

Town of Fountain Hills

Fiscal Year 2026 Proposed Budget

Proposed Version - 04/08/2025



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GFOA Award



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**Town of Fountain Hills
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For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

GFOA Budget Award

FY2025

Fiscal Year 2025 Award

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Fountain Hills, for its fiscal year 2025 Budget for the fiscal year beginning July 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of July 1, 2024 through June 30, 2025 only. We believe our current budget continues to conform to program requirements, and we will be submitting the final adopted budget to GFOA to determine its eligibility for another award.

Reader's Guide

Introduction

This section of the budget book includes general information about the Town, its financial and budgetary policies, the demographics of our community, the organizational structure of Town staff, as well as historical information. You should read this section of the budget book if you are interested in learning more about the Town and how it manages its finances each fiscal year.

Executive Summary

This section of the budget book provides an overall summary of the FY2026 budget compared to historical data, and discusses the Town's Strategic Plan, budget timeline, priorities and issues, as well as short-term factors considered throughout the budget process.

Funds Summary Overview

This section details the FY2026 budget for all the Town's funds. Each major fund is separately presented, including the following funds:

- General Fund
- Streets Fund
- Capital Projects Fund
- Facilities Reserve Fund
- Special Revenue Fund
- Economic Development Funds (3 funds presented combined)
 - Economic Development Fund
 - Downtown Strategy Fund
 - Tourism Fund

All 11 non-major funds are combined into their own page, and the charts break out the budgeted amounts by fund. This section is the main overview of the FY2026 budget.

Funding Sources Overview

The Funding Sources Overview section provides detailed information about the Town's revenue sources. This section breaks out different types of revenues within each of the Town's funds, and you are able to review the following:

- Local sales taxes (Transaction Privilege Taxes - TPT)
- State Shared Revenues
 - General Fund
 - Streets Fund
- Other Revenues (across funds)
- Investment Earnings

Local sales taxes and State Shared revenues make up most of the Town's revenues each year.

Departments Summary

The Departments Summary section details the FY2026 budget from a different perspective. Most of the Town's departments/divisions operate directly out of the General Fund, but certain departments/divisions also operate out of other funds. This section presents each department/division's budget and breaks out operating budgets across relevant funds.

Supplemental Requests

The Supplemental Requests section details all supplemental budget requests submitted by departments/divisions during the FY2026 budget process. Every Town Department/Division has the opportunity to submit supplemental budget requests for the following year. A supplemental budget request is simply a request for additional budget authority to increase services, programs or to meet a departmental need. These supplemental requests can be ongoing, one-time, or personnel and require discussion and justification for how they will bring value to the residents of the Town of Fountain Hills.

Capital Improvement Plan and Capital Projects

The next two sections detail the Town's Capital Improvement Plan (CIP) with a 5-year outlook for planning and funding purposes. The Capital Improvement Plan section provides an overview of the projected costs by funding source and department. The Capital Projects section provides details of all the proposed capital projects included in the FY2026 budget. Specifically, you can review the details of each proposed project as well as pictures/illustrations submitted by the Public Works and Community Services departments.

Debt Services Overview

The Debt Services Overview section details past long-term debt issued and paid off by the Town. The Town of Fountain Hills does not currently have any debt, which means the Town will not levy secondary property taxes in FY2026.

Transmittal Letter

Rachael Goodwin, Town Manager

Honorable Mayor, Council and Residents,

I am pleased to present the proposed budget for Fiscal Year 2025-26, covering the period of July 1, 2025, to June 30, 2026. The budget is not only a policy document, it also sets the financial course for our community, advancing the Town Council's Strategic Priorities and overall vision for the Town of Fountain Hills.

The proposed overall budget for FY 2025-26 is \$50,371,002, which includes \$26,051,539 for the General Fund. The General Fund is the primary fund for most Town operations. This budget also includes recommendations for eighteen other funds incorporating additional personnel, capital projects, special projects, and operating programs.

The Town of Fountain Hills is committed to continued transparency and financial stability. The Town normally publishes its proposed and adopted budgets in the local newspaper, Fountain Hills Insider publication, website, as well as holds open public workshops, and provides an official public hearing on the budget. In addition, both the proposed and adopted budgets will be presented on the Town's website using the ClearGov budgeting platform for greater transparency and navigation.

The Fiscal Year 2025-26 Budget serves as a fiscally responsible plan and a foundational basis for the Town's annual operations. I would like to thank the Mayor and Town Council for their guidance and support throughout the development of this proposed budget. In addition, I would like to thank Town staff members for their efforts and hard work in preparing this budget for the Council's consideration.

Respectfully submitted,

Rachael Goodwin

Town Manager

Budgeting Process

Mission of the Budget Process

Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the budget mission allows issues to be addressed that have limited the success of budgeting in the past. Apathy is a serious illness of government; it is in the best interests of government to have involved stakeholders.

The term stakeholder refers to anyone affected by or who has a stake in government. This term stakeholder includes, but is not limited to, citizens, customers, elected officials, management, employees and their representatives, businesses, vendors, other governments, and the media. It is vital that the budget processes include diverse stakeholders.

Each year, the Town of Fountain Hills budget is developed from the Town Council's priorities by the Finance Division with the individual Departments and the Town Manager. Meetings with each Department, the Town Manager and the Finance Division are held during the months of January/February. After these meetings are completed, a proposed Town-wide balanced budget is prepared for submission to the full Town Council and public in April/May.

Recommended Budget Practices

The Town of Fountain Hills budget process is designed to meet citizens' needs for information and input; decision makers' needs for information and advice from citizens on their desired blend of services; and the timeline set by the State of Arizona through the Arizona Budget Law.

The Town of Fountain Hills budget process incorporates the recommended practices promulgated by the National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association (GFOA). Concurrently, Town staff apply diligent effort to improving the processes, decisions and outcomes with each new budget year. The NACSLB's practices encourage governments to consider the long-term consequences of actions to ensure that the impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained.

Budget Definition

All cities and towns in Arizona are required to adopt an annual budget. State law dictates that fiscal years begin on July 1 and end on June 30. Certain parts of the budget document, such as summaries of revenues and expenditures showing two years of spending history, are required by State law.

A good budget process is characterized by several essential features:

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses on budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders
- Provides incentives to government management and employees

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the

traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

Principles and Elements of the Budget Process

The budget process consists of four broad principles that stem from the definition and mission previously described. These principles are as follows:

1. A government should have broad goals that provide overall direction for the government and serve as a basis for decision-making.
2. A government should have specific policies, plans, programs and management strategies to define how it will achieve its long-term goals.
3. A financial plan and budget that moves toward Town achievement of goals, within the constraints of available resources, should be prepared and adopted.
4. Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.

These principles encompass many functions that spread across a governmental organization. They reflect the fact that the development of a balanced budget is a political and managerial process that also has financial and technical dimensions. Each of the principles of the budget process incorporates components or elements that represent achievable results. These elements help translate the guiding principles into action components. Individual budgetary practices are derived from these elements. The principles and elements provide a structure to categorize budgetary practices.

The Town of Fountain Hills has broad goals that provide overall direction for the government and serve as a basis for decision-making.

- Assess community needs, priorities, challenges and opportunities
- Identify opportunities and challenges for governmental services, capital assets, and management
- Develop and disseminate broad goals
- Develop approaches to achieve goals – a government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals
- Adopt financial policies
- Develop programmatic, operating, and capital policies and plans
- Develop programs and services that are consistent with policies and plans
- Develop management strategies
- Develop a budget consistent with approaches to achieving goals – a financial plan and budget that moves toward the achievement of goals, within the constraints of available resources, should be prepared and adopted
- Develop a process for preparing and adopting a budget
- Develop and evaluate financial options
- Make choices necessary to adopt a budget
- Evaluate performance and make adjustments – program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals
- Monitor, measure, and evaluate performance
- Make adjustments as needed

When does the “budget season” start?

The budget process typically begins in December or January when the Finance Division begins to review current levels of service, Council goals and objectives as identified at the annual Council retreat, proposed capital improvements, and

financial forecasts.

In reality, the Town's budget process is a year-round process. Throughout the fiscal year, citizens and staff submit suggestions for new services, regulations, funding sources, and improved service delivery, as well as concerns to the Town Council and Commissions for discussion, study, and/or implementation. Commissions develop plans for new or enhanced programs to be included in the following year's budget proposal.

Implementing, Monitoring, and Amending the Budget

A budget is an annual planning tool — it identifies the Town's work plan and matches the financial, material, and human resources available with the requirements to complete the work plan. The budget includes information about the organization and identifies the Council policy that directed the budget preparation. Although a budget is often discussed as a financial document, the financial portion means very little without the policy and administrative information that explains what the organization intends to do with the financial resources.

In July, the Town staff begin the process of implementing the newly adopted budget and are accountable for budgetary control throughout the fiscal year. Revenue and expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. Town management has access to a monthly budget and activity report; the Town Council is provided a summary budget report at the end of each quarter disclosing actual revenue, expenditure, and fund balance performance as compared to the budget.

The Town of Fountain Hills budget is adopted at a Department level and the Capital Improvement Program is adopted at a project level. Control of each legally adopted annual budget is at the Department level; the Town Manager may, at any time, transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditure (line items) within a Department. The items are reduced by a like amount. At the request of the Town Manager, the Council may transfer any unencumbered appropriation balance or portion thereof between one Department to another.

Pursuant to Arizona Revised Statutes, "No expenditure shall be made for a purpose not included in such budget...". Thus, a contingency line item is included within the General Fund to accommodate most unplanned expenditures. The other option in amending the budget, according to State law, is for the Council to declare an emergency and then transfer the monies from one line item or Department to another. In essence, any approved Council transfers do amend the budget, although the budget is never reprinted.

What funds are included in this budget?

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The Town of Fountain Hills appropriates all funds in its budget process:

- General Fund – revenues and expenditures to carry out basic governmental activities such as police and fire, recreation, planning, legal services, administrative services, etc. (unrestricted).
- Special Revenue Funds – revenues derived from specific taxes or other earmarked revenue sources, usually required by statute or ordinance to finance particular activities. The Streets (HURF) Fund, grants, and the Excise Tax Funds (such as the Economic Development and Downtown Strategy funds) are examples of special revenue funds.
- Debt Service Funds – established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Municipal Property Corporation (MPC) and Community Facilities District (CFD) funds are included within the debt service funds.

- Capital Projects Funds – to account for the purchase or construction of major capital facilities, heavy equipment, park improvements and major road improvements. The Capital Projects Fund revenues are derived from excess General Fund revenues and 50% of the construction-related local sales tax. These funds also include the Facilities Replacement Fund and the Development Impact Fee Funds.

When can a citizen have input into the budget process?

Town staff welcomes comments and suggestions throughout the year. The first opportunity for the Town Council to contribute to the budget is during the annual Budget Open House, which is typically held around the beginning of the calendar year. The proposed budget is presented to the public and Town Council in April. This meeting is the opportunity to increase the budget for the next fiscal year before the maximum spending amount is established. Once the maximum spending amount is adopted as the tentative budget, line items can only be exchanged or decreased prior to the budget's final adoption in June.



State of the Town 2025

Mayor Friedel Speaking to Town Residents



FY2026 Budget Town Hall

March 12, 2025 - Held in Council Chambers

History of the Town of Fountain Hills

The Town of Fountain Hills is a master-planned community established in 1970 by McCulloch Properties (now MCO Properties, Inc.). Prior to 1970, the area was a cattle ranch and was part of one of the largest land and cattle holdings in Arizona. The land was purchased by Robert McCulloch in the late 1960s and the community was designed by Charles Wood, Jr. (designer of Disneyland in southern California). The centerpiece of Fountain Hills is one of the world's tallest man-made fountains, a focal point that attracts thousands of visitors each year. Located on 13,006 acres of land, Fountain Hills is surrounded by the McDowell Mountains and Scottsdale on the west, the Fort McDowell Yavapai Nation on the east, the Salt River Pima-Maricopa Indian Community on the south, and by the McDowell Mountain Regional Park on the north. The elevation is 1,520 feet at the fountain, 2,460 feet at the Adero Canyon Trailhead, and is approximately 500 feet above Phoenix.

Over the past thirty years, Fountain Hills has grown from 10,030 residents to a town of about 24,000 in 2025. On June 5, 2006, the Town of Fountain Hills became twenty square miles and about ten percent larger by annexing 1,300 acres of State Trust Land. The process to annex the State Trust Land occurred over a two- and-a-half-year period, and development of the land may occur in the years to come. Annexing this property into the Town ensures that its possible future development will be of the highest quality under Town standards.



The Town offers a wide range of living accommodations, from small condominium complexes to large custom homes. Fountain Hills also offers recreational and cultural programs and services that contribute to a high quality of life for its residents. The community consists of primarily residential property and open space; of the total 20.32 square miles of land, only 2.5% of the total is zoned commercial and/or industrial, 24.7% is preserved as open space and 48.5% is residential.

The Town of Fountain Hills is an Arizona municipal corporation, acting as a general law town as prescribed in the Arizona Revised Statutes. The Town was incorporated on December 5, 1989, with the governmental and administrative affairs of the Town operating under the Council-Manager form of government. Legislative authority is vested in a seven-member Town Council. The Mayor is a member of the Town Council who is directly elected by voters and chairs the Town Council meetings. The members of the Council are elected at large and serve four-year overlapping terms. The Town Council is responsible for the adoption of local ordinances, budget adoption, appointment of residents to citizen advisory committees and hiring the Town Manager. The Town Manager is responsible for the implementation of the policies of the Town Council and overall management of the Town through department directors and about 105 full-time equivalent (FTE) employees. The Presiding Judge, Town Attorney, and Town Prosecutor are under the direction of the Town Council.

Supplemental Requests from Departments

Every December, each Town Department has the opportunity to submit supplemental budget requests for the following year. A supplemental budget request is simply a request for additional budget authority to increase services, programs or to meet a departmental need. These supplemental requests can be ongoing, one-time, or personnel which require discussion and justification for how they will bring value to the residents of the Town of Fountain Hills. For the FY2026 budget, departments submitted 47 supplemental budget requests from various funding sources, and the Town Manager's recommended amounts are displayed below for Mayor and Council consideration.

Ongoing Non-Personnel Requests

The following requests include all budget supplemental requests from departments for ongoing costs unrelated to staffing. Each request has been presented and discussed with the Town Manager and Finance staff and proposed budget amounts are included in the final "Manager Recommended" column. These amounts would be included in the FY2026 budget and subsequent years included in departmental base budgets moving forward, unless specifically removed.

Request Title	Department	Revenue Source	FY26 Costs	Manager Recommended
General Fund:				
Code Enforcement Abatement	Code	General Fund	\$25,000	\$0
Maintenance Increase to Base Budget - Facilities Lea	Fac Maint	General Fund	1,874	1,874
Maintenance Increase to Base Budget - Fac Operatio	Fac Maint	General Fund	13,925	13,925
Ballroom Movable Wall Maintenance	Fac Maint	General Fund	20,000	20,000
Windows 11 Upgrade	Inf Tech	General Fund	15,000	15,000
New Amenities Operations and Maintenance	Parks	General Fund	37,368	15,000
Pocket Parks Operations and Maintenance	Parks	General Fund	43,200	20,000
Additional Cell Phone for Park Attendant Shifts	Recreation	General Fund	740	740
Annual MS4 Permit Fees	Pub Works	General Fund	10,000	10,000
Wash, Dam and Drainage Sliver Maintenance	Pub Works	General Fund	450,000	450,000
Dam Inspections and Maintenance	Pub Works	General Fund	13,400	13,400
Storm Damage Cleanup	Pub Works	General Fund	100,000	0
MS4 Professional Services	Pub Works	General Fund	103,000	103,000
Deceased Wild Animal Removal and Disposal	Pub Works	General Fund	3,500	0
Annual Electronics Recycling Event	Pub Works	General Fund	2,500	2,500
Annual Household Hazardous Waste Event	Pub Works	General Fund	2,500	2,500
Environmental Remediation for Oil Spills	Pub Works	General Fund	10,000	10,000
Street Sweeping Contract	Pub Works	General Fund	135,920	135,920
Total General Fund:			\$987,927	\$813,859
Economic Development Funds:				
Event Programming (Second Thursdays/Concerts)	Econ Dev	Downtown Fund	\$20,000	\$20,000
Downtown Facade Improvement Program	Econ Dev	Downtown Fund	50,000	50,000
Replacements and Repairs	Econ Dev	Downtown Fund	5,000	5,000
Downtown Digital Marketing	Econ Dev	Econ Dev Fund	36,000	36,000
St. Patty's Day Parade	Econ Dev	Tourism Fund	50,000	0
Total Economic Development Funds:			\$161,000	\$111,000
Court Enhancement Fund:				
Court Security - Part Time - Contracted	Muni Court	Court Enh Fund	\$25,000	\$25,000
Total Court Enhancement Fund:			\$25,000	\$25,000

Cottonwoods Fund:				
Cottonwood Maintenance District - 15% Increase	Pub Works	Cottonwoods Fur	\$1,040	\$1,040
Total Court Enhancement Fund:			\$1,040	\$1,040
Total All Funds:			\$1,174,967	\$950,899

One-Time Requests

The following requests include all budget supplemental requests from departments for one-time costs unrelated to staffing. Each request has been presented and discussed with the Town Manager and Finance staff and proposed budget amounts are included in the final "Manager Recommended" column. These requests would be added to the FY2026 budget as a one-time line item and removed during the FY27 budget process.

Request Title	Department	Revenue Source	FY26 Costs	Manager Recommended
General Fund:				
Program and amenities expansion	Comm Ctr	Gen Fund	\$15,000	\$10,000
Town Hall Holiday Decorations	Comm Service	Gen Fund	3,500	0
Equipment (SCBA Units)	Fire	Gen Fund	285,000	0
Equipment-1 (Portable Radios)	Fire	Gen Fund	220,000	0
New Vehicle - Fire Chief (Ford Explorer)	Fire	Gen Fund	60,000	0
New Vehicle - Assistant Chief Fire Marshal (BC Tru	Fire	Gen Fund	76,000	0
Centennial Circle WiFi Expansion	IT	Gen Fund	5,000	0
Great Lawn WiFi	IT	Gen Fund	5,000	0
Park Amenity Painting (All Parks)	Parks	Gen Fund	15,000	10,000
Soccer Field Renovations	Parks	Gen Fund	30,000	25,000
Tractor Attachments	Parks	Gen Fund	38,900	0
Hazard Tree and Stump Removal and Replacement	Parks	Gen Fund	25,000	15,000
Mini Excavator Purchase	Pub Works	Gen Fund	70,000	0
Total General Fund:			\$848,400	\$60,000
Vehicle Replacement Fund:				
TYPE 6 BRUSH TRUCK REPLACEMENT	Fire	Veh Repl Fu	\$390,000	\$390,000
PW Vehicle Replacement - STPAVE (F-250)	Pub Works	Veh Repl Fu	64,100	64,100
PW Vehicle Replacement - STPAVE (F-250)	Pub Works	Veh Repl Fu	61,184	0
Total Vehicle Replacement Fund:			\$515,284	\$454,100
Total All Funds:			\$1,363,684	\$514,100

Personnel (Ongoing)

The following requests include all budget supplemental requests from departments for ongoing personnel costs for staffing. Each request has been presented and discussed with the Town Manager and Finance staff. Proposed budget amounts are included in the final "Manager Recommended" column.

Request Title	Department	Revenue Source	FY26 Costs	Manager Recommended
General Fund:				
Additional Part Time Part Attendant	Comm Serv	Gen Fund	\$24,361	\$24,361
Cap to Battalion Chiefs/Fire Captain & Engineer Promoti	Fire	Gen Fund	222,411	222,411

Converting Training Captain to Assistant Chief position	Fire	Gen Fund	1	1
Part Time Seasonal Operations Staff	Comm Serv	Gen Fund	10,742	10,742
Building Permit Technician II - Promotion	Dev Serv	Gen Fund	7,914	7,914
Total General Fund:			\$265,429	\$265,429
Streets Fund:				
Street Maintenance Technician I	Pub Works	Streets Fund	\$90,427	\$90,427
Total Streets Fund:			\$90,427	\$90,427
Total All Funds:			\$355,856	\$355,856

Departmental Use

Every Department and Division takes action each and every day to carry out the Town's Strategic Plan, adopted in 2022. The above budget supplemental requests reflect the daily efforts of Town staff to carry out Strategic Plan Strategies and Tasks to make the Town of Fountain Hills a desirable place to live and visit. For example, Strategic Priority 1 is for "Targeted Collaborative Economic Development," and many supplemental requests relate to the Town's economic development efforts. The Town Manager's proposed FY2026 budget includes 4 recommended supplemental requests for \$111,000 of ongoing spending from the Economic Development Director. These additional proposals would allow the Town to host additional concert events, enhance digital marketing for the Downtown district and establish a new Downtown Facade Improvement program. The Facade program would specifically fund grant opportunities for local businesses that wish to improve their business forefronts and bring a refreshed look to the Downtown district.

While that is a strong example, all of the above supplemental requests provide more resources for Town staff to carry out daily objectives that align with the Strategic Plan. Other examples include improving public health and well-being for our residents, increased spending on the Fire Department to apply for automatic aid, and increasing Community Center programs. Finally, in our separate Capital Improvement Plan, the budget includes additional proposed funding increases for street improvements and facilities repair, maintenance and replacements. As a whole, this FY26 proposed budget aligns well with Strategic Plan initiatives to be carried out by each department.

Budget Integration

The Strategic Plan drives many Town initiatives on a daily basis, and helps guide the Mayor and Council in their policymaking decisions. As departments consider budgetary needs for the coming year, they consider Strategic Plan requirements and policy adopted by Council. The Town Manager is tasked with carrying out these initiatives and ultimately decides which budgetary supplements should be included in the Proposed Budget brought forth to the Council every April. At that point, the Council provides direction on supplements, which Town staff apply to the Tentative and Final Adopted budgets each May and June.

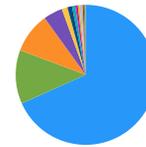
Executive Summary

This summary includes the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Internal Service Funds. According to the Arizona State Statute, the General Fund must be balanced between current year revenues and current year expenditures; however, other funds may use existing fund balances from prior years to cover current year expenditures. This summary provides an overall town-wide budget for the fiscal year.

Revenues

The Town is projecting \$38.13 of total revenue for FY2026, which is about a 4% increase over FY2025 projections. Major fund projected revenues include the General Fund at \$26.05 million, the Streets Fund at \$4.73 million, and the Capital Projects Fund at \$3.55 million (including expected grant revenues; this fund also receives transfers in of General Fund excess reserves at year-end). The Town utilizes a conservative revenue projection methodology to ensure the Town is well-prepared for economic slowdowns. Recent revenue growth has flattened, which is reflected in these projections.

FY2026 Projected Revenues



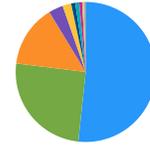
- General Fund **(Budgeted)**
 - Streets Fund **(Budgeted)**
 - Capital Projects Fund **(Budgeted)**
 - Special Revenue Fund **(Budgeted)**
 - Economic Development Fund **(Budgeted)**
 - Vehicle/Equip Repl Fund **(Budgeted)**
- ▲ 1/4 ▼

Expenditures

Town staff have included \$50.37 of total budgeted expenditures for the FY2026 proposed budget, including \$26.05 million in the Town's primary operating fund, the General Fund. This represents a slight increase of almost 1% in the General Fund from FY2025.

Based on Council direction during retreats and work sessions, this FY2026 proposed budget includes increased Capital Projects budget authority to complete already planned projects as well as adding a major reconstruction project on Palomino Blvd within Town limits. This proposed budget also includes increased budget authority for the Special Revenue Fund to account for any additional federal and state grants the Town receives, as well as a proposed increase of \$450K in the Facilities Reserve Fund to better align with recommended practices. Considering all these factors, the Town will also ensure that this proposed budget, and ultimately the final adopted budget, complies with the Arizona Constitutional expenditure limitation of \$36.59 million for FY2026.

FY26 Budgeted Expenditures



- General Fund **(Budgeted)**
 - Capital Projects Fund **(Budgeted)**
 - Streets Fund **(Budgeted)**
 - Special Revenue Fund **(Budgeted)**
 - Facilities Reserve Fund **(Budgeted)**
 - Vehicle/Equip Repl Fund **(Budgeted)**
- ▲ 1/4 ▼

Priorities and Issues

The Mayor and Council set budgetary priorities throughout the year through open meetings, and specifically, through budget meetings. During the FY2026 budget process, the Council has shown priorities and identified issues in the following areas:

- The Council has directed staff to look into methods to increase street funding. Accordingly, staff are proposing using the existing fund balance in the Streets Fund to begin a major reconstruction project on Palomino Blvd, in addition to funding the ongoing pavement maintenance plan to recondition many other streets throughout our Town. This proposed budget includes another \$5.4 million in the Capital Improvement Plan for these purposes.
- The Council has reviewed several capital projects, including specific funding to improve the Desert Vista dog park. Further, the Council provided direction on overall capital projects at a work session held in the Council chambers on March 25, 2025. Staff have incorporated this direction into the proposed budget presented here.
- The Council adopted a new Downtown Strategy for the Downtown District at the [September 4, 2024](#), meeting. Since then, Council has considered a 5-year streetscape improvement project at various work sessions. Accordingly, this FY2026 proposed budget includes initial CIP funding to begin design for that project.
- The Council and staff have discussed a backlog of wash maintenance and the need to increase funding. Thus, staff have included \$450,000 of FY2026 funding for wash maintenance purposes in the Public Works Department budget in the General Fund.
- The Council has considered additional funding for the Fire Department to create a revised command structure to support the Fire Department's planned application for automatic aid status with surrounding jurisdictions. Therefore, this proposed FY2026 budget includes about \$220,000 of additional payroll expenditures to account for those proposed changes.

Lastly, during departmental meetings in January 2025, the Town Manager evaluated over 40 supplemental budget requests, based on the Town's needs, and we have included many of these supplemental items within this proposed budget. You are able to review a summary of all supplemental requests in that section of this proposed budget book.

Funds Summary Overview

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues and expenditures. Town resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The Town of Fountain Hills appropriates all funds in its budget process.

Major Funds

General Fund

The **General Fund (Fund 100)** is the primary operating fund of the Town and accounts for the resources and uses of various Fountain Hills departments. It exists to account for the financing of services traditionally associated with local government. These services include police and fire protection, development services (planning & zoning/building safety/code enforcement/GIS), public works (facilities/engineering), community services (parks and recreation/community center/senior services), general administration, and any other activity for which a special fund has not been created. Governmental accounting requires the General Fund to be used for all financial resources except those required to be accounted for in another fund and have designations of non-spendable, restricted, committed, assigned or unassigned. The General Fund meets the GFOA criteria for major funds.

Streets Fund

The **Streets (HURF) Fund (Fund 200)** is funded by 0.2% of local sales tax, State-shared revenues and transfers from the General Fund, as directed by Council. The State of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns, and counties and to the State Highway Fund. This fund may only be used for street and highway purposes and is a restricted fund. The Streets Fund meets the GFOA criteria for major funds.

Capital Projects Fund

The **Capital Projects Fund (Fund 600)** revenues are assigned revenues derived from excess General Fund revenues and 50% of the construction-related local sales tax. The Capital Projects Fund is the primary funding source for the Town's capital improvements. The Capital Projects Fund meets the GFOA criteria for major funds.

Facilities Reserve Fund

The **Facilities Reserve Fund (Fund 610)** has been established to cover replacement costs for large-scale items that cannot be absorbed in annual operating budgets. These items include, but are not limited to, roofing, interior and exterior building painting, carpet replacement, physical plant mechanical equipment, and parks and recreation structures. The Facilities Reserve Fund meets the GFOA criteria for major funds.

Special Revenue Fund

The **Special Revenue/Grants Fund (Fund 400)** is restricted by the terms of the individual grants or program funds received. An example of this would be state or federal grant funds. These funds are to be used only for the specific program or programs for which the funds have been awarded and in accordance with all the grant conditions. The Special Revenue Fund meets the GFOA criteria for major funds.

Economic Development Fund(s)

The Economic Development Division operates out of these three funds: **Economic Development Fund, Downtown Strategy Fund, and Tourism Fund** which have been established to account for local sales tax revenues to be used for these purposes. The Town deposits 0.08% and 0.02% of local sales tax collections into the Economic Development Fund and Downtown Strategy Fund, respectively, and deposits Tourism grant revenues and transfers from the Economic Development Fund into the Tourism Fund. These three funds are being presented combined for qualitative reasons. Specifically, these funds are used for the Town's Economic Development programs, including Downtown Strategy and Tourism initiatives. Although these funds do not meet GFOA criteria for major funds, their importance to Town operations requires separate presentation.

Non-Major Funds

All 11 other non-major funds include the following:

Streets, Fire, and Park Development Impact Fees (Capital Funds); Public Art Fund; Court Enhancement Fund; Cottonwoods Maintenance District (special taxing legally separate district); Eagle Mountain Community Facilities District (special taxing legally separate district); Technology and Vehicle Replacement Funds (Internal Service); General Obligation Bond and Municipal Property Corporation Funds (Debt Service)

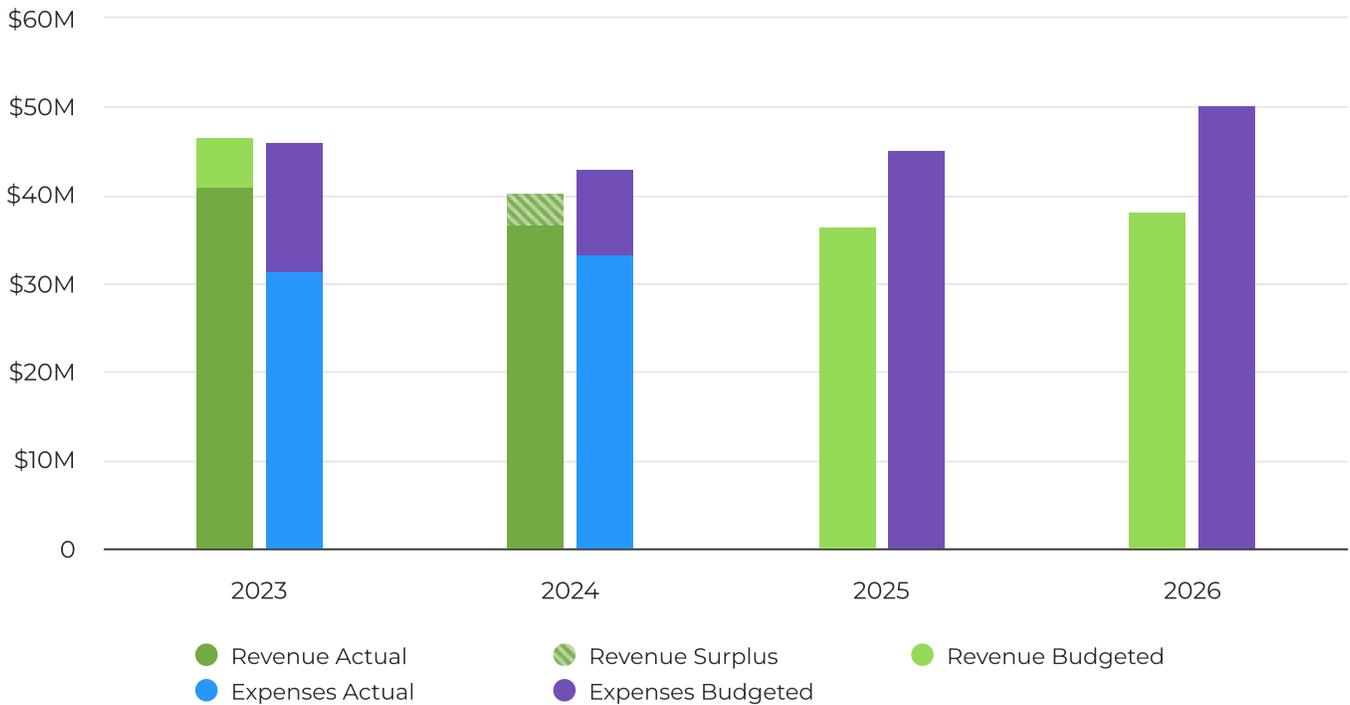
All Funds Summary

This summary includes the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Internal Service Funds. According to Arizona State Statute, the General Fund must be balanced between current year revenues and current year expenditures; however, other funds may use fund balance from prior years to cover current year expenditures. This summary provides an overall town-wide budget for the fiscal year.

Summary

The Town of Fountain Hills is projecting \$38.13M of revenue in FY2026, which represents about a 4% increase over the prior year. Budgeted expenditures are projected to increase by almost 12% or \$5.2M to \$50.37M in FY2026. A majority of this increase is due to increased plans for Capital Projects through the Town's Capital Improvement Plan (see Capital Improvement Plan and Capital Projects later in this budget book).

Revenues vs Expenditures Summary



Comprehensive Fund Summary

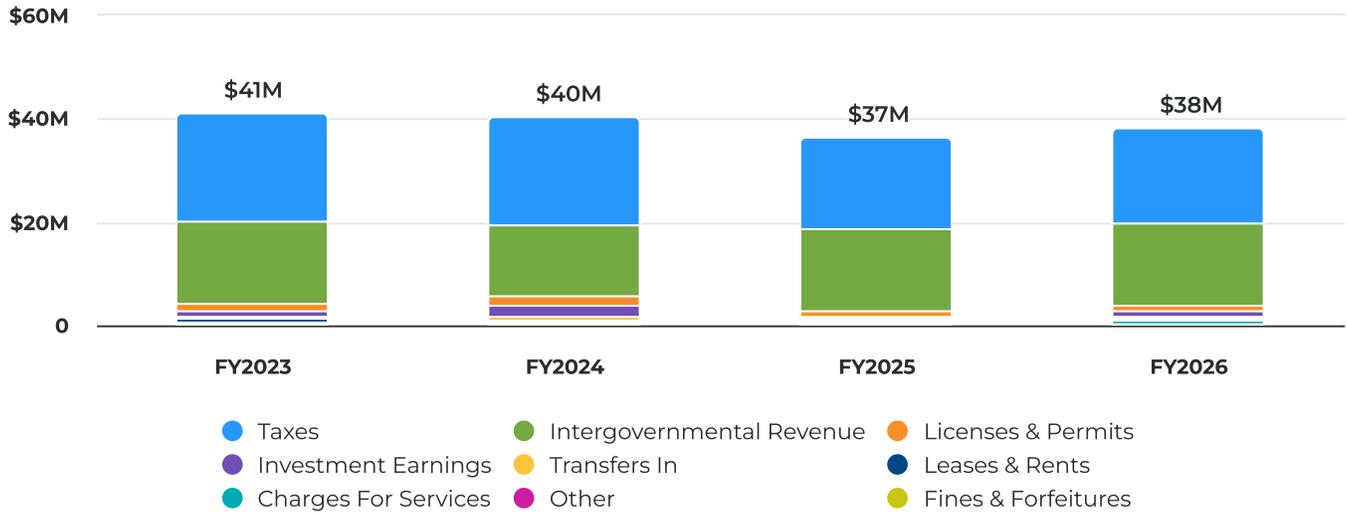
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$32,658,184	\$41,987,474	\$48,915,677	\$50,671,172
Revenues				
Taxes	\$20,885,081	\$20,920,887	\$17,982,072	\$18,375,329

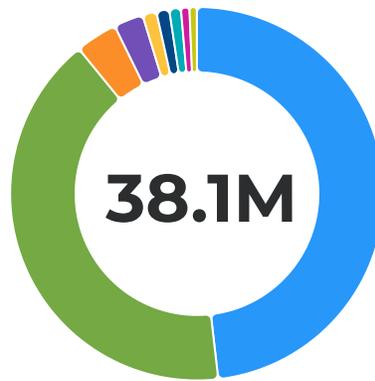
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Transfers In	\$404,821	\$419,994	\$419,994	\$427,378
Licenses & Permits	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902
Intergovernmental Revenue	\$15,854,454	\$13,696,564	\$15,751,096	\$15,611,861
Leases & Rents	\$448,897	\$365,792	\$289,278	\$379,914
Charges For Services	\$216,912	\$247,301	\$455,265	\$460,000
Other	\$406,964	\$392,703	\$192,575	\$283,000
Fines & Forfeitures	\$240,308	\$255,289	\$233,000	\$243,000
Investment Earnings	\$1,100,314	\$2,345,425	\$130,032	\$970,018
Total Revenues	\$41,044,636	\$40,358,377	\$36,617,367	\$38,134,402
Expenditures				
Payroll Expenses	\$6,350,204	\$9,072,382	\$12,122,865	\$12,682,271
Internal Service	\$405,404	\$420,655	\$419,913	\$425,480
Transfers Out	\$372,340	-	-	-
Contingency	-	-	\$4,603,781	\$4,897,772
Capital Expenditures	\$4,552,100	\$3,794,256	\$8,471,000	\$12,469,100
Debt Service	-	-	\$20,350	\$850
Dues & Memberships	\$100,662	\$81,969	\$100,071	\$96,118
Meetings & Training	\$57,657	\$65,516	\$160,866	\$162,275
Maintenance & Repair	\$5,282,662	\$6,523,261	\$6,897,665	\$7,288,329
Utilities	\$829,141	\$907,838	\$882,857	\$872,289
Contractual Services	\$12,826,319	\$11,645,686	\$10,577,922	\$10,562,480
Supplies	\$298,275	\$344,096	\$473,083	\$507,778
Equipment/Improvement	\$454,690	\$528,751	\$368,260	\$353,260
Damages/Vandalism	\$42,456	\$17,518	\$53,000	\$53,000
Total Expenditures	\$31,571,908	\$33,401,929	\$45,151,633	\$50,371,002
Total Revenues Less Expenditures	\$9,472,728	\$6,956,448	-\$8,534,266	-\$12,236,600
Ending Fund Balance	\$42,130,912	\$48,943,922	\$40,381,411	\$38,434,572

Revenues by Source

Historical Revenue by Source



FY26 Revenues by Source



Source	Amount	Percentage
Taxes	\$18,375,329	48.19%
Intergovernmental Revenue	\$15,611,861	40.94%
Licenses & Permits	\$1,383,902	3.63%
Investment Earnings	\$970,018	2.54%
Charges For Services	\$460,000	1.21%
Transfers In	\$427,378	1.12%
Leases & Rents	\$379,914	1.00%
Other	\$283,000	0.74%
Fines & Forfeitures	\$243,000	0.64%

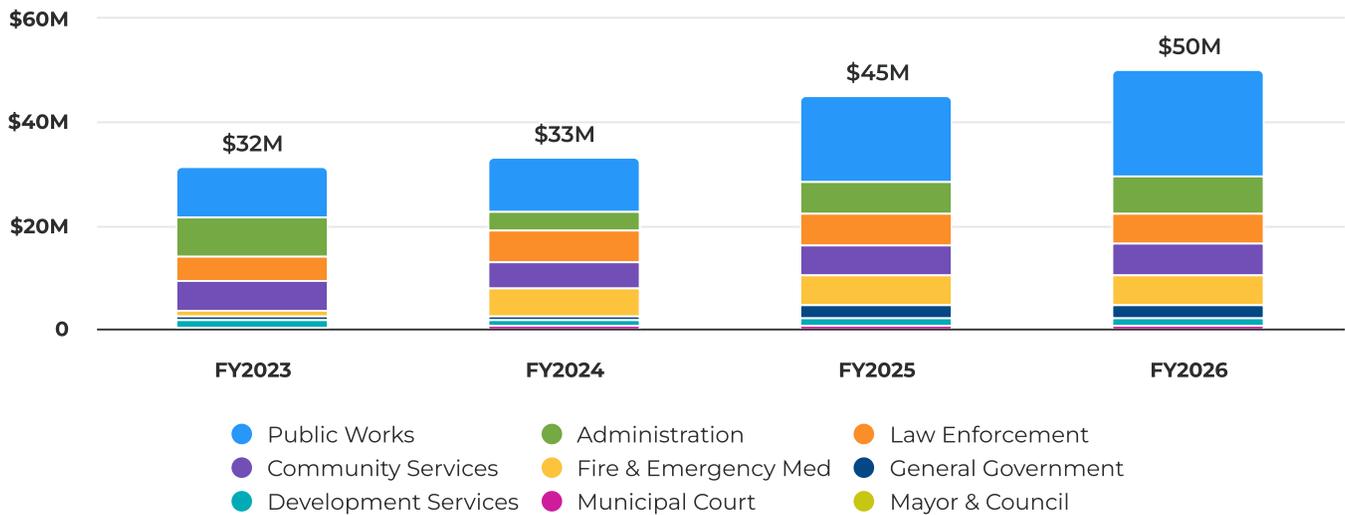
Revenues by Sources

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$20,885,081	\$20,920,887	\$17,982,072	\$18,375,329	2.19%
Transfers In	\$404,821	\$419,994	\$419,994	\$427,378	1.76%

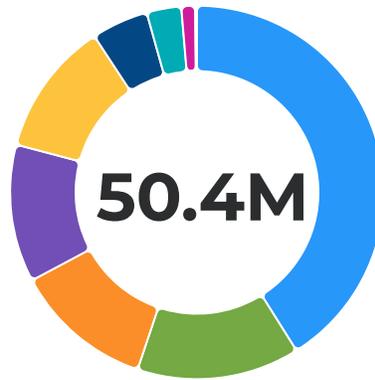
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Licenses & Permits	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902	18.89%
Intergovernmental Revenue	\$15,854,454	\$13,696,564	\$15,751,096	\$15,611,861	-0.88%
Leases & Rents	\$448,897	\$365,792	\$289,278	\$379,914	31.33%
Charges For Services	\$216,912	\$247,301	\$455,265	\$460,000	1.04%
Other	\$406,964	\$392,703	\$192,575	\$283,000	46.96%
Fines & Forfeitures	\$240,308	\$255,289	\$233,000	\$243,000	4.29%
Investment Earnings	\$1,100,314	\$2,345,425	\$130,032	\$970,018	645.98%
Total Revenues	\$41,044,636	\$40,358,377	\$36,617,367	\$38,134,402	4.14%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department



● Public Works	\$20,690,154	41.08%
● Administration	\$7,091,331	14.08%
● Community Services	\$6,075,063	12.06%
● Fire & Emergency Med	\$6,001,230	11.91%
● Law Enforcement	\$5,861,005	11.64%
● General Government	\$2,470,985	4.91%
● Development Services	\$1,504,836	2.99%
● Municipal Court	\$602,943	1.20%
● Mayor & Council	\$73,455	0.15%

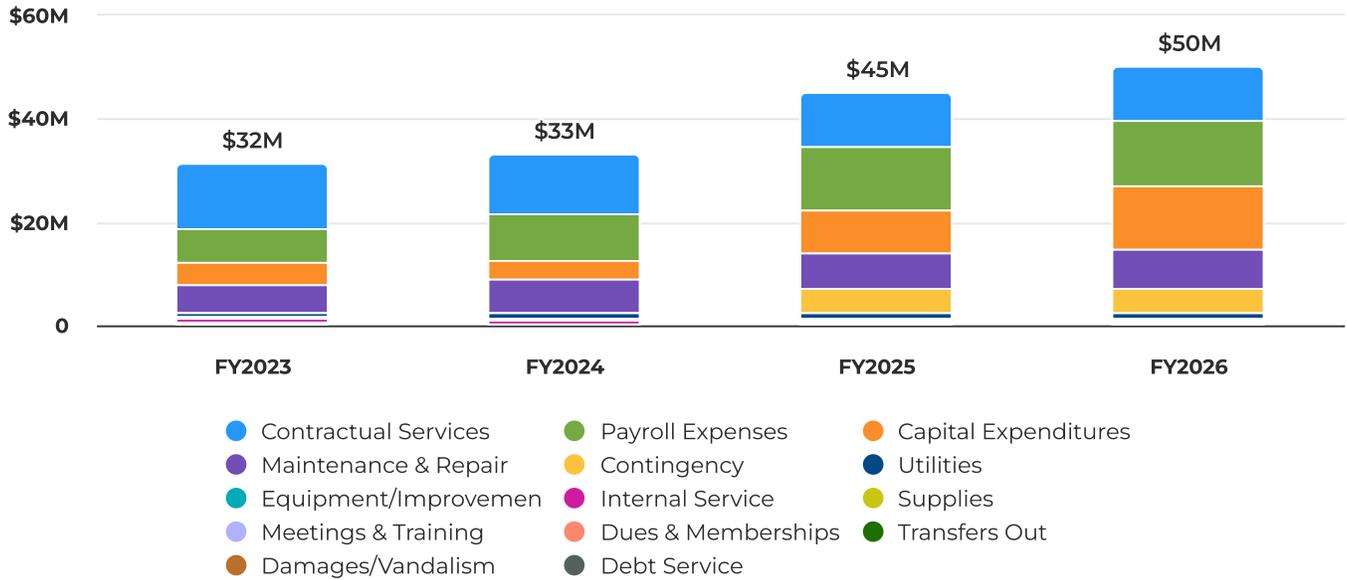
Expenditures by Department

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Mayor & Council	\$70,280	\$68,215	\$73,040	\$73,455	0.57%
Municipal Court	\$442,699	\$496,817	\$578,874	\$602,943	4.16%
Development Services	\$1,221,700	\$1,275,320	\$1,578,897	\$1,504,836	-4.69%
Law Enforcement	\$4,574,193	\$6,225,785	\$6,243,916	\$5,861,005	-6.13%
Administration	\$7,938,486	\$3,682,248	\$5,995,624	\$7,091,331	18.28%
General Government	\$682,682	\$753,535	\$2,582,053	\$2,470,985	-4.30%
Public Works	\$9,716,563	\$10,516,378	\$16,629,654	\$20,690,154	24.42%
Community Services	\$5,834,116	\$5,138,175	\$5,774,716	\$6,075,063	5.20%
Fire & Emergency Med	\$1,091,189	\$5,245,457	\$5,694,859	\$6,001,230	5.38%
Total Expenditures	\$31,571,908	\$33,401,929	\$45,151,633	\$50,371,002	11.56%

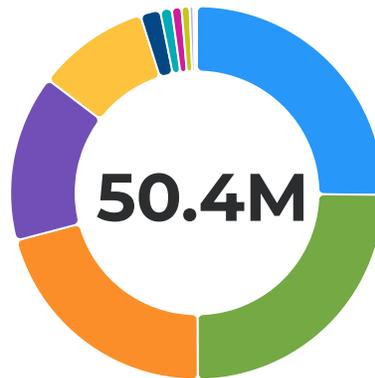
In FY2023, the Town paid for \$3.4 million of its Fire contracted services and another \$840k of its MCSO contracted services expenditures from the Administration Department due to federal grant revenues. Therefore, FY2023 expenditure amounts shown here in the Fire & Emergency and Law Enforcement departments do not include those expenditures.

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object

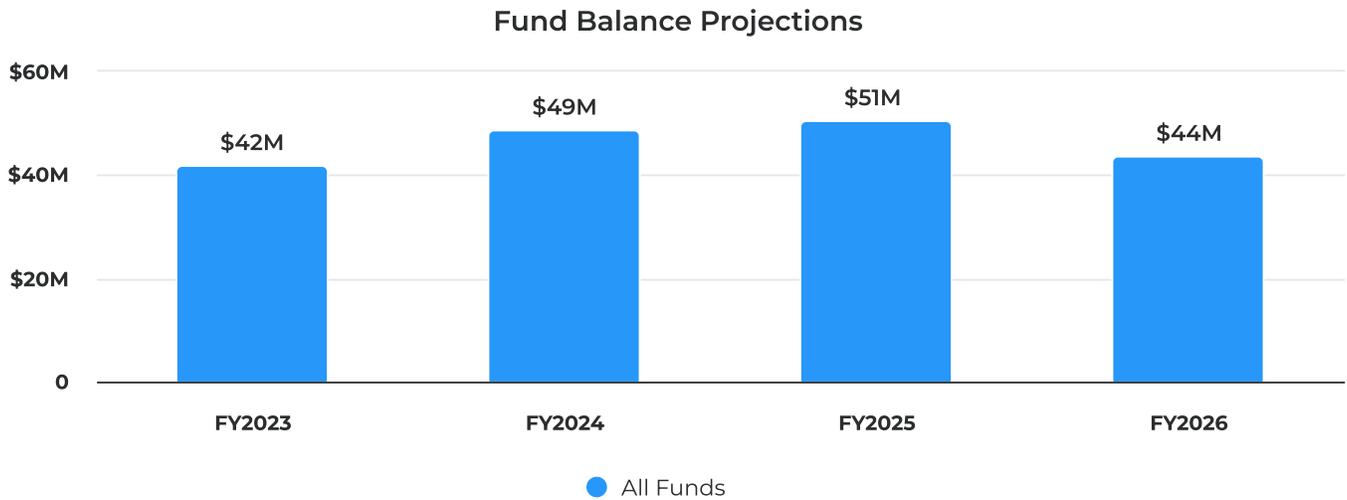


Payroll Expenses	\$12,682,271	25.18%
Capital Expenditures	\$12,469,100	24.75%
Contractual Services	\$10,562,480	20.97%
Maintenance & Repair	\$7,288,329	14.47%
Contingency	\$4,897,772	9.72%
Utilities	\$872,289	1.73%
Supplies	\$507,778	1.01%
Internal Service	\$425,480	0.84%
Equipment/Improvement	\$353,260	0.70%
Meetings & Training	\$162,275	0.32%
Dues & Memberships	\$96,118	0.19%
Damages/Vandalism	\$53,000	0.11%
Debt Service	\$850	0.00%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$6,350,204	\$9,072,382	\$12,122,865	\$12,682,271	4.61%
Internal Service	\$405,404	\$420,655	\$419,913	\$425,480	1.33%
Transfers Out	\$372,340	-	-	-	-
Contingency	-	-	\$4,603,781	\$4,897,772	6.39%
Capital Expenditures	\$4,552,100	\$3,794,256	\$8,471,000	\$12,469,100	47.20%
Debt Service	-	-	\$20,350	\$850	-95.82%
Dues & Memberships	\$100,662	\$81,969	\$100,071	\$96,118	-3.95%
Meetings & Training	\$57,657	\$65,516	\$160,866	\$162,275	0.88%
Maintenance & Repair	\$5,282,662	\$6,523,261	\$6,897,665	\$7,288,329	5.66%
Utilities	\$829,141	\$907,838	\$882,857	\$872,289	-1.20%
Contractual Services	\$12,826,319	\$11,645,686	\$10,577,922	\$10,562,480	-0.15%
Supplies	\$298,275	\$344,096	\$473,083	\$507,778	7.33%
Equipment/Improvement	\$454,690	\$528,751	\$368,260	\$353,260	-4.07%
Damages/Vandalism	\$42,456	\$17,518	\$53,000	\$53,000	0.00%
Total Expenditures	\$31,571,908	\$33,401,929	\$45,151,633	\$50,371,002	11.56%

Fund Balance



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
All Funds	\$41,987,474.00	\$48,915,677.00	\$50,671,172.00	\$43,745,500.00	-13.67%
Total Fund Balance	\$41,987,474.00	\$48,915,677.00	\$50,671,172.00	\$43,745,500.00	-13.67%

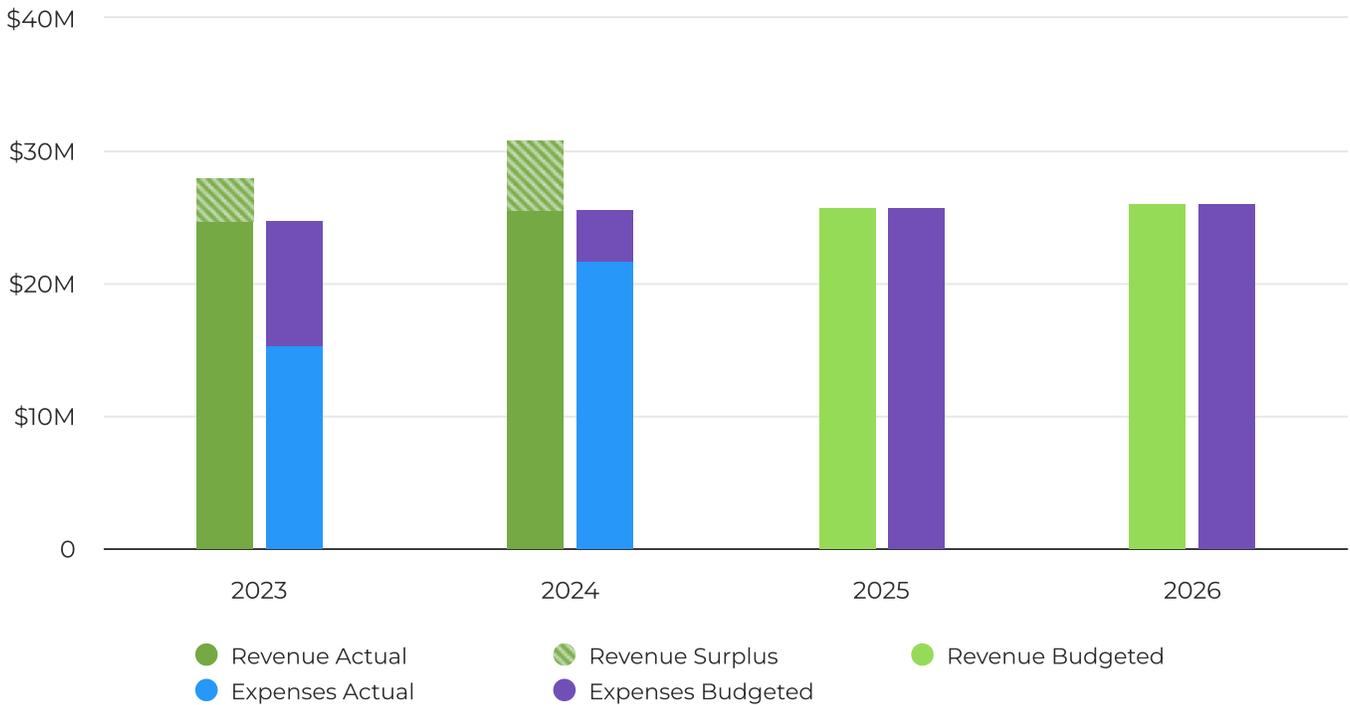
General Fund

The **General Fund (Fund 100)** is the primary operating fund of the Town and accounts for the resources and uses of various Fountain Hills departments. It exists to account for the financing of services traditionally associated with local government. These services include police and fire protection, development services (planning & zoning/building safety/code enforcement/GIS), public works (facilities/engineering), community services (parks and recreation/community center/senior services), general administration, and any other activity for which a special fund has not been created. Governmental accounting requires the General Fund to be used for all financial resources except those required to be accounted for in another fund and have designations of non-spendable, restricted, committed, assigned or unassigned.

Summary

The Town of Fountain Hills is projecting \$26.05M of revenue in FY2026, which represents about a 1% increase over the prior year. Budgeted expenditures are projected to increase by about 1%, or \$227K, to \$26.05M in FY2026.

Revenues vs Expenditures Summary



Comprehensive Fund Summary

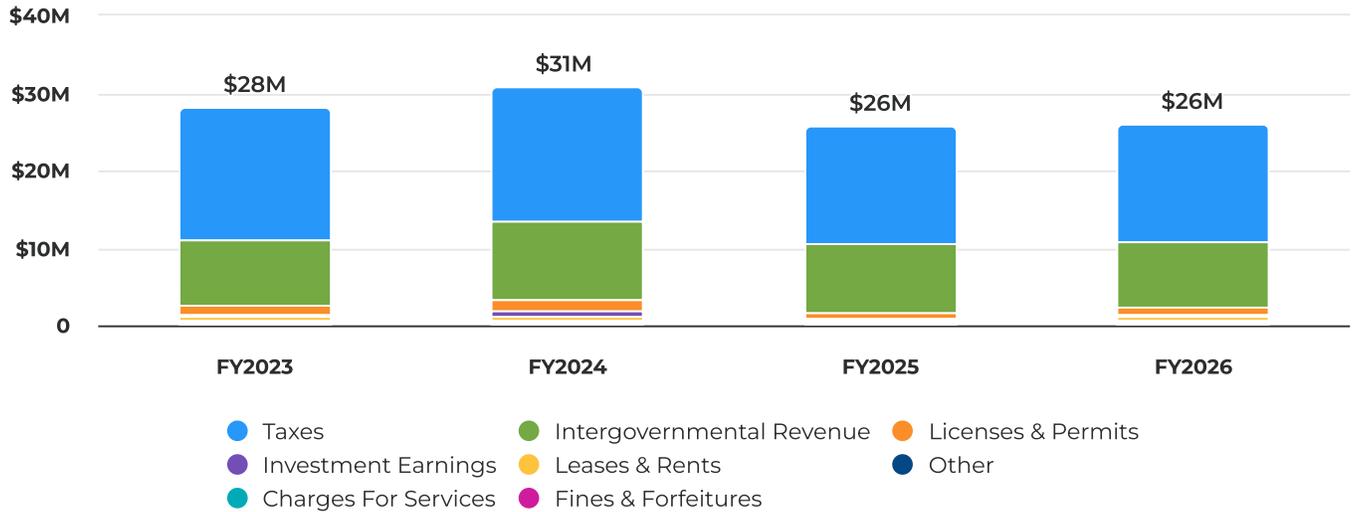
The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 adopted budget and FY2026 proposed budget. Prior actual figures do not include transfers in and out of the General Fund, which results in the ending fund balances being overstated. For actual and projected fund balance data, please use the fund balance charts later in this section.

Comprehensive Fund Summary

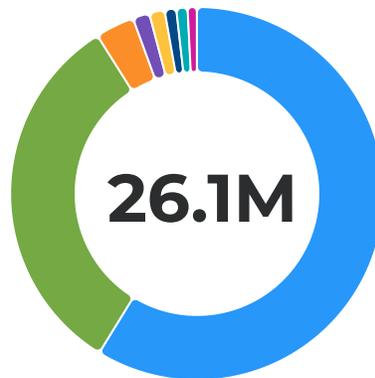
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$13,085,141	\$15,746,360	\$17,575,552	\$14,603,961
Revenues				
Taxes	\$17,022,932	\$17,185,635	\$15,248,589	\$15,312,027
Licenses & Permits	\$1,103,367	\$1,388,979	\$784,505	\$876,437
Intergovernmental Revenue	\$8,456,527	\$10,349,568	\$8,785,604	\$8,412,654
Leases & Rents	\$448,897	\$365,792	\$289,278	\$379,914
Charges For Services	\$196,580	\$242,181	\$255,265	\$260,000
Other	\$319,465	\$309,878	\$161,575	\$252,000
Fines & Forfeitures	\$211,773	\$227,192	\$200,000	\$210,000
Investment Earnings	\$315,008	\$728,807	\$100,000	\$348,507
Total Revenues	\$28,074,550	\$30,798,033	\$25,824,816	\$26,051,539
Expenditures				
Payroll Expenses	\$5,562,256	\$8,164,974	\$11,135,866	\$11,591,474
Internal Service	\$338,464	\$349,955	\$348,396	\$355,906
Contingency	-	-	\$2,218,781	\$1,513,772
Capital Expenditures	\$148,048	\$189,436	\$56,000	\$5,000
Dues & Memberships	\$80,222	\$64,362	\$79,207	\$86,254
Meetings & Training	\$53,972	\$60,306	\$148,746	\$150,455
Maintenance & Repair	\$848,314	\$1,015,815	\$1,217,520	\$1,854,264
Utilities	\$671,063	\$762,627	\$735,151	\$724,583
Contractual Services	\$7,228,290	\$10,364,720	\$9,127,381	\$8,990,743
Supplies	\$252,230	\$317,329	\$441,508	\$477,828
Equipment/Improvement	\$175,596	\$432,736	\$303,260	\$288,260
Damages/Vandalism	\$3,532	\$727	\$13,000	\$13,000
Total Expenditures	\$15,361,988	\$21,722,986	\$25,824,816	\$26,051,539
Total Revenues Less Expenditures	\$12,712,562	\$9,075,047	-	-
Ending Fund Balance	\$25,797,702	\$24,821,407	\$17,575,552	\$14,603,961

Revenues by Source

Historical Revenue by Source



FY26 Revenues by Source



Source	Amount	Percentage
Taxes	\$15,312,027	58.78%
Intergovernmental Revenue	\$8,412,654	32.29%
Licenses & Permits	\$876,437	3.36%
Leases & Rents	\$379,914	1.46%
Investment Earnings	\$348,507	1.34%
Charges For Services	\$260,000	1.00%
Other	\$252,000	0.97%
Fines & Forfeitures	\$210,000	0.81%

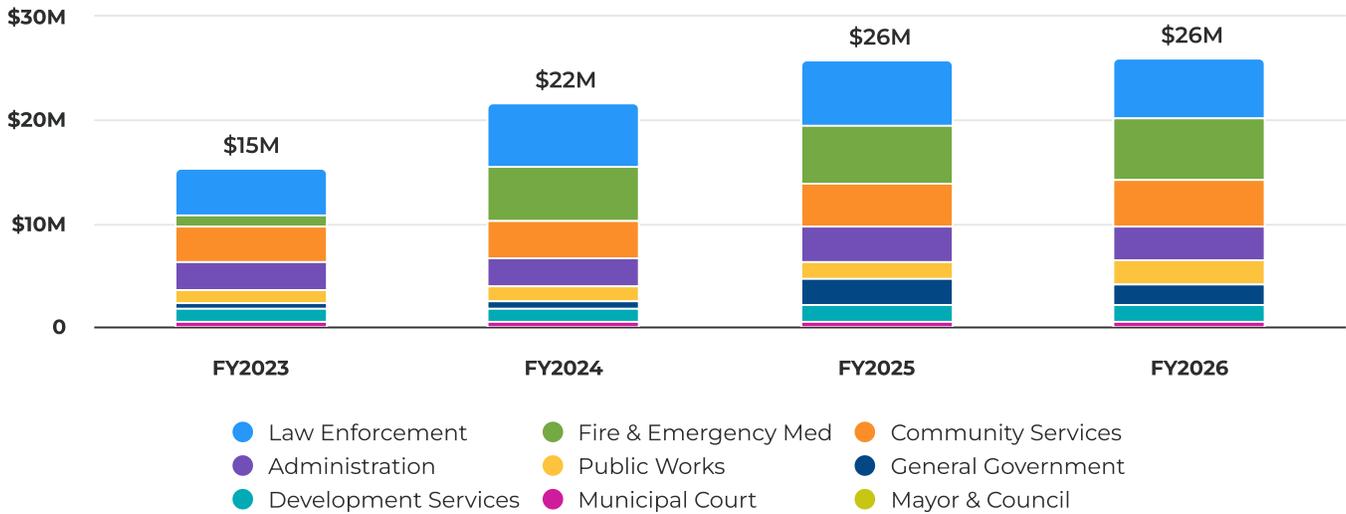
Revenues by Source

Category	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 FY25 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$15,248,589.00	\$15,312,027.00	-
Licenses & Permits	\$784,505.00	\$876,437.00	-
Intergovernmental Revenue	\$8,785,604.00	\$8,412,654.00	-
Leases & Rents	\$289,278.00	\$379,914.00	199.67%
Charges For Services	\$255,265.00	\$260,000.00	-

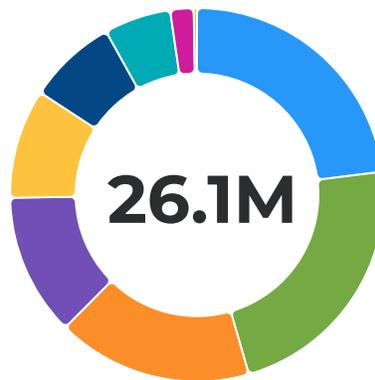
Category	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 FY25 Adopted Budget vs. FY 2026 Budgeted (% Change)
Other	\$161,575.00	\$252,000.00	-
Fines & Forfeitures	\$200,000.00	\$210,000.00	-
Investment Earnings	\$100,000.00	\$348,507.00	-
Total Revenues	\$25,824,816.00	\$26,051,539.00	20,448.94%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department



Fire & Emergency Med	\$5,999,266	23.03%
Law Enforcement	\$5,861,005	22.50%
Community Services	\$4,409,009	16.92%
Administration	\$3,203,652	12.30%
Public Works	\$2,468,888	9.48%
General Government	\$2,005,985	7.70%
Development Services	\$1,504,836	5.78%
Municipal Court	\$525,443	2.02%
Mayor & Council	\$73,455	0.28%

Expenditures by Department

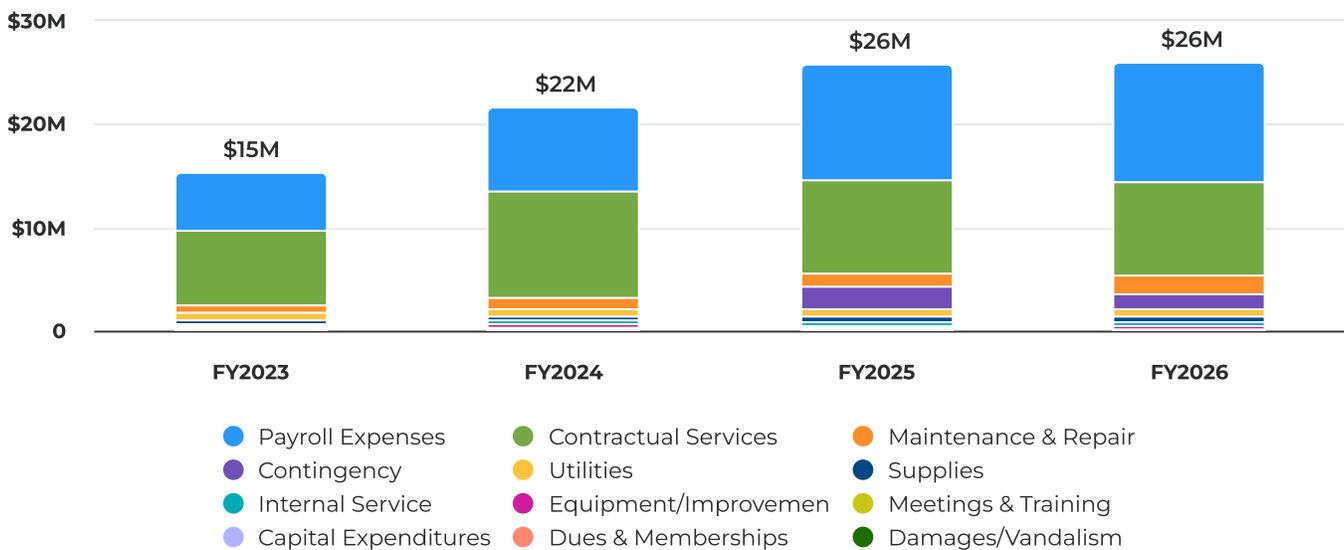
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Mayor & Council	\$70,280	\$68,215	\$73,040	\$73,455	0.57%
Municipal Court	\$426,770	\$491,817	\$526,374	\$525,443	-0.18%
Development Services	\$1,221,700	\$1,275,320	\$1,578,897	\$1,504,836	-4.69%
Law Enforcement	\$4,574,193	\$6,225,785	\$6,243,916	\$5,861,005	-6.13%
Administration	\$2,723,534	\$2,740,837	\$3,270,412	\$3,203,652	-2.04%
General Government	\$614,144	\$615,312	\$2,532,053	\$2,005,985	-20.78%
Public Works	\$1,336,419	\$1,572,310	\$1,702,310	\$2,468,888	45.03%
Community Services	\$3,303,758	\$3,487,933	\$4,202,955	\$4,409,009	4.90%
Fire & Emergency Med	\$1,091,189	\$5,245,457	\$5,694,859	\$5,999,266	5.35%
Total Expenditures	\$15,361,988	\$21,722,986	\$25,824,816	\$26,051,539	0.88%

In FY2023, the Town paid for \$3.4 million of its Fire contracted services and another \$840k of its MCSO contracted services out of its Special Revenue Fund due to federal grant revenues. Therefore, FY2023 expenditure amounts shown here in the General Fund do not include those expenditures.

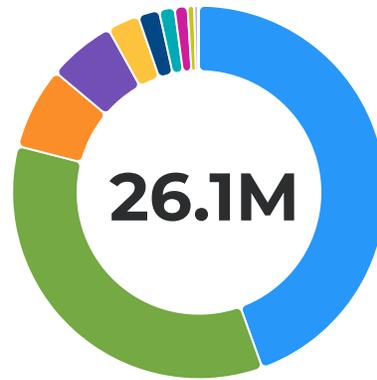
Expenditures by Object

While reviewing this chart, please consider that FY2023 public safety expenditures were also paid for by the Town's Special Revenue Fund (see explanation in chart above).

Historical Expenditures by Object



FY26 Expenditures by Object



● Payroll Expenses	\$11,591,474	44.49%
● Contractual Services	\$8,990,743	34.51%
● Maintenance & Repair	\$1,854,264	7.12%
● Contingency	\$1,513,772	5.81%
● Utilities	\$724,583	2.78%
● Supplies	\$477,828	1.83%
● Internal Service	\$355,906	1.37%
● Equipment/Improvement	\$288,260	1.11%
● Meetings & Training	\$150,455	0.58%
● Dues & Memberships	\$86,254	0.33%
● Damages/Vandalism	\$13,000	0.05%
● Capital Expenditures	\$5,000	0.02%

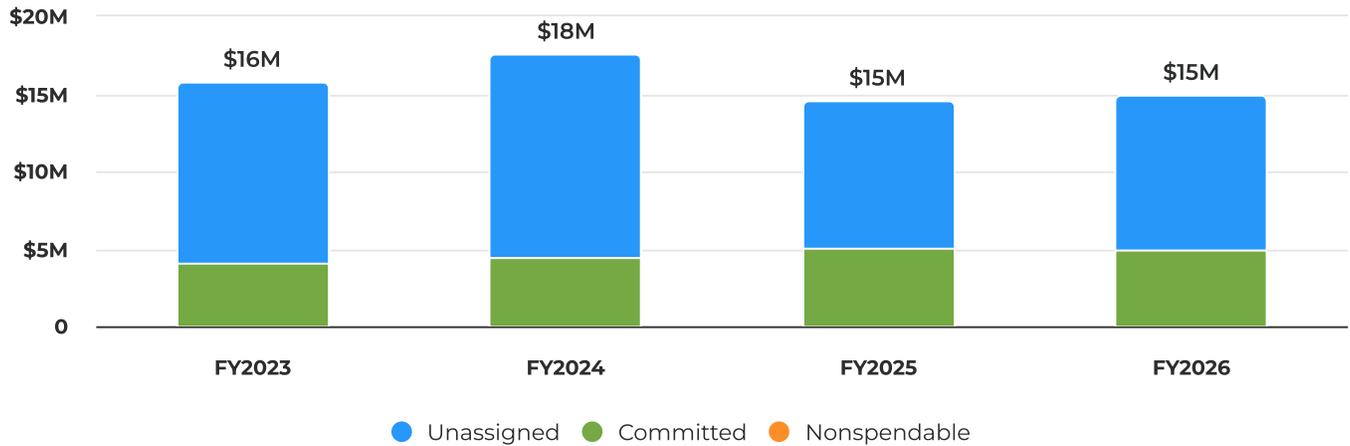
Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$5,562,256	\$8,164,974	\$11,135,866	\$11,591,474	4.09%
Internal Service	\$338,464	\$349,955	\$348,396	\$355,906	2.16%
Contingency	-	-	\$2,218,781	\$1,513,772	-31.77%
Capital Expenditures	\$148,048	\$189,436	\$56,000	\$5,000	-91.07%
Dues & Memberships	\$80,222	\$64,362	\$79,207	\$86,254	8.90%
Meetings & Training	\$53,972	\$60,306	\$148,746	\$150,455	1.15%
Maintenance & Repair	\$848,314	\$1,015,815	\$1,217,520	\$1,854,264	52.30%
Utilities	\$671,063	\$762,627	\$735,151	\$724,583	-1.44%
Contractual Services	\$7,228,290	\$10,364,720	\$9,127,381	\$8,990,743	-1.50%
Supplies	\$252,230	\$317,329	\$441,508	\$477,828	8.23%
Equipment/Improvement	\$175,596	\$432,736	\$303,260	\$288,260	-4.95%
Damages/Vandalism	\$3,532	\$727	\$13,000	\$13,000	0.00%
Total Expenditures	\$15,361,988	\$21,722,986	\$25,824,816	\$26,051,539	0.88%

In FY2023, the Town paid for \$3.4 million of its Fire contracted services and another \$840k of its MCSO contracted services out of its Special Revenue Fund due to federal grant revenues. Therefore, FY2023 expenditure amounts shown here in the General Fund do not include those expenditures.

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Unassigned	\$11,644,005.00	\$13,070,591.00	\$9,554,409.00	\$10,000,000.00	4.66%
Committed	\$4,044,890.00	\$4,466,782.00	\$5,009,552.00	\$5,000,000.00	-0.19%
Nonspendable	\$57,465.00	\$38,179.00	\$40,000.00	-	-100.00%
Total Fund Balance	\$15,746,360.00	\$17,575,552.00	\$14,603,961.00	\$15,000,000.00	2.71%

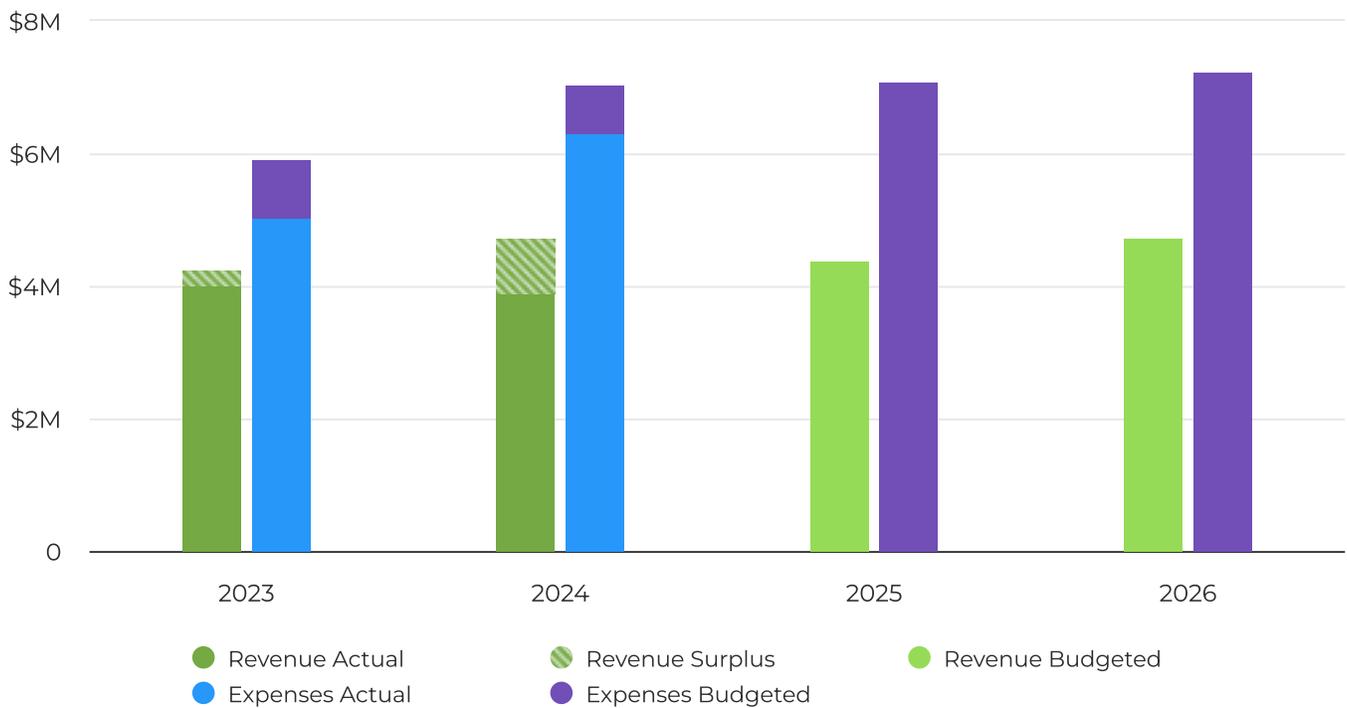
Streets Fund

The **Streets (HURF) Fund (Fund 200)** is funded by 0.2% of local sales tax and State-shared revenues. The State of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns, and counties and to the State Highway Fund. This fund may only be used for street and highway purposes and is a restricted fund.

Summary

The Town of Fountain Hills is projecting \$4.73M of revenue in FY2026, which represents a 7.7% increase over the prior year. Budgeted expenditures are projected to increase by 2.0% or \$138.5K to \$7.23M in FY2026.

Revenues vs Expenditures Summary



Comprehensive Fund Summary

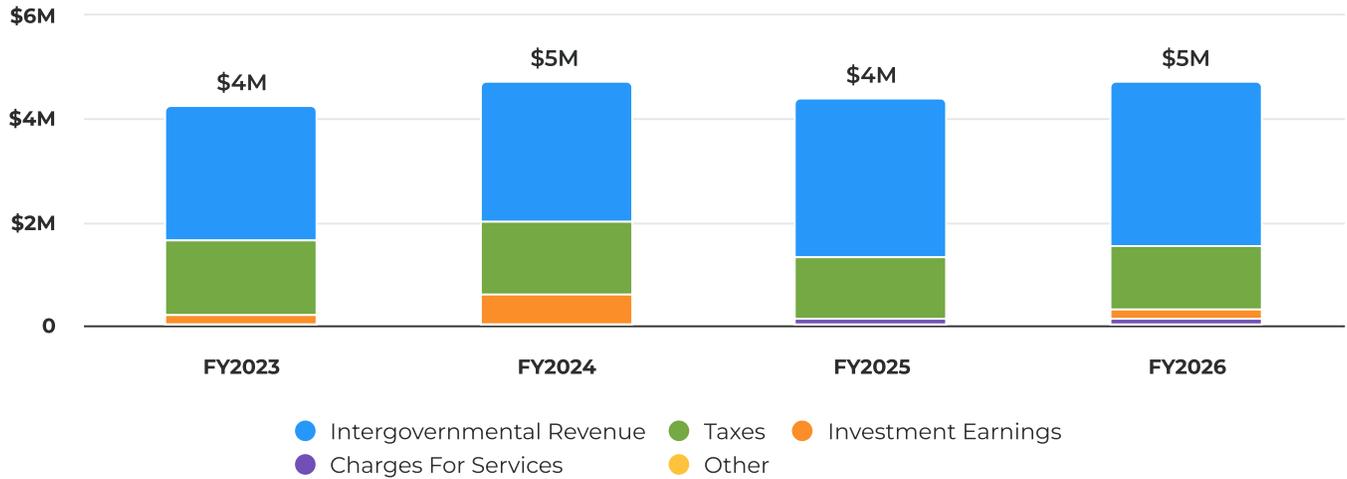
The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 adopted budget and FY2026 proposed budget. Prior actual figures do not include transfers in and out of the Streets Fund, which results in the ending fund balances being overstated. For actual and projected fund balance data, please use the fund balance charts later in this section.

Comprehensive Fund Summary

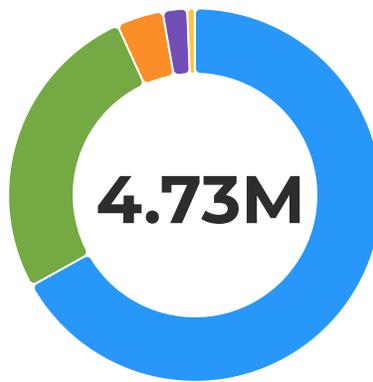
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$3,903,296	\$6,922,858	\$9,559,629	\$11,467,702
Revenues				
Taxes	\$1,419,744	\$1,417,926	\$1,212,573	\$1,242,326
Intergovernmental Revenue	\$2,606,929	\$2,720,831	\$3,038,992	\$3,168,457
Charges For Services	\$4,139	\$120	\$100,000	\$100,000
Other	\$32,602	\$46,459	\$31,000	\$31,000
Investment Earnings	\$197,804	\$558,547	\$10,000	\$191,193
Total Revenues	\$4,261,218	\$4,743,883	\$4,392,565	\$4,732,976
Expenditures				
Payroll Expenses	\$570,144	\$658,659	\$700,474	\$798,578
Internal Service	\$62,872	\$67,266	\$67,355	\$67,566
Contingency	-	-	\$100,000	\$100,000
Capital Expenditures	\$25,676	\$115,695	-	-
Dues & Memberships	\$1,810	\$3,127	\$10,000	\$8,000
Meetings & Training	\$410	\$385	\$2,000	\$2,000
Maintenance & Repair	\$3,465,658	\$4,714,716	\$5,318,910	\$5,320,910
Utilities	\$158,079	\$144,904	\$145,656	\$145,656
Contractual Services	\$689,650	\$559,452	\$664,400	\$704,190
Supplies	\$16,953	\$14,999	\$22,245	\$22,620
Equipment/Improvement	\$24,060	\$15,042	\$16,500	\$16,500
Damages/Vandalism	\$38,690	\$16,778	\$40,000	\$40,000
Total Expenditures	\$5,054,003	\$6,311,022	\$7,087,540	\$7,226,020
Total Revenues Less Expenditures	-\$792,785	-\$1,567,140	-\$2,694,975	-\$2,493,044
Ending Fund Balance	\$3,110,511	\$5,355,718	\$6,864,654	\$8,974,658

Revenues by Source

Historical Revenue by Source



FY26 Revenues by Source



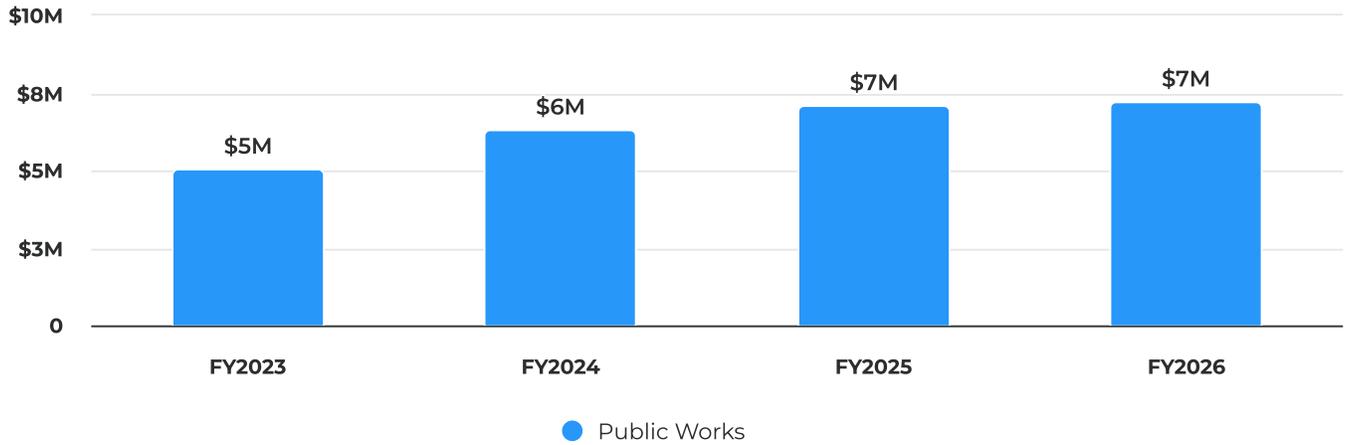
Source	Amount	Percentage
Intergovernmental Revenue	\$3,168,457	66.94%
Taxes	\$1,242,326	26.25%
Investment Earnings	\$191,193	4.04%
Charges For Services	\$100,000	2.11%
Other	\$31,000	0.65%

Revenues by Source

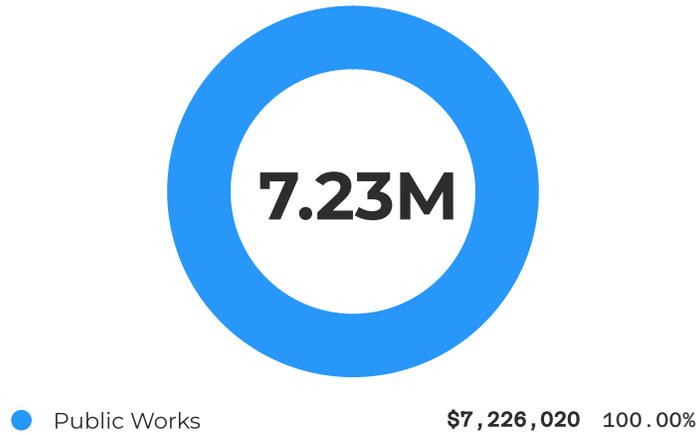
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$1,419,744	\$1,417,926	\$1,212,573	\$1,242,326	2.45%
Intergovernmental Revenue	\$2,606,929	\$2,720,831	\$3,038,992	\$3,168,457	4.26%
Charges For Services	\$4,139	\$120	\$100,000	\$100,000	0.00%
Other	\$32,602	\$46,459	\$31,000	\$31,000	0.00%
Investment Earnings	\$197,804	\$558,547	\$10,000	\$191,193	1,811.93%
Total Revenues	\$4,261,218	\$4,743,883	\$4,392,565	\$4,732,976	7.75%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department

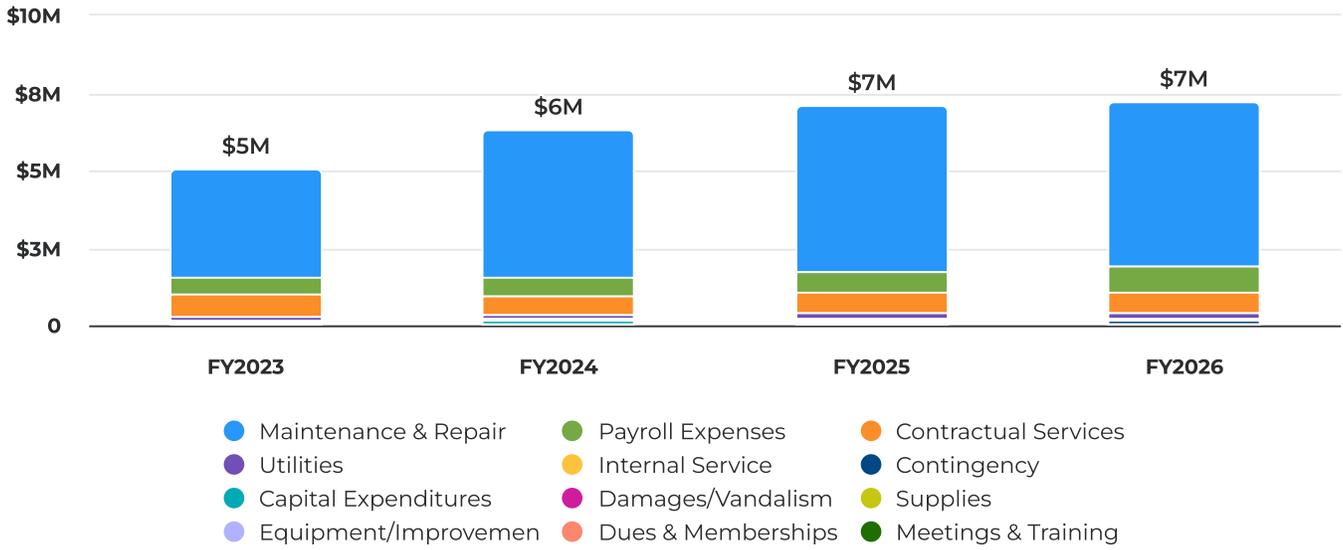


Expenditures by Department

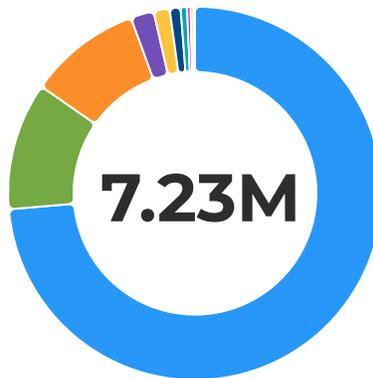
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Public Works	\$5,054,003	\$6,311,022	\$7,087,540	\$7,226,020	1.95%
Total Expenditures	\$5,054,003	\$6,311,022	\$7,087,540	\$7,226,020	1.95%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Maintenance & Repair	\$5,320,910	73.64%
Payroll Expenses	\$798,578	11.05%
Contractual Services	\$704,190	9.75%
Utilities	\$145,656	2.02%
Contingency	\$100,000	1.38%
Internal Service	\$67,566	0.94%
Damages/Vandalism	\$40,000	0.55%
Supplies	\$22,620	0.31%
Equipment/Improvement	\$16,500	0.23%
Dues & Memberships	\$8,000	0.11%
Meetings & Training	\$2,000	0.03%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$570,144	\$658,659	\$700,474	\$798,578	14.01%
Internal Service	\$62,872	\$67,266	\$67,355	\$67,566	0.31%
Contingency	-	-	\$100,000	\$100,000	0.00%
Capital Expenditures	\$25,676	\$115,695	-	-	-
Dues & Memberships	\$1,810	\$3,127	\$10,000	\$8,000	-20.00%
Meetings & Training	\$410	\$385	\$2,000	\$2,000	0.00%
Maintenance & Repair	\$3,465,658	\$4,714,716	\$5,318,910	\$5,320,910	0.04%
Utilities	\$158,079	\$144,904	\$145,656	\$145,656	0.00%
Contractual Services	\$689,650	\$559,452	\$664,400	\$704,190	5.99%
Supplies	\$16,953	\$14,999	\$22,245	\$22,620	1.69%
Equipment/Improvement	\$24,060	\$15,042	\$16,500	\$16,500	0.00%
Damages/Vandalism	\$38,690	\$16,778	\$40,000	\$40,000	0.00%
Total Expenditures	\$5,054,003	\$6,311,022	\$7,087,540	\$7,226,020	1.95%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Restricted	\$6,922,858.00	\$9,559,629.00	\$11,467,702.00	\$6,000,000.00	-47.68%
Total Fund Balance	\$6,922,858.00	\$9,559,629.00	\$11,467,702.00	\$6,000,000.00	-47.68%

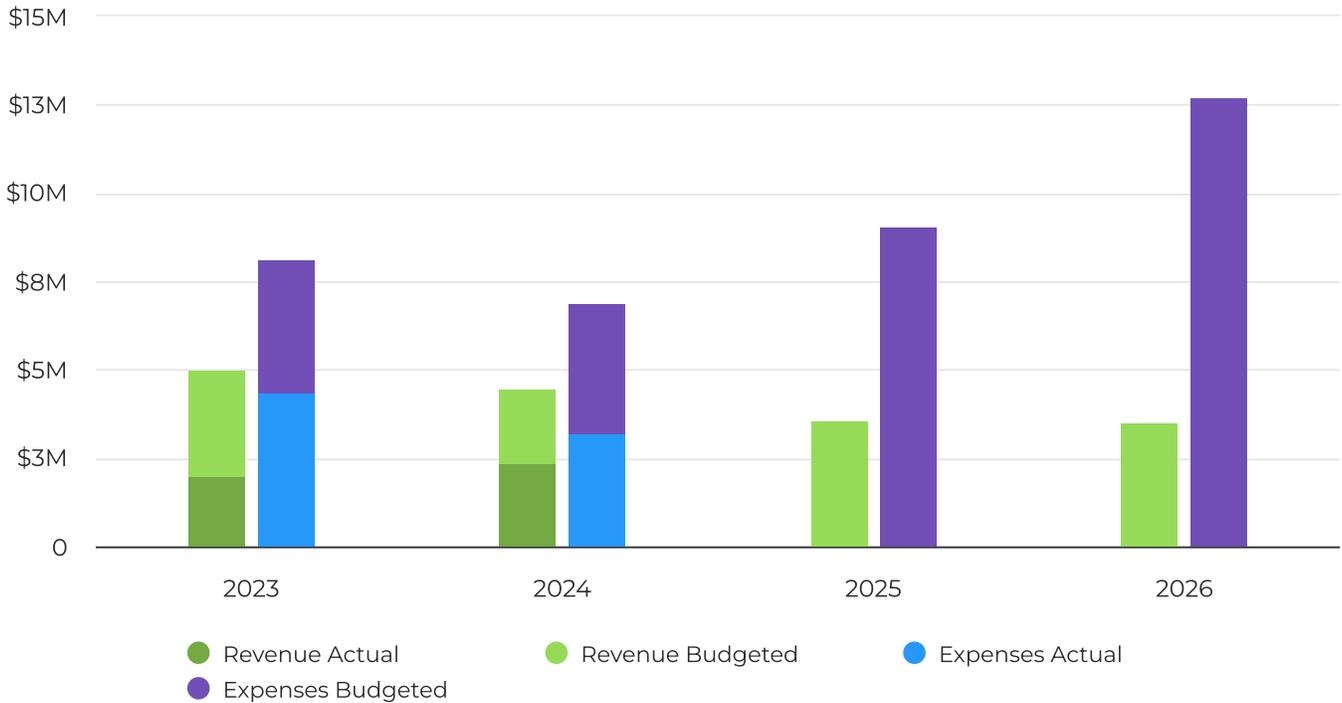
Capital Projects Fund

The **Capital Projects Fund (Fund 600)** is an assigned fund to account for monies set aside by the Town for its Capital Improvement Plan (CIP) Projects. CIP projects are planned based on a 5-year outlook to improve resident safety, culture and recreation, and enhance economic development initiatives. The CIP fund receives revenue from 1/2 of the construction sales tax revenues the Town receives and transfers from year-end General Fund reserves, in accordance with financial policies and Council direction.

Summary

The Town of Fountain Hills is projecting \$3.55M of revenue in FY2026, which represents a 0.5% decrease over the prior year. Budgeted expenditures are projected to increase by about 40% or \$3.6M to \$12.71M in FY2026. Please review the Capital Improvement Plan and Capital Projects sections for more information on budgets for each project.

Revenues vs Expenditures Summary



Comprehensive Fund Summary

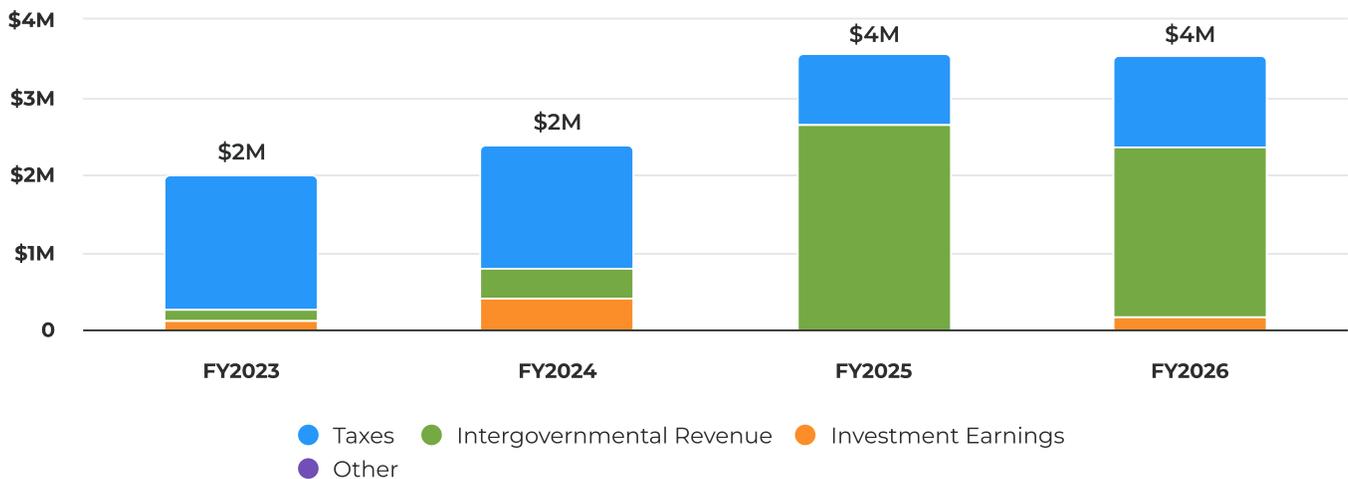
The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 adopted budget and FY2026 proposed budget. Prior actual figures do not include transfers in and out of the Capital Projects Fund, which results in the ending fund balances being overstated. For actual and projected fund balance data, please use the fund balance charts later in this section.

Comprehensive Fund Summary

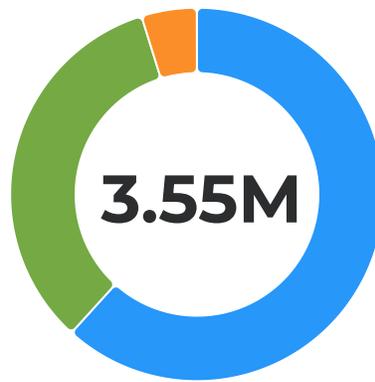
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$4,068,310	\$5,691,999	\$8,768,198	\$8,602,563
Revenues				
Taxes	\$1,724,626	\$1,598,522	\$904,856	\$1,188,207
Intergovernmental Revenue	\$140,284	\$376,783	\$2,652,500	\$2,190,750
Other	-	\$12,000	-	-
Investment Earnings	\$132,253	\$407,771	\$10,000	\$170,000
Total Revenues	\$1,997,163	\$2,395,076	\$3,567,356	\$3,548,957
Expenditures				
Contingency	-	-	\$675,000	\$700,000
Capital Expenditures	\$4,338,774	\$3,224,647	\$8,415,000	\$12,010,000
Contractual Services	\$1,215	\$506	\$2,800	\$2,800
Equipment/Improvement	\$50,418	-	-	-
Total Expenditures	\$4,390,407	\$3,225,153	\$9,092,800	\$12,712,800
Total Revenues Less Expenditures	-\$2,393,244	-\$830,077	-\$5,525,444	-\$9,163,843
Ending Fund Balance	\$1,675,066	\$4,861,922	\$3,242,754	-\$561,280

Revenues by Source

Historical Revenue by Source



FY26 Revenues by Source



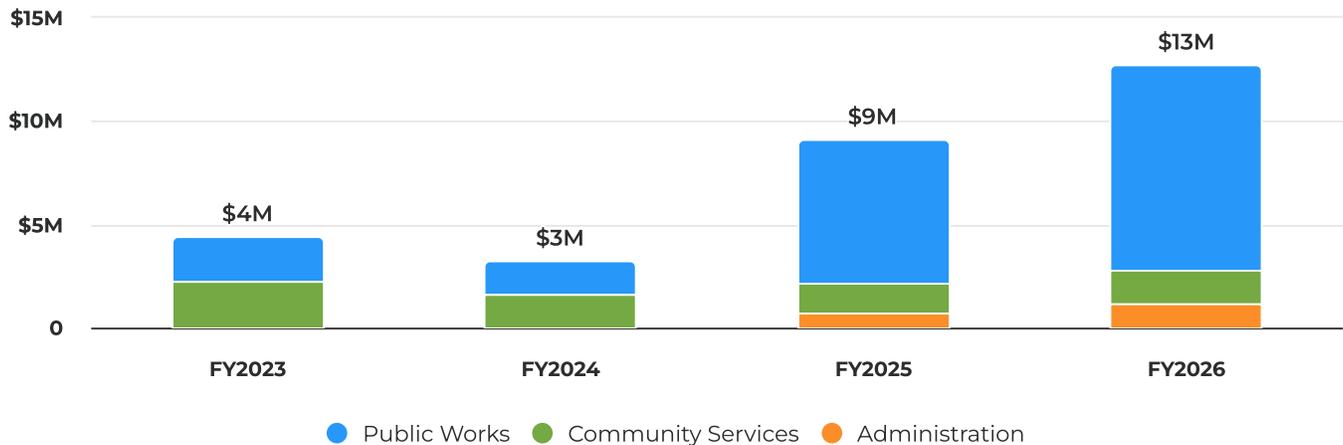
● Intergovernmental Revenue	\$2,190,750	61.73%
● Taxes	\$1,188,207	33.48%
● Investment Earnings	\$170,000	4.79%

Revenues by Source

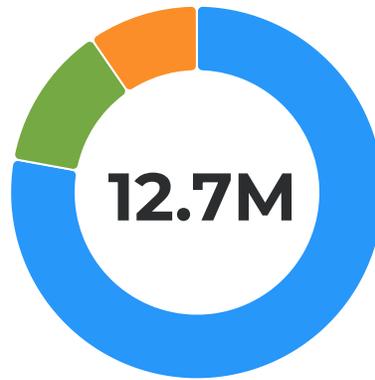
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$1,724,626	\$1,598,522	\$904,856	\$1,188,207	31.31%
Intergovernmental Revenue	\$140,284	\$376,783	\$2,652,500	\$2,190,750	-17.41%
Other	-	\$12,000	-	-	-
Investment Earnings	\$132,253	\$407,771	\$10,000	\$170,000	1,600.00%
Total Revenues	\$1,997,163	\$2,395,076	\$3,567,356	\$3,548,957	-0.52%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department



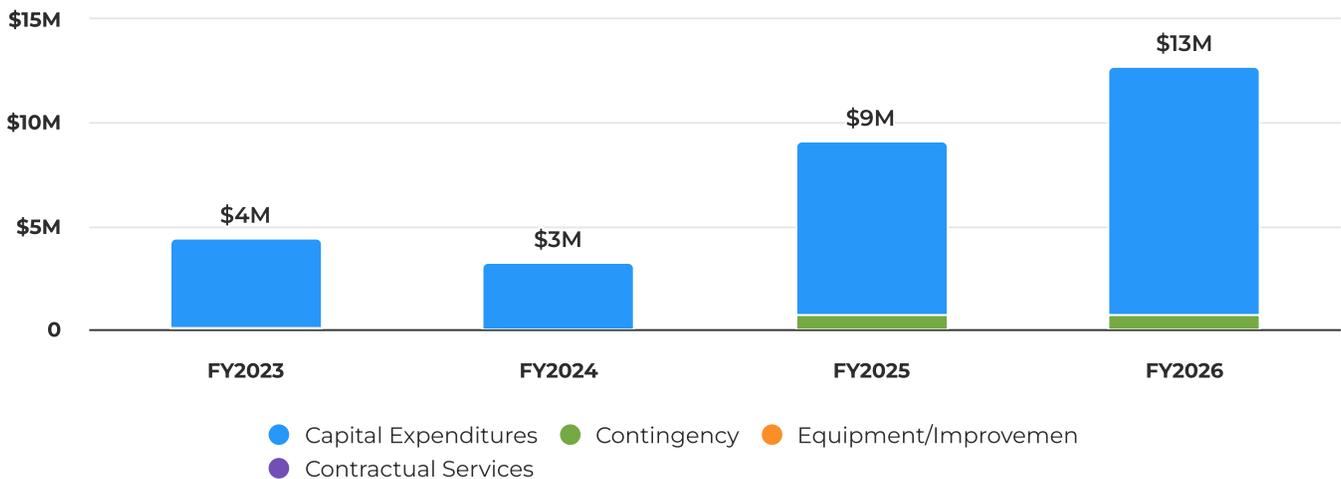
● Public Works	\$9,900,000	77.87%
● Community Services	\$1,595,000	12.55%
● Administration	\$1,217,800	9.58%

Expenditures by Department

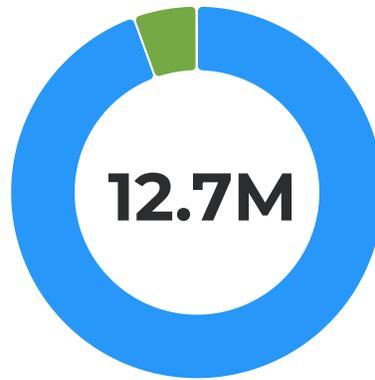
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Administration	\$1,215	\$506	\$677,800	\$1,217,800	79.67%
Public Works	\$2,157,591	\$1,605,869	\$6,885,000	\$9,900,000	43.79%
Community Services	\$2,231,601	\$1,618,778	\$1,530,000	\$1,595,000	4.25%
Total Expenditures	\$4,390,407	\$3,225,153	\$9,092,800	\$12,712,800	39.81%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Capital Expenditures	\$12,010,000	94.47%
● Contingency	\$700,000	5.51%
● Contractual Services	\$2,800	0.02%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Contingency	-	-	\$675,000	\$700,000	3.70%
Capital Expenditures	\$4,338,774	\$3,224,647	\$8,415,000	\$12,010,000	42.72%
Contractual Services	\$1,215	\$506	\$2,800	\$2,800	0.00%
Equipment/Improvement	\$50,418	-	-	-	-
Total Expenditures	\$4,390,407	\$3,225,153	\$9,092,800	\$12,712,800	39.81%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Committed	\$5,691,999.00	\$8,768,198.00	\$8,602,563.00	\$9,000,000.00	4.62%
Total Fund Balance	\$5,691,999.00	\$8,768,198.00	\$8,602,563.00	\$9,000,000.00	4.62%

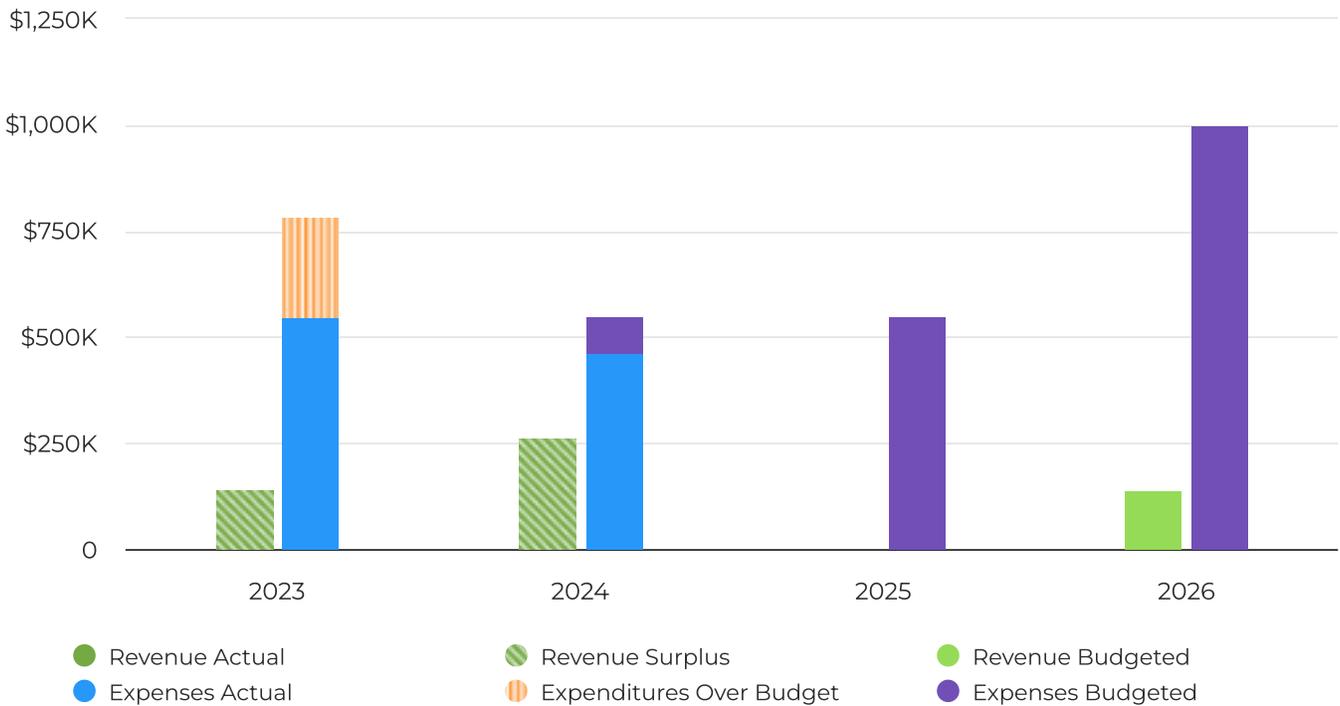
Facilities Reserve Fund

The **Facilities Reserve Fund (Fund 610)** has been established to cover replacement costs for large-scale items that cannot be absorbed in annual operating budgets. These items include, but are not limited to, roofing, interior and exterior building painting, carpet replacement, physical plant mechanical equipment, and parks and recreation structures.

Summary

The Town of Fountain Hills is projecting \$140K of revenue in FY2026, which represents a large increase over the prior year. Budgeted expenditures are projected to increase by 81.8% or \$550K to \$1M in FY2026. The Town also funds these operations with budgeted transfers from the General Fund and this fund has been used to accumulate savings for the future Lake Liner project.

Revenues vs Expenditures Summary



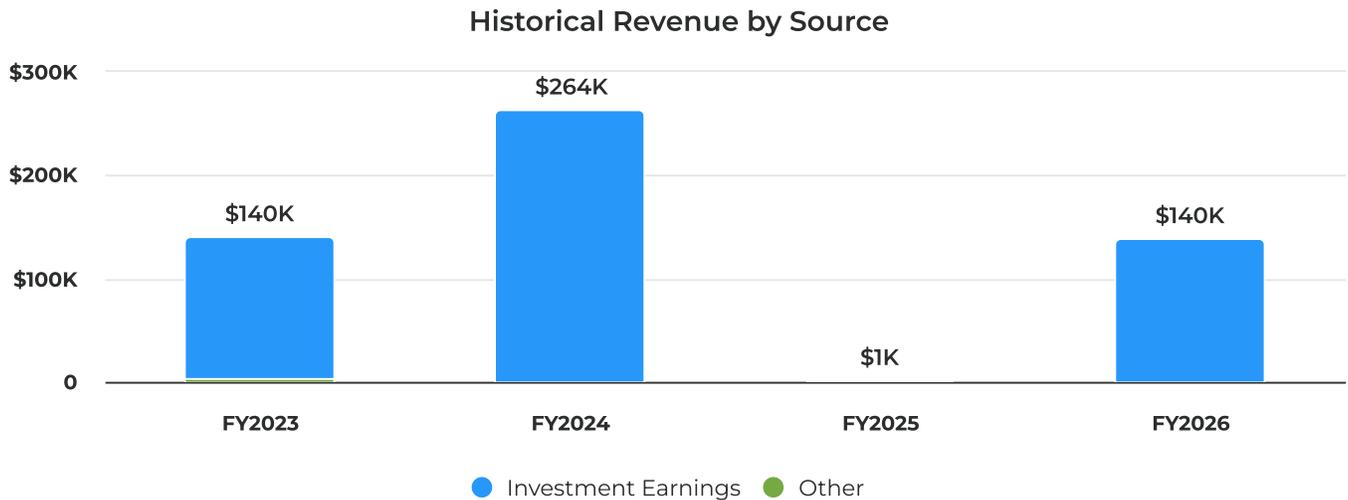
For FY26, staff are proposing increasing the Facilities Reserve Fund budget from \$550K to \$1M. This proposed increase is to account for necessary repairs and maintenance across Town facilities and is based on a Facilities Reserve Study completed by a separate consulting firm that recommended almost \$1M to be set aside for these purposes each fiscal year.

Comprehensive Fund Summary

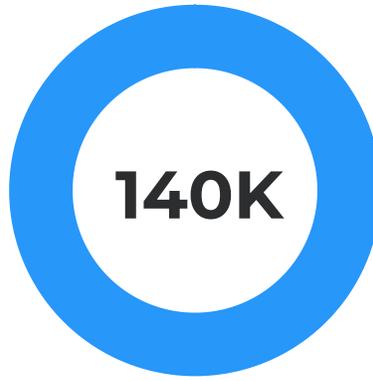
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$5,925,920	\$6,784,056	\$5,384,668	\$7,295,409
Revenues				
Other	\$4,000	-	-	-
Investment Earnings	\$136,114	\$264,030	\$1,000	\$140,000
Total Revenues	\$140,114	\$264,030	\$1,000	\$140,000
Expenditures				
Contingency	-	-	\$550,000	\$1,000,000
Capital Expenditures	-	\$22,857	-	-
Maintenance & Repair	\$620,018	\$409,914	-	-
Contractual Services	\$2,164	\$5,092	-	-
Equipment/Improvement	\$159,797	\$25,556	-	-
Total Expenditures	\$781,979	\$463,419	\$550,000	\$1,000,000
Total Revenues Less Expenditures	-\$641,864	-\$199,388	-\$549,000	-\$860,000
Ending Fund Balance	\$5,284,056	\$6,584,668	\$4,835,668	\$6,435,409

Revenues by Source



FY26 Revenues by Source



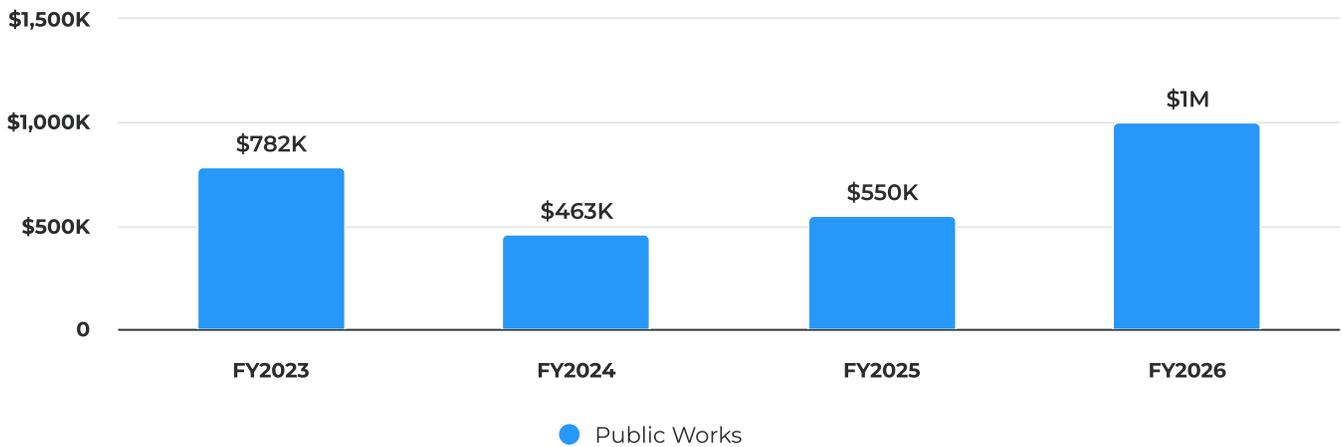
● Investment Earnings **\$140,000** 100.00%

Revenues by Source

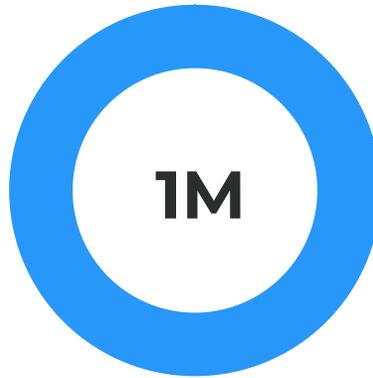
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Other	\$4,000	-	-	-	-
Investment Earnings	\$136,114	\$264,030	\$1,000	\$140,000	13,900.00%
Total Revenues	\$140,114	\$264,030	\$1,000	\$140,000	13,900.00%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department



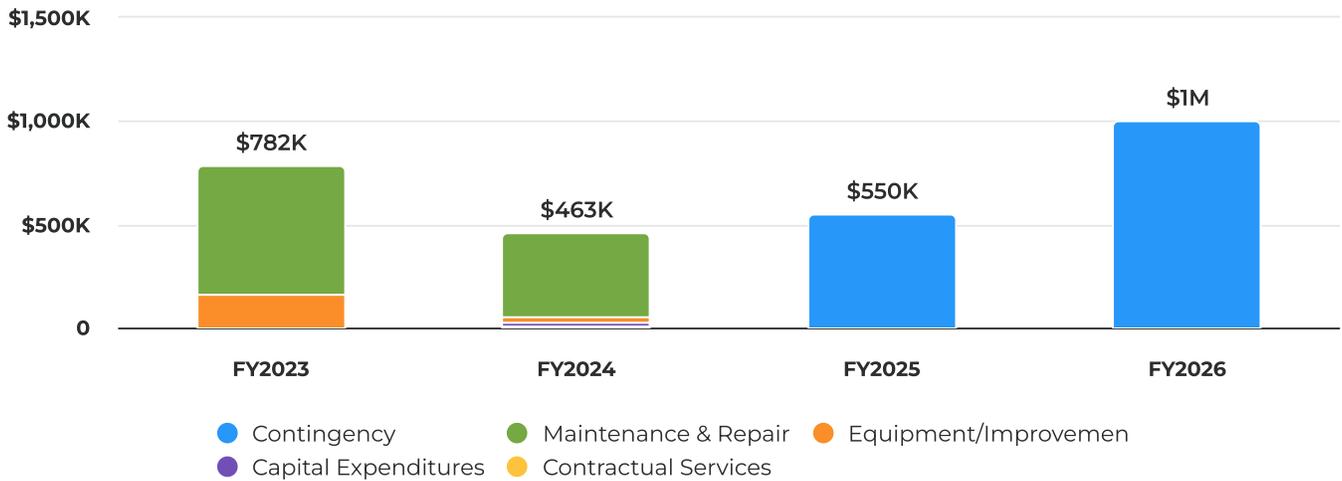
● Public Works \$1,000,000 100.00%

Expenditures by Department

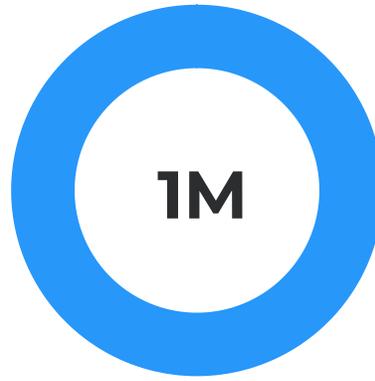
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Public Works	\$781,979	\$463,419	\$550,000	\$1,000,000	81.82%
Total Expenditures	\$781,979	\$463,419	\$550,000	\$1,000,000	81.82%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Contingency \$1,000,000 100.00%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Contingency	-	-	\$550,000	\$1,000,000	81.82%
Capital Expenditures	-	\$22,857	-	-	-
Maintenance & Repair	\$620,018	\$409,914	-	-	-
Contractual Services	\$2,164	\$5,092	-	-	-
Equipment/Improvement	\$159,797	\$25,556	-	-	-
Total Expenditures	\$781,979	\$463,419	\$550,000	\$1,000,000	81.82%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Assigned	\$6,784,056.00	\$5,384,668.00	\$7,295,409.00	\$7,000,000.00	-4.05%
Total Fund Balance	\$6,784,056.00	\$5,384,668.00	\$7,295,409.00	\$7,000,000.00	-4.05%

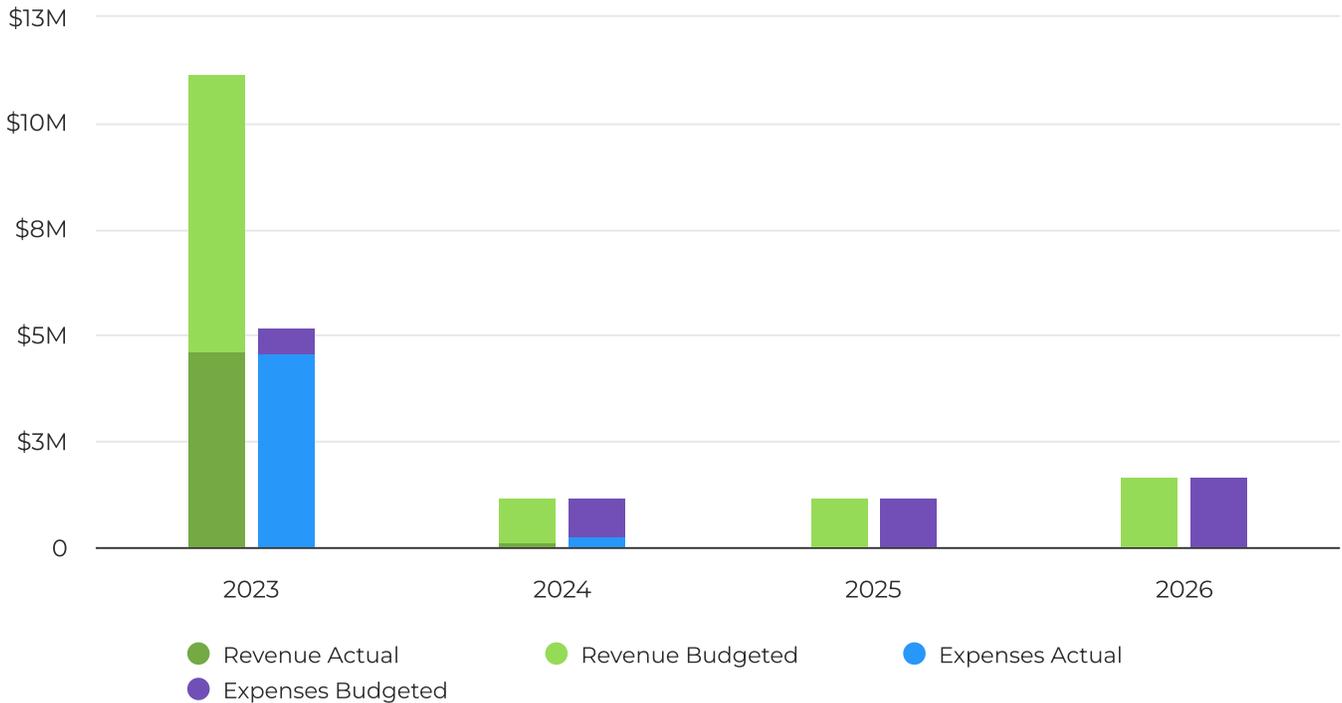
Special Revenue Fund

The **Special Revenue/Grants Fund (Fund 400)** is restricted by the terms of the individual grants or program funds received. An example of this would be state or federal grant funds. These funds are to be used only for the specific program or programs for which the funds have been awarded and in accordance with all the grant conditions.

Summary

The Town of Fountain Hills is projecting \$1.69M of revenue in FY2026, which represents a 42.0% increase over the prior year. Budgeted expenditures are projected to increase by 42.0% or \$500K to \$1.69M in FY2026.

Revenues vs Expenditures Summary



For FY26, staff are proposing increasing the Special Revenue Fund budget from \$1.19M to \$1.69M, to account for possible additional grant opportunities.

Comprehensive Fund Summary

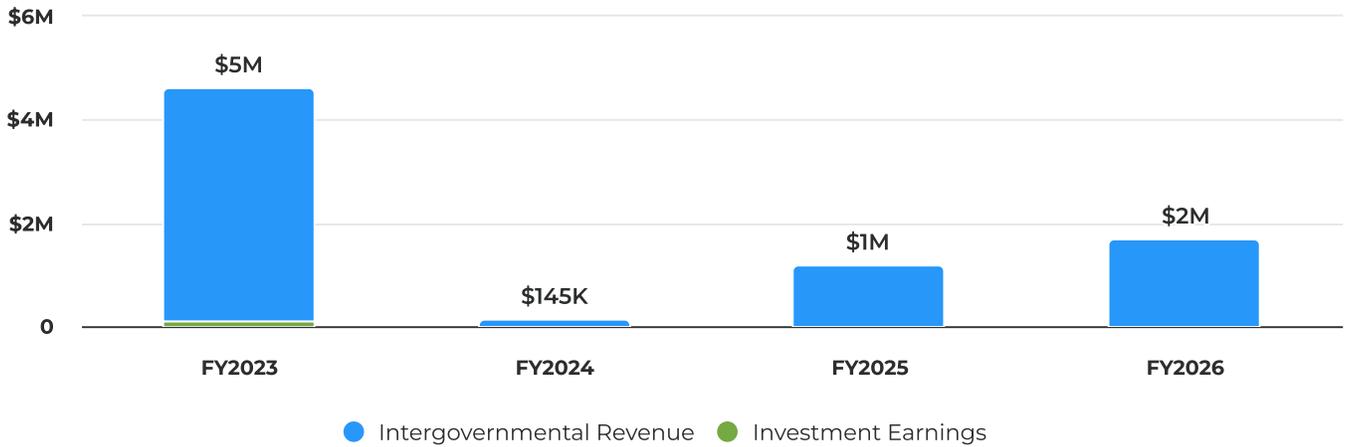
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$8,441	\$73,163	\$121,032	\$100,000
Revenues				
Intergovernmental Revenue	\$4,537,354	\$129,589	\$1,190,000	\$1,690,000

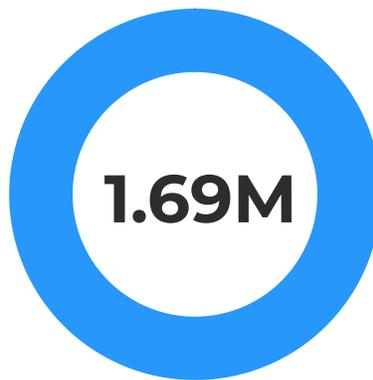
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Investment Earnings	\$95,043	\$15,303	-	-
Total Revenues	\$4,632,397	\$144,892	\$1,190,000	\$1,690,000
Expenditures				
Contingency	-	-	\$1,000,000	\$1,500,000
Capital Expenditures	-	\$11,000	-	-
Maintenance & Repair	\$1,525	\$1,647	-	-
Contractual Services	\$4,595,500	\$257,829	\$190,000	\$190,000
Equipment/Improvement	-	\$5,660	-	-
Total Expenditures	\$4,597,025	\$276,137	\$1,190,000	\$1,690,000
Total Revenues Less Expenditures	\$35,372	-\$131,245	-	-
Ending Fund Balance	\$43,813	-\$58,082	\$121,032	\$100,000

Revenues by Source

Historical Revenue by Revenue Source



FY26 Revenues by Source

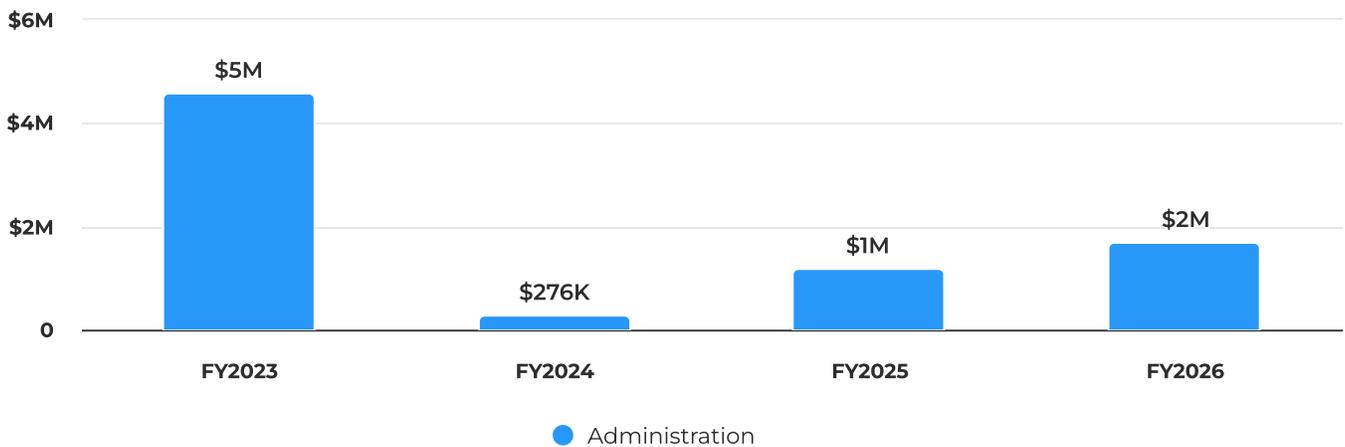


Revenues by Source

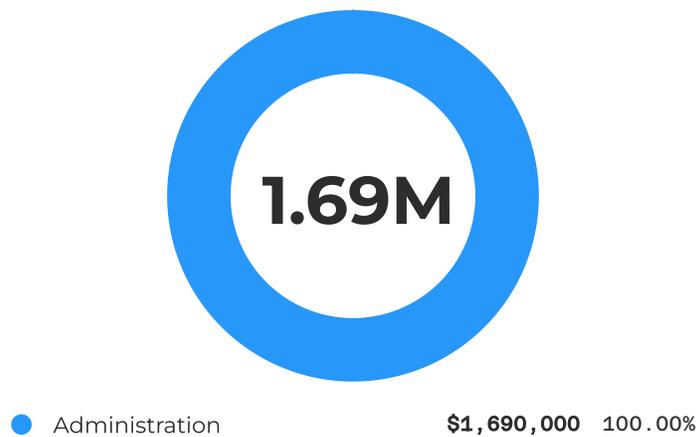
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Intergovernmental Revenue	\$4,537,354	\$129,589	\$1,190,000	\$1,690,000	42.02%
Investment Earnings	\$95,043	\$15,303	-	-	-
Total Revenues	\$4,632,397	\$144,892	\$1,190,000	\$1,690,000	42.02%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department



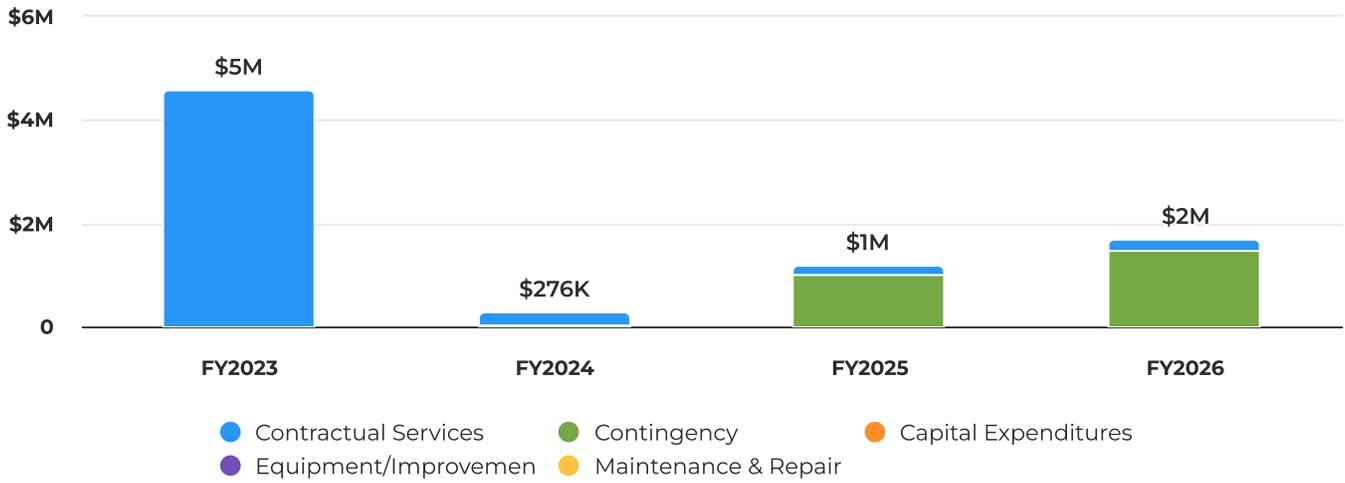
Expenditures by Department

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Administration	\$4,597,025	\$276,137	\$1,190,000	\$1,690,000	42.02%

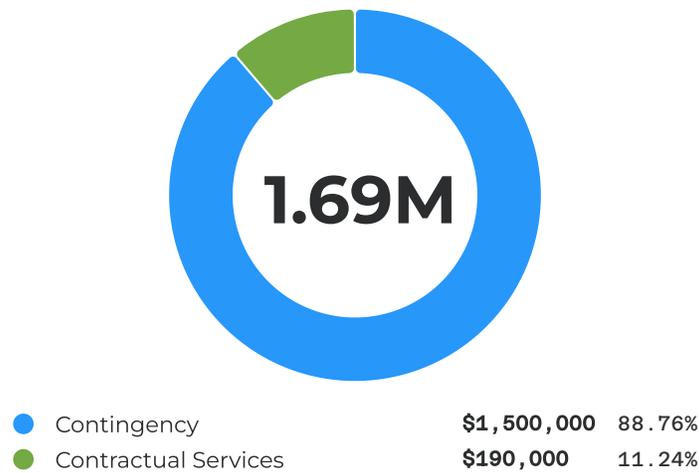
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Total Expenditures	\$4,597,025	\$276,137	\$1,190,000	\$1,690,000	42.02%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



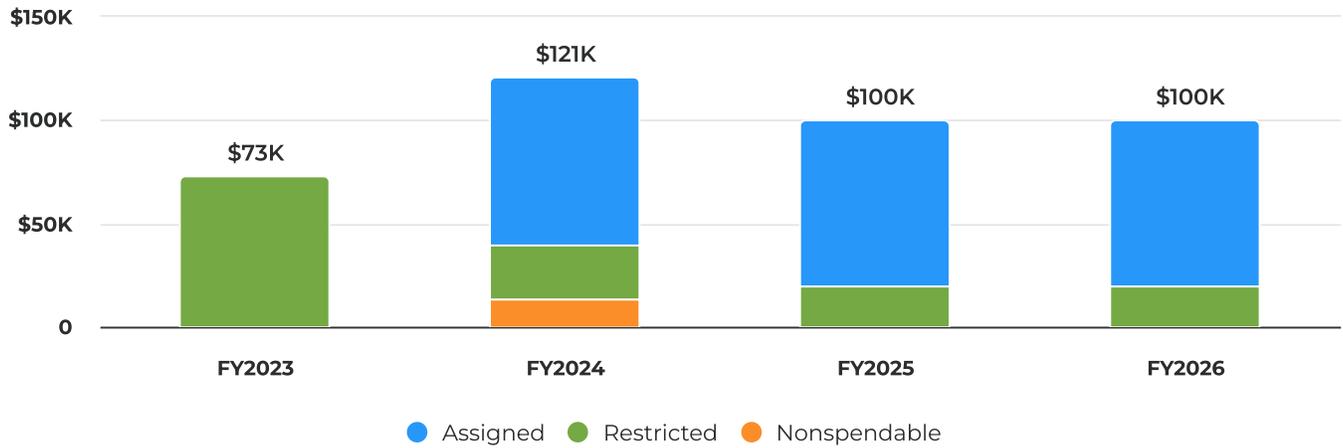
Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Contingency	-	-	\$1,000,000	\$1,500,000	50.00%
Capital Expenditures	-	\$11,000	-	-	-
Maintenance & Repair	\$1,525	\$1,647	-	-	-
Contractual Services	\$4,595,500	\$257,829	\$190,000	\$190,000	0.00%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Equipment/Improvement	-	\$5,660	-	-	-
Total Expenditures	\$4,597,025	\$276,137	\$1,190,000	\$1,690,000	42.02%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Assigned	-	\$80,902.00	\$80,000.00	\$80,000.00	0.00%
Restricted	\$73,163.00	\$26,630.00	\$20,000.00	\$20,000.00	0.00%
Nonspendable	-	\$13,500.00	-	-	-
Total Fund Balance	\$73,163.00	\$121,032.00	\$100,000.00	\$100,000.00	-

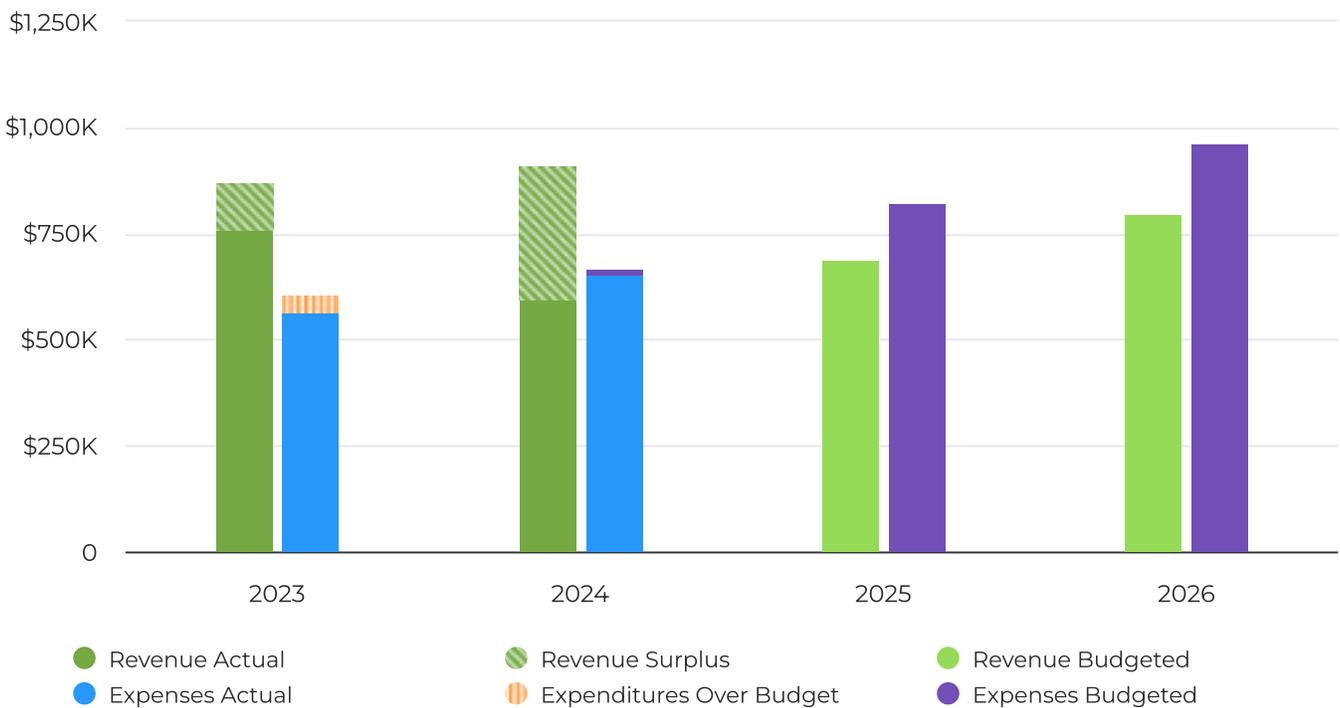
Economic Development Funds

The Economic Development Division operates out of these three funds: **Economic Development Fund, Downtown Strategy Fund, and Tourism Fund** which have been established to account for local sales tax revenues to be used for these purposes. The Town deposits 0.08% and 0.02% of local sales tax collections into the Economic Development Fund and Downtown Strategy Fund, respectively, and deposits Tourism grant revenues and transfers into the Tourism Fund.

Summary

The Town of Fountain Hills is projecting \$798.76K of revenue in FY2026, which represents a 15.5% increase over the prior year. Budgeted expenditures are projected to increase by 17.1% or \$140.34K to \$963.21K in FY2026.

Revenues vs Expenditures Summary



Comprehensive Fund Summary

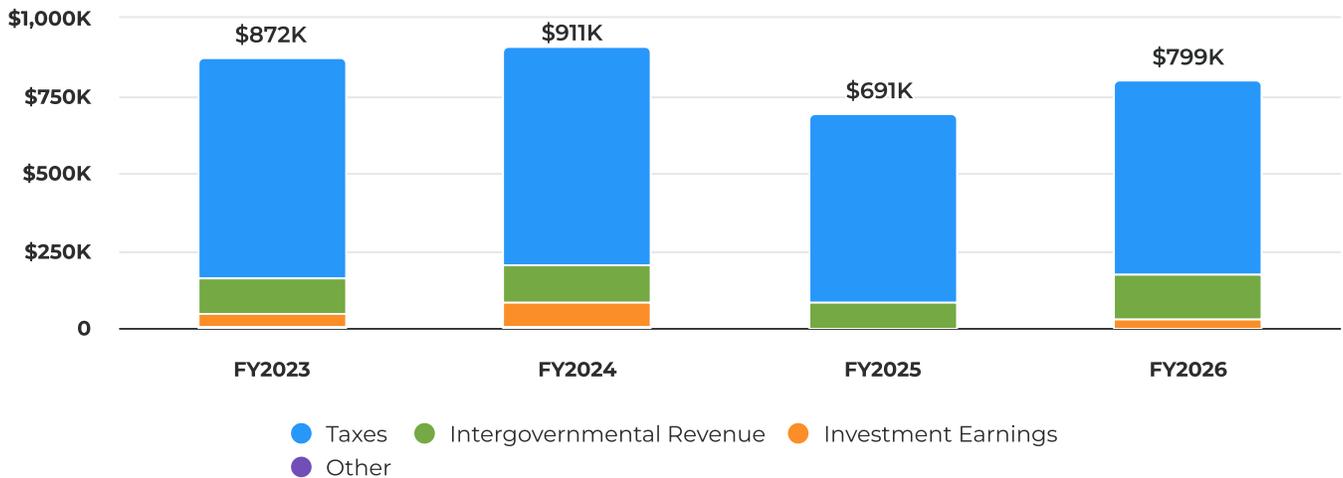
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$1,044,849	\$1,353,076	\$1,618,138	\$1,974,960
Revenues				
Taxes	\$709,872	\$708,963	\$606,286	\$621,163
Intergovernmental Revenue	\$113,360	\$119,793	\$84,000	\$150,000
Other	\$8,572	\$3,642	-	-

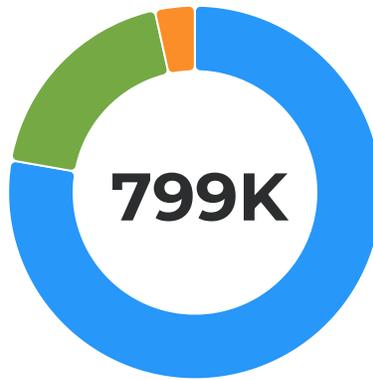
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Investment Earnings	\$40,305	\$78,452	\$1,020	\$27,596
Total Revenues	\$872,109	\$910,850	\$691,306	\$798,759
Expenditures				
Payroll Expenses	\$217,803	\$248,750	\$286,525	\$292,219
Internal Service	\$2,283	\$1,713	\$2,008	\$2,008
Transfers Out	\$97,340	-	-	-
Dues & Memberships	\$9,470	\$2,605	\$1,854	\$1,854
Meetings & Training	\$3,275	\$4,826	\$9,820	\$9,820
Maintenance & Repair	\$77,897	\$40,130	\$71,905	\$76,905
Utilities	-	-	\$2,050	\$2,050
Contractual Services	\$172,061	\$347,295	\$440,429	\$570,078
Supplies	\$29,091	\$11,681	\$7,280	\$7,280
Equipment/Improvement	\$43	-	\$1,000	\$1,000
Total Expenditures	\$609,263	\$657,000	\$822,871	\$963,214
Total Revenues Less Expenditures	\$262,846	\$253,850	-\$131,565	-\$164,455
Ending Fund Balance	\$1,307,695	\$1,606,926	\$1,486,573	\$1,810,505

Revenues by Source

Historical Revenue by Source



FY26 Revenues by Source



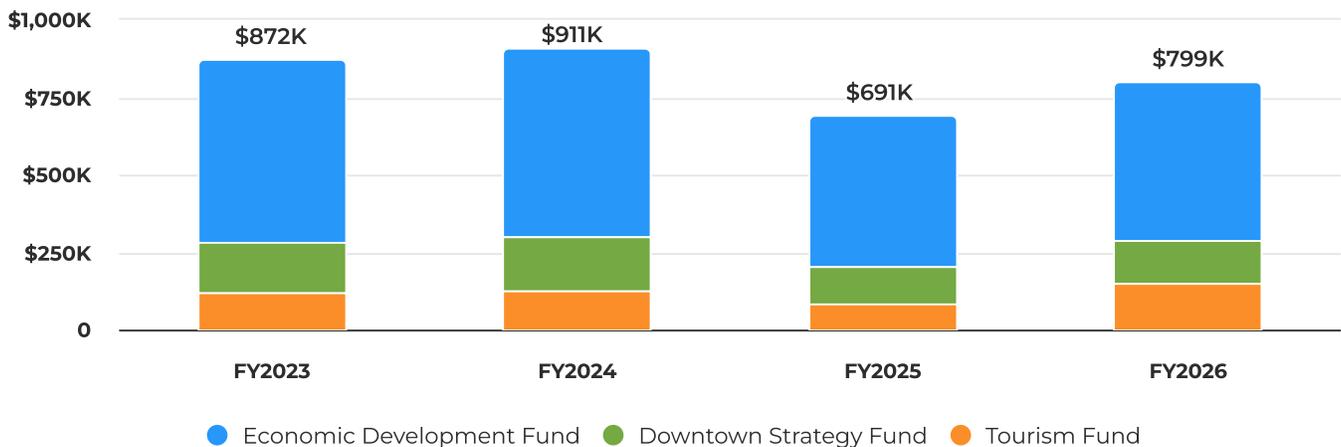
● Taxes	\$621,163	77.77%
● Intergovernmental Revenue	\$150,000	18.78%
● Investment Earnings	\$27,596	3.45%

Revenues by Source

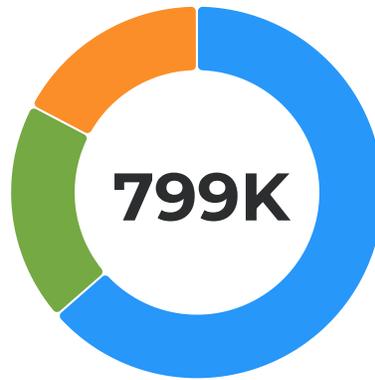
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$709,872	\$708,963	\$606,286	\$621,163	2.45%
Intergovernmental Revenue	\$113,360	\$119,793	\$84,000	\$150,000	78.57%
Other	\$8,572	\$3,642	-	-	-
Investment Earnings	\$40,305	\$78,452	\$1,020	\$27,596	2,605.49%
Total Revenues	\$872,109	\$910,850	\$691,306	\$798,759	15.54%

Revenues by Fund

Historical Revenue by Fund



FY26 Revenues by Fund



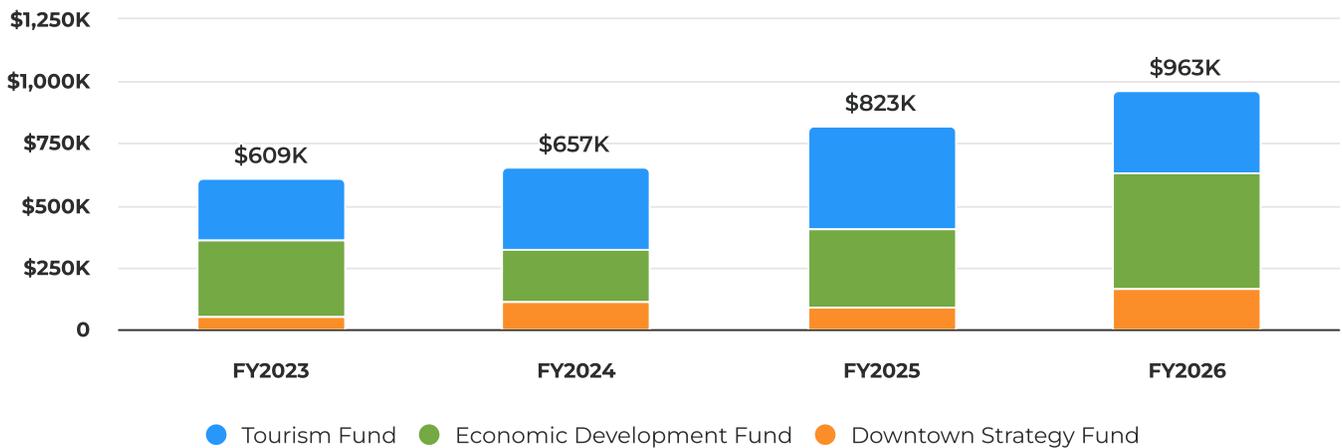
● Economic Development Fund	\$507,696	63.56%
● Tourism Fund	\$153,000	19.15%
● Downtown Strategy Fund	\$138,063	17.28%

Revenues by Fund

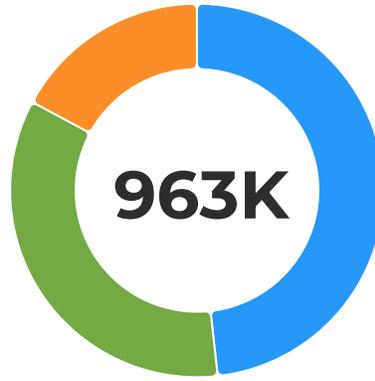
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Downtown Strategy Fund	\$161,955	\$175,491	\$121,857	\$138,063	13.30%
Economic Development Fund	\$588,144	\$607,835	\$485,269	\$507,696	4.62%
Tourism Fund	\$122,010	\$127,524	\$84,180	\$153,000	81.75%
Total Revenues	\$872,109	\$910,850	\$691,306	\$798,759	15.54%

Expenditures by Fund

Historical Expenditures by Fund



FY26 Expenditures by Fund



● Economic Development Fund	\$464,589	48.23%
● Tourism Fund	\$333,425	34.62%
● Downtown Strategy Fund	\$165,200	17.15%

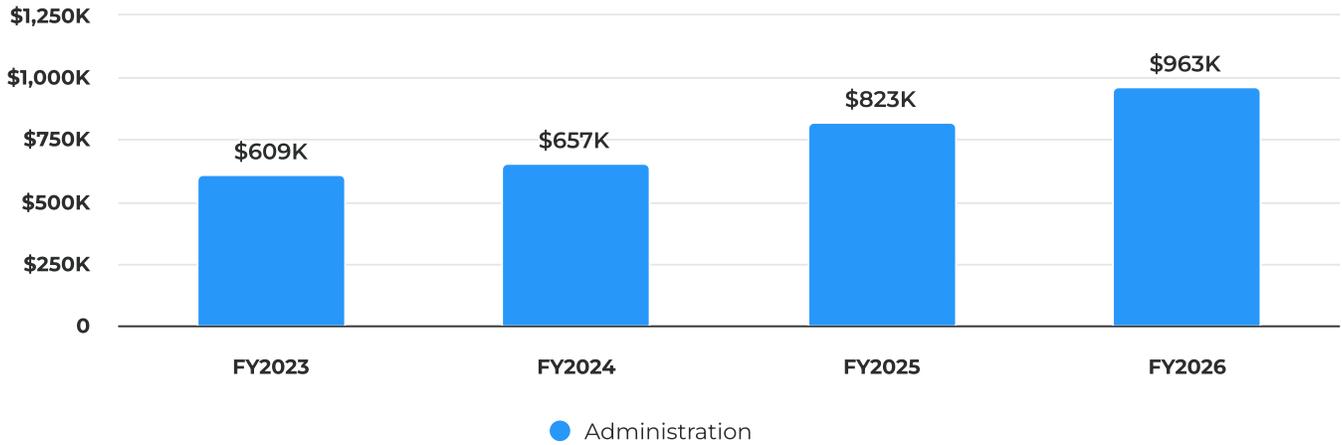
Expenditures by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Downtown Strategy Fund	\$54,622.84	\$109,909.93	\$90,200.00	\$165,200.00	83.15%
Economic Development Fund	\$306,815.72	\$216,702.66	\$315,293.00	\$464,589.00	47.35%
Tourism Fund	\$247,824.30	\$330,387.04	\$417,378.00	\$333,425.00	-20.11%
Total Expenditures	\$609,262.86	\$656,999.63	\$822,871.00	\$963,214.00	17.06%

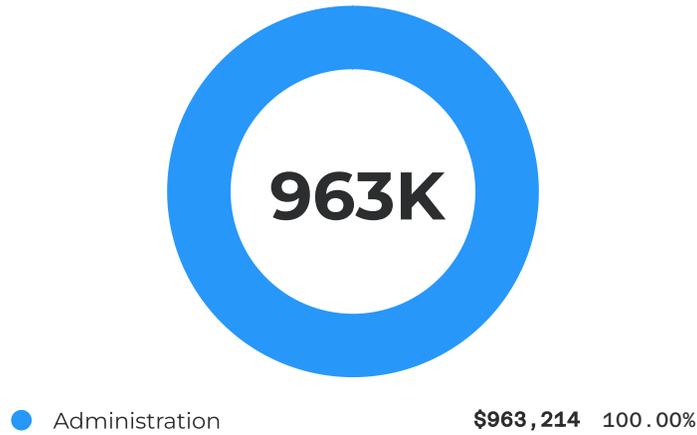
Up through FY2025, the Economic Development Analyst position was paid from the Tourism Fund. Beginning in FY2026, the Town will begin paying for the Analyst's payroll expenses from the Economic Development Fund, which explains why expenditures shifted between funds for FY2026 in the table above. This move was made because the Economic Development Fund has stronger revenue sources and more existing fund balance than the Tourism Fund.

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department

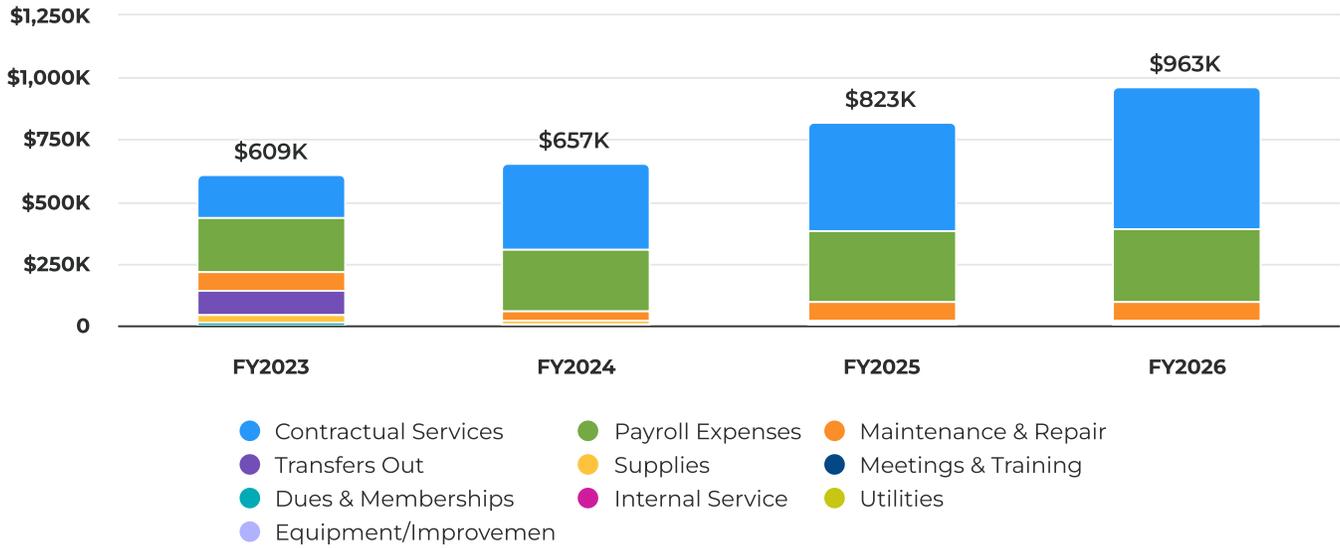


Expenditures by Department

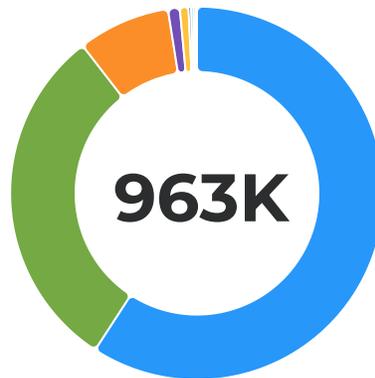
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Administration	\$609,263	\$657,000	\$822,871	\$963,214	17.06%
Total Expenditures	\$609,263	\$657,000	\$822,871	\$963,214	17.06%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Object	Amount	Percentage
Contractual Services	\$570,078	59.18%
Payroll Expenses	\$292,219	30.34%
Maintenance & Repair	\$76,905	7.98%
Meetings & Training	\$9,820	1.02%
Supplies	\$7,280	0.76%
Utilities	\$2,050	0.21%
Internal Service	\$2,008	0.21%
Dues & Memberships	\$1,854	0.19%
Equipment/Improvement	\$1,000	0.10%

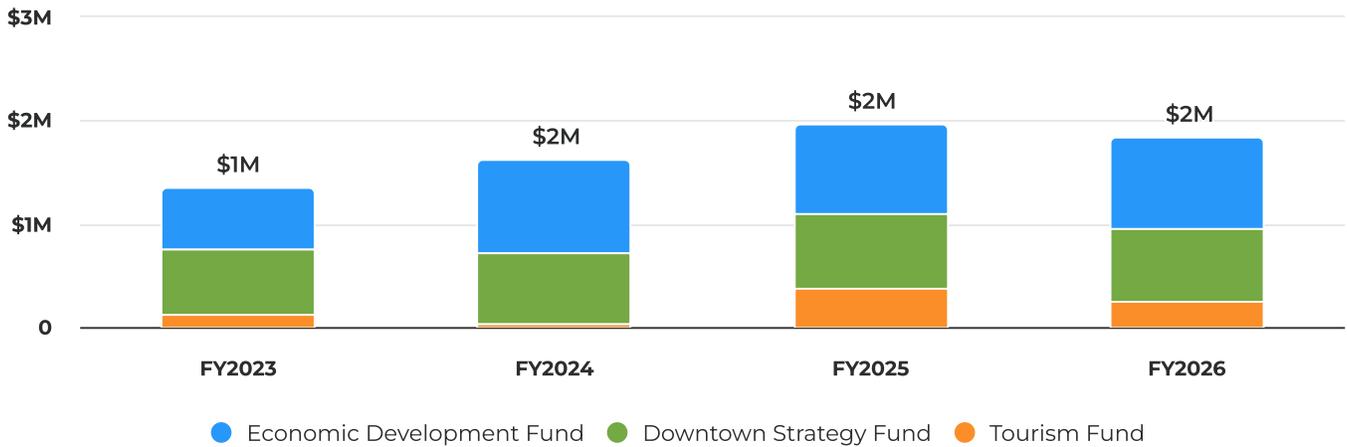
Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$217,803	\$248,750	\$286,525	\$292,219	1.99%
Internal Service	\$2,283	\$1,713	\$2,008	\$2,008	0.00%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Transfers Out	\$97,340	-	-	-	-
Dues & Memberships	\$9,470	\$2,605	\$1,854	\$1,854	0.00%
Meetings & Training	\$3,275	\$4,826	\$9,820	\$9,820	0.00%
Maintenance & Repair	\$77,897	\$40,130	\$71,905	\$76,905	6.95%
Utilities	-	-	\$2,050	\$2,050	0.00%
Contractual Services	\$172,061	\$347,295	\$440,429	\$570,078	29.44%
Supplies	\$29,091	\$11,681	\$7,280	\$7,280	0.00%
Equipment/Improvement	\$43	-	\$1,000	\$1,000	0.00%
Total Expenditures	\$609,263	\$657,000	\$822,871	\$963,214	17.06%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Downtown Strategy Fund	\$625,922.00	\$691,503.00	\$722,556.00	\$700,000.00	-3.12%
Economic Development Fund	\$592,942.00	\$888,323.00	\$867,327.00	\$900,000.00	3.77%
Tourism Fund	\$134,212.00	\$38,312.00	\$385,077.00	\$250,000.00	-35.08%
Total Fund Balance	\$1,353,076.00	\$1,618,138.00	\$1,974,960.00	\$1,850,000.00	-6.33%

All NonMajor Funds

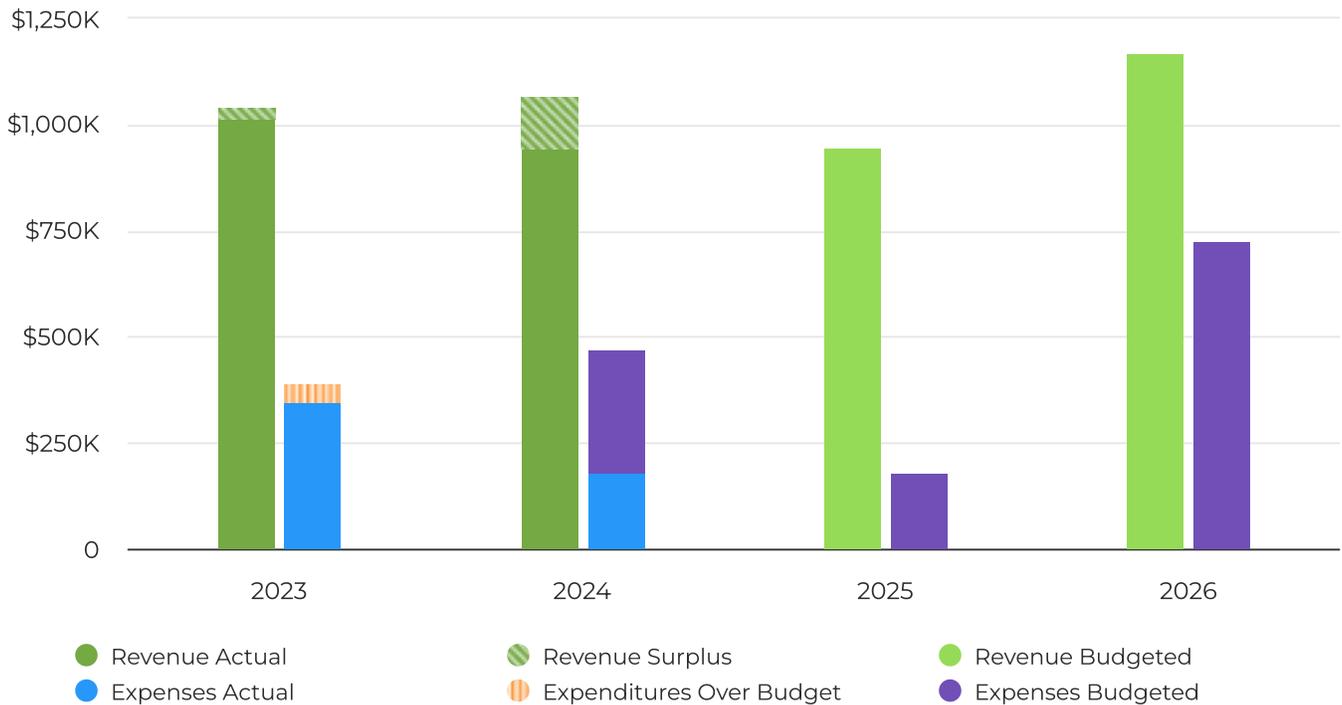
All 11 other funds are presented on this page, including the following:

Streets, Fire, and Park Development Impact Fees (Capital Funds); Public Art Fund; Court Enhancement Fund; Cottonwoods Maintenance District (special taxing legally separate district); Eagle Mountain Community Facilities District (special taxing legally separate district); Technology and Vehicle Replacement Funds (Internal Service); General Obligation Bond and Municipal Property Corporation Funds (Debt Service)

Summary

The Town of Fountain Hills is projecting \$1.17M of revenue across all 11 non-major funds in FY2026, which represents a 23.7% increase over the prior year. Budgeted expenditures are projected to increase by 306.8% or \$548K to \$727.43K in FY2026. This planned increase is primarily attributed to the replacing of a Fire Department Brush Truck and a Public Works street vehicle in FY2026, which will be paid out of the Vehicle Replacement Fund.

Revenues vs Expenditures Summary



Comprehensive Fund Summary

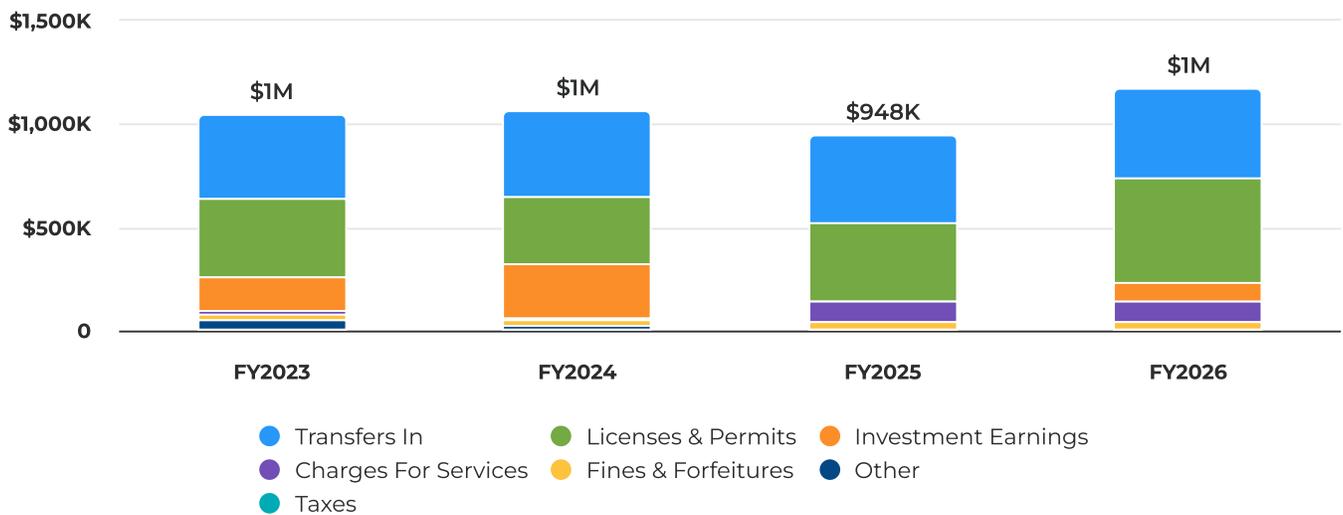
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Beginning Fund Balance	\$4,355,888	\$5,021,344	\$5,525,415	\$6,626,577
Revenues				

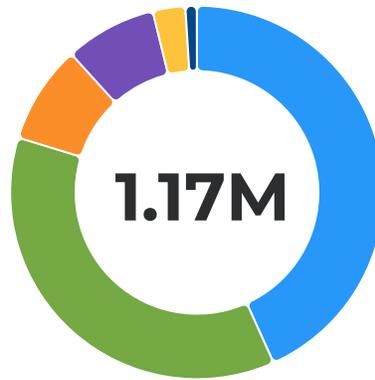
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted
Taxes	\$7,908	\$9,841	\$9,768	\$11,606
Transfers In	\$404,821	\$419,994	\$419,994	\$427,378
Licenses & Permits	\$380,962	\$323,749	\$379,550	\$507,465
Charges For Services	\$16,193	\$5,000	\$100,000	\$100,000
Other	\$42,326	\$20,725	-	-
Fines & Forfeitures	\$28,535	\$28,097	\$33,000	\$33,000
Investment Earnings	\$164,400	\$262,023	\$5,612	\$92,722
Total Revenues	\$1,045,143	\$1,069,428	\$947,924	\$1,172,171
Expenditures				
Transfers Out	\$275,000	-	-	-
Contingency	-	-	\$60,000	\$84,000
Capital Expenditures	\$39,602	\$93,222	-	\$454,100
Debt Service	-	-	\$20,350	\$850
Dues & Memberships	\$10	\$10	\$10	\$10
Maintenance & Repair	\$18,307	\$30,925	\$33,930	\$36,250
Contractual Services	\$12,978	\$13,298	\$16,962	\$104,669
Supplies	-	-	\$50	\$50
Equipment/Improvement	\$44,776	\$45,000	\$47,500	\$47,500
Total Expenditures	\$390,673	\$182,455	\$178,802	\$727,429
Total Revenues Less Expenditures	\$654,470	\$886,974	\$769,122	\$444,742
Ending Fund Balance	\$5,010,358	\$5,908,318	\$6,294,537	\$7,071,319

Revenues by Source

Historical Revenue by Revenue Source



FY26 Revenues by Source



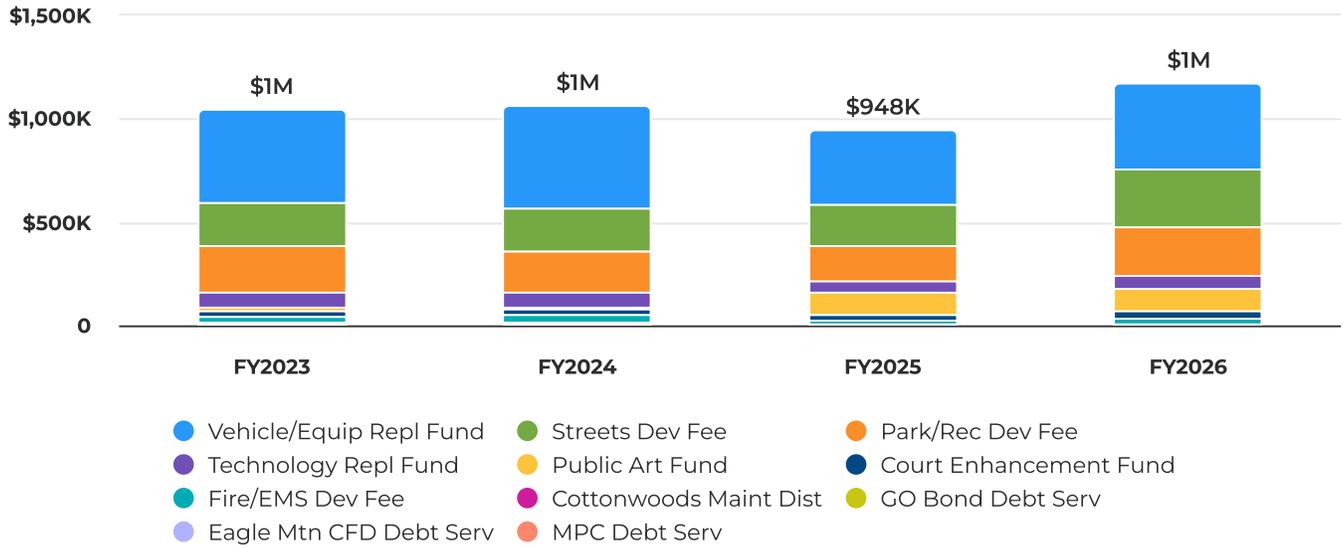
● Licenses & Permits	\$507,465	43.29%
● Transfers In	\$427,378	36.46%
● Charges For Services	\$100,000	8.53%
● Investment Earnings	\$92,722	7.91%
● Fines & Forfeitures	\$33,000	2.82%
● Taxes	\$11,606	0.99%

Revenues by Source

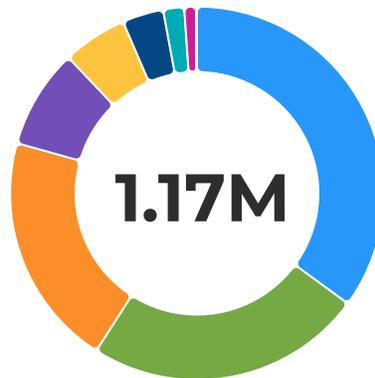
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$7,907.57	\$9,840.72	\$9,768.00	\$11,606.00	18.82%
Transfers In	\$404,821.00	\$419,994.00	\$419,994.00	\$427,378.00	1.76%
Licenses & Permits	\$380,961.65	\$323,749.02	\$379,550.00	\$507,465.00	33.70%
Charges For Services	\$16,192.50	\$5,000.00	\$100,000.00	\$100,000.00	0.00%
Other	\$42,325.68	\$20,725.00	-	-	-
Fines & Forfeitures	\$28,534.85	\$28,096.89	\$33,000.00	\$33,000.00	0.00%
Investment Earnings	\$164,399.78	\$262,022.86	\$5,612.00	\$92,722.00	1,552.21%
Total Revenues	\$1,045,143.03	\$1,069,428.49	\$947,924.00	\$1,172,171.00	23.66%

Revenues by Fund

Historical Revenue by Fund



FY26 Revenues by Fund



Vehicle/Equip Repl Fund	\$410,919	35.06%
Streets Dev Fee	\$281,368	24.00%
Park/Rec Dev Fee	\$237,728	20.28%
Public Art Fund	\$100,820	8.60%
Technology Repl Fund	\$65,511	5.59%
Court Enhancement Fund	\$41,789	3.57%
Fire/EMS Dev Fee	\$21,330	1.82%
Cottonwoods Maint Dist	\$12,006	1.02%
GO Bond Debt Serv	\$500	0.04%
MPC Debt Serv	\$200	0.02%

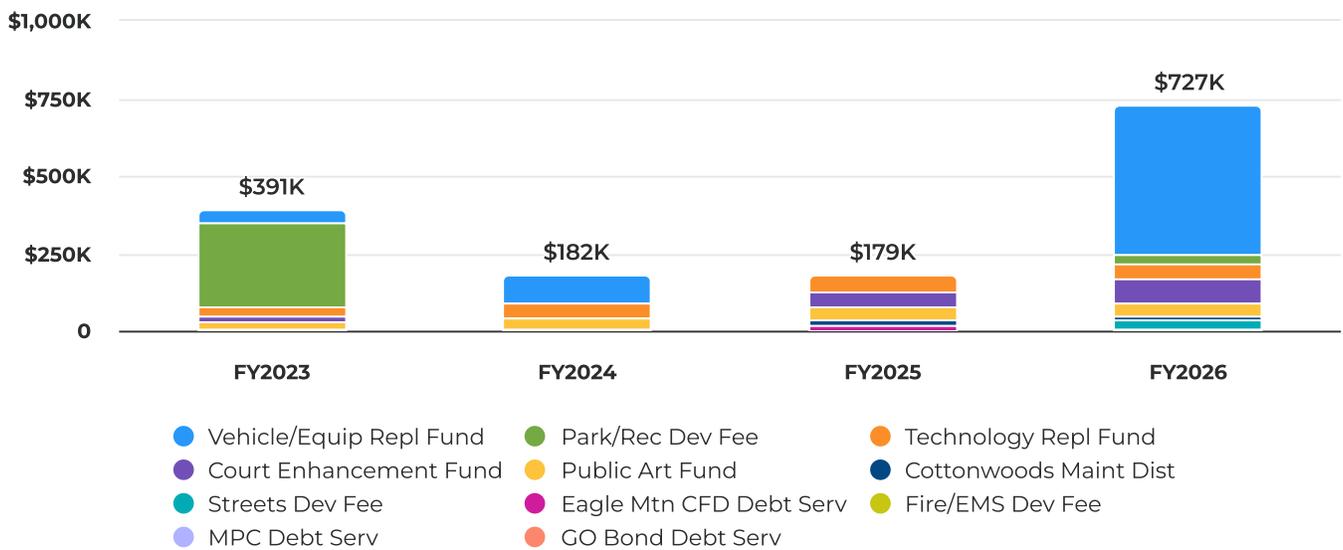
Revenues by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Public Art Fund	\$19,699	\$7,904	\$100,240	\$100,820	0.58%

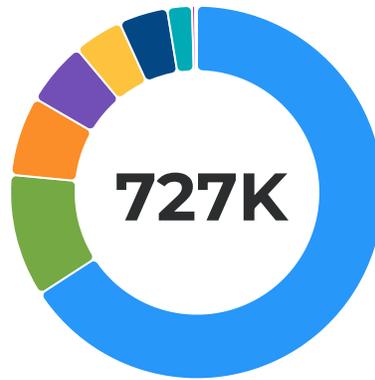
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Court Enhancement Fund	\$28,696	\$28,255	\$33,300	\$41,789	25.49%
GO Bond Debt Serv	\$4,711	\$8,535	\$600	\$500	-16.67%
Eagle Mtn CFD Debt Serv	\$710	\$1,062	\$100	-	-100.00%
MPC Debt Serv	\$402	\$628	\$300	\$200	-33.33%
Cottonwoods Maint Dist	\$9,332	\$10,729	\$9,840	\$12,006	22.01%
Fire/EMS Dev Fee	\$30,676	\$31,756	\$13,780	\$21,330	54.79%
Streets Dev Fee	\$206,286	\$214,589	\$201,740	\$281,368	39.47%
Park/Rec Dev Fee	\$222,998	\$199,094	\$167,030	\$237,728	42.33%
Technology Repl Fund	\$70,389	\$70,653	\$62,000	\$65,511	5.66%
Vehicle/Equip Repl Fund	\$451,244	\$496,223	\$358,994	\$410,919	14.46%
Total Revenues	\$1,045,143	\$1,069,428	\$947,924	\$1,172,171	23.66%

Expenditures by Fund

Historical Expenditures by Fund



FY26 Expenditures by Fund



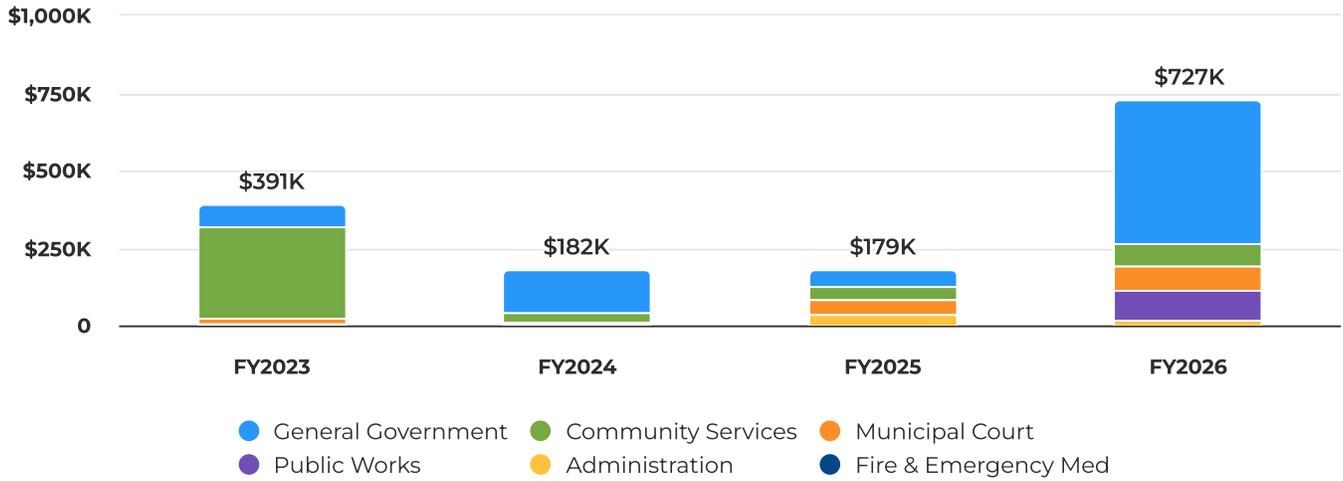
● Vehicle/Equip Repl Fund	\$479,100	65.86%
● Court Enhancement Fund	\$77,500	10.65%
● Technology Repl Fund	\$50,000	6.87%
● Public Art Fund	\$40,214	5.53%
● Streets Dev Fee	\$31,146	4.28%
● Park/Rec Dev Fee	\$30,840	4.24%
● Cottonwoods Maint Dist	\$15,605	2.15%
● Fire/EMS Dev Fee	\$1,964	0.27%
● MPC Debt Serv	\$510	0.07%
● GO Bond Debt Serv	\$350	0.05%
● Eagle Mtn CFD Debt Serv	\$200	0.03%

Expenditures by Fund

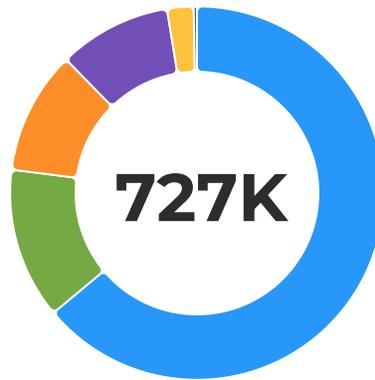
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Public Art Fund	\$23,756.49	\$31,463.59	\$41,761.00	\$40,214.00	-3.70%
Court Enhancement Fund	\$15,929.02	\$5,000.00	\$52,500.00	\$77,500.00	47.62%
GO Bond Debt Serv	-	-	\$350.00	\$350.00	0.00%
Eagle Mtn CFD Debt Serv	\$88.19	\$197.88	\$19,500.00	\$200.00	-98.97%
MPC Debt Serv	\$10.00	\$10.00	\$510.00	\$510.00	0.00%
Cottonwoods Maint Dist	\$7,351.20	\$7,560.88	\$14,181.00	\$15,605.00	10.04%
Fire/EMS Dev Fee	-	-	-	\$1,964.00	-
Streets Dev Fee	-	-	-	\$31,146.00	-
Park/Rec Dev Fee	\$275,000.00	-	-	\$30,840.00	-
Technology Repl Fund	\$28,936.07	\$45,000.00	\$50,000.00	\$50,000.00	0.00%
Vehicle/Equip Repl Fund	\$39,601.91	\$93,222.40	-	\$479,100.00	-
Total Expenditures	\$390,672.88	\$182,454.75	\$178,802.00	\$727,429.00	306.83%

Expenditures by Department

Historical Expenditures by Department



FY26 Expenditures by Department



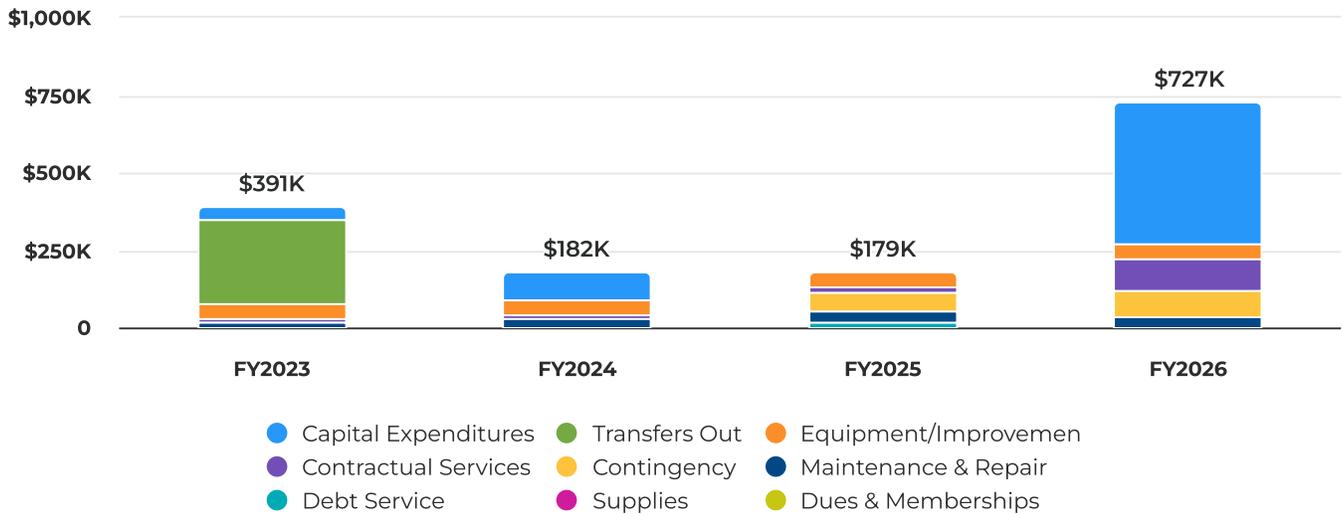
Department	Amount	Percentage
General Government	\$465,000	63.92%
Public Works	\$95,246	13.09%
Municipal Court	\$77,500	10.65%
Community Services	\$71,054	9.77%
Administration	\$16,665	2.29%
Fire & Emergency Med	\$1,964	0.27%

Expenditures by Department

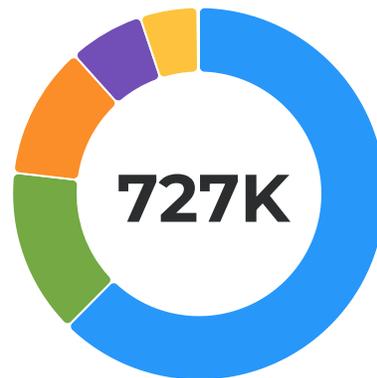
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Municipal Court	\$15,929	\$5,000	\$52,500	\$77,500	47.62%
Administration	\$7,449	\$7,769	\$34,541	\$16,665	-51.75%
General Government	\$68,538	\$138,222	\$50,000	\$465,000	830.00%
Public Works	-	-	-	\$95,246	-
Community Services	\$298,756	\$31,464	\$41,761	\$71,054	70.14%
Fire & Emergency Med	-	-	-	\$1,964	-
Total Expenditures	\$390,673	\$182,455	\$178,802	\$727,429	306.83%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Object Category	Amount (\$)	Percentage (%)
Capital Expenditures	\$454,100	62.43%
Contractual Services	\$104,669	14.39%
Contingency	\$84,000	11.55%
Equipment/Improvement	\$47,500	6.53%
Maintenance & Repair	\$36,250	4.98%
Debt Service	\$850	0.12%
Supplies	\$50	0.01%
Dues & Memberships	\$10	0.00%

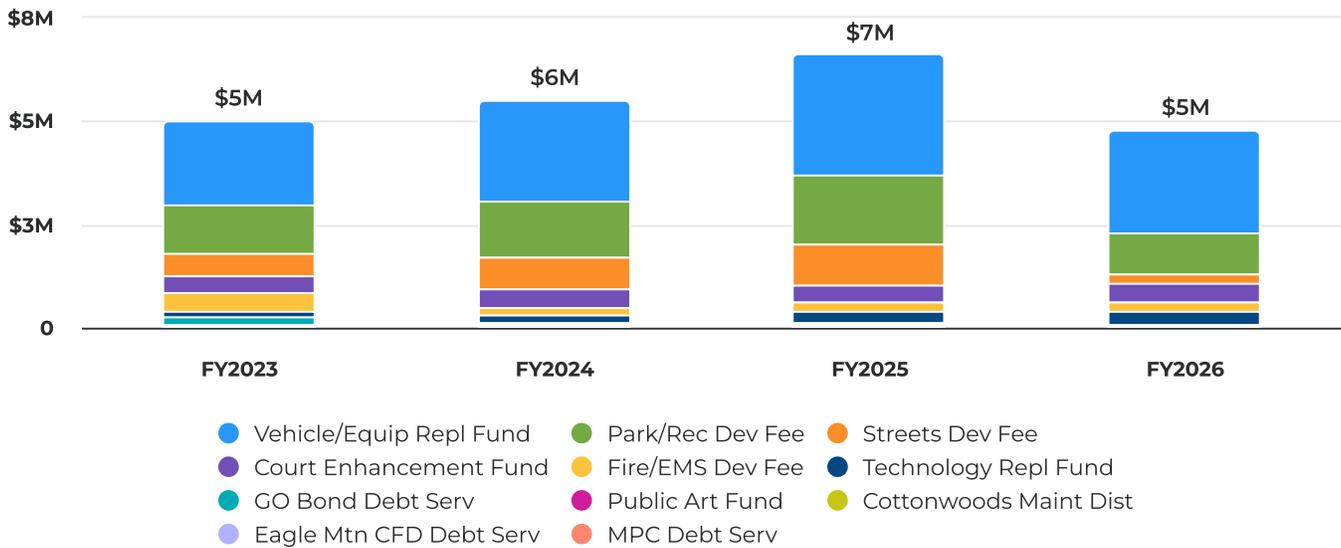
Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Transfers Out	\$275,000	-	-	-	-
Contingency	-	-	\$60,000	\$84,000	40.00%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Capital Expenditures	\$39,602	\$93,222	-	\$454,100	-
Debt Service	-	-	\$20,350	\$850	-95.82%
Dues & Memberships	\$10	\$10	\$10	\$10	0.00%
Maintenance & Repair	\$18,307	\$30,925	\$33,930	\$36,250	6.84%
Contractual Services	\$12,978	\$13,298	\$16,962	\$104,669	517.08%
Supplies	-	-	\$50	\$50	0.00%
Equipment/Improvement	\$44,776	\$45,000	\$47,500	\$47,500	0.00%
Total Expenditures	\$390,673	\$182,455	\$178,802	\$727,429	306.83%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
GO Bond Debt Serv	\$155,273.00	\$26,236.00	\$27,814.00	\$30,000.00	7.86%
Eagle Mtn CFD Debt Serv	\$19,146.00	\$20,010.00	\$21,881.00	-	-100.00%
MPC Debt Serv	\$11,427.00	\$12,045.00	\$12,062.00	\$12,500.00	3.63%
Fire/EMS Dev Fee	\$419,221.00	\$205,093.00	\$225,486.00	\$250,000.00	10.87%
Streets Dev Fee	\$546,764.00	\$761,353.00	\$1,002,548.00	\$200,000.00	-80.05%
Park/Rec Dev Fee	\$1,164,139.00	\$1,363,233.00	\$1,640,411.00	\$1,000,000.00	-39.04%
Public Art Fund	\$64,583.00	\$41,023.00	\$37,798.00	\$30,000.00	-20.63%
Court Enhancement Fund	\$415,678.00	\$439,487.00	\$420,000.00	\$450,000.00	7.14%

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Cottonwoods Maint Dist	\$15,339.00	\$18,507.00	\$21,881.00	\$23,000.00	5.11%
Technology Repl Fund	\$160,181.00	\$185,834.00	\$286,023.00	\$300,000.00	4.89%
Vehicle/Equip Repl Fund	\$2,049,593.00	\$2,452,594.00	\$2,930,673.00	\$2,500,000.00	-14.70%
Total Fund Balance	\$5,021,344.00	\$5,525,415.00	\$6,626,577.00	\$4,795,500.00	-27.63%

Funding Sources Overview

The following sections summarize the Town's primary revenue sources and projected FY2026 revenues. Per Arizona law, the Town balances General Fund budgeted expenditures with projected revenues to adopt a balanced main operating fund budget each fiscal year. The Town also budgets other funds in accordance with relevant statutes limiting expenditures to budgeted amounts which are required to be below the annual expenditure limitation set by the Arizona Economic Estimates Commission (EEC).

The Town's primary revenue source is local sales taxes, which bring in more than half of the total Town's revenues. State Shared revenues make up about another 30% of the Town's revenues. In total, local sales taxes and State Shared revenues bring in about 80% of the Town's total revenues, which allows the Town to provide critical and required services and programs to our residents. Each of the following sections details critical information about these revenue sources.

Transaction Privilege Tax (All Funds) Summary

The Town tracks and analyzes Transaction Privilege Tax (TPT) local sales tax revenues compared to projections throughout each fiscal year. The Finance Division tracks these data points to create annual trend analysis to project these revenues and modify projections as needed each fiscal year. The Town Finance Division also reviews State Joint Legislative Budget Committee updates each month to identify current and future trends to consider modifying projections. The Town collects 2.9% of local sales tax across most categories* and those revenues are split up and deposited into the following funds based on Council's adoption of tax rates and ordinances dictating the allocation of these revenues:

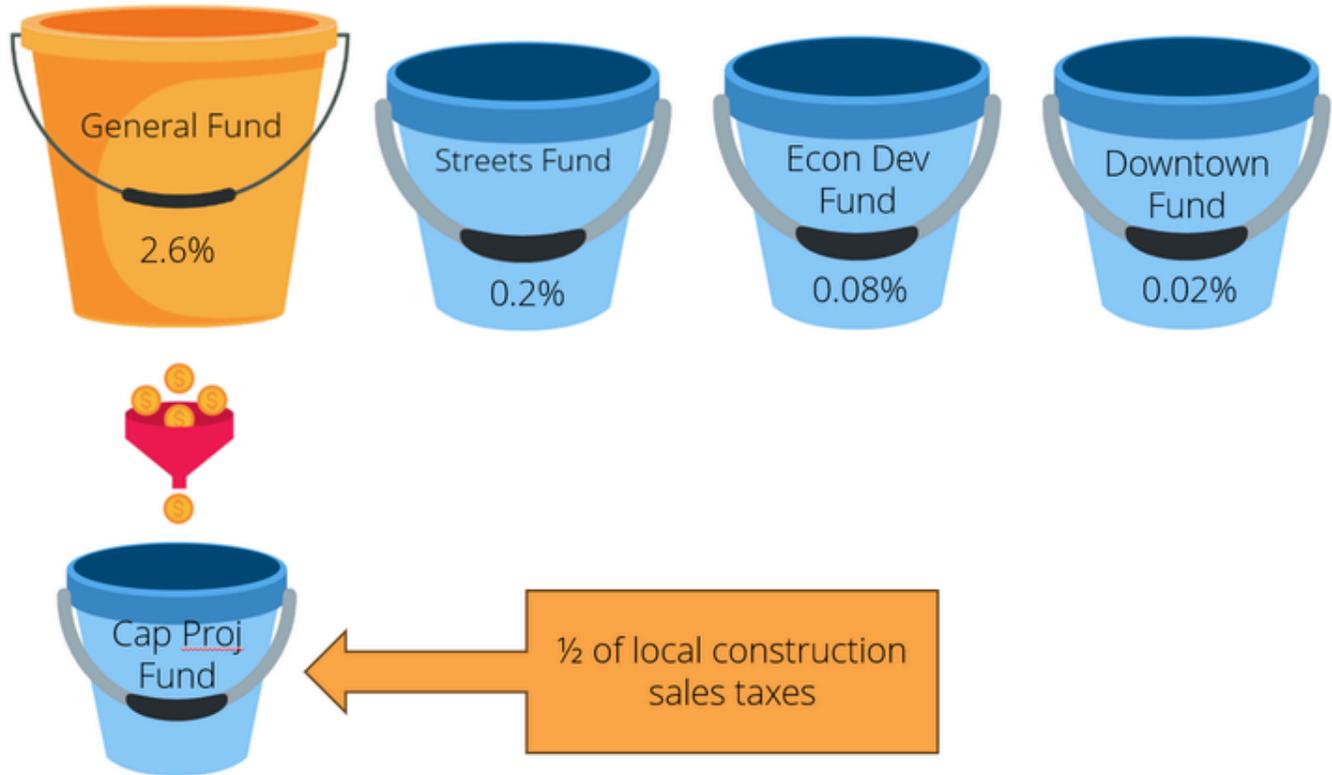
- General Fund - 2.6%
- Streets Fund - 0.2%
- Economic Development Fund - 0.08%
- Downtown Strategy Fund - 0.02%
- Capital Projects Fund - 50% of construction local sales tax revenues

Some local sales tax categories differ based on various reasons. For example, for commercial leasing, the Town established a 1.6% base rate and an additional rate of 1.3% which combine to make up the 2.9% local sales tax rate. The Town has also established an additional bed tax of 4.0% for Short-Term Rentals and hotels. The additional bed tax is added on top of the 2.9% base rate for a combined rate of 6.9% of local sales tax revenues. These local sales tax rates are combined with State and County rates based on the taxable activity to arrive at the total combined sales tax applied to each transaction. The Arizona Department of Revenue publishes the Town's local sales tax rates at: [Fountain Hills | Arizona Department of Revenue](#)

This section also accounts for secondary property taxes accounted for in the Cottonwoods Maintenance District Fund.

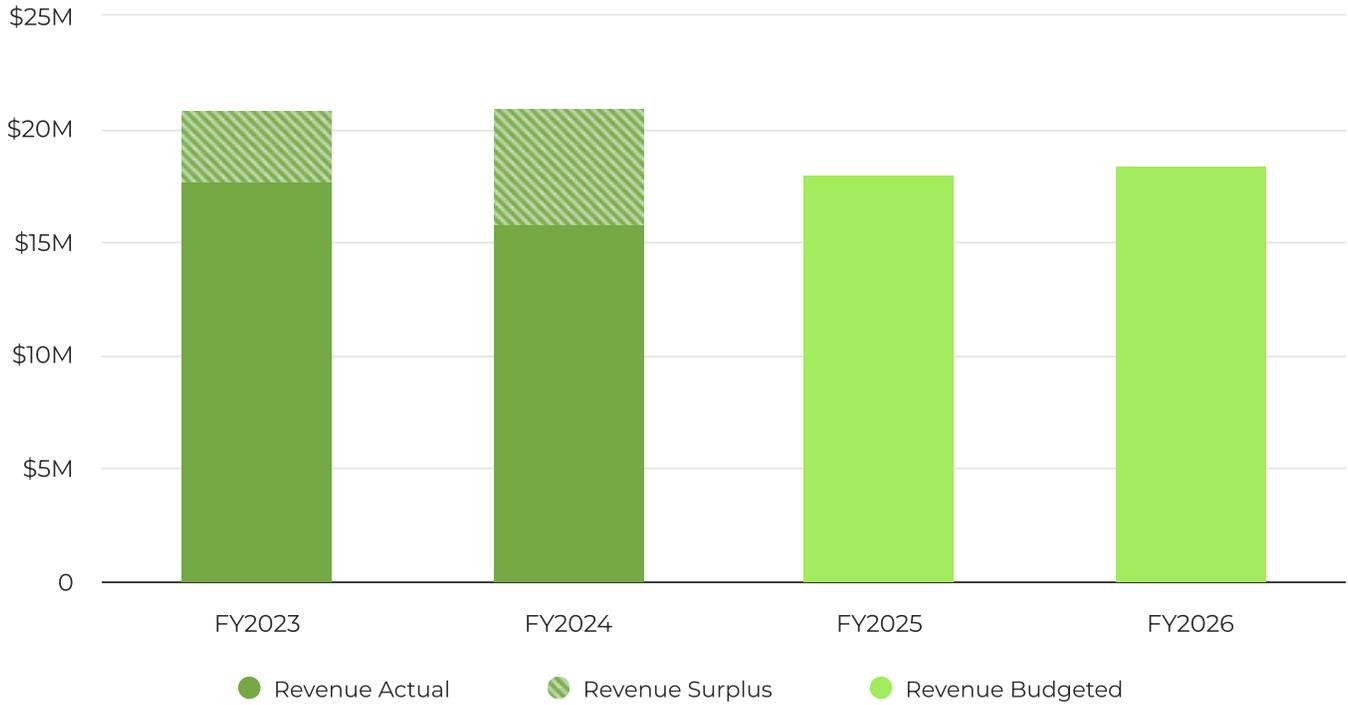
2.9% Local Sales Tax Revenue Splits

Below is an illustration of how the Finance Division allocates local sales tax revenues received by the Town throughout each fiscal year:



Revenue Summary

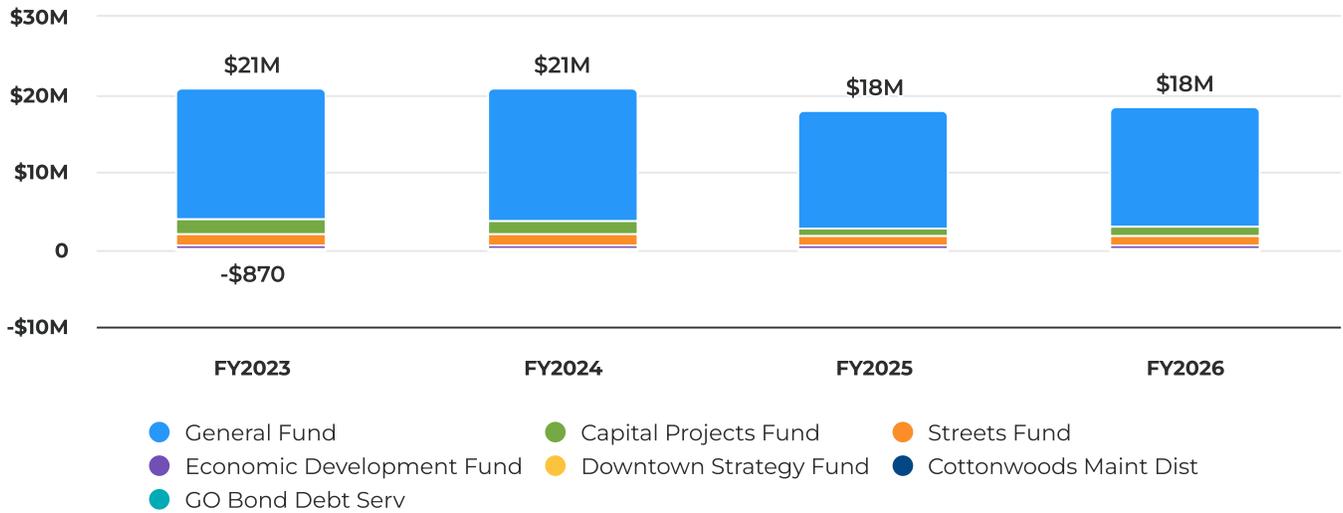
Historical Revenues Across Sources



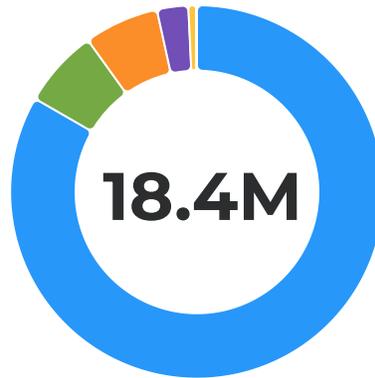
Revenues by Sources

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$20,885,081.28	\$20,920,887.45	\$17,982,072.00	\$18,375,329.00	2.19%
Total Revenues	\$20,885,081.28	\$20,920,887.45	\$17,982,072.00	\$18,375,329.00	2.19%

Revenues by Fund



FY26 Revenues by Fund



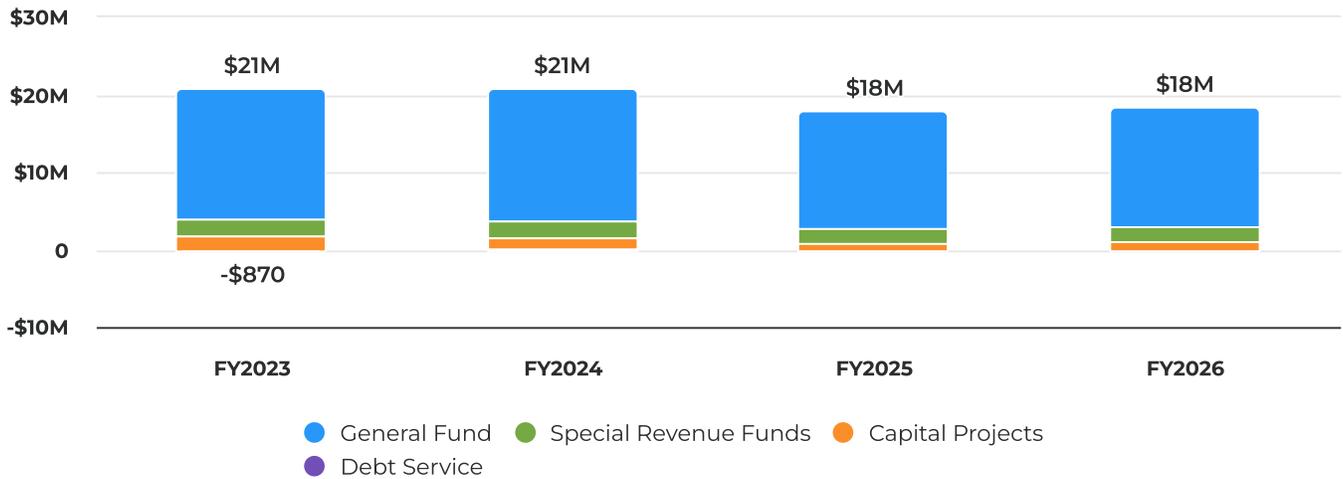
Fund	Amount	Percentage
General Fund	\$15,312,027	83.33%
Streets Fund	\$1,242,326	6.76%
Capital Projects Fund	\$1,188,207	6.47%
Economic Development Fund	\$496,930	2.70%
Downtown Strategy Fund	\$124,233	0.68%
Cottonwoods Maint Dist	\$11,606	0.06%

Revenues by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$17,022,931.52	\$17,185,635.39	\$15,248,589.00	\$15,312,027.00	0.42%
Streets Fund	\$1,419,744.37	\$1,417,926.10	\$1,212,573.00	\$1,242,326.00	2.45%
Downtown Strategy Fund	\$141,974.42	\$141,792.65	\$121,257.00	\$124,233.00	2.45%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Economic Development Fund	\$567,897.75	\$567,170.38	\$485,029.00	\$496,930.00	2.45%
GO Bond Debt Serv	-\$870.12	\$25.89	-	-	-
Cottonwoods Maint Dist	\$8,777.69	\$9,814.83	\$9,768.00	\$11,606.00	18.82%
Capital Projects Fund	\$1,724,625.65	\$1,598,522.21	\$904,856.00	\$1,188,207.00	31.31%
Total Revenues	\$20,885,081.28	\$20,920,887.45	\$17,982,072.00	\$18,375,329.00	2.19%

Revenues by Fund Summary



FY26 Revenues by Fund Summary



General Fund	\$15,312,027	83.33%
Special Revenue Funds	\$1,875,095	10.20%
Capital Projects	\$1,188,207	6.47%

Revenues by Fund Summary

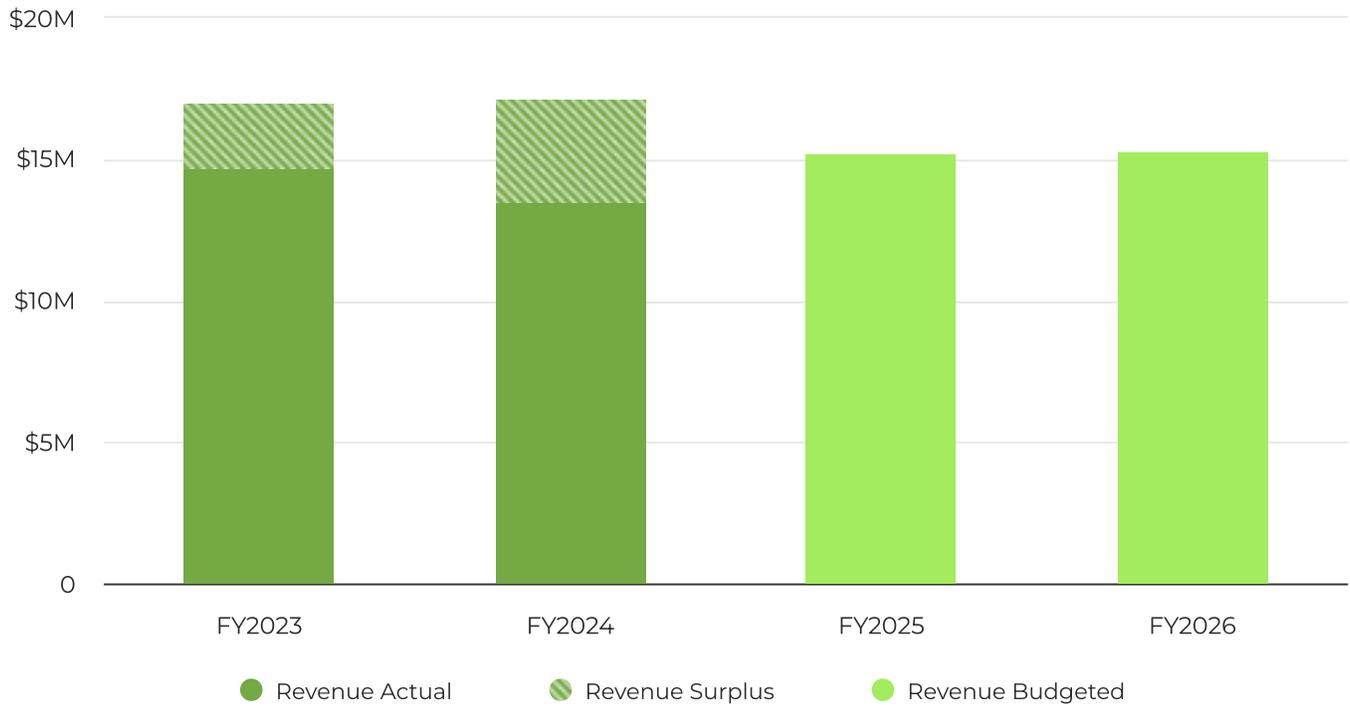
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$17,022,931.52	\$17,185,635.39	\$15,248,589.00	\$15,312,027.00	0.42%
Debt Service	-\$870.12	\$25.89	-	-	-
Capital Projects	\$1,724,625.65	\$1,598,522.21	\$904,856.00	\$1,188,207.00	31.31%
Special Revenue Funds	\$2,138,394.23	\$2,136,703.96	\$1,828,627.00	\$1,875,095.00	2.54%
Total Revenues	\$20,885,081.28	\$20,920,887.45	\$17,982,072.00	\$18,375,329.00	2.19%

TPT - General Fund

The Town deposits 2.6% out of 2.9% of its local sales tax revenues directly into the General Fund each month. This local sales tax was created to fund General Town Operations out of the General Fund.

Revenue Summary

Historical Revenues Across Sources



Revenues by Source

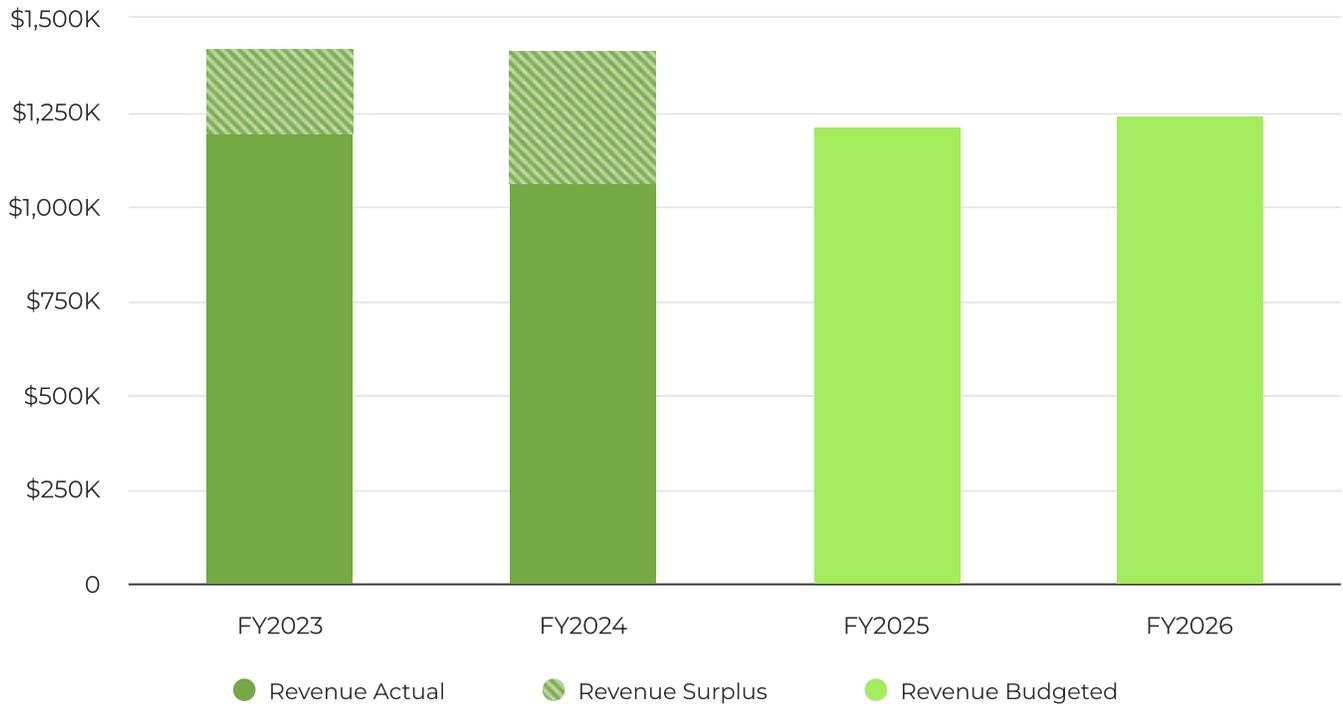
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$17,022,931.52	\$17,185,635.39	\$15,248,589.00	\$15,312,027.00	0.42%
Total Revenues	\$17,022,931.52	\$17,185,635.39	\$15,248,589.00	\$15,312,027.00	0.42%

TPT - Streets Fund

The Town deposits 0.2% out of 2.9% of its local sales tax revenues directly into the Streets Fund each month. This excise tax was created and assigned by a prior Town Council which allocated more revenue for local street purposes.

Revenue Summary

Historical Revenues Across Sources



Revenues by Source

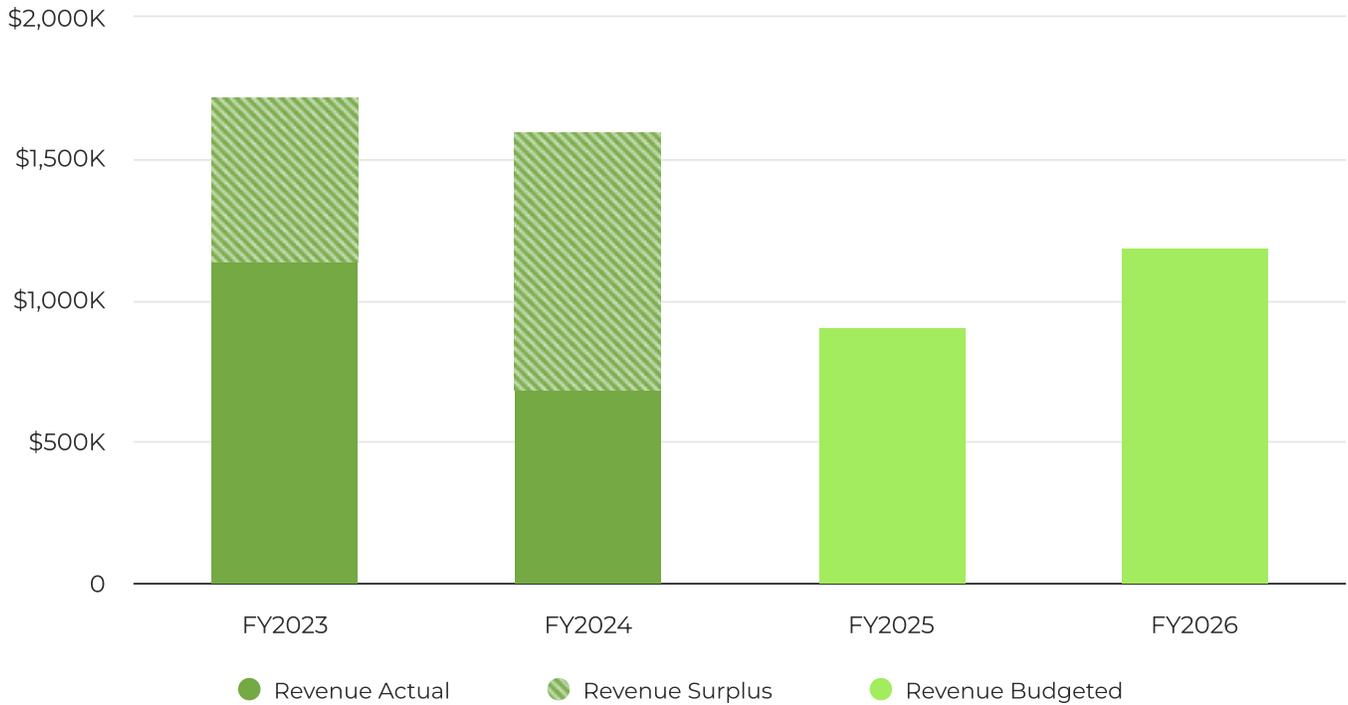
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$1,419,744.37	\$1,417,926.10	\$1,212,573.00	\$1,242,326.00	2.45%
Total Revenues	\$1,419,744.37	\$1,417,926.10	\$1,212,573.00	\$1,242,326.00	2.45%

TPT - Capital Projects Fund

The Town deposits 50% of its local sales tax revenues related to construction activity within the Town, directly into the Capital Projects Fund each month. These deposits and transfers of year-end General Fund reserves create funding sources for the Town's Capital Improvement Plan.

Revenue Summary

Historical Revenues Across Sources



Revenues by Source

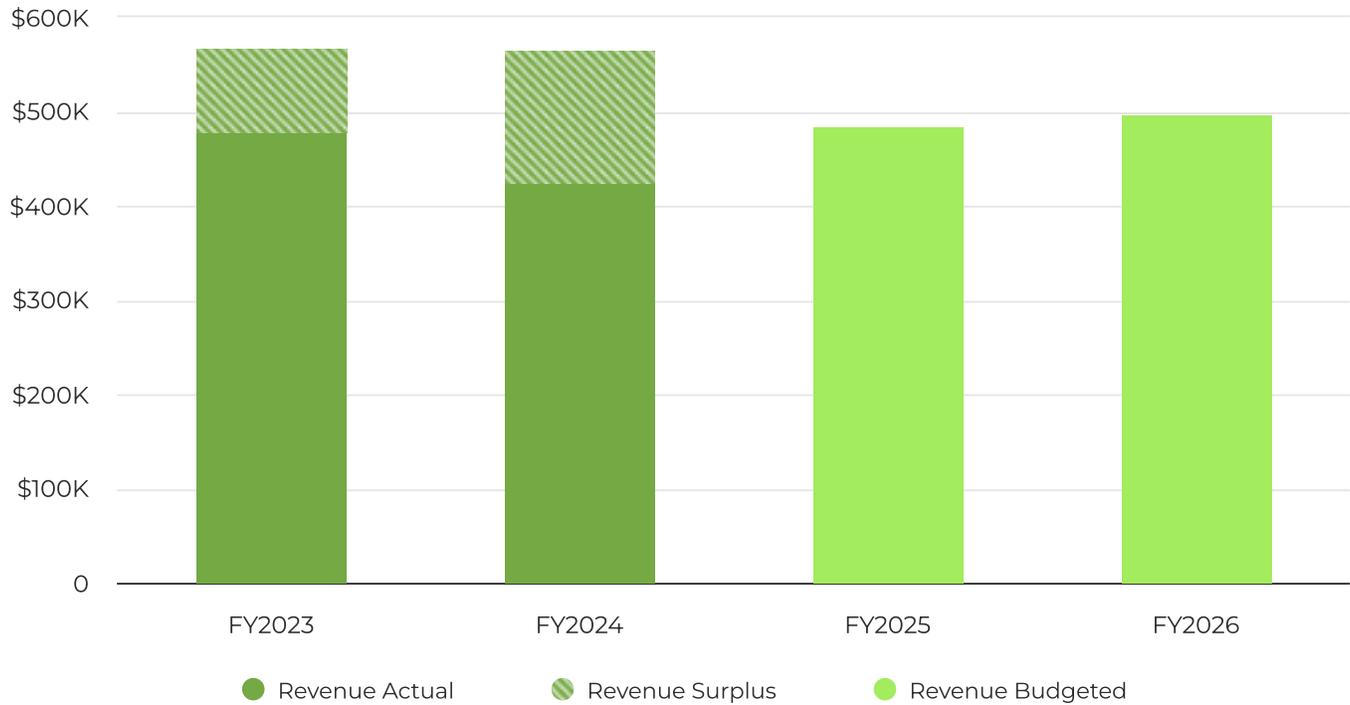
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$1,724,625.65	\$1,598,522.21	\$904,856.00	\$1,188,207.00	31.31%
Total Revenues	\$1,724,625.65	\$1,598,522.21	\$904,856.00	\$1,188,207.00	31.31%

TPT - Economic Development Fund

The Town deposits 80% of 0.1% of its local sales tax revenues directly into the Economic Development Fund each month. This fund is used by the Economic Development Division for business retention and attraction efforts within the Town.

Revenue Summary

Historical Revenues Across Sources



Revenues by Source

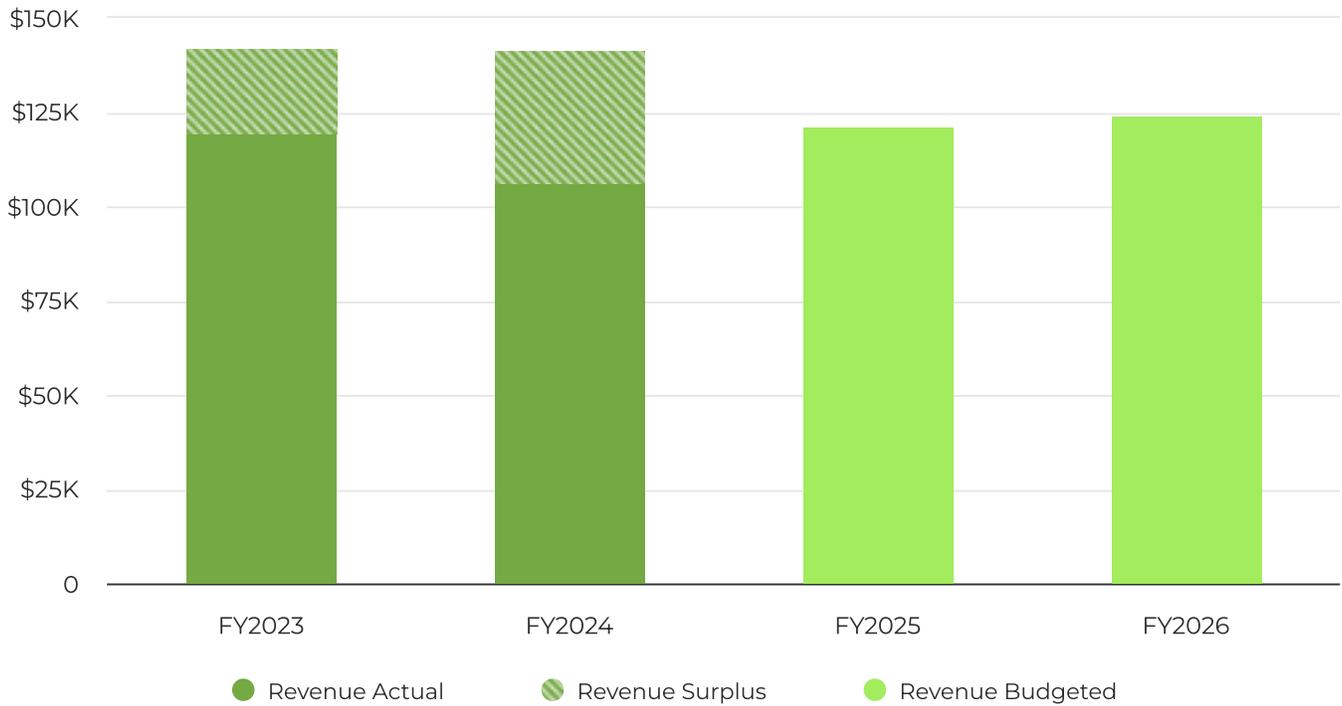
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$567,897.75	\$567,170.38	\$485,029.00	\$496,930.00	2.45%
Total Revenues	\$567,897.75	\$567,170.38	\$485,029.00	\$496,930.00	2.45%

TPT - Downtown Strategy Fund

The Town deposits 20% of 0.1% of its local sales tax revenues directly into the Downtown Strategy Fund each month. This fund is used by the Economic Development Division for programs related to the Downtown District within the Town.

Revenue Summary

Historical Revenues Across Sources



Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Projected vs. FY 2026 Budgeted (% Change)
Taxes	\$141,974.42	\$141,792.65	\$121,257.00	\$124,233.00	2.45%
Total Revenues	\$141,974.42	\$141,792.65	\$121,257.00	\$124,233.00	2.45%

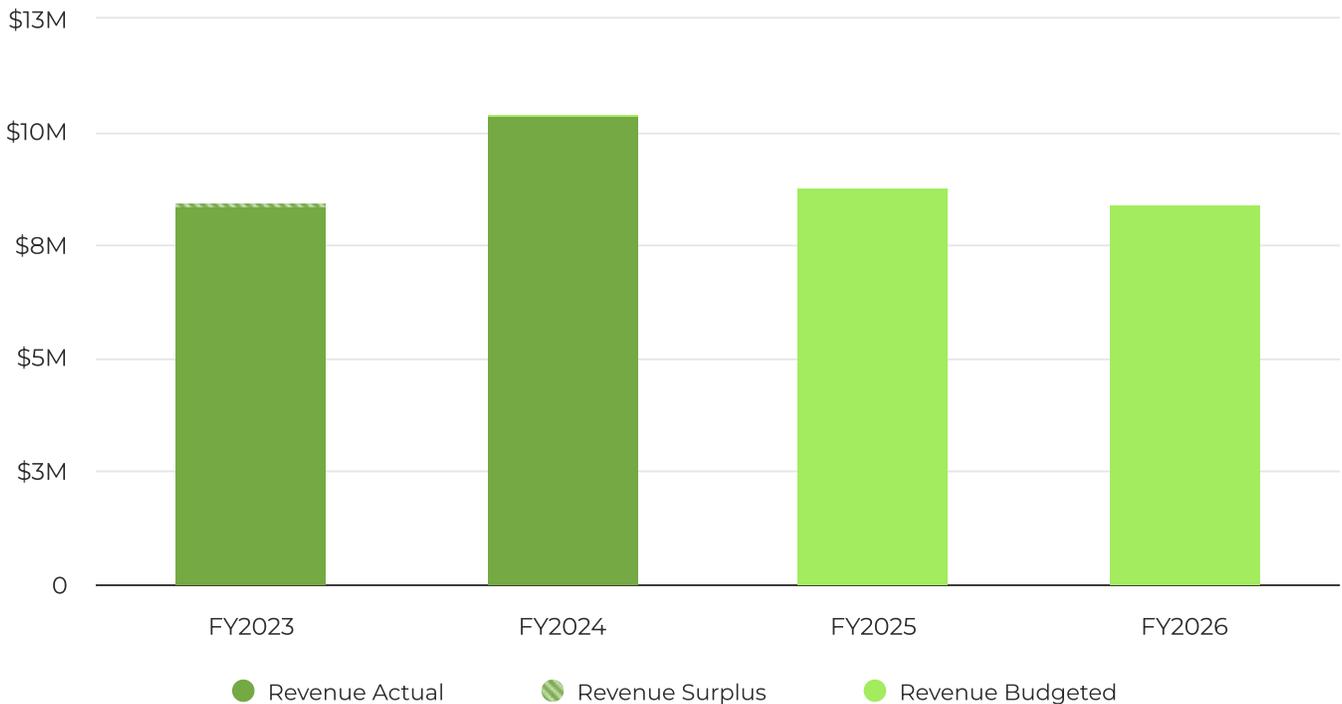
State Shared Revenues - General Fund

The Town of Fountain Hills deposits State Shared Revenues into its General Fund and Streets Fund. This page details the General Fund's projected State Shared Sales Taxes and Income Taxes, as well as revenues received from the State of Arizona for Fire Insurance Premium Taxes to support retirement benefits for the Fire Department.

Revenue Summary

The Town prepares initial State Shared revenue projections and modifies them using updated revenue projections provided by the Arizona League of Cities and Towns. For FY2026, the Town is projecting about \$3.64 million of State Shared sales taxes, \$4.70 million of State Shared income taxes (Urban Revenue Sharing program), and about \$75,000 for Fire Insurance Premium Tax revenues to support Fire Department retirement benefits. State Shared Revenue is projected to bring in about \$8.41 million into the General Fund for FY2026, which is a decrease of 4.3% from the prior year. This projected decrease is due to the final impact of the State's implementation of a flat income tax in 2023.

Historical Revenues Across Sources



Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Intergovernmental Revenue	\$8,456,527.14	\$10,349,568.04	\$8,785,604.00	\$8,412,654.00	-4.25%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Total Revenues	\$8,456,527.14	\$10,349,568.04	\$8,785,604.00	\$8,412,654.00	-4.25%

State Shared Revenues - Streets Fund

The Town of Fountain Hills deposits State Shared Revenues into its General Fund and Streets Fund. This page details the Streets Fund's projected Highway User Revenue Taxes (gas tax) and Vehicle License Taxes (VLT), which are collected by the State and distributed to each municipality based on its resident population as a proportion of all incorporated municipalities in the State of Arizona.

Revenue Summary

The Town prepares initial State Shared revenue projections and modifies them using updated revenue projections provided by the Arizona League of Cities and Towns. For FY2026, the Town is projecting about \$1.89 million of HURF taxes and \$1.28 million of Vehicle License Taxes (VLT). State Shared Revenue is projected to bring in about \$3.17 million into the Streets Fund for FY2026, which is an increase of 4.3% from the prior year.

Historical Revenues Across Sources



Revenues by Source

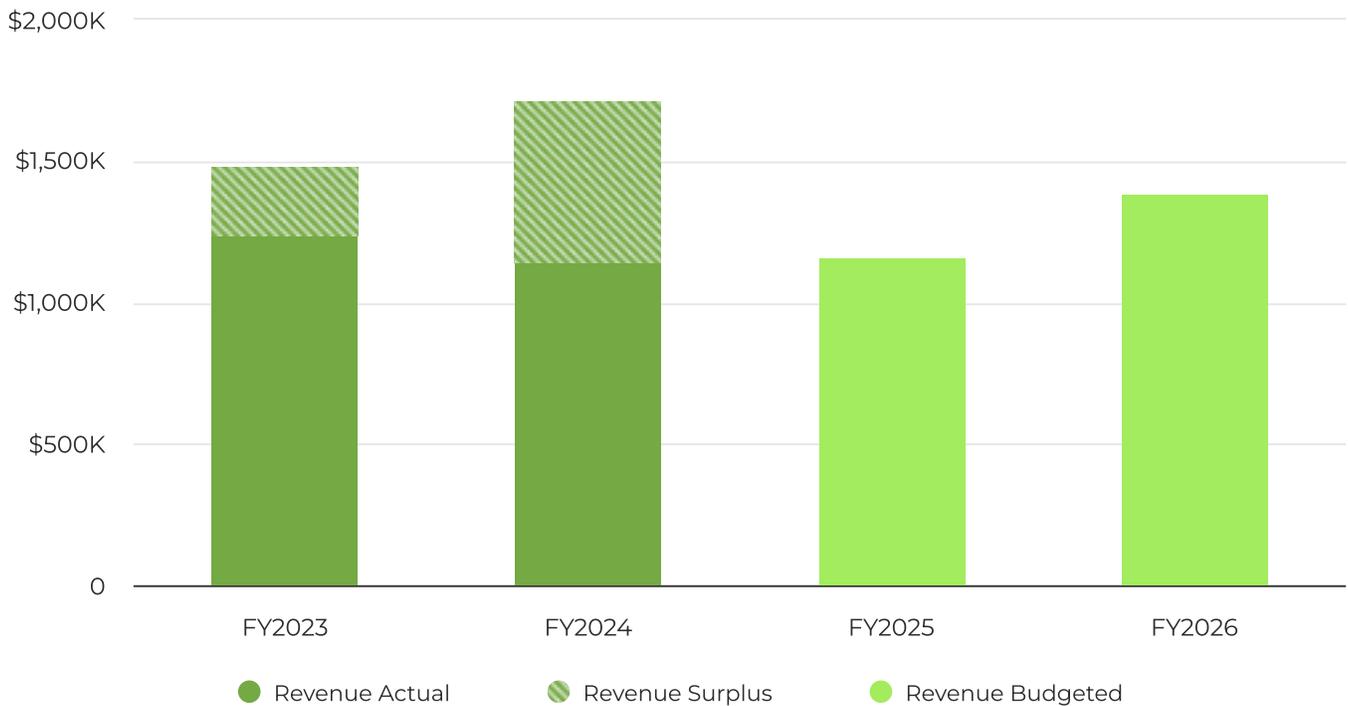
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Intergovernmental Revenue	\$2,606,928.63	\$2,720,830.89	\$3,038,992.00	\$3,168,457.00	4.26%
Total Revenues	\$2,606,928.63	\$2,720,830.89	\$3,038,992.00	\$3,168,457.00	4.26%

Other Revenues - Licenses and Permits

The Town collects licenses and permits revenues through various methods. The following pages detail these revenue collections by fund type. License and permits revenue includes finance licenses such as business licenses and Short-Term Rental permits. It also includes development fees and permits in the General Fund, and development impact fees for streets, fire department and parks purposes.

Revenue Summary

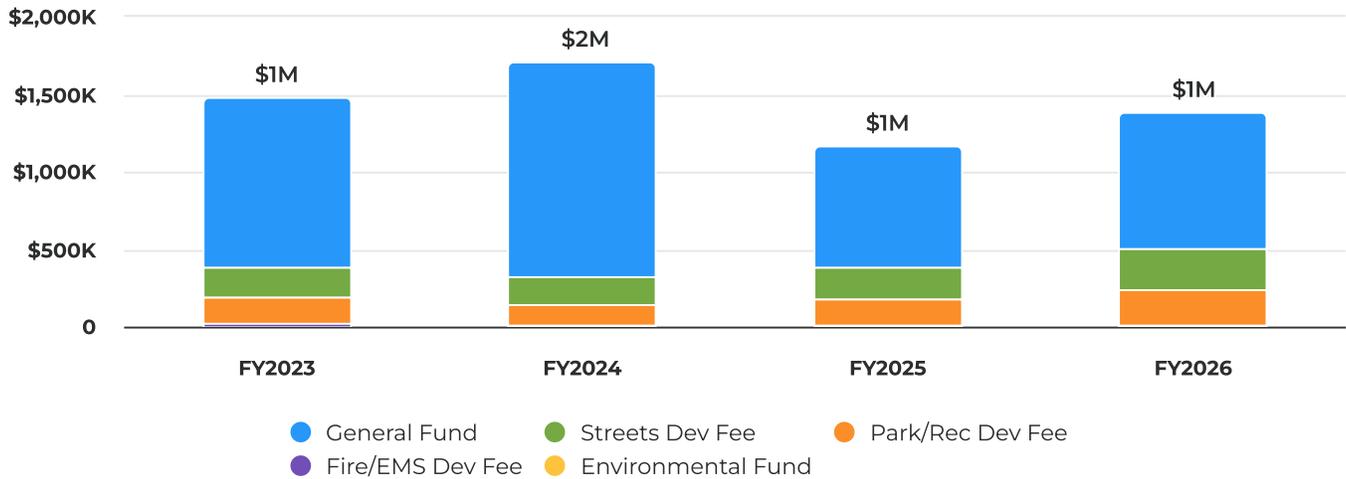
Historical Revenues Across Sources



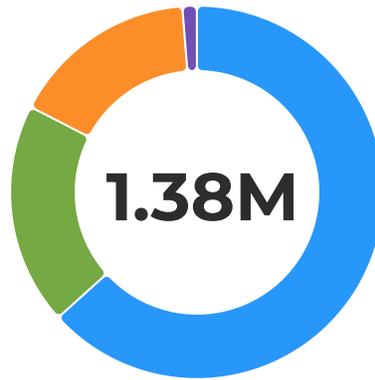
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Licenses & Permits	\$1,486,884.90	\$1,714,420.47	\$1,164,055.00	\$1,383,902.00	18.89%
Total Revenues	\$1,486,884.90	\$1,714,420.47	\$1,164,055.00	\$1,383,902.00	18.89%

Revenues by Fund



FY26 Revenues by Fund

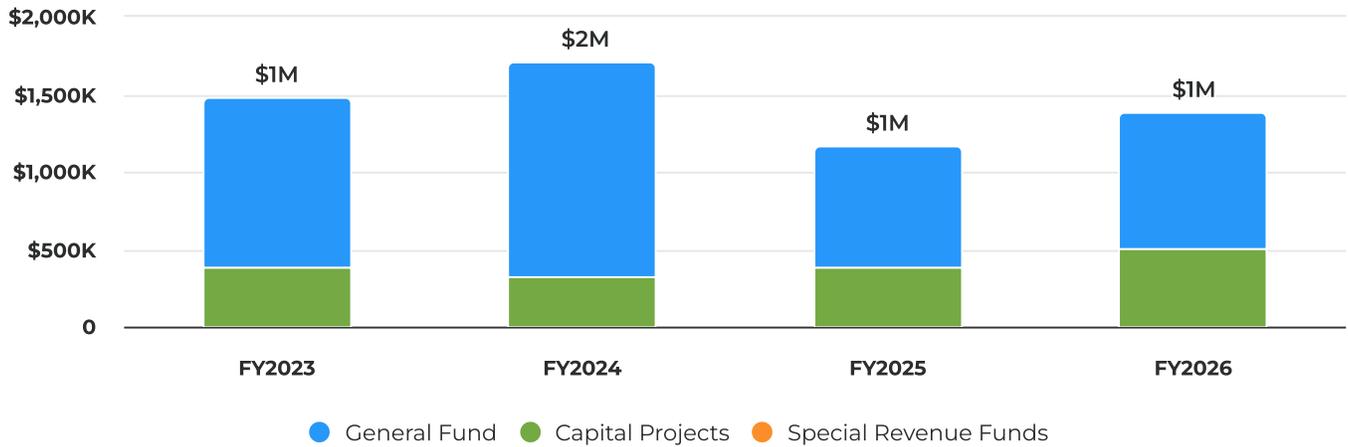


General Fund	\$876,437	63.33%
Streets Dev Fee	\$266,141	19.23%
Park/Rec Dev Fee	\$224,096	16.19%
Fire/EMS Dev Fee	\$17,228	1.24%

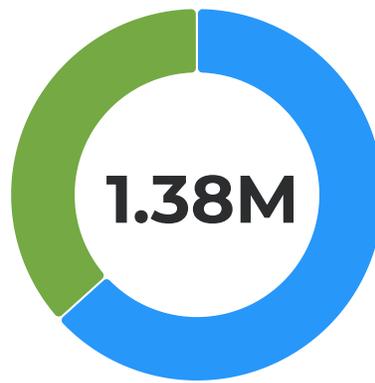
Revenues by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$1,103,367.25	\$1,388,979.45	\$784,505.00	\$876,437.00	11.72%
Environmental Fund	\$2,556.00	\$1,692.00	-	-	-
Fire/EMS Dev Fee	\$16,026.50	\$9,737.80	\$12,780.00	\$17,228.00	34.80%
Streets Dev Fee	\$190,124.55	\$181,726.20	\$200,740.00	\$266,141.00	32.58%
Park/Rec Dev Fee	\$174,810.60	\$132,285.02	\$166,030.00	\$224,096.00	34.97%
Total Revenues	\$1,486,884.90	\$1,714,420.47	\$1,164,055.00	\$1,383,902.00	18.89%

Revenues by Fund Summary



FY26 Revenues by Fund Summary



● General Fund	\$876,437	63.33%
● Capital Projects	\$507,465	36.67%

Revenues by Fund Summary

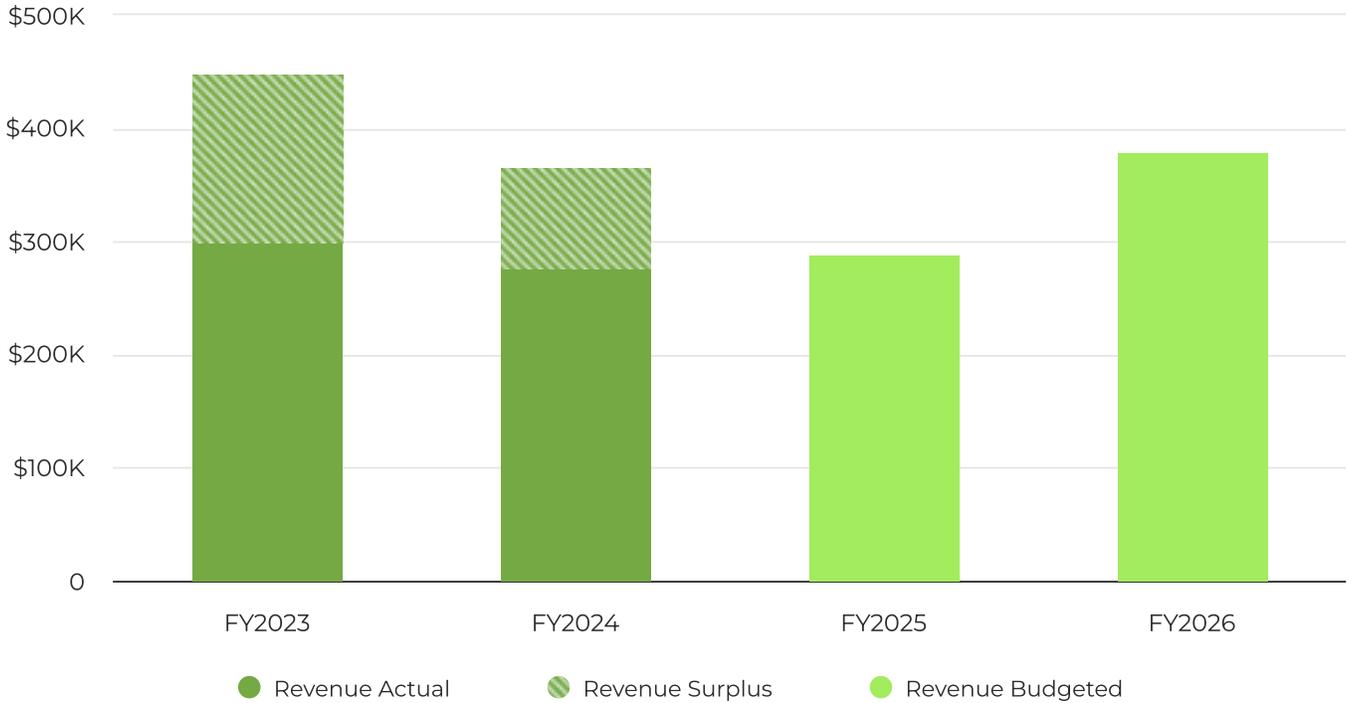
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$1,103,367.25	\$1,388,979.45	\$784,505.00	\$876,437.00	11.72%
Capital Projects	\$380,961.65	\$323,749.02	\$379,550.00	\$507,465.00	33.70%
Special Revenue Funds	\$2,556.00	\$1,692.00	-	-	-
Total Revenues	\$1,486,884.90	\$1,714,420.47	\$1,164,055.00	\$1,383,902.00	18.89%

Other Revenues - Leases and Rents

The Town collects leases and rents revenues from the leasing of parks amenity spaces, Community Center rentals, a Fire Department lease with an ambulance company, as well as cell tower leases. All leases and rent revenues are deposited into the General Fund.

Revenue Summary

Historical Revenues Across Sources



Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Leases & Rents	\$448,897.12	\$365,792.05	\$289,278.00	\$379,914.00	31.33%
Total Revenues	\$448,897.12	\$365,792.05	\$289,278.00	\$379,914.00	31.33%

Other Revenues - Charges for Services

The Town collects charges for services revenues primarily from its Community Service Programs for residents that are deposited into the General Fund. These programs include recreation, home-delivered meals, community center membership, and electric vehicle charging. The Town also projects charges for services revenues in the Public Art Fund based on an art development in-lieu fee, and miscellaneous charges for services in the Streets Fund.

Revenue Summary

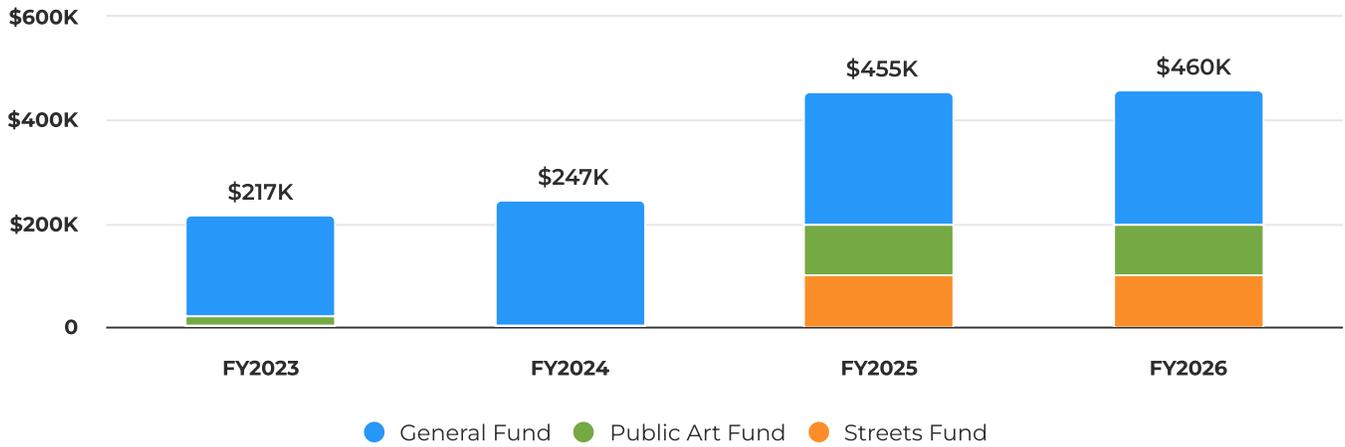
Historical Revenues Across Sources



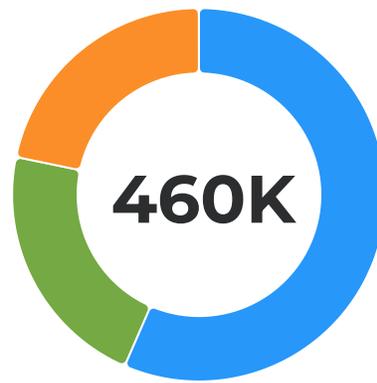
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Charges For Services	\$216,911.99	\$247,301.46	\$455,265.00	\$460,000.00	1.04%
Total Revenues	\$216,911.99	\$247,301.46	\$455,265.00	\$460,000.00	1.04%

Revenues by Fund



FY26 Revenues by Fund

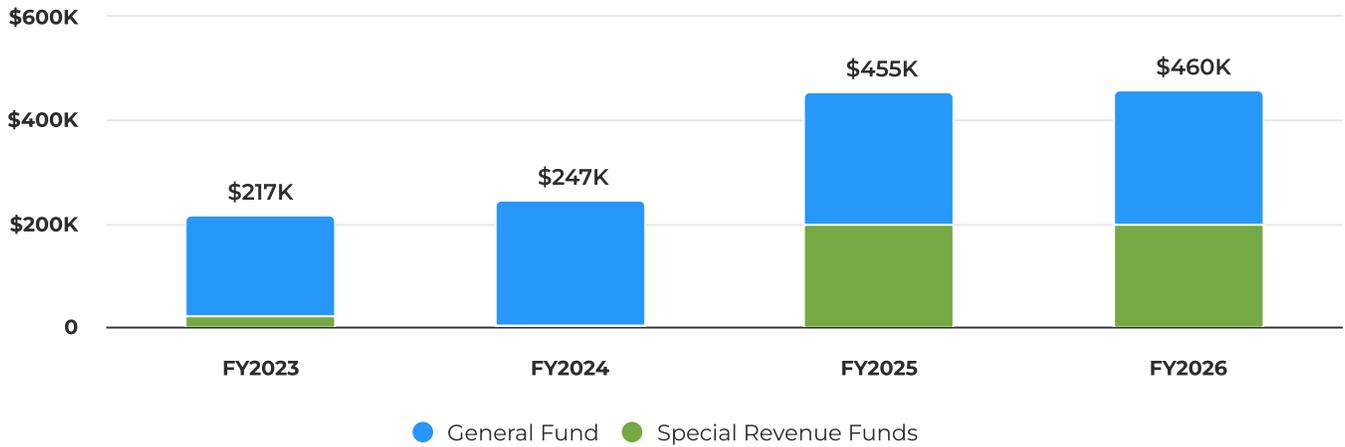


● General Fund	\$260,000	56.52%
● Streets Fund	\$100,000	21.74%
● Public Art Fund	\$100,000	21.74%

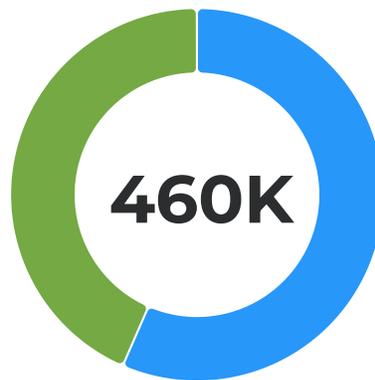
Revenues by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$196,580.49	\$242,181.46	\$255,265.00	\$260,000.00	1.85%
Streets Fund	\$4,139.00	\$120.00	\$100,000.00	\$100,000.00	0.00%
Public Art Fund	\$16,192.50	\$5,000.00	\$100,000.00	\$100,000.00	0.00%
Total Revenues	\$216,911.99	\$247,301.46	\$455,265.00	\$460,000.00	1.04%

Revenues by Fund Summary



FY26 Revenues by Fund Summary



● General Fund	\$260,000	56.52%
● Special Revenue Funds	\$200,000	43.48%

Revenues by Fund Summary

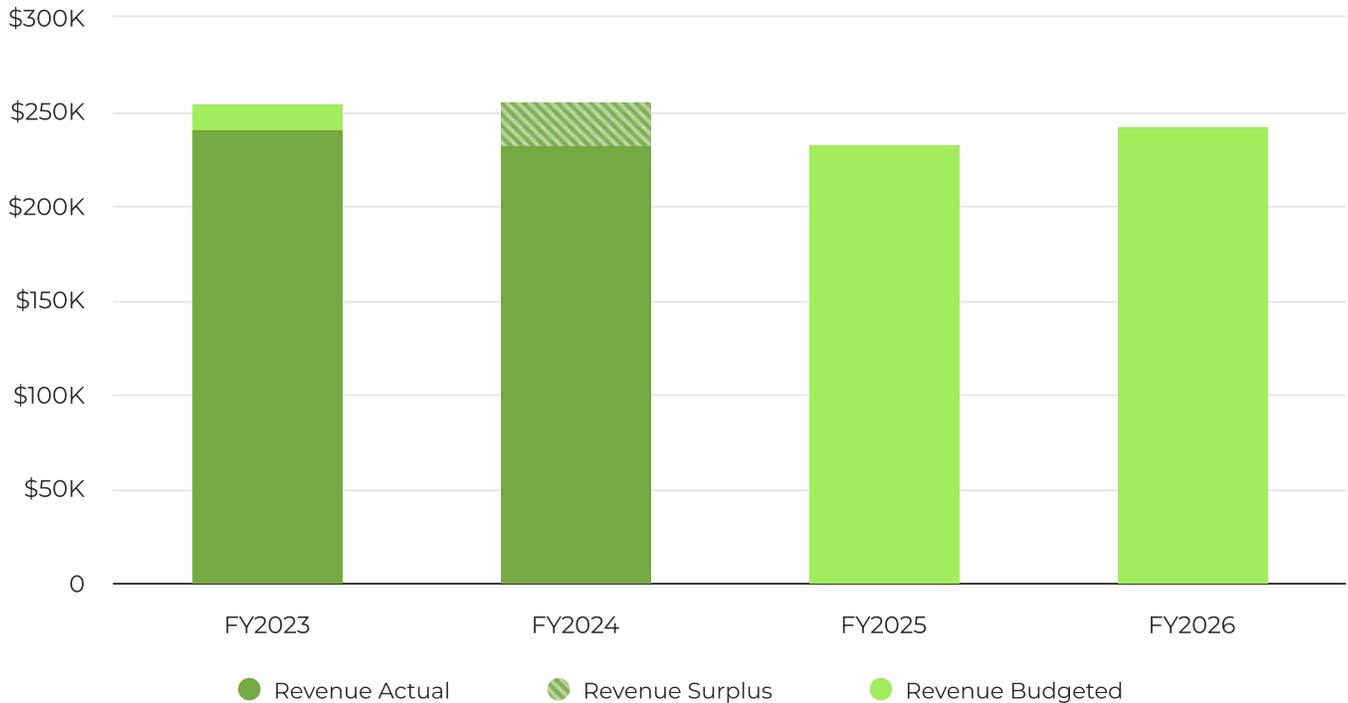
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$196,580.49	\$242,181.46	\$255,265.00	\$260,000.00	1.85%
Special Revenue Funds	\$20,331.50	\$5,120.00	\$200,000.00	\$200,000.00	0.00%
Total Revenues	\$216,911.99	\$247,301.46	\$455,265.00	\$460,000.00	1.04%

Other Revenues - Fines and Forfeitures

The Town's Municipal Court collects various fines and forfeiture each day, which the Town mostly deposits into the General Fund. Additionally, the Municipal Court has established Council-adopted enhancement fees to support Court programs, which are fully deposited into the Court Enhancement Fund.

Revenue Summary

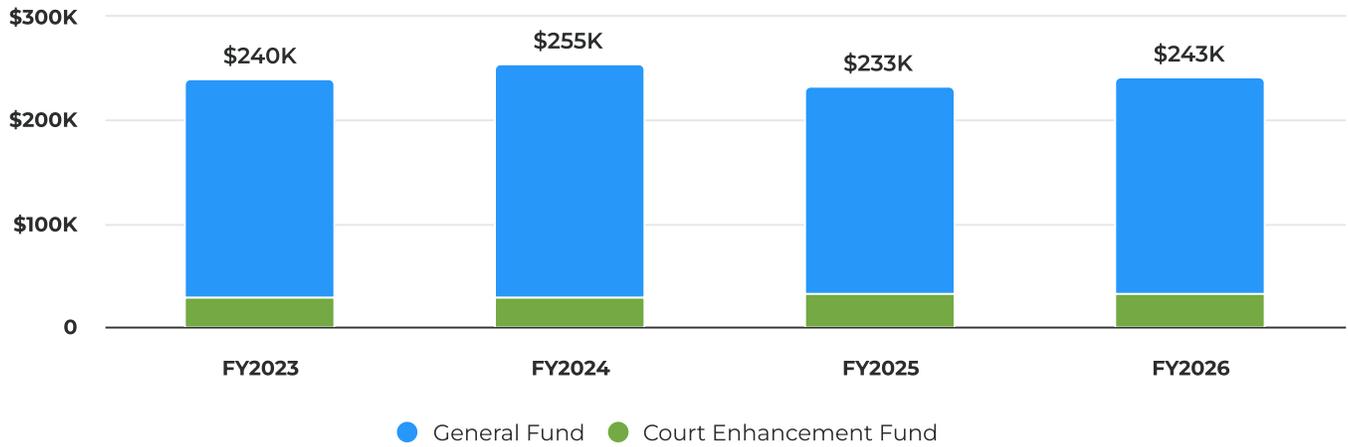
Historical Revenues Across Sources



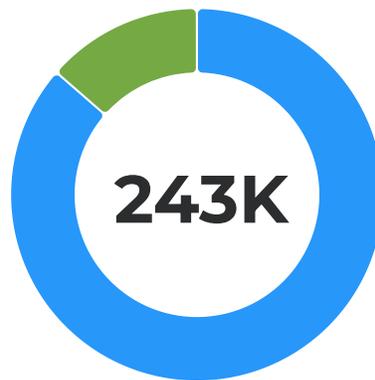
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Fines & Forfeitures	\$240,307.87	\$255,288.98	\$233,000.00	\$243,000.00	4.29%
Total Revenues	\$240,307.87	\$255,288.98	\$233,000.00	\$243,000.00	4.29%

Revenues by Fund



FY26 Revenues by Fund

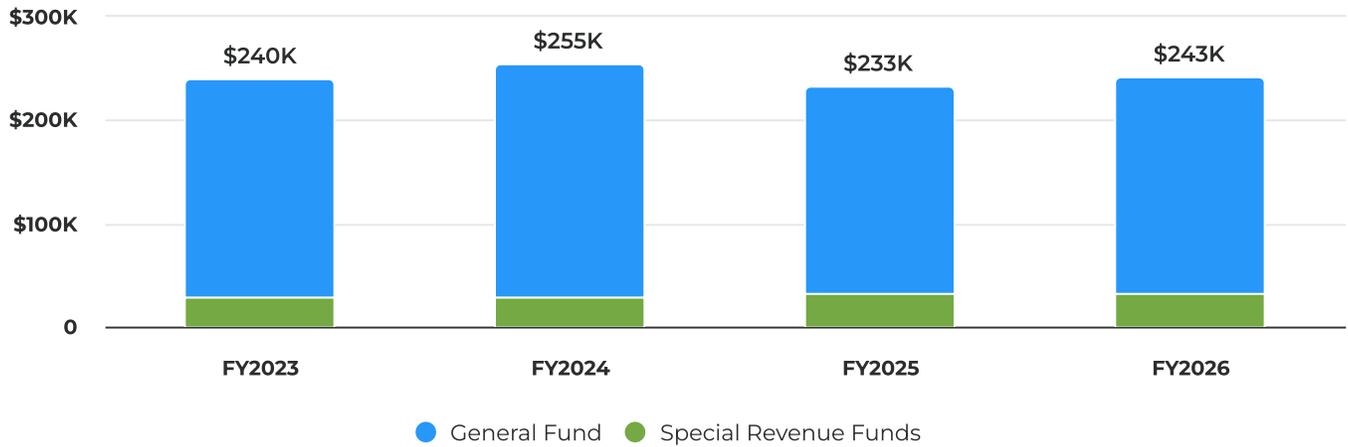


● General Fund	\$210,000	86.42%
● Court Enhancement Fund	\$33,000	13.58%

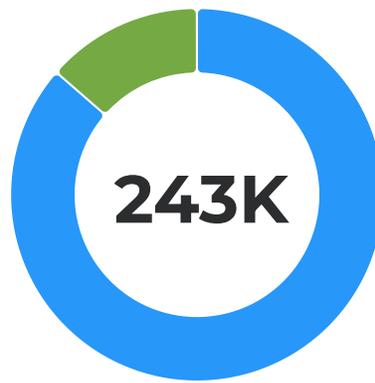
Revenues by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$211,773.02	\$227,192.09	\$200,000.00	\$210,000.00	5.00%
Court Enhancement Fund	\$28,534.85	\$28,096.89	\$33,000.00	\$33,000.00	0.00%
Total Revenues	\$240,307.87	\$255,288.98	\$233,000.00	\$243,000.00	4.29%

Revenues by Fund Summary



FY26 Revenues by Fund Summary



● General Fund	\$210,000	86.42%
● Special Revenue Funds	\$33,000	13.58%

Revenues by Fund Summary

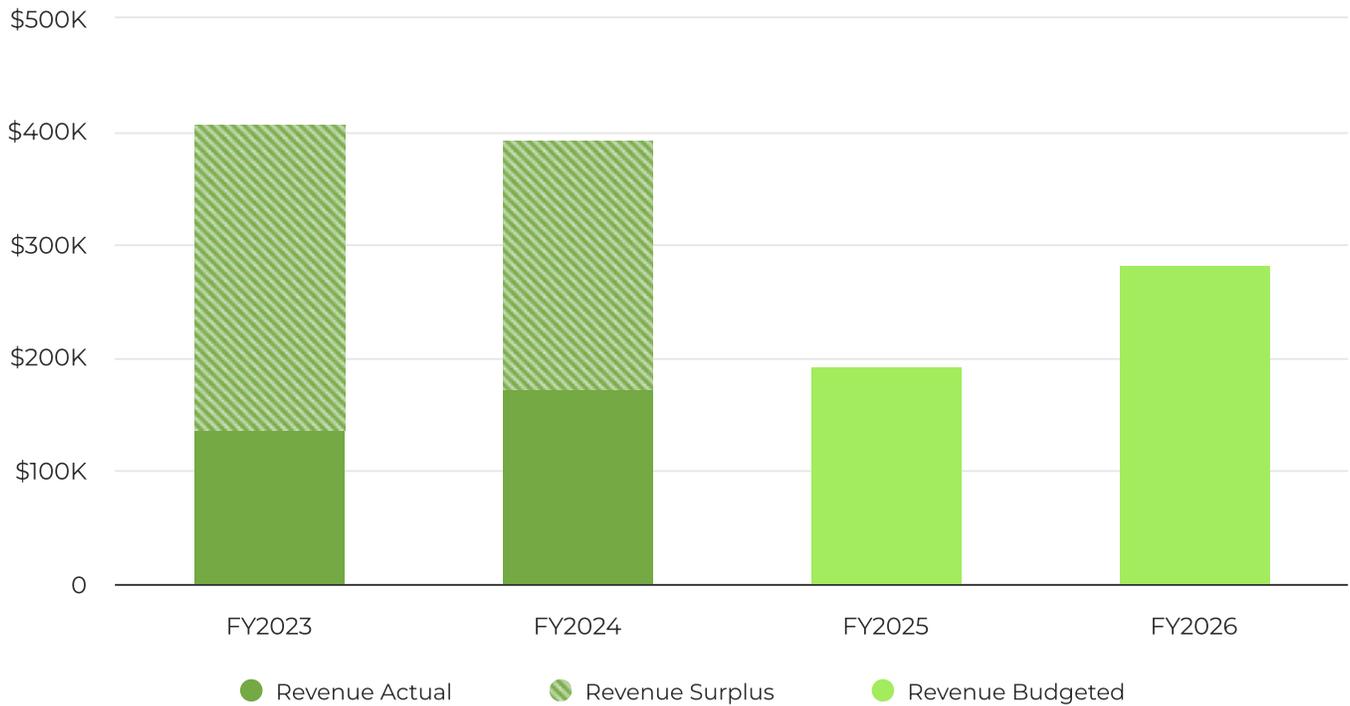
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$211,773.02	\$227,192.09	\$200,000.00	\$210,000.00	5.00%
Special Revenue Funds	\$28,534.85	\$28,096.89	\$33,000.00	\$33,000.00	0.00%
Total Revenues	\$240,307.87	\$255,288.98	\$233,000.00	\$243,000.00	4.29%

Other Revenues - Miscellaneous

This section summarizes all other miscellaneous revenues collected by the Town by fund.

Revenue Summary

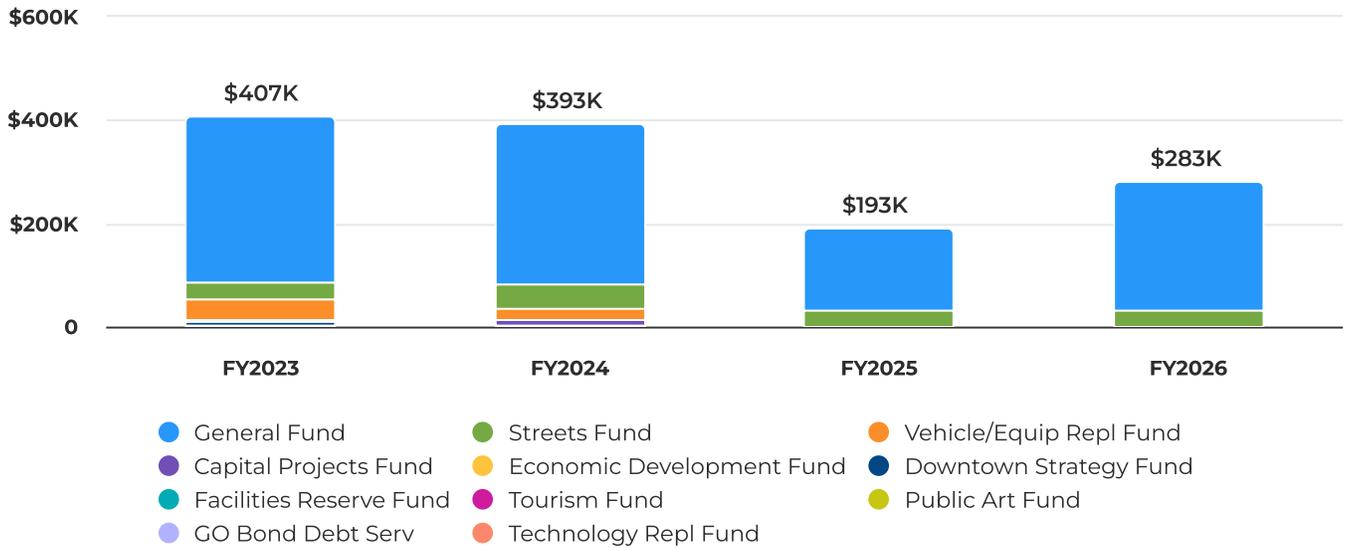
Historical Revenues Across Sources



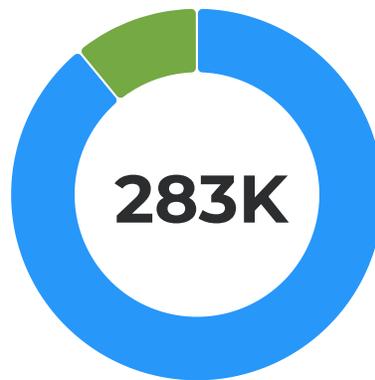
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Other	\$406,964.36	\$392,703.34	\$192,575.00	\$283,000.00	46.96%
Total Revenues	\$406,964.36	\$392,703.34	\$192,575.00	\$283,000.00	46.96%

Revenues by Fund



FY26 Revenues by Fund



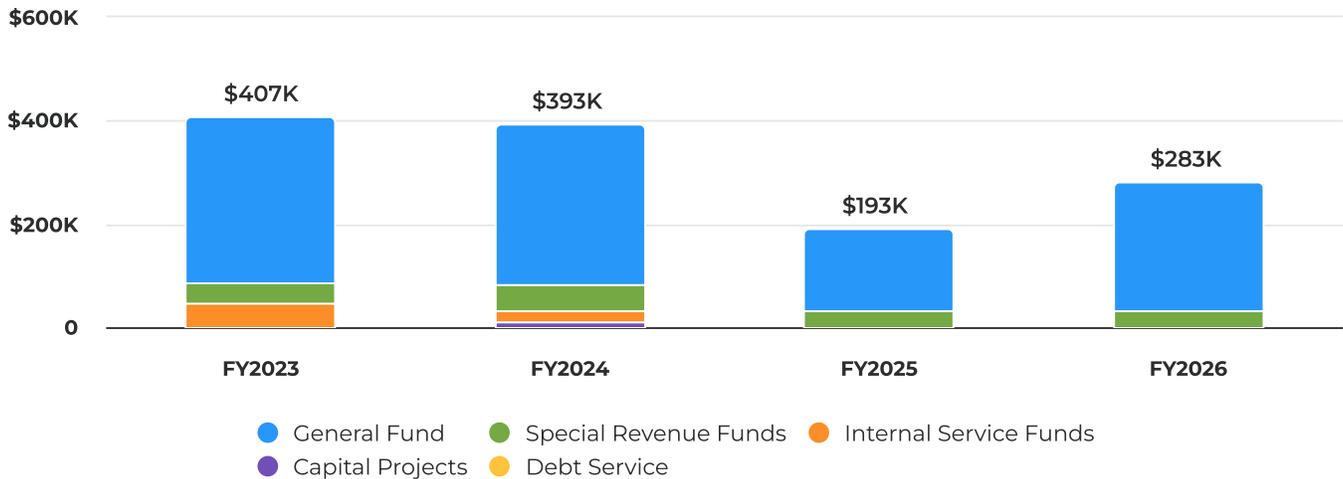
General Fund	\$252,000	89.05%
Streets Fund	\$31,000	10.95%

Revenues by Fund

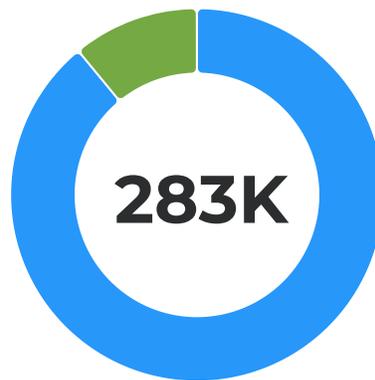
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$319,464.60	\$309,877.59	\$161,575.00	\$252,000.00	55.96%
Streets Fund	\$32,601.86	\$46,458.72	\$31,000.00	\$31,000.00	0.00%
Downtown Strategy Fund	\$4,500.00	-	-	-	-
Economic Development Fund	\$4,058.48	\$2,534.02	-	-	-
Tourism Fund	\$13.74	\$1,108.01	-	-	-
Public Art Fund	\$1,000.00	-	-	-	-
GO Bond Debt Serv	\$38.32	-	-	-	-
Capital Projects Fund	-	\$12,000.00	-	-	-
Facilities Reserve Fund	\$4,000.00	-	-	-	-

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Technology Repl Fund	\$4.65	-	-	-	-
Vehicle/Equip Repl Fund	\$41,282.71	\$20,725.00	-	-	-
Total Revenues	\$406,964.36	\$392,703.34	\$192,575.00	\$283,000.00	46.96%

Revenues by Fund Summary



FY26 Revenues by Fund Summary



● General Fund	\$252,000	89.05%
● Special Revenue Funds	\$31,000	10.95%

Revenues by Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$319,464.60	\$309,877.59	\$161,575.00	\$252,000.00	55.96%
Debt Service	\$38.32	-	-	-	-

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Capital Projects	-	\$12,000.00	-	-	-
Special Revenue Funds	\$42,174.08	\$50,100.75	\$31,000.00	\$31,000.00	0.00%
Internal Service Funds	\$45,287.36	\$20,725.00	-	-	-
Total Revenues	\$406,964.36	\$392,703.34	\$192,575.00	\$283,000.00	46.96%

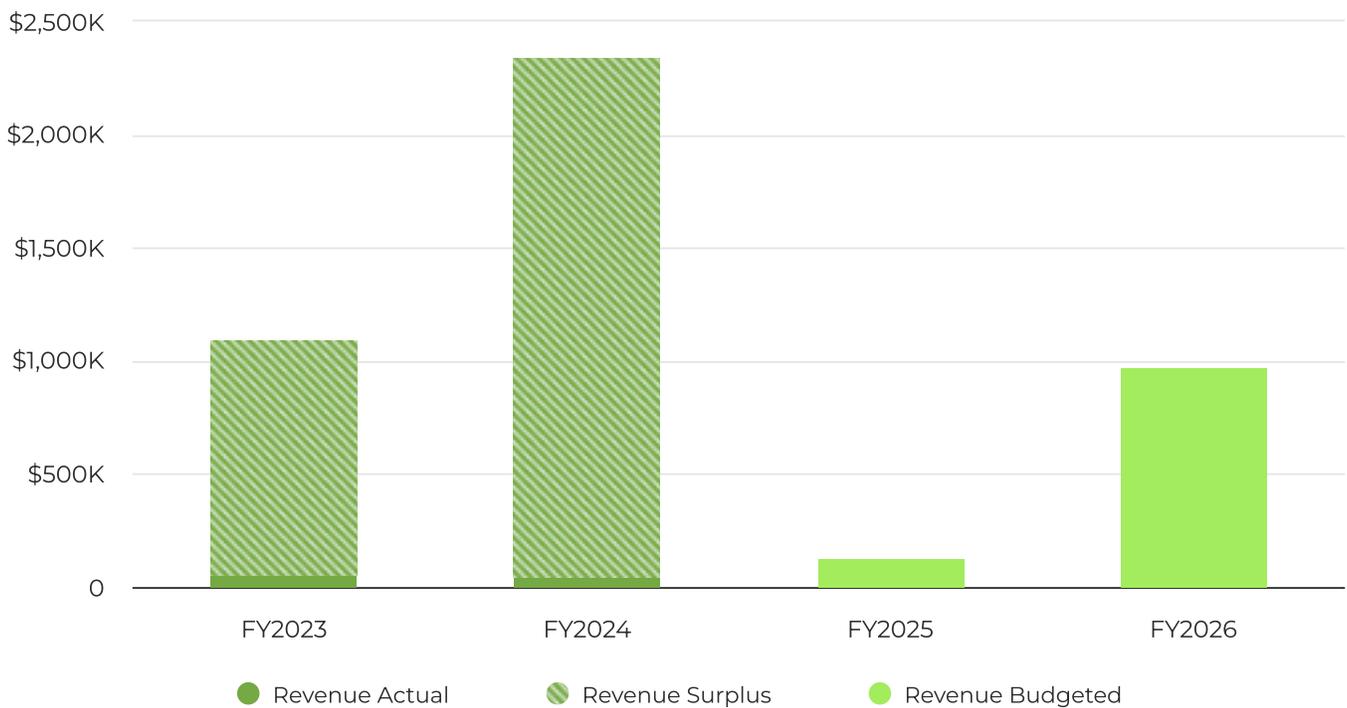
Investment Earnings

The Town manages a long-term investment portfolio and invests most of its other unspent fund balances in the State Treasurer Local Government Investment Pool (LGIP) 7, which invests in short-term United States Treasury investments. These investment earnings are recorded across funds based on cash on hand within each fund.

Revenue Summary

The Town has historically used very conservative projections for investment earnings revenue. Beginning in FY2026, Town projections are conservatively based on a 2% expected return on previous year-end fund balances. As shown below, the Town has seen strong investment earnings in the past 2 fiscal years.

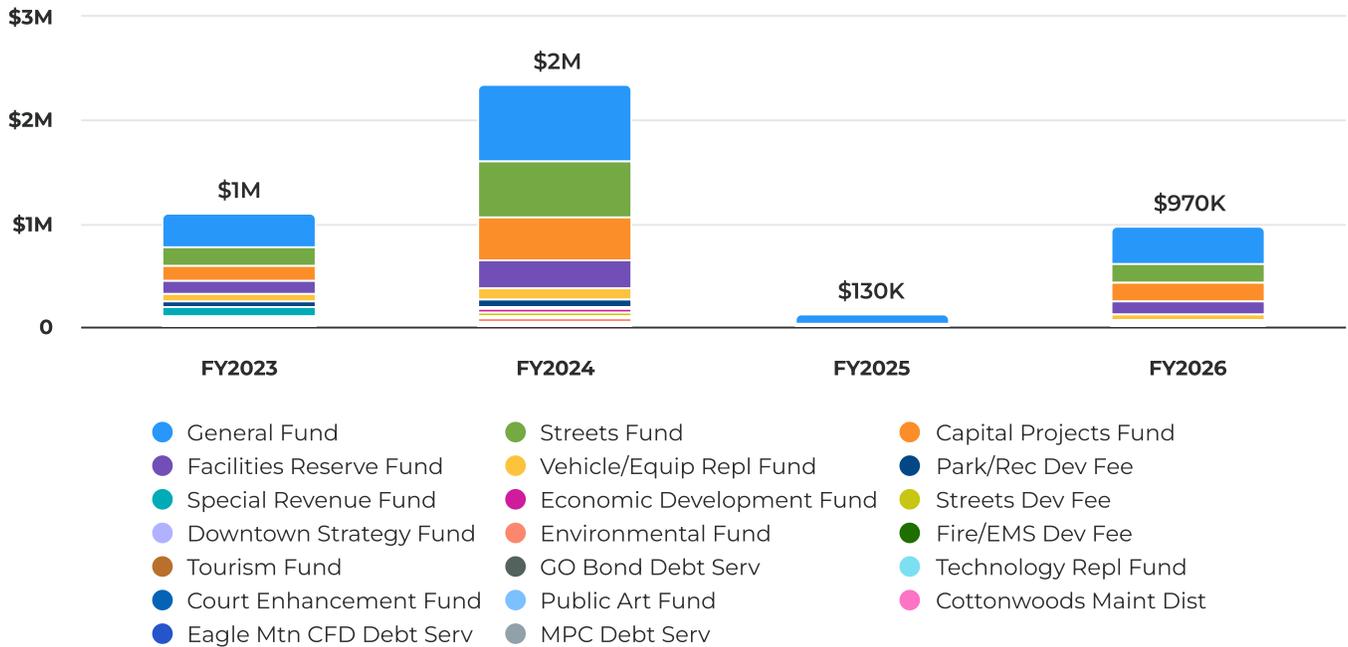
Historical Revenues Across Sources



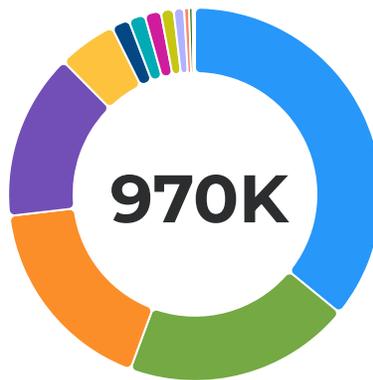
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Investment Earnings	\$1,100,313.77	\$2,345,424.61	\$130,032.00	\$970,018.00	645.98%
Total Revenues	\$1,100,313.77	\$2,345,424.61	\$130,032.00	\$970,018.00	645.98%

Revenues by Fund



FY26 Revenues by Fund

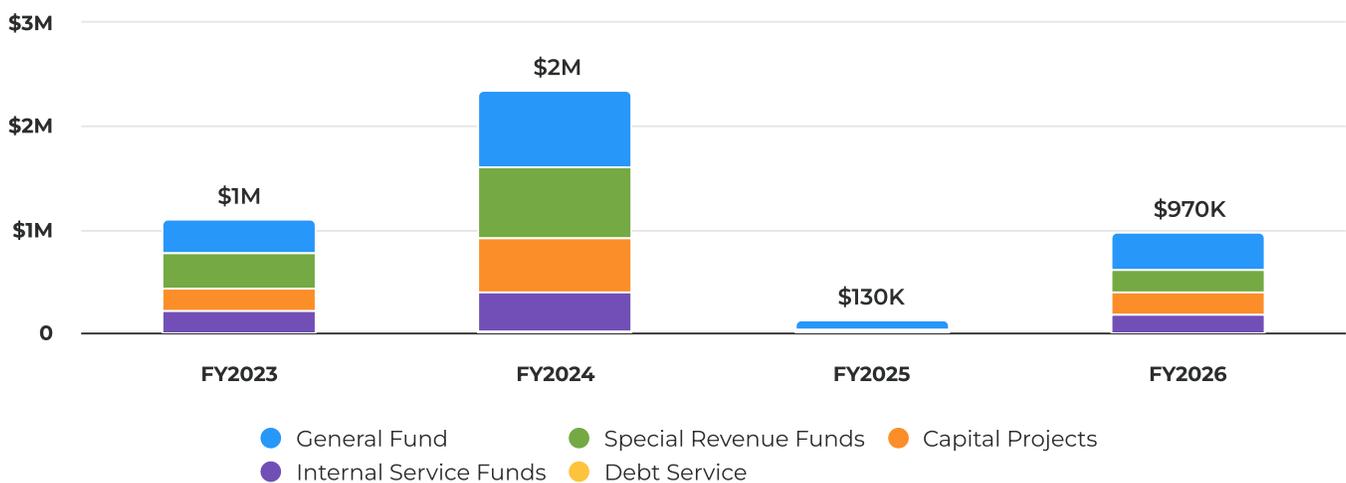


General Fund	\$348,507	35.93%
Streets Fund	\$191,193	19.71%
Capital Projects Fund	\$170,000	17.53%
Facilities Reserve Fund	\$140,000	14.43%
Vehicle/Equip Repl Fund	\$49,052	5.06%
Streets Dev Fee	\$15,227	1.57%
Downtown Strategy Fund	\$13,830	1.43%
Park/Rec Dev Fee	\$13,632	1.41%
Economic Development Fund	\$10,766	1.11%
Court Enhancement Fund	\$8,789	0.91%
Fire/EMS Dev Fee	\$4,102	0.42%
Tourism Fund	\$3,000	0.31%
Public Art Fund	\$820	0.08%
GO Bond Debt Serv	\$500	0.05%
Cottonwoods Maint Dist	\$400	0.04%
MPC Debt Serv	\$200	0.02%

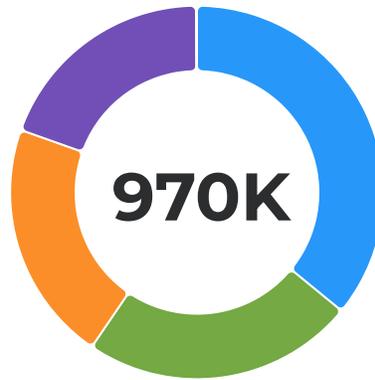
Revenues by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$315,008.36	\$728,806.59	\$100,000.00	\$348,507.00	248.51%
Streets Fund	\$197,804.22	\$558,546.85	\$10,000.00	\$191,193.00	1,811.93%
Downtown Strategy Fund	\$15,480.39	\$33,698.33	\$600.00	\$13,830.00	2,205.00%
Economic Development Fund	\$16,187.91	\$38,130.96	\$240.00	\$10,766.00	4,385.83%
Tourism Fund	\$8,636.92	\$6,622.77	\$180.00	\$3,000.00	1,566.67%
Special Revenue Fund	\$95,042.58	\$15,302.59	-	-	-
Public Art Fund	\$2,506.00	\$2,903.92	\$240.00	\$820.00	241.67%
Court Enhancement Fund	\$161.51	\$158.56	\$300.00	\$8,789.00	2,829.67%
Environmental Fund	\$19,386.39	\$30,492.74	\$2,400.00	-	-100.00%
GO Bond Debt Serv	\$5,543.17	\$8,509.47	\$600.00	\$500.00	-16.67%
Eagle Mtn CFD Debt Serv	\$709.90	\$1,062.26	\$100.00	-	-100.00%
MPC Debt Serv	\$402.20	\$628.38	\$300.00	\$200.00	-33.33%
Cottonwoods Maint Dist	\$554.56	\$914.28	\$72.00	\$400.00	455.56%
Capital Projects Fund	\$132,252.86	\$407,770.54	\$10,000.00	\$170,000.00	1,600.00%
Facilities Reserve Fund	\$136,114.36	\$264,030.38	\$1,000.00	\$140,000.00	13,900.00%
Fire/EMS Dev Fee	\$14,649.73	\$22,017.94	\$1,000.00	\$4,102.00	310.20%
Streets Dev Fee	\$16,161.02	\$32,862.63	\$1,000.00	\$15,227.00	1,422.70%
Park/Rec Dev Fee	\$48,187.66	\$66,808.60	\$1,000.00	\$13,632.00	1,263.20%
Technology Repl Fund	\$5,367.22	\$8,653.15	-	-	-
Vehicle/Equip Repl Fund	\$70,156.81	\$117,503.67	\$1,000.00	\$49,052.00	4,805.20%
Total Revenues	\$1,100,313.77	\$2,345,424.61	\$130,032.00	\$970,018.00	645.98%

Revenues by Fund Summary



FY26 Revenues by Fund Summary



<ul style="list-style-type: none"> ● General Fund ● Special Revenue Funds ● Capital Projects ● Internal Service Funds ● Debt Service 	<table border="0"> <tr> <td style="text-align: right;">\$348,507</td> <td style="text-align: right;">35.93%</td> </tr> <tr> <td style="text-align: right;">\$228,798</td> <td style="text-align: right;">23.59%</td> </tr> <tr> <td style="text-align: right;">\$202,961</td> <td style="text-align: right;">20.92%</td> </tr> <tr> <td style="text-align: right;">\$189,052</td> <td style="text-align: right;">19.49%</td> </tr> <tr> <td style="text-align: right;">\$700</td> <td style="text-align: right;">0.07%</td> </tr> </table>	\$348,507	35.93%	\$228,798	23.59%	\$202,961	20.92%	\$189,052	19.49%	\$700	0.07%
\$348,507	35.93%										
\$228,798	23.59%										
\$202,961	20.92%										
\$189,052	19.49%										
\$700	0.07%										

Revenues by Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$315,008.36	\$728,806.59	\$100,000.00	\$348,507.00	248.51%
Debt Service	\$6,655.27	\$10,200.11	\$1,000.00	\$700.00	-30.00%
Capital Projects	\$211,251.27	\$529,459.71	\$13,000.00	\$202,961.00	1,461.24%
Special Revenue Funds	\$355,760.48	\$686,771.00	\$14,032.00	\$228,798.00	1,530.54%
Internal Service Funds	\$211,638.39	\$390,187.20	\$2,000.00	\$189,052.00	9,352.60%
Total Revenues	\$1,100,313.77	\$2,345,424.61	\$130,032.00	\$970,018.00	645.98%

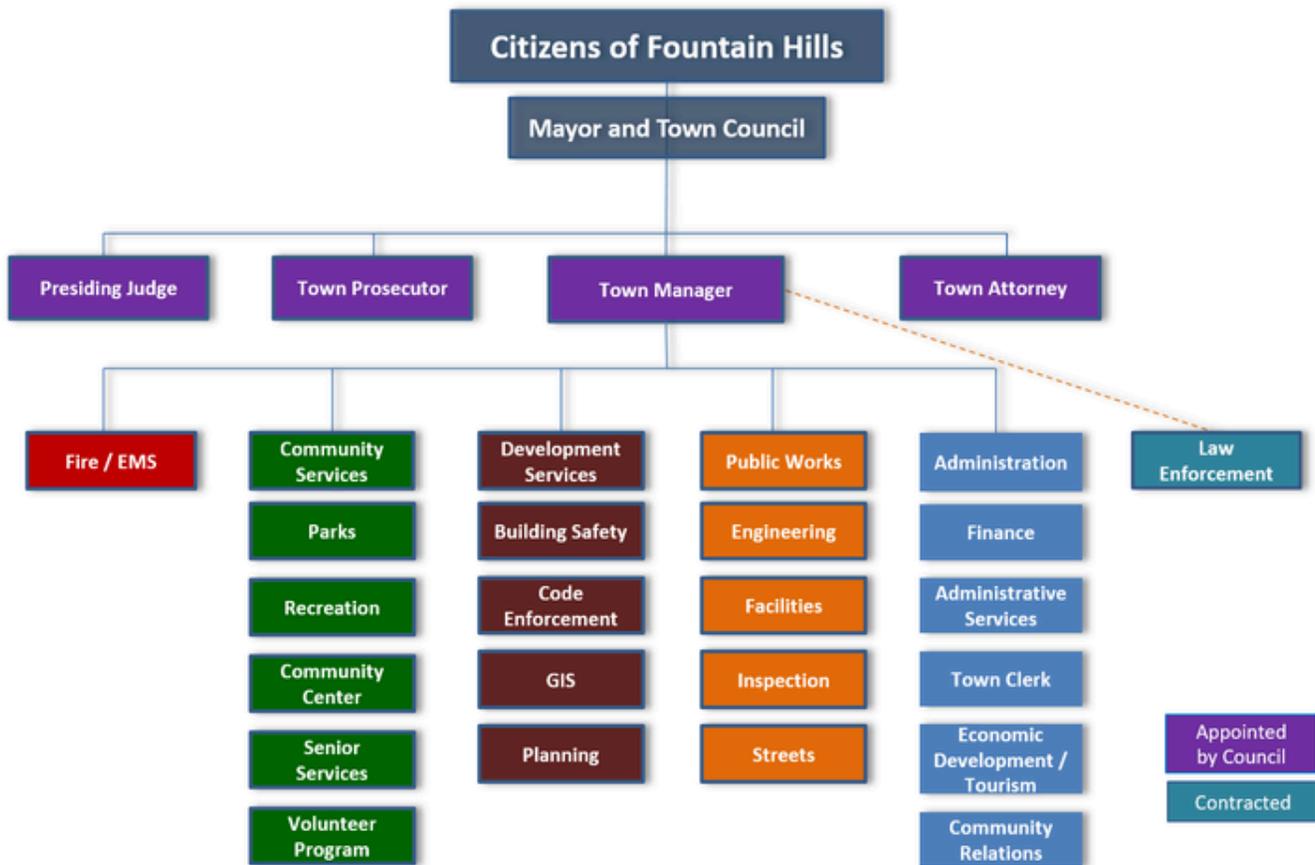
Departments Summary

The Town budget includes funding for six departments: the Mayor & Council, the Municipal Court, and various divisions. Most operational expenditures for these Departments/Divisions are paid for by the General Fund, but some are paid out of other funds. See the organizational structure and department & fund relationship information below.

Organizational Structure

The Organization Chart below graphically depicts the reporting units of the Town. All units, including the Mayor and Town Council, are responsible to the Citizens of Fountain Hills. The chart shows the various operating departments and divisions, as well as the positions that are appointed and services that are contracted.

Town of Fountain Hills Organization



Town of Fountain Hills - ORG Chart
FY2026

Department & Fund Relationship

Most Town Department and Division expenditures are budgeted and paid for by the General Fund. For example, the Fire Department and MCSO contracts are paid by the General Fund for Public Safety of our residents. Further, Mayor & Council, Development Services, Administration (other than the Economic Development Division), Municipal Court and most of the Town Attorney's costs are paid for by the General Fund. However, there are a few Departments/Divisions that operate out of other funds, as noted below:

- Public Works Department:
 - General Fund
 - Streets Fund
 - Capital Projects Fund (CIP projects)
- Community Services Department:
 - General Fund (most cultural and recreational expenditures)
 - Public Art Fund (to maintain the Town's art)
- Economic Development Division (within Administration Department)
 - Economic Development Fund (most Econ Dev operations)
 - Downtown Strategy Fund (for Downtown District purposes)
 - Tourism Fund (for Tourism purposes)

Mayor and Council

Mayor Gerry Friedel and the Town Council are charged with serving the best interests of the community by providing for its safety and well-being; respecting its special, small-town character and quality of life; providing superior public services; sustaining public trust through open and responsive government; and maintaining the stewardship and preservation of its financial and natural resources.

Mayor and Council

Bottom Row (Left to Right):

- Councilmember Brenda J. Kalivianakis
- Mayor Gerry M. Friedel
- Vice Mayor Hannah Toth

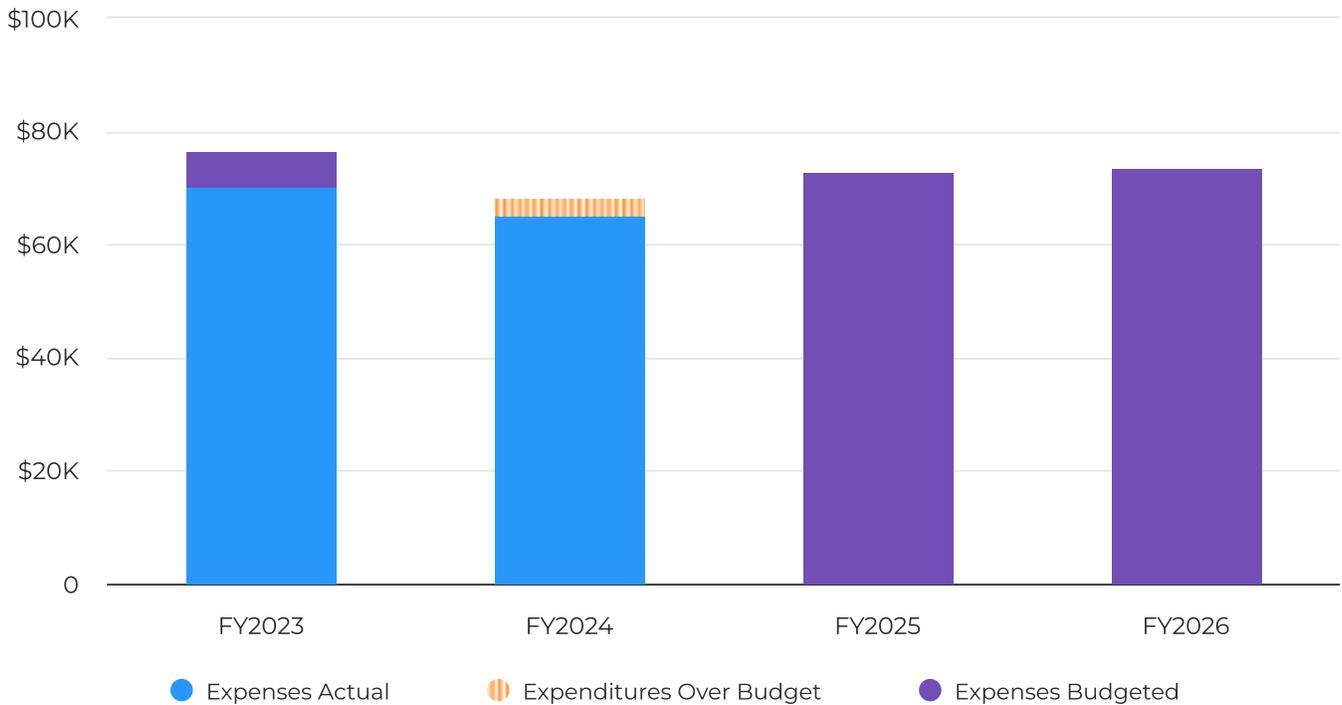


Top Row (Left to Right):

- Councilmember Allen Skillicorn
- Councilmember Peggy McMahon
- Councilmember Gayle Earle
- Councilmember Rick Watts

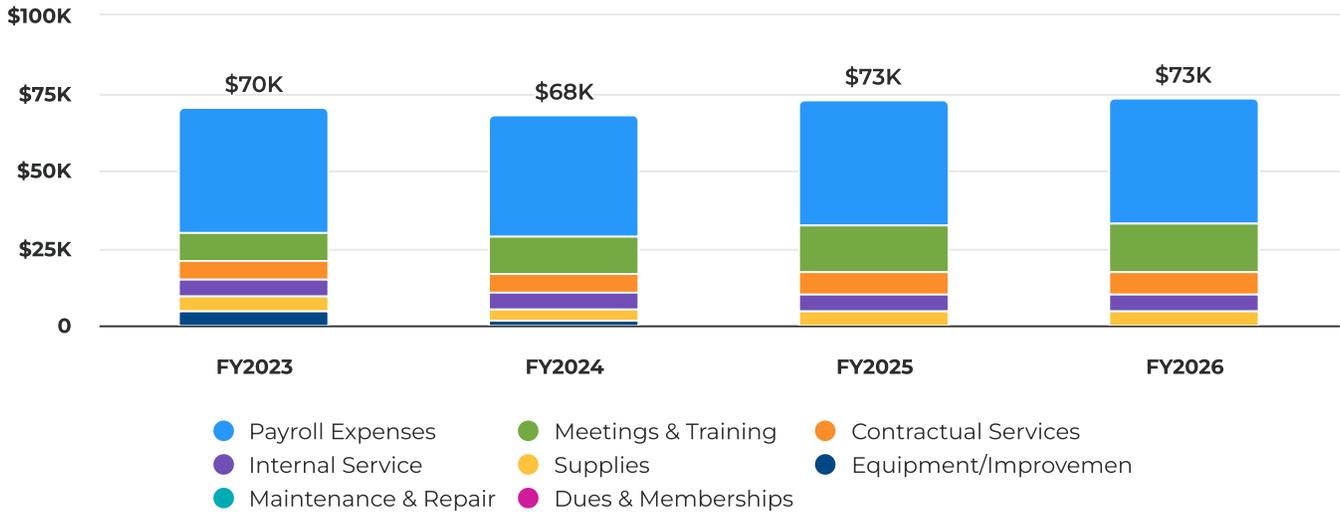
Expenditure Summary

Historical Expenditures Across Department

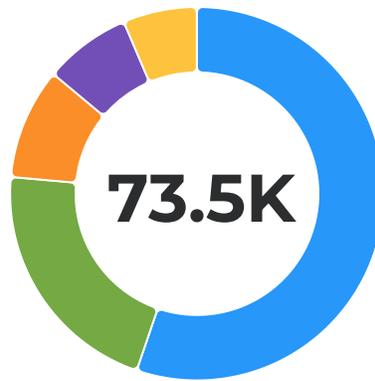


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Payroll Expenses	\$40,572	55.23%
Meetings & Training	\$15,575	21.20%
Contractual Services	\$7,070	9.62%
Internal Service	\$5,538	7.54%
Supplies	\$4,700	6.40%

Expenditures by Object

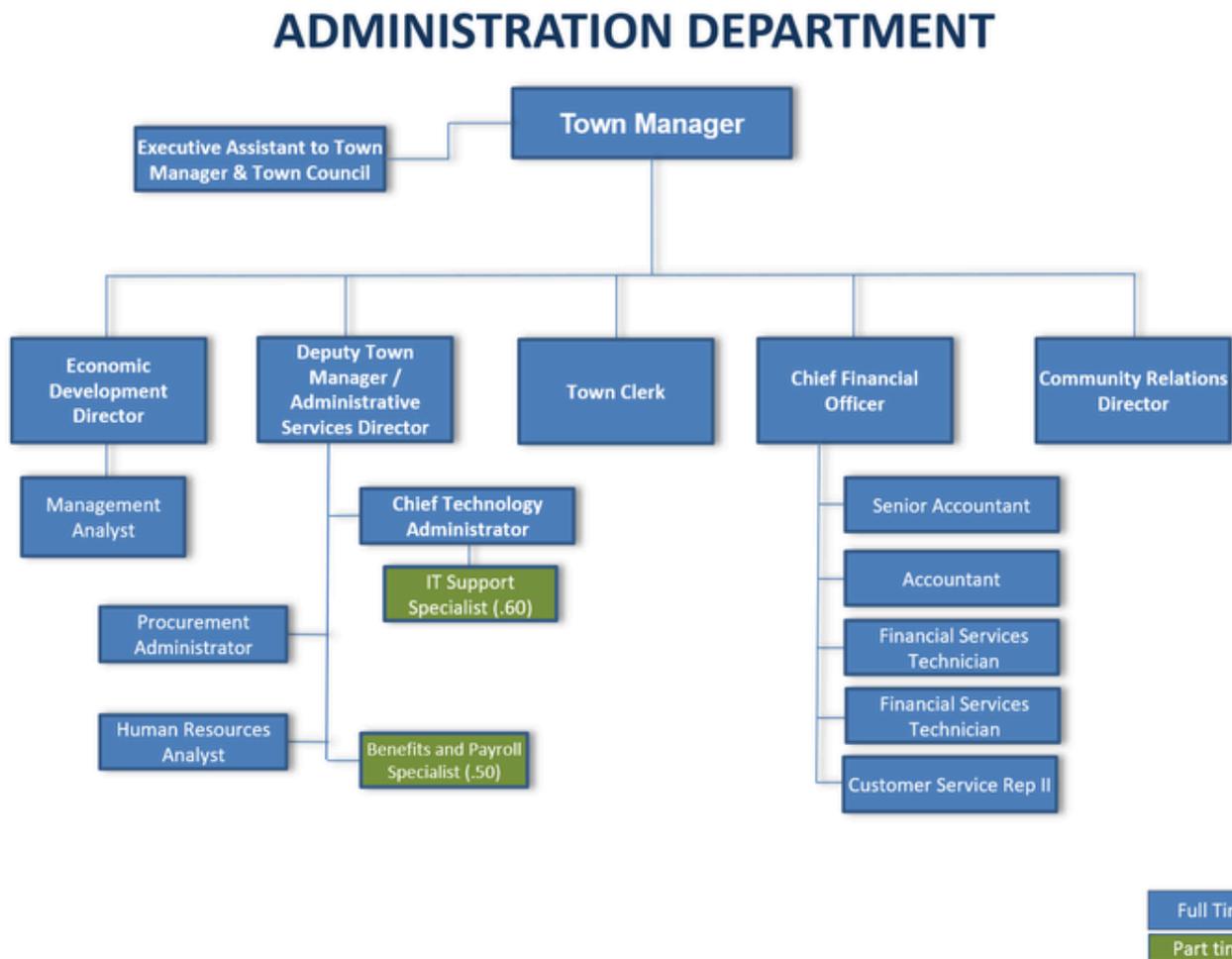
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$40,347.68	\$39,049.76	\$40,281.00	\$40,572.00	0.72%
Internal Service	\$5,946.81	\$5,564.26	\$5,414.00	\$5,538.00	2.29%
Dues & Memberships	\$112.00	-	-	-	-
Meetings & Training	\$8,832.35	\$12,052.32	\$15,575.00	\$15,575.00	0.00%
Maintenance & Repair	\$134.85	\$77.78	-	-	-
Contractual Services	\$5,778.69	\$6,310.93	\$7,070.00	\$7,070.00	0.00%
Supplies	\$4,762.65	\$3,579.52	\$4,700.00	\$4,700.00	0.00%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Equipment/Improvement	\$4,365.30	\$1,580.06	-	-	-
Total Expenditures	\$70,280.33	\$68,214.63	\$73,040.00	\$73,455.00	0.57%

Administration

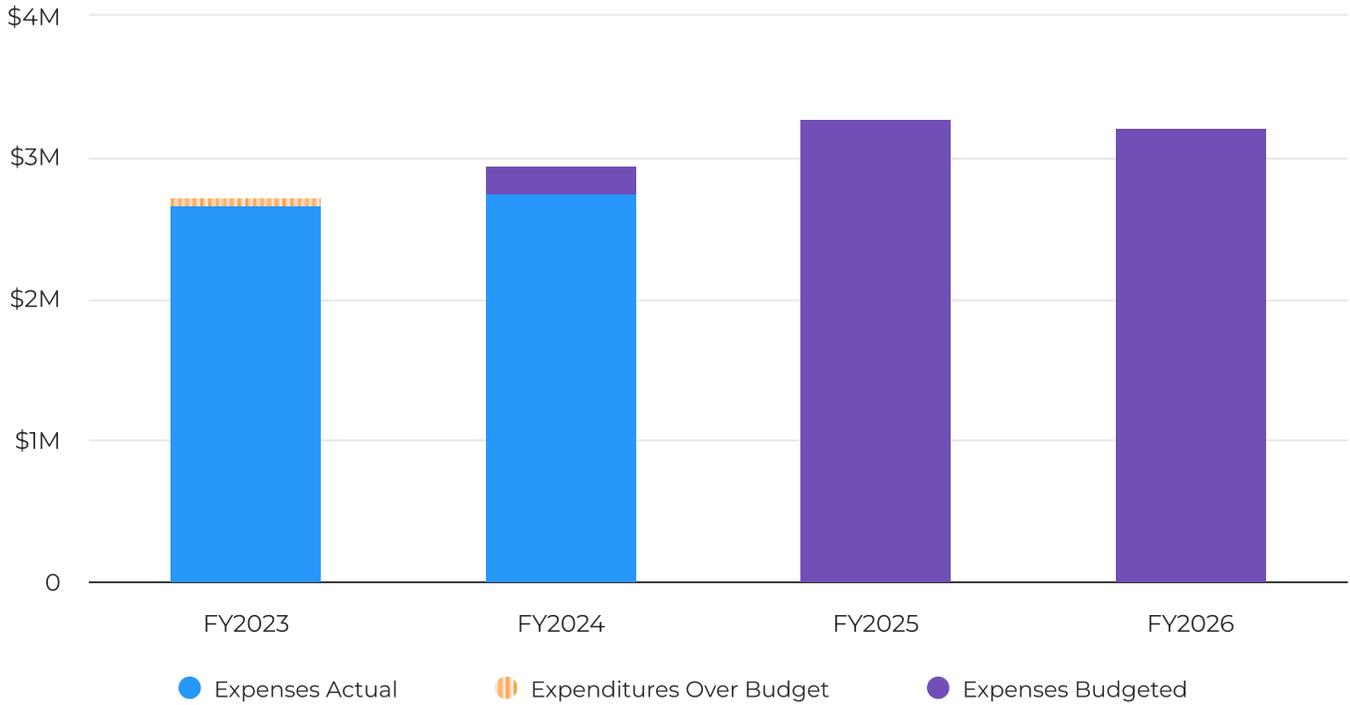
The Administration Department is dedicated to serving the residents of Fountain Hills by providing administrative direction and support to the Town's Departments. Administration provides accurate and current information on Council legislation and administrative actions; provides for the delivery of comprehensive financial services to internal and external customers; provides support to Town staff; reaches out to political leaders and geographical neighbors to continue to grow relationships in the best interests of the Town; and enhances the Town's economic base through business attraction, retention and business vitality activities.

ORG Chart for Administration Department



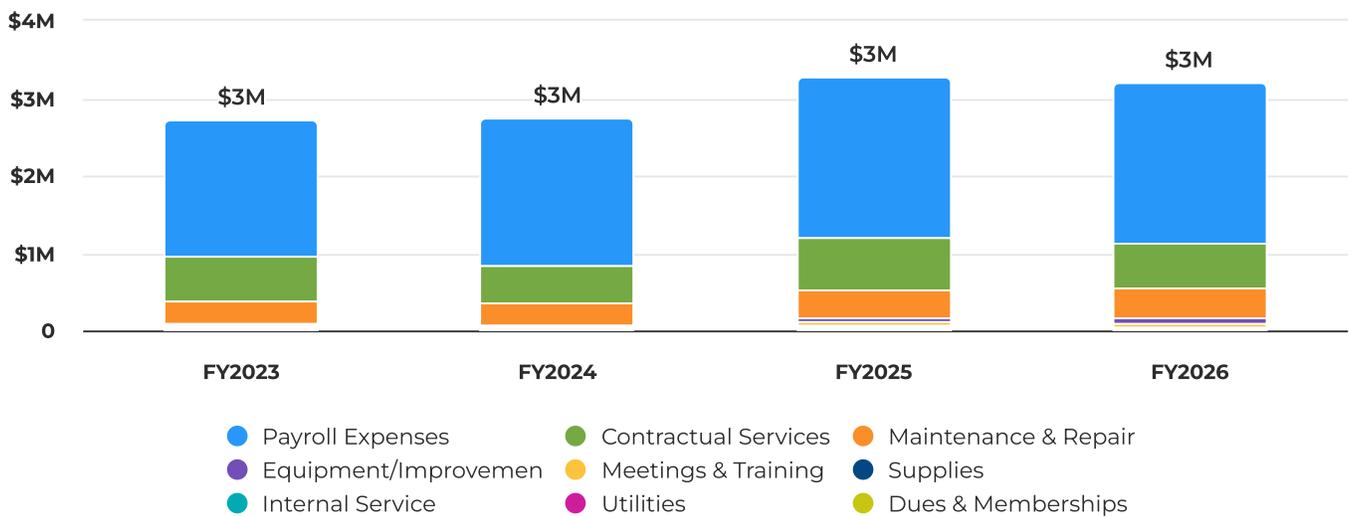
Expenditure Summary

Historical Expenditures Across Department

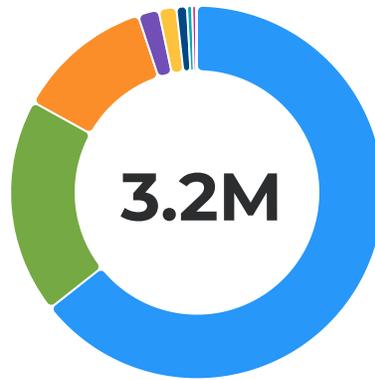


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



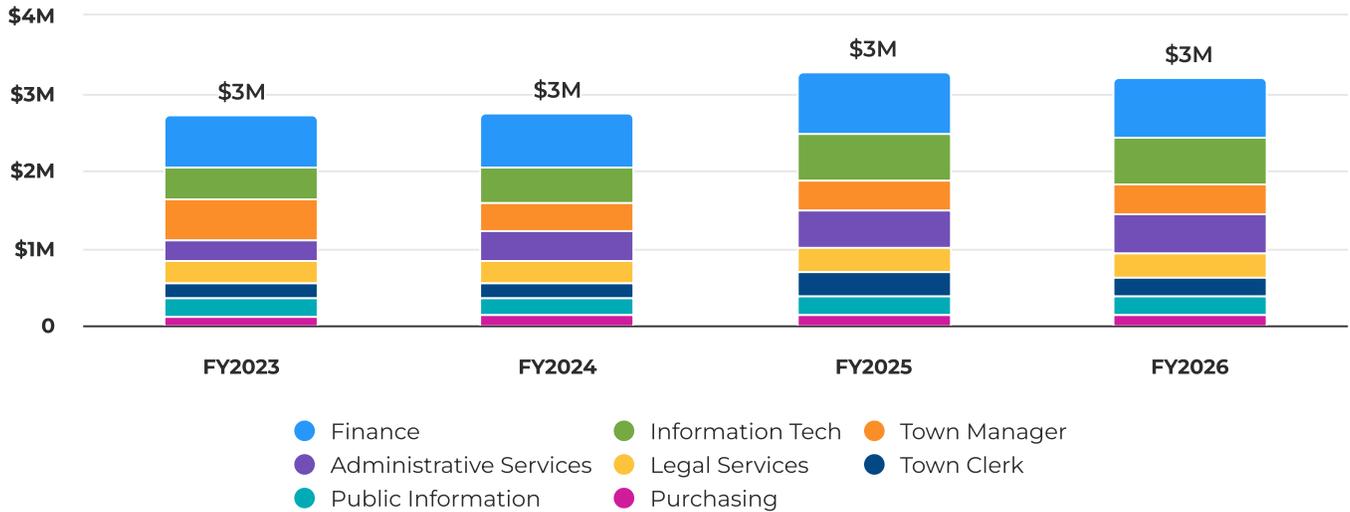
● Payroll Expenses	\$2,062,454	64.38%
● Contractual Services	\$597,895	18.66%
● Maintenance & Repair	\$379,192	11.84%
● Equipment/Improvement	\$58,300	1.82%
● Meetings & Training	\$49,128	1.53%
● Supplies	\$29,465	0.92%
● Internal Service	\$14,505	0.45%
● Dues & Memberships	\$10,173	0.32%
● Utilities	\$2,540	0.08%

Expenditures by Object

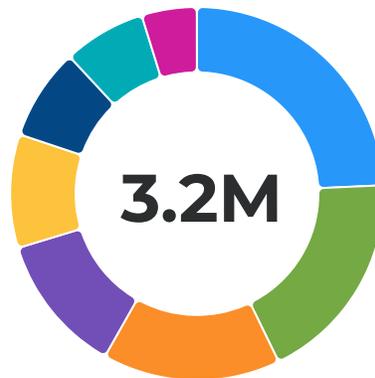
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$1,763,230.45	\$1,899,656.51	\$2,068,916.00	\$2,062,454.00	-0.31%
Internal Service	\$15,425.78	\$13,279.85	\$13,727.00	\$14,505.00	5.67%
Dues & Memberships	\$22,188.51	\$5,903.58	\$9,724.00	\$10,173.00	4.62%
Meetings & Training	\$18,162.23	\$20,632.47	\$48,419.00	\$49,128.00	1.46%
Maintenance & Repair	\$285,190.13	\$282,166.40	\$348,880.00	\$379,192.16	8.69%
Utilities	\$14,875.01	\$17,638.08	\$16,540.00	\$2,540.00	-84.64%
Contractual Services	\$576,145.11	\$474,962.03	\$682,761.00	\$597,895.00	-12.43%
Supplies	\$12,208.20	\$14,874.25	\$28,145.00	\$29,465.00	4.69%
Equipment/Improvement	\$16,108.27	\$11,723.89	\$53,300.00	\$58,300.00	9.38%
Total Expenditures	\$2,723,533.69	\$2,740,837.06	\$3,270,412.00	\$3,203,652.16	-2.04%

Expenditures by Division

Historical Expenditures by Division



FY26 Expenditures by Division



Division	Amount	Percentage
Finance	\$778,185	24.29%
Information Tech	\$593,125	18.51%
Administrative Services	\$493,318	15.40%
Town Manager	\$387,963	12.11%
Legal Services	\$314,836	9.83%
Town Clerk	\$254,715	7.95%
Public Information	\$228,494	7.13%
Purchasing	\$153,016	4.78%

Expenditures by Division

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Town Manager	\$538,116.58	\$351,831.00	\$389,870.00	\$387,963.00	-0.49%
Information Tech	\$413,498.65	\$452,701.50	\$607,129.00	\$593,125.00	-2.31%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Town Clerk	\$187,187.57	\$188,327.81	\$306,281.00	\$254,715.00	-16.84%
Administrative Services	\$263,609.21	\$386,829.67	\$491,355.00	\$493,318.00	0.40%
Finance	\$667,825.02	\$698,968.04	\$779,341.00	\$778,185.00	-0.15%
Public Information	\$229,253.31	\$221,524.03	\$238,801.00	\$228,494.00	-4.32%
Legal Services	\$295,058.14	\$300,853.34	\$308,600.00	\$314,836.00	2.02%
Purchasing	\$128,985.21	\$139,801.67	\$149,035.00	\$153,016.16	2.67%
Total Expenditures	\$2,723,533.69	\$2,740,837.06	\$3,270,412.00	\$3,203,652.16	-2.04%

Town Manager

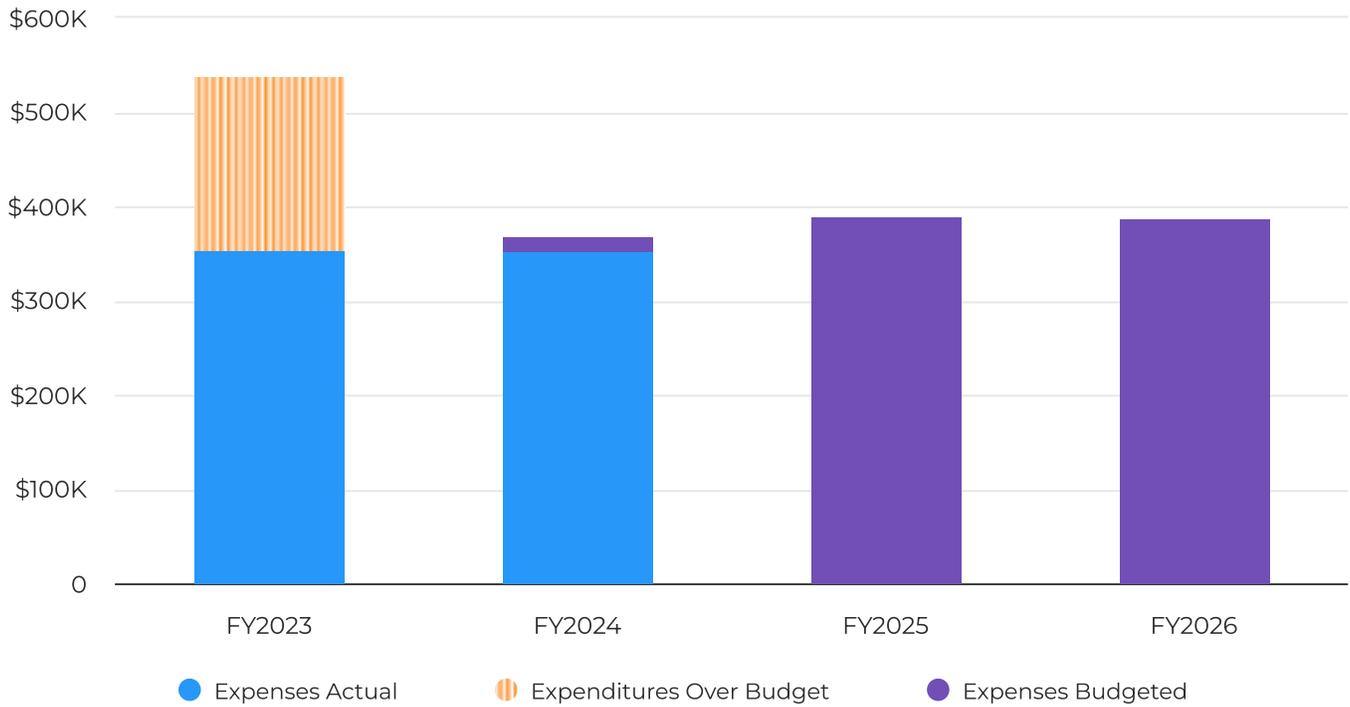
The Town Manager, Rachael Goodwin, provides leadership to ensure a high quality of life for the citizens of Fountain Hills by utilizing Town resources to the greatest extent possible and offering superior service. She works in conjunction with the Town Council and the Strategic Planning Advisory Commission (SPAC) for successful implementation of Operational Priorities and Strategic Plan Goals. Per direction and approval of the Town Council, she also administers fee-for-service contracts and communicates with the public.



Rachael Goodwin
Town Manager

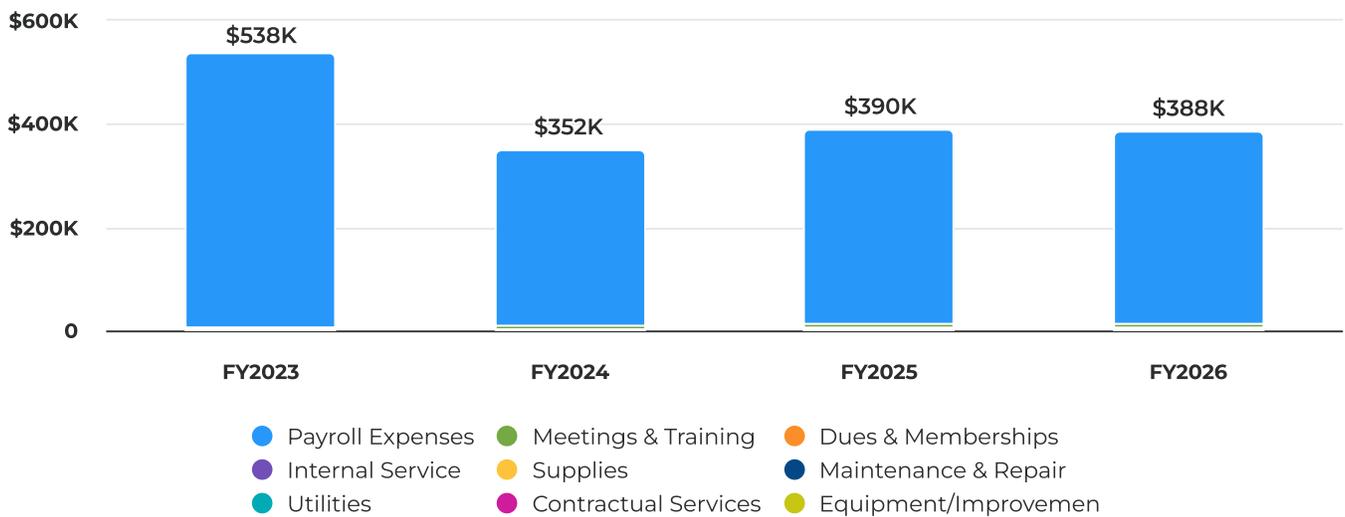
Expenditure Summary

Historical Expenditures Across Division

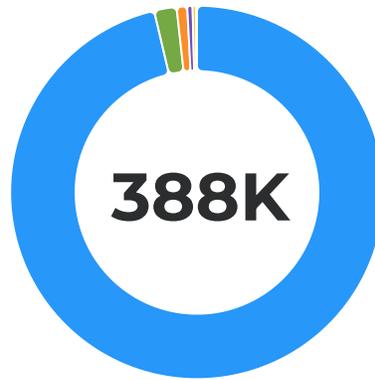


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Payroll Expenses	\$373,704	96.32%
● Meetings & Training	\$7,500	1.93%
● Dues & Memberships	\$3,500	0.90%
● Internal Service	\$1,819	0.47%
● Supplies	\$1,160	0.30%
● Maintenance & Repair	\$200	0.05%
● Contractual Services	\$80	0.02%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$529,864.42	\$341,077.55	\$375,646.00	\$373,704.00	-0.52%
Internal Service	\$2,050.81	\$1,550.24	\$1,784.00	\$1,819.00	1.96%
Dues & Memberships	\$3,041.98	\$1,527.76	\$3,500.00	\$3,500.00	0.00%
Meetings & Training	\$2,408.02	\$5,373.79	\$7,500.00	\$7,500.00	0.00%
Maintenance & Repair	\$317.18	-	\$200.00	\$200.00	0.00%
Utilities	-	\$502.94	-	-	-
Contractual Services	\$56.65	\$21.33	\$80.00	\$80.00	0.00%
Supplies	\$377.52	\$1,611.08	\$1,160.00	\$1,160.00	0.00%
Equipment/Improvement	-	\$166.31	-	-	-
Total Expenditures	\$538,116.58	\$351,831.00	\$389,870.00	\$387,963.00	-0.49%

Town Clerk

The Town Clerk Division supports the values of the community and the organization through the delivery of quality customer service; conducting fair and open municipal elections; providing broad organizational support; managing the Town's records management program and accessibility to public records; overseeing board and commission administration; and ensuring that official postings, notices and related publications meet legal compliance.

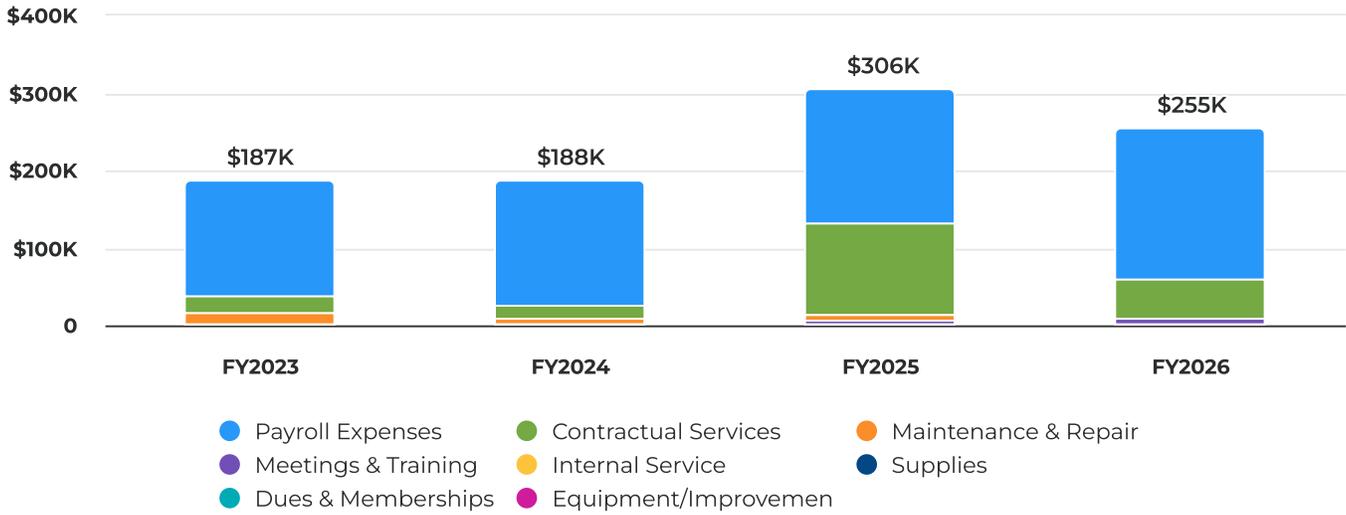
Expenditure Summary

Historical Expenditures Across Division

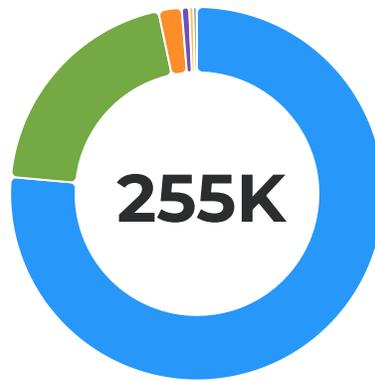


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Object	Amount	Percentage
Payroll Expenses	\$194,684	76.43%
Contractual Services	\$51,580	20.25%
Meetings & Training	\$5,124	2.01%
Internal Service	\$1,632	0.64%
Dues & Memberships	\$950	0.37%
Supplies	\$695	0.27%
Equipment/Improvement	\$50	0.02%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$148,416.00	\$162,141.95	\$174,168.00	\$194,684.00	11.78%
Internal Service	\$1,756.90	\$1,373.07	\$1,614.00	\$1,632.00	1.12%
Dues & Memberships	\$383.10	\$395.00	\$950.00	\$950.00	0.00%
Meetings & Training	\$145.00	\$255.17	\$4,824.00	\$5,124.00	6.22%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Maintenance & Repair	\$14,891.20	\$5,719.58	\$6,000.00	-	-100.00%
Contractual Services	\$21,141.40	\$16,955.89	\$117,980.00	\$51,580.00	-56.28%
Supplies	\$453.97	\$1,208.63	\$695.00	\$695.00	0.00%
Equipment/Improvement	-	\$278.52	\$50.00	\$50.00	0.00%
Total Expenditures	\$187,187.57	\$188,327.81	\$306,281.00	\$254,715.00	-16.84%

Administrative Services

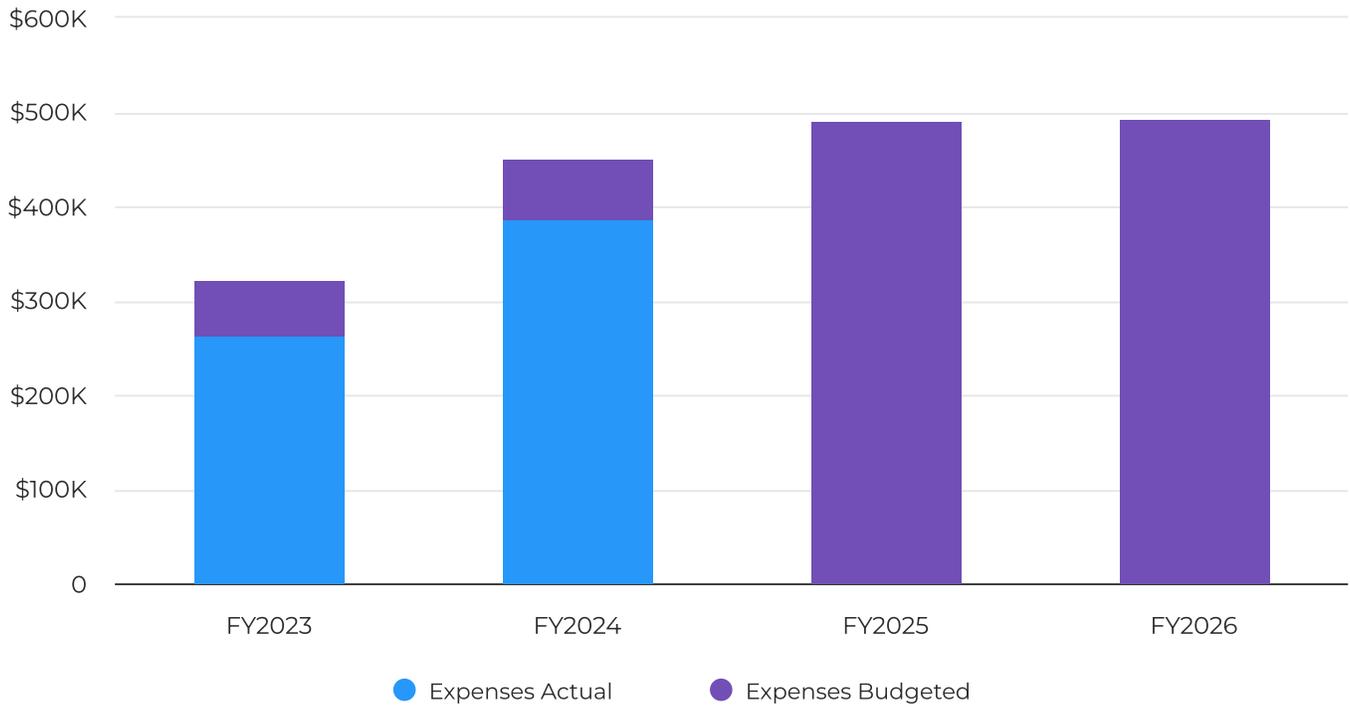
The Administrative Services Division leads the organization in the acquisition, maintenance, development, supervision and measurement of human assets and the results of their work (quality, productivity and service). The division also includes Information Technology, Legal Services, and Purchasing.



David Trimble
Deputy Town
Manager/Administrative Services
Director

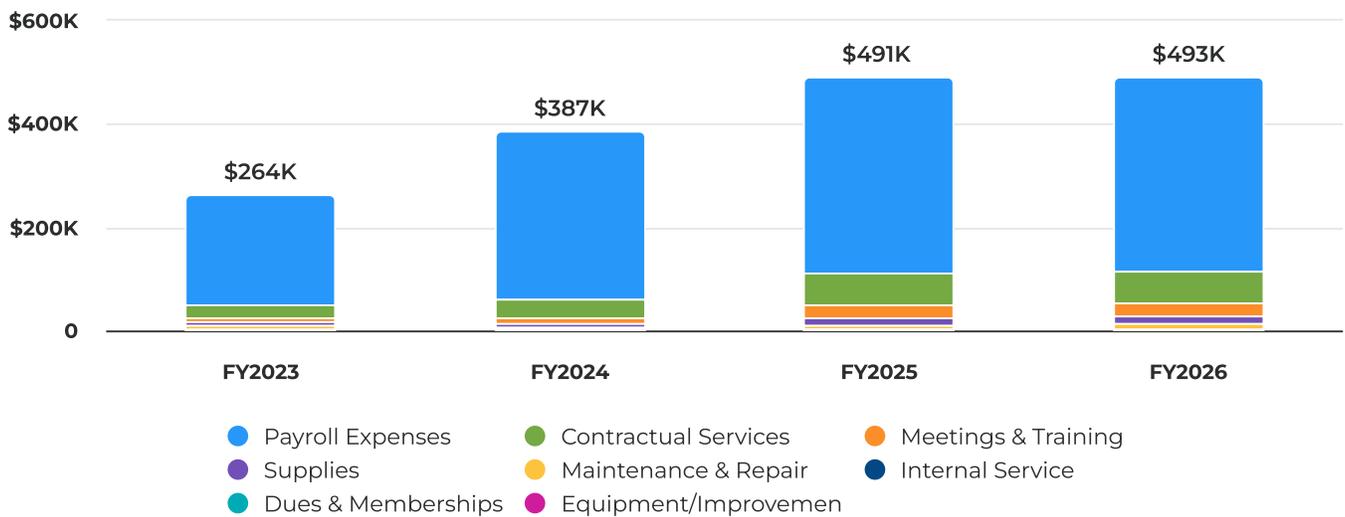
Expenditure Summary

Historical Expenditures Across Division

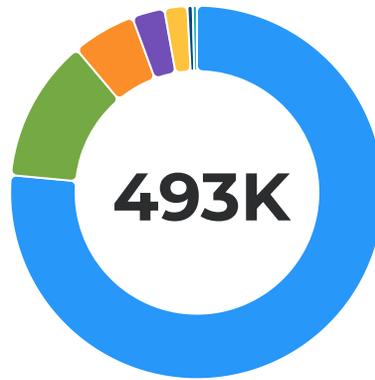


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Payroll Expenses	\$377,314	76.48%
● Contractual Services	\$61,074	12.38%
● Meetings & Training	\$27,179	5.51%
● Supplies	\$13,890	2.82%
● Maintenance & Repair	\$9,845	2.00%
● Internal Service	\$2,273	0.46%
● Dues & Memberships	\$1,743	0.35%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$211,444.84	\$324,132.09	\$378,494.00	\$377,314.00	-0.31%
Internal Service	\$2,328.08	\$2,147.90	\$1,458.00	\$2,273.00	55.90%
Dues & Memberships	\$603.63	\$664.00	\$1,969.00	\$1,743.00	-11.48%
Meetings & Training	\$5,550.68	\$10,042.20	\$26,770.00	\$27,179.00	1.53%
Maintenance & Repair	\$8,509.46	\$4,761.42	\$8,950.00	\$9,845.00	10.00%
Contractual Services	\$28,338.43	\$36,657.62	\$60,894.00	\$61,074.00	0.30%
Supplies	\$6,834.09	\$8,064.58	\$12,820.00	\$13,890.00	8.35%
Equipment/Improvement	-	\$359.86	-	-	-
Total Expenditures	\$263,609.21	\$386,829.67	\$491,355.00	\$493,318.00	0.40%

Finance

The Finance Division provides efficient and cost-effective financial oversight of both the short and long-term components of the Town's functions. The division strives to be proactive in providing financial information to staff and citizens. The division also provides safe, secure and effective cash, banking, merchant service, tax service and debt service administration for the Town.



Paul Soldinger
Chief Financial Officer

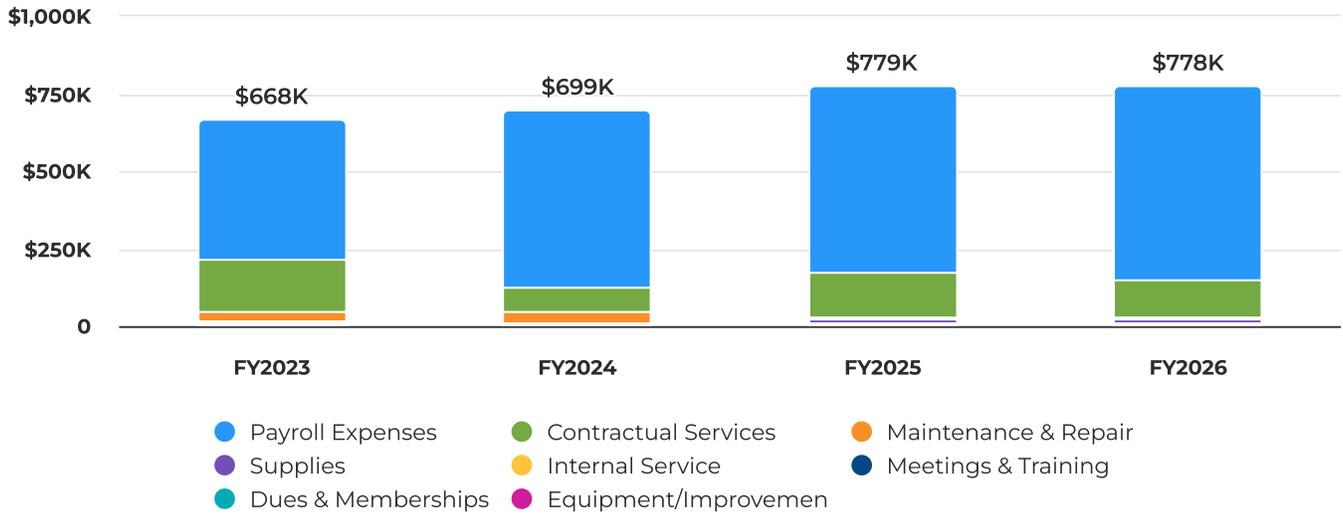
Expenditure Summary

Historical Expenditures Across Division

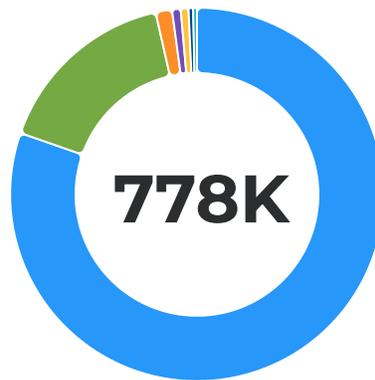


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Payroll Expenses	\$625,152	80.33%
Contractual Services	\$125,325	16.10%
Supplies	\$11,120	1.43%
Internal Service	\$5,783	0.74%
Meetings & Training	\$5,125	0.66%
Maintenance & Repair	\$3,200	0.41%
Dues & Memberships	\$2,480	0.32%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$450,699.57	\$574,249.84	\$606,625.00	\$625,152.00	3.05%
Internal Service	\$5,812.49	\$4,804.63	\$5,676.00	\$5,783.00	1.89%
Dues & Memberships	\$2,983.00	\$2,319.00	\$2,805.00	\$2,480.00	-11.59%

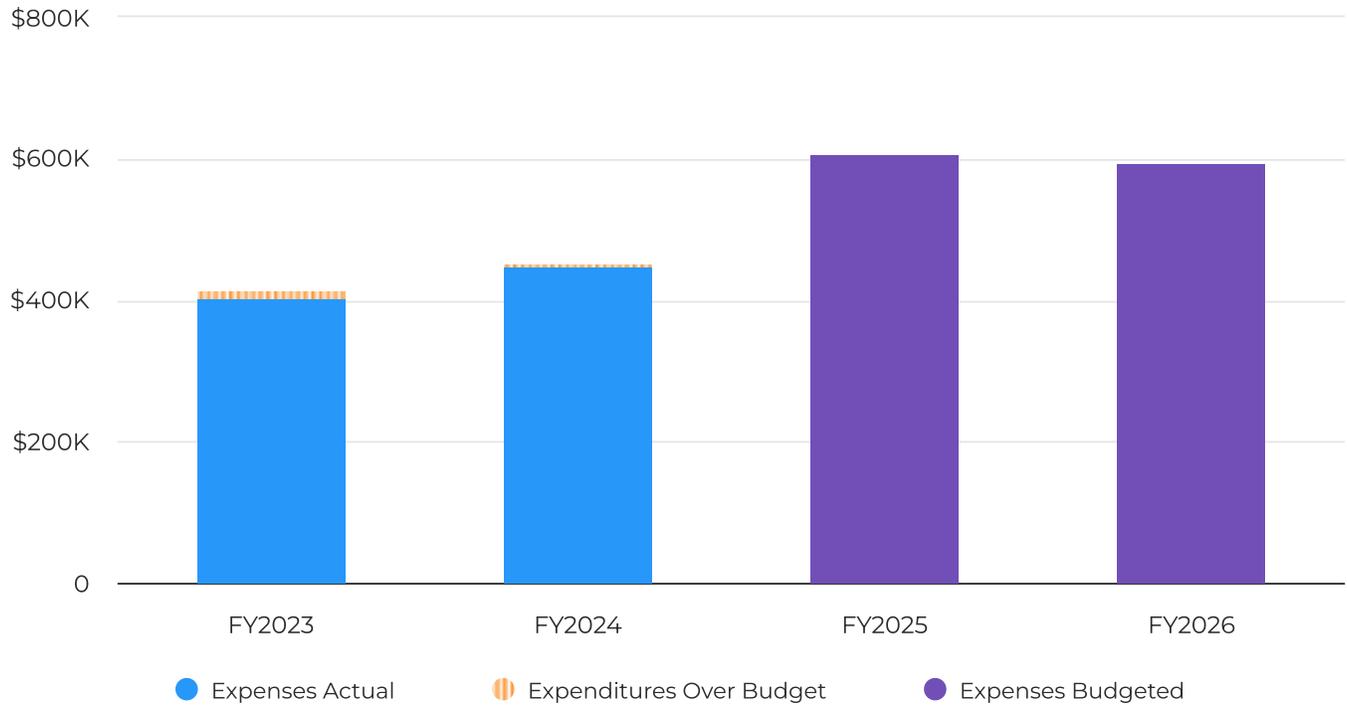
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Meetings & Training	\$3,106.85	\$2,566.45	\$5,125.00	\$5,125.00	0.00%
Maintenance & Repair	\$34,025.29	\$34,598.63	\$3,200.00	\$3,200.00	0.00%
Contractual Services	\$167,355.10	\$77,433.83	\$144,790.00	\$125,325.00	-13.44%
Supplies	\$3,016.86	\$2,282.50	\$11,120.00	\$11,120.00	0.00%
Equipment/Improvement	\$825.86	\$713.16	-	-	-
Total Expenditures	\$667,825.02	\$698,968.04	\$779,341.00	\$778,185.00	-0.15%

Information Technology

The Information Technology Division is dedicated to providing professional support in a timely and responsive manner while focusing on high availability and reliable technology. The Division also endeavors to implement alternative technologies to reduce operating and maintenance costs while improving the user experience.

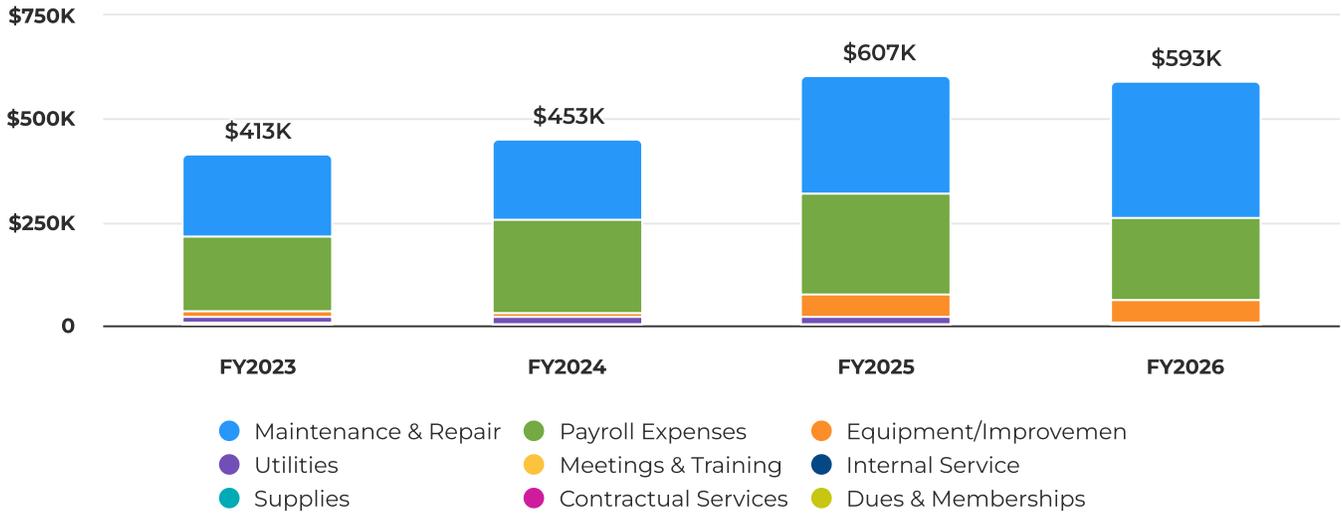
Expenditure Summary

Historical Expenditures Across Division

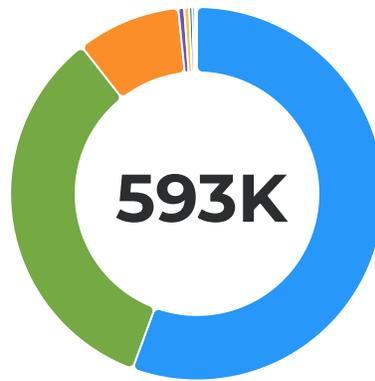


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Object	Amount	Percentage
Maintenance & Repair	\$329,900	55.62%
Payroll Expenses	\$200,501	33.80%
Equipment/Improvement	\$53,250	8.98%
Meetings & Training	\$3,000	0.51%
Utilities	\$2,540	0.43%
Supplies	\$1,600	0.27%
Internal Service	\$1,334	0.22%
Contractual Services	\$1,000	0.17%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$176,897.95	\$227,954.10	\$244,918.00	\$200,501.00	-18.14%
Internal Service	\$1,531.19	\$1,546.78	\$1,421.00	\$1,334.00	-6.12%
Dues & Memberships	\$108.11	-	-	-	-

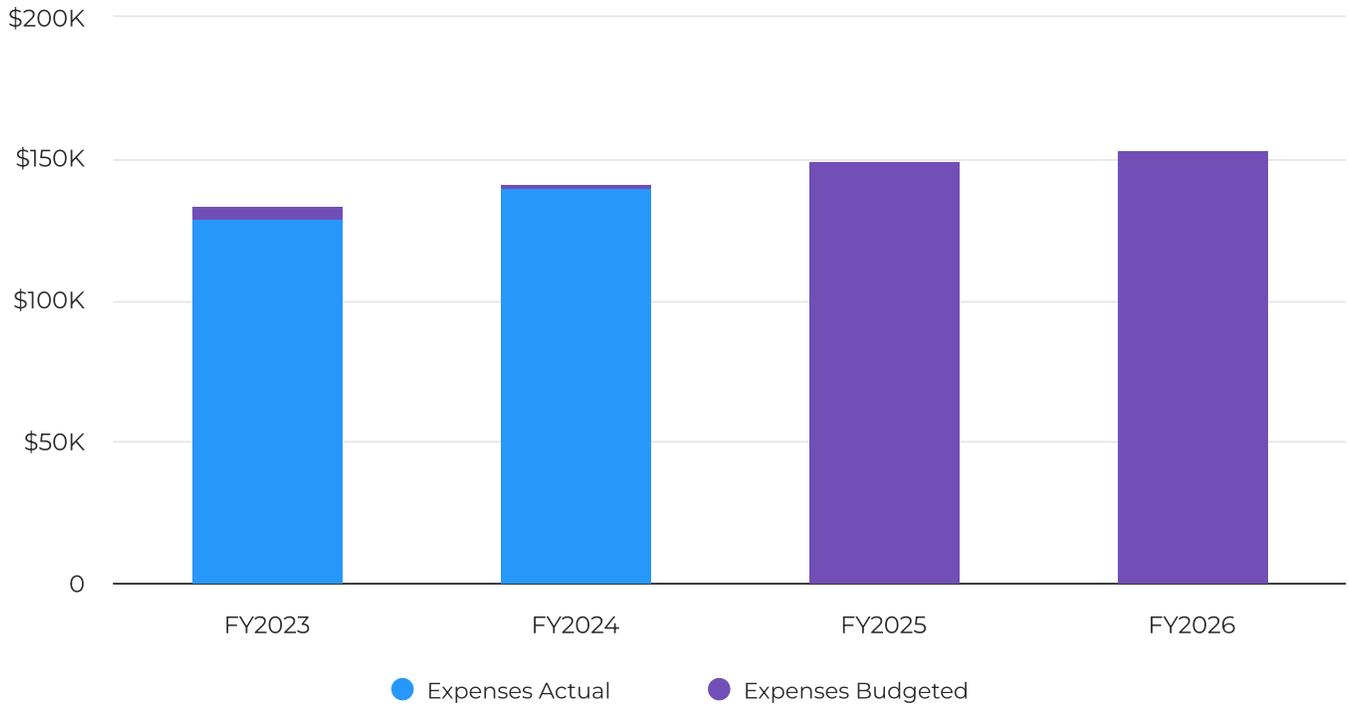
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Meetings & Training	\$5,125.00	-	\$3,000.00	\$3,000.00	0.00%
Maintenance & Repair	\$198,443.73	\$193,810.65	\$285,650.00	\$329,900.00	15.49%
Utilities	\$14,875.01	\$16,643.79	\$16,540.00	\$2,540.00	-84.64%
Contractual Services	\$1,600.00	\$1,000.00	\$1,000.00	\$1,000.00	0.00%
Supplies	\$1,130.16	\$1,540.14	\$1,350.00	\$1,600.00	18.52%
Equipment/Improvement	\$13,787.50	\$10,206.04	\$53,250.00	\$53,250.00	0.00%
Total Expenditures	\$413,498.65	\$452,701.50	\$607,129.00	\$593,125.00	-2.31%

Purchasing

The Purchasing Division is responsible for supporting the Town's need for materials and services in accordance with Federal, State, and Town requirements. These Procurements are conducted in an open, competitive, and professional manner, which maximizes the effectiveness of tax dollars.

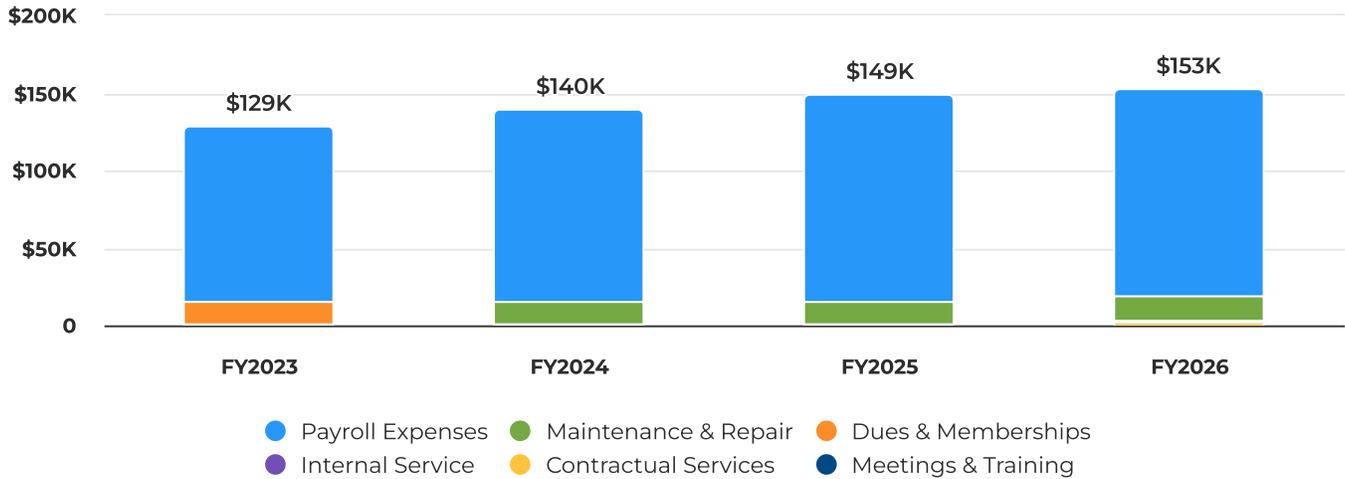
Expenditure Summary

Historical Expenditures Across Division

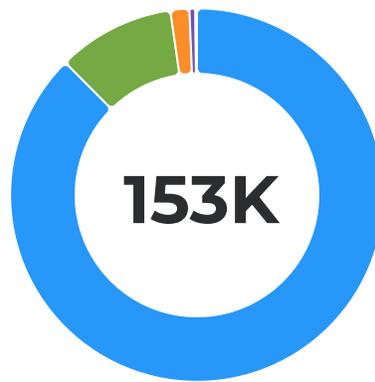


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Payroll Expenses	\$133,980	87.56%
Maintenance & Repair	\$15,547	10.16%
Contractual Services	\$2,500	1.63%
Internal Service	\$789	0.52%
Meetings & Training	\$200	0.13%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$113,515.74	\$124,482.46	\$133,148.00	\$133,980.00	0.62%
Internal Service	\$834.65	\$750.79	\$917.00	\$789.00	-13.96%
Dues & Memberships	\$14,568.42	-	-	-	-
Meetings & Training	-	-	\$200.00	\$200.00	0.00%
Maintenance & Repair	-	\$14,568.42	\$14,570.00	\$15,547.16	6.71%
Contractual Services	\$66.40	-	\$200.00	\$2,500.00	1,150.00%
Total Expenditures	\$128,985.21	\$139,801.67	\$149,035.00	\$153,016.16	2.67%

Public Information

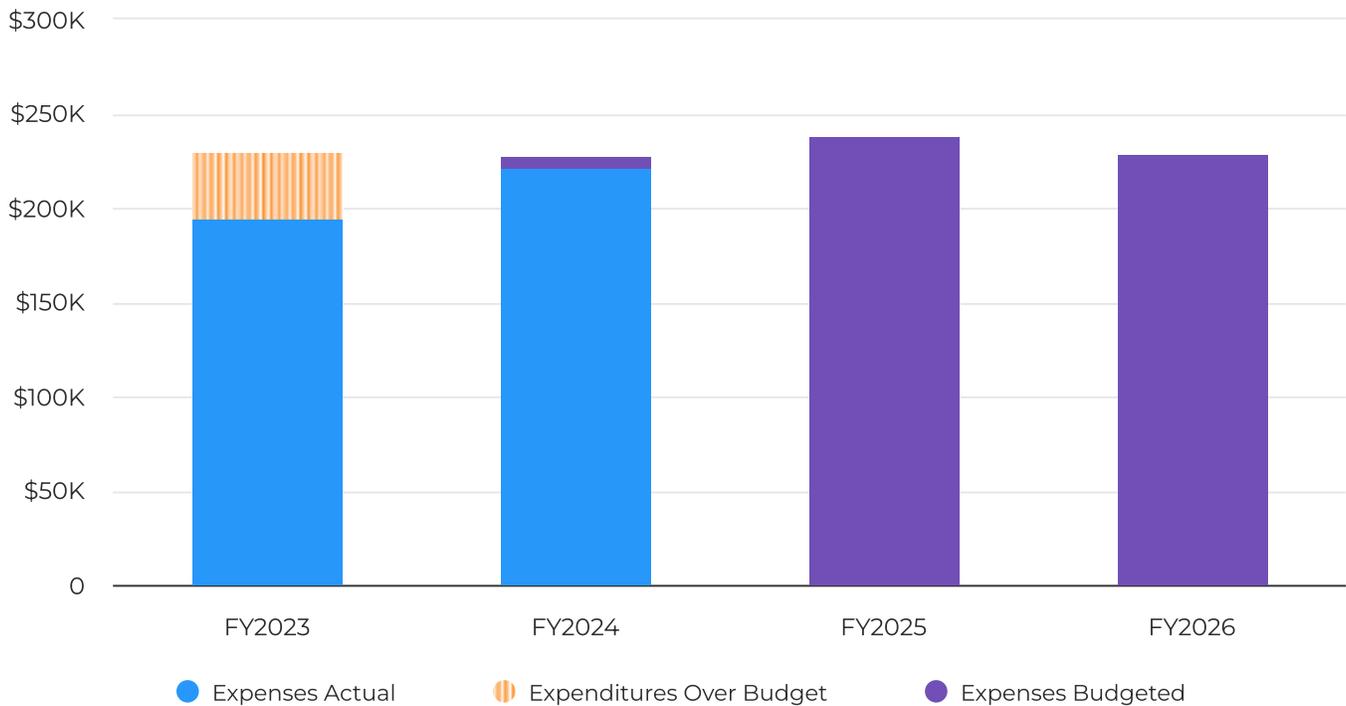
The mission of the Community Relations/Public Information Office is to be the TRUSTED SOURCE of information by accurately communicating news and information to Fountain Hills' citizens, elected officials, customers, employees, and news media via internal and external communication sources.



Mike Pelton
Community Relations Director

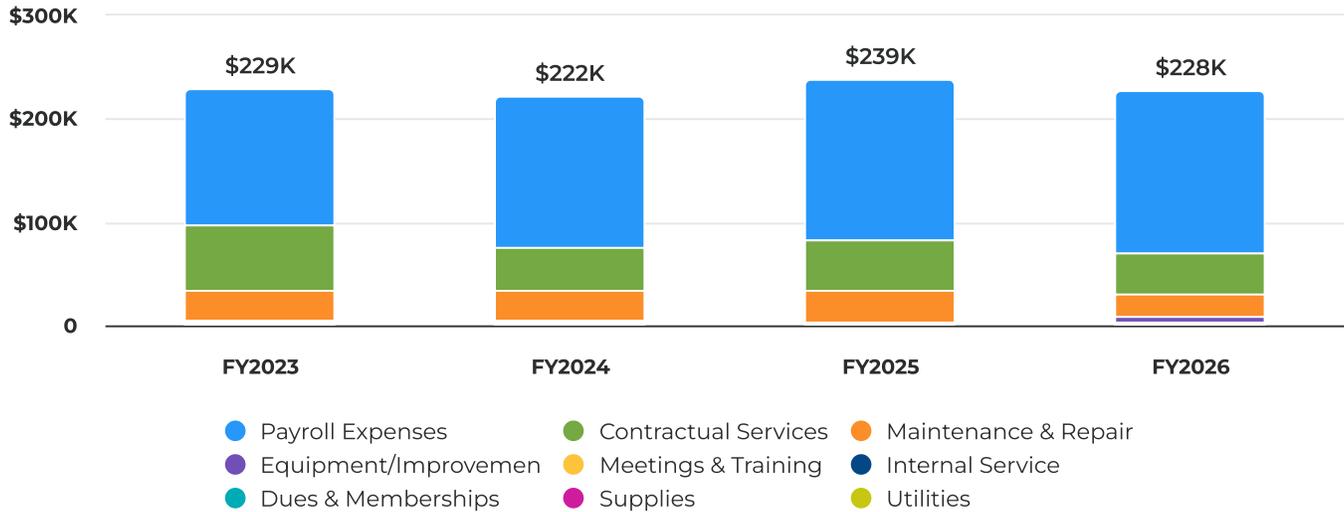
Expenditure Summary

Historical Expenditures Across Division

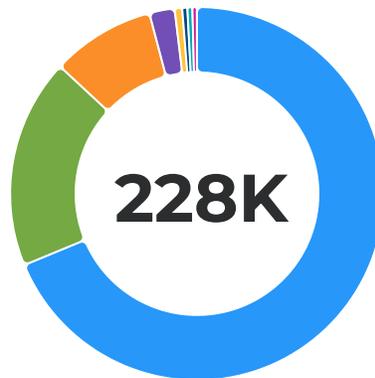


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Object	Amount	Percentage
Payroll Expenses	\$157,119	68.76%
Contractual Services	\$41,500	18.16%
Maintenance & Repair	\$20,500	8.97%
Equipment/Improvement	\$5,000	2.19%
Dues & Memberships	\$1,500	0.66%
Meetings & Training	\$1,000	0.44%
Supplies	\$1,000	0.44%
Internal Service	\$875	0.38%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$132,391.93	\$145,618.52	\$155,917.00	\$157,119.00	0.77%
Internal Service	\$1,111.66	\$1,106.44	\$857.00	\$875.00	2.10%
Dues & Memberships	\$465.62	\$997.82	\$500.00	\$1,500.00	200.00%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Meetings & Training	\$1,826.68	\$2,394.86	\$1,000.00	\$1,000.00	0.00%
Maintenance & Repair	\$29,003.27	\$28,707.70	\$30,310.00	\$20,500.00	-32.37%
Utilities	-	\$491.35	-	-	-
Contractual Services	\$62,563.64	\$42,040.02	\$49,217.00	\$41,500.00	-15.68%
Supplies	\$395.60	\$167.32	\$1,000.00	\$1,000.00	0.00%
Equipment/Improvement	\$1,494.91	-	-	\$5,000.00	-
Total Expenditures	\$229,253.31	\$221,524.03	\$238,801.00	\$228,494.00	-4.32%

Economic Development

Economic Development in Fountain Hills requires a collaborative effort to ensure success. The Town of Fountain Hills plays a key role along with the business community and residents. The Town works collaboratively with the various stakeholder groups and other agencies in its effort to diversify the local economy.

The Economic Development Plan is a multi-tiered approach to building a strong economic base. Creating more base jobs locally will attract more year-round residents to live, work and play in the community. Expanding the market for local businesses creates revenues that support the community's quality of life. As revenues are generated and the economic base expands, revenues are available for basic services such as parks, recreation and roadway improvements.

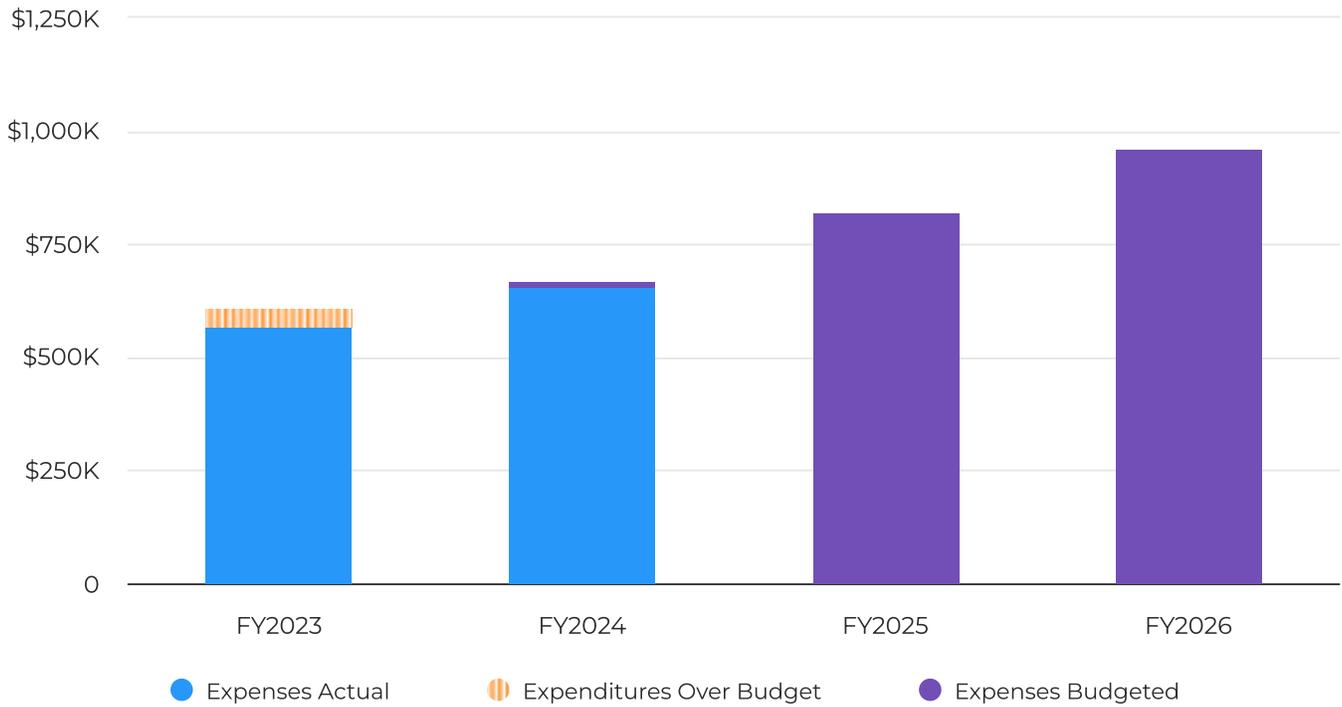


Amanda Jacobs

Economic Development Director

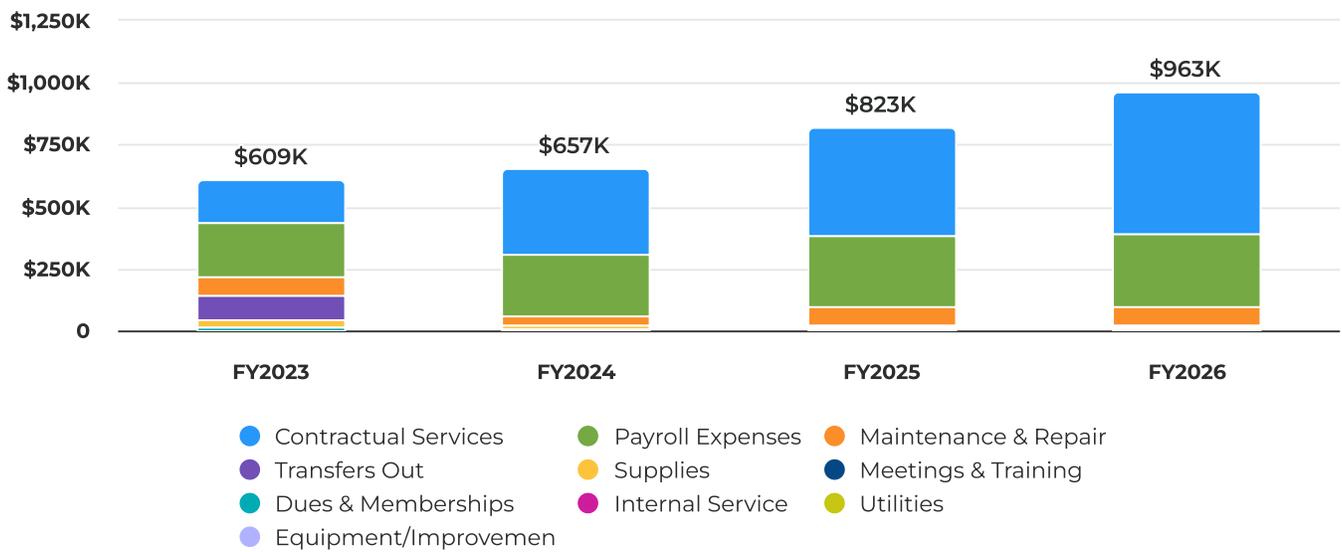
Expenditure Summary

Historical Expenditures Across Division

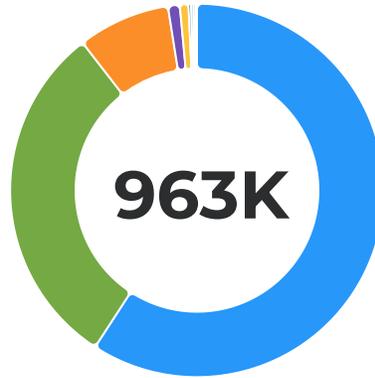


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Contractual Services	\$570,078	59.18%
● Payroll Expenses	\$292,219	30.34%
● Maintenance & Repair	\$76,905	7.98%
● Meetings & Training	\$9,820	1.02%
● Supplies	\$7,280	0.76%
● Utilities	\$2,050	0.21%
● Internal Service	\$2,008	0.21%
● Dues & Memberships	\$1,854	0.19%
● Equipment/Improvement	\$1,000	0.10%

Expenditures by Object

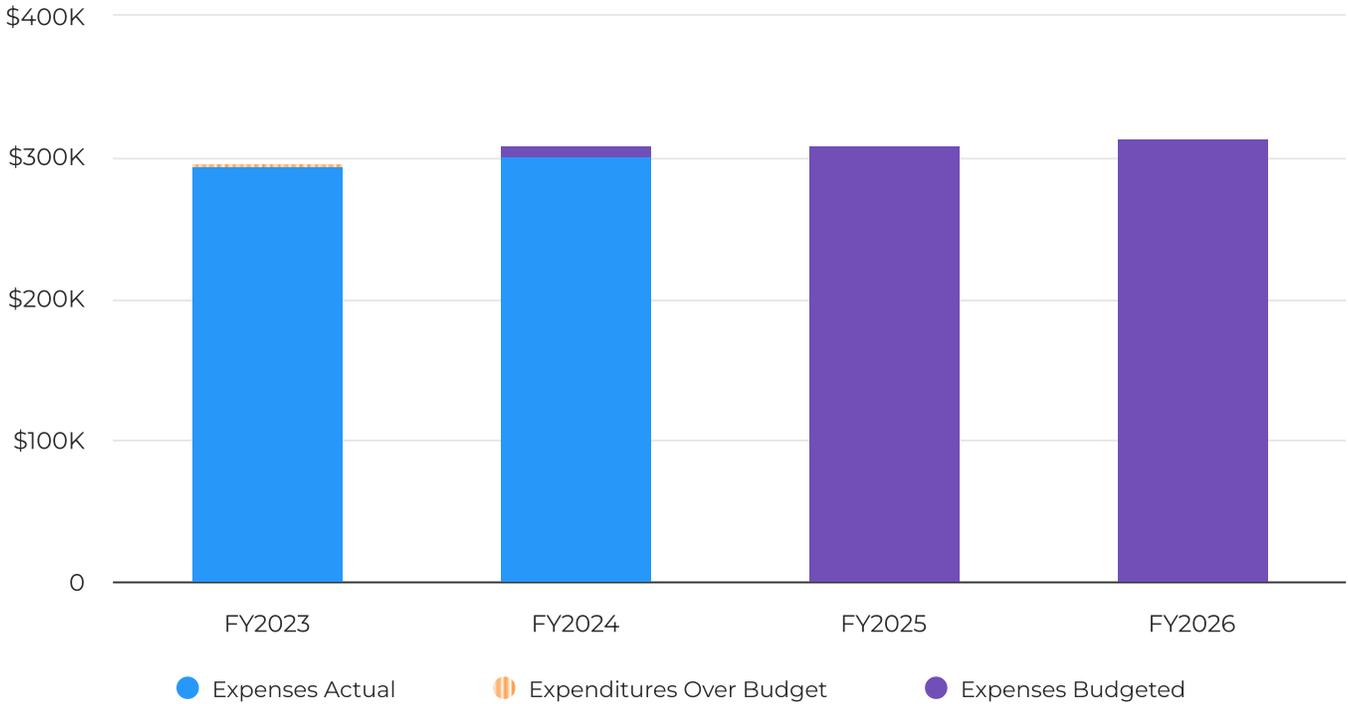
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$217,803.42	\$248,749.65	\$286,525.00	\$292,219.00	1.99%
Internal Service	\$2,283.21	\$1,712.96	\$2,008.00	\$2,008.00	0.00%
Transfers Out	\$97,340.00	-	-	-	-
Dues & Memberships	\$9,469.50	\$2,605.39	\$1,854.00	\$1,854.00	0.00%
Meetings & Training	\$3,275.04	\$4,825.50	\$9,820.00	\$9,820.00	0.00%
Maintenance & Repair	\$77,897.17	\$40,130.05	\$71,905.00	\$76,905.00	6.95%
Utilities	-	-	\$2,050.00	\$2,050.00	0.00%
Contractual Services	\$172,060.67	\$347,294.59	\$440,429.00	\$570,078.00	29.44%
Supplies	\$29,091.29	\$11,681.49	\$7,280.00	\$7,280.00	0.00%
Equipment/Improvement	\$42.56	-	\$1,000.00	\$1,000.00	0.00%
Total Expenditures	\$609,262.86	\$656,999.63	\$822,871.00	\$963,214.00	17.06%

Legal Services

The Town Attorney and Town Prosecutor are appointed by the Town Council to serve as general counsel for the Town in addition to its responsibility for the efficient disposition of criminal cases prosecuted in the Municipal Court.

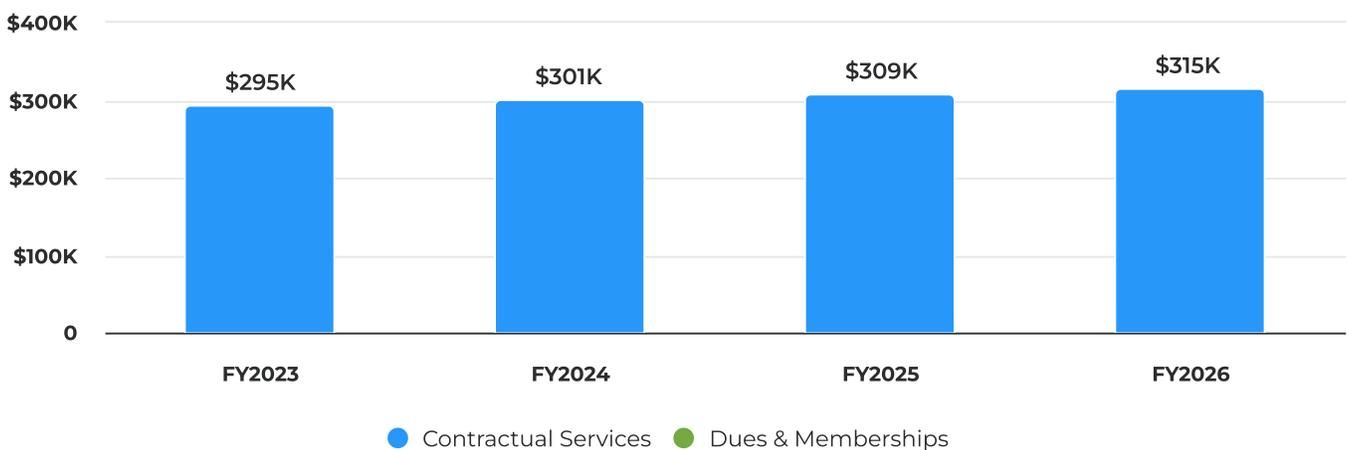
Expenditure Summary

Historical Expenditures Across Division

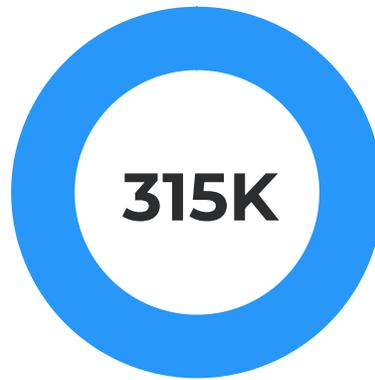


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Contractual Services **\$314,836** 100.00%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Dues & Memberships	\$34.65	-	-	-	-
Contractual Services	\$295,023.49	\$300,853.34	\$308,600.00	\$314,836.00	2.02%
Total Expenditures	\$295,058.14	\$300,853.34	\$308,600.00	\$314,836.00	2.02%

General Government

The purpose of the General Government Department is to locate expenditures that are Town-wide and do not belong to any one department. Such expenditures as the community contracts, Town's membership dues in the Arizona League of Cities and Town, Maricopa Association of Governments, East Valley Partnership, and other Town-wide expenditures are located in the General Government Department. Terms such as General Government and Non-Departmental are commonly used in municipal budgeting to describe this type of cost center.

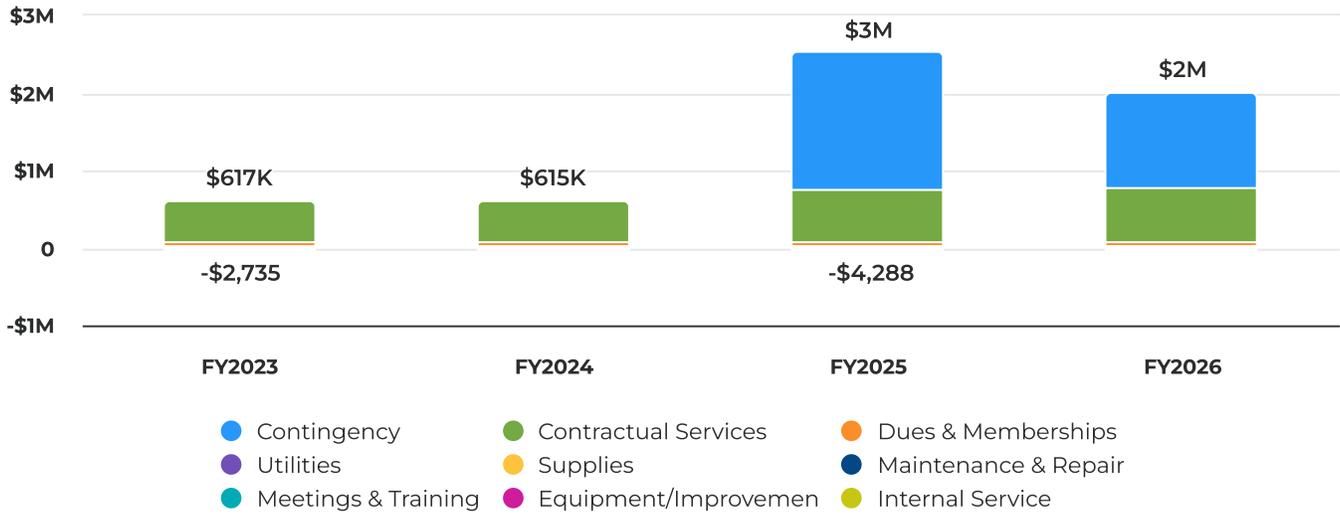
Expenditure Summary

Historical Expenditures Across Department

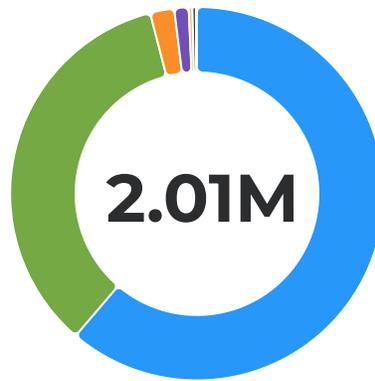


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Contingency	\$1,228,772	61.26%
Contractual Services	\$696,458	34.72%
Dues & Memberships	\$41,710	2.08%
Utilities	\$25,000	1.25%
Supplies	\$6,305	0.31%
Maintenance & Repair	\$6,000	0.30%
Meetings & Training	\$1,740	0.09%

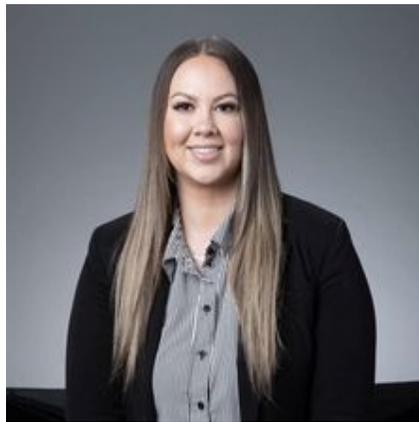
Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Internal Service	-\$2,734.54	\$1,295.72	-\$4,288.00	-	-100.00%
Contingency	-	-	\$1,771,541.00	\$1,228,771.79	-30.64%
Dues & Memberships	\$44,279.00	\$46,298.84	\$46,038.00	\$41,710.00	-9.40%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Meetings & Training	-	\$53.99	\$1,740.00	\$1,740.00	0.00%
Maintenance & Repair	\$1,747.07	\$2,601.14	\$6,000.00	\$6,000.00	0.00%
Utilities	\$20,523.37	\$20,841.77	\$25,000.00	\$25,000.00	0.00%
Contractual Services	\$538,742.72	\$537,067.06	\$679,717.00	\$696,458.00	2.46%
Supplies	\$8,562.11	\$7,153.85	\$6,305.00	\$6,305.00	0.00%
Equipment/Improvement	\$3,024.16	-	-	-	-
Total Expenditures	\$614,143.89	\$615,312.37	\$2,532,053.00	\$2,005,984.79	-20.78%

Municipal Court

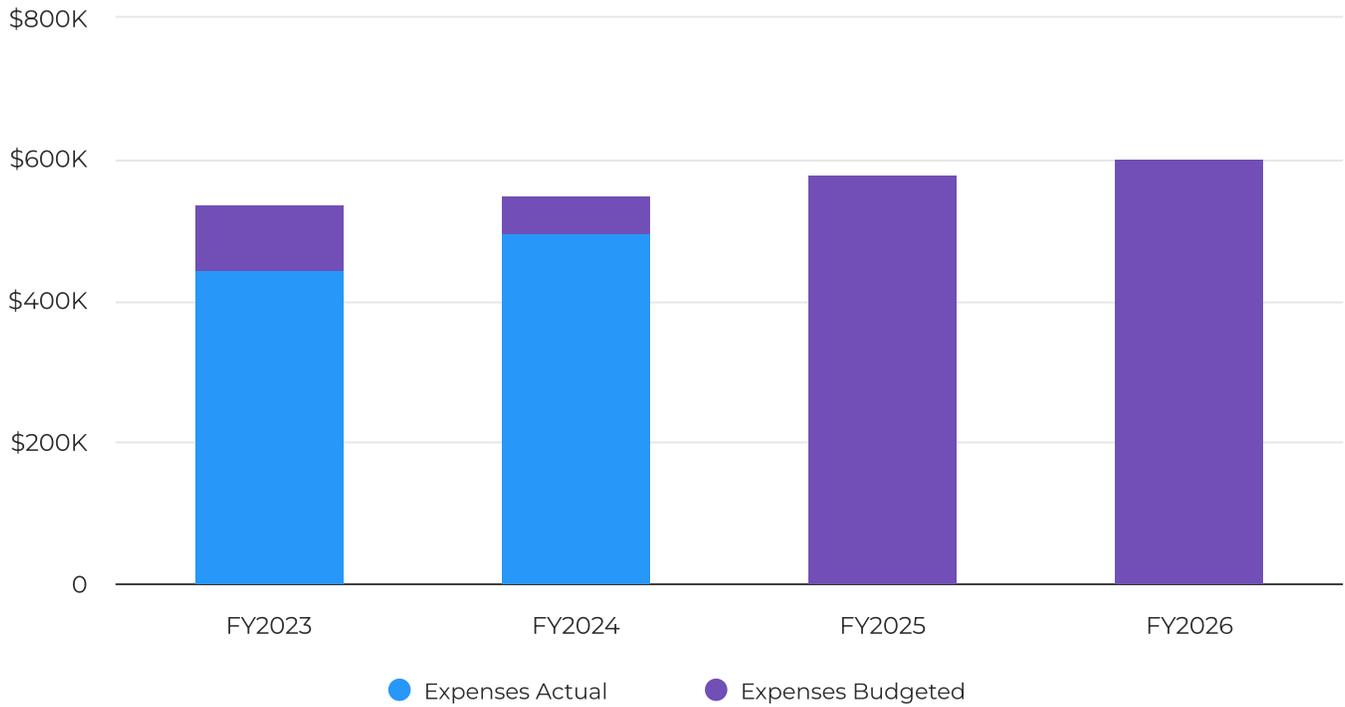
The Fountain Hills Municipal Court is the judicial branch of the Fountain Hills government. Pursuant to State law and the Town Code, decisions regarding the overall function of the Court are the sole responsibility of the Presiding Judge, who also has exclusive supervisory authority over all court personnel. The Court has jurisdiction over civil traffic, criminal traffic and criminal misdemeanor offenses and violations of our Town Code and ordinances. The Court also has authority over specified juvenile offenses. In addition, the Municipal Court Presiding Judge has authority to issue arrest/search warrants, civil orders of protection, and injunctions against harassment. As part of the Arizona State Court System, the Fountain Hills Municipal Court is subject to the authority and administrative supervision of the Arizona Supreme Court. The Fountain Hills Municipal Court has legal obligations and reporting responsibilities to the State as well as to the Town of Fountain Hills. The Court must comply with constantly changing federal, state, and local laws and administrative rules, including those relating to crimes and criminal procedure, victims' rights, record keeping, ADA, minimum accounting standards and judicial ethics.



Joanna Elliot
Court Administrator

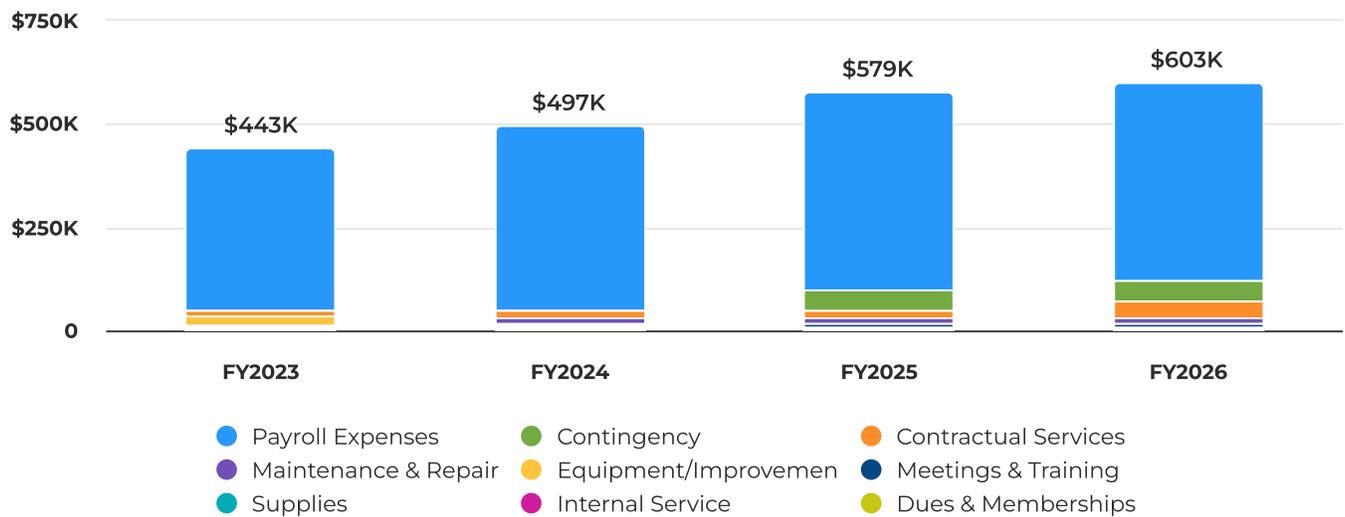
Expenditure Summary

Historical Expenditures Across Department

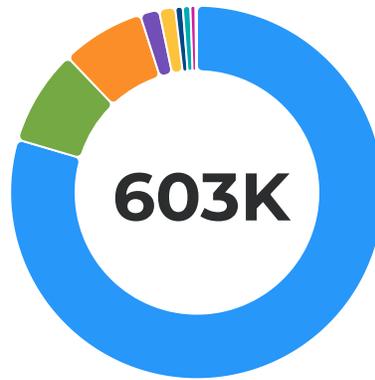


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Payroll Expenses	\$479,749	79.57%
Contingency	\$50,000	8.29%
Contractual Services	\$43,481	7.21%
Maintenance & Repair	\$10,010	1.66%
Meetings & Training	\$8,405	1.39%
Supplies	\$3,939	0.65%
Internal Service	\$3,922	0.65%
Equipment/Improvement	\$2,760	0.46%
Dues & Memberships	\$677	0.11%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$393,146.51	\$448,622.46	\$480,762.00	\$479,749.00	-0.21%
Internal Service	\$4,292.43	\$3,476.15	\$3,840.00	\$3,922.00	2.14%
Contingency	-	-	\$50,000.00	\$50,000.00	0.00%
Dues & Memberships	\$2,716.11	\$763.59	\$677.00	\$677.00	0.00%
Meetings & Training	\$1,232.48	\$2,814.77	\$8,405.00	\$8,405.00	0.00%
Maintenance & Repair	\$2,610.26	\$15,339.44	\$10,010.00	\$10,010.00	0.00%
Contractual Services	\$11,389.59	\$16,955.83	\$18,481.00	\$43,481.00	135.27%
Supplies	\$5,660.34	\$5,701.15	\$3,939.00	\$3,939.00	0.00%
Equipment/Improvement	\$21,651.09	\$3,143.46	\$2,760.00	\$2,760.00	0.00%
Total Expenditures	\$442,698.81	\$496,816.85	\$578,874.00	\$602,943.00	4.16%

Public Works

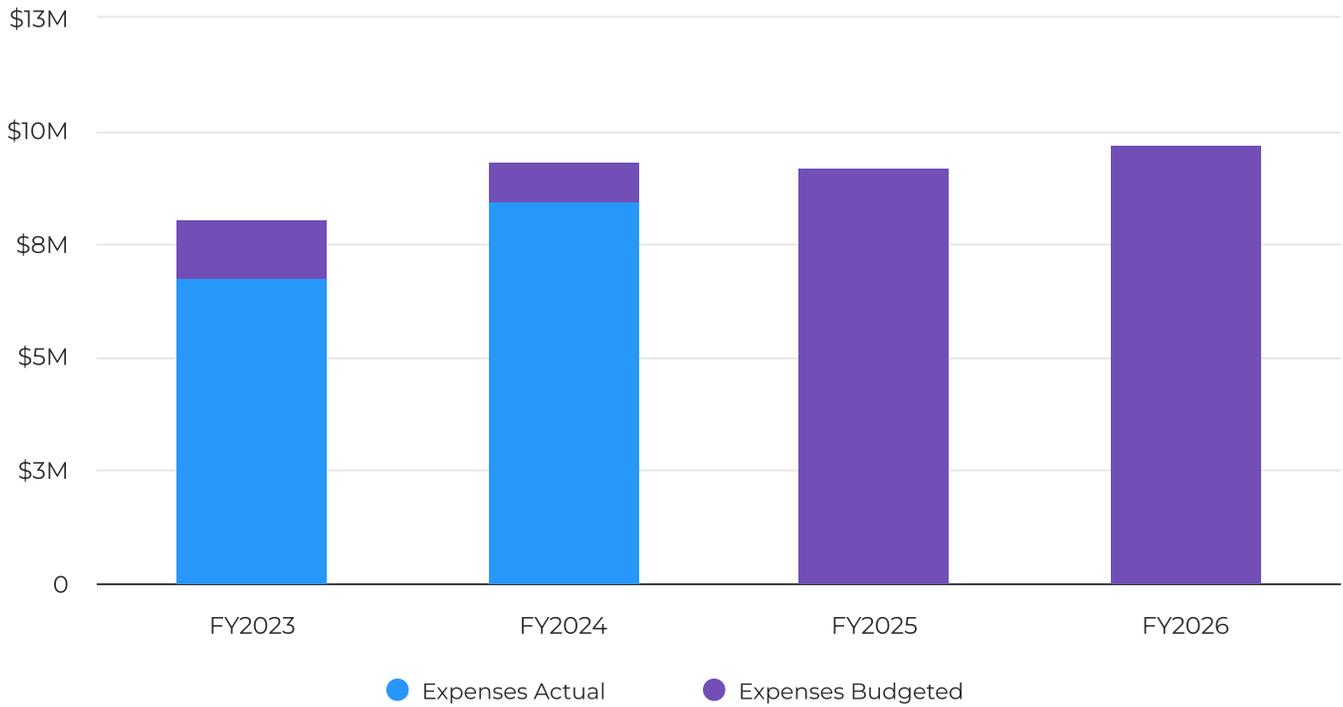
The Public Works Department is dedicated to enhancing the quality of life in Fountain Hills by ensuring the construction of quality infrastructure; maintenance of roadways and traffic control devices; maintenance of Town-owned washes, dams, medians and open space; and maintenance of Town facilities in a manner that provides a safe, healthy and secure environment for staff and visitors. The Department strives to provide quality customer service in a professional and timely manner.



Justin Weldy
Public Works Director

Expenditure Summary

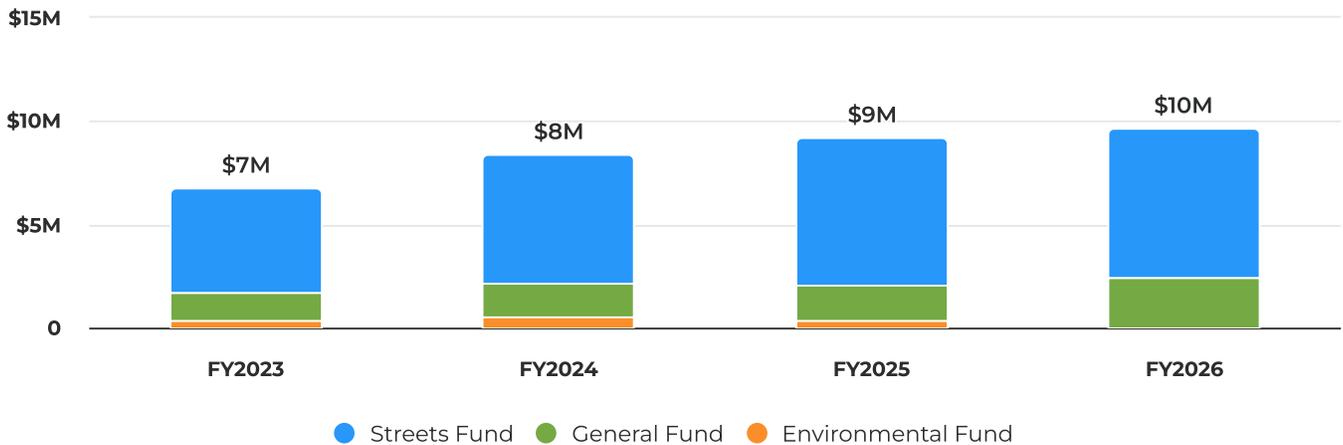
Historical Expenditures Across Department



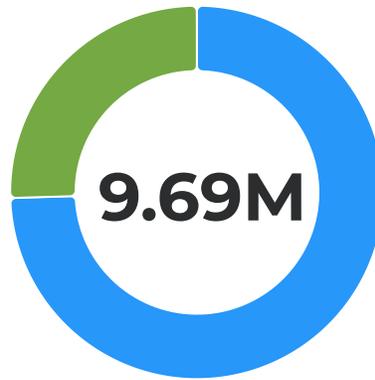
Expenditures by Fund

Increases to the Public Works budgeted expenditures for FY2026 are mostly a result of proposed supplement requests for personnel and ongoing expenditures. Beginning in FY2026, the Town will close the Environmental Fund and instead budget for Environmental Program expenditures out of the General Fund.

Historical Expenditures by Fund



FY26 Expenditures by Fund



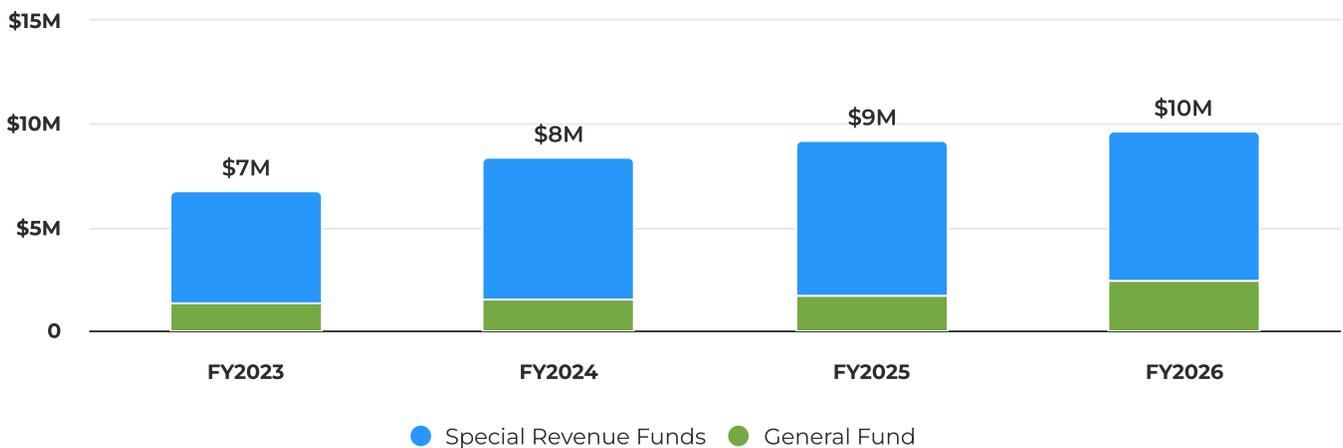
●	Streets Fund	\$7,226,020	74.53%
●	General Fund	\$2,468,888	25.47%

Expenditures by Fund

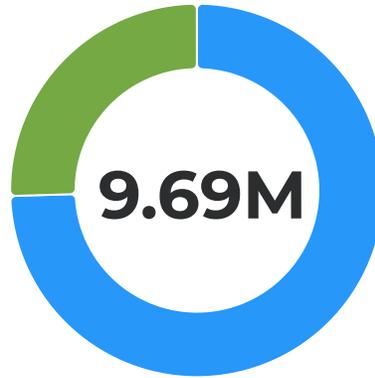
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$1,336,419.31	\$1,572,310.36	\$1,702,310.00	\$2,468,888.00	45.03%
Streets Fund	\$5,054,002.90	\$6,311,022.28	\$7,087,540.00	\$7,226,020.00	1.95%
Environmental Fund	\$386,570.86	\$563,757.75	\$404,804.00	-	-100.00%
Total Expenditures	\$6,776,993.07	\$8,447,090.39	\$9,194,654.00	\$9,694,908.00	5.44%

Expenditures by Fund Summary

Historical Expenditures by Fund Summary



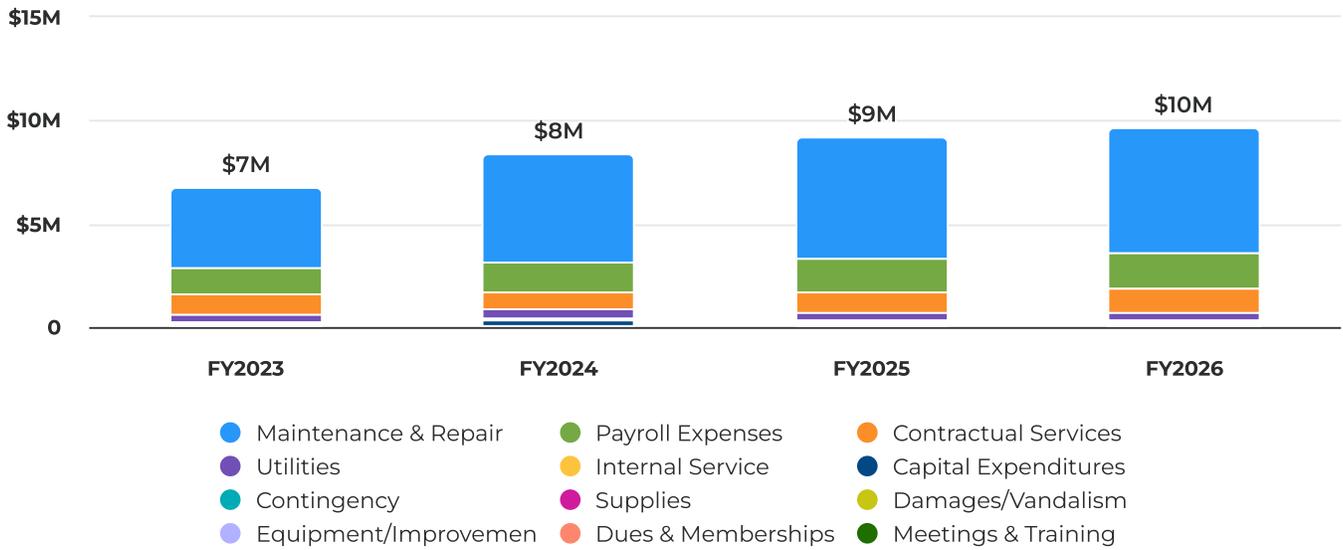
FY26 Expenditures by Fund Summary



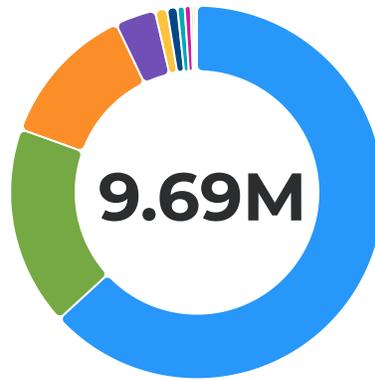
● Special Revenue Funds	\$7,226,020	74.53%
● General Fund	\$2,468,888	25.47%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Maintenance & Repair	\$6,124,882	63.18%
Payroll Expenses	\$1,679,065	17.32%
Contractual Services	\$1,201,271	12.39%
Utilities	\$339,113	3.50%
Contingency	\$100,000	1.03%
Internal Service	\$87,294	0.90%
Supplies	\$60,368	0.62%
Damages/Vandalism	\$50,900	0.53%
Equipment/Improvement	\$21,850	0.23%
Dues & Memberships	\$20,975	0.22%
Meetings & Training	\$9,190	0.09%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$1,274,008.59	\$1,471,945.10	\$1,577,624.00	\$1,679,065.00	6.43%
Internal Service	\$82,498.55	\$86,306.17	\$89,115.00	\$87,294.00	-2.04%
Contingency	-	-	\$100,000.00	\$100,000.00	0.00%
Capital Expenditures	\$38,868.77	\$272,477.80	-	-	-
Dues & Memberships	\$12,750.93	\$16,027.41	\$21,975.00	\$20,975.00	-4.55%
Meetings & Training	\$2,527.31	\$2,366.36	\$9,490.00	\$9,190.00	-3.16%
Maintenance & Repair	\$3,897,919.31	\$5,243,250.21	\$5,879,083.00	\$6,124,882.00	4.18%
Utilities	\$398,665.86	\$408,989.46	\$339,113.00	\$339,113.00	0.00%
Contractual Services	\$953,975.92	\$870,873.18	\$1,053,511.00	\$1,201,271.00	14.03%
Supplies	\$35,692.81	\$28,403.50	\$61,993.00	\$60,368.00	-2.62%
Equipment/Improvement	\$41,161.44	\$29,659.78	\$21,850.00	\$21,850.00	0.00%
Damages/Vandalism	\$38,923.58	\$16,791.42	\$40,900.00	\$50,900.00	24.45%
Total Expenditures	\$6,776,993.07	\$8,447,090.39	\$9,194,654.00	\$9,694,908.00	5.44%

Development Services

The Development Services Department is dedicated to enhancing the quality of life in Fountain Hills by providing plan review, construction permitting, building inspections, code enforcement, and Geographic Information Systems, as well as the use of innovative and proven land planning techniques. The Department strives to provide quality customer service in a professional and timely manner.

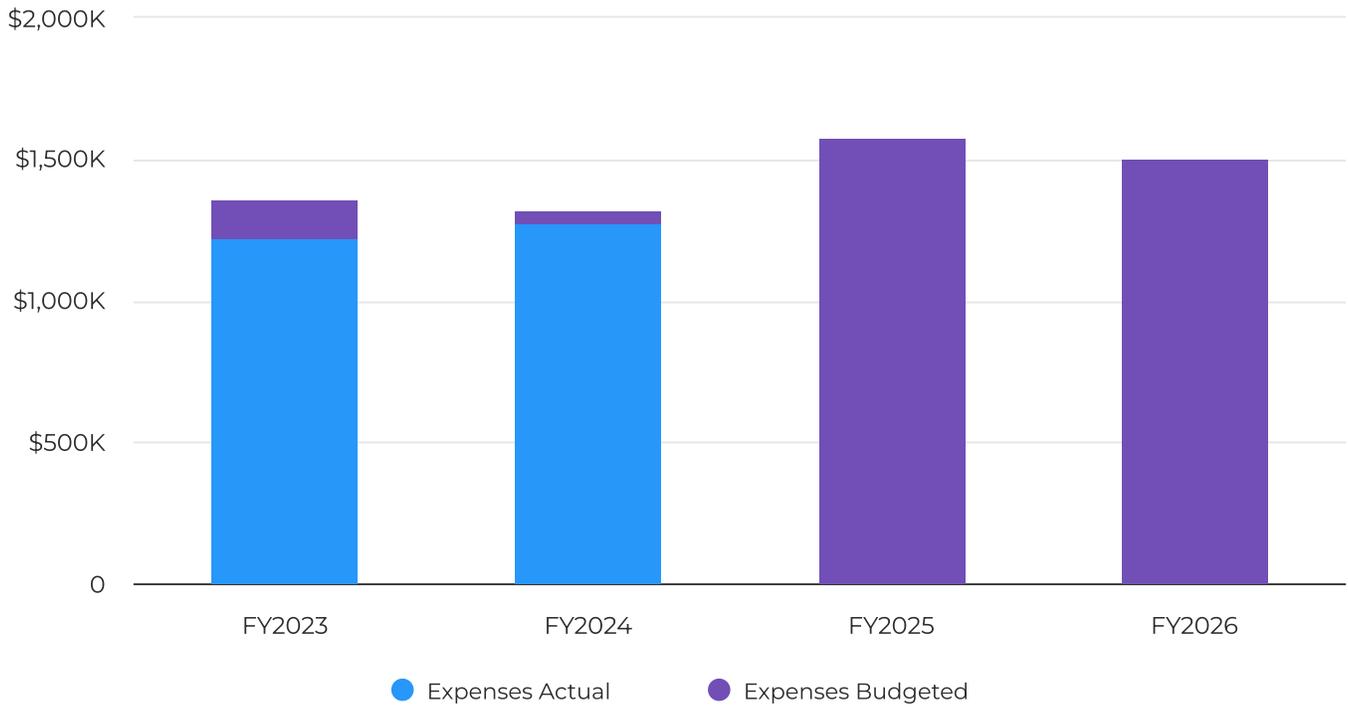


John Wesley

Development Services Director

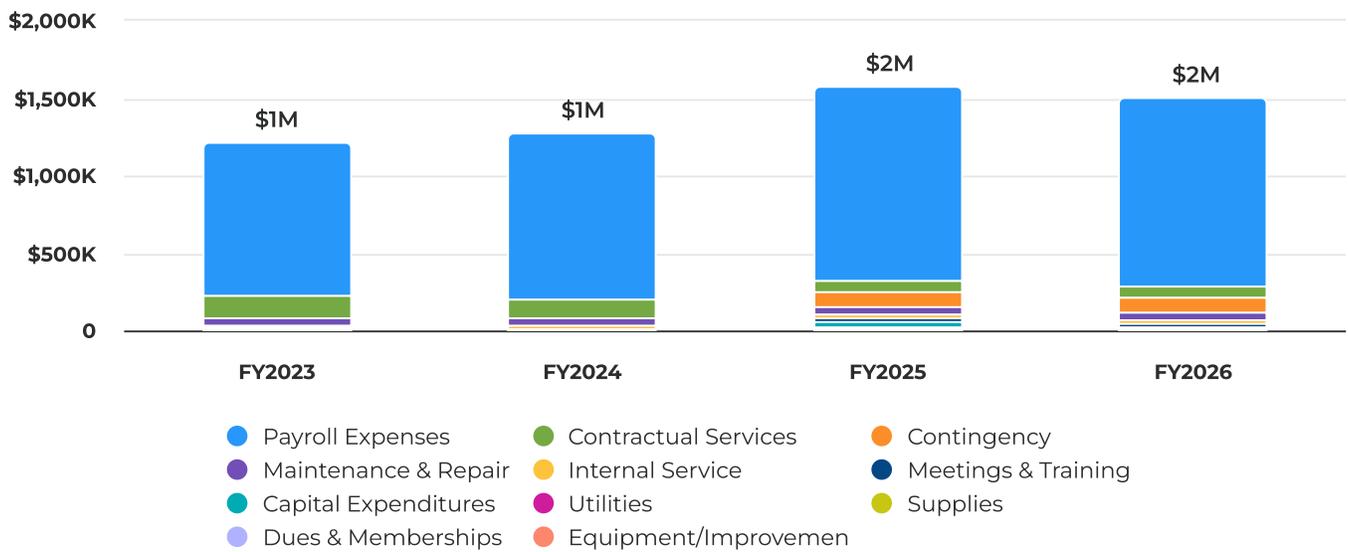
Expenditure Summary

Historical Expenditures Across Department

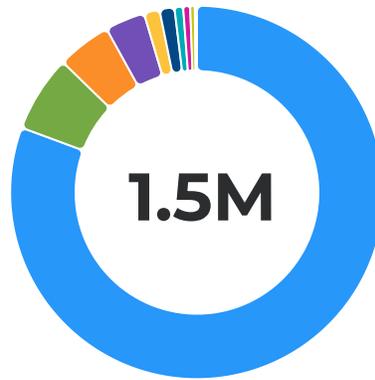


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Payroll Expenses	\$1,213,426	80.64%
● Contingency	\$100,000	6.65%
● Contractual Services	\$70,574	4.69%
● Maintenance & Repair	\$51,912	3.45%
● Internal Service	\$20,503	1.36%
● Meetings & Training	\$19,230	1.28%
● Supplies	\$11,260	0.75%
● Utilities	\$9,132	0.61%
● Dues & Memberships	\$5,999	0.40%
● Equipment/Improvement	\$2,800	0.19%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$993,849.04	\$1,067,983.29	\$1,254,608.00	\$1,213,426.00	-3.28%
Internal Service	\$19,966.17	\$18,520.95	\$19,853.00	\$20,503.00	3.27%
Contingency	-	-	\$100,000.00	\$100,000.00	0.00%
Capital Expenditures	-	-	\$40,000.00	-	-100.00%
Dues & Memberships	\$3,199.31	\$2,545.00	\$5,773.00	\$5,999.00	3.91%
Meetings & Training	\$3,660.27	\$1,766.25	\$18,230.00	\$19,230.00	5.49%
Maintenance & Repair	\$40,375.40	\$50,187.02	\$50,759.00	\$51,912.00	2.27%
Utilities	\$9,099.65	\$7,556.72	\$5,040.00	\$9,132.00	81.19%
Contractual Services	\$147,850.50	\$120,852.68	\$70,574.00	\$70,574.00	0.00%
Supplies	\$2,926.29	\$3,277.60	\$11,260.00	\$11,260.00	0.00%
Equipment/Improvement	\$773.64	\$2,630.65	\$2,800.00	\$2,800.00	0.00%
Total Expenditures	\$1,221,700.27	\$1,275,320.16	\$1,578,897.00	\$1,504,836.00	-4.69%

Community Services

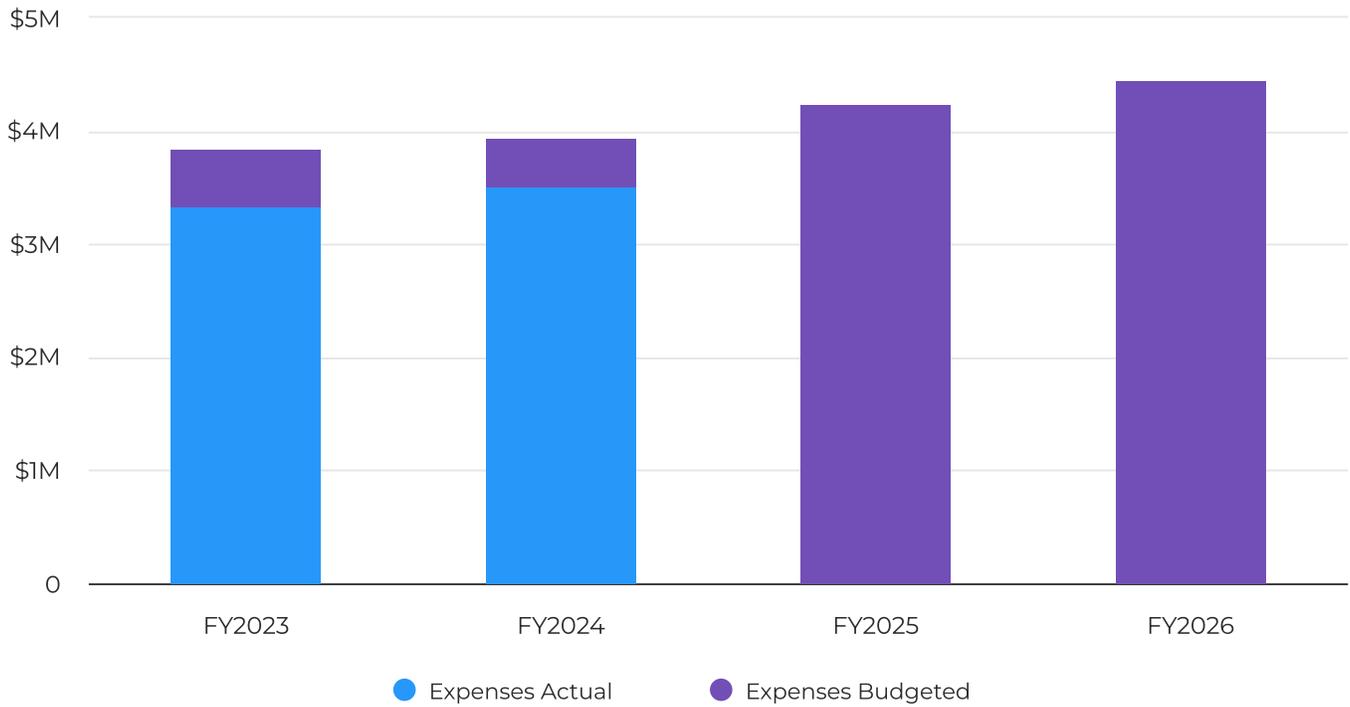
The mission of the Community Services Department is to provide exceptional customer service to enhance the quality of life by providing and maintaining safe, available, and accessible parks and facilities, recreation programs, events, and services that will meet the intellectual, social, cultural, and leisure needs of all residents.



Kevin Snipes
Community Services Director

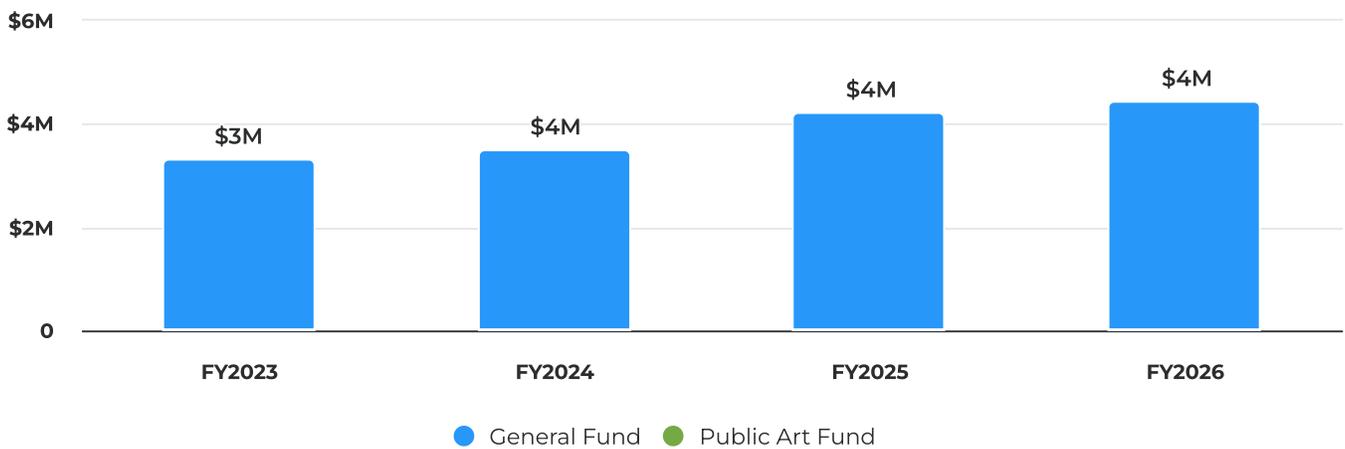
Expenditure Summary

Historical Expenditures Across Department

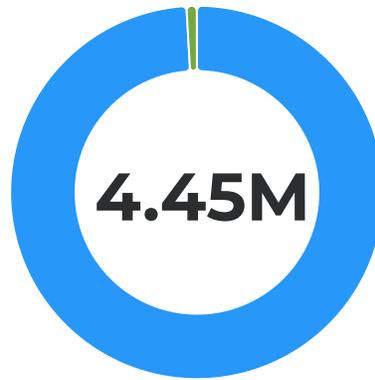


Expenditures by Fund

Historical Expenditures by Fund



FY26 Expenditures by Fund



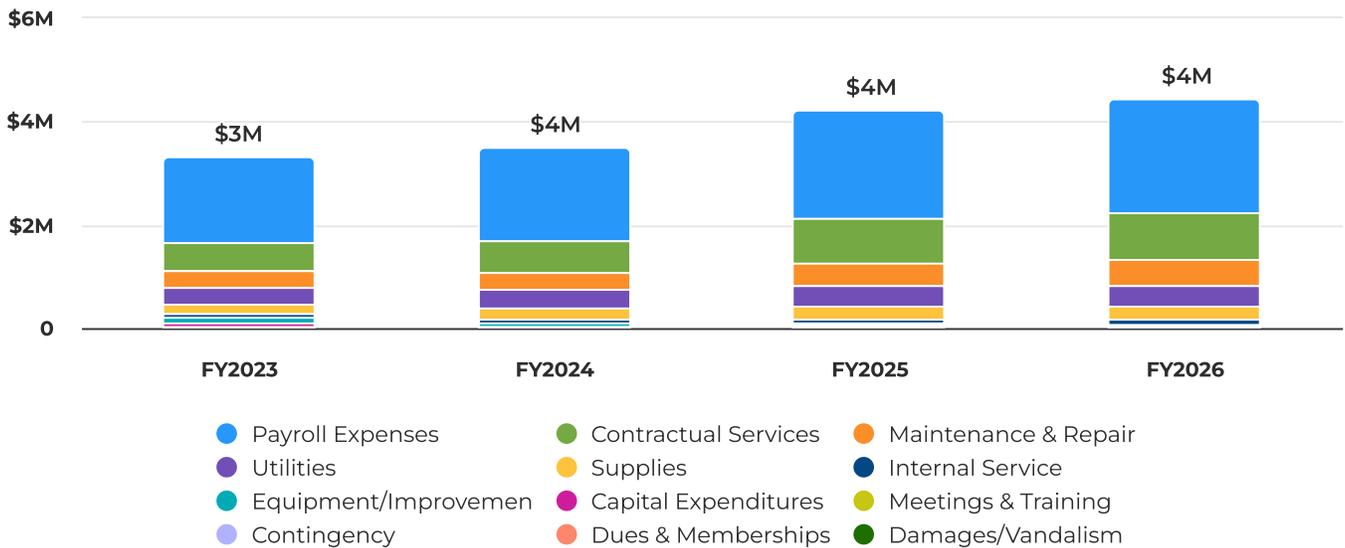
● General Fund	\$4,409,009	99.10%
● Public Art Fund	\$40,214	0.90%

Expenditures by Fund

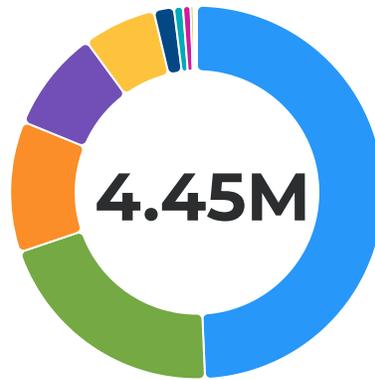
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$3,303,757.79	\$3,487,932.58	\$4,202,955.00	\$4,409,009.05	4.90%
Public Art Fund	\$23,756.49	\$31,463.59	\$41,761.00	\$40,214.00	-3.70%
Total Expenditures	\$3,327,514.28	\$3,519,396.17	\$4,244,716.00	\$4,449,223.05	4.82%

Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



● Payroll Expenses	\$2,193,963	49.31%
● Contractual Services	\$912,689	20.51%
● Maintenance & Repair	\$504,772	11.35%
● Utilities	\$390,659	8.78%
● Supplies	\$281,516	6.33%
● Internal Service	\$77,467	1.74%
● Contingency	\$35,000	0.79%
● Meetings & Training	\$28,987	0.65%
● Equipment/Improvement	\$11,050	0.25%
● Dues & Memberships	\$6,020	0.14%
● Capital Expenditures	\$5,000	0.11%
● Damages/Vandalism	\$2,100	0.05%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$1,667,817.96	\$1,828,329.11	\$2,129,273.00	\$2,193,963.00	3.04%
Internal Service	\$72,463.33	\$76,383.55	\$76,001.00	\$77,467.00	1.93%
Contingency	-	-	\$35,000.00	\$35,000.00	0.00%
Capital Expenditures	\$77,910.21	\$28,371.00	\$16,000.00	\$5,000.00	-68.75%
Dues & Memberships	\$5,436.19	\$6,895.49	\$6,020.00	\$6,020.00	0.00%
Meetings & Training	\$18,027.54	\$13,756.62	\$28,987.00	\$28,987.00	0.00%
Maintenance & Repair	\$308,724.44	\$335,040.02	\$418,692.00	\$504,772.00	20.56%
Utilities	\$337,342.44	\$366,998.93	\$391,319.00	\$390,659.00	-0.17%
Contractual Services	\$541,187.11	\$607,874.23	\$853,758.00	\$912,689.05	6.90%
Supplies	\$188,222.00	\$203,109.31	\$276,516.00	\$281,516.00	1.81%
Equipment/Improvement	\$106,850.72	\$51,911.28	\$11,050.00	\$11,050.00	0.00%
Damages/Vandalism	\$3,532.34	\$726.63	\$2,100.00	\$2,100.00	0.00%
Total Expenditures	\$3,327,514.28	\$3,519,396.17	\$4,244,716.00	\$4,449,223.05	4.82%

Fire and Emergency Medical Services

The Fire Department is responsible for EMS delivery and fire suppression within the Town limits. The Fire Department is also responsible for fire prevention that includes plan review and building inspections. The Fire Department takes the lead role in emergency management and the Fire Chief serves as the Emergency Manager for the Town. The Fire Department also provides other community services such as public education, CPR classes, child safety seat checks and other safety programs.

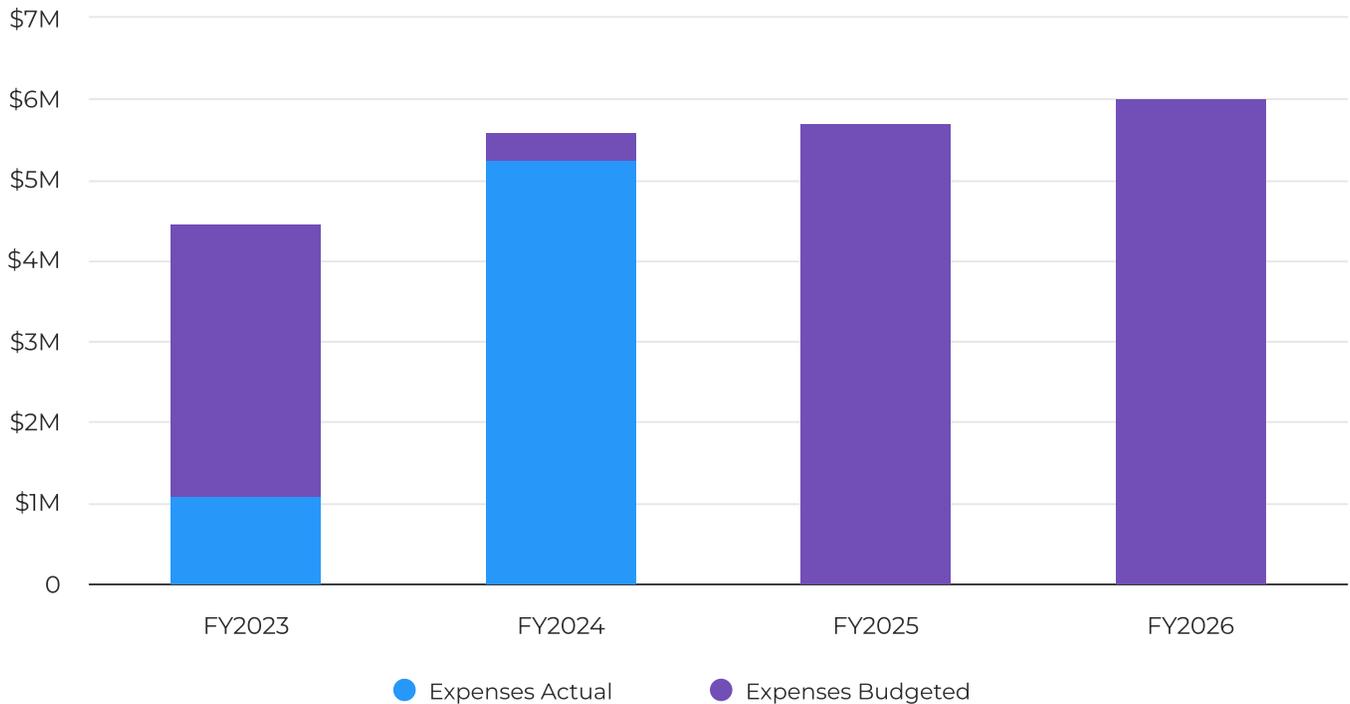


Dave Ott
Fire Chief

Expenditure Summary

The Fire Department's FY2026 proposed budget includes a personnel supplement request of about \$220K, which would allow the Fire Department to create a strengthened command structure. These changes could enhance the Fire Department's planned application for automatic aid status with surrounding jurisdictions.

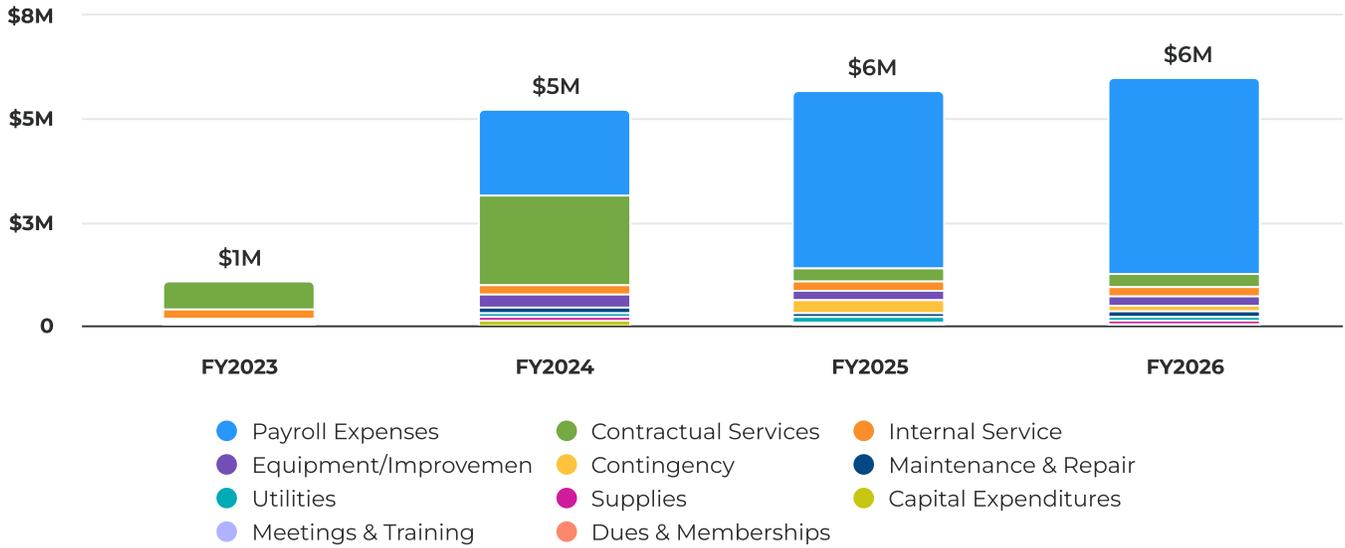
Historical Expenditures Across Department



FY2023 expenditures appear much lower than budgeted. However, this is because the Town paid for most of the Fire Department's contracted services (contracted with Rural Metro in FY2023) using Federal grant monies (American Rescue Plan funding).

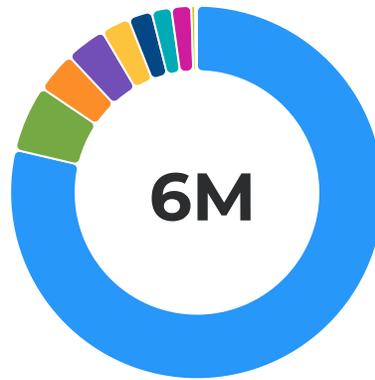
Expenditures by Object

Historical Expenditures by Object



FY2023 expenditures appear much lower than other years. However, this is because the Town paid for most of the Fire Department's contracted services (contracted with Rural Metro in FY2023) using Federal grant monies (American Rescue Plan funding).

FY26 Expenditures by Object



Payroll Expenses	\$4,720,823	78.69%
Contractual Services	\$345,040	5.75%
Internal Service	\$214,243	3.57%
Equipment/Improvement	\$210,500	3.51%
Contingency	\$150,000	2.50%
Maintenance & Repair	\$123,110	2.05%
Utilities	\$103,795	1.73%
Supplies	\$102,855	1.71%
Meetings & Training	\$20,200	0.34%
Dues & Memberships	\$8,700	0.15%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	-	\$2,068,046.29	\$4,284,876.00	\$4,720,823.00	10.17%
Internal Service	\$205,262.04	\$214,115.00	\$214,243.00	\$214,243.00	0.00%
Contingency	-	-	\$312,240.00	\$150,000.00	-51.96%
Capital Expenditures	\$56,944.67	\$141,681.35	-	-	-
Dues & Memberships	\$500.00	\$920.00	\$8,000.00	\$8,700.00	8.75%
Meetings & Training	\$1,940.14	\$7,248.04	\$20,200.00	\$20,200.00	0.00%
Maintenance & Repair	\$40,044.94	\$136,433.08	\$103,110.00	\$123,110.00	19.40%
Utilities	\$48,634.83	\$85,813.01	\$103,795.00	\$103,795.00	0.00%
Contractual Services	\$705,152.49	\$2,172,999.46	\$345,040.00	\$345,040.00	0.00%
Supplies	\$11,149.02	\$66,315.30	\$72,855.00	\$102,855.00	41.18%
Equipment/Improvement	\$21,561.35	\$351,885.18	\$230,500.00	\$210,500.00	-8.68%
Total Expenditures	\$1,091,189.48	\$5,245,456.71	\$5,694,859.00	\$5,999,266.00	5.35%

FY2023 expenditures appear much lower than other years. However, this is because the Town paid for most of the Fire Department's contracted services (contracted with Rural Metro in FY2023) using Federal grant monies (American Rescue Plan funding).

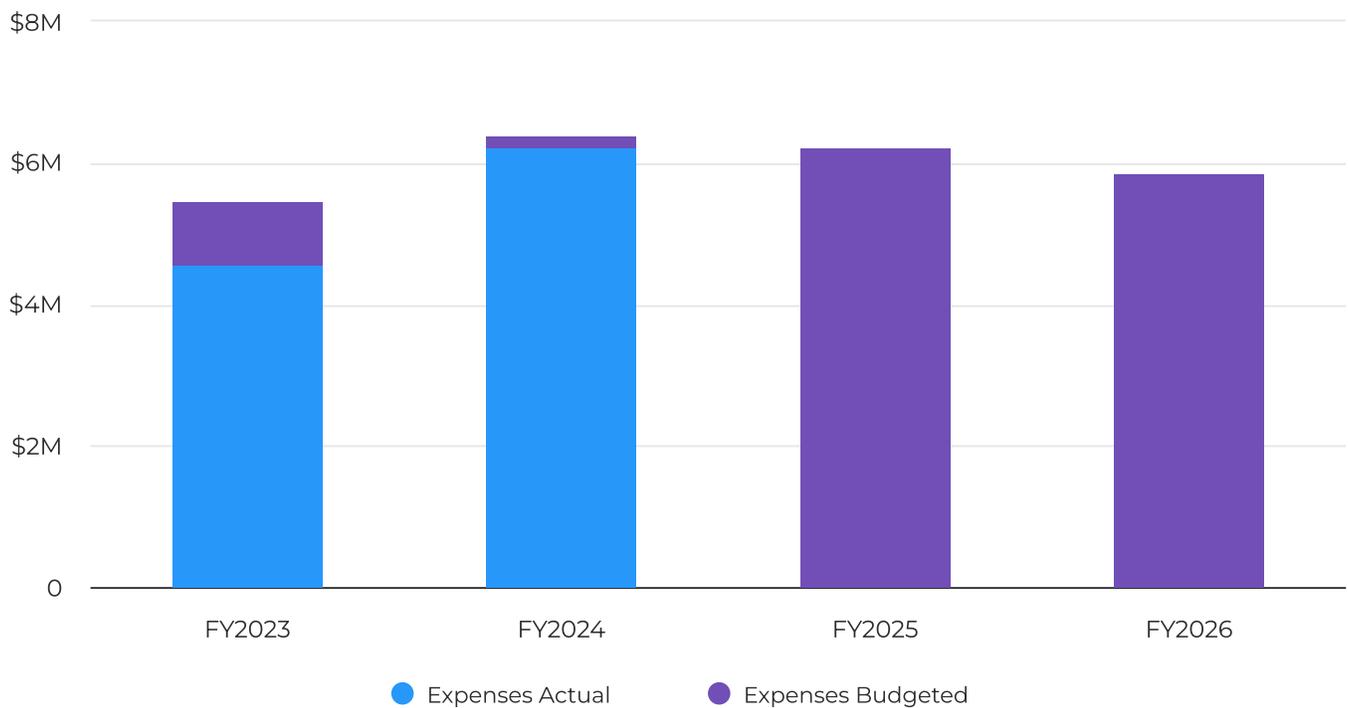
Law Enforcement

The Maricopa County Sheriff's Office is a fully integrated law enforcement agency committed to being the leader in establishing the standards for providing quality law enforcement, detention and support services to the citizens of Maricopa County and to other criminal justice agencies.

Under the command of Captain Kevin Thomas, twenty-two deputies are assigned to the Town of Fountain Hills. Of these, eighteen deputies and five sergeants are assigned to patrol. Additionally, one Commander (Captain), one Deputy Commander (Lieutenant), and one administrative assistant serve the residents of Fountain Hills.

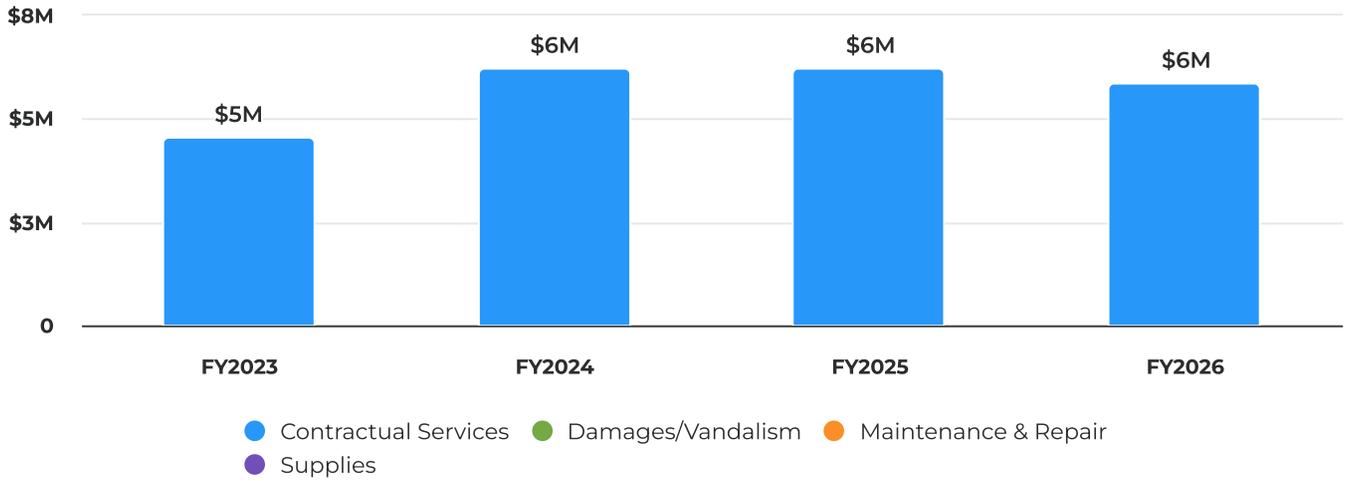
Expenditure Summary

Historical Expenditures Across Department

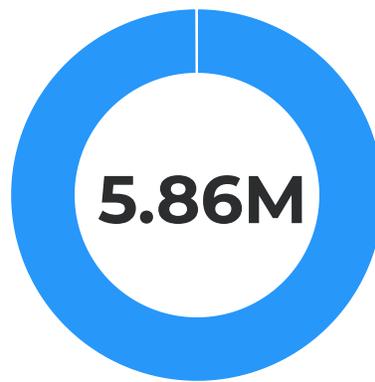


Expenditures by Object

Historical Expenditures by Object



FY26 Expenditures by Object



Contractual Services	\$5,859,669	99.98%
Maintenance & Repair	\$1,296	0.02%
Supplies	\$40	0.00%

Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Maintenance & Repair	-	-	\$1,296.00	\$1,296.00	0.00%
Contractual Services	\$4,574,193.14	\$6,225,785.03	\$6,232,580.00	\$5,859,669.00	-5.98%
Supplies	-	-	\$40.00	\$40.00	0.00%
Damages/Vandalism	-	-	\$10,000.00	-	-100.00%
Total Expenditures	\$4,574,193.14	\$6,225,785.03	\$6,243,916.00	\$5,861,005.00	-6.13%

Capital Improvement Plan

The Town of Fountain Hills' Capital Improvement Plan (CIP) is a strategic roadmap for long-term improvements within our Town over the next 5 years. All CIP projects included in each annual budget are discussed and approved by Council to enhance the community's infrastructure and assets. The CIP plan is intended to serve as a comprehensive guide for the Town's long-term funding strategies, goals, and implementation timelines.

Capital Budgeting Process

The Town's Capital Improvement Plan (CIP) includes a 5-year outlook for planning and funding purposes. All CIP projects are proposed during budget work sessions throughout each fiscal year, based on the Town's infrastructure needs with an emphasis on improvements that will increase the safety of our residents and protect the infrastructure we have in place. Park amenity projects are also proposed to increase cultural and recreational opportunities within our Town. The culmination of these discussions occurs during a budget work session each March, when the Council provides direction on which CIP projects should be funded and included in the proposed budget presented to Council in April.

During the proposed budget work session in April, the Council provides direction each year on which CIP projects to include in the Tentative budget in May. Once the Council adopts the tentative budget in May, that is the maximum amount of CIP funding that can be allocated, and any final changes can only reduce those amounts. The Council adopts the final budget in early June, and once that happens, Town staff begin planning for the next fiscal year and have the ability to begin ordering goods and services to begin construction as early as July of the next fiscal year.

During the fiscal year, staff have taken steps to provide more transparency and accountability over the progress of CIP projects. These steps include regularly scheduled staff meetings to discuss CIP funding, project progress and next steps. The Public Works and Community Services departments also provide quarterly CIP progress updates to Council during meetings open to the public.

Basis for Capital Revenue and Expenditures Estimates

The Town's Public Works Department includes a Town Engineer and Assistant Town Engineer (engineers). These staff, alongside the Public Works Director and Community Services Director, prepare CIP project expenditure estimates when feasible. For larger-scale and more complex projects, the engineers sometimes utilize consultants to prepare project cost estimates.

For CIP revenue estimates, the engineers work with Finance staff to estimate grant reimbursements based on actual reimbursement rates, and Finance staff includes CIP revenue projections in its collective revenue projection process. For example, Council-adopted financial policies require Finance staff to deposit 50% of construction local sales tax revenues and General Fund year-end excess reserves into the Capital Projects Fund.

One Year Plan

The Town's Capital Improvement Plan (CIP) includes \$12 million (plus another \$700K of contingency for unforeseen expenditures requiring additional Council approval) for 21 proposed capital improvements within our Town. 10 of these projects are for planned park amenity improvements, including completing a new park to create stargazing opportunities for our residents. Another 11 projects are planned for streets, facilities, downtown and drainage improvements. These projects are intended to improve safety and recreational opportunities for Town residents, and provide additional protection and longevity for the Town's existing improvements. For example, the FY26 proposed CIP includes \$3 million to widen Shea Blvd between Palisades Blvd and Fountain Hills Blvd and \$5.4 million to complete a major reconstruction project on Palomino Blvd.

FY26 Total Capital Requested

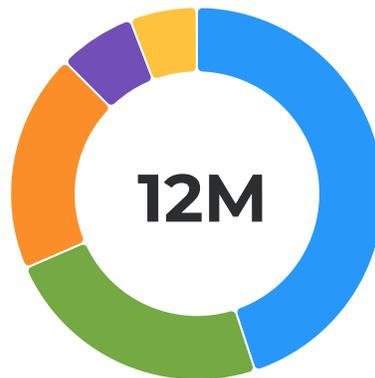
\$12,010,000

FY26 Total Funding Requested

\$12,010,000

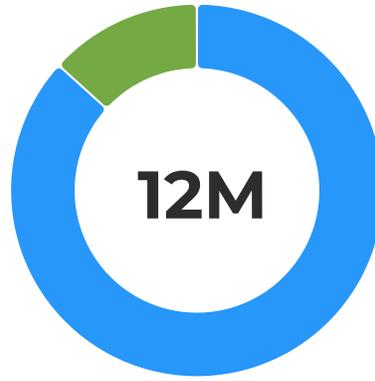
These proposed CIP projects have been discussed with the Mayor and Council during meetings open to the public and will be paid for by the Capital Projects Fund. However, the Town utilizes other revenue sources to pay/reimburse for certain projects, based on relevant grant opportunities and funding restrictions. Of the \$12 million budgeted for CIP projects, Finance staff projects that \$2.8 million will be spent from the Capital Projects Fund, and about \$2.3 million will be reimbursed from grant reimbursements, \$1.5 million will be reimbursed from Development Impact Fee funds, and up to \$5.4 million will be reimbursed from the Streets Fund.

FY26 Total Funding Requested by Source



● Streets (200)	\$5,400,000	44.96%
● Capital Project Fund (600)	\$2,824,950	23.52%
● Special Revenue (400)	\$2,285,050	19.03%
● Streets Development Fee Fund (730)	\$800,000	6.66%
● Parks Development Fee Fund (740)	\$700,000	5.83%
● Downtown Strategy Fund (300)	\$0	0.00%

FY26 Total Funding Requested by Department

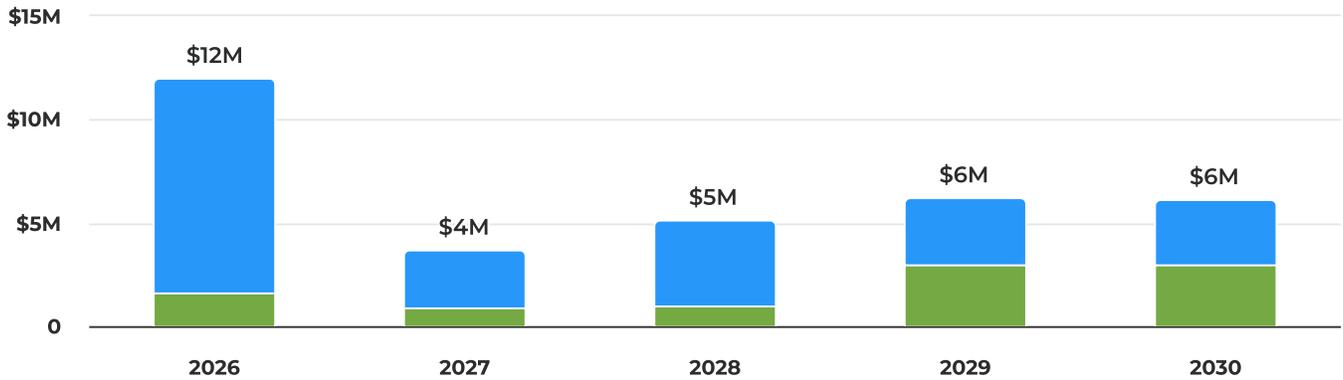


● Public Works	\$10,415,000	86.72%
● Community Services	\$1,595,000	13.28%

Capital Improvement Multi-Year Plan

The Town's Capital Improvement Plan (CIP) includes about \$33 million of planned projects over the next 5 fiscal years. Having a 5-year outlook allows Town staff to appropriately plan and project funding needs to ensure the Town is effectively and efficiently using its revenues to improve the Town's infrastructure for our residents. Of the planned \$33 million projects, almost \$11 million is proposed to improve the Downtown District over a phased-in approach over the next 5 years, and \$7 million is for the planning and design of the future Lake Liner project.

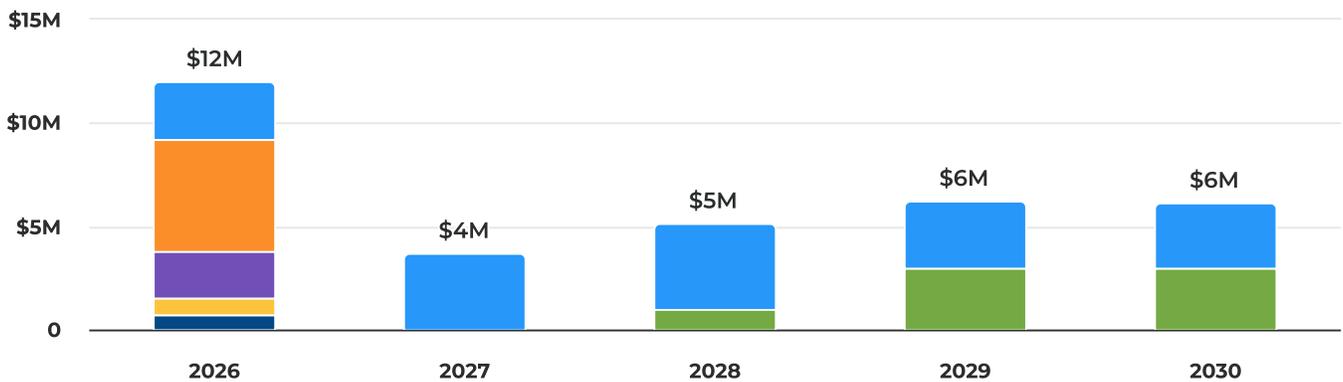
FY26 - FY30 Total Funding Requested by Department



Funding by Department Totals (all years)

● Public Works	\$23,733,000	71.42%
● Community Services	\$9,495,000	28.58%

FY26 - FY30 Total Funding Requested by Source



Funding by Source Totals (all years)

● Capital Project Fund (600)	\$17,042,950	51.29%
● Other	\$7,000,000	21.07%
● Streets (200)	\$5,400,000	16.25%
● Special Revenue (400)	\$2,285,050	6.88%
● Streets Development Fee Fund (730)	\$800,000	2.41%
● Parks Development Fee Fund (740)	\$700,000	2.11%
● Downtown Strategy Fund (300)	\$0	0.00%

Capital Projects

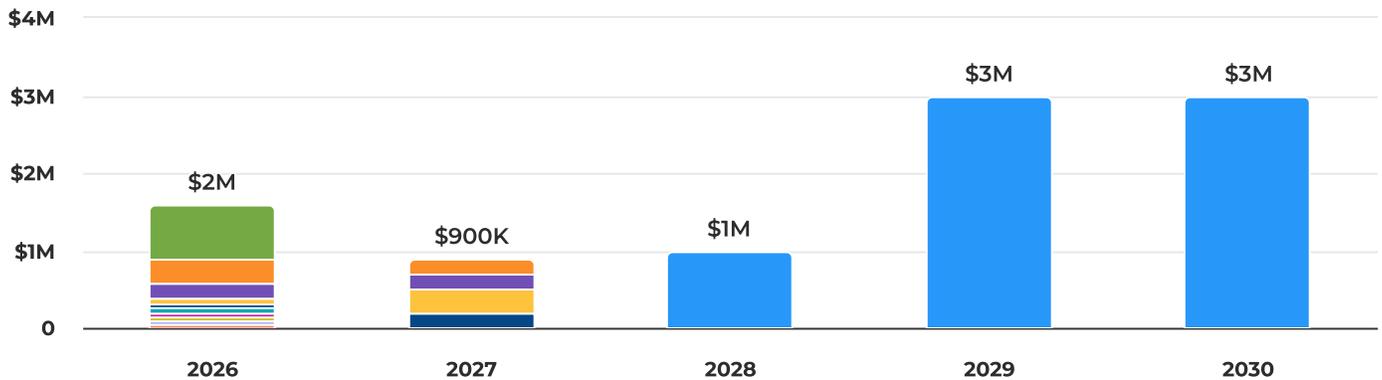
Below is a full listing of all CIP projects included in the FY2026 proposed budget (totals include all estimated costs over the next 5 years), based on Council direction at various budget retreats and work sessions throughout FY2025. The following pages detail each specific proposed project, its estimated costs, timeline, and funding considerations.

Capital Projects

Project No. / Project Name	Years	Departments	Type	Total
P3059 Avenue Linear Park Improvements	2026 - 2027	Community Services	CIP - Parks	\$400,000
P3063 Centennial Pavilion Shade Lighting	2026	Community Services	CIP - Parks	\$50,000
F4037 Community Center Renovations	2026	Public Works	CIP - Facilities	\$300,000
D6068 Dam Sediment Removal and Improvements	2026 - 2030	Public Works	CIP - Storm Water	\$500,000
P3066 Desert Vista Pump House	2026 - 2027	Community Services	CIP - Parks	\$350,000
P3065 Desert Vista/Dog Park Renovations	2026	Community Services	CIP - Parks	\$50,000
E8506 Downtown Streetscape Improvement Program	2026 - 2030	Public Works	CIP - Streets	\$10,733,000
P3038 Fountain Park Lake Liner Replacement	2028 - 2030	Community Services	CIP - Parks	\$7,000,000
P3067 Fountain Park Ramada Replacement	2026 - 2030	Community Services	CIP - Parks	\$520,000
P3062 Fountain Park Splash Pad Shade Electrical and lighting	2026	Community Services	CIP - Parks	\$50,000
P3064 Four Peaks Electrical Building	2026 - 2027	Community Services	CIP - Parks	\$250,000
D6057 Golden Eagle Impoundment Area Improvements	2026	Public Works	CIP - Storm Water	\$300,000
P3061 Golden Eagle Park Playground Carryover	2026	Community Services	CIP - Parks	\$50,000
S6068 Guardrail Replacement Town-wide	2026 - 2030	Public Works	CIP - Streets	\$250,000
S7003 Palomino Boulevard Reconstruction	2026	Public Works	CIP - Streets	\$5,400,000
P3055 Panorama Hillside Erosion Control	2026	Community Services	CIP - Parks	\$75,000
S7002 Pedestrian Marked Crosswalks - Town-wide	2026 - 2030	Public Works	CIP - Streets	\$750,000
P3060 Pleasantville Park - Development Fees	2026	Community Services	CIP - Parks	\$700,000
S6058 Shea Boulevard Widening - Eastbound from Palisades Blvd to Fountain Hills Blvd - Development Fees	2026	Public Works	CIP - Streets	\$3,000,000
S6061 Sidewalk Infill and Design	2026 - 2030	Public Works	CIP - Streets	\$1,625,000
F4046 Town Hall Campus Buildings - Roof Design	2026	Public Works	CIP - Facilities	\$125,000
D6060 Town-Wide Storm Water Infrastructure Rehabilitation	2026 - 2030	Public Works	CIP - Storm Water	\$750,000

Community Services

FY26 - FY30 Community Services Projects



● Fountain Park Lake Liner Replacement	\$7,000,000	73.72%
● Pleasantville Park - Development Fees	\$700,000	7.37%
● Fountain Park Ramada Replacement	\$520,000	5.48%
● Avenue Linear Park Improvements	\$400,000	4.21%
● Desert Vista Pump House	\$350,000	3.69%
● Four Peaks Electrical Building	\$250,000	2.63%
● Panorama Hillside Erosion Control	\$75,000	0.79%
● Golden Eagle Park Playground Carryover	\$50,000	0.53%
● Fountain Park Splash Pad Shade Electrical and lighting	\$50,000	0.53%
● Centennial Pavilion Shade Lighting	\$50,000	0.53%
● Desert Vista/Dog Park Renovations	\$50,000	0.53%

Summary of Requests

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
P3038 Fountain Park Lake Liner Replacement	\$0	\$0	\$1,000,000	\$3,000,000	\$3,000,000	\$7,000,000
P3060 Pleasantville Park - Development Fees	\$700,000	\$0	\$0	\$0	\$0	\$700,000
P3067 Fountain Park Ramada Replacement	\$320,000	\$200,000	\$0	\$0	\$0	\$520,000
P3059 Avenue Linear Park Improvements	\$200,000	\$200,000	\$0	\$0	\$0	\$400,000
P3066 Desert Vista Pump House	\$50,000	\$300,000	\$0	\$0	\$0	\$350,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
P3064 Four Peaks Electrical Building	\$50,000	\$200,000	\$0	\$0	\$0	\$250,000
P3055 Panorama Hillside Erosion Control	\$75,000	\$0	\$0	\$0	\$0	\$75,000
P3061 Golden Eagle Park Playground Carryover	\$50,000	\$0	\$0	\$0	\$0	\$50,000
P3062 Fountain Park Splash Pad Shade Electrical and lighting	\$50,000	\$0	\$0	\$0	\$0	\$50,000
P3063 Centennial Pavilion Shade Lighting	\$50,000	\$0	\$0	\$0	\$0	\$50,000
P3065 Desert Vista/Dog Park Renovations	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Total Summary of Requests	\$1,595,000	\$900,000	\$1,000,000	\$3,000,000	\$3,000,000	\$9,495,000

Avenue Linear Park Improvements

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3059
Estimated Start Date	07/1/2024
Estimated Completion Date	06/30/2027

Project Location



Description

The Avenue Linear Park has been a central focus for the downtown area. It is the desire of the groups that own businesses in the area for the park to have more shaded sitting areas in hopes that prospective clients will stay longer and visit area businesses. This will be a multi-year park improvement similar to the ones done at Four Peaks Park that will include improving the parks' usability with this in mind. Improvements will include new shade structures, picnic tables, replacing power outlets, eliminating the need for spider boxes, and additional landscaping. Staff is recommending \$200,000 for 3 years for a total of \$600,000

Images



Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Improvement

Capital Cost

FY2026 Budget

\$200K

Total Budget (all years)

\$400K

Project Total (to date)

\$600K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction	\$200,000	\$200,000	\$400,000
Total	\$200,000	\$200,000	\$400,000

Funding Sources

FY2026 Budget

\$200K

Total Budget (all years)

\$400K

Project Total (to date)

\$600K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Capital Project Fund (600)	\$200,000	\$200,000	\$400,000
Total	\$200,000	\$200,000	\$400,000

Centennial Pavilion Shade Lighting

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3063
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2026

Project Location



Description

The Centennial Shade Canopy was installed in 2024 and with its growing popularity of being an event space staff and the Fountain Hills Dark Sky Association have been working on this request for lighting for the space. The lights chosen will be dark sky compliant and the Discovery Center was considered when selecting the correct lights for the area. Staff is recommending a track style lighting for the area. This request is for \$50,000 to purchase the lighting and have it installed. The shade structure was built with lighting in mind for future installation. However, there was not enough money in the budget to do it during installation.

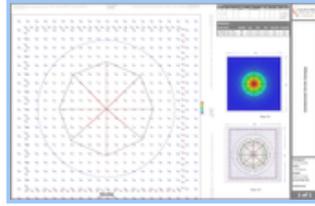
Images



Sample Lighting



Track lighting



Light output



Oktoberfest



Red indicates light location

Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Benefit to Community

Lighting under the shade canopy will greatly increase the usability of the space for events. Currently, when the space is reserved during the day, it is an excellent location for an event. However, at nighttime it is too dark to continue the event. Event Promotors have had to run their own lighting, which is very costly and raises many safety concerns, such as chords running across walkways creating trip hazards, the installation of lights by promotors increases the chances that the poles will be scratched or end up with tape residue, and non-uniform lighting creates safety concerns and shadows.

Capital Cost

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Equipment/Furnishings	\$25,000	\$25,000
Construction	\$25,000	\$25,000
Total	\$50,000	\$50,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$50,000	\$50,000
Parks Development Fee Fund (740)	\$0	\$0
Total	\$50,000	\$50,000

Operational Costs

FY2026 Budget

\$1.2K

Total Budget (all years)

\$6K

Project Total

\$6K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Services/Supplies	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000
Total	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000

Desert Vista Pump House

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3066
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2027

Project Location



Description

Desert Vista Park's irrigation system relies on a booster pump and electrical gear housed in steel cabinets exposed to extreme heat. Prolonged exposure to such conditions accelerates wear and reduces the lifespan of the system's critical components. Compounding the issue, the irrigation system's computer controls share the same cabinet as the pump. This arrangement led to a costly failure when a pump leak sprayed water onto the computer system, requiring both components to be replaced.

To address these vulnerabilities, a pre-fabricated structure is proposed to enclose and protect the irrigation pump, electrical gear, and controls. This enclosure will shield the equipment from extreme heat and environmental hazards, extending its longevity and reducing maintenance costs. Separating the systems within the enclosure will also prevent cascading failures, ensuring that malfunctions are isolated and repairs remain manageable. This upgrade is essential to maintaining efficient irrigation operations and preserving the park's landscaping.

Images



Pump cabinet and electrical gear



Irrigation controllers



Pump Cabinet

Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Capital Cost

FY2026 Budget

\$50K

Total Budget (all years)

\$350K

Project Total

\$350K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction	\$0	\$300,000	\$300,000
Design/Engineering	\$50,000	\$0	\$50,000
Total	\$50,000	\$300,000	\$350,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$350K

Project Total

\$350K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Capital Project Fund (600)	\$50,000	\$300,000	\$350,000
Total	\$50,000	\$300,000	\$350,000

Operational Costs

FY2026 Budget

\$0

Total Budget (all years)

\$4K

Project Total

\$5K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Other Impact	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Total	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000

Desert Vista/Dog Park Renovations

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3065
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2026

Project Location



Description

The dog park at Desert Vista is one of the most popular and heavily used amenities in the Town's park system, necessitating periodic renovations to ensure safety and functionality. Heavy traffic has led to deteriorating turfgrass due to dog activity and persistent weed encroachment. Additionally, the trees planted years ago are not suited to withstand rising summer temperatures, compromising shade and aesthetics. The dog splash pad also faces recurring drainage issues and algae formation, creating potential safety hazards for users and pets. Consolidating and upgrading entry signage will enhance the park's appearance and reflect the Town's commitment to quality. Stabilized granite is needed in high-traffic areas to reduce muddiness and improve walkway conditions, ensuring a clean, user-friendly environment. Addressing these issues will maintain the park's popularity, reduce liability, and support a safe and enjoyable experience for the community and their pets.

Images



Outdated signage



Makeshift snake fencing



Dead tree with New Trees



High Traffic area



Dog Splash Pad



Digging

Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Capital Cost

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$50,000	\$50,000
Total	\$50,000	\$50,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$50,000	\$50,000
Total	\$50,000	\$50,000

Fountain Park Lake Liner Replacement

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3038
Estimated Start Date	07/1/2027
Estimated Completion Date	06/30/2032

Project Location



Description

Research and design of best known methods of removal of 100,000,000 gallons of water, sludge removal, wildlife impacts, Sanitary District impacts, resident impacts, etc. for fountain lake liner replacement. Our current plan is to begin planning in FY2028 (budget of \$1M), work through design of this project in FY2029 and FY2030 (budget of \$3M each of these years), and complete construction after FY2030 (current estimate of \$10M for construction).

Images



Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Other

Capital Cost

FY2026 Budget
\$0

Total Budget (all years)
\$7M

Project Total
\$17M

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Design/Engineering	\$0	\$3,000,000	\$3,000,000	\$6,000,000
Planning	\$1,000,000	\$0	\$0	\$1,000,000
Total	\$1,000,000	\$3,000,000	\$3,000,000	\$7,000,000

Funding Sources

FY2026 Budget
\$0

Total Budget (all years)
\$7M

Project Total
\$17M

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Other	\$1,000,000	\$3,000,000	\$3,000,000	\$7,000,000
Total	\$1,000,000	\$3,000,000	\$3,000,000	\$7,000,000

Fountain Park Ramada Replacement

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3067
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2027

Project Location



Description

The ramadas at Fountain Park are deteriorating, with failing support beams, masonry columns, and roof structures creating unsafe conditions and potential liability for the Town. These hazards pose risks to visitors and jeopardize revenue generated through ramada rentals. Initial quotes for roof replacement exceeded \$100,000 due to the custom design, but this would only provide a temporary fix, as the structures are prone to the same long-term failures.

Staff proposes fully replacing the ramadas for a similar cost, addressing structural deficiencies comprehensively and ensuring durability. This approach eliminates safety risks, reduces liability exposure, and preserves the ramadas as vital revenue-generating assets for the department. Investing in long-lasting, safe structures ensures continued community use and offsets costs through rental income.

This capital project program aims to address one Ramada per fiscal year. Chuparosa Ramada at Fountain Park playground will be the first.

Images



Rusting Roof



Structural Cracking



Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Capital Cost

FY2026 Budget
\$320K

Total Budget (all years)
\$520K

Project Total
\$520K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$300,000	\$200,000	\$0	\$0	\$0	\$500,000
Design/Engineering	\$20,000	\$0	\$0	\$0	\$0	\$20,000
Planning	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$320,000	\$200,000	\$0	\$0	\$0	\$520,000

Funding Sources

FY2026 Budget
\$320K

Total Budget (all years)
\$520K

Project Total
\$520K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$320,000	\$200,000	\$0	\$0	\$0	\$520,000
Total	\$320,000	\$200,000	\$0	\$0	\$0	\$520,000

Fountain Park Splash Pad Shade Electrical and lighting

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3062
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2026

Project Location



Description

The Fountain Park Splash Pad Shade Canopy, installed in 2024, quickly became a popular addition, providing much-needed shaded picnic space for parents and grandparents to watch children playing in the water. Since its installation, local businesses have expressed interest in using the space during the evenings for events such as concerts, discussion groups, and as an extension of their premises. To make this feasible, they have requested the addition of power outlets and lighting. During the canopy installation, sleeves were already placed under the concrete sidewalks, allowing for the installation of these features without the need to disrupt the area. This project has strong backing from staff, businesses, and event promoters, as the shaded area is large enough to host various small events, helping to bring in rental revenue and revitalize the space in front of several businesses. Staff is requesting \$50,000 for the purchase and installation of power outlets and lighting.

Images



Fountain Park Splash Pad Shaded Picnic Area

Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Type of Project: Improvement

Capital Cost

FY2026 Budget
\$50K

Total Budget (all years)
\$50K

Project Total
\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$50,000	\$50,000
Total	\$50,000	\$50,000

Funding Sources

FY2026 Budget
\$50K

Total Budget (all years)
\$50K

Project Total
\$50K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$50,000	\$50,000
Total	\$50,000	\$50,000

Operational Costs

FY2026 Budget
\$1.2K

Total Budget (all years)
\$6K

Project Total
\$6K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Services/Supplies	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000
Total	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000

Four Peaks Electrical Building

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3064
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2026

Description

The addition of new amenities, including pickleball courts and a restroom, has exceeded the capacity of the existing small electrical room at the park. The current space is insufficient to house the necessary equipment, and it cannot meet electrical code requirements, which mandate a 3-foot separation between transformers. This creates operational and compliance challenges that must be addressed.

Additionally, the field lighting control switches are currently mounted on the exterior of the building, leaving them vulnerable to harsh weather conditions and tampering. These issues compromise the safety, reliability, and longevity of the electrical systems that power critical park amenities.

This project proposes constructing and installing a new pre-fabricated building to house the electrical equipment. By remounting the electrical gear inside a secure, weather-resistant enclosure, the project will ensure compliance with codes, protect equipment from vandalism and environmental damage, and support the long-term functionality of the park's amenities.

Images



Cramped Quarters



Deteriorating Building



Exterior Lighting Controls

Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Improvement

Capital Cost

FY2026 Budget
\$50K

Total Budget (all years)
\$250K

Project Total
\$250K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Construction	\$0	\$200,000	\$200,000
Design/Engineering	\$50,000	\$0	\$50,000
Total	\$50,000	\$200,000	\$250,000

Funding Sources

FY2026 Budget
\$50K

Total Budget (all years)
\$250K

Project Total
\$250K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	Total
Capital Project Fund (600)	\$50,000	\$200,000	\$250,000
Total	\$50,000	\$200,000	\$250,000

Operational Costs

FY2026 Budget
\$0

Total Budget (all years)
\$4K

Project Total
\$5K

Detailed Breakdown

Category	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Other Impact	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Total	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000

Golden Eagle Park Playground Carryover

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3061
Estimated Start Date	07/1/2025
Estimated Completion Date	08/30/2025

Project Location



Description

This is carryover funding from FY25 in case the project doesn't get completed by June 30, 2025. Golden Eagle Park is one of the Town's most used parks. Since 2015 the parks department has replaced two thirds of the playground. The remaining third of the playground was installed 25 years ago. It is long passed its useful life expectancy and is now in need of replacement. Getting parts for equipment that is this old is not possible because they are no longer being manufactured. Staff is recommending \$150,000 to replace the equipment that needs to be retired.

Images



Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Improvement

Capital Cost

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K**Detailed Breakdown**

Category	FY2026 Proposed	Total
Construction	\$50,000	\$50,000
Total	\$50,000	\$50,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K**Detailed Breakdown**

Category	FY2026 Proposed	Total
Capital Project Fund (600)	\$50,000	\$50,000
Total	\$50,000	\$50,000

Panorama Hillside Erosion Control

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3055
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2026

Project Location

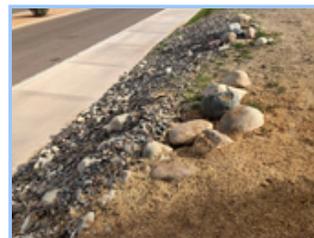


Description

The hillside along Panorama is steep and lacks irrigation, leading to ongoing erosion issues. Medium to large rocks have been placed as a temporary solution to prevent mud from covering the sidewalk during rainstorms, but this approach is insufficient as a long-term fix. Erosion continues to pose risks to the stability of the hillside, the safety of the sidewalk, and the esthetics of the area.

Staff recommends regrading the slope to stabilize it and creating a landscaped hillside protection zone. Incorporating erosion-control plants and groundcover, along with an irrigation system, will help slow erosion, reduce runoff, and enhance the area's appearance. Additionally, redesigning the sidewalk pathway could improve safety, accessibility, and integration with the surrounding landscape. This project is essential for mitigating erosion, maintaining public safety, and improving the visual appeal of this heavily trafficked area.

Images



Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Capital Cost

FY2026 Budget

\$75K

Total Budget (all years)

\$75K

Project Total

\$75K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$75,000	\$75,000
Total	\$75,000	\$75,000

Funding Sources

FY2026 Budget

\$75K

Total Budget (all years)

\$75K

Project Total

\$75K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$75,000	\$75,000
Total	\$75,000	\$75,000

Pleasantville Park - Development Fees

Overview

Request Owner	Kevin Snipes, Community Services Director
Department	Community Services
Type	Capital Improvement
Project Number	P3060
Estimated Start Date	07/1/2024
Estimated Completion Date	06/30/2026

Project Location



Description

Pleasantville Park is a town-owned property that is about one acre in size on the corner of Bainbridge and Golden Eagle Blvd. It has been designated as a future park in the Community Services Master Plan. Staff is recommending using development fees to pay for the construction of the new park. The park location is approved by Dark Sky to be used by star gazers as well as being designed for classes for yoga, Ti Chi, meditation and other small classes and events. It will also have a small trail with educational plant identification. Staff is requesting \$700,000 for design and construction.

Images



Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Type of Project: New Construction

Capital Cost

FY2026 Budget
\$700K

Total Budget (all years)
\$700K

Project Total (to date)
\$1.4M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$700,000	\$700,000
Total	\$700,000	\$700,000

Funding Sources

FY2026 Budget
\$700K

Total Budget (all years)
\$700K

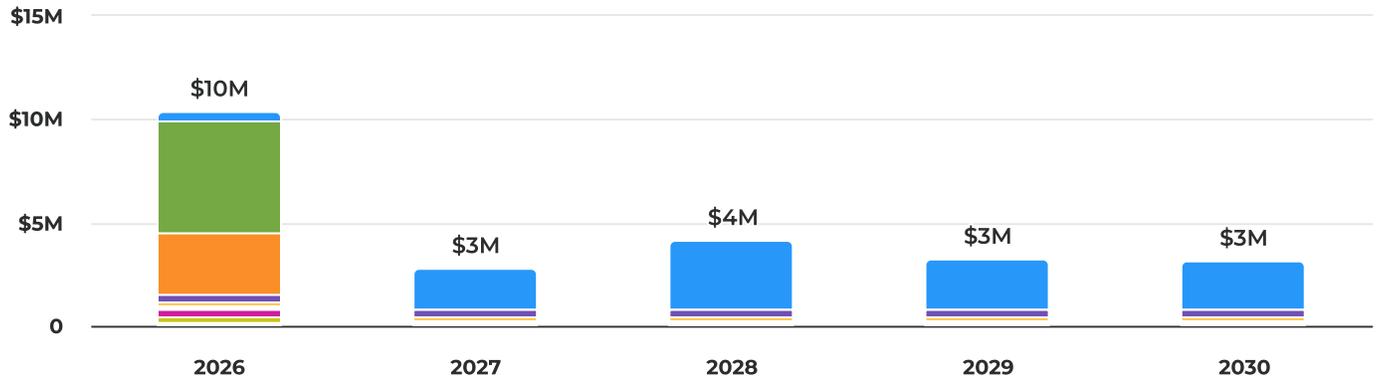
Project Total (to date)
\$1.4M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Parks Development Fee Fund (740)	\$700,000	\$700,000
Total	\$700,000	\$700,000

Public Works

FY26 - FY30 Public Works Projects



● Downtown Streetscape Improvement Program	\$10,733,000	45.22%
● Palomino Boulevard Reconstruction	\$5,400,000	22.75%
● Shea Boulevard Widening - Eastbound from Palisades Blvd to Fountain Hills Blvd - Development Fees	\$3,000,000	12.64%
● Sidewalk Infill and Design	\$1,625,000	6.85%
● Pedestrian Marked Crosswalks - Town-wide	\$750,000	3.16%
● Town-Wide Storm Water Infrastructure Rehabilitation	\$750,000	3.16%
● Dam Sediment Removal and Improvements	\$500,000	2.11%
● Golden Eagle Impoundment Area Improvements	\$300,000	1.26%
● Community Center Renovations	\$300,000	1.26%
● Guardrail Replacement Town-wide	\$250,000	1.05%
● Town Hall Campus Buildings - Roof Design	\$125,000	0.53%

Summary of Requests

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
E8506 Downtown Streetscape Improvement Program	\$515,000	\$2,003,000	\$3,360,000	\$2,483,000	\$2,372,000	\$10,733,000
S7003 Palomino Boulevard Reconstruction	\$5,400,000	\$0	\$0	\$0	\$0	\$5,400,000
S6058 Shea Boulevard Widening -	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000

Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
S6061	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000
S7002	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
D6060	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
D6068	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
D6057	\$300,000	\$0	\$0	\$0	\$0	\$300,000
F4037	\$300,000	\$0	\$0	\$0	\$0	\$300,000
S6068	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
F4046	\$125,000	\$0	\$0	\$0	\$0	\$125,000
Total Summary of Requests	\$10,415,000	\$2,778,000	\$4,135,000	\$3,258,000	\$3,147,000	\$23,733,000

Community Center Renovations

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	F4037
Estimated Start Date	07/1/2022
Estimated Completion Date	06/30/2026

Project Location



Description

During the initial phase of renovations to the Community Center in 2021, drainage issues were discovered at the exterior walls and doors of the building. Subsequently, during the Summer of 2022, the building experienced interior odors, carpet staining, ceiling leaks and increased humidity. An Evaluation of the Community Center structure was performed, and moisture and air testing was completed throughout the building, to determine the extent of the moisture intrusion damage. The Evaluation provided short-term, medium-term and long-term recommendations. Wet seals were applied to the storefront windows.

In FY24, Phase II improvements consisted of addressing the slope of the exterior slab adjacent to the O'Flynn Room on the northeast side of the building, to change the direction of water flow. Water now flows away from the structure. A new storage room was erected as part of the project.

In FY25, the third phase of the Community Center Renovation designed and constructed drainage systems to alleviate further moisture intrusion into the building, by addressing the adjacent flat areas on the south and east sides of the facility.

In FY26, the next phase of work will follow the recommendations of the consulting engineers, after approval by Town Council.

Images



Community Center Phase III

Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Improvement

Benefit to Community

This construction will extend the life of the Community Center Facility, and will add resiliency to the structure.

Capital Cost

FY2026 Budget

\$300K

Total Budget (all years)

\$300K

Project Total (to date)

\$612K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$250,000	\$250,000
Design/Engineering	\$50,000	\$50,000
Total	\$300,000	\$300,000

Funding Sources

FY2026 Budget

\$300K

Total Budget (all years)

\$300K

Project Total (to date)

\$612K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$300,000	\$300,000
Total	\$300,000	\$300,000

Dam Sediment Removal and Improvements

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	D6068
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2030

Description

This multi-year program aims to enhance the structural integrity and operational efficiency of the Town's ten jurisdictional dams, consisting of:

- Hesperus Dam
- Aspen Dam
- North Heights Dam
- Golden Eagle Park Dam
- Sunridge Canyon Dam
- Fountain Lake Dam
- Thunder Ridge Dam
- Crystal Ridge Dam
- Stoneridge Dam
- Botanical Garden Dam

The project encompasses the following key components:

- **Structural Repairs:** The inlet and outlet structures of the dams are critical for regulating water flow and ensuring safety. The project will assess and repair any damage or wear in these structures, addressing issues such as erosion, concrete degradation, and mechanical failures
- **Sediment Removal:** Over time, sediment accumulation can impair dam functionality and reduce water storage capacity. This project will involve the systematic removal of accumulated sediment from each of the dams, restoring their original capacity and ensuring optimal performance

Images



Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Benefit to Community

The Dam Sediment Removal and Maintenance project ensures the safety and reliability of the Town's dams by repairing critical structures, removing sediment, and restoring capacity. This enhances flood protection, supports water management, and preserves local ecosystems. By investing in this essential infrastructure, the Town protects public safety, promotes environmental sustainability, and ensures long-term benefits for the community.

Capital Cost

FY2026 Budget
\$100K

Total Budget (all years)
\$500K

Project Total
\$500K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

Funding Sources

FY2026 Budget
\$100K

Total Budget (all years)
\$500K

Project Total
\$500K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Total	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000

Downtown Streetscape Improvement Program

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	E8506
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2030

Project Location



Description

The Downtown Streetscape Improvement Program includes the design and construction of enhancements to Verde River Drive, Parkview Avenue and the East and West halves of the Avenue of the Fountains. Spanning five years, this Capital Program aligns with the Town Council-approved Downtown Strategy (approved in September 2024) to revitalize the Downtown area by improving pedestrian access, aesthetics and overall functionality.

The Town is expected to receive MAG Design Assistance Grant funding of about \$94,300 towards design.

Improvements will include:

- installing new sidewalk along Verde River Drive and Parkview Avenue
- widening sidewalks along the Avenue to accommodate outdoor cafe seating
- installing shade trees, new streetlights, pedestrian lights and hanging aesthetic lights

The total 5-year project budget for the four project phases is **\$10,733,000**, which is tabulated below.

Project Location	Design Cost	Construction Cost	Total Cost
Verde River Dr	\$201,000	\$2,003,000	\$2,204,000
Parkview Ave	\$314,000	\$3,135,000	\$3,449,000
East ½ of Avenue	\$225,000	\$2,245,000	\$2,470,000
West ½ of Avenue	\$238,000	\$2,372,000	\$2,610,000
Total:	\$978,000	\$9,755,000	\$10,733,000

The work is intended to be completed over five (5) fiscal years as outlined below:

Fiscal Year	Project Scope	Design	Construction	Total
	Design of Verde River Dr			
FY 26	AND Design of Parkview Ave	\$515,000	\$ -	\$515,000
	Construction of Verde River Dr			
FY 27		\$ -	\$2,003,000	\$2,003,000
	Construction of Parkview Ave AND Design of East 1/2 of Avenue			
FY 28		\$225,000	\$3,135,000	\$3,360,000
	Construction of East 1/2 of Avenue AND Design of West 1/2			
FY 29		\$238,000	\$2,245,000	\$2,483,000
	Construction of West 1/2 of Avenue			
FY 30		\$ -	\$2,372,000	\$2,372,000

Images



Details

Strategic Initiative: Targeted collaborative economic development

Type of Project: Other

Benefit to Community

The Downtown Streetscape Improvements Program will significantly enhance the vibrancy, safety, and accessibility of the Downtown area. The project’s focus on beautification through improved landscaping, lighting, and functional design will foster a welcoming atmosphere, attract more visitors, and encourage economic growth. By investing in a revitalized Downtown, the community will benefit from a modern, engaging, and safer public space that enhances quality of life and supports long-term sustainability.

By potentially narrowing travel lanes along the Avenue to accommodate wider sidewalks, the project will create a more pedestrian-friendly environment, promote outdoor activity, and support local businesses. These changes will also act as a natural traffic calming measure, reducing vehicle speeds and improving safety for all road users, including cyclists and pedestrians.

Capital Cost

FY2026 Budget

\$515K

Total Budget (all years)

\$10.7M

Project Total

\$10.7M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$0	\$2,003,000	\$3,135,000	\$2,245,000	\$2,372,000	\$9,755,000
Design/Engineering	\$515,000	\$0	\$225,000	\$238,000	\$0	\$978,000
Total	\$515,000	\$2,003,000	\$3,360,000	\$2,483,000	\$2,372,000	\$10,733,000

Funding Sources

FY2026 Budget

\$515K

Total Budget (all years)

\$10.7M

Project Total

\$10.7M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$420,700	\$2,003,000	\$3,360,000	\$2,483,000	\$2,372,000	\$10,638,700
Special Revenue (400)	\$94,300	\$0	\$0	\$0	\$0	\$94,300
Streets (200)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$515,000	\$2,003,000	\$3,360,000	\$2,483,000	\$2,372,000	\$10,733,000

Operational Costs

FY2026 Budget

\$0

Total Budget (all years)

\$30K

Project Total

\$50K

Detailed Breakdown

Category	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Service/Supplies	\$5,000	\$10,000	\$15,000	\$30,000
Total	\$5,000	\$10,000	\$15,000	\$30,000

Golden Eagle Impoundment Area Improvements

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	D6057
Estimated Start Date	09/13/2018
Estimated Completion Date	06/30/2025

Project Location



Description

This project will design and construct drainage channel improvements, including modification of trash racks on Golden Eagle dam inlets, construction of floodwalls, sediment drop basins, grouted riprap, irrigation & electrical relocation, walking path reconstruction and retaining wall construction. Construction commenced in FY25, and nominal funds are being requested to finish the project in FY26.

The Town is also the recipient of grant funding through the Small Projects Assistance Program of the Flood Control District of Maricopa County (FCDMC). This grant funding will only be applied to the portion of the project that will improve the protection of the Golden Eagle Dam and the downstream residences, which will occur in FY26. The FCDMC will fund 75% of the design and construction cost, up to \$500,000, through June 30, 2026. The FCDMC estimated cost share for dam improvements is \$90,750, with the Town match of \$30,250, and is subject to change, maintaining the 75% / 25% FCDMC/Town proportional match. The additional \$179,000 of requested Capital Projects funds are for final contingency construction costs that may arise to complete the Impoundment project already started in the previous fiscal year.

Images



Details

Strategic Initiative: Long-term financial stability of community infrastructure, environmental, and social resources

Type of Project: Drainage Improvement

Benefit to Community

The Golden Eagle impoundment area receives storm runoff from three washes - Ashbrook Wash, Bristol Wash and Cloudburst Wash. The 100-year storm rainfall intensity values have increased in the northeastern area of Maricopa County. Runoff values have increased, due to increased upstream development. Runoff time of concentration has accelerated, due to increased upstream development. The net change as a result of noted changes above have increased the amount of flow entering the impoundment area (this includes the park improvement areas, ball fields, picnic ramada area, etc.) and requires major modifications to the drainage courses. This project will reduce the risk of flooding and damage to the ballfields and park amenities, which has occurred in the past.

Capital Cost

FY2026 Budget

\$300K

Total Budget (all years)

\$300K

Project Total (to date)

\$3.58M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$300,000	\$300,000
Total	\$300,000	\$300,000

Funding Sources

FY2026 Budget

\$300K

Total Budget (all years)

\$300K

Project Total (to date)

\$3.58M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$209,250	\$209,250
Special Revenue (400)	\$90,750	\$90,750
Total	\$300,000	\$300,000

Guardrail Replacement Town-wide

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	S6068
Estimated Start Date	07/1/2022
Estimated Completion Date	06/30/2025

Description

The Town owns and maintains 10,000 linear feet of guardrail. Due to Federal guidelines changing in 2014, several segments of pre and post-incorporation guardrail are no longer in compliance with Federal highway standards. In 2022, an assessment of the Town's guardrails was performed, and this project will follow the recommendations of that assessment.

Images



Guardrail Replacement

Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Type of Project: Other

Benefit to Community

With FHWA's change in guidelines for guardrail, Town staff would like to be proactive in implementing guardrail improvements to meet FHWA and ADOT guidelines. Staff would like to seek HSIP and other applicable Grants to help with the funding of guardrail upgrades. Currently, guardrail within the Town does not meet the FHWA 31" minimum height requirements. ADOT's memo dated May 3, 2017 identified existing guardrail 26.5" or lower in height shall be replaced when in conjunction with major pavement or roadway improvements. Guardrail along Palisades does not meet the specifications dictated in this ADOT memo, Palisades guardrail will be placed first on the priority list of guardrail upgrades. Staff is seeking approval and funding to apply for Federal grants to help fund guardrail improvements in order to meet FHWA guidelines.

Capital Cost

FY2026 Budget

\$50K

Total Budget (all years)

\$250K

Project Total (to date)

\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$250K

Project Total (to date)

\$300K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000

Operational Costs

FY2026 Budget

\$1K

Total Budget (all years)

\$5K

Project Total

\$5K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Other Impact	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
Total	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000

Palomino Boulevard Reconstruction

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	S7003
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2027

Project Location



Description

This project involves the full-depth removal and replacement of the existing asphalt pavement on Palomino Boulevard. The current pavement has exceeded its useful life, necessitating complete reconstruction to ensure long-term roadway performance and safety. The project scope includes the removal of 49,771 square yards of asphalt pavement, the installation of new asphalt, concrete curb & gutter, sidewalk, utility relocation/adjustments as needed and driveway tie-ins. All improvements will be constructed within the existing road prism.

Images



Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Reconstruction

Benefit to Community

The project will improve safety and ride quality for all roadway users by eliminating deteriorated pavement conditions. Additionally, new concrete curb and gutter will enhance storm water management and reduce long-term maintenance costs.

Capital Cost

FY2026 Budget
\$5.4M

Total Budget (all years)
\$5.4M

Project Total
\$5.4M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$4,900,000	\$4,900,000
Design/Engineering	\$500,000	\$500,000
Total	\$5,400,000	\$5,400,000

Funding Sources

FY2026 Budget
\$5.4M

Total Budget (all years)
\$5.4M

Project Total
\$5.4M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Streets (200)	\$5,400,000	\$5,400,000
Capital Project Fund (600)	\$0	\$0
Total	\$5,400,000	\$5,400,000

Pedestrian Marked Crosswalks - Town-wide

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	S7002
Estimated Start Date	07/1/2024
Estimated Completion Date	06/30/2029

Description

This project designs and constructs pedestrian crosswalks and associated signage where appropriate town-wide. In addition to the crosswalk striping, ADA-compliant curb ramps and refuge islands are constructed where suitable.

Crosswalks in the Downtown area of Town will be the highest priority, followed by arterials, collectors and local roads.

During FY25, the crosswalks at the following locations were installed:

- Saguaro Blvd & Gunsight Rd
- Saguaro Blvd & Parkview Ave
- Saguaro Blvd & Paul Nordin Dr
- Palisades Blvd & Verde River Dr
- Saguaro Blvd & Kingstree Blvd

Proposed crosswalks in FY26 and beyond include the design and/or construction of:

- El Lago Mid-Block Crossing between Saguaro Blvd & La Montana Dr
- Avenue of the Fountains & Keith McMahan Dr
- Palisades Blvd & Westby Dr
- Golden Eagle Blvd & Brittlebush Dr
- Palisades Blvd & Sunflower Dr
- La Montana Dr & Cambria Dr
- La Montana & Hamilton Dr

Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Type of Project: Other

Benefit to Community

Pedestrian crossings and proper signage alert motorists to the possible presence of pedestrians, increasing awareness. On roadway facilities with higher traffic volumes, number of lanes and speeds will require a combination of signs, markings, and other enhancements to give the pedestrian(s) comfort while crossing.

Capital Cost

FY2026 Budget

\$150K

Total Budget (all years)

\$750K

Project Total (to date)

\$900K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Total	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000

Funding Sources

FY2026 Budget

\$150K

Total Budget (all years)

\$750K

Project Total (to date)

\$900K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Total	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000

Shea Boulevard Widening - Eastbound from Palisades Blvd to Fountain Hills Blvd - Development Fees

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	S6058
Estimated Start Date	07/1/2019
Estimated Completion Date	06/30/2026

Project Location



Description

This project will design and construct the first phase of the expansion of Shea Boulevard. This segment will complete eastbound Shea, between Palisades Blvd and Fountain Hills Blvd. The ultimate build-out when completed will widen Shea Boulevard to six lanes.

The future segments of the project (Project S7001) will widen Shea Boulevard between Fountain Hills Boulevard and Technology Drive.

Images



Shea Blvd Widening Phase

1

Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: New Road

Benefit to Community

Shea Boulevard is a road of regional significance and has an average daily traffic volume of 34,600 vehicles at Palisades Boulevard. This project is a MAG Proposition 400 project that is Federally Funded, which will provide for 70% of the project funding with a 30% match from the Town. The Town also will be able to use Development Impact Fees for the Town match

portion, up to about \$800,000 at this point and up to the full match amount if enough Impact Fees are collected by that point. This project will increase the vehicle capacity on Shea Blvd, addressing additional usage tied to population growth.

Capital Cost

FY2026 Budget

\$3M

Total Budget (all years)

\$3M

Project Total

\$3M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Construction	\$3,000,000	\$3,000,000
Total	\$3,000,000	\$3,000,000

Funding Sources

FY2026 Budget

\$3M

Total Budget (all years)

\$3M

Project Total

\$3M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Special Revenue (400)	\$2,100,000	\$2,100,000
Streets Development Fee Fund (730)	\$800,000	\$800,000
Capital Project Fund (600)	\$100,000	\$100,000
Total	\$3,000,000	\$3,000,000

Sidewalk Infill and Design

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	S6061
Estimated Start Date	07/1/2022
Estimated Completion Date	06/30/2030

Description

This project provides design and construction for ADA-compliant concrete sidewalk and curb ramps where gaps currently exist. The new sidewalks will provide connectivity to improve the walkability in the Town, and supports the Town’s Active Transportation Plan and the 2021 Strategic Plan for creating a walkable community.

In recent years, this project constructed infill sidewalks and/or ADA-compliant ramps at the following locations:

FY 24	FY 25
West side of Desert Vista, North of Saguaro Blvd	Tioga Drive Sidewalk
Saguaro Blvd, Kingtree to Indian Wells - SW and curb ramps	Eagle Mountain Pkwy Sidewalk and mid-block Crosswalk
Golden Eagle Blvd and Sierra Madre/Boulder Dr - ADA curb ramps	La Montana Sidewalk at Bashas - Design
	Saguaro Blvd between Hawk Dr and Quinto Dr - sidewalk

Images



Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Type of Project: Other

Benefit to Community

Through the 2021 Active Transportation Plan planning process, citizens were asked to help identify key gaps in the sidewalk system and where the priorities should be for improvements. Installing sidewalks where gaps currently exist, allows pedestrians to use the sidewalk instead of walking in the adjacent street, reducing risk and creating a safer, more walkable community.

Capital Cost

FY2026 Budget

\$325K

Total Budget (all years)

\$1.63M

Project Total (to date)

\$1.93M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$225,000	\$225,000	\$225,000	\$225,000	\$225,000	\$1,125,000
Design/Engineering	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
Total	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000

Funding Sources

FY2026 Budget

\$325K

Total Budget (all years)

\$1.63M

Project Total (to date)

\$1.95M

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000
Total	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000

Town Hall Campus Buildings - Roof Design

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	F4046
Estimated Start Date	07/1/2025
Estimated Completion Date	06/30/2026

Project Location



Description

On February 24, 2025, the Town's Consultant completed a comprehensive roof assessment for the Town Hall, Community Center, Library/Museum, and Central Plant buildings. The evaluation identified significant issues with the existing low-sloped polyurethane foam roofing systems, including widespread blistering, cracking, and failed coatings. Additionally, electrical penetrations were found to lack proper flashing jacks, contributing to potential water intrusion. Debris buildup at roof drains further exacerbates drainage inefficiencies, while deteriorated line set insulation presents additional vulnerabilities.

To address these concerns, this project will develop signed and sealed construction drawings and specifications for new roof systems that ensure long-term protection. The design will incorporate necessary repairs, including a complete roof coating system replacement, proper flashing installation at penetrations, and improved drainage solutions. By implementing these upgrades, the Town will enhance the structural integrity of its facilities and prevent future maintenance costs associated with water damage and roofing failures.

Images



Details

Strategic Initiative: Maintain current infrastructure and prepare for emerging trends

Type of Project: Improvement

Benefit to Community

This project will extend the lifespan of key municipal buildings, safeguarding essential services housed within the Town Hall, Community Center, Library/Museum, and Central Plant. A properly designed and maintained roofing system will improve

energy efficiency, reduce long-term repair costs, and provide a safe, leak-free environment for Town staff and residents utilizing these public facilities.

Capital Cost

FY2026 Budget

\$125K

Total Budget (all years)

\$125K

Project Total

\$125K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Design/Engineering	\$125,000	\$125,000
Total	\$125,000	\$125,000

Funding Sources

FY2026 Budget

\$125K

Total Budget (all years)

\$125K

Project Total

\$125K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	Total
Capital Project Fund (600)	\$125,000	\$125,000
Total	\$125,000	\$125,000

Town-Wide Storm Water Infrastructure Rehabilitation

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	D6060
Estimated Start Date	07/1/2021
Estimated Completion Date	06/30/2030

Description

This project will construct Town-wide stormwater infrastructure maintenance and repair, including pipe cleaning, inspecting, maintenance and treatments, and installation of pipe linings.

Images



Stormwater Infrastructure Rehabilitation

Details

Strategic Initiative: Improve public health, well-being, and safety of our community

Type of Project: Drainage Improvement

Benefit to Community

The Town is responsible for the maintenance and repair of a large number of drainage structures including, pipe culverts (corrugated metal and concrete pipe), catch basins, drop inlets and curb openings at drainage parcels. This Project will provide maintenance and repairs to the Town's drainage structures. These drainage structures and pipe culverts are essential components of the Town's storm drain network. They convey large amounts of runoff to our washes, thereby mitigating flooding concerns. Many of these large pipe culverts were installed by the County pre-incorporation. Some drainage structures are over 40 years old.

Capital Cost

FY2026 Budget

\$150K

Total Budget (all years)

\$750K

Project Total (to date)

\$763K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Construction	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Total	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000

Funding Sources

FY2026 Budget

\$150K

Total Budget (all years)

\$750K

Project Total (to date)

\$763K

Detailed Breakdown

Category	FY2026 <i>Proposed</i>	FY2027 <i>Proposed</i>	FY2028 <i>Proposed</i>	FY2029 <i>Proposed</i>	FY2030 <i>Proposed</i>	Total
Capital Project Fund (600)	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Downtown Strategy Fund (300)	\$0	\$0	\$0	\$0	\$0	\$0
Streets (200)	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000

Debt Services Overview Summary

General Obligation (GO) Bonds

Voter-approved General Obligation bonds issued by the Town are repaid by collecting a secondary property tax. This secondary property tax levy is based on the total amount required for the annual principal and interest payments (with adjustments for carry-forward and/or interest earnings, delinquencies, etc.) divided by the total assessed valuation for the Town of Fountain Hills.

Currently, the Town does not have any outstanding General Obligation bonds, and a town-wide secondary property tax is not required for fiscal year 2026.

Municipal Property Corporation (MPC) Bonds

One of the methods of funding major municipal projects is the use of a Municipal Property Corporation (MPC). The Town created the Fountain Hills Municipal Property Corporation, and bonds were issued in 2000 and 2001 to build the Community Center and purchase a portion of the McDowell Mountain Preserve, respectively. In 2004, MPC bonds were used to construct Town Hall. While the bonds are outstanding, the MPC owns the land and buildings purchased with bond proceeds. Principal and interest payments are made using various operating revenues received by the Town and do not require a property tax levy on residents.

Now that all the MPC bonds have been retired, ownership of the buildings and land has been transferred to the Town.

Eagle Mountain Community Facilities District (EMCFD) Bonds

There have been four bond issues (issued as General Obligation bonds) that were approved for specific purposes:

- The first two EMCFD bond issues in 1996 (refunded in 2005) were to acquire certain public infrastructure benefiting the District, specifically a sewer project, a storm water conveyance system project, the Eagle Mountain Parkway Phase I project, and the Summer Hill Boulevard project.
- The third EMCFD bond issue, completed in 2005, refunded and defeased the two 1996 issues.
- The fourth issue refinanced the outstanding bonds in 2015 to reduce interest costs.

The Eagle Mountain Community Facilities District debt payments are levied on the property owners within the District. These obligations are paid by the property owners using secondary property taxes, less any credits, carry-forward and/or interest earnings and allowing for delinquencies. The final payment on the fourth issue was made on 7/1/2021. As a result, a secondary property tax will not be assessed for fiscal year 2026.