

RESOLUTION NO. 2010-22

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, SETTING FORTH THE TENTATIVE BUDGET AND ESTABLISHING THE MAXIMUM BUDGET AMOUNT FOR THE TOWN OF FOUNTAIN HILLS FOR FISCAL YEAR 2010-2011.

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

WHEREAS, the Town Manager has prepared and filed with the Town Council the Town Manager's Budget estimates for the fiscal year beginning July 1, 2010 and ending June 30, 2011.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND 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 Town's official tentative budget for the fiscal year beginning July 1, 2010 and ending June 30, 2011, including the establishment of the maximum budget amount for such fiscal year in the amount of \$33,627,020.

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

PASSED AND ADOPTED BY the Mayor and Council of the Town of Fountain Hills, Arizona, June 3, 2010.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:


Jay T. Schlum, Mayor


Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:


Richard L. Davis, Town Manager



Andrew J. McGuire, Town Attorney

EXHIBIT A
TO
RESOLUTION NO. 2010-22

[Tentative Budget]

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TOWN OF FOUNTAIN HILLS, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2010-11

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2009-10*	ACTUAL EXPENDITURES/ EXPENSES 2009-10**	FUND BALANCE/ NET ASSETS*** July 1, 2010**	DIRECT PROPERTY TAX REVENUES 2010-11	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2010-11	OTHER FINANCING 2010-11		INTERFUND TRANSFERS 2010-11		TOTAL FINANCIAL RESOURCES AVAILABLE 2010-11	BUDGETED EXPENDITURES/ EXPENSES 2010-11
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 14,525,654	\$ 14,525,654	\$ 6,641,832	Primary: \$	\$ 12,642,268	\$	\$	\$	\$ (671,241)	\$ 19,855,041	\$ 12,642,268
2. Special Revenue Funds	4,461,841	4,461,841	1,702,959	Secondary: 1,040,484	9,109,460			41,309	(6,531,677)	\$ 18,425,869	9,422,913
3. Debt Service Funds Available	3,278,613	3,278,613	773,218		2,680,834			387,000		3,841,052	2,864,003
Less: Designation for Future 4. Debt Retirement											
5. Total Debt Service Funds	3,278,613	3,278,613	773,218		2,680,834			387,000		3,841,052	2,864,003
6. Capital Projects Funds	12,867,834	12,725,434	12,279,010		6,607,075			6,451,802		25,337,887	8,697,836
7. Permanent Funds											
8. Enterprise Funds Available											
Less: Designation for Future 9. Debt Retirement											
10. Total Enterprise Funds											
11. Internal Service Funds			398,318					222,807		621,125	
12. TOTAL ALL FUNDS	\$ 35,133,943	\$ 34,991,543	\$ 21,795,037	\$ 1,040,484	\$ 31,039,637	\$	\$	\$ 7,061,609	\$ (7,102,918)	\$ 68,080,993	\$ 33,627,020

EXPENDITURE LIMITATION COMPARISON

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

	2009-10	2010-11
	\$ 35,133,943	\$ 33,627,020
	35,133,943	33,627,020
	9,658,218	18,143,979
	\$ 25,475,725	\$ 15,483,041
	\$ 25,546,731	\$ 28,591,378

* Includes Expenditure/Expense Adjustments Approved in 2007-08 from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

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

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2010-11

	<u>2009-10</u> <u>FISCAL YEAR</u>	<u>2010-11</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	\$ <u>0</u>	\$ <u>0</u>
2. Amount received from primary property taxation in the fiscal year 2008-09 in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$ 0	0
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>0</u>	\$ <u>0</u>
B. Secondary property taxes	<u>1,400,000</u>	<u>1,040,484</u>
C. Total property tax levy amounts	<u>\$ 1,400,000</u>	<u>\$ 1,040,484</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2009-10 levy	\$ 0	0
(2) Prior years' levy	0	0
(3) Total primary property taxes	\$ 0	0
B. Secondary property taxes		
(1) 2009-10 levy	\$ 1,400,000	1,040,484
(2) Prior years' levy	\$ 0	0
(3) Total secondary property taxes	\$ 1,400,000	1,040,484
C. Total property taxes collected	\$ 1,400,000	1,040,484
5. Property tax rates		
A. Town tax rate		
(1) Primary property tax rate	<u>0.0000</u>	<u>0.0000</u>
(2) Secondary property tax rate (estimate)	<u>0.2173</u>	<u>0.1836</u>
(3) Total city/town tax rate	<u>0.2173</u>	<u>0.1836</u>
B. Special assessment district tax rates		

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

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

TOWN OF FOUNTAIN HILLS, ARIZONA

**Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2010-11**

SOURCES OF REVENUES	ESTIMATED REVENUES 2009-10	ACTUAL REVENUES 2009-10*	ESTIMATED REVENUES 2010-11
GENERAL FUND			
Local Taxes			
Local Sales Tax	\$ 6,628,911	\$ 6,628,911	\$ 6,020,520
Franchise Tax	\$ 363,731	\$ 273,000	\$ 300,000
Permits			
Animal License Fees	\$ 39,505	39,505	45,088
Business License Fees	\$ 122,715	122,715	109,180
Building Permit Fees	\$ 330,120	150,000	155,140
Landscape Permit Fees	\$ 10,400	0	0
Planning & Zoning Fees	\$ 0	21,058	15,000
Improvement Plan Review Fee	\$ 21,000	21,000	8,506
Intergovernmental			
State Sales Tax	\$ 1,894,032	1,894,032	1,765,065
Fire Insurance Premium Tax	\$ 135,741	135,741	119,452
Shared Income Tax	\$ 3,163,367	3,163,367	2,384,218
Vehicle License Tax	\$ 953,455	900,000	850,000
User Fees			
Parks & Rec User Fees	\$ 127,687	100,000	158,059
Senior Services Fees	\$ 110,211	60,000	90,033
Encroachment Fees	\$ 10,000	15,000	17,000
Variations	\$ 15,600	8,842	10,000
Fines and forfeitures			
Court Fines	\$ 239,292	239,292	255,078
Interest on Investments			
Interest on Investments	\$ 125,000	10,000	10,800
Rentals			
Community Center Rental Fees	\$ 168,150	100,000	102,328
Community Center Bar Sales	\$ 0	0	0
Leases & Rents	\$ 55,575	118,536	100,464
Miscellaneous			
Miscellaneous	\$ 181,737	16,158	126,337
Total General Fund	\$ 14,696,229	\$ 14,017,157	\$ 12,642,268
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway Users	\$ 1,480,152	\$ 1,480,152	\$ 1,315,800
Total Highway User Revenue Fund	\$ 1,480,152	\$ 1,480,152	\$ 1,315,800
Local Transportation Assistance Fund			
Local Transportation (LTAF)	\$ 113,400	\$ 113,400	\$ 0
Total Local Transportation Assistance Fund	\$ 113,400	\$ 113,400	\$ 0
In Lieu Payments	\$ 2,000	\$ 2,000	\$ 15,068
Interest	\$ 4,993	\$ 4,993	\$ 120
Miscellaneous	\$ 0	\$ 0	\$ 7,602
Total	\$ 1,600,545	\$ 1,600,545	\$ 1,338,590
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			
Excise Taxes			
Local Sales Tax Transfer	\$ 295,859	\$ 295,859	\$ 270,629
Total	\$ 295,859	\$ 295,859	\$ 270,629

Court Enhancement Fund			
Court Enhancement Fund	\$ 17,000	\$ 17,000	\$ 19,250
	\$ 17,000	\$ 17,000	\$ 19,250
Public Art Fund			
Public Art Fund	\$ 2,000	\$ 0	\$ 30,766
	\$ 2,000	\$ 0	\$ 30,766
Grants			
FEMA	\$ 0	\$ 0	\$ 0
Construction Grants/Stimulus	\$ 2,318,000	\$ 2,318,000	\$ 6,131,802
Community Grants	\$ 183,998	\$ 183,998	\$ 200,000
LTAF II	\$ 40,000	\$ 36,074	\$ 0
Miscellaneous Grants	\$ 218,850	\$ 218,850	\$ 1,118,423
	\$ 2,760,848	\$ 2,756,922	\$ 7,450,225
Total Special Revenue Funds	\$ 4,676,252	\$ 4,670,326	\$ 9,109,460
DEBT SERVICE FUNDS			
General obligation Bonds			
Secondary Property Tax	1,400,000	\$ 1,400,000	\$ 1,040,484
Interest	1,500	1,500	300
	\$ 1,401,500	\$ 1,401,500	\$ 1,040,784
Revenue Bonds			
Transfer from HURF Fund	\$ 136,413	\$ 136,413	\$ 0
	\$ 136,413	\$ 115,843	\$ 0
Special District Bqnds			
Eagle Mountain CFD	\$ 389,100	\$ 379,000	\$ 420,500
Cottonwoods Improvement District	\$ 0	\$ 3,300	\$ 0
Cottonwoods Maintenance District	\$ 3,850	\$ 3,850	\$ 3,850
Municipal Prop Corp	1,283,178	1,275,277	1,215,700
	\$ 1,676,128	\$ 1,661,427	\$ 1,640,050
Total Debt Service Funds	\$ 3,214,041	\$ 3,178,770	\$ 2,680,834
CAPITAL PROJECTS FUNDS			
Development Fees			
Law Enforcement Development Fees	\$ 13,767	\$ 7,675	\$ 7,980
Street Department Development Fees	\$ 74,316	\$ 17,750	\$ 48,775
Parks & Recreation Development Fees	\$ 14,664	\$ 18,125	\$ 7,425
Open Space Development Fees	\$ 9,390	\$ 7,700	\$ 4,835
General Government Development Fees	\$ 28,440	\$ 13,750	\$ 16,910
Fire Development Fees	\$ 3,153	\$ 1,770	\$ 1,795
Library/Museum Development Fees	\$ 1,740	\$ 2,916	\$ 875
	\$ 145,470	\$ 69,686	\$ 88,595
Capital Projects			
Local Sls Tax Contribution	\$ 510,000	\$ 0	\$ 66,678
Capital Projects transfers	2,981,190	2,981,190	3,365,837
Stimulus Funds	2,537,717	2,537,717	3,085,965
Debt Service Proceeds	\$ 4,500,000	\$ 0	\$ 0
	10,528,907	5,518,907	6,518,480
Total Capital Projects Funds	\$ 10,674,377	\$ 5,588,593	\$ 6,607,075
TOTAL ALL FUNDS	\$ 33,260,899	\$ 27,454,846	\$ 31,039,637

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

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2010-11

FUND	OTHER FINANCING 2010-11		INTERFUND TRANSFERS 2010-11	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Annual Debt Payment for Community Center	\$	\$	\$	\$ (387,000)
Transfer to Public Art for Maintenance				(10,350)
Interfund charge for Vehicle Replacement				(142,932)
Transfer from General Fund for Grant Match				(30,959)
Total General Fund	\$ 0	\$ 0	\$ 0	\$ (571,241)
HIGHWAY USERS				
Interfund charge for Vehicle Replacement				(79,875)
Total Highway Users Funds	\$ 0	\$ 0	\$ 0	\$ (79,875)
DEBT SERVICE FUNDS				
Annual Debt Payment for Community Center	\$	\$	\$ 387,000	\$
Total Debt Service Funds	\$ 0	\$ 0	\$ 387,000	\$ 0
CAPITAL PROJECTS FUNDS				
Transfer to CIP-Variou s projects			6,131,802	
Transfer to CIP-Downtown Improvements			320,000	
Transfer from Debt Service			0	
Total Capital Projects Funds	\$ 0	\$ 0	\$ 6,451,802	\$ 0
SPECIAL REVENUE FUNDS				
Transfer from General Fund for Maintenance			10,350	
Transfer to CIP-Downtown Improvements				(320,000)
Transfer to CIP-Variou s projects				(6,131,802)
Transfer from General Fund for Grant Match			30,959	
Total Special Revenue Funds	\$ 0	\$ 0	\$ 41,309	\$ (6,451,802)
DEVELOPMENT FEES				
	\$	\$	\$	\$
Total Enterprise Funds	\$ 0	\$ 0	\$ 0	\$ 0
INTERNAL SERVICE FUNDS				
	\$	\$	\$	\$
Interfund charge for Vehicle Replacement			142,932	
Interfund charge for Vehicle Replacement			79,875	
Total Internal Service Funds	\$ 0	\$ 0	\$ 222,807	\$ 0
TOTAL ALL FUNDS	\$ 0	\$ 0	\$ 7,102,918	\$ (7,102,918)

TOWN OF FOUNTAIN HILLS, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2010-11

FUND/DEPARTMENT	BUDGETED EXPENDITURES/ EXPENSES 2009-10	EXPENSE ADJUSTMENTS APPROVED 2009-10	EST ACTUAL EXPENDITURES/ EXPENSES 2009-10*	BUDGETED EXPENDITURES/ EXPENSES 2010-11
GENERAL FUND				
Mayor and Town Council	\$ 85,640	\$	\$ 85,640	\$ 72,427
Municipal Court	\$ 397,528	\$	\$ 397,528	\$ 421,291
Administration	\$ 2,964,808	\$	\$ 2,964,808	\$ 2,468,393
Development Services	\$ 2,440,675	\$	\$ 2,440,675	\$ 1,557,235
Community Services	\$ 2,726,649	\$	\$ 2,726,649	\$ 2,320,980
Law Enforcement	\$ 2,844,877	\$	\$ 2,844,877	\$ 2,759,532
Fire Department	\$ 3,065,477	\$	\$ 3,065,477	\$ 3,042,411
Transfers	0	\$	0	0
Total General Fund	\$ 14,525,654	\$ 0	\$ 14,525,654	\$ 12,642,268
SPECIAL REVENUE FUNDS				
Highway Users (HURF)	\$ 1,433,816	\$	\$ 1,433,816	\$ 1,287,711
ADOT	\$ 0	\$	\$ 0	\$ 0
Public ART	\$ 18,500	\$	\$ 18,500	\$ 20,350
Court Enhancement Fund	\$ 50,000	\$	\$ 50,000	\$ 40,350
Community Grants	\$ 150,000	\$	\$ 150,000	\$ 200,000
Miscellaneous Grants	\$ 2,426,850	\$	\$ 2,426,850	\$ 1,118,423
Excise Tax Special Revenue	\$ 382,675	\$	\$ 382,675	\$ 584,276
CIP	0	\$	0	6,171,802
Total Special Revenue Funds	\$ 4,461,841	\$ 0	\$ 4,461,841	\$ 9,422,913
DEBT SERVICE FUNDS				
General Obligation Bonds	\$ 1,340,364	\$	\$ 1,340,364	\$ 1,030,813
Revenue Bonds	136,413	\$	136,413	0
Municipal Property Corp (MPC)	1,408,886	\$	1,408,886	1,418,630
Cottonwood Improv Dist	3,850	\$	3,850	3,850
Eagle Mountain CFD	389,100	\$	389,100	410,710
Total Debt Service Funds	\$ 3,278,613	\$ 0	\$ 3,278,613	\$ 2,864,003
DEVELOPMENT FEES				
Law Enforcement Development Fees	0	\$	0	0
Street Department Development Fees	142,400	\$	142,400	0
Parks & Recreation Development Fees	0	\$	0	0
Open Space Development Fees	0	\$	0	0
General Government Development Fees	0	\$	0	0
Fire Development Fees	0	\$	0	0
Library Development Fees	0	\$	0	0
Total Development Fees	142,400	\$ 0	\$ 142,400	\$ 0
Capital Projects	12,291,724	\$	12,291,724	8,809,244
Contingency	433,710	\$	433,710	88,592
Total Capital Projects Funds	\$ 12,725,434	\$ 0	\$ 12,725,434	\$ 8,897,836
INTERNAL SERVICE FUNDS				
Vehicle & Equipment Replacement	\$ 0	\$	\$ 0	\$
Vehicle & Equipment Replacement	\$ 0	\$	\$ 0	\$
Total Internal Service Funds	0	\$	0	\$
TOTAL ALL FUNDS	\$ 35,133,943	\$ 0	\$ 35,133,943	\$ 33,627,020

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.