

Town of Fountain Hills

Fiscal Year 2026 Adopted Budget

Final Version - 06/03/2025





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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Fountain Hills
Arizona**

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.

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.

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.

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, esteemed Council, Residents and Stakeholders of Fountain Hills,

I am pleased to present to you the FY2026 Town Budget, a strategic fiscal roadmap that embodies our collective community goals, priorities, and challenges. This document is a culmination of extensive collaboration, careful analysis, and a deep commitment to ensuring a prosperous and vibrant future for our community. Our budget is more than just numbers on paper; it reflects our shared values and demonstrates our dedication to addressing the needs and desires of our residents. Throughout the pages that follow, you will find a comprehensive overview of our financial plan, illustrating how we intend to allocate resources in a way that maximizes our community's growth and well-being.

Budget Overview:

The FY2026 Town Budget represents a healthy and vibrant fiscal outlook, with a total allocation of \$53.4 million. This marks an increase of \$8.2 million from the previous fiscal year, a reflection of our increased commitment to providing services and capital project improvements to our residents using ongoing revenues and reserve fund balances. Within our conservative forecasting framework, our General Fund Revenues have increased by \$226,000 to \$26.1 million, reflecting our Town's economic stability but also our slowing growth.

Our budget is a testament to our dedication to addressing the needs and goals of our residents. We understand that nurturing the pillars of our community –responsible growth, financial stability, health and safety, infrastructure and facility maintenance, and quality of life – is paramount to our progress.

Capital Budget:

Our responsibilities extend beyond the operational scope, and our Capital Budget of \$12.7 million has been built to manage the demands of our community's infrastructure and improvements. We anticipate receiving \$2.2 million from grant sources, a demonstration of our successful partnerships and innovative approach to funding. This allocation will facilitate crucial improvements in Community Services, with \$1.6 million dedicated to enhancing the quality of life for our residents by developing a new stargazing park, replacing aging park amenities, and making necessary park improvements within our Town. Additionally, Public Works will take on \$10.5 million in projects to upgrade and modernize our infrastructure to meet the demands of a dynamic community, including a major reconstruction project on Palomino Blvd and beginning the design of a Downtown Streetscapes Improvement Program throughout our Town to improve the well-being and safety of our residents.

Priorities:

The FY2026 Town Budget is intricately designed to address our most pressing priorities. Our commitment to quality of life, infrastructure and facility maintenance, public safety, and community growth remains unwavering. We have allotted significant resources to upgrade our roads, improve our public services, and enhance our parks. We continue to implement sound financial procedures that bolster our resilience in challenging and turbulent fiscal conditions. Moreover, we are dedicated to fostering an environment that supports the needs of all residents, ensuring that everyone has the opportunity to thrive.

Challenges:

We recognize that our journey forward is not without obstacles. Economic fluctuations, technological advancements, and unforeseen events continue to test our resilience. However, it is precisely in times of challenge that our community's



strength shines the brightest. The FY2026 Town Budget acknowledges these potential hurdles and equips us with the flexibility and foresight to adapt and overcome them. Our conservative budgeting process allows for flexibility and elasticity in order to respond to rapid or unexpected changes. Our budget has been developed with careful forecasting, but we remain nimble in the event of changing demands.

Overall Direction:

Our Budget is aligned with a clear and decisive vision for our community's future. As we strive for economic prosperity, social cohesion, and sensible growth, we commit to fostering an environment that encourages innovation, empowers our residents, and celebrates our unique identity. With prudent financial management, transparent governance, and a focus on collaboration, we ensure that the Town of Fountain Hills will thrive today, tomorrow, and for years to come. We are confident that by adhering to wise management, community engagement, and innovation, we will achieve our collective vision for Fountain Hills.

In closing, I extend my heartfelt gratitude to the staff and Council whose dedication and insights have contributed to the creation of this budget. We invite all to engage with this document, offer your feedback, and join us as we embark on this exciting journey towards a bright future. Community involvement is pivotal, and your voices will assist our decisions as we navigate the path ahead.

Sincerely,

Rachael Goodwin, Town Manager

Budgetary and Accounting Basis

The Town budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. Specifically, the budget and fund-based financial statements are prepared on the modified-accrual basis of accounting for all funds other than the Technology Replacement Fund and Vehicle Replacement Fund. Those funds are budgeted on a modified-accrual basis but presented on a full-accrual basis of accounting in the fund-based financial statements.



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 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 and performance measures
- Focuses 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. Programmatic performance measures 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 compared to the budget.

The Town of Fountain Hills budget is adopted at a Department level and the Capital Improvement Plan 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 within the Town Manager's purchasing authority. 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 amend the budget within the Town's financial system, although the budget book is never reprinted.

Which 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, Special Revenue Fund, 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 residents to contribute to the budget is during the annual Budget Open House, which is typically held around February or March 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

Financial Policies

Financial policies are established and updated by resolutions passed and adopted by the Town Council, as necessary, to ensure the Town's financial security. The following policies provide a foundation of sound financial principles and internal controls for the safeguarding of the Town's financial resources. For the full resolution and associated policy, click on the blue hyperlinks below. Visit www.fountainhillssaz.gov for more Town information, historical budgets, and annual financial reports.

Financial Policies

[Resolution 2020-16](#) adopted by Town Council on May 5, 2020

The Mayor and Town Council of the Town of Fountain Hills understand that principles of sound financial management establish the framework for overall fiscal planning and management. The principles set forth guidelines for both current activities and long-range planning. Following these principles will enhance the Town's financial health as well as its image and credibility with its citizens, the public in general, bond rating agencies and investors. The policies will be reviewed periodically to assure the highest standards of fiscal management. Policy changes will be needed as the Town continues to grow and becomes more diverse and complex in the services it provides, as well as the organization under which it operates, to provide these services to its citizens. The Town Manager and staff have the primary role of reviewing and providing guidance in the financial area to the Town Council.

Capital Asset Policy

[Resolution 2015-41](#) adopted by Town Council on August 6, 2015

The purpose of this Capital Asset Policy is to establish policies and procedures for the Town of Fountain Hills regarding the treatment of all long-lived tangible resources, whether capitalized or expensed. This Policy enumerates specific types of long-lived resources and particular activities that may affect, or may be required for, all types of long-lived tangible resources. This Policy attempts to reconcile modern, professional accounting standards with practical fiscal management considerations.

Procurement Policy

[Resolution 2016-36](#) adopted by Town Council on December 1, 2016

It is the policy of the Town of Fountain Hills to promote and facilitate economical and timely acquisitions from sources of supplies, equipment and services necessary for Town Departments to accomplish their assigned responsibilities, while ensuring a fair and open process that maximizes competition. It is the policy of the Town that the acquisition process is carried out in compliance with the Town Procurement Code, which is set forth in Article 3-3 of the Fountain Hills Town Code (the "Procurement Code") and ordinances and the administrative policies and procedures set forth herein (the Procurement Policy"). The Town Manager or authorized designee (the Procurement Agent) is charged with the responsibility of implementing the Procurement Code and this Procurement Policy.

Grant Administration Policy



[Resolution 2016-19](#) adopted by Town Council on August 18, 2016

The purpose of the grant administration policy is to establish uniform policies and procedures throughout the Town of Fountain Hills to be used when applying for, accepting and administering federal, state, county, private foundation and corporate grants, sponsorships and donations. This document describes the grant administration process and identifies the roles and responsibilities of the Department Directors, Risk Management, Information Technology, Finance and the Grant Project Manager.

Issuance and Post-Issuance Compliance

[Resolution 2014-03](#) adopted by Town Council on March 20, 2014

Many conditions, restrictions and requirements must be complied with to permit and preserve the tax-exempt, tax credit or direct federal subsidy treatment of general obligation bonds, revenue bonds, lease-purchase agreements, and other tax-exempt financing by the Town of Fountain Hills. Prior to issuance, the Town and its bond counsel will review the facts and the reasonable expectations to determine if the issue will comply with these conditions, restrictions and requirements at the time of issuance. There are certain actions the Town must perform after issuance to preserve the favorable tax treatment and certain actions of the Town after issuance can adversely affect the tax treatment. In addition, the Town must maintain proper records to demonstrate compliance. Because tax benefits may be critical to the investors' decision to purchase the bonds or other obligations, the Town will covenant with the bond purchasers to comply with all the conditions, restrictions and requirements throughout the life of the bonds.

Demographics

The Town of Fountain Hills has about 24,000 residents as of 2025. This FY2026 adopted budget book includes the most recent available demographic data below:



4th of July Event
Fountain Park



4th of July Event
Fountain Park

Population



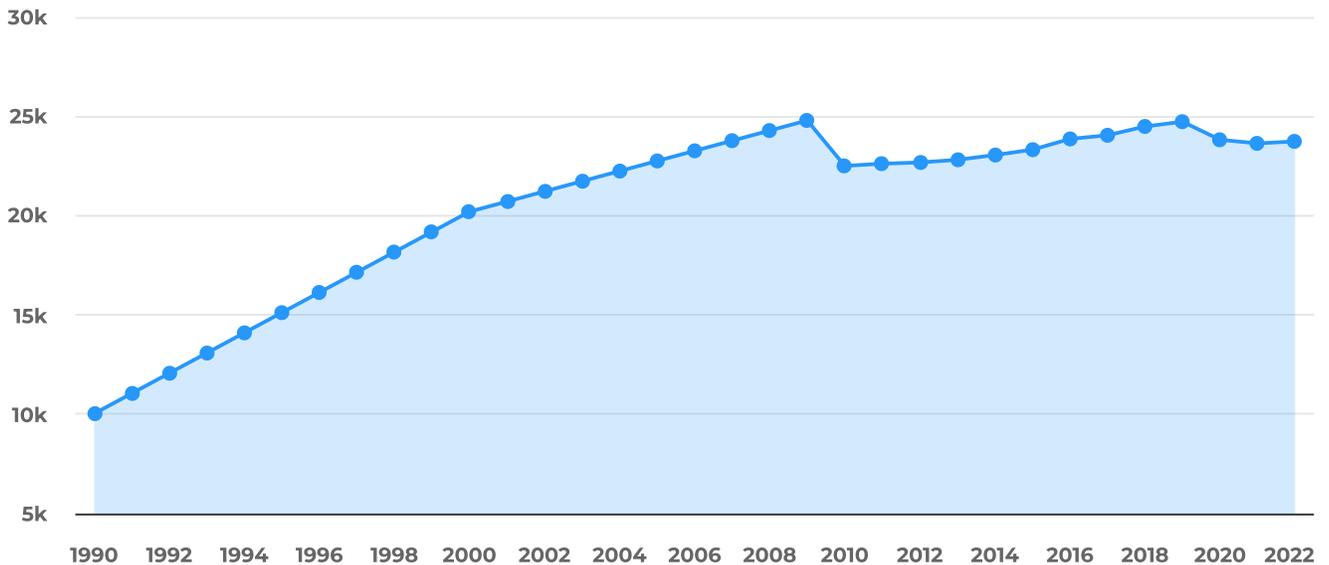
TOTAL POPULATION

23,739

0.42%
vs. 2021

GROWTH RANK

66 out of **92** Municipalities in Arizona



** Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



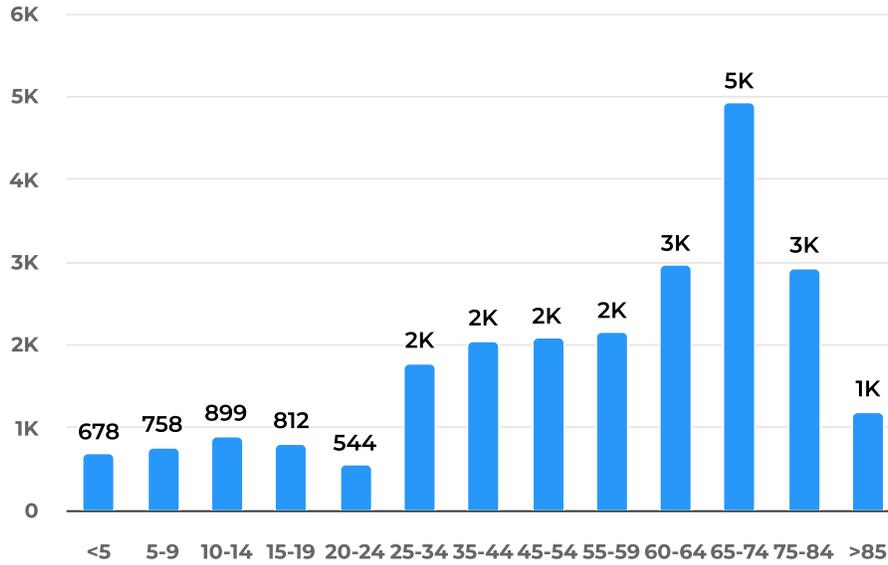
DAYTIME POPULATION

20,838

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

** Data Source: American Community Survey 5-year estimates*

POPULATION BY AGE GROUP



Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.

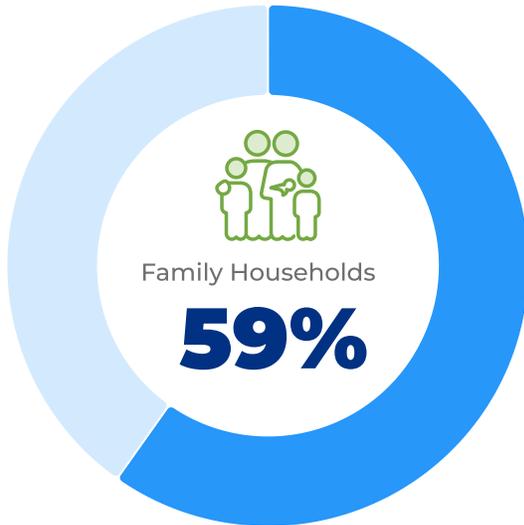
** Data Source: American Community Survey 5-year estimates*

Household

TOTAL HOUSEHOLDS

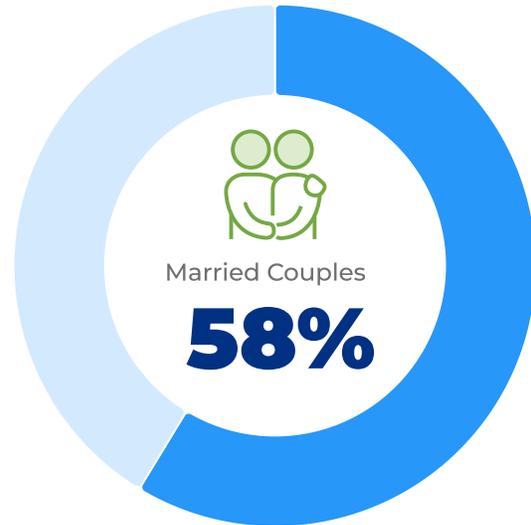
11,092

Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



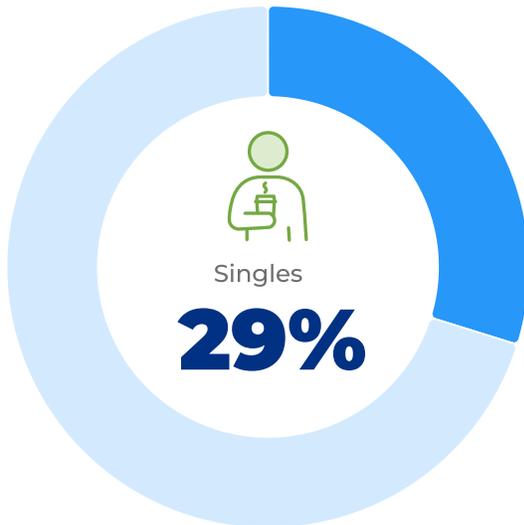
26%

higher than state average



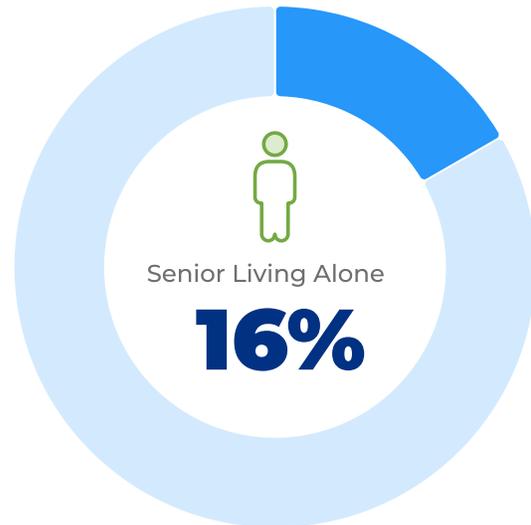
23%

higher than state average



9%

higher than state average



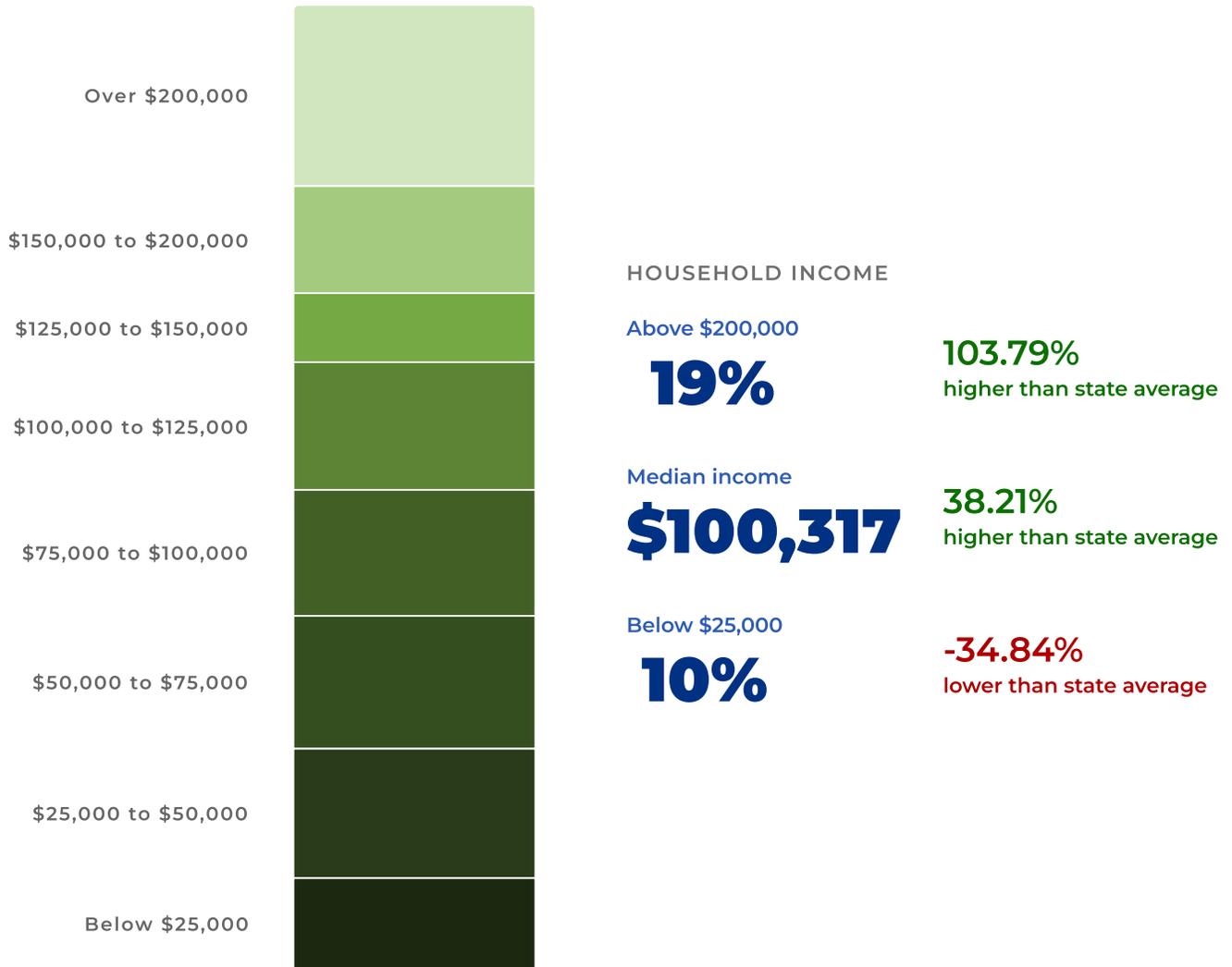
15%

higher than state average

* Data Source: American Community Survey 5-year estimates

Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



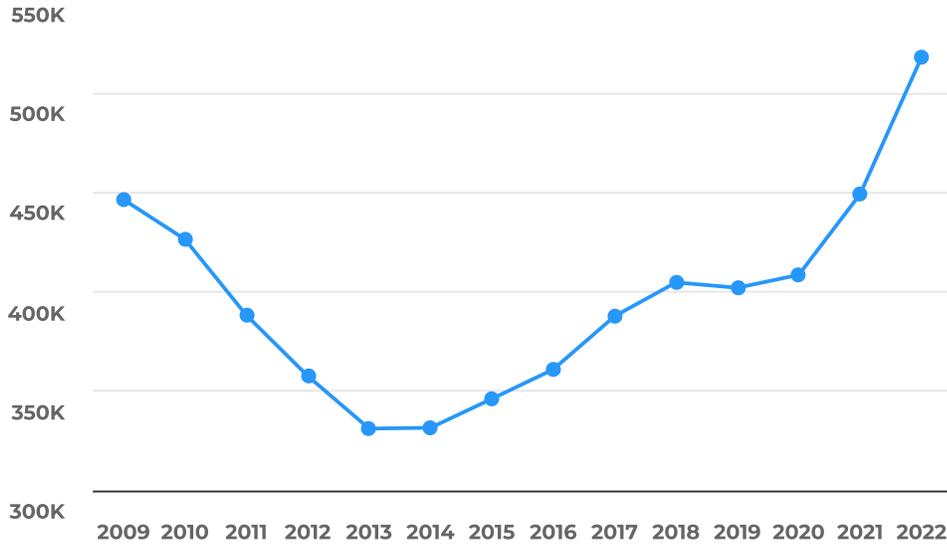
* Data Source: American Community Survey 5-year estimates

Housing



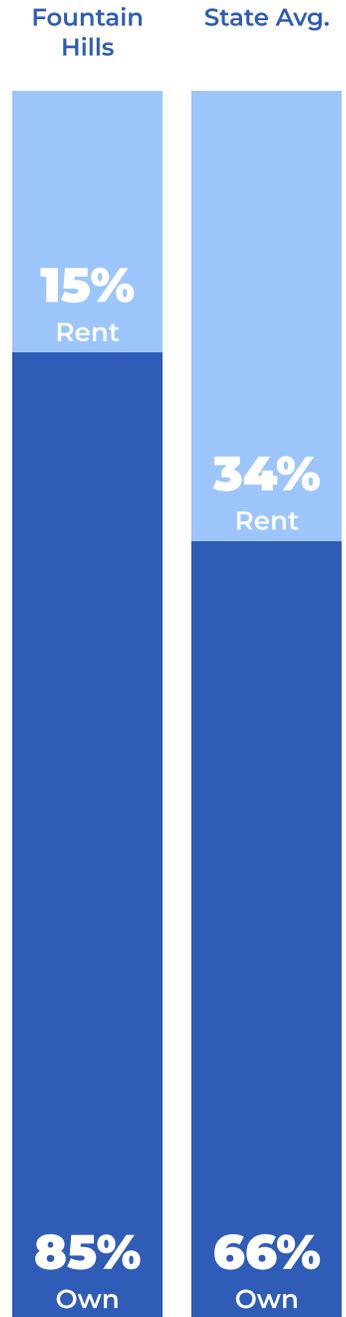
2022 MEDIAN HOME VALUE

\$518,200



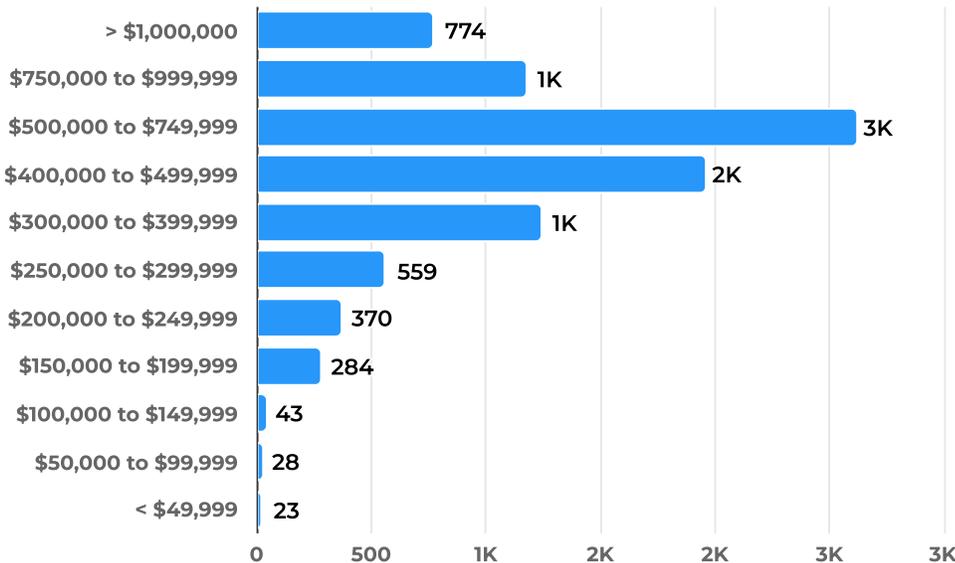
** Data Source: 2022 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME OWNERS VS RENTERS



** Data Source: 2022 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

HOME VALUE DISTRIBUTION

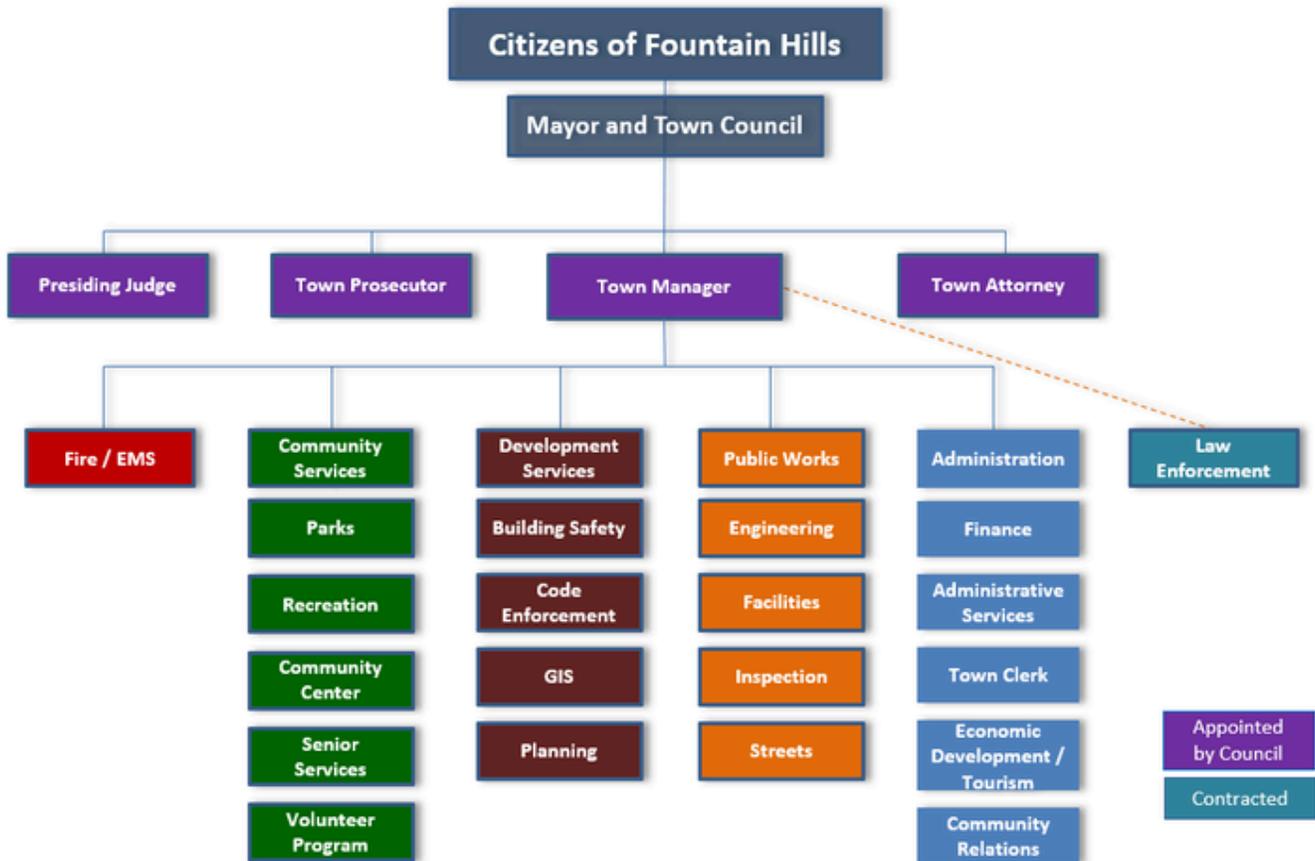


** Data Source: 2022 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.*

Organizational Chart

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 for.

Town of Fountain Hills Organization



Town of Fountain Hills Organization

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 106 full-time equivalent (FTE) employees. The Presiding Judge, Town Attorney, and Town Prosecutor are under the direction of the Town Council.

Executive 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 and Town financial policies, 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. Regardless of those considerations, the Town must comply with the Arizona constitutional expenditure limitation each year in its budgetary process. This summary provides an overall town-wide budget for the fiscal year. Additional summarized budgetary issues, changes and factors are published on the following pages.

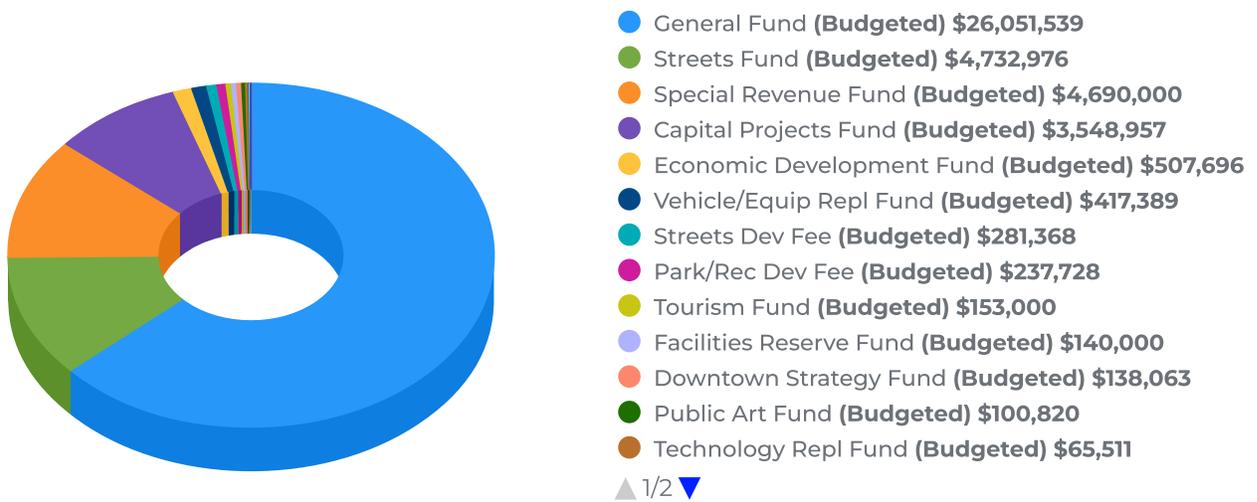
The Town's Community Relations Division published the following FY2026 budget social media posts during the Town's budget process:

[LinkedIn Post About Adopted Budget](#)

[Facebook Post Summarizing Adopted Budget](#)

All Town Projected Revenues

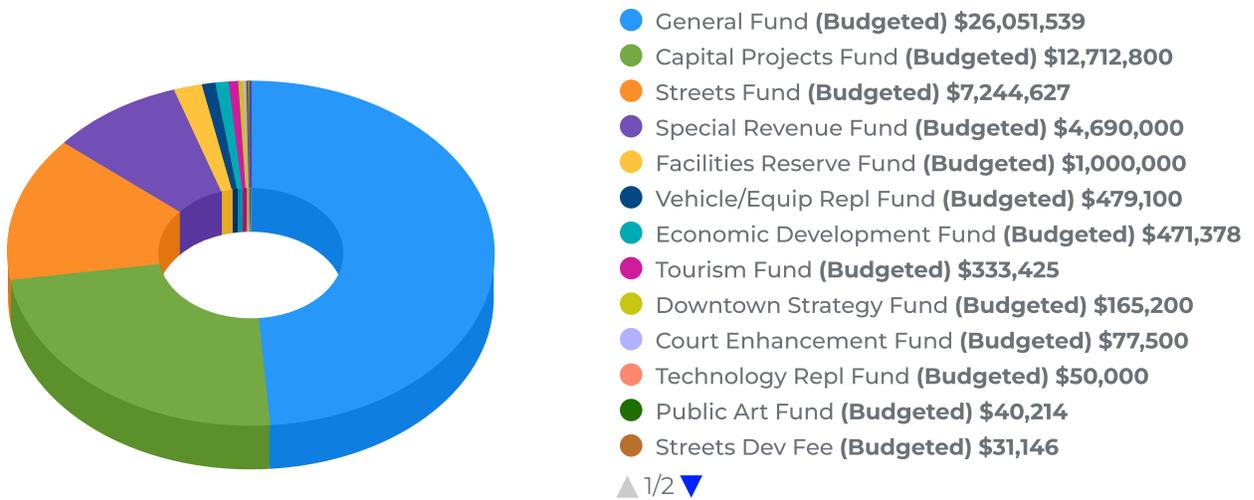
The Town is projecting \$41.14 of total revenue for FY2026, which is about a 13.7% increase over FY2025 projections. Major fund projected revenues include the General Fund at \$26.05 million, the Streets Fund at \$4.73 million, and the Capital Projects Fund at \$3.55 million (including expected grant revenues; this fund also receives transfers in of General Fund excess reserves at year-end which are not included in these projections). 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. However, \$3 million was added to the Special Revenue Fund projected revenue to account for a potential Federal grant requested by a local non-profit related to developing a STEM exhibit in the newly built International Dark Sky Discovery Center (IDSDC) near Town Hall. These revenues would only be realized if the grant is received by the Town as a pass-through to the IDSDC during FY2026.



All Town Budgeted Expenditures

The Town Council approved the final budget on June 3, 2025, with \$53.40 of total budgeted expenditures, 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, the final FY2026 adopted 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 final 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 an increase of \$450K up to a \$1 million budget in the Facilities Reserve Fund to better align with recommended practices. Considering all these factors, the Town also ensured that the final adopted budget complies with the Arizona Constitutional expenditure limitation of \$36.59 million for FY2026.



Substantial Changes from FY2026 Proposed Budget to Adopted Budget

Substantial Changes	<i>Substantial Changes from FY2026 Proposed Budget to Adopted Budget</i>
2.5% Cost of Living adjustment added to Town staff pay	The Town Council directed staff to add a 2.5% pay adjustment for all staff based on a discussion of 9 relevant data points at the April 8, 2025 proposed budget work session.
Implementation of Fire Department Command Structure to begin January 1, 2026	The Fire Department submitted a personnel supplement request of about \$220,000 to revise its command structure by adding 3 battalion chief positions. Council discussed the request at length during the April 8, 2025 proposed budget work session and moved back the implementation date from July 1, 2025 to January 1, 2026. This reduced the Fire Department budget by about \$111,000.
Added \$100,000 of carryover budget for 2 capital projects.	The Public Works and Community Services Department notified the Council that 2 FY2025 capital projects (Wayfinding Signs & Golden Eagle Playground Replacement) could not be completed by June 30, 2025. Accordingly, staff added an additional \$50,000 of budget for each of these projects as carryover for the FY2026 adopted budget.
Added \$3 million for a possible federal grant application	The Council approved a request by a local nonprofit organization for the Town to apply for a \$2.5 million pass-through federal grant to help complete a STEM educational exhibit at the International Dark Sky Discovery Center at the April 15, 2025 regular meeting. Accordingly, staff added \$3 million to the Special Revenue Fund budget to allow the Town to pass-through the grant, if awarded in FY2026.

Strategic Plan

Overview

The motto for the town of Fountain Hills is “All that is Arizona”. This is certainly an appropriate portrayal of a community that combines stunning natural beauty with a safe, upscale, and, in many ways, idyllic setting. In Fountain Hills, neighbors share a commitment to community that makes small-town life so appealing, without losing big city advantages. The Town’s Strategic Planning Advisory Commission, consisting of seven volunteer citizens, sought to fashion a ten-year strategic plan that is aligned with the community’s priorities and expectations of principled and steady progress without putting at risk the things that make Fountain Hills such a special place to live. This link will bring you to the full Strategic Plan 2022: <https://www.fountainhillsaz.gov/DocumentCenter/View/8050/Town-of-Fountain-Hills-Strategic-Plan--2022>

Strategic Plan Focus

The Strategic Plan focuses on enhancing Fountain Hill's appeal as a small town in the orbit of a large urban environment by honoring traditional values, environmental uniqueness, stability, sustainability, and flexibility in preparing for the future. This is evident in Fountain Hill's Key Organizational Goals, which aim to: improve public areas, including infrastructure and Town facilities; enhance public safety and the overall quality of life, promote economic development, and ensure the Town’s financial stability.

Guiding Principles

The principles that guided the Commission through the creation of the plan included the understanding that the various tasks had to be manageable or attainable by the Town over a 10-year horizon. The progress by the Town in achieving success had to be measurable over time and, lastly, the Strategic Plan needed to be impactful and not merely a rehash of projects that the Town was already working towards.

Planning Acknowledgments

The Commission took into account realities that exist when planning a small town. First, Fountain Hills has limited resources and undergoes an annual economic seasonality that creates revenue variability. The Town is blessed with a strong and talented volunteer base along with its unmatched natural beauty. Lastly, since the Town is essentially surrounded by land that is limited in its development potential, there are minimal expectations for residential growth.

Community and Stakeholder Input

In approaching the task of writing a strategic plan, the Commission first sought to understand and give voice to the Fountain Hills citizens, local leaders, and historical documents. The Commission did this by engaging local business, civic, education and government leaders for input, observations, and experiences. Next, the Commission reviewed and assessed the ongoing impact of the Town’s 2015 strategic plan that was subsequently updated in 2017. Most importantly, the commission collaborated with the non-profit volunteer group named ‘Vision Fountain Hills’, to survey over 900 Fountain Hills residents on their thoughts and views on important past and current issues. The results of the survey showed that respondents’ primary community interests were:

- Business Development
- Technology Services
- Town’s Condition
- The Environment
- Town Finances
- Safety

Keynote Themes used in the Plan's Development

When developing the 2022 Fountain Hills Strategic Plan, the Commission held onto three important themes throughout the process. First was the emphasis on collaborative partnering. Wherever possible, tasks were constructed in a way to allow collaboration and/or partnering between the Town and interested stakeholders. Second was the absolute need for transparency and ownership so that readers of the plan have confidence in the process used in developing relevant strategies and their effective implementation. Third was their unwavering understanding that stewardship of our local environment was paramount and must be addressed specifically and consistently throughout the strategic plan.

Strategic Priorities

The four Strategic Priorities identified and expanded upon in this plan represent the overriding areas of focus:

- Targeted Collaborative Economic Development
- Promote the Long-Term Financial Sustainability of Town Infrastructure, Environmental and Social Resources
- Continue to Improve the Public Health, Well-Being, and Safety of our Town
- Maintain Current Infrastructure while Preparing the Town for Emerging Trends that Increase Public Safety and Quality of Life

Strategic Plan Structure

Underneath the four Strategic Priorities (SP) there are 11 Signature Strategies (SS) and under the Signature Strategies there are 23 Supporting Tasks (ST). Thus, the structure of this plan is built to flow from a Strategic Priority to a Signature Strategy to a specific Supporting Task. In this way, we can show bi-directionally, both how a Strategic Priority results in a set of Supporting Tasks and how a specific Supporting Task ties back to a larger Strategic Priority. Each Supporting Task is further delineated with an expected timeline for implementation (in years), estimated complexity (scale of 1-5 with 5 being the most complex), and an annotation of the potential for collaboration (y/n) between the Town of Fountain Hills and a stakeholder or interested party.

Moving Forward

The success of the Town of Fountain Hills Strategic Plan 2022 depends on an effective communications (internal and external) plan and monitoring process that supports its implementation. Thus, the Strategic Planning Advisory Commission has included a Communication and Monitoring Plan (located in the appendices) that lays out avenues of communication between the Mayor, Town Council, Town Staff, and the Citizens of Fountain Hills concerning the implementation of this Plan.

Current Strategic Planning Advisory Commission of Fountain Hills

Chair: Patrick Garman **Vice Chair:** Geoffrey Yazzetta

Commissioners: Polly Bonnet, Paul Smith, Joseph Reyes
Bernie Hoenle, Randy Crader

Town Council Review

The Town of Fountain Hills Strategic Planning Advisory Commission (SPAC) works through the process of crafting strategic plan goals and meets with departments regularly to discuss updated progress towards the goals. The Strategic Plan is designed to cover a five-year lifespan. It is a living document intended to endure in principle and evolve in goals, objects and approach over this period. The Town manages this process through SPAC and the Council approves each new strategic plan. The current [Strategic Plan was adopted by the Council at a regular meeting on January 18, 2022](#). SPAC is currently working through the process of crafting the Town's next strategic plan, which will be considered by the Council during Fiscal Year 2026-27.

Additionally, departments are responsible for monitoring the progress of strategic plan initiatives and report this progress directly to SPAC. Some Divisions' and Departments' missions do not directly support the strategic plan initiatives, but all Town staff indirectly support these efforts. As you can see in the Departmental budget pages later in this book, the primary departments directly charged with the current Strategic Plan strategies and tasks are the Community Services Department, Public Works Department, Development Services Department, as well as several divisions in the Administration Department.

Departmental Use

The Town's various departments collaborate towards meeting 4 Strategic Priorities, encompassing 11 Signature Strategies and 23 total Supporting Tasks. Although several Strategies and Tasks sometimes relate to 1 Department, many overlap across departments, requiring aligned planning and priorities, which are guided by Mayor and Council funding decisions. The Strategic Plan Priorities, Strategies and Tasks are noted below:

1. **Targeted Collaborative Economic Development**

- a. **Signature Strategy** - Retain existing businesses and attract new ones
 - i. Supporting Task - Develop and promote an effective brand image to prospective businesses and residents
 - ii. Supporting Task - Develop strategies for retaining existing businesses and attracting new ones from the following sectors: 1) Health and Wellness, 2) Professional Services, and 3) S.T.E.M.
 - iii. Supporting Task - Continue to maintain an economic development web page and add a business metrics database
 - iv. Supporting Task - Identify ways to streamline the building permitting process
- b. **Signature Strategy** - Lead the formation of collaborative economic development groups
 - i. Supporting Task - Coordinate periodic meetings between the Town of Fountain Hills, Fountain Hills Chamber of Commerce, Ft. McDowell Yavapai Nation, Salt River Maricopa Pima Indian Community, to discuss the local expansion of business and tourism opportunities
 - ii. Supporting Task - Form a business professional advisory group

2. **Promote the Long-Term Financial Sustainability of Town Infrastructure, Environmental and Social Resources**

- a. **Signature Strategy** - Maintain transparency by communicating the Town's finances to the public
 - i. Supporting Task - Hold public meetings twice a year, separate from council meetings, to present the Town's finances
 - ii. Supporting Task - Conduct a regularly occurring community survey in order to track satisfaction levels with Town services
- b. **Signature Strategy** - Promote the long-term financial health and stability of the Town
 - i. Supporting Task - Produce and publish a five-year financial plan with revenue and expenditure forecasts
 - ii. Supporting Task - Update the current Facilities Reserve Study to identify lifecycle replacement and repair of facilities and infrastructure
 - iii. Supporting Task - Utilize the services of an experienced grant researcher and writer
- c. **Signature Strategy** - Periodically review Town services to identify opportunities for improving efficiency and effectiveness
 - i. Supporting Task - Conduct a feasibility analysis of government services provided by the Town
 - ii. Supporting Task - Promote e-government and electronic transactions to improve customer convenience and operational efficiencies

3. **Continue to Improve the Public Health, Well-Being, and Safety of our Town**

- a. **Signature Strategy** - Promote the natural and built environment of Fountain Hills to improve the public health, well-being, and safety of the community
 - i. Supporting Task - Continue to expand and connect open space and recreational facilities to create opportunities for physical activities
 - ii. Supporting Task - Work with local environmental organizations in strengthening our community's connection with its natural surroundings
 - iii. Supporting Task - Incorporate public health, well-being, and safety in Fountain Hills policies when relevant
 - iv. Supporting Task - Create and publicize an Environmental Plan for Fountain Hills
- b. **Signature Strategy** - Promote Fountain Hills as a community focused on public health, well-being, and safety
 - i. Supporting Task - Support the expansion of preventive health and wellness access within the Fountain Hills community

4. **Maintain Current Infrastructure while Preparing the Town for Emerging Trends that Increase Public Safety and Quality of Life**

- a. **Signature Strategy** - Develop an investment plan and schedule to maintain/bring FH's streets, medians, buildings, and parks to established standards
 - i. Supporting Task - Develop a detailed Infrastructure Condition Report with a scoring mechanism for evaluating and reporting the functionality, appearance, and upkeep of the Town's fixed assets
- b. **Signature Strategy** - Support local Broadband strategic buildouts and deployment efforts while ensuring the preservation of conduit and right of way for future technologies
 - i. Supporting Task - Make co-location of broadband a requirement with existing infrastructure planning as a condition of permit use or where public funding is provided
- c. **Signature Strategy** - Increase the ease and safety of multi-use aspects of Fountain Hills roads
 - i. Supporting Task - The Fountain Hills Town Council Subcommittee on Pedestrian and Traffic Safety will continue to identify roads where lack of an interconnected sidewalk system increases risk to pedestrians and will continue to update and schedule to remedy
 - ii. Supporting Task - Develop a comprehensive bicycle masterplan. A successful plan will focus on developing a seamless cycling network that emphasizes short trip distances, multi-modal trips, and is complemented by encouragement, education, and enforcement programs to increase usage
- d. **Signature Strategy** - Utilize services provided by other government agencies and outside entities e.g. private companies, non-profit organizations, and volunteer groups in evaluating and supporting the health of Fountain Hills parks
 - i. Supporting Task - Utilize nationally recognized standards for maintenance of the Town's park system

Budget Integration

The Town of Fountain Hills already monitors departmental progress towards strategic plan strategies and tasks by reporting to SPAC, but beginning with the FY2025-26 adopted budget, the Town will begin using performance measures to track the Strategic Plan and other measures for most departments and divisions. These performance measures will be discussed on relevant department and division pages later in this budget book.

Budget Timeline

Each year, staff create a budget timeline for the following fiscal year's budget. This timeline includes several public meetings, internal discussions, and decision-making opportunities for the Town Manager and the Council, before considering the proposed and tentative budgets in April and May of each year. By the time of the final budget adoption each June, there had been several discussions and opportunities to change the budget for the coming year. Below shows the budget timeline used by staff for the FY2026 budget process before final adoption by the Council on June 3, 2025:

FY2026 Budget Calendar

- **November 14, 2024**
Budget Kick-Off Meeting with Staff
- **December 5, 2024**
Town Council Retreat #1 (Public Welcome)
- **January 9, 2025**
Beginning of Departmental Budget Meetings with Town Manager
- **January 29, 2025**
Mayor's State of the Town Address (Public Welcome)
- **February 25, 2025**
Town Council Retreat #2 (Public Welcome)
- **March 12, 2025**
Public Outreach/Open House at Town Hall (Public Welcome)
- **March 25, 2025**
Town Council Special Session to review Proposed Capital Projects (Public Welcome)
- **April 8, 2025**
Town Council Special Session to Review Proposed Budget (Public Welcome)
- **May 6, 2025**
Town Council & Special District Meetings to Adopt Tentative Budgets (Public Welcome)
- **June 3, 2025**
Town Council & Special District Meetings to Hold Public Hearings and Adopt Final Budgets (Public Welcome)
- **June 17, 2025**
Town Council and Special District Meeting(s) to Adopt Tax Levy, if necessary (Public Welcome)

Priorities and Issues - FY2026 Adopted Budget

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 proposed 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. The final adopted budget includes another \$5.4 million in the Capital Improvement Plan for these purposes, and the Council approved staff to proceed with a [revised reconstruction approach at the June 17, 2025 meeting](#).
- 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](#). The final adopted budget includes all the Council's feedback and direction throughout the budget process.
- 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 street-scape improvement project at various work sessions. Accordingly, this FY2026 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, the final FY2026 budget includes about \$111,000 of additional budgeted 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 were discussed with the Council at the [April 8, 2025 proposed budget work session](#). All final supplemental requests were included in this final budget, as well as a 2.5% cost-of-living adjustment (COLA) for all staff, also at the direction of the Council during the April work session.

Personnel Changes

Staff began the FY2026 process by reviewing the workloads of two vacant positions for an IT Specialist and Building Permit Technician, which resulted in reducing both full-time equivalent (FTE) positions (1 FTE) to part-time positions (0.6 FTE). These moves resulted in reducing overall FTE levels by 0.8 FTE and, without full-time benefits, reduced the General Fund budget by about \$80,000. Further, the Fire Department administrative assistant position was decreased to a 0.5 FTE because the position was split with the Administrative Services Division. Then, the Town Manager met with various departments in January 2025 to consider \$265,000 of ongoing personnel requests (see Supplemental Requests section of this budget book). These requests included adding additional shifts for part-time park attendants and seasonal community center operations staff, promoting a long-tenured Building Permit Technician, adding another Streets Maintenance Technician (paid from Streets Fund) and additional funding for the Fire Department to revise its command structure.

The Council considered all personnel supplemental requests at the [April 8, 2025, Proposed Budget Work Session](#), and ultimately decided to approve them all. However, the Council discussed the Fire Department supplemental requests at length during the meeting and decided to start the revised command structure for battalion chiefs starting in January 2026 (halfway through FY2026) rather than July 2025 (to begin the year). This decision reduced the Fire Department's budgeted expenditures by about \$111,000 from the original requested amount of about \$222,000. However, the Council's decision still increased the Fire Department's operating budget by about \$111,000 from the prior year's base budget to allow it to implement promotions in January 2026 for three Battalion Chief positions, which will support the Town's application for automatic aid status with surrounding local governments to better serve our residents when emergencies arise.

Through the entire FY2026 budget process and personnel changes noted above, the final adopted budget includes 106.56 FTE, with only a modest increase from FY2025 with 106.06 FTE. This conservative approach aligns with the Town's conservative revenue projections, which will provide the Town more flexibility moving forward to encounter any economic pressures.

Schedule of Authorized Positions

<u>Position Title</u>	<u>FY 22-23 Authorized FTE</u>	<u>FY 23-24 Authorized FTE</u>	<u>FY 24-25 Authorized FTE</u>	<u>FY 25-26 Authorized FTE</u>
<u>Municipal Court</u>				
Authorized FTE	4.63	4.63	4.63	4.63
<u>Administration</u>				
Authorized FTE	16.24	17.50	17.50	17.10
<u>Public Works</u>				
Authorized FTE	13.00	13.00	13.00	14.00
<u>Development Services</u>				
Authorized FTE	10.00	10.00	11.00	10.60
<u>Community Services</u>				
Authorized FTE	24.52	25.38	25.93	26.73
<u>Fire Department</u>				
Authorized FTE	-	34.00	34.00	33.50
Total Authorized FTE	<u>68.39</u>	<u>104.51</u>	<u>106.06</u>	<u>106.56</u>

FY2026 Personnel Changes

Adopted by Council in Resolution 2025-12 on June 3, 2025

Short-Term Organization Factors

The Town of Fountain Hills continues to consider various short-term factors in its budget process. The short-term factors that stand out and have been discussed with the Council are as follows:

- 1. Economic Uncertainty:** The Town's local sales tax and state shared revenues have leveled off and even decreased beginning in Fiscal Year 2024-25 and continuing into next year. Various considerations impact the Town's two primary revenue sources, including the local economy, State legislative changes, and the Town's population comparable to other municipal governments. For example, the local economy has shown some inconsistent headwinds compared to the previous two years. Local sales tax revenues were about 15% higher than projections but actually decreased by about 2% from Fiscal Year 2023-24. Much of this decrease came from the State's elimination of local sales taxes on long-term residential rentals, but there was some evidence of weakening retail sales as well. Something to watch during Fiscal Year 2025-26 will be the progress of San Tan Valley becoming an incorporated municipality after Pinal County voters approved Prop 495 in August 2025. The incorporation will result in lower state-shared revenues for the Town of Fountain Hills.
- 2. Fire Department Command Structure Changes:** After the Town moved its contracted Fire Department to an in-house department on January 1, 2024, this past Fiscal Year 2024-25 was a learning experience for the Town on how to manage fire & emergency services, and the nuances of a fire department. Additionally, Fire Chief Dave Ott initiated a process to apply for automatic aid status with surrounding municipal fire departments. Automatic aid is an upgrade from the current mutual aid agreement currently in place, and the change could result in a strengthened level of service for Town residents. Automatic aid would require surrounding fire department units to automatically respond to emergency incidents in our Town to support the Fire Department efforts. In support of this effort, the Council had many open meeting discussions during the Fiscal Year 2025-26 budget process and ultimately approved an additional \$111,000 of budget to begin revising the Fire Department by adding 3 Battalion Chief positions and back-filling others. The revised command structure will require about another \$220,000 for a total investment of about \$330,000 annually beginning in Fiscal Year 2026-27. The Town is hopeful its automatic aid application will be successful and will report to the Council once a determination has been provided.
- 3. Slowing Growth and Development:** The Town will continue monitoring how Fiscal Year 2025-26 proceeds as Fiscal Year 2024-25 represented a slight slowdown in recent development within the Town. There are multiple development agreements that have not yet progressed to construction, but also a recent announcement for a new Sprouts Farmers Market in the same plaza that has been earmarked for a major redevelopment project for mixed-use. The Town is hopeful the new in-town grocery option will attract more growth and a larger local sales tax base. Further, the Town's Planning & Zoning Commission recently moved forward a recommendation to the Council for a new Downtown Overlay District in the downtown area. Town staff are hopeful that if approved by the Council, the new overlay district may result in renewed interest in the various undeveloped parcels surrounding the downtown area, close to Fountain Park.



Sprouts Farmers Market
New Location Coming to Fountain Hills in 2026

Long-Range Operating Plan

In addition to the short-term factors on the previous pages, the Town of Fountain Hills continues to consider various long-range factors in its budget process. The long-range factors that stand out are as follows:

- 1. Economic Uncertainty:** Similar to short-term organization factors in the previous pages, economic uncertainty is a long-range consideration as well. As the Town enters a period of slowing growth, staff may need to consider cutting services or increasing revenues within the next five years, as noted in the General Fund projections section below. Economic Development initiatives and attracting new development opportunities may become more imperative to sustain the Town's revenue streams in the next five-year period.
- 2. Long-Term Planned Capital Projects:** The Town Council recently approved moving forward on initial funding of \$515,000 in FY2026 for the Downtown Streetscape Improvement Program. If the Council continues to approve the budget for this project in each of the next four years, the total project will cost about \$11 million. Another large long-term capital project is the Lake Liner replacement for Fountain Park. The Town replaced the Lake Liner about 25 years ago, and the liner has already passed its warranty period. The Town is starting to plan for project design and planning over the next five years, with construction to begin sometime around/after Fiscal Year 2031. Our preliminary estimates indicate the total project costs may exceed \$17 million and tentatively have planned to begin project planning in Fiscal Year 2028 with \$1 million of budget, with Council approval. Both of these projects alone are estimated to cost the Town about \$28 million over the next six fiscal years. The Town currently has about \$9-10 million in the Capital Project Fund and plans to stagger these expenditures each year, but it will require meticulous planning and saving each year to be able to complete both of these projects. These long-term planned capital projects are another factor to combine with road paving needs, as discussed in the next factor below.
- 3. Road Repairs:** Another primary long-range consideration is the condition of the Town's roads. There are many roads that were built pre-incorporation and are in major disrepair. The Town has been proactive in the past few years by adopting a data-driven approach to identifying road condition issues and the Council has approved several transfers of excess reserve funds into the Streets Fund to pay for higher levels of road repairs through the Pavement Management Program. There have been various presentations to the Council, as well as a streets advisory group that has provided independent evaluation and advice to the Town. Various costs have been discussed, and the most recent estimates indicate that the Town could bring all the roads up to better standards for about \$63 million, which is about \$13 million more than the Town retains in its various fund balances. The Council may consider alternate funding options, such as issuing long-term debt, or adjusting its road condition standards. Those decisions could impact the Town's financial condition for many years to come.

Town staff recognize the importance of considering these long-term factors in our financial planning and how we can achieve Departmental objectives that align with our Strategic Plan goals. A great example is our continuing issues with repairing our roads discussed above. Part of our 2022 Strategic Plan was to develop a detailed infrastructure condition report with a scoring mechanism for evaluating the upkeep of our roads, and our Public Works Department has done that. In fact, [at an upcoming Council meeting on September 2, 2025](#), Public Works will provide an update on road repairs to the Council, and specifically discuss the [current condition of our roads based on software measurements performed by a contractor](#). This is a perfect example of how our departments consider long-term factors to achieve Strategic Plan measures to fulfill the objectives of serving the Town's residents.

FY2026 Budgeted Revenues & Expenditures by Fund

The chart below details all projected revenues and budgeted expenditures by fund, included in the FY2026 final adopted budget:

Fund	Revenues	Expenditures	Surplus(Deficit)
General Fund	\$ 26,051,539	\$ 26,051,539	\$ -
Capital Projects Fund	\$ 3,548,957	\$ 12,712,800	\$ (9,163,843)
Streets Fund	\$ 4,732,976	\$ 7,244,627	\$ (2,511,651)
Special Revenue Fund	\$ 4,690,000	\$ 4,690,000	\$ -
Facilities Reserve Fund	\$ 140,000	\$ 1,000,000	\$ (860,000)
Vehicle/Equip Repl Fund	\$ 417,389	\$ 479,100	\$ (61,711)
Economic Development Fund	\$ 507,696	\$ 471,378	\$ 36,318
Tourism Fund	\$ 153,000	\$ 333,425	\$ (180,425)
Downtown Strategy Fund	\$ 138,063	\$ 165,200	\$ (27,137)
Court Enhancement Fund	\$ 41,789	\$ 77,500	\$ (35,711)
Technology Repl Fund	\$ 65,511	\$ 50,000	\$ 15,511
Public Art Fund	\$ 100,820	\$ 40,214	\$ 60,606
Streets Dev Fee	\$ 281,368	\$ 31,146	\$ 250,222
Park/Rec Dev Fee	\$ 237,728	\$ 30,840	\$ 206,888
Cottonwoods Maint Dist	\$ 12,006	\$ 15,605	\$ (3,599)
Fire/EMS Dev Fee	\$ 21,330	\$ 1,964	\$ 19,366
MPC Debt Serv	\$ 200	\$ 510	\$ (310)
GO Bond Debt Serv	\$ 500	\$ 350	\$ 150
Eagle Mtn CFD Debt Serv	\$ -	\$ 200	\$ (200)
Total All Funds	\$ 41,140,872	\$ 53,396,398	\$ (12,255,526)

FY2026 Final Budgeted Revenues & Expenditures

Deficits are Spent Using Existing Fund Balances

FY2022 - FY2026 Revenue Comparisons

The chart below details the Town's total actual revenues for Fiscal Years 2022 through 2024, and total projected revenues for Fiscal Years 2025 and 2026. Historical and projected revenues show the trend of revenues for the Town which is considered in projecting the next 5 years:

Revenue	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted
Taxes	\$ 18,071,248	\$ 20,977,150	\$ 20,920,887	\$ 17,982,072	18,375,329
Transfers In (Internal Serv)	396,600	404,821	419,994	419,994	433,848
Intergovernmental Revenue	14,121,557	15,910,788	13,845,695	15,751,096	18,611,861
Licenses & Permits	2,040,079	1,524,276	1,737,042	1,164,055	1,383,902
Leases & Rents	301,890	356,828	365,985	289,278	379,914
Charges for Services	171,020	216,912	247,301	455,265	460,000
Other	428,668	420,095	353,735	192,575	283,000
Fines & Forfeitures	223,965	240,844	255,843	233,000	243,000
Investment Earnings	(419,006)	1,100,314	2,345,125	130,032	970,018
TOTAL	\$ 35,336,021	\$ 41,152,029	\$ 40,491,607	\$ 36,617,367	\$ 41,140,872

*Actual amounts may slightly differ from data charts throughout budget book due to timing differences of pulling the data

FY2022 - FY2026 Actual and Projected Revenues

FY2022 - FY2026 Expenditures Comparisons

The chart below details the Town's total actual expenditures for Fiscal Years 2022 through 2024, and total budgeted expenditures for Fiscal Years 2025 and 2026. Historical and budgeted expenditures show the trend of expenditures for the Town which is considered in projecting the next 5 years:

Expenditures	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Budgeted	FY2026 Budgeted
Payroll Expenses	\$ 5,723,877	\$ 6,570,116	\$ 9,019,092	\$ 12,122,865	12,868,661
Dues & Memberships	79,587	85,236	81,969	100,071	96,118
Meetings & Training	50,314	57,657	65,959	160,866	162,275
Maintenance & Repair	3,502,207	5,349,565	6,523,832	6,897,665	7,253,329
Utilities	780,607	829,141	908,197	882,857	877,353
Contractual Services	11,943,253	12,901,752	11,815,868	10,577,922	10,562,481
Supplies	250,934	301,013	344,096	473,083	472,778
Equipment/Improvements	827,830	502,481	718,318	368,260	363,260
Damages/Vandalism	25,177	42,456	17,518	53,000	53,000
Internal Service Charges	397,754	406,030	420,655	419,913	431,950
Contingency*	-	-	-	4,603,781	7,740,243
Capital Expenditures	3,828,700	4,498,734	3,616,797	8,471,000	12,514,100
Debt Service	500	-	-	20,350	850
TOTAL	\$ 27,410,740	\$ 31,544,180	\$ 33,532,301	\$ 45,151,633	\$ 53,396,398

*Contingency amounts are higher in FY2026 to account for possible grant revenues.

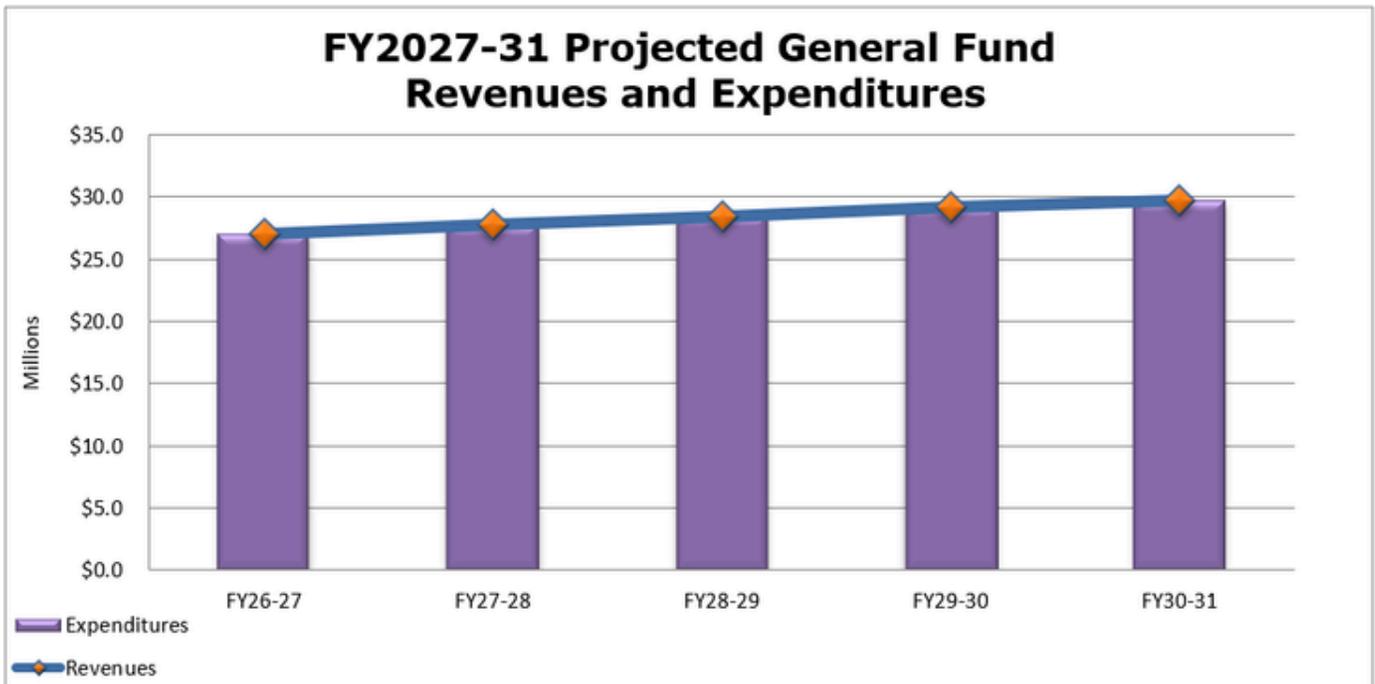
FY2022 - FY2026 Actual and Budgeted Expenditures

General Fund Revenue & Expenditure Projections - Next 5 Years

The Town of Fountain Hills is entering an uncertain economic period after enjoying increased local sales tax and State-shared revenues for most of the past 5 years. Finance has noted headwinds in local sales tax collections and the nationwide economy is showing signs of slower consumer spending. However, the Town has taken a conservative approach to revenue projections while also exceeding projections by 15% in Fiscal Year 2025. To predict future needs and identify possible shortfalls, the Town has prepared the following 5-year revenue and expenditure projections from Fiscal Year 2027 through 2031 (as shown below). These projections consider recent economic headwinds, as well as new planned development in the Town. Further, the Town has incorporated near-term steady State shared revenues due to the planned incorporation of San Tan Valley in Pinal County, which will negatively impact the Town's share of revenues. Finance staff reviewed each category of General Fund revenues to project the next 5 years:

- **Fiscal Year 2027: \$26,996,734** (increase of 3.6% from prior year) - Projected Revenues and Budgeted Expenditures
- **Fiscal Year 2028: \$27,766,356** (increase of 2.9% from prior year) - Projected Revenues and Budgeted Expenditures
- **Fiscal Year 2029: \$28,481,021** (increase of 2.6% from prior year) - Projected Revenues and Budgeted Expenditures
- **Fiscal Year 2030: \$29,221,214** (increase of 2.6% from prior year) - Projected Revenues and Budgeted Expenditures
- **Fiscal Year 2031: \$29,706,162** (increase of 1.7% from prior year) - Projected Revenues and Budgeted Expenditures

This 5-year projection shows slowing revenue increases in Fiscal Years 2029 through 2031. Without further development resulting in a larger tax base, it's possible the Town will need to consider cutting services or increasing revenues. The Town Manager and staff will continue monitoring revenue projections and providing updates to the Council regularly.



General Fund Projected Revenues & Expenditures
Next 5 Year Outlook

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 only the supplements recommended by the Town Manager and approved by the Town Council are displayed below.

Ongoing Non-Personnel Requests

The following requests include 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 included in the final "Manager Recommended" column. Only the supplements recommended by the Town Manager and approved by the Town Council were included in the FY2026 final adopted budget and included in future years' departmental base budgets, unless specifically removed.

Request Title	Department	Revenue Source	FY26 Costs	Manager Recommended
General Fund:				
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	20,000
Pocket Parks Operations and Maintenance	Parks	General Fund	43,200	15,000
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
MS4 Professional Services	Pub Works	General Fund	103,000	103,000
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:			\$ 859,427	\$ 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
Total Economic Development Funds:			\$ 111,000	\$ 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:	\$ 996,467	\$ 950,899
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One-Time Requests

The following requests include 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 included in the final "Manager Recommended" column. Only the supplements recommended by the Town Manager and approved by the Town Council were included in the FY2026 final adopted budget as one-time line items and will be 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
Park Amenity Painting (All Parks)	Parks	Gen Fund	15,000	15,000
Soccer Field Renovations	Parks	Gen Fund	30,000	25,000
Hazard Tree and Stump Removal and Replacement	Parks	Gen Fund	25,000	10,000
Total General Fund:			\$ 85,000	\$ 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
Total Vehicle Replacement Fund:			\$ 454,100	\$ 454,100
Total All Funds:			\$ 539,100	\$ 514,100

Personnel (Ongoing)

The following requests include budget supplemental requests from departments for ongoing personnel costs for staffing. Each request was presented and discussed with the Town Manager and Finance staff and included in the final "Manager Recommended" column. Only the supplements recommended by the Town Manager and approved by the Town Council were included in the FY2026 final adopted budget and included in future years' departmental base budgets, unless specifically removed.

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 Promotion	Fire	Gen Fund	222,411	111,000
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	\$ 154,018
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	\$ 244,445

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 FY2026 adopted 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 Council-approved 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 status with nearby governments, and increasing Community Center programs. Finally, in our separate Capital Improvement Plan, the adopted budget includes additional funding increases for street improvements and facilities repair, maintenance and replacements. As a whole, this FY26 final adopted 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 policy-making 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 directions on supplements, which Town staff apply to the Tentative and Final Adopted budgets each May and June. For example, the Council approved additional funding to revise the Fire Department command structure, but asked that the revisions take effect beginning January 1, 2026. This reduced the original supplemental request by about half, which reduced the Fire Department budget from the proposed version to the final adopted budget by about \$111,000. However, these Council actions still increased the Fire Department budget as a whole to take on these necessary revisions to support the Town's application for automatic aid status with surrounding local governments.

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.

Major Funds Relationships with Departments/Divisions

MAJOR FUNDS	DEPARTMENT/DIVISION					
General Fund	Mayor & Council	Administration	General Government	Municipal Court	Public Works	Development Services
	Community Services	Fire & Emergency Medical Services	Law Enforcement (MCSO)	<i>General operations funding for most Town services and programs</i>		
<i>Special Revenue Funds:</i>						
Streets Fund	Public Works	<i>Highway user revenues and other dedicated revenues to be used by Public Works for street purposes</i>				
Special Revenue/Grants Fund	Administration (Finance)	<i>Used by Finance Division to account for grant revenues not already accounted for in Capital Improvement Plan</i>				
Economic Development Fund	Administration (Econ Dev)	<i>Used by Economic Development Division to support economic development programs</i>				
Downtown Strategy Fund	Administration (Econ Dev)	<i>Used by Economic Development Division for downtown strategy initiatives</i>				
Tourism Fund	Administration (Econ Dev)	<i>Used by Economic Development Division for tourism programs</i>				
<i>Capital Projects Funds:</i>						
Capital Projects Fund	Public Works	Community Services	<i>Public Works and Community Services Departments use this fund for Council-approved Capital Improvement Plan projects</i>			
Facilities Reserve Fund	Public Works	Community Services	<i>Public Works and Community Services Departments use this fund for replacement and repair costs for existing Town infrastructure</i>			

Major Funds - FY2026

Department/Division Relationships with Funds

Non-Major Funds Relationships with Departments/Divisions

All 11 other non-major funds are presented below:

<u>NONMAJOR FUNDS</u>	<u>DEPARTMENT/DIVISION</u>
<i>Capital Projects Funds:</i>	
Streets Dev Impact Fees Fund	Public Works <i>Can be used by the Public Works Department for certain streets improvement projects, in accordance with State law governing development impact fees</i>
Fire Dev Impact Fees Fund	Fire & Emergency Medical Services <i>Can be used by the Fire Department for facilities improvement projects and equipment expansion, in accordance with State law governing development impact fees</i>
Parks Dev Impact Fees Fund	Community Services <i>Can be used by the Community Services Department for parks improvement projects and equipment expansion, in accordance with State law governing development impact fees</i>
<i>Special Revenue Funds:</i>	
Public Art Fund	Community Services <i>Can be used by the Community Services Department to clean, repair and maintain public art pieces owned by the Town of Fountain Hills</i>
Court Enhancement Fund	Municipal Court <i>Can be used by the Municipal Court in support of court programs, in accordance with State law governing court enhancement fees</i>
Cottonwoods Maint District Fund	Special Taxing District <i>Can be used for maintenance of the legally separate Cottonwoods maintenance taxing district within Town limits, in accordance with Board approvals of the annual budget. The Board is fully comprised of the Town Council.</i>
<i>Internal Service Funds:</i>	
Technology Replacement Fund	Administration (Info Tech) <i>Used by Information Technology Division to replace outdated equipment.</i>
Vehicle Replacement Fund	Public Works/Fire Department <i>Used by the Public Works Department to replace outdated fleet vehicles, including vehicles for the Fire Department.</i>
<i>Debt Service Funds:</i>	
General Obligation Bond Fund	Administration <i>Previous general obligation bond secondary tax collections and repayments were accounted for in this fund. The debt was paid off in 2021 and the Town does not currently levy a secondary property tax on its residents.</i>
Municipal Property Corporation Fund	Municipal Property Corporation (MPC) <i>The MPC fund was used by the legally separate nonprofit organization to issue bonds for building several large facilities in Town about 20 years ago. Now that all bonds have been redeemed, ownership of these facilities were transferred to the Town.</i>
Eagle Mountain Comm Fac District Fund	Special Taxing District <i>Previous debt issuances created the legally separate Eagle Mountain Community Facilities taxing district within Town limits, and can be used in accordance with Board approvals of the annual budget. The Board is fully comprised of the Town Council.</i>

All 11 Non-Major Funds - FY2026
Department/Division Relationships

Fund/Department Structure - All Governmental Funds - FY2026

Below are all the Town's funds presented by type and showing relationships between funds and departments/divisions:

FUND/DEPARTMENT STRUCTURE Governmental Funds

Fund Type	Fund	Department	Budgeted
General Fund		Total	\$ 26,051,539
	General Fund	Mayor & Town Council	73,455
	General Fund	Administration	3,252,618
	General Fund	General Government	1,899,944
	General Fund	Municipal Court	548,969
	General Fund	Public Works	2,488,886
	General Fund	Development Services	1,532,513
	General Fund	Community Services	4,427,565
	General Fund	Fire & Emergency Medical	5,966,584
	General Fund	Law Enforcement	5,861,005
Special Revenue		Total	\$ 13,037,949
	Streets (HURF)	Public Works	7,244,627
	Downtown Strategy Fund	Administration	165,200
	Economic Development Fund	Administration	471,378
	Tourism Fund	Administration	333,425
	Special Revenue Fund	Administration	4,690,000
	Public Art Fund	Community Services	40,214
	Court Enhancement Fund	Municipal Court	77,500
	Cottonwoods Maintenance District Fund	Administration	15,605
Debt Service		Total	\$ 1,060
	General Obligation Bond Fund	Administration	350
	Eagle Mountain CFD Fund	Special Taxing District	200
	Municipal Property Corporation Fund	Municipal Property Corporation (MPC)	510
Capital Projects		Total	\$ 12,776,750
	Capital Projects Fund	Pub Works, Comm Services	12,712,800
	Development Impact Fees Funds	Pub Works, Fire, Comm Services	63,950
Internal Service		Total	\$ 1,529,100
	Facilities Reserve Fund	Pub Works, Comm Services	1,000,000
	Technology Replacement Fund	Administration	50,000
	Vehicle Replacement Fund	Pub Works, Fire	479,100
GRAND TOTAL ALL FUNDS			\$ 53,396,398

FY2026 Final Budget

Presented by Type and Department Relationships with Funds



All Funds Summary

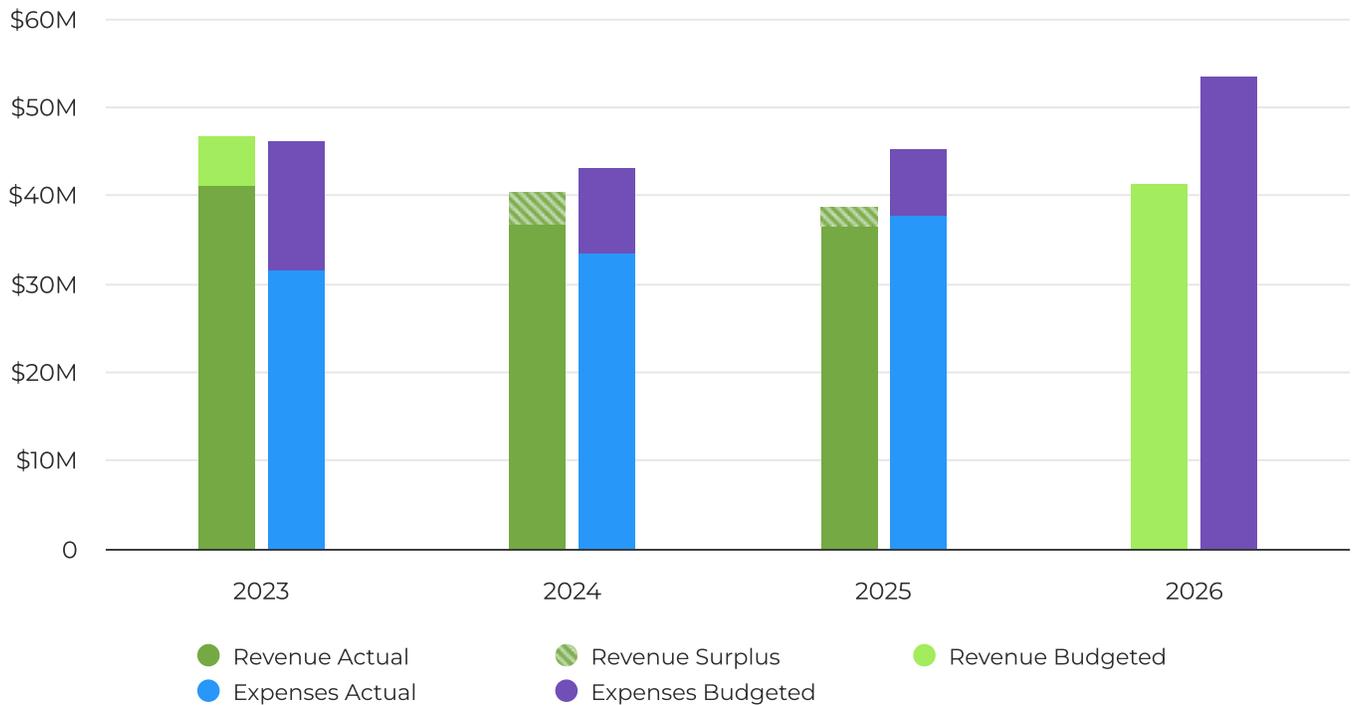
This summary includes the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Internal Service Funds. According to the Arizona State Statute and Town financial policies, the General Fund must be balanced between current year revenues and current year expenditures; however, other funds may use fund balances 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 \$41.14M of revenue in FY2026, which represents about a 12% increase over the prior year. Budgeted expenditures are projected to increase by about 18% or \$8.2M to \$53.40M 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). The Town Council provided feedback on the Capital Improvement Plan during a [March 25, 2025, Work Session](#), and approved the projects within the final budget which reflect the Council prioritizing increased spending of existing fund balances to continue repairing roads and completing long-term improvements for Town residents.

The increase also included a possible \$3.0M federal grant pass-through in support of the local International Dark Sky Discovery Center (IDSDC). The Town Council approved the IDSDC's request to apply for Congressionally Directed Spending at the [April 15, 2025, regular meeting](#). However, after the budget was adopted but before this budget book was published, the Town was notified that it would not be a recipient of the federal grant pass-through for the IDSDC. Therefore, this budget authority may be unused 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 adopted budget.

Comprehensive Fund Summary

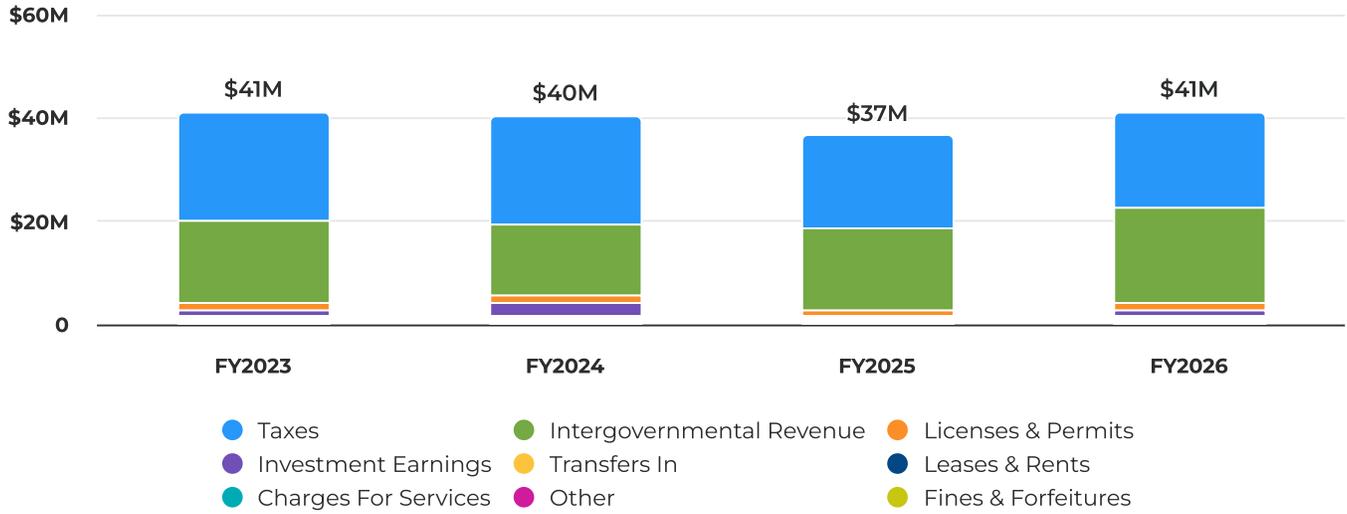
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$32,372,603	\$41,987,474	\$48,915,678	\$50,671,172	\$1,755,494
Revenues					
Taxes	\$20,885,081	\$20,920,887	\$17,982,072	\$18,375,329	\$393,257
Transfers In	\$404,821	\$419,994	\$419,994	\$433,848	\$13,854
Licenses & Permits	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902	\$219,847
Intergovernmental Revenue	\$15,854,454	\$13,696,564	\$15,751,096	\$18,611,861	\$2,860,765
Leases & Rents	\$448,897	\$365,792	\$289,278	\$379,914	\$90,636
Charges For Services	\$216,912	\$247,301	\$455,265	\$460,000	\$4,735
Other	\$406,964	\$392,703	\$192,575	\$283,000	\$90,425
Fines & Forfeitures	\$240,308	\$255,289	\$233,000	\$243,000	\$10,000
Investment Earnings	\$1,100,314	\$2,345,425	\$130,032	\$970,018	\$839,986
Total Revenues	\$41,044,636	\$40,358,377	\$36,617,367	\$41,140,872	\$4,523,505
Expenditures					
Payroll Expenses	\$6,350,204	\$9,072,382	\$12,122,865	\$12,868,661	\$745,796
Internal Service	\$405,404	\$420,655	\$419,913	\$431,950	\$12,037
Transfers Out	\$372,340	-	-	-	-
Contingency	-	-	\$4,603,781	\$7,740,243	\$3,136,462
Capital Expenditures	\$4,552,100	\$3,794,256	\$8,471,000	\$12,514,100	\$4,043,100
Debt Service	-	-	\$20,350	\$850	-\$19,500
Dues & Memberships	\$100,662	\$81,969	\$100,071	\$96,118	-\$3,953
Meetings & Training	\$57,657	\$65,516	\$160,866	\$162,275	\$1,409
Maintenance & Repair	\$5,282,662	\$6,523,261	\$6,897,665	\$7,253,329	\$355,664
Utilities	\$829,141	\$907,838	\$882,857	\$877,353	-\$5,504
Contractual Services	\$12,826,319	\$11,645,686	\$10,577,922	\$10,562,481	-\$15,441
Supplies	\$298,275	\$344,096	\$473,083	\$472,778	-\$305
Equipment/Improvement	\$454,690	\$528,751	\$368,260	\$363,260	-\$5,000
Damages/Vandalism	\$42,456	\$17,518	\$53,000	\$53,000	-
Total Expenditures	\$31,571,908	\$33,401,929	\$45,151,633	\$53,396,398	\$8,244,765
Total Revenues Less Expenditures	\$9,472,728	\$6,956,448	-\$8,534,266	-\$12,255,526	-\$3,721,260
Ending Fund Balance	\$41,845,331	\$48,943,922	\$40,381,412	\$38,415,646	-\$1,965,766



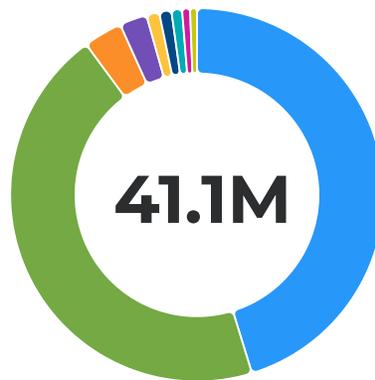
Revenues by Source

The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026. As shown, the Town's primary revenues come from taxes and intergovernmental revenue. See the Funding Sources section of this budget book for more specific information on each revenue source.

Historical Revenue by Source



FY26 Revenues by Source



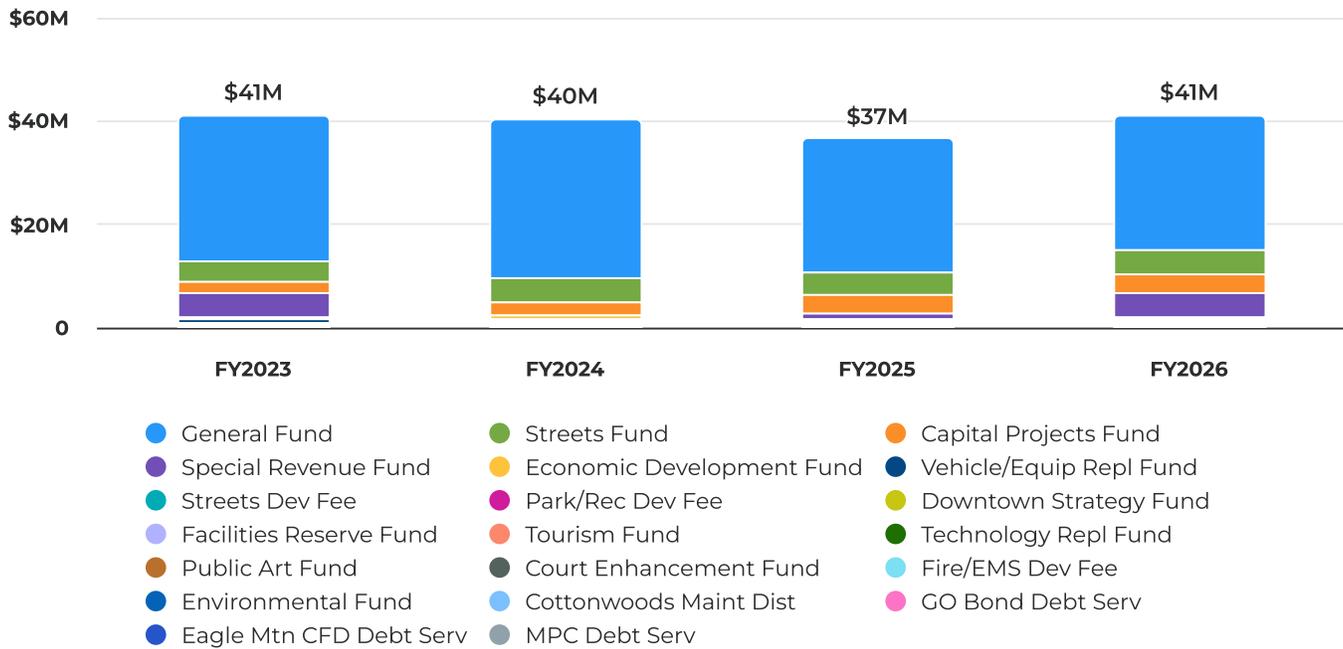
Source	Amount	Percentage
Intergovernmental Revenue	\$18,611,861	45.24%
Taxes	\$18,375,329	44.66%
Licenses & Permits	\$1,383,902	3.36%
Investment Earnings	\$970,018	2.36%
Charges For Services	\$460,000	1.12%
Transfers In	\$433,848	1.05%
Leases & Rents	\$379,914	0.92%
Other	\$283,000	0.69%
Fines & Forfeitures	\$243,000	0.59%

Revenues by Sources

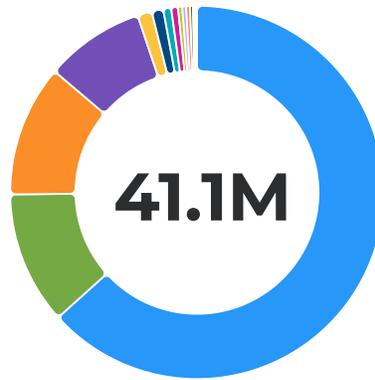
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$20,885,081	\$20,920,887	\$17,982,072	\$18,375,329	2.19%
Transfers In	\$404,821	\$419,994	\$419,994	\$433,848	3.30%
Licenses & Permits	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902	18.89%
Intergovernmental Revenue	\$15,854,454	\$13,696,564	\$15,751,096	\$18,611,861	18.16%
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	\$41,140,872	12.35%

Revenues by Fund

Historical Revenue by Fund



FY26 Revenues by Fund



General Fund	\$26,051,539	63.32%
Streets Fund	\$4,732,976	11.50%
Special Revenue Fund	\$4,690,000	11.40%
Capital Projects Fund	\$3,548,957	8.63%
Economic Development Fund	\$507,696	1.23%
Vehicle/Equip Repl Fund	\$417,389	1.01%
Streets Dev Fee	\$281,368	0.68%
Park/Rec Dev Fee	\$237,728	0.58%
Tourism Fund	\$153,000	0.37%
Facilities Reserve Fund	\$140,000	0.34%
Downtown Strategy Fund	\$138,063	0.34%
Public Art Fund	\$100,820	0.25%
Technology Repl Fund	\$65,511	0.16%
Court Enhancement Fund	\$41,789	0.10%
Fire/EMS Dev Fee	\$21,330	0.05%
Cottonwoods Maint Dist	\$12,006	0.03%
GO Bond Debt Serv	\$500	0.00%
MPC Debt Serv	\$200	0.00%

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	\$28,074,550	\$30,798,033	\$25,824,816	\$26,051,539	\$226,723
Streets Fund	\$4,261,218	\$4,743,883	\$4,392,565	\$4,732,976	\$340,411
Downtown Strategy Fund	\$161,955	\$175,491	\$121,857	\$138,063	\$16,206
Economic Development Fund	\$588,144	\$607,835	\$485,269	\$507,696	\$22,427
Tourism Fund	\$122,010	\$127,524	\$84,180	\$153,000	\$68,820
Special Revenue Fund	\$4,632,397	\$144,892	\$1,190,000	\$4,690,000	\$3,500,000
Public Art Fund	\$19,699	\$7,904	\$100,240	\$100,820	\$580
Court Enhancement Fund	\$28,696	\$28,255	\$33,300	\$41,789	\$8,489
Environmental Fund	\$21,942	\$32,185	\$2,400	-	-\$2,400



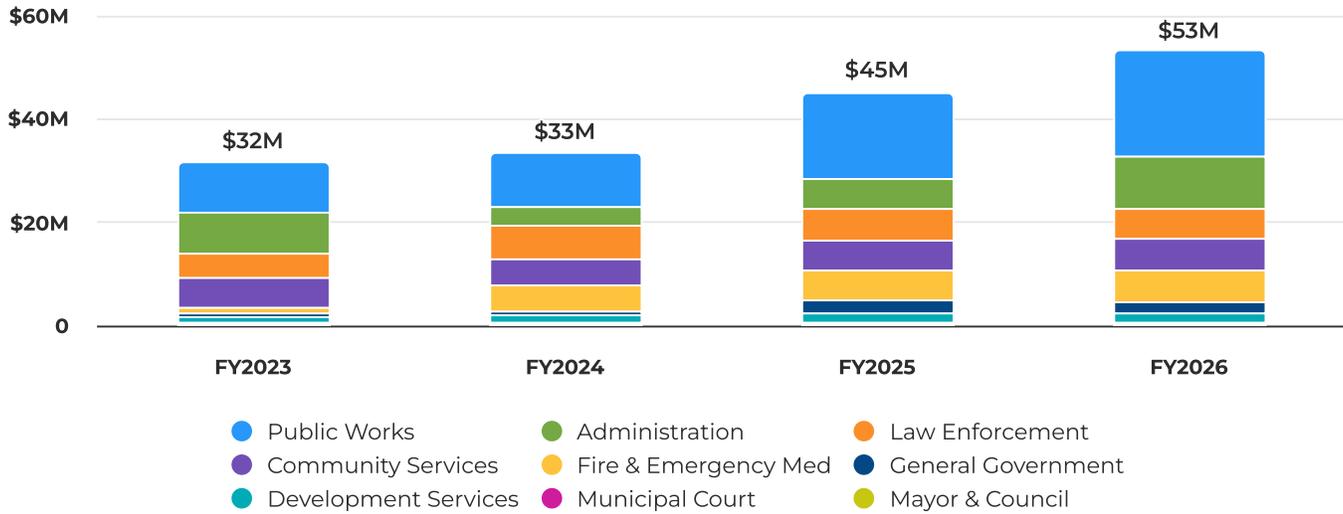
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
GO Bond Debt Serv	\$4,711	\$8,535	\$600	\$500	-\$100
Eagle Mtn CFD Debt Serv	\$710	\$1,062	\$100	-	-\$100
MPC Debt Serv	\$402	\$628	\$300	\$200	-\$100
Cottonwoods Maint Dist	\$9,332	\$10,729	\$9,840	\$12,006	\$2,166
Capital Projects Fund	\$1,997,163	\$2,395,076	\$3,567,356	\$3,548,957	-\$18,399
Facilities Reserve Fund	\$140,114	\$264,030	\$1,000	\$140,000	\$139,000
Fire/EMS Dev Fee	\$30,676	\$31,756	\$13,780	\$21,330	\$7,550
Streets Dev Fee	\$206,286	\$214,589	\$201,740	\$281,368	\$79,628
Park/Rec Dev Fee	\$222,998	\$199,094	\$167,030	\$237,728	\$70,698
Technology Repl Fund	\$70,389	\$70,653	\$62,000	\$65,511	\$3,511
Vehicle/Equip Repl Fund	\$451,244	\$496,223	\$358,994	\$417,389	\$58,395
Total Revenues	\$41,044,636	\$40,358,377	\$36,617,367	\$41,140,872	\$4,523,505

Expenditures by Department

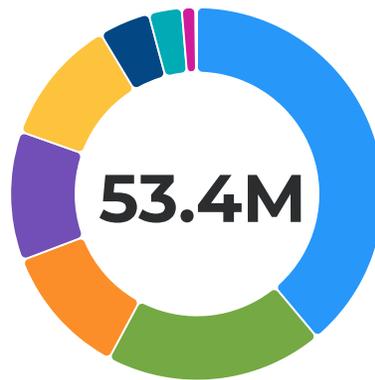
The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026. The Public Works department expenditures increased in FY2025 and FY2026 because of increased budget for the Capital Improvement Plan (see Capital sections of this budget book). Some other notable department changes include:

- The Fire Department was taken in-house from a contractor status on January 1, 2024, which increased the Town's expenditures for onboarding, purchasing new equipment, and beginning to implement personnel changes.
- The Law Enforcement Department includes contracted services with MCSO for law enforcement and jail services, as well as animal control services. This department decreased by almost \$400k based on the FY2026 cost notification provided by MCSO Finance.
- The Administration Department appeared to substantially increase by about \$4 million from the prior year, but this is due to increased possible federal grants recorded in the Special Revenue Fund. As noted earlier, \$3 million of this increased budget authority intended for a federal pass-through grant to the IDSDC may be unused in FY2026 because the grant will not be received.

Historical Expenditures by Department



FY26 Expenditures by Department



Department	Amount	Percentage
Public Works	\$20,778,759	38.91%
Administration	\$10,097,086	18.91%
Community Services	\$6,093,619	11.41%
Fire & Emergency Med	\$5,968,548	11.18%
Law Enforcement	\$5,861,005	10.98%
General Government	\$2,364,944	4.43%
Development Services	\$1,532,513	2.87%
Municipal Court	\$626,469	1.17%
Mayor & Council	\$73,455	0.14%

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	\$626,469	8.22%
Development Services	\$1,221,700	\$1,275,320	\$1,578,897	\$1,532,513	-2.94%
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	\$10,097,086	68.41%

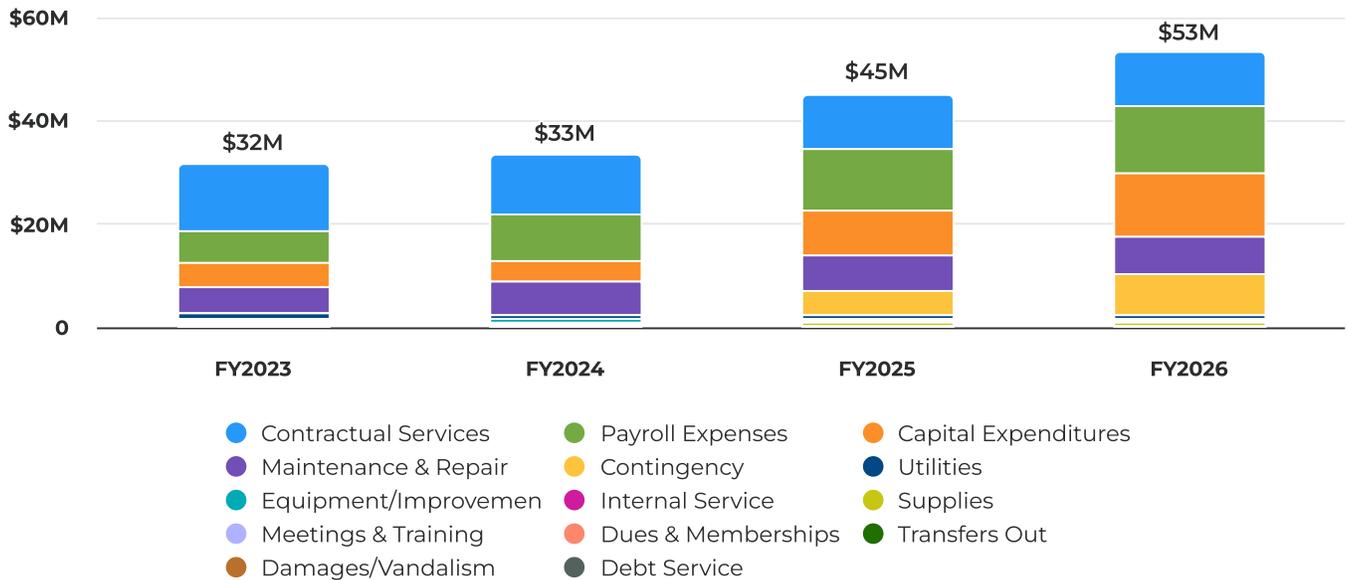
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Government	\$682,682	\$753,535	\$2,582,053	\$2,364,944	-8.41%
Public Works	\$9,716,563	\$10,516,378	\$16,629,654	\$20,778,759	24.95%
Community Services	\$5,834,116	\$5,138,175	\$5,774,716	\$6,093,619	5.52%
Fire & Emergency Med	\$1,091,189	\$5,245,457	\$5,694,859	\$5,968,548	4.81%
Total Expenditures	\$31,571,908	\$33,401,929	\$45,151,633	\$53,396,398	18.26%

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.

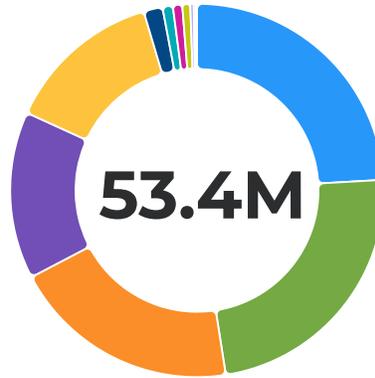
Expenditures by Object

Key differences below relate to budgeted capital expenditures increasing by about \$4 million due to a larger Capital Improvement Plan in FY2026, including the major reconstruction project on Palomino Blvd. The FY2026 adopted budget also includes over \$3 million of additional contingency to increased projected federal grant revenues, as described throughout this budget book.

Historical Expenditures by Object



FY26 Expenditures by Object



● Payroll Expenses	\$12,868,661	24.10%
● Capital Expenditures	\$12,514,100	23.44%
● Contractual Services	\$10,562,481	19.78%
● Contingency	\$7,740,243	14.50%
● Maintenance & Repair	\$7,253,329	13.58%
● Utilities	\$877,353	1.64%
● Supplies	\$472,778	0.89%
● Internal Service	\$431,950	0.81%
● Equipment/Improvement	\$363,260	0.68%
● Meetings & Training	\$162,275	0.30%
● Dues & Memberships	\$96,118	0.18%
● Damages/Vandalism	\$53,000	0.10%
● 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	\$12,868,661	6.15%
Internal Service	\$405,404	\$420,655	\$419,913	\$431,950	2.87%
Transfers Out	\$372,340	-	-	-	-
Contingency	-	-	\$4,603,781	\$7,740,243	68.13%
Capital Expenditures	\$4,552,100	\$3,794,256	\$8,471,000	\$12,514,100	47.73%
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	\$7,253,329	5.16%
Utilities	\$829,141	\$907,838	\$882,857	\$877,353	-0.62%
Contractual Services	\$12,826,319	\$11,645,686	\$10,577,922	\$10,562,481	-0.15%
Supplies	\$298,275	\$344,096	\$473,083	\$472,778	-0.06%
Equipment/Improvement	\$454,690	\$528,751	\$368,260	\$363,260	-1.36%
Damages/Vandalism	\$42,456	\$17,518	\$53,000	\$53,000	0.00%
Total Expenditures	\$31,571,908	\$33,401,929	\$45,151,633	\$53,396,398	18.26%

Fund Balance

Because the FY2026 adopted budget places an emphasis on increased spending on capital projects and road repairs, the Town's total fund balances are projected to decrease from about \$51 million to about \$44 million. However, the FY2026 adopted budget is a plan that may change throughout the year based on Council direction and logistical challenges.

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
All Funds	\$41,987,474	\$48,915,678	\$50,671,172	\$43,745,500	-13.67%
Total Fund Balance	\$41,987,474	\$48,915,678	\$50,671,172	\$43,745,500	-13.67%

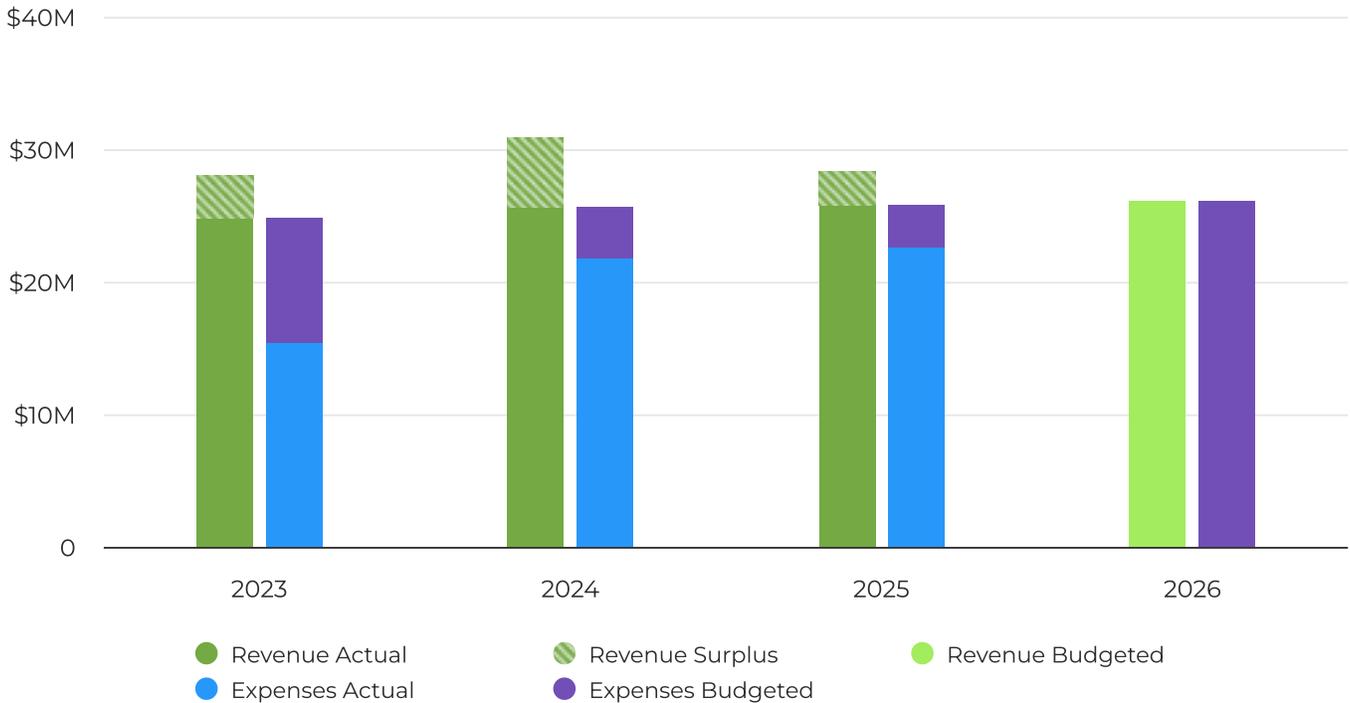
General Fund

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. The Town's financial framework typically results in expenditures coming in below the maximum budgeted amount, and because of the Town's conservative revenue projections, General Fund revenues often exceed those projections. For example, in FY2025, the Town collected \$2.5 million more revenues in the General Fund than projected and spent about \$3.2 million less than budgeted, resulting in almost \$6.0 million of excess General Fund reserve fund balances. The Town follows its financial policies and Council direction by transferring these excess reserves into the Capital Projects Fund and other funds for long-term improvements in our Town.

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 adopted 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

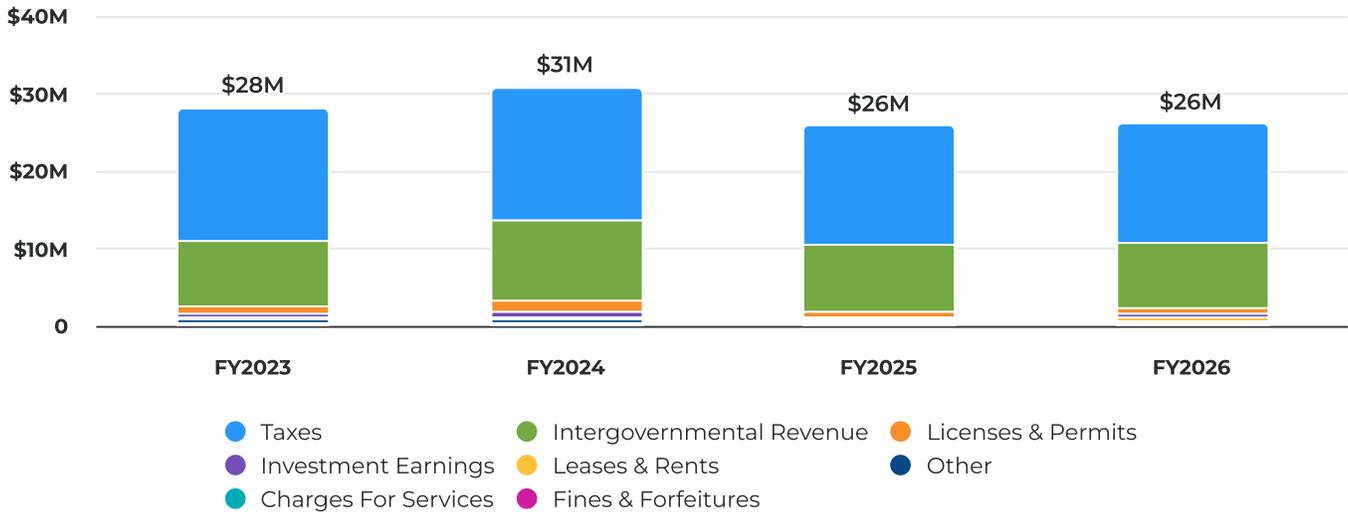
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$13,085,141	\$15,746,360	\$17,575,552	\$14,603,961	-\$2,971,591
Revenues					
Taxes	\$17,022,932	\$17,185,635	\$15,248,589	\$15,312,027	\$63,438
Licenses & Permits	\$1,103,367	\$1,388,979	\$784,505	\$876,437	\$91,932
Intergovernmental Revenue	\$8,456,527	\$10,349,568	\$8,785,604	\$8,412,654	-\$372,950
Leases & Rents	\$448,897	\$365,792	\$289,278	\$379,914	\$90,636
Charges For Services	\$196,580	\$242,181	\$255,265	\$260,000	\$4,735
Other	\$319,465	\$309,878	\$161,575	\$252,000	\$90,425
Fines & Forfeitures	\$211,773	\$227,192	\$200,000	\$210,000	\$10,000
Investment Earnings	\$315,008	\$728,807	\$100,000	\$348,507	\$248,507
Total Revenues	\$28,074,550	\$30,798,033	\$25,824,816	\$26,051,539	\$226,723
Expenditures					
Payroll Expenses	\$5,562,256	\$8,164,974	\$11,135,866	\$11,753,164	\$617,298
Internal Service	\$338,464	\$349,955	\$348,396	\$362,376	\$13,980
Contingency	-	-	\$2,218,781	\$1,406,243	-\$812,538
Capital Expenditures	\$148,048	\$189,436	\$56,000	-	-\$56,000
Dues & Memberships	\$80,222	\$64,362	\$79,207	\$86,254	\$7,047
Meetings & Training	\$53,972	\$60,306	\$148,746	\$150,455	\$1,709
Maintenance & Repair	\$848,314	\$1,015,815	\$1,217,520	\$1,819,264	\$601,744
Utilities	\$671,063	\$762,627	\$735,151	\$728,951	-\$6,200
Contractual Services	\$7,228,290	\$10,364,720	\$9,127,381	\$8,990,744	-\$136,637
Supplies	\$252,230	\$317,329	\$441,508	\$442,828	\$1,320
Equipment/Improvement	\$175,596	\$432,736	\$303,260	\$298,260	-\$5,000
Damages/Vandalism	\$3,532	\$727	\$13,000	\$13,000	-
Total Expenditures	\$15,361,988	\$21,722,986	\$25,824,816	\$26,051,539	\$226,723
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	-\$2,971,591

Revenues by Source

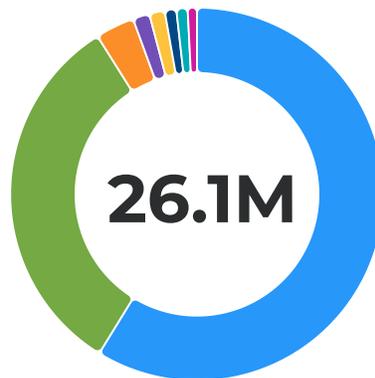
The following charts detail the Town's revenues by sources, which can also be reviewed in the Funding Sources Overview section of this budget book. The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026. The primary changes to these projected revenues are:

- The Town's State shared revenues have fallen in the past two fiscal years due to the State of Arizona fully implementing a flat income tax rate. As shown in the chart, the Town of Fountain Hills received \$10.3 million of intergovernmental revenue in the General Fund, which decreased to a projected \$8.4 million in Fiscal Year 2026. The Town believes intergovernmental revenues will begin a positive trajectory in Fiscal Year 2027.
- Additionally, the Town changed its forecasting methodology to better reflect recent investment earnings performance. This resulted in an increase in projected investment earnings from \$100k in FY2025 to \$349k in FY2026. These conservative projections can be compared to actual investment earnings of \$315k and \$729k in FY2023 and FY2024, respectively.

Historical Revenue by Source



FY26 Revenues by Source



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%

For the General Fund in FY2026, the largest revenue source is Taxes, contributing \$15.3 million, which accounts for 58.78% of the total revenues. Intergovernmental Revenue follows with \$8.4 million, representing 32.29%. Licenses & Permits provide \$876,437, making up 3.36% of the revenues. Leases & Rents contribute \$379,914 or 1.46%, while Investment

Earnings add \$348,507, equating to 1.34%. Charges for Services amount to \$260,000, which is 1% of the total. Other revenues total \$252,000, comprising 0.97%, and Fines & Forfeitures contribute \$210,000, or 0.81% of the FY2026 revenues.

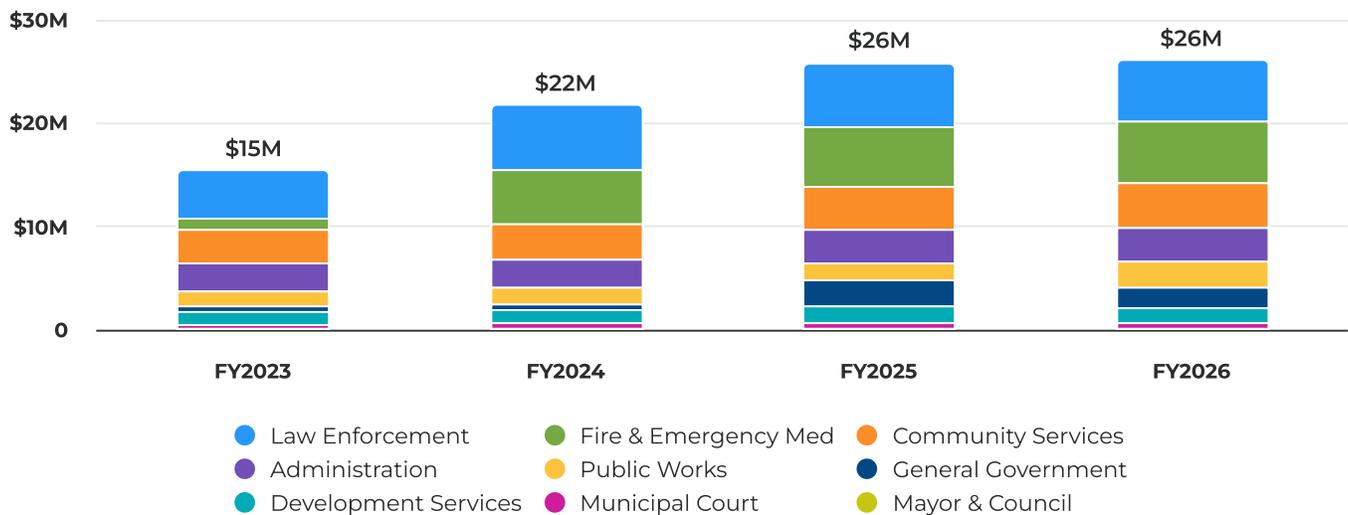
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$17,022,932	\$17,185,635	\$15,248,589	\$15,312,027	0.42%
Licenses & Permits	\$1,103,367	\$1,388,979	\$784,505	\$876,437	11.72%
Intergovernmental Revenue	\$8,456,527	\$10,349,568	\$8,785,604	\$8,412,654	-4.25%
Leases & Rents	\$448,897	\$365,792	\$289,278	\$379,914	31.33%
Charges For Services	\$196,580	\$242,181	\$255,265	\$260,000	1.85%
Other	\$319,465	\$309,878	\$161,575	\$252,000	55.96%
Fines & Forfeitures	\$211,773	\$227,192	\$200,000	\$210,000	5.00%
Investment Earnings	\$315,008	\$728,807	\$100,000	\$348,507	248.51%
Total Revenues	\$28,074,550	\$30,798,033	\$25,824,816	\$26,051,539	0.88%

Expenditures by Department

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by department in the General Fund.

Historical Expenditures by Department



The General Fund's total expenditures for FY2026 amount to \$26.1 million, reflecting a modest increase of 0.88% from the previous year's \$25.8 million. Fire & Emergency Medical services remain the largest expenditure category at \$6 million, representing 22.9% of the total budget, and increased by \$271,725 or 4.77% compared to FY2025.

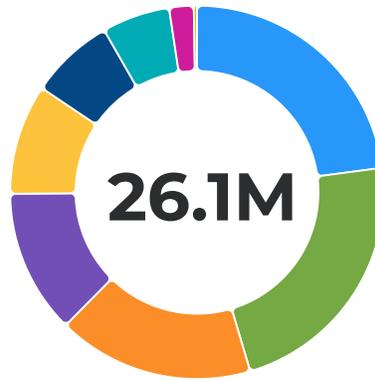
Law Enforcement expenditures decreased by \$382,911 or 6.13% to \$5.9 million, now accounting for 22.5% of the total budget, down from 24.18% the prior year. The Town pays for its MCSO law enforcement and jail contracts, as well as animal control services from the Law Enforcement Department. Community Services rose to \$4.4 million, a 5.34% increase of \$224,610, making up 17% of the total expenditures.

Public Works experienced the largest increase, growing by \$786,576 or 46.21% to \$2.5 million, which is 9.55% of the total budget. As discussed with the Council, this large increase to the Public Works budget is due to the Environmental Program being transferred from the now-closed Environmental Fund into the General Fund. Conversely, General Government expenditures declined significantly by \$632,109 or 24.96% to \$1.9 million, reducing its share to 7.29% of the total.

Administration saw a slight decrease of \$17,794 or 0.54%, totaling \$3.3 million and representing 12.49% of the budget. Development Services decreased by \$46,384 or 2.94% to \$1.5 million, accounting for 5.88% of expenditures. Municipal Court expenditures increased by \$22,595 or 4.29% to \$548,969, and Mayor & Council expenses rose marginally by \$415 or 0.57% to \$73,455.

Overall, the budget reflects notable growth in Public Works and steady increases in Fire & Emergency Medical and Community Services, while General Government and Law Enforcement expenditures declined compared to the previous year.

FY26 Expenditures by Department



● Fire & Emergency Med	\$5,966,584	22.90%
● Law Enforcement	\$5,861,005	22.50%
● Community Services	\$4,427,565	17.00%
● Administration	\$3,252,618	12.49%
● Public Works	\$2,488,886	9.55%
● General Government	\$1,899,944	7.29%
● Development Services	\$1,532,513	5.88%
● Municipal Court	\$548,969	2.11%
● 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	\$548,969	4.29%
Development Services	\$1,221,700	\$1,275,320	\$1,578,897	\$1,532,513	-2.94%
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	\$3,252,618	-0.54%
General Government	\$614,144	\$615,312	\$2,532,053	\$1,899,944	-24.96%
Public Works	\$1,336,419	\$1,572,310	\$1,702,310	\$2,488,886	46.21%

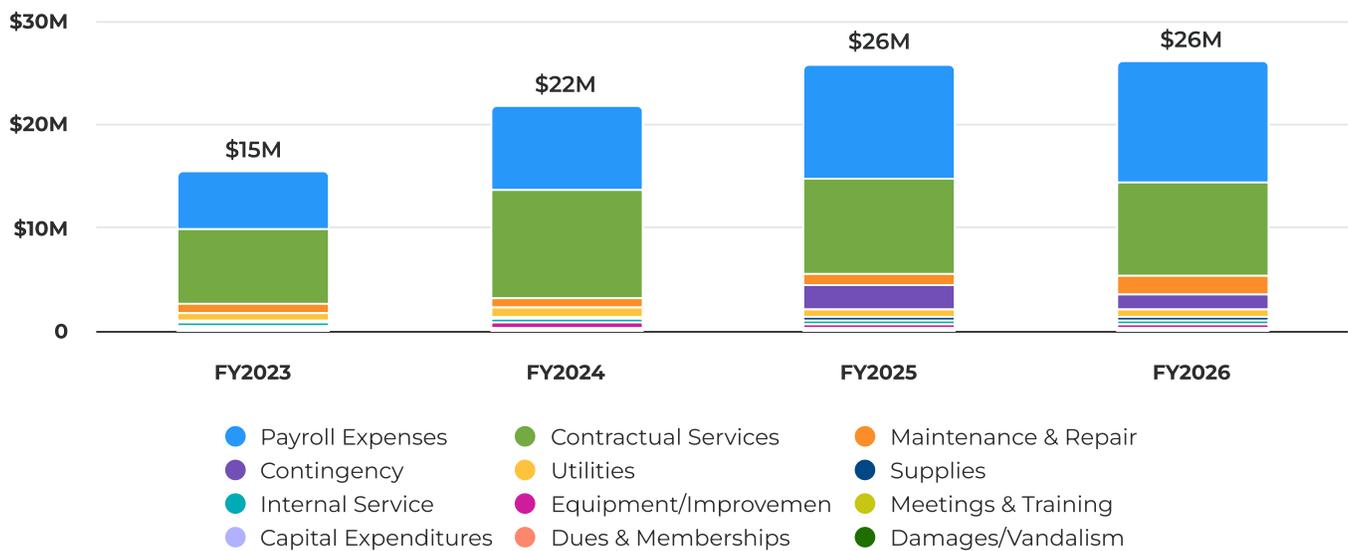
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Community Services	\$3,303,758	\$3,487,933	\$4,202,955	\$4,427,565	5.34%
Fire & Emergency Med	\$1,091,189	\$5,245,457	\$5,694,859	\$5,966,584	4.77%
Total Expenditures	\$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



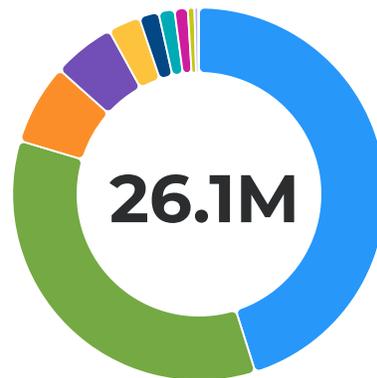
The General Fund's total expenditures for FY2026 amount to \$26.1 million, reflecting a modest increase of 0.88% from the previous year's \$25.8 million. Payroll Expenses remain the largest category, rising to \$11.8 million, which is 45.12% of the total and represents a 5.54% increase of \$617,298 from the prior year.

Maintenance & Repair experienced a significant increase, growing by 49.42% to \$1.8 million, up \$601,744, while Contingency expenditures decreased notably by 36.62% to \$1.4 million, a reduction of \$812,538. Contractual Services declined slightly by 1.5% to \$9 million, down \$136,637.

Other categories with increases include Internal Service, which rose by 4.01% to \$362,376; Dues & Memberships, up 8.9% to \$86,254; Meetings & Training, increasing 1.15% to \$150,455; and Supplies, which remained relatively stable with a 0.3% increase to \$442,828.

Utilities decreased marginally by 0.84% to \$728,951, and Equipment/Improvements saw a small decline of 1.65% to \$298,260.

FY26 Expenditures by Object



Payroll Expenses	\$11,753,164	45.12%
Contractual Services	\$8,990,744	34.51%
Maintenance & Repair	\$1,819,264	6.98%
Contingency	\$1,406,243	5.40%
Utilities	\$728,951	2.80%
Supplies	\$442,828	1.70%
Internal Service	\$362,376	1.39%
Equipment/Improvement	\$298,260	1.14%
Meetings & Training	\$150,455	0.58%
Dues & Memberships	\$86,254	0.33%
Damages/Vandalism	\$13,000	0.05%

Expenditures by Object

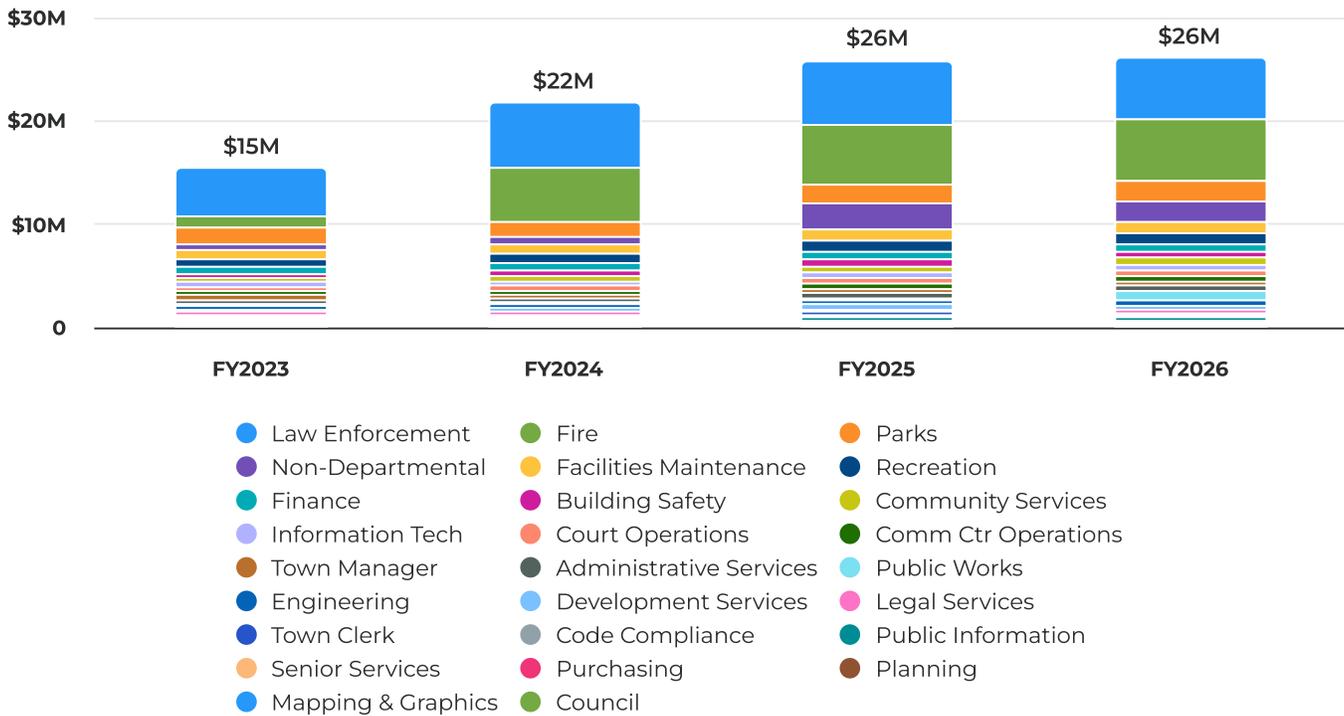
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Payroll Expenses	\$5,562,256	\$8,164,974	\$11,135,866	\$11,753,164	5.54%
Internal Service	\$338,464	\$349,955	\$348,396	\$362,376	4.01%
Contingency	-	-	\$2,218,781	\$1,406,243	-36.62%
Capital Expenditures	\$148,048	\$189,436	\$56,000	-	-100.00%
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	\$1,819,264	49.42%
Utilities	\$671,063	\$762,627	\$735,151	\$728,951	-0.84%
Contractual Services	\$7,228,290	\$10,364,720	\$9,127,381	\$8,990,744	-1.50%
Supplies	\$252,230	\$317,329	\$441,508	\$442,828	0.30%
Equipment/Improvement	\$175,596	\$432,736	\$303,260	\$298,260	-1.65%
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.

Expenditures by Division

Town divisions are included in various departments. This table shows the same FY2023 and FY2024 actual expenditures compared to the FY2025 and FY2026 budgeted expenditures, disaggregated to show specific spending and budget by division.

Historical Expenditures by Division



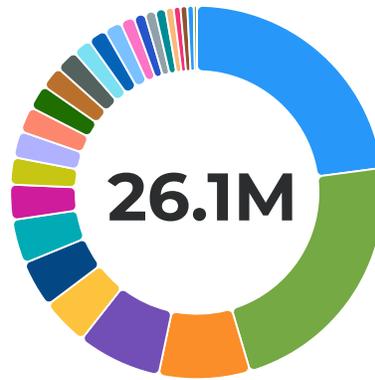
Fire remains the largest expenditure category at \$6 million, representing 22.9% of the total, with a 4.77% increase of \$271,725 from the prior year. Law Enforcement, the second largest category, decreased by 6.13% to \$5.9 million, now accounting for 22.5% of total expenditures.

Parks expenditures rose by 5.71% to \$2.1 million, making up 7.91% of the total. Non-Departmental expenses saw a significant decrease of 24.96%, falling to \$1.9 million and representing 7.29% of the budget. Facilities Maintenance and Recreation both experienced moderate increases of 4.52% and 3.68%, reaching \$1.1 million (4.12%) and \$1.1 million (4.08%) respectively.

Public Works showed the largest increase, surging by 274.62% to \$998,171, now 3.83% of total expenditures. Finance and Community Services had small increases of 1.72% and 2.74%, totaling \$792,743 (3.04%) and \$613,386 (2.35%) respectively. Information Technology slightly decreased by 1.53% to \$597,852, representing 2.29% of the total.

Other notable decreases include Building Safety, down 10.17% to \$580,764, and Town Clerk, which declined 15.33% to \$259,321. Overall, the budget reflects modest growth with shifts in allocation among key divisions, particularly the rise in Public Works and the reduction in Non-Departmental and Law Enforcement expenditures.

FY26 Expenditures by Division



Fire	\$5,966,584	22.90%
Law Enforcement	\$5,861,005	22.50%
Parks	\$2,060,593	7.91%
Non-Departmental	\$1,899,944	7.29%
Facilities Maintenance	\$1,073,048	4.12%
Recreation	\$1,062,740	4.08%
Public Works	\$998,171	3.83%
Finance	\$792,743	3.04%
Community Services	\$613,386	2.35%
Information Tech	\$597,852	2.29%
Building Safety	\$580,764	2.23%
Court Operations	\$548,969	2.11%
Comm Ctr Operations	\$511,300	1.96%
Administrative Services	\$503,653	1.93%
Engineering	\$417,667	1.60%
Development Services	\$413,256	1.59%
Town Manager	\$396,325	1.52%
Legal Services	\$314,836	1.21%
Town Clerk	\$259,321	1.00%
Code Compliance	\$242,301	0.93%
Public Information	\$231,972	0.89%
Senior Services	\$179,546	0.69%
Purchasing	\$155,916	0.60%
Planning	\$153,379	0.59%
Mapping & Graphics	\$142,813	0.55%
Council	\$73,455	0.28%

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)
Council	\$70,280	\$68,215	\$73,040	\$73,455	0.57%
Town Manager	\$538,117	\$351,831	\$389,870	\$396,325	1.66%
Information Tech	\$413,499	\$452,702	\$607,129	\$597,852	-1.53%
Town Clerk	\$187,188	\$188,328	\$306,281	\$259,321	-15.33%
Administrative Services	\$263,609	\$386,830	\$491,355	\$503,653	2.50%
Finance	\$667,825	\$698,968	\$779,341	\$792,743	1.72%

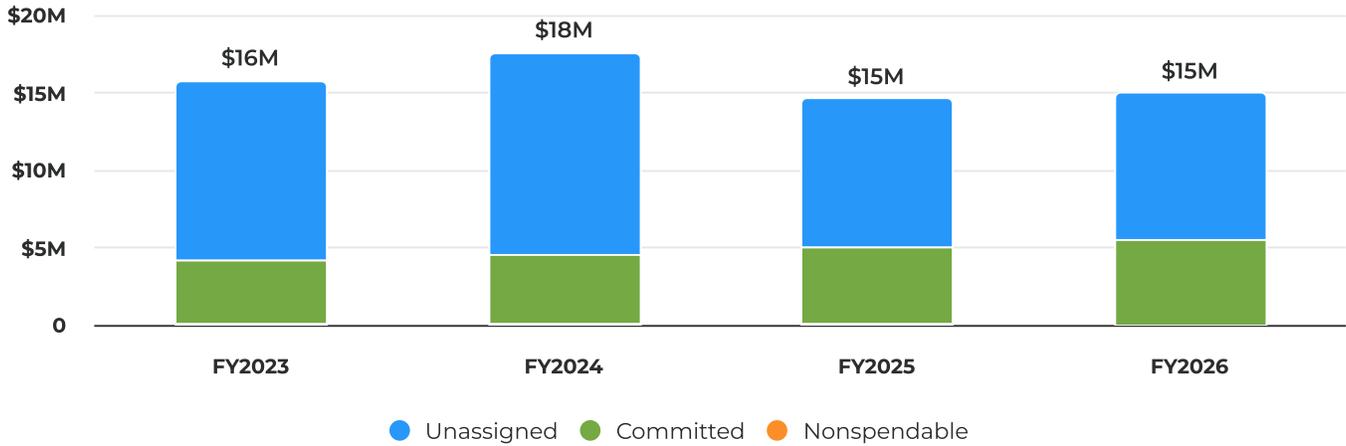


Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Public Information	\$229,253	\$221,524	\$238,801	\$231,972	-2.86%
Legal Services	\$295,058	\$300,853	\$308,600	\$314,836	2.02%
Non-Departmental	\$614,144	\$615,312	\$2,532,053	\$1,899,944	-24.96%
Purchasing	\$128,985	\$139,802	\$149,035	\$155,916	4.62%
Court Operations	\$426,770	\$491,817	\$526,374	\$548,969	4.29%
Public Works	\$163,184	\$183,362	\$266,448	\$998,171	274.62%
Engineering	\$314,872	\$379,008	\$409,172	\$417,667	2.08%
Facilities Maintenance	\$858,363	\$1,009,941	\$1,026,690	\$1,073,048	4.52%
Development Services	\$260,725	\$283,692	\$406,511	\$413,256	1.66%
Planning	\$121,843	\$133,725	\$149,520	\$153,379	2.58%
Building Safety	\$502,393	\$521,678	\$646,544	\$580,764	-10.17%
Code Compliance	\$229,796	\$219,500	\$237,523	\$242,301	2.01%
Mapping & Graphics	\$106,943	\$116,725	\$138,799	\$142,813	2.89%
Community Services	\$387,644	\$500,451	\$597,034	\$613,386	2.74%
Recreation	\$738,952	\$828,198	\$1,024,999	\$1,062,740	3.68%
Parks	\$1,584,907	\$1,565,090	\$1,949,201	\$2,060,593	5.71%
Comm Ctr Operations	\$424,657	\$448,491	\$456,129	\$511,300	12.10%
Senior Services	\$167,598	\$145,703	\$175,592	\$179,546	2.25%
Fire	\$1,091,189	\$5,245,457	\$5,694,859	\$5,966,584	4.77%
Law Enforcement	\$4,574,193	\$6,225,785	\$6,243,916	\$5,861,005	-6.13%
Total Expenditures	\$15,361,988	\$21,722,986	\$25,824,816	\$26,051,539	0.88%

Fund Balance

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026. Town financial policies require the Town to retain a total of 40% of the average past five years of General Fund revenues in its fund balances, and require transferring the excess reserves into the Capital Projects Fund. Council also assigns excess reserve to other programs, as necessary to carry out the Council's objectives.

Fund Balance Projections



The Town projects to have about \$15 million in FY2026 year-end General Fund reserves, similar to projections for FY2025. As revenues increase, policy reserve requirements will require higher fund balances to be maintained.

Financial Summary

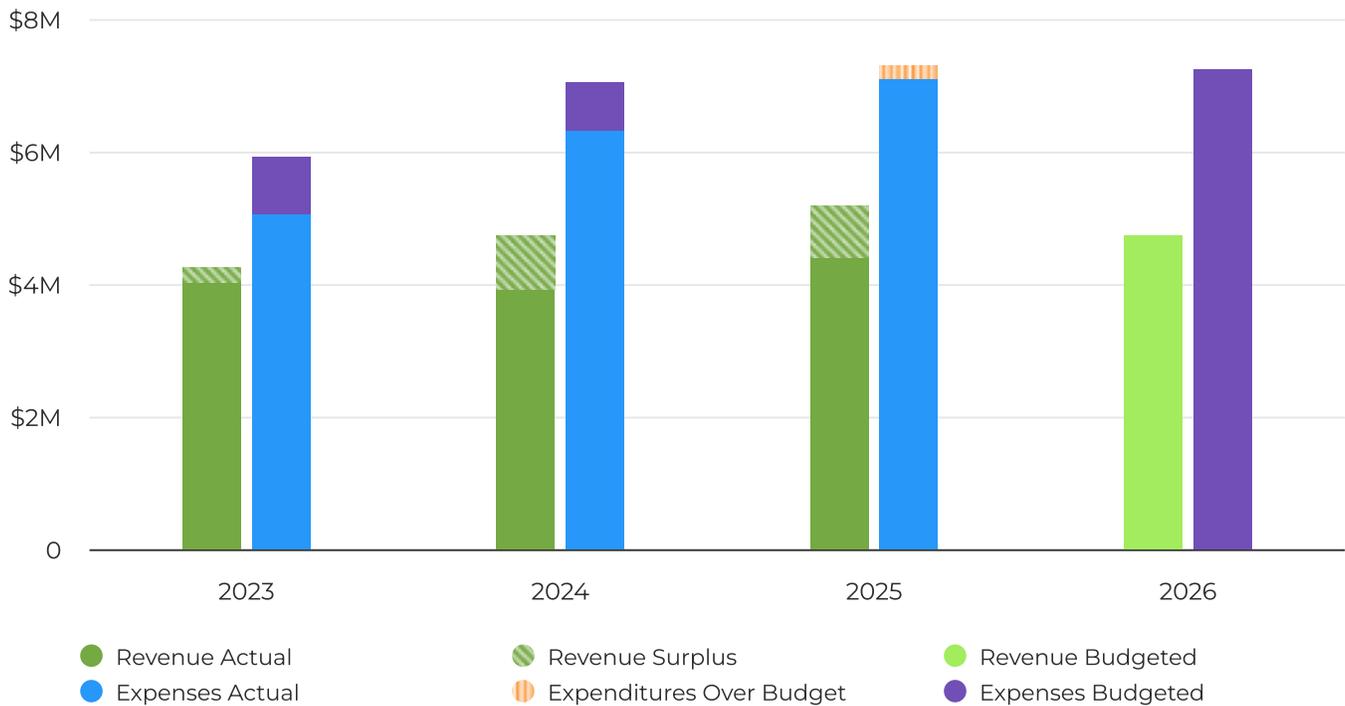
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Unassigned	\$11,644,005	\$13,070,591	\$9,554,409	\$9,500,000	-0.57%
Committed	\$4,044,890	\$4,466,782	\$5,009,552	\$5,500,000	9.79%
Nonspendable	\$57,465	\$38,179	\$40,000	-	-100.00%
Total Fund Balance	\$15,746,360	\$17,575,552	\$14,603,961	\$15,000,000	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

Revenues vs Expenditures Summary



In the Streets Fund for 2026, the budgeted expenses increased to \$7.2 million, marking a 2.22% rise from the previous year's \$7.1 million budget. This continues the upward trend in expenses, following a 0.56% increase from the prior period to 2025. Budgeted revenues also grew to \$4.7 million in 2026, which is a 7.75% increase from the \$4.4 million budgeted in 2025, though this growth rate is lower than the 12.36% increase seen in the prior period to 2025. The Streets Fund has recently increased because the Council directed all vehicle license tax revenues to be deposited into this fund and because Finance has changed its projection methodology for investment earnings as discussed throughout this budget book.

Comparing these figures highlights that while both expenses and revenues are budgeted to increase in 2026, expenses are rising at a faster rate than revenues. This follows the pattern observed in 2025, where actual expenses exceeded budgeted amounts by 2.81% and increased by 15.46% from the prior period, whereas actual revenues surpassed budgeted revenues by 18.24% and grew by 9.48% from the prior period. The largest category in both years remains expenses, which continue to outpace revenue growth, indicating a widening gap between budgeted revenues and expenses in the Streets Fund for 2026. The Town is able to budget more expenditures than projected revenues because the Council has approved several transfers of excess reserves into the Streets Fund to support higher spending on the Pavement Management Program.

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.

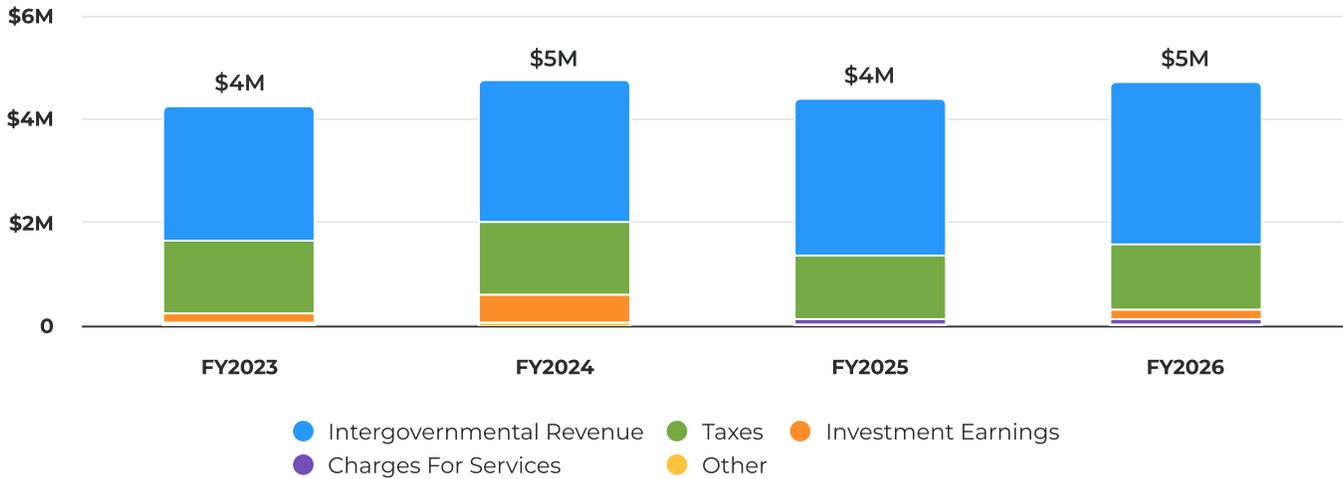
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$3,903,296	\$6,922,858	\$9,559,630	\$11,467,702	\$1,908,072
Revenues					
Taxes	\$1,419,744	\$1,417,926	\$1,212,573	\$1,242,326	\$29,753
Intergovernmental Revenue	\$2,606,929	\$2,720,831	\$3,038,992	\$3,168,457	\$129,465
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	\$181,193
Total Revenues	\$4,261,218	\$4,743,883	\$4,392,565	\$4,732,976	\$340,411
Expenditures					
Payroll Expenses	\$570,144	\$658,659	\$700,474	\$816,489	\$116,015
Internal Service	\$62,872	\$67,266	\$67,355	\$67,566	\$211
Contingency	-	-	\$100,000	\$100,000	-
Capital Expenditures	\$25,676	\$115,695	-	-	-
Dues & Memberships	\$1,810	\$3,127	\$10,000	\$8,000	-\$2,000
Meetings & Training	\$410	\$385	\$2,000	\$2,000	-
Maintenance & Repair	\$3,465,658	\$4,714,716	\$5,318,910	\$5,320,910	\$2,000
Utilities	\$158,079	\$144,904	\$145,656	\$146,352	\$696
Contractual Services	\$689,650	\$559,452	\$664,400	\$704,190	\$39,790
Supplies	\$16,953	\$14,999	\$22,245	\$22,620	\$375
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	\$7,244,627	\$157,087
Total Revenues Less Expenditures	-\$792,785	-\$1,567,140	-\$2,694,975	-\$2,511,651	\$183,324
Ending Fund Balance	\$3,110,511	\$5,355,718	\$6,864,655	\$8,956,051	\$2,091,396

Revenues by Source

The following charts detail the Town's revenues by sources, which can also be reviewed in the Funding Sources Overview section of this budget book. The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026.

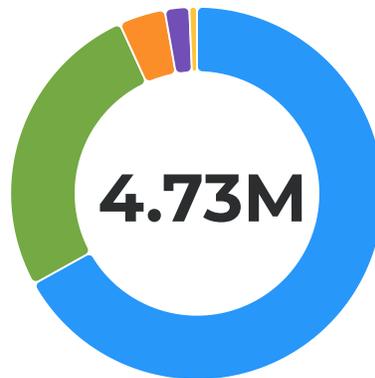
Historical Revenue by Source



In FY2026, the Streets Fund's total revenue increased by 7.75% to \$4.7 million compared to the previous year. Intergovernmental Revenue remained the largest source, contributing \$3.2 million or 66.94% of the total, which is a 4.26% increase of \$129,465 from the prior year. Taxes accounted for \$1.2 million, representing 26.25% of total revenue, and increased by 2.45% or \$29,753.

Investment Earnings saw a significant rise to \$191,193, making up 4.04% of total revenue. This category increased by \$181,193, or 1,811.93%, marking the largest percentage increase among all sources. As noted elsewhere, the Finance Division changed its projection methodology to better reflect recent actual investment earnings, which resulted in the large change. As shown in the table above, actual FY2024 investment earnings revenue was \$558k compared to a projected revenue of only \$191k in FY2026 despite similar ending fund balances. This disparity illustrates that despite the changing methodology, the FY2026 revenue projections are still quite conservative. Charges for Services remained steady at \$100,000, comprising 2.11% of the total, with no change from the previous year. The Other category also held steady at \$31,000, or 0.65% of total revenue, with no change from the prior year.

FY26 Revenues by Source



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%

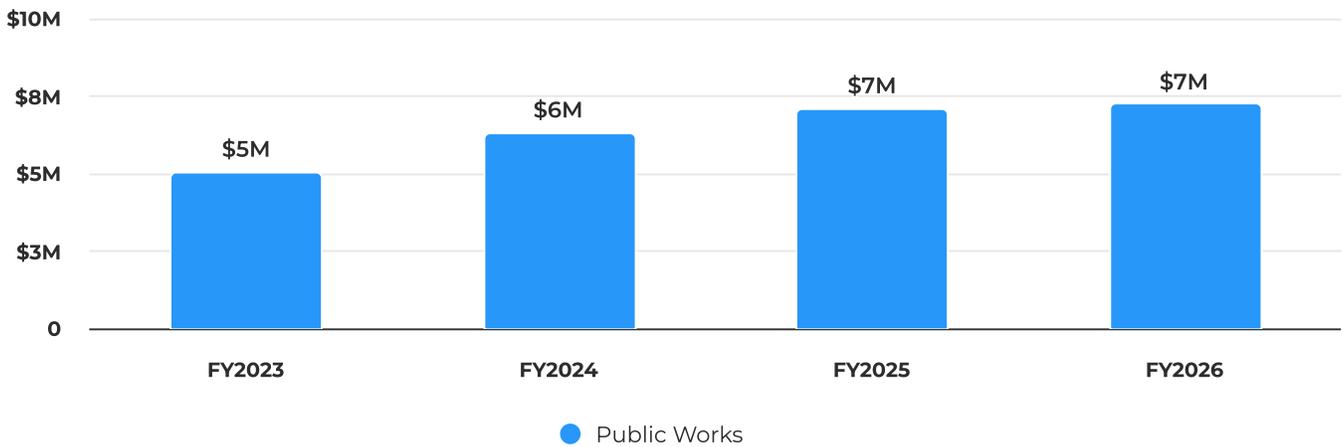
Revenues by Source

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%

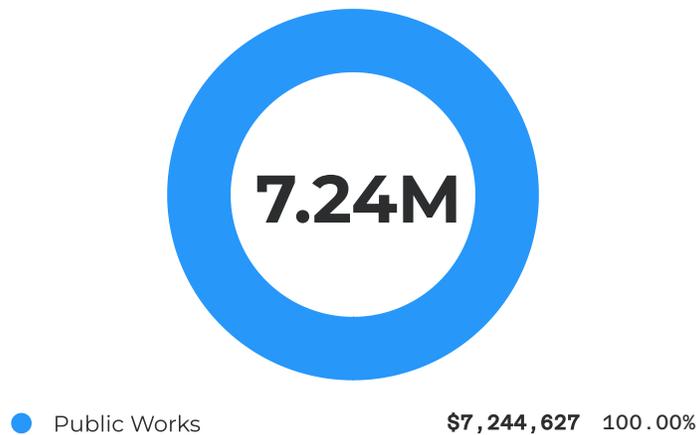
Expenditures by Department

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by department in the Streets Fund. As you can see, the Public Works Department entirely manages the budget in the Streets Fund, including expenditures for the Pavement Management Program.

Historical Expenditures by Department



FY26 Expenditures by Department

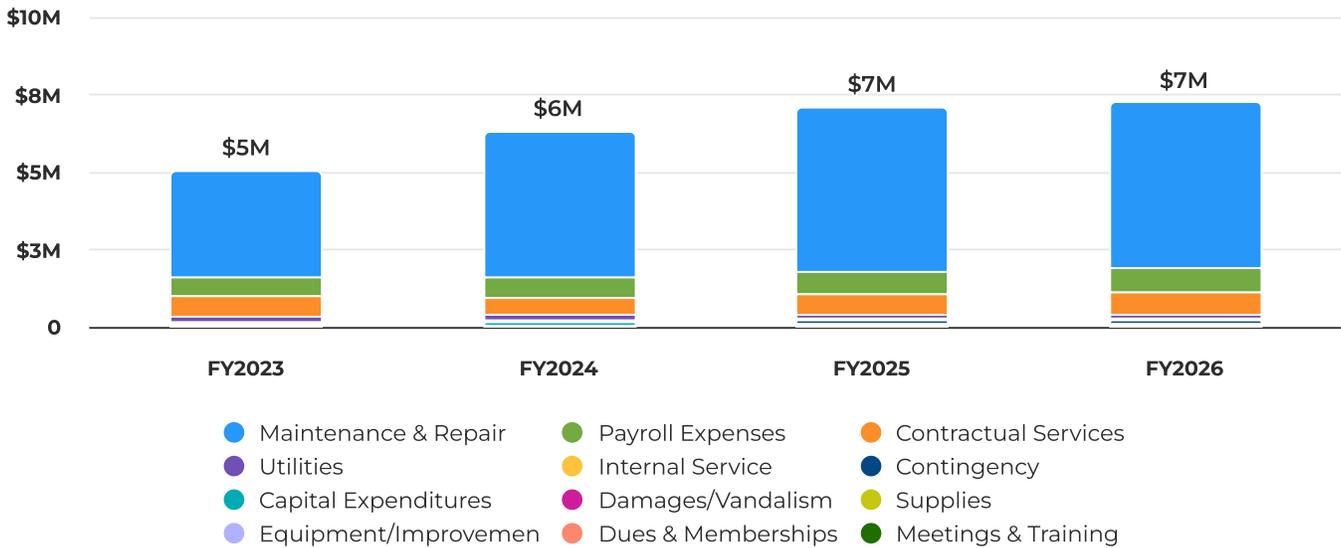


Expenditures by Department

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	\$7,244,627	2.22%
Total Expenditures	\$5,054,003	\$6,311,022	\$7,087,540	\$7,244,627	2.22%

Expenditures by Object

Historical Expenditures by Object



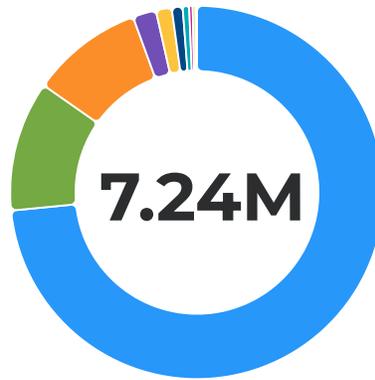
The Streets Fund budget for FY2026 totals \$7.2 million, marking a 2.22% increase from the previous year's \$7.1 million. Maintenance & Repair remains the largest expenditure category at \$5.3 million, representing 73.45% of the total budget, with a slight increase of \$2,000 or 0.04% from the prior year. This category/object includes the Town's Pavement Management Program to repair and repave roads throughout the Town.

Payroll Expenses saw a notable rise to \$816,489, accounting for 11.27% of the total and increasing by \$116,015 or 16.56%. Contractual Services also increased to \$704,190, making up 9.72% of the budget, up by \$39,790 or 5.99%. Utilities experienced a modest increase of \$696 or 0.48%, totaling \$146,352 and representing 2.02% of the budget.

Other categories with minor increases include Supplies at \$22,620 (\$375; 1.69%) and Internal Service at \$67,566 (+\$211; +0.31%). Contingency and Damages/Vandalism remained unchanged at \$100,000 and \$40,000 respectively. Equipment/Improvements also held steady at \$16,500.

The only significant decrease was in Dues & Memberships, which declined by \$2,000 or 20% to \$8,000, now constituting 0.11% of the total budget. Overall, the FY2026 budget reflects modest growth in most categories with Maintenance & Repair continuing as the dominant expenditure.

FY26 Expenditures by Object



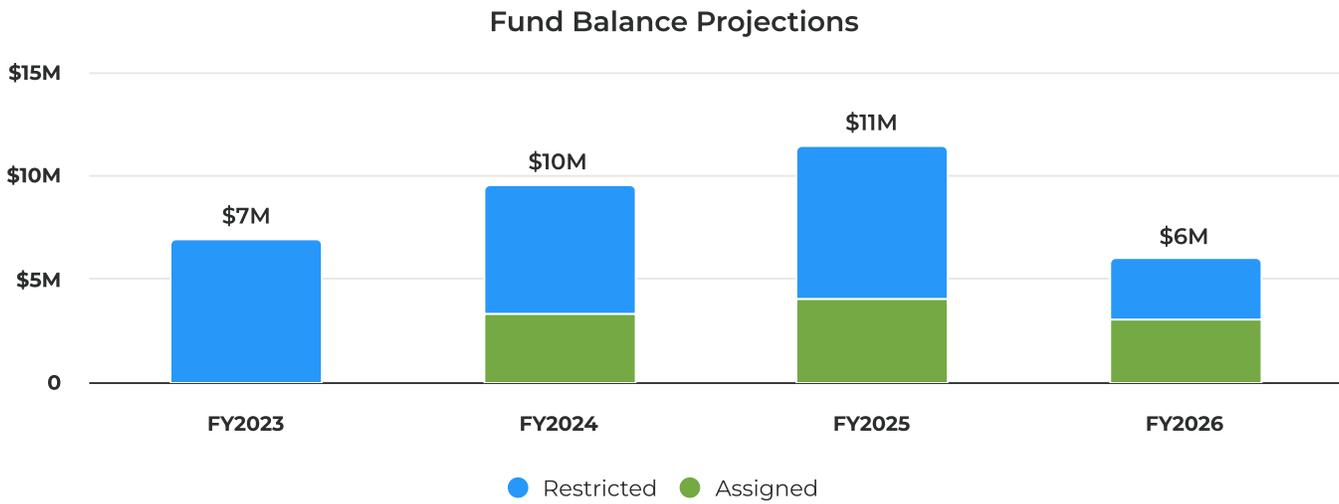
● Maintenance & Repair	\$5,320,910	73.45%
● Payroll Expenses	\$816,489	11.27%
● Contractual Services	\$704,190	9.72%
● Utilities	\$146,352	2.02%
● Contingency	\$100,000	1.38%
● Internal Service	\$67,566	0.93%
● Damages/Vandalism	\$40,000	0.55%
● Supplies	\$22,620	0.31%
● Equipment/Improvement	\$16,500	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	\$816,489	16.56%
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	\$146,352	0.48%
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	\$7,244,627	2.22%

Fund Balance

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026.



In the Streets Fund for FY2026, the Restricted fund balance is projected at \$6 million, representing a significant decrease of 47.68% from the previous year's \$11.5 million, which had increased by 19.96% from its prior period. This marks a notable reduction in the largest category of the fund balance projections compared to FY2025. The reduction is due to the Town increasing budget for Streets projects in its Capital Improvement Plan. Specifically, the Council approved a major reconstruction project of Palomino Blvd for \$5.4 million that will be reimbursed from the Streets Fund as construction progresses in FY2026.

Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Assigned	-	\$3,335,921	\$4,000,000	\$3,000,000	-25.00%
Restricted	\$6,922,858	\$6,223,709	\$7,467,702	\$3,000,000	-59.83%
Total Fund Balance	\$6,922,858	\$9,559,630	\$11,467,702	\$6,000,000	-47.68%

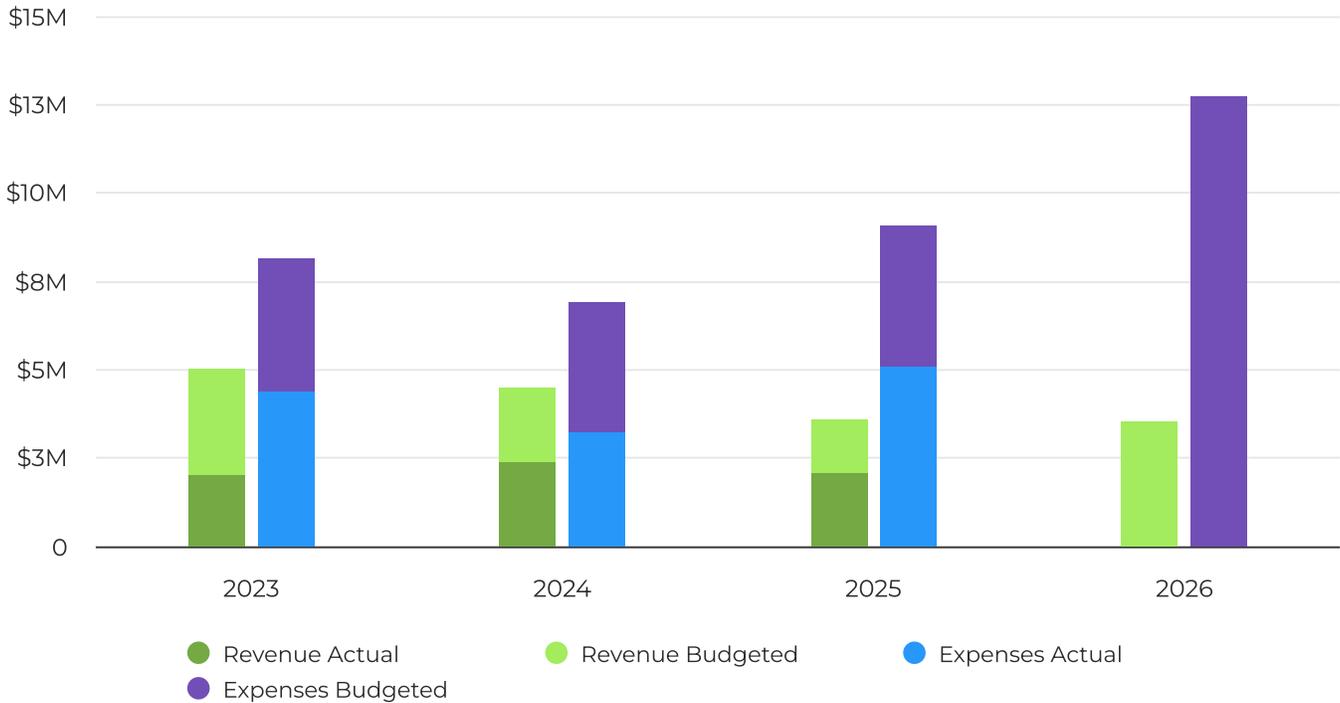
Capital Projects Fund

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 the budgets for each project.

Revenues vs Expenditures Summary



In the Capital Projects Fund for 2026, the budgeted expenses increased significantly to \$12.7 million, representing a 39.81% rise from the previous year's \$9.1 million. This continues the trend of substantial growth in budgeted expenses observed in the prior period.

On the revenue side, the budgeted amount slightly decreased to \$3.5 million, a 0.52% decline from the previous year's \$3.6 million. This marks a much smaller reduction compared to the 20.07% decrease seen in the prior period.

Overall, the gap between budgeted expenses and revenues widened further in 2026, with expenses growing at a much faster rate than revenues. This follows the pattern from the previous year, where actual expenses were 55.63% budgeted and actual revenues were 58.27% budgeted. The Town is able to budget far more expenditures than projected revenues because the Capital Projects Fund has a large existing fund balance of around \$9 to \$10 million. Further, several capital

project expenditures will be reimbursed from other funds, such as the Streets Fund for the Palomino Blvd Reconstruction project and from the Parks Development Impact Fee Fund for the Pleasantville Park project.

Comprehensive Fund Summary

The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 and FY2026 adopted budgets. 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.

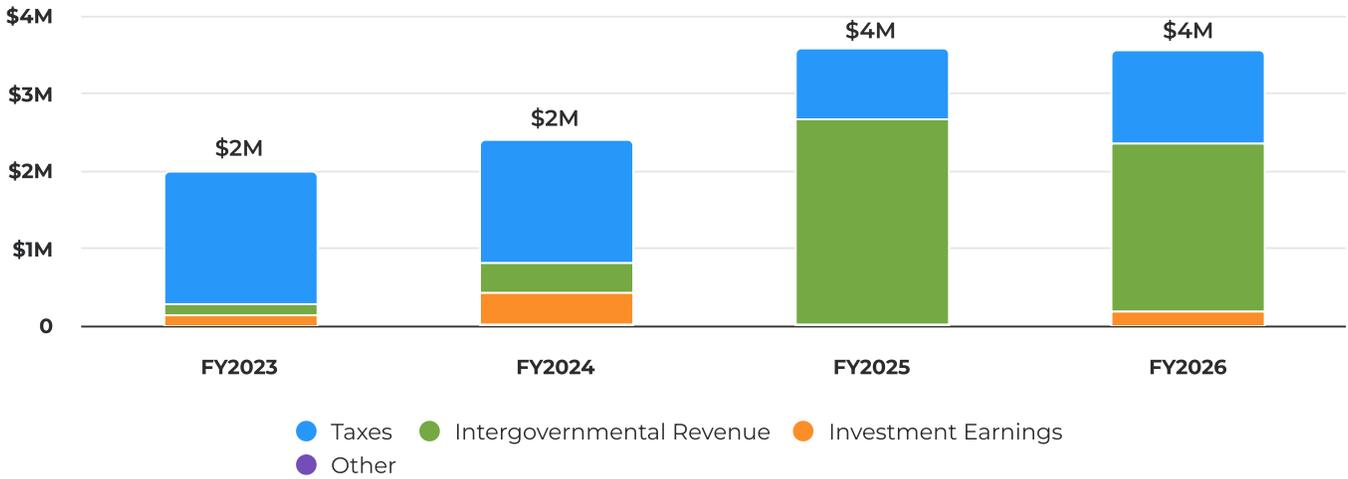
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$4,068,310	\$5,691,999	\$8,768,198	\$8,602,563	-\$165,635
Revenues					
Taxes	\$1,724,626	\$1,598,522	\$904,856	\$1,188,207	\$283,351
Intergovernmental Revenue	\$140,284	\$376,783	\$2,652,500	\$2,190,750	-\$461,750
Other	-	\$12,000	-	-	-
Investment Earnings	\$132,253	\$407,771	\$10,000	\$170,000	\$160,000
Total Revenues	\$1,997,163	\$2,395,076	\$3,567,356	\$3,548,957	-\$18,399
Expenditures					
Contingency	-	-	\$675,000	\$650,000	-\$25,000
Capital Expenditures	\$4,338,774	\$3,224,647	\$8,415,000	\$12,060,000	\$3,645,000
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	\$3,620,000
Total Revenues Less Expenditures	-\$2,393,244	-\$830,077	-\$5,525,444	-\$9,163,843	-\$3,638,399
Ending Fund Balance	\$1,675,066	\$4,861,922	\$3,242,754	-\$561,280	-\$3,804,034

Revenues by Source

The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026.

Historical Revenue by Source



In FY2026, the Capital Projects Fund's total revenue slightly decreased by 0.52% to \$3.5 million compared to the previous year. Intergovernmental Revenue remained the largest source based on projected grant revenues, contributing \$2.2 million or 61.73% of the total, but this represented a decrease of \$461,750 or 17.41% from the prior year.

Construction sales tax collections notably increased to \$1.2 million, accounting for 33.48% of total revenue, which is a rise of \$283,351 or 31.31% compared to the previous year. Investment Earnings saw a significant increase to \$170,000, making up 4.79% of the total and rising by \$160,000 or 1,600% from the prior year.

Overall, while total revenue declined slightly, there were substantial shifts within revenue sources, with decreases in Intergovernmental Revenue offset by increases in Taxes and Investment Earnings.

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

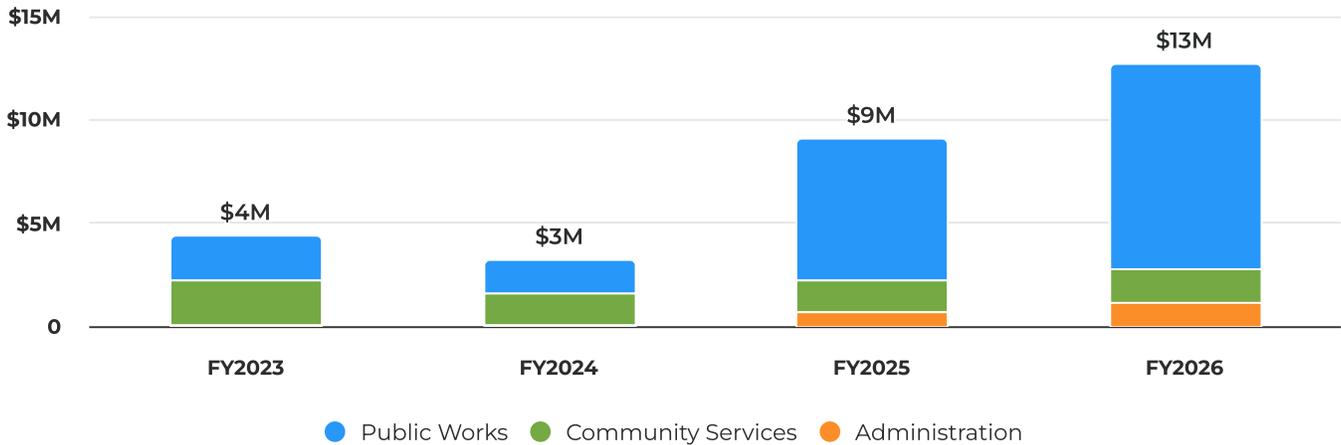
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$1,724,626	\$1,598,522	\$904,856	\$1,188,207	31.31%
Intergovernmental Revenue	\$140,284	\$376,783	\$2,652,500	\$2,190,750	-17.41%

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
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

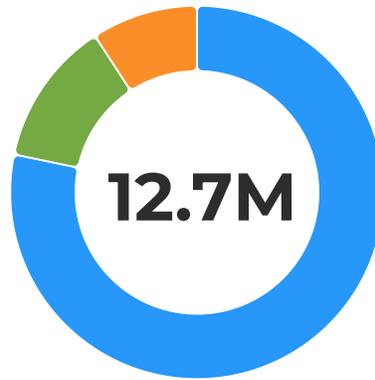
The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by department in the Capital Projects Fund. These charts show the budgeted expenditures and more detailed breakdowns by various capital projects can be found later in the budget book in the Capital Improvement Plan and Capital Projects sections.

Historical Expenditures by Department



The Capital Projects Fund's total expenditures increased by 39.81%, rising from \$9.1 million in FY2025 to \$12.7 million in FY2026. Public Works remained the largest department, accounting for 78.27% of the total at \$10 million, which is a \$3.1 million increase or 44.52% growth from the previous year. Community Services saw a moderate increase of \$65,000, or 4.25%, reaching \$1.6 million and representing 12.55% of the total expenditures. Administration expenditures grew by \$490,000, a 72.29% increase, totaling \$1.2 million and making up 9.19% of the fund. The increase in the Administration expenditures is due to the Downtown Streetscape Improvement Program which is classified as a Public Works project in the Capital Improvement Plan and Capital Projects sections because Public Works is managing the project. Overall, all top departments experienced growth in FY2026, with Public Works continuing to dominate the budget share.

FY26 Expenditures by Department



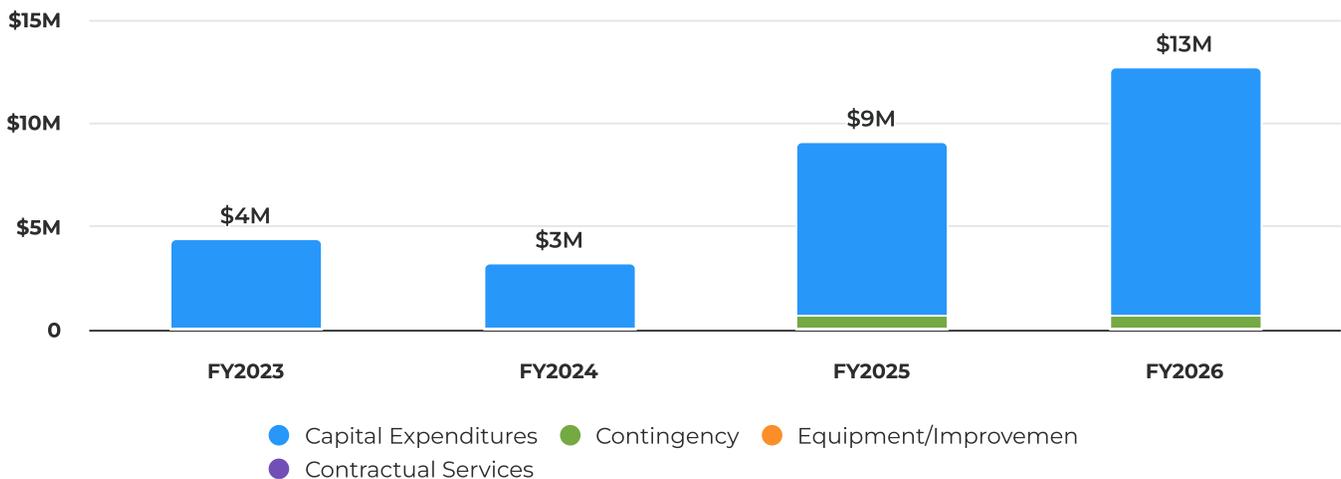
● Public Works	\$9,950,000	78.27%
● Community Services	\$1,595,000	12.55%
● Administration	\$1,167,800	9.19%

Expenditures by Department

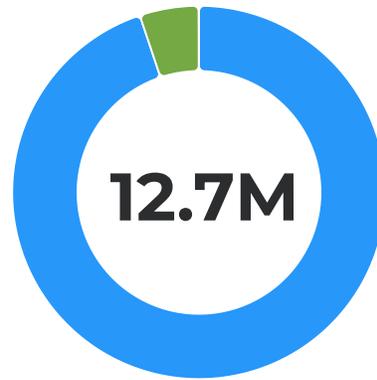
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Administration	\$1,215	\$506	\$677,800	\$1,167,800	72.29%
Public Works	\$2,157,591	\$1,605,869	\$6,885,000	\$9,950,000	44.52%
Community Services	\$2,231,601	\$1,618,778	\$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	\$12,060,000	94.87%
● Contingency	\$650,000	5.11%
● Contractual Services	\$2,800	0.02%

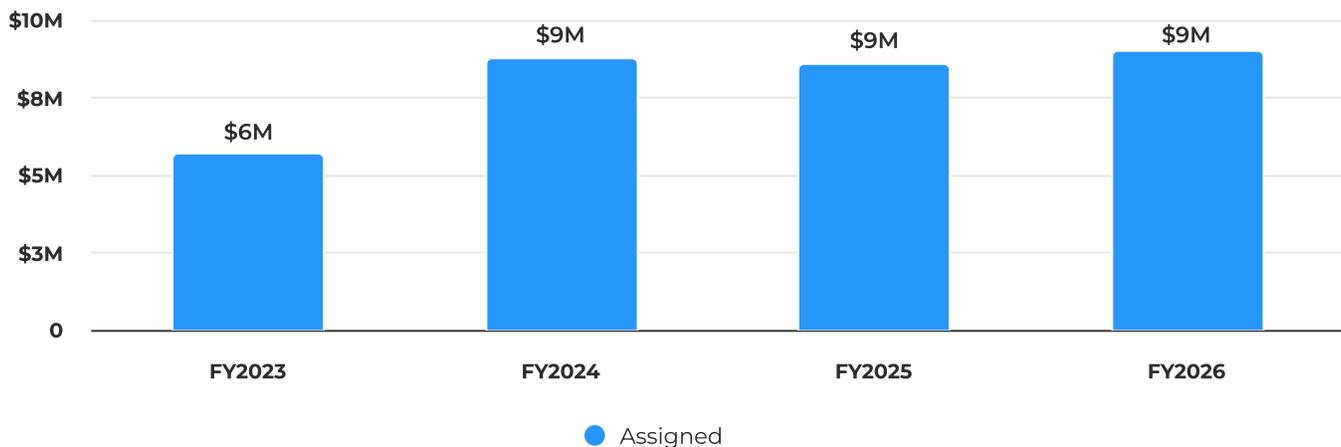
Expenditures by Object

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	\$650,000	-3.70%
Capital Expenditures	\$4,338,774	\$3,224,647	\$8,415,000	\$12,060,000	43.32%
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

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026. Town financial policies require half of construction sales tax revenues to be deposited into the Capital Projects Fund. Further, year-end General Fund excess reserves and grant revenues are regularly deposited into this fund, contributing to its growing fund balance, projected to end FY2026 at about \$9 million.

Fund Balance Projections



In the Capital Projects Fund for FY2026, the Assigned fund balance is projected at \$9 million, representing a 4.62% increase from the previous year's \$8.6 million, which had decreased by 1.89% from its prior period. This increase in the Assigned category marks a notable upward trend compared to the prior year's slight decline.

Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Assigned	\$5,691,999	\$8,768,198	\$8,602,563	\$9,000,000	4.62%
Total Fund Balance	\$5,691,999	\$8,768,198	\$8,602,563	\$9,000,000	4.62%

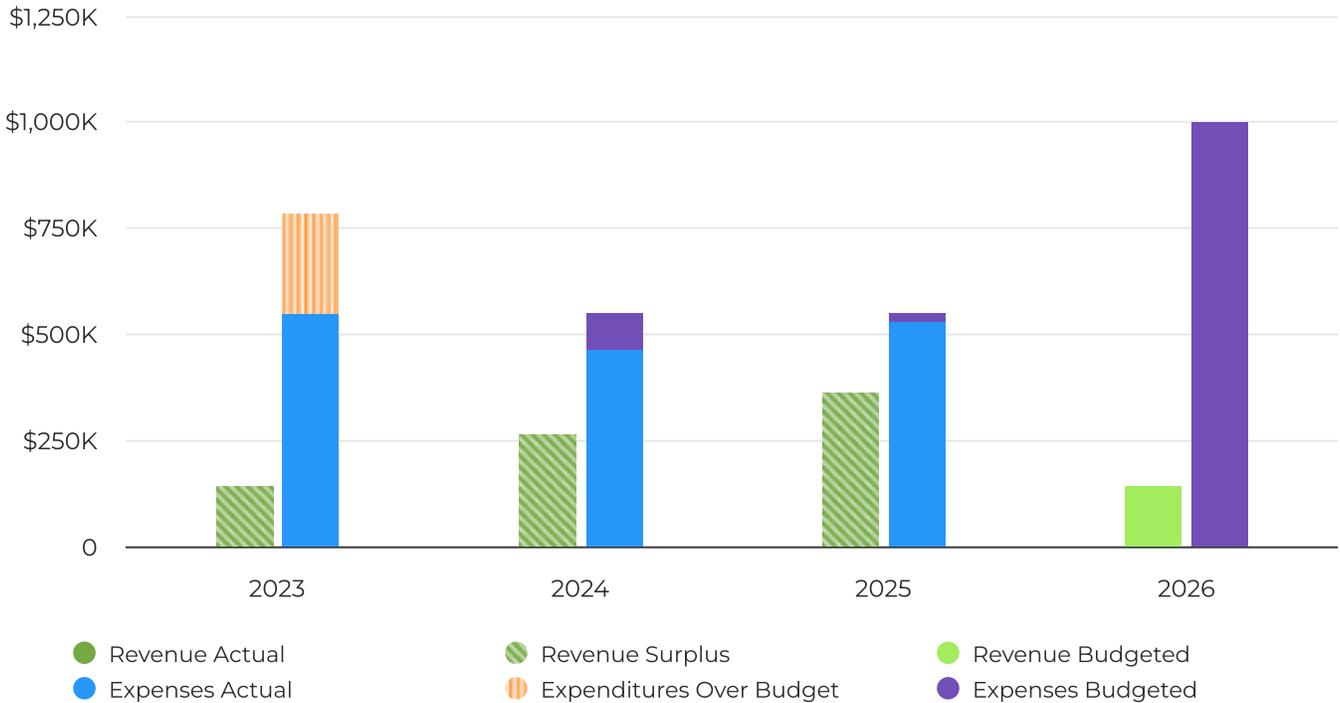
Facilities Reserve Fund

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 caused by changes made to projection methodology for investment earnings mentioned earlier in this budget book. 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, the Council approved increasing the Facilities Reserve Fund budget from \$550K to \$1M. This 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

The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 and FY2026 adopted budgets in the Facilities Reserve Fund.

Comprehensive 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)
Beginning Fund Balance	\$5,925,920	\$6,784,056	\$5,384,668	\$7,295,409	\$1,910,741
Revenues					
Other	\$4,000	-	-	-	-
Investment Earnings	\$136,114	\$264,030	\$1,000	\$140,000	\$139,000
Total Revenues	\$140,114	\$264,030	\$1,000	\$140,000	\$139,000
Expenditures					
Contingency	-	-	\$550,000	\$1,000,000	\$450,000
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	\$450,000
Total Revenues Less Expenditures	-\$641,864	-\$199,388	-\$549,000	-\$860,000	-\$311,000
Ending Fund Balance	\$5,284,056	\$6,584,668	\$4,835,668	\$6,435,409	\$1,599,741

Revenues by Source

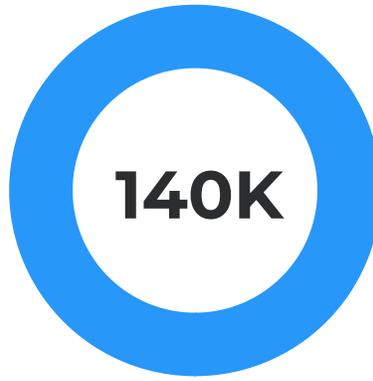
The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026 in the Facilities Reserve Fund.

Historical Revenue by Source



In FY2026, the Facilities Reserve Fund's total revenue by source increased significantly to \$140,000, representing a 13,900% increase from the previous year's total of \$1,000. Investment Earnings remained the largest and sole revenue source, accounting for 100% of the total revenue in both years. The Facilities Reserve Fund also receives transfers from the General Fund based on Council approval when excess reserves exist at year-end.

FY26 Revenues by Source



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

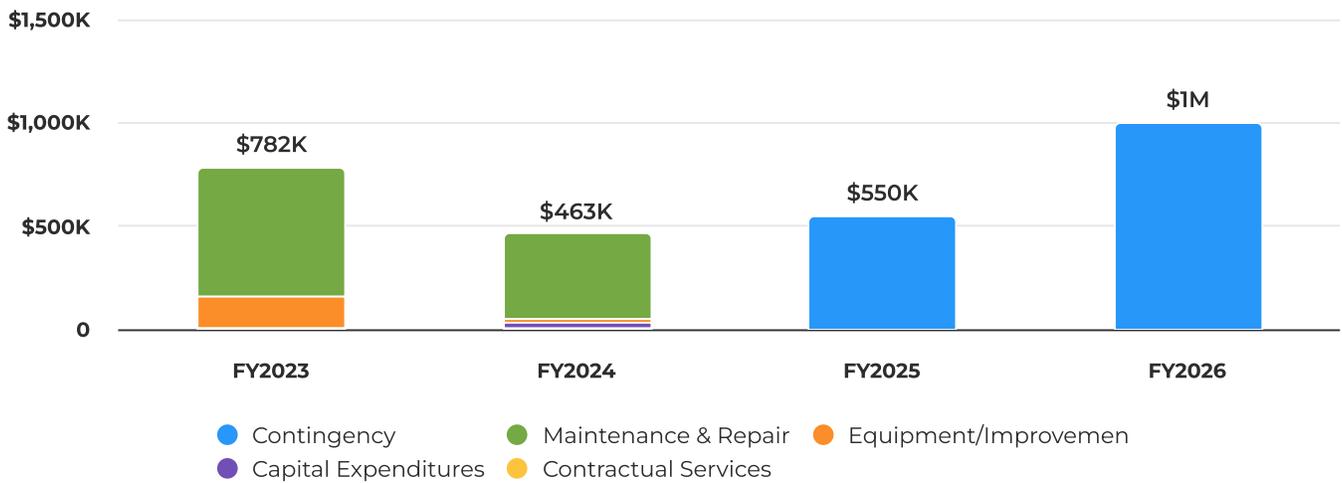
Revenues by Source

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 Object

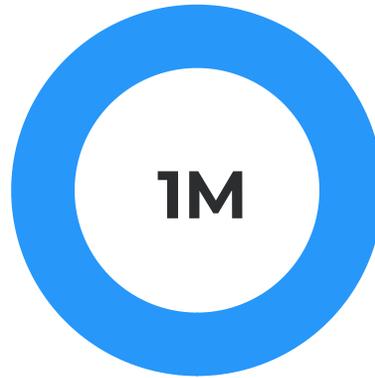
The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object in the Facilities Reserve Fund.

Historical Expenditures by Object



In FY2026, the Facilities Reserve Fund's total expenditures by object increased to \$1 million, representing an 81.82% rise from the previous year's total of \$550,000. The entire budget, 100% of the total, was allocated to Contingency. Although the budget is maintained in the Contingency line item, as actual expenditures occur, they are recorded in the appropriate category such as maintenance & repair, equipment and contractual services, which is shown in the table above.

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

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026. The Council has appropriated several transfers of monies from other funds into the Facilities Reserve Fund to begin saving for the Town's large scale replacement of its lake liner at Fountain Park. As of the publishing date of this budget book, the Town has set aside and accrued investment earnings to a total fund balance specifically saved for the Lake Liner project of about \$5.4 million.

Fund Balance Projections



In the Facilities Reserve Fund for FY2026, the Assigned category shows a decrease to \$7 million, which is a 4.05% decline from the previous year's \$7.3 million. This reduction marks a reversal from the prior year's significant increase of 35.48%.

Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Assigned	\$6,784,056	\$5,384,668	\$7,295,409	\$7,000,000	-4.05%
Total Fund Balance	\$6,784,056	\$5,384,668	\$7,295,409	\$7,000,000	-4.05%

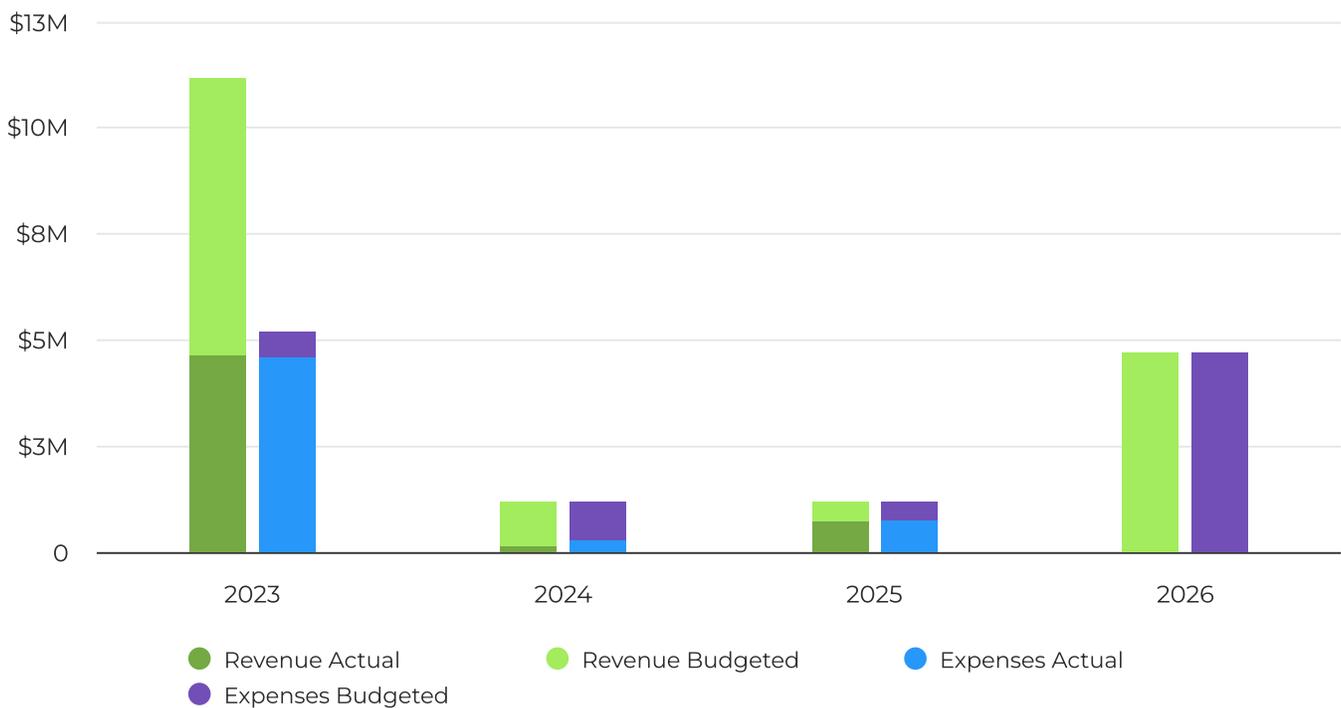
Special Revenue Fund

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 \$4.69M 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



In the Special Revenue Fund for FY2026, both the budgeted expenses and budgeted revenues are set at \$4.7 million, reflecting a significant increase of 294.12% from the previous year's budgeted amounts of \$1.2 million. This marks a substantial growth in planned financial activity compared to the prior period. \$3.0 million was added to this budget to account for a possible federal pass-through grant opportunity for the International Dark Sky Discovery Center.

Compared to the previous year's actual figures, the FY2025 actual revenues were \$709,881, which was 59.65% of the budgeted revenue and represented a 389.94% increase from the prior period. Actual expenses in 2025 were \$764,618, accounting for 64.25% of the budgeted expenses and showing a 176.9% increase from the prior period. Much of these actual revenues and expenditures were related to a grant used to build a restroom facility at the Town's Four Peaks Park. The FY2026 budgeted amounts far exceed these actual figures, indicating a major planned expansion in both revenues and expenditures to account for the possible grant opportunity mentioned above. As noted earlier in this budget book, the Town received notification that it would not be a recipient of the grant as a pass-through and therefore, the Town has additional FY2026 budget capacity for grant opportunities.

Comprehensive Fund Summary

The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 and FY2026 adopted budgets in the Special Revenue Fund.

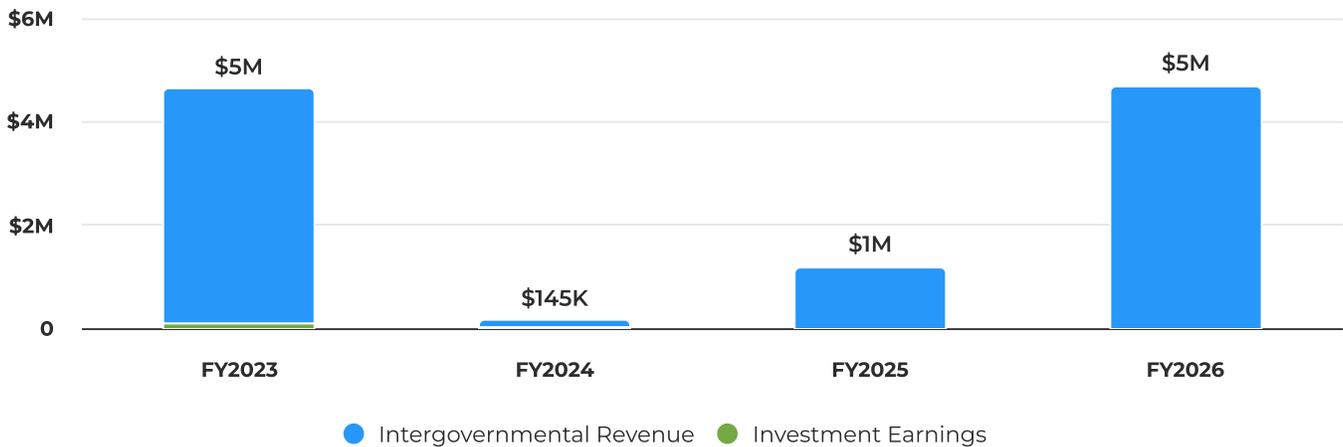
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$8,441	\$73,163	\$121,032	\$100,000	-\$21,032
Revenues					
Intergovernmental Revenue	\$4,537,354	\$129,589	\$1,190,000	\$4,690,000	\$3,500,000
Investment Earnings	\$95,043	\$15,303	-	-	-
Total Revenues	\$4,632,397	\$144,892	\$1,190,000	\$4,690,000	\$3,500,000
Expenditures					
Contingency	-	-	\$1,000,000	\$4,500,000	\$3,500,000
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	\$4,690,000	\$3,500,000
Total Revenues Less Expenditures	\$35,372	-\$131,245	-	-	-
Ending Fund Balance	\$43,813	-\$58,082	\$121,032	\$100,000	-\$21,032

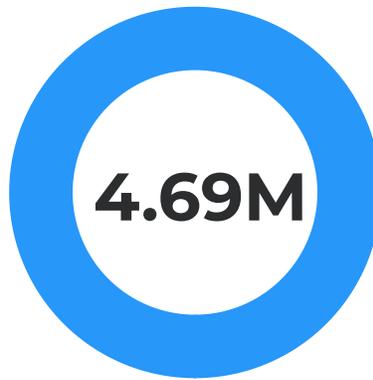
Revenues by Source

The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026 in the Special Revenue Fund.

Historical Revenue by Revenue Source



FY26 Revenues by Source



● Intergovernmental Revenue \$4,690,000 100.00%

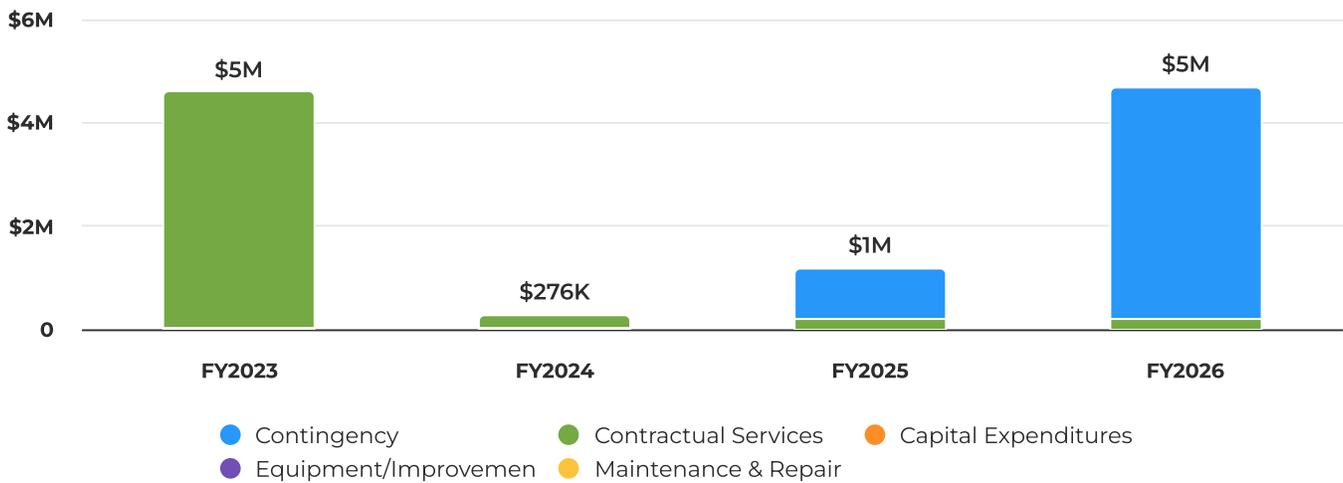
Revenues by Source

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Intergovernmental Revenue	\$4,537,354	\$129,589	\$1,190,000	\$4,690,000	294.12%
Investment Earnings	\$95,043	\$15,303	-	-	-
Total Revenues	\$4,632,397	\$144,892	\$1,190,000	\$4,690,000	294.12%

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object in the Special Revenue Fund.

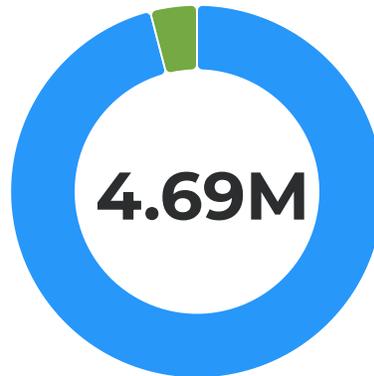
Historical Expenditures by Object



In FY2026, the Special Revenue Fund's total expenditures by object increased significantly to \$4.7 million, marking a 294.12% rise from the previous year's \$1.2 million. The largest category, Contingency, grew substantially to \$4.5 million, representing 95.95% of the total and an increase of \$3.5 million or 350% compared to the prior year.

Contractual Services remained steady at \$190,000, accounting for 4.05% of the total expenditures, with no change in amount from the previous year. Capital Expenditures, Maintenance & Repair, and Equipment/Improvements all remained at \$0, continuing their absence from the budget as in the prior year.

FY26 Expenditures by Object



● Contingency	\$4,500,000 95.95%
● Contractual Services	\$190,000 4.05%

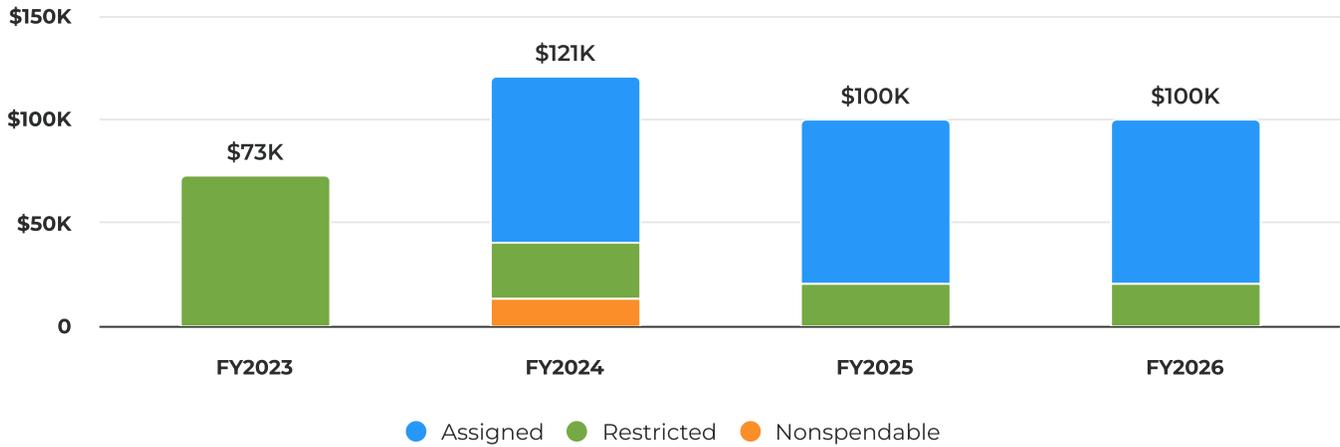
Expenditures by Object

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Contingency	-	-	\$1,000,000	\$4,500,000	350.00%
Capital Expenditures	-	\$11,000	-	-	-
Maintenance & Repair	\$1,525	\$1,647	-	-	-
Contractual Services	\$4,595,500	\$257,829	\$190,000	\$190,000	0.00%
Equipment/Improvement	-	\$5,660	-	-	-
Total Expenditures	\$4,597,025	\$276,137	\$1,190,000	\$4,690,000	294.12%

Fund Balance

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026. The Special Revenue Fund does not typically retain high levels of fund balance because most grants are reimbursement basis meaning the Town first spends the monies before receiving a reimbursement back into this fund. However, the Town deposits State lottery funds for transportation and Opioid Settlement Funds received before disbursement to local nonprofits. These types of revenues and investment earnings sometimes accumulate some fund balance retained by the Town to be used for restricted and assigned purposes.

Fund Balance Projections



In the Special Revenue Fund for FY2026, the Fund Balance Projections show that the Nonspendable category remains at \$0, consistent with the previous year. Similarly, the Restricted and Assigned categories also remain at \$20,000 and \$80,000 respectively, with no change from FY2025. Overall, there are no projected changes in any of the fund balance categories between FY2025 and FY2026.

Financial Summary

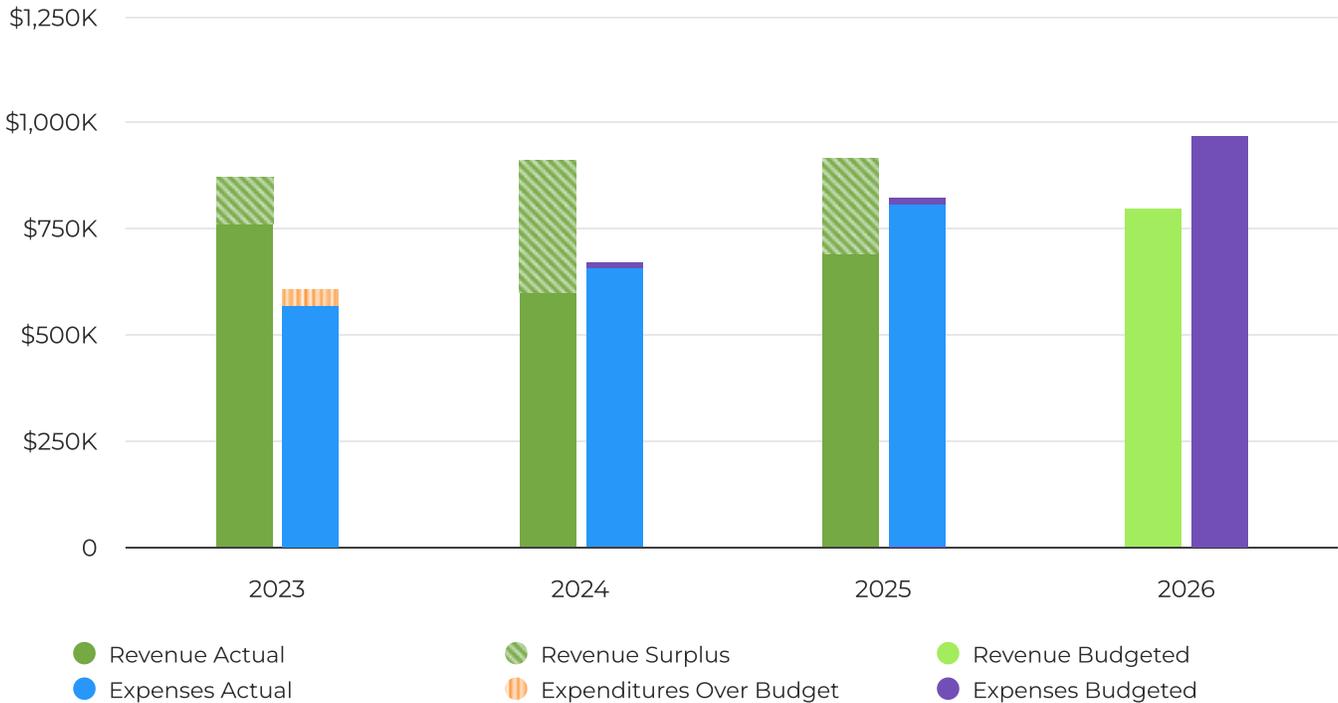
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Assigned	-	\$80,902	\$80,000	\$80,000	0.00%
Restricted	\$73,163	\$26,630	\$20,000	\$20,000	0.00%
Nonspendable	-	\$13,500	-	-	-
Total Fund Balance	\$73,163	\$121,032	\$100,000	\$100,000	-

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

Revenues vs Expenditures Summary



In the FY2026 budget for Economic Development Funds (Economic Development, Downtown and Tourism funds), the Expenses Budgeted increased to \$970,003, marking a 17.88% rise from the previous year's \$822,871. This continues the upward trend in expenses, though at a slightly lower rate compared to the 23.03% increase seen the prior year.

Revenue Budgeted for FY2026 also grew to \$798,759, reflecting a 15.54% increase from the FY2025 budgeted revenue of \$691,306. This percentage increase in revenue budget matches the previous year's growth rate, indicating consistent revenue expectations.

Comparing these figures, the budgeted expenses in FY2026 remain higher than the budgeted revenues, continuing the pattern observed in FY2025. The previous year's actual revenues exceeded budgeted revenues by 32.34%, reaching \$914,872, while actual expenses were slightly under budget at 97.91%, totaling \$805,682. These actual figures suggest that while the budget anticipates increased spending and revenue, actual revenues have previously outpaced budgeted amounts more significantly than expenses.

Comprehensive Fund Summary

The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 and FY2026 adopted budgets across these Economic Development Funds.

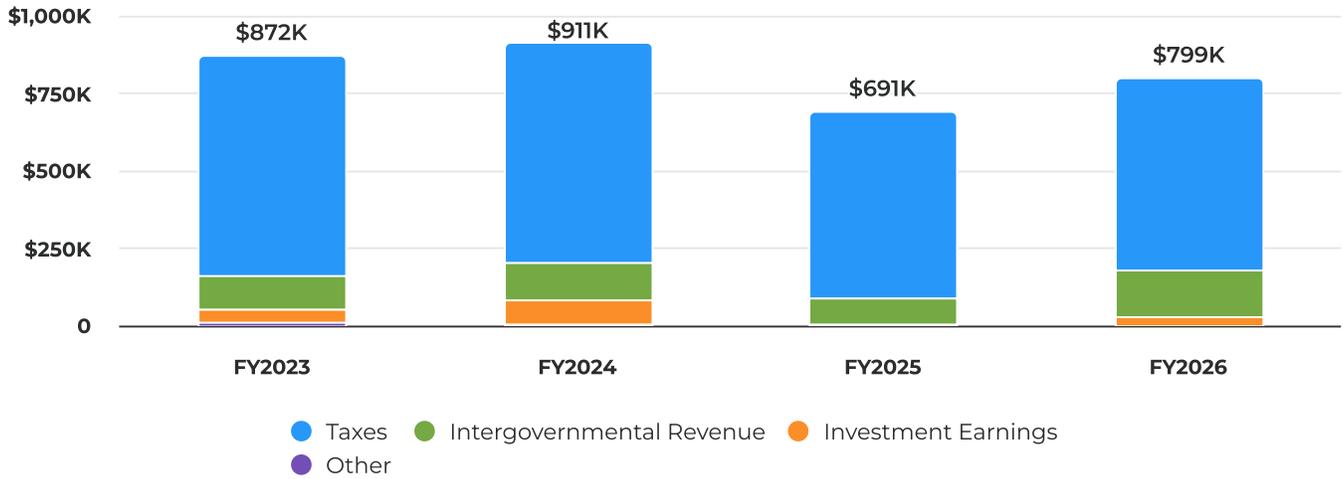
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$759,268	\$1,353,076	\$1,618,138	\$1,974,960	\$356,822
Revenues					
Taxes	\$709,872	\$708,963	\$606,286	\$621,163	\$14,877
Intergovernmental Revenue	\$113,360	\$119,793	\$84,000	\$150,000	\$66,000
Other	\$8,572	\$3,642	-	-	-
Investment Earnings	\$40,305	\$78,452	\$1,020	\$27,596	\$26,576
Total Revenues	\$872,109	\$910,850	\$691,306	\$798,759	\$107,453
Expenditures					
Payroll Expenses	\$217,803	\$248,750	\$286,525	\$299,008	\$12,483
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	\$5,000
Utilities	-	-	\$2,050	\$2,050	-
Contractual Services	\$172,061	\$347,295	\$440,429	\$570,078	\$129,649
Supplies	\$29,091	\$11,681	\$7,280	\$7,280	-
Equipment/Improvement	\$43	-	\$1,000	\$1,000	-
Total Expenditures	\$609,263	\$657,000	\$822,871	\$970,003	\$147,132
Total Revenues Less Expenditures	\$262,846	\$253,850	-\$131,565	-\$171,244	-\$39,679
Ending Fund Balance	\$1,022,114	\$1,606,926	\$1,486,573	\$1,803,716	\$317,143

Revenues by Source

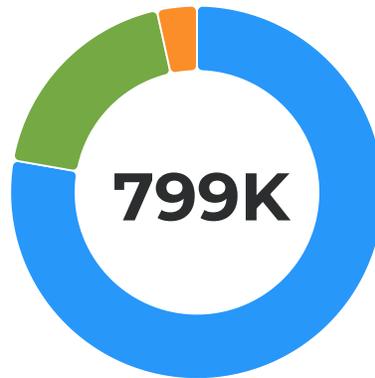
The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026 across the Economic Development Funds.

Historical Revenue by Source



In FY2026, the total revenue for Economic Development Funds increased by 15.54% to \$798,759 compared to the previous year. Taxes remained the largest revenue source, contributing \$621,163 or 77.77% of the total, which is a 2.45% increase of \$14,877 from the prior year. Intergovernmental Revenue saw a significant rise, increasing by 78.57% to \$150,000, now representing 18.78% of total revenue. Investment Earnings experienced the largest percentage growth due to the change in projection methodology, increasing by 2,605.49% to \$27,596, accounting for 3.45% of the total. The Other category remained at \$0, consistent with the previous year. Overall, the FY2026 budget reflects notable increases in Intergovernmental Revenue and Investment Earnings alongside a moderate growth in Taxes.

FY26 Revenues by Source



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

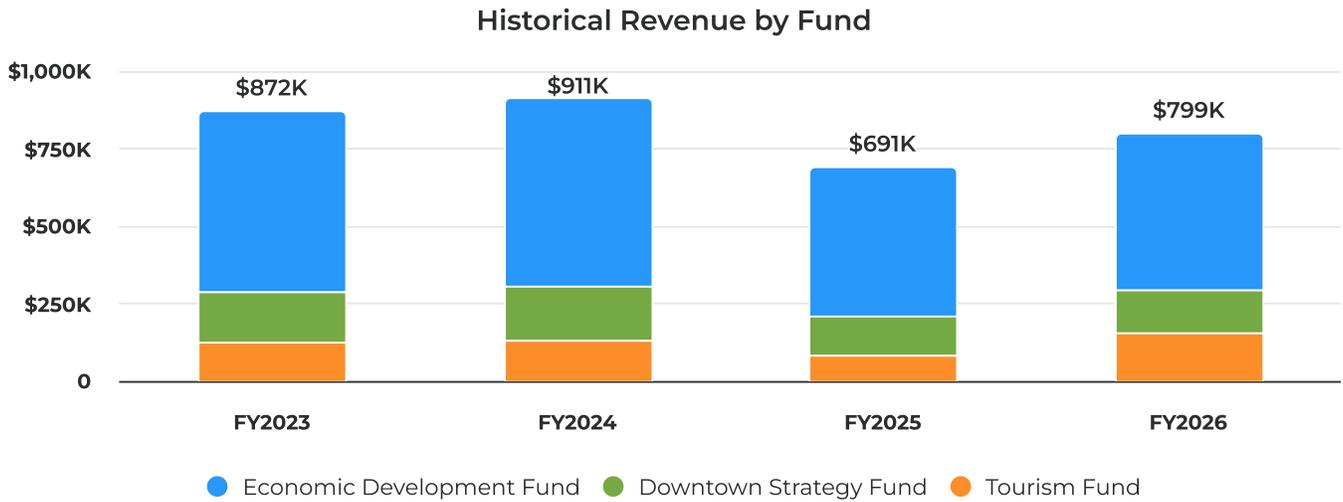
Revenues by Source

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%



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	\$872,109	\$910,850	\$691,306	\$798,759	15.54%

Revenues by Fund



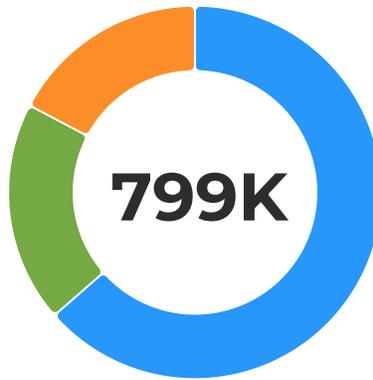
In FY2026, the total Economic Development Funds revenue increased by 15.54% to \$798,759 compared to the previous year. The Economic Development Fund remained the largest category, accounting for 63.56% of the total with \$507,696, which is a 4.62% increase of \$22,427 from the prior year.

The Tourism Fund saw the most significant growth, rising by 81.75% to \$153,000 and representing 19.15% of the total revenue. This increase of \$68,820 contrasts sharply with the previous year's decline in this category. This increase is due to the Town projecting higher levels of grant revenues for tourism purposes.

The Downtown Strategy Fund also experienced an increase, growing by 13.3% to \$138,063 and making up 17.28% of the total. This \$16,206 increase contributed to the overall revenue growth in FY2026.

Overall, all three major funds showed positive changes in FY2026, contributing to the total revenue growth of \$107,453.

FY26 Revenues by Fund



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

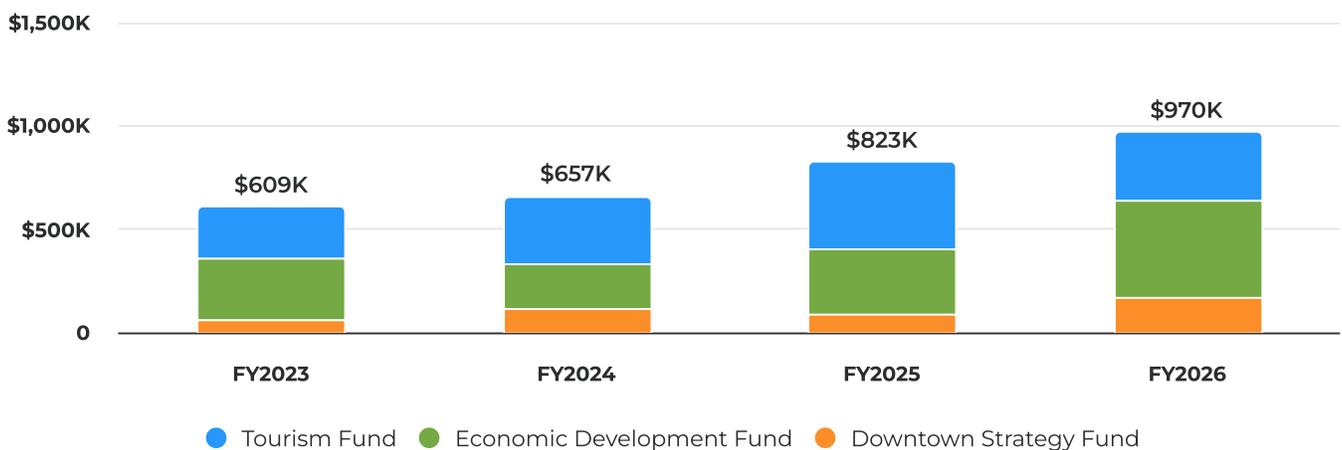
Revenues by Fund

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

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by Funds across the three funds that make up the Economic Development Funds.

Historical Expenditures by Fund

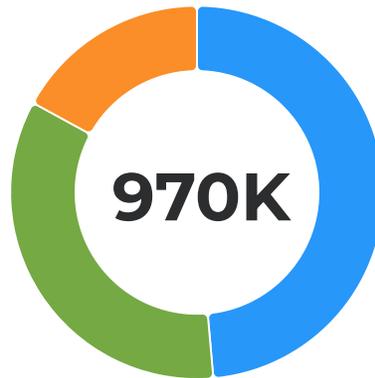


In FY2026, the total Economic Development Funds expenditures increased by 17.88% to \$970,003 compared to the previous year. The Economic Development Fund was the largest category, rising by 49.5% to \$471,378, representing 48.6% of the total budget, up from 38.32% in FY2025. This fund saw the most significant increase in dollar amount, growing by \$156,085.

The Tourism Fund, which was the largest category in FY2025 at 50.72% of the total, decreased by 20.11% to \$333,425 in FY2026, now accounting for 34.37% of the total expenditures. This represents a reduction of \$83,953 from the previous year.

The Downtown Strategy Fund experienced a substantial increase of 83.15%, rising to \$165,200 and making up 17.03% of the total budget. This was an increase of \$75,000 compared to FY2025, where it accounted for 10.96% of the total and had decreased the prior year.

FY26 Expenditures by Fund



● Economic Development Fund	\$471,378	48.60%
● Tourism Fund	\$333,425	34.37%
● Downtown Strategy Fund	\$165,200	17.03%

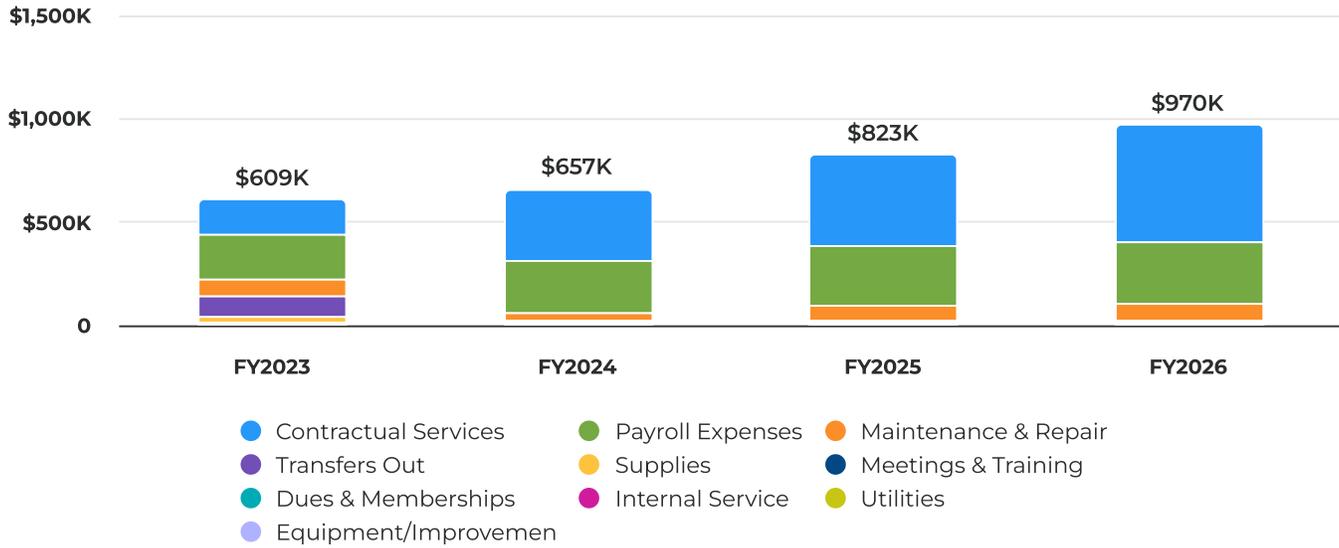
Expenditures by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Downtown Strategy Fund	\$54,623	\$109,910	\$90,200	\$165,200	83.15%
Economic Development Fund	\$306,816	\$216,703	\$315,293	\$471,378	49.50%
Tourism Fund	\$247,824	\$330,387	\$417,378	\$333,425	-20.11%
Total Expenditures	\$609,263	\$657,000	\$822,871	\$970,003	17.88%

Up through FY2025, the Economic Development Analyst position was paid by 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 Object

Historical Expenditures by Object

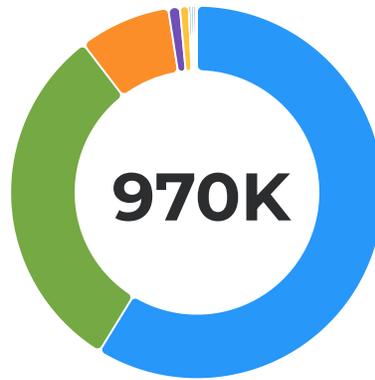


The Economic Development Funds' total expenditures increased by 17.88%, rising from \$822,871 in FY2025 to \$970,003 in FY2026. Contractual Services remained the largest expenditure category, growing by \$129,649 or 29.44% to \$570,078, which now represents 58.77% of the total budget, up from 53.52% the previous year.

Payroll Expenses, the second-largest category, increased by \$12,483 or 4.36% to \$299,008, though its share of the total decreased to 30.83% from 34.82%. Maintenance & Repair expenditures rose by \$5,000 or 6.95% to \$76,905, accounting for 7.93% of the total, a slight decrease in proportion compared to the prior year.

Spending on Meetings & Training, Supplies, Utilities, Internal Service, Dues & Memberships, Equipment/Improvements, and Transfers Out remained unchanged in dollar amounts from the previous year, with their percentage shares of the total budget slightly adjusted due to the overall increase in total expenditures.

FY26 Expenditures by Object



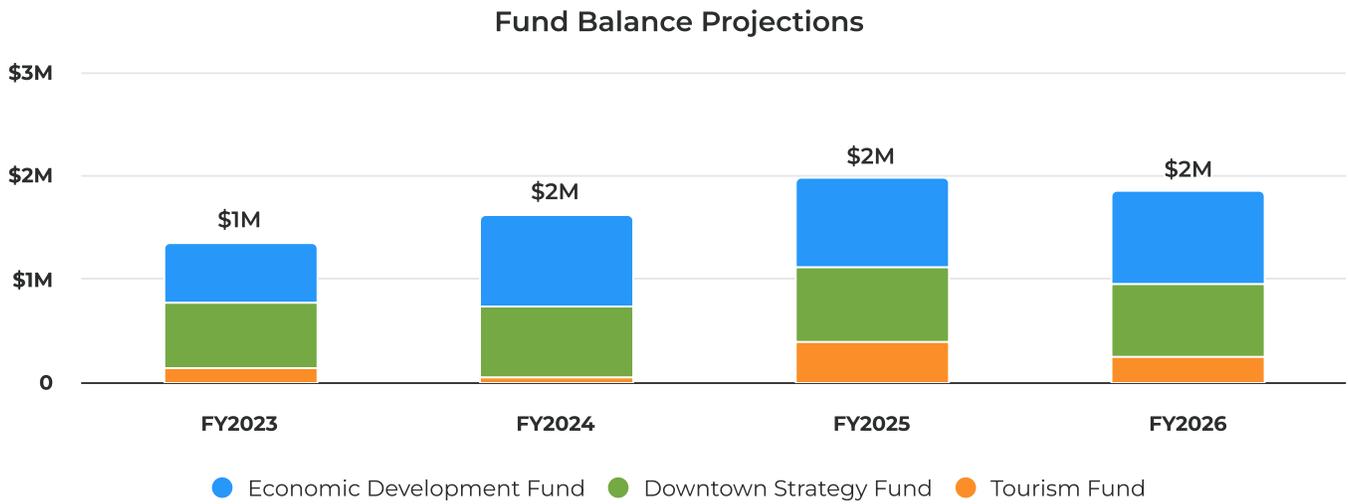
● Contractual Services	\$570,078	58.77%
● Payroll Expenses	\$299,008	30.83%
● Maintenance & Repair	\$76,905	7.93%
● Meetings & Training	\$9,820	1.01%
● Supplies	\$7,280	0.75%
● Utilities	\$2,050	0.21%
● Internal Service	\$2,008	0.21%
● Dues & Memberships	\$1,854	0.19%
● Equipment/Improvement	\$1,000	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	\$299,008	4.36%
Internal Service	\$2,283	\$1,713	\$2,008	\$2,008	0.00%
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	\$970,003	17.88%

Fund Balance

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026.



In FY2026, the Fund Balance Projections for the Economic Development Funds show a decrease across all three categories compared to FY2025. The Tourism Fund decreased from \$385,077 to \$250,000, a reduction of 35.08%. Similarly, the Economic Development Fund also declined by 35.08%, from \$385,077 to \$250,000. The Downtown Strategy Fund followed the same pattern, decreasing by 35.08% from \$385,077 to \$250,000. These reductions are due to increased spending in these funds while maintaining conservative projections.

Financial Summary

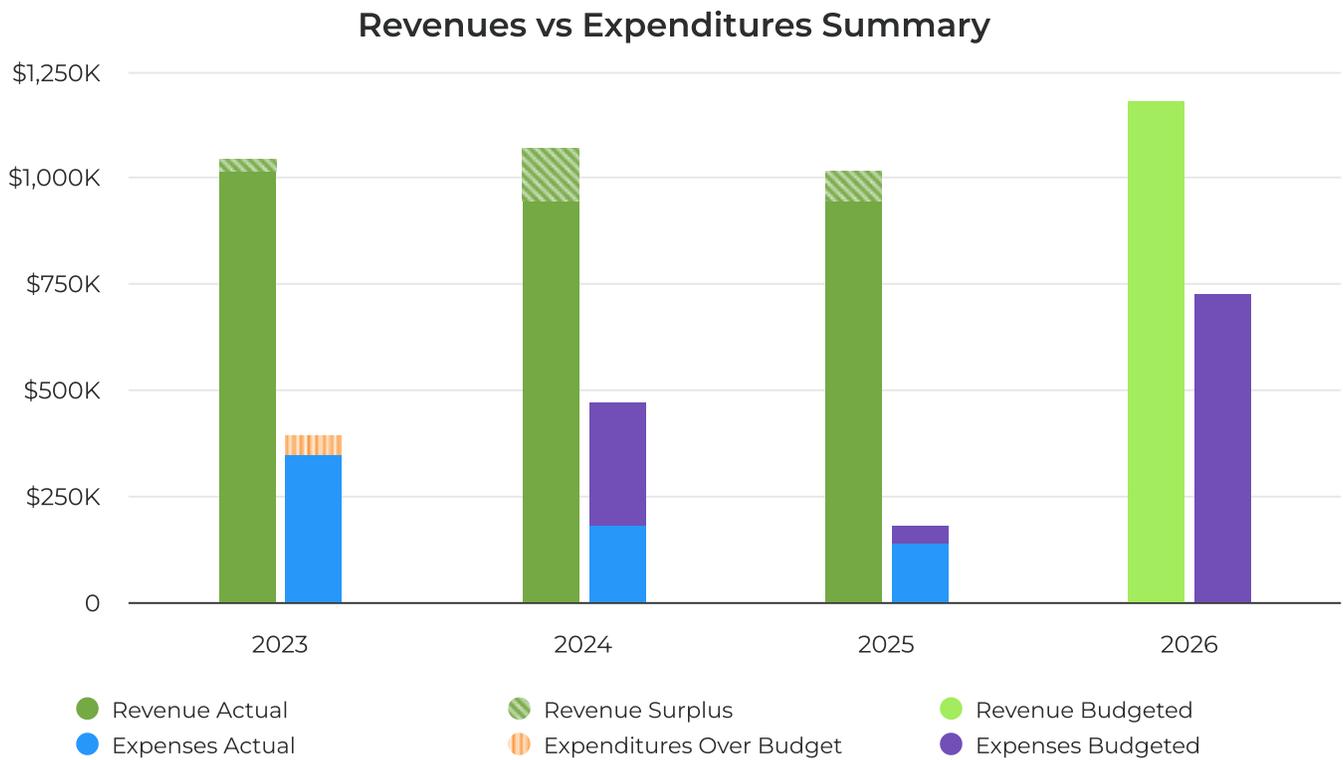
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
Downtown Strategy Fund	\$625,922	\$691,503	\$722,556	\$700,000	-3.12%
Economic Development Fund	\$592,942	\$888,323	\$867,327	\$900,000	3.77%
Tourism Fund	\$134,212	\$38,312	\$385,077	\$250,000	-35.08%
Total Fund Balance	\$1,353,076	\$1,618,138	\$1,974,960	\$1,850,000	-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



In FY2026, the All NonMajor Funds showed a significant increase in Expenses Budgeted, rising to \$727,429, which is a 306.83% increase from the previous year's \$178,802. This marks a substantial growth in planned expenditures compared to the prior year which can be attributed to budgeting for the replacement of two vehicles in the Vehicle Replacement Fund. One of the two vehicles is over \$300k for the Fire Department Brush Truck and the other vehicle is a replacement for a Public Works truck.

Revenue Budgeted for FY2026 also increased, reaching \$1.2 million, which is 24.34% higher than the \$947,924 budgeted in FY2025.

Comprehensive Fund Summary

The following comprehensive fund summary shows FY2023 and FY2024 actual revenues and expenditures compared with the FY2025 and FY2026 adopted budgets across all 11 nonmajor funds.

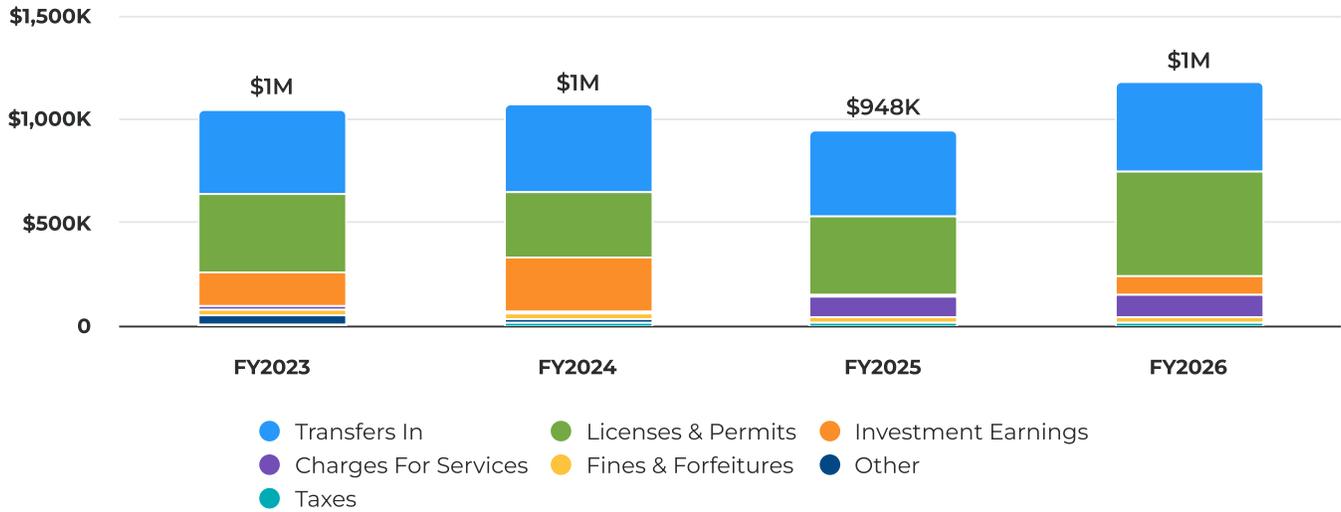
Comprehensive Fund Summary

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Beginning Fund Balance	\$4,355,888	\$5,021,344	\$5,525,415	\$6,626,577	\$1,101,162
Revenues					
Taxes	\$7,908	\$9,841	\$9,768	\$11,606	\$1,838
Transfers In	\$404,821	\$419,994	\$419,994	\$433,848	\$13,854
Licenses & Permits	\$380,962	\$323,749	\$379,550	\$507,465	\$127,915
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	\$87,110
Total Revenues	\$1,045,143	\$1,069,428	\$947,924	\$1,178,641	\$230,717
Expenditures					
Transfers Out	\$275,000	-	-	-	-
Contingency	-	-	\$60,000	\$84,000	\$24,000
Capital Expenditures	\$39,602	\$93,222	-	\$454,100	\$454,100
Debt Service	-	-	\$20,350	\$850	-\$19,500
Dues & Memberships	\$10	\$10	\$10	\$10	-
Maintenance & Repair	\$18,307	\$30,925	\$33,930	\$36,250	\$2,320
Contractual Services	\$12,978	\$13,298	\$16,962	\$104,669	\$87,707
Supplies	-	-	\$50	\$50	-
Equipment/Improvement	\$44,776	\$45,000	\$47,500	\$47,500	-
Total Expenditures	\$390,673	\$182,455	\$178,802	\$727,429	\$548,627
Total Revenues Less Expenditures	\$654,470	\$886,974	\$769,122	\$451,212	-\$317,910
Ending Fund Balance	\$5,010,358	\$5,908,318	\$6,294,537	\$7,077,789	\$783,252

Revenues by Source

The following revenue tables show all the Town's actual revenues for FY2023 and FY2024, as well as projected revenues for FY2025 and FY2026.

Historical Revenue by Revenue Source



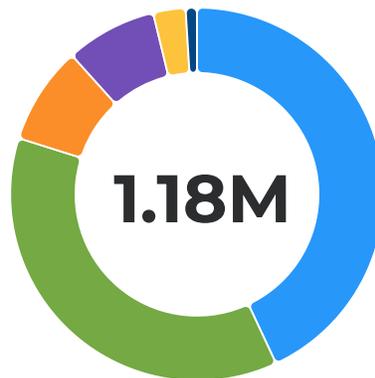
In FY2026, the total revenue for All NonMajor Funds increased by 24.34% to \$1.2 million compared to the previous year's \$947,924. Licenses & Permits remained the largest revenue source, rising significantly by 33.7% to \$507,465, now representing 43.06% of the total, up from 40.04% in FY2025.

Transfers In, the second-largest category, grew modestly by 3.3% to \$433,848, accounting for 36.81% of total revenue, a slight decrease in share from 44.31% the prior year. Charges for Services held steady at \$100,000, making up 8.48% of the total, unchanged from FY2025.

Investment Earnings saw a substantial rebound due to a change in projection methodology, increasing by 1,552.21% to \$92,722 and comprising 7.87% of total revenue, reversing the previous year's sharp decline. Fines & Forfeitures remained constant at \$33,000, though their share of total revenue decreased to 2.8% from 3.48%.

Taxes increased by 18.82% to \$11,606, representing 0.98% of total revenue, a slight decrease in proportion compared to the prior year. The Other category remained at \$0, consistent with the previous year.

FY26 Revenues by Source



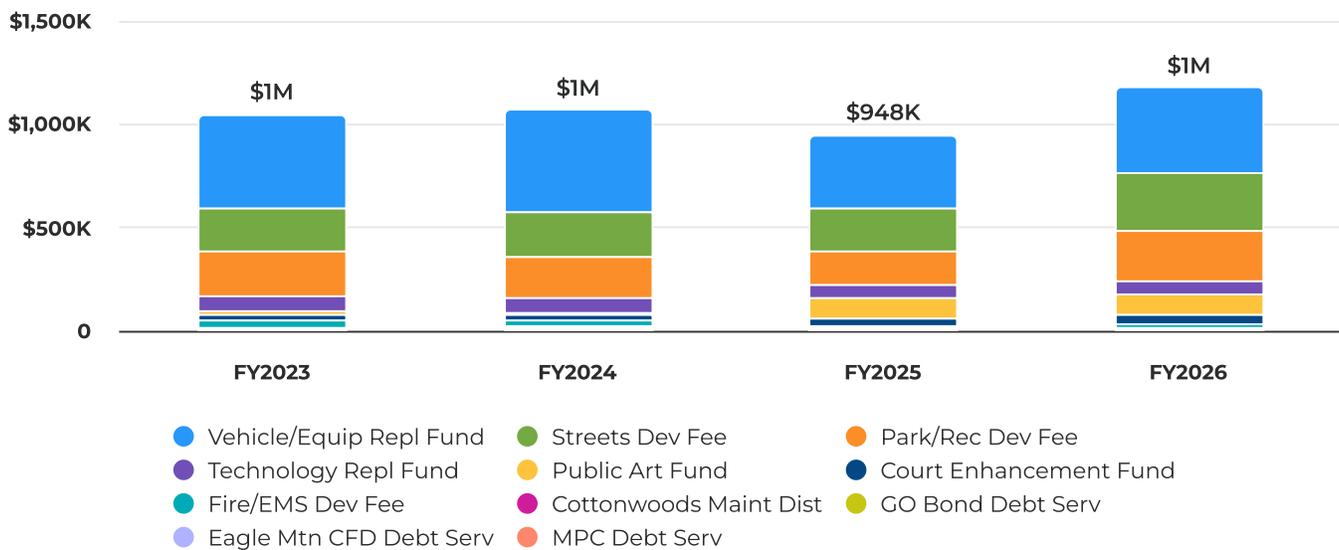
● Licenses & Permits	\$507,465	43.06%
● Transfers In	\$433,848	36.81%
● Charges For Services	\$100,000	8.48%
● Investment Earnings	\$92,722	7.87%
● Fines & Forfeitures	\$33,000	2.80%
● Taxes	\$11,606	0.98%

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	\$7,908	\$9,841	\$9,768	\$11,606	18.82%
Transfers In	\$404,821	\$419,994	\$419,994	\$433,848	3.30%
Licenses & Permits	\$380,962	\$323,749	\$379,550	\$507,465	33.70%
Charges For Services	\$16,193	\$5,000	\$100,000	\$100,000	0.00%
Other	\$42,326	\$20,725	-	-	-
Fines & Forfeitures	\$28,535	\$28,097	\$33,000	\$33,000	0.00%
Investment Earnings	\$164,400	\$262,023	\$5,612	\$92,722	1,552.21%
Total Revenues	\$1,045,143	\$1,069,428	\$947,924	\$1,178,641	24.34%

Revenues by Fund

Historical Revenue by Fund



The total revenue for All NonMajor Funds in FY2026 is \$1.2 million, representing a 24.34% increase from the previous year's total of \$947,924. The Vehicle/Equip Repl Fund remains the largest category, accounting for 35.41% of the total with \$417,389, which is a 16.27% increase of \$58,395 from the prior year.

Significant growth is observed in the Streets Development Impact Fee Fund, which rose by 39.47% to \$281,368, now making up 23.87% of the total revenue. Similarly, the Park/Rec Development Impact Fee Fund increased by 42.33% to \$237,728, representing 20.17% of the total. These two categories show the largest dollar increases among the funds.

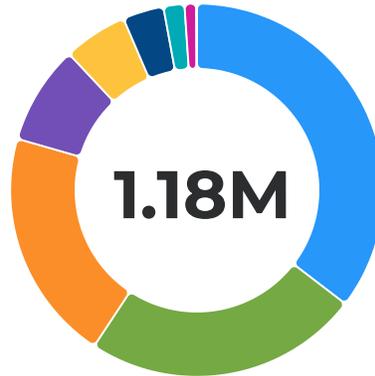
The Public Art Fund remains relatively stable at \$100,820, a slight increase of 0.58%, and constitutes 8.55% of the total revenue. The Technology Replacement Fund also saw a moderate increase of 5.66% to \$65,511, making up 5.56% of the total.

Other notable increases include the Court Enhancement Fund, which grew by 25.49% to \$41,789 (3.55% of total), the Fire/EMS Dev Fee, which rose by 54.79% to \$21,330 (1.81% of total), and the Cottonwoods Maintenance Dist, which increased by 22.01% to \$12,006 (1.02% of total).



Decreases were observed in the GO Bond Debt Services, which declined by 16.67% to \$500, and the MPC Debt Service, which fell by 33.33% to \$200. The Eagle Mountain CFD Debt Service dropped 100% to \$0.

FY26 Revenues by Fund



Vehicle/Equip Repl Fund	\$417,389	35.41%
Streets Dev Fee	\$281,368	23.87%
Park/Rec Dev Fee	\$237,728	20.17%
Public Art Fund	\$100,820	8.55%
Technology Repl Fund	\$65,511	5.56%
Court Enhancement Fund	\$41,789	3.55%
Fire/EMS Dev Fee	\$21,330	1.81%
Cottonwoods Maint Dist	\$12,006	1.02%
GO Bond Debt Serv	\$500	0.04%
MPC Debt Serv	\$200	0.02%

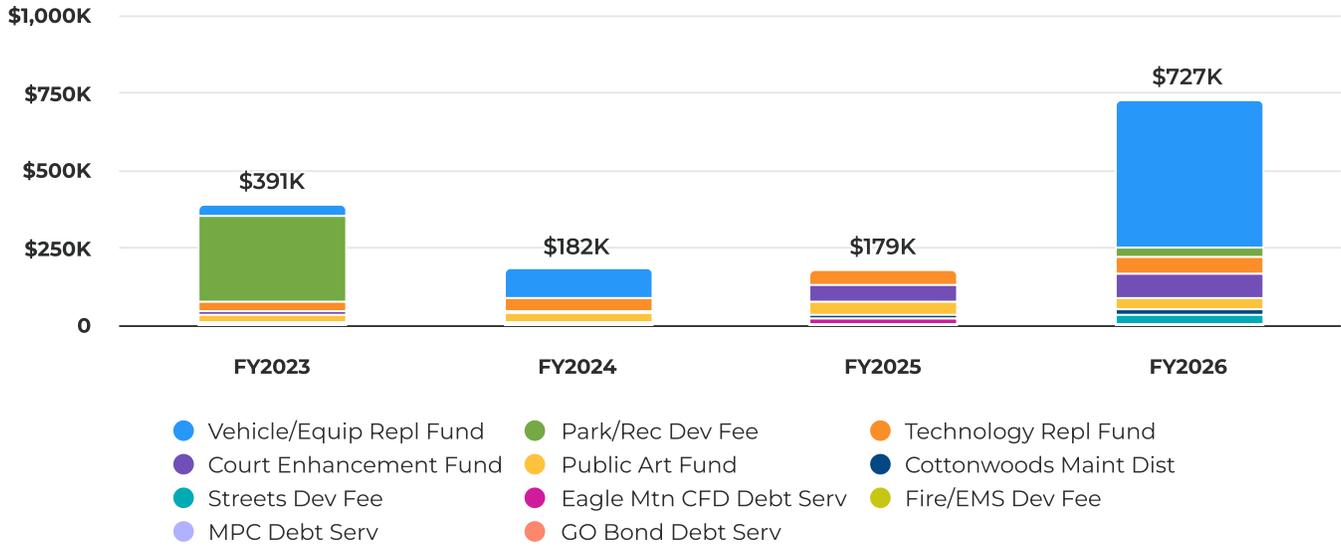
Revenues by Fund

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%
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	\$417,389	16.27%
Total Revenues	\$1,045,143	\$1,069,428	\$947,924	\$1,178,641	24.34%

Expenditures by Fund

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 across all 11 nonmajor funds.

Historical Expenditures by Fund



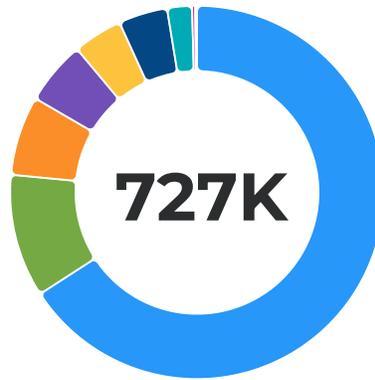
In FY2026, the total expenditures for All NonMajor Funds increased significantly to \$727,429, marking a 306.83% rise from the previous year's total of \$178,802. The largest expenditure category in FY2026 is the Vehicle/Equip Replacement Fund, which accounts for 65.86% of the total at \$479,100, a substantial increase from \$0 in the prior year.

The Court Enhancement Fund remains a key category, rising by \$25,000 or 47.62% to \$77,500, to account for new contracted court security services. The Technology Replacement Fund held steady at \$50,000, representing 6.87% of the total with no change from the previous year. The Public Art Fund saw a slight decrease of \$1,547 or 3.7%, totaling \$40,214 and comprising 5.53% of the budget.

New notable expenditures include the Streets Development Impact Fee and Park/Rec Development Impact Fee Funds, which were \$31,146 (4.28%) and \$30,840 (4.24%) respectively, both absent in the prior year. The Cottonwoods Maintenance District increased by \$1,424 or 10.04% to \$15,605, now making up 2.15% of the total. The Fire/EMS Development Impact Fee appeared with \$1,964, representing 0.27% of the budget.

Significant decreases occurred in the Eagle Mountain CFD Fund, which dropped sharply by \$19,300 or 98.97% to \$200, and the Public Art Fund, which declined slightly. The MPC Debt Service and GO Bond Debt Service Funds remained unchanged at \$510 and \$350 respectively, each constituting less than 1% of the total expenditures.

FY26 Expenditures by Fund



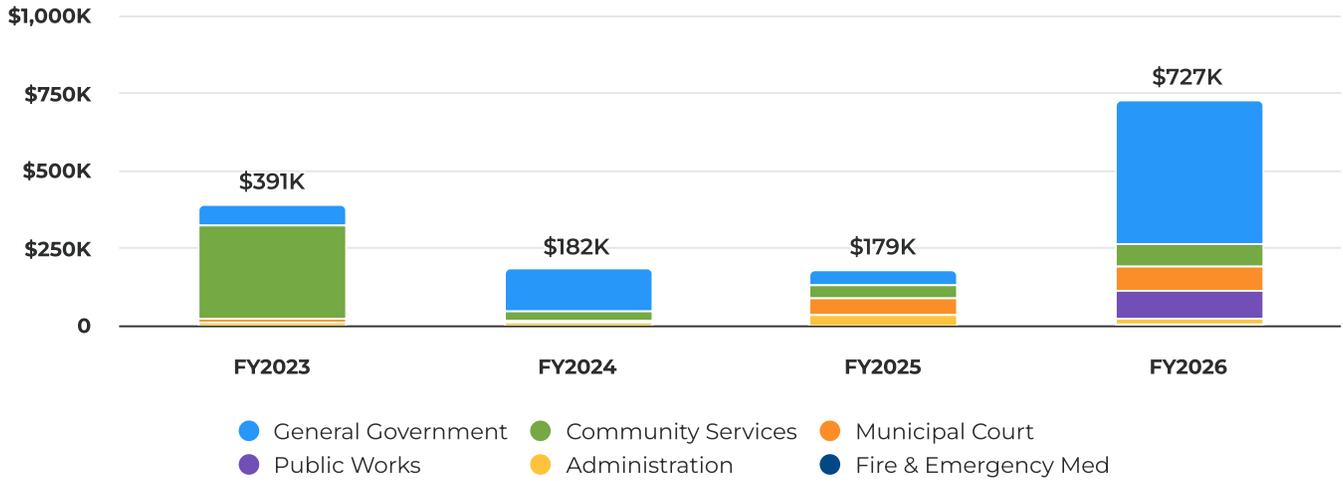
● Vehicle/Equip Repl Fund	\$479,100	65.86%
● Court Enhancement Fund	\$77,500	10.65%
● Technology Repl Fund	\$50,000	6.87%
● Public Art Fund	\$40,214	5.53%
● Streets Dev Fee	\$31,146	4.28%
● Park/Rec Dev Fee	\$30,840	4.24%
● Cottonwoods Maint Dist	\$15,605	2.15%
● Fire/EMS Dev Fee	\$1,964	0.27%
● MPC 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	\$31,464	\$41,761	\$40,214	-3.70%
Court Enhancement Fund	\$15,929	\$5,000	\$52,500	\$77,500	47.62%
GO Bond Debt Serv	-	-	\$350	\$350	0.00%
Eagle Mtn CFD Debt Serv	\$88	\$198	\$19,500	\$200	-98.97%
MPC Debt Serv	\$10	\$10	\$510	\$510	0.00%
Cottonwoods Maint Dist	\$7,351	\$7,561	\$14,181	\$15,605	10.04%
Fire/EMS Dev Fee	-	-	-	\$1,964	-
Streets Dev Fee	-	-	-	\$31,146	-
Park/Rec Dev Fee	\$275,000	-	-	\$30,840	-
Technology Repl Fund	\$28,936	\$45,000	\$50,000	\$50,000	0.00%
Vehicle/Equip Repl Fund	\$39,602	\$93,222	-	\$479,100	-
Total Expenditures	\$390,673	\$182,455	\$178,802	\$727,429	306.83%

Expenditures by Department

Historical Expenditures by Department

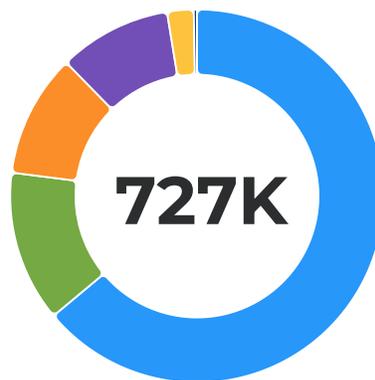


In FY2026, total expenditures for All NonMajor Funds increased significantly to \$727,429, a 306.83% rise from the previous year's \$178,802. General Government became the largest expenditure category, accounting for 63.92% of the total at \$465,000, which is an \$415,000 increase or 830% growth from the prior year. Public Works, previously at zero, now represents 13.09% of the total with \$95,246 in expenditures.

Municipal Court expenditures rose to \$77,500, making up 10.65% of the total and increasing by \$25,000 or 47.62%. Community Services also saw a notable increase to \$71,054, 9.77% of the total, up \$29,293 or 70.14%. Fire & Emergency Medical expenditures appeared at \$1,964, representing 0.27% of the total.

Conversely, Administration expenditures decreased by \$17,876 or 51.75%, falling to \$16,665 and comprising 2.29% of the total. This marks a significant reduction compared to the previous year when Administration accounted for 19.32% of expenditures.

FY26 Expenditures by Department



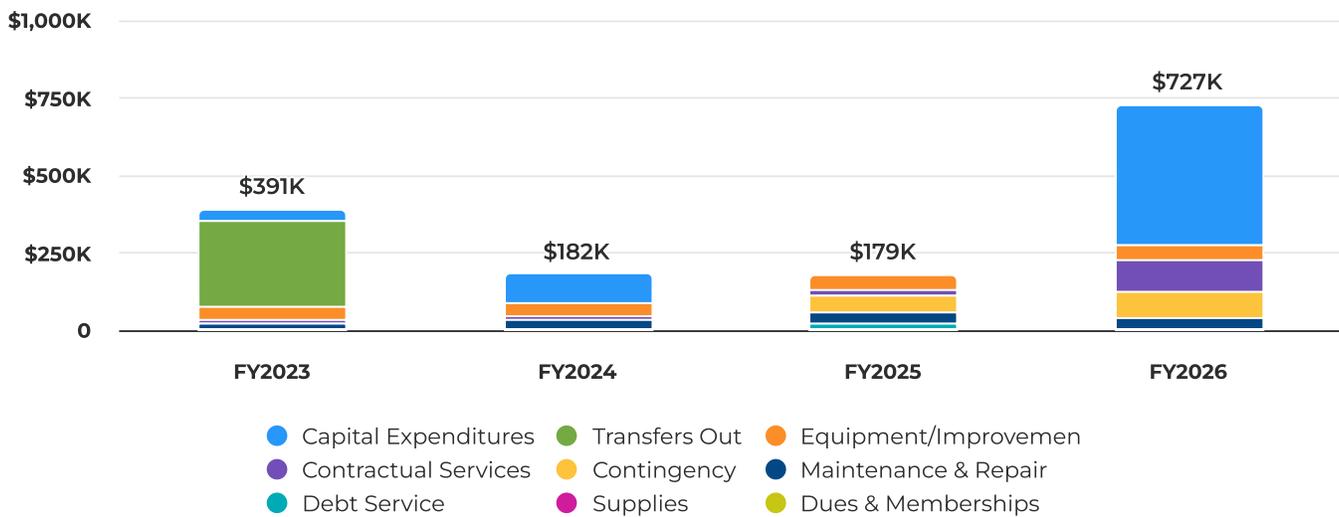
General Government	\$465,000	63.92%
Public Works	\$95,246	13.09%
Municipal Court	\$77,500	10.65%
Community Services	\$71,054	9.77%
Administration	\$16,665	2.29%
Fire & Emergency Med	\$1,964	0.27%

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 Administration	\$15,929	\$5,000	\$52,500	\$77,500	47.62%
General Government	\$7,449	\$7,769	\$34,541	\$16,665	-51.75%
Public Works	\$68,538	\$138,222	\$50,000	\$465,000	830.00%
Community Services	-	-	-	\$95,246	-
Fire & Emergency Med	\$298,756	\$31,464	\$41,761	\$71,054	70.14%
	-	-	-	\$1,964	-
Total Expenditures	\$390,673	\$182,455	\$178,802	\$727,429	306.83%

Expenditures by Object

Historical Expenditures by Object



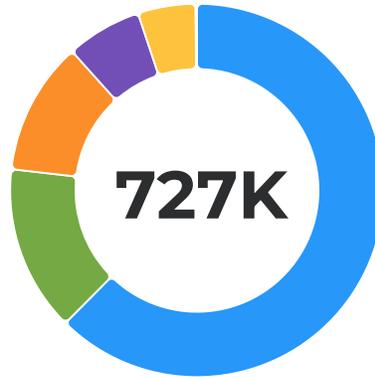
In FY2026, the total expenditures for All NonMajor Funds increased significantly to \$727,429, representing a 306.83% rise from the previous year's total of \$178,802. The largest expenditure category shifted to Capital Expenditures, which rose from \$0 to \$454,100 for two vehicle replacements, now accounting for 62.43% of the total budget.

Contractual Services also saw a substantial increase, growing by \$87,707 or 517.08% to \$104,669, making up 14.39% of the total. Contingency expenditures increased by \$24,000 or 40%, reaching \$84,000 and representing 11.55% of the budget. Maintenance & Repair expenses rose by \$2,320 or 6.84% to \$36,250, accounting for 4.98% of the total.

Equipment/Improvements remained steady at \$47,500, comprising 6.53% of the budget, with no change from the previous year. Supplies and Dues & Memberships held minimal shares at \$50 and \$10 respectively, unchanged from the prior year.

Debt Service experienced a significant decrease, dropping by \$19,500 or 95.82% to \$850, now only 0.12% of the total expenditures. Transfers Out remained at \$0.

FY26 Expenditures by Object



● 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%

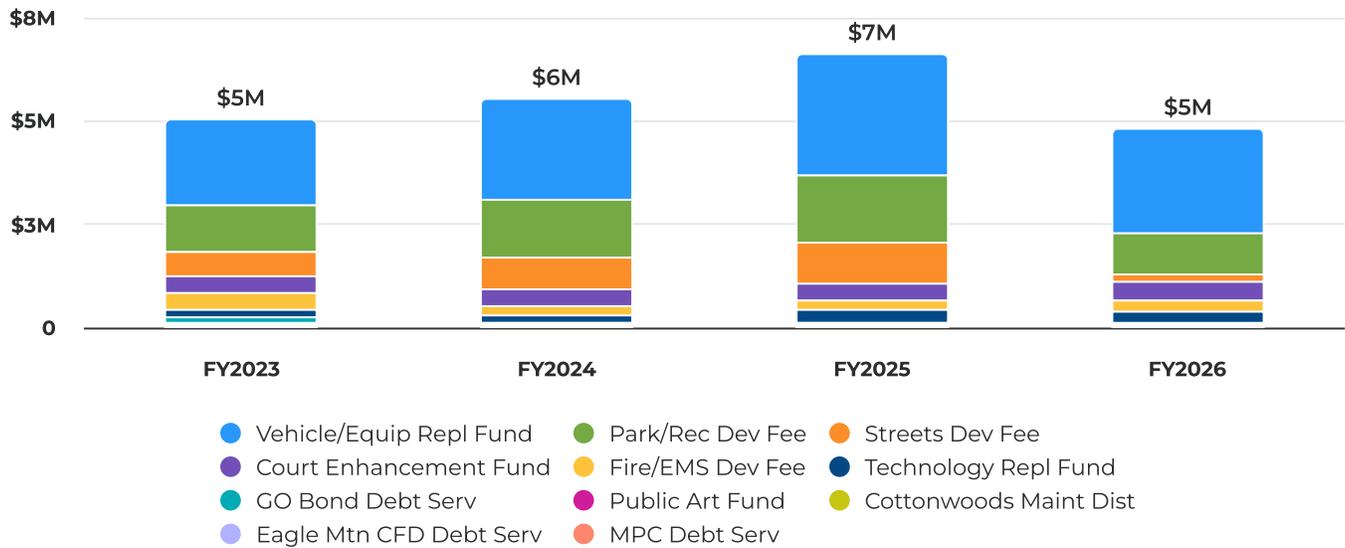
Expenditures by Object

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%
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

The following table shows actual ending fund balances for FY2023 and FY2024 and projected ending fund balances for FY2025 and FY2026.

Fund Balance Projections



In FY2026, the Fund Balance Projections for All Nonmajor funds show a consistent decrease across all categories compared to FY2025. Each fund, including the Vehicle/Equipment Replacement Fund, Technology Replacement Fund, Cottonwoods Maintenance District, Court Enhancement Fund, Public Art Fund, Park/Rec Dev Fee, Streets Dev Fee, Fire/EMS Dev Fee, MPC Debt Service, Eagle Mountain CFD, and GO Bond Debt Service funds, are projected at a combined \$2.5 million. This represents a uniform decline of 14.7% from the previous year's \$2.9 million in each fund.

The largest category in FY2025, which was shared equally among all funds at \$2.9 million each, decreases by the same percentage in FY2026, maintaining the equal distribution but at a lower fund balance level. The total fund balance across all nonmajor funds thus reflects a notable reduction, with each fund contributing to this overall downward trend.

Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026	FY 2025 vs. FY 2026 (% Change)
GO Bond Debt Serv	\$155,273	\$26,236	\$27,814	\$30,000	7.86%
Eagle Mtn CFD Debt Serv	\$19,146	\$20,010	\$21,881	-	-100.00%
MPC Debt Serv	\$11,427	\$12,045	\$12,062	\$12,500	3.63%
Fire/EMS Dev Fee	\$419,221	\$205,093	\$225,486	\$250,000	10.87%
Streets Dev Fee	\$546,764	\$761,353	\$1,002,548	\$200,000	-80.05%
Park/Rec Dev Fee	\$1,164,139	\$1,363,233	\$1,640,411	\$1,000,000	-39.04%
Public Art Fund	\$64,583	\$41,023	\$37,798	\$30,000	-20.63%
Court Enhancement Fund	\$415,678	\$439,487	\$420,000	\$450,000	7.14%
Cottonwoods Maint Dist	\$15,339	\$18,507	\$21,881	\$23,000	5.11%
Technology Repl Fund	\$160,181	\$185,834	\$286,023	\$300,000	4.89%
Vehicle/Equip Repl Fund	\$2,049,593	\$2,452,594	\$2,930,673	\$2,500,000	-14.70%
Total Fund Balance	\$5,021,344	\$5,525,415	\$6,626,577	\$4,795,500	-27.63%

Funding Sources Overview

The following sections summarize the Town's primary revenue sources and projected FY2026 revenues. Per Arizona law and financial policies, 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 Town's total 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 the Council's adoption of tax rates and ordinances dictating the allocation of these revenues:

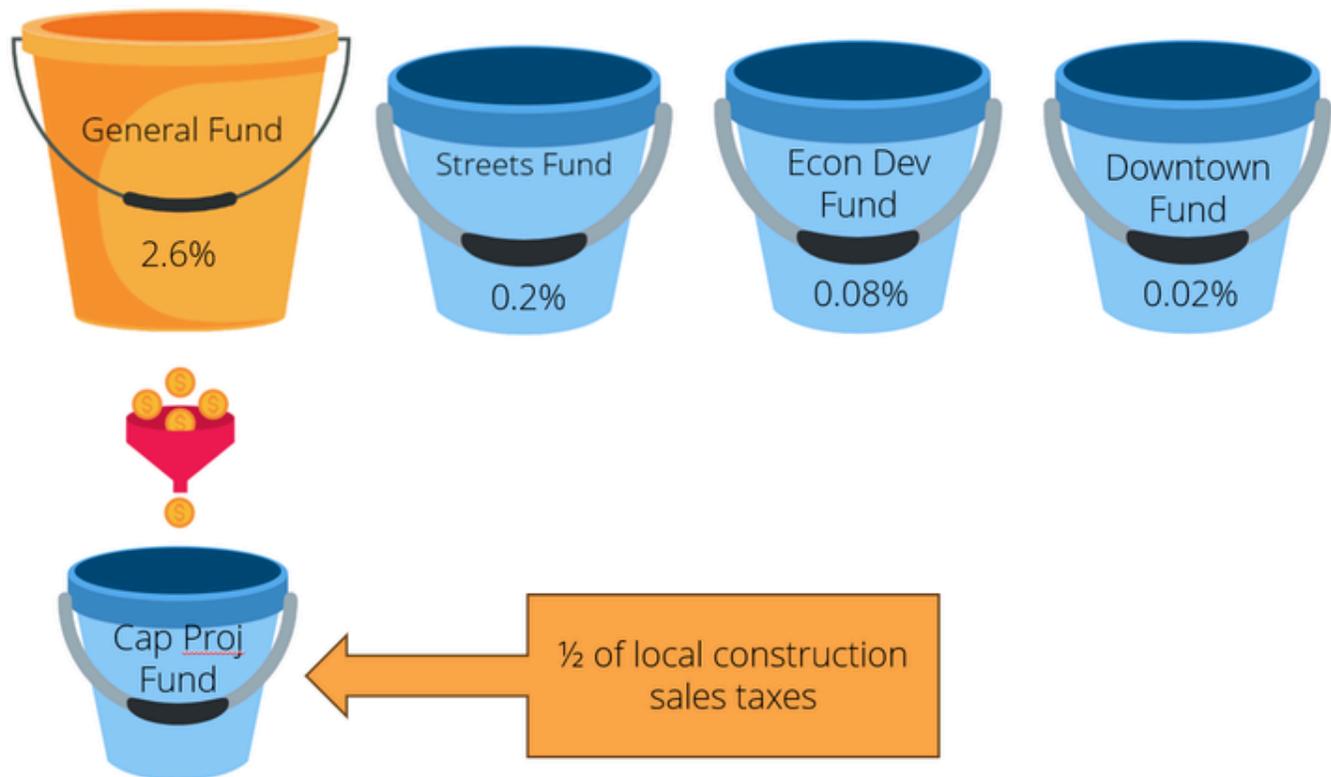
- General Fund - 2.6%
- Streets Fund - 0.2%
- Economic Development Fund - 0.08% (80% of 0.1%)
- Downtown Strategy Fund - 0.02% (20% of 0.1%)
- Capital Projects Fund - 50% of construction local sales tax revenues - transferred from the General Fund each month

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, which is 9.2% for almost all taxable activity pertaining to the Town. 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

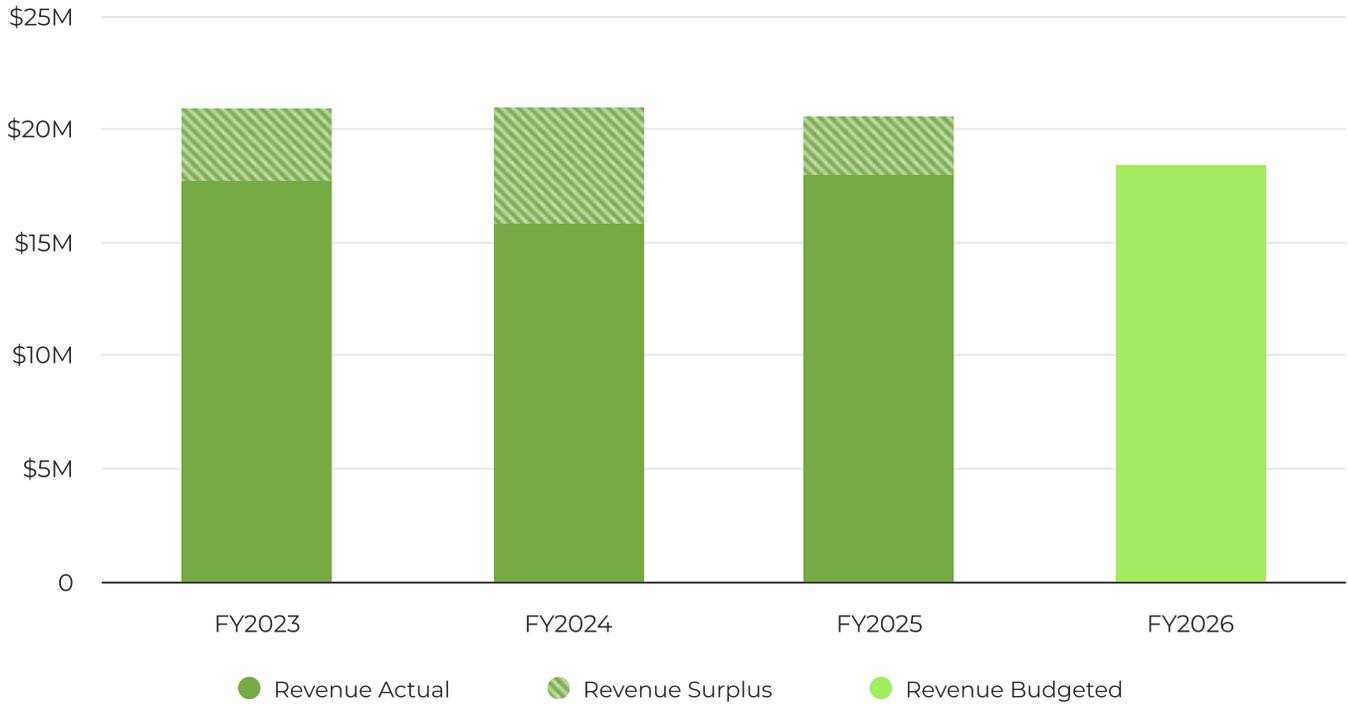
Below is an illustration of how the Finance Division allocates local sales tax revenues received by the Town throughout each fiscal year:



Revenue Summary

Finance monitored local sales revenue throughout FY2025, and presented quarterly updates to the Council, which showed that these revenues showed slowing growth in most categories and plateaus or drops in others. In particular, the State of Arizona eliminated local sales taxes on long-term residential rentals (on rentals 30 days or more at a time) as of January 1, 2025. These factors were taken into consideration while preparing FY2026 conservative revenue projections, which resulted in just a slightly increased projection from the prior year.

Historical Revenues Across Sources

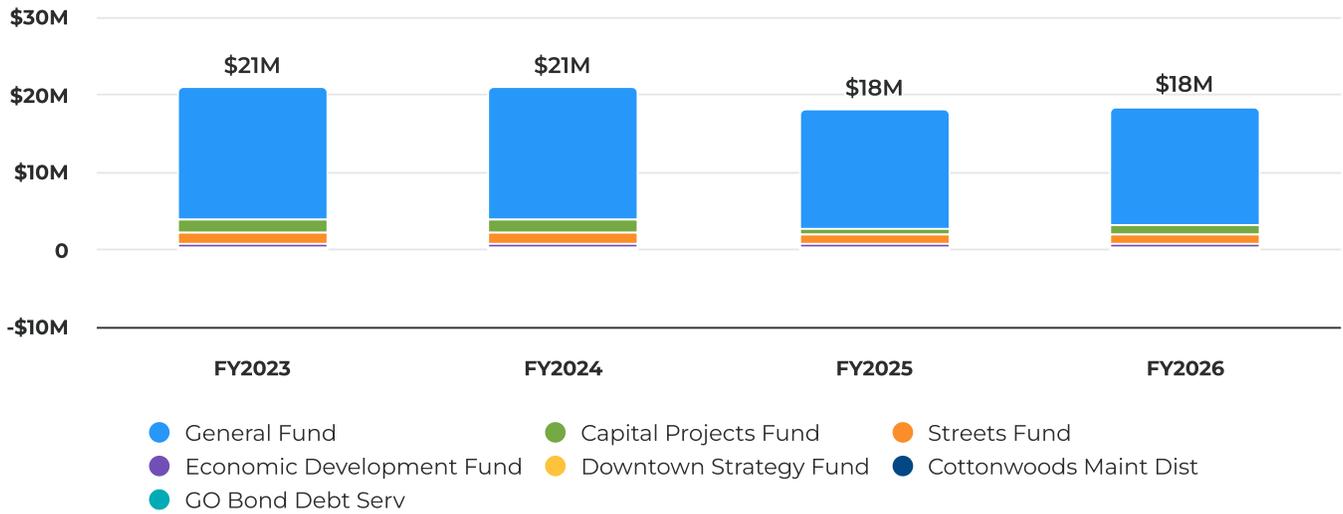


In FY2026, the Transaction Privilege Taxes revenue budget is set at \$18.4 million, reflecting a 2.19% increase from the previous year's budget of \$18 million. This follows a prior year actual revenue of \$20.5 million, which was 1.84% lower than the year before but exceeded the budget by 14.2%.

The budgeted revenue for FY2026 shows a continued upward trend, though at a more moderate rate compared to the significant 13.55% increase seen in the previous budget year. The FY2026 budget remains below the prior year's actual revenue, indicating a more conservative estimate relative to actual collections in FY2025.

Revenues by Fund

These charts illustrate how much local sales tax revenues are projected within each fund, including about 83% for the General Fund. As noted earlier, local sales tax revenues are the largest Town's revenue source, and it is critical to understand where the majority of these monies are deposited to understand how the Town funds its various programs.

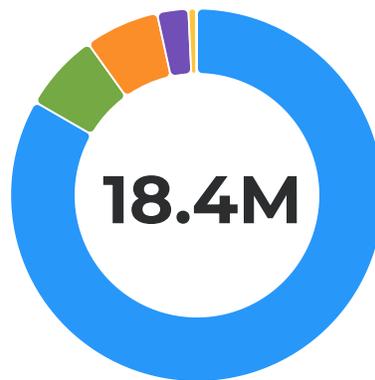


In FY2026, the total Transaction Privilege Taxes revenue across all funds increased by 2.19% to \$18.4 million compared to the previous year. The General Fund remained the largest category, accounting for 83.33% of the total at \$15.3 million, showing a slight increase of \$63,438 or 0.42% from the prior year.

The Capital Projects Fund experienced the most significant growth, rising by 31.31% to \$1.2 million, an increase of \$283,351. This fund's share of the total was 6.47%, up from 5.03% the previous year. The Streets Fund also saw a modest increase of 2.45%, reaching \$1.2 million and representing 6.76% of the total revenue.

Other funds showed smaller increases: the Economic Development Fund grew by 2.45% to \$496,930 (2.7% of total), the Downtown Strategy Fund increased by 2.45% to \$124,233 (0.68% of total), and the Cottonwoods Maintenance District rose by 18.82% to \$11,606, now making up 0.06% of the total. The GO Bond Debt Service Fund remained at \$0, consistent with the previous year.

FY26 Revenues by Fund



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

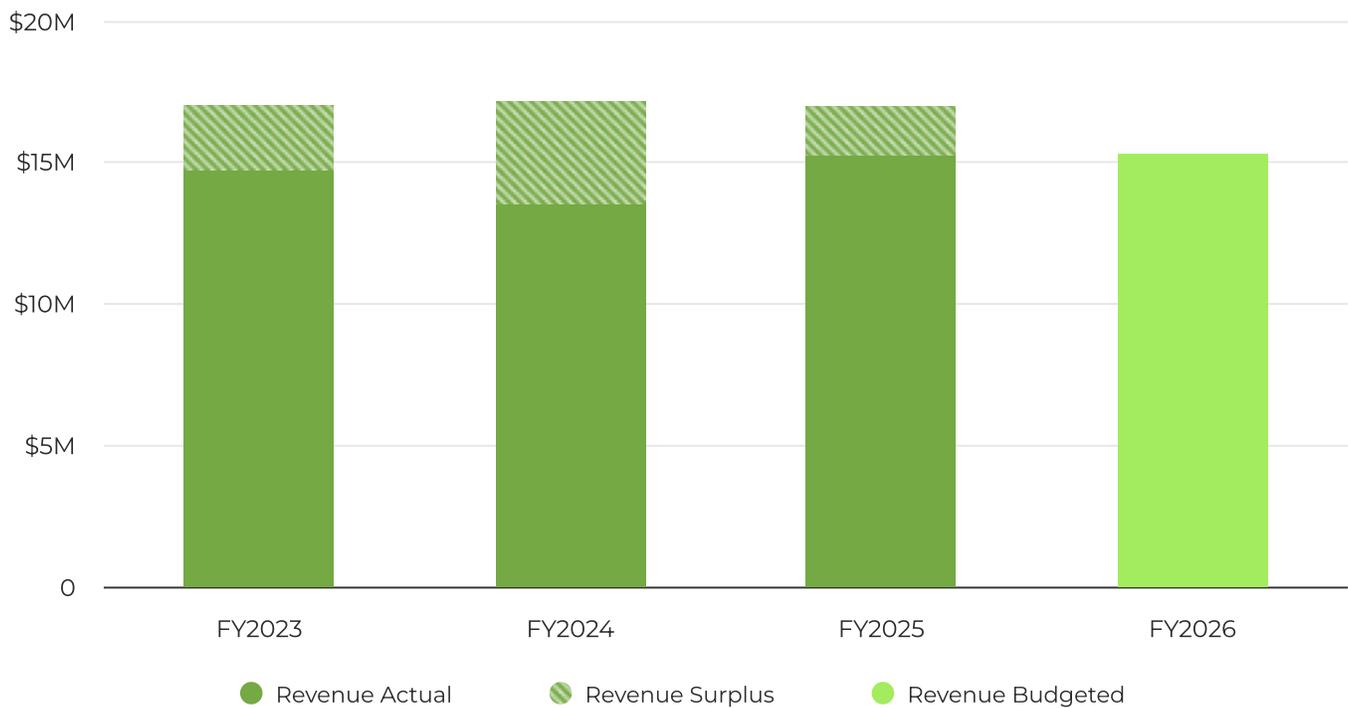
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$17,022,932	\$17,185,635	\$15,248,589	\$15,312,027	0.42%
Streets Fund	\$1,419,744	\$1,417,926	\$1,212,573	\$1,242,326	2.45%
Downtown Strategy Fund	\$141,974	\$141,793	\$121,257	\$124,233	2.45%
Economic Development Fund	\$567,898	\$567,170	\$485,029	\$496,930	2.45%
GO Bond Debt Serv	-\$870	\$26	-	-	-
Cottonwoods Maint Dist	\$8,778	\$9,815	\$9,768	\$11,606	18.82%
Capital Projects Fund	\$1,724,626	\$1,598,522	\$904,856	\$1,188,207	31.31%
Total Revenues	\$20,885,081	\$20,920,887	\$17,982,072	\$18,375,329	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. Additionally, the Town transfers half of the construction sales taxes that have been received from the General Fund into the Capital Projects Fund each month to support the Capital Improvement Plan. After these considerations, the Town projects that about 83% of total local sales tax collections (or about \$15.3 million) will be deposited into the General Fund during FY2026.

Revenue Summary

Historical Revenues Across Sources



For FY2026, the TPT - General Fund revenue budget is set at \$15.3 million, reflecting a modest increase of 0.42% from the previous year's budget of \$15.2 million. This follows a prior year when the actual revenue reached \$17 million, which was 1.37% lower than the year before but exceeded the budget by 11.16%.

Revenues by Source

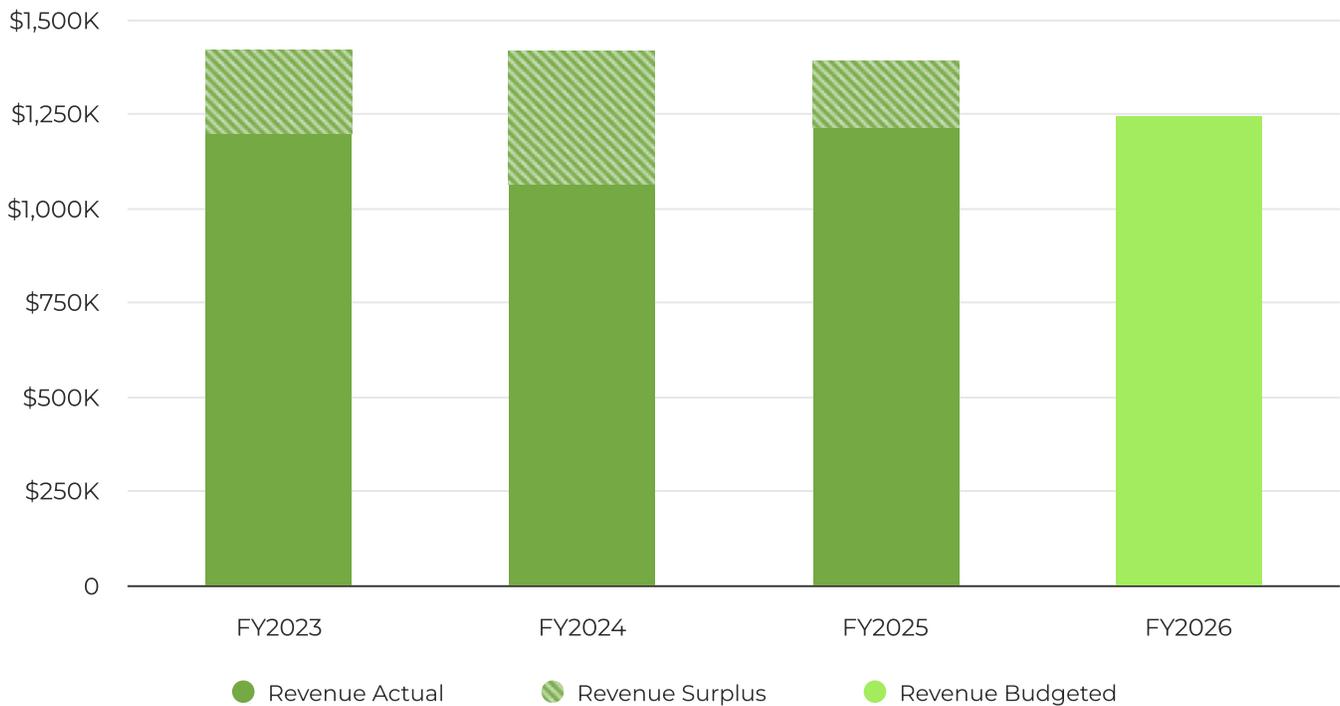
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$17,022,932	\$17,185,635	\$15,248,589	\$15,312,027	0.42%
Total Revenues	\$17,022,932	\$17,185,635	\$15,248,589	\$15,312,027	0.42%

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. The Town is projecting \$1.24 million of TPT revenue in the Streets Fund for FY2026, which is a slight increase of 2.5% from the prior year's projection.

Revenue Summary

Historical Revenues Across Sources



In FY2026, the TPT - Streets Fund has a budgeted revenue of \$1.2 million, reflecting a 2.45% increase from the previous year's budgeted revenue of \$1.2 million in FY2025. This follows a 13.9% increase in budgeted revenue from the prior period to FY2025. Comparing actual revenues, FY2025 saw \$1.4 million in actual revenue, which was 1.79% lower than the previous period but exceeded the budgeted amount by 14.84%. The FY2026 budgeted revenue remains steady at \$1.2 million, indicating a more conservative estimate compared to the actual revenue realized in FY2025.

Revenues by Source

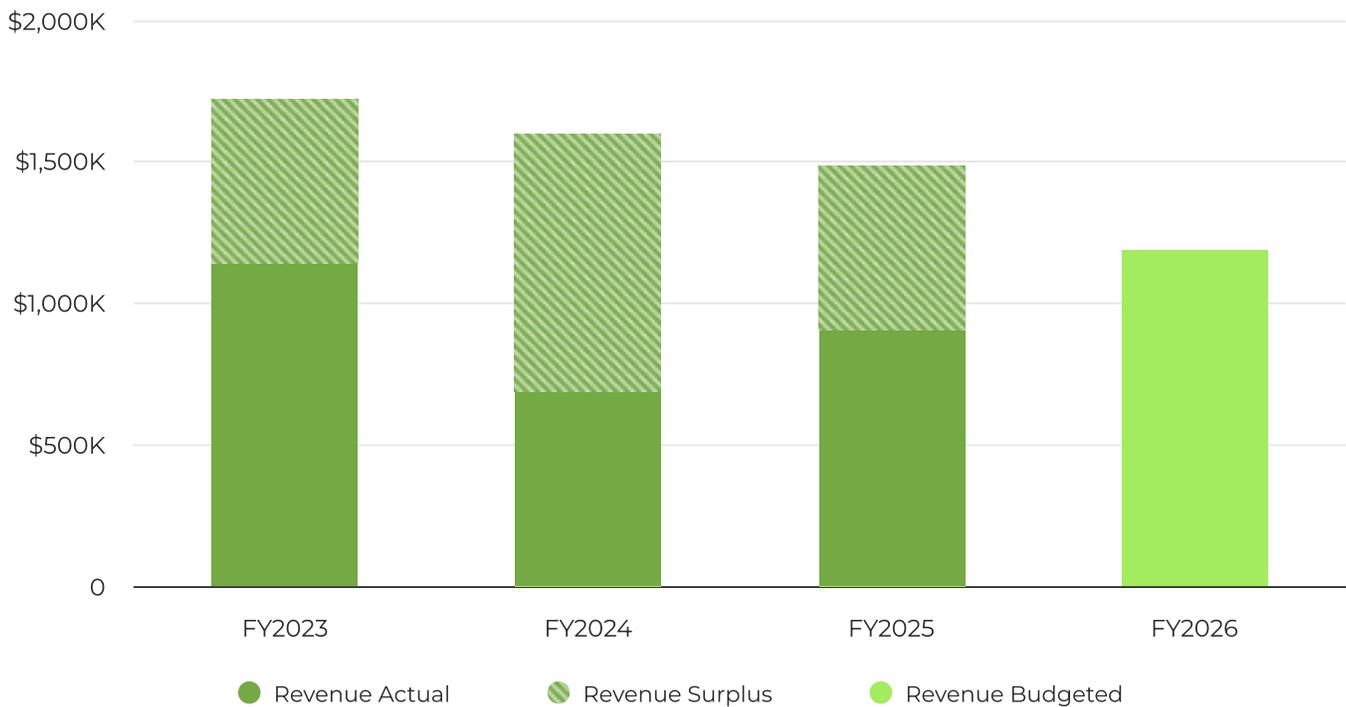
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$1,419,744	\$1,417,926	\$1,212,573	\$1,242,326	2.45%
Total Revenues	\$1,419,744	\$1,417,926	\$1,212,573	\$1,242,326	2.45%

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. Although the Town does not project transfers from the General Fund, FY2026 projections include \$1.19 million, which represents half of the construction sales taxes projected to be collected by the Town. This is an increased projection of 31.3% from the prior year's projection, due to strong recent collections over the past three years and upcoming planned development.

Revenue Summary

Historical Revenues Across Sources



The TPT - Capital Projects Fund's budgeted revenue for FY2026 is \$1.2 million, reflecting a 31.31% increase from the previous year's budgeted revenue of \$904,856. This continues the upward trend seen from FY2024 to FY2025, where budgeted revenue rose by 32.05% to \$904,856. In FY2025, actual revenue reached \$1.5 million, which was 7.04% lower than the prior period's actual revenue but still 164.22% of the budgeted amount for that year. The FY2026 budgeted revenue of \$1.2 million remains below the FY2025 actual revenue but shows a significant increase compared to the FY2025 budgeted figure.

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%

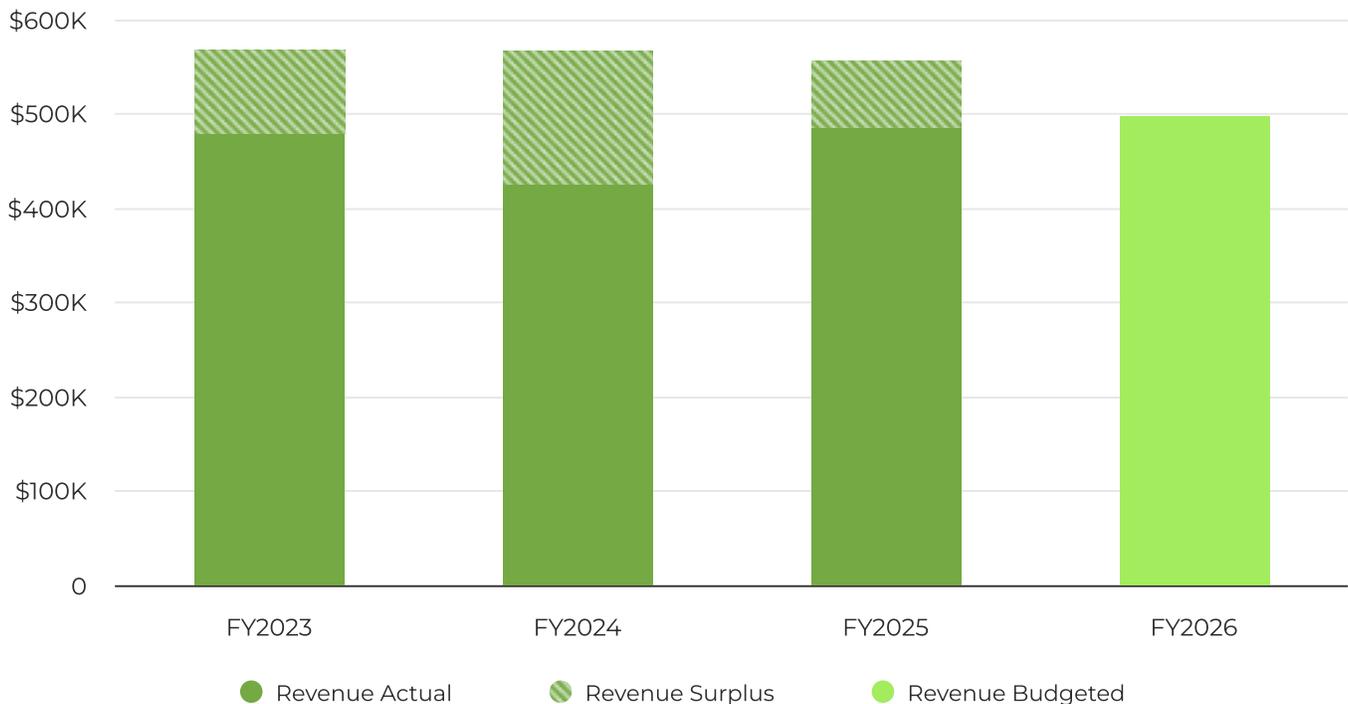
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Total Revenues	\$1,724,626	\$1,598,522	\$904,856	\$1,188,207	31.31%

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. The Town projects \$497K of FY2026 TPT revenue in the Economic Development Fund, which represents an increase of 2.5% from the prior year's projections.

Revenue Summary

Historical Revenues Across Sources



In FY2026, the TPT - Economic Development Fund's revenue budget is set at \$496,930, reflecting a 2.45% increase from the previous year's budget of \$485,029. This follows a notable 13.9% increase in the FY2025 budget compared to its prior period. Comparing actual revenues, FY2025 saw \$557,001 collected, which was 1.79% lower than the previous period but exceeded the budget by 14.84%. The FY2026 budget anticipates a modest growth in revenues relative to the FY2025 budget, though it remains below the FY2025 actual revenue figure.

Revenues by Source

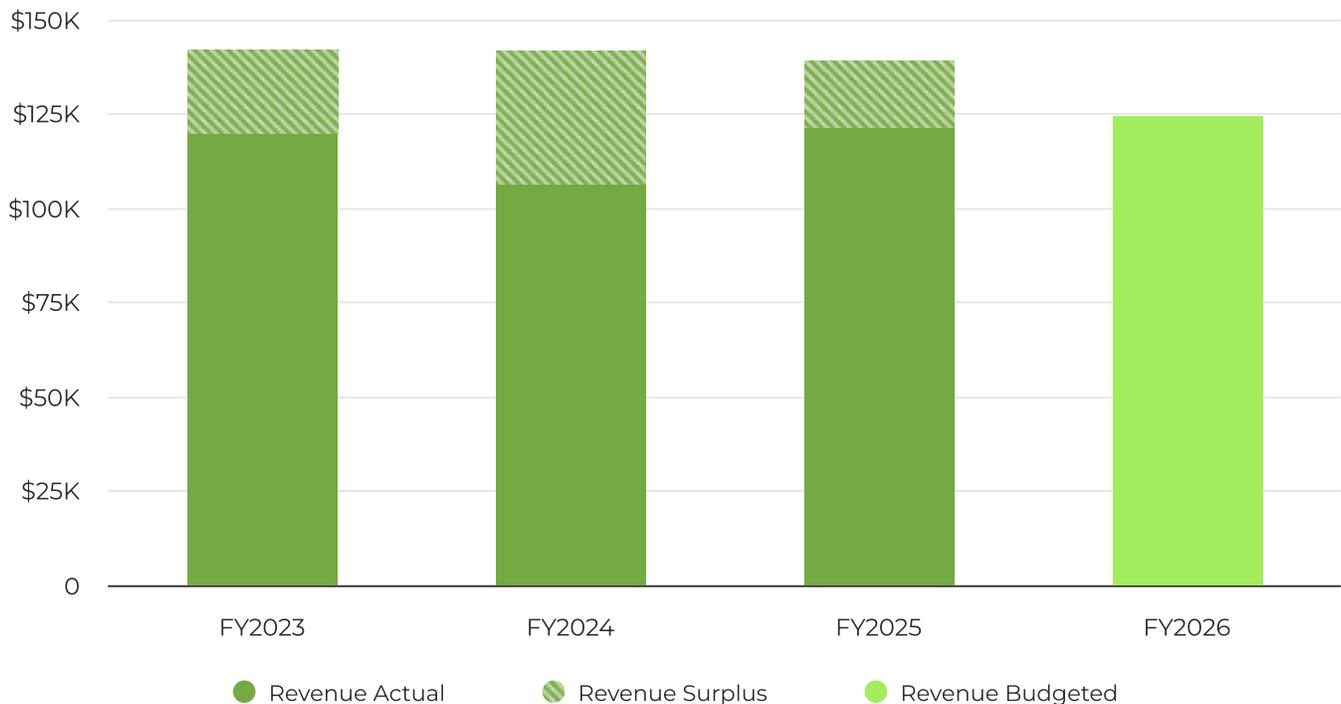
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Taxes	\$567,898	\$567,170	\$485,029	\$496,930	2.45%
Total Revenues	\$567,898	\$567,170	\$485,029	\$496,930	2.45%

TPT - Downtown Strategy Fund

The Town deposits 20% of 0.1% (or 0.02%) 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. The Town projects \$124K of FY2026 TPT revenue in the Economic Development Fund, which represents an increase of 2.5% from the prior year's projections.

Revenue Summary

Historical Revenues Across Sources



The TPT - Downtown Strategy Fund's total revenue budget for FY2026 is \$124,233, reflecting a 2.45% increase from the previous year's budget of \$121,257. This follows a notable 13.9% increase in the FY2025 budget compared to its prior period. Actual revenue in FY2025 was \$139,250, which was 1.79% lower than the previous period but exceeded the budgeted amount by 14.84%.

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	\$141,793	\$121,257	\$124,233	2.45%
Total Revenues	\$141,974	\$141,793	\$121,257	\$124,233	2.45%

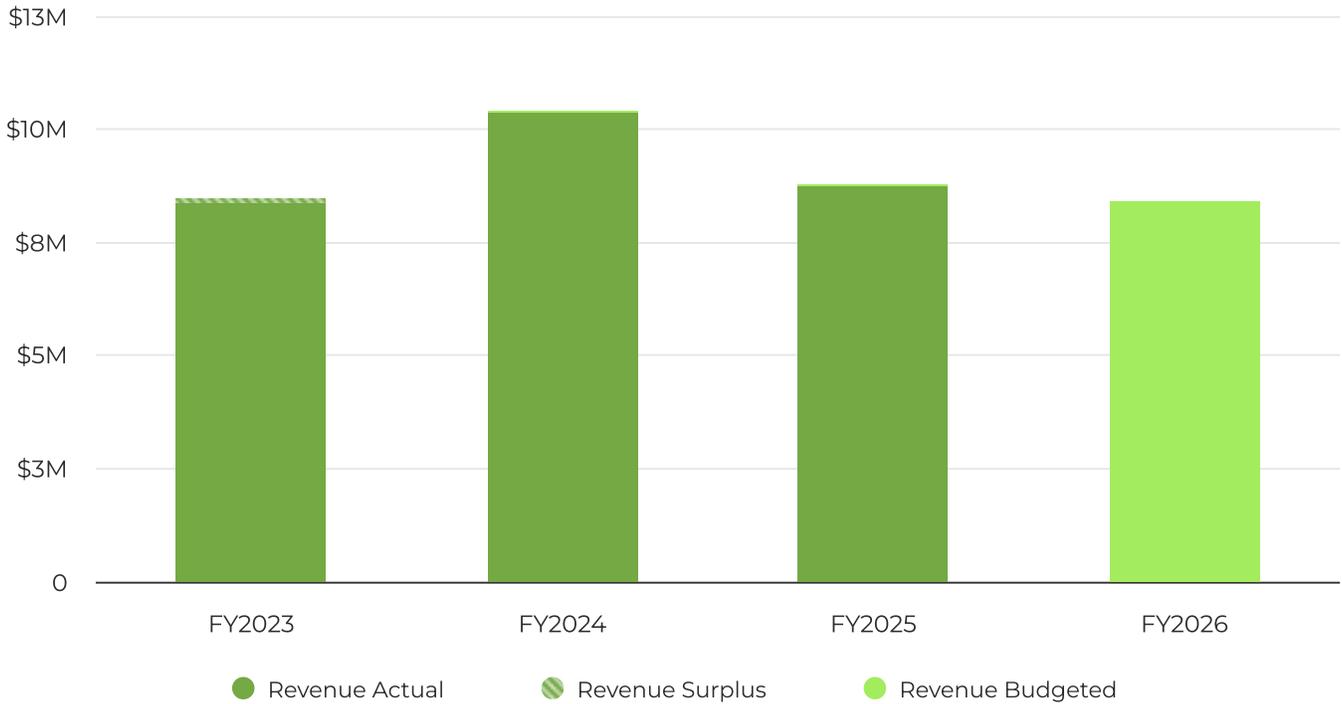
State Shared Revenues - General Fund

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 (also noted as intergovernmental revenue in this budget book) 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



In FY2026, the State Shared Revenues for the General Fund are budgeted at \$8.4 million, representing a 4.25% decrease from the previous year's budget of \$8.8 million. This follows a notable 15.42% decline in the FY2025 budget compared to its prior period. The actual revenue collected in FY2025 was \$8.7 million, which was 15.54% lower than the prior period and closely aligned with the budget at 99.5% of the budgeted amount.

The trend indicates a continued reduction in budgeted revenues for FY2026, though the rate of decrease has slowed compared to the sharper decline experienced in FY2025. The budgeted amount for FY2026 remains below the FY2025 actual revenue, highlighting a cautious approach to revenue expectations for the upcoming year.

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	\$10,349,568	\$8,785,604	\$8,412,654	-4.25%
Total Revenues	\$8,456,527	\$10,349,568	\$8,785,604	\$8,412,654	-4.25%

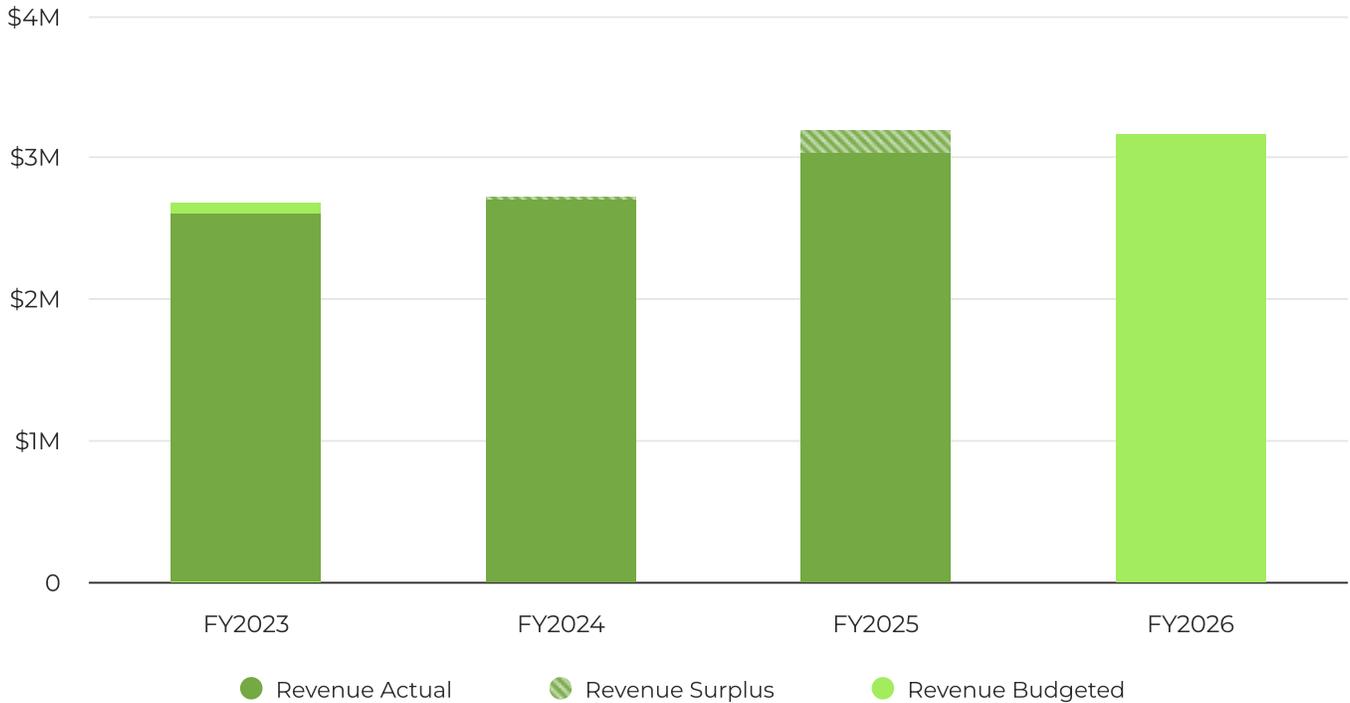
State Shared Revenues - Streets Fund

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 revenues 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



In the State Shared Revenues - Streets Fund for FY2026, the revenue budget is set at \$3.2 million, reflecting a 4.26% increase from the previous year's budget of \$3 million. This follows a notable 12.41% increase in the FY2025 budget compared to its prior period. The actual revenue for FY2025 was \$3.2 million, which was 17.27% higher than the prior period and slightly exceeded the budget at 104.99% of the budgeted amount.

The trend indicates continued growth in budgeted revenues, though the rate of increase in FY2026 is more moderate compared to the previous year's substantial rise. The actual revenues in FY2025 surpassed the budget, suggesting a positive performance that supports the incremental budget increase planned for FY2026.

Revenues by Source

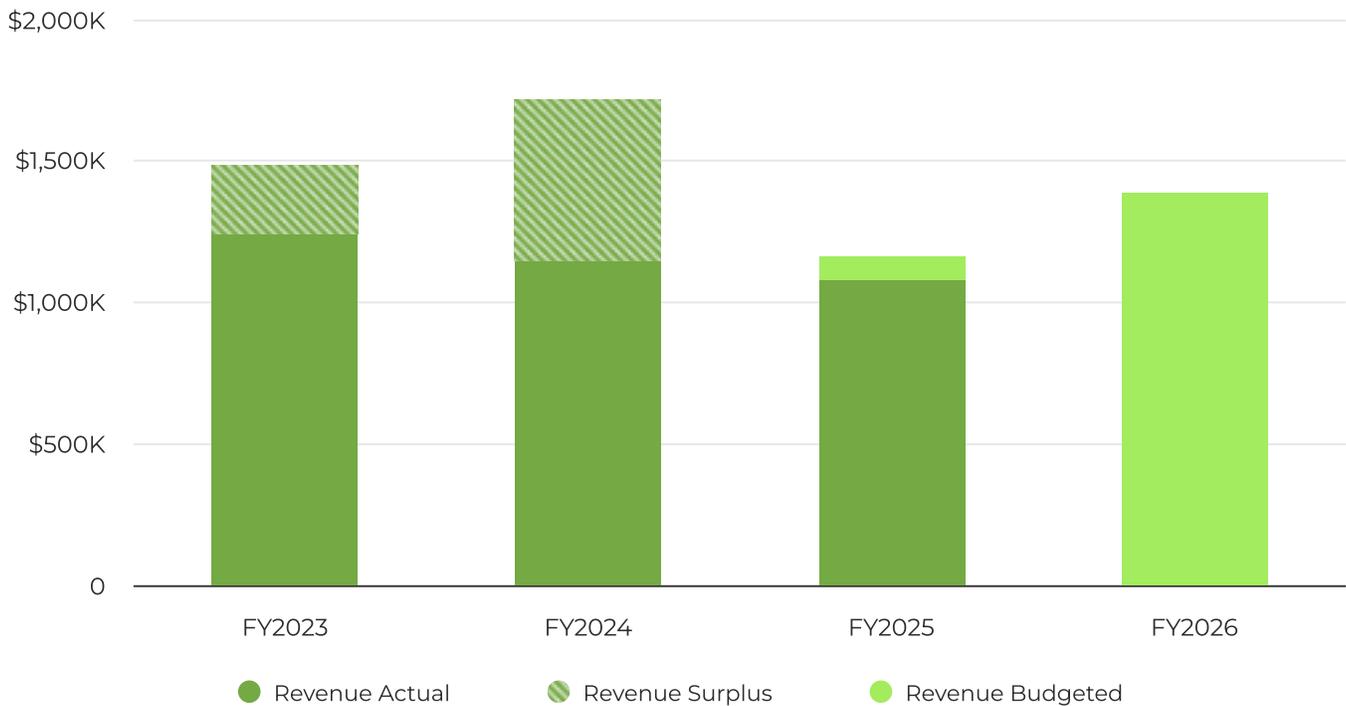
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Intergovernmental Revenue	\$2,606,929	\$2,720,831	\$3,038,992	\$3,168,457	4.26%
Total Revenues	\$2,606,929	\$2,720,831	\$3,038,992	\$3,168,457	4.26%

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



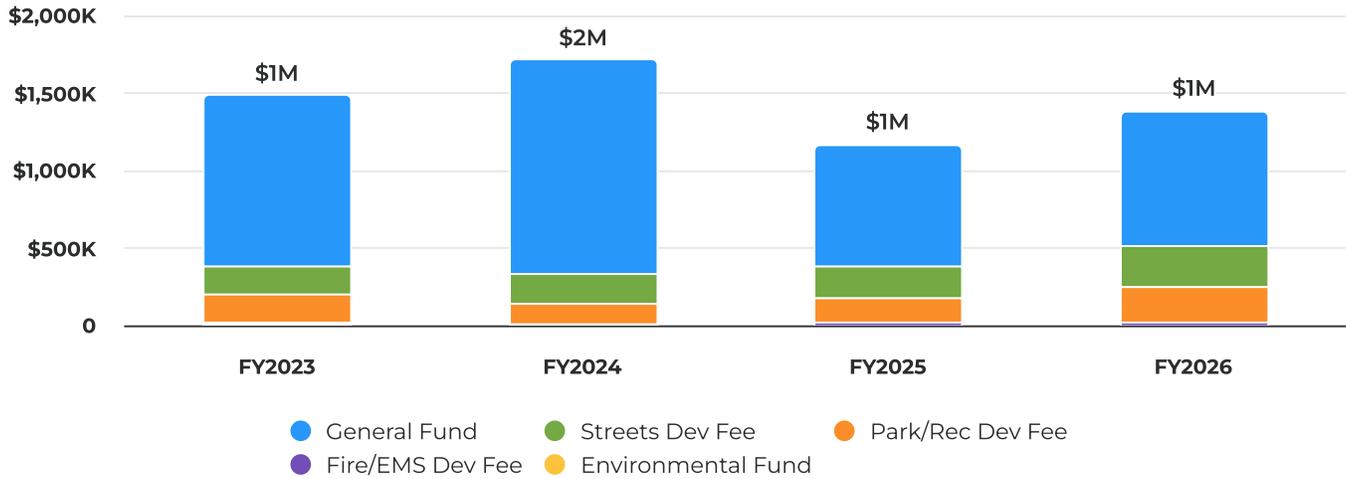
In FY2026, the budgeted revenue for Other Revenues - Licenses and Permits is \$1.4 million, representing an 18.89% increase from the previous year's budgeted amount of \$1.2 million. This follows a modest 1.24% increase in the budgeted revenue from FY2024 to FY2025.

Comparing actual revenues, FY2025 saw \$1.1 million collected, which was 37.33% lower than the prior period and amounted to 92.29% of the budgeted revenue for that year. The FY2026 budget anticipates a significant increase in revenue compared to both the actual and budgeted figures of FY2025.

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	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902	18.89%
Total Revenues	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902	18.89%

Revenues by Fund



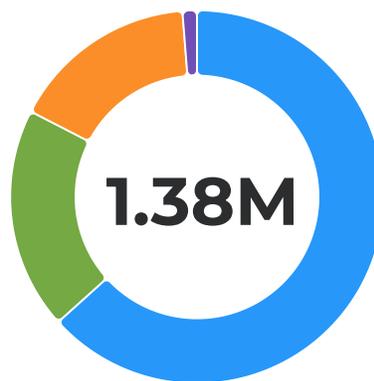
The total revenue for Other Revenues - Licenses and Permits in FY2026 is \$1.4 million, representing an 18.89% increase from the previous year's total of \$1.2 million. The General Fund remains the largest category, accounting for 63.33% of the total with \$876,437, which is an increase of \$91,932 or 11.72% from FY2025.

The Streets Development Fee is the second largest category, contributing \$266,141 or 19.23% of the total. This fund saw a significant increase of \$65,401, which is 32.58% higher than the prior year. The Park/Rec Development Fee also experienced a notable rise, totaling \$224,096 or 16.19% of the total revenue, up by \$58,066 or 34.97% from FY2025.

The Fire/EMS Development Fee increased to \$17,228, making up 1.24% of the total and reflecting a \$4,448 or 34.8% increase compared to the previous year. The Environmental Fund remains at \$0, consistent with the prior year.

Overall, all major funds except the Environmental Fund showed increases in FY2026, with the Streets Development Fee and Park/Rec Development Fee demonstrating the largest percentage growth among the top categories.

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

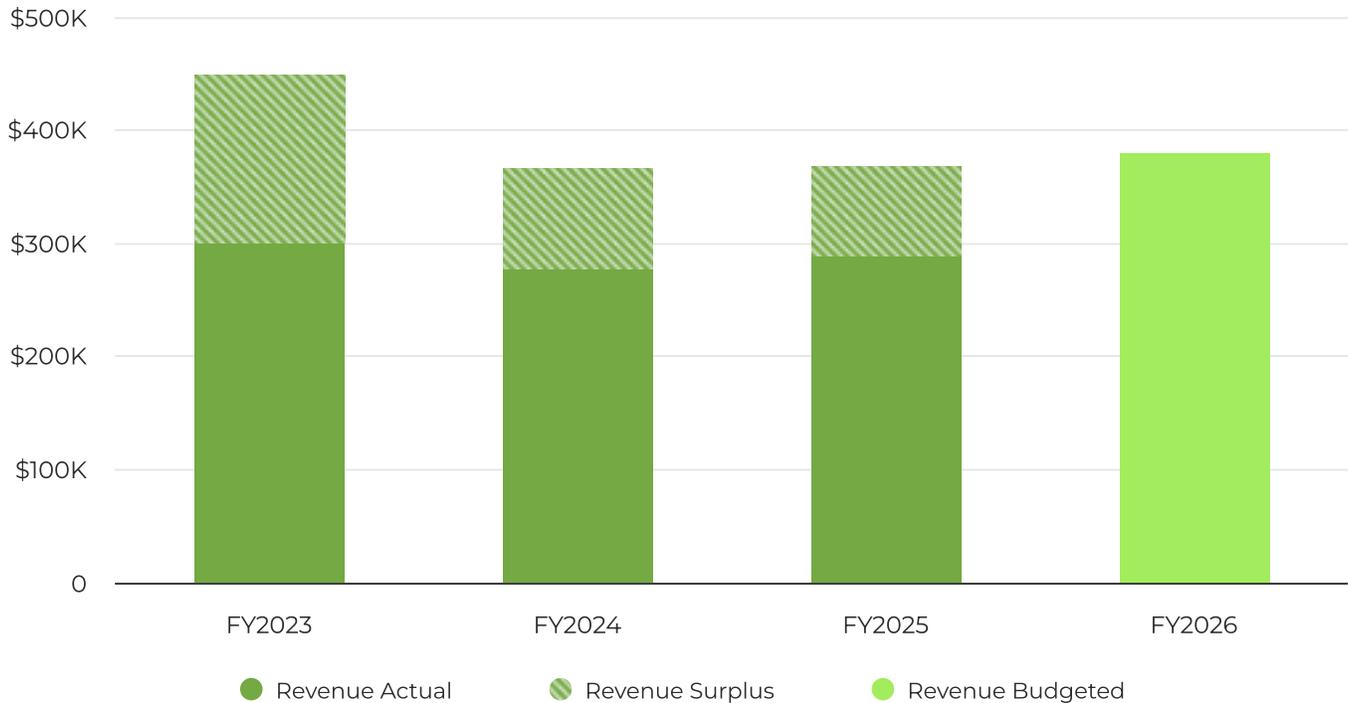
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$1,103,367	\$1,388,979	\$784,505	\$876,437	11.72%
Environmental Fund	\$2,556	\$1,692	-	-	-
Fire/EMS Dev Fee	\$16,027	\$9,738	\$12,780	\$17,228	34.80%
Streets Dev Fee	\$190,125	\$181,726	\$200,740	\$266,141	32.58%
Park/Rec Dev Fee	\$174,811	\$132,285	\$166,030	\$224,096	34.97%
Total Revenues	\$1,486,885	\$1,714,420	\$1,164,055	\$1,383,902	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



In FY2026, the budgeted revenue for Other Revenues - Leases and Rents is \$379,914, representing a significant increase of 31.33% from the previous year's budgeted amount of \$289,278 in FY2025. This marks a notable upward adjustment compared to the 4.33% increase seen from the prior period to FY2025. Comparing actual revenues to budgeted amounts in FY2025, actual revenue was \$368,170, which was 0.65% higher than the previous period and exceeded the budget by 27.27%, indicating strong performance relative to expectations. The FY2026 budget anticipates continued growth with a substantially higher budgeted figure, reflecting an expectation of increased revenue from leases and rents.

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	\$365,792	\$289,278	\$379,914	31.33%
Total Revenues	\$448,897	\$365,792	\$289,278	\$379,914	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



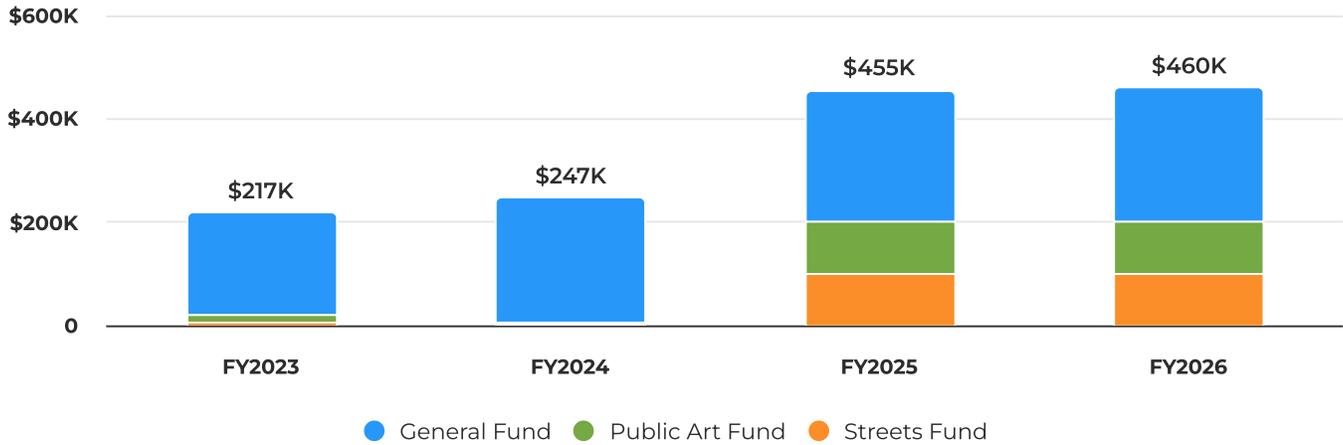
The budgeted revenue for Other Revenues - Charges for Services in FY2026 is \$460,000, representing a 1.04% increase from the FY2025 budgeted amount of \$455,265. This continues the upward trend in budgeted revenues, although at a slower rate compared to the 2.49% increase seen from the prior period to FY2025.

In FY2025, the actual revenue collected was \$315,987, which was 69.41% of the budgeted amount and showed a significant 27.77% increase from the previous actual revenue. The FY2026 budget anticipates a modest increase over the FY2025 budget.

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	\$216,912	\$247,301	\$455,265	\$460,000	1.04%
Total Revenues	\$216,912	\$247,301	\$455,265	\$460,000	1.04%

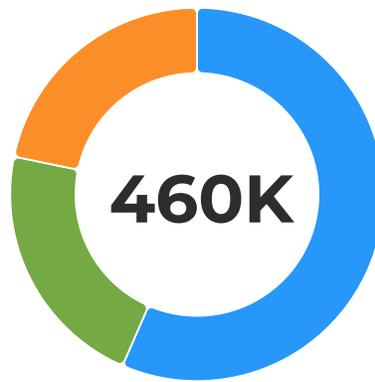
Revenues by Fund



In FY2026, the total revenue for Other Revenues - Charges for Services is \$460,000, representing a 1.04% increase from the previous year's total of \$455,265. The General Fund remains the largest contributor, accounting for 56.52% of the total with \$260,000, which is an increase of \$4,735 or 1.85% compared to the prior year.

The Streets Fund and Public Art Fund each contribute \$100,000, making up 21.74% of the total revenue each. Both funds show no change in revenue from the previous year, maintaining their amounts and shares of the total.

FY26 Revenues by Fund



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

Revenues by Fund

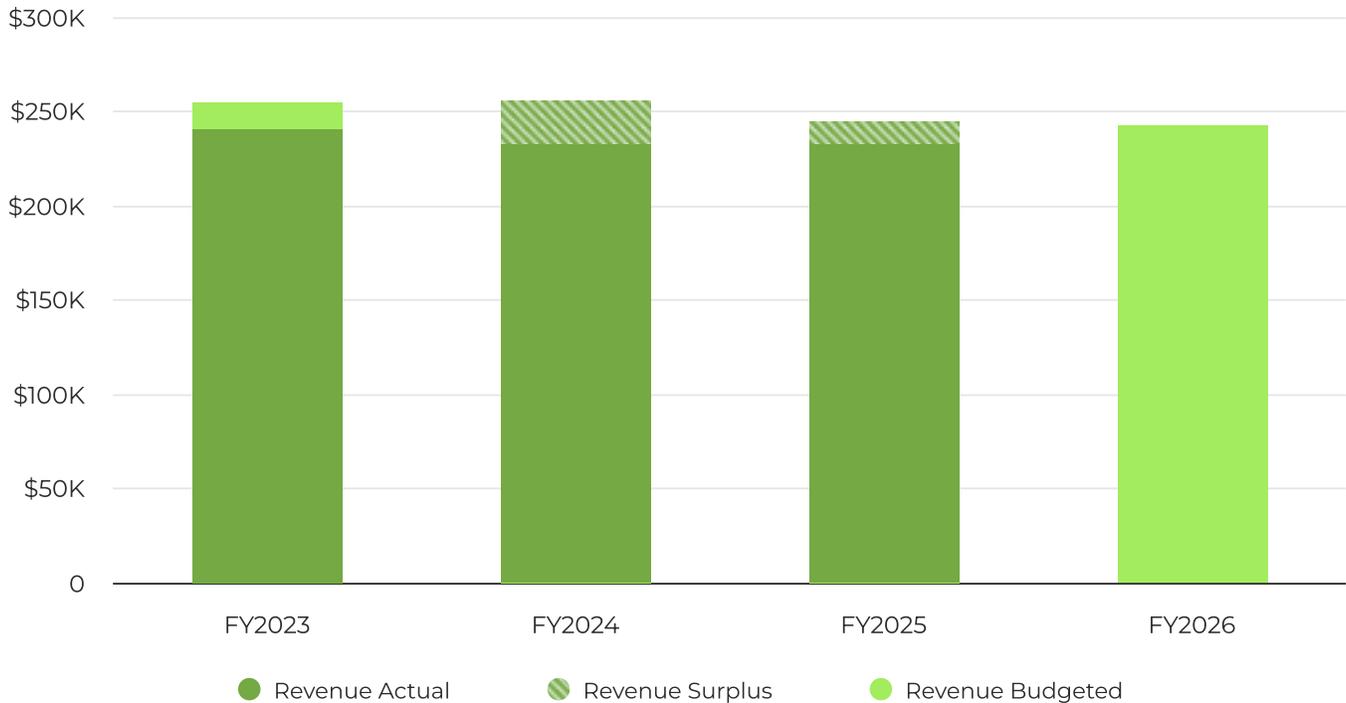
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$196,580	\$242,181	\$255,265	\$260,000	1.85%
Streets Fund	\$4,139	\$120	\$100,000	\$100,000	0.00%
Public Art Fund	\$16,193	\$5,000	\$100,000	\$100,000	0.00%
Total Revenues	\$216,912	\$247,301	\$455,265	\$460,000	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

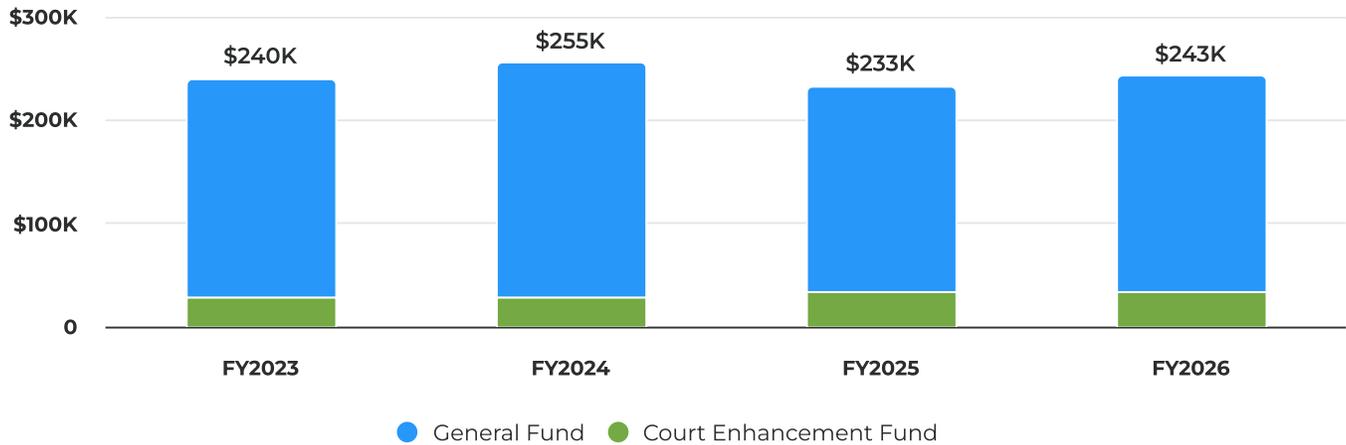


In FY2026, the budgeted revenue for Other Revenues - Fines and Forfeitures is \$243,000, representing a 4.29% increase from the previous year's budget of \$233,000. This follows a prior year when the actual revenue was \$244,624, which was 4.18% lower than the previous period but still 104.99% of the budgeted amount. The FY2026 budget anticipates a modest growth compared to the FY2025 budget, aligning closely with the actual revenue collected in FY2025.

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	\$240,308	\$255,289	\$233,000	\$243,000	4.29%
Total Revenues	\$240,308	\$255,289	\$233,000	\$243,000	4.29%

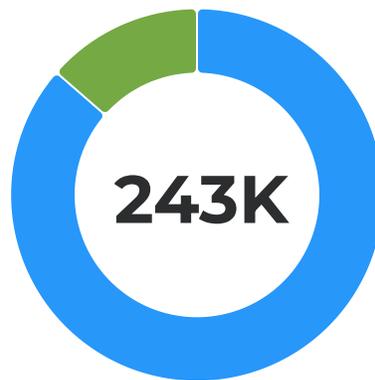
Revenues by Fund



In FY2026, the total revenue for Other Revenues - Fines and Forfeitures increased by 4.29% to \$243,000 compared to the previous year's total of \$233,000. The General Fund remained the largest category, accounting for 86.42% of the total with \$210,000, which is a 5% increase of \$10,000 from the prior year. The Court Enhancement Fund contributed \$33,000, representing 13.58% of the total, with no change from the previous year.

Notably, the General Fund reversed its prior year's decline of 11.97% by increasing 5% in FY2026, while the Court Enhancement Fund, which had seen a 17.45% increase in the previous year, remained steady with no change in FY2026. These shifts highlight a recovery in the General Fund's revenue alongside stable contributions from the Court Enhancement Fund.

FY26 Revenues by Fund



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

Revenues by Fund

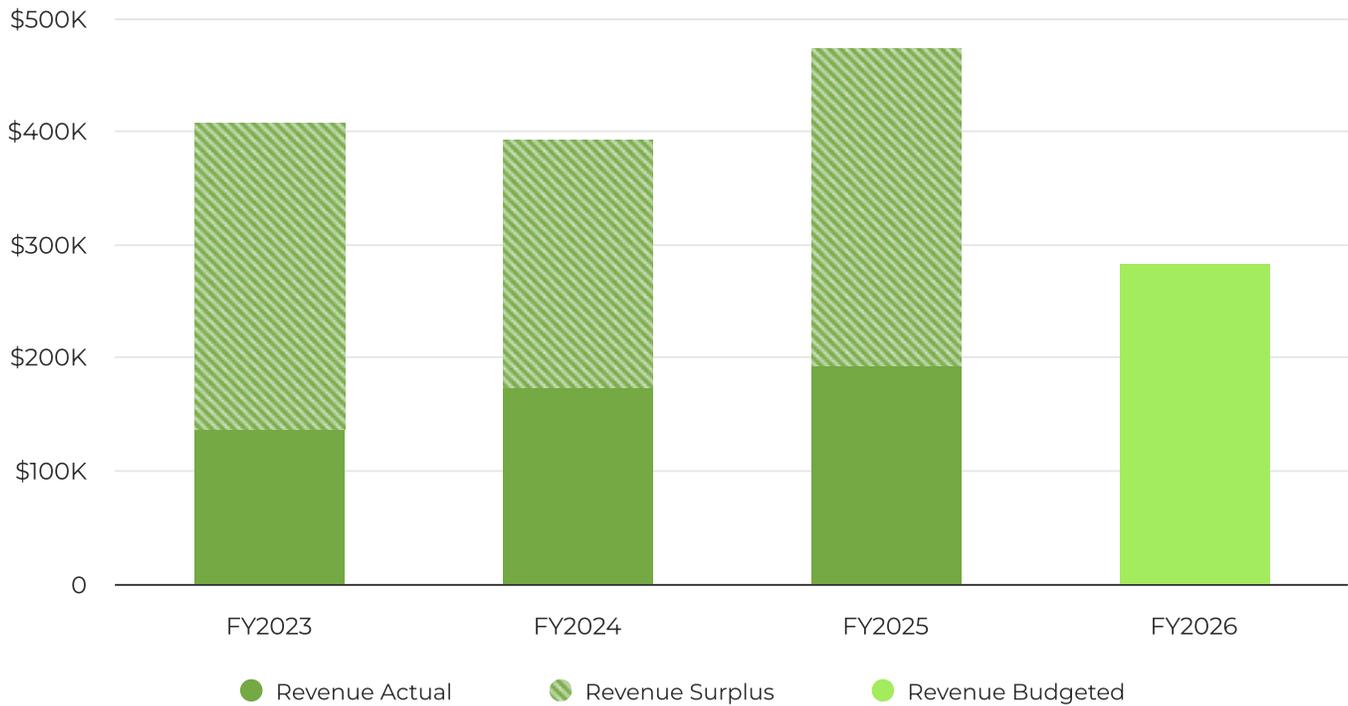
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$211,773	\$227,192	\$200,000	\$210,000	5.00%
Court Enhancement Fund	\$28,535	\$28,097	\$33,000	\$33,000	0.00%
Total Revenues	\$240,308	\$255,289	\$233,000	\$243,000	4.29%

Other Revenues - Miscellaneous

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

Revenue Summary

Historical Revenues Across Sources



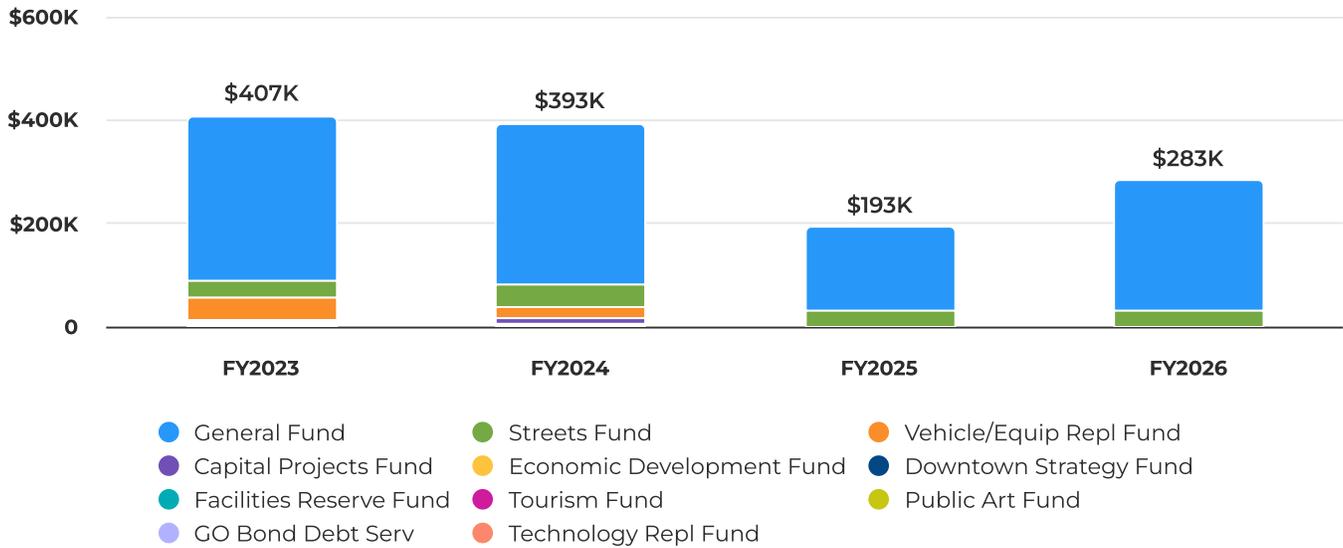
In FY2026, the Other Revenues - Misc category is budgeted at \$283,000, representing a significant increase of 46.96% from the previous year's budget of \$192,575. This follows a prior year where the actual revenue of \$474,026 exceeded the budget by 146.15%, showing a 20.71% increase from its the previous period.

The substantial rise in the FY2026 budget compared to FY2025 budgeted amount indicates an expectation of continued growth in miscellaneous revenues. The previous year's actual revenue notably surpassed the budget, suggesting that the FY2026 budget adjustment aligns with the trend of higher-than-anticipated revenue collections in this category.

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	\$392,703	\$192,575	\$283,000	46.96%
Total Revenues	\$406,964	\$392,703	\$192,575	\$283,000	46.96%

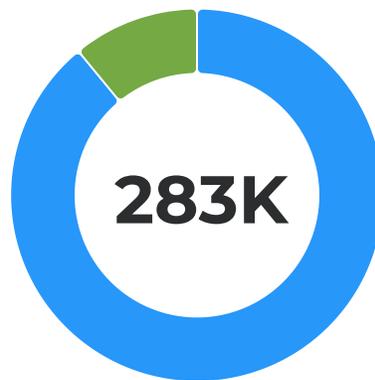
Revenues by Fund



The total Other Revenues - Misc for FY2026 is \$283,000, representing a 46.96% increase from the previous year's total of \$192,575. The General Fund remains the largest category, accounting for 89.05% of the total with \$252,000, which is a significant increase of \$90,425 or 55.96% compared to the prior year. The Streets Fund holds the second position with \$31,000, making up 10.95% of the total, and its value remains unchanged from the previous year.

Several funds that had recorded decreases or zero values in the prior year, such as the Downtown Strategy Fund, Economic Development Fund, Tourism Fund, Public Art Fund, GO Bond Debt Service, Capital Projects Fund, Facilities Reserve Fund, and Technology Replacement Fund, continue to report zero revenue in FY2026. Notably, the General Fund's increase contrasts with its previous year's decrease of \$148,303 or 47.86%, highlighting a reversal in trend. The Streets Fund's revenue remains stable with no change from the prior year.

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	\$319,465	\$309,878	\$161,575	\$252,000	55.96%



Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Streets Fund	\$32,602	\$46,459	\$31,000	\$31,000	0.00%
Downtown Strategy Fund	\$4,500	-	-	-	-
Economic Development Fund	\$4,058	\$2,534	-	-	-
Tourism Fund	\$14	\$1,108	-	-	-
Public Art Fund	\$1,000	-	-	-	-
GO Bond Debt Serv	\$38	-	-	-	-
Capital Projects Fund	-	\$12,000	-	-	-
Facilities Reserve Fund	\$4,000	-	-	-	-
Technology Repl Fund	\$5	-	-	-	-
Vehicle/Equip Repl Fund	\$41,283	\$20,725	-	-	-
Total Revenues	\$406,964	\$392,703	\$192,575	\$283,000	46.96%

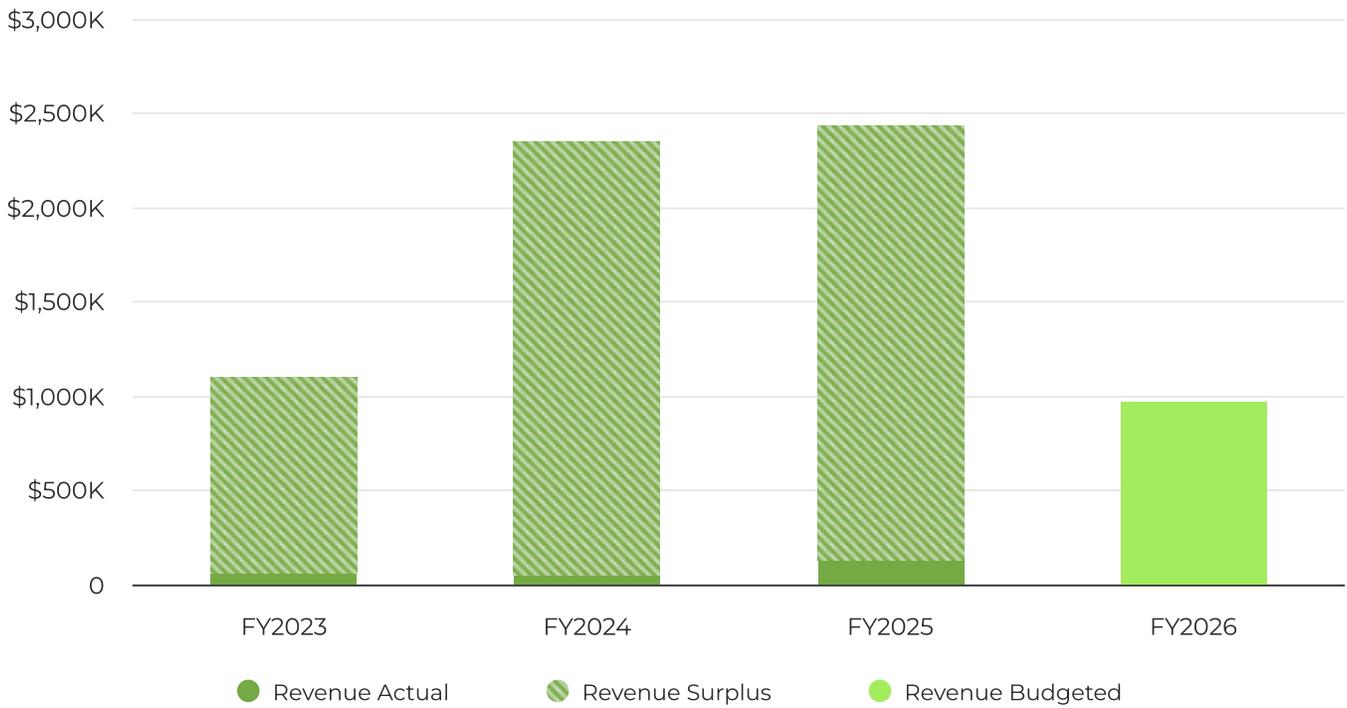
Investment Earnings

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 and although projections have substantially increased, the projected revenues are still quite conservative comparable to actual revenues.

Historical Revenues Across Sources



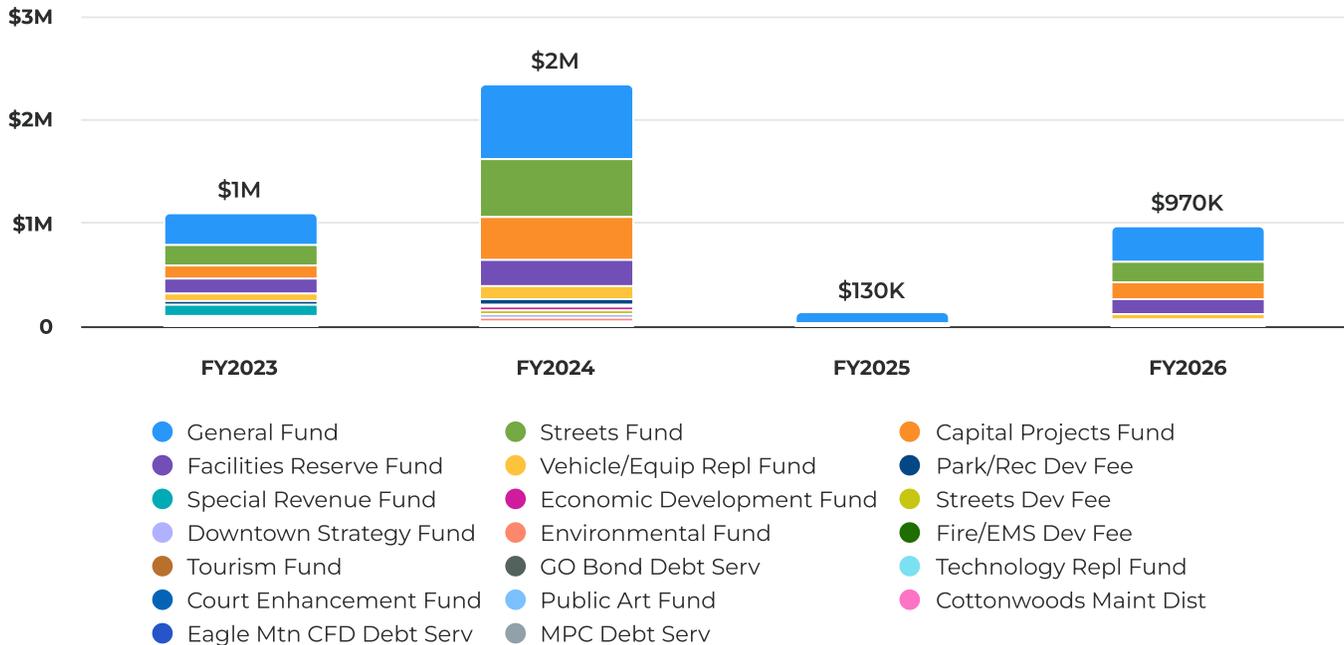
In FY2026, the budgeted investment earnings amount to \$970,018, representing a significant increase of 645.98% from the previous year's budgeted amount of \$130,032. This marks a substantial upward adjustment in the anticipated revenue from investment earnings compared to FY2025.

In contrast, the actual investment earnings revenue in FY2025 was \$2.4 million, which was 1,870.21% of the budgeted amount and showed a modest increase of 3.69% from the prior period. The FY2026 budgeted figure remains below the previous year's actual revenue, indicating a more conservative estimate relative to the actual earnings realized in FY2025.

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	\$1,100,314	\$2,345,425	\$130,032	\$970,018	645.98%
Total Revenues	\$1,100,314	\$2,345,425	\$130,032	\$970,018	645.98%

Revenues by Fund



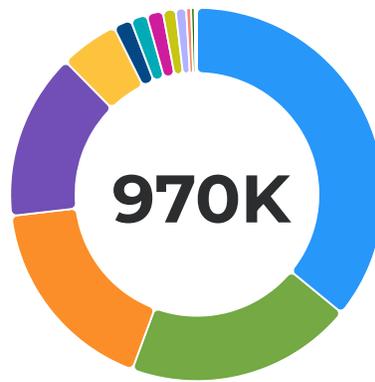
In FY2026, total budgeted investment earnings increased significantly to \$970,018, representing a 645.98% rise from the previous year's budget of \$130,032. The General Fund remained the largest contributor, accounting for 35.93% of the total with \$348,507, which is a substantial increase of \$248,507 or 248.51% compared to the prior year.

The Streets Fund saw an increase to \$191,193, making up 19.71% of the total and rising by \$181,193 or 1,811.93%. Similarly, the Capital Projects Fund grew to \$170,000, representing 17.53% of the total and increasing by \$160,000 or 1,600%. The Facilities Reserve Fund also experienced a rise to \$140,000, which is 14.43% of the total and an increase of \$139,000 or 13,900% from the previous year.

Other funds with significant increases include the Vehicle/Equip Replacement Fund at \$49,052 (5.06% of total), up \$48,052 or 4,805.2%, and the Streets Dev Fee at \$15,227 (1.57% of total), which increased by \$14,227 or 1,422.7%. The Downtown Strategy Fund and Park/Rec Dev Fee also increased, reaching \$13,830 (1.43% of total) and \$13,632 (1.41% of total), with increases of \$13,230 or 2,205% and \$12,632 or 1,263.2%, respectively.

The Economic Development Fund rose to \$10,766 (1.11% of total), up \$10,526 or 4,385.83%, and the Court Enhancement Fund increased to \$8,789 (0.91% of total), a gain of \$8,489 or 2,829.67%. In contrast, the Environmental Fund saw a complete decrease to \$0 due to the elimination of the fund, down \$2,400 or 100%, and smaller decreases were observed in GO Bond Debt Service, Eagle Mountain CFD Debt Service, and MPC Debt Service funds.

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	\$728,807	\$100,000	\$348,507	248.51%
Streets Fund	\$197,804	\$558,547	\$10,000	\$191,193	1,811.93%
Downtown Strategy Fund	\$15,480	\$33,698	\$600	\$13,830	2,205.00%
Economic Development Fund	\$16,188	\$38,131	\$240	\$10,766	4,385.83%
Tourism Fund	\$8,637	\$6,623	\$180	\$3,000	1,566.67%
Special Revenue Fund	\$95,043	\$15,303	-	-	-
Public Art Fund	\$2,506	\$2,904	\$240	\$820	241.67%
Court Enhancement Fund	\$162	\$159	\$300	\$8,789	2,829.67%
Environmental Fund	\$19,386	\$30,493	\$2,400	-	-100.00%
GO Bond Debt Serv	\$5,543	\$8,509	\$600	\$500	-16.67%



Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Eagle Mtn CFD Debt Serv	\$710	\$1,062	\$100	-	-100.00%
MPC Debt Serv	\$402	\$628	\$300	\$200	-33.33%
Cottonwoods Maint Dist	\$555	\$914	\$72	\$400	455.56%
Capital Projects Fund	\$132,253	\$407,771	\$10,000	\$170,000	1,600.00%
Facilities Reserve Fund	\$136,114	\$264,030	\$1,000	\$140,000	13,900.00%
Fire/EMS Dev Fee	\$14,650	\$22,018	\$1,000	\$4,102	310.20%
Streets Dev Fee	\$16,161	\$32,863	\$1,000	\$15,227	1,422.70%
Park/Rec Dev Fee	\$48,188	\$66,809	\$1,000	\$13,632	1,263.20%
Technology Repl Fund	\$5,367	\$8,653	-	-	-
Vehicle/Equip Repl Fund	\$70,157	\$117,504	\$1,000	\$49,052	4,805.20%
Total Revenues	\$1,100,314	\$2,345,425	\$130,032	\$970,018	645.98%

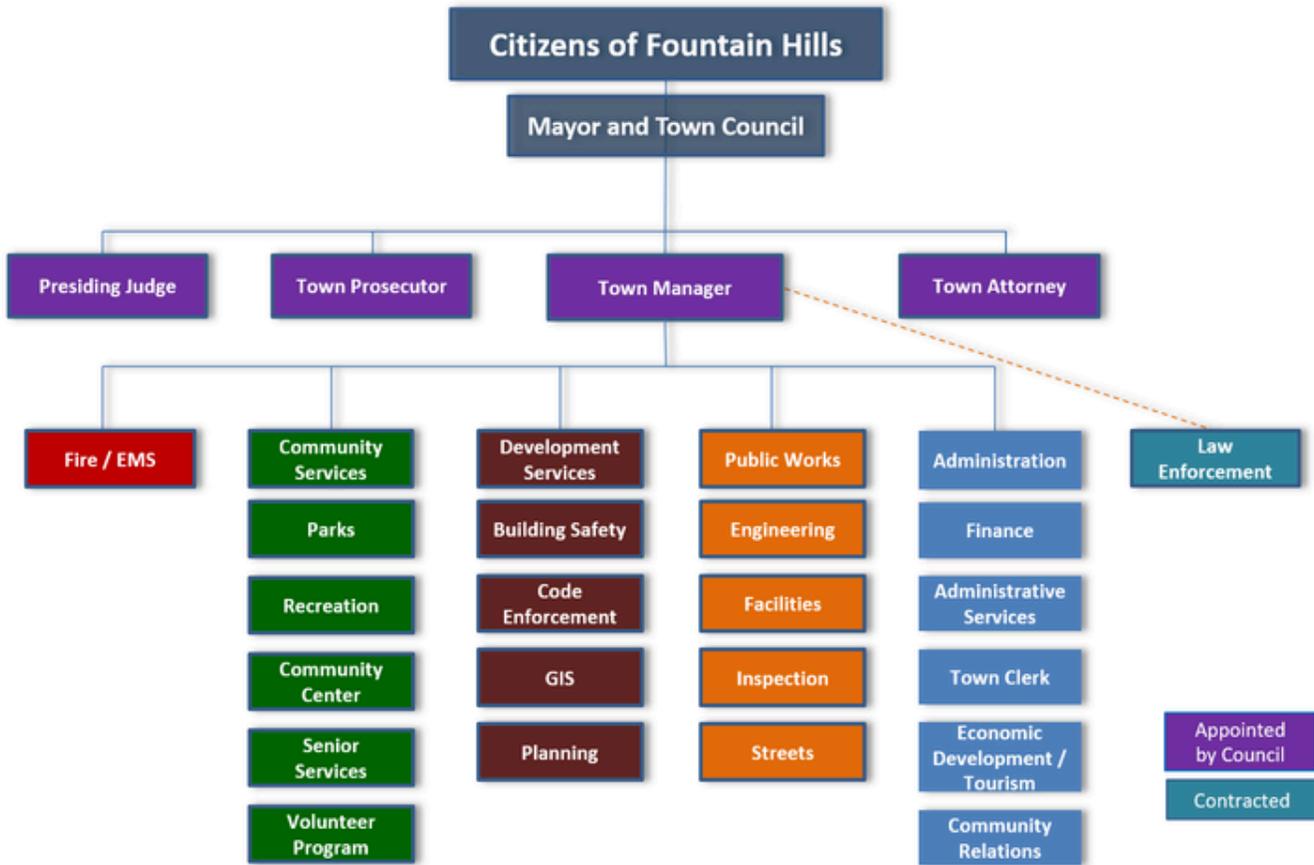
Departments Summary

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 contract 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 managed by Public Works)
- Community Services Department:
 - General Fund (most cultural and recreational expenditures)
 - Public Art Fund (to maintain and repair the Town's art collection)
- 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
- Councilmember Hannah Toth



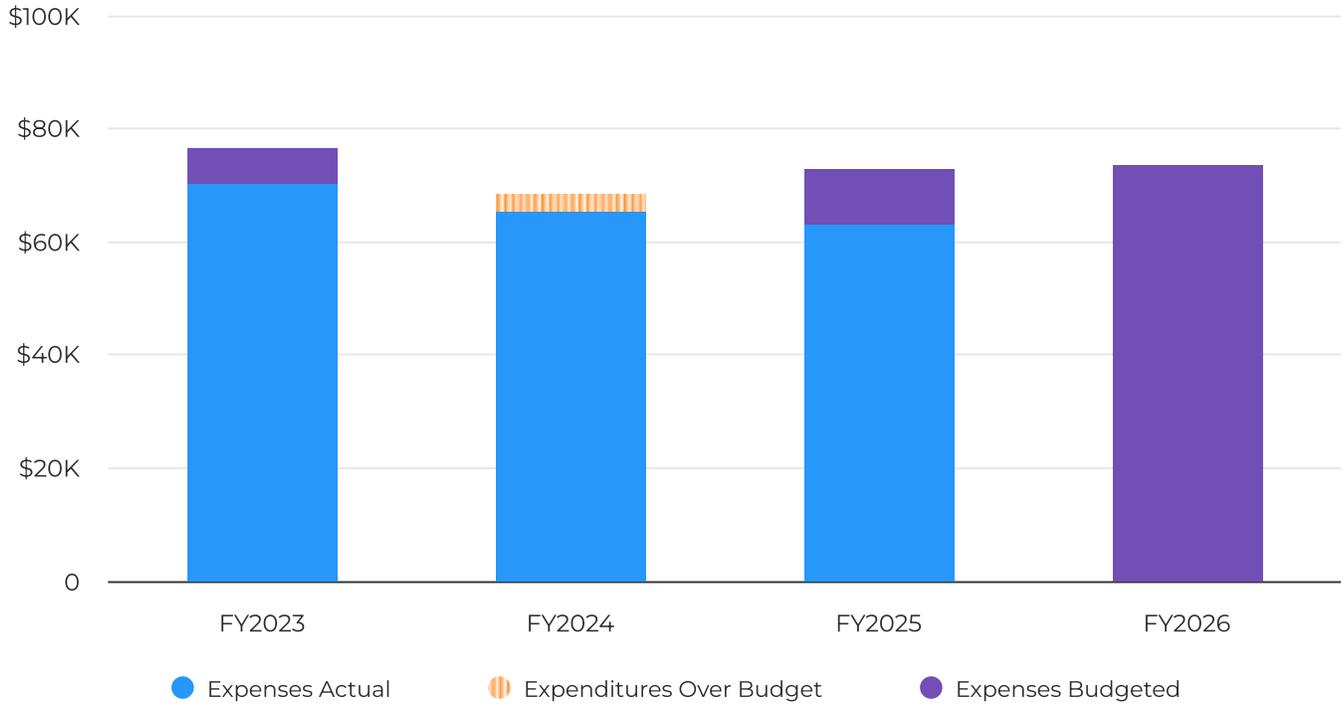
Top Row (Left to Right):

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

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

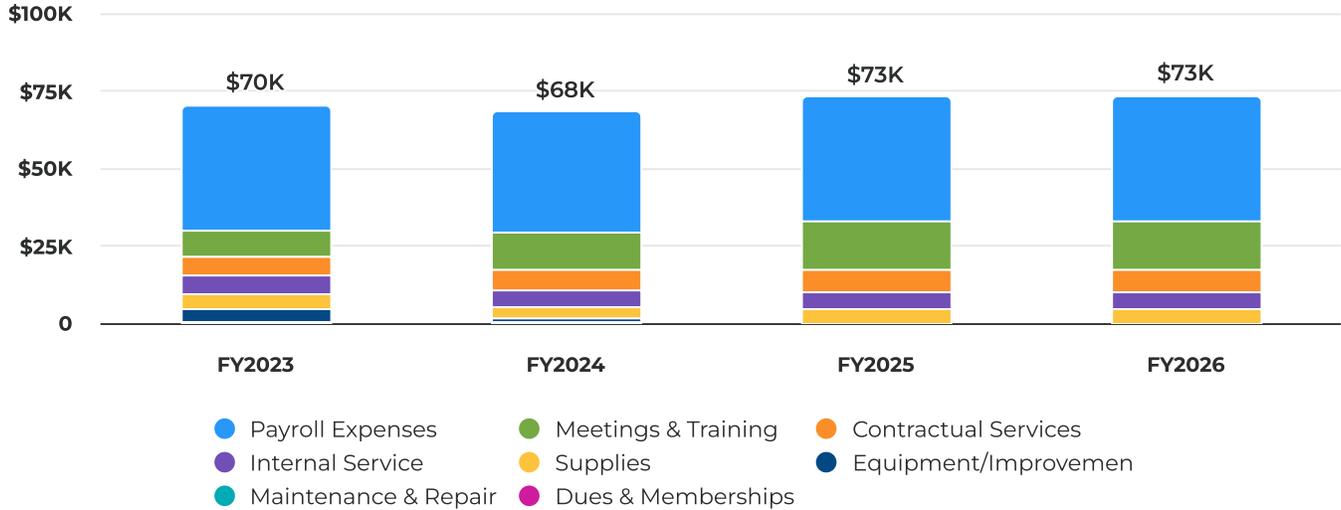
Historical Expenditures Across Department



Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object

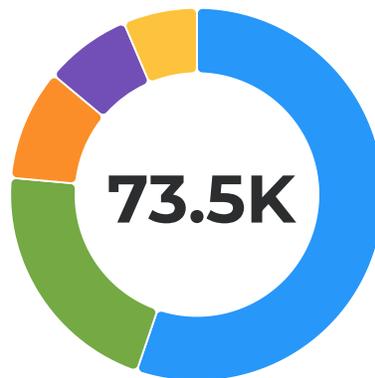


The total budget for Mayor and Council in FY2026 is \$73,455, reflecting a slight increase of 0.57% from the previous year's total of \$73,040. Payroll Expenses remain the largest category, accounting for 55.23% of the total budget at \$40,572, which is a modest increase of \$291 or 0.72% compared to the prior year.

Meetings & Training expenses hold steady at \$15,575, representing 21.2% of the total budget with no change in amount from the previous year. Contractual Services also remain unchanged at \$7,070, making up 9.62% of the total.

Internal Service costs increased by \$124 or 2.29% to \$5,538, now comprising 7.54% of the budget. Supplies expenses remain constant at \$4,700, accounting for 6.4% of the total. There are no expenditures recorded for Dues & Memberships, Maintenance & Repair, or Equipment/Improvements in FY2026.

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	\$40,348	\$39,050	\$40,281	\$40,572	0.72%
Internal Service	\$5,947	\$5,564	\$5,414	\$5,538	2.29%
Dues & Memberships	\$112	-	-	-	-
Meetings & Training	\$8,832	\$12,052	\$15,575	\$15,575	0.00%
Maintenance & Repair	\$135	\$78	-	-	-
Contractual Services	\$5,779	\$6,311	\$7,070	\$7,070	0.00%
Supplies	\$4,763	\$3,580	\$4,700	\$4,700	0.00%
Equipment/Improvement	\$4,365	\$1,580	-	-	-
Total Expenditures	\$70,280	\$68,215	\$73,040	\$73,455	0.57%

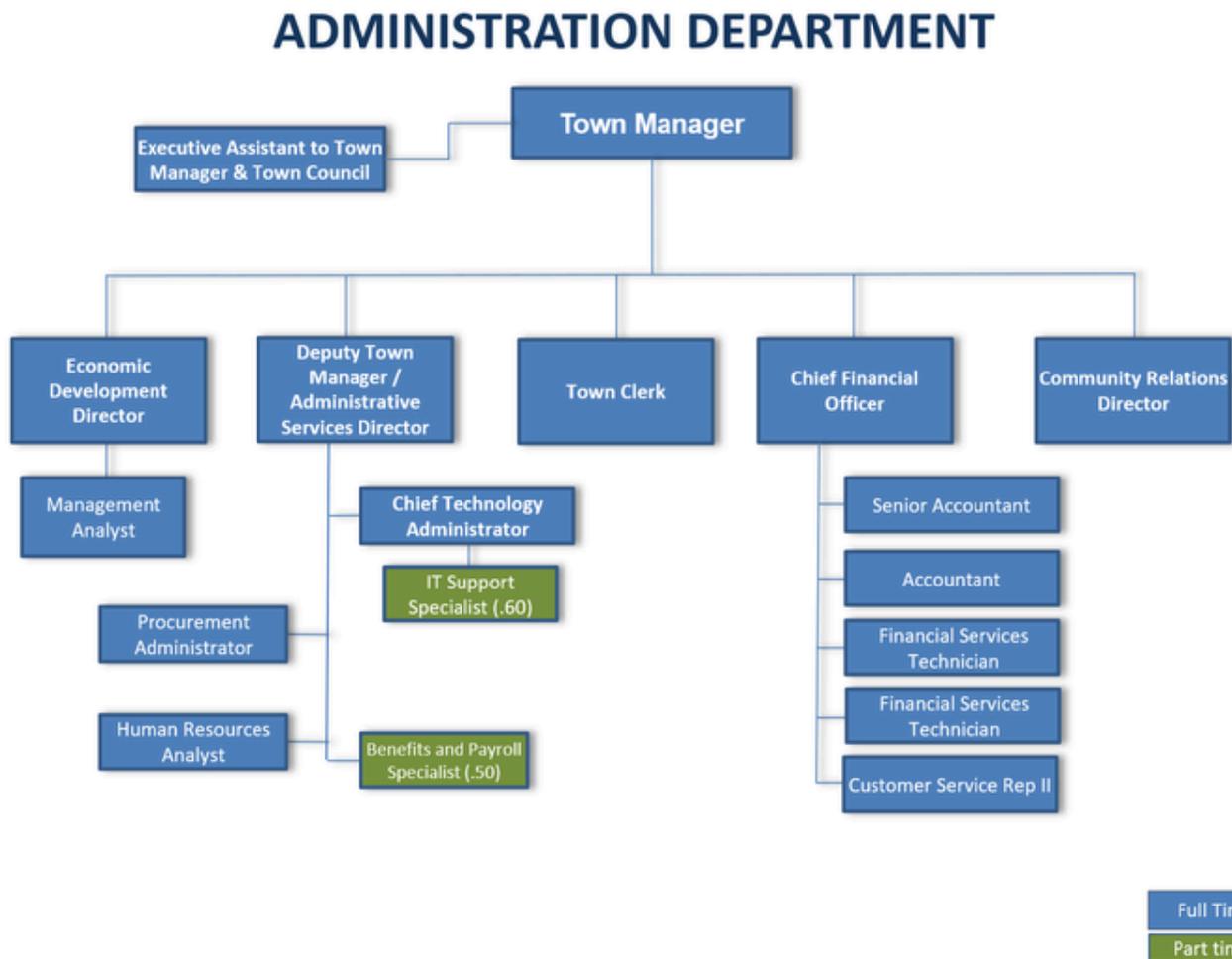
Performance Measures

The Mayor and Council are charged with governance of the Town. Town staff are accountable to both the Council and the residents to carry out the objectives and decisions of the Council under the direction of the Town Manager. This includes considering the performance measures of each department/division and the progress towards Strategic Plan strategies and tasks.

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.

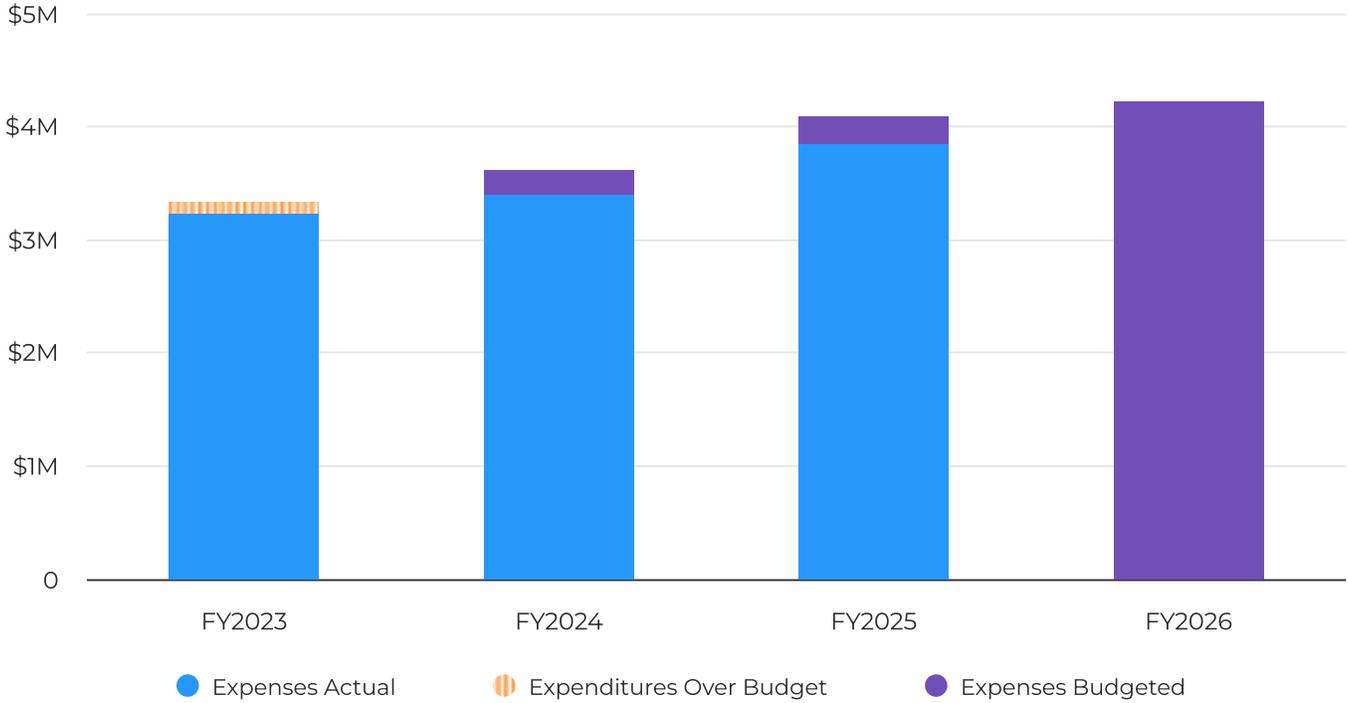
ORG Chart for Administration Department



Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department

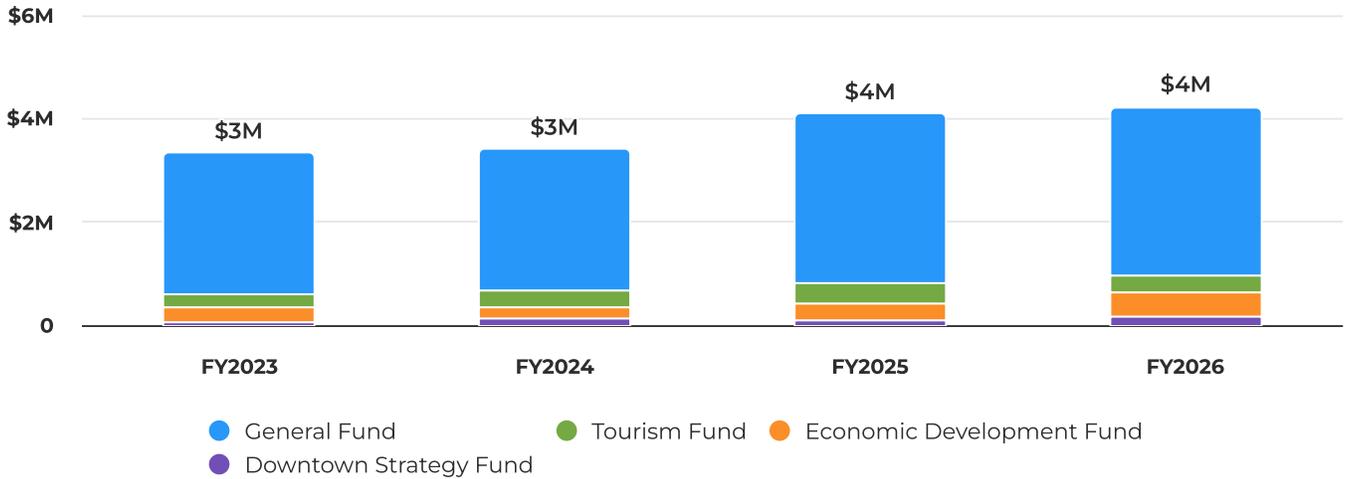


In FY2026, the Administration's budgeted expenses increased to \$4.2 million, marking a 3.16% rise from the previous year's budgeted amount of \$4.1 million. This follows a significant 13.16% increase in budgeted expenses from the prior period to FY2025. Actual expenses in FY2025 were \$3.8 million, which was 13.13% higher than the prior period and represented 93.91% of the budgeted amount for that year. The FY2026 budget continues the upward trend in expenditures, though at a more moderate rate compared to the previous year's substantial increase.

Expenditures by Fund

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by fund.

Historical Expenditures by Fund



In FY2026, the total Administration expenditures increased slightly by 3.16% to \$4.2 million compared to the previous year. The General Fund remained the largest category, accounting for 77.03% of the total at \$3.3 million, though it experienced a small decrease of \$17,794 or 0.54% from the prior year.

The Economic Development Fund saw the most significant growth, rising by \$156,085 or 49.5% to \$471,378, increasing its share to 11.16% of total expenditures. The Downtown Strategy Fund also showed a notable increase, up \$75,000 or 83.15% to \$165,200, representing 3.91% of the total.

Conversely, the Tourism Fund decreased by \$83,953 or 20.11% to \$333,425, reducing its portion to 7.9% of the total expenditures. These shifts highlight a reallocation of funds within the Administration budget, with substantial increases in Economic Development and Downtown Strategy funds offset by declines in the Tourism Fund and a slight reduction in the General Fund.

FY26 Expenditures by Fund



General Fund	\$3,252,618	77.03%
Economic Development Fund	\$471,378	11.16%
Tourism Fund	\$333,425	7.90%
Downtown Strategy Fund	\$165,200	3.91%

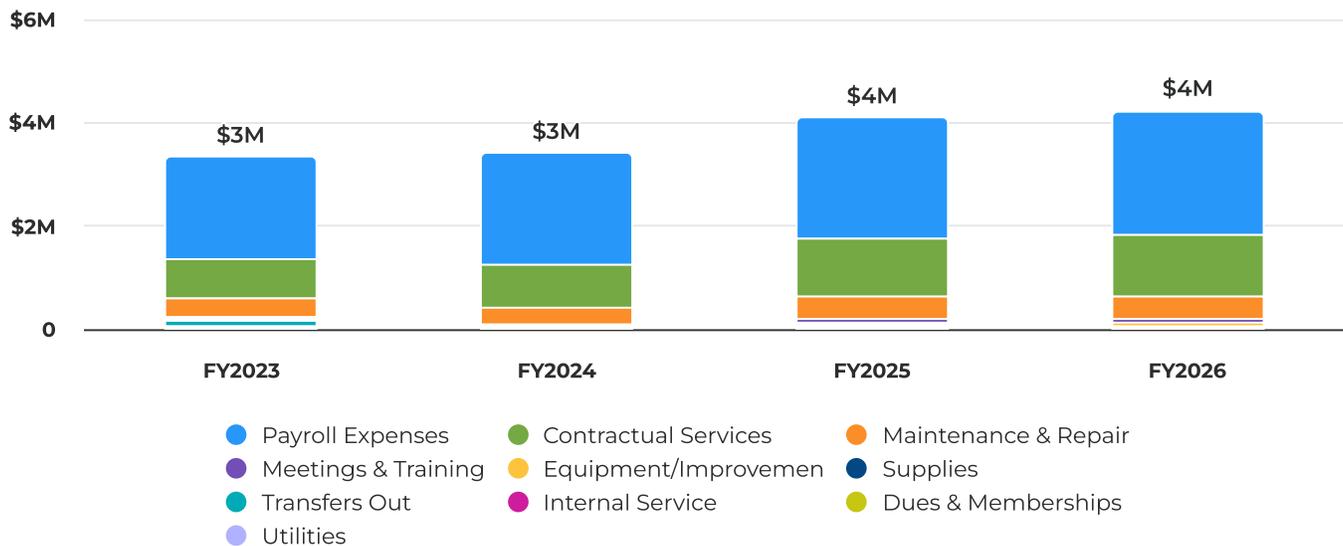
Expenditures by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 FY25 Adopted Budget	FY 2026 Budgeted	FY 2025 FY25 Adopted Budget vs. FY 2026 Budgeted (% Change)
General Fund	\$2,723,534	\$2,740,837	\$3,270,412	\$3,252,618	-0.54%
Downtown Strategy Fund	\$54,623	\$109,910	\$90,200	\$165,200	83.15%
Economic Development Fund	\$306,816	\$216,703	\$315,293	\$471,378	49.50%
Tourism Fund	\$247,824	\$330,387	\$417,378	\$333,425	-20.11%
Total Expenditures	\$3,332,797	\$3,397,837	\$4,093,283	\$4,222,621	3.16%

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



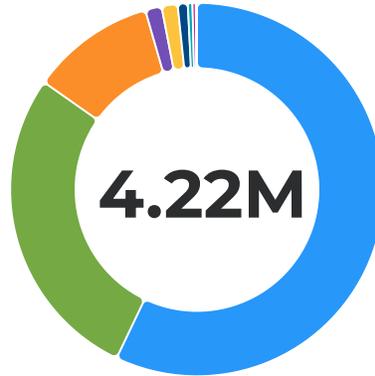
In FY2026, the Administration's total expenditures slightly decreased by 0.54% to \$3.3 million compared to the previous year. Payroll Expenses remained the largest category, increasing by \$42,504 or 2.05% to \$2.1 million, now representing 64.91% of the total budget, up from 63.26%.

Contractual Services saw a notable decrease of \$84,866 or 12.43%, falling to \$597,895 and comprising 18.38% of the total, down from 20.88%. Maintenance & Repair expenditures increased by \$30,312 or 8.69%, reaching \$379,192 and accounting for 11.66% of the budget, up from 10.67%.

Equipment/Improvements rose by \$5,000 or 9.38% to \$58,300, making up 1.79% of the total, while Meetings & Training increased slightly by \$709 or 1.46% to \$49,128, representing 1.51%. Supplies grew by \$1,320 or 4.69% to \$29,465, now 0.91% of the budget.

Internal Service expenses increased by \$778 or 5.67% to \$14,505 (0.45%), and Dues & Memberships rose by \$449 or 4.62% to \$10,173 (0.31%). Utilities experienced the largest decrease, dropping by \$14,000 or 84.64% to \$2,540, now only 0.08% of the total expenditures.

FY26 Expenditures by Object



● Payroll Expenses	\$2,410,428	57.08%
● Contractual Services	\$1,167,973	27.66%
● Maintenance & Repair	\$456,097	10.80%
● Equipment/Improvement	\$59,300	1.40%
● Meetings & Training	\$58,948	1.40%
● Supplies	\$36,745	0.87%
● Internal Service	\$16,513	0.39%
● Dues & Memberships	\$12,027	0.28%
● Utilities	\$4,590	0.11%

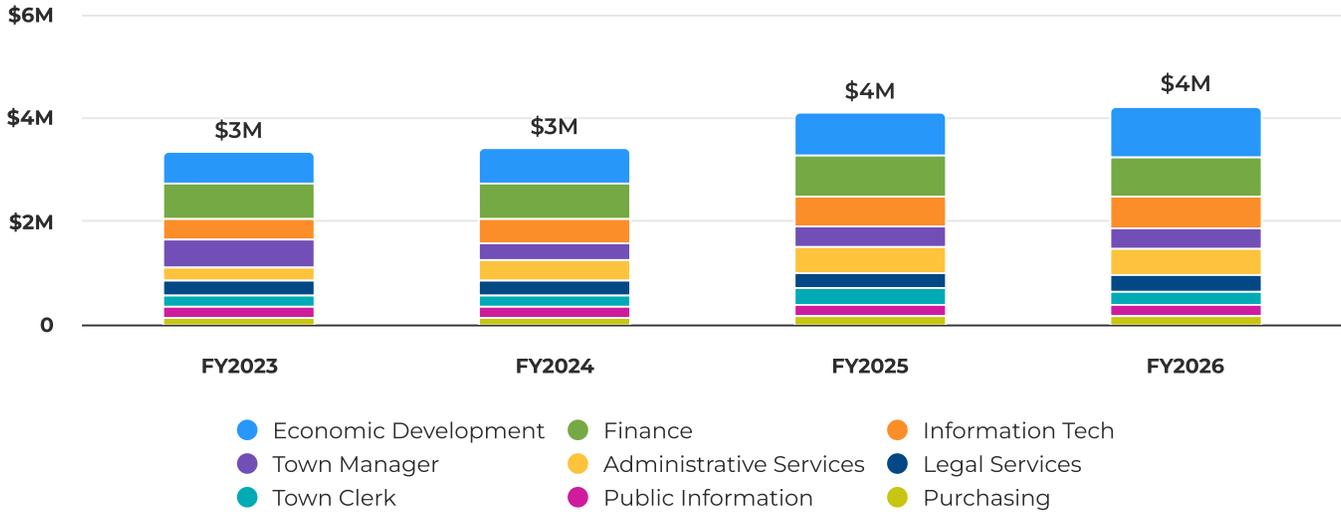
Expenditures by Object

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	\$1,981,034	\$2,148,406	\$2,355,441	\$2,410,428	2.33%
Internal Service	\$17,709	\$14,993	\$15,735	\$16,513	4.94%
Transfers Out	\$97,340	-	-	-	-
Dues & Memberships	\$31,658	\$8,509	\$11,578	\$12,027	3.88%
Meetings & Training	\$21,437	\$25,458	\$58,239	\$58,948	1.22%
Maintenance & Repair	\$363,087	\$322,296	\$420,785	\$456,097	8.39%
Utilities	\$14,875	\$17,638	\$18,590	\$4,590	-75.31%
Contractual Services	\$748,206	\$822,257	\$1,123,190	\$1,167,973	3.99%
Supplies	\$41,299	\$26,556	\$35,425	\$36,745	3.73%
Equipment/Improvement	\$16,151	\$11,724	\$54,300	\$59,300	9.21%
Total Expenditures	\$3,332,797	\$3,397,837	\$4,093,283	\$4,222,621	3.16%

Expenditures by Division

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by division. As noted above, the Administration Department includes 9 divisions as presented below.

Historical Expenditures by Division



The Administration budget for FY2026 totals \$4.2 million, reflecting a 3.16% increase from the previous year's \$4.1 million. Economic Development remains the largest expenditure, rising by \$147,132 or 17.88% to \$970,003, now representing 22.97% of the total budget, up from 20.1% the prior year.

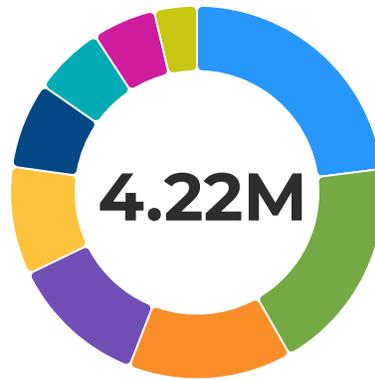
Finance holds the second-largest share at \$792,743, a modest increase of \$13,402 or 1.72%, accounting for 18.77% of the total. Information Technology experienced a slight decrease of \$9,277 or 1.53%, bringing its budget to \$597,852 and its share down to 14.16% from 14.83%.

Administrative Services increased by \$12,298 or 2.5% to \$503,653, maintaining a similar proportion of the total at 11.93%. The Town Manager's budget rose by \$6,455 or 1.66% to \$396,325, representing 9.39% of the total.

Legal Services saw a small increase of \$6,236 or 2.02%, totaling \$314,836 and 7.46% of the budget. Conversely, Town Clerk's budget decreased significantly by \$46,960 or 15.33% to \$259,321, reducing its share from 7.48% to 6.14%. Public Information also declined by \$6,829 or 2.86% to \$231,972, now 5.49% of the total.

Purchasing increased by \$6,881 or 4.62% to \$155,916, slightly raising its share to 3.69%. Overall, the budget shows growth concentrated in Economic Development, with notable decreases in Town Clerk and smaller reductions in Information Technology and Public Information.

FY26 Expenditures by Division



● Economic Development	\$970,003	22.97%
● Finance	\$792,743	18.77%
● Information Tech	\$597,852	14.16%
● Administrative Services	\$503,653	11.93%
● Town Manager	\$396,325	9.39%
● Legal Services	\$314,836	7.46%
● Town Clerk	\$259,321	6.14%
● Public Information	\$231,972	5.49%
● Purchasing	\$155,916	3.69%

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	\$538,117	\$351,831	\$389,870	\$396,325	1.66%
Information Tech	\$413,499	\$452,702	\$607,129	\$597,852	-1.53%
Town Clerk	\$187,188	\$188,328	\$306,281	\$259,321	-15.33%
Administrative Services	\$263,609	\$386,830	\$491,355	\$503,653	2.50%
Finance	\$667,825	\$698,968	\$779,341	\$792,743	1.72%
Public Information	\$229,253	\$221,524	\$238,801	\$231,972	-2.86%
Economic Development	\$609,263	\$657,000	\$822,871	\$970,003	17.88%
Legal Services	\$295,058	\$300,853	\$308,600	\$314,836	2.02%
Purchasing	\$128,985	\$139,802	\$149,035	\$155,916	4.62%
Total Expenditures	\$3,332,797	\$3,397,837	\$4,093,283	\$4,222,621	3.16%

Performance Measures

Strategic Plan	Task 1.a.iii - Econ Dev Webpage	Task 1.b.i - Coordinate Meetings
Administration Department	<i>Maintain Economic Development Webpage</i>	<i>Coordinate Economic Development Meetings with Nearby Stakeholder Groups</i>
9 Divisions		
Fiscal Year 2024-25	The Economic Development Division established a tourism website in previous years and continued to maintain it in FY2025. The Divisions also implemented a CRM software system to track local business information.	In FY2025, the Town's Economic Development team coordinated the Fort McDowell Yavapai Nation on tourism opportunities, and met with the Salt River Maricopa Pima Indian Community for grant opportunities. The team also held 8 meeting with the Fountain Hills chamber of commerce for various economic development discussions.
Fiscal Year 2025-26	The Economic Development Division will leverage these website/software systems to improve economic development retention and attraction efforts in FY2026.	In FY2026, the Town will strive to have at least 10 economic development meetings with these nearby stakeholders.
Staff Explanation	Recently, Sprouts Farmers Market announced that it would bring a location to Fountain Hills in 2026. Town staff will leverage resources to support this large new grocery store and new development to continue attracting new businesses to the Town.	The Town is committed to economic development opportunities and enhancing the Downtown District. In fact, the Council approved a new budgetary item for \$50,000 from the Downtown Fund for a new downtown façade improvement program which will support local businesses improving their storefronts in the downtown area.

Strategic Plan	Task 1.b.ii - Form Advisory Group	Task 2.a.i - Public Finance Meetings
Administration Department	<i>Form a business professional advisory group</i>	<i>Town Halls Discussing Town Finances for Residents</i>
9 Divisions		
Fiscal Year 2024-25	In FY2025, the Mayor created an Economic Development Advisory Committee (EDAC) which meets with the Economic Development Division and other stakeholders regularly.	In FY2025, the Finance Division held a financial Town Hall on 11/20/2024, and March 12, 2025 in the Council Chambers. Various stakeholders attended and asked the CFO various financial questions. Finance also attends several other stakeholder meetings each year, including the Leadership Academy, the Mayor's Youth Council, and more.
Fiscal Year 2025-26	In FY2026, EDAC will continue meetings and the Economic Development Division will continue participating in local stakeholder meetings.	Finance will hold financial Town Halls in late November 2025 and on March 11, 2026 in the Council chambers. Finance will also attend many other financial stakeholder meetings throughout the year.
Staff Explanation	The Economic Development Division will continue collaborative meetings with advisory groups and will modify approaches, as necessary to meet objectives.	Finance serves the Town Council and residents to meet the needs of the community. This practice will continue into FY2026 and future years.

Strategic Plan	Task 2.b.i - 5 Year Financial Plan	Task 2.c.ii - Promote E-government
Administration Department 9 Divisions	<i>Publish 5 Year Financial Plans</i>	<i>Implement Softwares to Improve Efficiency and Effectiveness</i>
Fiscal Year 2024-25	The Finance Division published a 5 year General Fund revenue and projection table on page 34 of the FY2025 Adopted Budget Book.	The Town fully implemented a new business license software in FY2024 and fully implemented new forms in FY2025. These online forms created automatic renewals with online payments, that substantially reduced staff time completing these previously manual tasks.
Fiscal Year 2025-26	The Finance Division is publishing a 5 year General Fund revenue and projection table, with additional explanations in the Long-Range Operating Plan section of this budget book.	The Town implemented a new short-term rental compliance software in January 2025 which has created strong tools for the Town to monitor compliance with Ordinances over short-term residential rentals in FY2026.
Staff Explanation	Finance will continue improving its projection methodology and provide critical financial information to our residents each year.	The Administration Department will continue searching for effective online improvements to effectiveness and efficiencies.

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.

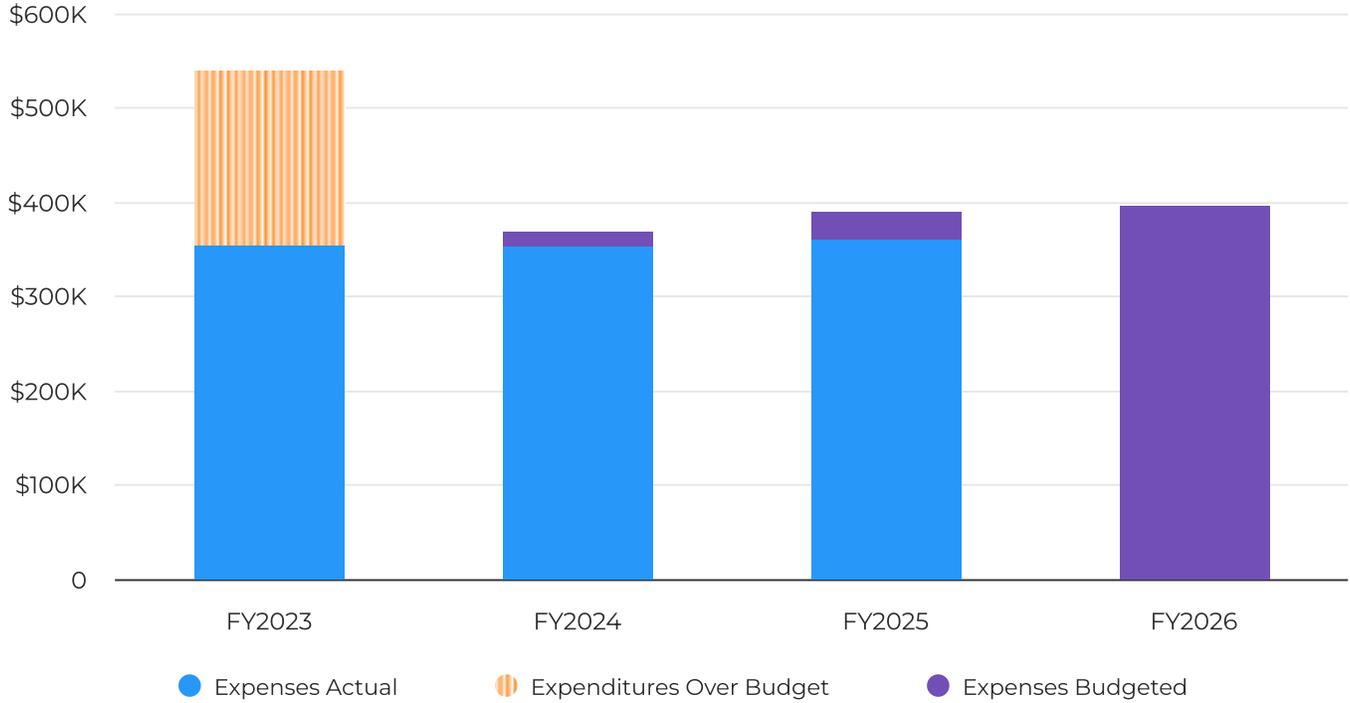


Rachael Goodwin
Town Manager

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

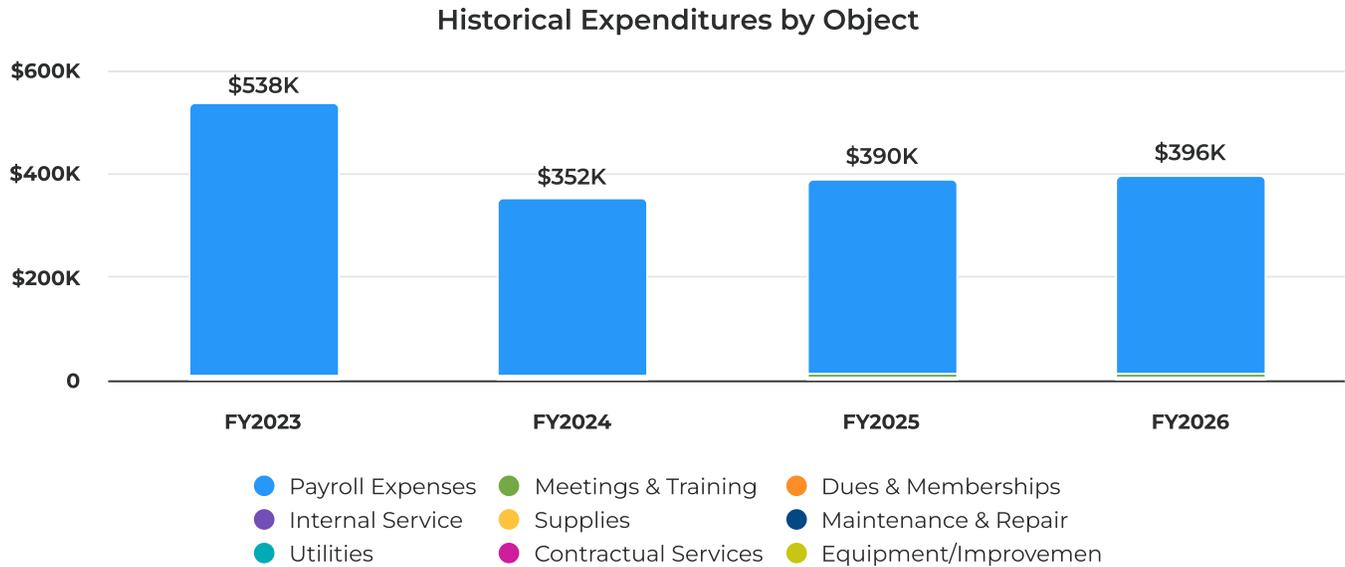
Historical Expenditures Across Division



In the Town Manager's Expenditure Summary for FY2026, the budgeted expenses increased to \$396,325, marking a 1.66% rise from the previous year's budget of \$389,870, which had itself grown by 5.85% from its prior period. This indicates a continued but slower growth in budgeted expenses compared to the previous year.

Looking back at FY2025, actual expenses were \$359,522, which was 92.22% of the budgeted amount and represented a 2.19% increase from the prior period's actual expenses. The FY2026 budgeted expenses exceed the FY2025 actual expenses by \$36,803, reflecting the planned increase in spending for the Town Manager's office.

Expenditures by Object



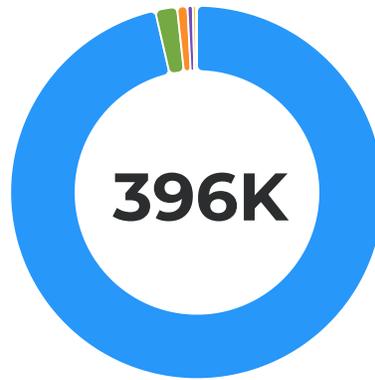
In FY2026, the Town Manager's total budget increased by 1.66% to \$396,325 compared to the previous year. Payroll Expenses remained the largest category, accounting for 96.4% of the total budget at \$382,066, which is a 1.71% increase of \$6,420 from the prior year.

Meetings & Training held steady at \$7,500, representing 1.89% of the total budget with no change from the previous year. Similarly, Dues & Memberships remained at \$3,500, or 0.88% of the total, with no increase.

Internal Service expenses saw a slight increase of 1.96%, rising by \$35 to \$1,819, maintaining 0.46% of the total budget. Supplies, Maintenance & Repair, Contractual Services, Utilities, and Equipment/Improvements all remained unchanged in both dollar amount and percentage of the total budget.

Overall, the FY2026 budget shows modest growth primarily driven by Payroll Expenses and a small increase in Internal Service costs, while other categories remained stable from the previous year.

FY26 Expenditures by Object



● Payroll Expenses	\$382,066	96.40%
● Meetings & Training	\$7,500	1.89%
● Dues & Memberships	\$3,500	0.88%
● Internal Service	\$1,819	0.46%
● Supplies	\$1,160	0.29%
● 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	\$341,078	\$375,646	\$382,066	1.71%
Internal Service	\$2,051	\$1,550	\$1,784	\$1,819	1.96%
Dues & Memberships	\$3,042	\$1,528	\$3,500	\$3,500	0.00%
Meetings & Training	\$2,408	\$5,374	\$7,500	\$7,500	0.00%
Maintenance & Repair	\$317	-	\$200	\$200	0.00%
Utilities	-	\$503	-	-	-
Contractual Services	\$57	\$21	\$80	\$80	0.00%
Supplies	\$378	\$1,611	\$1,160	\$1,160	0.00%
Equipment/Improvement	-	\$166	-	-	-
Total Expenditures	\$538,117	\$351,831	\$389,870	\$396,325	1.66%

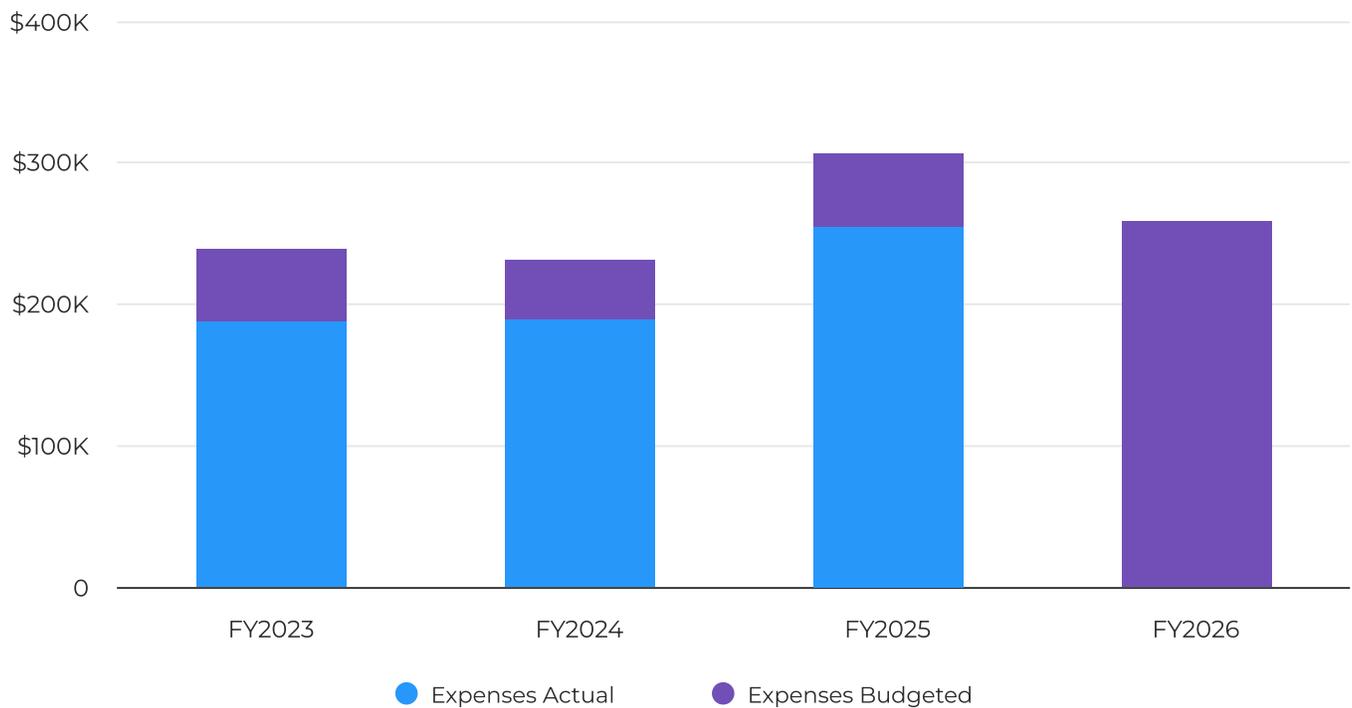
Town Clerk

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

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division

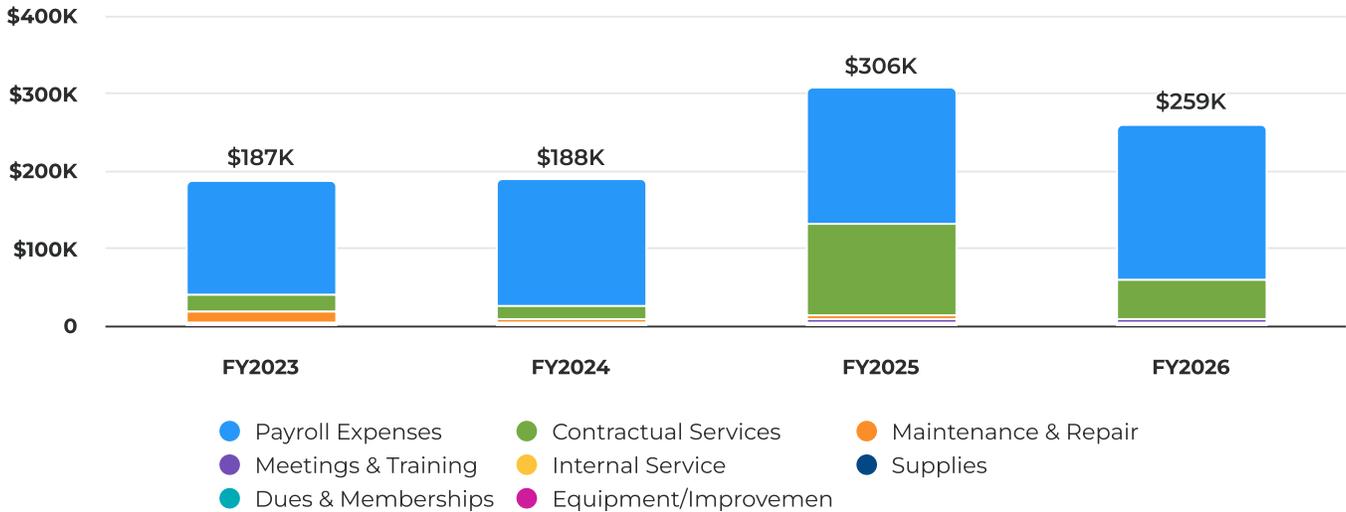


In the Town Clerk's Expenditure Summary for FY2026, the budgeted expenses decreased to \$259,321, representing a 15.33% reduction from the previous year's budget of \$306,281. This follows a prior increase of 32.57% in the FY2025 budget compared to its preceding period. Actual expenses in FY2025 were \$254,266, which was 35.01% higher than the prior period and accounted for 83.02% of the budgeted amount that year.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object

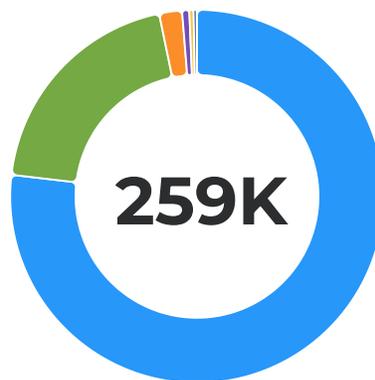


The total budget for the Town Clerk in FY2026 is \$259,321, representing a 15.33% decrease from the previous year's total of \$306,281. Payroll Expenses remain the largest category, increasing by \$25,122 or 14.42% to \$199,290, now comprising 76.85% of the total budget, up from 56.87% the prior year.

Contractual Services, the second largest category, decreased significantly by \$66,400 or 56.28%, falling to \$51,580 and making up 19.89% of the total budget compared to 38.52% previously. This decrease is due to a recent general election during FY2025, and no general election in FY2026. Meetings & Training saw a modest increase of \$300 or 6.22%, reaching \$5,124 and accounting for 1.98% of the budget.

Internal Service expenses rose slightly by \$18 or 1.12% to \$1,632, representing 0.63% of the total. Dues & Memberships, Supplies, and Equipment/Improvements remained unchanged at \$950, \$695, and \$50 respectively, with minor shifts in their budget proportions. Maintenance & Repair expenses were eliminated entirely, decreasing by \$6,000 or 100% from the previous year.

FY26 Expenditures by Object



Payroll Expenses	\$199,290	76.85%
Contractual Services	\$51,580	19.89%
Meetings & Training	\$5,124	1.98%
Internal Service	\$1,632	0.63%
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	\$162,142	\$174,168	\$199,290	\$25,122
Internal Service	\$1,757	\$1,373	\$1,614	\$1,632	\$18
Dues & Memberships	\$383	\$395	\$950	\$950	-
Meetings & Training	\$145	\$255	\$4,824	\$5,124	\$300
Maintenance & Repair	\$14,891	\$5,720	\$6,000	-	-\$6,000
Contractual Services	\$21,141	\$16,956	\$117,980	\$51,580	-\$66,400
Supplies	\$454	\$1,209	\$695	\$695	-
Equipment/Improvement	-	\$279	\$50	\$50	-
Total Expenditures	\$187,188	\$188,328	\$306,281	\$259,321	-\$46,960

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.

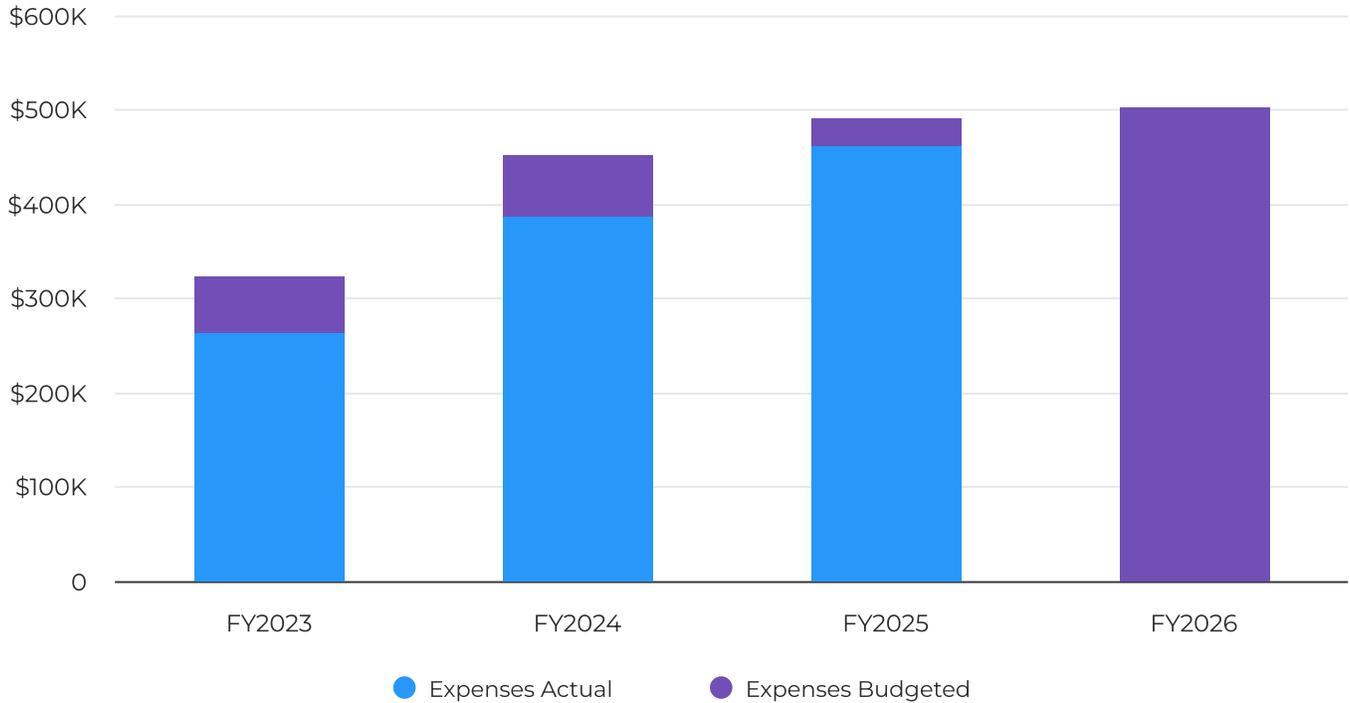


David Trimble
Deputy Town
Manager/Administrative Services
Director

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division

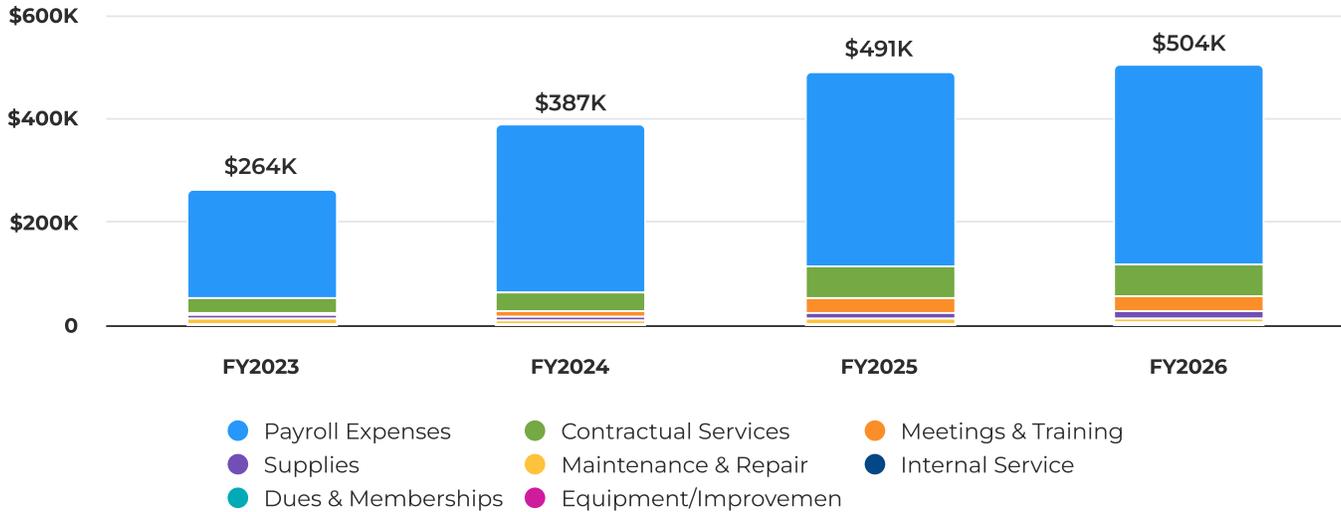


In FY2026, the Administrative Services expenditure budget is set at \$503,653, reflecting a 2.5% increase from the previous year's budget of \$491,355. This growth in the budgeted expenses is more moderate compared to the prior year's 8.62% increase. The actual expenses in FY2025 were \$461,787, which was 93.98% of the budgeted amount and represented a 19.38% increase from the previous period's actual expenses. The FY2026 budget continues to build on the upward trend in expenditures but at a slower rate than the previous year, indicating a more controlled increase in budgeted expenses for Administrative Services.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



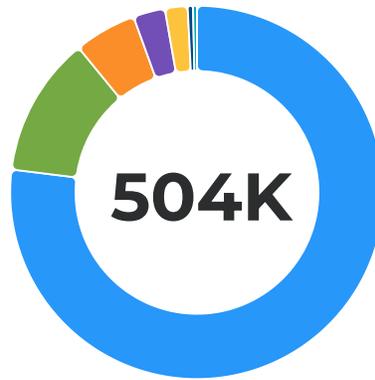
In FY2026, the total expenditures for Administrative Services increased by 2.5% to \$503,653 compared to the previous year. Payroll Expenses remained the largest category, accounting for 76.97% of the total at \$387,649, which is a 2.42% increase of \$9,155 from the prior year.

Contractual Services held the second-largest share at 12.13% with \$61,074, showing a slight increase of \$180 or 0.3%. Meetings & Training expenses rose modestly by 1.53% to \$27,179, representing 5.4% of the total budget.

Supplies increased by 8.35% to \$13,890, making up 2.76% of the total, while Maintenance & Repair grew by 10% to \$9,845, now 1.95% of the budget. Internal Service expenditures saw a significant rise of 55.9%, increasing by \$815 to \$2,273, which is 0.45% of the total.

Dues & Memberships decreased by 11.48% to \$1,743, representing 0.35% of the total budget. Equipment/Improvements remained at \$0, consistent with the previous year.

FY26 Expenditures by Object



● Payroll Expenses	\$387,649	76.97%
● Contractual Services	\$61,074	12.13%
● Meetings & Training	\$27,179	5.40%
● Supplies	\$13,890	2.76%
● Maintenance & Repair	\$9,845	1.95%
● Internal Service	\$2,273	0.45%
● 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	\$211,445	\$324,132	\$378,494	\$387,649	2.42%
Internal Service	\$2,328	\$2,148	\$1,458	\$2,273	55.90%
Dues & Memberships	\$604	\$664	\$1,969	\$1,743	-11.48%
Meetings & Training	\$5,551	\$10,042	\$26,770	\$27,179	1.53%
Maintenance & Repair	\$8,509	\$4,761	\$8,950	\$9,845	10.00%
Contractual Services	\$28,338	\$36,658	\$60,894	\$61,074	0.30%
Supplies	\$6,834	\$8,065	\$12,820	\$13,890	8.35%
Equipment/Improvement	-	\$360	-	-	-
Total Expenditures	\$263,609	\$386,830	\$491,355	\$503,653	2.50%

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.

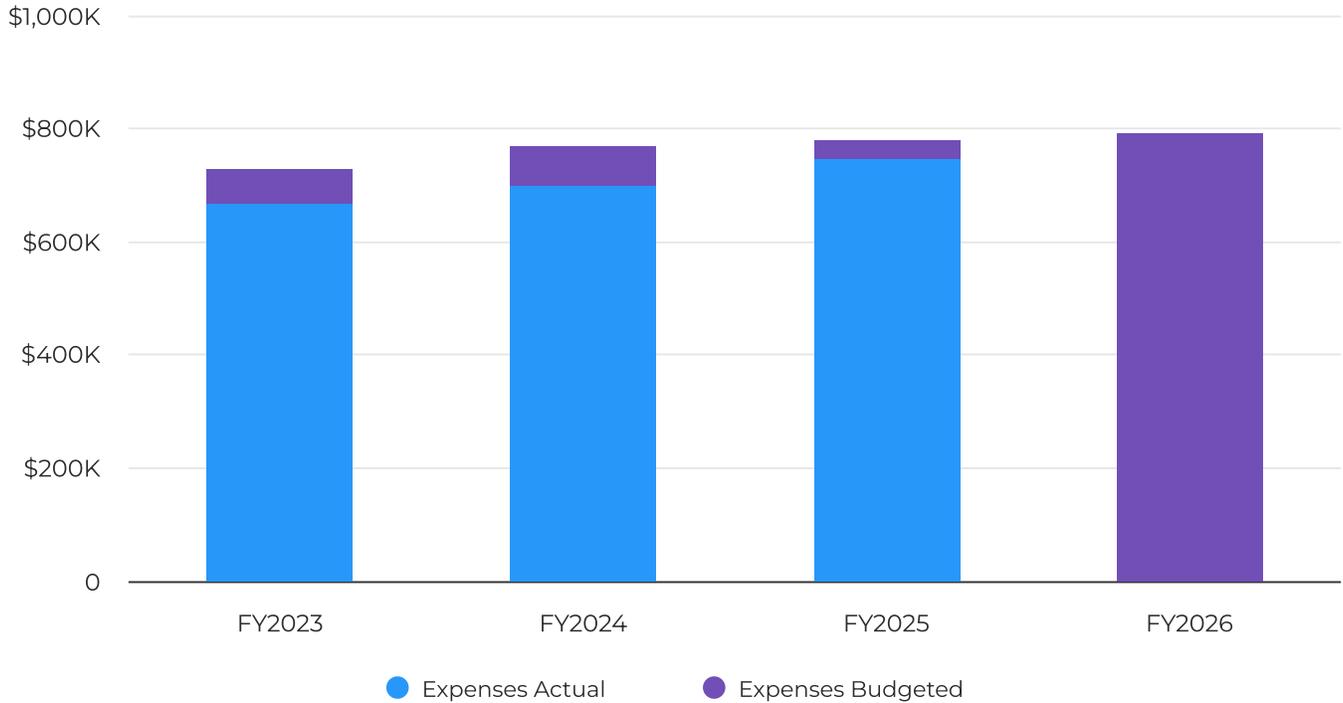


Paul Soldinger
Chief Financial Officer

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division

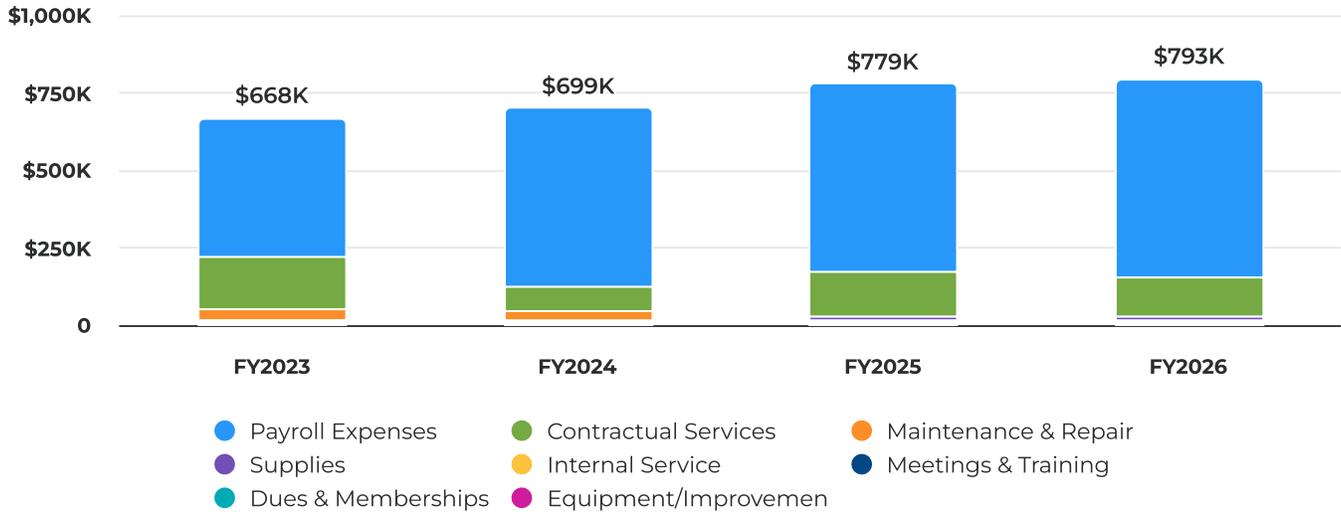


In FY2026, the Finance department's budgeted expenses increased to \$792,743, marking a 1.72% rise from the previous year's budget of \$779,341. This continues the upward trend from FY2025, which saw a 1.13% increase over its prior period. The actual expenses in FY2025 were \$744,624, representing 95.55% of the budgeted amount and a 6.53% increase from the prior period's actual expenses. The FY2026 budget reflects a moderate growth in planned expenditures compared to FY2025, indicating a steady increase in financial allocation for the department.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



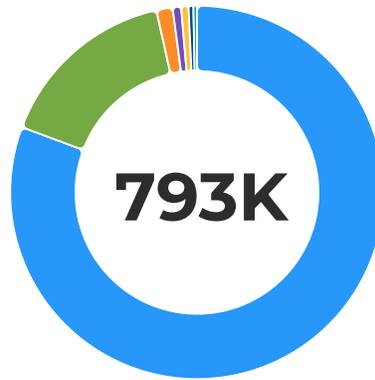
The total expenditures for Finance in FY2026 amount to \$792,743, reflecting a 1.72% increase from the previous year's total of \$779,341. Payroll Expenses remain the largest category, increasing by \$33,085 or 5.45% to \$639,710, now representing 80.7% of the total budget, up from 77.84% in the prior year.

Contractual Services decreased by \$19,465 or 13.44%, falling to \$125,325 and comprising 15.81% of the total, down from 18.58%. Supplies held steady at \$11,120, maintaining a 1.4% share of the budget with no change from the previous year.

Internal Service expenses saw a slight increase of \$107 or 1.89%, reaching \$5,783 and maintaining a 0.73% portion of the total. Meetings & Training and Maintenance & Repair expenses remained unchanged at \$5,125 (0.65%) and \$3,200 (0.4%), respectively.

Dues & Memberships decreased by \$325 or 11.59%, totaling \$2,480 and representing 0.31% of the budget, down from 0.36%. Equipment/Improvement expenses remained at zero.

FY26 Expenditures by Object



● Payroll Expenses	\$639,710	80.70%
● Contractual Services	\$125,325	15.81%
● Supplies	\$11,120	1.40%
● Internal Service	\$5,783	0.73%
● Meetings & Training	\$5,125	0.65%
● Maintenance & Repair	\$3,200	0.40%
● Dues & Memberships	\$2,480	0.31%

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	\$450,700	\$574,250	\$606,625	\$639,710	5.45%
Internal Service	\$5,812	\$4,805	\$5,676	\$5,783	1.89%
Dues & Memberships	\$2,983	\$2,319	\$2,805	\$2,480	-11.59%
Meetings & Training	\$3,107	\$2,566	\$5,125	\$5,125	0.00%
Maintenance & Repair	\$34,025	\$34,599	\$3,200	\$3,200	0.00%
Contractual Services	\$167,355	\$77,434	\$144,790	\$125,325	-13.44%
Supplies	\$3,017	\$2,283	\$11,120	\$11,120	0.00%
Equipment/Improvement	\$826	\$713	-	-	-
Total Expenditures	\$667,825	\$698,968	\$779,341	\$792,743	1.72%

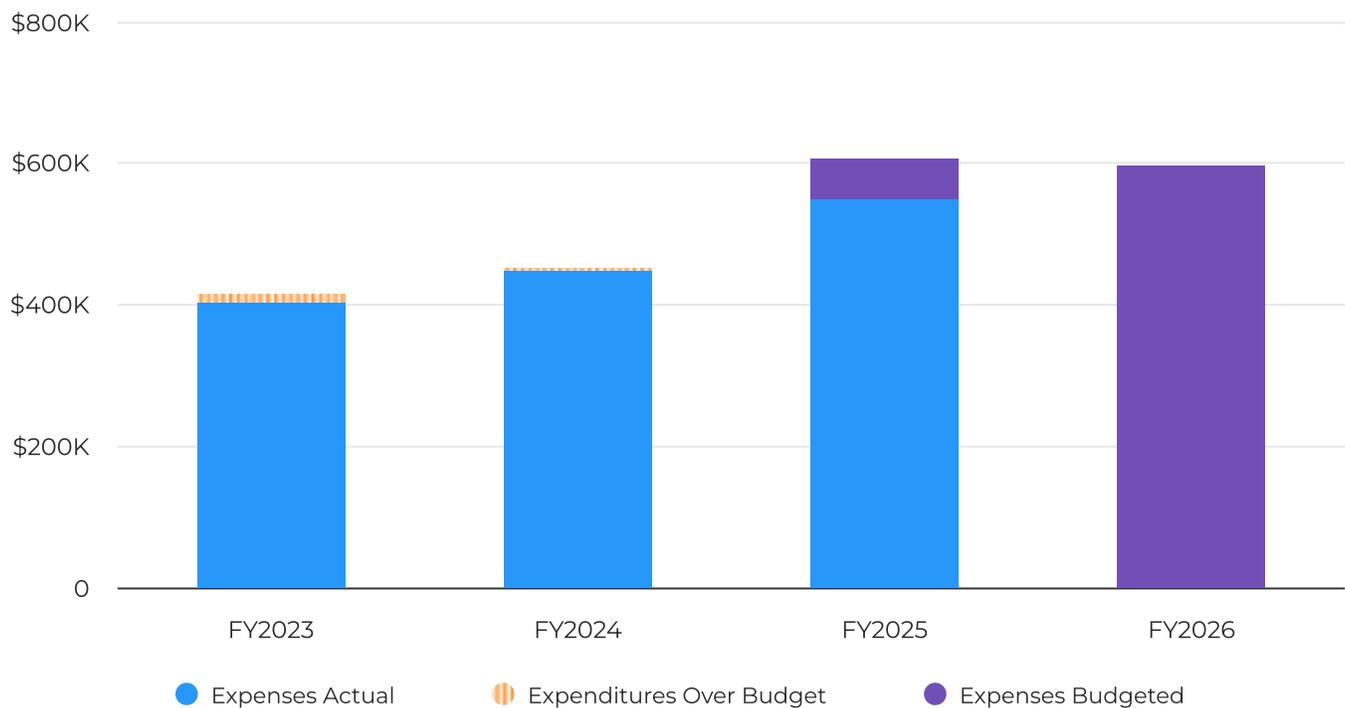
Information Technology

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

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division

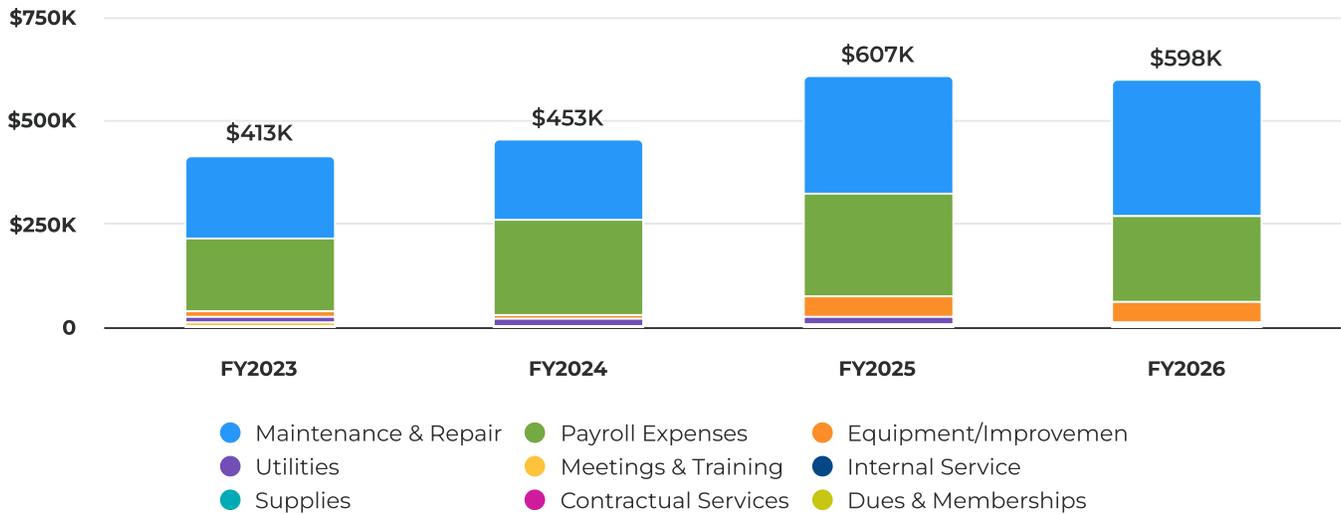


In FY2026, the budgeted expenses for Information Technology are \$597,852, representing a slight decrease of 1.53% compared to the previous year's budget of \$607,129. This follows a significant increase of 35.19% in the budget from the prior period to FY2025. The actual expenses in FY2025 were \$549,882, which was 21.47% higher than the prior period and amounted to 90.57% of the budgeted amount for that year.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



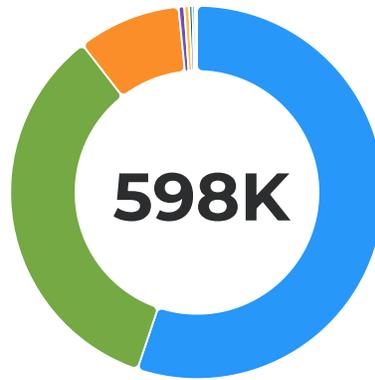
The total budget for Information Technology in FY2026 is \$597,852, representing a 1.53% decrease from the previous year's total of \$607,129. Maintenance & Repair remains the largest expenditure category, increasing by \$44,250 or 15.49% to \$329,900, which now accounts for 55.18% of the total budget, up from 47.05% the prior year.

Payroll Expenses decreased significantly by \$39,690 or 16.21%, totaling \$205,228 and comprising 34.33% of the budget, down from 40.34%. Equipment/Improvements held steady at \$53,250, maintaining an 8.91% share of the budget with no change from the previous year.

Utilities saw a substantial reduction of \$14,000 or 84.64%, dropping to \$2,540 and representing 0.42% of the total budget, compared to 2.72% previously. Supplies increased by \$250 or 18.52% to \$1,600, now 0.27% of the budget. Internal Service expenses decreased slightly by \$87 or 6.12% to \$1,334, making up 0.22% of the total.

Meetings & Training remained constant at \$3,000, accounting for 0.5% of the budget, while Contractual Services stayed unchanged at \$1,000, representing 0.17%. Dues & Memberships continued to have no allocated budget.

FY26 Expenditures by Object



● Maintenance & Repair	\$329,900	55.18%
● Payroll Expenses	\$205,228	34.33%
● Equipment/Improvement	\$53,250	8.91%
● Meetings & Training	\$3,000	0.50%
● Utilities	\$2,540	0.42%
● 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	\$176,898	\$227,954	\$244,918	\$205,228	-16.21%
Internal Service	\$1,531	\$1,547	\$1,421	\$1,334	-6.12%
Dues & Memberships	\$108	-	-	-	-
Meetings & Training	\$5,125	-	\$3,000	\$3,000	0.00%
Maintenance & Repair	\$198,444	\$193,811	\$285,650	\$329,900	15.49%
Utilities	\$14,875	\$16,644	\$16,540	\$2,540	-84.64%
Contractual Services	\$1,600	\$1,000	\$1,000	\$1,000	0.00%
Supplies	\$1,130	\$1,540	\$1,350	\$1,600	18.52%
Equipment/Improvement	\$13,788	\$10,206	\$53,250	\$53,250	0.00%
Total Expenditures	\$413,499	\$452,702	\$607,129	\$597,852	-1.53%

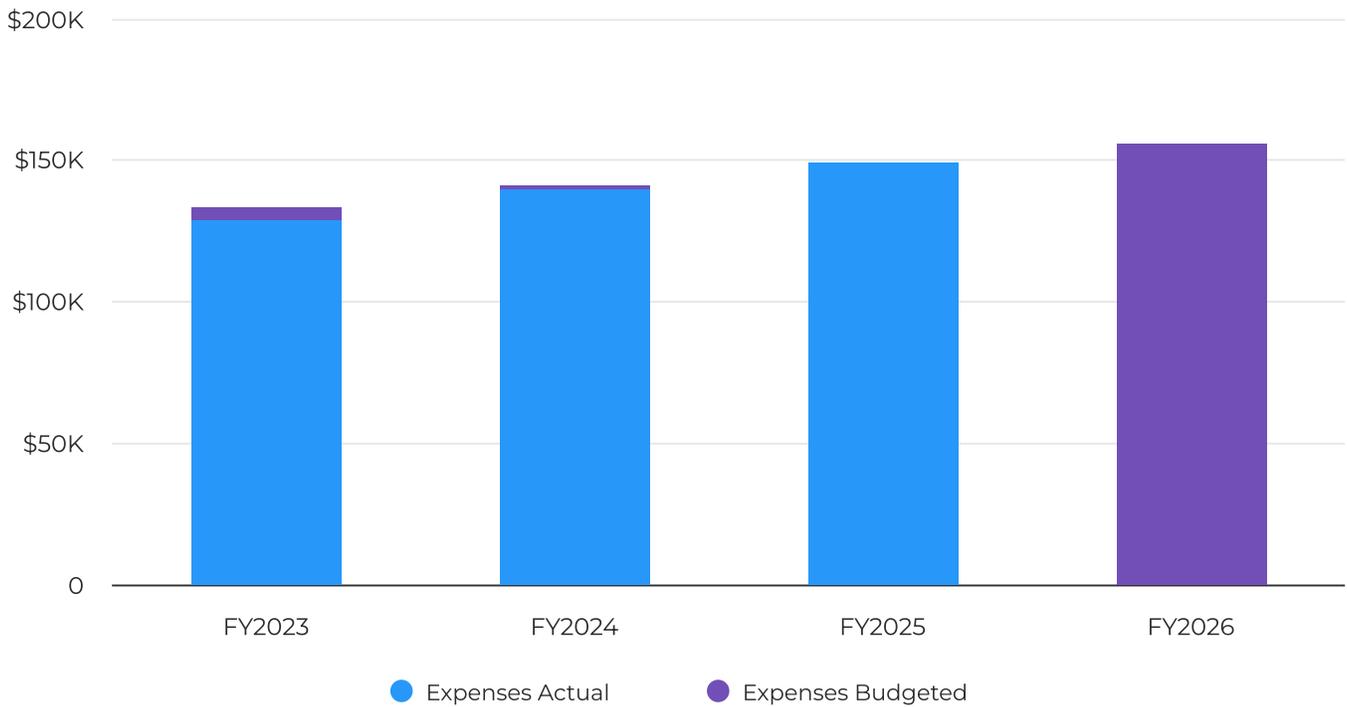
Purchasing

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

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division

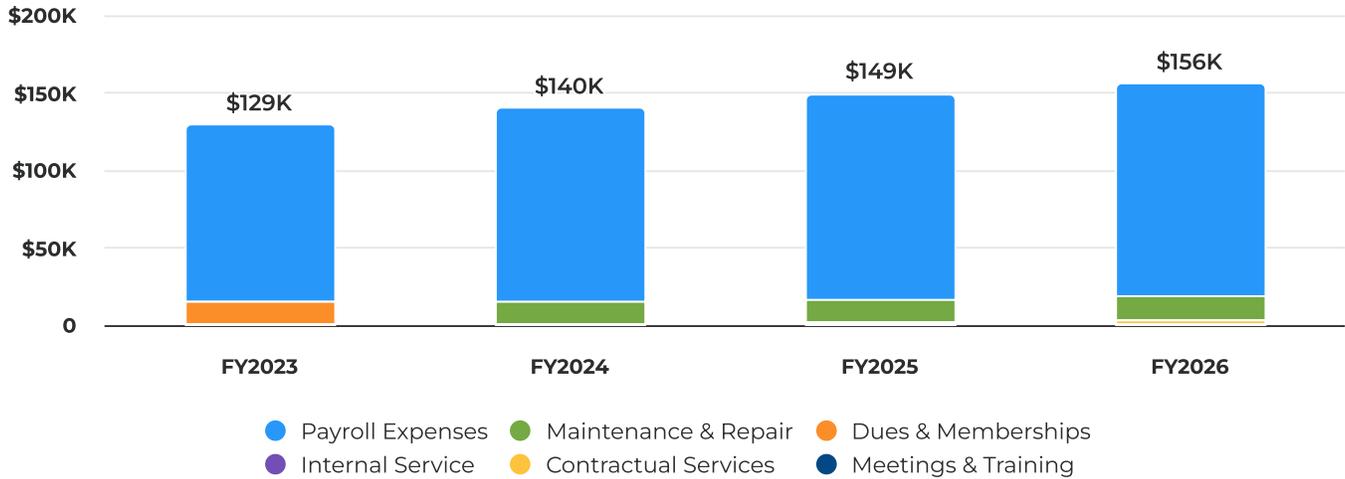


In the FY2026 budget for Purchasing, the total expenses budgeted amount to \$155,916, reflecting a 4.62% increase with from the previous year's budget of \$149,035. This continues the upward trend observed from FY2024 to FY2025, where expenses budgeted rose by 5.72%. The actual expenses in FY2025 were \$148,907, which was 99.91% of the budgeted amount and represented a 6.51% increase from the prior period. The FY2026 budget anticipates a moderate growth in expenditures compared to FY2025, maintaining a consistent increase in budget allocation for Purchasing expenses.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

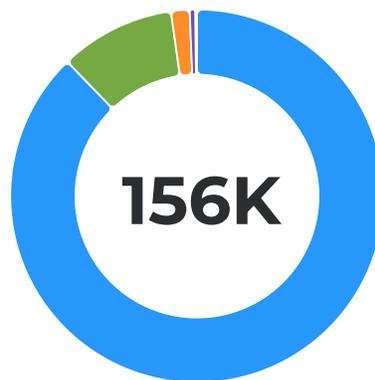
Historical Expenditures by Object



The total budget for Purchasing in FY2026 is \$155,916, reflecting a 4.62% increase from the previous year's total of \$149,035. Payroll Expenses remain the largest category, accounting for \$136,880 or 87.79% of the total budget, which is a \$3,732 increase or 2.8% growth from FY2025. Maintenance & Repair also increased to \$15,547, representing 9.97% of the total and a \$977 rise or 6.71% increase compared to the prior year.

Contractual Services saw a significant increase, rising from \$200 in FY2025 to \$2,500 in FY2026, which is a \$2,300 increase or 1,150% growth, now making up 1.6% of the total budget. Conversely, Internal Service expenditures decreased by \$128 or 13.96%, falling to \$789 and representing 0.51% of the total. Meetings & Training remained steady at \$200, maintaining 0.13% of the budget, while Dues & Memberships continued at \$0.

FY26 Expenditures by Object



Payroll Expenses	\$136,880	87.79%
Maintenance & Repair	\$15,547	9.97%
Contractual Services	\$2,500	1.60%
Internal Service	\$789	0.51%
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	\$113,516	\$124,482	\$133,148	\$136,880	2.80%
Internal Service	\$835	\$751	\$917	\$789	-13.96%
Dues & Memberships	\$14,568	-	-	-	-
Meetings & Training	-	-	\$200	\$200	0.00%
Maintenance & Repair	-	\$14,568	\$14,570	\$15,547	6.71%
Contractual Services	\$66	-	\$200	\$2,500	1,150.00%
Total Expenditures	\$128,985	\$139,802	\$149,035	\$155,916	4.62%

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.



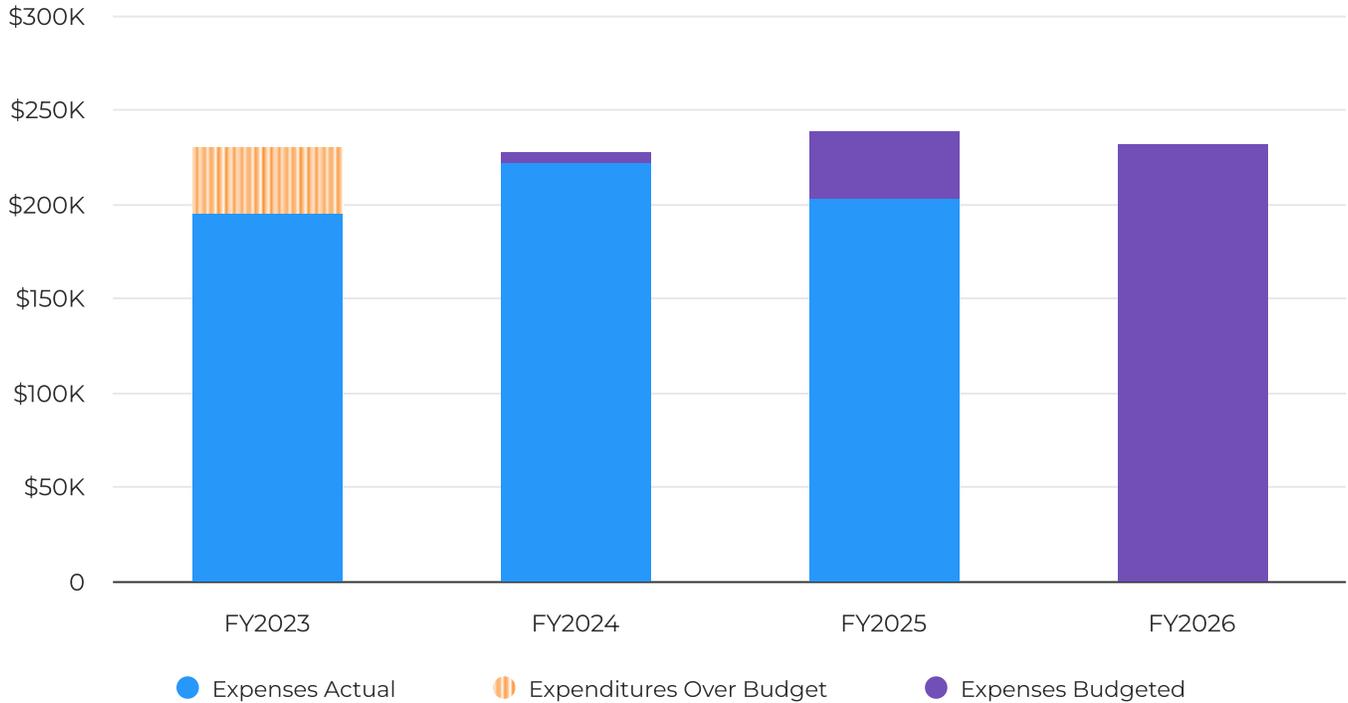
Mike Pelton

Community Relations Director

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division

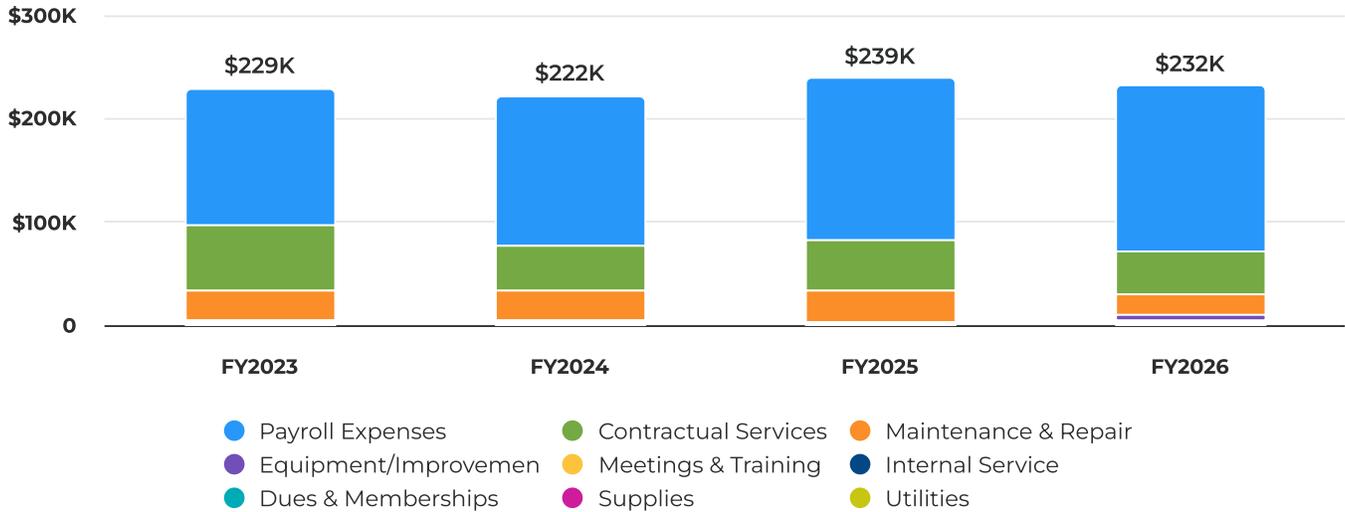


In the FY2026 budget for Public Information, the total expenses budgeted are \$231,972, representing a 2.86% decrease from the previous year's budget of \$238,801. This follows a prior increase of 5.02% in the FY2025 budget compared to its preceding period. The actual expenses in FY2025 were \$203,363, which was 8.2% lower than the previous actuals and amounted to 85.16% of the budgeted amount for that year. The FY2026 budget reflects a slight reduction in planned expenditures compared to FY2025, continuing a trend of adjustments following the under-spending observed in the prior year.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object

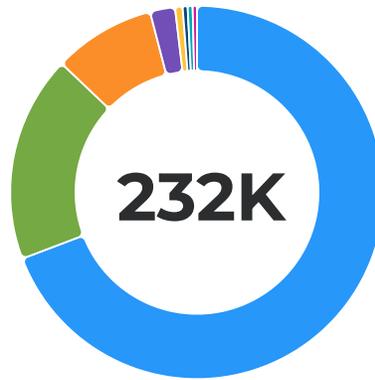


The total budget for Public Information in FY2026 is \$231,972, representing a 2.86% decrease from the previous year's total of \$238,801. Payroll Expenses remain the largest category, increasing by \$4,680 or 3% to \$160,597, which now accounts for 69.23% of the total budget, up from 65.29% the prior year.

Contractual Services saw a significant decrease of \$7,717 or 15.68%, dropping to \$41,500 and comprising 17.89% of the total budget, down from 20.61%. Maintenance & Repair also experienced a notable reduction, decreasing by \$9,810 or 32.37% to \$20,500, which is 8.84% of the total, compared to 12.69% previously.

Equipment/Improvements was introduced in FY2026 with a budget of \$5,000, representing 2.16% of the total. Dues & Memberships increased by \$1,000 or 200% to \$1,500, now making up 0.65% of the budget. Meetings & Training and Supplies remained steady at \$1,000 each, both around 0.43% of the total. Internal Service expenses slightly increased by \$18 or 2.1% to \$875, maintaining a small share of 0.38%. Utilities were eliminated, remaining at \$0.

FY26 Expenditures by Object



● Payroll Expenses	\$160,597	69.23%
● Contractual Services	\$41,500	17.89%
● Maintenance & Repair	\$20,500	8.84%
● Equipment/Improvement	\$5,000	2.16%
● Dues & Memberships	\$1,500	0.65%
● Supplies	\$1,000	0.43%
● Meetings & Training	\$1,000	0.43%
● 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	\$132,392	\$145,619	\$155,917	\$160,597	3.00%
Internal Service	\$1,112	\$1,106	\$857	\$875	2.10%
Dues & Memberships	\$466	\$998	\$500	\$1,500	200.00%
Meetings & Training	\$1,827	\$2,395	\$1,000	\$1,000	0.00%
Maintenance & Repair	\$29,003	\$28,708	\$30,310	\$20,500	-32.37%
Utilities	-	\$491	-	-	-
Contractual Services	\$62,564	\$42,040	\$49,217	\$41,500	-15.68%
Supplies	\$396	\$167	\$1,000	\$1,000	0.00%
Equipment/Improvement	\$1,495	-	-	\$5,000	-
Total Expenditures	\$229,253	\$221,524	\$238,801	\$231,972	-2.86%

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.



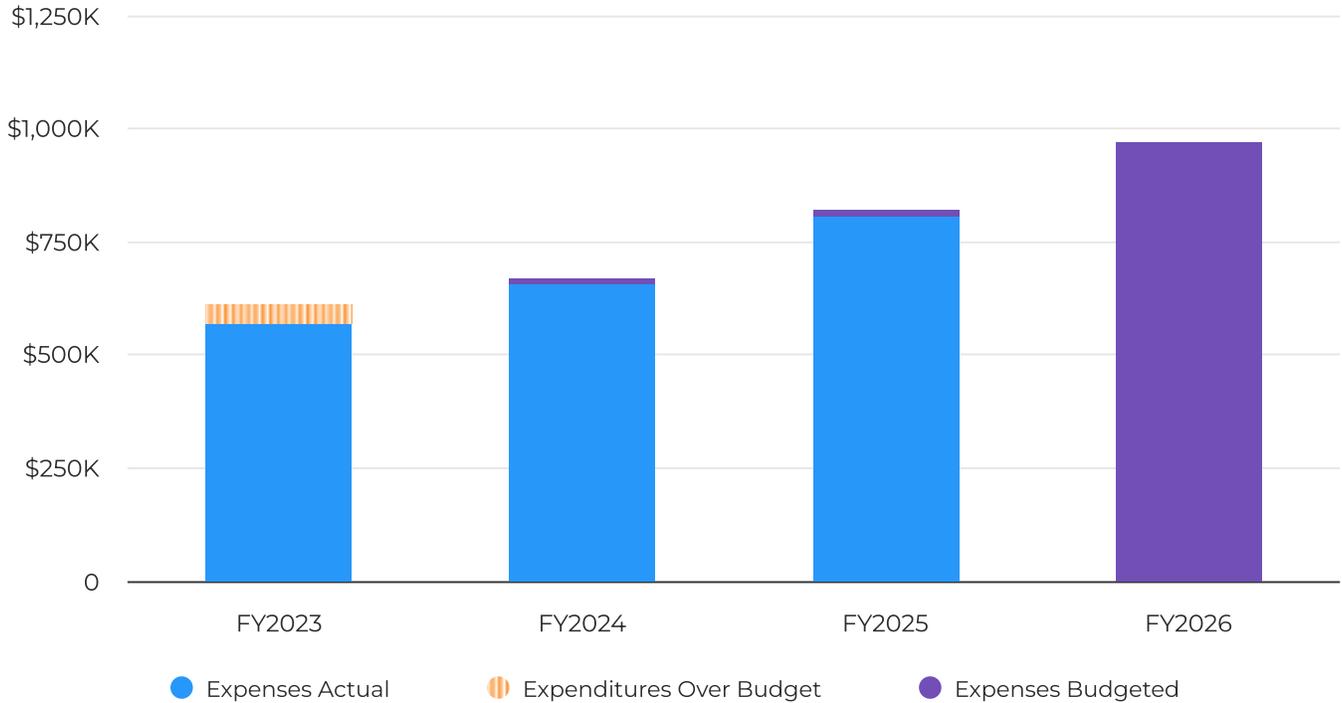
Amanda Jacobs

Economic Development Director

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division



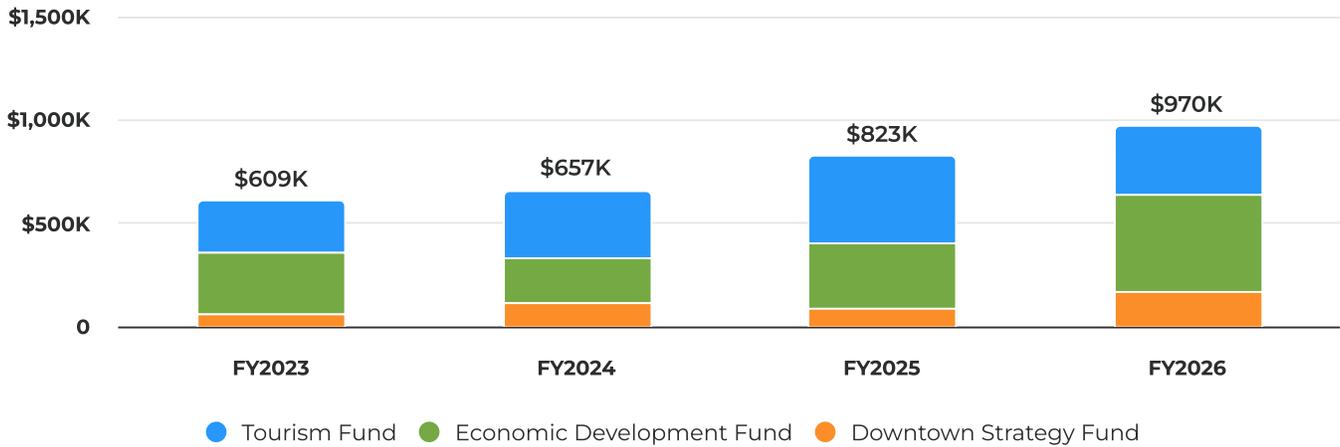
In the Economic Development Expenditure Summary for FY2026, the budgeted expenses increased to \$970,003, marking a 17.88% rise from the previous year's budget of \$822,871. This follows a significant 23.03% increase in budgeted expenses from the prior period to FY2025. Actual expenses in FY2025 were \$805,682, which was 97.91% of the budgeted amount and represented a 22.63% increase from the earlier period.

The trend shows continued growth in budgeted expenditures for Economic Development, with FY2026 maintaining an upward trajectory, though at a slightly lower rate of increase compared to the jump seen in FY2025. The budgeted amount for FY2026 exceeds the actual expenses recorded in FY2025 by \$164,321, reflecting ongoing investment in this area.

Expenditures by Fund

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by fund. The Economic Development Division operates using three different funds for various purposes.

Historical Expenditures by Fund

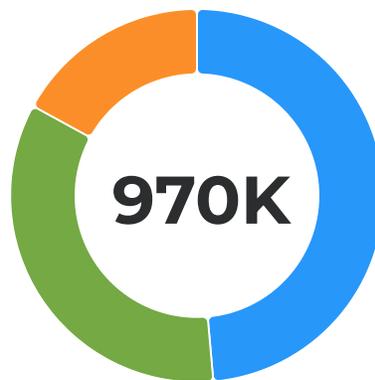


In FY2026, the total historical expenditures by fund for Economic Development increased to \$970,003, representing a 17.88% rise from the previous year's total of \$822,871. The Economic Development Fund became the largest fund, accounting for 48.6% of the total with expenditures of \$471,378, which is a significant increase of \$156,085 or 49.5% compared to FY2025.

The Tourism Fund, which was the largest fund in FY2025 at 50.72% of the total, decreased to 34.37% of the total in FY2026 with expenditures of \$333,425. This reflects a decrease of \$83,953 or 20.11% from the prior year. Meanwhile, the Downtown Strategy Fund saw a notable increase, rising to \$165,200 or 17.03% of the total, which is an increase of \$75,000 or 83.15% compared to FY2025.

Overall, the Economic Development Fund and Downtown Strategy Fund experienced the largest increases in expenditures, while the Tourism Fund had the largest decrease in FY2026 compared to the previous year.

FY26 Expenditures by Fund



● Economic Development Fund	\$471,378	48.60%
● Tourism Fund	\$333,425	34.37%
● Downtown Strategy Fund	\$165,200	17.03%

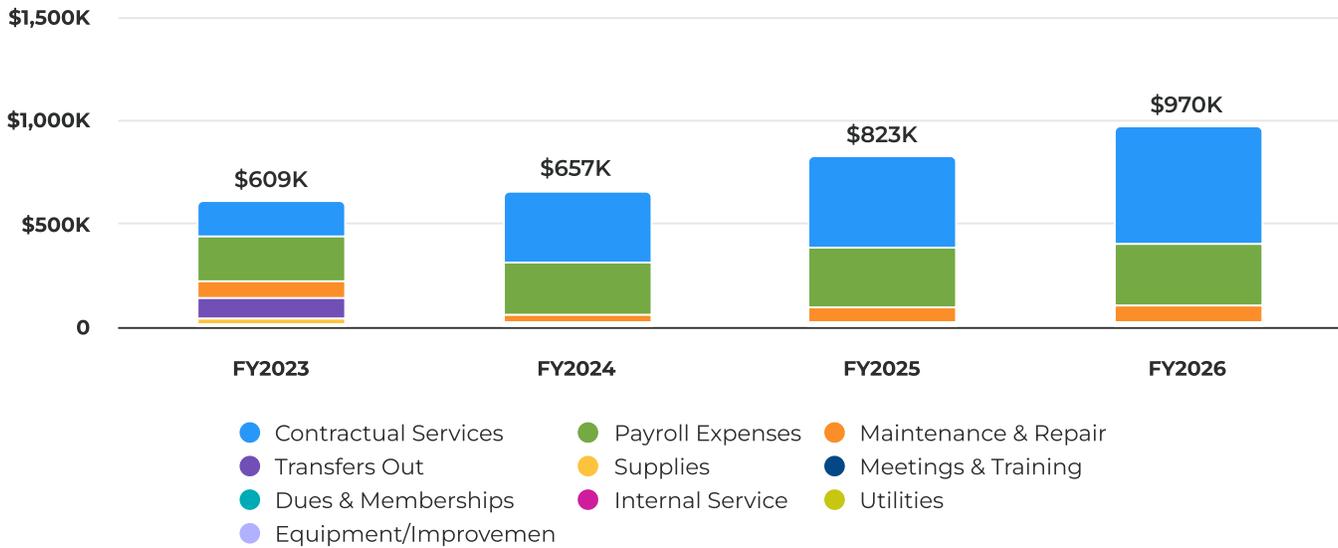
Expenditures by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (\$ Change)
Downtown Strategy Fund	\$54,623	\$109,910	\$90,200	\$165,200	\$75,000
Economic Development Fund	\$306,816	\$216,703	\$315,293	\$471,378	\$156,085
Tourism Fund	\$247,824	\$330,387	\$417,378	\$333,425	-\$83,953
Total Expenditures	\$609,263	\$657,000	\$822,871	\$970,003	\$147,132

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



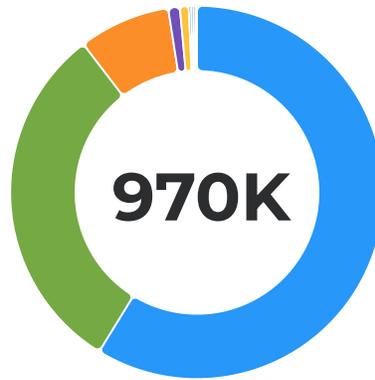
The total budget for Economic Development in FY2026 is \$970,003, representing a 17.88% increase from the previous year's total of \$822,871. Contractual Services remains the largest expenditure category, increasing by \$129,649 or 29.44% to \$570,078, which now accounts for 58.77% of the total budget, up from 53.52% in the prior year.

Payroll Expenses, the second largest category, rose by \$12,483 or 4.36% to \$299,008, making up 30.83% of the total budget, a decrease in share compared to 34.82% previously. Maintenance & Repair expenses increased by \$5,000 or 6.95% to \$76,905, representing 7.93% of the total budget, down from 8.74% in the prior year.

Meetings & Training, Supplies, Utilities, Internal Service, Dues & Memberships, Equipment/Improvements, and Transfers Out remained unchanged in dollar amounts from the previous year. Meetings & Training stayed at \$9,820 (1.01% of total), Supplies at \$7,280 (0.75%), Utilities at \$2,050 (0.21%), Internal Service at \$2,008 (0.21%), Dues & Memberships at \$1,854 (0.19%), Equipment/Improvements at \$1,000 (0.1%), and Transfers Out remained at zero.



FY26 Expenditures by Object



● Contractual Services	\$570,078	58.77%
● Payroll Expenses	\$299,008	30.83%
● Maintenance & Repair	\$76,905	7.93%
● Meetings & Training	\$9,820	1.01%
● Supplies	\$7,280	0.75%
● 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	\$299,008	4.36%
Internal Service	\$2,283	\$1,713	\$2,008	\$2,008	0.00%
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	\$970,003	17.88%

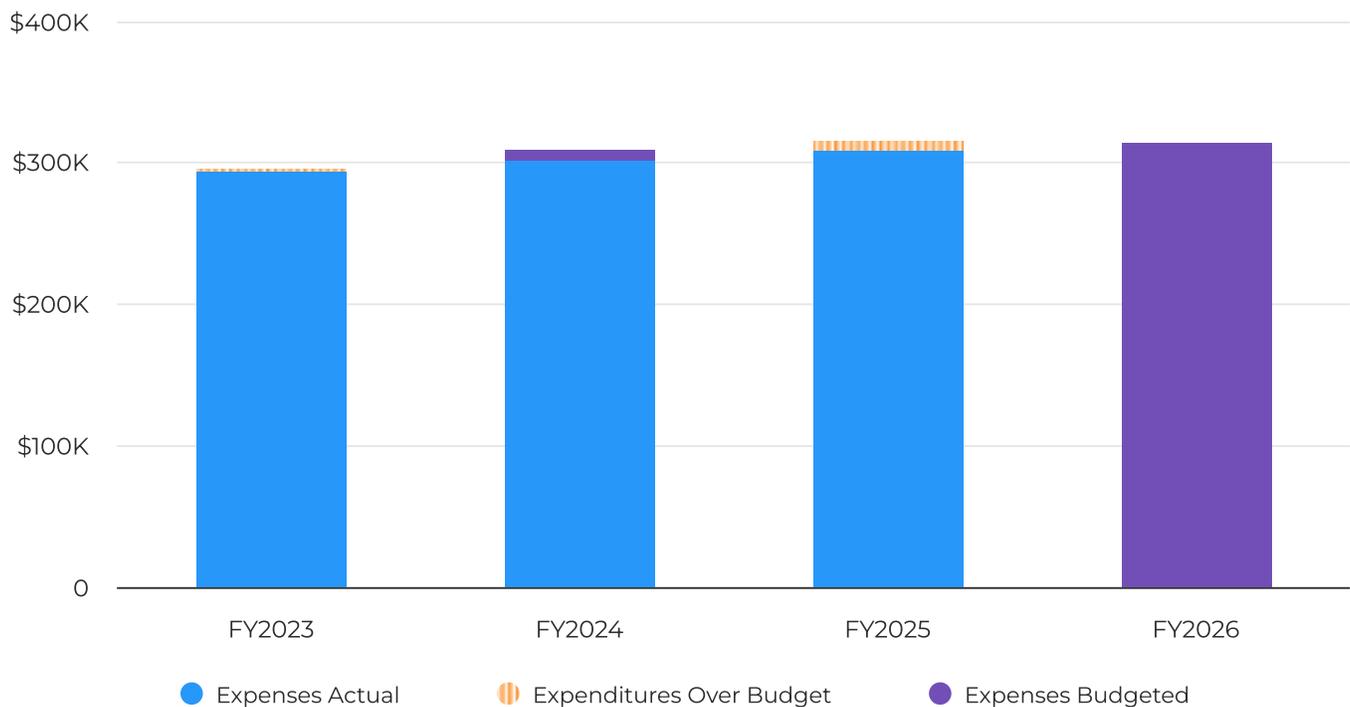
Legal Services

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

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Division



In FY2026, the budgeted expenses for Legal Services increased by 2.02% to \$314,836 compared to the previous year's budget of \$308,600, which had no change from its prior period. This reflects a modest upward adjustment in planned expenditures.

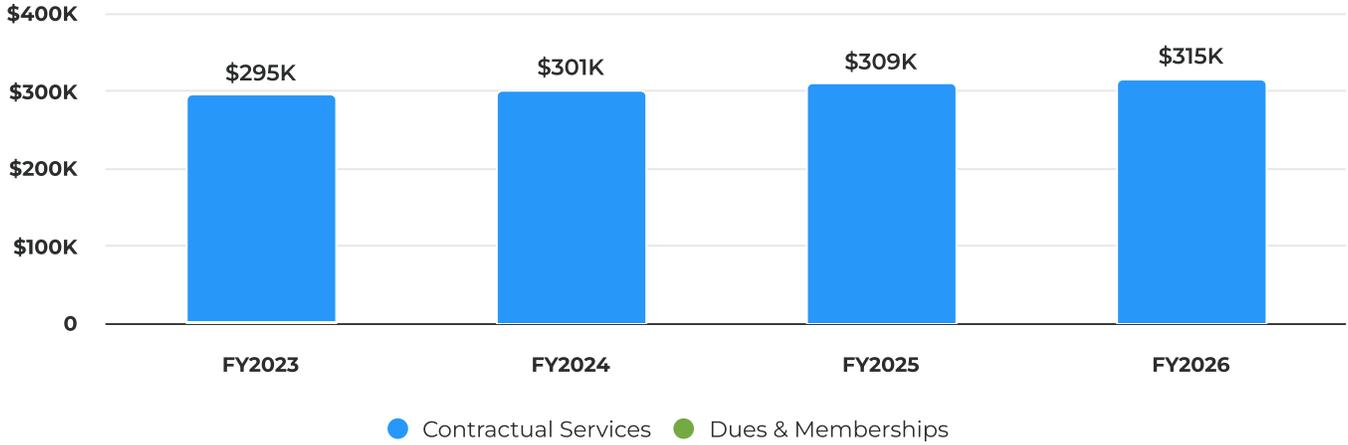
Looking at actual expenses from the previous year FY2025, the amount spent was \$315,835, which was 4.98% higher than the prior period and exceeded the budget by 2.34%, reaching 102.34% of the budgeted amount. The FY2026 budget remains slightly below the previous year's actual expenses by \$999, indicating a cautious approach in planning despite the prior year's overspending.

Town Attorney expenses are 70% paid from this Department in the General Fund and 30% paid from the Streets Fund each year. For FY2026, the Town Attorney is contracted to be paid \$216,000 and the Town Prosecutor is contracted to be paid \$144,766.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



In FY2026, the total budget for Legal Services increased by 2.02% to \$314,836 compared to the previous year's total of \$308,600. Contractual Services remained the largest and sole expenditure category, accounting for 100% of the total budget. This category saw an increase of \$6,236, or 2.02%, from the prior year. Dues & Memberships continued to have no allocated budget, remaining at \$0. Overall, the budget reflects a modest growth focused entirely within Contractual Services.

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	\$35	-	-	-	-
Contractual Services	\$295,023	\$300,853	\$308,600	\$314,836	2.02%

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	\$295,058	\$300,853	\$308,600	\$314,836	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 Towns, 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

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department

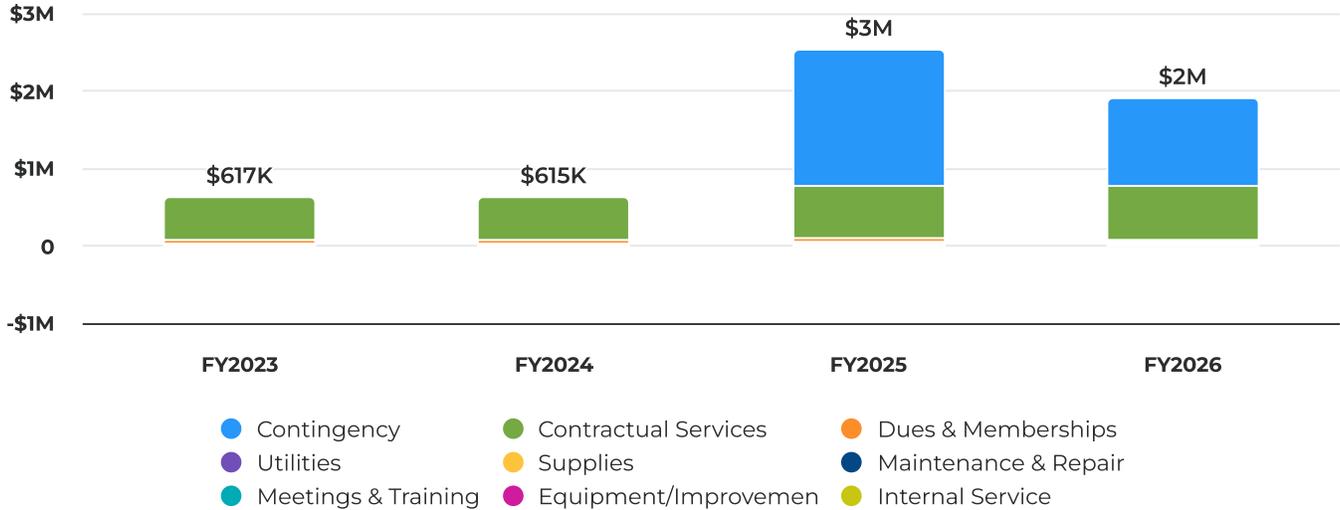


In the General Government Expenditure Summary for FY2026, the budgeted expenses are \$1.9 million, representing a 24.96% decrease from the previous year's budgeted amount of \$2.5 million. This continues the downward trend from FY2025, which saw a 21.8% reduction from its prior period. The actual expenses for FY2025 were \$582,553, which was 23.01% of the budgeted amount and reflected a 5.32% decrease from its prior period. The FY2026 budgeted expenses show a further significant reduction compared to both the budgeted and actual expenses of FY2025, highlighting a continued tightening in expenditure planning within the General Government category.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object

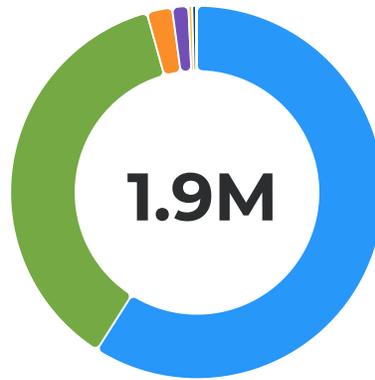


In FY2026, the total expenditures for General Government decreased by 24.96% to \$1.9 million compared to the previous year. The largest expenditure category, Contingency, declined by 36.71%, falling to \$1.1 million and representing 59.01% of the total budget, down from 69.96% in the prior year. As discussed with Council during various FY2026 budget presentations, the Town's revenue projections were relatively flat due to slowing and decreasing local sales taxes and State shared revenues. This resulted in the Town's General Government contingency, or otherwise referred to as the Town's "Wiggle Room" decreased substantially down to about \$1.1 million. If the contingency is needed due to unforeseen or unplanned expenditures, Council approves transfer of the contingency into the requesting funds and departments that require additional budget authority.

Contractual Services increased slightly by 2.46% to \$696,458, making up 36.66% of the total budget, up from 26.84% previously. Utilities also saw a moderate increase of 5.95%, rising to \$26,488 and accounting for 1.39% of the total expenditures. This line includes the Town's liability insurance expense each year, and with rising insurance costs, the Town's budget has increased accordingly.

Dues & Memberships decreased by 9.4% to \$41,710, now constituting 2.2% of the budget. Supplies, Maintenance & Repair, and Meetings & Training remained unchanged in dollar amounts at \$6,305, \$6,000, and \$1,740 respectively, with slight percentage increases due to the reduced total budget.

FY26 Expenditures by Object



● Contingency	\$1,121,243	59.01%
● Contractual Services	\$696,458	36.66%
● Dues & Memberships	\$41,710	2.20%
● Utilities	\$26,488	1.39%
● Supplies	\$6,305	0.33%
● Maintenance & Repair	\$6,000	0.32%
● Meetings & Training	\$1,740	0.09%

Expenditures by Object

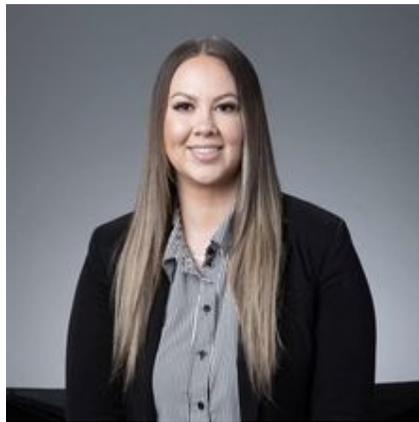
Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Budgeted (% Change)
Internal Service	-\$2,735	\$1,296	-\$4,288	-	-100.00%
Contingency	-	-	\$1,771,541	\$1,121,243	-36.71%
Dues & Memberships	\$44,279	\$46,299	\$46,038	\$41,710	-9.40%
Meetings & Training	-	\$54	\$1,740	\$1,740	0.00%
Maintenance & Repair	\$1,747	\$2,601	\$6,000	\$6,000	0.00%
Utilities	\$20,523	\$20,842	\$25,000	\$26,488	5.95%
Contractual Services	\$538,743	\$537,067	\$679,717	\$696,458	2.46%
Supplies	\$8,562	\$7,154	\$6,305	\$6,305	0.00%
Equipment/Improvement	\$3,024	-	-	-	-
Total Expenditures	\$614,144	\$615,312	\$2,532,053	\$1,899,944	-24.96%

Performance Measures

The General Government Department is used as a central department for expenditures not specifically allocated to any department, such as Town-wide liability insurance. This Department also includes the General Fund contingency, also known as the "Wiggle Room" contained in the General Fund that reconciles budgeted expenditures to projected revenues for the year. The Town has not specifically set performance measures directly to the General Government Department.

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.

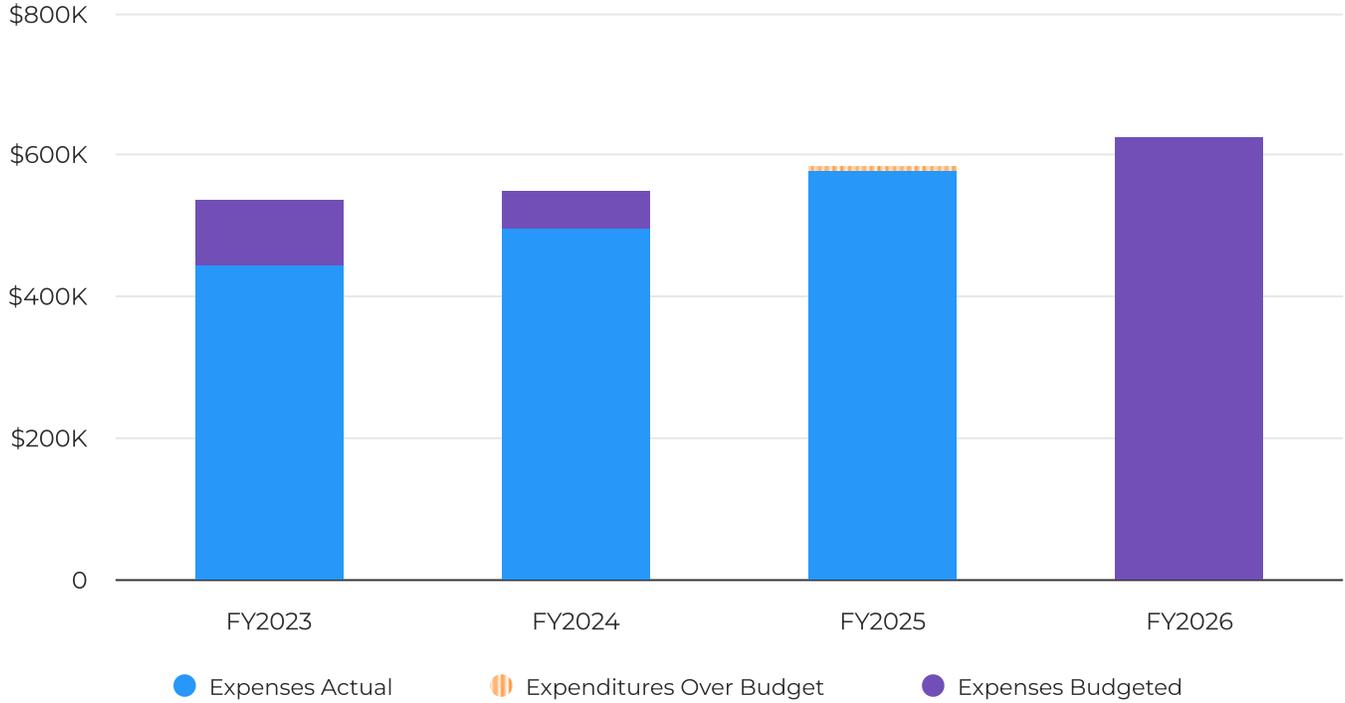


Joanna Elliot
Court Administrator

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department



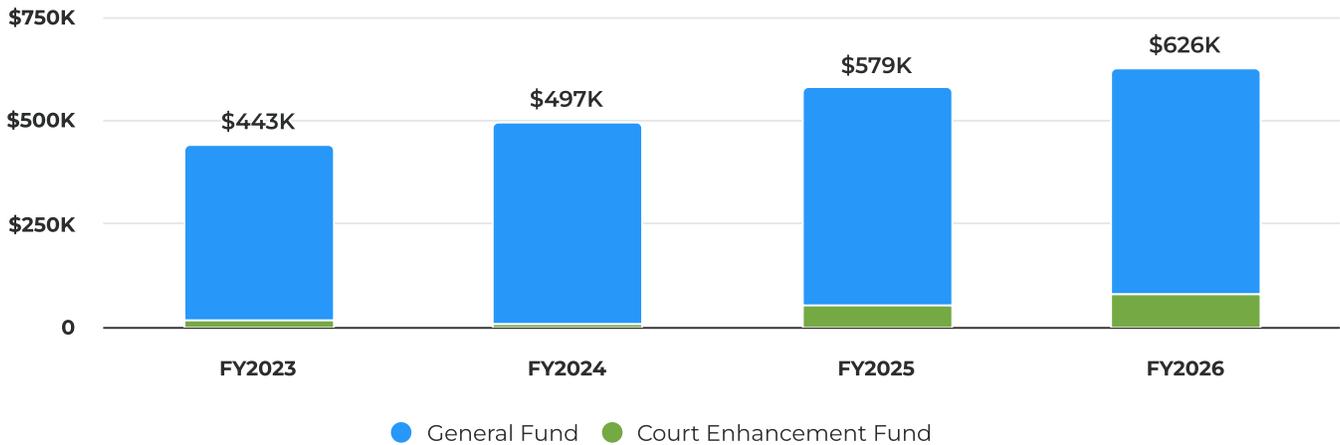
In FY2026, the Municipal Court's budgeted expenses increased to \$626,469, representing an 8.22% rise from the previous year's budgeted amount of \$578,874. This follows a 5.25% increase in budgeted expenses from the prior period to FY2025.

Comparing actual expenses, FY2025 saw actual expenditures of \$583,884, which was 100.87% of the budgeted amount and marked a 17.53% increase from the prior period. The FY2026 budget anticipates a continued upward trend in expenses, with a larger percentage increase in budgeted expenses compared to the previous year.

Expenditures by Fund

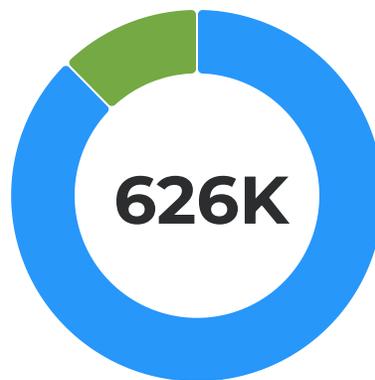
The Municipal Court pays for most of its expenditures out of the General Fund. However, the Court also collects Court Enhancement fee revenues in accordance with State laws. These revenues are tracked in a separate restricted fund called the Court Enhancement Fund. As you can see below, the Court has not had many historical expenditures but the FY2026 budget was increased with approval from the Council to begin paying for Court security contracted services.

Historical Expenditures by Fund



The Municipal Court's total expenditures for FY2026 amount to \$626,469, reflecting an 8.22% increase from the previous year's total of \$578,874. The General Fund remains the largest expenditure category, comprising 87.63% of the total at \$548,969, which is a 4.29% increase of \$22,595 compared to the prior year. The Court Enhancement Fund also shows a significant rise, accounting for 12.37% of the total with \$77,500, marking a 47.62% increase of \$25,000 from the previous year. These changes highlight continued growth in both funds, with the Court Enhancement Fund experiencing the larger percentage increase.

FY26 Expenditures by Fund



● General Fund	\$548,969	87.63%
● Court Enhancement Fund	\$77,500	12.37%

Expenditures by Fund

Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Final V1 (\$ Change)
General Fund	\$426,770	\$491,817	\$526,374	\$548,969	\$22,595

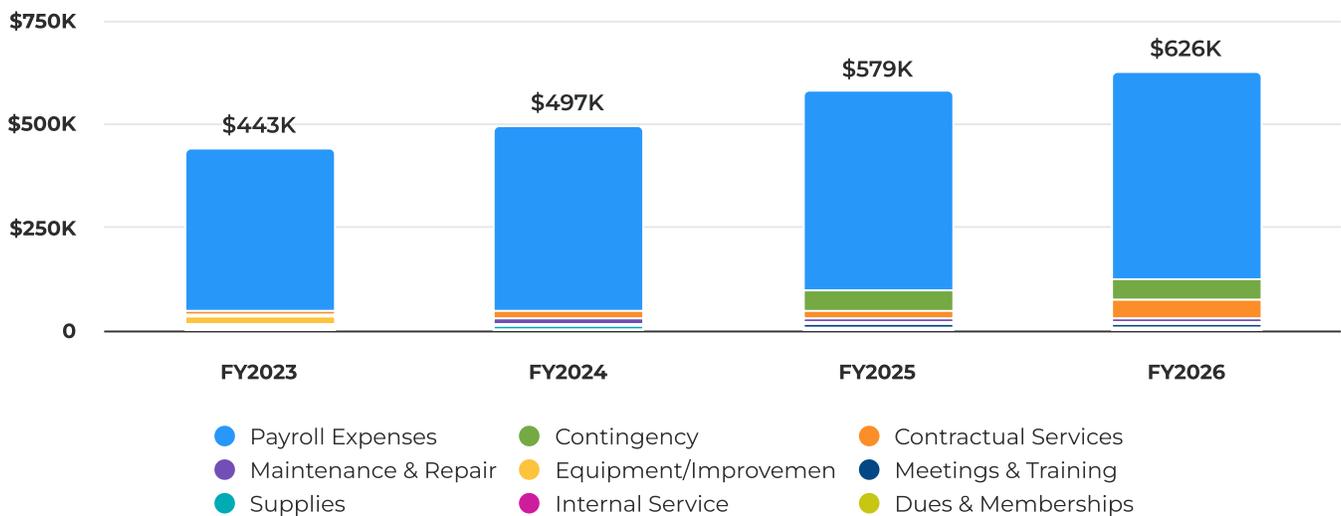


Category	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted Budget	FY 2026 Budgeted	FY 2025 Adopted Budget vs. FY 2026 Final V1 (\$ Change)
Court Enhancement Fund	\$15,929	\$5,000	\$52,500	\$77,500	\$25,000
Total Expenditures	\$442,699	\$496,817	\$578,874	\$626,469	\$47,595

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

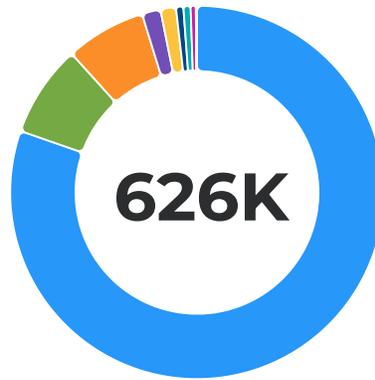
Historical Expenditures by Object



In FY2026, the Municipal Court's total expenditures increased by 8.22% to \$626,469 compared to the previous year. Payroll Expenses remained the largest category, accounting for 80.34% of the total at \$503,275, which is a 4.68% increase of \$22,513 from the prior year. Contingency held steady at \$50,000, representing 7.98% of the total budget with no change from the previous year.

Contractual Services saw the most significant increase, rising by 135.27% or \$25,000 to \$43,481, now making up 6.94% of the total expenditures. Maintenance & Repair, Meetings & Training, Supplies, Equipment/Improvements, and Dues & Memberships all remained unchanged in dollar amounts, with Maintenance & Repair at \$10,010 (1.6%), Meetings & Training at \$8,405 (1.34%), Supplies at \$3,939 (0.63%), Equipment/Improvements at \$2,760 (0.44%), and Dues & Memberships at \$677 (0.11%). Internal Service expenses increased slightly by 2.14% or \$82 to \$3,922, representing 0.63% of the total budget.

FY26 Expenditures by Object



Payroll Expenses	\$503,275	80.34%
Contingency	\$50,000	7.98%
Contractual Services	\$43,481	6.94%
Maintenance & Repair	\$10,010	1.60%
Meetings & Training	\$8,405	1.34%
Supplies	\$3,939	0.63%
Internal Service	\$3,922	0.63%
Equipment/Improvement	\$2,760	0.44%
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	\$393,147	\$448,622	\$480,762	\$503,275	4.68%
Internal Service	\$4,292	\$3,476	\$3,840	\$3,922	2.14%
Contingency	-	-	\$50,000	\$50,000	0.00%
Dues & Memberships	\$2,716	\$764	\$677	\$677	0.00%
Meetings & Training	\$1,232	\$2,815	\$8,405	\$8,405	0.00%
Maintenance & Repair	\$2,610	\$15,339	\$10,010	\$10,010	0.00%
Contractual Services	\$11,390	\$16,956	\$18,481	\$43,481	135.27%
Supplies	\$5,660	\$5,701	\$3,939	\$3,939	0.00%
Equipment/Improvement	\$21,651	\$3,143	\$2,760	\$2,760	0.00%
Total Expenditures	\$442,699	\$496,817	\$578,874	\$626,469	8.22%

Performance Measures

The Town has not developed any specific performance measures for the Municipal Court in FY2026.

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.

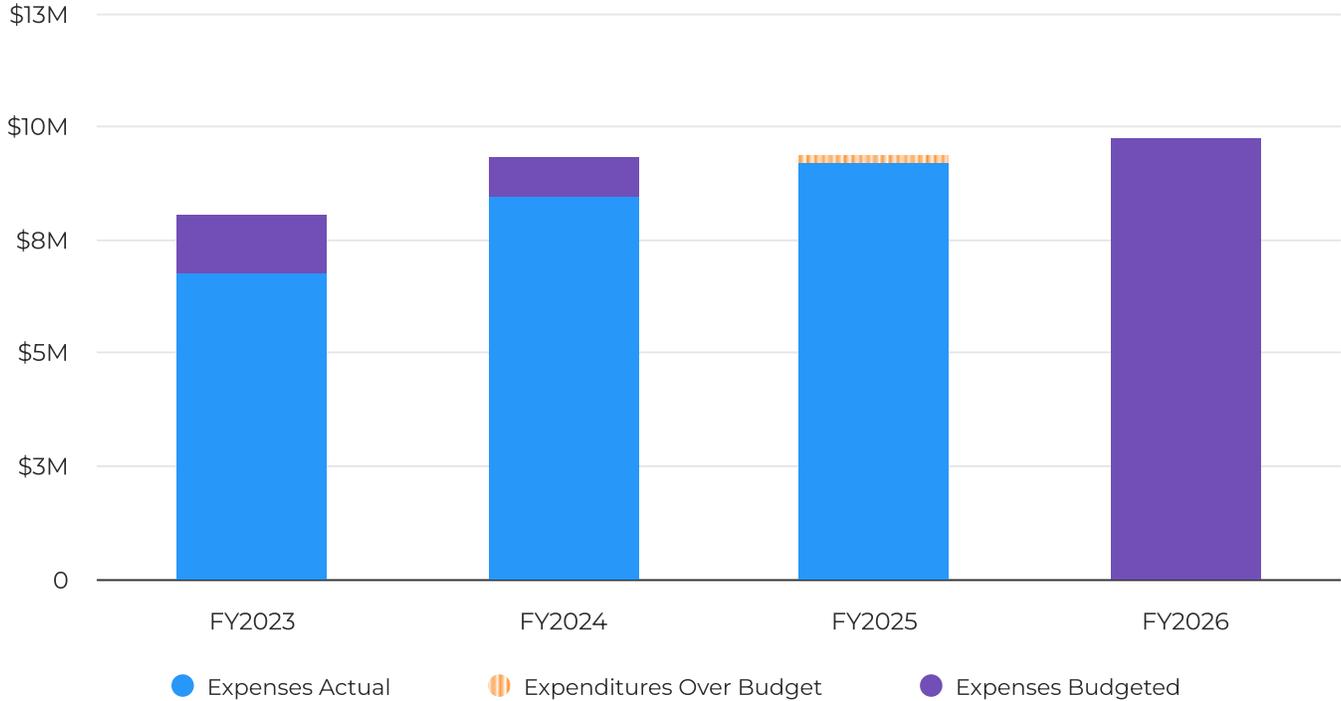


Justin Weldy
Public Works Director

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department



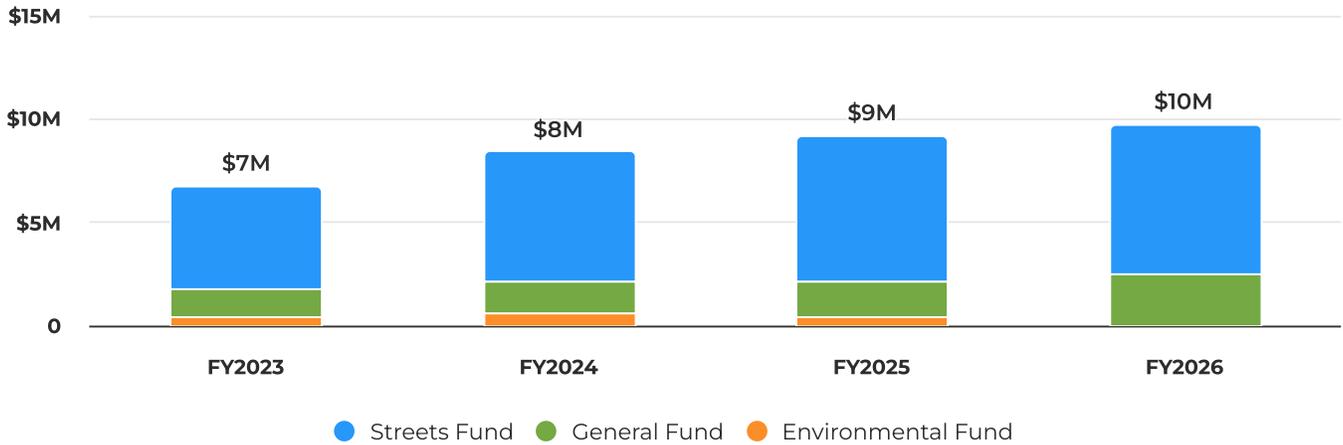
The Public Works budget for FY2026 shows an increase in budgeted expenses to \$9.7 million, which is a 5.86% rise from the previous year's budget of \$9.2 million. This follows a prior year when actual expenses were \$9.4 million, exceeding the budget by 1.8% and representing a 10.8% increase from the year before that. The overages are due to shifting Environmental Program expenditures from the Environmental Fund into the Public Works Department in the General Fund and an increased need for wash maintenance services.

Overall, the FY2026 budgeted expenses reflect a continued upward trend compared to the FY2025 budget, indicating an adjustment to accommodate higher anticipated costs or expanded activities within Public Works.

Expenditures by Fund

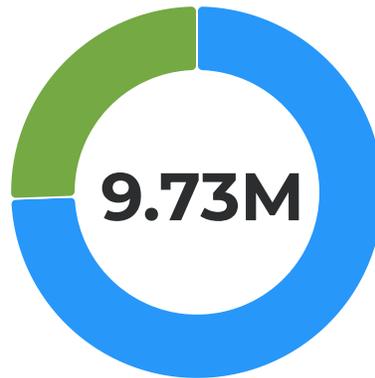
Increases to the Public Works budgeted expenditures for FY2026 are mostly a result of supplement requests for personnel and ongoing expenditures. Beginning in FY2026, the Town will close the Environmental Fund and instead budget for Environmental Program expenditures out of the General Fund. The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by fund for the Public Works Department.

Historical Expenditures by Fund



In FY2026, the total Public Works expenditures increased by 5.86% to \$9.7 million from \$9.2 million in FY2025. The Streets Fund remained the largest category, accounting for 74.43% of the total at \$7.2 million, which is a 2.22% increase of \$157,087 from the previous year. The General Fund saw a significant increase of 46.21%, rising by \$786,576 to \$2.5 million, now representing 25.57% of the total expenditures. The Environmental Fund experienced a complete decrease, dropping from \$404,804 (4.4% of total) in FY2025 to \$0 in FY2026, a 100% reduction. Overall, the budget shows moderate growth in the Streets Fund, a substantial increase in the General Fund, and the elimination of expenditures in the Environmental Fund.

FY26 Expenditures by Fund



● Streets Fund	\$7,244,627	74.43%
● General Fund	\$2,488,886	25.57%

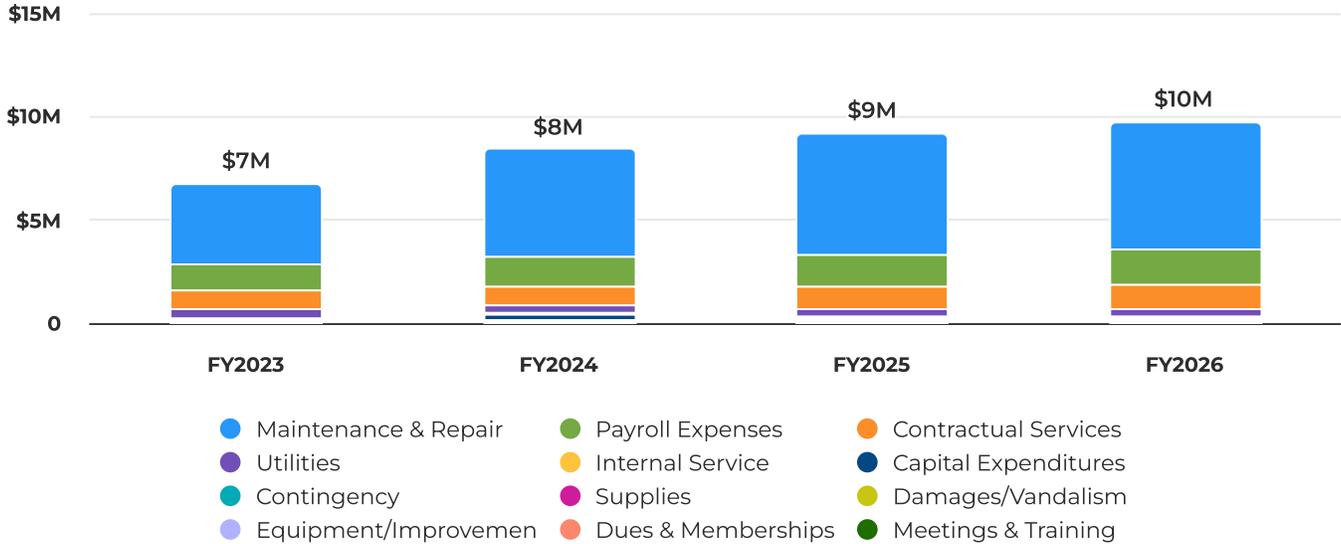
Expenditures by Fund

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	\$1,572,310	\$1,702,310	\$2,488,886	46.21%
Streets Fund	\$5,054,003	\$6,311,022	\$7,087,540	\$7,244,627	2.22%
Environmental Fund	\$386,571	\$563,758	\$404,804	-	-100.00%
Total Expenditures	\$6,776,993	\$8,447,090	\$9,194,654	\$9,733,513	5.86%

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



The Public Works budget for FY2026 totals \$9.7 million, marking a 5.86% increase from the previous year's \$9.2 million. Maintenance & Repair remains the largest expenditure category at \$6.1 million, representing 62.93% of the total budget. This category increased by \$245,799 or 4.18%, continuing its dominant share despite a slight percentage decrease from 63.94% the prior year.

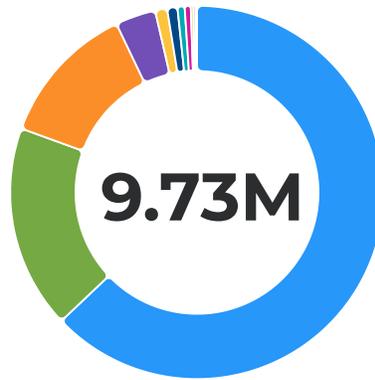
Payroll Expenses rose by \$139,350 or 8.83% to \$1.7 million, now accounting for 17.64% of the total budget, up from 17.16%. Contractual Services also saw a significant increase of \$147,760 or 14.03%, reaching \$1.2 million and 12.34% of the budget, up from 11.46% previously.

Utilities experienced a marginal increase of \$696 or 0.21%, totaling \$339,809 and representing 3.49% of the budget, a slight decrease in share from 3.69%. The Contingency allocation remains steady at \$100,000, maintaining about 1.03% of the total budget.

Damages/Vandalism expenditures increased by \$10,000 or 24.45% to \$50,900, now 0.52% of the budget, up from 0.44%. Conversely, Internal Service costs decreased by \$1,821 or 2.04% to \$87,294, representing 0.9% of the budget. Supplies declined by \$1,625 or 2.62% to \$60,368, making up 0.62% of the total, and Dues & Memberships dropped by \$1,000 or 4.55% to \$20,975, now 0.22% of the budget.

Equipment/Improvements remained unchanged at \$21,850, holding steady at 0.22% of the total budget. Meetings & Training slightly decreased by \$300 or 3.16% to \$9,190.

FY26 Expenditures by Object



● Maintenance & Repair	\$6,124,882	62.93%
● Payroll Expenses	\$1,716,974	17.64%
● Contractual Services	\$1,201,271	12.34%
● Utilities	\$339,809	3.49%
● Contingency	\$100,000	1.03%
● Internal Service	\$87,294	0.90%
● Supplies	\$60,368	0.62%
● Damages/Vandalism	\$50,900	0.52%
● Equipment/Improvement	\$21,850	0.22%
● 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	\$1,274,009	\$1,471,945	\$1,577,624	\$1,716,974	8.83%
Internal Service	\$82,499	\$86,306	\$89,115	\$87,294	-2.04%
Contingency	-	-	\$100,000	\$100,000	0.00%
Capital Expenditures	\$38,869	\$272,478	-	-	-
Dues & Memberships	\$12,751	\$16,027	\$21,975	\$20,975	-4.55%
Meetings & Training	\$2,527	\$2,366	\$9,490	\$9,190	-3.16%
Maintenance & Repair	\$3,897,919	\$5,243,250	\$5,879,083	\$6,124,882	4.18%
Utilities	\$398,666	\$408,989	\$339,113	\$339,809	0.21%
Contractual Services	\$953,976	\$870,873	\$1,053,511	\$1,201,271	14.03%
Supplies	\$35,693	\$28,404	\$61,993	\$60,368	-2.62%
Equipment/Improvement	\$41,161	\$29,660	\$21,850	\$21,850	0.00%
Damages/Vandalism	\$38,924	\$16,791	\$40,900	\$50,900	24.45%
Total Expenditures	\$6,776,993	\$8,447,090	\$9,194,654	\$9,733,513	5.86%

Performance Measures

Strategic Plan	Priority 4 - Maintain Infrastructure/Prepare Town	Priority 4 - Maintain Infrastructure/Prepare Town
Public Works Department	Capital Improvement Projects Completed	Completed Projects within Approved Budget
Fiscal Year 2024-25 - Completed	3 completed projects of 11 budgeted for Public Works in FY2025. 3 additional multi-year programs which will continue for multiple years.	2 of 3 completed projects were within the original approved budget.
Fiscal Year 2025-26 - Planned	Complete all 5 carryover projects from prior year. Complete at least 1 of the 3 new projects to FY2026.	Spend below the approved budget amount for at 75% of projects completed in FY2026.
Staff Explanation	Public Works completed 3 projects and made progress on many of the 5 other capital projects that carried over into FY2026. The Department will strive to complete all 5 carryover projects and at least 1 of the 3 new projects (Dam Sediment Removal; Town Hall Roof Design; Palomino Blvd Reconstruction)	The Department will strive to complete projects within the approved budget amounts, which may not be possible with larger projects that require change orders as scope is modified throughout the year.

Strategic Plan	Task 3.a.iv - Environmental Plan	Task 4.a.i - Infrastructure Condition Report
Public Works Department	Wash Maintenance	Infrastructure Condition
Fiscal Year 2024-25 - Completed	Public Works cleaned/maintained almost 50 acres of Town washes in FY2025.	Public Works re-paved 22.5 lane miles through the Pavement Management Program from the Streets Fund in FY2025.
Fiscal Year 2025-26 - Planned	Clean/maintain between 50 and 75 acres of Town washes in FY2026	Re-pave at least 20 lane miles in FY2026 through the Pavement Management Program.
Staff Explanation	The Council increased budget up to \$450,000 for wash maintenance in the FY2026 budget. Accordingly, the Town will attempt to increase these efforts to catch up a current backlog.	The Council allocated about \$5 million in both FY2025 and FY2026 for the Pavement Management Program. The initial selection process uses an updated Infrastructure Condition Report before Council approves the plan for the upcoming fiscal year.

Strategic Plan	Task 4.c.ii - Bicycle Master Plan
Public Works Department	Add Bicycle Lanes
Fiscal Year 2024-25 - Completed	Public Works added 1.8 bicycle lane miles in Town during FY2025.
Fiscal Year 2025-26 - Planned	Plan for adding between 2-3 bicycle lane miles in Town during FY2026.
Staff Explanation	The Council adopted the Active Transportation Plan in 2022. Since then, Public Works has added over 11 bicycle lane miles without widening roads and will continue making efforts to additional bicycle lane miles when appropriate.

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.

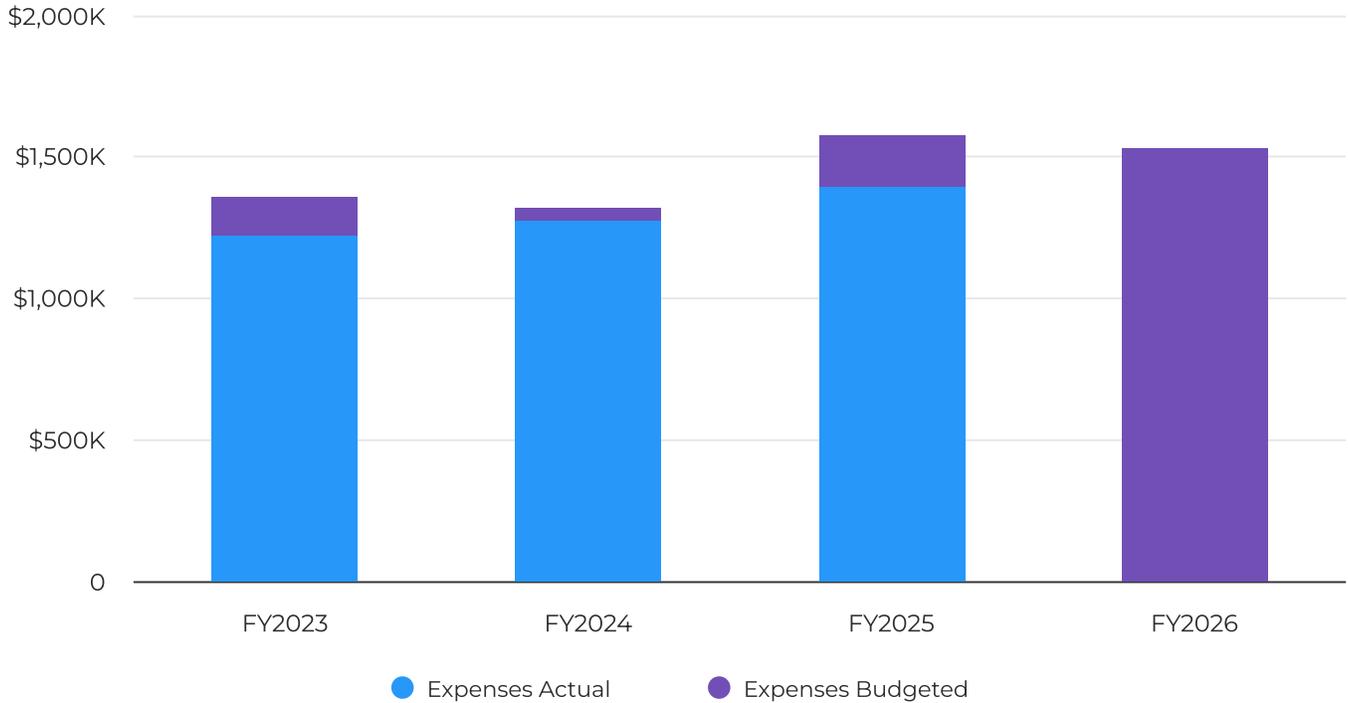


John Wesley
Development Services Director

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department

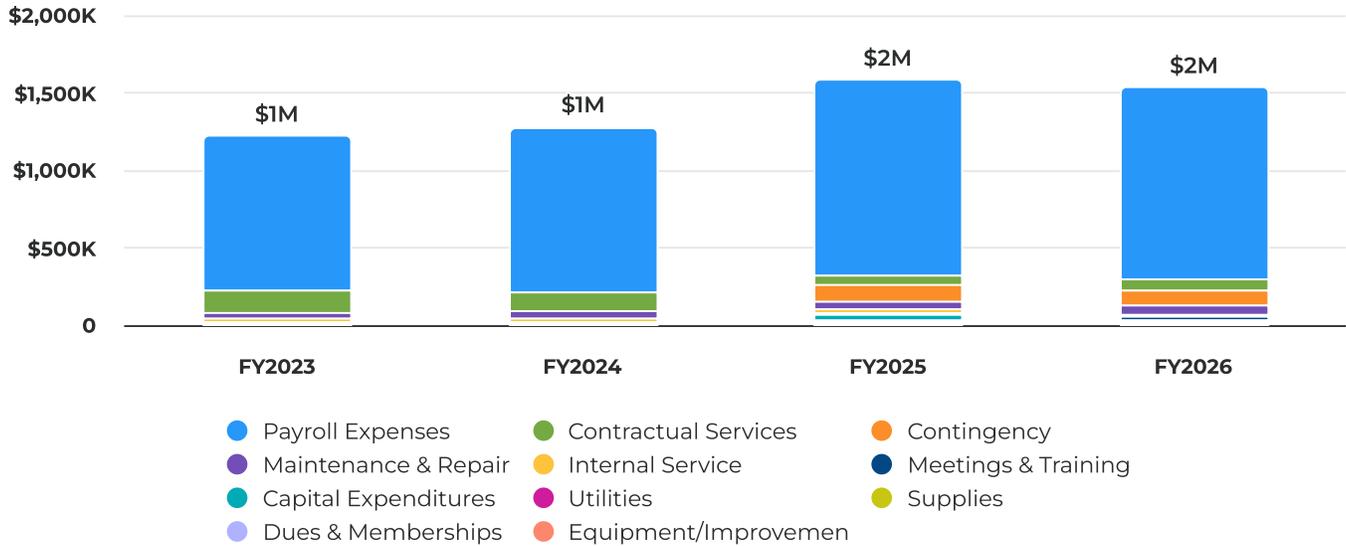


In the Development Services Expenditure Summary for FY2026, the budgeted expenses are \$1.5 million, representing a decrease of 2.94% from the previous year's budget of \$1.6 million. This follows a prior increase of 19.73% in the FY2025 budget compared to its preceding period. The actual expenses in FY2025 were \$1.4 million, which was 9.21% higher than the prior period and accounted for 88.21% of the budgeted amount that year. The FY2026 budgeted expenses show a slight reduction compared to the FY2025 budget, indicating a modest adjustment after the previous year's significant increase.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



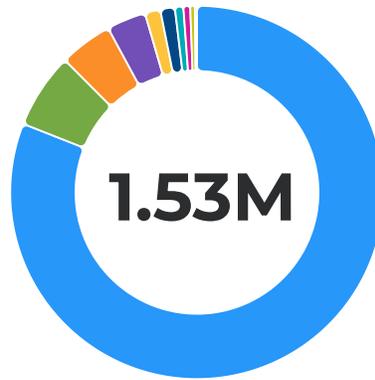
In FY2026, the total expenditures for Development Services decreased by 2.94% to \$1.5 million compared to the previous year. Payroll Expenses remained the largest category, accounting for 80.98% of the total at \$1.2 million, which is a slight decrease of 1.08% or \$13,505 from the prior year. Contingency held steady at \$100,000, representing 6.53% of the total budget with no change in amount.

Contractual Services also remained unchanged at \$70,574, making up 4.61% of the total. Maintenance & Repair expenses increased by 2.27% to \$51,912, now 3.39% of the budget. Internal Service costs rose by 3.27% to \$20,503, representing 1.34% of total expenditures. Meetings & Training saw a 5.49% increase to \$19,230, accounting for 1.25% of the budget.

Supplies remained constant at \$11,260, or 0.73% of the total. Utilities experienced a significant increase of 81.19%, rising to \$9,132 and making up 0.6% of the budget. Dues & Memberships increased modestly by 3.91% to \$5,999, representing 0.39% of expenditures. Equipment/Improvements stayed steady at \$2,800, or 0.18% of the total.

Notably, Capital Expenditures were eliminated entirely in FY2026, decreasing by 100% from \$40,000 the previous year. Overall, while the total budget slightly declined, several smaller categories such as Utilities, Maintenance & Repair, and Meetings & Training experienced increases, whereas Payroll Expenses and Capital Expenditures saw decreases.

FY26 Expenditures by Object



● Payroll Expenses	\$1,241,103	80.98%
● Contingency	\$100,000	6.53%
● Contractual Services	\$70,574	4.61%
● Maintenance & Repair	\$51,912	3.39%
● Internal Service	\$20,503	1.34%
● Meetings & Training	\$19,230	1.25%
● Supplies	\$11,260	0.73%
● Utilities	\$9,132	0.60%
● Dues & Memberships	\$5,999	0.39%
● Equipment/Improvement	\$2,800	0.18%

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	\$1,067,983	\$1,254,608	\$1,241,103	-1.08%
Internal Service	\$19,966	\$18,521	\$19,853	\$20,503	3.27%
Contingency	-	-	\$100,000	\$100,000	0.00%
Capital Expenditures	-	-	\$40,000	-	-100.00%
Dues & Memberships	\$3,199	\$2,545	\$5,773	\$5,999	3.91%
Meetings & Training	\$3,660	\$1,766	\$18,230	\$19,230	5.49%
Maintenance & Repair	\$40,375	\$50,187	\$50,759	\$51,912	2.27%
Utilities	\$9,100	\$7,557	\$5,040	\$9,132	81.19%
Contractual Services	\$147,851	\$120,853	\$70,574	\$70,574	0.00%
Supplies	\$2,926	\$3,278	\$11,260	\$11,260	0.00%
Equipment/Improvement	\$774	\$2,631	\$2,800	\$2,800	0.00%
Total Expenditures	\$1,221,700	\$1,275,320	\$1,578,897	\$1,532,513	-2.94%

Performance Measures

Strategic Plan	Task 1.a.iv - Streamline Building Permitting Process	Task 1.a.iv - Streamline Building Permitting Process
Development Services Department	<i>Improve Review Periods for New Single-Family Homes</i>	<i>Timely Complete Building Inspections</i>
Fiscal Year 2024-25 - Completed	No performance measures were tracked. The Town will begin tracking performance measures for the Development Services Department in FY2026.	No performance measures were tracked. The Town will begin tracking performance measures for the Development Services Department in FY2026.
Fiscal Year 2025-26 - Planned	Provide first review comments of applications for new single-family homes within 12 business days from receipt of a complete application.	Complete at least 95% of all requested building inspections on the date requested.
Staff Explanation	The Development Services Department has set the above performance measures in place for FY2026. Accordingly, staff will begin tracking these measures in the FY2027 budget book.	The Development Services Department has set the above performance measures in place for FY2026. Accordingly, staff will begin tracking these measures in the FY2027 budget book.

Strategic Plan	Task 1.a.iv - Streamline Building Permitting Process	Strategy 2.c - Improve Efficiency and Effectiveness of Town Services
Development Services Department	<i>Improve Review Periods for Development Site Applications</i>	<i>Timely Review Potential Code Violations</i>
Fiscal Year 2024-25 - Completed	No performance measures were tracked. The Town will begin tracking performance measures for the Development Services Department in FY2026.	No performance measures were tracked. The Town will begin tracking performance measures for the Development Services Department in FY2026.
Fiscal Year 2025-26 - Planned	Provide first review comments of development site plan applications within 16 business days from receipt of a complete application.	Provide same day initial response to reported Town code violations at least 50% of the time.
Staff Explanation	The Development Services Department has set the above performance measures in place for FY2026. Accordingly, staff will begin tracking these measures in the FY2027 budget book.	The Development Services Department has set the above performance measures in place for FY2026. Accordingly, staff will begin tracking these measures in the FY2027 budget book.

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.

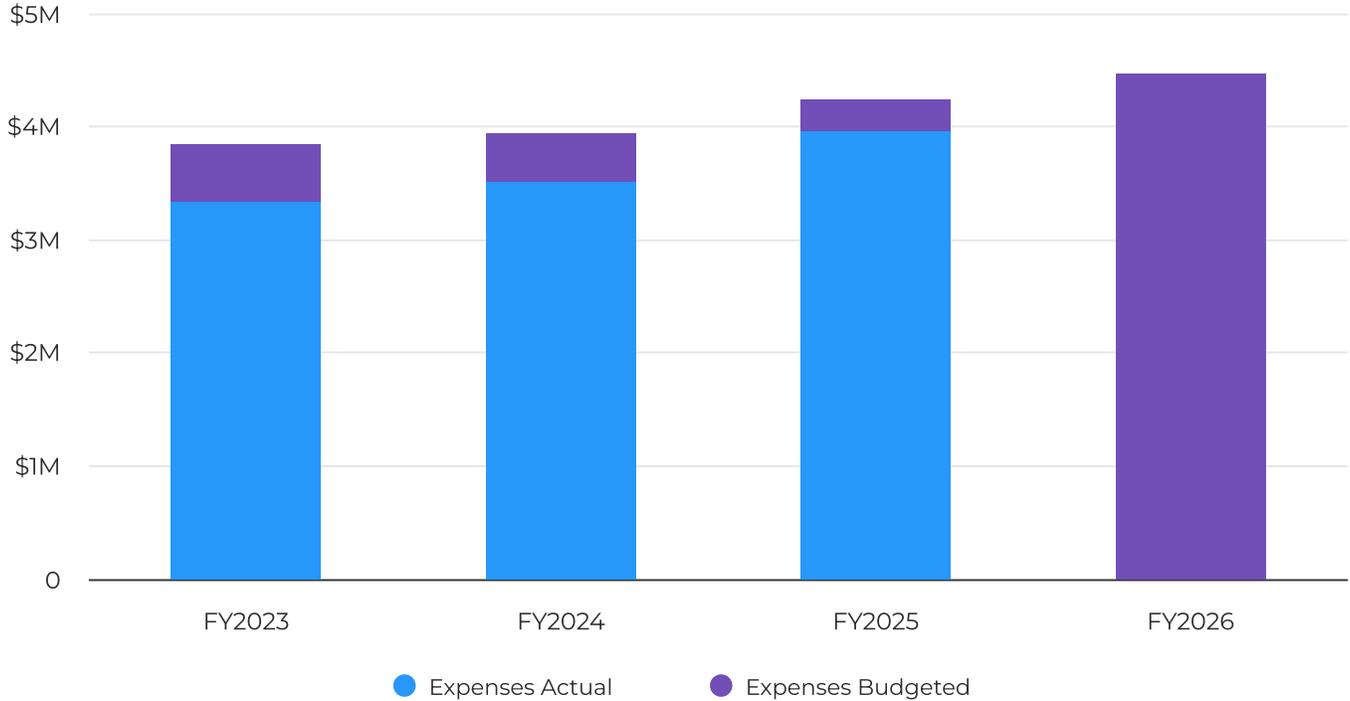


Kevin Snipes
Community Services Director

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department

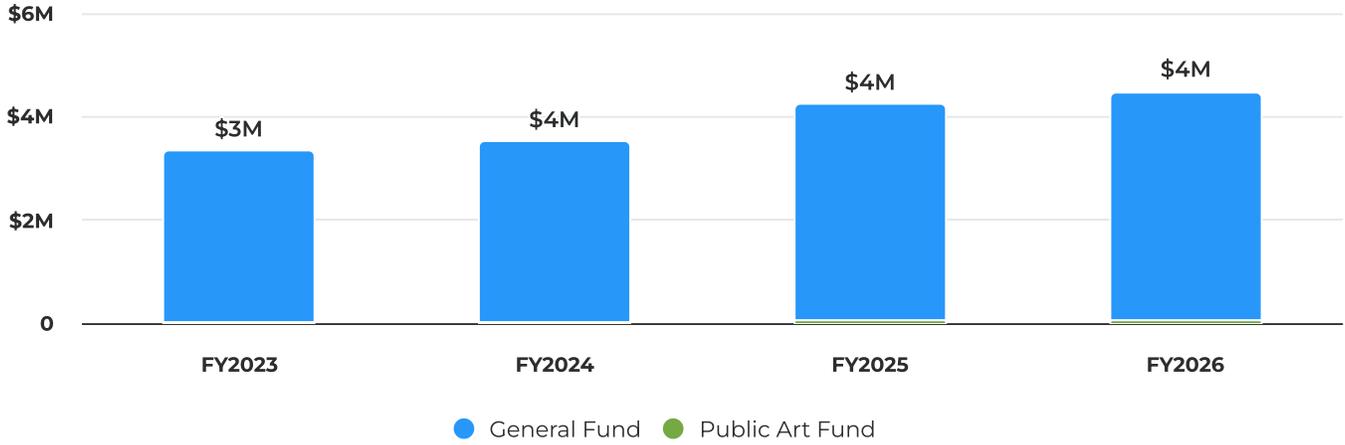


The Community Services expenditure budget for FY2026 is set at \$4.5 million, reflecting a 5.26% increase from the previous year's budget of \$4.2 million. This follows a 7.72% rise in the FY2025 budget compared to its prior period. Actual expenses in FY2025 were \$4 million, which was 12.69% higher than the previous period and represented 93.43% of the budgeted amount for that year. The FY2026 budget continues the trend of increasing expenditures, though at a slightly lower rate than the previous year's budget increase.

Expenditures by Fund

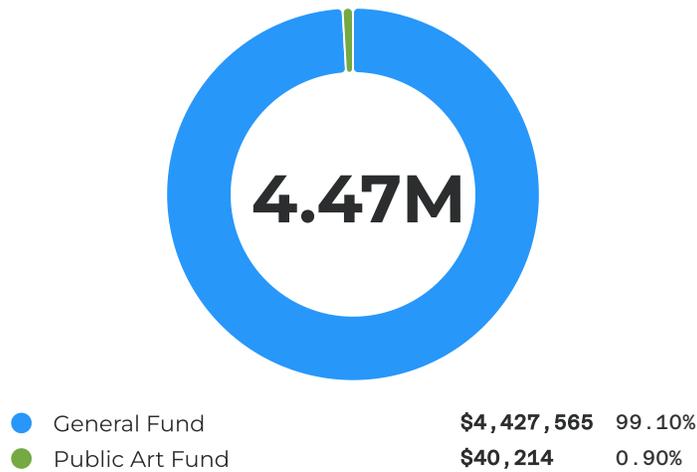
The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by fund.

Historical Expenditures by Fund



In FY2026, the total expenditures for Community Services increased by 5.26% to \$4.5 million compared to the previous year. The General Fund remained the largest category, accounting for 99.1% of the total at \$4.4 million, which is a 5.34% increase of \$224,610 from the prior year. The Public Art Fund represented 0.9% of the total at \$40,214, showing a decrease of 3.7% or \$1,547 from the previous year. Overall, the General Fund continued to dominate the budget with a moderate increase, while the Public Art Fund experienced a slight decline in expenditures.

FY26 Expenditures by Fund



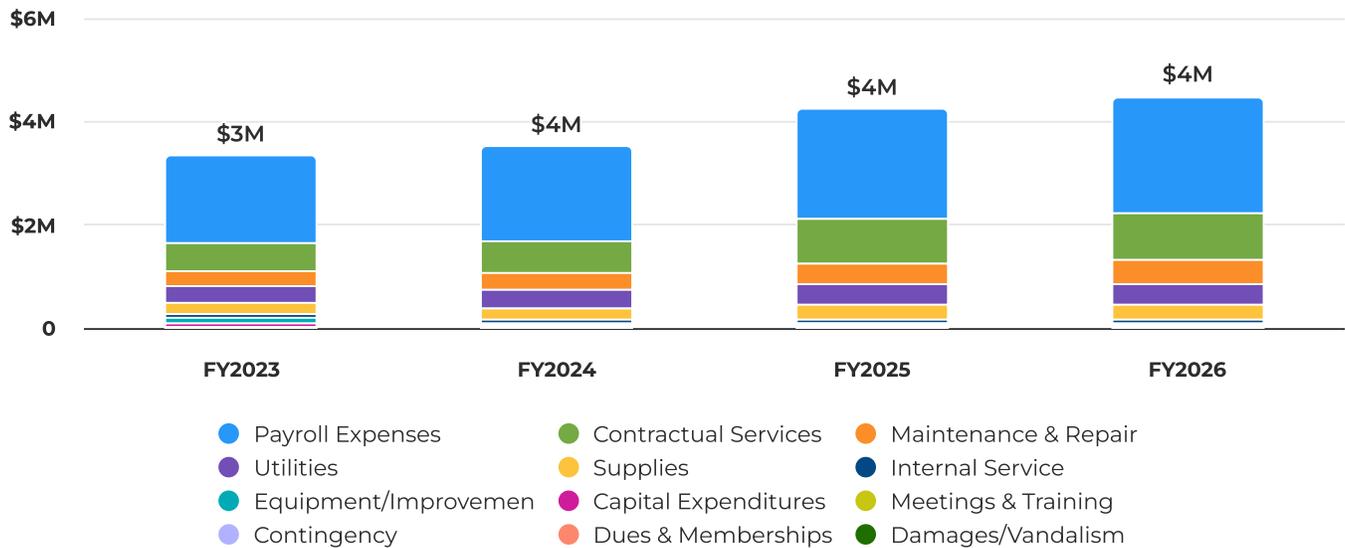
Expenditures by Fund

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	\$3,303,758	\$3,487,933	\$4,202,955	\$4,427,565	5.34%
Public Art Fund	\$23,756	\$31,464	\$41,761	\$40,214	-3.70%
Total Expenditures	\$3,327,514	\$3,519,396	\$4,244,716	\$4,467,779	5.26%

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object



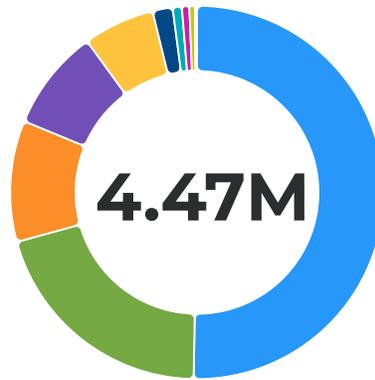
In FY2026, the total Community Services budget increased by 5.26% to \$4.5 million compared to the previous year. Payroll Expenses remained the largest category, accounting for 50.29% of the total at \$2.2 million, with a 5.52% increase of \$117,549 from the prior year. Contractual Services also grew by 6.9%, rising to \$912,690 and representing 20.43% of the budget.

Maintenance & Repair expenses increased by 12.2% to \$469,772, making up 10.51% of the total budget. Utilities remained nearly flat with a minimal increase of \$36, totaling \$391,355 and comprising 8.76% of the budget. Supplies held steady at \$276,516, representing 6.19% of the total with no change from the previous year.

Internal Service costs rose slightly by 1.93% to \$77,467, or 1.73% of the budget. Equipment/Improvements saw a significant increase of 90.5%, reaching \$21,050 and accounting for 0.47% of the total. Contingency and Meetings & Training expenses remained unchanged at \$35,000 and \$28,987, respectively.

Capital Expenditures were eliminated entirely, decreasing by 100% from \$16,000 to zero. Overall, the budget shows moderate growth in most major categories, with the notable removal of Capital Expenditures and a substantial increase in Equipment/Improvements.

FY26 Expenditures by Object



● Payroll Expenses	\$2,246,822	50.29%
● Contractual Services	\$912,690	20.43%
● Maintenance & Repair	\$469,772	10.51%
● Utilities	\$391,355	8.76%
● Supplies	\$276,516	6.19%
● Internal Service	\$77,467	1.73%
● Contingency	\$35,000	0.78%
● Meetings & Training	\$28,987	0.65%
● Equipment/Improvement	\$21,050	0.47%
● Dues & Memberships	\$6,020	0.13%
● 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	\$1,667,818	\$1,828,329	\$2,129,273	\$2,246,822	5.52%
Internal Service	\$72,463	\$76,384	\$76,001	\$77,467	1.93%
Contingency	-	-	\$35,000	\$35,000	0.00%
Capital Expenditures	\$77,910	\$28,371	\$16,000	-	-100.00%
Dues & Memberships	\$5,436	\$6,895	\$6,020	\$6,020	0.00%
Meetings & Training	\$18,028	\$13,757	\$28,987	\$28,987	0.00%
Maintenance & Repair	\$308,724	\$335,040	\$418,692	\$469,772	12.20%
Utilities	\$337,342	\$366,999	\$391,319	\$391,355	0.01%
Contractual Services	\$541,187	\$607,874	\$853,758	\$912,690	6.90%
Supplies	\$188,222	\$203,109	\$276,516	\$276,516	0.00%
Equipment/Improvement	\$106,851	\$51,911	\$11,050	\$21,050	90.50%
Damages/Vandalism	\$3,532	\$727	\$2,100	\$2,100	0.00%
Total Expenditures	\$3,327,514	\$3,519,396	\$4,244,716	\$4,467,779	5.26%

Performance Measures

Strategic Plan	Priority 4 - Maintain Infrastructure/Prepare Town	Priority 4 - Maintain Infrastructure/Prepare Town
Community Services Department	Capital Improvement Projects Completed	Completed Projects within Approved Budget
Fiscal Year 2024-25 - Completed	3 completed project of 5 budgeted for Community Services in FY2025. 1 multi-year program which will continue for multiple years.	2 of 3 completed projects were within the original approved budget.
Fiscal Year 2025-26 - Planned	Complete both carryover projects from prior year and complete at least 2 of the 4 new projects to FY2026. Make progress on 3 multi-year programs.	Spend below the approved budget amount for at least 75% of projects completed in FY2026.
Staff Explanation	Community Services completed 3 projects and made progress on other 2 capital projects that carried over into FY2026. The Department will strive to complete both carryover projects and at least 2 of the 4 new projects (Panorama Hillside; Fountain Park Splash Pad Electrical; Centennial Pavilion Lighting; Desert Vista Dog Park Renovations)	The Department will strive to complete projects within the approved budget amounts.

Strategic Plan	Task 3.a.i - Expand and connect open space and recreational facilities	Priority 1 -Targeted Collaborative Economic Development
Community Services Department	Add New Park Amenities for Physical Fitness	Increase Special Event Attendance
Fiscal Year 2024-25 - Completed	Completed Panorama Park, a pocket park by Fountain Park, which increases available park amenities and fills open spaces in FY2025.	The Town attracted almost 49,000 attendees to 16 special events in FY2025. Many of these special events required collaboration with local stakeholders.
Fiscal Year 2025-26 - Planned	Complete Pleasantville Park, a stargazing park being funded by development impact fees in FY2026.	Attract over 50,000 attendees to special events in FY2026, and identify additional opportunities for targeted economic development bringing visitors to the Town.
Staff Explanation	Community Services staff will continue searching for opportunities to increase parks and recreational facilities to better serve residents' needs and to keep up with planned development.	The Town of Fountain Hills holds many special events for residents and visitors each year, including student-targeted events and large-scale events such as Fourth at the Fountain and Irish Fest. Each event attracts economic activity and supports local businesses. The Town will continue improving these events to support the local economy.

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.

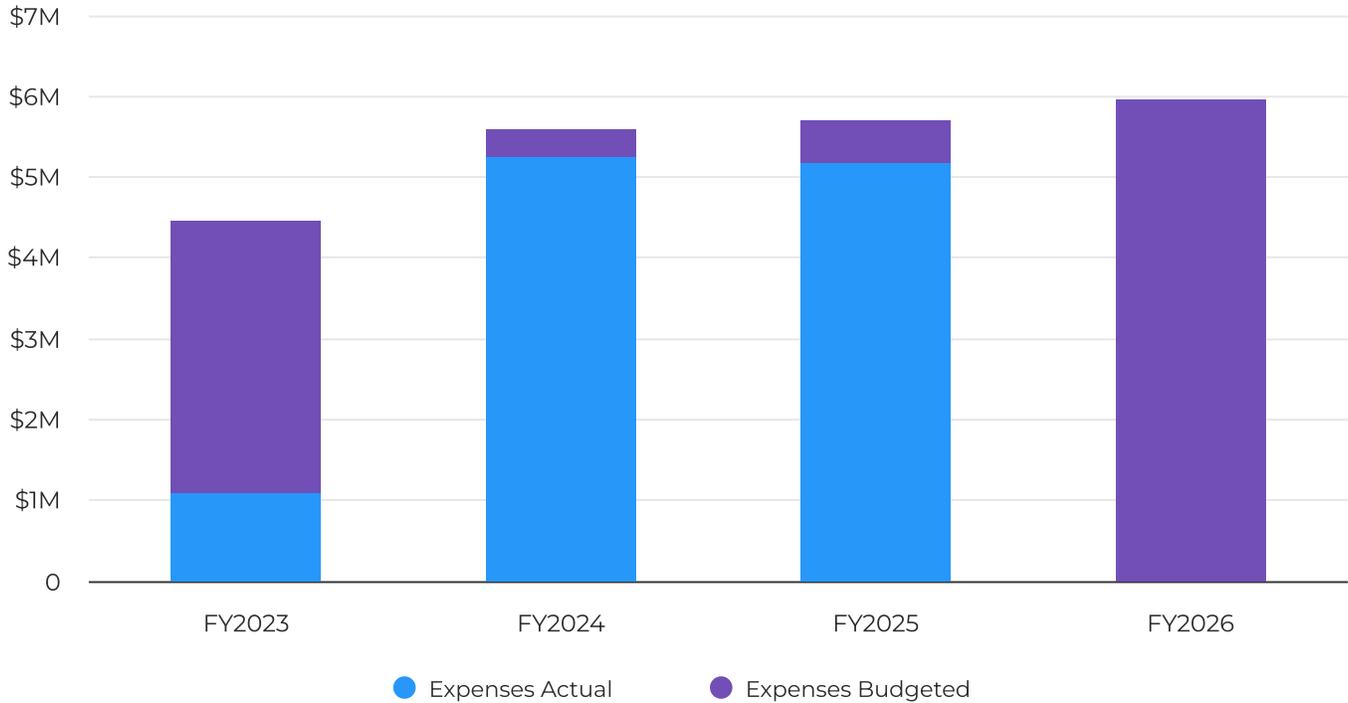


Dave Ott
Fire Chief

Expenditure Summary

The following expenditure tables show all the Town's actual expenditures for FY2023 through FY2025 compared to budgeted expenditures for all four years.

Historical Expenditures Across Department

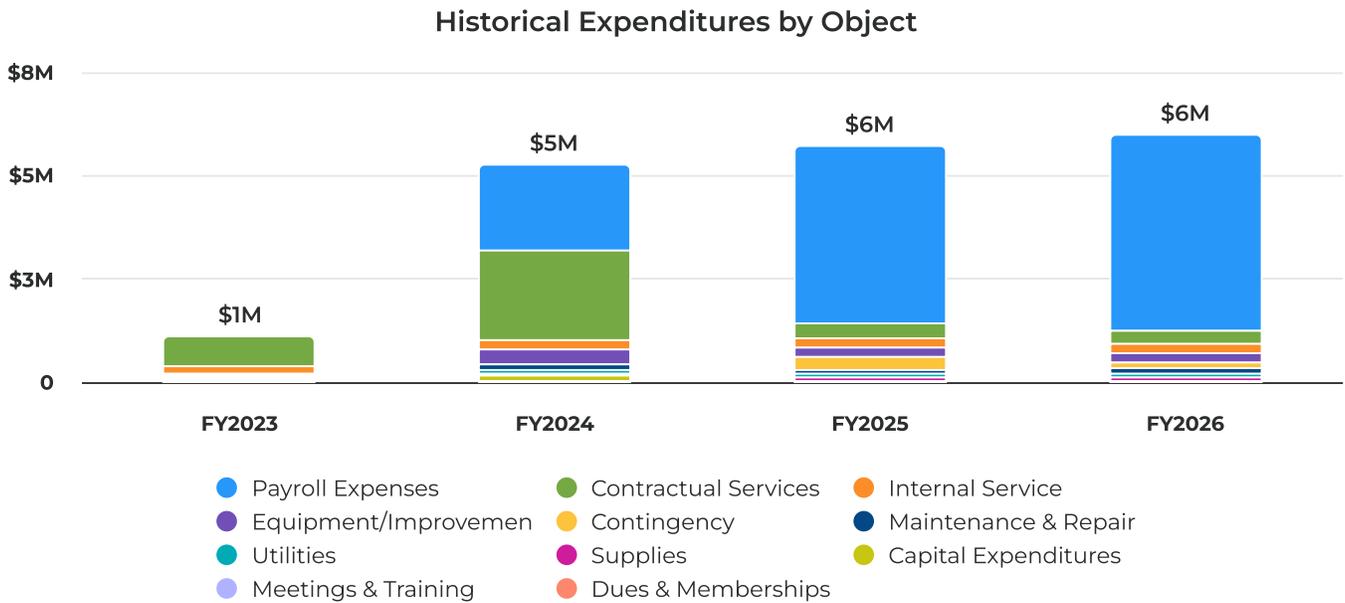


FY2023 expenditures appear much lower than budgeted. However, this is because the Town paid for most of the Fire Department's contracted services (contracted with Rural Metro in FY2023) using Federal grant monies (American Rescue Plan funding). In the Fire and Emergency Medical Services Expenditure Summary for FY2026, the budgeted expenses increased to \$6 million, marking a 4.77% rise from the previous year's budget of \$5.7 million. This continues the upward trend from FY2025, which saw a 1.88% increase over its prior period. The Fire Department's FY2026 adopted budget includes a personnel supplement of about \$111k, which will 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.

Comparing actual expenses to budgeted amounts in FY2025, actual expenses were \$5.2 million, which was 1.15% lower than the previous period and represented 91.05% of the budgeted \$5.7 million. The FY2026 budget anticipates further growth in expenditures, reflecting a larger increase than the prior year's budget adjustment.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.



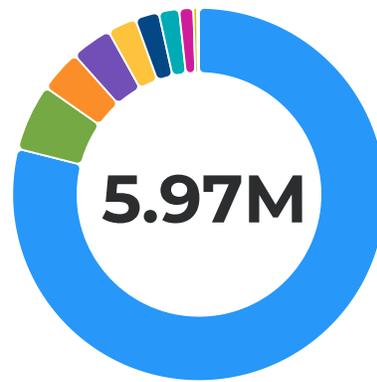
FY2023 expenditures appear much lower than other years. However, this is because the Town paid for most of the Fire Department's contracted services (contracted with Rural Metro in FY2023) using Federal grant monies (American Rescue Plan funding). The total budget for Fire and Emergency Medical Services in FY2026 is \$6 million, reflecting a 4.77% increase from the previous year's \$5.7 million. Payroll Expenses remain the largest category, increasing by \$424,611 or 9.91% to \$4.7 million, now representing 78.93% of the total budget, up from 75.24% the prior year.

Contractual Services hold steady at \$345,040, accounting for 5.78% of the total budget with no change from the previous year. Internal Service expenses rose by \$6,470 or 3.02% to \$220,713, making up 3.7% of the budget. Equipment and Improvements decreased by \$20,000 or 8.68% to \$210,500, now 3.53% of the total.

Contingency funds saw a significant reduction of \$162,240 or 51.96%, dropping to \$150,000 and representing 2.51% of the budget. Maintenance and Repair expenses increased by \$20,000 or 19.4% to \$123,110, which is 2.06% of the total. Utilities rose slightly by \$2,184 or 2.1% to \$105,979, accounting for 1.78% of the budget.

Supplies remained unchanged at \$72,855, making up 1.22% of the total. Meetings and Training also held steady at \$20,200, or 0.34% of the budget. Dues and Memberships increased by \$700 or 8.75% to \$8,700, representing 0.15% of the total budget.

FY26 Expenditures by Object



Payroll Expenses	\$4,709,487	78.93%
Contractual Services	\$345,040	5.78%
Internal Service	\$220,713	3.70%
Equipment/Improvement	\$210,500	3.53%
Contingency	\$150,000	2.51%
Maintenance & Repair	\$123,110	2.06%
Utilities	\$105,979	1.78%
Supplies	\$72,855	1.22%
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	\$4,284,876	\$4,709,487	9.91%
Internal Service	\$205,262	\$214,115	\$214,243	\$220,713	3.02%
Contingency	-	-	\$312,240	\$150,000	-51.96%
Capital Expenditures	\$56,945	\$141,681	-	-	-
Dues & Memberships	\$500	\$920	\$8,000	\$8,700	8.75%
Meetings & Training	\$1,940	\$7,248	\$20,200	\$20,200	0.00%
Maintenance & Repair	\$40,045	\$136,433	\$103,110	\$123,110	19.40%
Utilities	\$48,635	\$85,813	\$103,795	\$105,979	2.10%
Contractual Services	\$705,152	\$2,172,999	\$345,040	\$345,040	0.00%
Supplies	\$11,149	\$66,315	\$72,855	\$72,855	0.00%
Equipment/Improvement	\$21,561	\$351,885	\$230,500	\$210,500	-8.68%
Total Expenditures	\$1,091,189	\$5,245,457	\$5,694,859	\$5,966,584	4.77%

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).

Performance Measures

Strategic Plan	Priority 3 - Continue to Improve the Public Health, Well-Being, and Safety of our Town
Fire Department Department	<i>Automatic Aid Status</i>
Fiscal Year 2024-25 - Completed	Completed first full fiscal year as an in-house fire department while operating through a mutual aid agreement with nearby municipalities.
Fiscal Year 2025-26 - Planned	Using additional budget approved by the Town Council, add 3 Battalion Chief positions and obtain automatic aid status with nearby municipalities.
Staff Explanation	During the first full-year as an in-house department, the Fire Department operated as a mutual aid partner with nearby municipalities. With the Council approving an additional \$111,000 of budget to begin revising the Department's command structure, the Fire Department will create 3 Battalion Chief positions and apply for automatic aid status.

Law Enforcement

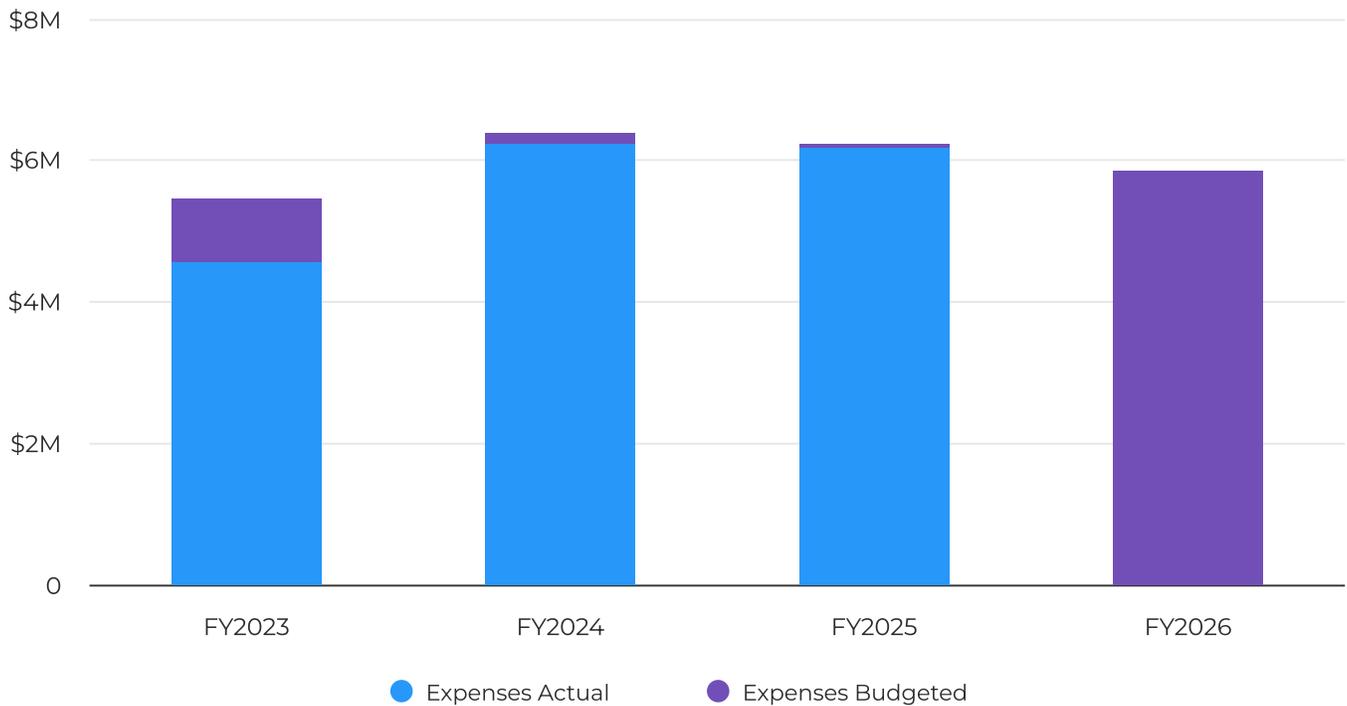
The Maricopa County Sheriff's Office is a fully integrated law enforcement agency committed to being the leader in establishing the standards for providing quality law enforcement, detention and support services to the citizens of Maricopa County and to other criminal justice agencies.

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

The Law Enforcement Department includes Maricopa County Sheriff's Office contracted patrol and jail services, and animal enforcement contracted services.

Historical Expenditures Across Department

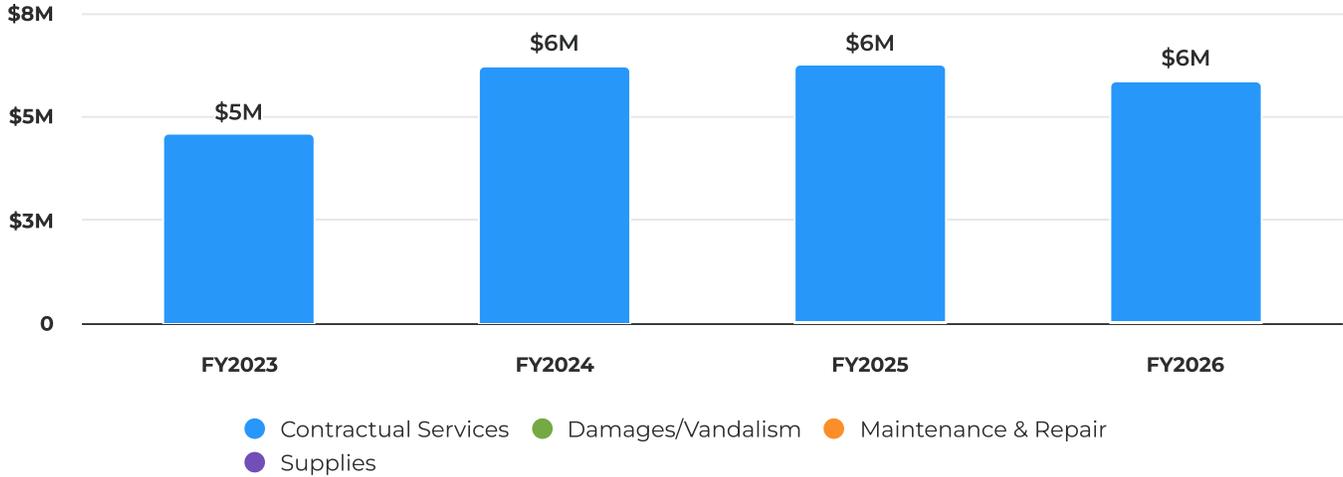


In FY2026, the Law Enforcement expenditure budget is set at \$5.9 million, reflecting a 6.13% decrease from the previous year's budget of \$6.2 million. This continues the downward trend from FY2025, where the budget had already decreased by 2.26% compared to its prior period. The actual expenses in FY2025 closely matched the budget at \$6.2 million, with only a slight 0.61% decrease from the prior period and achieving 99.1% of the budgeted amount. The FY2026 budget reduction reflects a decrease in the MCSO contract for patrol services.

Expenditures by Object

The following expenditure tables show all the Town's actual expenditures for FY2023 and FY2024, as well as budgeted expenditures for FY2025 and FY2026 by category/object.

Historical Expenditures by Object

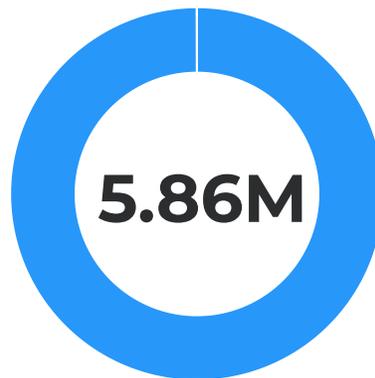


The total budget for Law Enforcement in FY2026 is \$5.9 million, representing a decrease of 6.13% from the previous year's total of \$6.2 million. Contractual Services remains the largest expenditure category, accounting for 99.98% of the total budget at \$5.9 million. This category decreased by \$372,911, or 5.98%, compared to FY2025.

Maintenance & Repair and Supplies both remain minimal components of the budget, each holding 0.02% and 0% of the total respectively, with no change in their dollar amounts from the previous year—\$1,296 for Maintenance & Repair and \$40 for Supplies.

Notably, the Damages/Vandalism category, which accounted for \$10,000 or 0.16% of the budget in FY2025, was completely eliminated in FY2026, showing a 100% decrease.

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	\$1,296	0.00%
Contractual Services	\$4,574,193	\$6,225,785	\$6,232,580	\$5,859,669	-5.98%
Supplies	-	-	\$40	\$40	0.00%
Damages/Vandalism	-	-	\$10,000	-	-100.00%
Total Expenditures	\$4,574,193	\$6,225,785	\$6,243,916	\$5,861,005	-6.13%

Performance Measures

The Law Enforcement Department pays for contracted law enforcement and animal control services for the Town, and no Town staff are paid by this Department. Accordingly, the primary performance measure relates to MCSO carrying out law enforcement activities to protect the residents. No performance measures have been set for FY2026, but the Town may consider establishing measures for future years.

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. Specifically, the [Town Council held a full CIP work session in the Council chambers on March 25, 2025](#). This CIP plan includes all projects discussed and approved by the Town Council, as well as future projects that have been identified administratively.

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

Capital Expenditures are otherwise known as capital outlays in governmental accounting. Capital Expenditures/outlays refer to monies spent from the Town's Capital Projects Fund on constructing long-term assets and infrastructure that have useful lives for more than one year. Specifically, the Town requires all capital projects included in the Capital Improvement Plan to be above a \$50,000 minimum threshold, but other capital projects may still include capital expenditures. For example, if the Town built a small shade structure park amenity for \$25,000, that project would not be included in the Capital Improvement Plan but would still be considered a "Capital Expenditure."

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 consulting firms 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.

One Year Plan

The Town's FY2026 Capital Improvement Plan (CIP) includes \$12.1 million (plus another \$650K of contingency for unforeseen expenditures) for 23 capital improvements (including some carryover projects from FY2025) within our Town. 11 of these projects are for planned park amenity improvements, including completing a new park to create stargazing opportunities for our residents which will be funded by development impact fees. Another 12 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 final 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.

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 funding sources to pay/reimburse for certain projects, based on relevant grant opportunities and funding restrictions. Of the \$12.1 million budgeted for CIP projects, Finance staff projects that \$2.9 million will be spent from the Capital Projects Fund, and about \$2.3 million will be reimbursed from grant reimbursements, \$1.5 million is planned to be reimbursed from Development Impact Fee funds, and up to \$5.4 million will be reimbursed from the Streets Fund specifically for the Palomino Blvd reconstruction project.

FY26 Total Capital Approved

\$12,060,000

FY26 Total Funding Approved

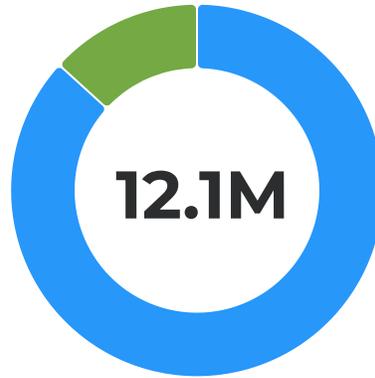
\$12,060,000

FY26 Total Funding Budgeted by Source



● Streets (200)	\$5,400,000	44.78%
● Capital Project Fund (600)	\$2,874,950	23.84%
● Special Revenue (400)	\$2,285,050	18.95%
● Streets Development Fee Fund (730)	\$800,000	6.63%
● Parks Development Fee Fund (740)	\$700,000	5.80%

FY26 Total Funding Budgeted by Department



● Public Works	\$10,465,000	86.77%
● Community Services	\$1,595,000	13.23%

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 in 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. The Town will need to continue saving, or find other funding solutions, towards the Lake Liner project, which is projected to cost an additional \$10 million for the construction and replacement of the liner in our world-famous Fountain Park. This construction is planned to take place after this 5-year CIP plan, in year 6 or beyond.

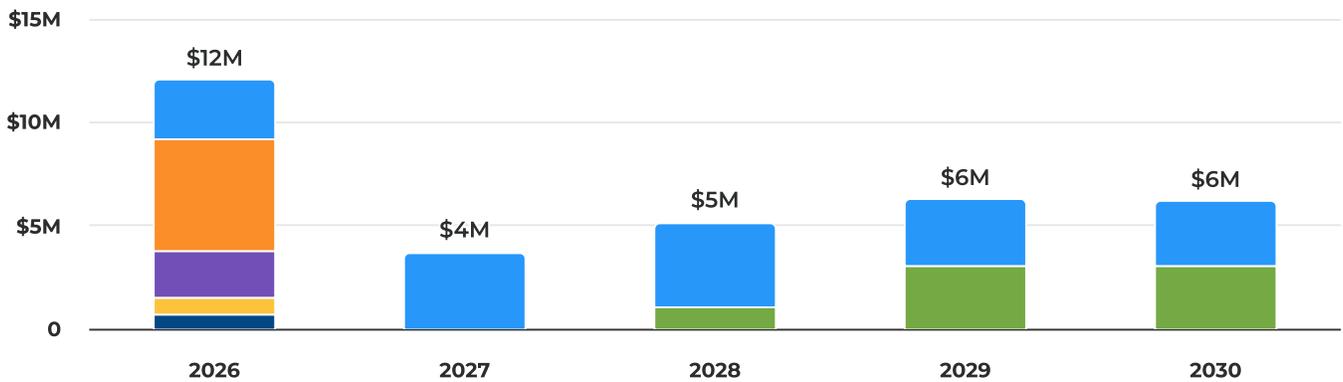
FY26 - FY30 Total Funding Planned by Department



Funding by Department Totals (all years)

Public Works	\$23,783,000	71.47%
Community Services	\$9,495,000	28.53%

FY26 - FY30 Total Funding Planned by Source



Funding by Source Totals (all years)

Capital Project Fund (600)	\$17,092,950	51.36%
Other	\$7,000,000	21.03%
Streets (200)	\$5,400,000	16.23%
Special Revenue (400)	\$2,285,050	6.87%
Streets Development Fee Fund (730)	\$800,000	2.40%
Parks Development Fee Fund (740)	\$700,000	2.10%

Capital Projects

Below is a full listing of all final CIP projects included in the FY2026 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 capital project, its estimated costs, timeline, and funding considerations. Residents are able to filter by project type, department, and fiscal years using the filters at the top of the table.

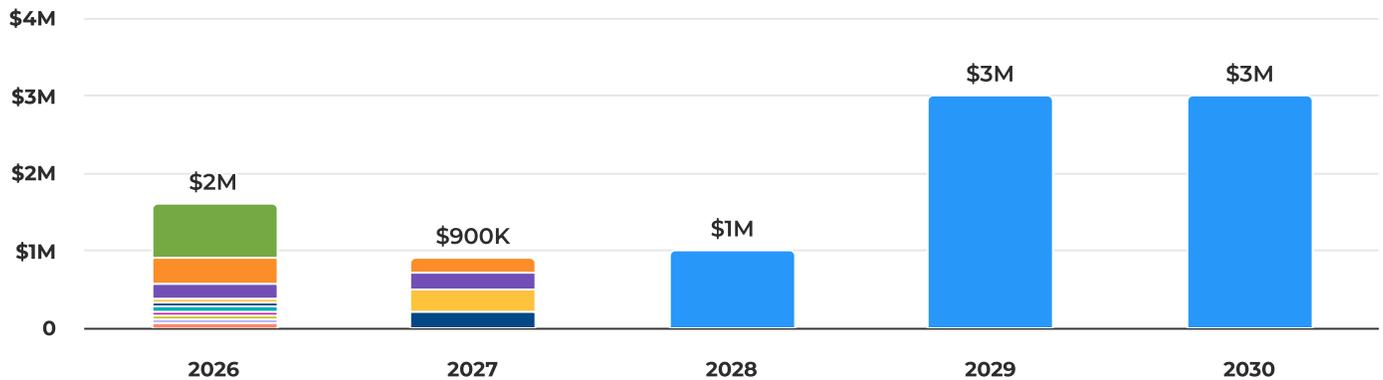
Capital Projects

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 - 2027	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

Project No. / Project Name	Years	Departments	Type	Total
S6059 Wayfinding Signs	2026	Public Works	CIP - Streets	\$50,000

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

\$400K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</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

\$400K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</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

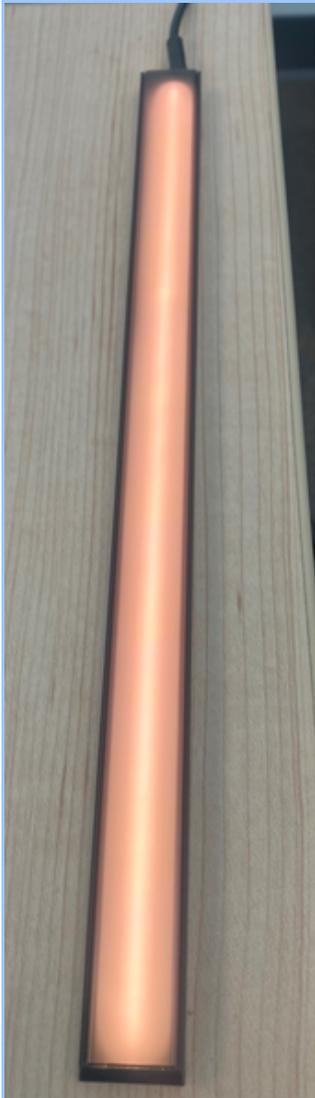
Project Location



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.

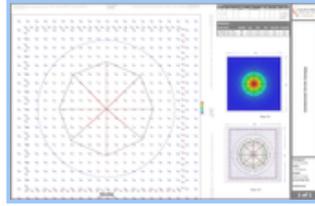
Images



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>Adopted</i>	Total
Construction	\$30,000	\$30,000
Equipment/Furnishings	\$20,000	\$20,000
Total	\$50,000	\$50,000

Funding Sources

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K

Detailed Breakdown

Category	FY2026 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</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
\$4K

Detailed Breakdown

Category	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</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>Adopted</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
\$7M

Detailed Breakdown

Category	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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
\$7M

Detailed Breakdown

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

Funding Sources

FY2026 Budget
\$320K

Total Budget (all years)
\$520K

Project Total
\$520K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	Total
Capital Project Fund (600)	\$320,000	\$200,000	\$520,000
Total	\$320,000	\$200,000	\$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>Adopted</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>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</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
\$4K

Detailed Breakdown

Category	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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 <i>Adopted</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>Adopted</i>	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>Adopted</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>Adopted</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
\$700K

Detailed Breakdown

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

Funding Sources

FY2026 Budget
\$700K

Total Budget (all years)
\$700K

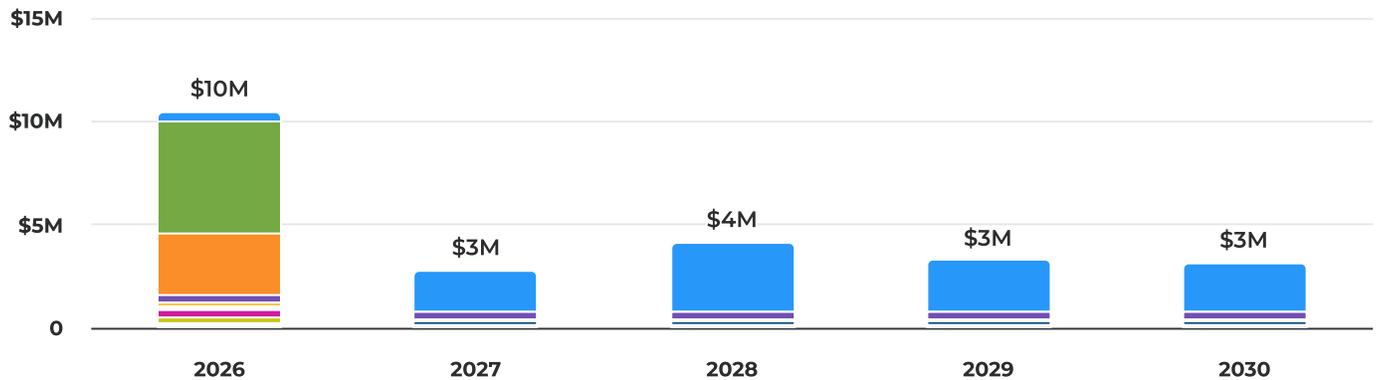
Project Total
\$700K

Detailed Breakdown

Category	FY2026 <i>Adopted</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	45.13%
● Palomino Boulevard Reconstruction	\$5,400,000	22.71%
● Shea Boulevard Widening - Eastbound from Palisades Blvd to Fountain Hills Blvd - Development Fees	\$3,000,000	12.61%
● Sidewalk Infill and Design	\$1,625,000	6.83%
● Pedestrian Marked Crosswalks - Town-wide	\$750,000	3.15%
● Town-Wide Storm Water Infrastructure Rehabilitation	\$750,000	3.15%
● Dam Sediment Removal and Improvements	\$500,000	2.10%
● 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%
● Wayfinding Signs	\$50,000	0.21%

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



Project No. / Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
S6058 Shea Boulevard Widening - Eastbound from Palisades Blvd to Fountain Hills Blvd - Development Fees	\$3,000,000	\$0	\$0	\$0	\$0	\$3,000,000
S6061 Sidewalk Infill and Design	\$325,000	\$325,000	\$325,000	\$325,000	\$325,000	\$1,625,000
S7002 Pedestrian Marked Crosswalks - Town-wide	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
D6060 Town-Wide Storm Water Infrastructure Rehabilitation	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
D6068 Dam Sediment Removal and Improvements	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$500,000
D6057 Golden Eagle Impoundment Area Improvements	\$300,000	\$0	\$0	\$0	\$0	\$300,000
F4037 Community Center Renovations	\$300,000	\$0	\$0	\$0	\$0	\$300,000
S6068 Guardrail Replacement Town-wide	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
F4046 Town Hall Campus Buildings - Roof Design	\$125,000	\$0	\$0	\$0	\$0	\$125,000
S6059 Wayfinding Signs	\$50,000	\$0	\$0	\$0	\$0	\$50,000
Total Summary of Requests	\$10,465,000	\$2,778,000	\$4,135,000	\$3,258,000	\$3,147,000	\$23,783,000

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

\$300K

Detailed Breakdown

Category	FY2026 <i>Adopted</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

\$300K

Detailed Breakdown

Category	FY2026 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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
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

\$30K

Detailed Breakdown

Category	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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

\$300K

Detailed Breakdown

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

Funding Sources

FY2026 Budget

\$300K

Total Budget (all years)

\$300K

Project Total

\$300K

Detailed Breakdown

Category	FY2026 <i>Adopted</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

\$250K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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

\$250K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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>Adopted</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>Adopted</i>	Total
Streets (200)	\$5,400,000	\$5,400,000
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:

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

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

- El Lago Mid-Block Crossing between Saguario 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
\$750K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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
\$750K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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	Total Budget (all years)	Project Total
\$3M	\$3M	\$3M

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$3M	\$3M	\$3M

Detailed Breakdown

Category	FY2026 <i>Adopted</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

\$1.63M

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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

\$1.63M

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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	Total Budget (all years)	Project Total
\$125K	\$125K	\$125K

Detailed Breakdown

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

Funding Sources

FY2026 Budget	Total Budget (all years)	Project Total
\$125K	\$125K	\$125K

Detailed Breakdown

Category	FY2026 <i>Adopted</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

\$750K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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

\$750K

Detailed Breakdown

Category	FY2026 <i>Adopted</i>	FY2027 <i>Adopted</i>	FY2028 <i>Adopted</i>	FY2029 <i>Adopted</i>	FY2030 <i>Adopted</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

Wayfinding Signs

Overview

Request Owner	David Janover, Town Engineer
Department	Public Works
Type	Capital Improvement
Project Number	S6059
Estimated Start Date	07/1/2024
Estimated Completion Date	06/30/2026

Description

This project will fabricate and install way-finding signs at strategic locations throughout the Town to help direct visitors to public amenities, parks, lodging and business areas. During FY23, an engineering firm performed structural calculations for the Primary and Secondary Vehicular Directional Signs, Vehicular Directional Post and Event Signage. Design plans were value engineered to align with industry standards.

Fabrication and Installation began in FY25, and an additional \$50k is carried forward for FY26 to complete the project, if needed.

Images



Details

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

Type of Project: Other

Benefit to Community

Wayfinding is a way for citizens and visitors to easily orient themselves in a geographic area while navigating from place to place. Wayfinding signage is often the first visual representation of our Small community a customer encounters. The signs should be eye-catching, easily serviceable, and easily editable as building occupants and uses change. Whether it be the Town Hall campus, the Downtown Business District, Wayfinding signage is often the first thing visitors seek out when interacting with the built environment.

In FY25, Vehicular Directional Primary, Vehicular Direction Secondary and Downtown Post-top signs were fabricated and installed. In FY26, the focus will be on addressing the outdated Town Center signage.

Capital Cost

FY2026 Budget

\$50K

Total Budget (all years)

\$50K

Project Total

\$50K

Detailed Breakdown

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

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 were outstanding, the MPC owned the land and buildings purchased with bond proceeds. Principal and interest payments were made using various operating revenues received by the Town and did 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.

Legal Debt Limit

The Total Net Debt Applicable to Limit comes from the Report of Bonded Indebtedness and is related to those issues noted by the appropriate % debt limit.

- 20% limit - General Obligation bonds for projects involving water, sewer, artificial lighting, parks, open space, public safety, law enforcement, fire and emergency facilities, street and transportation facilities and recreational facility improvements.
- 6% limit - General Obligation bonds for any other general purpose improvements.

The basis for determining the legal debt margin is the net full cash assessed value of all property located within the Town.

Currently, the Town does not have any outstanding debt.

Town of Fountain Hills, Arizona Legal Debt Margin Information

	Fiscal Year Ended June 30			
	2022	2023	2024	2025
6% Debt Limit				
Debt limit	\$ 37,800,780	\$ 40,238,671	\$ 49,892,806	\$ 61,905,341
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 37,800,780</u>	<u>\$ 40,238,671</u>	<u>\$ 49,892,806</u>	<u>\$ 61,905,341</u>
Total debt applicable to the limit as a percentage of debt limit	-	-	-	
20% Debt Limit				
Debt limit	\$ 126,002,599	\$ 134,128,903	\$ 166,309,355	\$ 206,351,136
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 126,002,599</u>	<u>\$ 134,128,903</u>	<u>\$ 166,309,355</u>	<u>\$ 206,351,136</u>
Legal Debt Limit				
Through FY2025				

Appendix

The following pages provide supplementary information to readers of this budget book to help them better understand the terms and concepts.

Adopted Budget Resolution 2025-11

RESOLUTION 2025-11

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, APPROVING THE FINAL BUDGET FOR THE TOWN OF FOUNTAIN HILLS FOR THE FISCAL YEAR BEGINNING JULY 1, 2025 AND ENDING JUNE 30, 2026

RECITALS:

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Arizona Revised Statutes (the "Applicable Law"), the Mayor and Council of the Town of Fountain Hills (the "Town Council") did, on May 6, 2025, prepare (i) a full and complete statement of the Town's financial affairs for the preceding fiscal year, (ii) an estimate of the different amounts that will be required to meet the Town's public expense for the current fiscal year, including all of the items prescribed by ARIZ. REV. STAT. § 42-17102 and (iii) a summary schedule of estimated expenditures and revenues, which was prepared according to forms supplied by the Auditor General and entered in the Town Council's minutes; and

WHEREAS, in accordance with the Applicable Law, and following due public notice, the Town Council met on June 3, 2025, at which meeting any taxpayer was provided with the opportunity to appear and be heard in favor of or against any proposed expenditure or tax levy.

ENACTMENTS:

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

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

SECTION 2. The statements and schedules attached hereto as Exhibit A and incorporated herein by reference, are hereby adopted as the budget of the Town of Fountain Hills, Arizona, for the fiscal year beginning July 1, 2025 and ending June 30, 2026.

SECTION 3. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

RESOLUTION 2025-11

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, June 3, 2025.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:



MAYOR



TOWN CLERK

REVIEWED BY:

APPROVED AS TO FORM:



TOWN MANAGER



TOWN ATTORNEY

Resolution 2025-11
Approved by the Town Council on June 3, 2025

Glossary

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

ACFR: Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: A value assigned to real estate or other property by a government as the basis for levying taxes.

Assets: Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Betterments (Special Assessments): Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's

apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

Bond and Interest Record: (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

Bonds Authorized and Unissued: Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from community's books.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget: A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Budget: An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Flow: The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

Cash Management: The process of monitoring the ebb and flow of money in an out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short- term borrowing and investment of idle cash.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Classification of Real Property: Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified its real properties, local officials are permitted to

determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by personal property owners.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Compliance: Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Debt Burden: The amount of debt carried by an issuer usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

Debt Service: The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of total costs of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery — direct, indirect, and capital costs — are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Equity: The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

Estimated Receipts: A term that typically refers to anticipated local revenues often based on the previous year's receipts and represent funding sources necessary to support a community's annual budget. (See Local Receipts)

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: An outlay of money made by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefit) trust funds, investment trust funds, private- purpose trust funds, and agency funds.

Financial Statements: Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

Fiscal Year: The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

Fund Accounting: Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

Fund Balance: Under GASB, the fund balance for governmental funds represents the difference between a fund's assets and liabilities, reflecting the accumulated net financial resources available to the government, categorized by the nature of constraints on their use.

GAAP: Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria on the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, road, sewers, etc. It also requires the presentation of a narrative statement the government's financial performance, trends and prospects for the future.

GASB 54: GASB Statement No. 54 requires fund balances to be classified into five categories—[nonspendable](#), [restricted](#), [committed](#), [assigned](#), and [unassigned](#)—from most to least restrictive, clarifying how resources can be spent.

General Fund: The fund used to account for most financial resources and activities governed by the normal appropriation process.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

Governing Body: A board, committee, commission, or other executive or policy-making body of a municipality or school district.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

Internal Controls: Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Liabilities: Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Aid: Revenue allocated by the state or counties to municipalities and school districts.

Maturity Date: The date that the principal of a bond becomes due and payable in full.

Municipal(s): (As used in the bond trade) "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also bonds of the state and agencies of the state.

Net Income: The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

Note: A short-term loan, typically with a maturity date of a year or less.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Performance Budget: A budget that stresses output both in terms of economy and efficiency.

Principal: The face amount of a bond, exclusive of accrued interest.

Program: A combination of activities to accomplish an end.

Program Budget: A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

Proprietary Funds: Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

Purchased Services: The cost of services that are provided by a vendor.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenues: Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

Revenue Anticipation Note (RAN): A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

Revenue Bond: A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

Revolving Fund: Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

Sale of Real Estate Fund: A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

Stabilization Fund: A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

Surplus Revenue: The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the

trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

	TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026
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Description	Adopted Fee	Units
Clerk		
Campaign Fees:		
Pro/Con Argument Fee	\$100.00	per request
Campaign Finance - Late Filing Fee	\$10.00	per business day

Community Services

<u>Parks Fees</u>		
Park Rental Fees - Resident/Non-Profit:		
Standard Ramada - 2 hour minimum	\$20.00	per hour
Saguaro Ramada - 2 hour minimum	\$40.00	per hour
Meeting Rooms 2 hour minimum	\$15.00	per hour
Athletic Fields - 2 hour minimum	\$20.00	per hour
Sports Courts - 1 hour reservation	\$10.00	per hour
Half Day Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Plaza Fountainside Ramada, Great Lawn, Centennial Circle and other lawns	\$800.00	flat fee
Full Day Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Plaza Fountainside Ramada, Great Lawn, Centennial Circle and other lawns	\$1,500.00	flat fee
Park Rental Fees - Non-Resident/Commercial:		
		Renters - Nonresident
Small Ramada - 2 hour minimum	\$30.00	Renters - Nonresident
Saguaro Ramada - 2 hour minimum	\$50.00	per hour
Meeting Rooms 2 hour minimum	\$20.00	per hour
Athletic Fields - 2 hour minimum	\$30.00	per hour
Sports Courts - 1 hour reservation	\$15.00	per hour
Half Day Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Plaza Fountainside Ramada, Great Lawn, Centennial Circle and other lawns	\$1,350.00	flat fee
Full Day Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Plaza Fountainside Ramada, Great Lawn, Centennial Circle and other lawns	\$2,350.00	flat fee
Park Rental Fee Extras:		
Power Distribution Box Rental Fee & Deposit	\$25.00 plus \$200 deposit	per box per day
Quick Coupler	\$25.00 plus \$200 deposit	per box per day
Athletic Field Lights (2 hour minimum)	\$15.00	per hour per field
Athletic Field Prep – Baseball/Softball	\$30.00	per field
Athletic Field Prep – Soccer/Football	\$500.00	per field
Batting Cage Rental - 1 hour	\$10.00	per hour
Pitching Mound Rental	\$30.00	per use
Ball Field Fencing Rental	\$25.00	per use
Alcohol Permit with Park Reservation (NON-REFUNDABLE)	\$20.00	per permit
Staff - 2 hour minimum	\$55.00	per hour per staff member

<u>Community Center Fees</u>		
Community Center Rentals - Resident/Non-Profit:		
Weekday Rates: Monday thru Thursday		
Classrooms - Minimum 2 hours	\$25.00	per hour
Ballroom - Per Ballroom; Minimum 4 hours	\$50.00	per hour
Lobby - Minimum 4 hours	\$50.00	per hour

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Weekend Rates: Friday & Saturday (no rentals on Sunday)		
Ballroom - Per Ballroom; Minimum 2 Ballrooms for 4 hours	\$75.00	per hour
Lobby - Minimum 4 hours	\$75.00	per hour
Ballroom Damage Deposit	\$100.00	per Ballroom
NonVetted Caterer	\$100.00	per rental
NonVetted Bartender	\$100.00	per rental
Community Center Rentals - Non-Resident/Commercial:		
Weekday Rates: Monday thru Thursday		
Classrooms - Minimum 2 hours	\$50.00	per hour
Ballroom - Per Ballroom; Minimum 4 hours	\$100.00	per hour
Lobby - Minimum 4 hours	\$100.00	per hour
Weekend Rates: Friday & Saturday (no rentals on Sunday)		
Ballroom - Per Ballroom; Minimum 4 hours	\$150.00	per hour
Lobby - Minimum 4 hours	\$150.00	per hour
Ballroom Damage Deposit	\$100.00	per Ballroom
NonVetted Caterer	\$100.00	per rental
NonVetted Bartender	\$100.00	per rental
Community Center Extra Service Fees:		
Video Projector	\$55.00	per rental
Flat Screen TV	\$55.00	per rental
Small Screen	\$55.00	per rental
Large Screen (8' x 10')	\$55.00	per rental
Ping Pong Table	\$55.00	per rental
Sound Reinforcement		
Wireless Microphones	\$25.00	per rental
Speaker Table (Includes Mixing Board)	\$25.00	per rental
Conference Phone	\$55.00	per rental
Portable Sound System (Includes Mixing Board and/or Portable Speaker)	\$85.00	per rental
Electricity (per booth)	n/a	
Portable White Board	\$5.00	per rental
Walker Display Board	\$5.00	per rental
Items for Sale	\$5.00	per rental
Miscellaneous	n/a	
Dance Floor - per 4' x 4' parquet square (16' x 16')	\$225.00	per rental
Dance Floor - per 4' x 4' parquet square (20' x 20')	\$280.00	per rental
Dance Floor - per 4' x 4' parquet square (24' x 24')	\$325.00	per rental
Staging 6' x 8' section (1 piece)	\$25.00	per rental
Coffee Service	\$25.00	per request
Portable Bar	\$50.00	per request
Labor Charges	\$55.00	per hour per staff
MCSO Charges - Minimum 4 hours	Actual Cost	pre-paid/no refunds
Piano Tuning	Actual Cost	pre-paid/no refunds
Drop-In Fee for Presentations/Classes	\$5.00	per presentation/class
Senior Services Annual Membership Fees:		
Resident	\$35.00	per year
Non - Resident	\$50.00	per year

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Special Events Permits:		
<i>Special Event Permits - Food/Event Vendors</i>		
Application Fee	Up to \$500.00	based on event size
<i>Special Event Permits - Business/Commercial</i>		
Application Fee - Business (If submitted at least 60 days prior to the event date)	\$300.00	per application
Application Fee - If submitted 59 days or less prior to the event date	\$550.00	per application
Permit Fee	\$50.00	per application
<i>Special Event Permits - Non-Profit</i>		
Application Fee - Charitable Organization (If submitted at least 60 days prior to the event date)	\$150.00	per application
Application Fee - If submitted 59 days or less prior to the event date	\$275.00	per application
Permit Fee	\$50.00	per application
Special Event Permits - Extra Fees		
Special Event Liquor Application Fee	\$25.00	per application
Special Event Permits - Park Fee (Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Plaza Fountainside Ramada, Great Lawn, Centennial Circle and other lawns)		
Non-Profit:		
Small Event	\$400.00/\$750.00	half day/full day
Medium Event	\$2,500.00	full day
Large Event	\$3,500.00	full day
Business/Commercial:		
Small Event	\$750.00/\$1,400.00	half day/full day
Medium Event	\$2,500.00	full day
Large Event	\$3,500.00	full day
Special Event Permits - Deposit		
Events with less than 1,000 attendance	\$500.00	per event
Events with 1,000 - 1,999 attendance	\$1,000.00	per event
Events with 2,000 - 5,000 attendance	\$2,500.00	per event
Events with over 5,000 attendance	\$5,000.00	per event
Special Event Permit Fees - Road Closure Admin Fees		
Events with less than 1,000 attendance	\$500.00	per event
Events with 1,000 - 1,999 attendance	\$750.00	per event
Events with 2,000 - 5,000 attendance	\$1,000.00	per event
Events with over 5,000 attendance	\$1,500.00	per event
Special Event Permit Fees - Vendor Compliance Fine		
First time penalty	\$250.00	per incident
Recurring penalty	\$750.00	per incident
Film permit application	\$85.00	per application
Electronic message board rental	\$150 per message board (maximum 2)	per event
Small, non-vehicular special event sign rental	\$25 for up to 10 signs plus \$100 deposit	per event
Court Fees		
Court Enhancement fee	\$50.00	per incident (ARS 22-404E)
Non-Sufficient Funds (checks returned to Court)	\$50.00	per check
Public Defender	Actual costs for appointed attorney	
Jail Reimbursement	Actual costs billed by County for jail time served	

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Jury Costs (assessed if jury trial canceled within five days of trial)	Actual administrative costs	
Civil Traffic Default	\$50.00	per incident
Warrant	\$65.00	per warrant issued
Diversion Program Fee	\$150.00	per case (ARS 9-500.22)
Diversion Program Rescheduling	\$30.00	per incident
Probation fee - Maricopa County Fee	\$150.00	per year
Order modification fee	\$25.00	per modification
Contract administration fee	\$10.00	per contract or modification
Court Clerk	\$17.00	per request (ARS 22-404)
Court User	\$10.00	per charge
Public Records Search	\$17.00	per name (ARS 22-404)
Certified Copies	\$17.00	per copy

Development Services

<i>Planning Fees</i>		
Administrative Use Permit/Temporary Sign Permit	\$50.00	per request
Appeal of a Decision by the Zoning Administrator	\$1,530.00	per appeal
Comprehensive Sign Plans and amendments	\$280.00	per request
Commercial/Industrial/Multi-Family Site Plan Review	\$680.00 for first 5,000 square feet of property, then \$130.00 for every thousand square feet thereafter	
Continuance at Applicant Request	\$140.00	per request
Cut & Fill Waiver	\$350.00	per request
Development Agreements	\$3,975.00 for up to 5 acres, plus \$795.00 per acre thereafter	
Development Agreements - Amendment	\$1,900.00 for up to 5 acres plus \$380.00 per acre thereafter	
Final Plats	\$1,690.00 for up to 10 lots plus \$169 per lot thereafter	
General Plan Amendments - Minor	\$2,500.00 for the first 5 acres plus \$500.00 per acre thereafter	
General Plan Amendments - Major	\$3,760.00 for the first 40 acres plus \$94.00 per acre thereafter	
Hillside Protection Easement (HPE)	\$170.00 Plus recording fees	
Golf Ball Fence, Administrative Review	\$280.00	per review
Landscape Plan Review	\$50.00	per review
Public Notice in Newspaper (for all actions requiring newspaper notifications)	\$260.00 (1)	
Notification fee (for all actions requiring mailed notifications)	\$175.00 (2)	
Ordinances (Text Amendments)	\$1,975.00	per ordinance
Planned Area Developments (PAD)	\$3,620.00 for the first 5 acres plus \$725.00 per acre thereafter	
Planned Area Developments (PAD) - Amendment	\$1,850.00 for the first 5 acres plus \$370.00 per acre thereafter	
Plat Abandonments	\$1,150.00 plus County Fees (3)	
Preliminary Plats	\$2,045.00 for the first 10 lots, plus \$205.00 per lot thereafter	
Recording Fees (subject to change without notice)	\$150.00	per request
Replats (lot joins, lot divisions, lot line adjustments)	\$575.00	
Rezones (Map)	\$3,623.00 up to 10 acres plus \$360.00 per acre thereafter	

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Saguaro Cactus Permit	\$110.00	per permit
Special Use Permits and amendments	\$2,000.00	
Temporary Use Permits	\$230.00 plus notification	
Temporary Visitor Permit (RV Parking):	\$50.00	per permit
Tract Housing	\$325.00 plus \$100.00 per façade	
Variances	\$1,190.00 for the first variance plus \$300.00 for each additional variance	
Zoning Verification Letter	\$280.00	per verification
Community Residence Registration	\$350.00	per registration
Community Residence Annual Renewal	\$250.00	per renewal

- (1) Plus actual newspaper posting costs
- (2) Plus \$5 per mailing label
- (3) Minimum \$150 recording fee

Building Fees

Building Permit/Plan Check Single Family Residential:		
Single Family Homes & Additions (Includes Permit and Plan Review)		
Livable Area with A/C	\$0.73	square feet
Covered Area: Garage and/or Patio (non A/C)	\$0.55	square feet
Single Family Remodel	\$0.24	square feet
Single Family Remodel non A/C	\$0.15	square feet
Specialized Permits (Includes Permit and Plan Review)		
Solar Photovoltaic	\$150.00	per request
Fence Walls	\$200.00 for first 100 feet plus \$2.00 per linear foot thereafter	
Retaining Walls	\$300.00 for 100 linear feet plus \$3.20 per linear foot thereafter	
Pools & Spas Attached	\$320.00 up to 450 square feet plus \$0.72 per square foot above 450	
Stand Alone Spas	\$140.00	per request
Landscape Deposit	\$2,500.00 refundable deposit. Deposit required for Certificate of Occupancy (C of O) if landscaping is not installed; refundable upon landscaping approval by Town within six (6) months.	
Miscellaneous Plan Review or Inspection (1 hour minimum)	\$115.00	per hour
One Discipline Permit	\$140.00	per permit
Addendum	\$115.00	per addendum
Demolition (minor)	\$60.00	per request
Third-Party or Expedited Plan Review & Inspections	Actual costs for third party	
Plan Review Add On (After 3rd Review)	50% of Bldg Permit/Plan Review Fee	
Reinspection Fee	\$170.00	per inspection
Permit Extensions - Residential new and additions (If Town has all records and within current Code cycle)	\$460.00	per extension
Permit Extensions - Residential remodel only (If Town has all records and within current Code cycle)	\$120.00	per extension
Penalty for failure to obtain a building permit	100% of Bldg Permit/Plan Review Fee	per incident
Refund for cancelled Building permit (must be done in writing)	35% of building permit fee paid - request must be made within 180 days of original payment	per request

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Building Permit/Plan Check Commercial:		
<i>Commercial/Tenant Building Permit & Additions (Includes Permit and Plan Review)</i>		
Area with A/C	\$0.80	per square foot
Covered Area (non A/C)	\$0.65	per square foot
<i>Commercial Remodel (Existing)</i>		
Area with A/C	\$585.00 for 3,000 square feet plus \$0.20 per square foot thereafter	
Covered Area (non - A/C)	\$275.00 for 3,000 square feet plus \$0.09 per square foot thereafter	
Apartments/Condominiums		
Livable Area with A/C	\$1.10	per square foot
Covered Area (non - A/C)	\$0.75	per square foot
Landscape Plan Review	\$50.00	per request
Miscellaneous Permits (Plan Review Fee is Separate)	\$13.00	per permit
Minimum Permit (one discipline)	\$140.00	per permit
Sign Permit, less than 32 square feet (New/Modified)	\$85.00	per permit
Sign Permit, 32 or greater square feet (New/modified)	\$105.00	per permit
Miscellaneous Plan Review or Inspection (1 hour minimum)	\$115.00	per hour
Revisions to Approved Plans	\$170.00	per hour
Plumbing - Water heater replacement/solar (minor)	\$140.00	per request
Mechanical - HVAC replacement (minor)	\$140.00	per request
Electrical - panel repair (minor)	\$150.00	per request
Demolition (minor)	\$60.00	per request
Third-Party or Expedited Plan Review & Inspections	Actual costs for third party	
Plan Review Add On (After 3rd Review)	50% of Bldg Permit/Plan Review Fee	per review
Reinspection Fee	\$170.00	per inspection
Permit Extensions - Commercial new construction only (If Town has all records and within current Code cycle)	\$460.00	per extension
Permit Extensions - Commercial remodel only (If Town has all records and within current Code cycle)	\$120.00	per extension
Penalty for failure to obtain a building permit	100% of Bldg Permit/Plan Review Fee	per incident
Refund for cancelled Commercial Building permit (must be done in writing)	35% of building permit fee paid - request must be made within 180 days of original payment	per request
Appeal of Decision by Building Official/Fire Marshall	\$1,000.00 All fees include up to 3 reviews by staff. Any additional reviews will be subject to an additional fee equal to 25% of the original fee.	
Public Art Contribution Fee*		
Commercial Construction Projects of \$1 million or less	1% of construction cost	per project
Commercial Construction Projects between \$1 million and \$10 million	0.75% of construction cost	per project
Commercial Construction Projects above \$10 million	0.50% of construction cost	per project

*The Town will calculate the Total Construction Cost based on the standards in the building code for purposes of determining the fee. That amount calculated will be posted on the permit application.

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
<i>Development Fees (Adopted by Resolution 2020-03)</i>		
Single Family Residential	\$3,973.00	per dwelling
Multi - Family Residential	\$2,537.00	per dwelling
Commercial	\$3.82	per square foot
Office	\$2.45	per square foot
Institutional	\$2.86	per square foot
Industrial	\$1.29	per square foot
(Above fees are split between Parks & Recreation, Fire, and Streets development fees. See Resolution for allocations.)		

<i>Development Services - Miscellaneous</i>		
Maps:		
8 1/2" x 11"	\$3.00	per map
11" x 17" Street/Index Map "Typical"	\$5.00	per map
11" x 17" Aerial Site Plan	\$18.00	per map
24" x 36" Custom Map	\$20.00	per map
36" x 36" Bldg/Plat/Zoning Map	\$25.00	per map
60" x 60" Street/Bldg/Develop/Plat/Plot	\$35.00	per map
Map Book	\$100.00	per map book
Other:		
Easement or Right-of-Way Abandonment	\$730.00	per request
Hillside Protection Reconfiguration and/or Replacement of Hillside Protection Easement	\$350.00	per request
Revocation Administrative Fee	\$60.00	per request
Engineering Plan Review Fee / Final Plat Improvement	\$1,610.00	per request
New/Address Change	\$50.00	
Third-Party or Expedited Plan Review & Inspections	Actual costs for third party	
Inspections not associated with an active Building Permit	\$60.00	per inspection
Off-Hours Inspections (Nights & Weekends)	\$85.00	per inspection

<i>Fire Fees</i>		
Residential Automatic Sprinkler System Plan Review/Inspection	\$340.00 for up to 4,400 square feet then \$0.08 per square foot	
Commercial Automatic Sprinkler System Plan Review/Inspection	\$340.00 for the first 3,000 square feet then \$0.11 per square foot	
Commercial Auto Sprinkler System Modification Plan Review/Inspection	\$195.00	per request
Commercial Hood System Plan Review/Inspection	\$290.00	per request
Commercial Fire Alarm System Plan Review/Inspection	\$385.00	per request
Commercial Fire Alarm System Modification Plan Review/Inspection	\$385.00	per request
Residential LPG Installation Review/Inspection	\$170.00	per request
Annual Adult Residential Group Care Inspection	\$130.00	per request
Annual Commercial Fire Inspection Fee	\$0.00	per request
Tent Permit Fee (any tent over 200 square feet & any canopy over 400 square feet)	\$65.00	per request
Reinspection Fee (beyond one re-check)	\$150.00	per request
Inter-Agency Educational Charges	Actual Cost	pre-paid
Fire Dept Personnel - 4 hour minimum	\$52.00	per hour

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Abatement Fees:		
Inspection fee	\$340.00	per hour
Reinspection fee	\$340.00	per inspection
Finance		
Services:		
Notarization	\$2.00	per request
Affix Town Seal	\$5.00	per request
Returned Check Fee	\$50.00	per check
Convenience Fee - credit card payment	\$4.00	per transaction
Art Commission	\$35.00	per transaction
Copies		
Photocopies 8 1/2 x 11	\$0.65	per page
Photocopies 8 1/2 x 14	\$0.70	per page
Photocopies 11 x 17	\$0.75	per page
Reports:		
License Report (Non - Commercial Use)	\$30.00	CD or hard copy
License Report (Commercial Use)	\$30.00	CD or hard copy
Business License Fees:		
New Business License	\$50.00	per application and first year fee - non-refundable
Annual renewal fee for business within the Town limits	\$35.00	per renewal
Annual renewal fee for business without a fixed place of business within the Town limits	\$50.00	per renewal
Late fee for renewal of business license fee	25% of renewal fee	per renewal
Late fee for renewal of mobile food vendor license fee	10% of renewal fee	per renewal
Penalty for operating a business without a license	\$150.00	per incident
Peddlers, solicitors and mobile merchants	\$250.00	calendar quarter or fraction thereof - non-refundable
Mobile Food Vendor License	\$250.00	per year
Annual renewal fee for Mobile Food Vendor within Town limits	\$250.00	per renewal
Peddler investigation fee (per person)	\$55.00	per person
Promoters of entertainments, circuses, bazaars, etc., who receive a percentage of receipts or other consideration for their services. Each such promoter shall also obtain liability insurance of a minimum of \$1 million naming the Town as insured.	\$150.00	per week
Handbill Distributor	\$50.00	per day
Amusement Company, such as ferris wheel, merry - go - round, etc., not part of a circus. Tent Show. Wrestling Exhibition. Road Show, Carnival or Circus.	\$150.00	per day
Practice of palmistry, phrenology, astrology, fortune telling, mind reading, clairvoyancy, magic or any healing practices not licensed by the State of Arizona, or any similar calling without a fixed place of business	\$50.00	per day
Duplicate Business License	\$15.00	per request
Verification of License Letter	\$15.00	per request
False Alarm Service Charges:		
First and Second	\$0.00	each
Third	\$100.00	each
Fourth	\$150.00	each

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Fifth and Sixth	\$175.00	each
Seventh or more	\$275.00	each
Wireless Communications:		
	Per State Statute	
Wireless Tower Lease	\$4.75	per square foot
Lease Agreement Application Fee, each location	\$285.00	per location - non-refundable
Amendments to Cell Tower Lease Agreements	\$285.00	per location - non-refundable
Small Cell Wireless Facilities: (all fees are non-refundable)		
ROW Use Fee	\$50.00	year x number of small wireless facilities (SWF)
Authority utility pole attachment	\$50.00	year per utility pole attachment
Small Wireless Facilities (SWF) collocation	\$100.00	per SWF up to five
Small Wireless Facilities (SWF) collocation	\$50.00	for SWF over five
Batched applications for up to 25 SWF's	\$100.00	per SWF up to five
Batched applications for up to 25 SWF's	\$50.00	per SWF 6 - 25 sites
Applications for new, replacement or modified utility poles NOT subject to zoning review	\$750.00	per application
Applications for new, replacement or modified utility poles and collocation of wireless facilities subject to zoning review	\$1,000.00	per application
Alcohol License Application:		
Person Transfer Fee	\$200.00	per request
Location Transfer Fee	\$200.00	per request
Probate/Will Assignment/Divorce Decree	\$200.00	per request
Extension of Premise	\$200.00	per request
Sampling Permit	\$200.00	per request
Acquisition of Control/Restructure/Agent Change	\$200.00	per request
Initial/Interim Application Fee		
01 - In State Producer	\$600.00	per request
02 - Out of State Producer	\$600.00	per request
03 - Domestic Microbrewery	\$600.00	per request
04 - In State Wholesaler	\$600.00	per request
05 - Government	\$600.00	per request
06 - Bar, All Spirituous Liquors	\$600.00	per request
07 - Beer & Wine Bar	\$600.00	per request
08 - Conveyance	\$600.00	per request
09 - Liquor Store	\$600.00	per request
10 - Beer & Wine Store	\$600.00	per request
11 - Hotel/Motel	\$600.00	per request
12 - Restaurant	\$600.00	per request
13 - Domestic Farm Winery	\$600.00	per request
14 - Private Club	\$600.00	per request
Alcohol Permit Renewal	\$200.00	per year
Short-Term/Vacation Rentals		
Annual Registration Fee	\$250.00	per year
Public Works		
Excavations/In-Lieu Fees:		
Base fee	\$250.00	Per excavation
Trench cut fees:		

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Newly paved or overlaid 0 - 1 yrs.	\$55.00	per linear foot
Newly paved or overlaid 1 - 2 yrs.	\$45.00	per linear foot
Newly paved or overlaid 2 - 3 yrs.	\$35.00	per linear foot
Newly paved or overlaid 3 - 4 yrs.	\$25.00	per linear foot
Newly paved or overlaid 4 - 5 yrs.	\$15.00	per linear foot
Newly paved or overlaid 5 - 6 yrs.	\$10.00	per linear foot
Slurry or chip sealed 0 - 2 years	\$4.00	per linear foot
Pavement replacement greater than 300 feet in length	\$2.50	per square yard
Utility Pit fees:		
Newly paved or overlaid 0 - 1 yrs.	\$5.50	per square foot
Newly paved or overlaid 1 - 2 yrs.	\$4.50	per square foot
Newly paved or overlaid 2 - 3 yrs.	\$3.50	per square foot
Newly paved or overlaid 3 - 4 yrs.	\$2.50	per square foot
Newly paved or overlaid 4 - 5 yrs.	\$1.50	per square foot
Newly paved or overlaid 5 - 6 yrs.	\$1.00	per square foot
Slurry or chip sealed 0 - 2 years	\$5.00	per square foot
Adjustment (MH, valve, monument, etc.)	\$500.00	each
Striping	\$3.00	per linear foot
Lane Markers	\$175.00	each
Stop Bars	\$3.00	per linear foot
Crosswalks	\$3.00	per linear foot
RPMs	\$7.00	each
Seal-Coat	\$3.00	per square yard
Encroachment/Engineering Permits:		
Base Permit Fee	\$200.00	
2"/6" Paving A.C.	\$2.25	per square yard
Permanent Barricading	\$220.00	each
Guard Rail/Hand Rail	\$1.50	per linear foot
Survey Monuments	\$145.00	each
Concrete Aprons	\$145.00	each
Scuppers	\$145.00	each
Review for Adjustments MH, etc.	\$145.00	each
4" Paving - PC Concrete	\$1.45	per square yard
Decorative Sidewalk or Paving	\$2.70	per linear foot
Sidewalk & Bike path	\$2.70	per linear foot
Curb & Gutter	\$1.70	per linear foot
Valley Gutter	\$1.45	per linear foot
Sign (regulator, street etc.)	\$145.00	each
Pavement Cuts	\$1.45	per linear foot
Driveway/Driveway Modifications	\$145.00	each
Utility, Water Line, Sewer Line Trench - Paved	\$2.00	per linear foot
Utility, Water Line, Sewer Line Trench - Unpaved	\$1.45	per linear foot
Storm Drain Pipe	\$1.70	per linear foot
Catch Basins, Headwells	\$145.00	each
Cutoff Walls	\$1.45	per linear foot
Slope Protection	\$1.45	per square yard
Rip Rap	\$1.45	per square yard
Retaining Wall	\$1.45	per linear foot
Cut/Fill (Materials Moved)	\$2.00	per cubic yard
Box Culverts	5% of engineer estimate	
Miscellaneous	5% of engineer estimate	

 TOWN OF FOUNTAIN HILLS COMPREHENSIVE FEE SCHEDULE FISCAL YEAR 2025-2026		
Description	Adopted Fee	Units
Landscaping	5% of engineer estimate	
Irrigation	5% of engineer estimate	
Lighting	5% of engineer estimate	
Grading	5% of engineer estimate	
Utility Splice/Repair Pits Up to 25 square feet (outside pvmt)	\$140.00	flat fee
Other	5% of engineer estimate	
In Lieu Payments	n/a	n/a
Traffic Control Plan Review	\$170.00	per request
Engineering Plan Review Fee	\$575.00 per sheet (includes three reviews) \$190 per sheet for each subsequent review	per sheet
Failure to obtain an Encroachment Permit	\$230.00	per incident
Failure to obtain a Final Inspection	\$170.00	per incident
Reinspection Fee	\$150.00	per incident
Investigation Fee for Work Done Without Permit	\$400.00 or the permit fee, whichever is greater, but not to exceed \$2,500.00 for every day or a portion of a day from the time unpermitted work began until a permit is obtained.	per incident
Land Disturbance Fee	\$10.00 per square foot plus revegetation	per square foot
Oversize/Overweight Vehicle Permit	\$250.00	per permit
Haul Route Permit (greater than or equal to 500 cubic yards)	\$160.00	per permit
Failure to barricade or improper barricading	\$1,000.00 to \$5,000.00	per incident
Permit Extension	\$50.00	per request
Penalty for work w/o permit	50% of Permit Fee	per incident
Minimum Plan Review	\$115.00	per hour
Traffic Study - Cost to recover staff time and materials	\$150.00 base fee plus \$50.00 per additional location request	per request
<u>Public Works - Miscellaneous</u>		
Adopt a Street:		
Fee, per sign	\$60.00	per request
Honorary Street Naming:		
Application Fee and Sign	\$300.00	per application
Electric Vehicle Charging		
Charging Station Fee - 2 hour maximum	\$4.00	per hour