54	57
Hours spent in City Council meetings	180	150	170	169	128
Ordinances processed	16	10	18	9	10
Resolutions processed	35	25	35	40	34

CITY CLERK'S OFFICE – Elections

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 18,690	74%	\$ 11,800	\$ 8,770	\$ 9,260
Supplies & Services	1,850	7%	41,610	28,610	6,717
Subtotal Direct Costs	\$ 20,540	81%	\$ 53,410	\$ 37,380	\$ 15,978
Internal Charges	4,780	19%	19,390	17,590	4,120
Total Expenditures	\$ 25,320	100%	\$ 72,800	\$ 54,970	\$ 20,098
Expenditures by Fund					
General Fund Portion	\$ 25,320	100%	\$ 72,800	\$ 54,970	\$ 20,098
Funding Sources					
Program Revenues	\$ 10	<1%	\$ 10	\$ 30	\$ 380
Funding from General Revenues:					
Estimated Resident Generated	\$ 8,860	35%	\$ 25,480	\$ 19,230	\$ 6,901
Estimated Visitor Generated	\$ 16,450	65%	\$ 47,310	\$ 35,710	\$ 12,817
Employee Time Allocation (FTEs) (Budgeted)	0.18		0.11		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 2023 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.
- * Provided Council Candidate Packets to potential candidates.
- * Served as filing officer for Council candidates.
- * Coordinated Primary Election and General Election for City Council.
- * Created Election Pamphlet for Home Rule Ballot Question.

FY 2024 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.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
City elections	0	0	2	0	1

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Cost of primary election for City Council		\$0	\$0	\$8,713	\$0	\$15,615
Cost of general election for City Council		\$0	\$0	\$8,436	\$0	\$0
Cost of alternative expenditure limitation election		\$0	\$0	\$10,000	\$0	\$10,000

CITY CLERK'S OFFICE – General Operations

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 178,380	56%	\$ 179,130	\$ 178,040	\$ 166,383
Supplies & Services	18,220	6%	20,230	14,030	9,368
Subtotal Direct Costs	\$ 196,600	61%	\$ 199,360	\$ 192,070	\$ 175,750
Internal Charges	124,590	39%	100,980	90,820	106,540
Total Expenditures	\$ 321,190	100%	\$ 300,340	\$ 282,890	\$ 282,290
Expenditures by Fund					
General Fund Portion	\$ 321,190	100%	\$ 300,340	\$ 282,890	\$ 282,290
Funding Sources					
Allocations to Other Departments	\$ 255,180	79%	\$ 232,880	\$ 216,520	\$ 220,630
Program Revenues	\$ -	0%	\$ -	\$ 80	\$ 25
Funding from General Revenues:					
Estimated Resident Generated	\$ 23,100	7%	\$ 23,610	\$ 23,200	\$ 21,572
Estimated Visitor Generated	\$ 42,910	13%	\$ 43,850	\$ 43,090	\$ 40,063
Employee Time Allocation (FTEs) (Budgeted)	1.97		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 2023 Accomplishments

Overall City Value - Good Governance:

- * Acted as a gatekeeper for the Sedona Citizens Connect and enhanced messaging to reporting parties.
- * Successfully launched new online portal for all business license applications and renewal processing.

Overall City Value - Fiscal Sustainability:

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

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Sedona Citizens Connect issues processed	360	165	360	385	180
Business license renewals issued	1,275	1,275	1,275	1,255	1,241
New business licenses issued	150	150	150	100	84
Temporary business licenses issued	225	225	225	200	223
Home-based business licenses	205	205	205	200	229
Closed business licenses	110	110	110	112	115
Special event liquor licenses	45	60	43	39	33
Liquor Licenses	18	15	18	21	13
Records request received/processed	260	N/A	260	225	0
Civil Union registrations	50	10	50	20	13
Peddler/solicitor permits	2	2	2	2	3

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Sedona Citizens Connect average days to close an issue		17	17	20	22	18
New business licenses processed within 30 days		100%	100%	85%	100%	100%

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

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 87,590	34%	\$ -	\$ -	\$ -
Supplies & Services	7,150	3%	-	-	-
Subtotal Direct Costs	\$ 94,740	37%	\$ -	\$ -	\$ -
Internal Charges	162,230	63%	-	-	-
Total Expenditures	\$ 256,970	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 256,970	100%	\$ -	\$ -	\$ -
Funding Sources					
Program Revenues	\$ 256,970	100%	\$ -	\$ -	\$ -
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.

The Short-Term Rental Monitoring and Administration program was transferred from the City Manager's Office effective FY 2024.

FY 2023 Accomplishments

Council Priority - Monitor Short-Term Rentals:

- * Adoption of amendments to short-term rental regulation ordinance that allowed implementation of SB 1168.
- * Developed short-term rental annual permitting program.
- * Launched permitting software and integration of fee payment portal.
- * Permitted majority of Sedona short-term rentals during the first two months of program launch.
- * Represented short-term rental program to community, targeting property managers and realtors for education opportunities.

FY 2024 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.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Total number of short-term rentals within city limits**. **2022 numbers reflect the number of active properties within city limits. Prior total STR counts were based on the number of emergency contact registrations.	1,122	N/A	1,071	1,215	N/A
Number of permitted short-term rentals within city limits**. **2022 numbers reflect the number of emergency contact registrations; the annual permitting program launched January 2023.	1,100	N/A	1,050	1,105	N/A

Council Priority - Monitor Short-Term Rentals:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Percent (%) of short-term rentals in compliance with permit requirements**. **2022 numbers reflect the number of emergency contact registrations; the annual permitting program launched January 2023.		98%	N/A	98%	90%	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

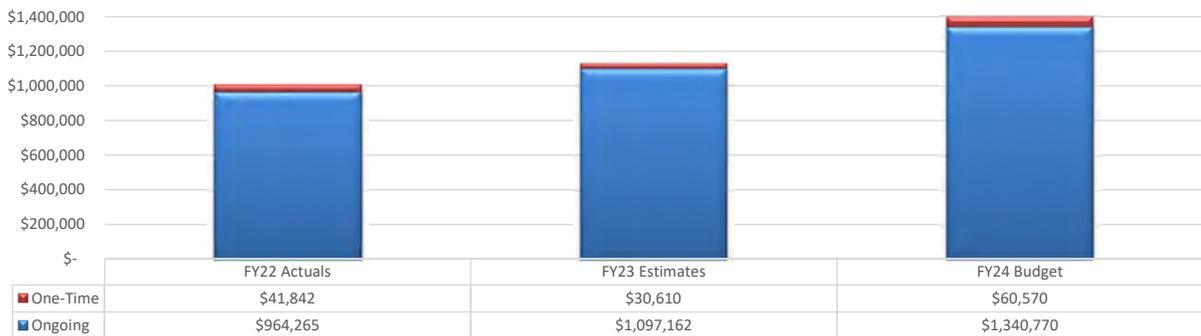
The Parks and Recreation Department is responsible for the following program areas:

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

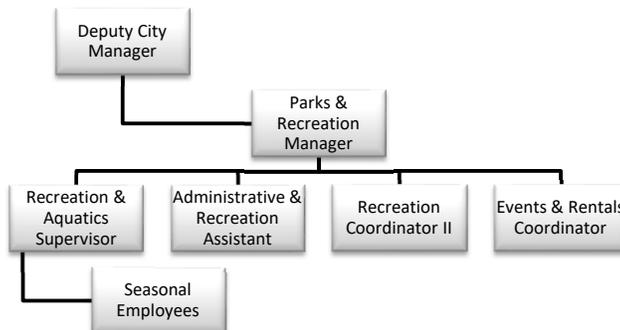
FY 2024 PROGRAM EXPENDITURES: \$1,401,340



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



PARKS & RECREATION – Recreation Programs

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 139,270	44%	\$ 121,420	\$ 118,740	\$ 89,116
Supplies & Services	65,160	20%	64,940	42,670	51,092
Capital & Debt Service	25,500	8%	-	7,000	-
Subtotal Direct Costs	\$ 229,930	72%	\$ 186,360	\$ 168,410	\$ 140,208
Internal Charges	89,510	28%	119,320	101,870	83,650
Total Expenditures	\$ 319,440	100%	\$ 305,680	\$ 270,280	\$ 223,858
Expenditures by Fund					
General Fund Portion	\$ 318,440	100%	\$ 296,200	\$ 264,080	\$ 216,857
Other Funds Portion	\$ 1,000	<1%	\$ 9,480	\$ 6,200	\$ 7,001
Funding Sources					
Program Revenues	\$ 48,820	15%	\$ 64,750	\$ 47,990	\$ 51,085
Funding from General Revenues:					
Estimated Resident Generated	\$ 94,720	30%	\$ 84,330	\$ 77,800	\$ 60,471
Estimated Visitor Generated	\$ 175,900	55%	\$ 156,600	\$ 144,490	\$ 112,302
Employee Time Allocation (FTEs) (Budgeted)	1.86		1.72		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 and 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 2023 Accomplishments

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

- * Added additional youth sports offerings
- * Expanded park offerings and added a disc golf program and permanent course.

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Recreation programs	22	20	22	13	8
Days of programs	722	740	651	732	203
Independent contracts signed	13	18	13	19	5
Parks and recreation class/program/facility registrants	14,124	14,600	14,136	13,762	7,159
Volunteer hours	3,600	3,600	3,600	3,045	1,055
Community partnerships	20	20	20	37	13

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	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Parks and recreation class/program/facility registrants per 1,000 population (ICMA Benchmark 2016-2021)	2,029 (all) / 3,672 (cities under 30,000 pop.)	1,443	1,500	1,444	1,431	714

PARKS & RECREATION – Special Events

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 157,780	33%	\$ 148,260	\$ 127,600	\$ 142,826
Supplies & Services	259,180	55%	217,220	208,032	132,408
Capital & Debt Service	-	0%	-	-	41,842
Subtotal Direct Costs	\$ 416,960	88%	\$ 365,480	\$ 335,632	\$ 317,076
Internal Charges	55,500	12%	51,700	44,750	57,120
Total Expenditures	\$ 472,460	100%	\$ 417,180	\$ 380,382	\$ 374,196
Expenditures by Fund					
General Fund Portion	\$ 462,460	98%	\$ 407,180	\$ 376,607	\$ 364,212
Other Funds Portion	\$ 10,000	2%	\$ 10,000	\$ 3,775	\$ 9,984
Funding Sources					
Program Revenues	\$ 17,300	4%	\$ 26,300	\$ 12,075	\$ 100,699
Funding from General Revenues:					
Estimated Resident Generated	\$ 159,310	34%	\$ 136,810	\$ 128,910	\$ 95,724
Estimated Visitor Generated	\$ 295,850	63%	\$ 254,070	\$ 239,397	\$ 177,773
Employee Time Allocation (FTEs) (Budgeted)	1.55		1.60		2.30

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
- * Winter Play Day

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

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

FY 2023 Accomplishments

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

- * Added new winter event.

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Days of events	25	26	26	13	5
Event attendance	15,355	15,000	15,455	12,400	800

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	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Revenue from event sponsors		\$5,000	\$16,000	\$4,750	\$5,800	\$3,500
Customer Satisfaction Survey: Celebration of Spring (% responses favorable)		100%	100%	N/A	100%	N/A
Customer Satisfaction Survey: Breakfast with Santa (% responses favorable)		100%	100%	N/A	N/A	N/A

PARKS & RECREATION – Parks Facilities & Maintenance

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 390,230	64%	\$ 315,230	\$ 322,580	\$ 227,593
Supplies & Services	42,630	7%	42,230	28,210	21,210
Capital & Debt Service	23,460	4%	-	21,510	-
Subtotal Direct Costs	\$ 456,320	75%	\$ 357,460	\$ 372,300	\$ 248,802
Internal Charges	153,120	25%	122,550	104,810	159,250
Total Expenditures	\$ 609,440	100%	\$ 480,010	\$ 477,110	\$ 408,052
Expenditures by Fund					
General Fund Portion	\$ 606,690	100%	\$ 478,060	\$ 477,110	\$ 406,977
Other Funds Portion	\$ 2,750	<1%	\$ 1,950	\$ -	\$ 1,075
Funding Sources					
Program Revenues	\$ 101,980	17%	\$ 126,980	\$ 89,440	\$ 120,082
Funding from General Revenues:					
Estimated Resident Generated	\$ 177,610	29%	\$ 123,560	\$ 135,680	\$ 100,790
Estimated Visitor Generated	\$ 329,850	54%	\$ 229,470	\$ 251,990	\$ 187,180
Employee Time Allocation (FTEs) (Budgeted)	5.61		5.73		5.14

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 and Restricted Funds.

FY 2023 Accomplishments

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

- * Completed for Posse Grounds Park evaluation project.
- * Added new Events and Rentals Technician position.
- * Continued to streamline rentals program and refine protocols and procedures.

PARKS & RECREATION – Parks Facilities & Maintenance
continued

FY 2024 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.

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

- * To meet the demand for outdoor water recreation, including leisure, fitness, competition, and educational needs.
- * To provide equal opportunities for aquatic experiences to all demographics, income levels and ages.
- * To provide educational aquatic opportunities for the community linked to safety, health, and wellness: The World's Largest Swimming Lesson (event designed to build awareness and generate local and national press attention about the vital importance of teaching kids to swim to help prevent drowning), Drowning Impact Awareness Month (August), water safety and trainings for the general public (water awareness, CPR, etc.).
- * To provide a clean and safe environment that fosters a sense of community for all guests and welcomes new users.
- * To provide quality programming that creates and sustains a base of users that drive program attendance and improves staffing.
- * To hire and train team members to deliver quality aquatic programs.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Facility rentals processed	320	300	300	360	96
Rental hours	3,500	4,500	3,000	5,188	606.50
Aquatics: Staff hired and trained for the season	25	25	25	22	20
Aquatics: Hours spent on staff development	70	65	85	81	71
Aquatics: Days pool in use	339	365	365	365	365
Aquatics: Days pool open to the public	81	95	78	72	63
Aquatics: Swim lessons taught	240	180	226	188	77
Aquatics: Attendance at lap swim and recreational swim	7,200	6,400	7,100	6,900	4,137

**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	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Customer Satisfaction Survey: Overall facilities (% responses favorable)		95%	95%	85%	93%	N/A
Aquatics: Satisfactory Health Inspections		100%	100%	100%	100%	100%
Aquatics: Customer Satisfaction Survey: Swim lessons (% responses favorable)		100%	100%	100%	100%	N/A

GENERAL SERVICES

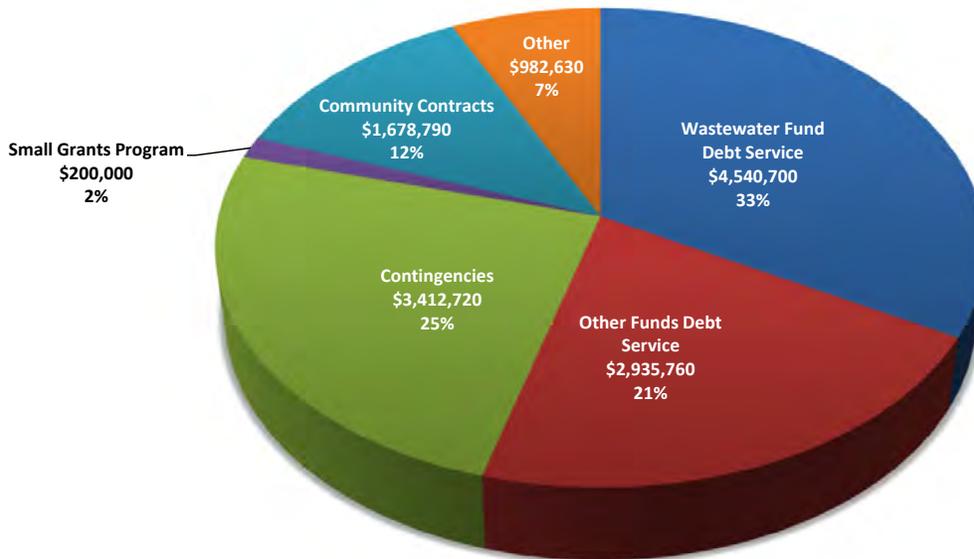
Description

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 bonded debt. Additional information on the City’s debt service can be found in the Debt Service section.

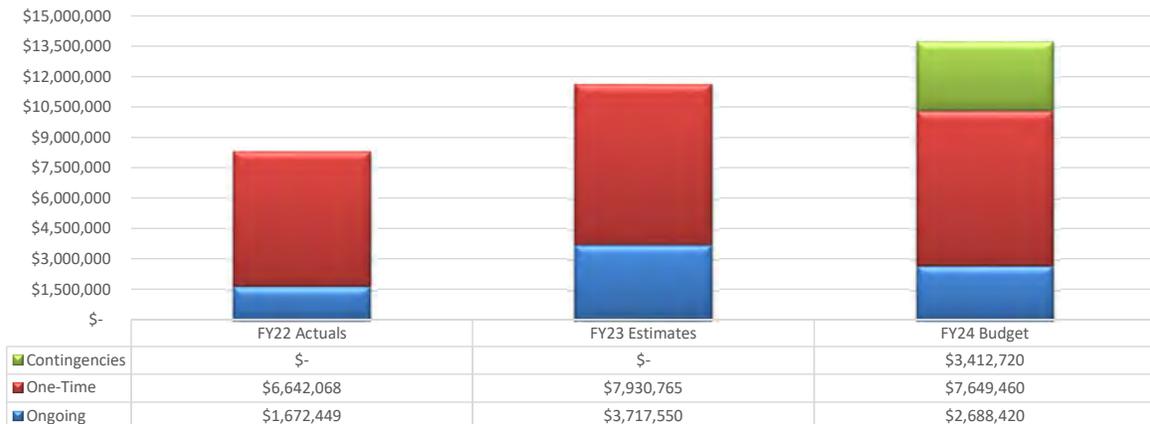
The General Services Department also includes the General Fund; Grants, Donations and Restricted Funds; and Wastewater Enterprise Fund contingency budgets, which include the following:

- * \$200,000 general operating contingency (General Fund)
- * \$100,000 general operating contingency (Wastewater Enterprise Fund)
- * \$100,000 contingency for judgments (General Fund)
- * \$637,400 contingency for tourism initiatives (General Fund)
- * \$500,000 contingency for unknown grants and donations revenues that may be received during the year (Grants, Donations and Restricted Funds)
- * \$1,875,320 contingency for the American Relief Plan Act (Grants, Donations and Restricted Funds)

FY 2024 PROGRAM EXPENDITURES: \$13,750,600



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



GENERAL SERVICES – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 40,000	0%	\$ (460,000)	\$ 25,130	\$ 26,778
Supplies & Services	2,814,350	20%	2,604,150	2,326,130	1,747,556
Capital & Debt Service	7,479,460	54%	7,922,180	7,622,765	6,529,752
Contingencies	3,412,720	25%	2,511,790	-	-
Subtotal Direct Costs	\$ 13,746,530	100%	\$ 12,578,120	\$ 9,974,025	\$ 8,304,087
Internal Charges	4,070	<1%	4,070	4,070	10,430
Total Expenditures	\$ 13,750,600	100%	\$ 12,582,190	\$ 9,978,095	\$ 8,314,517
Expenditures by Fund					
General Fund Portion	\$ 6,010,940	44%	\$ 5,419,030	\$ 4,947,015	\$ 3,147,234
Wastewater Fund Portion	\$ 4,640,700	34%	\$ 4,641,410	\$ 4,539,810	\$ 4,658,890
Other Funds Portion	\$ 3,098,960	23%	\$ 2,521,750	\$ 491,270	\$ 508,393
Funding Sources					
Allocations to Other Departments	\$ 524,940	4%	\$ 543,840	\$ 473,580	\$ 419,950
Program Revenues	\$ 7,797,210	57%	\$ 7,176,160	\$ 5,038,140	\$ 5,181,062
Funding from General Revenues:					
Estimated Resident Generated	\$ 1,899,960	14%	\$ 1,701,770	\$ 1,563,230	\$ 949,727
Estimated Visitor Generated	\$ 3,528,490	26%	\$ 3,160,420	\$ 2,903,145	\$ 1,763,778
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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Small grants awarded	20	20	28	26	8
Average small grant award amount	\$9,000	\$9,000	\$6,796	\$10,394	\$5,650
Total small grants awarded	\$200,000	\$200,000	\$190,275	\$270,256	\$45,200
Range of small grant awards	\$3,500 - \$25,000	\$3,500 - \$25,000	\$1,800 - \$15,000	\$3,500 - \$25,000	\$1,000 - \$10,200

GENERAL SERVICES – Tourism & Economic Initiatives

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Supplies & Services	\$ -	0%	\$ 1,670,000	\$ 1,670,220	\$ -
Expenditures by Fund					
General Fund Portion	\$ -	0%	\$ 1,670,000	\$ 1,670,220	\$ -
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ -	0%	\$ 584,500	\$ 584,580	\$ -
Estimated Visitor Generated	\$ -	0%	\$ 1,085,500	\$ 1,085,640	\$ -
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 has contracted 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.

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., including the following pillars:

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.

The Sustainable Tourism Contract with the SCCTB will conclude on June 30, 2023.

FY 2023 Accomplishments

Council Priority - Sustainable Tourism:

- * Continue/Expand Destination Management Programs: Trail Keepers 2.0; Secret7, Leave No Trace, OHV/ATV mitigation. Posse Grounds parking/restrooms completed; geofencing program implemented, Verde and Sedona Shuttle transit promotion.
- * Maintain Pause on Destination Marketing
- * Communicate Consumer Education to Positively Impact Visitor Behavior

Council Priority - Sustainable Tourism:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Annual average daily room rate for hotels (ADR)		N/A	\$300.00	\$300.00	\$343.70	\$279.17
Bed tax collections (in millions)		N/A	\$10.2	\$8.3	\$8.9	\$7.2
City sales tax collections (in millions)		N/A	\$36.6	\$31.2	\$32.8	\$27.8
Hotel occupancy rate		N/A	65%	64%	68.1%	68.2%
Visitors assisted at visitor center, via email, and via telephone		N/A	160,000	160,000	124,393	102,930
Visitor Service Survey: % satisfied measured at visitor center and/or electronically		N/A	99%	99%	99%	Online visitor survey on hold during COVID-19 pandemic, reinstated Jan-June 2021: 99%

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, one part-time employee 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 2024 PROGRAM EXPENDITURES: \$2,716,420



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



COMMUNITY DEVELOPMENT – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 65,950	37%	\$ 48,540	\$ 53,090	\$ 174,407
Supplies & Services	7,050	4%	7,100	4,830	38,901
Subtotal Direct Costs	\$ 73,000	41%	\$ 55,640	\$ 57,920	\$ 213,308
Internal Charges	104,340	59%	33,050	29,600	128,180
Total Expenditures	\$ 177,340	100%	\$ 88,690	\$ 87,520	\$ 341,488
Expenditures by Fund					
General Fund Portion	\$ 177,340	100%	\$ 88,690	\$ 87,520	\$ 306,328
Other Funds Portion	\$ -	0%	\$ -	\$ -	\$ 35,160
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 62,070	35%	\$ 31,040	\$ 30,630	\$ 119,521
Estimated Visitor Generated	\$ 115,270	65%	\$ 57,650	\$ 56,890	\$ 221,967
Employee Time Allocation (FTEs) (Budgeted)	0.65		0.55		1.50

The Administration program accounts for support to the other program areas of Community Development: 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 2023 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.
- * Continues to coordinate the requirements and values of the Community Plan throughout other departments and projects.
- * Maintained service levels while experiencing multiple open positions, new hires and multiple long-term medical leaves.

Council Priority – Community Plan Update:

- * Initiated the Community Plan Update.
- * Initiated the Land Development Code (LDC) updates.

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Public Meetings and Work Sessions - City Council	15	15	10	15	13
Public Meetings and Work Sessions - Planning and Zoning Commission	15	15	15	15	21
Public Meetings - Historic Preservation Commission	5	6	6	7	1
Public Meetings - Variance/Appeals	4	3	4	4	2

COMMUNITY DEVELOPMENT – Planning

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 687,520	54%	\$ 746,890	\$ 681,030	\$ 504,342
Supplies & Services	258,710	20%	254,180	184,360	65,322
Subtotal Direct Costs	\$ 946,230	74%	\$ 1,001,070	\$ 865,390	\$ 569,664
Internal Charges	328,670	26%	268,690	276,540	252,630
Total Expenditures	\$ 1,274,900	100%	\$ 1,269,760	\$ 1,141,930	\$ 822,294
Expenditures by Fund					
General Fund Portion	\$ 1,274,900	100%	\$ 1,269,760	\$ 1,141,930	\$ 822,294
Funding Sources					
Program Revenues	\$ 339,480	27%	\$ 337,320	\$ 349,510	\$ 381,452
Funding from General Revenues:					
Estimated Resident Generated	\$ 327,400	26%	\$ 326,350	\$ 277,350	\$ 154,295
Estimated Visitor Generated	\$ 608,020	48%	\$ 606,090	\$ 515,070	\$ 286,547
Employee Time Allocation (FTEs) (Budgeted)	7.21		7.20		4.90

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 Hearing Officer. 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, which are included in the Building Division's workload.

After a couple years of significant increases in the both the number and complexity of projects being reviewed, workload has begun to stabilize, though at higher levels than were seen a couple years ago. As Sedona approaches build-out, the properties available for development are producing 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. The challenging properties have also led to an increase in interest in variance and/or minor modification applications as well as director's interpretations, 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 past few years have 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. As of February 2023, all three Associate Planners have been with the City for less than one year (eight months, six months, and two weeks). 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 five 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 heritage. The planning team provides staff support to HPC.

COMMUNITY DEVELOPMENT – Planning

continued

FY 2023 Accomplishments

Council Priority - Update Land Development Code

- * Continued to monitor development and identify potential revisions to the Land Development Code (LDC).

Council Priority - Affordable Housing:

- * Continued 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
- * Processed development review applications, and obtained approval from Planning and Zoning Commission, for two new housing projects (Navajo Lofts and Sunset Lofts), both of which will be deed restricted for long term rentals (no short term rentals) and one of which (Sunset Lofts) will be affordable housing for Sedona's workforce.

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

- * Reviewed plans for the build out of the Ranger Station Park to ensure compliance with adopted Master Plan.

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

- * Updated the Soldiers Pass and Western Gateway Community Focus Area (CFA) plans to remove references to lodging in response to community and City Council concerns about the proliferation of lodging within the City.
- * Continue to use adopted CFA plans in review of development projects.

Council Priority - Community Plan Update:

- * Held a successful Community Forum in September 2022, with approximately 350 people in attendance.
- * Held two Listening and Learning Sessions on circulation and the economy virtually, open to all interested residents, and posted the videos online
- * Held a partner workshop with agency and organization partners to get input for the plan update.
- * Created a database of public comments from the April 2022 Household Survey and the September Community Forum
- * Built out an interactive website for project information and public outreach (www.plansedona.com)
- * Developed a database of the status and accomplishments of Community Plan policies and actions.
- * Established a citizen work group for the plan update, and created an interactive workspace for the group on the www.plansedona.com website
- * Developed a project management and Public Participation Plan for the Community Plan Update

COMMUNITY DEVELOPMENT – Planning

continued

FY 2024 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

- * The goal is to bring a final draft, revised plan to Council by December 2023 with plan adoption by March 2024. The process includes extensive public outreach, drafting recommendations, updating and revising the 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 to advise/participate on the next phase, which is construction of the park and interior rehabilitation of the historic buildings (including act as liaison with HPC).

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 Developer Incentives Guidelines for Affordable Housing (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:

- * Continue to participate in project evaluation of major development and CIP projects for compliance with the Community Plan. Oversee planning process for a conceptual master plan for the Cultural Park property in the Western Gateway CFA, oversee a consultant, advise and participate in public outreach, and ensure collaboration with stakeholders and partners.

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 of the house and barn (exterior renovations completed).
- * Work with landowners interested in landmarking a property.
- * Utilize the Historic Resource Recognition Program by identifying and designating a historic resource as an alternative to landmarking.

COMMUNITY DEVELOPMENT - Planning

continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Community Plan Amendments/CFAs	3	3	4	6	3
Zone changes	6	8	7	9	8
Development reviews - major	15	15	18	18	11
Development reviews - minor	2	2	2	1	0
Conditional Use permits	7	7	9	7	6
Temporary Use permits	40	40	40	41	42
Sign permits, permanent	60	60	60	60	58
Film permits	10	10	10	8	6
Subdivisions	5	5	6	5	4
Minor Modifications (formerly Admin. Waiver)	2	2	2	0	1
Land Division permits	25	25	20	30	29
Variance/appeals	4	3	4	4	2
Land Development Code amendments	1	2	1	1	2
Zoning verification letters	25	20	24	28	26
Public meetings and work sessions - City Council	15	15	10	15	13
Public meetings and work sessions - Planning and Zoning Commission	15	15	15	15	21
Public meetings - Historic Preservation Commission	5	6	6	7	1
New landmarked properties - Historic Preservation Commission	2	1	0	0	0
Civic pride/education events - Historic Preservation Commission	1	2	1	0	0
Certificates of Appropriateness issued - Historic Preservation Commission	0	0	0	0	1
Certificates of No Effect issued - Historic Preservation Commission	2	3	1	1	2
Historic Recognition Awards issued - Historic Preservation Commission	2	2	1	1	0
Education training exercises - Historic Preservation Commission	3	3	3	1	0

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Customer Survey: Overall customer service (% responses favorable)		100%	100%	100%	100%	100%
Temporary use permits: Average days to issue		11	13	12	12	17
Sign permits, permanent: Average days to issue		8	8	10	12	4.7

COMMUNITY DEVELOPMENT – Building Safety

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 525,790	56%	\$ 475,040	\$ 422,220	\$ 384,830
Supplies & Services	168,670	18%	210,060	184,770	162,496
Capital & Debt Service	10,510	1%	10,400	10,510	11,235
Subtotal Direct Costs	\$ 704,970	75%	\$ 695,500	\$ 617,500	\$ 558,561
Internal Charges	235,900	25%	264,810	235,410	169,860
Total Expenditures	\$ 940,870	100%	\$ 960,310	\$ 852,910	\$ 728,421
Expenditures by Fund					
General Fund Portion	\$ 939,470	100%	\$ 958,910	\$ 851,510	\$ 727,280
Other Funds Portion	\$ 1,400	<1%	\$ 1,400	\$ 1,400	\$ 1,141
Funding Sources					
Program Revenues	\$ 312,300	33%	\$ 352,300	\$ 293,870	\$ 357,131
Funding from General Revenues:					
Estimated Resident Generated	\$ 220,000	23%	\$ 212,800	\$ 195,660	\$ 129,952
Estimated Visitor Generated	\$ 408,570	43%	\$ 395,210	\$ 363,380	\$ 241,338
Employee Time Allocation (FTEs) (Budgeted)	5.30		4.84		4.78

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-premises 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. We will be looking to keep pace with code updates by starting the process to adopt the 2024 International Codes (I-Codes) and the 2023 National Electric Code (NEC) in FY 2024. Addressing current and changing codes 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, although we have seen some progress on this level. Additionally, the raised expectation of compliance continues to create 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 currently consists of the Chief Building Official (The role is being filled by the Director of Community Development until a suitable replacement is found), Building Inspector II (retiring in May 2023), Plans Examiner I, and three Permit Technician positions, although the last of the Permit Technicians position was added to address the long-term medical leave of two Building Safety staff members. 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 2024 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. Some of these are anticipated to address our need for workforce/affordable housing.

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 2023 Accomplishments

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

- * Maintained staff cohesiveness and customer services during the extended medical leaves of two employees.
- * Maintained staff cohesiveness and customer services during the vacancies before and after the short tenure of the previous Director of Community Development
- * 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.
- * Reorganized the Permit Technician position, Job Description and salary to create Permit Technician I and II. This will provide incentive for our Permit Technicians to continue to grow and become better in their jobs, and to obtain more certifications.

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, including on-going talks and meetings with large realtor professionals groups.
- * 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 1.2 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.
- * Maintained 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.
- * Have attempted to further address our work without a permit issue by speaking to community groups and residents and by submitting an article to the Red Rock News addressing the issue.
- * Helped create a reorganization of the Code Enforcement Division to better address and cover code enforcement cases.

FY 2024 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 dedicated in-house training of staff to increase their ability to perform their jobs at a higher level and to allow the ability for promotion when available and warranted.
- * Promote the need and provide the resources for staff to expand their knowledge base and expertise by pursuing national building safety certifications.
- * On-board and train the replacement for the Chief Building Official, who has been promoted to the Director's position, and the replacement for the Building Inspector who will be retiring in May 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.
- * 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 late FY 2024 or early FY 2025.
- * Continue to explore the process and benefits of electronic permitting and plan reviews, and the allowances for integration into current and future City-wide 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Single-family building permits - new construction	60	70	60	71	70
Single-family permits - new construction - Total valuation	\$40,000,000	\$40,000,000	\$40,000,000	\$51,000,000	\$30,747,559
Single-family building permits - remodel/rehab	130	150	130	177	162
Single-family permits - remodel/rehab - Total valuation	\$8,000,000	\$8,000,000	\$8,500,000	\$10,500,000	\$8,390,892
Commercial building permits - new construction	4	3	5	4	1
Commercial building permits, new construction - Total valuation	\$14,000,000	\$2,500,000	\$22,500,000	\$3,800,000	\$200,000
Commercial building permits - remodel/rehab	55	55	48	96	59
Commercial building permits - remodel/rehab - Total valuation	\$13,500,000	\$4,500,000	\$12,500,000	\$32,500,000	\$7,722,308
Manufactured Homes building permits	6	5	7	3	5
Manufactured Homes building permits - Total valuation	\$300,000	\$175,000	\$400,000	\$80,000	\$145,000
Photovoltaic building permits	115	75	120	106	69
Photovoltaic building permits - Total valuation	\$3,500,000	\$2,500,000	\$3,600,000	\$3,500,000	\$1,776,745
Photovoltaic building permits - Total KW	1,000	850	1,200	740	692
Tenant Occupancy permits (CofOs)	70	100	54	114	95
Miscellaneous permits (sheds, decks, fences, pools, etc.)	230	225	250	233	259
Miscellaneous permits - Total valuation	\$5,500,000	\$8,200,000	\$4,500,000	\$7,300,000	\$7,225,376
Off-premise Sign permits	22	15	22	22	2
Temporary Sign permits	45	25	60	30	3
Right-of-Way permits	180	175	225	162	106
Wastewater permits	15	30	15	28	39
Liquor Licenses	N/A	N/A	N/A	N/A	21
Inspections	4,200	4,400	4,400	4,623	4,398

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Initial plan review: Timeframe in days - Residential permits		7.0	7.0	6.3	5.4	11
Initial plan review: Timeframe in days - Residential Alterations		10.0	10.0	9.3	8.3	6.5
Initial plan review: Timeframe in days - Commercial permits		12	12	10.7	9.7	17
Initial plan review: Timeframe in days - Photovoltaic		7.0	6.0	8.4	6.1	6.5
Initial plan review: Timeframe in days - Tenant Occupancy		4	4	3.4	3.1	3.6
Initial plan review: Timeframe in days - Tenant Improvements (Includes Commercial Alterations)		11.0	11.0	10.8	10.0	7.2
Initial plan review: Timeframe in days - Miscellaneous permits		5.0	5.0	3.5	4.1	2.4
Internal Survey: Overall customer service (% responses favorable)		90%	90%	100%	100%	90%

COMMUNITY DEVELOPMENT – Code Enforcement

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 218,960	68%	\$ 201,930	\$ 141,780	\$ 208,491
Supplies & Services	22,130	7%	21,670	11,540	8,318
Subtotal Direct Costs	\$ 241,090	75%	\$ 223,600	\$ 153,320	\$ 216,809
Internal Charges	82,220	25%	216,740	198,300	186,320
Total Expenditures	\$ 323,310	100%	\$ 440,340	\$ 351,620	\$ 403,129
Expenditures by Fund					
General Fund Portion	\$ 321,910	100%	\$ 438,940	\$ 350,420	\$ 402,168
Other Funds Portion	\$ 1,400	<1%	\$ 1,400	\$ 1,200	\$ 961
Funding Sources					
Program Revenues	\$ -	0%	\$ -	\$ -	\$ 294
Funding from General Revenues:					
Estimated Resident Generated	\$ 113,160	35%	\$ 154,120	\$ 123,070	\$ 140,992
Estimated Visitor Generated	\$ 210,150	65%	\$ 286,220	\$ 228,550	\$ 261,843
Employee Time Allocation (FTEs) (Budgeted)	2.25		2.38		2.30

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 FY 2022 and FY 2023 fiscal years, and the complexity of certain types has grown as well. Short-term vacation rentals have continued to increase the number and complexity of complaints in two primary areas. First, property owners are continuing to renovate and modify 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 other most common types of 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 2023 Accomplishments

Overall City Value - Public Safety:

- * Researched, drafted, and presented revisions and amendments to the City trash, parking, nuisance, and abatement ordinances, which were approved and adopted by the City Council in September 2022.
- * Worked with the West Sedona school students with a Science, Technology, Engineering, and Mathematics (STEM) project on Dark Sky lighting fixture designs as part of a school district grant.
- * Published an article in the local newspaper to provide education for residents and businesses on Dark Sky lighting requirements and best practices as Sedona is an International Dark Sky certified community.
- * Collaborated with the municipal court to create a fine schedule for City and Land Development codes to aid the court in processing citations issued by code enforcement.
- * Equipped the code enforcement vehicle with a mobile laptop computer needed to be able to use reporting software in the field for entering case notes to increase productivity and efficiency in conducting investigations.
- * Enhanced the working relationship with the City of Sedona Chief Building Official related to the International Residential and Commercial Building Codes 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.
- * Successfully adjudicated civil citations in municipal court on cases involving construction without permits, Land Development Code violations, and City ordinance violations.
- * Attended the annual American Association of Code Enforcement conference and completed training in conducting Code Enforcement investigations.

COMMUNITY DEVELOPMENT – Code Enforcement
continued

FY 2024 Objectives

Overall City Value - Good Governance:

- * Continue strong 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.
- * Work with City Manager's Office to identify short-term rental (STR) properties that have not obtained a City permit to operate as a STR, obtained a Transaction Privilege Tax (TPT) license, or complied with other permit requirements, and take enforcement action.
- * Work with the Parks and Recreation and Police Departments to enforce animal violations at the city parks to maintain a safe, clean, and sanitary environment for users.

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.
- * Respond to reports of trash spills and littering complaints within the same day received to ensure public health concerns are addressed and properties are maintained free of unsightly conditions. Take enforcement action when appropriate.

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 the Communications Division to provide education for residents, businesses and property owners and managers on key code enforcement issues (proactive messaging regarding our most common violations).
- * Complete continuing education for Code Enforcement staff on building code, zoning code, and city ordinances to continually improve code enforcement investigations.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Total code cases/investigations	700	750	670	662	568
Cases resolved through voluntary compliance	250	250	220	220	141
Cases resolved through forced compliance	40	50	27	39	14
Cases unsubstantiated	50	75	56	62	98
Cases closed/miscellaneous	360	400	367	327	300

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Average days from complaint to first investigation		1	1	1	1	2
Average days from investigation to voluntary compliance		45	45	45	44	56
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	60	25	46	63

COMMUNITY DEVELOPMENT – Housing

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Supplies & Services	\$ -	0%	\$ -	\$ -	\$ 178,430
Expenditures by Fund					
Other Funds Portion	\$ -	0%	\$ -	\$ -	\$ 178,430
Funding Sources					
Program Revenues	\$ -	0%	\$ -	\$ -	\$ 178,430
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

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. Starting FY 2024, the CDBG will be managed by the new Housing Department.

This program is paid by the Grants, Donations, and Restricted Funds.

PUBLIC WORKS

Mission Statement

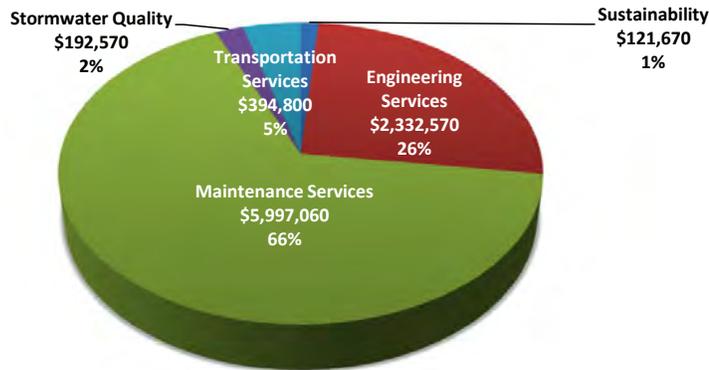
Providing a safe and enjoyable experience through cost effective, quality infrastructure and services.

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.

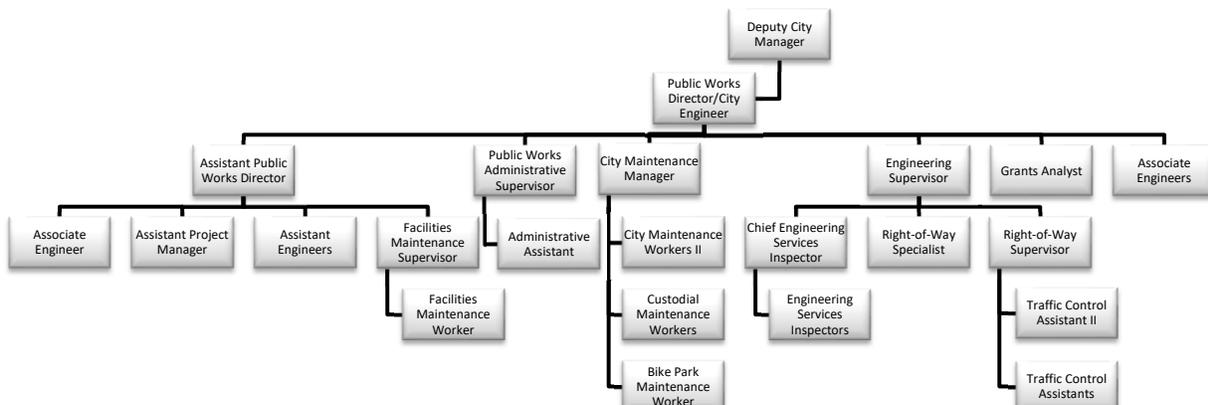
FY 2024 PROGRAM EXPENDITURES: \$9,038,670



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



PUBLIC WORKS – Sustainability

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Supplies & Services	\$ 117,810	97%	\$ 105,000	\$ 104,750	\$ 102,000
Internal Charges	3,860	3%	3,550	2,660	-
Total Expenditures	\$ 121,670	100%	\$ 108,550	\$ 107,410	\$ 102,000
Expenditures by Fund					
General Fund Portion	\$ 121,670	100%	\$ 108,550	\$ 107,410	\$ 102,000
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 42,580	35%	\$ 37,990	\$ 37,590	\$ 35,700
Estimated Visitor Generated	\$ 79,090	65%	\$ 70,560	\$ 69,820	\$ 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 2023 Accomplishments

- Council Priority - Environmental Stewardship/Sustainability:
- * Completed the second annual curbside yard waste collection program.
 - * Provided mulch to the public for re-use.
 - * Diverted yard waste from the landfill for re-use.

FY 2024 Objectives

- Council Priority - Environmental Stewardship/Sustainability:
- * Implement the FY2024 annual curbside yard waste collection program.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Cubic yards of yard waste collected (chipped)	500	300	500	400	N/A
Cubic yards of mulch taken	120	120	120	100	N/A

PUBLIC WORKS – Engineering Services

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 1,491,640	64%	\$ 1,437,410	\$ 1,374,800	\$ 1,293,228
Supplies & Services	122,140	5%	154,475	153,180	72,063
Capital & Debt Service	72,290	3%	30,400	59,850	11,798
Subtotal Direct Costs	\$ 1,686,070	72%	\$ 1,622,285	\$ 1,587,830	\$ 1,377,089
Internal Charges	646,500	28%	479,170	436,970	450,320
Total Expenditures	\$ 2,332,570	100%	\$ 2,101,455	\$ 2,024,800	\$ 1,827,409
Expenditures by Fund					
General Fund Portion	\$ 1,817,080	78%	\$ 1,634,985	\$ 1,614,750	\$ 1,379,640
Wastewater Fund Portion	\$ 354,450	15%	\$ 314,370	\$ 295,170	\$ 331,808
Other Funds Portion	\$ 161,040	7%	\$ 152,100	\$ 114,880	\$ 115,961
Funding Sources					
Program Revenues	\$ 516,710	22%	\$ 467,780	\$ 409,640	\$ 456,185
Funding from General Revenues:					
Estimated Resident Generated	\$ 635,550	27%	\$ 571,790	\$ 565,310	\$ 479,928
Estimated Visitor Generated	\$ 1,180,310	51%	\$ 1,061,885	\$ 1,049,850	\$ 891,296
Employee Time Allocation (FTEs) (Budgeted)	12.80		12.73		12.61

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 2023 Accomplishments

Overall City Value - Good Governance:

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

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

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

FY 2024 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.

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

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

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Building permits reviewed	503	503	503	450	483
Commercial permits reviewed	256	256	256	225	241
Blue stakes completed	3,464	3,464	3,464	3,310	3,370

PUBLIC WORKS – Maintenance Services

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 1,428,900	24%	\$ 1,423,240	\$ 1,294,540	\$ 1,222,177
Supplies & Services	3,184,860	53%	2,658,990	2,960,935	2,865,501
Capital & Debt Service	405,740	7%	482,830	511,220	424,088
Subtotal Direct Costs	\$ 5,019,500	84%	\$ 4,565,060	\$ 4,766,695	\$ 4,511,765
Internal Charges	977,560	16%	944,250	854,430	798,470
Total Expenditures	\$ 5,997,060	100%	\$ 5,509,310	\$ 5,621,125	\$ 5,310,235
Expenditures by Fund					
General Fund Portion	\$ 3,347,540	56%	\$ 3,083,950	\$ 3,131,465	\$ 2,720,972
Other Funds Portion	\$ 2,649,520	44%	\$ 2,425,360	\$ 2,489,660	\$ 2,589,263
Funding Sources					
Allocations to Other Departments	\$ 1,094,270	18%	\$ 995,780	\$ 964,850	\$ 828,300
Program Revenues	\$ 994,000	17%	\$ 1,293,000	\$ 1,025,000	\$ 1,110,759
Funding from General Revenues:					
Estimated Resident Generated	\$ 1,368,080	23%	\$ 1,127,190	\$ 1,270,950	\$ 1,179,912
Estimated Visitor Generated	\$ 2,540,710	42%	\$ 2,093,340	\$ 2,360,325	\$ 2,191,264
Employee Time Allocation (FTEs) (Budgeted)	17.56		17.47		16.20

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. Maintenance costs for bus stops are paid from the Public Transit Fund.

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 2023 Accomplishments

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

- * Provided required traffic count data and maintained NACOG funding eligibility.
- * Completed Fractured Aggregate Surface Treatment (FAST) on streets in the Crimson View, Northern Shadows, Red Rock Heights, and Valley Shadows Unit 2, Coffee Pot, Western Hills, Kinsey Estates, Manzanita Hills, and Anasazi subdivisions.
- * Completed rehabilitation and preservation projects for 7.0 miles of streets.
- * Increased the paved lane miles assessed as satisfactory.
- * Responded to 100% of storm emergencies requiring response.

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

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

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
ST: Pavement rehabilitation cost	\$1,150,000	\$1,150,000	\$1,250,000	\$1,145,000	\$1,042,010
ST: Paved lane miles of City maintained streets (lane miles = miles per 12 feet of width)	177.6	177	175.1	175	175
ST: Culverts cleaned	150	50	300	40	39
ST: Storms responded to after normal business hours	5	3	5	6	2
ST: Traffic control signs damaged and replaced	10	10	12	16	9
ST: Christmas Trees Recycled	180	300	150	178	300
PARK: In-house projects completed	10	8	9	8	5

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

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
ST: Centerline miles of streets rehabilitation completed (average annual goal 5.0 miles) (* = FY22 work delayed due to weather, will catch up in FY23)		5.0	N/A	7.0	1.25 *	4.1
ST: Pavement rehabilitation cost per mile (* = cost includes CIP overlay)		\$319,410 *	\$257,447 *	\$192,857 *	\$248,276 *	\$158,686
ST: Paved lane miles assessed as satisfactory as a percentage of miles assessed (ICMA Benchmark 2016-2021)	72% (all) / 72% (cities under 30,000 pop.)	75%	75%	72%	69%	70%
ST: Paved road rehabilitation expenditures, per paved lane mile (ICMA Benchmark 2016-2021)	\$7,922 (all) / \$9,331 (cities under 30,000 pop.)	\$7,320	\$6,497	\$7,061	\$7,143	\$5,954
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	58% (Similar to NCS benchmark)	N/A	57% (Similar to NCS benchmark)
ST: Storm emergencies requiring response and responded to		100%	100%	100%	100%	100%

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
FAC: Administrative/office facilities, custodial expenditure per square foot (ICMA Benchmark 2016-2021)	\$1.60 (all) / \$1.74 (cities under 30,000 pop.)	\$2.61	\$1.61	\$2.53	\$2.46	\$1.52

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

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
PARK: Savings due to in-house projects		\$200,000	\$100,000	\$250,000	\$75,000	\$30,000
PARK: Park maintenance expenditure per developed park acre (ICMA Benchmark 2016-2021)	\$5,711 (all) / \$10,384 (cities under 30,000 pop.)	\$7,713	\$8,317	\$7,304	\$7,921	\$7,705

PUBLIC WORKS – Stormwater Quality

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 116,330	60%	\$ 107,480	\$ 100,380	\$ 101,603
Supplies & Services	31,900	17%	43,000	25,360	16,875
Subtotal Direct Costs	\$ 148,230	77%	\$ 150,480	\$ 125,740	\$ 118,478
Internal Charges	44,340	23%	33,430	38,470	52,930
Total Expenditures	\$ 192,570	100%	\$ 183,910	\$ 164,210	\$ 171,408
Expenditures by Fund					
General Fund Portion	\$ 187,970	98%	\$ 179,410	\$ 159,610	\$ 166,950
Other Funds Portion	\$ 4,600	2%	\$ 4,500	\$ 4,600	\$ 4,458
Funding Sources					
Funding from General Revenues:					
Estimated Resident Generated	\$ 67,400	35%	\$ 64,370	\$ 57,470	\$ 59,993
Estimated Visitor Generated	\$ 125,170	65%	\$ 119,540	\$ 106,740	\$ 111,415
Employee Time Allocation (FTEs) (Budgeted)	1.14		1.12		1.24

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 2023 Accomplishments

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

- * Completed Pre-Monsoon Program for FY 2023.
- * Met the ADEQ requirements for Municipal Separate Storm Sewer System (MS4) compliance per ADEQ Permit No. AZG2021-002, and our Notice of Intent with ADEQ.
- * Presentation to residents with ADEQ, U.S. Forest Service, Army Corps of Engineers, Coconino County, Yavapai County and U.S. Department of Agriculture regarding Oak Creek.
- * Hold 1 tabling/outreach event, interacting with 20 people for a total of 20 educational hours.
- * Presented stormwater pollution's effect in Oak Creek to one organization.
- * Held one trash pickup event within Sedona with a total of 4 employees took part.
- * Installed NO DUMPING – Drains to Oak Creek curb markers.
- * Maintained 20 pet waste stations throughout Sedona, collecting 5,150 pounds during FY 2023.
- * Power swept City parking lots on a regular basis with the City's own sweeper truck.

FY 2024 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. AZG2021-002, and our Notice of Intent (NOI) with ADEQ.
- * Present stormwater pollution's effect in Oak Creek to one organization.
- * Hold trash pickup event within Sedona.
- * Install additional NO DUMPING - Drains to Oak Creek curb markers.
- * Maintain all pet waste stations throughout Sedona.
- * Power sweep City parking lots on a regular basis.

PUBLIC WORKS – Stormwater Quality
continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Letters written to property owners regarding Pre-Monsoon Program inspection outcomes	5	10	10	3	0
Stormwater compliance inspections (active CIP projects - every two weeks)	25	25	30	40	31
CIP project post-construction Best Management Practices (BMP) inspections	5	5	5	5	5
Stormwater compliance inspections (active private development projects - every month)	50	60	60	114	83
Letters sent regarding illicit discharges to the MS4	5	10	5	2	9
Public outreach tabling events	8	1	8	8	1
Educational brochures sent to local contractors	50	60	50	0	53
Presentations to local organizations	3	1	3	3	1
Trash pickup events	2	1	3	3	2
Pounds of dog feces collected through semimonthly pet waste station maintenance	5,300	5,000	5,150	4,956	4,625
Stormwater based articles in news outlets	2	3	2	4	5
Dry weather outfall monitoring inspections	3	57	3	3	57
Visual and analytical wet weather monitoring inspections	12	12	12	2	0
Internal inspections of City maintenance yards	12	18	12	12	18

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

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
MS4 Compliant		Yes	Yes	Yes	Yes	Yes
Single family home active construction site inspections		75	75	75	49	75
Private development post-construction BMP inspections		5	5	5	4	8

PUBLIC WORKS – Transportation Services

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 273,110	69%	\$ 261,680	\$ 248,830	\$ 228,806
Supplies & Services	17,500	4%	12,875	15,100	12,006
Subtotal Direct Costs	\$ 290,610	74%	\$ 274,555	\$ 263,930	\$ 240,812
Internal Charges	104,190	26%	140,440	119,140	58,660
Total Expenditures	\$ 394,800	100%	\$ 414,995	\$ 383,070	\$ 299,472
Expenditures by Fund					
General Fund Portion	\$ 391,800	99%	\$ 412,495	\$ 379,470	\$ 293,575
Other Funds Portion	\$ 3,000	1%	\$ 2,500	\$ 3,600	\$ 5,897
Funding Sources					
Program Revenues	\$ 3,000	1%	\$ 2,500	\$ 3,600	\$ 5,897
Funding from General Revenues:					
Estimated Resident Generated	\$ 137,130	35%	\$ 144,370	\$ 132,810	\$ 102,751
Estimated Visitor Generated	\$ 254,670	65%	\$ 268,125	\$ 246,660	\$ 190,824
Employee Time Allocation (FTEs) (Budgeted)	4.35		4.33		3.80

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. Traffic control staff utilize traffic data to inform needed adjustments to resource needs.

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

FY 2023 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.
- * Continued assisting with trailhead traffic and parking control.

FY 2024 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 from Rainbow Trout Farm to the Y to be 15 minutes, SR 179 from Bell Rock Road to the Y to be 30 minutes, and 10 minutes for SR 89A on Cook's Hill from Airport Road to the Y.
- * 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Days with traffic control on SR 89A	120	115	120	110	106
Days with traffic control on SR 179	235	175	235	135	165
Holiday weekends with traffic control	12	12	12	12	12
Total miles of ST&PS complete	9	7.9	4.5	3.2	1.3

PUBLIC WORKS – Transportation Services
continued

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

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Holiday weekends with delays > 15 min. – SR 89A Uptown		0	1	0	1	1
Holiday weekends with delays > 30 min. – SR 179		8	8	9	9	10
Holiday weekends with delays > 10 min. – SR 89A Cooks Hill		10	8	11	9	10
Days of delays > 15 min. – SR 89A Uptown		2	5	2	24	8
Days of delays > 30 min. – SR 179		80	50	77	30	10
Days of delays > 10 min. – SR 89A Cooks Hill		80	75	77	85	91
Days of delays > 15 min. – SR 89A NB - Y to Rainbow Trout Farm		15	30	15	35	N/A
Percentage of congested weekends providing assistance with management of trailhead parking		100%	100%	100%	100%	31%
Traffic control operations maintained for days experiencing high congestion (> 30 min.) on SR 179		95%	90%	95%	90%	80%

TOURISM & ECONOMIC INITIATIVES

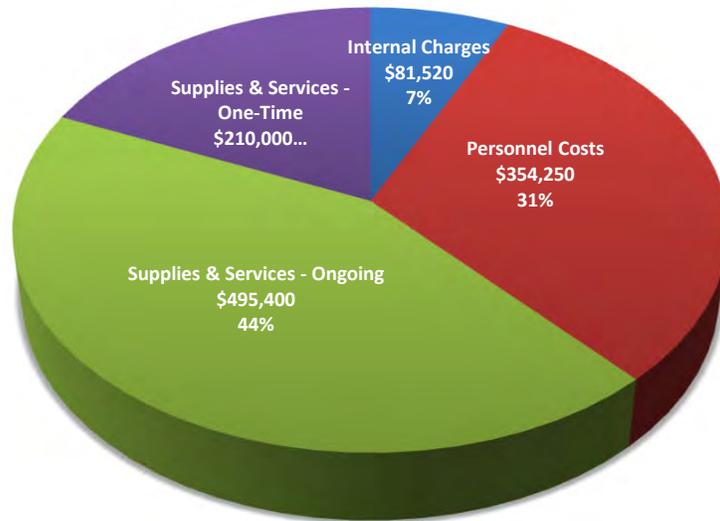
Mission Statement

To manage and market tourism with consideration of the perspectives of residents, businesses, and City partners. To further efforts for diversification of City's local economy and provide assistance for improving the success of local businesses with training and other programs related to business planning, financing, etc.

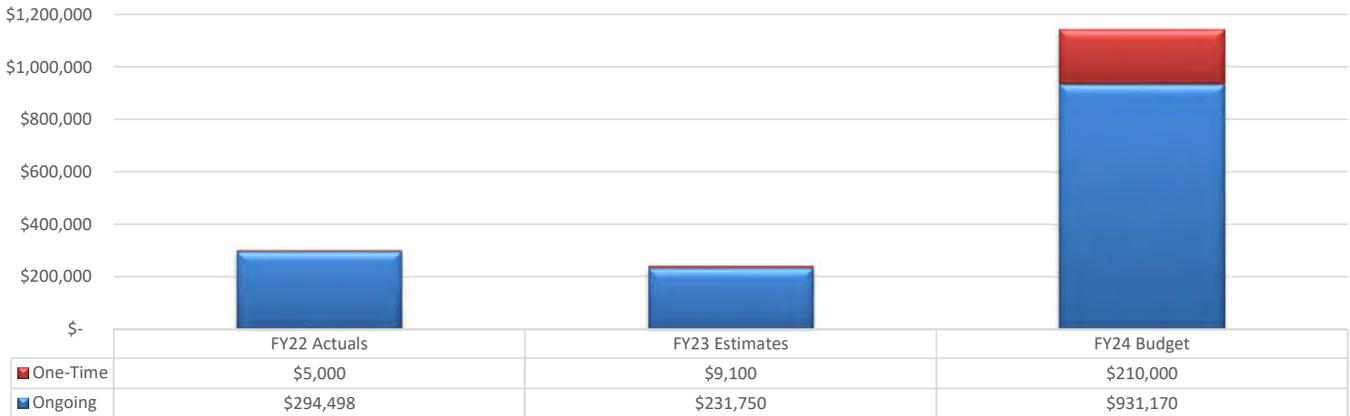
Description

On April 12, 2023, the City Council approved Resolution 2023-12, designating the City of Sedona as the official Destination Marketing Organization (DMO) for the City of Sedona. A plan for the development of an in-house DMO program will be developed, as well as a reevaluation of the economic diversification/business education program.

FY 2024 PROGRAM EXPENDITURES: \$1,141,170



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



TOURISM & ECONOMIC INITIATIVES – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 354,250	31%	\$ 171,220	\$ 110,600	\$ 169,392
Supplies & Services	705,400	62%	142,650	86,840	90,456
Capital & Debt Service	-	0%	-	3,450	-
Subtotal Direct Costs	\$ 1,059,650	93%	\$ 313,870	\$ 200,890	\$ 259,848
Internal Charges	81,520	7%	77,110	39,960	39,650
Total Expenditures	\$ 1,141,170	100%	\$ 390,980	\$ 240,850	\$ 299,498
Expenditures by Fund					
General Fund Portion	\$ 1,131,170	99%	\$ 390,570	\$ 235,440	\$ 299,340
Other Funds Portion	\$ 10,000	1%	\$ 410	\$ 5,410	\$ 158
Funding Sources					
Program Revenues	\$ 10,000	1%	\$ -	\$ 5,000	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 395,910	35%	\$ 136,840	\$ 82,550	\$ 104,824
Estimated Visitor Generated	\$ 735,260	64%	\$ 254,140	\$ 153,300	\$ 194,674
Employee Time Allocation (FTEs) (Budgeted)	3.10		1.00		1.00

FY 2023 Accomplishments

The majority of FY 2023, 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 VVREO, NACOG, 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 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 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, \$1.4M is in review for CIP projects (PD's EOC and 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 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 VISTA volunteer.
- * The department director continues to chair the loan committee for VVREO.
- * The department director continues to serve on the Northern Arizona Council of Governments (NACOG) Economic Development Council.
- * The department director was elected to the NACET board of directors.

FY 2024 Objectives

Community Plan Economic Development Goal - Preserve and enhance Sedona's tourist based economic sector:

- * Create a Tourism Advisory Board.
- * Work with a consultant to develop a framework and timeline with how to move forward with creating the new program.

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.

TOURISM & ECONOMIC INITIATIVES – Administration
continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Unique website visits	800	800	800	804	750
Inquiries from businesses	50	50	50	50	100
Business visits/outreach	30	30	30	40	30
Businesses assisted with business planning	25	25	25	25	25
Business workshops/trainings hosted or partnered	10	10	10	12	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	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Expansion and investment in targeted sector		\$500,000	\$500,000	\$500,000	\$4,000,000	\$1,500,000
Private capital investment invested by businesses served		\$500,000	\$500,000	\$500,000	\$3,000,000	\$2,000,000
Number of business loans / total value of loans		5 / \$500,000	5 / \$500,000	5 / \$500,000	7 / \$6,500,000	25 / \$8,000,000
Jobs resulting from businesses served		15	15	15	30	15
Jobs created above median earnings*		10	10	10	20	8
Percentage of businesses surveyed that find value in workshops		100%	100%	100%	100%	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.

SUSTAINABILITY

Mission Statement

The Sustainability Program's mission is to advance policy and programs that improve environmental stewardship, improve community connections, and are fiscally sound by facilitating opportunities to:

- * reduce consumption
- * enhance resiliency
- * promote a culture of inclusivity, equity and collaboration
- * adapt to and mitigate the effects of climate change in the region

Description

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, advance community-wide sustainability, and achieve progress towards the goals found in the Climate Action Plan and Municipal Sustainability Plan.

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 bottle 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 technologies.
- * Regional sustainability information through the City's partnership with the Verde Valley Sustainability Alliance and Sustaining Flows Council.
- * Annual partnership with Oak Creek Watershed Council for stormwater outreach.
- * Provides programs to benefit the community such as the Home Energy Retrofit Project and the Community Composting Pilot Project.
- * Increase presence of renewable energy generation (i.e. wind, solar) for use within the City of Sedona operations.

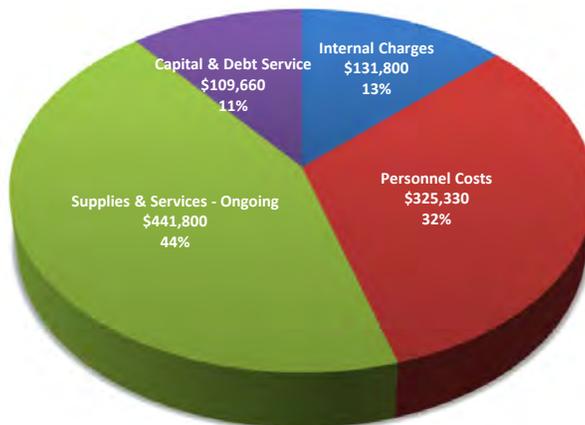
DEPARTMENT ORGANIZATION CHART



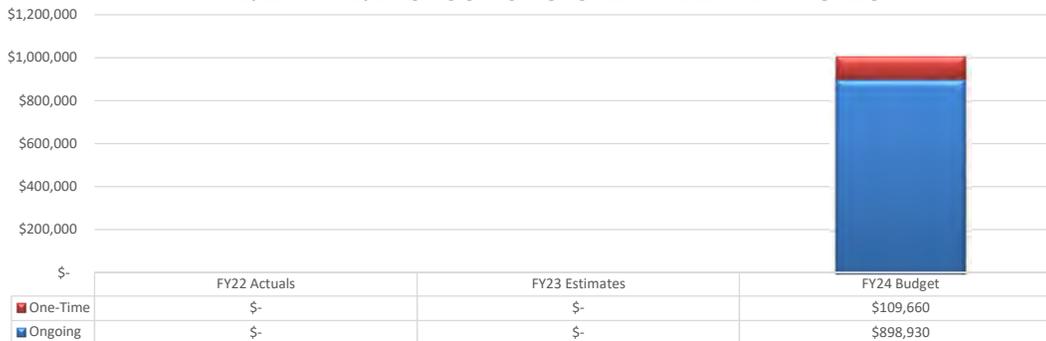
The program finalized the Sedona Climate Action Plan (CAP) which was adopted by Council in July 2021. Staff is currently working on implementing the CAP through initiatives such as a Green Fleet Policy, community composting, and residential energy efficiency support, greenhouse gas accounting, policy and developmental review, and community outreach. The department evaluates projects, trends, and opportunities and assesses feasibility for incorporation across municipal efforts to improve efficiencies, reduce costs, generate positive environmental benefits, and improve community.

Effective FY 2024, Sustainability was moved from a program under the City Manager's Office to a stand-alone department.

FY 2024 PROGRAM EXPENDITURES: \$1,008,590



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



SUSTAINABILITY – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 325,330	32%	\$ -	\$ -	\$ -
Supplies & Services	441,800	44%	-	-	-
Capital & Debt Service	109,660	11%	-	-	-
Subtotal Direct Costs	\$ 876,790	87%	\$ -	\$ -	\$ -
Internal Charges	131,800	13%	-	-	-
Total Expenditures	\$ 1,008,590	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
General Fund Portion	\$ 1,008,590	100%	\$ -	\$ -	\$ -
Funding Sources					
Program Revenues	\$ 9,600	1%	\$ -	\$ -	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 349,650	35%	\$ -	\$ -	\$ -
Estimated Visitor Generated	\$ 649,340	64%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	3.00		0.00		0.00

FY 2023 Accomplishments

Council Priority - Environmental Stewardship/Sustainability

Community Programs and Projects:

- * Completed the second year of Home Energy Retrofit Project. 23 homes were completed in FY 2023 (48 total homes since FY 2022).
- * Completed the second year of the Community Foods Scraps Composting Pilot. Over 50 residences have helped divert over 3.5 tons of food waste from landfills since the start of the program.
- * Hosted the 4th Annual Household Hazardous Waste and Electronics Collection Event.
- * Participated in outreach for the second round of a solar co-op with City of Flagstaff, Coconino County, and Solar United Neighbors.
- * Collaborated with Leave No Trace, Arizona Department of Environmental Quality, Oak Creek Watershed Council, and the Sedona Chamber of Commerce and Tourism Bureau on a messaging campaign to reduce recreational impacts in the Oak Creek Watershed.
- * Collaborated and conducted outreach and cleanup events with Oak Creek Watershed Council at farmer’s markets, parks, and trailheads on stormwater pollution and watershed health. Cleanup events removed over 150 pounds of waste and debris from the watershed.
- * Participated with National Oceanic and Atmospheric Administration (NOAA) and 18 other communities in the Urban Heat Island Initiative.

Municipal Projects:

- * Installed 4 direct current (DC) fast electric vehicle (EV) charging stations at Posse Grounds Park - first DC fast chargers for City of Sedona.
- * Installed 2 EV Charging Stations at Sunset Park.
- * Arizona State University Industrial Assessment Center Audit led to heating, ventilation, and air conditioning (HVAC) upgrades at Wastewater, Arizona Public Service (APS) rate changes, HVAC control upgrades, and programmable plug timer testing.
- * Entered the Green Power Partner Program with APS to source renewable energy.
- * Implemented utility tracking platform (WatchWire) to help utility calculations and project tracking.
- * Sustainable Procurement Policy created in collaboration with the Finance Department.
- * Launched a pool of six (6) electric bikes for municipal operations.
- * Procured bike racks for installation on municipal properties.

FY 2024 Objectives

Council Priority - Environmental Stewardship/Sustainability:

- * Advance strategies and initiatives from the Municipal Sustainability Plan and Climate Action Plan.
- * Collaborate across departments and with regional partners to advance sustainability efforts.
- * Expand public and City fleet electric vehicle charging infrastructure.
- * Increase number of hybrid and electric vehicles in City fleet.
- * Provide community-oriented projects for home energy retrofits and rebates.
- * Provide community composting and opportunities.
- * Develop on-site renewable energy and efficiency projects for City operations.
- * Continue participation in Oak Creek Watershed Council, Verde River Sustaining Flows Council, and Sustainability Alliance.
- * Expand Spanish-language community engagement.
- * Collaborate with Public Works and Transit to increase multi-modal transportation options.
- * Identify regional collaborations and funding opportunities.
- * Provide workshops, presentations, and programs to business community, schools and residents on water conservation, stormwater management, and watershed protection.
- * Establish new connections and opportunities for residents, businesses and, visitors on sustainability initiatives.



SUSTAINABILITY – Administration
continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Greenhouse gas emissions produced by municipal operations (metric tons of CO2 equivalent)	1,400	2,300	2,800	2,700	N/A
Energy consumed in City operations (MWh) through APS	3,400	3,500	3,700	3,614	4,177
Renewable energy used (MWh)	4,200	3,500	1,799	1,324	1,324
Water consumed in City operations (gallons)	15,000,000	15,000,000	18,000,000	17,420,390	16,904,920
Fuel used by City light-duty vehicles and equipment (gallons)	40,000	45,000	42,000	41,509	36,226
Paper purchased for City operations (sheets)	400,000	415,000	410,000	427,500	455,000
Electronics recycling collected (weight in pounds)	12,000	12,000	3,864	25,874	15,254
Household hazardous waste collected (weight in pounds)	10,000	12,000	8,000	12,900	10,620

Council Priority - Environmental Stewardship/Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Receive an Energy Star Score of 75 or better in municipal facilities by 2026.		50	N/A	N/A	N/A	N/A
Department of Energy SolSmart rating		Silver	Silver	Silver	Bronze	Bronze
% of electricity procured from renewable sources (goal of 100% renewable energy by 2025)		75%	75%	45%	31%	31%
% reduction in water use in City operations from CY 2022 baseline year (goal of 25% reduction by 2026)		5%	N/A	Baseline Year	N/A	N/A
% of zero emissions vehicles in City fleet (goal of 100% by 2030)		5%	5%	5%	3%	1%
% of recycled-content paper purchased (goal of 100% recycled-content paper by 2022) *Achieved in 2022		1%	100%	100%	100%	1%

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

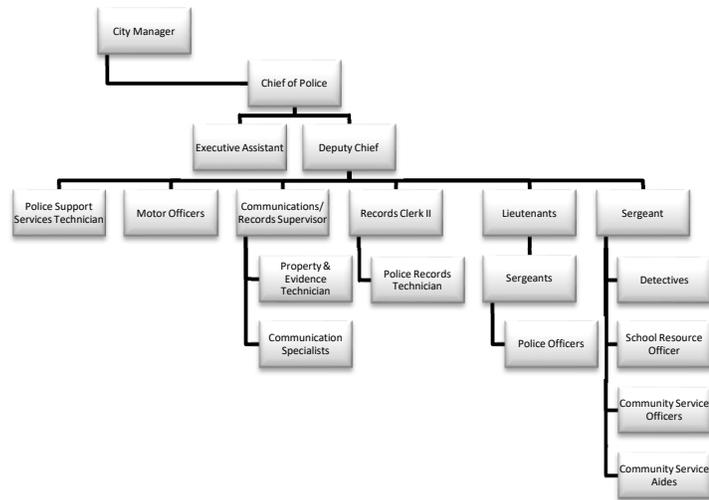
With a steadfast focus on "Selfless Service For All," we will continue to foster public trust and strengthen community relationships while striving for excellence through employee development, self-discipline, and strong leadership. Our foundational core values include: Community, Compassion, and Honor.

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.

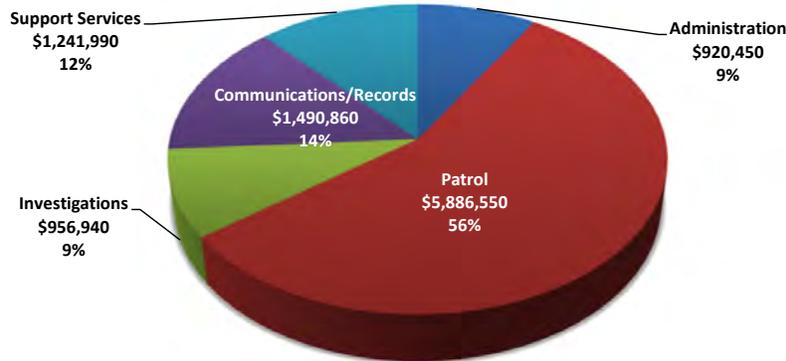
The Police Department is responsible for the following primary program areas:

- * 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), K-9-unit, School Resource Officer and Police Cadet Program.
- * Support Services Division - includes all support functions of the Department and assists the patrol division operations, including Community Services Officers and Community Service Aides
- * 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.

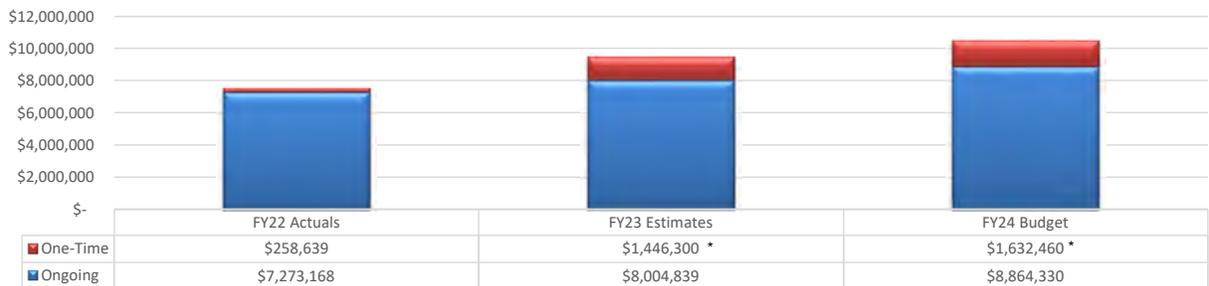
DEPARTMENT ORGANIZATION CHART



FY 2024 PROGRAM EXPENDITURES: \$10,496,790



FY 2022 - FY 2024 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 for FY 2023 and \$1.2 million

POLICE – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 676,150	73%	\$ 619,530	\$ 531,500	\$ 299,216
Supplies & Services	61,720	7%	76,650	57,250	35,086
Capital & Debt Service	15,460	2%	23,860	10,680	23,860
Subtotal Direct Costs	\$ 753,330	82%	\$ 720,040	\$ 599,430	\$ 358,162
Internal Charges	167,120	18%	138,450	127,540	93,590
Total Expenditures	\$ 920,450	100%	\$ 858,490	\$ 726,970	\$ 451,752
Expenditures by Fund					
General Fund Portion	\$ 913,590	99%	\$ 848,110	\$ 721,310	\$ 448,653
Other Funds Portion	\$ 6,860	1%	\$ 10,380	\$ 5,660	\$ 3,099
Funding Sources					
Program Revenues	\$ 6,700	1%	\$ 10,800	\$ 9,080	\$ 3,666
Funding from General Revenues:					
Estimated Resident Generated	\$ 319,810	35%	\$ 296,690	\$ 251,260	\$ 156,830
Estimated Visitor Generated	\$ 593,940	65%	\$ 551,000	\$ 466,630	\$ 291,256
Employee Time Allocation (FTEs) (Budgeted)	3.00		3.00		2.00

The Police Administration program (Office of the Chief of Police) consists of the police chief, the deputy chief, the chief's executive assistant and the police volunteer program. 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, emergency management planning, coordination of all training and travel, fleet and body worn camera management 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. 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 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.

A portion of this program is paid by the Grants, Donations and 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 2023 Accomplishments

Overall City Value – Public Safety:

- * Submitted applications for grant funding to the Governor's Office of Highway Safety (GOHS) to assist with departmental operations.
- * Continued to utilize social media to enhance communication and engagement with Sedona residents.
- * Fostered a collaborative relationship and localized team with the Sedona Fire Department regarding enhanced emergency management practice and homeland security preparations.
- * Awarded federal funding from the Emergency Management Program received three mobile message boards to be utilized for community messaging.
- * Begin and complete the second phase remodel of the Police Department facility.
- * Updated the Police Department Policy Manual, ensuring alignment with contemporary police standards and disseminated to employees.
- * Maintain our awards and recognition program for employees.
- * Successfully recruited and hired new admin lieutenant, deputy chief and chief of police.
- * Volunteers assisted with 56 prisoner transports from July 1, 2022, to February 15, 2023.
- * Increased use of message and speed trailers to 17 deployments for FY 2022, but most were for long term deployment for traffic and parking issues and shuttle service information.
- * Awarded grant through GOHS for purchase of a new message and speed trailer.
- * Volunteers provided fingerprinting services twice a month.
- * Volunteers received refresher training in traffic control and oleoresin capsicum (OC) spray.
- * We added additional volunteers to our program.
- * Volunteers assisted during winter storms with road closures for Arizona Department of Transportation and the Police Department.

POLICE – Administration
continued

FY 2024 Objectives

Overall City Value - Public Safety:

- * Continue to update training materials for Critical Incident/Emergency Management deployment, and conduct training exercises for 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.
- * Conduct a leadership retreat with supervisory team.
- * Organize and participate in National Night Out or similar Community Celebration.
- * Deploy volunteers at special events.
- * Deploy message and speed trailer.
- * Conduct fingerprinting twice a month with our volunteers.
- * Conduct speed watch once a month.
- * Continue to assist the records department with quality assurance calls and increase the volume of customers polled.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Sworn staff attending training on Critical Incident Training (CIT)/Mental Health Interactions	5	5	5	10	16
Sworn staff attending training on Incident Command System/National Incident Management System (ICS/NIMS) protocols	5	5	5	7	1
Community interaction events	12	12	12	11	7
Hours of volunteer time donated (Due to COVID, the volunteer hours have decreased from prior years)	4,100	N/A	3,900	3,730	N/A

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Retention of sworn employees (excluding retirement)		100% (29/29)	100% (27/27)	85.2% (23/27)	100% (27/27)	100% (27/27)
Retention of civilian employees (excluding retirement)		100% (19/19)	94% (17/18)	86.3% (16.4/19)	85.3% (12.8/15)	83% (15/18)
Sworn personnel turnover (ICMA Benchmark 2016-2021)	4.4% (all) / 5.1% (cities under 30,000 pop.)	0%	7.5%	15%	11.5%	0%
Sworn police overtime as % of total sworn police compensation (ICMA Benchmark 2016-2021)	5.3% (all) / 4.1% (cities under 30,000 pop.)	4.6%	4.6%	4.6%	4.2%	4.2%
FTEs: Sworn positions per 1,000 population (ICMA Benchmark 2016-2021)	2.3 (all) / 2.8 (cities under 30,000 pop.)	3.0	2.7	2.9	2.9	2.4

POLICE – Patrol

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 3,893,080	66%	\$ 3,977,960	\$ 3,871,390	\$ 2,753,711
Supplies & Services	403,440	7%	392,370	340,750	373,072
Capital & Debt Service	318,640	5%	288,510	294,430	184,368
Subtotal Direct Costs	\$ 4,615,160	78%	\$ 4,658,840	\$ 4,506,570	\$ 3,311,151
Internal Charges	1,271,390	22%	1,091,020	1,043,940	1,127,950
Total Expenditures	\$ 5,886,550	100%	\$ 5,749,860	\$ 5,550,510	\$ 4,439,101
Expenditures by Fund					
General Fund Portion	\$ 5,800,150	99%	\$ 5,552,100	\$ 5,331,820	\$ 4,309,208
Other Funds Portion	\$ 86,400	1%	\$ 197,760	\$ 218,690	\$ 129,893
Funding Sources					
Program Revenues	\$ 182,200	3%	\$ 238,350	\$ 308,860	\$ 191,506
Funding from General Revenues:					
Estimated Resident Generated	\$ 1,996,520	34%	\$ 1,929,030	\$ 1,834,580	\$ 1,486,658
Estimated Visitor Generated	\$ 3,707,830	63%	\$ 3,582,480	\$ 3,407,070	\$ 2,760,937
Employee Time Allocation (FTEs) (Budgeted)	23.00		23.00		23.00

The Patrol program is currently managed by a Police Lieutenant and consists of sworn field personnel, the Special Weapons and Tactics (SWAT) program and the motor program.

The sworn field personnel 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 violations, 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 Lieutenant, 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 three officers to the 27-person SWAT team. The SWAT team is an ancillary assignment, where officers are called in to deploy to a field incident as needed.

The motor program consists of two specialized, trained officers whose primary function is to enforce traffic laws through education and enforcement; identification of problem traffic areas and creating solutions to deal with those problems, conducting crash investigations, clearing traffic congestion during heavy travel times, and participating in special details to include Driving Under the Influence (DUI) enforcement.

A portion of this program is paid by the Grants, Donations and Restricted Funds. In addition, a portion of the program costs is allocated to

FY 2023 Accomplishments

Overall City Value - Public Safety:

- * Deployed officers at several special events such as Sedona Mountain Bike Fest, Run Sedona, Day of the Dead, Halloween, Shop with a Cop, and Festival of Lights.
- * Maintained budget funding to accommodate the SWAT team members.
- * Awarded a grant for targeted DUI enforcement for impaired drivers paid for by GOHS along with a Visual Message Board.
- * Deployed two motorcycles received through grant funding from GOHS (one Zero Electric and one BMW) at special events and on patrol.
- * One recruit successfully graduated the police academy and is on field training.
- * Hired a lateral officer who has successfully completed field training.
- * We were able to send six officers this year to Critical Incident Training (CIT) to bring us closer to our goal for the One Mind Challenge.
- * Trained two instructors in Verbal De-escalation - Surviving Verbal Conflict to assist in completing required training by June 30, 2024.
- * Conducted site assessments at various religious institutions for the purpose of safety and security protocols.

POLICE – Patrol
continued

FY 2024 Objectives

Overall City Value - Public Safety:

- * Deploy officers in Uptown on foot patrols.
- * Train officers to conduct patrol bicycle functions.
- * Continue to enhance and produce the information/data available with Command Solutions from Motorola Computer Aided Dispatch (CAD)/ Records Management System (RMS) to improve deployment of resources throughout the City.
- * Recruit and hire officers to achieve and maintain full staffing levels.
- * Train all sworn staff on Verbal De-escalation-Surviving Verbal Conflict by June 30, 2024.
- * Deploy the mobile digital speed indicator and message boards in high traffic areas on at least 20 occasions before June 30, 2024, to collect data and address concerns of unsafe driving and notification purposes.
- * 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.
- * Utilize Command Solutions from Motorola CAD/RMS System to improve deployment of resources throughout the city.
- * Continue commercial bio-hazard/decontamination of field vehicles and holding-cells.

WORKLOAD INDICATORS	Benchmark	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
UCR Part I violent crimes *Criminal homicide, sexual assault, rape, robbery and aggravated assault		40	46	46	35	50
UCR Part I property crimes *Burglary, theft and arson		180	200	218	180	183
UCR Part 2 crimes *Criminal damage, disorderly conduct, drug offense, fraud, assault, domestic violence, juvenile offenses and prostitution.		500	500	642	511	539
Traffic collisions - Fatal (ICMA Benchmark 2016-2021)	27.0 (all) / 0.7 (cities under 30,000 pop.)	0	0	2	1	0
Traffic collisions - Injury		35	30	44	43	55
Traffic collisions - Non-injury		200	250	220	220	241
Officer-initiated activity		7,500	9,500	6,658	6,482	9,922
Warnings (2022 - written warnings/repair orders)		1,500	N/A	1,314	1,521	1,668
Calls for service from the community		13,500	7,400	12,622	13,006	11,533
Citations		2,000	1,800	1,884	1,449	1,065
Arrests - Misdemeanor		400	460	372	258	370
Arrests - Felony		120	120	108	71	94
Arrests - DUI (increased due to state DUI funding and Verde Valley DUI Taskforce details in FY 21)		75	55	64	44	65
Deploy mobile digital speed indicator sign in areas of reported OHV/city streets speeding or unsafe driving issues within city limits		20 deploys	15 deploys	20 deploys	14 deploys	10 deploys

POLICE – Patrol
continued

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Maintain a response time of seven minutes or less 90% of the time to emergency calls		90%	90%	90%	80%	90%
Average response time (minutes) - Priority 1 (ICMA Benchmark 2016-2021) *Collisions with injuries or death and attempted suicides	4.7 (all) / 4.1 (cities under 30,000 pop.)	4	5	3:55	5:39	5.16
Average response time (minutes) - Priority 2 *Domestic Violence, just occurred sex offenses, bomb threats, deaths and medical assists		5	5	5:33	5:12	5.30
Average response time (minutes) - Priority 3 *Collisions with no injuries, assaults, suspicious activity and abuse cases		6:30	6	7:43	7:32	6.45
Calls for service from the community per sworn FTE (ICMA Benchmark 2016-2021)	592 (all) / 934 (cities under 30,000 pop.)	345	345	345	336	302
Calls for service from the community and officer initiated activity per sworn FTE		790	790	790	777	774
Calls for service from the community and officer initiated activity per 1,000 population		2,184	1,600	2,005	2,027	2,063
Calls for service from the community per 1,000 population (ICMA Benchmark 2016-2021)	828 (all) / 1,327 (cities under 30,000 pop.)	1,404	700	1,313	1,353	609
DUI arrests per 1,000 population (ICMA Benchmark 2016-2021)	3.3 (All) / 3.6 (cities under 30,000 pop.)	7.8	6	6.66	4.58	6.25
UCR Part I property crimes reported per 1,000 population (ICMA Benchmark 2016-2021)	29.9 (all) / 30.6(cities under 30,000 pop.)	18.72	20	22.68	18.72	17.6
UCR Part I violent crimes reported per 1,000 population (ICMA Benchmark 2016-2021)	4.4 (all) / 4.0 (cities under 30,000 pop.)	4.16	4.5	4.78	3.64	4.8
UCR Part 2 crime reported per 1,000 population		52.01	50	66.78	53.15	51.83

POLICE – Investigations

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 720,810	75%	\$ 522,470	\$ 428,660	\$ 391,314
Supplies & Services	55,400	6%	59,930	47,030	43,033
Capital & Debt Service	8,500	1%	-	-	-
Subtotal Direct Costs	\$ 784,710	82%	\$ 582,400	\$ 475,690	\$ 434,347
Internal Charges	172,230	18%	111,370	108,080	112,090
Total Expenditures	\$ 956,940	100%	\$ 693,770	\$ 583,770	\$ 546,437
Expenditures by Fund					
General Fund Portion	\$ 955,320	100%	\$ 692,670	\$ 582,640	\$ 543,114
Other Funds Portion	\$ 1,620	<1%	\$ 1,100	\$ 1,130	\$ 3,323
Funding Sources					
Program Revenues	\$ 37,000	4%	\$ 26,000	\$ -	\$ 38,130
Funding from General Revenues:					
Estimated Resident Generated	\$ 321,980	34%	\$ 233,720	\$ 204,320	\$ 177,907
Estimated Visitor Generated	\$ 597,960	62%	\$ 434,050	\$ 379,450	\$ 330,400
Employee Time Allocation (FTEs) (Budgeted)	4.00		3.00		3.00

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 magistrate and county courts, police employee background investigations, and sex offender registrant monitoring. Personnel in this program are also assigned to specialized regional investigative tasks forces which bring resources and expertise to the department and community that would not otherwise be feasible. Property and evidence processing, and storage functions are also carried out within this program by civilian personnel.

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 2023 Accomplishments

Overall City Value - Public Safety:

- * Completed backgrounds using the Lean process in compliance with AZ Peace Officer Standards and Training (POST) rules.
- * Updated background forms and created a completion timeline.
- * Worked with several different law enforcement agencies in multi-jurisdiction, such as the Department of Child Safety, relating to crimes against children.
- * Exceeded the state’s clearance rates for violent crimes by 65%.
- * Exceeded the state’s clearance rates for property crimes by 26%.
- * Tested and selected new detective, due to prior detective lateraling to another agency.
- * Conducted two Sexual Offender Registrant compliance operations.
- * Initiated a pilot drone program.
- * Created an interview/interrogation room through facility remodel.
- * Presentation to staff on Human Trafficking Enforcement Operations in conjunction with Prescott Valley Police Human Trafficking Task Force.

FY 2024 Objectives

Overall City Value - Public Safety:

- * Conduct two Sexual Offender Registrant compliance operations.
- * Maintain case clearance to a maximum of six months, excluding complicated paper crime cases. Paper crime cases require subpoenaed bank records, and it 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 the Lean process and in compliance with AZ POST rules.
- * Complete two staff trainings per year related to various investigative techniques.

POLICE – Investigations
continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Total cases assigned (felony and misdemeanor) (Decreased due to one detective in FY23 in Aug-Dec 2022) (Did not have a permanent Sergeant assigned beginning July 2022-March 2023)	100	190	100	188	71
Detective initiated arrests (Due to COVID-19, there were restrictions in custody arrests)	15	15	10	12	7
Felony and misdemeanor cases sent to prosecuting attorney's office for filing charges	50	50	55	60	43
Conduct sexual offender registrant compliance operations	2	2	2	2	2

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Exceed annual state crime clearance rate (16.73%*) for property crime (ICMA Benchmark 2016-2021) *Arizona Department of Public Safety Crime Report 2019	28.0% (all) / 30.1% (cities under 30,000 pop.)	43.2% (exceeds state by 26.5%)	35% (exceeds state by 18.3%)	43.2% (exceeds state by 26.5%)	43% (exceeds state by 26.2%)	29.3% (exceeds state by 12.6%)
Exceed annual state crime clearance rate (38.17%*) for violent crime (ICMA Benchmark 2016-2021) *Arizona Department of Public Safety Crime Report 2019	53.0% (all) / 59.0% (cities under 30,000 pop.)	61.3% (exceeds state by 23.13%)	50% (exceeds state by 11.8%)	61.3% (exceeds state by 23.13%)	65.7% (exceeds state by 27.5%)	85% (exceed state by 46.8%)
Complete investigation on all cases (including lengthy fraud cases) within six months from being assigned		90%	90%	90%	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	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 997,240	67%	\$ 962,880	\$ 863,000	\$ 789,611
Supplies & Services	64,440	4%	89,190	91,440	59,196
Subtotal Direct Costs	\$ 1,061,680	71%	\$ 1,052,070	\$ 954,440	\$ 848,807
Internal Charges	429,180	29%	493,900	462,020	411,330
Total Expenditures	\$ 1,490,860	100%	\$ 1,545,970	\$ 1,416,460	\$ 1,260,137
Expenditures by Fund					
General Fund Portion	\$ 1,489,780	100%	\$ 1,544,980	\$ 1,415,560	\$ 1,259,047
Other Funds Portion	\$ 1,080	<1%	\$ 990	\$ 900	\$ 1,090
Funding Sources					
Program Revenues	\$ 4,500	<1%	\$ 4,000	\$ 5,000	\$ 4,665
Funding from General Revenues:					
Estimated Resident Generated	\$ 520,230	35%	\$ 539,690	\$ 494,010	\$ 439,415
Estimated Visitor Generated	\$ 966,130	65%	\$ 1,002,280	\$ 917,450	\$ 816,057
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 2023 Accomplishments

Overall City Value - Public Safety:

- * Reduced records request wait times from 7 days to 5 days.
- * Dispatched calls to officers within 90 seconds of receiving the call.
- * Conducted property and evidence audit.
- * Promoted internal applicant to Communications Supervisor position.
- * Successfully hired two new Communication Specialists.
- * Implemented the RapidDeploy program to assist dispatchers with critical response times.
- * Conducted ARS 28-3511 impound hearings.

FY 2024 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.
- * Maintain participation with Yavapai College and other regional law enforcement agencies in the “Dispatcher Training Academy” as part of their criminal justice curriculum.
- * Continue the process of switching data reporting for the Federal Bureau of Investigations (FBI) from Unified Crime Reporting (UCR) to National Incident Based Reporting System (NIBRS).
- * Maintain report request time of 5 days.
- * Maintain report merging backlog of 150 reports.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Telephone calls received - Emergency	7,000	8,250	6,924	7,721	6,188
Telephone calls received - Non-Emergency	28,500	35,000	28,118	28,103	27,422



POLICE – Communications/Records
continued

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 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	100	101
Average backlog of records merged into system once the reports are approved by a supervisor		150 cases	100 cases	250 cases	150 cases	200 cases
Average wait time for public records requests once the reports are approved by a supervisor (days)		3	3	3	5	14

POLICE – Support Services

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 678,970	55%	\$ 636,750	\$ 668,890	\$ 557,795
Supplies & Services	119,670	10%	131,950	104,459	72,374
Capital & Debt Service	48,810	4%	74,260	70,760	4,840
Subtotal Direct Costs	\$ 847,450	68%	\$ 842,960	\$ 844,109	\$ 635,009
Internal Charges	394,540	32%	344,870	329,320	199,370
Total Expenditures	\$ 1,241,990	100%	\$ 1,187,830	\$ 1,173,429	\$ 834,379
Expenditures by Fund					
General Fund Portion	\$ 1,174,300	95%	\$ 1,073,690	\$ 1,074,989	\$ 804,898
Other Funds Portion	\$ 67,690	5%	\$ 114,140	\$ 98,440	\$ 29,481
Funding Sources					
Program Revenues	\$ 21,000	2%	\$ 67,500	\$ 57,500	\$ 15,000
Funding from General Revenues:					
Estimated Resident Generated	\$ 427,350	34%	\$ 392,120	\$ 390,580	\$ 286,783
Estimated Visitor Generated	\$ 793,640	64%	\$ 728,210	\$ 725,349	\$ 532,596
Employee Time Allocation (FTEs) (Budgeted)	7.63		7.63		7.63

The Support Services program is managed by a Police Lieutenant and handles all support functions of the department and assists the patrol division operations. Within Support Services are the Community Service Officers, Community Service Aides, Uptown Paid Parking program, Evidence, Police Support Services Technician, School Resource Officer (SRO), Cadet Program, the Investigation Sergeant and the K-9 program.

The two Community Service Officers are non-sworn and are responsible for supporting patrol services and community engagement in the field along with the enforcement of City and state regulations pertaining to animal welfare and other quality of life matters. Activities include enforcement of licensing requirements for the control of rabies for the safety of the community; interaction with the public to inform them on the control and over-population of unwanted animals; and advice for the care and treatment of pets. Responsibilities also include impound, care, and disposition of stray domestic animals, and responses to calls for service regarding problems with domestic animals and wildlife. The Community Service Officers also helps monitor traffic problems in the city and work to mitigate backups using available tools and techniques. They also assist with parking violations in accordance with city ordinances through the OpsMan program.

The Traffic and Parking Services program consists of part-time civilian personnel, known as Community Services Aides (CSAs), who are responsible for parking enforcement in the Uptown area and at some trailhead parking lots. They also assist patrol officers in some traffic control (movement of traffic) during special events and spontaneous, urgent field incidents. With the pay stations in the Uptown area, CSAs patrol and enforce parking regulations, and they ensure the operation of the parking kiosks.

The School Resource Officer (SRO) Program is managed by the Patrol Division Commanding Officer. The SRO is an assigned full-time police officer to conduct prevention, education, and enforcement activities for the students, staff, and parents at school campuses. The SRO also assists the school district in developing, implementing, and evaluating school campus safety programs. The SRO acts as the Department liaison to youth-oriented service providers, such as MATFORCE and the Northern Arizona Restorative Justice Program; assists in the counseling of students and parents, advisor to the Youth Cadet Police Program formerly known as Explorers; and conducts presentations on crime, safety, and substance abuse matters.

Sedona Police Department K-9 program consists of a sworn police officer and canine (K-9) partner. The K-9 unit is trained to detect illegal narcotic substances and to track, search, and help locate lost or missing persons. The K-9 team is on-call 24 hours a day, 7 days a week. The team must stay current on laws, complete required training hours, and maintain their certification.

A portion of this program is paid by the Grants, Donations and 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.

POLICE – Support Services

continued

FY 2023 Accomplishments

Overall City Value - Public Safety:

- * Conducted a mid-year audit of property and evidence which included drugs, guns and money.
- * Five out of seven modules in Law Enforcement Field Training Application (LEFTA) have been implemented.
- * Incorporated pistol mounted optic into firearms program.
- * Conducted two community police academies.
- * Awarded grant funding to purchase equipment for the TrACs system.
- * Conducted a presentation at the Department's community police academy about animal safety.
- * Conducted ARS 28-3511 impound hearings.
- * Participated in the city and police department's community academies.
- * Premiered in a city social media post bringing awareness and benefits of the K-9 program.
- * Fifteen K-9 deployments for narcotics sniffs resulting in a significant seizure of 56 grams of cocaine taken off the streets.
- * Continued daily trainings to maintain narcotic detection abilities.
- * K-9 Max and Officer Reed worked diligently as a team from September 2017 to May 2023. Their comprehensive partnership provided safety to our community and their fellow officers while effectively and efficiently reducing illicit drug activity within our community and neighboring jurisdictions.

FY 2024 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 two Community Police Academy.
- * Create data-driven policing strategies.
- * Train and implement TrACs e-Citation System.
- * Fully integrate all modules of LEFTA System.
- * Complete spot audit of property and evidence to coincide with industry standards and policy.
- * Implement Mutualink System for school safety initiative
- * Work with the Parks and Recreation and Police Departments to enforce animal violations at the city parks to maintain a safe, clean, and sanitary environment for users.
- * Conduct at least three community presentations regarding animal safety and City codes relating to animals.
- * Remain backup for records clerk to conduct ARS 28-3511 impound hearings when needed.
- * Utilize OpsMan system for city ordinance violations for parking.
- * All staff within community service officers and aides to be traffic-flagged trained.
- * Maintain full deployment of personnel (the CSAs are part-time civilian employees who are difficult to recruit and retain).
- * Actively recruit and hire quality candidates to achieve 100% staffing for community service aides (CSAs).
- * Train all CSAs to handle found property calls for service.
- * Explore and assess pilot Segway program in Uptown.
- * Procure a new K-9 and select new handler.
- * Participate in eight community events.
- * Enhance team effectiveness through the use of a certified trainer.
- * Assist schools as requested for narcotic mitigation.
- * Successfully complete certification for narcotic detection and tracking.

POLICE – Support Services
continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Conduct animal control presentation (Due to COVID there were no presentation during FY 2021)	3	N/A	2	0	N/A
Calls for service (animal related)	500	N/A	470	462	N/A
Fire drills conducted at Sedona Red Rock High School and Junior High School	10	10	7	5	10
Fire drills conducted at West Sedona School	10	10	7	5	10
Lock-down/evacuation drills conducted at Sedona Red Rock High School and Junior High School	2	2	1	1	2
Lock-down/evacuation drills conducted at West Sedona School	2	2	1	1	2
Awareness training sessions conducted geared toward student issues/trends at Sedona Red Rock High School and Junior High School	15	6	14	12	6
Awareness training sessions conducted geared toward student issues/trends at West Sedona School	32	3	30	27	3
Crime prevention presentations conducted by SRO	2	3	2	3	3
Hispanic Outreach (Spanish speaking SRO)	1	N/A	0	0	N/A
K9 successfully recertified in patrol apprehension (Max retired of May 2023; new K9 will not be apprehension trained).	1	N/A	1	1	N/A
K9 successfully recertified in narcotics detection	0	N/A	1	1	N/A
Complete required K9 trainings (Max had limited capacity to work from December - June 2023/Max retired May 11, 2023)	350 hours	N/A	86 hours	239 hours	N/A
Total K9 Narcotic deployments	20	N/A	14	35	N/A
Total K9 patrol deployments/search & rescue deployments	5	N/A	0	1	N/A
K9 successfully certified in Search & Rescue	1	N/A	0	0	N/A

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Percentage of time SRO is deployed at a school, when in session		90%	75%	95%	75%	75%
SRO - The school is in session for 10 months of the year; the SRO was assigned to the schools for the following number of months.		10 months	N/A	10 months	0	0

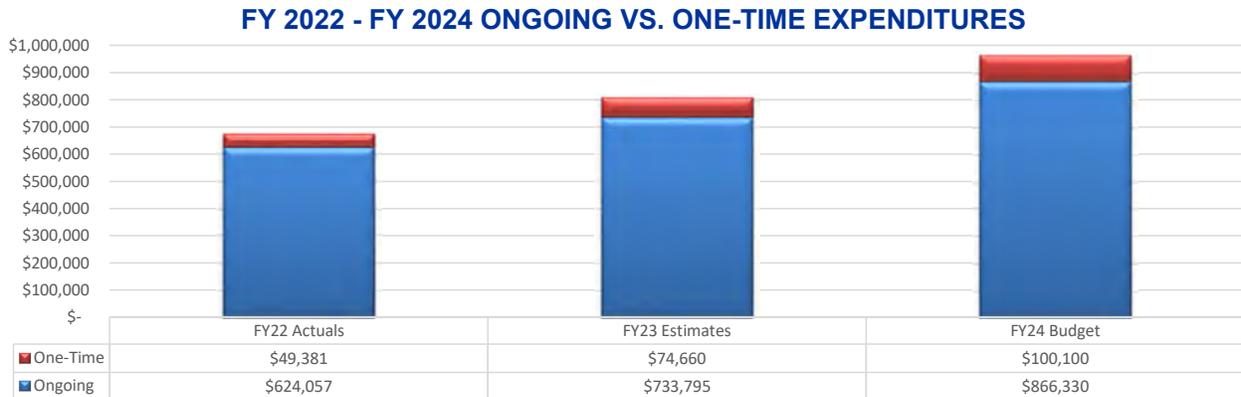
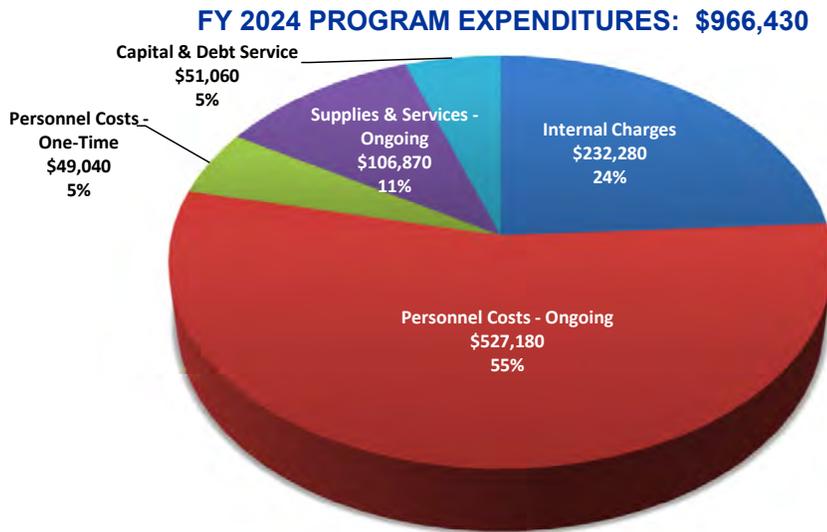
MUNICIPAL COURT

Mission Statement

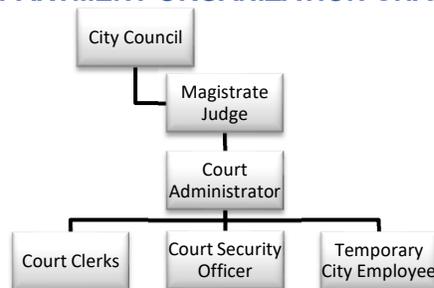
To serve the community and to protect individual rights through the administration of justice in a fair, efficient and respectful manner in order to enhance public trust and community confidence in the court system.

Description

The Sedona Magistrate Court is part of the Arizona State Court System subject to the authority and administrative supervision of the Arizona Supreme Court. The Sedona Magistrate Court has legal obligations and reporting responsibilities to the State, as well as the City of Sedona. As the judicial branch of the City of Sedona, the Court has jurisdiction over civil traffic, criminal traffic and criminal misdemeanor offenses, as well as violations of the City Code and Ordinances. The Sedona Magistrate Court also has the authority to issue arrest and search warrants, orders of protection and injunctions against harassment. The Judge also performs weddings.



DEPARTMENT ORGANIZATION CHART



MUNCIPAL COURT – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 576,220	60%	\$ 518,280	\$ 489,920	\$ 401,427
Supplies & Services	106,870	11%	103,900	68,785	59,450
Capital & Debt Service	51,060	5%	59,700	46,810	48,080
Subtotal Direct Costs	\$ 734,150	76%	\$ 681,880	\$ 605,515	\$ 508,957
Internal Charges	232,280	24%	227,160	202,940	164,480
Total Expenditures	\$ 966,430	100%	\$ 909,040	\$ 808,455	\$ 673,437
Expenditures by Fund					
General Fund Portion	\$ 951,310	98%	\$ 897,840	\$ 797,135	\$ 663,654
Other Funds Portion	\$ 15,120	2%	\$ 11,200	\$ 11,320	\$ 9,783
Funding Sources					
Program Revenues	\$ 183,550	19%	\$ 210,000	\$ 173,550	\$ 162,177
Funding from General Revenues:					
Estimated Resident Generated	\$ 274,010	28%	\$ 244,660	\$ 222,220	\$ 178,941
Estimated Visitor Generated	\$ 508,870	53%	\$ 454,380	\$ 412,685	\$ 332,319
Employee Time Allocation (FTEs) (Budgeted)	6.33		5.80		5.48

A portion of the program is paid by the Grants, Donations and 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 2023 Accomplishments

Overall City Value - Good Governance:

- * Relocated to a new facility.
- * Provided more access to the public seeking protective orders.
- * Analyzed casework and internal processes to maximize efficiency.
- * Scheduled more Hearings due to having a non-shared facility.
- * Staff fulfilled annual Committee on Judicial Education and Training (COJET) training requirements.

FY 2024 Objectives

Overall City Value - Good Governance:

- * Complete remodel of court facilities, which will allow the public greater access to justice.
- * Ensure compliance with Arizona Supreme Court security mandates to ensure staff and public safety.
- * Provide court staff with the skills to serve and perform at a greater professional level.
- * Work with Administrative Office of the Courts to reconcile court finances.
- * Continual training and better utilization of the court case management system.
- * Improve payment collection on outstanding receivables by monitoring post-adjudicated cases.
- * Maintain professional relationship with City Prosecutor’s Office to continue efficient processing of case flow.

Overall City Value - Fiscal Sustainability:

- * Improve payment collection on outstanding receivables with particular emphasis on outstanding parking fines.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Civil Traffic citations filed	2,704	1,250	1,787	1,236	1,276
Criminal citations filed	328	300	300	236	296
Local - Non-Criminal Ordinance citations filed	40	85	41	72	33
Orders of Protection and Injunctions Against Harassments filed	40	40	31	31	44

HOUSING

Mission Statement

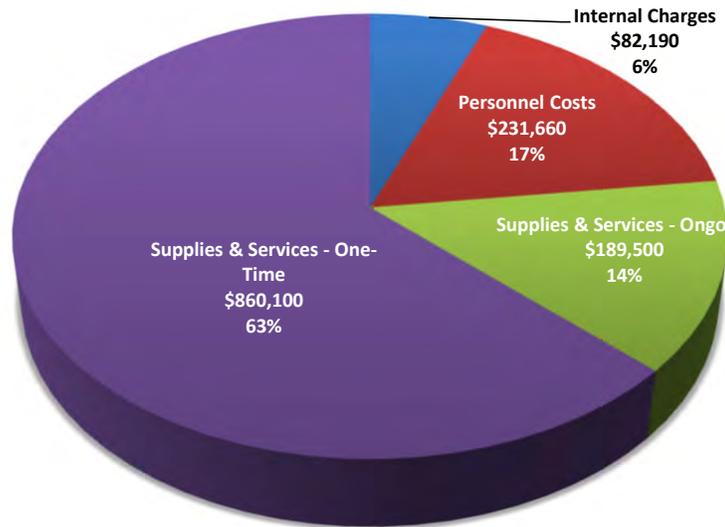
To support a sustainable and inclusive community by expanding and preserving housing opportunities affordable to the local workforce and existing residents

Description

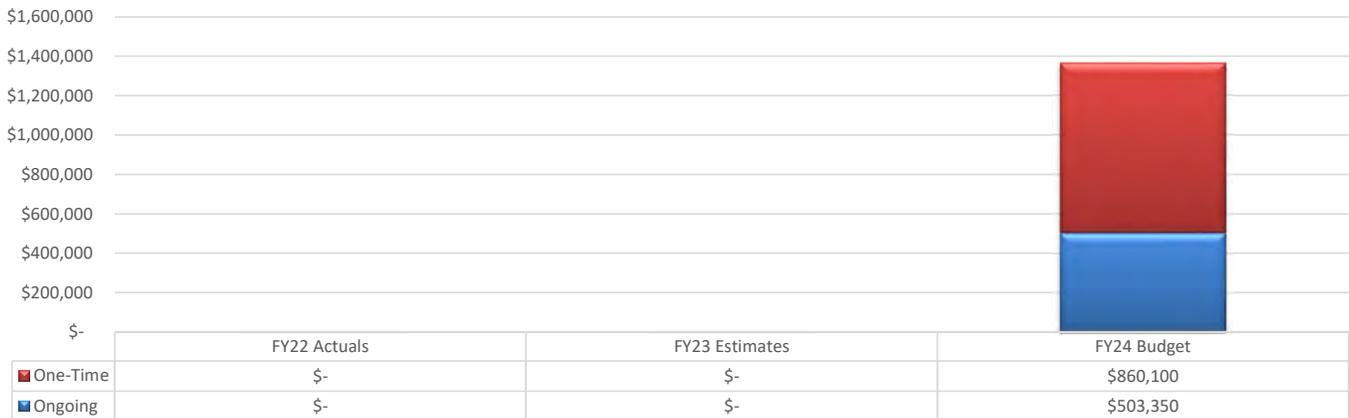
The Housing program was created in FY 2021 to implement the recently created housing action plan for affordable and workforce housing, addressing the City Council's priority. The Housing program expands and preserves affordable homeownership and rental opportunities in Sedona by developing and implementing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

Effective FY 2024, Housing was moved from a program under the City Manager's Office to a stand-alone department.

FY 2024 PROGRAM EXPENDITURES: \$1,363,450



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



HOUSING – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 231,660	17%	\$ -	\$ -	\$ -
Supplies & Services	1,049,600	77%	-	-	-
Subtotal Direct Costs	\$ 1,281,260	94%	\$ -	\$ -	\$ -
Internal Charges	82,190	6%	-	-	-
Total Expenditures	\$ 1,363,450	100%	\$ -	\$ -	\$ -
Expenditures by Fund					
Other Funds Portion	\$ 1,363,450	100%	\$ -	\$ -	\$ -
Funding Sources					
Program Revenues	\$ 1,363,450	100%	\$ -	\$ -	\$ -
Employee Time Allocation (FTEs) (Budgeted)	2.00		0.00		0.00

FY 2023 Accomplishments

Council Priority - Affordable Housing:

- * Rent Local program launched September 2022.
- * Deed restriction program launched January 2023.
- * Down Payment Assistance Program updated to expand eligibility and adjust to current economic situation January 2023.
- * Electrical Code update to reduce unnecessary expense of building multi-family completed September 2022.
- * Hope House project awarded 2022 Housing Hero Award.
- * Acquired 2250 Shelby Dr for multi-family development and negotiated with developer to submit the Low-Income Housing Tax Credit (LIHTC) program application for 30 units of affordable housing.
- * Awarded Community Development Block Grant (CDBG) funds to Steps to Recovery Homes for a transitional housing project.
- * Housing Manager selected to participate in League of Arizona Cities and Towns review committee monitoring the Housing Supply Study Committee Hearings; hosted one of four hearings across the state in Sedona.
- * Coordinated with Plan Sedona workgroup, Community Development Department, and consultants to host a public engagement event on housing and land use.

FY 2024 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	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Council meetings and work sessions	4	4	7	1	N/A
Number of applications for down-payment assistance	20	20	8	14	N/A
Rent Local applications	20	N/A	7	N/A	N/A

Council Priority - Affordable/Workforce Housing:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Housing Production: New affordable housing units deed-restricted		100	N/A	10	3	N/A
Housing Investment: Affordable housing projects assisted with housing funds		3	3	2	1	1
Number of down-payment assistance applications approved and funded		10	10	3	1	N/A
Number of people housed through Rent Local		10	N/A	4	N/A	N/A

PUBLIC TRANSIT

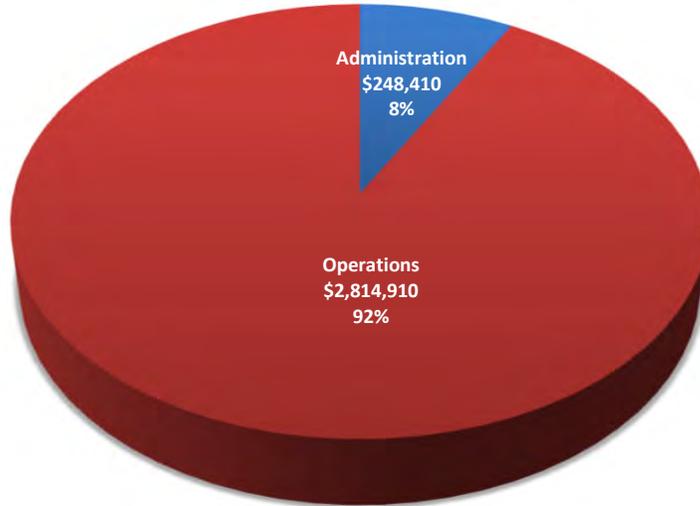
Mission Statement

To provide a quality public transportation system to the residents and visitors of Sedona.

Description

The transit program includes the operation of trailhead shuttles, micro-transit demand response, future fixed route bus, and ADA Paratransit services.

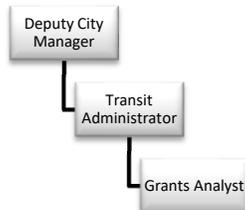
FY 2024 PROGRAM EXPENDITURES: \$3,063,320



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



PUBLIC TRANSIT – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 209,890	84%	\$ 199,560	\$ 189,780	\$ 136,375
Supplies & Services	4,150	2%	7,550	650	1,157
Subtotal Direct Costs	\$ 214,040	86%	\$ 207,110	\$ 190,430	\$ 137,532
Internal Charges	34,370	14%	63,650	36,350	17,650
Total Expenditures	\$ 248,410	100%	\$ 270,760	\$ 226,780	\$ 155,182
Expenditures by Fund					
Other Funds Portion	\$ 248,410	100%	\$ 270,760	\$ 226,780	\$ 155,182
Funding Sources					
Program Revenues	\$ 42,600	17%	\$ 48,200	\$ 42,600	\$ 49,489
Funding from General Revenues:					
Estimated Resident Generated	\$ 72,030	29%	\$ 77,900	\$ 64,460	\$ 36,993
Estimated Visitor Generated	\$ 133,780	54%	\$ 144,660	\$ 119,720	\$ 68,700
Employee Time Allocation (FTEs) (Budgeted)	1.50		1.50		1.00

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 2023 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 2024 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	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Supplies & Services	\$ 2,028,500	72%	\$ 2,042,380	\$ 1,359,460	\$ 623,825
Capital & Debt Service	427,010	15%	224,570	169,100	12,053
Subtotal Direct Costs	\$ 2,455,510	87%	\$ 2,266,950	\$ 1,528,560	\$ 635,878
Internal Charges	359,400	13%	60,680	57,180	29,020
Total Expenditures	\$ 2,814,910	100%	\$ 2,327,630	\$ 1,585,740	\$ 664,898
Expenditures by Fund					
Other Funds Portion	\$ 2,814,910	100%	\$ 2,327,630	\$ 1,585,740	\$ 664,898
Funding Sources					
Program Revenues	\$ 394,000	14%	\$ 205,800	\$ -	\$ -
Funding from General Revenues:					
Estimated Resident Generated	\$ 847,320	30%	\$ 742,640	\$ 555,010	\$ 232,714
Estimated Visitor Generated	\$ 1,573,590	56%	\$ 1,379,190	\$ 1,030,730	\$ 432,184
Employee Time Allocation (FTEs) (Budgeted)	0.00		0.00		0.00

The transit program includes the operation of trailhead shuttles, micro-transit demand response, future fixed route bus, and Americans with Disabilities Act (ADA) Paratransit services.

FY 2023 Accomplishments

Community Plan Circulation Goal - Reduce dependency on single-occupancy vehicles:

- * Completed planned routing and timetables 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 was awarded to MV Transportation Inc to operate the trailhead shuttles and micro-transit service.
- * Contract award issued to TransLoc for the provision of 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 grants, as submitted in May 2021.
- * Transit website sedonashuttle.com completed and online.
- * Sedona Shuttle vehicle and context branding complete.
- * 5311 Grant awarded for administrative and micro-transit operating funds for FY 2024.
- * 5339 Grant awarded for the design and engineering to the regional transit maintenance facility.

FY 2024 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 at Posse Posse Grounds Park, State Route (SR) 179 and SR 89A.
- * Continue to monitor emerging community needs, funding, further public engagement, and service data to improve and expand Sedona's future transit services.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Passengers per vehicle revenue hour	35	12.5	32	37	N/A
Annual ridership (Benchmark = Average pre-pandemic for 21 rural Arizona agencies)	290,000	N/A	280,000	95,978	N/A

PUBLIC TRANSIT – Operations
continued

**Community Plan Circulation Goal -
Reduce dependency on single-occupancy vehicles:**

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Percentage of service delivered		100%	98%	99.99%	99.99%	N/A

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Cost per vehicle revenue hour (Benchmark = 2021 national average for urban transit bus)	\$160.33	\$81	\$73.90	\$142	\$143	N/A
Farebox recovery ratio (Benchmark = 2021 national average for urban transit bus)	9.1%	15%	15%	15%	0%	N/A
On-time performance		87%	87%	84.88%	72.10%	N/A
Miles traveled between road calls		30,000	15,000	75,000	43,648	N/A

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Miles traveled between preventable collisions (Industry Standard Benchmark)	100,000	100,000	100,000	150,000	43,648	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

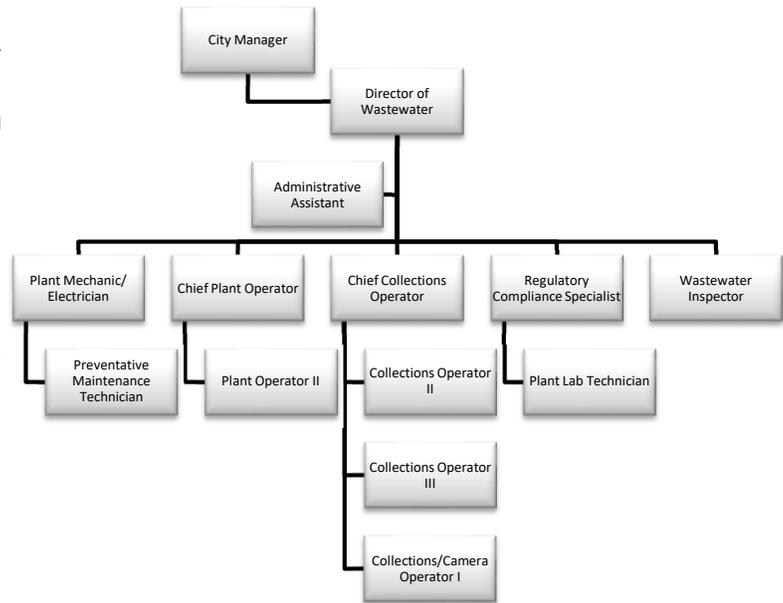
The Wastewater Department is responsible for the day-to-day operations of the wastewater collection system and treatment facility and the disposal of A+ quality treated effluent. The Wastewater Department works collaboratively with several City departments who assist in the administration, operation, 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 blue-staking, plan reviews, and capacity fee determinations related to connections to the collection system.

The Wastewater Department consists of the following program areas:

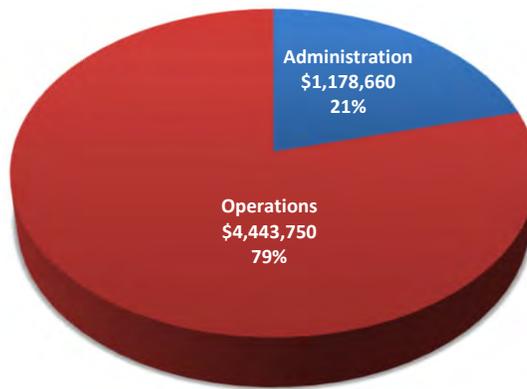
- * Administration, including capital projects management and inspection
- * Operations, including collection system, wastewater treatment, and laboratory service

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.

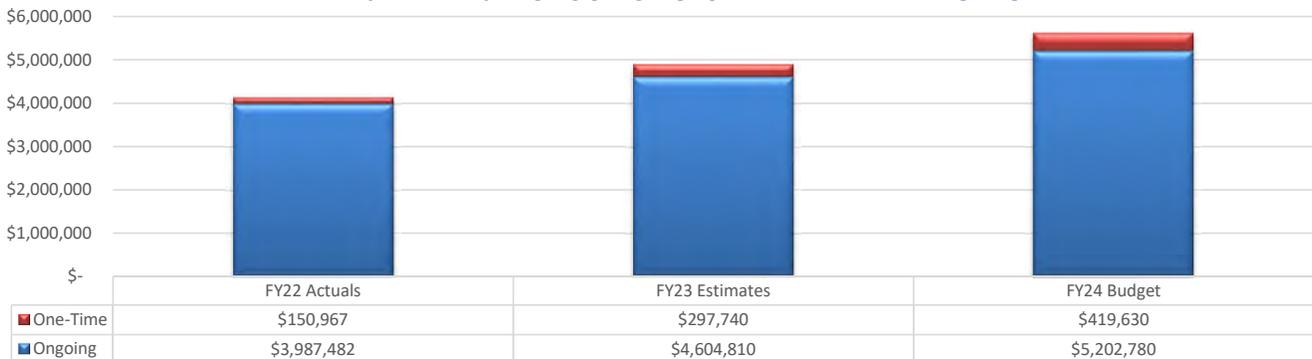
DEPARTMENT ORGANIZATION CHART



FY 2024 PROGRAM EXPENDITURES: \$5,622,410



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



WASTEWATER – Administration

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 261,690	22%	\$ 253,170	\$ 238,800	\$ 271,249
Supplies & Services	54,580	5%	40,700	39,430	36,929
Capital & Debt Service	-	0%	9,500	14,500	7,456
Subtotal Direct Costs	\$ 316,270	27%	\$ 303,370	\$ 292,730	\$ 315,634
Internal Charges	862,390	73%	885,210	909,560	442,550
Total Expenditures	\$ 1,178,660	100%	\$ 1,188,580	\$ 1,202,290	\$ 758,184
Expenditures by Fund					
Wastewater Fund Portion	\$ 1,178,660	100%	\$ 1,188,580	\$ 1,202,290	\$ 758,184
Funding Sources					
Program Revenues	\$ 1,178,660	100%	\$ 1,188,580	\$ 1,202,290	\$ 758,184
Employee Time Allocation (FTEs) (Budgeted)					
	2.35		2.10		2.55

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 2023 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.
- * Completed construction of the Juniper Trail Sewer Extension Project, allowing for the connection of up to 31 properties.

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.

FY 2024 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 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 STEM events at local school districts.
- * Develop an Education and Outreach Program.

WASTEWATER – Administration
continued

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Tours given	15	13	9	11	1
Regulatory compliance reports submitted	12	12	12	11	11
Total CIP Projects	9	5	3	3	5
Total amount of CIP projects	\$5,663,500	\$5,894,500	\$2,359,580	\$1,258,100	\$1,783,600
Total amount of construction contract change orders	< \$160,000	\$5,000	\$0	\$410,400	\$272,500

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Average percentage of change orders to original contract amount for construction phase		< 5%	>5%	0%	47%	3.8%
Single family residential monthly sewer rate for high flows. (Benchmark is average monthly sewer bill of 13 participating municipalities in the Valley Cities Consortium for FY2021, most recent data readily available.)	\$50.61	\$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 13 participating municipalities in the Valley Cities Consortium for FY2021, most recent data readily available.)	\$37.38	\$47.52	\$47.52	\$47.52	\$47.52	\$47.52

WASTEWATER – Operations

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 1,379,390	31%	\$ 1,353,160	\$ 1,037,300	\$ 982,927
Supplies & Services	1,679,050	38%	1,562,610	1,392,460	1,379,701
Capital & Debt Service	324,770	7%	227,140	219,620	60,071
Subtotal Direct Costs	\$ 3,383,210	76%	\$ 3,142,910	\$ 2,649,380	\$ 2,422,699
Internal Charges	1,060,540	24%	1,129,940	1,050,880	957,565
Total Expenditures	\$ 4,443,750	100%	\$ 4,272,850	\$ 3,700,260	\$ 3,380,264
Expenditures by Fund					
Wastewater Fund Portion	\$ 4,443,750	100%	\$ 4,272,850	\$ 3,700,260	\$ 3,380,264
Funding Sources					
Program Revenues	\$ 4,443,750	100%	\$ 4,272,850	\$ 3,700,260	\$ 3,380,264
Employee Time Allocation (FTEs) (Budgeted)	12.65		12.90		10.45

Wastewater Reclamation Plant (WWRP) Operations consist of a Chief Plant Operator, three plant operators, and a preventative maintenance technician, 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, three collections operators, and a wastewater inspector 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 WWRP for treatment. In addition, operators are responsible for conducting closed-circuit television (CCTV) assessments of the entire collection system at least once every 5 years, including videoing, reviewing, analyzing defects, and scheduling repairs. The collections system consists of approximately 5,600 connections, 110 miles of sewer pipes, 1,999 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 2023 Accomplishments

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

- * Rehabilitated Aeration Basin #4, including the replacement of diffusers.
- * Fully implemented the use of the JobCal program to schedule work orders for system repairs, maintenance, and routine inspections.
- * Performed all scheduled preventative maintenance at each of the 17 lift stations.
- * Achieved 90% 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.
- * Revised the Laboratory Quality Assurance Plan and Lab Safety Plan.
- * 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 2024 Objectives

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

- * Maintain regulatory compliance.
- * Maintain safety of plant personnel by participating in required safety training and practicing safe operations of equipment.
- * Perform regular maintenance of plant equipment at scheduled intervals 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 Aquifer Protection Permit (APP).
- * Accurately and honestly report all data collected.

WORKLOAD INDICATORS	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Average daily influent flow (million gallons per day)	1.20	1.20	1.16	1.20	1.10
Volume of treated effluent sent to wetlands (million gallons)	80	80	62	62	74
Volume of treated effluent sent to aquifer recharge (million gallons)	120	120	115	115	90
Volume of treated effluent sent to irrigation (million gallons)	200	200	218	226	216
Amount of biosolids disposed (dry tons)	300	300	300	329	269
Grease trap inspections	365	>100	150	45	20
Collections service calls (odor complaints, broken manhole covers, etc.)	30	35	27	35	24
Sewer hotline calls (out of collections services calls and collections emergency callouts, this is the number that were reported through the sewer hotline)	18	25	15	24	7
Number of samples collected & tested in wastewater laboratory for required compliance testing	943	1,217	938	943	1,088
Number of samples collected & tested in wastewater laboratory for process control (to help make operational decisions for best quality effluent)	5,738	N/A	5,504	6,008	N/A
Amount spent for wetlands maintenance	\$31,000	\$31,000	\$12,000	\$3,080	\$15,950
Amount spent for recharge well maintenance	\$69,700	N/A	\$67,700	\$69,950	\$36,300
Amount spent for irrigation maintenance	\$61,000	\$76,000	\$55,000	\$22,400	\$32,033
Collections emergency callouts (sewer is actively spilling into the environment)	<5	<5	2	8	13

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Percentage of collections service calls that are the City of Sedona responsibility (problem exists in the City sewer lines or is a result of operator error)		<40%	<40%	20%	14%	67%
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%	90%	100%	100%

Overall City Value - Fiscal Sustainability:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Cost per million gallons for wetlands		\$388	\$388	192	49	\$216
Cost per million gallons for aquifer recharge		\$581	\$564	\$589	\$609	\$407
Cost per million gallons for irrigation		\$305	\$380	\$252	\$99	\$149
Cost per laboratory test (compliance & process control)		\$40.87	N/A	\$39.37	\$31.30	N/A

Overall City Value - Public Safety:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
Percentage of collections emergency callouts that are the City of Sedona responsibility (spill is a result of a problem in the City sewer system or operator error)		<40%	<40%	0%	0%	8%

WASTEWATER – Operations
continued

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

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
ADEQ reportable Aquifer Protection Permit Violations (violations that occur at the WWRP)		<5	<5	2	4	3
ADEQ reportable collection system incidents (sewer spills over 50 gallons)		<5	<5	2	4	4
AZDHS annual laboratory inspection deficiencies		<5	0	1	2	0

INFORMATION TECHNOLOGY

Mission Statement

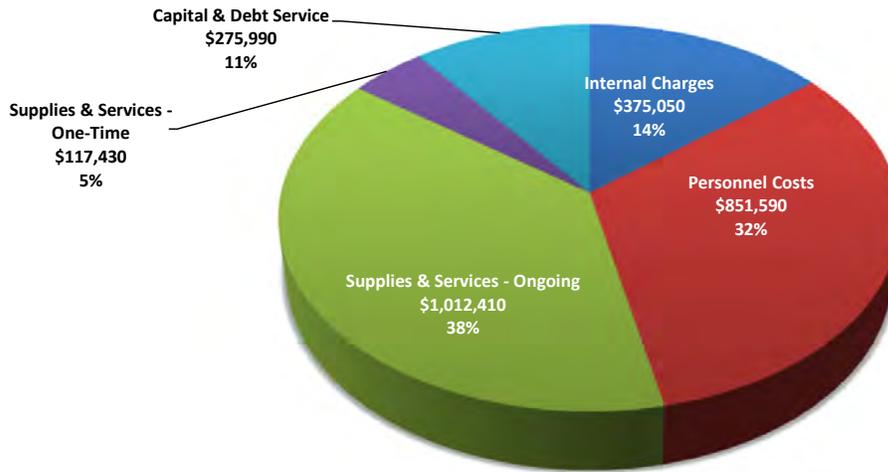
- * Provide reliable state-of-the-art technologies that empower City staff to be successful.
- * Be prepared for future organizational needs and changes.
- * Use sound judgment in identifying and recommending reasonable solutions.



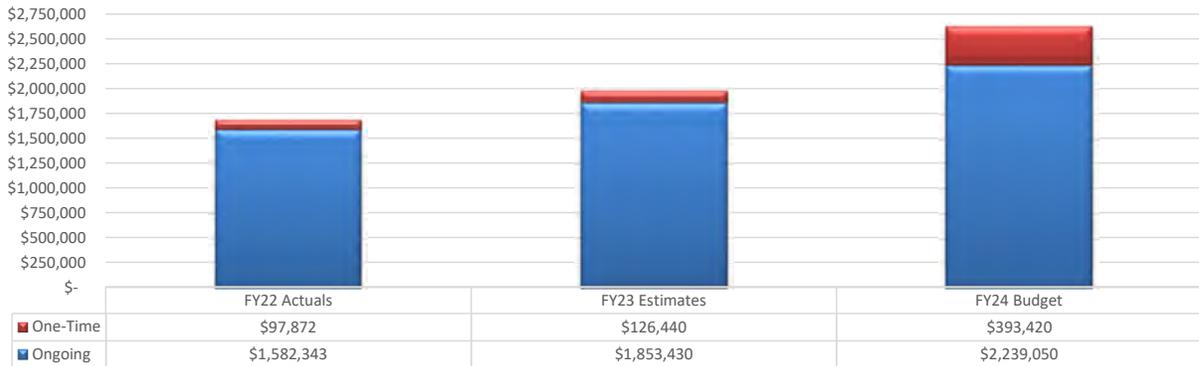
Description

The Information Technology Department 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.

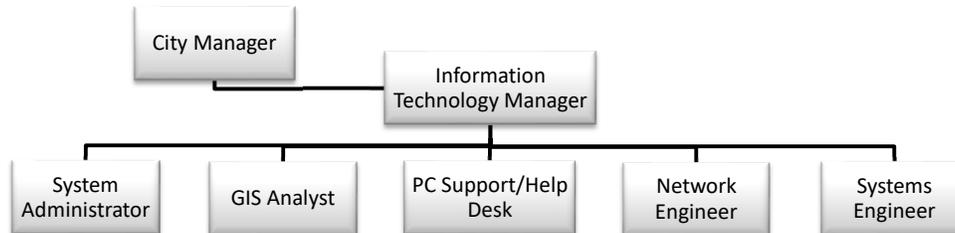
FY 2024 PROGRAM EXPENDITURES: \$2,632,470



FY 2022 - FY 2024 ONGOING VS. ONE-TIME EXPENDITURES



DEPARTMENT ORGANIZATION CHART



INFORMATION TECHNOLOGY – Information Technology Services

BUDGET SUMMARY	FY2024 Budget	% of FY2024 Budget	FY2023 Budget	FY2023 Estimate	FY2022 Actual
Program Expenditures					
Personnel Services	\$ 851,590	32%	\$ 817,650	\$ 696,570	\$ 637,889
Supplies & Services	1,129,840	43%	1,051,110	844,150	801,718
Capital & Debt Service	275,990	10%	140,600	88,380	59,278
Subtotal Direct Costs	\$ 2,257,420	86%	\$ 2,009,360	\$ 1,629,100	\$ 1,498,886
Internal Charges	375,050	14%	377,280	350,770	181,329
Total Expenditures	\$ 2,632,470	100%	\$ 2,386,640	\$ 1,979,870	\$ 1,680,215
Expenditures by Fund					
Wastewater Fund Portion	\$ 116,500	4%	\$ 75,200	\$ 55,130	\$ 43,577
Other Funds Portion	\$ 2,515,970	96%	\$ 2,311,440	\$ 1,924,740	\$ 1,636,638
Funding Sources					
Allocations to Other Departments	\$ 2,515,470	96%	\$ 2,310,940	\$ 1,924,390	\$ 1,635,635
Program Revenues	\$ 117,000	4%	\$ 75,700	\$ 55,480	\$ 44,580
Employee Time Allocation (FTEs) (Budgeted)	6.00		6.00		5.00

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

The Information Technology Services program has been aggressively increasing security to ensure our systems have the best protection in regard to cybersecurity. Our strategy uses multi-layered approach. This includes software, multi-factor authentication, hardware, and network segregation.

The number of City facilities, programs, and employees has increased considerably over the last couple of years. As a result, IT costs (both monetary and human hours) have also increased. Facilities have increased, increasing the amount of network hardware to maintain, broadband required, and support. The City has implemented new programs. This also increases hardware, but also increases system applications that need to be maintained. Turn-over has also had the effect of adding new application systems as replacement employees add functionality to existing programs.

INFORMATION TECHNOLOGY – Information Technology Services

continued

FY 2023 Accomplishments

Overall City Value - Good Governance:

- * Single sign-on for Brainstorm Quickhelp
- * Mobile Teams Device first used on Council Retreat
- * Active Directory Manager Entry
- * Secure Secondary Intermediate Distribution Frame in the Police Department
- * Moved the Police Department's technology and built out their remodel
- * Moved and built out Municipal Court's technology to Sycamore Building
- * Moved Sustainability to Sycamore Building
- * Moved Economic Development to Sycamore Building
- * Moved Parks and Recreation to Sycamore Building
- * Moved some Public Works' employees to Sycamore Building
- * Geographic Information Systems (GIS) SharePoint site
- * Second Cash Drawer at Community Development's Counter
- * Implemented Bonfire Contract Management
- * Spillman certificate migration (to a more secure certificate)
- * Implemented CivicReview for business licenses
- * Migrated Adobe from team to enterprise licenses
- * Converted Veeam backup for Microsoft Office 365 to Advanced Authentication
- * Removed Finance counter shared login
- * Standardized and Implemented office/room numbering for all City complexes
- * Upgraded Spillman for the Police Department
- * Implemented AZ Tax Central for Finance, enabled single sign-on
- * Completed an Arizona Criminal Justice Information System compliance audit
- * Created a new Springbrook report for Community Development on intranet
- * Refreshed Wastewater's firewall
- * Migrated from Claros to Rio for data collection for Wastewater
- * Updated software for the Police department's network area storage
- * Piloted and implemented Informacast Fusion (panic alarms and paging) for Municipal Court
- * Designed and began implementation of Informacast (panic alarms and paging) citywide
- * Implemented Watchwire utility tracking for Sustainability and enabled Single Sign On
- * Implemented Teams for City Council meetings as a presentation and participation option (to be run alongside Swagit)
- * Segregated the City's Wi-Fi to increase security
- * Standardized Wi-Fi networks across all City sites
- * Increased the City's remote work capability
- * Implemented more Teams meeting rooms and devices
- * Built out port density in the 100, 102, 104, 106, and 108 buildings
- * Built out port density in the Police and Finance departments
- * Auctioned IT equipment that was past end of life and no longer useful to the City
- * Implemented a new on-boarding process to enhance security and enable users to install approved applications from Microsoft's Intune
- * Piloted the Employee Status Change intranet application with departments other than Human Resources
- * Implemented Cisco Contact Center Express to meet requirements regarding call management and reporting set by the Federal Transportation Agency
- * Implement fully redundant storage system for Police video files
- * Increased wide area network (WAN) capabilities at Posse Grounds Park for additional security cameras

INFORMATION TECHNOLOGY – Information Technology Services

continued

FY 2024 Objectives

Overall City Value - Good Governance:

- * Implement secure email for Finance
- * Implement Cisco Emergency Responder - citywide
- * Complete implementation of Informacast -citywide
- * Implement a call handler for Community Development
- * Migrate from dialing 9 to 7 to dial out preventing accidental 911 calls
- * Windows 11 Migration
- * Implement TraCS for the Police Department
- * Implement Mutualink system for disaster/critical event multimedia communications between Police, Fire/EMS, schools, etc.
- * Migrate to StateLink 2.0 system for Police communications/data exchange with AZ Department of Public Safety and Federal agencies
- * Migration assistance for new Enhanced911 system for Polic dispatch
- * Continue system consolidation saving the City money
- * 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
- * Work toward City broadband service
- * Start an ERP system selection and migration
- * Tie assets to the room numbers for easier tracking and employee accountability
- * Roll out Employee Status Change intranet application to all departments
- * Implement "warm" failover site at Sycamore Buildings for disaster recover/business continuity plans
- * Refresh VMware host at Wastewater
- * Cellphone signal improvement project for facilities grounds and shooting range at Wastewater Reclamatin Plant

WORKLOAD INDICATORS	Benchmark	FY24 Projection	FY23 Projection	FY23 Estimate	FY22 Actual	FY21 Actual
Unique systems (unique technologies)		600	600	580	543	449
Supported network devices (total)		130	130	114	103	107
End points served		400	400	390	383	316
Number of facilities with full networking systems		13	11	12	10	4
SQL databases/total size		80/600GB	78/534GB	80/600GB	80/582GB	77/528GB
Help Desk requests per end point (ICMA Benchmark 2016-2021)	6.3 (all) / 9.1 (cities under 30,000 pop.)	12	12	11	10	14.15
Help Desk requests received		4,700	4,800	4,600	3,910	4,471
Help Desk requests percentage fielded by Engineers		34%	34%	34%	31%	20%

Overall City Value - Good Governance:

PERFORMANCE MEASURES	Benchmark	FY24 Target	FY23 Target	FY23 Estimate	FY22 Actual	FY21 Actual
% of Help Desk requests resolved within 4 Hours (ICMA Benchmark 2016-2021)	61% (all) / 68% (cities under 30,000 pop.)	80%	80%	80%	81.4%	79.8%
IT expenditures per end point served (ICMA Benchmark 2016-2021)	\$3,077 (all) / \$2,395 (cities under 30,000 pop.)	\$4,914	\$4,626	\$4,003	\$3,794	\$3,859
IT expenditures per FTE		\$10,999	\$10,424	\$10,345	\$9,961	\$8,613



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
- The involvement of outside agencies
- Various master and strategic plans
- The potential for future project funding
- Urgency of a project
- Ongoing operational requirements
- The City’s ability to administer a project

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. Capital outlays of 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 2024-2033 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 are assessed, and funding is 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 2024-2033 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 2024 CIP budget is \$34,008,205.

The first year of the CIP is included in the current fiscal year budget. The total fiscal year 2023-24 CIP budget amount is \$34,008,205 and includes funding for the Art in Public Places Fund of \$19,130. The 10-year CIP total is \$217,454,160, with \$52,994,490 of projects with no funding identified. See the Funding the Capital Improvement Plan section of this overview 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, Public Transit 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 2023-24 is the seventh 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.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Capital Outlay in the Operating Budget (cont'd)

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. Only street repaving projects funded fully by outside sources/grants will be reflected in the CIP.

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 the following:

- 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 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

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Capital Improvement Program Development Process (cont'd)

- 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

CIP Committee

The annual Capital Improvement Plan process begins at the staff level with the CIP Committee.

CIP STAFF COMMITTEE

Karen Osburn, City Manager Kurtis Harris, Public Works Director/City Engineer Sandra Phillips, Assistant Director of Public Works Cherie R. White, Director of Financial Services Charles Hardy, Information Technology Manager Robert Weber, Transit Administrator Josh Frewin, Parks & Recreation Manager Shannon Boone, Housing Manager James Crowley, Associate Engineer Johnathan Hoffman, Assistant Engineer	J. Andy Dickey, Deputy City Manager Roxanne Holland, Wastewater Director Steve Mertes, Community Development Director Stephanie Foley, Chief of Police Ryan Kwitkin, Deputy Police Chief Karl Waak, Police Lieutenant Bryce Beck, Sustainability Manager Robert Welch, Associate Engineer Hanako Ueda, Assistant Engineer Larry Farhat, Facilities Maintenance Supervisor
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To start the process, a CIP kickoff meeting was held with the City staff committee members in January 2023, 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 February 2023. The public City Council Work Sessions were held on June 14 and June 15, 2023.

Council Action

The final CIP document was adopted by City Council in August 2023 as part of the fiscal year 2023-24 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 CIP 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.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

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, in November 2021, the City Council removed the sunset in anticipation of the need to cover the portion of operational costs of the public transit system not paid by expected federal grant funding.

Funding the Capital Improvement Plan

The City has developed a multi-year plan for capital improvement funding that anticipates revenue/funding from a variety of sources. This plan is part of the ongoing effort by the City Council and management to meet the needs of our community, by most efficiently utilizing existing revenue sources and limiting increases in the tax burden within the City. This strategy includes:



- Managing the costs of capital projects
- Utilizing alternative funding sources (grants), when possible
- Identifying possible funding shortfalls in order to reprioritize projects or recommend new sources of revenue (typically fees or taxes)

To do so, and in recognizing the need to balance the projects requested with the funds available, as well as the capacity for staff and the physical environment to manage a set of projects at any one time, projects may have a high priority but not begin in the first fiscal year of the plan.

The anticipated funding sources include both restricted and unrestricted sources of funds. Unrestricted sources are those that can be used for a variety of projects as needed and include the capital reserves/surplus balances (accumulated savings). Restricted sources are sources that must be used for specific projects and include:

- | | |
|--|--|
| • 1% for Arts monies | • Development impact fees |
| • City sales taxes dedicated to transportation | • Grants and other outside participation |
| • Community Facilities Districts' monies | • Paid parking revenue |
| • Debt financing | • 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.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Funding the Capital Improvement Plan (cont'd)

The 10-year CIP includes \$53.0 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.

- **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 entities and are not part of the City's budget.
- **Debt Financing:** The proceeds of 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.

As of June 30, 2023, there is approximately \$19 million of the Series 2022 Bond proceeds remaining. The Series 2022 Bonds were issued to pay for a portion of project costs within the Transportation Master Plan. The 10-year CIP also assumes additional bonds would be issued for the Uptown parking garage and the future implementation of a full transit system.

- **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, Donations, and Other Participation:** Funds may be contributed by another governmental unit, organization, or other interested party to support a particular function or project.

¹ For fiscal year 2023-24, the required investment for developers is \$0.6245 per square foot.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Funding the Capital Improvement Plan (cont'd)

- **Wastewater Revenues:** User fees and capacity fees are collected and used to pay the current wastewater debt, operation, and capital improvements for the wastewater 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 liabilities, appropriations for expenditures, and required reserve balances is designated as surplus funds. Both the General Fund and Wastewater Enterprise Fund balances are in excess of existing reserve requirements. Other funds have fund balances that are available for use as needed and within the legal restrictions of the revenues that make up each fund.

Significant FY 2024 Capital Projects

The fiscal year 2023-24 CIP includes 38 separate capital projects. Some of the more significant projects include the following:

Parks & Recreation

- **PR-03C Build-Out of Ranger Station Park (\$1.7 million in FY 2024, \$1.8 million total):** The City Council identified the acceleration of the Ranger Station Park completion as a priority. In 2014, the City acquired approximately 3.5 acres of former Forest Service property with a historic ranger station and barn. Restoration of these structures is expected to create event rental space, in addition to other park amenities. This project includes design and construction of the park amenities, including a playground, landscaping and lawn areas, restrooms, and a parking lot. This is a multi-year project that began in fiscal year 2021-22, and estimated completion is June 2024.
- **PR-09 Pickleball Courts at Posse Grounds Park (\$1.5 million in FY 2024, \$1.54 million total):** Due to community interest, the City Council identified the construction of pickleball courts as a priority. Eight pickleball courts with lighting are planned, including installation of benches, drinking/refilling water station, chain-link fencing and gates, sport court lighting system with timer, waste receptacles, and parking. This is a multi-year project that began in fiscal year 2022-23, and estimated completion is June 2024.

Sedona in Motion

- **SIM-01b Uptown Northbound Improvements (\$1.4 million in FY 2024, \$2.5 million total):** One of the significant areas identified in the Transportation Master Plan roadway improvements in through Uptown. This project is necessary to alleviate northbound congestion that often spills back to the "Y" roundabout and creates further congestion for northbound State Route (SR) 179, and northbound SR 89A coming down Cook's Hill. The project includes design and construction for continuation of two northbound lanes beyond Forest Road and merging at the Jordan Road roundabout, while converting an existing loading zone north of the Jordan Road roundabout into a dedicated right-turn lane at Amara Lane. Pedestrian movement will be enhanced by the addition of a shared-use path and History Walk to be diverted from the highway with an adjacent sitting wall. This is a multi-year project that began in fiscal year 2020-21, and estimated completion is June 2025.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Significant FY 2023 Capital Projects (cont'd)

- **SIM-03a Uptown Parking Garage (\$1.0 million in FY 2024, \$24.6 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 was placed on hold in October 2022 for a new parking study/analysis to address concerns raised by some members of the community. If the project moves forward, estimated completion is October 2025.
- **SIM-04c Pedestrian Crossing at Oak Creek (\$3.5 million in FY 2024, \$5.6 million total):** The City Council identified this project as a high priority in the Transportation Master Plan. The project includes continued construction of a north-south pedestrian crossing of 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 January 2024.
- **SIM-05b Forest Road Connection (\$12.9 million in FY 2024, \$20.4 million total):** The City Council identified this project as a high priority in the Transportation Master Plan. The project includes continued 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 May 2024.
- **SIM-05d Ranger Road/Brewer Road Intersection Improvements & Ranger Road Extension (\$1.7 million in FY 2024, \$4.4 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 2025.

Wastewater

- **WW-01F Major Lift Station Upgrades (\$3.7 million in FY 2024, \$6.9 million total):** The last upgrade to the three major lift stations included in this project was completed in 2008. This project will upgrade the obsolete controls allowing for efficient and reliable automation, and wet well coatings will be refreshed. In addition, pumps, variable frequency drives, flow meters, and transfer switches will be replaced. This is a multi-year project that began in fiscal year 2020-21, and estimated completion is August 2025.

Flexibility of Project Programming & Assumed Project Carryovers

While CIP projects programmed for fiscal year 2023-24 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 2023-24 project. Projects would move forward based on priority and feasibility of forward progress.

CAPITAL IMPROVEMENT PROGRAM OVERVIEW

continued

Flexibility of Project Programming & Assumed Project Carryovers (cont'd)

With the uncertainties of which projects will move forward in fiscal year 2023-24 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 2024	\$ 36,008	\$(2,000)	\$ 34,008
FY 2025	64,784	(10,000)	54,784
FY 2026	26,145	7,000	33,145
Future Years	90,516	5,000	95,516
Grand Totals	\$217,454	\$ -	\$217,454

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 ballfield, 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 2024-2033 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.



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 (cont'd)

The following table summarizes the projected annual impact of the fiscal year 2023-24 CIP on the City's operating budget:

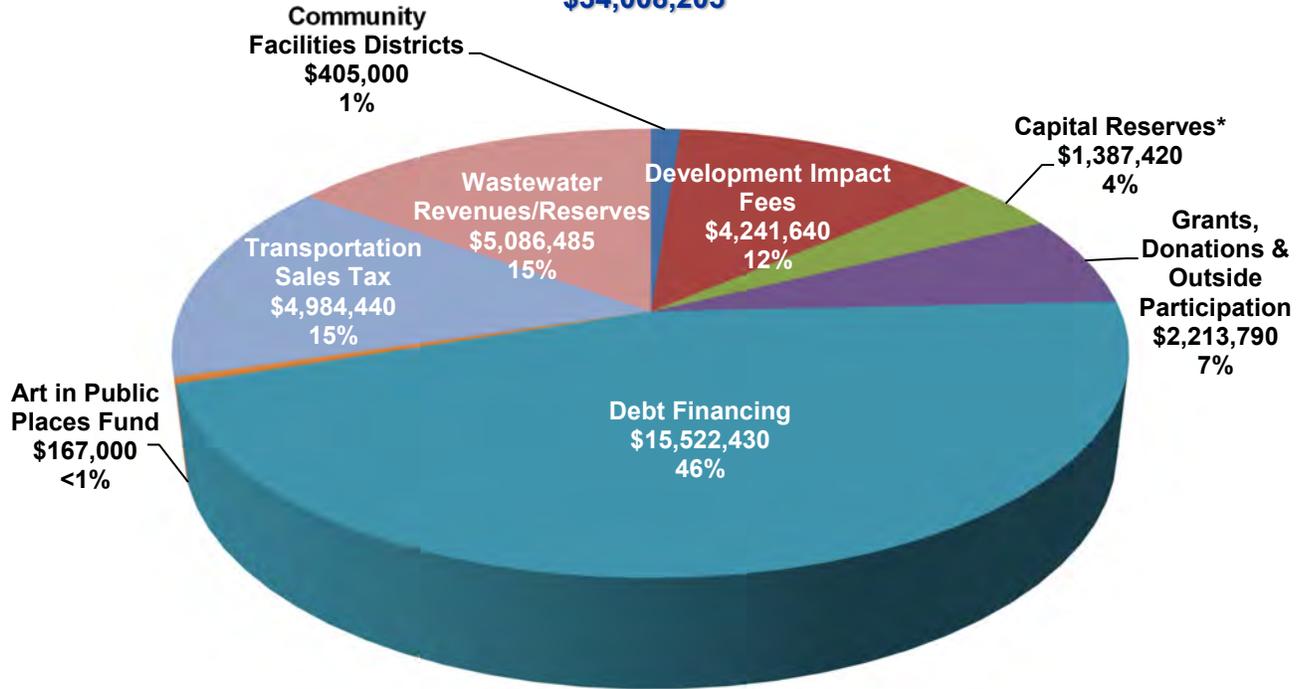
FY 2024 CIP IMPACTS ON OPERATING BUDGET

FY 2024 Projects	Operating Impact	Projected Annual Amount
PR-03B Improvements at Ranger Station – Interior Restoration of House and Barn	Utilities, janitorial, and maintenance	\$ 5,000
PR-03C Build-Out of Ranger Station Park	Event planning, parks maintenance, utilities, supplies, etc.	38,000
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	563,770
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-05b Forest Road Connection	Pavement management, stormwater drainage, striping, signage maintenance, and debt service	804,450
SUS-05 Streetlights LED Retrofit	Reduction in maintenance and operations costs	(7,000)
WW-18 Recharge Well Backwash Filter System	Reduction in maintenance and operations costs	(40,000)
Total		\$10,185,410

Note: This list represents projects that were approved for funding in fiscal year 2023-24 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.

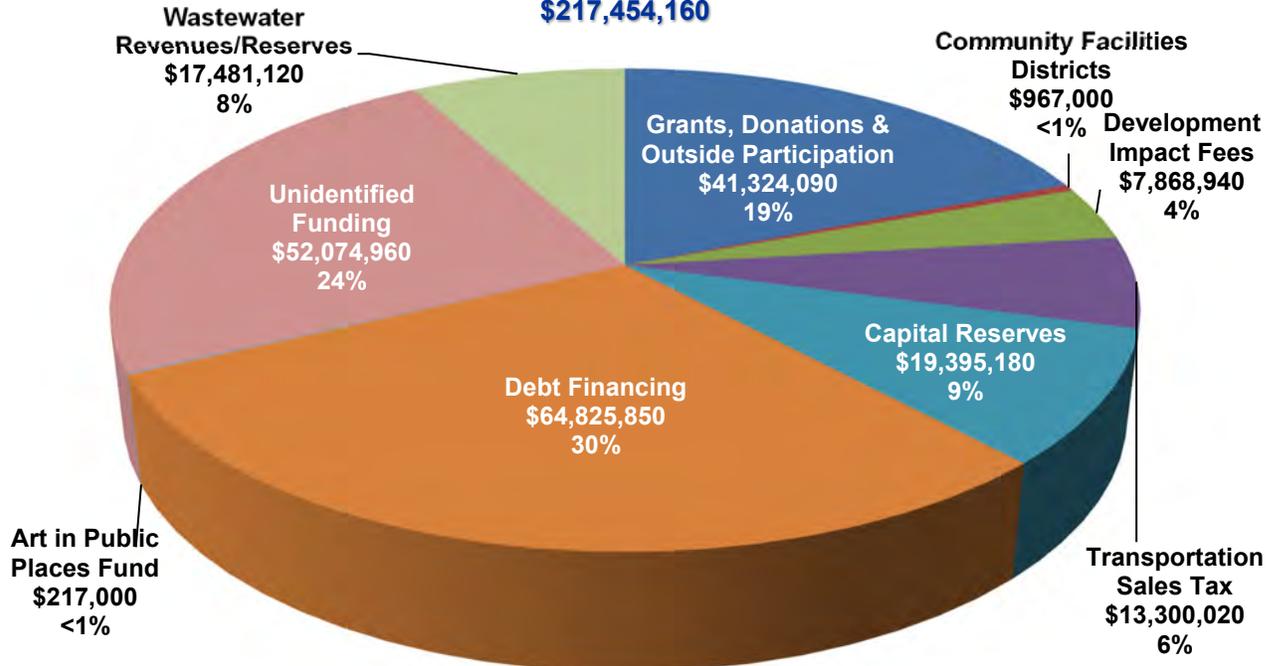
SUMMARY OF CAPITAL PROJECTS

FY 2024 CAPITAL IMPROVEMENT PROJECTS BY FUNDING SOURCE
\$34,008,205



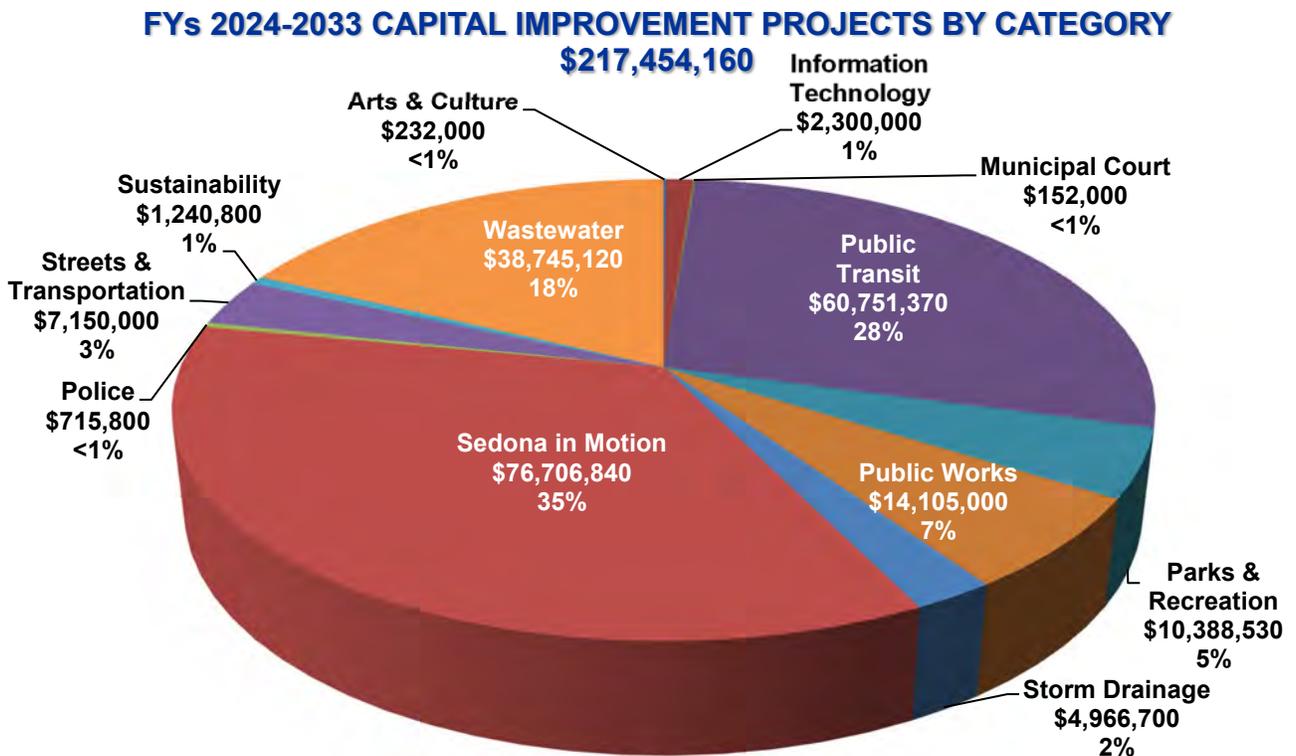
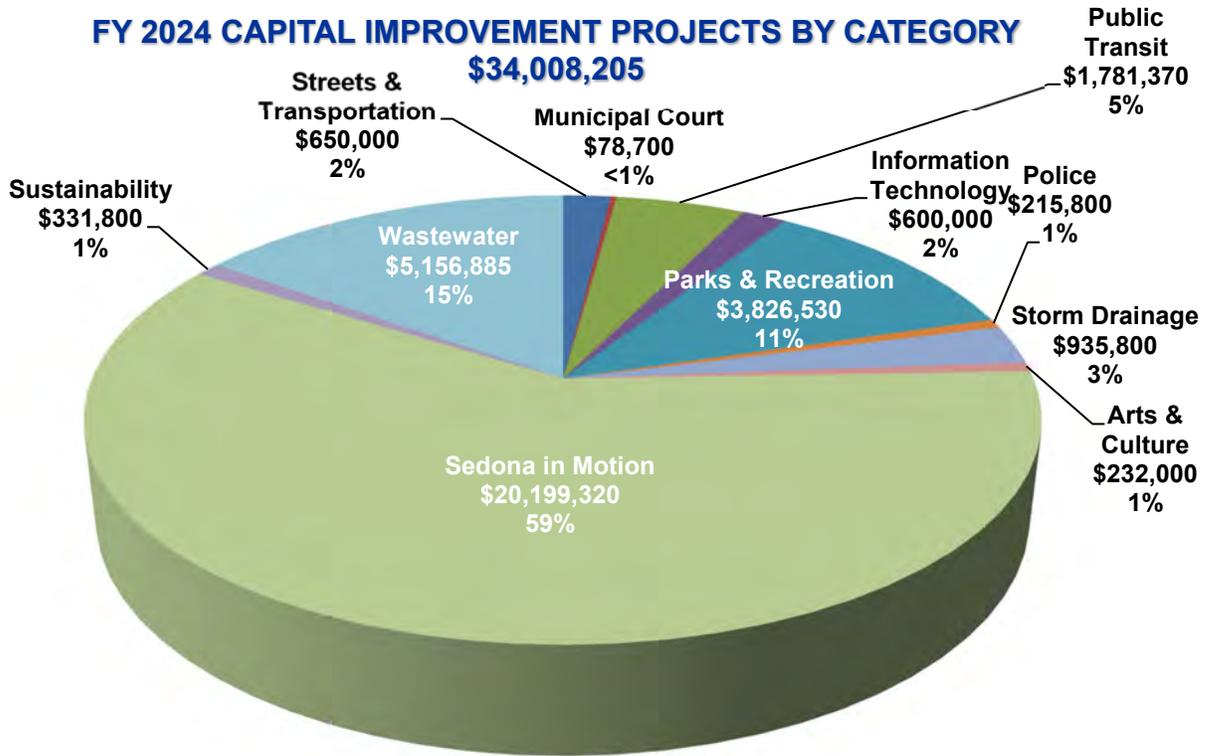
*Adjusted by the \$2.0 million offset for assumed project carryovers; however, actual project delays and related funding sources are only speculative at this time.

FYs 2024-2033 CAPITAL IMPROVEMENT PROJECTS BY FUNDING SOURCE
\$217,454,160



SUMMARY OF CAPITAL PROJECTS

continued



SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 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	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
AC - Arts & Culture										
Art in the Roundabouts	Restricted	Important (Could-Do)	271	AC-02	\$133,675	\$232,000	\$0	\$0	\$0	\$232,000
IT - Information Technology										
Citywide Business Software	Capital Reserves	Imperative (Must-Do)	272	IT-01	\$0	\$600,000	\$1,100,000	\$600,000	\$0	\$2,300,000
MC - Municipal Court										
Court Relocation/Remodel	Restricted	Imperative (Must-Do)	273	MC-02	\$418,596	\$78,700	\$73,300	\$0	\$0	\$152,000
PR - Parks & Recreation										
Concession Stand/Restrooms Building - Renovation and Redesign	Restricted	Important (Could-Do)	274	PR-01	\$0	\$0	\$80,000	\$482,000	\$0	\$562,000
Restructure of Posse Grounds Park	Unidentified	Important (Could-Do)	N/A	PR-02	\$61,429	\$0	\$0	\$0	\$3,500,000	\$3,500,000
Improvements at Ranger Station / Interior Restoration of House and Barn	Restricted & Capital Reserves	Important (Could-Do)	275	PR-03B	\$19,166	\$617,390	\$0	\$0	\$0	\$617,390
Build-Out of Ranger Station Park	Restricted & Capital Reserves	Important (Could-Do)	276	PR-03C	\$163,855	\$1,653,820	\$0	\$0	\$0	\$1,653,820
Dog Park Improvements	Restricted & Capital Reserves	Important (Could-Do)	277	PR-08	\$388,898	\$55,320	\$0	\$0	\$0	\$55,320
Posse Grounds Park Pickleball Courts	Restricted	Essential (Should-Do)	278	PR-09	\$40,000	\$1,500,000	\$0	\$0	\$0	\$1,500,000
Creekside Preservation/Walking Path (ESP)	Restricted	Important (Could-Do)	279	PR-10	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000
PR - Parks & Recreation Subtotal (excluding projects not funded)					\$673,348	\$3,826,530	\$2,580,000	\$482,000	\$0	\$6,888,530
Projects Not Funded					\$0	\$0	\$0	\$0	\$3,500,000	\$3,500,000
PD - Police										
Radio Infrastructure	Capital Reserves	Imperative (Must-Do)	280	PD-02	\$285,315	\$215,800	\$500,000	\$0	\$0	\$715,800
PT - Public Transit (SIM subcategory)										
Transit Maintenance/Operations Center (ESP)	Restricted	Essential (Should-Do)	281	PT-01	\$103,745	\$800,000	\$12,070,000	\$6,430,000	\$2,760,000	\$22,060,000
Transit RIDE Exchange (ESP)	Restricted	Essential (Should-Do)	282	PT-02	\$1,034,468	\$0	\$130,000	\$130,000	\$3,170,000	\$3,430,000
Transit Bus Acquisition (ESP)	Restricted	Essential (Should-Do)	283	PT-03	\$0	\$856,370	\$0	\$0	\$12,350,000	\$13,206,370
Bus Stop Improvements (ESP)	Restricted	Essential (Should-Do)	N/A	PT-04	\$14,927	\$0	\$0	\$0	\$300,000	\$300,000
"Y" Multimodal Facility (ESP)	Restricted	Essential (Should-Do)	284	PT-04a	\$164,500	\$75,000	\$30,000	\$300,000	\$0	\$405,000
North SR 179 Park and Ride (ESP)	Restricted	Essential (Should-Do)	285	PT-04b	\$1,743,342	\$30,000	\$300,000	\$0	\$0	\$330,000
West Sedona Intercept Lot (ESP)	Unidentified	Essential (Should-Do)	N/A	PT-05	\$2,265,919	\$0	\$0	\$0	\$20,700,000	\$20,700,000
South SR 179 Park and Ride (ESP)	Restricted	Essential (Should-Do)	286	PT-06	\$0	\$20,000	\$0	\$0	\$300,000	\$320,000
PT - Public Transit (SIM subcategory) Subtotal					\$5,326,901	\$1,781,370	\$12,530,000	\$6,860,000	\$18,880,000	\$40,051,370
Projects Not Funded					\$0	\$0	\$0	\$0	\$20,700,000	\$20,700,000
PW - Public Works										
Uptown Enhancements	Restricted & Unidentified	Important (Could-Do)	N/A	PW-01	\$195,856	\$0	\$0	\$0	\$250,000	\$250,000
Facilities Study	Capital Reserves	Essential (Should-Do)	N/A	PW-04	\$0	\$0	\$0	\$0	\$100,000	\$100,000
Real Estate/Land Acquisition	Unidentified	Essential (Should-Do)	N/A	PW-05	\$20,017,660	\$0	\$0	\$0	\$8,000,000	\$8,000,000
City Hall Window and Door Replacement (ESP)	Restricted	Important (Could-Do)	287	PW-06	\$0	\$0	\$505,000	\$0	\$0	\$505,000
Cultural Park Improvements	Capital Reserves	Important (Could-Do)	288	PW-08	\$0	\$0	\$2,000,000	\$3,250,000	\$0	\$5,250,000
PW - Public Works Subtotal					\$20,213,516	\$0	\$2,505,000	\$3,250,000	\$100,000	\$5,855,000
Projects Not Funded									\$8,250,000	\$8,250,000

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 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	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)
SIM - Sedona in Motion										
Sedona in Motion Unspecified Projects	Unidentified	Imperative (Must-Do)	289	SIM-00	\$0	(\$2,000,000)	(\$10,000,000)	\$7,000,000	\$5,000,000	\$0
Uptown Northbound Improvements (ESP)	Restricted	Essential (Should-Do)	290	SIM-01b	\$336,673	\$1,399,590	\$740,110	\$0	\$0	\$2,139,700
Uptown Pedestrian Improvements (ESP)	Restricted & Unidentified	Desirable (Other Year)	N/A	SIM-02	\$0	\$0	\$0	\$0	\$6,298,000	\$6,298,000
Uptown Parking Garage	Restricted	Essential (Should-Do)	291	SIM-03a	\$2,198,076	\$1,024,560	\$18,241,820	\$3,100,000	\$0	\$22,366,380
Uptown One Way Streets/Parking	Restricted & Unidentified	Important (Could-Do)	292	SIM-03b	\$0	\$0	\$0	\$65,000	\$130,000	\$195,000
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)	293	SIM-04c	\$1,034,516	\$3,517,020	\$200,000	\$858,500	\$0	\$4,575,520
Ranger/SR 179 Intersection Improvements (ESP)	Restricted & Unidentified	Essential (Should-Do)	N/A	SIM-04e	\$0	\$0	\$0	\$0	\$1,082,580	\$1,082,580
Portal Lane to Brewer Road Connection	Restricted	Essential (Should-Do)	294	SIM-05a	\$59,777	\$0	\$1,016,200	\$0	\$0	\$1,016,200
Forest Road Connection	Restricted	Imperative (Must-Do)	295	SIM-05b	\$5,776,976	\$12,923,600	\$1,700,000	\$0	\$0	\$14,623,600
Ranger Road / Brewer Road RAB Intersection & Ranger Ext Improvements (ESP)	Restricted	Essential (Should-Do)	296	SIM-05d	\$174,720	\$1,654,550	\$2,598,700	\$0	\$0	\$4,253,250
Neighborhood Street Connections	Restricted & Unidentified	Desirable (Other Year)	N/A	SIM-06	\$0	\$0	\$0	\$0	\$1,166,420	\$1,166,420
West SR 89A Access Improvements and Adaptive Signal Control	Unidentified	Desirable (Other Year)	N/A	SIM-10	\$0	\$0	\$0	\$0	\$3,320,000	\$3,320,000
Rodeo Road to Dry Creek Road - Shared-Use Path (ESP)	Restricted	Essential (Should-Do)	297	SIM-11a	\$0	\$0	\$0	\$325,000	\$0	\$325,000
Navoti Dr to Dry Creek Rd Shared-Use Path (ESP)	Restricted	Important (Could-Do)	298	SIM-11e	\$875,610	\$50,000	\$700,000	\$0	\$0	\$750,000
Dry Creek Road Pathway, 89A to Two Fences (ESP)	Restricted	Essential (Should-Do)	299	SIM-11m	\$239,770	\$600,000	\$1,070,000	\$0	\$0	\$1,670,000
Harmony Shared-Use Path and Drainage Improvements (ESP)	Restricted	Essential (Should-Do)	300	SIM-11n	\$50,000	\$85,000	\$1,200,000	\$0	\$0	\$1,285,000
SR179 Signing & Striping	Restricted	Essential (Should-Do)	301	SIM-11o	\$0	\$100,000	\$0	\$0	\$0	\$100,000
Brewer Rd Shared Use Path (ESP)	Restricted	Important (Could-Do)	302	SIM-11p	\$0	\$370,000	\$500,000	\$0	\$0	\$870,000
Shelby II Shared Use Path (ESP)	Restricted	Essential (Should-Do)	303	SIM-11q	\$0	\$425,000	\$700,000	\$0	\$0	\$1,125,000
Rodeo Shared Use Path (ESP)	Restricted & Unidentified	Important (Could-Do)	304	SIM-11r	\$0	\$0	\$0	\$50,000	\$200,000	\$250,000
Little Horse Shared Use Path (ESP)	Restricted	Important (Could-Do)	305	SIM-11s	\$0	\$0	\$100,000	\$0	\$0	\$100,000
Coffee Pot Shared Use Path (ESP)	Restricted & Capital Reserves	Important (Could-Do)	306	SIM-11t	\$0	\$0	\$100,000	\$505,000	\$0	\$605,000
Navoti Dr to Upper Red Rock Loop Rd Shared-Use Path (ESP)	Restricted & Capital Reserves	Essential (Should-Do)	307	SIM-11v	\$0	\$0	\$120,000	\$505,000	\$500,000	\$1,125,000
Tranquil-Madole Shared Use Path (ESP)	Capital Reserves & Unidentified	Important (Could-Do)	308	SIM-11w	\$0	\$0	\$0	\$121,200	\$500,000	\$621,200
Zane Grey Shared Use Path (ESP)	Restricted	Important (Could-Do)	309	SIM-11x	\$0	\$0	\$0	\$60,000	\$500,000	\$560,000
Travel Information System	Restricted & Unidentified	Important (Could-Do)	N/A	SIM-12a	\$99,301	\$0	\$0	\$0	\$625,000	\$625,000
Traffic Video Cameras	Restricted	Important (Could-Do)	310	SIM-12b	\$48,492	\$50,000	\$50,000	\$0	\$0	\$100,000
SIM - Sedona in Motion Subtotal (excluding projects not funded)					\$10,893,911	\$20,199,320	\$19,036,830	\$12,589,700	\$6,000,000	\$57,825,850
Projects Not Funded					\$0	\$0	\$0	\$0	\$18,880,990	\$18,880,990

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 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	FY2024	FY2025	FY2026	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)	311	SD-03	\$375,366	\$622,700	\$0	\$0	\$0	\$622,700
View Drive Area Drainage Improvements (Yavapai County) (ESP)	Restricted & Unidentified	Important (Could-Do)	N/A	SD-04	\$0	\$0	\$0	\$0	\$1,663,500	\$1,663,500
Saddlerock Area Drainage Improvements (Yavapai County) (ESP)	Restricted & Capital Reserves	Important (Could-Do)	312	SD-05	\$0	\$0	\$175,000	\$1,310,000	\$0	\$1,485,000
Mystic Hills Lift Station Access Improvements (Coconino County) (ESP)	Restricted	Important (Could-Do)	313	SD-08	\$0	\$0	\$0	\$40,000	\$300,000	\$340,000
Stormwater Master Plan Update & Project Implementations (ESP)	Restricted	Essential (Should-Do)	N/A	SD-10	\$355,377	\$0	\$0	\$0	\$300,000	\$300,000
Schnebly & Grove Drainage Improvements (ESP)	Capital Reserves	Important (Could-Do)	314	SD-12	\$70,700	\$313,100	\$242,400	\$0	\$0	\$555,500
SD - Storm Drainage Subtotal (excluding projects not funded)					\$801,443	\$935,800	\$417,400	\$1,350,000	\$600,000	\$3,303,200
Projects Not Funded					\$0	\$0	\$0	\$0	\$1,663,500	\$1,663,500
ST - Streets & Transportation										
Back O' Beyond Road & Trailhead Safety Improvements	Restricted & Capital Reserves	Essential (Should-Do)	315	ST-07	\$0	\$200,000	\$2,000,000	\$0	\$0	\$2,200,000
Forest/Ranger/SR 89A Intersection Improvements	Capital Reserves	Important (Could-Do)	316	ST-08	\$206,218	\$450,000	\$4,500,000	\$0	\$0	\$4,950,000
ST - Streets & Transportation Subtotal					\$206,218	\$650,000	\$6,500,000	\$0	\$0	\$7,150,000
SUS - Sustainability										
Decarbonization Roadmapping Plan (ESP)	Capital Reserves	Essential (Should-Do)	317	SUS-03	\$0	\$150,000	\$0	\$0	\$0	\$150,000
Streetsights LED Retrofit (ESP)	Capital Reserves	Essential (Should-Do)	318	SUS-05	\$0	\$181,800	\$0	\$0	\$0	\$181,800
DC Fast EV Chargers (ESP)	Capital Reserves	Essential (Should-Do)	319	SUS-06	\$0	\$0	\$202,000	\$202,000	\$202,000	\$606,000
Building Retrofit of Natural Gas Systems (ESP)	Capital Reserves	Essential (Should-Do)	320	SUS-07	\$0	\$0	\$151,500	\$151,500	\$0	\$303,000
SUS - Sustainability Subtotal					\$0	\$331,800	\$353,500	\$353,500	\$202,000	\$1,240,800
Subtotal Non-Wastewater Projects (excluding projects not funded)					\$38,952,923	\$28,851,320	\$45,596,030	\$25,485,200	\$25,782,000	\$125,714,550

SUMMARY OF CAPITAL PROJECTS
continued

FY 2024 - FY 2033 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	FY2024	FY2025	FY2026	Future Years	Totals (excluding Prior Years Estimate)	
WW - Wastewater											
WW Collection System Improvements - Misc. Rehabs/Replacements (ESP)	WW Revenues	Essential (Should-Do)	321	WW-01D	\$0	\$240,000	\$220,000	\$0	\$0	\$460,000	
WW Collection System Improvements - Future Collections Projects (ESP)	WW Revenues	Important (Could-Do)	322	WW-01E	\$0	\$0	\$50,000	\$500,000	\$1,360,000	\$1,910,000	
WW Collection System Improvements - Major Lift Station Upgrades (ESP)	Restricted & WW Revenues	Imperative (Must-Do)	323	WW-01F	\$2,454,909	\$3,668,985	\$759,635	\$0	\$0	\$4,428,620	
SCADA System and Configuration Upgrade	WW Revenues	Essential (Should-Do)	324	WW-04	\$0	\$0	\$0	\$310,000	\$0	\$310,000	
WWRP Odor Control Upgrades	WW Revenues	Important (Could-Do)	N/A	WW-05	\$24,660	\$0	\$0	\$0	\$335,000	\$335,000	
WWRP Recharge Wells	WW Revenues	Essential (Should-Do)	325	WW-06	\$5,477,699	\$0	\$5,143,600	\$5,100,000	\$10,950,000	\$21,193,600	
WWRP Reservoir Liner Replacement (ESP)	WW Revenues	Important (Could-Do)	N/A	WW-07	\$0	\$0	\$0	\$0	\$1,050,000	\$1,050,000	
WWRP Drying Beds Replacement (ESP)	WW Revenues	Important (Could-Do)	326	WW-08	\$0	\$0	\$0	\$1,650,000	\$0	\$1,650,000	
WWRP Treatment Process Upgrades (ESP)	WW Revenues	Essential (Should-Do)	327	WW-09	\$25,500	\$709,500	\$2,860,000	\$0	\$1,870,000	\$5,439,500	
Wastewater Master Plan Update	WW Revenues	Important (Could-Do)	328	WW-10	\$0	\$0	\$0	\$100,000	\$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)	329	WW-14	\$0	\$140,000	\$0	\$0	\$0	\$140,000	
VACCON Storage Building	WW Revenues	Imperative (Must-Do)	330	WW-15	\$89,155	\$113,400	\$0	\$0	\$0	\$113,400	
WWRP Secondary Clarifier Rehabilitation	WW Revenues	Imperative (Must-Do)	331	WW-16	\$0	\$155,000	\$155,000	\$0	\$155,000	\$465,000	
WWRP Laboratory Remodel	WW Revenues	Desirable (Other Year)	N/A	WW-17	\$0	\$0	\$0	\$0	\$500,000	\$500,000	
WWRP Recharge Well Backwash Filter System (ESP)	WW Revenues	Essential (Should-Do)	332	WW-18	\$0	\$130,000	\$0	\$0	\$0	\$130,000	
WW - Wastewater Subtotal						\$8,071,923	\$5,156,885	\$9,188,235	\$7,660,000	\$16,740,000	\$38,745,120
TOTAL ALL PROJECTS (excluding projects not funded)						\$47,024,846	\$34,008,205	\$54,784,265	\$33,145,200	\$42,522,000	\$164,459,670
Total Projects Not Funded						\$0	\$0	\$0	\$0	\$52,994,490	\$52,994,490
Grand Totals Funded and Unfunded						\$47,024,846	\$34,008,205	\$54,784,265	\$33,145,200	\$95,516,490	\$217,454,160

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Art in the Roundabouts

Location:
SR 179 Roundabouts

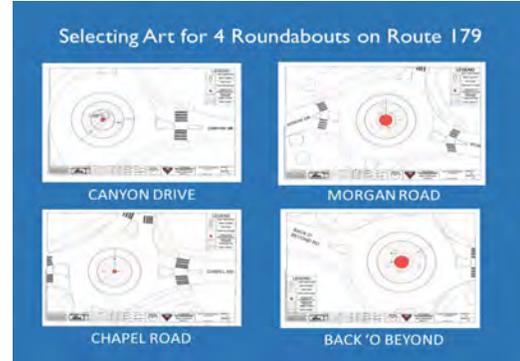
Phase: of **Project #:** AC-02
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2019	May 2021
Estimated Completion Date	June 2020	June 2024

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 2024 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.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
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. ADOT permits are in process.

Project Balance	
Original Approved Project Budget	\$300,000
Approved Budget Increases/Decreases	\$64,330
Current Approved Total Project Budget	\$364,330
Requested Budget Increase/Decrease	\$1,345
Requested Total Project Budget	\$365,675
Estimated Expenditures through June 30, 2023	\$133,675
Budget Balance Remaining	\$232,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Carryover of funds for installation and second half payment to artists - moved to FY 2024 due to project delays. Due to delays related to COVID-19, staffing capacity, and ADOT permitting timelines, the project was delayed and sculptures are anticipated to be installed in FY 2024.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Construction - Contracted		\$100,655				\$100,655
New Appropriation	Construction - Contracted		\$1,345				\$1,345
Carry Over	Public Art Purchase	\$133,675	\$130,000				\$263,675
Totals		\$133,675	\$232,000	\$0	\$0	\$0	\$365,675

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
1% for Arts	\$133,675	\$167,000				\$300,675
Donations		\$65,000				\$65,000
Totals		\$133,675	\$232,000	\$0	\$0	\$365,675

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Donation received to cover cost of certain sculptures.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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

Location:
Citywide System

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	April 2019	April 2019
Estimated Completion Date	June 2021	June 2025

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 were 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.

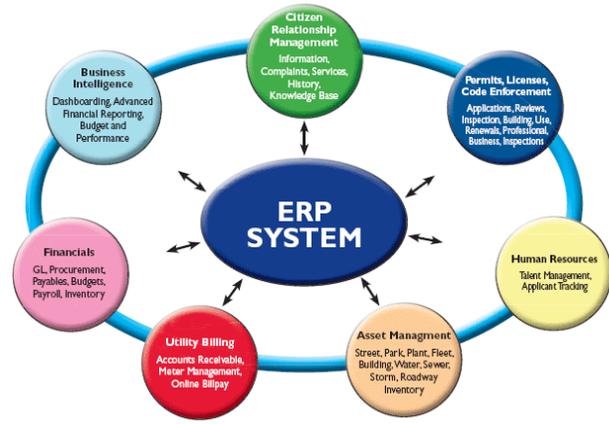
Recently, Springbrook has notified staff that it will no longer support the current version and an upgrade to the newer version would be a significant undertaking. This is the primary reason for elevating the Priority from Essential to Imperative.

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 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.

Enterprise Resource Planning (ERP) System



For Continuing Projects

Estimated Project Status as of June 30, 2023:
Beginning RFP process for selecting a consultant to assist with the ERP system selection, implementation, and project management.

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	\$1,300,000
Requested Total Project Budget	\$2,300,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$2,300,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The placeholder amounts have not been updated since FY 2019. More current estimates have been provided. Due to workloads with other significant projects in process, the timeline for this project has been delayed.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Project Management - Contracted		\$100,000	\$100,000	\$100,000		\$300,000
Carry Over	Technology		\$500,000	\$500,000			\$1,000,000
New Appropriation	Technology			\$500,000	\$500,000		\$1,000,000
Totals		\$0	\$600,000	\$1,100,000	\$600,000	\$0	\$2,300,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves		\$600,000	\$1,100,000	\$600,000		\$2,300,000
Totals	\$0	\$600,000	\$1,100,000	\$600,000	\$0	\$2,300,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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	January 2022
Estimated Completion Date	June 2023	June 2025

Ranking: Imperative (Must-Do)

Environmental Sustainability Project? No

Project Description:
Establish a new court facility by relocating to and remodeling the 221 Brewer Road north building. Phase 2 of the remodel to include construction of jury box and other items to be completed within FY24.



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, 2023:
Phase 1 of relocation and remodel work complete with possible delay in some technology equipment.

Project Balance	
Original Approved Project Budget	\$244,190
Approved Budget Increases/Decreases	\$174,406
Current Approved Total Project Budget	\$418,596
Requested Budget Increase/Decrease	\$152,000
Requested Total Project Budget	\$570,596
Estimated Expenditures through June 30, 2023	\$418,596
Budget Balance Remaining	\$152,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The budget has been revised to change the scope for the remodel of the 221 Brewer Road north building. New budget is added for Phase 2 to occur in FY2024. Timeline extended due to addition of Phase 2.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$31,896					\$31,896
New Appropriation	Design - Contracted		\$25,000				\$25,000
Carry Over	Construction - Contracted	\$277,790					\$277,790
New Appropriation	Construction - Contracted		\$46,700	\$28,300			\$75,000
New Appropriation	Equipment Purchase			\$45,000			\$45,000
Carry Over	Technology	\$107,560					\$107,560
New Appropriation	Technology		\$7,000				\$7,000
Carry Over	Arts Transfer	\$1,350					\$1,350
Totals		\$418,596	\$78,700	\$73,300	\$0	\$0	\$570,596

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant	\$41,631	\$11,022				\$52,653
Court Restricted Revenues	\$225,000	\$67,678	\$73,300			\$365,978
Capital Reserves	\$151,965					\$151,965
Totals	\$418,596	\$78,700	\$73,300	\$0	\$0	\$570,596

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Includes AOC grant for ballistic materials.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	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 2026



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. If the Pickleball court project moves forward, this project could become a priority.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Not yet started.

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted			\$80,000			\$80,000
Future Estimate	Construction - Contracted				\$282,000		\$282,000
Future Estimate	Contingency				\$200,000		\$200,000
Totals		\$0	\$0	\$80,000	\$482,000	\$0	\$562,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Summit CFD			\$80,000	\$182,000		\$262,000
Fairfield CFD				\$300,000		\$300,000
Totals	\$0	\$0	\$80,000	\$482,000	\$0	\$562,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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:
Improvements at Ranger Station / Interior Restoration of House and Barn

Location:
Brewer Road Property

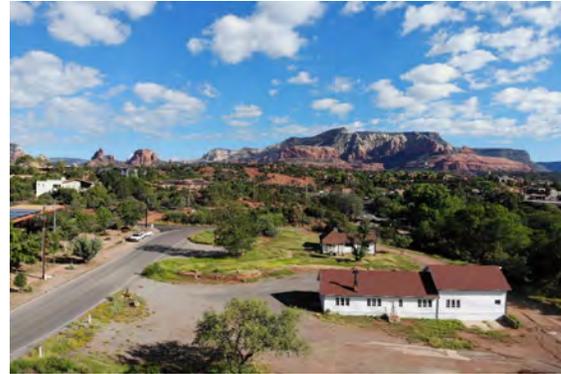
Phase: 2 of 3 **Project #:** PR-03B
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	June 2023
Estimated Completion Date	June 2023	June 2024

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

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 2024.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Exterior restoration complete. Architect scheduled to start design of interior late June 2023.

Project Balance	
Original Approved Project Budget	\$325,000
Approved Budget Increases/Decreases	\$272,280
Current Approved Total Project Budget	\$597,280
Requested Budget Increase/Decrease	\$39,276
Requested Total Project Budget	\$636,556
Estimated Expenditures through June 30, 2023	\$19,166
Budget Balance Remaining	\$617,390

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Increased budget to reflect current environment of increased cost of construction. Project delayed due to difficulty getting an architect on board that has historic preservation experience and availability.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted		\$35,000				\$35,000
New	Design - Contracted		\$20,000				\$20,000
Carry Over	Construction - Contracted	\$19,056	\$540,944				\$560,000
New	Construction - Contracted		\$19,056				\$19,056
Carry Over	Arts Transfer	\$110	\$2,170				\$2,280
New	Arts Transfer		\$220				\$220
Totals		\$19,166	\$617,390	\$0	\$0	\$0	\$636,556

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$8,074	\$175,860				\$183,934
Summit CFD		\$60,000				\$60,000
Fairfield CFD		\$140,000				\$140,000
Capital Reserves	\$11,092	\$241,530				\$252,622
Totals	\$19,166	\$617,390	\$0	\$0	\$0	\$636,556

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$5,000	\$5,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$5,000	\$5,000

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 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: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

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, 2023:

Design completed and project out to bid. Anticipate construction contract award as of June 30, 2023.

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.

Project Balance		
Original Approved Project Budget		\$1,746,350
Approved Budget Increases/Decreases		\$0
Current Approved Total Project Budget		\$1,746,350
Requested Budget Increase/Decrease		\$71,325
Requested Total Project Budget		\$1,817,675
Estimated Expenditures through June 30, 2023		\$163,855
Budget Balance Remaining		\$1,653,820

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Master Plan	\$88,425					\$88,425
Carry Over	Design - Contracted		\$6,675				\$6,675
New	Design - Contracted		\$13,325				\$13,325
Carry Over	Construction - Contracted		\$1,425,000				\$1,425,000
Carry Over	Construction - In-House	\$75,000					\$75,000
Carry Over	Contingency		\$142,000				\$142,000
New	Contingency		\$58,000				\$58,000
Carry Over	Arts Transfer		\$430	\$8,820			\$9,250
Totals		\$163,855	\$1,653,820	\$0	\$0	\$0	\$1,817,675

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$69,248	\$648,340				\$717,588
Summit CFD		\$95,000				\$95,000
Fairfield CFD		\$20,000				\$20,000
Capital Reserves	\$94,607	\$890,480				\$985,087
Totals	\$163,855	\$1,653,820	\$0	\$0	\$0	\$1,817,675

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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:
Dog Park Improvements

Location:
Posse Grounds Park

Phase: 3 of 3 **Project #:** PR-08
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	July 2021
Estimated Completion Date	June 2022	June 2024

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:
Complete the Master Plan upgrades noted in the Master Plan.

In FY 2017 a Master Plan was created for the dog park. In FY 2018 Phase One took place, improving and adding parking spaces, new surface including some artificial turf and a new watering station.

Additional funding would be used to complete the improvements listed in the master plan such as an additional shade structure in the natural area as well as landscaping and the potential for larger improvements like a small restroom.



Project Justification:
A Master Plan was created and supported by the community that outlined the "best case" improvements that could be done for this park. Completion of the improvements would be appreciated by the community.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Phase One was completed in FY 2018. Dog Park Expansion was completed in January 2023.

Project Balance		
Original Approved Project Budget		\$221,130
Approved Budget Increases/Decreases		\$57,068
Current Approved Total Project Budget		\$278,198
Requested Budget Increase/Decrease		\$166,020
Requested Total Project Budget		\$444,218
Estimated Expenditures through June 30, 2023		\$388,898
Budget Balance Remaining		\$55,320

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Shade structure is planned within FY 2023. Irrigation, clean fill and grass, if chosen, is currently budgeted in FY 2024. Additional scope added at request of residents for shade structures and grass.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$36,203					\$36,203
New	Design - Contracted		\$15,000				\$15,000
Carry Over	Construction - Contracted	\$241,995					\$241,995
New	Construction - In-House	\$110,070	\$40,000				\$150,070
New	Arts Transfer	\$630	\$320				\$950
Totals		\$388,898	\$55,320	\$0	\$0	\$0	\$444,218

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Pre 8/2014	\$35,383					\$35,383
Development Impact Fees - Post 7/2014	\$289,455	\$23,310				\$312,765
Capital Reserves	\$64,060	\$32,010				\$96,070
Totals	\$388,898	\$55,320	\$0	\$0	\$0	\$444,218

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Park already exists so operating expenses are already accounted for.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Posse Grounds Park Pickleball Courts

Location:
Posse Grounds Park

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	
Estimated Completion Date	June 2024	

Ranking:

Environmental Sustainability Project?

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, 2023:
Outreach to adjacent homeowners' associations (HOAs) on preference of court location and hired engineer for design.

Project Balance	
Original Approved Project Budget	\$1,540,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$1,540,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,540,000
Estimated Expenditures through June 30, 2023	\$40,000
Budget Balance Remaining	\$1,500,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$40,000	\$100,000				\$140,000
Carry Over	Construction - Contracted		\$1,400,000				\$1,400,000
Totals		\$40,000	\$1,500,000	\$0	\$0	\$0	\$1,540,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Pre 8/2014	\$40,000	\$1,410,000				\$1,450,000
Fairfield CFD		\$90,000				\$90,000
Totals	\$40,000	\$1,500,000	\$0	\$0	\$0	\$1,540,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Costs for utilities, maintenance and upkeep, commodities, etc. are expected to be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Creekside Preservation/Walking Path

Location:
To be determined

Phase: of **Project #:** PR-10
(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:
Purchase of real estate/land adjacent to Oak Creek for the purpose of conservation and possibly passive recreation such as a natural walking path.

The FY 2025 funds are a placeholder for acquiring property that will be determined at a later date or if a strategic opportunity for creekside land presents itself.



Project Justification:
There is a limited amount of undeveloped Creekside property left in the city and the privately held parcels are likely to be developed at highest and best use (maximizing development potential) unless acquired by the City for preservation purposes.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not yet started.

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, 2023	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
FY 2025 placeholder for purchase of Creekside property that could be identified during a future fiscal year. No funding included for FY 2024 due to the size of the existing CIP budget and extensive project list and the desire to not further inflate the budget. Council could decide to add funds to the FY 2024 budget as a placeholder in case an opportunity for a creekside land purchase presents itself.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Land Acquisition			\$2,500,000			\$2,500,000
Totals		\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014			\$1,059,370			\$1,059,370
Capital Reserves			\$1,440,630			\$1,440,630
Totals	\$0	\$0	\$2,500,000	\$0	\$0	\$2,500,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
City funds could be matched with community contributions and/or grant funds should any such opportunities become available and/or such resident interest exists.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Unknown at this time.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Radio Infrastructure

Location:

Southwest Drive Antenna

Phase: of Project #:
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2017	January 2019
Estimated Completion Date	June 2019	June 2025

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 2023. 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 2024 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 2025, \$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 2026, \$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.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Phase 1 continues to be delayed due to COVID-19-related issues and a contact in negotiations between the Sedona Airport and Sedona Fire Department, who manages the radio infrastructure, relating to the Airport antenna. These delays continue to affect specific factors of the project, including the delay of equipment that is on backorder, as well as issues with staffing. Due to these unforeseen circumstances, Phase 1 is at approximately 60% completion. All of the equipment for Phase 1 should be installed and ready for testing, before Phase 2 can start.

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	\$150,000
Requested Total Project Budget	\$501,115
Estimated Expenditures through June 30, 2023	\$285,315
Budget Balance Remaining	\$215,800

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.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Study	\$49,990					\$49,990
Carry Over	Equipment Purchase	\$235,325	\$65,800				\$301,125
New							
Appropriation	Equipment Purchase		\$150,000				\$150,000
Future Estimate	Future Estimate Placeholder			\$500,000			\$500,000
	Totals	\$285,315	\$215,800	\$500,000	\$0	\$0	\$1,001,115

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves	\$285,315	\$215,800	\$500,000			\$1,001,115
Totals	\$285,315	\$215,800	\$500,000	\$0	\$0	\$1,001,115

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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:

Transit Maintenance/Operations Center

Location:

TBD

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

The Sedona Area Transit Implementation Plan (January, 2020) was completed with recommendations on phased fixed route bus services, demand response and shuttle services to various trailheads throughout the City and surrounding national forest. The City and its Verde Valley stakeholders are actively working to develop appropriate bus transit services as per the adopted Plan. The Maintenance and Operations Facility development is part of the City's plan to support and enhance the transit services in the region. The completion of this Project will provide the required transit staff with all the space and equipment necessary to properly administer, operate and maintain the City's buses, as well as providing maintenance services to other transit systems in the Verde Valley.

The concept design and NEPA environmental studies have been completed for this project. The final design RFQ is currently under review by the Arizona Department of Transportation, as partial funding will be provided by grants from the Federal Transit Administration.

Costs prior to FY2024 were for a site location study and environmental reporting split evenly (50%/50%) with the Mobility Hub Project PT-02. Funding for final design funded through FY 2024 and FY2025; and construction is anticipated to be funded in FY2025 and FY2026. Future years funding has been allocated to work toward the Transit System's goal of "Zero Emissions."

Project Justification:

For the City's growing fleet of buses, a maintenance and operations facility becomes increasingly necessary. The facility will provide a location for maintaining and storing buses and other fleet vehicles; and for housing an operation center for the transit departmental staff. The facility may also provide a revenue stream if services are provided for Cottonwood Transit, Verde Valley Care Givers and others.

	Original	Revised (if applicable)
Start Date	July 2021	February 2022
Estimated Completion Date	June 2025	June 2027



For Continuing Projects

Estimated Project Status as of June 30, 2023:

A preliminary notice of award letter has been received for FTA grant money to cover a portion of the design phase costs. A NEPA study for Categorical Exclusion was completed and submitted to ADOT. Currently waiting for ADOT to complete their review of a RFP for final design proceedings.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Increased estimated costs due to project delays and inflationary factors. Study was delayed and funding application delayed due to ADOT funding process. Future "Zero Emissions" goals and funding requirements moved to FY 2027. Study delayed and funding application delayed due to ADOT funding process. Charging improvements moved to FY 2027.

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	\$5,293,745
Requested Total Project Budget	\$22,163,745
Estimated Expenditures through June 30, 2023	\$103,745
Budget Balance Remaining	\$22,060,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Study	\$60,000					\$60,000
New							
Appropriation	Study	\$43,745					\$43,745
Carry Over	Design - Contracted		\$800,000	\$500,000			\$1,300,000
Carry Over	Construction - Contracted			\$11,570,000	\$1,430,000		\$13,000,000
New	Construction - Contracted				\$5,000,000		\$5,000,000
Carry Over	Equipment Purchase					\$1,860,000	\$1,860,000
Carry Over	Contingency					\$650,000	\$650,000
New							
Appropriation	Contingency					\$250,000	\$250,000
Totals		\$103,745	\$800,000	\$12,070,000	\$6,430,000	\$2,760,000	\$22,163,745

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant		\$640,000	\$9,656,000	\$5,144,000	\$2,208,000	\$17,648,000
Transportation Sales Tax	\$60,745	\$160,000				\$220,745
Debt Financing	\$43,000		\$2,414,000	\$1,286,000	\$552,000	\$4,295,000
Totals	\$103,745	\$800,000	\$12,070,000	\$6,430,000	\$2,760,000	\$22,163,745

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Preliminary award notice was received for FTA 5339 funding toward 80% of design costs, up to a total of \$720,000. Grant funding from FTA will also be sought for construction costs.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$53,300	\$53,300
Debt Service			\$584,130	\$584,130
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$637,430	\$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 RIDE Exchange

Location:
215 W SR 89A & 65 Brewer Road

Phase: of **Project #:**
(If Applicable)

Ranking:

Environmental Sustainability Project? Yes

Project Description:
In FY 2022, a siting study was completed, which considers the best location for the facility, and a facility use needs assessment. This considers 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 is currently expected to begin in FY 2025 and be complete in FY 2026. Construction would begin in FY 2027 and be complete in FY 2028.

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.

	Original	Revised (if applicable)
Start Date	July 2021	February 2022
Estimated Completion Date	June 2024	June 2028

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 Toul 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 (VCC) 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:

- Capital Costs = \$2.4 M (8 new buses and park-and-ride lot improvements)
- Operating Costs = \$460,000/yr. Costs may be shared between ADOT, Coconino County, Yavapai County, and City of Sedona.

TRADEOFFS:

- Ongoing operational expenses to operate the service.
- Multi-jurisdictional coordination necessary.
- Need to create strong incentives for utilization.
- Seasonality of operations/ demand periods.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
The siting study is complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget delayed to adjust to grant cycle. Funding application delayed due to ADOT funding process.

Project Balance	
Original Approved Project Budget	\$3,460,000
Approved Budget Increases/Decreases	\$982,439
Current Approved Total Project Budget	\$4,442,439
Requested Budget Increase/Decrease	\$22,029
Requested Total Project Budget	\$4,464,468
Estimated Expenditures through June 30, 2023	\$1,034,468
Budget Balance Remaining	\$3,430,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Study	\$59,500					\$59,500
New Appropriation	Study	\$22,029					\$22,029
Carry Over	Land Acquisition	\$952,939					\$952,939
Carry Over	Design - Contracted			\$130,000	\$130,000		\$260,000
Carry Over	Construction - Contracted					\$2,580,000	\$2,580,000
Carry Over	Equipment Purchase					\$460,000	\$460,000
Carry Over	Contingency					\$130,000	\$130,000
	Totals	\$1,034,468	\$0	\$130,000	\$130,000	\$3,170,000	\$4,464,468

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant			\$104,000	\$104,000	\$2,536,000	\$2,744,000
Transportation Sales Tax	\$1,013,468					\$1,013,468
Debt Financing	\$21,000		\$26,000	\$26,000	\$634,000	\$707,000
Totals	\$1,034,468	\$0	\$130,000	\$130,000	\$3,170,000	\$4,464,468

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Grant funding from FTA will be sought.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			\$27,600	\$27,600
Debt Service			\$129,290	\$129,290
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$156,890	\$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 2024 - Additional micro-transit buses
- FY 2027 - Future - Core routes, paratransit, OCC route, Slide Rock route buses

FY 2027 also includes a zero emissions study to evaluate best approach for future buses acquisitions.



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 \$220,000 each for the vehicle, including technology.

Medium sized buses (medium duty coaches) are estimated to cost \$250,000 each for the vehicle, including technology.

Larger buses (heavy duty coaches) are estimated to cost \$1.1M each for the vehicle, and \$50,000 each for the technology add on, for a total of \$1.15M each.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
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	-\$813,700
Current Approved Total Project Budget	\$536,300
Requested Budget Increase/Decrease	\$320,070
Requested Total Project Budget	\$856,370
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$856,370

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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Study					\$150,000	\$150,000
Carry Over	Vehicle Purchase		\$536,300				\$536,300
New							
Appropriation	Vehicle Purchase		\$320,070				\$320,070
Future Estimate	Vehicle Purchase					\$12,200,000	\$12,200,000
Totals		\$0	\$856,370	\$0	\$0	\$12,350,000	\$13,206,370

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant		\$424,690			\$10,445,000	\$10,869,690
Transportation Sales Tax		\$431,680			\$75,000	\$506,680
Debt Financing					\$1,830,000	\$1,830,000
Totals	\$0	\$856,370	\$0	\$0	\$12,350,000	\$13,206,370

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
FTA 5339 grant was awarded for two microtransit vehicles. Grant funding from FTA will be sought for future acquisitions.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services	\$563,770	\$563,770	\$6,200,000	\$6,200,000
Debt Service			\$186,590	\$186,590
Revenue Offset				
Total Expenditure Impacts	\$563,770	\$563,770	\$6,386,590	\$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:
"Y" Multimodal Facility

Location:
125 SR 89A

Phase: of **Project #:** PT-04a
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2021	June 2022
Estimated Completion Date	June 2025	June 2026

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
The prior Chevron gas station property (125 W SR 89A) was acquired from ADOT in FY 2022 with the intention of constructing a multi-modal transit stop for buses, and perhaps an information and kiosk center for pedestrians and cyclists. Prior years funding was for this land purchase. FY 2024 funding is for a Building Conditions Assessment, possible demolition or renovation design of the existing building and design of the bus stop area. FY 2025 allocations are for continued design requirements and construction of the building renovation and bus stop amenities.



Project Justification:
The project is in line with the Sedona Area Transit Implementation Plan (January, 2020).

For Continuing Projects

Estimated Project Status as of June 30, 2023:
The building and land has been purchased and the Building Conditions Assessment has commenced.

Project Balance	
Original Approved Project Budget	\$584,500
Approved Budget Increases/Decreases	-\$15,000
Current Approved Total Project Budget	\$569,500
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$569,500
Estimated Expenditures through June 30, 2023	\$164,500
Budget Balance Remaining	\$405,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Delayed due to other priorities.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Land Acquisition	\$164,500					\$164,500
Carry Over	Demolition/Site Prep - In-House		\$75,000				\$75,000
Carry Over	Design - Contracted			\$30,000			\$30,000
Carry Over	Construction - Contracted				\$300,000		\$300,000
Totals		\$164,500	\$75,000	\$30,000	\$300,000	\$0	\$569,500

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax	\$164,500	\$75,000	\$30,000	\$300,000		\$569,500
Totals	\$164,500	\$75,000	\$30,000	\$300,000	\$0	\$569,500

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Maintenance costs for the 125 SR 89A property are expected to be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
North SR 179 Park and Ride

Location:
1294 & 1406 SR 179

Phase: of **Project #:** PT-04b
(If Applicable)

	Original	Revised (if applicable)
Start Date	January 2022	January 2022
Estimated Completion Date	July 2023	June 2025

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:

Traffic congestion during the peak visitor season continues to be the number one complaint by city residents. Add to that the overflow of trailhead parking into some of the city's neighborhoods and surface streets, and it becomes clear that this issue is adversely affecting public safety as well as the quality of life of many of Sedona's residents. To alleviate traffic congestion, the trailhead shuttle system became operational in March 2022. At the subject Park & Ride facility on Bowstring Drive, the previously leased parking lot was purchased from the Church of the Red Rocks. This accounts for land acquisition costs in prior years column. A conceptual design was completed last year by Kimley-Horn design consultants. This described the proposed provision of permanent public restrooms, shade structures and other amenities to enhance the Sedona Shuttle experience. The costs for this and additional rezoning and permitting is also shown in the prior year's column. FY2024 costs are for final design consultants to study concepts and prepare construction plans to make improvements that will enhance the shuttle operations efficacy and amenities for shuttle users. FY2025 funding will enable construction of these improvements.



Project Justification:

The land acquisition is necessary to allow a firm commitment to the operations of this important park and ride facility. The proposed improvements are required to make the shuttle operation operate much more efficiently, and with more attractive amenities to increase ridership.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Land acquisition agreement has been executed with closing and recordation of the purchase completed on June 27, 2023. Contracted design consultants to carry out final design of shade structure, restrooms and possible new bus egress ramp.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$2,073,342
Requested Total Project Budget	\$2,073,342
Estimated Expenditures through June 30, 2023	\$1,743,342
Budget Balance Remaining	\$330,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Costs for land purchase was somewhat underestimated; and final design is going to require more extensive effort if a bus egress ramp is to be designed with a connection directly to S.R. 179. Additional improvements planned.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Land Acquisition	\$1,700,000					\$1,700,000
New Appropriation	Design - Contracted		\$30,000				\$30,000
New Appropriation	Construction - Contracted	\$43,342		\$300,000			\$343,342
Totals		\$1,743,342	\$30,000	\$300,000	\$0	\$0	\$2,073,342

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax	\$1,700,000	\$30,000	\$300,000			\$2,030,000
Debt Financing	\$43,342					\$43,342
Totals		\$1,743,342	\$30,000	\$300,000	\$0	\$2,073,342

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

Minor operating costs will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
South SR 179 Park and Ride

Location:
To be determined - South SR 179

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		

Ranking:

Environmental Sustainability Project?

Project Description:
This project includes a new park and ride parking lot for the transit system, transit stop, shared-use path connection to the site, viewing platform, restroom facility, and other site amenities like an information kiosk, shade structure, and/or picnic table, etc. Options are being considered for location with one option being explored is USFS property. The viability of this option is expected to be clarified after meeting with Volpe representatives in fall 2023.



Project Justification:
A park and ride lot at the south end of SR 179 was recommended by the Sedona Area Transit Implementation Plan. The 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, 2023:

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$20,000
Requested Total Project Budget	\$20,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$20,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Environmental		\$20,000				\$20,000
Unfunded	Future Estimate Placeholder					\$300,000	\$300,000
Totals		\$0	\$20,000	\$0	\$0	\$300,000	\$320,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax		\$20,000				\$20,000
Unidentified					\$300,000	\$300,000
Totals	\$0	\$20,000	\$0	\$0	\$300,000	\$320,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
City Hall Window and Door Replacement

Location:
City Hall

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2023	
Estimated Completion Date	June 2024	

Ranking:

Environmental Sustainability Project?

Project Description:
Replacement of all windows and doors at City Hall.



Project Justification:
The Arizona State University's Industrial Assessment Center conducted sites visits at the City Hall Complex and Wastewater Treatment Plant in the summer of the 2022. Upon completion of their report, one of the recommendations was to install and upgrade all window attachments (ie. weather stripping, blinds) on glass windows at City Hall. Doing so was estimated to lead to modest annual utility savings. However, after consultation with Public Works and Facilities staff, it was determined that most of the windows at the complex are decades old with inadequate efficiency and security.

While those window attachments would improve utility consumption and reduce emissions, a full-scale replacement of all windows and doors would be worthwhile. Replacement of all applicable windows and doors at City Hall would lead to improved security, comfort, building longevity and capital, and reduce energy consumption.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Construction - Contracted			\$500,000			\$500,000
Future Estimate	Arts Transfer			\$5,000			\$5,000
Totals		\$0	\$0	\$505,000	\$0	\$0	\$505,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves			\$505,000			\$505,000
Totals	\$0	\$0	\$505,000	\$0	\$0	\$505,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Long-term operating impacts should improve building security, reduce maintenance costs, improve employee comfort, and improve building efficiencies. Estimation of the financial impact will be determined during the planning of the project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Cultural Park Improvements

Location:
45 Cultural Park Place

Phase: of **Project #:** PW-08
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2024	
Estimated Completion Date	June 2026	

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:
The FY 2026 costs account for the housing portion of development expected at this time. Other development components will be determined through the Community Focus Area (CFA) process and added to this budget once determined.



Project Justification:
The Cultural Park Property will need to have improvements designed and built to account for the recommendations determined in the CFA.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not started

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, 2023		\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Placeholder			\$2,000,000	\$3,250,000		\$5,250,000
Totals		\$0	\$0	\$2,000,000	\$3,250,000	\$0	\$5,250,000

Project Funding Estimates:

Funding Source	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves		\$2,000,000	\$3,250,000		\$5,250,000
Totals	\$0	\$2,000,000	\$3,250,000	\$0	\$5,250,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	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 will be determined as the development improvements are identified.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Sedona in Motion Unspecified Projects

Location:
Various

Phase: of **Project #:** SIM-00
(If Applicable)

	Original	Revised (if applicable)
Start Date		
Estimated Completion Date		

Ranking: Imperative (Must-Do)

Environmental Sustainability Project? No

Project Description:
This project is 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, 2023:
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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Contingency		-\$2,000,000	-\$10,000,000	\$7,000,000	\$5,000,000	\$0
Totals		\$0	-\$2,000,000	-\$10,000,000	\$7,000,000	\$5,000,000	\$0

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Unidentified		-\$2,000,000	-\$10,000,000	\$7,000,000	\$5,000,000	\$0
Totals	\$0	-\$2,000,000	-\$10,000,000	\$7,000,000	\$5,000,000	\$0

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
N/A

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Uptown Northbound Improvements

Location:

Uptown (SR 89A)

Phase: of Project #: SIM-01b
(If Applicable)

Ranking: Essential (Should-Do)

	Original	Revised (if applicable)
Start Date	March 2021	March 2021
Estimated Completion Date	June 2022	June 2025

Environmental Sustainability Project? Yes

Project Description:

This project data collection, modeling, and analysis to identified improvements that will help alleviate northbound congestion. The study outputs are installing a right-turn lane at Amara Lane and geometric improvements between L'Auberge to the Jordan Road roundabout.

Best Western has suggested to commit to a pedestrian bridge construction with an uncertain timeframe, as per CIP Budget Meeting 2/16/23.



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 implement 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, 2023:

Study and analysis is complete. Amara Lane right-hand turn to Canyon Portal is designed. Northbound lane is 100% designed and currently under revisions.

Project Balance	
Original Approved Project Budget	\$535,000
Approved Budget Increases/Decreases	\$1,201,255
Current Approved Total Project Budget	\$1,736,255
Requested Budget Increase/Decrease	\$740,118
Requested Total Project Budget	\$2,476,373
Estimated Expenditures through June 30, 2023	\$336,673
Budget Balance Remaining	\$2,139,700

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, as well as the design revision to include shared-use path grade separation and southbound left-hand turn into L'Auberge Lane. Currently, assessing stairway to shared-use path to replace social trail to L'Auberge Resort entrance and expanding project limits to replace distressed concrete driveway into Sedona Center. Schedule revised to accommodate proposed improvements to be included within the design completion, expected bidding process, and construction timeline.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Project Evaluation	\$71,250					\$71,250
Carry Over	Design - Contracted	\$125,723					\$125,723
Carry Over	Construction - Contracted	\$139,700	\$1,399,582				\$1,539,282
New	Construction - Contracted		\$8	\$740,110			\$740,118
Appropriation	Contracted		\$8	\$740,110			\$740,118
Totals		\$336,673	\$1,399,590	\$740,110	\$0	\$0	\$2,476,373

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$55,063	\$624,610	\$330,300			\$1,009,973
Transportation Sales Tax	\$16,188	\$774,980	\$409,810			\$1,200,978
Debt Financing	\$265,422					\$265,422
Totals	\$336,673	\$1,399,590	\$740,110	\$0	\$0	\$2,476,373

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$5,000	\$5,000	\$5,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$5,000	\$5,000	\$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

Location:

Uptown - 430 & 460 Forest Road

Phase: of Project #: SIM-03a
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

	Original	Revised (if applicable)
Start Date	July 2022	April 2020
Estimated Completion Date	June 2024	October 2025

Project Description:

This project is associated with Strategy 3 of the City's 2017 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.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Design will be 60% complete.

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 revised for following:
 - Additional concept design
 - Additional construction for electric vehicle supply equipment, photovoltaic array system, and police substation facilities.
 - Additional time required for development permitting.
 - Additional study for the parking garage site.

Project Balance		
Original Approved Project Budget		\$14,356,700
Approved Budget Increases/Decreases		\$4,627,410
Current Approved Total Project Budget		\$18,984,110
Requested Budget Increase/Decrease		\$5,580,346
Requested Total Project Budget		\$24,564,456
Estimated Expenditures through June 30, 2023		\$2,198,076
Budget Balance Remaining		\$22,366,380

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Study	\$90,000	\$100,000				\$190,000
Carry Over	Land Acquisition	\$898,880					\$898,880
Carry Over	Design - Contracted	\$1,059,196	\$628,190	\$395,420	\$100,000		\$2,182,806
Carry Over	Construction - Contracted	\$150,000	\$296,370	\$15,266,054			\$15,712,424
New Appropriation	Construction - Contracted			\$2,580,346	\$3,000,000		\$5,580,346
Totals		\$2,198,076	\$1,024,560	\$18,241,820	\$3,100,000	\$0	\$24,564,456

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Paid Parking Revenue	\$898,880					\$898,880
Transportation Sales Tax	\$844,522					\$844,522
Debt Financing	\$454,674	\$1,024,560	\$18,241,820	\$3,100,000		\$22,821,054
Totals	\$2,198,076	\$1,024,560	\$18,241,820	\$3,100,000	\$0	\$24,564,456

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$68,000	\$68,000	\$68,000
Debt Service	\$621,290	\$474,870	\$947,730	\$947,730
Revenue Offset				
Total Expenditure Impacts	\$621,290	\$542,870	\$1,015,730	\$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)

Ranking: Important (Could-Do)

	Original	Revised (if applicable)
Start Date	August 2017	July 2025
Estimated Completion Date	December 2017	June 2027

Environmental Sustainability Project? No

Project Description:
This project is associated with Strategy 3 of the City's 2017 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.

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.

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.

Public Parking
 • Existing Off-Street Parking
 • Existing On-Street Parking

LOT 1
 • Pay Parking
 • Free Parking

For Continuing Projects

Estimated Project Status as of June 30, 2023:
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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted				\$50,000		\$50,000
Future Estimate	Design - Contracted				\$15,000		\$15,000
Carry Over	Construction - Contracted					\$100,000	\$100,000
Future Estimate	Construction - Contracted					\$30,000	\$30,000
Totals		\$0	\$0	\$0	\$65,000	\$130,000	\$195,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax				\$65,000		\$65,000
Unidentified					\$130,000	\$130,000
Totals	\$0	\$0	\$0	\$65,000	\$130,000	\$195,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Average annual costs for maintaining signage and striping would be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Pedestrian Crossing at Oak Creek

Location:
SR 179, west bridge abutment for Oak Creek bridge adjoining Tlaquepaque

Phase: of **Project #:** SIM-04c
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2018	July 2018
Estimated Completion Date	June 2023	January 2024

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.

The placeholders in FY 2025 and FY 2026 represent anticipated improvements to the existing at-grade crossing should the warrant analysis show a need for modifications.

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, 2023:

Design 100% complete and construction started.

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. The project has experienced delays related to coordination with adjoining businesses and ADOT as well as construction permitting approval through ADOT.

Project Balance	
Original Approved Project Budget	\$2,261,135
Approved Budget Increases/Decreases	\$572,005
Current Approved Total Project Budget	\$2,833,140
Requested Budget Increase/Decrease	\$1,718,396
Requested Total Project Budget	\$4,551,536
Estimated Expenditures through June 30, 2023	\$1,034,516
Budget Balance Remaining	\$3,517,020

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Land Acquisition	\$67,000					\$67,000
New	Land Acquisition	\$31,000	\$120,000				\$151,000
Carry Over	Design - Contracted	\$492,330					\$492,330
New	Design - Contracted	\$41,656	\$170,000				\$211,656
Future Estimate	Design - Contracted			\$200,000			\$200,000
Carry Over	Construction - Contracted	\$400,000	\$1,871,280				\$2,271,280
New	Construction - Contracted		\$1,355,740				\$1,355,740
Future Estimate	Construction - Contracted				\$850,000		\$850,000
Carry Over	Arts Transfer	\$2,530					\$2,530
Future Estimate	Arts Transfer				\$8,500		\$8,500
Totals		\$1,034,516	\$3,517,020	\$200,000	\$858,500	\$0	\$5,610,036

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Outside Participation	\$16,227					\$16,227
Transportation Sales Tax	\$300,327	\$120,000	\$200,000			\$620,327
Capital Reserves	\$255,595			\$858,500		\$1,114,095
Debt Financing	\$462,367	\$3,397,020				\$3,859,387
Totals	\$1,034,516	\$3,517,020	\$200,000	\$858,500	\$0	\$5,610,036

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Outside participation includes cost sharing with Tlaquepaque.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$6,500	\$6,500	\$6,500
Debt Service	\$87,070	\$66,550	\$132,820	\$132,820
Revenue Offset				
Total Expenditure Impacts	\$87,070	\$73,050	\$139,320	\$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:
Portal Lane to Brewer Road Connection

Location:
Portal Lane

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 improving traffic congestion and special event parking capacity.

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.

	Original	Revised (if applicable)
Start Date	July 2018	September 2018
Estimated Completion Date	June 2020	June 2025



PROJECT DESCRIPTION:

- Make Portal Lane one-way in to Tlaquepaque / Los Abasco 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 Schnobly Hill roundabout, reducing SR 179 congestion.
- With no traffic, it takes 12 minutes to travel from Bell Rock Blvd (NCC) to the "Y". In severe congestion it takes 36 minutes. This level of severe congestion occurred on 6 days between February 1 and June 4, 2017. With this strategy, a severely congested trip would be reduced from 36 minutes, to 33 minutes.
- Brewer/Ranger connection is a relatively low cost improvement.
- Brewer/Ranger connection creates a more convenient route for northbound and westbound SR179 travelers, with minimal impact to southbound SR179 travelers.
- Forest Road connection allows Uptown residents and emergency responders to avoid congestion in Uptown and at the "Y".

COSTS:

- Total estimated cost for Brewer/Ranger connection is \$500K.
- Total estimated cost for Forest connection is \$1.3M.

TRADEOFFS:

- Forest Road connection requires property acquisition.
- Potential for increased traffic in Forest Road neighborhoods.
- Impacts to private property.
- Visual and aesthetic impacts.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Project is on HOLD. Parking lot design is complete. Design of the connection to Brewer Road is underway with the design of the Brewer/Ranger intersection (SIM-05d) roundabout. The tie-in location coordinates will need to be confirmed and shared between consultants.

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. FEMA Floodplain CLOMR with LOMR to be developed by other consultant. 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	\$312,377
Current Approved Total Project Budget	\$1,075,977
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,075,977
Estimated Expenditures through June 30, 2023	\$59,777
Budget Balance Remaining	\$1,016,200

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$59,446		\$16,200			\$75,646
Carry Over	Construction - Contracted			\$1,000,000			\$1,000,000
Carry Over	Arts Transfer	\$331					\$331
Totals		\$59,777	\$0	\$1,016,200	\$0	\$0	\$1,075,977

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$17,832		\$453,510			\$471,342
Transportation Sales Tax	\$8,219		\$562,690			\$570,909
Capital Reserves	\$33,470					\$33,470
Debt Financing	\$256					\$256
Totals	\$59,777	\$0	\$1,016,200	\$0	\$0	\$1,075,977

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 and maintenance costs related to additional infrastructure, including pavement management (i.e. crack sealing, surface treatments), pavement striping, and signage maintenance will be minimal and will be absorbed in the existing budget capacity.



CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Forest Road Connection

Location:
Forest Road

Phase: of **Project #:** SIM-05b
(If Applicable)

	Original	Revised (if applicable)
Start Date	December 2017	December 2017
Estimated Completion Date	June 2020	May 2024

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.

For Continuing

Estimated Project Status as of June 30, 2023:
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. Additional cost for utility relocations and costs incurred for delays associated with utility relocations. Project delayed due to design modifications, stakeholder design coordination and public outreach, additional time for acquisition of right-of-ways and easements, re-bid of construction contract, and delays associated with utility relocations.

Project Balance	
Original Approved Project Budget	\$1,321,200
Approved Budget Increases/Decreases	\$13,418,631
Current Approved Total Project Budget	\$14,739,831
Requested Budget Increase/Decrease	\$5,660,745
Requested Total Project Budget	\$20,400,576
Estimated Expenditures through June 30, 2023	\$5,776,976
Budget Balance Remaining	\$14,623,600

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Study	\$36,894					\$36,894
Carry Over	Land Acquisition	\$2,767,861	\$573,669				\$3,341,530
New Appropriation	Land Acquisition		\$276,331	\$1,700,000			\$1,976,331
Carry Over	Design - Contracted	\$401,762	\$27,883				\$429,645
New Appropriation	Design - Contracted	\$94,913	\$124,117				\$219,030
Carry Over	Construction - Contracted	\$2,474,434	\$8,456,216				\$10,930,650
New Appropriation	Construction - Contracted		\$2,785,384				\$2,785,384
New Appropriation	Contingency		\$680,000				\$680,000
Carry Over	Arts Transfer	\$1,112					\$1,112
Totals		\$5,776,976	\$12,923,600	\$1,700,000	\$0	\$0	\$20,400,576

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$460,076	\$1,329,640	\$758,670			\$2,548,386
Transportation Sales Tax	\$469,764	\$1,649,750	\$941,330			\$3,060,844
Capital Reserves	\$149,203					\$149,203
Debt Financing	\$4,697,933	\$9,944,210				\$14,642,143
Totals	\$5,776,976	\$12,923,600	\$1,700,000	\$0	\$0	\$20,400,576

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		\$5,000	\$5,000	\$5,000
Debt Service	\$524,090	\$400,580	\$799,450	\$799,450
Revenue Offset				
Total Expenditure Impacts	\$524,090	\$405,580	\$804,450	\$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 RAB Intersection & Ranger Ext Improvements

Location:
Ranger Road / Brewer Road

Phase: of **Project #:** SIM-05d
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	February 2022
Estimated Completion Date	June 2023	June 2025

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. The study has determined a roundabout is the intersection of choice.



Project Justification:
This project meets all of SIM goals for congestion mitigation, connectivity and mobility. 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.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Study is 100%. Plans will be at 60% or Stage III design. The FEMA Floodplain Conditional Letter of Map Revision (CLOMR) will be submitted to both Yavapai and Coconino Counties Floodplain administrations.

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	\$1,478,670
Requested Total Project Budget	\$4,427,970
Estimated Expenditures through June 30, 2023	\$174,720
Budget Balance Remaining	\$4,253,250

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Extended construction due to length of retaining walls with working within Soldiers Wash.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$174,720	\$117,050				\$291,770
Carry Over	Construction - Contracted		\$1,537,500	\$1,120,030			\$2,657,530
New	Construction - Contracted			\$1,478,670			\$1,478,670
Totals		\$174,720	\$1,654,550	\$2,598,700	\$0	\$0	\$4,427,970

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Post 7/2014	\$1,021	\$29,880	\$155,920			\$186,821
Transportation Sales Tax	\$16,007	\$468,030	\$481,750			\$965,787
Capital Reserves			\$1,961,030			\$1,961,030
Debt Financing	\$157,692	\$1,156,640				\$1,314,332
Totals	\$174,720	\$1,654,550	\$2,598,700	\$0	\$0	\$4,427,970

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Congressional Direct Funding of \$2 Million has been applied for through the City Manager's Office.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Crack sealing, pavement markings, drainage, signs, and sewer maintenance are expected to be minimal and will be absorbed in existing budget capacity.

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 2026

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
Construction of roadway improvements, restripe existing lanes for walking and bicycling facilities.

Difficult to determine if and when.



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, 2023:
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, 2023	\$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	FY2024	FY2025	FY2026	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	FY2024	FY2025	FY2026	Future Years	Project Totals
Development Impact Fees - Pre 8/2014				\$250,000		\$250,000
Transportation Sales Tax				\$75,000		\$75,000
Totals	\$0	\$0	\$0	\$325,000	\$0	\$325,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Navoti Dr to Dry Creek Rd Shared-Use Path

Location:
White Bear Road (Sedona Public Library) to Navoti Drive

Phase: 2 of 2 **Project #:** SIM-11e
(If Applicable)

	Original	Revised (if applicable)
Start Date	February 2019	June 2019
Estimated Completion Date	June 2019	June 2025

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
This project would provide a shared-use pathway connection from Navoti Drive to White Bear Road and Dry Creek Road. Phase 2 will provide the connection from Phase 1 to 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.



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, 2023:
Phase 1 will be completed.

Project Balance	
Original Approved Project Budget	\$156,550
Approved Budget Increases/Decreases	\$717,389
Current Approved Total Project Budget	\$873,939
Requested Budget Increase/Decrease	\$751,671
Requested Total Project Budget	\$1,625,610
Estimated Expenditures through June 30, 2023	\$875,610
Budget Balance Remaining	\$750,000

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. Delay in project due to public outreach efforts and coordination, as well as coordination with State Land Department and Arizona Public Service (APS) on acquiring easement.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$57,065	\$16,380				\$73,445
New	Appropriation		\$33,620				\$33,620
Carry Over	Construction - Contracted	\$800,000					\$800,000
New	Appropriation			\$700,000			\$700,000
Carry Over	Arts Transfer	\$494					\$494
Totals		\$875,610	\$50,000	\$700,000	\$0	\$0	\$1,625,610

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax	\$18,961	\$50,000	\$700,000			\$768,961
Capital Reserves	\$49,939					\$49,939
Debt Financing	\$806,710					\$806,710
Totals	\$875,610	\$50,000	\$700,000	\$0	\$0	\$1,625,610

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Grant funding will be pursued.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Dry Creek Road Pathway, 89A to Two Fences

Location:
Dry Creek Road

Phase: 2 of 3 **Project #:** SIM-11m
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	May 2022
Estimated Completion Date	June 2023	June 2025

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 connects Two Fences Trail Head to Forest Service (FS)-152 Road (Vultee Arch) completed in FY 2022. This will extend the alignment to SR 89A. Phase 3 to be incorporated into FY 2025.



Project Justification:
This is a part of the ST&PS system 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, 2023:
Design and construction completed on northern portion of alignment.

Project Balance	
Original Approved Project Budget	\$1,400,000
Approved Budget Increases/Decreases	\$509,770
Current Approved Total Project Budget	\$1,909,770
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,909,770
Estimated Expenditures through June 30, 2023	\$239,770
Budget Balance Remaining	\$1,670,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget increased to reflect current higher bidding environment. Completion date delayed due to extending the project to SR 89A.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$164,770	\$80,000				\$244,770
Carry Over	Construction - Contracted		\$470,000	\$1,070,000			\$1,540,000
Carry Over	Construction - In-House	\$75,000	\$50,000				\$125,000
Totals		\$239,770	\$600,000	\$1,070,000	\$0	\$0	\$1,909,770

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax		\$600,000	\$1,070,000			\$1,670,000
Debt Financing	\$239,770					\$239,770
Totals	\$239,770	\$600,000	\$1,070,000	\$0	\$0	\$1,909,770

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 constructed the facility will require ongoing maintenance. This includes surface material, striping, and signing, which will be minimal and will be absorbed within the existing budget capacity.

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	July 2022
Estimated Completion Date	December 2024	June 2025

Ranking: Essential (Should-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, 2023:
Evaluation of feasibility of shared use path on Andante Drive should be complete.

Project Balance	
Original Approved Project Budget	\$1,369,000
Approved Budget Increases/Decreases	-\$34,000
Current Approved Total Project Budget	\$1,335,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,335,000
Estimated Expenditures through June 30, 2023	\$50,000
Budget Balance Remaining	\$1,285,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Extensive bilingual public outreach has slowed progress.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Land Acquisition		\$10,000				\$10,000
Carry Over	Design - Contracted	\$50,000	\$75,000				\$125,000
Carry Over	Construction - Contracted			\$1,200,000			\$1,200,000
Totals		\$50,000	\$85,000	\$1,200,000	\$0	\$0	\$1,335,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax		\$85,000	\$1,200,000			\$1,285,000
Debt Financing	\$50,000					\$50,000
Totals	\$50,000	\$85,000	\$1,200,000	\$0	\$0	\$1,335,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
RAISE grant submittal completed in March 2023. If awarded, will be notified June 2023.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
SR179 Signing & Striping

Location:
State Route 179

Phase: of **Project #:** SIM-110
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2024	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

Project Description:
This project aims to improve safety for bicyclists, especially near roundabouts, by highlighting bicycle on and off ramps to riders utilizing the bike lanes on the SR179 pavement. These ramps exist for the purpose of giving a choice to bicyclists to exit the roadway and maneuver through sidewalks and crosswalks rather than using the circular roadway of the roundabout. The yellow centerline to be striped on the existing shared-use-path is a redundant signal to bicyclists that they are in fact permitted to ride on the shared-use-path. The addition of wayfinding signage along the shared-use-path, which will only be legible to pedestrians and bicyclists, hopes to clarify directions to popular destinations to reduce confusion and trespassing.



Project Justification:
There has been a collision between a bicyclist and a vehicle near the Chapel roundabout resulting in serious injuries. This collision may have been avoided either if the driver was aware that the bicyclist was planning to use the circular roadway of the roundabout or if the bicyclist had used a ramp to exit the roadway. Signage and markings are a way to educate road users of these options.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Anticipating having the approved ADOT encroachment permit.

Project Balance		
Original Approved Project Budget		\$0
Approved Budget Increases/Decreases		\$0
Current Approved Total Project Budget		\$0
Requested Budget Increase/Decrease	\$100,000	
Requested Total Project Budget		\$100,000
Estimated Expenditures through June 30, 2023		\$0
Budget Balance Remaining		\$100,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Construction - Contracted		\$100,000				\$100,000
Totals		\$0	\$100,000	\$0	\$0	\$0	\$100,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax		\$100,000				\$100,000
Totals	\$0	\$100,000	\$0	\$0	\$0	\$100,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Approximately \$1000 per year for janitorial and maintenance labor for trash and dog waste collection. Periodic maintenance if damages occur. These costs will be covered in existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Brewer Rd Shared Use Path

Location:
Brewer Rd - from Ranger Station to Forest

Phase: of **Project #:** SIM-11p
(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:
This project will provide a shared-use pathway along Brewer Road from Ranger Station Park to the USFS just south of Juniper Lane. Approximately 1,700 linear feet.



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, 2023:
Not yet started.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$870,000
Requested Total Project Budget	\$870,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$870,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Land Acquisition		\$10,000				\$10,000
New Appropriation	Design - Contracted		\$60,000				\$60,000
New Appropriation	Construction - Contracted		\$300,000	\$500,000			\$800,000
Totals		\$0	\$370,000	\$500,000	\$0	\$0	\$870,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax		\$370,000	\$500,000			\$870,000
Totals	\$0	\$370,000	\$500,000	\$0	\$0	\$870,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Shelby II Shared Use Path

Location:

Shelby Rd from Roadrunner to 89a

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

The name Shelby II was generated as part of the Congressional Grant requirements in eligible funding. This project would provide a shared-use pathway connection from the termination of the path on Shelby Drive near Finley Drive to SR 89A. This project has some funding set aside by Northern Arizona Council of Governments (NACOG). Approximately length is 3,300 linear feet.

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.

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2025	



For Continuing Projects

Estimated Project Status as of June 30, 2023:

Not yet started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$1,125,000
Requested Total Project Budget	\$1,125,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$1,125,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Design - Contracted		\$75,000				\$75,000
New Appropriation	Construction - Contracted		\$350,000	\$700,000			\$1,050,000
Totals		\$0	\$425,000	\$700,000	\$0	\$0	\$1,125,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant		\$425,000	\$75,000			\$500,000
Transportation Sales Tax			\$625,000			\$625,000
Totals	\$0	\$425,000	\$700,000	\$0	\$0	\$1,125,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Congressionally Directed Funding passed through as NACOG Grant. Received grant in FY 2023 and must use by September 30, 2025.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Rodeo Shared Use Path

Location:
Rodeo Road

Phase: of **Project #:** SIM-11r
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2025	
Estimated Completion Date	June 2027	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
The shared-use pathway would provide an additional connection between 89a and Thunder Mountain/Sanborn and allow for residents in the area to walk or bike a loop. Length is approximately 3,100 linear feet. This project would possibly widen the existing sidewalk.



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, 2023:
Not yet started.

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted				\$50,000		\$50,000
Future Estimate	Construction - Contracted					\$200,000	\$200,000
Totals		\$0	\$0	\$0	\$50,000	\$200,000	\$250,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax				\$50,000		\$50,000
Unidentified					\$200,000	\$200,000
Totals	\$0	\$0	\$0	\$50,000	\$200,000	\$250,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Little Horse Shared Use Path

Location:
Along SR 179 from Little Horse Trailhead Parking Lot

Phase: of **Project #:** SIM-11s
(If Applicable)

	Original	Revised (if applicable)
Start Date	February 2023	
Estimated Completion Date	June 2025	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
There is a social trail along SR 179 that connects pedestrians and cyclists to the shared-use path that terminates at the City limits. Staff is coordinating with the USFS to improve this trail to a shared-use pathway. Length is approximately 800 linear feet.



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, 2023:
Not yet started.

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - In-House			\$25,000			\$25,000
Future Estimate	Construction - In-House			\$75,000			\$75,000
Totals		\$0	\$0	\$100,000	\$0	\$0	\$100,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax			\$100,000			\$100,000
Totals	\$0	\$0	\$100,000	\$0	\$0	\$100,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Coffee Pot Shared Use Path

Location:
Coffee Pot Road

Phase: of **Project #:** SIM-11t
(If Applicable)

	Original	Revised (if applicable)
Start Date	March 2025	
Estimated Completion Date	June 2026	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
This shared-use pathway will provide safer route for residents in this area to access grocery stores and public transit along the SR 89A corridor. This route will also provide an additional route and or loop for resident walkers and cyclists. Approximately 3,100 linear feet in length.



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-ounce 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, 2023:
Not yet started.

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Construction - Contracted			\$100,000	\$500,000		\$600,000
Future Estimate	Arts Transfer				\$5,000		\$5,000
Totals		\$0	\$0	\$100,000	\$505,000	\$0	\$605,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax			\$100,000			\$100,000
Capital Reserves				\$505,000		\$505,000
Totals	\$0	\$0	\$100,000	\$505,000	\$0	\$605,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Navoti Dr to Upper Red Rock Loop Rd Shared-Use Path

Location:

Navoti Drive between Upper Red Rock Loop Road and Calle del Sol

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

The shared-use pathway project would connect the West SR 89A Park & Ride to Dry Creek Road pathway. This is just short of a mile of new pathway. This parallel route will give users a great experience off of SR 89A.

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.

	Original	Revised (if applicable)
Start Date	August 2024	
Estimated Completion Date	June 2027	



For Continuing Projects

Estimated Project Status as of June 30, 2023:

Not yet started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

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, 2023	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted			\$120,000			\$120,000
Future Estimate	Construction - Contracted				\$500,000	\$500,000	\$1,000,000
Future Estimate	Arts Transfer				\$5,000		\$5,000
	Totals	\$0	\$0	\$120,000	\$505,000	\$500,000	\$1,125,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax			\$120,000			\$120,000
Capital Reserves				\$505,000		\$505,000
Unidentified					\$500,000	\$500,000
Totals	\$0	\$0	\$120,000	\$505,000	\$500,000	\$1,125,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Tranquil-Madole Shared Use Path

Location:

Tranquil Ave to Madole Road

Phase: of Project #: SIM-11w
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:

This project will help fill in a parallel route, east-west across town off of SR 89A alignment. Length is approximately 2,200 linear feet.

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.

	Original	Revised (if applicable)
Start Date	January 2026	
Estimated Completion Date	June 2028	



For Continuing Projects

Estimated Project Status as of June 30, 2023:

Not yet started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

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, 2023	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted				\$120,000		\$120,000
Future Estimate	Construction - Contracted					\$500,000	\$500,000
Future Estimate	Arts Transfer				\$1,200		\$1,200
Totals		\$0	\$0	\$0	\$121,200	\$500,000	\$621,200

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves				\$121,200		\$121,200
Unidentified					\$500,000	\$500,000
Totals	\$0	\$0	\$0	\$121,200	\$500,000	\$621,200

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Zane Grey Shared Use Path

Location:
Zane Grey Drive

Phase: of **Project #:** SIM-11x
(If Applicable)

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
This project would connect a parallel pedestrian and cyclist east-west route to Posse Grounds Park. This route is currently a significant social trail per data from Strava and discussions with residents. The shared-use pathway would be approximately 1,750 linear feet.

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.

	Original	Revised (if applicable)
Start Date	December 2025	
Estimated Completion Date	December 2028	



For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not yet started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

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, 2023	\$0
Budget Balance Remaining	\$0

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted				\$60,000		\$60,000
Future Estimate	Construction - Contracted					\$500,000	\$500,000
Totals		\$0	\$0	\$0	\$60,000	\$500,000	\$560,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax				\$60,000		\$60,000
Unidentified					\$500,000	\$500,000
Totals	\$0	\$0	\$0	\$60,000	\$500,000	\$560,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

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. and expected to be minimal so will be covered by the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Traffic Video Cameras

Location:
Citywide

Phase: of **Project #:** SIM-12b
(If Applicable)

	Original	Revised (if applicable)
Start Date	October 2018	October 2018
Estimated Completion Date	June 2021	June 2025

Ranking: Important (Could-Do)

Environmental Sustainability Project? No

Project Description:
Current Proposed Location by priority:
1) 80 Tip Top Lane (Sky Line);
2) SR 179 and Schnebly Hill Road to Tlaquepaque;
3) SR 89A and Forest Road intersection;
4) SR 89A and Red Rock Loop Road at new West Intercept Park and Ride Lot
5) SR 89A Cook's Hill or east of Mariposa Latin Inspired Grill



These cameras will provide real-time still pictures for the general public through the City's website. Remote control of imaging and video monitoring will be available to City staff only. This will allow residents to evaluate current road and traffic conditions to plan their trips around congestion, while allowing staff to monitor and analyze traffic at locations of concern.

Project Justification:
The cameras will provide the user with real-time road and traffic conditions at key locations, similar to ADOT AZ511 cameras where the user can get a "live" still shot every 5 -10 minutes.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
One video camera at 80 Tip Top Lane (Sky Line) will be under construction with permission and assistance from Arizona Water Company.

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	\$100,000
Requested Total Project Budget	\$148,492
Estimated Expenditures through June 30, 2023	\$48,492
Budget Balance Remaining	\$100,000

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.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$18,518					\$18,518
Carry Over	Construction - Contracted	\$29,761					\$29,761
New Appropriation	Construction - Contracted		\$50,000	\$50,000			\$100,000
Carry Over	Arts Transfer	\$213					\$213
Totals		\$48,492	\$50,000	\$50,000	\$0	\$0	\$148,492

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Transportation Sales Tax		\$50,000	\$50,000			\$100,000
Capital Reserves	\$21,492					\$21,492
Debt Financing	\$27,000					\$27,000
Totals	\$48,492	\$50,000	\$50,000	\$0	\$0	\$148,492

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 expected. Camera movement restrictions with blurring of private property images is to be included to respect citizens' right to privacy. The City will use existing SIM cards and renew the license every five years from existing budget capacity.

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	December 2021
Estimated Completion Date	June 2023	September 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, 2023:
Design will be completed. Construction will be out to bid and awarded by the end of FY 2023.

Project Balance	
Original Approved Project Budget	\$723,000
Approved Budget Increases/Decreases	\$124,750
Current Approved Total Project Budget	\$847,750
Requested Budget Increase/Decrease	\$150,316
Requested Total Project Budget	\$998,066
Estimated Expenditures through June 30, 2023	\$375,366
Budget Balance Remaining	\$622,700

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Budget updated to reflect increased cost in current bid environment. Project is delayed due to staff capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$75,000					\$75,000
Carry Over	Construction - Contracted	\$300,000	\$470,000				\$770,000
New Appropriation	Construction - Contracted		\$150,000				\$150,000
Carry Over	Arts Transfer	\$366	\$2,384				\$2,750
New Appropriation	Arts Transfer		\$316				\$316
Totals		\$375,366	\$622,700	\$0	\$0	\$0	\$998,066

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Yavapai County Flood Control	\$375,000	\$350,000				\$725,000
Capital Reserves	\$366	\$272,700				\$273,066
Totals	\$375,366	\$622,700	\$0	\$0	\$0	\$998,066

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 operating expenditures related to debris removal, erosion repair, etc. will be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Saddlerock Area Drainage Improvements (Yavapai County)

Location: Saddlerock Area

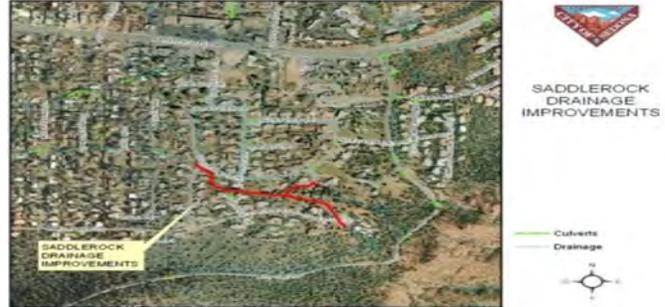
Phase: of **Project #:** SD-05
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2024	

Ranking: Important (Could-Do)

Environmental Sustainability Project? Yes

Project Description:
This project funds design and construction of storm drainage improvements for the Saddlerock area per the 2005 Stormwater Master Plan.



Project Justification:
This project was identified in the 2005 Stormwater Master Plan as a high priority project. This project is identified as SC-CO1 - SC-C08 & SC-D01 - SC-D05 in the Master Plan.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not yet started.

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted			\$175,000			\$175,000
Future Estimate	Construction - Contracted				\$1,300,000		\$1,300,000
Future Estimate	Arts Transfer				\$10,000		\$10,000
Totals		\$0	\$0	\$175,000	\$1,310,000	\$0	\$1,485,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Yavapai County Flood Control			\$175,000	\$300,000		\$475,000
Capital Reserves				\$1,010,000		\$1,010,000
Totals	\$0	\$0	\$175,000	\$1,310,000	\$0	\$1,485,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 operating expenditures related to weed control, debris removal, erosion repair, etc. will be minimal and will be absorbed in the existing budget capacity.

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	July 2025
Estimated Completion Date	June 2025	June 2027

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, 2023:
Not yet started.

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, 2023	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Project is delayed due to staff capacity issues.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted				\$40,000		\$40,000
Future Estimate	Construction - Contracted					\$300,000	\$300,000
Totals		\$0	\$0	\$0	\$40,000	\$300,000	\$340,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Coconino County Flood Control				\$40,000	\$300,000	\$340,000
Totals		\$0	\$0	\$40,000	\$300,000	\$340,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 operating expenditures related to debris removal, erosion repair, etc. will be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Schnebly & Grove Drainage Improvements

Location:

Lazy Bear Estates

Phase: of Project #: SD-12
(If Applicable)

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.

	Original	Revised (if applicable)
Start Date	July 2022	March 2023
Estimated Completion Date	December 2023	June 2025



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, 2023:

Concept design will be started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Project is delayed due to staff capacity.

Project Balance	
Original Approved Project Budget	\$424,200
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$424,200
Requested Budget Increase/Decrease	\$202,000
Requested Total Project Budget	\$626,200
Estimated Expenditures through June 30, 2023	\$70,700
Budget Balance Remaining	\$555,500

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$70,000					\$70,000
Carry Over	Construction - Contracted		\$310,000	\$40,000			\$350,000
New Appropriation	Construction - Contracted			\$200,000			\$200,000
Carry Over	Arts Transfer	\$700	\$3,100	\$400			\$4,200
New Appropriation	Arts Transfer			\$2,000			\$2,000
Totals		\$70,700	\$313,100	\$242,400	\$0	\$0	\$626,200

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves	\$70,700	\$313,100	\$242,400			\$626,200
Totals	\$70,700	\$313,100	\$242,400	\$0	\$0	\$626,200

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Pursuing funds from Coconino County Flood Control District to assist on this project.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 operating expenditures related to debris removal, erosion repair, etc. will be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: Back O' Beyond Road & Trailhead Safety Improvements

Location: Back O' Beyond Rd

Phase: of **Project #:** ST-07
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2025	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? N/A

Project Description:
Safety Improvements along Back O' Beyond Road and at the City's Cathedral Trailhead parking lot. Along the road shoulder, buildup is needed as well as guardrail. At the parking lot, a one-way aisle connection is needed between the two parking lots to provide a safe turnaround.



Project Justification:
These improvements are needed to improve safety.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Project not yet started.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$2,200,000
Requested Total Project Budget	\$2,200,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$2,200,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Design - Contracted		\$200,000				\$200,000
New Appropriation	Construction - Contracted			\$2,000,000			\$2,000,000
Totals		\$0	\$200,000	\$2,000,000	\$0	\$0	\$2,200,000

Project Funding Estimates:

Funding Source	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant	\$160,000	\$1,600,000			\$1,760,000
Capital Reserves	\$40,000	\$400,000			\$440,000
Totals	\$0	\$2,000,000	\$2,000,000	\$0	\$2,200,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
An application will be submitted in July 2023 for the Safe Streets for All (SS4A) funding. The City's match for this funding is expected to be 20%.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 maintenance for pavement, signs, striping, and guardrail will be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

Forest/Ranger/SR 89A Intersection Improvements

Location:

SR 89A & Brewer Road

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

This project will include a new roundabout at a new Forest Road/Ranger Road/SR 89A intersection and a new bus lane on SR 89A for a pending transit exchange. No modifications to the Brewer Road roundabout are anticipated.

	Original	Revised (if applicable)
Start Date	July 2021	July 2021
Estimated Completion Date	June 2024	June 2025



Project Justification:

The improvements are identified in the Transit Plan and are necessary to provide adequate access to the Transit Hub or Exchange. The study demonstrates that the roundabout will meter traffic flow eastbound, improving efficiency in the Brewer Road and "Y" roundabouts to reduce congestion while increasing connectivity and mobility.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Study is complete with 30% complete on design drawings. The required Conditional Letter of Map Revision (CLOMR) from the Coconino County FEMA Floodplain Administrator could take up to nine months to complete.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

The requested budget amount increased due to higher estimated costs for the study and design. Projecting out for design and construction completion. The CLOMR will be completed by SIM5D with a Letter of Map Revision (LOMR) for this project.

Project Balance	
Original Approved Project Budget	\$5,066,500
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$5,066,500
Requested Budget Increase/Decrease	\$89,718
Requested Total Project Budget	\$5,156,218
Estimated Expenditures through June 30, 2023	\$206,218
Budget Balance Remaining	\$4,950,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Study	\$69,908					\$69,908
Carry Over	Design - Contracted	\$135,000	\$360,282				\$495,282
New Appropriation	Design - Contracted		\$89,718				\$89,718
Carry Over	Construction - Contracted			\$4,500,000			\$4,500,000
Carry Over	Arts Transfer	\$1,310					\$1,310
Totals		\$206,218	\$450,000	\$4,500,000	\$0	\$0	\$5,156,218

Project Funding Estimates:

Funding Source	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant		\$4,500,000			\$4,500,000
Capital Reserves	\$206,218	\$450,000			\$656,218
Totals	\$206,218	\$450,000	\$0	\$0	\$5,156,218

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

The NACOG - Regional Priority Projects List (RPPL) Special Line-Item Grant award was not approved for FY 2024; however, an opportunity exists to receive an award for construction costs in FY 2025.

Total Operating Impacts:				
	FY2024	FY2025	FY2026	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:
Decarbonization Roadmapping Plan

Location:
Municipal Properties

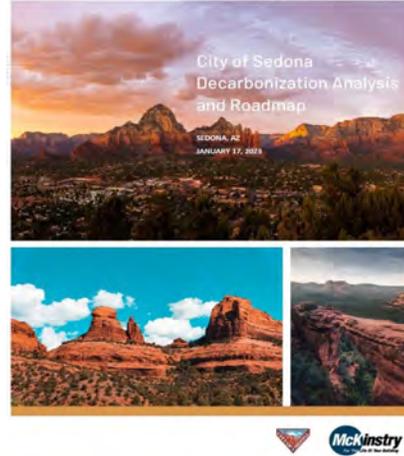
Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	December 2023	

Ranking:

Environmental Sustainability Project?

Project Description:
Roadmapping and timelines planning effort to identify the financial requirements, emissions reduction benefits, and infrastructure needs across 10 primary municipal facilities to advance progress towards sustainability goals.



Project Justification:
The Climate Action Plan, Municipal Sustainability Plan, and Green Fleet Policy set various sustainability goals to reduce emissions, utility consumption, and transition vehicle fleets to zero emissions vehicles. To address a desire to identify potential implementable timelines, financial costs and considerations, and benefits analysis, a decarbonization roadmap would provide a clearer picture to the financial requirements, opportunities, and foundational footing needed to achieve the respective plan and policy goals.

The decarbonization roadmap would look at scope 1 and 2 greenhouse gas emissions sources, provide overall financial analysis, and help identify infrastructure needs to achieve reductions in these scopes along with the associated utilities in across 10 primary facilities in municipal operations. 5 building roofs would also be evaluated for renewable installation feasibility. Additionally, a goal of the planning efforts would be to develop a pilot project in tandem to be executable upon completion of the roadmapping efforts.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$150,000
Requested Total Project Budget	\$150,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$150,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New	Master Plan		\$150,000				\$150,000
Totals		\$0	\$150,000	\$0	\$0	\$0	\$150,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves		\$150,000				\$150,000
Totals	\$0	\$150,000	\$0	\$0	\$0	\$150,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Streetlights LED Retrofit

Location:
Citywide

Phase: of **Project #:** SUS-05
(If Applicable)

	Original	Revised (if applicable)
Start Date	August 2023	
Estimated Completion Date	June 2024	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
Project would look to retrofit 149 high pressure sodium (HPS) streetlight luminaires with dark-sky compliant LED fixtures. Luminaires would be retrofitted at all City of Sedona controlled streetlight locations.



Project Justification:
The Municipal Sustainability Plan and Climate Action Plan strive to reduce emissions and energy consumption. An optimal area to reduce these factors, while improving lighting control and dark sky compliance, are found in the City's streetlights. 149 of streetlights remain high pressure sodium (HPS) luminaires, which are less energy efficient and have greater maintenance costs.

In 2021, streetlight and traffic signals were estimated to have contributed 76 metric tons of carbon dioxide equivalence and consumed 173 MWh of electricity to municipal operations. There is opportunity to reduce energy consumption and greenhouse gas emissions, while also decreasing maintenance costs through extended luminaire lifespans through replacement of these lighting fixtures.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not yet started.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$181,800
Requested Total Project Budget	\$181,800
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$181,800

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Construction - Contracted		\$50,000				\$50,000
New Appropriation	Equipment Purchase		\$130,000				\$130,000
New Appropriation	Arts Transfer		\$1,800				\$1,800
Totals		\$0	\$181,800	\$0	\$0	\$0	\$181,800

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves		\$181,800				\$181,800
Totals	\$0	\$181,800	\$0	\$0	\$0	\$181,800

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services		-\$7,000	-\$7,000	-\$7,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	-\$7,000	-\$7,000	-\$7,000

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 anticipated for this project. Additionally, current and long-term maintenance and operations costs are estimated to decrease through completion of this project. The estimated financial impacts will be determined during the planning of this project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
DC Fast EV Chargers

Location:
Municipal Facilities

Phase: of **Project #:** SUS-06
(If Applicable)

	Original	Revised (if applicable)
Start Date	January 2024	
Estimated Completion Date	June 2027	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
Project would look to install at least 6 additional DC Fast chargers in municipal operations for use by public transit vehicles and other City fleet.



Project Justification:
As the City incorporates the Green Fleet Policy and expands its public transit options. Additional level 3, DC Fast EV chargers would be needed to facilitate this expansion.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Researching applicable products and funding options for future installation.

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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Construction - Contracted			\$200,000	\$200,000	\$200,000	\$600,000
Future Estimate	Arts Transfer			\$2,000	\$2,000	\$2,000	\$6,000
Totals		\$0	\$0	\$202,000	\$202,000	\$202,000	\$606,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves			\$202,000	\$202,000	\$202,000	\$606,000
Totals	\$0	\$0	\$202,000	\$202,000	\$202,000	\$606,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
Possible grant opportunities will be explored.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 would include a reduction in fuel costs associated with operations of internal combustion engines and anticipated reduction in maintenance and repair costs. The estimated financial impact will be determined in the planning of this project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
Building Retrofit of Natural Gas Systems

Location:
Municipal Buildings

Phase: of **Project #:** SUS-07
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2024	
Estimated Completion Date	June 2026	

Ranking: Essential (Should-Do)

Environmental Sustainability Project? Yes

Project Description:
Project would transition all municipally owned properties away from natural gas usage to electric equivalent for HVAC and water heating systems.



Project Justification:
The Climate Action Plan and Municipal Sustainability Plan set carbon emissions reduction goals. Natural gas usage for heating and cooling of facilities is a contributor to greenhouse gases that is found in municipal buildings. Retrofitting these buildings to electric components would reduce greenhouse gas emissions and be emissions free when coupled with the ongoing participation in the Green Power Partners Program with Arizona Public Service.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Research and Project 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, 2023	\$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	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Construction - Contracted			\$150,000	\$150,000		\$300,000
Future Estimate	Arts Transfer			\$1,500	\$1,500		\$3,000
Totals		\$0	\$0	\$151,500	\$151,500	\$0	\$303,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Capital Reserves			\$151,500	\$151,500		\$303,000
Totals	\$0	\$0	\$151,500	\$151,500	\$0	\$303,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services				
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	\$0	\$0

Explanation of Operating Impacts:
Would reduce utility invoicing from natural gas and is anticipated to reduce utility costs through more electrically efficient systems. Estimated financial impacts will be determined in the planning of this project.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

WW Collection System Improvements - Misc. Rehabs/Replacements

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

This project will install pipe lining in Foothills Drive and El Camino Road, replace a portion of the 6-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.

Location:

Foothills Drive, El Camino Road, Northview Road, Lazy Bear Estates

	Original	Revised (if applicable)
Start Date	July 2021	July 2023
Estimated Completion Date	June 2022	June 2025



For Continuing Projects

Estimated Project Status as of June 30, 2023:

N/A

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Project delayed due to staff capacity, availability of contracted professionals, and to extend construction into FY 2025 to allow for higher priority projects in FY 2024. Project delayed due to staff capacity, availability of contracted professionals, and to make room in FY 2024 for higher priority projects.

Project Balance	
Original Approved Project Budget	\$390,000
Approved Budget Increases/Decreases	\$70,000
Current Approved Total Project Budget	\$460,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$460,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$460,000

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted		\$30,000	\$10,000			\$40,000
Carry Over	Construction - Contracted		\$210,000	\$210,000			\$420,000
	Totals	\$0	\$240,000	\$220,000	\$0	\$0	\$460,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues		\$240,000	\$220,000			\$460,000
Totals	\$0	\$240,000	\$220,000	\$0	\$0	\$460,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 2024
Estimated Completion Date	June 2023	June 2027

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, 2023:

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, 2023	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Added additional funds for future year projections. Project delayed due to staff capacity.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Design - Contracted			\$50,000		\$160,000	\$210,000
Future Estimate	Construction - Contracted				\$500,000	\$1,200,000	\$1,700,000
Totals		\$0	\$0	\$50,000	\$500,000	\$1,360,000	\$1,910,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues			\$50,000	\$500,000	\$1,360,000	\$1,910,000
Totals	\$0	\$0	\$50,000	\$500,000	\$1,360,000	\$1,910,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2020	July 2021
Estimated Completion Date	June 2022	August 2024

Ranking:

Environmental Sustainability Project?

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, 2023:
Design is complete. Pumps have been delivered and are being stored. Construction has been delayed to December 2023 due to supply chain issues of critical path equipment.

Project Balance	
Original Approved Project Budget	\$960,000
Approved Budget Increases/Decreases	\$5,610,016
Current Approved Total Project Budget	\$6,570,016
Requested Budget Increase/Decrease	\$313,513
Requested Total Project Budget	\$6,883,529
Estimated Expenditures through June 30, 2023	\$2,454,909
Budget Balance Remaining	\$4,428,620

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. Supply chain issues have resulted in a delay to the start of construction.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$326,794	\$28,222				\$355,016
New	Appropriation		\$73,878	\$25,500			\$99,378
Carry Over	Construction - Contracted	\$663,735	\$2,935,865	\$520,000			\$4,119,600
New	Appropriation			\$214,135			\$214,135
Carry Over	Equipment Purchase	\$1,464,380	\$631,020				\$2,095,400
Totals		\$2,454,909	\$3,668,985	\$759,635	\$0	\$0	\$6,883,529

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Grant	\$1,394,000	\$70,400				\$1,464,400
Equipment Replacement Reserve		\$631,000				\$631,000
Wastewater Revenues	\$1,060,909	\$2,967,585	\$759,635			\$4,788,129
Totals	\$2,454,909	\$3,668,985	\$759,635	\$0	\$0	\$6,883,529

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
American Rescue Plan Act (ARPA) funding will be used toward this project.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 expenses are not expected to significantly change. Preventative maintenance on the pumps will be reduced from twice to once annually.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
SCADA System and Configuration Upgrade

Location:
N/A

Phase: of **Project #:** WW-04
(If Applicable)

Ranking: Essential (Should-Do)

Environmental Sustainability Project? No

	Original	Revised (if applicable)
Start Date	July 2017	July 2025
Estimated Completion Date	June 2019	June 2026

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 remaining projects identified as a priority 1, as well as new high priority changes needed for security or efficient operation through SCADA.



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.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not yet started.

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, 2023	\$0
Budget Balance Remaining	\$310,000

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 staff workload and availability of funding resources.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Equipment Purchase				\$310,000		\$310,000
	Totals	\$0	\$0	\$0	\$310,000	\$0	\$310,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues				\$310,000		\$310,000
Totals	\$0	\$0	\$0	\$310,000	\$0	\$310,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 Recharge Wells

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

The project represents the construction of up to 6 recharge (injection) wells for the disposal of up to 2.0 million gallons per day of treated effluent. Design of Recharge Wells No. 3 and No. 4 began in FY 2017. The Arizona Department of Environmental Quality (ADEQ) required that a new Point of Compliance (POC) well be installed as part of the recharge operations. The design and construction of the POC well will be completed in FY 2018. A total of 6 recharge wells were identified as needed in the Effluent Management Optimization Plan. However, water demand from future land uses in the area, revised built-out flow projections from the 2017 Wastewater Master Plan Update, and/or efficiency of Wells No. 1-5 may result in Recharge Well No. 6 not being necessary.

Note: The amount shown for prior years under the category "demolition/site prep" represent the costs associated with the design and construction of 27 acres of wetlands.

Project Justification:

In 2013, based on evaluation of wetlands, spray irrigation, and aquifer recharge, the Effluent Management Optimization Plan was completed. The plan evaluated the optimum combination of effluent management strategies at build-out flows, or 2.0 million gallons per day (MGD).

Location:

Wastewater Reclamation Plant

	Original	Revised (if applicable)
Start Date	July 2009	July 2024
Estimated Completion Date	June 2020	June 2026



For Continuing Projects

Estimated Project Status as of June 30, 2023:

Phase 3 not yet started.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Recharge Wells No. 1 and 2 were brought on-line in the fall of 2017. Current rates of recharge, combined with lower than anticipated growth of wastewater flows show that the operation of 2 wells at this time, in addition to the wetlands and spray irrigation, are sufficient for adequate effluent management. However, significant investments are needed for improvements to the irrigation system. Given the possibility for the land to be used for other purposes, the construction of Recharge Wells No. 3 and 4 have been scheduled for FY 2025 and FY 2026. This will allow for 200 acres of irrigation to be abandoned.

The budget for each well has doubled given the rate of cost increases since the cost estimates were completed in 2013. Funds have been added in future years to account for 2 additional wells which will be needed as influent flows to the WWRP increase up to 2.0 million gallons per day. Design and construction for Wells No. 3 and 4 have been moved up to FY 2025 and FY 2026.

Project Balance	
Original Approved Project Budget	\$7,878,258
Approved Budget Increases/Decreases	\$2,743,041
Current Approved Total Project Budget	\$10,621,299
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$10,621,299
Estimated Expenditures through June 30, 2023	\$5,477,699
Budget Balance Remaining	\$5,143,600

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Demolition/Site Prep - Contracted	\$1,980					\$1,980
Carry Over	Design - Contracted	\$1,013,481		\$383,820			\$1,397,301
Future Estimate	Design - Contracted				\$450,000	\$750,000	\$1,200,000
Carry Over	Construction - Contracted	\$4,093,708		\$4,405,720			\$8,499,428
Future Estimate	Construction - Contracted				\$4,400,000	\$10,000,000	\$14,400,000
Carry Over	Environmental	\$109,779		\$138,000			\$247,779
Future Estimate	Environmental				\$50,000	\$200,000	\$250,000
Carry Over	Equipment Purchase	\$162,202					\$162,202
Carry Over	Legal Services	\$96,549					\$96,549
Carry Over	Contingency			\$216,060			\$216,060
Future Estimate	Contingency				\$200,000		\$200,000
	Totals	\$5,477,699	\$0	\$5,143,600	\$5,100,000	\$10,950,000	\$26,671,299

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues	\$5,477,699					\$5,477,699
Debt Financing			\$5,143,600	\$5,100,000	\$10,950,000	\$21,193,600
Totals	\$5,477,699	\$0	\$5,143,600	\$5,100,000	\$10,950,000	\$26,671,299

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Possible grant opportunities will be sought.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies	\$22,000			
Contractual Services	\$30,000			
Debt Service			\$1,080,000	
Revenue Offset				
Total Expenditure Impacts	\$52,000	\$0	\$1,080,000	\$0

Explanation of Operating Impacts:

Maintenance and repairs of pumps, filters, and purchase of salt for the chlorine generation system. Also, well rehabilitation every 4-5 years. Costs anticipated to be minimal and will be absorbed in existing budget capacity.



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 2025
Estimated Completion Date	June 2022	June 2026

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, 2023:
Not yet started.

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, 2023	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Project delayed due to budget constraints and staff capacity

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	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	\$0	\$1,650,000	\$0	\$1,650,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues				\$1,650,000		\$1,650,000
Totals	\$0	\$0	\$0	\$1,650,000	\$0	\$1,650,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

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.

	Original	Revised (if applicable)
Start Date	July 2022	July 2022
Estimated Completion Date	June 2027	June 2028



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, 2023:

Design Report is complete.

Project Balance	
Original Approved Project Budget	\$1,060,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$1,060,000
Requested Budget Increase/Decrease	\$0
Requested Total Project Budget	\$1,060,000
Estimated Expenditures through June 30, 2023	\$25,500
Budget Balance Remaining	\$1,034,500

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Preliminary cost estimates in the Design Report for the UV upgrades were higher than originally anticipated. Upgrades to sludge digester and aeration basin moved out further because there has not been an increase in average daily flows.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Design - Contracted	\$25,500	\$34,500				\$60,000
Future Estimate	Design - Contracted			\$35,000		\$170,000	\$205,000
Carry Over	Construction - Contracted		\$675,000	\$325,000			\$1,000,000
Future Estimate	Construction - Contracted			\$2,500,000		\$1,700,000	\$4,200,000
Totals		\$25,500	\$709,500	\$2,860,000	\$0	\$1,870,000	\$5,465,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues	\$25,500	\$709,500	\$2,860,000		\$1,870,000	\$5,465,000
Totals	\$25,500	\$709,500	\$2,860,000	\$0	\$1,870,000	\$5,465,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
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

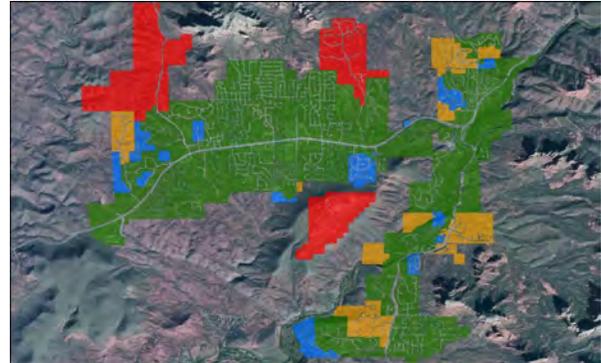
Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2022	July 2024
Estimated Completion Date	June 2023	June 2026

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 2026 are to provide an update to the 2017 Wastewater Master Plan.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
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, 2023	\$0
Budget Balance Remaining	\$0

Explanation for Revised Project Dates and/or Project Budget (if applicable):
Moved to FY 2026 to meet operating and maintenance reserve requirements.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Future Estimate	Master Plan				\$100,000	\$100,000	\$200,000
Totals		\$0	\$0	\$0	\$100,000	\$100,000	\$200,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues				\$100,000	\$100,000	\$200,000
Totals	\$0	\$0	\$0	\$100,000	\$100,000	\$200,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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

Location:
N/A

Phase: of **Project #:** WW-14
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2021	July 2023
Estimated Completion Date	June 2022	June 2024

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.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not started

Project Balance	
Original Approved Project Budget	\$65,000
Approved Budget Increases/Decreases	\$50,000
Current Approved Total Project Budget	\$115,000
Requested Budget Increase/Decrease	\$25,000
Requested Total Project Budget	\$140,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$140,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
It was determined that professional electrical engineering design would be required. The budget for construction has been increased due to inflation, availability of parts, and long lead times. Moved the project out to FY 2024 because of long lead times, parts availability, and design professional availability

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New	Design - Contracted		\$25,000				\$25,000
Carry Over	Construction - Contracted		\$115,000				\$115,000
Totals		\$0	\$140,000	\$0	\$0	\$0	\$140,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues		\$140,000				\$140,000
Totals	\$0	\$140,000	\$0	\$0	\$0	\$140,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:

VACCON Storage Building

Location:

El Camino Lift Station

Phase: of Project #:
(If Applicable)

Ranking:

Environmental Sustainability Project?

Project Description:

The prefabricated steel building was purchased and a building pad constructed in FY22. The building is being assembled in-house in FY23. This additional scope includes contracting out electrical, ADA requirements, sprinkler systems and the purchase of lighting, HVAC, and restroom facilities for the building to meet building permit requirements.

	Original	Revised (if applicable)
Start Date	March 2022	March 2022
Estimated Completion Date	June 2022	June 2024



Project Justification:

The vaccon truck is an essential piece of equipment in both maintaining the collection system and responding to sanitary sewer overflows. The truck must be kept indoors to prevent freezing and to minimize exposure to sunlight to prevent corrosion of hydraulic hoses. Historically, the vaccon truck was stored at the Public Works Maintenance building, however with the addition of a sign shop, the space is no longer available. The vaccon truck is currently being stored at the WWTP, however it is essential that it be stored in town for efficient response times and to allow for indoor storage of other WWTP related equipment. The building will also house the CCTV van and the jet rodder, which both are used in collections operations.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Building permit has been issued.

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Additional building permit requirements require extra time.

Project Balance	
Original Approved Project Budget	\$85,000
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$85,000
Requested Budget Increase/Decrease	\$117,555
Requested Total Project Budget	\$202,555
Estimated Expenditures through June 30, 2023	\$89,155
Budget Balance Remaining	\$113,400

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Carry Over	Construction - Constructed	\$47,167					\$47,167
New Appropriation	Construction - Constructed	\$4,155	\$23,000				\$27,155
New Appropriation	Construction - In-House		\$10,000				\$10,000
Carry Over	Equipment Purchase	\$37,833					\$37,833
New Appropriation	Equipment Purchase		\$71,000				\$71,000
New Appropriation	Contingency		\$9,400				\$9,400
Totals		\$89,155	\$113,400	\$0	\$0	\$0	\$202,555

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues	\$89,155	\$113,400				\$202,555
Totals	\$89,155	\$113,400	\$0	\$0	\$0	\$202,555

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 additional operating costs are expected to be minimal and will be absorbed in the existing budget capacity.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title: WWRP Secondary Clarifier Rehabilitation

Location: Wastewater Reclamation Plant

Phase: of **Project #:** WW-16
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2025	

Ranking: Imperative (Must-Do)

Environmental Sustainability Project? No

Project Description:
This project will replace the existing original clarifier mechanisms with new mechanism consisting of a new drive system, skimmer arm, counterbalancing arm, suction header, and weir washer. It will also repair any damage to the clarifier coating that has occurred from off-balance mechanisms.



Project Justification:
The WWRP has 3 secondary clarifiers, installed in 1993, 2001, and 2017. The original clarifier mechanisms are in Clarifiers #1 and #2 are currently inoperable and must be replaced.
Funds in future years are for anticipated replacement of Clarifier #3 mechanisms.

For Continuing Projects

Estimated Project Status as of June 30, 2023:
Not yet started.

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$155,000
Requested Total Project Budget	\$155,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$155,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Design - Contracted		\$5,000				\$5,000
Future Estimate	Design - Contracted			\$5,000		\$5,000	\$10,000
New Appropriation	Construction - Contracted		\$150,000				\$150,000
Future Estimate	Construction - Contracted			\$150,000		\$150,000	\$300,000
Totals		\$0	\$155,000	\$155,000	\$0	\$155,000	\$465,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues		\$155,000	\$155,000		\$155,000	\$465,000
Totals	\$0	\$155,000	\$155,000	\$0	\$155,000	\$465,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):
None anticipated.

Total Operating Impacts:

	FY2024	FY2025	FY2026	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 change in operating impacts is expected.

CAPITAL PROJECTS DETAILS

Project Summary

Project Title:
WWRP Recharge Well Backwash Filter System

Location:
Wastewater Reclamation Plant

Phase: of **Project #:**
(If Applicable)

	Original	Revised (if applicable)
Start Date	July 2023	
Estimated Completion Date	June 2024	

Ranking:

Environmental Sustainability Project?

Project Description:
This project will replace the existing filtration system for the recharge well pump station with a new backwash filtration system.



Project Justification:
In 2022 the ASU Industrial Assessment Center conducted a study to evaluate areas of potential energy conservation, waste reduction, and productivity enhancements at the WWRP. The #1 Assessment Recommendation resulting from the study is to install a backwash filtration system at the recharge well pump station. The existing filtration system utilizes disposable filters, which are replaced every 7-21 days depending on the flow rate of recharge. A backwash filtration system will allow the filters to be self cleaning, significantly reducing the amount of waste and required maintenance.

For Continuing Projects

Estimated Project Status as of June 30, 2023:

Project Balance	
Original Approved Project Budget	\$0
Approved Budget Increases/Decreases	\$0
Current Approved Total Project Budget	\$0
Requested Budget Increase/Decrease	\$130,000
Requested Total Project Budget	\$130,000
Estimated Expenditures through June 30, 2023	\$0
Budget Balance Remaining	\$130,000

Explanation for Revised Project Dates and/or Project Budget (if applicable):
The ASU Industrial Site Assessment Report estimates the project cost at approximately \$90,000 for material and installation. Additional funds have been added to account for design assistance, programming, and potential piping modifications.

Budget Detail

Project Cost Estimates:

Funding Status	Cost Category	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
New Appropriation	Design - Contracted		\$20,000				\$20,000
New Appropriation	Construction - Contracted		\$110,000				\$110,000
Totals		\$0	\$130,000	\$0	\$0	\$0	\$130,000

Project Funding Estimates:

Funding Source	Prior Years Estimate	FY2024	FY2025	FY2026	Future Years	Project Totals
Wastewater Revenues		\$130,000				\$130,000
Totals	\$0	\$130,000	\$0	\$0	\$0	\$130,000

Explanation of Outside Funding Sources (Donations, Outside Participation, Grants):

Total Operating Impacts:

	FY2024	FY2025	FY2026	Future Annual Cost
Personnel Costs				
Materials & Supplies				
Contractual Services			-\$40,000	-\$40,000
Debt Service				
Revenue Offset				
Total Expenditure Impacts	\$0	\$0	-\$40,000	-\$40,000

Explanation of Operating Impacts:



Debt Service

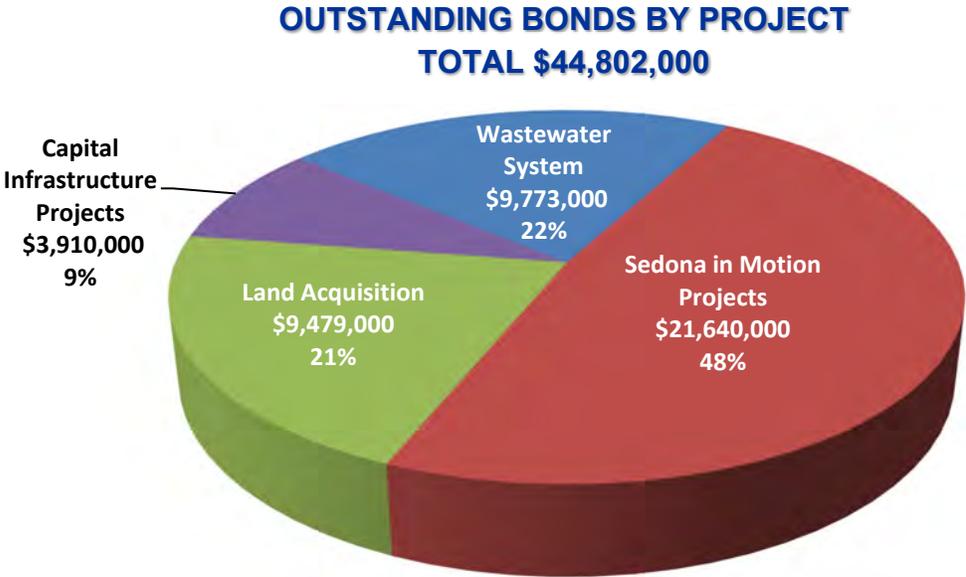
DEBT SERVICE

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. Bonds were also issued in fiscal year 2022-23 for the acquisition of 41 acres of land. Other than these recent bond issuances, the primary approach for capital projects is pay-as-you-go funding.

Current approach is primarily pay-as-you-go funding of capital projects.

The City has approximately \$45 million in outstanding bonds – all of which are excise tax revenue bonds. The bond issuances have been for construction of the wastewater treatment system, SIM projects, land acquisition, and other capital infrastructure projects. The chart below represents the percentage of outstanding bonds for the various categories of projects as of July 1, 2023.



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.⁽¹⁾ The rating affirms 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-

⁽¹⁾While S&P did not raise the City’s bond rating for the Series 2022 bond issuance, the insurer used for a credit enhancement to AA offered an incredibly low rate, indicating that the insurer views the City’s financial position as even stronger than S&P does.

DEBT SERVICE

continued

Bonded Debt Repayment Summary

The table below summarizes the principal and interest payments for fiscal year 2023-24 by bond issuance.

FY 2024 BOND PAYMENTS

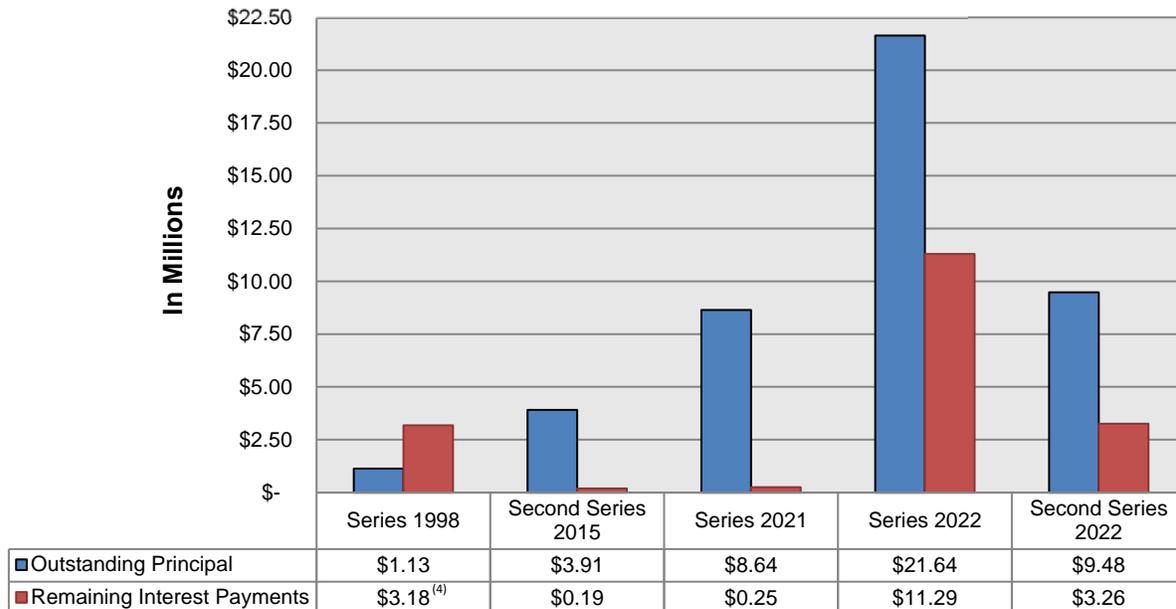
Bond Series	FY24 Principal ⁽²⁾	FY24 Interest ⁽²⁾	Total FY24 Payment
Series 1998 ⁽³⁾	\$ 1,130,000	\$ 3,180,000	\$ 4,310,000
Second Series 2015	945,000	75,854	1,020,854
Series 2021	127,000	100,259	227,259
Series 2022	-	942,000	942,000
Second Series 2022	511,000	399,066	910,066
Total Annual Payment	\$ 2,713,000	\$ 4,697,179	\$ 7,410,179

⁽²⁾The July 1, 2023 principal and interest payments have been accrued in the prior year. These amounts represent the principal and interest payments for January 1, 2024 and July 1, 2024.

⁽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 nineteen years, when all current outstanding bonds will be retired.

REMAINING BOND PRINCIPAL AND INTEREST



⁽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

Fiscal Year	General Fund ⁽⁵⁾		Transportation Sales Tax Fund ⁽⁵⁾		Development Impact Fees Fund ⁽⁵⁾		Wastewater Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023-24	\$ 1,456,000	\$ 949,688	\$ -	\$ 288,252	\$ -	\$ 178,980	\$1,257,000	\$3,820,259	\$ 7,410,179
2024-25	1,502,000	909,842	-	288,252	-	178,980	4,233,000	98,786	7,210,859
2025-26	1,545,000	868,627	-	288,252	-	178,980	4,283,000	49,683	7,213,541
2026-27	2,056,760	826,055	287,640	288,252	178,600	178,980	-	-	3,816,287
2027-28	1,093,400	758,536	298,350	273,870	185,250	170,050	-	-	2,779,456
2028-29 through 2032-33	6,299,400	2,992,760	1,751,850	1,127,992	1,087,750	700,388	-	-	13,960,140
2033-34 through 2037-38	6,903,200	1,486,547	2,195,550	688,194	1,363,250	427,310	-	-	13,064,051
2038-39 through 2041-42	3,439,800	350,784	2,088,450	212,976	1,296,750	132,240	-	-	7,521,000
Total	\$24,295,560	\$9,142,838	\$6,621,840	\$3,456,040	\$4,111,600	\$2,145,908	\$9,773,000	\$3,428,727	\$62,975,513

⁽⁵⁾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.

Fiscal year 2023-24 includes the final payment of the CABs, which require payment of the compounded interest on the maturity date.

Financed Purchases

The City has entered into financed purchase agreements for police vehicles, public transit vehicles, a street sweeper, a police video system, a vactor truck, and energy saving equipment. The following table details the remaining principal and interest payments for all financed purchase agreements.

FUTURE PAYMENTS FOR FINANCED PURCHASES⁽⁶⁾

Fiscal Year	General Fund		Streets Fund		Public Transit Fund		Wastewater Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023-24	\$200,977	\$21,596	\$ 50,021	\$3,140	\$ 256,238	\$44,590	\$110,293	\$26,436	\$ 576,560
2024-25	206,375	16,999	51,046	2,114	261,861	35,709	114,656	22,073	574,104
2025-26	146,344	12,261	52,092	1,068	268,343	26,490	119,815	16,914	506,598
2026-27	111,687	8,584	-	-	275,539	16,994	125,207	11,522	412,804
2027-28	36,147	5,504	-	-	134,088	7,200	130,841	5,888	182,939
2028-29 through 2030-31	116,730	8,453	-	-	-	-	-	-	125,183
Total	\$818,261	\$73,396	\$153,159	\$6,322	\$1,196,068	\$130,982	\$600,812	\$82,833	\$2,378,188

⁽⁶⁾Does not include a dump truck/snow plow and 2 police vehicles to be financed in fiscal year 2023-24 with total estimated annual payments of approximately \$76,000 for 5 years.



DEBT SERVICE

continued

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⁽⁷⁾

Fiscal Year	General Fund		Streets Fund		Wastewater Fund		Information Technology Fund		Totals
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023-24	\$ 180,279	\$ 41,290	\$39,217	\$2,810	\$ 30,860	\$9,101	\$7,619	\$5	\$ 311,180
2024-25	167,197	35,852	22,973	824	28,044	6,777	-	-	261,666
2025-26	161,288	31,507	7,343	181	26,993	4,629	-	-	231,941
2026-27	141,888	27,441	-	-	22,400	2,484	-	-	194,213
2027-28	128,679	24,462	-	-	14,422	671	-	-	168,234
2028-29 through 2032-33	646,902	96,576	-	-	-	-	-	-	740,478
2033-34 through 2037-38	644,376	45,624	-	-	-	-	-	-	690,000
2038-39 through 2040-41	282,926	4,574	-	-	-	-	-	-	287,500
Total	\$2,353,534	\$304,325	\$69,533	\$3,815	\$122,720	\$23,661	\$7,619	\$5	\$2,885,212

⁽⁷⁾Does not include 3 fleet vehicles and copiers to be leased in fiscal year 2023-24 with estimated annual payments of approximately \$68,000 for 5 years.

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.

DEBT SERVICE

continued

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 Franchise Taxes State Shared Sales Taxes Vehicle License Taxes	Transient Occupancy Taxes (or Bed Taxes) License and Permit Fees State Shared Income Taxes Charges for Services
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The following table summarizes projected pledged revenue coverage for next five years.

PLEDGED REVENUE COVERAGES

Fiscal Year	Pledged Excise Tax Revenues	Principal	Interest	Total	Coverage
2023-24 (budget)	\$40,156,870	\$2,713,000	\$4,697,179	\$7,410,179	5.42
2024-25 (proj.)	38,194,650	5,735,000	1,475,859	7,210,859	5.30
2025-26 (proj.)	38,199,880	5,828,000	1,385,541	7,213,541	5.30
2026-27 (proj.)	40,250,900	2,523,000	1,293,287	3,816,287	10.55
2027-28 (proj.)	41,304,500	1,577,000	1,202,456	2,779,456	14.86

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.

DEBT SERVICE

continued

Outstanding Debt Balances

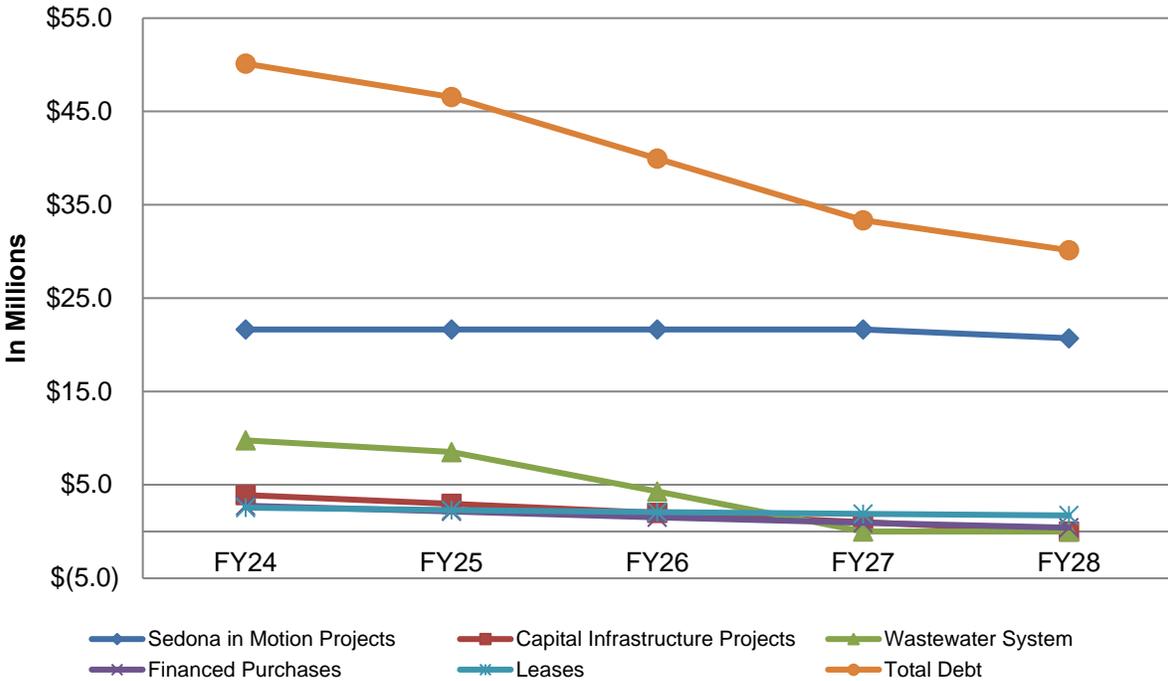
The following information details the outstanding debt balances for the next five years, assuming no early redemptions or refinancing. The final debt payment is July 1, 2042.

OUTSTANDING DEBT BALANCES BY FISCAL YEAR⁽⁸⁾

As of July 2	Sedona in Motion Projects	Land Acquisition	Capital Infrastructure Projects	Wastewater System	Financed Purchases	Leases	Totals
2023	\$21,640,000	\$9,479,000	\$3,910,000	\$9,773,000	\$2,768,300	\$2,553,406	\$50,123,706
2024	21,640,000	8,968,000	2,965,000	8,516,000	2,150,772	2,295,431	46,535,203
2025	21,640,000	8,436,000	1,995,000	4,283,000	1,516,834	2,077,217	39,948,051
2026	21,640,000	7,881,000	1,005,000	-	930,239	1,881,593	33,337,832
2027	20,700,000	7,303,000	-	-	417,806	1,717,305	30,138,111

⁽⁸⁾Does not include fiscal year 2023-24 financed purchases for 2 police vehicles and a dump truck/snow plow or leases for 3 fleet vehicles and copiers.

OUTSTANDING DEBT BALANCES



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	7/1/2024	5.24%	\$ 1,130,000	\$ 3,180,000	Not subject to call prior to stated maturity date
Second Series 2015 Bonds	7/1/2024-27	1.94%	3,910,000	191,575	Eligible to be called without premium
Series 2021 Bonds	7/1/2024-26	1.16%	8,643,000	248,727	Prepayment penalty
Series 2022 Bonds	7/1/2027-42	4.0%-5.0%	21,640,000	11,294,250	Callable 7/1/2032 without premium
Second Series 2022 Bonds	7/1/2024-37	4.21%	9,479,000	3,258,961	Callable anytime with 30-day notice without premium
Energy Efficiency Equipment	12/20/2023-30	3.60%	277,885	47,559	No prepayment penalty
FY 2021 Police Vehicles	FY 2024-FY 2025	1.82%-1.85%	127,566	3,535	Early termination penalty
Police Camera System	8/30/2023-25	1.85%	113,188	4,214	Early termination penalty
Street Sweeper	4/26/2024-26	2.05%	153,159	6,322	Early termination penalty
FY 2022 Police Vehicles	FY 2024-FY 2027	1.74%-2.72%	299,621	18,088	No prepayment penalty
Trailhead Shuttles	12/15/2023-26	1.95%	571,522	28,068	No prepayment penalty
Micro-Transit Vehicles	2/1/2024-28	5.37%	624,546	102,914	No prepayment penalty
Vactor Truck	6/15/2024-28	4.50%	600,812	82,833	No prepayment penalty
Fleet Vehicles	FY 2024-FY 2028	4.70%-9.75%	355,954	48,862	No prepayment penalty
Parking Lots	FY 2024-FY 2033	0.19%-1.25% (imputed)	94,365	6,406	No termination penalty
Copiers	7/2023-12/2023	0.22% (imputed)	8,281	5	No termination penalty
Postage Meter	FY 2024-FY 2026	0.58% (imputed)	13,709	129	No termination penalty
School District Administrative Site	FY 2024-FY 2041	1.49% (imputed)	2,081,096	276,404	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, remaining principal and interest payments, and the purpose of the debt.

SEDONA WASTEWATER MUNICIPAL PROPERTY CORPORATION⁽⁹⁾
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
7/1/2024	\$ 1,130,000	\$ 3,180,000	5.24%	\$ 4,310,000

⁽⁹⁾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 of 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
1/1/2024	\$ -		\$ 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	\$ 3,910,000		\$ 191,575	\$ 4,101,575

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
1/1/2024	\$ -		\$ 50,129	\$ 50,129
7/1/2024	127,000		50,129	177,129
1/1/2025	-		49,393	49,393
7/1/2025	4,243,000	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	\$ 8,643,000		\$ 248,727	\$ 8,891,727

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
1/1/2024	\$ -		\$ 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	1,423,500
1/1/2029	-		424,125	424,125
7/1/2029	1,025,000	5.00%	424,125	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	-		236,600	236,600
7/1/2036	1,425,000	4.00%	236,600	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	1,822,000
1/1/2042	-		36,000	36,000
7/1/2042	1,800,000	4.00%	36,000	1,836,000
Total	\$ 21,640,000		\$ 11,294,250	\$ 32,934,250

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, 2032, without premium

Private Placement?

No

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
EXCISE TAX REVENUE BONDS, SECOND SERIES 2022
Original Principal \$10,148,000
Issued December 8, 2022
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/1/2024	\$ -		\$ 199,533	\$ 199,533
7/1/2024	511,000	4.21%	199,533	710,533
1/1/2025	-		188,776	188,776
7/1/2025	532,000	4.21%	188,776	720,776
1/1/2026	-		177,578	177,578
7/1/2026	555,000	4.21%	177,578	732,578
1/1/2027	-		165,895	165,895
7/1/2027	578,000	4.21%	165,895	743,895
1/1/2028	-		153,728	153,728
7/1/2028	602,000	4.21%	153,728	755,728
1/1/2029	-		141,056	141,056
7/1/2029	628,000	4.21%	141,056	769,056
1/1/2030	-		127,837	127,837
7/1/2030	654,000	4.21%	127,837	781,837
1/1/2031	-		114,070	114,070
7/1/2031	682,000	4.21%	114,070	796,070
1/1/2032	-		99,714	99,714
7/1/2032	710,000	4.21%	99,714	809,714
1/1/2033	-		84,768	84,768
7/1/2033	740,000	4.21%	84,768	824,768
1/1/2034	-		69,191	69,191
7/1/2034	772,000	4.21%	69,191	841,191
1/1/2035	-		52,941	52,941
7/1/2035	804,000	4.21%	52,941	856,941
1/1/2036	-		36,017	36,017
7/1/2036	838,000	4.21%	36,017	874,017
1/1/2037	-		18,377	18,377
7/1/2037	873,000	4.21%	18,377	891,377
Total	\$ 9,479,000		\$ 3,258,961	\$ 12,737,961

Bond Purpose	Land acquisition – former Cultural Park
Subject to Call for Redemption Prior to Stated Maturity Dates?	Yes, anytime with 30-day notice, without premium
Private Placement?	Yes

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
12/20/2023	\$ 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	\$ 277,885		\$ 47,559	\$ 325,444

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
7/30/2023	\$ 17,010	1.82%	\$ 625	\$ 17,634
7/30/2024	17,319	1.82%	315	17,634
Total	\$ 34,329		\$ 940	\$ 35,269

Original Principal \$183,119
Issued November 20, 2020
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
11/20/2023	\$ 46,191	1.85%	\$ 1,725	\$ 47,916
11/20/2024	47,046	1.85%	870	47,916
Total	\$ 93,237		\$ 2,595	\$ 95,833

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 VIDEO SYSTEM FINANCED PURCHASE
Original Principal \$185,261
Issued August 30, 2020
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
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	38,424	1.85%	711	39,134
Total	\$ 113,188		\$ 4,214	\$ 117,401

Debt Purpose	Police video 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
4/26/2023	\$ 50,022	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	\$ 153,159		\$ 6,322	\$ 159,481

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
11/18/2023	\$ 24,885	1.74%	\$ 1,780	\$ 26,666
11/18/2024	25,351	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	\$ 102,271		\$ 4,489	\$ 106,759

Original Principal \$243,466
Issued April 28, 2022
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
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	\$ 197,351		\$ 13,600	\$ 210,951

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
12/15/2023	\$ 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	\$ 571,522		\$ 28,068	\$ 599,590

Debt Purpose	5 shuttle vehicles
Subject to Early Payoff?	Yes, no prepayment penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
MICRO-TRANSIT VEHICLES TAXABLE FINANCED PURCHASE
Original Principal \$624,546
Issued February 2, 2023
(Public Transit Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
2/1/2024	\$ 116,304	5.37%	\$ 33,445	\$ 149,749
2/1/2025	120,249	5.37%	27,293	147,542
2/1/2026	124,662	5.37%	20,835	145,497
2/1/2027	129,243	5.37%	14,141	143,384
2/1/2028	134,088	5.37%	7,200	141,288
Total	\$ 624,546		\$ 102,914	\$ 727,460

Debt Purpose	3 micro-transit vehicles
Subject to Early Payoff?	Yes, no prepayment penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
VACTOR TRUCK FINANCED PURCHASE
Original Principal \$600,812
Issued June 23, 2023
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
6/15/2024	\$ 110,293	4.50%	\$ 26,436	\$ 136,729
6/15/2025	114,656	4.50%	22,073	136,729
6/15/2026	119,815	4.50%	16,914	136,729
6/15/2027	125,207	4.50%	11,522	136,729
6/15/2028	130,841	4.50%	5,888	136,729
Total	\$ 600,812		\$ 82,833	\$ 683,645

Debt Purpose	Vactor truck
Subject to Early Payoff?	Yes, no prepayment penalty

DEBT SERVICE
continued

Individual Debt Issuances (cont'd)

CITY OF SEDONA
PRE-GASB 87 PARKING LOT LEASE
Original Principal \$6,741 (as of GASB 87 implementation)
Additional Principal for FY 2023 Extension \$8,981
Issued November 4, 2013
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/31/2023	\$ 1,122	0.19%	\$ 3	\$ 1,125
10/31/2023	1,122	0.19%	3	1,125
1/31/2024	1,123	0.19%	2	1,125
4/30/2024	1,123	0.19%	2	1,125
7/31/2024	1,124	0.19%	1	1,125
10/31/2024	1,124	0.19%	1	1,125
Total	\$ 6,739		\$ 11	\$ 6,750

Lease Purpose	Sacajawea Plaza – 46 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⁽¹⁰⁾
Original Principal \$3,305 (as of GASB 87 implementation)
Issued January 1, 2019
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/30/2023	\$ 110	0.22%	\$ -	\$ 110
8/30/2023	110	0.22%	-	110
9/30/2023	110	0.22%	-	110
10/30/2023	110	0.22%	-	110
11/30/2023	110	0.22%	-	110
12/30/2023	110	0.22%	-	110
Total	\$ 663		\$ -	\$ 663

Original Principal \$38,012 (as of GASB 87 implementation)
Issued January 1, 2019
(Information Technology Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/30/2023	\$ 1,269	0.22%	\$ 1	\$ 1,271
8/30/2023	1,269	0.22%	1	1,271
9/30/2023	1,270	0.22%	1	1,271
10/30/2023	1,270	0.22%	1	1,271
11/30/2023	1,270	0.22%	-	1,271
12/30/2023	1,270	0.22%	-	1,271
Total	\$ 7,619		\$ 5	\$ 7,624

Lease Purpose	11 copiers
Subject to Early Termination?	Yes, no termination penalty

⁽¹⁰⁾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 2024	\$ 23,236	6.78%-7.64%	\$ 1,536	\$ 24,773
FY 2025	8,132	6.78%-7.64%	125	8,258
Total	\$ 31,369		\$ 1,662	\$ 33,030

Original Principal \$148,515
Issued from October 10, 2019 to February 12, 2020
(Streets Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 31,937	4.74%-7.55%	\$ 1,883	\$ 33,819
FY 2025	15,329	4.74%-7.55%	261	15,589
Total	\$ 47,265		\$ 2,143	\$ 49,409

Original Principal \$33,178
Issued November 18, 2019
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 7,229	6.29%	\$ 447	\$ 7,676
FY 2025	3,149	6.29%	50	3,198
Total	\$ 10,377		\$ 497	\$ 10,874

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⁽¹⁾
Original Principal \$98,146
Additional Principal for FY 2023 CPI Adjustment \$4,278
Issued January 19, 2021
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
1/10/2024	\$ 7,111	1.25%	\$ 1,091	\$ 8,201
1/10/2025	7,445	1.25%	1,002	8,448
1/10/2026	7,791	1.25%	910	8,701
1/10/2027	8,149	1.25%	813	8,962
1/10/2028	8,520	1.25%	711	9,231
1/10/2029	8,903	1.25%	605	9,508
1/10/2030	9,299	1.25%	494	9,793
1/10/2031	9,708	1.25%	379	10,087
1/10/2032	10,132	1.25%	258	10,389
1/10/2033	10,569	1.25%	132	10,701
Total	\$ 87,626		\$ 6,396	\$ 94,021

Lease Purpose	Sinagua Plaza – 17 parking spaces
Subject to Early Termination?	Yes, no termination penalty

⁽¹⁾Each year, the annual lease payment will be adjusted based on the greater of 3% or the Consumer Price Index (CPI) 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 2024	\$ 4,709	4.80%	\$ 611	\$ 5,322
FY 2025	4,941	4.80%	380	5,322
FY 2026	5,185	4.80%	136	5,322
Total	\$ 14,835		\$ 1,127	\$ 15,962

Original Principal \$36,524
Issued May 27, 2021
(Streets Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 7,280	4.90%	\$ 927	\$ 8,208
FY 2025	7,645	4.90%	563	8,208
FY 2026	7,343	4.90%	181	7,524
Total	\$ 22,268		\$ 1,671	\$ 23,939

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
9/30/2023	\$ 1,133	0.58%	\$ 20	\$ 1,153
12/31/2023	1,135	0.58%	18	1,153
3/31/2024	1,137	0.58%	16	1,153
6/30/2024	1,138	0.58%	15	1,153
9/30/2024	1,140	0.58%	13	1,153
12/31/2024	1,142	0.58%	12	1,153
3/31/2025	1,143	0.58%	10	1,153
6/30/2025	1,145	0.58%	8	1,153
9/30/2025	1,146	0.58%	7	1,153
12/31/2025	1,148	0.58%	5	1,153
3/31/2026	1,150	0.58%	3	1,153
6/30/2026	1,151	0.58%	2	1,153
Total	\$ 13,709		\$ 129	\$ 13,838

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 23, 2021
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 17,081	4.90%-6.40%	\$ 3,000	\$ 20,081
FY 2025	18,075	4.90%-6.40%	2,006	20,081
FY 2026	19,127	4.90%-6.40%	954	20,081
FY 2027	6,210	4.90%-6.40%	77	6,287
Total	\$ 60,493		\$ 6,037	\$ 66,531

Original Principal \$62,186
Issued July 6, 2021 to June 24, 2022
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 11,711	5.00%-8.80%	\$ 2,802	\$ 14,513
FY 2025	12,519	5.00%-8.80%	1,994	14,513
FY 2026	13,388	5.00%-8.80%	1,125	14,513
FY 2027	7,443	5.00%-8.80%	332	7,775
Total	\$ 45,060		\$ 6,254	\$ 51,314

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⁽¹²⁾
Original Principal \$2,277,233
Issued August 1, 2021
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
7/1/2023-6/1/2024	\$ 107,828	1.49%	\$ 30,172	\$ 138,000
7/1/2024-6/1/2025	109,440	1.49%	28,560	138,000
7/1/2025-6/1/2026	111,076	1.49%	26,924	138,000
7/1/2026-6/1/2027	112,737	1.49%	25,263	138,000
7/1/2027-6/1/2028	114,422	1.49%	23,578	138,000
7/1/2028-6/1/2029	116,133	1.49%	21,867	138,000
7/1/2029-6/1/2030	117,870	1.49%	20,130	138,000
7/1/2030-6/1/2031	119,632	1.49%	18,368	138,000
7/1/2031-6/1/2032	122,421	1.49%	16,579	138,000
7/1/2032-6/1/2033	123,236	1.49%	14,763	138,000
7/1/2033-6/1/2034	125,079	1.49%	12,921	138,000
7/1/2034-6/1/2035	126,949	1.49%	11,051	138,000
7/1/2035-6/1/2036	128,847	1.49%	9,153	138,000
7/1/2036-6/1/2037	130,773	1.49%	7,227	138,000
7/1/2037-6/1/2038	132,728	1.49%	5,272	138,000
7/1/2038-6/1/2039	134,713	1.49%	3,287	138,000
7/1/2039-6/1/2040	136,727	1.49%	1,273	138,000
7/1/2040	11,486	1.49%	14	11,500
Total	\$ 2,081,096		\$ 276,404	\$ 2,357,500

Lease Purpose	School District Administrative site
Subject to Early Termination?	Yes, no termination penalty if execute purchase

⁽¹²⁾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 2023 ENTERPRISE FLEET LEASES
Original Principal \$65,709
Issued from July 7, 2022 to January 9, 2023
(General Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 11,564	8.23%-9.75%	\$ 4,516	\$ 16,079
FY 2025	12,583	8.23%-9.75%	3,496	16,079
FY 2026	13,693	8.23%-9.75%	2,387	16,079
FY 2027	14,901	8.23%-9.75%	1,179	16,079
FY 2028	5,357	8.23%-9.75%	162	5,519
Total	\$ 58,096		\$ 11,740	\$ 69,836

Original Principal \$67,040
Issued April 18, 2023 to May 15, 2023
(Wastewater Fund)

Remaining Payment Dates	Principal	Interest Rate	Interest	Total
FY 2024	\$ 10,707	9.44%-9.60%	\$ 6,989	\$ 17,296
FY 2025	12,002	9.44%-9.60%	5,694	17,696
FY 2026	13,461	9.44%-9.60%	4,235	17,696
FY 2027	15,104	9.44%-9.60%	2,592	17,696
FY 2028	13,945	9.44%-9.60%	754	14,699
Total	\$ 65,218		\$ 20,265	\$ 85,483

Lease Purpose	4 fleet vehicles
Subject to Early Payoff?	Yes, no penalty



Appendices

GLOSSARY

Accessory Dwelling Unit (ADU) – A complete independent residential living space that can be created within, attached to, or detached from a single-family home. An ADU includes provisions for living, sleeping, eating, cooking and sanitation. An ADU can provide supplementary housing that can be integrated into existing single-family neighborhoods to provide a typically lower priced housing alternative.

Accrual Basis of Accounting – A method of accounting in which revenues are recorded when measurable and earned, and expenditures (or expenses) are recognized when a good or service is used, regardless of the timing of related cash flows. It is also referred to as the full accrual basis of accounting.

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 in implementing 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 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, such 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 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 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 as follows: 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 benefiting 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 goods 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 Round (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	EIDL	Economic Injury Disaster Loan
COD	Chemical Oxygen Demand	EMOD	Experience Modification Rating
CofO	Certificate of Occupancy	EMS	Emergency Medical Service
COJET	Committee on Judicial Education and Training	ESP	Environmental Sustainability Project
COLA	Cost of Living Adjustment	EV	Electric Vehicle
COP	Certificate of Participation	FAA	Federal Aviation Administration
COVID-19	Coronavirus Disease 2019	FARE	Fines/Fees and Restitution Enforcement Program
CPI	Consumer Price Index	FAST	Fractured Aggregate Surface Treatment
CPR	Cardiopulmonary Resuscitation	FBI	Federal Bureau of Investigation
CSA	Community Services Aide	FEMA	Federal Emergency Management Agency
CSO	Community Services Officer	FHWA	Federal Highway Administration
DC	Direct Current	FSWG	Fiscal Sustainability Work Group
DIF	Development Impact Fees	FTA	Federal Transit Authority
DIGAH	Developer Incentives Guidelines for Affordable Housing	FTE	Full Time Equivalent
DMO	Destination Management Organization	FY	Fiscal Year (July 1 - Jun 30)
DMS	Dynamic Message Sign	GAAP	Generally Accepted Accounting Principles
DPS	Arizona Department of Public Safety	GASB	Governmental Accounting Standards Board
DSO	Debt Setoff Program	GFOA	Government Finance Officers Association
DUI	Driving Under the Influence	GIS	Geographic Information Systems
EEC	Economic Estimates Commission		
EEOC	Equal Employment Opportunity Commission		

ACRONYMS

continued

Acronym	Description	Acronym	Description
GIITEM	Gang and Immigration Intelligence Team Enforcement Mission	IPMC	International Property Maintenance Code
G.O.	General Obligation	ISO	International Organization for Standardization
GOHS	Governor's Office of Highway Safety	ISP	Internet Service Provider
HOME-ARP	American Rescue Plan Act funding for HUD's HOME Investment Partnerships Program	IT	Information Technology
HPC	Historic Preservation Commission	ITS	Intelligent Transportation System
HPS	High-Pressure Sodium	K-9	Canine
HR	Human Resources	KPI	Key Performance Indicator
HT	Human Trafficking	KVM	Keyboard-Video-Mouse
HUD	U.S. Department of Housing and Urban Development	KW	Kilowatt
HURF	Highway User Revenues Fund	LDC	Land Development Code
HVAC	Heating, Ventilation, and Air Conditioning	LED	Light-Emitting Diode
I-Codes	International Codes	LIHTC	Low-Income Housing Tax Credit
IACP	International Association of Chiefs of Police	LNT	Leave No Trace
ICMA	International City/County Management Association	MC	Municipal Court
ICC	International Code Council	MCTC	Model City Tax Code
ICS	Incident Command System	MGD	Million Gallons per Day
IGA	Intergovernmental Agreement	MPC	Municipal Property Corporation
IMF	International Monetary Fund	MS4	Municipal Separate Storm Sewer System
IP	Internet Protocol	N/A	Not Applicable or Not Available
		NACA	National Animal Care and Control Association
		NACET	Northern Arizona Center for Entrepreneurship and Technology

ACRONYMS

continued

Acronym	Description	Acronym	Description
NACOG	Northern Arizona Council of Governments	PLC	Programmable Logic Controller
NAU	Northern Arizona University	POST	Peace Officer Standards and Training
NCS	National Citizen Survey	PR	Parks & Recreation Department
NEC	National Electric Code	PSPRS	Public Safety Personnel Retirement System
NENA	National Emergency Number Association	PW	Public Works
NEV	Neighborhood Electric Vehicle	RFP	Request for Proposals
NIBRS	National Incident Based Reporting System	RICO	Racketeer Influenced and Corrupt Organizations
NIMS	National Incident Management System	RMS	Records Management System
NOAA	National Oceanic and Atmospheric Administration	ROW	Right of Way
NOI	Notice of Intent	S&P	Standard & Poor's
O&M	Operation and Maintenance	SATIP	Sedona Area Transit Implementation Plan
OC	Oleoresin Capsicum	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

ACRONYMS
continued

Acronym	Description	Acronym	Description
SPD	Sedona Police Department	UCR	Uniform Crime Reporting
SR	State Route	USFS	United States Forest Service
SRO	School Resource Officer	UV	Ultraviolet
ST	Streets & Transportation	VISTA	Volunteers in Service to America
ST&PS	Sedona Trails & Pathways System	VLT	Vehicle License Tax
STAR	Smith Travel Research	VOC	Village of Oak Creek
STEAM	Science, Technology, Engineering, Arts, and Mathematics	VOIP	Voice over Internet Protocol
STEM	Science, Technology, Engineering, and Mathematics	VVREO	Verde Valley Regional Economic Organization
STEP	Sedona Traffic Enforcement Program	VSS	Volatile Suspended Solids
STK	Sedona Trail Keeper	WAN	Wide Area Network
STP	Surface Transportation Program or Sustainable Tourism Plan	WIMS	Water Information Management Solution
STR	Short-Term Rental	WSFU	Water Supply Fixture Unit
SWAT	Special Weapons and Tactics	WW	Wastewater
TIP	Tax Intercept Program	WWRP	Wastewater Reclamation Plant
TPT	Transaction Privilege Tax (Sales Tax)	YCERA	Yavapai County Economic Resource Alliance
TSS	Total Suspended Solids	YCREDC	Yavapai County Regional Economic Development Center

Official Budget Forms

City of Sedona

Fiscal year 2024

City Council adopted the Tentative Budget on July 11, 2023



Final budget adoption will occur on August 8, 2023 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.sedonaaz.gov
City of Sedona in the Clerk's Office, 102 Roadrunner Drive, Sedona, Arizona
City of Sedona Public Library, 3250 White Bear Road, Sedona Arizona

City of Sedona

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City of Sedona
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2024

Fiscal year	Sch	Funds								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total all funds	
2023	E	1	28,327,660	7,323,870	0	46,196,230	0	21,783,760	2,113,520	105,745,040
2023	E	2	26,523,717	4,890,780	0	27,138,610	0	15,523,649	1,866,230	75,942,986
2024		3	29,419,918	15,110,718	0	29,717,085	0	22,380,955	1,435,548	98,064,224
2024	B	4	0							0
2024	B	5								0
2024	C	6	42,954,400	8,821,860	0	2,315,020	0	9,951,190	2,581,860	66,624,330
2024	D	7	0	0	0	0	0	0	0	0
2024	D	8	0	0	0	0	0	0	0	0
2024	D	9	0	17,133,849	0	11,294,170	0	6,692,000	44,450	35,164,469
2024	D	10	23,072,319	7,565,740	0	4,526,410	0	0	0	35,164,469
2024			Line 11: Reduction for fund balance reserved for future budget year expenditures							
			Maintained for future debt retirement							
										0
			Maintained for future capital projects							
				6,195,040		11,906,165		4,044,635		22,145,840
			Maintained for future financial stability							
			7,961,169	1,042,149				1,888,840		10,892,158
		11	Maintained for future retirement contributions							
										0
			Reserve for loans							
			1,439,682	18,900,000						20,339,682
			Reserve for future transit system							
							5,000,000			5,000,000
			Equipment replacement reserve							
			1,818,729	36,840				1,431,323	1,039,055	4,325,947
			Major maintenance reserve							
							385,697			385,697
2024		12	Total financial resources available							
			38,082,419	7,326,658	0	26,893,700	0	26,273,650	3,022,803	101,599,230
2024	E	13	Budgeted expenditures/expenses							
			29,280,350	7,071,290	0	26,893,700	0	20,221,820	2,352,460	85,819,620

Expenditure limitation comparison		2023	2024
1	Budgeted expenditures/expenses	\$ 105,745,040	\$ 85,819,620
2	Add/subtract: estimated net reconciling items		
3	Budgeted expenditures/expenses adjusted for reconciling items	105,745,040	85,819,620
4	Less: estimated exclusions		
5	Amount subject to the expenditure limitation	\$ 105,745,040	\$ 85,819,620
6	EEC expenditure limitation or voter-approved alternative expenditure limitation	\$ 105,745,040	\$ 85,819,620

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). See the Instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

**City of Sedona
Revenues other than property taxes
Fiscal Year 2024**

Source of revenues	Estimated revenues 2023	Actual revenues* 2023	Estimated revenues 2024
General Fund			
Local taxes			
City Sales Taxes	\$ 31,360,000	\$ 26,791,000	\$ 26,052,000
Bed Taxes	10,232,000	8,315,000	8,025,000
Franchise Fees	857,900	890,500	906,500
Licenses and permits			
Building Permit Fees	350,000	290,000	310,000
Business Licenses	54,000	53,900	54,000
Short-Term Rental Permit Fees		226,400	236,400
Misc Community Development/Public Works	41,100	33,370	41,100
City Clerk	3,180	4,740	3,080
Intergovernmental			
State Shared Sales Taxes	1,439,000	1,454,000	1,454,000
State Urban Revenue Sharing	1,762,000	1,852,000	2,618,000
Federal Grants & Aid	100,000	83,250	
State Grants, Aid, & Reimbursements	26,000	175,550	37,550
County-Vehicle License Taxes	752,700	713,000	677,000
County-IGA/Other	9,950	10,700	10,700
Other Govt	15,000	8,560	8,550
Charges for services			
Recreation Programs	60,000	44,150	43,920
Daily Swim Fees/Swimming Lessons/Water			
Aerobics/Aquatics Special Programs	23,080	24,270	24,180
Plan Review Fees	250,000	264,000	250,000
Misc. Community Development Fees	62,520	59,380	61,680
Misc. Parks and Recreation Fees	28,950	15,280	16,000
Paid Parking Fees	537,000	489,000	500,000
Misc. Police Fees	8,300	43,750	13,500
Other Misc. Charges for Services	15,010	17,010	16,910
Fines and forfeits			
Court Fines	207,000	170,000	180,000
Short-Term Rental Fines/Late Fees			57,000
STEP Administration Fees	5,100	6,500	4,800
Parking Fines	85,000	80,000	80,000
Misc. Fines	6,590	9,590	11,050
Interest on investments			
Interest Earnings	174,420	586,440	586,440
Tax Audits - Interest/Penalty	1,250	2,050	2,000
Miscellaneous			
In-lieu Fees	539,400	539,620	552,340
Parks & Recreation Rentals	93,000	61,620	70,200
AMRRP Dividends	155,700	106,440	
Auction Revenues		18,630	16,000
Other Misc. Revenues	1,500	37,350	34,500
Total General Fund	\$ 49,256,650	\$ 43,477,050	\$ 42,954,400

* 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 2024**

Source of revenues	Estimated revenues 2023	Actual revenues* 2023	Estimated revenues 2024
Special revenue funds			
Streets Fund:			
HURF Revenues	\$ 1,293,000	\$ 1,025,000	\$ 994,000
Interest Earnings	22,400	29,560	29,560
	\$ 1,315,400	\$ 1,054,560	\$ 1,023,560
Housing Fund:			
Intergovernmental - Other IGA	\$ 60,000	\$ 58,400	\$ 60,330
Interest Earnings	26,500	61,520	61,520
	\$ 86,500	\$ 119,920	\$ 121,850
Grants, Donations, & Restricted Funds:			
Federal Grants & Aid	\$ 1,726,500	\$ 1,393,300	\$ 2,465,820
State Grants & Aid	140,580	228,259	103,220
Charges for Services	200		
Fines & Forfeitures	31,350	27,700	27,700
Donations	21,450	19,460	70,150
Interest Earnings	4,600	9,020	9,020
Other Misc. Revenues		6,400	
Contingent Grants & Donations	500,000		500,000
	\$ 2,424,680	\$ 1,684,139	\$ 3,175,910
Transportation Sales Tax Fund:			
Transportation Sales Tax	\$ 5,210,000	\$ 4,455,000	\$ 4,332,000
Interest Earnings	83,400	168,540	168,540
	\$ 5,293,400	\$ 4,623,540	\$ 4,500,540
Total special revenue funds	\$ 9,119,980	\$ 7,482,159	\$ 8,821,860
Capital projects funds			
Capital Improvements Fund:			
Federal Grants & Aid	\$	\$ 900,000	\$ 425,000
State Grants & Aid			
County Flood Control	300,000	300,000	350,000
Interest Earnings	130,800	648,730	471,330
	\$ 430,800	\$ 1,848,730	\$ 1,246,330
Art in Public Places Fund:			
Contributions and Donations	\$	\$ 65,000	\$
Interest Earnings	1,900	4,090	4,090
	\$ 1,900	\$ 69,090	\$ 4,090
Development Impact Fees Funds:			
Development Impact Fees	\$ 578,260	\$ 586,710	\$ 993,500
Interest Earnings	35,480	71,100	71,100
	\$ 613,740	\$ 657,810	\$ 1,064,600
Total capital projects funds	\$ 1,046,440	\$ 2,575,630	\$ 2,315,020

* 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 2024

Source of revenues	Estimated revenues 2023	Actual revenues* 2023	Estimated revenues 2024
Enterprise funds			
Public Transit Fund:			
<u>Federal Grants</u>	\$ <u>657,740</u>	\$ <u>42,600</u>	\$ <u>1,387,290</u>
<u>Charges for Services</u>	<u>85,750</u>	<u>1,700</u>	<u>115,300</u>
	\$ <u>743,490</u>	\$ <u>44,300</u>	\$ <u>1,502,590</u>
Wastewater Fund:			
<u>Charges for Services</u>	\$ <u>6,248,050</u>	\$ <u>6,275,700</u>	\$ <u>6,270,370</u>
<u>Capacity Fees</u>	<u>1,645,100</u>	<u>1,146,210</u>	<u>1,675,570</u>
<u>Interest Earnings</u>	<u>205,140</u>	<u>403,860</u>	<u>403,860</u>
<u>Misc. Revenues</u>	<u>68,900</u>	<u>50,390</u>	<u>98,800</u>
	\$ <u>8,167,190</u>	\$ <u>7,876,160</u>	\$ <u>8,448,600</u>
Total enterprise funds	\$ <u>8,910,680</u>	\$ <u>7,920,460</u>	\$ <u>9,951,190</u>
Internal service funds			
Information Technology Fund:			
<u>Internal Cost Charges</u>	\$ <u>2,249,090</u>	\$ <u>2,303,150</u>	\$ <u>2,561,760</u>
<u>Other Charges for Services</u>	<u>500</u>	<u>350</u>	<u>500</u>
<u>Interest Earnings</u>	<u>8,800</u>	<u>19,600</u>	<u>19,600</u>
	\$ <u>2,258,390</u>	\$ <u>2,323,100</u>	\$ <u>2,581,860</u>
Total internal service funds	\$ <u>2,258,390</u>	\$ <u>2,323,100</u>	\$ <u>2,581,860</u>
Total all funds	\$ <u>70,592,140</u>	\$ <u>63,778,399</u>	\$ <u>66,624,330</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 2024

Fund	Other financing 2024		Interfund transfers 2024	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer to Streets Fund	\$	\$	\$	\$ 2,298,349
Transfer to Housing Fund				14,835,500
Transfer to Cap. Impr. Fund				2,500,000
Transfer to Public Transit Fund				294,020
Transfer to Wastewater Fund				3,100,000
Transfer to Info. Tech. Fund				44,450
Total General Fund	\$	\$	\$	\$ 23,072,319
Special revenue funds				
Streets - from General Fund	\$	\$	\$ 2,298,349	\$
Housing - from General Fund			14,835,500	
Grants, Don. & Restr. - to Wastewater				184,400
Transp. Sales Tax - to Cap. Impr. Fund				4,267,760
Transp. Sales Tax - to Public Transit				3,113,580
Total special revenue funds	\$	\$	\$ 17,133,849	\$ 7,565,740
Capital projects funds				
Cap. Impr. - from General Fund	\$	\$	\$ 2,500,000	\$
Cap. Impr. - from Transp. Sales Tax			4,267,760	
Cap. Impr. - to Dev. Impact Fees Funds				4,507,280
Cap. Impr. - to Art in Public Places				19,130
Art in Public Places - from Cap. Impr.			19,130	
Dev. Impact Fees Funds - from Cap. Impr.			4,507,280	
Total capital projects funds	\$	\$	\$ 11,294,170	\$ 4,526,410
Enterprise funds				
Public Transit - from General Fund	\$	\$	\$ 294,020	\$
Public Transit - from Transp. Sales Tax			3,113,580	
Wastewater - From General Fund			3,100,000	
Wastewater - From Grants, Don. & Restr.			184,400	
Total enterprise funds	\$	\$	\$ 6,692,000	\$
Internal service funds				
Info. Tech - from General Fund	\$	\$	\$ 44,450	\$
Total Internal Service Funds	\$	\$	\$ 44,450	\$
Total all funds	\$	\$	\$ 35,164,469	\$ 35,164,469

**City of Sedona
Expenditures/expenses by fund
Fiscal year 2024**

Fund/Department	Adopted budgeted expenditures/expenses 2023	Expenditure/expense adjustments approved 2023	Actual expenditures/expenses* 2023	Budgeted expenditures/expenses 2024
General Fund				
City Council	\$ 76,170	\$ 1,910	\$ 73,455	\$ 78,220
City Manager	2,515,310	(1,940)	2,086,391	1,475,620
Human Resources	324,060		317,780	403,300
Financial Services	1,551,550		1,423,050	1,641,350
City Attorney	684,870	(200)	621,100	718,570
City Clerk	348,260	(1,910)	319,030	394,160
Parks & Recreation	890,350	(2,480)	866,367	1,089,460
General Services	3,847,370		4,042,080	2,746,850
Community Development	1,976,910	(3,900)	1,691,530	1,962,490
Public Works	4,173,250	7,280	4,244,825	4,456,890
Tourism & Economic Initiatives	311,520	1,940	195,480	1,049,650
Sustainability				876,790
Police	7,535,670	(3,730)	7,055,419	7,898,680
Municipal Court	670,680		594,195	719,030
Other Public Safety	30,000		25,130	30,000
Indirect Cost Allocations	187,130		421,930	509,270
Debt Service	2,657,590		2,545,955	2,292,620
Contingency	550,000			937,400
Total General Fund	\$ 28,330,690	\$ (3,030)	\$ 26,523,717	\$ 29,280,350
Special revenue funds				
Streets Fund	\$ 2,301,090	\$ 21,680	\$ 2,389,540	\$ 2,518,840
Housing Fund	1,401,790	690,000	1,811,110	957,350
Grants, Don. & Restr. Funds	2,383,630		485,060	3,095,750
Transportation Sales Tax Fund	525,680		205,070	499,350
Total special revenue funds	\$ 6,612,190	\$ 711,680	\$ 4,890,780	\$ 7,071,290
Capital projects funds				
Capital Improvements Fund	\$ 41,293,700	\$ (895,704)	\$ 25,571,910	\$ 17,586,210
Art in Public Places Fund	360,650		130,000	232,000
Develop. Impact Fees Funds	5,371,910	65,674	1,436,700	9,075,490
Total capital projects funds	\$ 47,026,260	\$ (830,030)	\$ 27,138,610	\$ 26,893,700
Enterprise funds				
Public Transit Fund	\$ 4,039,740	\$ 108,030	\$ 3,760,050	\$ 4,673,480
Wastewater Fund	17,635,990		11,763,599	15,548,340
Total enterprise funds	\$ 21,675,730	\$ 108,030	\$ 15,523,649	\$ 20,221,820
Internal service funds				
Information Technology Fund	\$ 2,100,170	\$ 13,350	\$ 1,866,230	\$ 2,352,460
Total internal service funds	\$ 2,100,170	\$ 13,350	\$ 1,866,230	\$ 2,352,460
Total all funds	\$ 105,745,040	\$	\$ 75,942,986	\$ 85,819,620

* 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 2024**

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2023	2023	2023	2024
City Council:				
General Fund	\$ 76,170	\$ 1,910	\$ 73,455	\$ 78,220
Department total	\$ 76,170	\$ 1,910	\$ 73,455	\$ 78,220
City Manager:				
General Fund	\$ 2,515,310	\$ (1,940)	\$ 2,086,391	\$ 1,475,620
Housing Fund	537,290		253,520	
Information Technology Fund	46,420		70,600	1,320
Department total	\$ 3,099,020	\$ (1,940)	\$ 2,410,511	\$ 1,476,940
Human Resources:				
General Fund	\$ 324,060	\$	\$ 317,780	\$ 403,300
Information Technology Fund	6,000		6,250	
Department total	\$ 330,060	\$	\$ 324,030	\$ 403,300
Financial Services:				
General Fund	\$ 1,551,550	\$	\$ 1,423,050	\$ 1,641,350
Public Transit Fund	750		3,000	4,000
Wastewater Fund	133,540		82,600	139,350
Department total	\$ 1,685,840	\$	\$ 1,508,650	\$ 1,784,700
City Attorney:				
General Fund	\$ 684,870	\$ (200)	\$ 621,100	\$ 718,570
Wastewater Fund	100,000		1,200	100,000
Department total	\$ 784,870	\$ (200)	\$ 622,300	\$ 818,570
City Clerk:				
General Fund	\$ 348,260	\$ (1,910)	\$ 319,030	\$ 394,160
Department total	\$ 348,260	\$ (1,910)	\$ 319,030	\$ 394,160
Parks & Recreation:				
General Fund	\$ 890,350	\$ (2,480)	\$ 866,367	\$ 1,089,460
Grants, Don. & Restr. Funds	12,950		3,975	13,750
Information Technology Fund	6,000	2,480	6,000	
Department total	\$ 909,300	\$ 2,480	\$ 876,342	\$ 1,103,210
General Services:				
General Fund	\$ 3,847,370	\$	\$ 4,042,080	\$ 2,746,850
Grants, Don. & Restr. Funds	800		1,200	53,480
Develop. Impact Fee Funds	45,000			78,000
Department total	\$ 3,893,170	\$	\$ 4,043,280	\$ 2,878,330
Community Development:				
General Fund	\$ 1,976,910	\$ (3,900)	\$ 1,691,530	\$ 1,962,490
Information Technology Fund	2,800		2,600	2,800
Department total	\$ 1,979,710	\$ (3,900)	\$ 1,694,130	\$ 1,965,290
Public Works:				
General Fund	\$ 4,173,250	\$ 7,280	\$ 4,244,825	\$ 4,456,890
Streets Fund	2,057,670	21,680	2,198,410	2,290,060
Grants, Don. & Restr. Funds	2,500		1,500	1,500
Transportation Sales Tax Fund	148,410		113,070	158,760
Public Transit Fund	500	31,000	29,300	55,500
Wastewater Fund	256,850		243,530	279,710
Information Technology Fund	18,240		18,310	19,800
Department total	\$ 6,657,420	\$ 59,960	\$ 6,848,945	\$ 7,262,220

**City of Sedona
Expenditures/expenses by department
Fiscal year 2024**

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2023	2023	2023	2024
Tourism & Economic Initiatives:				
General Fund	\$ 311,520	\$ 1,940	\$ 195,480	\$ 1,049,650
Grants, Don. & Restr. Funds			5,000	10,000
Information Technology Fund	410		410	
Department total	\$ 311,930	\$ 1,940	\$ 200,890	\$ 1,059,650
Sustainability:				
General Fund				\$ 876,790
Department total				\$ 876,790
Police:				
General Fund	\$ 7,535,670	\$ (3,730)	\$ 7,055,419	\$ 7,898,680
Grants, Don. & Restr. Funds	127,600	128,910	248,890	108,600
Information Technology Fund	67,860		75,930	55,050
Department total	\$ 7,731,130	\$ 125,180	\$ 7,380,239	\$ 8,062,330
Municipal Court:				
General Fund	\$ 670,680		\$ 594,195	\$ 719,030
Information Technology Fund	11,200		11,320	15,120
Department total	\$ 681,880		\$ 605,515	\$ 734,150
Other Public Safety:				
General Fund	\$ 30,000		\$ 25,130	\$ 30,000
Department total	\$ 30,000		\$ 25,130	\$ 30,000
Indirect Cost Allocations:				
General Fund	\$ 187,130		\$ 421,930	\$ 509,270
Streets Fund	243,420		191,130	228,780
Housing Fund	54,500		45,950	82,190
Public Transit Fund	127,130		95,620	160,060
Wastewater Fund	1,494,190		1,430,970	1,420,810
Information Technology Fund	142,720		117,550	160,650
Department total	\$ 2,249,090		\$ 2,303,150	\$ 2,561,760
Debt Service:				
General Fund	\$ 2,657,590		\$ 2,545,955	\$ 2,292,620
Transportation Sales Tax Fund	377,270		92,000	340,590
Capital Improvements Fund			148,000	
Develop. Impact Fee Funds	233,890		248,570	248,570
Public Transit Fund	3,000		1,500	3,000
Wastewater Fund	4,541,410		4,539,810	4,540,700
Department total	\$ 7,813,160		\$ 7,575,835	\$ 7,425,480
Contingency:				
General Fund	\$ 550,000			\$ 937,400
Housing Fund	810,000	(810,000)		
Grants, Don. & Restr. Funds	2,039,000	(177,210)		2,375,320
Wastewater Fund	100,000			100,000
Department total	\$ 3,499,000	\$ (987,210)		\$ 3,412,720

**City of Sedona
Expenditures/expenses by department
Fiscal year 2024**

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2023	2023	2023	2024
Capital Improvement Projects:				
Housing Fund	\$	\$ 1,500,000	\$ 1,511,640	\$
Grants, Don. & Restr. Funds	200,780		224,495	78,700
Capital Improvements Fund	41,293,700	(895,704)	25,423,910	17,586,210
Art in Public Places Fund	360,650		130,000	232,000
Develop. Impact Fee Funds	5,093,020	65,674	1,188,130	8,748,920
Public Transit Fund	1,356,900	74,480	1,892,140	1,781,370
Wastewater Fund	7,480,000	12,000	2,471,039	5,156,890
Department total	\$ 55,785,050	\$ 756,450	\$ 32,841,354	\$ 33,584,090
Housing:				
Housing Fund	\$	\$	\$	\$ 875,160
Grants, Don. & Restr. Funds				406,100
Department total	\$	\$	\$	\$ 1,281,260
Public Transit:				
Public Transit Fund	\$ 2,474,060	\$	\$ 1,718,990	\$ 2,669,550
Department total	\$ 2,474,060	\$	\$ 1,718,990	\$ 2,669,550
Wastewater:				
Wastewater Fund	\$ 3,463,280	\$ (17,000)	\$ 2,942,110	\$ 3,699,480
Department total	\$ 3,463,280	\$ (17,000)	\$ 2,942,110	\$ 3,699,480
Information Technology:				
Grants, Don. & Restr. Funds	\$	\$ 48,300	\$	\$ 48,300
Public Transit Fund	77,400	2,550	19,500	
Wastewater Fund	66,720	5,000	52,340	111,400
Information Technology Fund	1,798,520	10,870	1,557,260	2,097,720
Department total	\$ 1,942,640	\$ 66,720	\$ 1,629,100	\$ 2,257,420

* 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 2024**

Fund	Full-time equivalent (FTE)	Employee salaries and hourly costs	Retirement costs	Healthcare costs	Other benefit costs	Total estimated personnel compensation
	2024	2024	2024	2024	2024	2024
General Fund	149	\$ 10,184,300	\$ 3,290,570	\$ 2,127,160	\$ 916,350	\$ 16,518,380
Special revenue funds						
Streets Fund	4	\$ 275,500	\$ 33,450	\$ 74,620	\$ 28,780	\$ 412,350
Housing Fund	2	168,170	20,420	29,310	13,760	231,660
Grants, Don. & Restr. Funds		2,400	79,500			81,900
Transportation Sales Tax Fund	1	90,300	10,960	17,250	8,750	127,260
Total special revenue funds	7	\$ 536,370	\$ 144,330	\$ 121,180	\$ 51,290	\$ 853,170
Enterprise funds						
Public Transit Fund	2	\$ 156,090	\$ 18,950	\$ 22,130	\$ 12,720	\$ 209,890
Wastewater Fund	17	1,294,890	157,200	275,230	139,960	1,867,280
Total enterprise funds	19	\$ 1,450,980	\$ 176,150	\$ 297,360	\$ 152,680	\$ 2,077,170
Internal service funds						
Information Technology Fund	6	\$ 624,410	\$ 75,800	\$ 100,460	\$ 50,920	\$ 851,590
Total internal service fund	6	\$ 624,410	\$ 75,800	\$ 100,460	\$ 50,920	\$ 851,590
Total all funds	181	\$ 12,796,060	\$ 3,686,850	\$ 2,646,160	\$ 1,171,240	\$ 20,300,310