

RESOLUTION NO. 2009-16

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, SETTING FORTH THE TENTATIVE BUDGET AND ESTABLISHING THE MAXIMUM BUDGET AMOUNT FOR THE TOWN OF FOUNTAIN HILLS FOR FISCAL YEAR 2009-2010.

WHEREAS, pursuant to the provisions of the laws of the State of Arizona, the Mayor and Council of the Town of Fountain Hills (the "Town Council") is required to adopt a budget; and

WHEREAS, the Town Manager has prepared and filed with the Town Council the Town Manager's Budget estimates for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

SECTION 1. That the recitals set forth above are hereby incorporated as if fully set forth herein.

SECTION 2. That the statements and schedules attached hereto as Exhibit A and incorporated herein by reference are hereby adopted as the Town's official tentative budget for the fiscal year beginning July 1, 2009 and ending June 30, 2010, including the establishment of the maximum budget amount for such fiscal year in the amount of \$35,284,672.

SECTION 3. That, upon approval of the Town Council, such official tentative budget shall be published in the official Town newspaper once a week for two consecutive weeks.

PASSED AND ADOPTED BY the Mayor and Council of the Town of Fountain Hills, Arizona, May 21, 2009.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:



Jay T. Schlum, Mayor



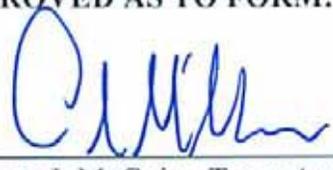
Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:



Richard L. Davis, Town Manager



Andrew J. McGuire, Town Attorney

EXHIBIT A
TO
RESOLUTION NO. 2009-16

[Tentative Budget]

See following pages.

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2009-10

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES 2009-09*	ACTUAL EXPENDITURES/EXPENSES 2009-09**	FUND BALANCE/NET ASSETS*** July 1, 2008**	DIRECT PROPERTY TAX REVENUES 2009-10	REVENUES OTHER THAN PROPERTY TAXES 2009-10	OTHER FINANCING 2009-10		INTERFUND TRANSFERS 2009-10		TOTAL FINANCIAL RESOURCES AVAILABLE 2009-10	BUDGETED EXPENDITURES/EXPENSES 2009-10
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 16,142,395	\$ 16,142,395	\$ 6,579,808	\$	\$ 14,696,229	\$	\$	\$ 108,850	\$ (662,422)	\$ 22,047,309	\$ 14,525,655
2. Special Revenue Funds	4,564,966	4,564,966	1,823,675	1,400,000	4,492,254				(3,044,649)	\$ 10,760,578	4,612,570
3. Available	3,205,113	3,205,113	841,640		3,214,041			523,013		4,578,694	3,278,613
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	3,205,113	3,205,113	841,640		3,214,041			523,013		4,578,694	3,278,613
6. Capital Projects Funds	4,407,016	3,449,016	10,547,475		10,674,377			2,981,190	(142,400)	24,345,442	12,667,834
7. Permanent Funds											
8. Enterprise Funds Available											
9. Less: Designation for Future Debt Retirement											
0. Total Enterprise Funds											
1. Internal Service Funds			268,016					236,418		504,434	
2. TOTAL ALL FUNDS	\$ 28,319,490	\$ 27,361,490	\$ 20,060,614	\$ 1,400,000	\$ 33,076,901	\$	\$	\$ 3,649,471	\$ (3,049,471)	\$ 62,236,457	\$ 35,284,672

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses	
2. Add/subtract: estimated net reconciling items	
3. Budgeted expenditures/expenses adjusted for reconciling items	
4. Less: estimated exclusions	
5. Amount subject to the expenditure limitation	
6. EEC or voter-approved alternative expenditure limitation	

	2008-09	2009-10
1. Budgeted expenditures/expenses	\$ 28,319,490	\$ 35,284,672
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	28,319,490	35,284,672
4. Less: estimated exclusions	9,659,218	17,595,352
5. Amount subject to the expenditure limitation	\$ 18,661,272	\$ 17,689,320
6. EEC or voter-approved alternative expenditure limitation	\$ 25,548,731	\$ 28,055,993

* Includes Expenditure/Expense Adjustments Approved in 2007-08 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 in this column represent Fund Balance/Net Asset amounts except for amounts invested in capital assets, net of related debt, and reserved/restricted amounts established as offsets to assets presented for informational purposes (i.e., prepaids, inventory, etc.).

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2009-10

	<u>2008-09</u> <u>FISCAL YEAR</u>	<u>2009-10</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	\$ <u>0</u>	\$ <u>0</u>
2. Amount received from primary property taxation in the fiscal year 2007-08 in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$ 0	0
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>0</u>	\$ <u>0</u>
B. Secondary property taxes	<u>1,400,000</u>	<u>1,400,000</u>
C. Total property tax levy amounts	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2008-09 levy	\$ 0	0
(2) Prior years' levy	0	0
(3) Total primary property taxes	\$ 0	0
B. Secondary property taxes		
(1) 2008-09 levy	\$ 1,330,000	1,400,000
(2) Prior years' levy	\$ 0	0
(3) Total secondary property taxes	\$ 1,330,000	1,400,000
C. Total property taxes collected	\$ 1,330,000	1,400,000
5. Property tax rates		
A. Town tax rate		
(1) Primary property tax rate	<u>0.0000</u>	<u>0.0000</u>
(2) Secondary property tax rate (estimate)	<u>0.1972</u>	<u>0.2173</u>
(3) Total city/town tax rate	<u>0.1972</u>	<u>0.2173</u>
B. Special assessment district tax rates		

Secondary property tax rates - As of the date the proposed budget was prepared, the town was operating two (2) special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the town.

*Includes actual property taxes collected as of the date the proposed budget was prepared plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009-10

SOURCES OF REVENUES	ESTIMATED REVENUES 2008-09	ACTUAL REVENUES 2008-09*	ESTIMATED REVENUES 2009-10
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 6,508,903	\$ 6,508,903	\$ 6,628,911
Franchise Tax	\$ 332,800	\$ 332,800	\$ 363,731
Licenses and permits			
Animal License Fees	37,986	37,986	39,505
Business License Fees	117,995	117,995	122,715
Building Permit Fees	812,780	812,780	330,120
Landscape Permit Fees	20,000	20,000	10,400
Planning & Zoning Fees	34,000	34,000	0
Improvement Plan Review Fee	21,000	21,000	21,000
Intergovernmental			
State Sales Tax	2,215,242	2,215,242	1,894,032
Fire Insurance Premium Tax	130,520	130,520	135,741
Shared Income Tax	3,610,480	3,610,480	3,163,367
Vehicle License Tax	1,067,300	1,067,300	953,455
Charges for services			
Parks & Rec User Fees	155,683	155,683	127,687
Senior Services Fees	79,551	79,551	110,211
Encroachment Fees	25,000	25,000	10,000
Variances	50,000	50,000	15,600
Fines and forfeitures			
Court Fines	234,600	234,600	239,292
Interest on investments			
Interest on Investments	300,000	300,000	125,000
Rentals			
Community Center Rental Fees	198,600	198,600	168,150
Community Center Bar Sales	24,480	24,480	0
Leases & Rents	65,475	65,475	55,575
Miscellaneous			
Miscellaneous	100,000	100,000	181,737
Tqal General Fund	\$ 16,142,395	\$ 16,142,395	\$ 14,696,229
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway Users	\$ 1,763,000	\$ 1,763,000	\$ 1,480,152
Tqal Highway User Revenue Fund	\$ 1,763,000	\$ 1,763,000	\$ 1,480,152
Local Transportation Assistance Fund			
Local Transportation (LTAF)	\$ 113,600	\$ 113,600	\$ 113,400
Total Local Transportation Assistance Fund	\$ 113,600	\$ 113,600	\$ 113,400
In Lieu Payments	\$ 10,000	\$ 10,000	\$ 2,000
Interest	\$ 40,000	\$ 40,000	\$ 4,993
Miscellaneous	\$ 1,000	\$ 1,000	\$ 0
Total	\$ 1,927,600	\$ 1,927,600	\$ 1,600,545

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

Excise Taxes			
Local Sales Tax Transfer	\$ 295,859	\$ 295,859	\$ 295,859
	<u>\$ 295,859</u>	<u>\$ 295,859</u>	<u>\$ 295,859</u>
Court Enhancement Fund			
Court Enhancement Fund	\$ 28,000	\$ 28,000	\$ 17,000
	<u>\$ 28,000</u>	<u>\$ 28,000</u>	<u>\$ 17,000</u>
Public Art Fund			
Public Art Fund	\$ 0	\$ 0	\$ 2,000
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,000</u>
Grants			
FEMA	\$ 0	\$ 0	\$ 0
Construction Grants/Stimulus	\$ 0	\$ 0	\$ 2,318,000
Proposition 202	\$ 0	\$ 0	\$ 150,000
LTAf II	\$ 0	\$ 0	\$ 40,000
Miscellaneous Grants	\$ 2,039,867	\$ 2,039,867	\$ 68,850
	<u>\$ 2,039,867</u>	<u>\$ 2,039,867</u>	<u>\$ 2,576,850</u>
Tmtal Special Revenue Funds	<u>\$ 4,291,326</u>	<u>\$ 4,291,326</u>	<u>\$ 4,492,254</u>
DEBT SERVICE FUNDS			
General obligation Bonds			
Secondary Property Tax	1,400,000	1,400,000	1,400,000
Interest	1,500	1,500	1,500
	<u>\$ 1,401,500</u>	<u>\$ 1,401,500</u>	<u>\$ 1,401,500</u>
Revenue Bonds			
Transfer from HURF Fund	\$ 115,843	\$ 115,843	\$ 136,413
	<u>\$ 115,843</u>	<u>\$ 115,843</u>	<u>\$ 136,413</u>
Special District Bqnds			
Eagle Mountain CFD	\$ 379,000	\$ 379,000	\$ 389,100
Cottonwoods Improvement District	\$ 3,300	\$ 3,300	\$ 0
Cottonwoods Maintenance District	\$ 3,850	\$ 3,850	\$ 3,850
Municipal Prop Corp	1,275,277	1,275,277	1,283,178
	<u>\$ 1,661,427</u>	<u>\$ 1,661,427</u>	<u>\$ 1,676,128</u>
Tqtaal Debt Service Funds	<u>\$ 3,178,770</u>	<u>\$ 3,178,770</u>	<u>\$ 3,214,041</u>
CAPITAL PROJECTS FUNDS			
Develqpment Fees			
Law Enforcement Development Fees	\$ 43,575	\$ 43,575	\$ 13,767
Street Department Development Fees	\$ 214,000	\$ 214,000	\$ 74,316
Parks & Recreation Development Fees	\$ 76,010	\$ 76,010	\$ 14,664
Open Space Development Fees	\$ 44,550	\$ 44,550	\$ 9,390
General Government Development Fees	\$ 91,700	\$ 91,700	\$ 28,440
Fire Development Fees	\$ 9,785	\$ 9,785	\$ 3,153
Library/Museum Development Fees	\$ 8,965	\$ 8,965	\$ 1,740
	<u>\$ 488,585</u>	<u>\$ 488,585</u>	<u>\$ 145,470</u>
Capital Projects			
Local Sls Tax Contribution	\$ 706,154	\$ 706,154	\$ 510,000
Capital Projects transfers	35,980	35,980	2,981,190
Stimulus Funds	0	0	2,537,717
Debt Service Proceeds	\$ 0	\$ 0	\$ 4,500,000
	<u>742,134</u>	<u>\$ 742,134</u>	<u>\$ 10,528,907</u>
Tmtal Capital Prmjects Funds	<u>\$ 1,230,719</u>	<u>\$ 1,230,719</u>	<u>\$ 10,674,377</u>
TOTAL ALL FUNDS	<u>\$ 24,843,210</u>	<u>\$ 24,843,210</u>	<u>\$ 33,076,901</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.

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2009-10

FUND	OTHER FINANCING 2009-10		INTERFUND TRANSFERS 2009-10	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Annual Debt Payment for Community Center	\$	\$	\$	\$ (387,000)
Transfer to CIP-Municipal Software				(100,000)
Interfund charge for Vehicle Replacement				(175,422)
Grant Match			108,850	
Total General Fund	\$ 0	\$ 0	\$ 108,850	\$ (662,422)
HIGHWAY USERS				
Annual Debt Payment for Community Center	\$	\$	\$	\$ (136,013)
Transfer to CIP-Pavement Mgmt				(170,790)
Interfund charge for Vehicle Replacement				(60,996)
Total Highway Users Funds	\$ 0	\$ 0	\$ 0	\$ (367,799)
DEBT SERVICE FUNDS				
Annual Debt Payment for Community Center	\$	\$	\$ 387,000	\$
Annual debt payment for street paving bonds			136,013	
Total Debt Service Funds	\$ 0	\$ 0	\$ 523,013	\$ 0
CAPITAL PROJECTS FUNDS				
Transfer to CIP-Municipal Software	\$	\$	\$ 100,000	\$
Transfer to CIP-Pavement Mgmt			170,790	
Transfer to CIP-Various projects			2,318,000	
Transfer to CIP-Downtown Improvements			250,000	
Transfer to CIP-Traffic Signal project			142,400	
Total Capital Projects Funds	\$ 0	\$ 0	\$ 2,981,190	\$ 0
SPECIAL REVENUE FUNDS				
Grant Match	\$	\$	\$	\$ (108,850)
Transfer to CIP-Downtown Improvements				(250,000)
Transfer to CIP-Various projects				(2,318,000)
Total Special Revenue Funds	\$ 0	\$ 0	\$ 0	\$ (2,676,850)
DEVELOPMENT FEES				
Transfer to CIP-Traffic Signal project	\$	\$	\$	\$ (142,400)
Total Enterprise Funds	\$ 0	\$ 0	\$ 0	\$ (142,400)
INTERNAL SERVICE FUNDS				
Interfund charge for Vehicle Replacement			175,422	
Interfund charge for Vehicle Replacement			60,996	
Total Internal Service Funds	\$ 0	\$ 0	\$ 236,418	\$ 0
TOTAL ALL FUNDS	\$ 0	\$ 0	\$ 3,849,471	\$ (3,849,471)

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2009-10

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2008-09	EXPENDITURE/ ADJUSTMENTS APPROVED 2008-09	ACTUAL EXPENDITURES/ EXPENSES 2008-09*	BUDGETED EXPENDITURES/ EXPENSES 2009-10
GENERAL FUND				
Mayor and Town Council	\$ 93,088	\$	\$ 93,088	\$ 85,640
Municipal Court	\$ 394,490	\$	\$ 394,490	\$ 397,528
Administration	\$ 3,253,281	\$	\$ 3,253,281	\$ 2,964,808
Public Works	\$ 1,818,358	\$	\$ 1,818,358	\$ 1,372,201
Planning and Zoning	\$ 1,421,338	\$	\$ 1,421,338	\$ 1,068,474
Parks and Recreation	\$ 1,936,912	\$	\$ 1,936,912	\$ 1,669,024
Law Enforcement	\$ 2,839,077	\$	\$ 2,839,077	\$ 2,844,877
Fire Department	\$ 3,240,908	\$	\$ 3,240,908	\$ 3,065,477
Community Center	\$ 1,144,943	\$	\$ 1,144,943	\$ 1,057,625
Transfers	0	\$	0	0
Contingency	\$ 0	\$	\$ 0	\$ 0
Total General Fund	\$ 16,142,395	\$ 0	\$ 16,142,395	\$ 14,525,655
SPECIAL REVENUE FUNDS				
Highway Users (HURF)	\$ 2,207,284	\$	\$ 2,207,284	\$ 1,600,545
ADOT	\$ 0	\$	\$ 0	\$ 0
Public ART	\$ 0	\$	\$ 0	\$ 2,500
Community Center FF&E	\$ 0	\$	\$ 0	\$ 0
Court Enhancement Fund	\$ 90,000	\$	\$ 90,000	\$ 50,000
Proposition 202	\$ 0	\$	\$ 0	\$ 150,000
Miscellaneous Grants	\$ 2,075,847	\$	\$ 2,075,847	\$ 2,426,850
Excise Tax Special Revenue	\$ 191,835	\$	\$ 191,835	\$ 382,675
Total Special Revenue Funds	\$ 4,564,966	\$ 0	\$ 4,564,966	\$ 4,612,570
DEBT SERVICE FUNDS				
General Obligation Bonds	\$ 1,340,364	\$	\$ 1,340,364	\$ 1,340,364
Revenue Bonds	\$ 136,413	\$	\$ 136,413	\$ 136,413
Municipal Property Corp (MPC)	\$ 1,337,486	\$	\$ 1,337,486	\$ 1,408,886
Cottonwood Improv Dist	\$ 3,850	\$	\$ 3,850	\$ 3,850
Eagle Mountain CFD	\$ 387,000	\$	\$ 387,000	\$ 389,100
Total Debt Service Funds	\$ 3,205,113	\$ 0	\$ 3,205,113	\$ 3,278,613
DEVELOPMENT FEES				
Law Enforcement Development Fees	\$ 6,020	\$	\$ 6,020	\$ 0
Street Department Development Fees	\$ 272,780	\$	\$ 272,780	\$ 142,400
Parks & Recreation Development Fees	\$ 583,900	\$	\$ 583,900	\$ 0
Open Space Development Fees	\$ 79,060	\$	\$ 79,060	\$ 0
General Government Development Fees	\$ 12,670	\$	\$ 12,670	\$ 0
Fire Development Fees	\$ 1,330	\$	\$ 1,330	\$ 0
Library Development Fees	\$ 2,240	\$	\$ 2,240	\$ 0
Total Development Fees	\$ 958,000	\$ 0	\$ 958,000	\$ 142,400
Capital Projects	\$ 3,049,016	\$	\$ 3,049,016	\$ 12,291,724
Contingency	\$ 400,000	\$	\$ 400,000	\$ 433,710
Total Capital Projects Funds	\$ 3,449,016	\$ 0	\$ 3,449,016	\$ 12,725,434
TOTAL ALL FUNDS	\$ 28,319,490	\$ 0	\$ 28,319,490	\$ 35,284,672

* 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.