

Fiscal Year 2017-2018 Adopted Budget

Town of Fountain Hills

Arizona



The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation to the Town of Fountain Hills, Arizona, for its annual budget for the fiscal year beginning July 1, 2016.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a: 1) Policy Document, 2) Financial Plan, 3) Operations Guide, and 4) Communications Device.

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



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| This section will give the reader a brief overview of the budget process. The budget message from the Town Manager will summarize the goals of the Town Council and how the budget will aid in the accomplishment of those goals. Also provided here is a brief overview of the Town as well as information about the Town Councilmembers. | |
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BUDGET MESSAGE

June 1, 2017

Honorable Mayor and Town Council:

I am pleased to submit the operating budget for the Town of Fountain Hills for the fiscal year beginning on July 1, 2017, and ending June 30, 2018. This budget is balanced and designed to convey to the public a message that articulates priorities and issues for the upcoming fiscal year.

Although each fund should be viewed individually, the Town's proposed total budget, including all funds is \$35,303,495. It is important to note that the budget includes the use of one-time sources of funding, such as one-time accumulated reserves and grant funds. These funds cannot be relied upon for on-going operations of the Town.

Department Directors and Supervisors, Finance staff, and the Town Manager are actively involved in the annual budget process. The primary focus is placed on the General Fund (operating fund) which supports core services.

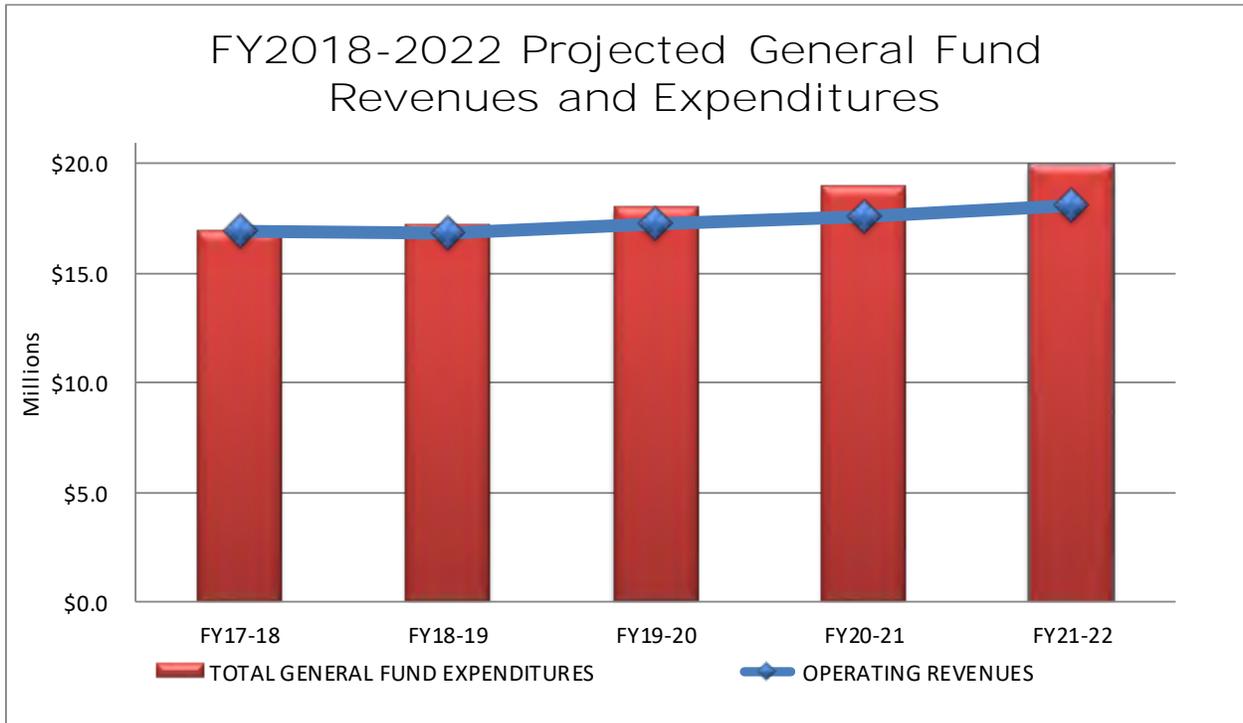
FIVE-YEAR REVENUE AND EXPENDITURE FORECAST

During the Town Council Retreat on February 11, 2016, and again on February 13, 2017, the Finance Director outlined financial challenges the Town will be facing in the very near future. Based on the financial forecast for the next five years, the Town will be facing budget shortfalls totaling up to \$4.2 million. As was stated at the recent Town Council Retreat, the Town has significantly reduced staffing levels and contracted out a number of services over the years. By doing so, the Town has diligently pared down expenditures while preserving the core services and amenities that make Fountain Hills a desirable place to live. In a number of critical service areas, staff members have taken on additional responsibilities to assume the additional workload and service functions.

The Town is projected to face budget deficits over the next five years. Staff presented a detailed ten-year budget at a Council Special Session in April that projected revenues and all operating and capital expenditures. The expenditures included all of the deferred or underfunded programs such as pavement management, facilities replacement fund, capital improvement program, staffing, and other critical areas. The presentation included revenue options for Town Council consideration to address the revenue shortfall. I am grateful that the Mayor and Council have demonstrated a genuine concern and interest in tackling this major issue facing the Town of Fountain Hills.



The chart below depicts the current five year forecast:



Primary funding issues facing the Town of Fountain Hills include:

- Increased costs for maintenance, repair and/or replacement of aging infrastructure (roads, buildings, parks, the Fountain, etc.)
- Dependence upon State shared revenues to fund operating expenditures
- Dependence upon economically volatile local sales tax to fund operational expenditures and capital improvement projects
- Decreased proportionate share of State shared revenues due to increased population of surrounding communities combined with negligible population growth or decreased population in Fountain Hills
- Lack of a growing, sustainable, and diversified revenue base to fund on-going operating costs
- Potential state legislation impacting revenues, e.g., sweeping of State shared revenue or unfunded mandates
- Retaining adequate staffing levels to maintain current service levels
- Public safety costs as an increasing proportion of total expenditures, resulting in less funding for other core services

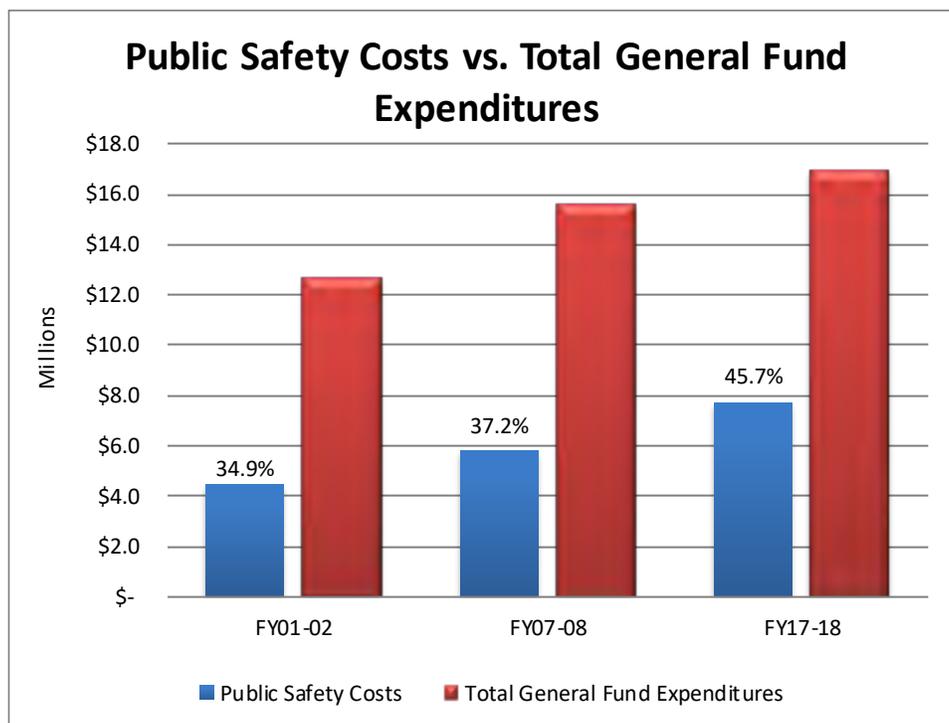
One of the chief roles of government is to provide for the safety of its citizens. The citizens of Fountain Hills receive great value from the Town’s contracts for public safety with Maricopa County Sheriff’s Office and Rural/Metro Fire. Town funds that are expended for public safety services provided under these contracts are undeniably high quality and cost efficient.



However, the fact remains that public safety costs, while essential, represent an ever-increasing proportion of the Town’s total expenditures. During the period from FY01-02 through FY17-18, Town total General Fund expenditures increased 33.6%, while public safety costs increased 74.8%, leaving reduced funding to pay for non-public safety core services.

For example, in FY01-02 the Town’s total General Fund expenditures were \$12.7M. Sixteen years later, in FY17-18, the Town’s total expenditures had increased by \$4.2M, to a total of \$16.9M; public safety’s increase amounted to \$3.3M, essentially most of the total increase of \$4.2M. In FY17-18, public safety costs now represent 45.7% of the General Fund.

The chart below demonstrates the proportion of total Town expenditures relative to public safety costs. (Note: Town General Fund expenditures peaked in FY08-09.)



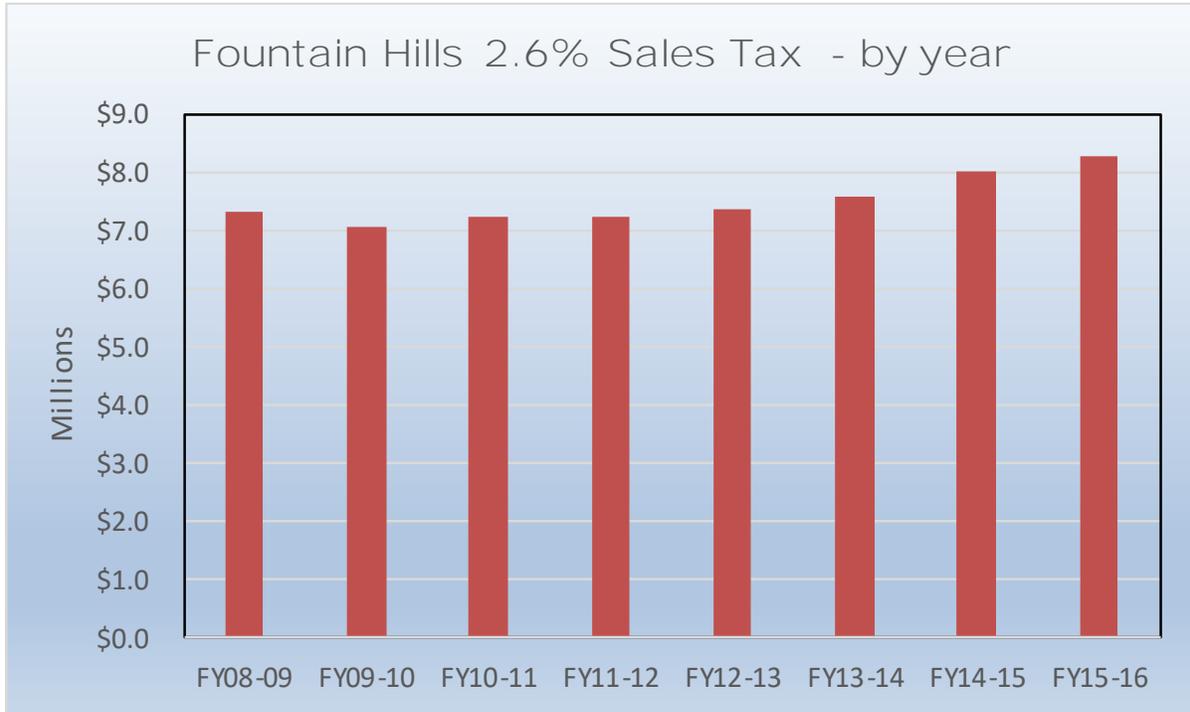
The problem lies not in total public safety costs to the Town, which are fair and reasonable, but rather in the lack of a growing, sustainable, and diversified revenue base. In order to provide the core services and amenities that the residents of Fountain Hills expect, new sources of revenue must be found in the near future.

The Town relies primarily on two main sources of revenue for operations: (1) State shared revenues (sales, income and vehicle license taxes distributed proportionately by the State based on population); and (2) local sales tax. Combined, these two sources contribute 83% of the General Fund (31% and 52% respectively).



At the time of this budget message, staff members have been waiting on the final State shared revenue estimates from the State. Even though last fiscal year the Town of Fountain Hills had a modest increase in State shared revenues, the amount of revenue received was about the same amount received as ten years ago. This important source of revenue is projected to be flat and eventually decline over time as high growth cities will receive larger allocations of State shared revenue.

The chart below demonstrates that overall local sales tax collections now reflect a modest increase over prior years:



While building activity in Fountain Hills has been on the upswing since 2016 and continuing into 2017, particularly with large scale commercial, multifamily housing, and luxury housing construction, the total building permits issued is still below the peak in the year 1998. The following chart shows the historical building permit activity from the year 1998 forward.



HISTORICAL BUILDING PERMIT ACTIVITY

| YEAR | Single Family | Duplex | | Multi-Family | | Total Dwelling Units | Commercial | Other |
|----------------------|---------------|------------|-------------|--------------|-------------|----------------------|-------------|--------------|
| | | Bldg. | Total Units | Bldg. | Total Units | | | |
| 1998 | 582 | 17 | 34 | 36 | 170 | 786 | 26 | 995 |
| 1999 | 415 | 18 | 36 | 34 | 229 | 680 | 36 | 947 |
| 2000 | 326 | 33 | 66 | 23 | 97 | 489 | 37 | 892 |
| 2001 | 227 | 23 | 46 | 6 | 28 | 301 | 8 | 707 |
| 2002 | 135 | 3 | 6 | 4 | 33 | 174 | 16 | 622 |
| 2003 | 124 | 10 | 20 | 10 | 28 | 172 | 14 | 689 |
| 2004 | 143 | 7 | 14 | 64 | 154 | 311 | 14 | 664 |
| 2005 | 165 | 13 | 26 | 184 | 287 | 478 | 9 | 777 |
| 2006 | 95 | 3 | 6 | 102 | 137 | 238 | 19 | 745 |
| 2007 | 62 | 0 | 0 | 18 | 18 | 80 | 7 | 589 |
| 2008 | 33 | 0 | 0 | 1 | 2 | 35 | 50 | 489 |
| 2009 | 5 | 1 | 2 | 0 | 0 | 7 | 20 | 328 |
| 2010 | 11 | 0 | 0 | 0 | 0 | 11 | 18 | 366 |
| 2011 | 7 | 0 | 0 | 0 | 0 | 7 | 17 | 319 |
| 2012 | 6 | 0 | 0 | 0 | 0 | 6 | 20 | 376 |
| 2013 | 14 | 0 | 0 | 0 | 0 | 14 | 18 | 386 |
| 2014 | 27 | 1 | 2 | 5 | 13 | 42 | 20 | 391 |
| 2015 | 37 | 0 | 0 | 5 | 10 | 47 | 23 | 347 |
| 2016 | 33 | 0 | 0 | 2 | 4 | 37 | 8 | 420 |
| 19 Year Total | 2447 | 129 | 258 | 494 | 1210 | 3915 | 380 | 11049 |
| 19 Year Avg | 128.8 | 6.8 | 13.6 | 26.0 | 63.7 | 206.1 | 20.0 | 581.5 |

BUDGET APPROACH

In developing the proposed FY17-18 budget, each department director was given specific instructions to stay within the FY16-17 budget as the base budget for FY17-18. Any new budget requests would have to be submitted separately as supplemental budget requests. This was designed to maintain the current level of effort for core services and streamline the process for considering supplemental requests.

The criteria used to evaluate the supplemental requests are as follows:

- ◆ Is there a dedicated revenue source to pay for the new program or service?
- ◆ Is the budget request one-time or ongoing?
- ◆ Does the supplement address issues involving operational efficiencies, safety, a Council priority, or a Strategic Plan priority?

By working with Department Directors to find operational efficiencies and identifying budget savings in the current budget, we were able to fund \$2.3M in one-time supplemental budget needs and \$294K in ongoing supplemental needs. The ongoing budget supplements include some expenditures that could easily be scaled back or eliminated, if necessary, in FY18-19.



Last fiscal year, the Town instituted a consolidation of budget program codes to simplify budgeting and accounting. By consolidating the budget organization codes and charging to the appropriate program code, it streamlined the ongoing budget, improved departmental operations, and reduced the number of budget transfers in operating departments. In the current year, staff members continued to identify and recommend additional budget codes to consolidate in the FY17-18 budget.

CORE SERVICES BUDGET

In developing the proposed budget, staff focused on a review of services delivered by the Town, increased scrutiny of expenditures, and prioritization of programs to be funded with limited resources. This proposed budget provides the following core services to Town citizens from the funding sources listed:

CORE SERVICES BUDGET

| | <u>FY16-17</u> | <u>FY17-18</u> | <u>Funding Source</u> |
|-----------------------|----------------------|----------------------|-----------------------|
| Public Safety | \$ 7,638,828 | \$ 7,737,459 | General Fund |
| General Government | 582,364 | 1,364,057 | General Fund |
| Administration | 2,838,472 | 3,719,323 | General Fund |
| Public Works | 830,201 | 837,495 | General Fund |
| Development Services | 944,139 | 1,890,482 | General Fund |
| Community Services | 2,462,089 | 2,352,113 | General Fund |
| Excise Tax Funds - | | | |
| Downtown/ED/Tourism | 404,928 | 504,905 | Excise Tax |
| Special Revenue Funds | 5,980,071 | 5,971,634 | Special Revenue |
| Debt Service | 2,922,266 | 2,906,902 | Debt Service |
| Capital Funds | 9,695,420 | 8,019,125 | CIP |
| | <u>\$ 34,298,778</u> | <u>\$ 35,303,495</u> | |

PUBLIC SAFETY

As mentioned earlier, Public Safety expenditures continue to consume a growing proportion of the overall operating budget.

Due to concerns about the projected budget shortfall in FY18-19 and the fact that the Rural/Metro contract will terminate on June 30, 2018, staff began negotiating a new contract a year in advance to better anticipate the annual cost of fire and emergency services in FY19-20 and into the future. The Town Attorney and Town Manager plan to have a new contract ready for Council consideration sometime in May.

The intergovernmental agreement for law enforcement services with Maricopa County Sheriff’s Office (MCSO) is based on actual cost of services from the prior fiscal year. For the first time in a number of years, MCSO proposed a reduction in costs of \$99,081 or 2.6% from the current fiscal year. However, the Town of Fountain Hills is predicting that the Town’s law enforcement services budget will continue to escalate due to increased costs tied to the town’s proportionate share of



MCSO's underfunded liabilities in the Public Safety Personnel Retirement System. Due to a variety of factors, nearly all of the municipalities and local government that participate in the Public Safety Personnel Retirement System will be experiencing unprecedented contribution increases to the retirement system on behalf of their public safety employees.

RECOMMENDED STAFFING REQUESTS AND PERSONNEL CHANGES

All of the Department Directors made compelling justifications for additional staffing as part of their supplemental budget requests. If the Town had the revenues to support these requests, nearly all of the requests would have been recommended for consideration in the FY17-18 budget. Unfortunately, with limited resources, I am recommending only three new positions: a part-time Permit Technician, a part-time Civil Plans Examiner, and a full-time Economic Development Analyst. Since building permit activity and building permit revenues are up, these positions were able to be justified.

The FY17-18, budget also includes minor reclassifications of positions. With the review of the Town's classifications, the Administrative Services Director has recommended that the following positions be reclassified:

- ◆ Recreation Supervisor to Recreation Manager
- ◆ Code Enforcement Officer to Senior Code Enforcement Officer
- ◆ Groundskeeper to Groundskeeper II
- ◆ Events & Operations Supervisor to Community Center Manager

MODEST INCREASE IN EMPLOYEE SALARY AND BENEFITS

In FY17-18 there is a recommendation to include an increase of 2.5 percent to the salaries and wages of all existing employees. The cost of implementing the adjustment to salaries and wages is approximately \$78,790. Unlike a number of other municipalities, the Town of Fountain Hills does not fund a merit system to provide regular increases to salaries and wages due to employee performance. The Town's previous merit system was discontinued several years ago as a cost savings due to the Town's inability to fund it on an ongoing basis.

Last July, the Town of Fountain Hills joined a new employee health insurance pool, Arizona Metropolitan Trust (AzMT), in order to lower the Town's cost of providing health insurance, dental insurance, life insurance, vision, flexible benefits program, long-term disability, and a health and wellness program. Joining AzMT allowed Fountain Hills to be in a group that focuses on providing benefits to local government members which saved the Town over \$100,000 in FY16-17 in premiums. The new group offers overall improved benefit coverage through such providers as Blue Cross/Blue Shield and Delta Dental. One of the major benefits of belonging to this new group is that the Town of Fountain Hills has a seat on the Board of Directors and has equal standing in determining future rates.

In FY17-18 the Town's portion of increased costs for employee medical, dental, vision, and other health-related benefits will increase by \$21,830 or 3.4%. This is one of the smallest increases the Town has experienced in a number of years and is the first time that AzMT has experienced a premium increase in its five-year history.



COMMUNITY CONTRACTS

Over the years, a number of non-profit organizations have received grants in aid from the Town of Fountain Hills in exchange for providing services to the community. Recognizing that the Town doesn't have the resources to continue funding these non-profits long-term, the Town Council reduced the funding of the community contracts by 10 percent from the previous fiscal year. Based on the policy direction from last fiscal year, the funding for community contracts in FY17-18 have been reduced by another 10 percent from FY16-17 funding levels.

CAPITAL IMPROVEMENT PROGRAM

The Town of Fountain Hills remains committed to funding one-time capital projects with one-time revenue sources. Whenever possible, the Town capitalizes on grants and other outside funding sources to complete projects.

The Five-Year Capital Improvement Program, which represents an investment in public facilities and infrastructure, totals \$7,049,800 in FY17-18, down from \$9,262,200 in FY16-17 or a 23.9% decrease from previous fiscal year. The Town Council previewed the proposed Five-Year Capital Improvement Program at a special session in March and provided direction and prioritization of the proposed projects contained in the plan. The two major projects in the FY17-18 capital improvement budget for next year include the new Fire Station No. 2 on Fountain Hills Boulevard and the Adero Canyon Trailhead. These two projects constitute approximately 75.7% of the overall capital improvement budget in FY17-18.

VEHICLE REPLACEMENT FUND

One of the major purchases recommended in FY17-18 is a replacement ladder truck. Ladder trucks typically have a useful life of 15 years. The current ladder truck is nearing 20 years. The Town is at the point where it can take advantage of an existing contract that is in place with the cities of Phoenix and Mesa which will save the Town approximately \$100,000 - \$150,000 on an \$800,000 purchase. The existing ladder truck has a surplus value of about \$100,000, which will depreciate at a faster rate if the Town doesn't address this purchase in the near future. The ladder truck has fully recovered its replacement cost in the Vehicle Replacement Fund. In the months ahead, the Town will be conducting a cost-benefit analysis of purchasing versus leasing a new ladder truck.

STRATEGIC PLAN

The Strategic Planning Advisory Commission (SPAC) is in the process of finalizing a new Strategic Plan for the Town of Fountain Hills which will be coming before the Town Council for approval in the near future. The Strategic Plan is designed to provide guidance and impacts a variety of Town activities including policy recommendations, Town operations, and even capital improvement projects. Prior to drafting the strategic plan, SPAC members worked closely with the Fountain Hills Cultural and Civic Association on a community survey and the Vision Fountain Hills community event that took place in May of 2016. The strategic priorities contained in the new plan were the direct result of the Vision Fountain Hills visioning process that included more than one hundred residents participating in the program. The Strategic Planning Advisory Commission also conducted a SWOT Analysis of the previous 2010 Strategic Plan and determined which objectives were still relevant in 2017. This coupled with the strategic priorities from the 2016 Vision Fountain Hills process form the basis of the new Fountain Hills Strategic Plan.

The 2017 Fountain Hills Strategic Plan contains a number of actions and performance measures tied to the following strategic priorities:

- ***Goal #1: Maximize Economic Development Opportunities in Fountain Hills***
- ***Goal #2: Ensure that Infrastructure and Physical Environment in Fountain Hills are Well-Maintained and Safe***
- ***Goal #3: Attract Families and Working Professionals to Fountain Hills***
- ***Goal #4: Ensure that Fountain Hills Finances are Stable and Sustainable***
- ***Goal #5: Focus on Strengthening the Community and Improving the Town's Quality of Life***

BUDGET ASSUMPTIONS FOR FY17-18 AND BEYOND

- ◆ Adherence to State-imposed Expenditure Limitations Law impacts the Town's ability to budget proposed capital projects
- ◆ Revenue projections are determined using both a trend analysis formula, as well as a flat percentage increase, but are estimates
- ◆ A reduction in the distribution of State shared revenues
- ◆ Existing levels of service are maintained
- ◆ A cost of living adjustment of 2.5% will go into effect July 1, 2017, for all full-time and part-time employees
- ◆ An inflation factor of 2.5% to 3.5% has been added to existing budgets for Administration, Public Works, Development Services and Community Services departments in future years



- ◆ The law enforcement contract with Maricopa County Sheriff’s Office has been budgeted at a decrease of 2.6% but future years will be at a 5% increase
- ◆ The fire services contract with Rural/Metro Corporation is projected at 3% increase for FY17-18 and beyond.

The following chart provides General Fund projections through FY21-22:

| Five-year Budget Projection | | | | | |
|-------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 |
| REVENUES | | | | | |
| Intergovernmental | \$ 5,321,168 | \$ 5,344,150 | \$ 5,367,595 | \$ 5,391,275 | \$ 5,415,192 |
| Permits, Licenses, Fees | 1,813,140 | 1,801,463 | 1,841,339 | 1,875,563 | 1,911,263 |
| Building Revenue | 960,247 | 714,078 | 618,608 | 567,787 | 583,113 |
| Local Taxes | <u>8,841,288</u> | <u>9,004,718</u> | <u>9,401,457</u> | <u>9,798,427</u> | <u>10,195,632</u> |
| Total Revenues | <u>\$ 16,935,843</u> | <u>\$ 16,864,409</u> | <u>\$ 17,228,999</u> | <u>\$ 17,633,052</u> | <u>\$ 18,105,200</u> |
| EXPENDITURES | | | | | |
| Mayor & Town Council | \$ 71,849 | \$ 74,364 | \$ 76,967 | \$ 79,661 | \$ 82,449 |
| General government | 1,364,057 | 485,852 | 502,857 | 520,457 | 538,673 |
| Administration | 2,342,476 | 2,469,463 | 2,510,894 | 2,643,775 | 2,691,306 |
| Municipal Court | 339,913 | 351,810 | 364,123 | 376,867 | 390,057 |
| Public Works | 837,495 | 866,807 | 897,146 | 928,546 | 961,045 |
| Development Services | 1,890,482 | 1,956,648 | 2,025,131 | 2,096,011 | 2,169,372 |
| Community Services | 2,352,113 | 2,434,437 | 2,519,643 | 2,607,831 | 2,699,104 |
| Public Safety (Police & Fire) | <u>7,737,458</u> | <u>8,508,885</u> | <u>9,082,373</u> | <u>9,703,501</u> | <u>10,376,693</u> |
| Total Expenditures | <u>16,935,843</u> | <u>17,148,266</u> | <u>17,979,134</u> | <u>18,956,649</u> | <u>19,908,699</u> |
| Surplus/(Deficit) | <u>\$ -</u> | <u>\$ (283,857)</u> | <u>\$ (750,135)</u> | <u>\$ (1,323,597)</u> | <u>\$ (1,803,499)</u> |

DISTINGUISHED BUDGET PRESENTATION AWARD

For the past fifteen years, the Town of Fountain Hills has been awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. This award is presented to government entities that meet certain criteria in the presentation of their budget. This Budget Message section is designed to provide the lay person with a broad view of the contents of the FY17-18 annual budget, its processes, issues, and anticipated outcomes.

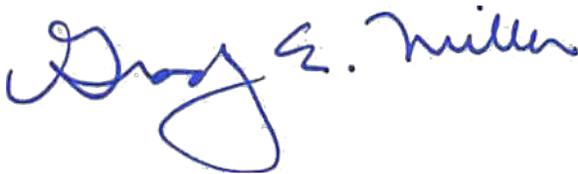


A DEBT OF GRATITUDE

A special thank you is extended to the Mayor and Town Council, our numerous Board and Commission members, and our Town volunteers for their many hours of volunteer service without which the Town could not function in the fine manner it does. This volunteer core of 800 plus citizens provides the Town of Fountain Hills with a vast bank of knowledge about subjects that contribute to planning for the present and future of Fountain Hills.

I would also like to thank the Town of Fountain Hills Department Directors and their staff members for their diligence in preparing their budgets. The Directors and their staff attended several sessions with the Town Manager and Finance Division to justify programs, develop cost estimates, and answer questions. This team effort has resulted in a balanced budget that achieves the Council's current goals and assists in planning for the future of Fountain Hills.

Respectfully submitted,



Grady E. Miller
Town Manager





Community Profile



COMMUNITY PROFILE

The Town of Fountain Hills overlooks the Verde River Valley and the east Valley of the metro Phoenix area. It 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.

One of the community's most valuable assets is its natural beauty. Incredible views and natural desert terrain provide for a wide range of outdoor activities including hiking, biking, and golf. In fact, Fountain Hills contains some of the more challenging and picturesque golf courses in the State of Arizona.

The crown jewel of Fountain Hills is our beautiful fountain, which is one of the world's tallest man-made fountains. It serves as a focal point for the community and attracts thousands of visitors each year.



The fountain is nestled in the center of a large man-made lake. With all three pumps and under ideal conditions, the plume of water rises 560 feet (171m) in height from a concrete water lily sculpture, though in normal operation only two of the pumps are used, with a fountain height of around 330 feet (101m). The fountain operates for 15 minutes at the top of every hour between 9 AM and 9 PM, weather permitting.

Fountain Hills is home to approximately 125 pieces of Town-owned artwork throughout its downtown and at public buildings. Art is a significant part of the Town's heritage. The Public Art Committee and its parent organization, The Fountain Hills Cultural and Civic Association, is the official representative of the Town in all matters dealing with the promotion of public art within Fountain Hills.



From striking statues set against Fountain Hills' mountain ranges to photography located inside public buildings, Fountain Hills has something for everyone. A wide variety of fountains, bronze sculptures, and other art types and media are available to be viewed. Residents and visitors are invited to take self guided tours, or take advantage of one of the "Art Walk" guided tours.

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 the McDowell Mountain Regional Park on the north. The elevation is 1,520 feet at the fountain, 2,130 feet at the Golden Eagle Trailhead, and is approximately 500 feet above Phoenix.

Over the past twenty plus years, Fountain Hills has grown from 10,190 residents to a town of 23,899 in 2015. With unparalleled scenic views of the surrounding rugged mountains, and the serenity of the Sonoran Desert, the Town carefully protects the native flora, fauna, and scenic vistas. It is not unusual to see bobcats, javelina, jackrabbits or coyotes wandering the fringes of the community. Amongst the natural beauty, the Town continues to attract residents who build their homes to take advantage of this environment.

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 (9,660 acres or 74%). Of the remain-



ing land, 2,445 acres are developable, with 69 acres being zoned commercial (approximately .5%), 3 acres zoned industrial (.0%), and 1,528 acres are right-of-way/streets (12%).

In 2016, Fountain Hills was once again – for the sixth time – honored by kaBOOM in their Playful City, USA recognition program. This national program honors cities and towns across the country for making it easy for kids of all ages to get balanced and active play in their neighborhoods, and for pledging to integrate play as a solution to the challenges facing their communities. One example that demonstrates how Fountain Hills prioritizes play is the installation of the Rotary Community Musical Park in Fountain Park. Another example that demonstrates playability in Fountain Hills is the tennis court improvements. Through an Arizona Sports and Tourism Authority biennial grant, Fountain Hills was awarded funds for reconstruction of all six public courts. This asset and new installment contributes to kid-friendly spaces and infuses the community with play opportunities. Additions to local trails, and local events such as the Fourth at the Fountain and Movies in the Park are just a few other examples of some of the Town's efforts to encourage playful activities.

The International Festivals & Events Association (IFEA) paid tribute to Fountain Hills when they announced their 2016 Pinnacle Award winners during the IFEA/Haas & Wilkerson Pinnacle Awards Ceremony held at the IFEA's 61st Annual Convention, Expo & Retreat in Tucson, Arizona, in September, 2016. Fountain Hills won awards in the following categories: Best Organizational Website – Gold; Best Single Magazine Display Ad – Silver; Best Ad Series – Silver; and Best Miscellaneous On-Site Décor – Bronze.

Expedia, an online travel website, on the Features Viewfinder, set their sites on scenic cities across the nation. Their mission was "to pinpoint the most beautiful places to travel in every state that may not be on your radar". They took into account all kinds of aesthetically pleasing characteristics, from historical attractions to natural landscapes. For Arizona, Expedia selected Fountain Hills. They state: "You'll probably see the water spraying out into the sky long before you arrive in Fountain Hills. Shooting up 560 feet, the famous flume reaches higher than the Washington Monument. While the city is home to one of the world's largest fountains, its beauty is apparent in a number of ways: Explore the Fountain Hills Botanical Garden to marvel at the desert plants and hike Sonoran Trail for sweeping views of the lower Verde Valley."



Fountain Hills' low population density is a major reason it is such a desirable place to live. Unlike other regions of the Valley one can dine, play, and commute, without congestion.

Fountain Hills' land is currently developed at an average density of 1.4 dwelling units per acre for single family homes and 6.9 units per acre for multi-family housing.

At the end of 2016, there were 1,010 vacant single family lots and 97 vacant multi-family lots.

Based upon the 2015 US Census population estimate figure of 23,899, Fountain Hills has an average of 1,176.1 people per square mile, or 1.84 people per acre.





Demographics

| 2010 | | 2000 | | Percent Change 2000-2010 | | 2010 | |
|------------|---------------|------------|---------------|--------------------------|---------------|----------|--------|
| Population | Housing Units | Population | Housing Units | Population | Housing Units | Occupied | Vacant |
| 22,489 | 13,167 | 20,235 | 10,491 | 11.1% | 25.5% | 10,339 | 2,828 |

| Population 2010 | Population Age 0-17 Years | Population Age 18 Years & Over | Percent of Population | |
|-----------------|---------------------------|--------------------------------|---------------------------|--------------------------------|
| | | | Population Age 0-17 Years | Population Age 18 Years & Over |
| 22,489 | 3,230 | 19,259 | 14.4% | 85.6% |

| Population Trends | |
|--------------------------|---------------------------|
| Year | Fountain Hills Population |
| 1980 | 2,772* |
| 1985 | 5,200** |
| 1990 | 10,030* |
| 1995 | 13,745** |
| 2000 | 20,235* |
| 2005 | 24,492* |
| 2010 | 22,489* |
| July 1, 2015 | 23,899*** |
| 2020 | 25,900** |
| 2030 | 31,000** |
| Estimated Buildout ~2040 | 34,700**** |

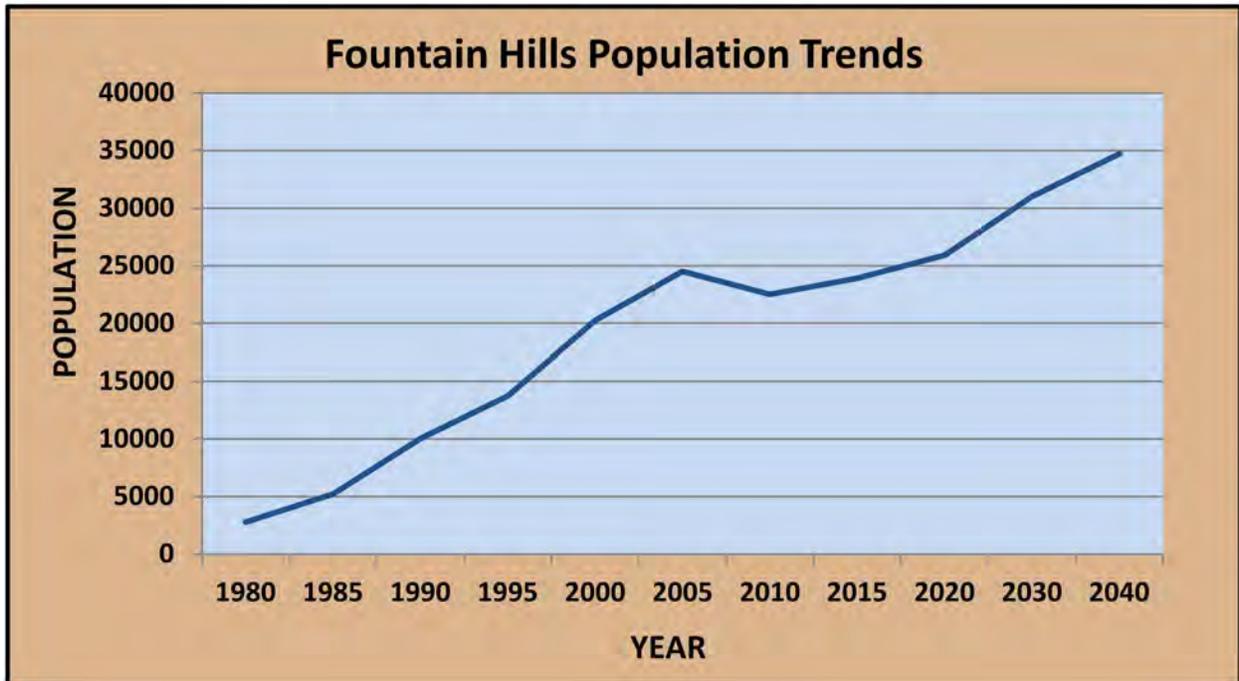
* US CENSUS

** MAG

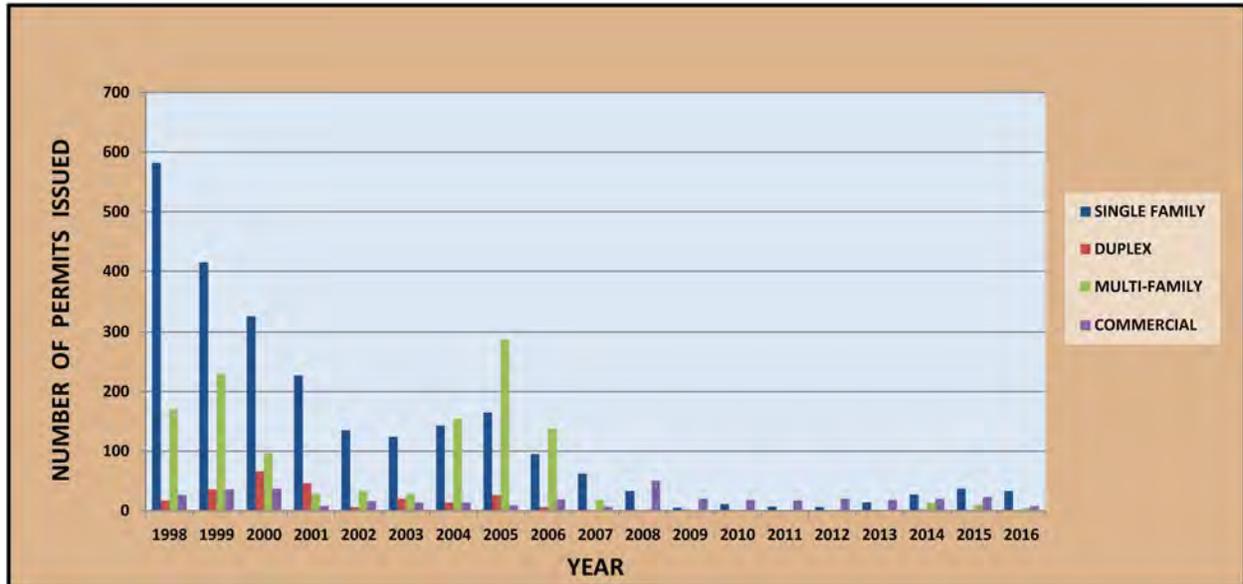
***US CENSUS, AMERICAN COMMUNITY SURVEY

****TOWN DEVELOPMENT SERVICES





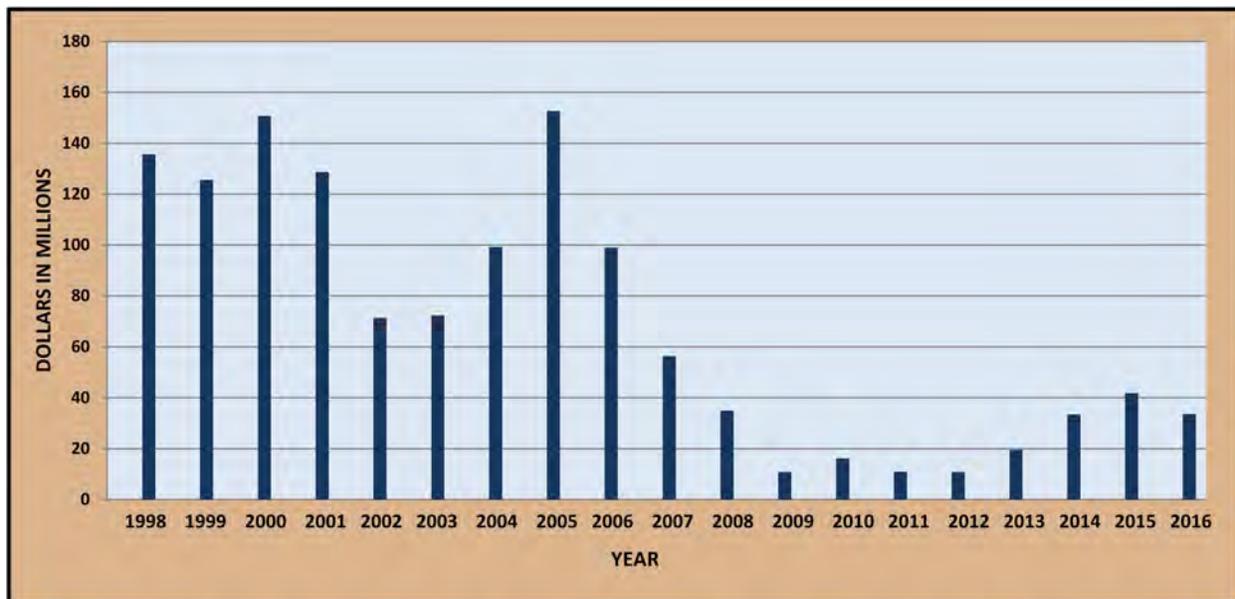
TOWN-WIDE BUILDING PERMITS ISSUED



| YEAR | Single Family | Duplex | | Multi-Family | | Total Dwelling Units | Commercial | Other |
|----------------------|---------------|------------|-------------|--------------|-------------|----------------------|-------------|--------------|
| | | Bldg. | Total Units | Bldg. | Total Units | | | |
| 1998 | 582 | 17 | 34 | 36 | 170 | 786 | 26 | 995 |
| 1999 | 415 | 18 | 36 | 34 | 229 | 680 | 36 | 947 |
| 2000 | 326 | 33 | 66 | 23 | 97 | 489 | 37 | 892 |
| 2001 | 227 | 23 | 46 | 6 | 28 | 301 | 8 | 707 |
| 2002 | 135 | 3 | 6 | 4 | 33 | 174 | 16 | 622 |
| 2003 | 124 | 10 | 20 | 10 | 28 | 172 | 14 | 689 |
| 2004 | 143 | 7 | 14 | 64 | 154 | 311 | 14 | 664 |
| 2005 | 165 | 13 | 26 | 184 | 287 | 478 | 9 | 777 |
| 2006 | 95 | 3 | 6 | 102 | 137 | 238 | 19 | 745 |
| 2007 | 62 | 0 | 0 | 18 | 18 | 80 | 7 | 589 |
| 2008 | 33 | 0 | 0 | 1 | 2 | 35 | 50 | 489 |
| 2009 | 5 | 1 | 2 | 0 | 0 | 7 | 20 | 328 |
| 2010 | 11 | 0 | 0 | 0 | 0 | 11 | 18 | 366 |
| 2011 | 7 | 0 | 0 | 0 | 0 | 7 | 17 | 319 |
| 2012 | 6 | 0 | 0 | 0 | 0 | 6 | 20 | 376 |
| 2013 | 14 | 0 | 0 | 0 | 0 | 14 | 18 | 386 |
| 2014 | 27 | 1 | 2 | 5 | 13 | 42 | 20 | 391 |
| 2015 | 37 | 0 | 0 | 5 | 10 | 47 | 23 | 347 |
| 2016 | 33 | 0 | 0 | 2 | 4 | 37 | 8 | 420 |
| 19 Year Total | 2447 | 129 | 258 | 494 | 1210 | 3915 | 380 | 11049 |
| 19 Year Avg | 128.8 | 6.8 | 13.6 | 26.0 | 63.7 | 206.1 | 20.0 | 581.5 |



TOWN-WIDE BUILDING PERMITS ISSUED VALUATION IN DOLLARS



COMMERCIAL BUILDING PERMITS ISSUED AND VALUATION

| Year | Permits Issued | Valuation (\$ in Millions) |
|-------------|----------------|----------------------------|
| 1998 | 26 | 9.739 |
| 1999 | 36 | 13.326 |
| 2000 | 37 | 25.869 |
| 2001 | 8 | 15.625 |
| 2002 | 16 | 16.698 |
| 2003 | 14 | 9.554 |
| 2004 | 14 | 23.021 |
| 2005 | 9 | 27.782 |
| 2006 | 19 | 15.792 |
| 2007 | 7 | 5.966 |
| 2008 | 50 | 10.004 |
| 2009 | 21 | 0.944 |
| 2010 | 18 | 0.719 |
| 2011 | 17 | 2.311 |
| 2012 | 20 | 1.012 |
| 2013 | 18 | 1.060 |
| 2014 | 20 | 1.936 |
| 2015 | 23 | 12.730 |
| 2016 | 8 | 1.629 |

*1998-2016 Valuation includes commercial building permits as well as tenant improvements.



Fountain Hills Schools

The Fountain Hills Unified School District has earned a reputation for excellent academic programs, noteworthy student achievement, and high levels of parent and community involvement. Over the past several years, the district has earned respect throughout the state as a small, friendly, and high achieving system with well-trained and motivated staff (www.fhusd.org).

Public Schools

1. Fountain Hills High School
2. Fountain Hills Middle School and Four Peaks Elementary School
3. McDowell Mountain Elementary School

Address

- 16100 E. Palisades Blvd
 15414 N. McDowell Mountain Rd
 14825 N. Fayette Drive

Preschools

4. McDowell Mountain Preschool
5. Creative Child Care Preschool
6. Here We Grow Learning Center
7. Maxwell Preschool Academy
8. Maria Montessori Preschool
9. Promiseland Christian Preschool
10. Sunflower Preschool

Address

- 14825 N. Fayette Drive
 17150 E. Amhurst Drive
 16901 E. Palisades Blvd
 15249 N. Fountain Hills Blvd
 16751 E. Glenbrook Blvd
 15555 E. Bainbridge Ave
 15055 N. Fountain Hills Blvd

Charter School

11. Fountain Hills Charter School

Address

- 16751 E. Glenbrook Blvd



Fountain Hills High School



Fountain Hills Middle School and Four Peaks Elementary School

McDowell Mountain Elementary School

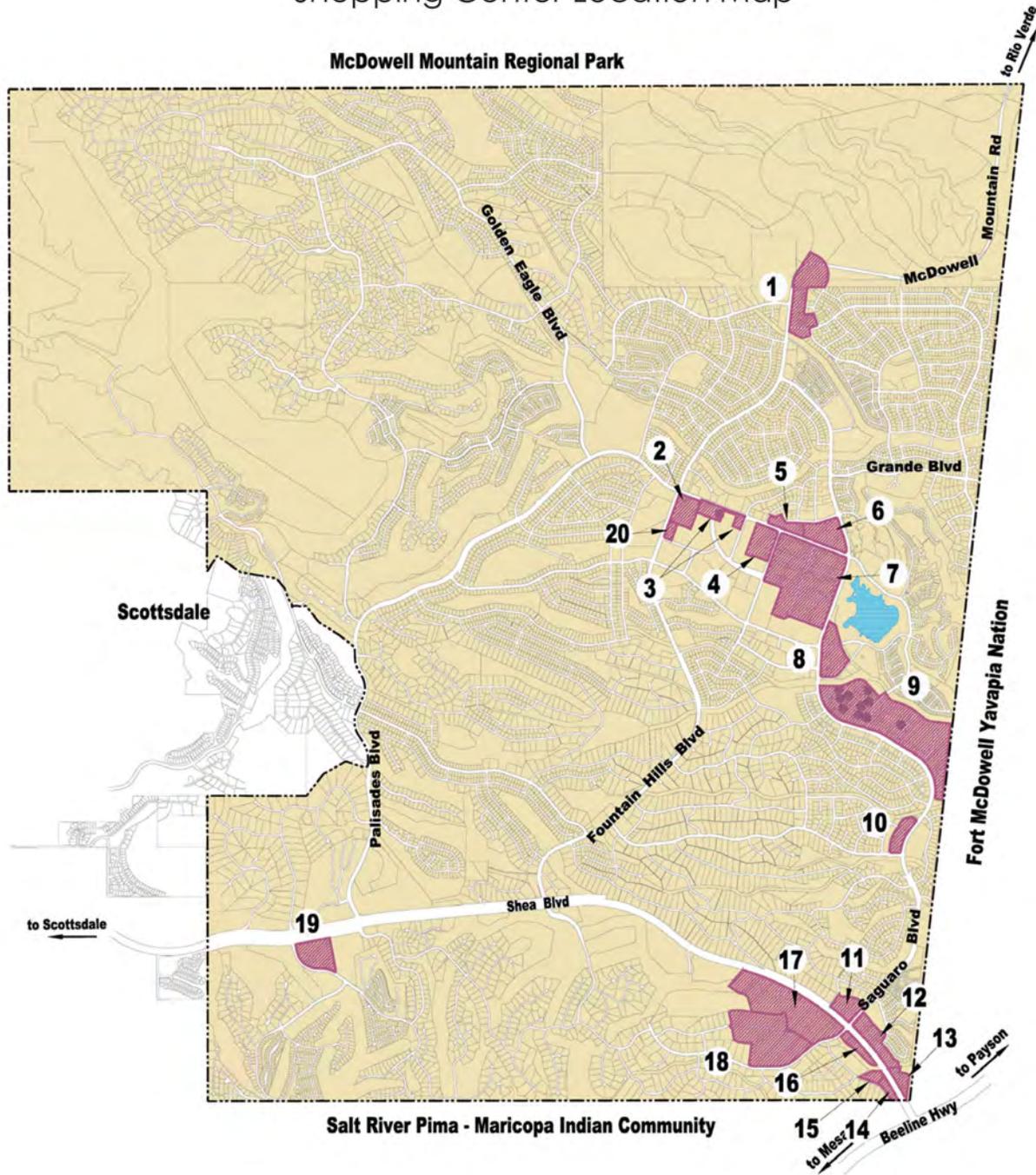


shopping centers (and other non-residential developments)

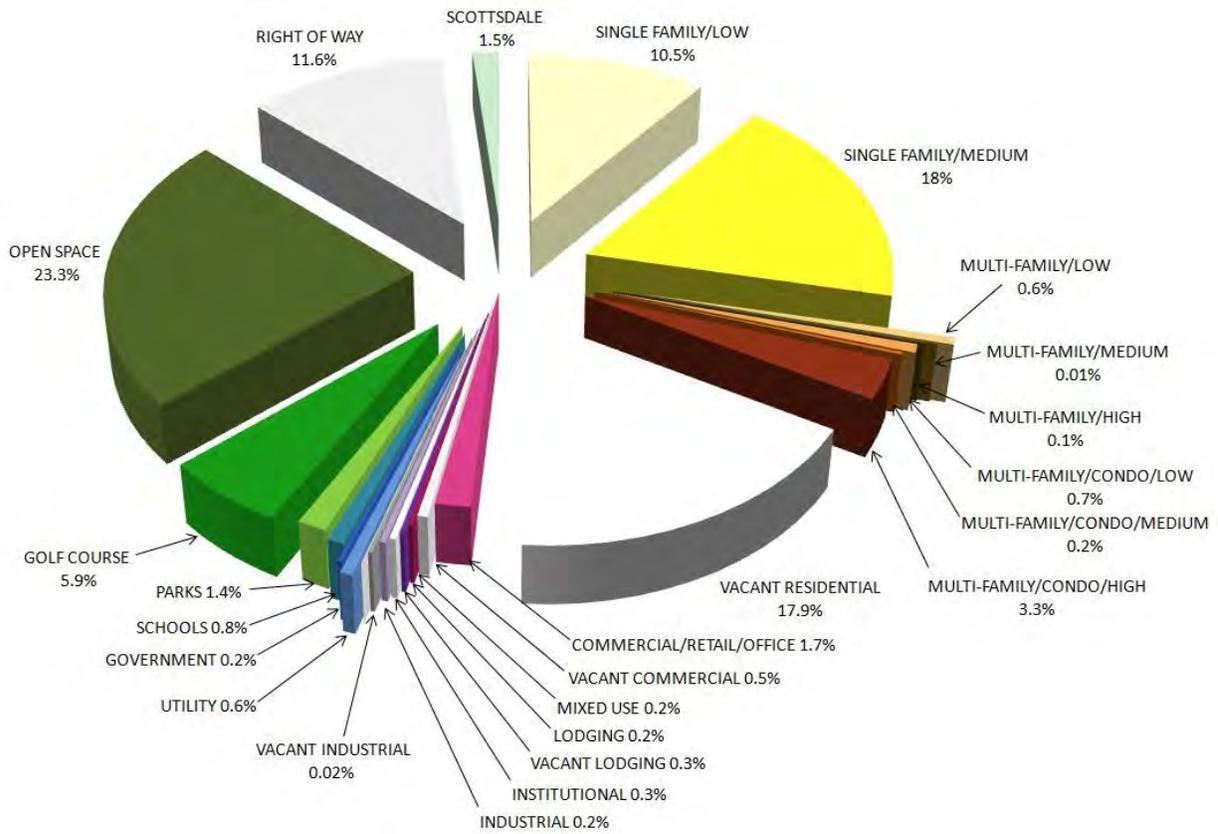
1. **Northside Business District** (36,900 sf) Along the east side of Fountain Hills Blvd in the north part of town
2. **Palisades Plaza** (91,445 sf) Located at Fountain Hills Blvd and Palisades Blvd (Anchored by Safeway)
3. **Town Center I** (44,010 sf) Includes all businesses at the southwest and southeast of Palisades Blvd and Avenue of the Fountains, and the south west corner of Palisades Blvd and Westby Dr
4. **Fountain Hills Plaza** (140,421 sf) Located at the southwest corner of Palisades Blvd and La Montana Drive (Anchored by Bashas)
5. **La Montana & Palisades Plaza** (42,585 sf) Located at the northeast and northwest corner of La Montana Dr and Palisades Blvd
6. **Red Mountain Plaza** (132,192 sf) Northwest corner of Palisades Blvd and Saguaro Blvd
7. **Downtown** (673,267 sf) Includes all businesses bordered by Saguaro Blvd, Palisades Blvd, La Montana Dr, Avenue of the Fountains and Paul Nordin Pkwy
8. **Plaza Fountainside** (87,656 sf) On the southwest side of Fountain Park
9. **Enterprise Colony District** (523,193 sf) Along Saguaro Blvd, between Colony Dr to the north and Rand Dr to the south
10. **Plat 202** (53,299 sf) Located along Saguaro Blvd between Kingstree Blvd and Malta Dr
11. **Circle K Center** (11,400 sf) Located at the northwest corner of Saguaro Blvd and Shea Blvd
12. **Red Rock Business Center** (52,282 sf) Located at the northeast corner of Saguaro Blvd and Shea Blvd
13. **Crossroads Center** (19,452 sf) West of the Beeline Highway north side on Shea Blvd
14. **Shea East Plaza** (9,496 sf) West of the Beeline Highway south side on Shea Blvd
15. **Firebrick Plaza** (18,768 sf) Located between Firebrick Dr and Shea Blvd
16. **Plat 704** (41,855 sf) Southeast corner of Saguaro Blvd and Shea Blvd
17. **Four Peaks Plaza** (306,307 sf) Southwest corner of Shea Blvd west of Saguaro Blvd (Anchored by Target)
18. **Industrial Park** (321,220 sf) Northwest side of Technology Dr and Saguaro Blvd
19. **Eagle Mountain Village Plaza** (82,712 sf) Southeast corner of Shea Blvd and Eagle Mountain Pkwy (Anchored by Fry's)
20. **Fountain View Plaza** (12,544 sf) Located along Fountain Hills Blvd between Palisades and Keith McMahan Dr



Shopping Center Location Map



TOWN-WIDE LAND USE



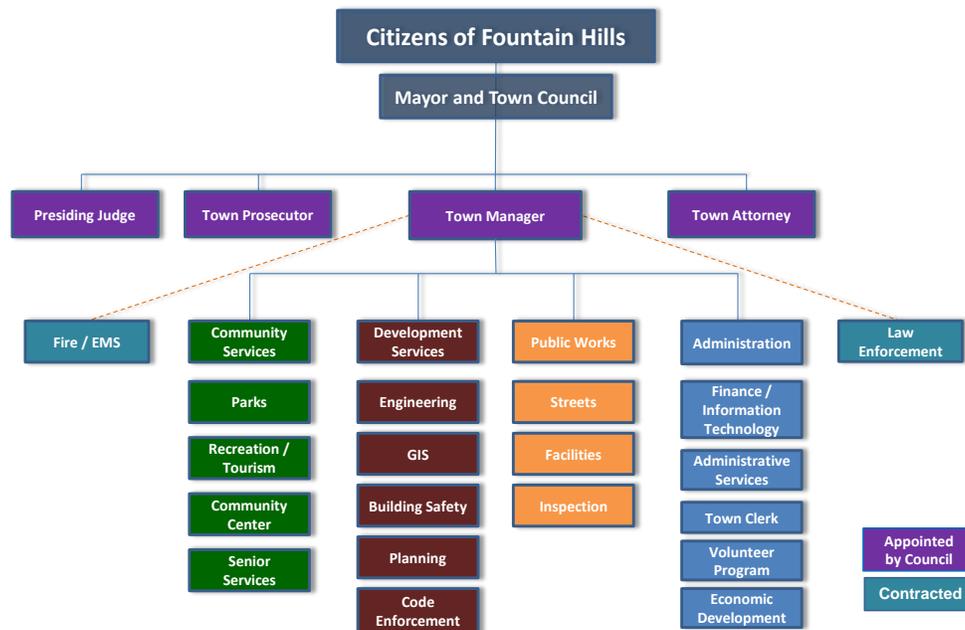
| Land Use | Residential Units | Developed Acres | Undeveloped Developable Acres | Undeveloped Undevelopable Acres | Total Acres |
|------------------------|-------------------|-----------------|-------------------------------|---------------------------------|-----------------|
| Residential | | | | | |
| Single Family – L | 1,019 | 1,360.5 | 1,332.3 | | |
| Single Family – M | 7,316 | 2,301.6 | 927.9 | | |
| Multi-Family – L | 436 | 82.4 | | | |
| Multi-Family – M | 30 | 1.2 | | | |
| Multi-Family – H | 150 | 9.1 | | | |
| Multi-Family/Condo – L | 571 | 91.2 | 68.9 | | |
| Multi-Family/Condo – M | 207 | 19.8 | | | |
| Multi-Family/Condo – H | 3,051 | 435.2 | | | |
| Commercial/Retail | | 216.4 | 68.7 | | 285.1 |
| Mixed Use | 350 | 20.5 | | | 20.5 |
| Lodging | | 19.6 | 44.2 | | 63.8 |
| Institutional | | 44.5 | | | 44.5 |
| Industrial | | 31.3 | 3.0 | | 34.3 |
| Utility | | 77.8 | | | 77.8 |
| Government/Town Owned | | 29.1 | | | 29.1 |
| Schools | | 110.5 | | | 110.5 |
| Parks | | 182.4 | | | 182.4 |
| Golf Course | | 770.2 | | | 770.2 |
| Open Space | | | | 3,029.8 | 3,029.8 |
| Scottsdale Owned Land | | | | 199.9 | 199.9 |
| Right of Way/Streets | | 1,527.7 | | | 1,527.7 |
| Total | 13,130 | 7,331.0 | 2,445.0 | 3,229.7 | 13,005.7 |



Town Council



Town of Fountain Hills Organization



FRONT ROW: Councilmember Dennis Brown, Mayor Linda M. Kavanagh, Councilmember Art Tolis
BACK ROW: Councilmember Cecil A. Yates, Vice Mayor Alan Magazine, Councilmember Nick De-Porter, Councilmember Henry Leger





Mayor Linda M. Kavanagh's business career began as second in command at a book and magazine import company in New York City, which catered to specialized markets. She then went on to manage a salon and also became a published author.

Upon moving to Arizona with her husband and two sons, she became immersed in business and community service activities in her new hometown of Fountain Hills. Mayor Kavanagh was and is a member of many civic organizations including the American Legion Auxiliary, Cultural & Civic Association, ADOG, Fountain Hills Republican Club, Falcon Boosters, PTO, Sister Cities Foundation, Arizona Latino Republican Association, Library Association, Friend of the Chamber (past chair), McDowell Park Association, Historical Society (past board member), and Chamber Ambassadors (past chair). She served on the Public Art Committee and created the Fountain Hills Docent-Guided Art Walk to showcase the town's world-renowned art collection. She was also very active with the Visitor's Bureau to spur tourism for the town.

Mayor Kavanagh is an honorary Captain with the Maricopa County Sheriffs' Department, was named Business Advocate of the Year by the Fountain Hills Chamber of Commerce and also served as its Board of Directors Chair. She was also named Fountain Hills Parks & Recreation Outstanding Volunteer of the Year, Community Center Volunteer of the Year, and received the River of Time Museum Hero Award.

Mayor Kavanagh was inducted into the Lower Verde River Valley Hall of Fame in 2009 as a tribute to her many years of active involvement with the Town's civic, cultural, service, religious and business communities.

Mayor Kavanagh earned a BA degree in English and Education from Queens College in New York City and is an A+ certified computer repair technician, graphic designer, and unpaid Director of Constituent Services for her husband, State Senator John Kavanagh. She has two sons and one grandson.

Mayor Kavanagh was reelected to her third term of office in 2016.





Councilmember Brown and his wife have supported Little League baseball and football, the Fountain Hills Community Theater, Movies in the Park, and numerous other local organizations. They have two sons and one daughter who have given them five – count them five – granddaughters.

Councilmember **Dennis Brown** and his wife, Judy, moved to Fountain Hills in 1996. In 1999, they opened their construction company, Echelon Company, building both commercial and residential products in Fountain Hills.

Councilmember Brown was the President of the Fountain Hills Licensed Contractors Association for five years from 2002 through 2007.

In 2002, a Planning and Zoning Commission seat became available. He was appointed to serve on the Commission and served for more than seven years, four of which were as Chair of the Commission. During his seven year tenure on the Planning and Zoning Commission, the Commission rewrote the Town's sign ordinance, passed the Saguaro protection ordinance, and wrote the Commercial Architectural Guidelines.



Councilmember DePorter has enjoyed living in Arizona for 21 years and moved to Fountain Hills in 2010. He was born in Long Beach, California and primarily raised in Las Vegas, Nevada. Nick holds a BA in Political Science, and a Master of Public Administration (MPA) from Arizona State University. He enjoys traveling and spending time with his wife, Adrienne, and children, Jack and Abbie. Nick is proud that his family, parents, and in-laws all call Fountain Hills home.

Councilmember **Nick DePorter's** professional experience includes community relations, business development, strategic planning, and higher education leadership. Nick works for LinkedIn serving as the Senior Field Organizer on the Economic Graph team. Nick is responsible for partnering with companies, non-profits, education providers, and governments to create economic opportunity for every member of the workforce.

Councilmember DePorter currently serves on the Chicanos Por La Causa – Health & Human Services, the City of Phoenix Business and Workforce Development Board, the Maricopa County Workforce Development Board, the Fountain Hills Chamber of Commerce Public Policy Committee, and the Arizona State University – Career Services Advisory Board. Nick previously served on the Fountain Hills Strategic Planning Advisory Commission for three years, holding the positions of Chair and Vice-Chair. He also served as a Board Member for the Fountain Hills Cultural and Civic Association for two years.





As a resident of Fountain Hills for over 25 years, Councilmember **Henry Leger** is currently serving his third term on Town Council. He has served the Town in this capacity since June of 2006. In addition to his Town Council position, Henry is currently a member of several community organizations, including the Fountain Hills Cultural and Civic Association and Chamber of Commerce.

Originally from Massachusetts, Henry moved to Arizona in 1970 to attend the University of Arizona where he received his Master's Degree in Educational Psychology. Henry worked as a professional in the field of leadership and organizational development for 30 years. Throughout his career, he held a number of leadership positions in education and government work settings and worked as an internal consultant for several Fortune 500 companies. He is now retired from that field.

Prior to his position on Town Council, he volunteered his time on numerous community initiatives and activities, including:

- Serving on the Chamber's Business Vitality Advisory Committee
- Serving on the Executive Committee for the Downtown Visioning project
- Member of the Technical Advisory Committee for our Town's citizen-driven strategic planning initiative:
 - Co-chair of the Youth Visioning Institute
 - Co-Chair for the community survey team
- Board member, treasurer, and member of the Committee of Architecture for the Firerock Ridge neighborhood property owners' association
- Class room volunteer in the Fountain Hills School District
- President and Vice President of the Church Council at Shepherd of the Hills Lutheran Church - Fountain Hills

Henry is passionate about living in Fountain Hills and contributing to its quality of life. He cherishes spending time with his family and friends and enjoys hiking, golf, and the arts.

Henry and his wife, Janet, have two daughters, Kristin and Marisa. Marisa, a graduate of Fountain Hills High School, is enrolled at the University of Arizona. Kristin, a graduate of Fountain Hills High School and University of Arizona, is serving in the Peace Corps. Janet is an active volunteer in the community and enjoys her long-standing professional career at CVS Health.



Vice Mayor Magazine received a Ph.D. from the University of Maryland in 1976. He has lived in Fountain Hills with his wife, Cynthia, since 2006. Magazine has two children and a granddaughter. Cynthia has two children from a previous marriage and four grandchildren.

Vice Mayor **Alan Magazine** was sworn in for his first term on the Town Council on December 4, 2014. Prior to that, he served for over five years on the Strategic Planning Advisory Commission, the last year as Chair.

Born and raised in the Boston area, his entire career took place in Washington, D.C. where he served as president of three organizations, the last being The Health Industry Manufacturers Association. Additionally, he served on the staff of the International City Management Association, as well as two four-year terms on the Fairfax County Board of Supervisors in Virginia. In the latter capacity, he represented the county on the Metropolitan Washington Council of Governments' Board of Directors, as well as serving as Chairman of the Northern Virginia Transportation Commission.

During his "retirement" in Fountain Hills, he has won numerous awards as a nature photographer.





Art is married to Heather Tolis and is the proud father to six children who are either currently attending or have graduated from the Fountain Hills Unified School District.

Councilmember **Art Tolis** has been active in the Fountain Hills community for over 16 years. He has served on many boards and commissions including the Fountain Hills Chamber of Commerce (2003-2007), Treasurer of the Chamber in 2006, L. Alan Cruikshank River of Time Museum Board of Directors, Fountain Hills Realtor Marketing Chair/Scottsdale Association of Realtors Board of Directors, the Town of Fountain Hills Planning & Zoning Commission, Four Peaks Rotary (2016-2017 as President), and is a graduate of the first Fountain Hills Leadership Academy class. Prior to moving to Arizona, Art was active in Connecticut politics and also served on the Town Council for Berlin, Connecticut. He has a Bachelor's Degree from Syracuse University and a Master's Certificate from Pacific Coast Banking School/University of Washington.

In addition to these community positions, Art is the owner of Tolis Mortgage Financial Group and is a licensed mortgage broker, realtor and insurance agent (life and health).



Councilmember **Cecil A. Yates** was born in New York City, but grew up in Bay Village, Ohio (a suburb of Cleveland). He graduated from Bay High School in 1985. He has earned two undergraduate degrees; one in Marketing and the other in Management from the University of Cincinnati in 1990 and has recently completed his MBA in Strategic Management from Patten University in California. He and his family moved to Fountain Hills in 2005.

Councilmember Yates has served on the Planning and Zoning committee for five years and two years as its Vice Chairman. He has chaired the General Plan Update committee, the Economic and Development committee with BVAC, co-chaired the Sign committee, and was treasurer of Sunridge Canyon HOA. He presently sits on the Maricopa Association of Governments, Domestic Violence Committee. In his spare time, Councilmember Yates coaches soccer and is active in his church.

Councilmember Yates is an award winning commercial real estate developer. He is presently the Executive Director of Property Management for Commercial Properties, Inc. (CPI) and operates over 6,000,000 square feet of office, retail and industrial space throughout Arizona. He has owned and operated several restaurants including Panini's Bar & Grill (as seen on "Man vs. Food") and Zeppes Pizzeria.

Councilmember Yates and his wife, Nancy, have been married since 1995 and are the proud parents of two children, Sophia, 17; and Mason, 14 (not to mention their black lab, Wizard; German Shepherd, Gracie; their cat, Simba; and whatever other crawling creatures their kids adopt!).



Elected Officials' Terms of Office

Mayor:

Linda M. Kavanagh

Term of Office: First term: June, 2012 - November, 2014
 Second term: December, 2014 - November, 2016
 Third term: December, 2016 - November, 2018

Vice Mayor:

Alan Magazine

Term of Office: First term: December, 2014 - November, 2018

Councilmembers:

Dennis Brown

Term of Office: Partial term: May, 2009 - May, 2012
 Second term: June, 2012 - November, 2016
 Third term: December, 2016 - November, 2020

Nick DePorter

Term of Office: First term: December, 2014 - November, 2018

Henry Leger

Term of Office: First term: June, 2006 - May, 2010
 Second term: June, 2010 - November, 2014
 Third term: December, 2014 - November, 2018

Art Tolis

Term of Office: First term: December, 2016 - November, 2020

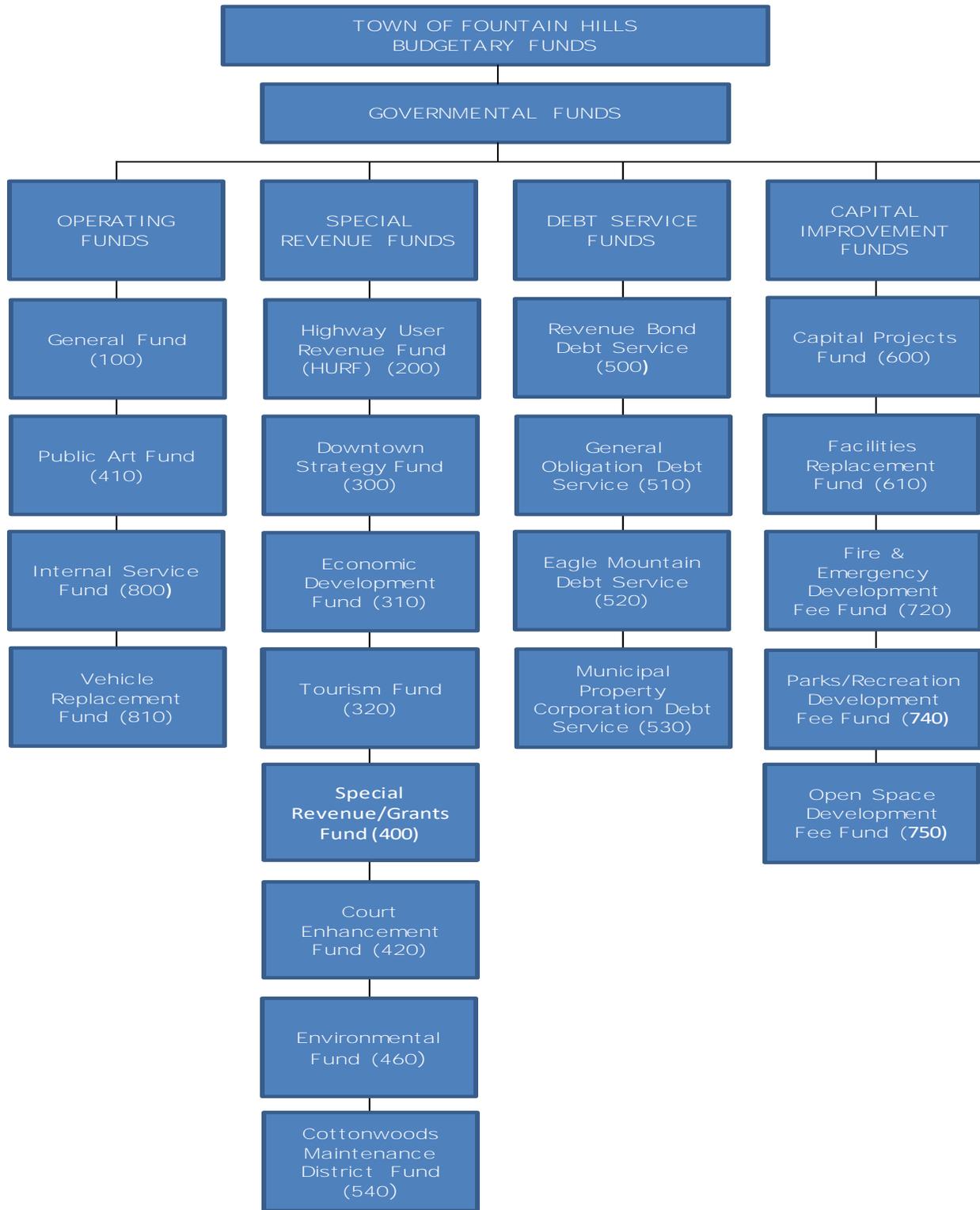
Cecil A. Yates

Term of Office: First term: June, 2012 - November, 2016
 Second term: December, 2016 - November, 2020

Financial Overview & Policies



FUND STRUCTURE



FUND/DEPARTMENT STRUCTURE
Governmental Funds

| Fund Type | Fund | Department | Page Number | Amount |
|---|---------------------------------------|---|--------------------------------------|-----------------------|
| | | | Fund Statement Department Summary | Total Proposed Budget |
| <i>Operating</i> | | <i>Total</i> | | \$ 18,849,766 |
| | General Fund | Mayor & Town Council | 104 143-148 | 71,849 |
| | General Fund | Administration | 104 149-180 | 2,342,476 |
| | General Fund | General Government | 104 181-184 | 2,312,894 |
| | General Fund | Municipal Court | 104 185-192 | 339,913 |
| | General Fund | Public Works | 104 193-210 | 837,495 |
| | General Fund | Development Services | 104 211-238 | 1,890,482 |
| | General Fund | Community Services | 104 239-268 | 2,352,113 |
| | General Fund | Law Enforcement | 104 269-274 | 3,855,626 |
| | General Fund | Fire & Emergency Medical | 104 275-282 | 3,881,833 |
| | Public Art Fund | Community Services | 104 128 | 39,383 |
| | Internal Service Fund | Administration | 104 128 | 63,702 |
| | Vehicle Replacement Fund | Administration | 104 407-412 | 862,000 |
| <i>Special Revenue</i> | | <i>Total</i> | | \$ 6,748,408 |
| | Highway User Revenue Fund | Public Works | 104 283-290 | 3,825,625 |
| | Downtown Strategy Fund | Administration | 104 291-295 | 140,885 |
| | Economic Development Fund | Administration | 104 296-299 | 411,191 |
| | Tourism Fund | Community Services | 104 300-306 | 224,698 |
| | Special Revenue Fund | Administration | 104 307-312 | 1,344,000 |
| | Court Enhancement Fund | Municipal Court | 104 313-316 | 80,265 |
| | Environmental Fund | Public Works | 104 317-322 | 717,613 |
| | Cottonwoods Maintenance District Fund | Public Works | 104 323-326 | 4,131 |
| <i>Debt Service</i> | | <i>Total</i> | | \$ 2,906,902 |
| | General Obligation Bond Fund | Administration | 105 328 | 2,121,550 |
| | Eagle Mountain CFD Fund | Administration | 105 329 | 407,656 |
| | Municipal Property Corporation Fund | Administration | 105 329-330 | 377,696 |
| <i>Capital Projects</i> | | <i>Total</i> | | \$ 11,196,149 |
| | Capital Projects Fund | Administration, Community Services, Public Works, Development Services, Fire & Emergency Medical | 105 335-400 | 8,251,740 |
| | Facilities Replacement Fund | Public Works | 105 401-404 | 906,850 |
| | Development Fees Funds | Community Services, Development Services, Law Enforcement, Fire & Emergency Medical, Parks/Recreation, Open Space | 105 129 | 2,037,559 |
| GRAND TOTAL ALL FUNDS - includes transfers | | | | \$ 39,701,225 |

The preceding page depicts the budgetary funds of the town. The table above represents the departments of the Town and the funds that are used by those departments.



FUND STRUCTURE

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, liabilities, fund equity, 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.

Operating Funds

«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 (engineering/planning), public works (facilities), community services (parks and recreation/community center/senior activity center), general administration, and any other activity for which a special fund has not been created. Governmental accounting requires the General Fund 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 **Public Art Fund (Fund 410)** is funded by developer in-lieu contributions. These funds may only be used for the purchase of art and for the installation of this art throughout the community. This fund has a committed fund balance.

«The **Internal Service Funds (Funds 800 and 810)** are used to account for the Town's business-type activities. These funds are considered self-supporting in that the services rendered are financed through user charges or are on a cost reimbursement basis. These funds are classified as having assigned fund balances.

Internal Service Funds include:

- **General Internal Service Fund (Fund 800)**
- **Vehicle Replacement Fund (Fund 810)**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, designated as committed or restricted. The Town maintains the following Special Revenue Funds:

«The **Highway User Revenue Fund (HURF) (Fund 200)** is funded by .2% of local sales tax, State shared revenues and transfers from the Capital Improvement Fund. 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 **Downtown Strategy Fund (Fund 300)** is a committed fund which may only be used for development of the downtown. Revenue for this fund comes from the 20% (previously 40%) of the .1% of local sales tax collections that have been dedicated for this purpose.

«The **Economic Development Fund (Fund 310)** is a committed fund which may only be used for economic development. Revenue for this fund comes from the 80% (previously 60%) of the .1% of local sales tax collections that have been dedicated for this purpose.

«The **Tourism Fund (Fund 320)** is a committed fund which may only be used for tourism. Revenue for this fund is provided by a transfer from the Economic Development Fund and grant money.

«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 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 **Court Enhancement Fund (Fund 420)** is a restricted fund which may only be used to enhance the technological, operational and security capabilities of the Fountain Hills Municipal Court and to support the operation of the Court collection program. Revenues are derived from court fees and bond forfeitures.

«The **Environmental Fund (Fund 460)** is an assigned fund which may only be used to help offset the costs of stormwater management and air quality permit requirements as well as other environmental programs. These items include, but are not limited to, permit fees, wash maintenance, ADWR dam inspection and maintenance, street sweeping, storm drain cleaning and household hazardous waste disposal. Revenues are derived from the annual environmental fee billed to Town residents.

«The **Cottonwoods Maintenance District Fund (Fund 540)** is a restricted fund which may only be used for maintenance of the Cottonwoods Maintenance District. Revenues are derived from a secondary property tax.

Debt Service Funds are established for the payment of principal and interest on bonded indebtedness. Revenues are derived from a secondary property tax levy, and municipal property lease payments. (The 0.2% of local sales tax previously dedicated to mountain preserve bonds has been redirected to the Highway User Revenue Fund for the pavement management program.) Revenues are received in amounts sufficient to pay the annual debt service payment; therefore, the fund balance will be no less than the annual debt service payment due on July 1 of the new fiscal year and no more than 2% greater than the annual delinquency factor based on the past five years delinquency amounts, categorized as restricted.



Debt Service Funds include:

- **Revenue Bond Debt Service (Fund 500)**
- **General Obligation Debt Service (Fund 510)**
- **Eagle Mountain CFD Debt Service (Fund 520)**
- **Municipal Property Corporation Debt Service (Fund 530)**

Capital Improvement Funds are used for the acquisition and/or construction of major capital items including facilities, heavy equipment, technology, open space, park improvements, and major road improvements.

«The **Capital Projects Fund (Fund 600)** revenues are committed revenues derived from excess General Fund revenues and 50% of the construction related local sales tax. The Capital Projects Fund is the primary source of capital improvements funding for the Town.

«The **Facilities Replacement Fund (Fund 610)** revenues are assigned and currently the result of transfers from the General Fund. The Fund 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, Fire Department equipment, and Parks and Recreation structures.

The **Development Fee Funds (Funds 710-760)** are restricted funds which may only be used for the planning, design, and construction of public facilities serving the needs of the new development from which it was collected and designated as restricted. The Town has developed an Infrastructure Improvement Plan (IIP) that identifies each public improvement that is proposed to be the subject of a development fee. This IIP is incorporated as part of the Town's Capital Improvement Program (CIP). Funds 710, 730, 750 and 760 will be eliminated when all remaining funds have been expended. Development Fee funds currently include:

- **Fire & Emergency (Fund 720)**
- **Parks/Recreation (Fund 740)**

BUDGETARY AND ACCOUNTING BASIS

The budget is prepared on a budgetary basis of accounting for all fund types. Expenditures are recorded when the related fund liability is incurred, and revenues are recognized only when they are measurable and available. In all cases, when goods and services are not received by year-end, the encumbrances lapse. This basis means certain transactions are recognized in the budget on a basis other than Generally Accepted Accounting Principles (GAAP), which is the basis used to prepare the Town's Comprehensive Annual Financial Report (CAFR). The major differences between the budgetary and GAAP basis are:

- Certain revenues, expenditures and transfers are not included on a budgetary basis, but are accrued and reported on a GAAP basis. For example, increases or decreases in compensated absences are not reported for budgetary purposes, but are presented as revenues or expenditures on a GAAP basis.

- Depreciation is not budgeted as an expense in budgetary accounting.
- Capital outlays are an expenditure in budgetary accounting and an asset in GAAP.
- Certain debt service principal and interest payments are accounted for as expenditures in the General Fund on a budgetary basis, but are reported as expenses in the Debt Service Fund on the GAAP basis.

All actual amounts in the budget document are shown on the budgetary basis to facilitate meaningful comparisons.

Operating and Capital Budget Relationship

Included within the annual budget is a Capital Improvement Program presented on a budgetary basis. Capital project budget funding sources are matched with budgeted expenditures. Governmental accounting procedures do not require adequate budget to pay for an entire contract to be available and appropriated in the period in which a contract is entered. Therefore, expenditures are presented on a budgetary basis which is a cash flow model.

For example, a 180 day construction contract entered into in May of fiscal year one would have cash expenditures from May of fiscal year one through October of fiscal year two; however, the entire budget for this project would not be appropriated in fiscal year one, the year in which the contract was entered. Any unspent funds at fiscal year-end are carried forward and budgeted again in year two.



TOWN OF FOUNTAIN HILLS FINANCIAL POLICIES

I. INTRODUCTION

The Mayor and Town Council (the "Town Council") of the Town of Fountain Hills (the "Town") understands 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.

II. OVERALL GOALS

The overall financial goals underlying these principles are:

- 2.1 Fiscal Conservatism. To ensure that the Town is, at all times, in a solid financial condition, defined as:
 - A. Cash solvency – the ability to pay bills.
 - B. Budgetary solvency – the ability to balance the budget.
 - C. Long run solvency – the ability to pay future costs.
 - D. Service level solvency – the ability to provide needed and desired services.
 - E. Adhering to the highest accounting and management practices as well as the financial reporting and budgeting standards established by the Government Finance Officers Association, by the Governmental Accounting Standards Board (GASB) and by other professional organizations.
- 2.2 Maintaining Bond Rating. To maintain an Aa3 or better bond rating in the financial community to assure the Town taxpayers that the Town government is well managed and financially sound.
- 2.3 Stability. To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the Town's residents.
- 2.4 Delivering Quality Services. To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.

III. FUND BALANCE

Fund balance is defined as the cumulative difference of all revenues and expenditures, also considered the difference between a fund's assets and deferred outflows of resources and its liabilities and deferred inflows of resources. The purpose of this policy is to establish a key element of the financial stability of the Town by setting guidelines for fund balance. It is essential that the Town maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures, and similar circumstances. The fund balance also provides cash flow liquidity for the Town's general operations. Fund balance is an important indicator of the Town's financial position and adequate reserves must be maintained to allow the Town to continue providing services to the community during periods of economic downturns and/or unexpected emergencies or requirements.

The level of fund balance is related to the degree of uncertainty that the Town faces. A prudent level of financial resources is necessary to protect against the need to reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. With the Town dependency upon State shared income and State sales tax revenues for approximately one third of the General Fund budget, there is increased opportunity for fluctuation. Additionally, a significant portion of Town revenue is received from sales taxes – both state shared and local – which are sensitive to fluctuations in the economy. Therefore, the level of reserves needs to be sufficient to ensure stability in ongoing government operations during a slowdown in the economy or legislative changes to the revenue sharing formula.

Fund balance is one of the most widely used elements of state and local government financial statements by (1) municipal bond analysts through credit reviews and ratings, (2) taxpayer associations, (3) research organizations and oversight bodies, (4) state, county and local legislators and officials, (5) financial statement users and (6) reporters.

Other objectives that influence the size of the fund balance are:

1. Credit reviews performed by municipal bond analysts.
2. Preserving or improving the bond rating.
3. Maintaining a positive trend to historical fund balances.
4. Maintaining a rating equal to or better than surrounding communities.

The Governmental Accounting Standards Board ("GASB") has found that usefulness and value of fund balance information provided is significantly reduced by misunderstandings regarding the message that it conveys and the inconsistent treatment and financial reporting practices of governments. GASB issued a pronouncement, GASB Statement No. 54 ("GASB 54"), which applies to all financial reports of all state and local governmental entities; GASB 54 intended to improve financial reporting by providing fund balance categories and classifications that will be more easily understood.



3.1 Fund Balance Categories. An accounting distinction is made between portions of fund balance that are spendable and nonspendable. These portions are broken into five categories:

- (A) ***Nonspendable fund balance***—Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This amount includes inventory, prepaids, and non-current receivables such as long-term loan and notes receivable and property held for resale (unless the proceeds are restricted, committed, or assigned).
- (B) ***Restricted fund balance***—Includes amounts that are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance means “restricted net assets” as defined in the government-wide Statement of Net Assets, GASB Statement No. 34, as amended by GASB Statement No. 46.
- (C) ***Committed fund balance***—Includes amounts that are committed for specific purposes by formal action of the Town Council. Amounts classified as “committed” are not subject to legal enforceability like restricted fund balance; however, those committed amounts cannot be used for any other purpose unless the Town Council removes or changes the limitation by taking the same form of action it employed to previously impose the limitation. The action to commit fund balances must occur prior to yearend; however, actual amounts can be determined in the subsequent period.
- (D) ***Assigned fund balance***—Includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Town Council itself or a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes in accordance with policy established by the Town Council. This assignment would include any activity reported in a fund other than the General Fund that is not otherwise restricted more narrowly by the above definitions. The Town is not allowed to assign balances that result in a residual deficit.
- (E) ***Unassigned fund balance***—Includes any remaining amounts after applying categories (A)-(D) above (amounts not classified as nonspendable, restricted, committed or assigned). Planned spending in the subsequent year’s budget would be included in the unassigned fund balance category. The General Fund is the only fund that will report a positive unassigned balance.

3.2 General Fund.

The fund balance of the Town General Fund may consist of up to five components, as described previously. In order to satisfy the objective of maintaining a bond rating equal to or better than surrounding peer communities, a combined General Fund operating fund balance of at least 30% of revenues is recommended.

- A. **Committed Fund Balance.** The Town will maintain a committed fund balance in the General Fund of 20% of the average actual General Fund revenues for the preceding five fiscal years, indicating stable fiscal policies. The maintenance of this fund balance is a particularly important factor considered by credit rating agencies in their evaluation of the credit worthiness of the Town. It is of primary importance that the Town's credit rating be protected.
- (1) **Rainy Day Fund to be Maintained.** As a component of the Committed fund balance, the Town will maintain a Rainy Day Fund, separate and apart from the Unassigned General Fund, which shall be designated for use in the event of an unanticipated expenditure or loss of revenue. The Rainy Day Fund balance at the end of any fiscal year will be equal to a minimum of 20% of the average actual General Fund revenues for the preceding five fiscal years. This contingency will provide for the temporary financing of an unforeseen nature for that year. Expenditures for these emergency or unforeseen appropriations can only be undertaken with Town Manager approval and only if funds are not available in the department requesting the funding.
 - (2) **Guidelines for Rainy Day Fund.** In order to achieve the objectives of this policy, and to maintain sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing, the following guidelines shall be adhered to by the Town Manager, Town staff and Town Council:
 - (a) **Deposit Rules.** At the end of each fiscal year, the Town Council shall transfer 5% of any surplus revenues (before transfers to the Capital Projects Fund) to the Rainy Day Fund. Deposits shall be made as set forth herein until the Rainy Day Fund balance is equal to at least 20% of the average actual General Fund revenues for the preceding five fiscal years.
 - (b) **Use Rules.** Rainy Day Funds may only be expended for any one of the following purposes or under the following circumstances:
 - (i) To replace the loss of more than 25% of the Town's local share of State shared revenues received pursuant to ARIZ. REV. STAT. § 43-206.
 - (ii) For any event that threatens the health, safety or welfare of the Town's citizens.
 - (iii) For any event that threatens the fiscal stability of the Town.
 - (iv) To address any matter declared as an emergency by the Governor or the Mayor.



(c) Withdrawal Rules. All withdrawals from the Rainy Day Fund shall be subject to the following rules:

(i) Any appropriation shall require the approval by at least 2/3 of the entire Town Council.

(ii) The maximum amount of Rainy Day withdrawals in any fiscal year shall not exceed one-half of the total balance in the Fund.

(d) Replenishment Rules. Any amounts withdrawn from the Rainy Day Fund shall be replenished as follows (and such repayment shall be in addition to the annual deposits set forth above):

(i) All amounts shall be repaid in not more than five years, in annual installments of not less than 1% of the previous fiscal year General Fund balance.

(ii) Repayments shall be appropriated as part of the annual budget adoption.

B. **Assigned Fund Balance.** The Town will maintain an assigned fund balance in the General Fund of a minimum 10% of the average actual General Fund revenues for the preceding five fiscal years. This assigned fund balance will be assigned for (1) "pay-as-you-go" capital project expenditures, (2) vehicle or equipment replacement, (3) pre-paying or defeasing existing Town debt or (4) any other expenditure that is non-recurring in nature. The 10% is the minimum and may be increased to accelerate accumulation of funds for a large capital expenditure. To the extent these balances are expended, additional funds necessary to restore this additional 10% amount will be provided in at least approximately equal contributions during the five fiscal years following the fiscal year in which the event occurred. The assigned General Fund balance can be authorized for expenditure only in accordance with Resolution 2012-02 adopted by the Mayor and Town Council on June 7, 2012, as may be amended from time to time.

C. **Unassigned Fund Balance.** Funds in excess of the balances described in the preceding paragraphs will be unassigned General Fund balance, unless otherwise assigned in accordance with GASB 54. By Resolution, the Town Council has allocated General Fund surplus funds to be (1) transferred to the Rainy Day Fund, (2) transferred to Assigned Fund Balance, (3) used to supplement "pay as you go" capital expenditures in the Capital Projects Fund or (4) used to prepay or defease existing Town debt. These funds may not be used to establish or support costs that are recurring in nature. Any excess revenues collected over budgeted and unexpended appropriations not needed to meet fund balance requirements will be transferred to the Capital Projects Fund.

During the annual budget process, the Town Manager will estimate the surplus or deficit for the current year and prepare a projection of the year-end unassigned General Fund balance. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis.

The Finance Director is authorized to assign available fund balance for specific purposes in accordance with GASB 54. It is the policy of the Town that expenditures for which more than one category of fund balance could be used, that the order of use is: Nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance.

3.3 Special Revenue Funds.

- A. HURF. The Highway User Revenue Fund ("HURF") is restricted in use solely for street and highway purposes. The fund depends upon State shared revenues for over 90% of annual revenues. The restricted fund balance will be based on the minimum requirement as specified in the schedule for projects funded with Special Revenue or grant funds. The schedule will be reviewed on an annual basis to determine the required amount to be set aside as restricted fund balance.
- B. Excise Tax Funds. The excise tax funds are committed funds that the Town Council may dedicate for specific purposes by resolution or as part of the annual budget adoption.

3.4 Debt Service Funds.

The Debt Service Fund is established for the payment of principal and interest on bonded indebtedness and as such is a restricted fund. Revenues are derived from a property tax levy, pledged excise taxes, municipal property lease payments, and shared revenues. Revenues are received in amounts sufficient to pay the annual debt service payment; therefore, the restricted fund balance will be no less than the annual debt service payment due on July 1 of the new fiscal year and no more than the annual debt service payment due on July 1 plus an amount equal to the average annual delinquency factor based on the prior three years' delinquency rates.

3.5 Capital Projects Fund.

A Capital Projects Fund has been established to allow the Town to accumulate monies for (1) purchase of land or buildings, (2) improvements to Town-owned properties, (3) grant matches associated with capital improvements, (4) public safety projects and equipment purchases, (5) economic development projects and (6) such other capital projects as determined by the Town Council. The Capital Projects Fund will be funded by: (A) sales of real and personal property belonging to the Town; (B) General Fund transfer of any excess revenues (from the prior fiscal year) collected over budgeted and unexpended appropriations not needed to meet fund balance requirements or re-appropriation; and (C) interest earnings on the balance of the fund invested per the Town's investment policy. Accounted for separately, but considered part of the Capital Projects Fund, are accumulated development fees collected pursuant to ARIZ. REV. STAT. § 9-463.05 that are as-



essed on new construction for the purpose of funding growth. These funds are restricted to growth-related capital expenditures as designated in the Town's adopted Infrastructure Improvements Plan. The fund balance will be established each fiscal year during the budget process depending on planned expenditures but cannot exceed accumulated revenues. The Town shall first be entitled to recoup the cost of any capital improvements, infrastructure, marketing or sales-related costs associated with the disposition of property before crediting the Capital Projects Fund (for funds other than development fees). The Town Council may approve the uses of the Capital Projects Fund as a part of its annual budget or by motion and affirmative vote at the time the expenditures are approved.

IV. FINANCIAL PLANNING

Financial planning refers to the process of identifying resources and allocating those resources among competing purposes. The primary vehicle for this planning is the preparation, monitoring, and analyses of the Town's budget. It is increasingly important to monitor the performance of the programs competing to receive funding.

- 4.1 Budget Adoption. The Town Manager shall prepare a proposed annual budget, which shall be submitted to the Town Council and the public for review in accordance with ARIZ. REV. STAT. § 42-17001, *et seq.* The Town will budget revenues and expenditures on the basis of a fiscal year beginning July 1 and ending the following June 30. The Town Council will adopt the budget no later than June 30. By adopting the budget and the various funds set forth therein, the Town Council expresses its intent to commit fund balances for the purpose of GASB 54 classifications. The Town Manager shall execute the Town Council policies as set forth in the finally adopted budget.
- 4.2 Budget Preparation. The Town Manager or authorized designee will prepare a budget in accordance with the guidelines established by the Government Finance Officers Association in its Distinguished Budget Award Program. The proposed budget will contain the following:
 - A. Revenue estimates by major category, by major fund.
 - B. Expenditure estimates by department levels and major expenditure category, by fund.
 - C. Estimated fund balance by fund.
 - D. Debt service by issue detailing principal and interest amounts by fund.
 - E. Proposed personnel staffing levels.
 - F. A detailed schedule of capital projects, including a capital improvement program.
 - G. Any additional information, data, or analysis requested of management by the Town Council.



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- 4.3 Operating Budget. The operating budget will be based on the principle that current operating expenditures, including debt service, will be funded with current revenues, creating a balanced budget. The Town will not balance the current budget at the expense of meeting future years' expenditures; for example, accruing future years' revenues, or rolling over short-term debt to avoid planned debt retirement.
- 4.4 Revenue Sources. Ongoing operating costs should be supported by ongoing, stable revenue sources. This policy protects the Town from fluctuating service levels and avoids crises when one-time revenues are reduced or removed. Revenues from growth or development should be targeted to costs related to development, or invested in improvements that will benefit future residents or make future service provision efficient.
- 4.5 Revenue Estimate. The Town Manager will provide an estimate of the Town's revenues annually for each fiscal year, as well as estimates of special (grant, excise tax, etc.) revenues and interfund transfers.
- 4.6 Staffing. The budget will fully appropriate the resources needed for authorized regular staffing. At no time shall the number of regular full-time employees on the payroll exceed the total number of full-time positions authorized by the Town Council. All personnel actions shall be in conformance with applicable Federal and State law and all Town ordinances and policies.
- 4.7 Budget Preparation Schedule. Annually, the Town Manager shall provide a budget preparation schedule outlining the preparation timelines for the proposed budget. Budget packages for the preparation of the budget, including forms and instructions, shall be distributed to Town Departments in a timely manner for the Department's completion. Department Directors shall prepare and return their budget proposals to the Administration Department, as required in the budget preparation schedule.
- 4.8 Performance Measurement. Performance measurement indicators will be integrated into the budget process as appropriate.
- 4.9 Efficiency Analysis. Alternatives for improving the efficiency and effectiveness of the Town's programs and the productivity of its employees will be considered during the budget process. Duplication of services and inefficiency in service delivery should be eliminated wherever they are identified.
- 4.10 Department Responsibility. Department Directors are required to monitor revenues and control expenditures to prevent exceeding their total departmental expenditure budgets. Department Directors shall immediately notify the Town Manager of any exceptional circumstances that could cause a departmental expenditure budget to be exceeded.
- 4.11 Quarterly Report. A quarterly report on the status of the General Fund budget and trends will be prepared within 60 days of the end of each quarter by the Town Manager or authorized designee.
- 4.12 Deficit. If a deficit is projected during any fiscal year, the Town will take steps to reduce expenditures, increase revenues or, if a deficit is caused by an emergency, consider using the Rainy Day Fund, to the extent necessary
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to ensure a balanced budget at the close of the fiscal year. The Town Manager may institute a cessation during the fiscal year on hirings, promotions, transfers, and capital equipment purchases. Such action will not be taken arbitrarily or without knowledge and support of the Town Council.

V. EXPENDITURE CONTROL

The Town Manager shall ensure compliance with the legally adopted budget. In addition, purchases and expenditures must comply with all applicable legal requirements.

- 5.1 Budgeted Expenditures. Expenditures will be controlled by an annual budget at the departmental level. The Town Council shall adopt appropriations through the budget process. Written procedures will be maintained for administrative approval and processing of certain budget transfers within funds.
- 5.2 Purchasing System and Policies. The Town will maintain a purchasing system that provides needed materials in a timely manner to avoid interruptions in the delivery of services. All purchases shall be made in accordance with the Town's purchasing policies, guidelines and procedures and applicable State and Federal laws. The Town will endeavor to obtain supplies, equipment, and services as economically as possible.
- 5.3 Internal Controls. Expenditures will be controlled through appropriate internal controls and procedures in processing invoices for payment.
- 5.4 State Expenditure Limit. The State of Arizona sets a limit on the expenditures of local jurisdictions. The Town will comply with these expenditure limitations and will submit an audited expenditure limitation report, audited financial statements and audited reconciliation report as defined by the Uniform Expenditure Reporting System (ARIZ. REV. STAT. § 41-1279.07) to the State Auditor General each year.
- 5.5 Capitalized Assets. All assets of \$10,000 or more will be capitalized and recorded in the Town of Fountain Hills Summary of Capital Assets.

VI. REVENUES AND COLLECTIONS

All government employees are considered stewards of public funds. In order to provide funding for service delivery, the Town must have reliable revenue sources. These diverse revenues must be collected equitably, timely and efficiently.

- 6.1 Balanced Revenue Base. The Town's goal is a General Fund revenue base that is equally balanced between sales taxes, State shared revenues, property tax, service fees, and other revenue sources.
- 6.2 Stable Revenue Base. The Town will strive for a diversified and stable revenue base to shelter it from economic changes or short-term fluctuations and in any one revenue source by doing the following:
 - A. Establishing new charges and fees as needed and as permitted by law at reasonable levels.

- B. Pursuing legislative change, when necessary, to permit changes or establishment of user charges and fees.
 - C. Aggressively collecting all revenues, late penalties, outstanding taxes owed and related interest as authorized by law.
- 6.3 Monitoring Collection. The Town Manager or authorized designee will monitor all taxes to ensure they are equitably administered and collections are timely and accurate. Fees and charges should be based on benefits and/or privileges granted by the Town, or based on costs of a particular service.
- 6.4 Intergovernmental Aid. The Town Manager or authorized designee should pursue intergovernmental aid for those programs and activities that address a recognized need and are consistent with the Town's long-range objectives. Any decision to pursue intergovernmental aid should include the consideration of the following:
- A. Present and future funding requirements.
 - B. Cost of administering the funds.
 - C. Costs associated with special conditions or regulations attached to the grant award.
- 6.5 Cost Recovery. The Town will attempt to recover all allowable costs (both direct and indirect) associated with the administration and implementation of programs funded through intergovernmental aid. In the case of the Fountain Hills Unified School District, the Town may determine to recover less than full cost of services provided. In the case of State and Federally mandated programs, the Town will attempt to obtain full funding for the service from the governmental entity requiring the service be provided. Allowable costs will be determined based upon a "Cost Allocation Study" prepared periodically.
- 6.6 Growth Revenues. Local sales tax revenues are derived from several sources with a significant portion from construction related activity. To ensure that the revenues from growth or development are targeted to costs related to development, or invested in improvements that will benefit future residents or make future service provision efficient, the Town will designate 50% of those one-time revenues to the Capital Projects Fund. Monthly, these revenues will be transferred from the General Fund to the Capital Projects Fund for future appropriation.

VII. USER FEE COST RECOVERY

User fees and charges are payments for voluntarily-purchased, publicly-provided services that benefit specific individuals. The Town relies on user fees and charges to supplement other revenue sources in order to provide public services.

- 7.1 Establishing Fees. The Town may establish user fees and charges for certain services provided to users receiving a specific benefit. User fees and charges will be established to recover as much as possible the direct and indirect costs of the program or service, unless the percentage of full cost recovery has been mandated by specific action of the Town Council. It is recognized

that occasionally competing policy objectives may result in reduced user fees and charges that recover a smaller portion of service costs.

- 7.2 Recalculation. Periodically, the Town will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other attendant costs.

VIII. CASH HANDLING POLICY

Collecting and controlling cash at the Town are very important functions. The Customer Service Representatives and Permit Technicians are the Town's cash handling agents. Strong internal controls for cash collection and handling are necessary to prevent mistreatment of Town funds and to safeguard and protect employees from unwarranted charges of mishandling funds.

Historical practices shall not constitute justification for deviation from these procedures. The material contained in this Section supersedes any previous policies and procedures regarding the handling of cash followed within the Town and/or within Departments. The Finance Division will conduct periodic reviews of cash handling procedures. Any amendments to the policies require Town Council approval, but the Town Manager may make interpretations and exceptions to the policies contained in this Section as more particularly set forth in Subsection 8.13 below.

- 8.1 **Individual Responsibilities**. All cash transactions are to be processed by Town staff (including cash, credit cards, checks, etc.) and not volunteers. Any Department Director or manager with responsibilities for managing Town cash receipts and those employees who are entrusted with the receipt, deposit and reconciliation of cash for Town-related activities shall be responsible for knowledge of and compliance with this Section VIII. A reference to this Section should be included as part of all departmental policies and procedures.
- 8.2 **Establishing Cash Handling Sites**. Ideally, from a control perspective, collecting and controlling cash should be centralized in one location; however, that is not always possible or practical. As a result, the collection of money is, in part, decentralized. The Finance Division must authorize all cash handling sites, including one-time requests for cash for special events. Departments requesting status as a cash handling site (or special events where money is being collected and a cash float is needed) must submit a request to the Finance Division at least 24 hours prior to the special event that includes:
- A. Reason(s) why cash handling site or cash float is needed.
 - B. A list of the personnel involved with the cash handling site, descriptions of their duties, and how segregation of duties will be maintained.
 - C. Whether a change drawer will be needed.
 - D. A description of the reconciliation process, including frequency of reconciliation.

- E. A description of the process for safeguarding cash until it is deposited.
- F. A schedule of how often and where cash deposits will be made.

8.3 Procedures for Cash Collection.

- A. "Cash" is defined as any of the following accepted methods of payment for Town transactions:
 - (1) Cash (U.S. coin and currency).
 - (2) Checks (drawn on U.S. banks and made payable to the Town; no third party checks).
 - (3) Credit Cards (MasterCard, Visa, Discover, American Express).
 - (4) Money Orders.
- B. Cash should be physically protected through the use of vaults, safes, cash registers, etc. Each Department is responsible to make the necessary provisions to properly safeguard the cash receipts in its area and maintain the necessary safe or vault that will ensure the security. Generally, any amount of cash on hand must be maintained in a vault or heavy safe (one which cannot be easily moved by two persons using a hand cart). Cash should not be retained in desk drawers or standard file cabinets without a locking mechanism; petty cash must be secured in a locked file cabinet and keys should be secured separately.
- C. The cash drawer should be kept shut when not in use and after each transaction. The cash drawer, when open, should not be left unattended when it contains money. The contents of cash drawers should be placed in a safe, vault, or an approved, locked location after each day; all safes are to be kept locked.

8.4 Receipts.

- A. Procedures must be in place to record the daily beginning and ending receipt numbers of the cash register, and include safeguards to prevent manipulation of register totals, receipt numbers, etc. Automatic numbering of receipts through a computerized system is an acceptable alternative.
- B. Receipts should be generated from either receipt books or cash register receipt system.
- C. Cash registers must be programmed to issue receipts, which shall contain all information required by the accounting system to properly credit and track payments.
- D. Receipt books, if issued for special events, must be issued in sequential order. All books should be accounted for from the time of delivery and returned to the Finance Division.



- E. Only those receipt books that have been distributed by the Finance Division may be used.
- F. At a minimum, sequential, pre-numbered receipt forms must contain the following information:
 - (1) Date issued.
 - (2) Cashier and/or Department issuing the receipt.
 - (3) Name of payor (not the department name or revenue source).
 - (4) Net amount received.
 - (5) Sufficient information to identify the purpose of the payment.
 - (6) Form of payment (cash, check, credit card, etc.).
- G. The receipt forms should also:
 - (1) Contain all available identifying numbers and other pertinent, descriptive information including invoice numbers.
 - (2) Be issued in a minimum of two copies, one for the payor and one to accompany the deposit.
 - (3) Never be altered; if any type of change is necessary, all copies of the receipt must be clearly marked "void", and a new receipt issued.
 - (4) Be filed sequentially and retained by the Department (including void receipts).

8.5 Cash Received in Person.

- A. When a customer produces a mutilated bill (where a portion is missing), the receiver should request that the customer have a bank redeem the bill. No bill will be considered for acceptance if both serial numbers are not present.
- B. A printed receipt must be issued for each payment received when the customer pays in person. At a remote location (for special events), manual pre-numbered receipts may be used when cash register receipts are not available.
- C. Departments may not accept post-dated checks, IOU's, or third party checks.
- D. All cash received must be recorded through the computerized accounting system with computer-generated official Town cash receipts. When a cash handling site with a computerized accounting system has to use temporary cash receipts, those temporary receipts must be converted over to computerized receipts as soon as possible. If the conversion cannot be accomplished within 48 hours, the cash should

be deposited into the Department's safe and tracked in detail until it is recorded on the computerized accounting system.

- E. The customer must be presented an official Town receipt form with a duplicate record being retained by the receiving Department. All numbered receipts must be accounted for, including the original of voided receipts.
- F. The cash handling site must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: collecting, depositing, disbursement, and reconciling.
- G. The procedures below are to be followed to safeguard the employee and the cash:
 - (1) Account for cash as soon as is it received – count the cash in front of customer.
 - (2) Keep cash received in view of the customer until the transaction is complete.
 - (3) If change is required, count all cash and change in front of customer.
 - (4) Reconcile the funds received to the computerized accounting system cash report or to the total of the temporary receipts at the end of the day or at the end of each shift and balance the receipts as set forth in Subsection 8.9.
 - (5) Immediately place all cash in a cash drawer, safe or other secure place until deposited. A secure area for processing and safeguarding funds received should be provided and restricted to authorized personnel.
 - (6) Personal transactions with Town cash funds are prohibited. Monies may never be borrowed nor loaned from cash funds, nor may personal checks be cashed from receipts.
 - (7) All employees paying for Town services (rentals, movie tickets, animal license, business license, etc.) must be rung up by a different employee under a separate user ID.
 - (8) Deposit all cash intact and not intermingled or substituted with other cash.
 - (9) Pay refunds or expenditures through the appropriate Town bank account on a Town-generated check from the main accounts payable account for the smaller accounts. If the original payment was made using credit/debit card, then whenever possible refunds will be issued through the credit card per credit card regulations.



- (10) Provide printed receipts generated by the financial system for every transaction involving money.
 - (11) Voided cash receipts must be approved and initialed by a supervisor before the daily deposit is done, noting the reason for voiding the transaction.
 - (12) Deposit daily cash report and cash promptly at the end of each day into the Finance Division safe.
 - (13) Place cash in amounts over \$500.00 in the Finance Division safe immediately following the transaction until the end of day close out.
 - (14) Cashiers should enter transactions using their personal logins (switch user) during a single shift.
 - (15) All packaged coin or strapped currency received as payment should be removed from the package or straps and verified.
- H. Cashing checks from Town deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, commingling personal and Town funds and modifying cash records are all serious offenses and may result in discipline up to and including immediate discharge from employment.

8.6 Cash Received Through the Mail.

- A. When mail is opened, if the cash received is not credited directly into the appropriate Town account or issued a receipt through a computerized accounting system, a log of the checks, credit card transactions and or cash should be prepared and submitted to the Finance Division. The log should include the customer's name, amount received, check number and any other information available that may assist in proper allocation of the funds. The envelope also should be retained as part of the records.
- B. When mail is opened, checks must be endorsed promptly with a restrictive endorsement stamp. Checks must be stored in a safe or other secure place approved by the Finance Division until deposited.
- C. Unidentified receipts must be deposited to a depository account approved for such purposes. All reasonable attempts should be made to identify the correct account and transfer the funds.

8.7 Check Acceptance.

- A. The Federal Reserve has established a regulation to standardize check endorsements:
 - (1) Checks must be made payable to the Town of Fountain Hills and endorsed promptly with a restrictive endorsement stamp payable to the Town of Fountain Hills. The endorsement

stamps must be distributed by the Finance Division; this stamp protects the check if lost or stolen.

- (2) All depositor's endorsements are limited to the top 1.5 inches on the back side of the check, at the trailing edge of the check. This area is where endorsements are normally placed. If you look at the face of the check, the endorsement area is directly behind where "Pay to the Order of" is printed.
- (3) Any check that has been endorsed may not be returned to the customer. Any marks below the 1.5 inches on the check may obscure the bank routing number, cause delays in returning checks, and forfeit the Town's right to recovery. The purpose of this regulation is to speed collection and returns.
- (4) The endorsement must include the following:

FOR DEPOSIT ONLY
TOWN OF FOUNTAIN HILLS
[Account Number]

- (5) Checks should have the customer information pre-printed on the face of the check. Bank issued/generated checks are acceptable.
 - (6) Personal checks from employees for cash may not be cashed at any counter in a Town facility.
 - (7) Checks or credit card transactions will not be cashed or processed for more than the amount of purchase. Departments are not authorized to return currency to the payor in the event that the check exceeds the amount due to the Town.
- B. Be sure that the name, branch, city and state where the drawer's bank is located is printed on the check.
- C. The Town will not accept a check that is:
- (1) Illegible or not written out clearly; checks should be written out in blue or black ink only.
 - (2) For anything other than the exact amount (no change will be given).
 - (3) A third party check (that is, checks made out to someone other than the Town).
 - (4) Altered or changed.
 - (5) Undated, post-dated or stale dated (older than six months).
 - (6) Not signed.



- (7) A starter check, i.e. a check without the name, address and check number on the face of the check.
- (8) Not in U.S. funds.
- (9) From a foreign bank, even if payable in U.S. funds.
- (10) Transfer checks.
- D. If the written amount on a check does not match the numerical amount, the written amount will govern.
- E. Money orders should be filled out by the customer in the presence of Town staff; the customer must countersign and write Town of Fountain Hills in the payee section.

8.8 Credit Card Acceptance.

- A. Credit cards accepted are Visa, MasterCard, Discover, and American Express.
- B. When presented with a credit card, the Department cashier shall:
 - (1) Verify that the card has not been altered and is not expired.
 - (2) Check customer identification to verify that the name on the card and the account name are the same, unless someone is paying for other family members.
 - (3) Retain the credit card until the transaction is complete.
 - (4) Enter the credit card transaction by swiping the card through the terminal on the keyboard; if the keyboard does not have a terminal, the swipe reader is not functioning or payment is being taken over the telephone, the credit card number should be entered manually when prompted.
 - (5) If the credit card information is being input from a paper registration form that includes the card number and payor signature, shred or permanently mark over the portion of the form that includes the credit card information as soon as the transaction is complete and the card is accepted.
 - (6) If receiving credit card information over the phone, verify the caller's name as it appears on the card, verify the amount to be processed, enter the credit card number, expiration date and security code directly; immediately shred any piece of paper where the information can be viewed or taken.

8.9 Balancing of Cash Receipts.

- A. All funds collected must be balanced daily, by mode of payment, by comparing the total of the cash, checks and credit cards to the computerized accounting reports, to the manual receipts totals, including



the totals of the money received by mail. All cash receipts and supporting documentation (daily deposit slip, system receipts, and system reports) should be transferred daily to the accounting system and all discrepancies should be resolved before the end of the day/shift.

- B. Daily cash counts and reconciliations will be performed on a random basis by the Accountant or other senior Finance Division staff member. These reconciliations should be signed and dated by the reviewer. The total monthly receipts should be balanced with the monthly bank account statements and accounting system monthly reports and all discrepancies should be resolved.
- C. Currency and coin must be reconciled separately from checks, credit cards and money orders by comparing actual cash received to the cash total from the cash report or to the sum of the cash sales from the manual receipts.
- D. Over/short amounts must be separately recorded, investigated and resolved to the extent possible as set out in the over/short portion of this Section.
- E. Because balancing can be a time-consuming task and requires attention to detail, it is recommended that each cashier pre-balance his/her own drawer periodically during the day.

NOTE: On the rare occasion that a check needs to be forwarded to another party by the Town of Fountain Hills, the check cannot be endorsed. Any of the following positions are authorized to approve this receipt without endorsement: the Town Manager, the Finance Director, and the Town Clerk. Approval to accept this instrument in this manner requires approval from one of the Town's authorized signatories in writing prior to the presentation of the instrument.

- F. End of day close out process for cash collection points includes the following:
 - (1) Two signatures on the daily cash report before depositing in the Finance Division safe.
 - (2) Total deposit must match the printed report from the software program.
 - (3) Deposits are turned in daily and deposited in the Finance Division safe by the responsible party.

8.10 Cash Over & Short.

- A. A daily accounting of cash received should be balanced against the total amount on the daily reports run by the Department. Any amount that is over or short shall be reported on the same day to the Department Director and the Accountant.



- B. The discipline procedures set forth below should be followed if the established dollar limits and frequency of overages and/or shortages are exceeded. The current established dollar limit is five dollars. A log should be established to record any overages and shortages, and the employee's name and date. Patterns, frequencies, and inconsistencies should be noted on the employee's performance review. Overages or shortages of \$50.00 or more are to be reported to the Finance Director.
- C. Warnings or exceptions involving cash overages or shortages shall be retained in the employee's permanent file.
- D. If the shortage is the result of a suspected or documented theft, the shortage must be reported immediately and in writing to the Accountant, the Finance Director, and the Town Manager who will submit to law enforcement for investigation, regardless of amount.
- E. Employees who handle cash are expected to be careful and accurate and to balance their funds each day without overages or shortages. Failure to follow internal controls and checks and balances as approved by the Finance Division is considered to be at least negligence and could be considered misconduct subject to the following disciplinary procedures:
 - (1) Verbal Warning. A verbal warning will be given if an employee has:
 - (i) Two or more over/shorts in any 90-day period (regardless of the amount).
 - (ii) Cumulative over/shorts of \$75.00 or more in any 30-day period.
 - (2) Written Warning.
 - (i) After an employee has received two verbal warnings, the third warning will be in the form of a written warning. A fourth warning will be subject to disciplinary action as determined by the Department Director.
 - (ii) A written warning will be issued if an employee exceeds a cumulative total of \$100.00 or more cash short in any month regardless of the number of verbal warnings.

8.11 Returned Check Procedures.

- A. Any checks returned by the Town's depository bank as uncollected shall be sent to the Finance Division. Examples of returned checks include: non-sufficient funds (NSF), account closed, payor's signature missing, refer to maker and post-dated or stale-dated checks.
- B. When a check is returned, the Finance Division prepares a negative entry to the revenue journal, debiting the originating account for the amount of the check and at the same time assessing a service fee in

the amount set forth in the Town's adopted fee schedule. It is the responsibility of the Department that was credited with the revenue to notify the check writer and use due diligence to collect the amount of the check and the service fee. The check writer will be prohibited from receiving Town services until the Town is paid the full amount, plus the returned check fee. Restitution should be in the form of currency, money order, cashier's check, or certified check. The Finance Division will maintain an aging report on all non-collectable items; this report will be submitted monthly to the Finance Director.

- C. When restitution is obtained, the same account should be used that was used on the negative entry and the deposit should be transferred to the Customer Service Representative for inclusion in the daily deposit.
- D. If after proper due diligence is performed, collection has not been made, the Accountant may be consulted regarding returned items that remain uncollected for further action through the State.

8.12 Preparation of Deposits (performed by the Finance Division.)

- A. The Finance Division shall prepare all deposits.
- B. All checks must be made payable to Town of Fountain Hills and endorsed. A calculator tape of the checks should be included with the checks bundled together.
- C. Cash must be recorded on the deposit slip in the appropriate space.
- D. Only depository-issued deposit slips, including the appropriate account number(s) and sub-code(s) are to be used.
- E. Someone not involved with collecting the cash, opening the mail or reconciling the deposit must prepare the deposit.
- F. Deposit from the Municipal Court should be secured in locking deposit bags, which are available from the bank.
- G. Trips to the bank should be at random times during each day.

8.13 Exceptions to Cash Handling Policy.

- A. Any exception to this Section must be approved in writing by the Department Director and requires the concurrence of the Finance Director. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard Town funds must be established and approved by the Finance Director. Requests for exceptions to these procedures must be submitted to the Finance Director in writing.
- B. Town personnel are prohibited from depositing Town cash into checking or other bank accounts unless the account has been set up by the Finance Division.



- 8.14 Records Retention. All cash receipts and related documents must be maintained in accordance with Records Retention Schedules pursuant to ARIZ. REV. STAT. §§ 39-101 through 39-103 and 41-151.15 through 41-151.19. Accounting reports, deposit slips, credit card receipts, copies of manual cash receipts, etc. should be kept for the period specified by the Records Retention Schedules.

IX. DEBT POLICY

The purpose of this debt policy is to provide for the preservation and enhancement of the Town's bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument covenants and provisions and required disclosures to investors, underwriters, and rating agencies. The Town's overall debt management policy is to ensure that financial resources are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.

These policies are meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State Statutes, Federal tax laws and the Town's current bond resolutions and covenants.

9.1 General.

- A. The Town will (1) use current revenues to pay for short-term capital projects, repair and maintenance items and (2) reserve long-term debt for capital improvements with useful lives of ten years or more. The Town will not use long-term debt to fund current governmental operations and will manage its cash flow in a fashion that will prevent any borrowing to meet working capital needs. However, exclusive reliance upon "pay-as-you-go" funds for capital improvements requires existing residents to pay for improvements that will benefit new residents who relocate to the area after the expenditure is made. Financing capital projects with debt provides for an "intergenerational equity," as the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the costs of the asset. Where there is a benefit to all future residents, debt financing should be given consideration.
- B. To increase its reliance on current revenue to finance its capital improvements, and promote a "pay-as-you-go" philosophy, the Town will allocate each year a percentage of current revenues to maintain a minimum 10% of average actual General Fund revenues for the preceding five fiscal years in the assigned fund balance.

9.2 Capital Improvement Plan

- A. As part of the budget process each year, the Town Manager or authorized designee will prepare a capital spending plan that provides a detailed summary of specific capital projects for the five fiscal years subsequent to the fiscal year presented. The plan will include the name of the project, project schedule, capital cost by fiscal year and a recommended specific funding source. The five year capital improvement plan will be developed within the constraints of the Town's ability to finance the plan.

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- B. The Town Manager and Department Directors will develop formal ranking criteria that will be used in the evaluation of all capital projects. The ranking criteria will give greatest weight to those projects that protect the health and safety of its citizens. "Pay-as-you-go" project financing shall be given the highest priority. Capital improvements that must rely upon debt financing shall be accorded a lower priority and projects with a useful life of less than ten years shall not be eligible for inclusion in bond issues except in extraordinary circumstances.
 - C. Lease-purchase financing shall be undertaken only when the project is considered essential to the efficient operation of the Town or to remove expenditures that would exceed the State-imposed expenditure limitation. The Town Manager or authorized designee shall be responsible for ensuring that "pay-as-you-go" expenditures do not cause the State-imposed expenditure limitation to be exceeded in any fiscal year.
 - D. All capital project requests will be accompanied by a description of the sources of funding to cover project costs. Where borrowing is recommended, a dedicated source of funds to cover debt service requirements must be identified. All capital project requests will be required to identify any impact the project may have on future operating costs of the Town. The Town will seek grants to finance capital improvements and will favor those projects that are likely to receive grant money.
 - E. All capital project appropriations and amendments to the capital improvement plan must be approved by the Town Council.
 - F. The capital plan will include all equipment and facilities with a useful life of greater than ten years and a cost greater than \$50,000. Debt financing shall not exceed the useful life of the infrastructure improvement or asset.
 - G. The following steps shall be used to prepare the Capital Improvement Program ("CIP"):
 - (1) Establish Capital Improvement policies, including:
 - (a) Time period the CIP will cover.
 - (b) Facilities/equipment that will be included in the CIP.
 - (c) How acquisition of multiple items (e.g., computers) will be treated.
 - (d) Identification of projects that are expected to be undertaken, but fall outside the time horizon of the plan.
 - (2) Adopt standards to rank project requests.
 - (a) Projects that address a public health or safety concern are given top priority.



- (b) Projects mandated by a court of competent jurisdiction or a government with authority over the Town are equal with public health or safety.
 - (c) Major maintenance (preservation of assets).
 - (d) Replacement of obsolete equipment (improving efficiency).
 - (e) Expansion to meet demand caused by growth.
 - (f) Coordination of projects to achieve cost savings.
 - (g) Availability of cash to finance improvements from current revenues.
 - (h) Acquisition of open space.
- (3) Perform and maintain a capital inventory and identify useful life.
- (4) Identify projects.
- (a) Status review of previously approved projects.
 - (b) Identification of new projects.
 - (c) Assess capital project alternatives.
 - (d) Complete project request forms.
- (5) Assess funding sources.
- (a) Available grants.
 - (b) Development fees shall be utilized to fund capital projects before "pay-as-you-go" and bond issuance financing.
 - (c) Developer contributions.
 - (d) Private contributions.
 - (e) Issuance of securities.
 - (f) Capital leases.
- (6) Approve the CIP and Budget.
- (a) Town Council review.
 - (b) Public hearing.
 - (c) Adoption of the CIP and capital budget.



All capital project requests will be accompanied by a description of the sources of funding to cover project costs. Where borrowing is recommended, the source of funds to cover debt service requirements must be identified. All capital project requests will be required to identify any impact the project may have on future operating costs of the Town.

Department Directors will submit detailed descriptions of the useful life of capital projects submitted in conjunction with the preparation of the Town's CIP. The Town Manager shall incorporate an estimate of the useful life of proposed capital improvements in developing an amortization schedule for each bond issue. If a short-lived asset or project (less than ten years) is included in a bond issue then the bond amortization schedule shall be adjusted to reflect the asset's rapid depreciation. At no time shall the amortization exceed the life of the asset.

9.3 Financing Alternatives.

- A. Financing alternatives include, but are not limited to:
- (1) Grants.
 - (2) Developer Contributions.
 - (3) General Obligation ("GO") Bond – requires voter approval, supported by an ad valorem (property) tax.
 - (4) Revenue Bonds – repaid with dedicated revenue source (HURF, revenue generated by project).
 - (5) Municipal Property Corporation ("MPC") Bonds – repaid with a dedicated revenue source.
 - (6) Community Facilities District ("CFD") or Special District Bonds – supported by an ad valorem property tax, revenues of the district or assessments of the cost of public infrastructure or enhanced municipal services.
 - (7) Capital Leases – repaid within operating budget.
 - (8) Commercial Paper (CP) or Bond Anticipation Notes (BAN) with terms less than two years.
- B. Town debt service costs (GO Bonds, Revenue Bonds, MPC Bonds, Leases) shall not exceed 20% of the Town's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District, CFD and Special District debt service is not included in this calculation because it is paid by district property owners and is not an obligation of the general citizenry. Separate criteria for CFDs have been established and included within the Town's CFD policy.
- C. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
- D. Where applicable, the Town will structure GO bond issues to create level debt service payments over the life of the issue. The goal will be



to strive for a debt repayment schedule to be no more than 15 years; at no time will the debt exceed 25 years.

- E. Refunding bonds will be measured against a standard of the net present value debt service savings exceeding 3% of the principal amount of the bonds being refunded, or if savings exceed \$750,000, or for the purposes of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town. Refinancings undertaken for other reasons should proceed only when the advantages have been clearly shown in a cost/benefit analysis of the transaction.
- F. The Town will seek to maintain and, if possible, improve the current bond rating in order to minimize borrowing costs and preserve access to credit.
- G. An analysis showing how a new issue combined with current debt impacts the Town's debt capacity and conformance with Town debt policies will accompany every future bond issue proposal. The debt capacity analysis should reflect a positive trend and include:
 - (1) Percent of debt outstanding as a percent of the legal debt limit.
 - (2) Measures of the tax and revenue base.
 - (3) Evaluation of trends relating to expenditures and fund balance.
 - (4) Debt service as a percentage of assessed valuation.
 - (5) Measures of debt burden on the community.
 - (6) Tax-exempt market factors affecting interest costs.
 - (7) Debt ratios.
- H. MPC and contractual debt, which is non-voter approved, will be utilized only when a dedicated revenue source (e.g., excise taxes) can be identified to pay debt service expenses. The project to be financed will generate net positive revenues (i.e., the additional revenues generated by the project will be greater than the debt service requirements).
- I. The Town's privilege/excise tax to debt service goal will be a ratio of at least 2.5:1 to ensure the Town's ability to pay for long-term debt from this elastic revenue source.

9.4 Issuance of Obligations.

- A. The Town shall select the underwriter and the paying agent/registrar for each debt issuance based on competitive bid. The underwriter must be a firm with an office in the Phoenix area and a record of prior working relationships.
- B. The request for proposals process will be designed to select the service providers that offer the Town the best combination of expertise



and price. The Town is not required to select the firm offering the lowest price, but a report must be prepared by the Town Manager providing justification to the Town Council for a recommendation when other than the lowest bidder is chosen. The review of all proposals submitted shall be the responsibility of the Town Manager.

- C. The Town will sell bonds through public sale, online bidding process or an accelerated bidding process unless the Town Council authorizes the bond to be sold by negotiated sale or private placement.
- D. The Town Manager or designee and Town Attorney will coordinate their activities to ensure that all securities are issued in the most efficient and cost-effective manner and in compliance with the governing statutes and regulations. The Town Manager and the Town Attorney shall consult and jointly select the bond counsel for a bond issue.
- E. The Town Manager or authorized designee will seek a rating on all new issues which are being sold in the public market if economically feasible.
- F. The Town will report all financial information on an annual basis and notices of listed events in a timely manner, not in excess of ten business days after the occurrence of event, to the rating agencies and the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) system. The annual report will include but not be limited to the Town's annual Comprehensive Annual Financial Report (CAFR) and other items specified in the Town's continuing disclosure undertakings.
- G. Any institution or individual investing monies as an agent for the Town shall do so in a manner consistent and in compliance with the Town's adopted Investment Policy.
- H. The Town Manager or authorized designee will provide detailed draw schedules for any project to be funded with borrowed monies. The Town will invest the proceeds or direct a trustee to invest the proceeds of all borrowings in a manner that will ensure the availability of funds as described in the draw schedules.
- I. The Town acknowledges the responsibilities of the underwriting community and pledges to make all reasonable efforts to assist underwriters in their efforts to comply with Securities and Exchange Commission Rule 15c2-12 and MSRB Rule G-36. The Town will follow its adopted issuance and post-issuance compliance procedures relating to its tax-exempt financings.

X. INVESTMENT/CASH MANAGEMENT POLICY

It is the intent of this investment/cash management policy (the "Investment Policy") that idle public funds (i.e., uninvested funds) will be invested in a manner that maintains safety of principal, maintains liquidity to meet cash flow needs, provides competitive investment returns and conforms to all state statutes governing the investment of public funds (the "Investment Portfolio"). The purpose of these investment guidelines is to formalize the framework for the Town's daily investment activities.



10.1 Scope. This Investment Policy shall be administered in a manner that follows Arizona Revised Statutes Title 35, Chapter 2, Article 2.1, as amended and other investment guidelines mandated by statute and is limited in its application to funds that are not immediately needed and are available for investment, including any and/or all districts, component units, etc., of the Town. These funds are accounted for in the Town's Comprehensive Annual Financial Report ("CAFR") and may include:

- A. The General Fund;
- B. Highway User Revenue Fund;
- C. Excise Tax Funds;
- D. Special Revenue Funds;
- E. Debt Service Funds;
- F. Capital Project Funds
- G. Development Fees Funds;
- H. Internal Service Funds; and
- I. Any new fund/component unit created unless specifically exempted.

Except for cash in certain restricted funds, the Town will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

10.2 Prudence. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by any firm or individual given responsibility as Investment Officer shall be the "prudent person" standard and shall be applied in the context of a professional investment official managing an overall portfolio or account in a manner that aims to accomplish the objectives set forth in these policies. Investment Officers acting in accordance with the Town's written procedures and this Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

10.3 Objectives. In priority order, the primary objectives of Town investment activities are:

- A. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Town shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio. To attain this objective, the Town will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.

- B. **Liquidity:** The Town Investment Portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements that might be reasonably anticipated. Liquidity will be achieved by matching investment maturities with forecasted cash flow funding requirements, by investing in securities with active secondary markets and by diversification of maturities and call dates. Furthermore, since all possible cash demands cannot be anticipated, a portion of the portfolio may also be placed in savings accounts, Certificates of Deposit ("CDs") or local government investment pools that offer same day liquidity for short-term funds.
- C. **Yield (Return on Investments):** The Town Investment Portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints of safety and liquidity needs and the cash flow characteristics of the portfolio.

Return shall be subordinated to safety and liquidity. The core of investments is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity, with the following exceptions:

- (1) A security with declining credit may be sold early to minimize loss of principal;
- (2) A security swap would improve the quality, yield or target duration in the portfolio;
- (3) Liquidity needs of the portfolio require that the security be sold; and
- (4) If market conditions present an opportunity for the Town to benefit from the sale.

- D. **Risk of Loss:** All participants in the investment process will seek to act responsibly and prudently as custodians of the public trust. Investment Officers will avoid any transactions that they reasonably believe might impair public confidence in the Town's ability to govern effectively. The Town Council recognizes that in a diversified portfolio, occasional measured losses due to market volatility are inevitable, and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

10.4 **Investment Strategy.** The Town intends to pursue a portfolio management philosophy that includes passive management; passive management means that the financial markets will be monitored by Investment Officers and investments will be purchased and sold based on the Town's parameters for safety and liquidity and based on market conditions. All marketable securities purchased by the Town shall have active secondary markets, unless a specific cash outflow is being matched with an investment that will be held to maturity to meet that obligation. Securities may be purchased as a new issue or in the secondary markets. Securities may be sold as provided in Section 4.3. Securities may be purchased with the intent from the beginning to sell them prior to maturity or with the expectation that the security would likely be called prior to



maturity under the analyzed market scenario. The portfolio will be structured to benefit from anticipated market conditions and to achieve a reasonable return. Relative value between asset groups shall be analyzed and pursued as part of the investment program within the restrictions set forth by this Investment Policy. Diversification by market sector and security types, as well as maturity will be used to protect the Town from credit and market risk in order to meet liquidity requirements. Market and credit risk shall be minimized by diversification and are defined below:

- A. **Credit Risk:** The Town will seek to mitigate credit risk, which is defined as the risk of loss due to failure of the security issuer or backer. Mitigating credit risk is to be accomplished by carefully managing the allocation of funds to non-government or insured sectors. The Finance Director will monitor the credit holdings on a continuous basis to ensure they remain appropriate to hold.

- B. **Interest Rate Risk:** The Town will seek to mitigate interest rate risk, which is defined as the risk that the market value of securities held in the portfolio will decline due to increases in market interest rates subsequent to their purchase. This mitigation will be accomplished by:
 - (1) Structuring the Investment Portfolio so that securities mature concurrent with the anticipated cash requirements for ongoing operations, thereby avoiding, as much as possible, the need to sell securities into an adverse market environment prior to maturity;
 - (2) Investing funds primarily in shorter-term securities or similar investment pools and limiting the average maturity of the portfolio in accordance with the needs of the Town; and
 - (3) With respect to any firm or individual given responsibility for investments, utilizing external research and advice regarding the current interest rate outlook and global economic condition to optimize portfolio duration strategy.

- C. **Market Rate Risk:** The Town will seek to mitigate market rate risk, which is defined as the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. This mitigation will be accomplished by:
 - (1) Providing adequate liquidity for short-term cash needs; and
 - (2) Making longer-term investments only with funds that are not needed for current cash flow purposes.

10.5 Responsibility and Control.

- A. **Delegation of Authority:** Authority to manage the Town investment program is derived from the ARIZ. REV. STAT. §§ 35-323 - 328. Management responsibility for the investment program is hereby delegated to the Finance Director. The Finance Director shall be primarily responsible for ensuring the Investment Portfolio is invested according to this Investment Policy. In carrying out these duties, the Finance Director may



delegate certain tasks to others (each an "Investment Officer") whose skill and experience are appropriate to the delegation. The term "Investment Officer" includes the Finance Director (until a particular task is delegated) and the "Investment Advisor," as defined below and as described in Section 10.5. A list of Town personnel eligible for delegation as Investment Officer is attached to this Investment Policy in Appendix A.

- B. **Establishment of Procedures:** The Finance Director shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Investment Policy and the procedures established by the Finance Director.
- C. **Management Responsibilities:** No person shall engage in an investment transaction except as provided under the terms of Investment Policy, the procedures established by the Finance Director, or designee, and verbal or written authorization by the Finance Director to withdraw, transfer, deposit and invest the Town's funds. The Finance Director shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of Investment Officers. The Finance Director has the authority to manage internally or to delegate the management of the investment program to an investment advisor engaged by the Town (the "Investment Advisor"). The Finance Director is responsible for:
- (1) Reporting Investment Portfolio performance to Town Manager;
 - (2) Evaluating the performance of the externally-managed portfolio;
 - (3) Monitoring Investment Advisor's compliance with this Investment Policy;
 - (4) Conveying the investment needs of the Town to the Investment Advisor; and
 - (5) Developing investment strategy with the Investment Advisor.
- D. **Ethics and Conflicts of Interest:** All persons involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and Investment Officers shall disclose to the Town Manager any material financial interests in financial institutions that conduct business within the Town, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the Town, particularly with regard to the time of purchases and sales. This Investment Policy expressly incorporates the provisions of ARIZ. REV. STAT. Title 38, Chapter 3, Article 8.



- E. Disclosure: Investment Officers and employees shall disclose to the Town Manger any material financial interest in financial institutions that conduct business with the Town. Investment Officers and employees shall further disclose any material personal investment positions that could be related to the performance of the Town’s Investment Portfolio. Investment Officers and employees shall subordinate their personal investment transaction to those of this jurisdiction, particularly with regard to the timing of purchases and sales. An Investment Officer who is related within the second degree by affinity or consanguinity to individuals seeking to sell an investment to the Town shall file a statement with the Town Manager and the Finance Director disclosing that relationship.
- F. Investment Training: Investment Officers shall have a finance, accounting or related degree and knowledge of treasury functions and the State of Arizona laws governing public money management and investments.

10.6 Authorized Financial Dealers and Institutions. The Finance Director will maintain a list of qualified persons or firms authorized to provide investment services that have been publicly procured. In addition, a list will also be maintained of the State pool of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services. The Town shall qualify persons or firms by applying generally accepted industry standards (i.e., capital requirements, asset quality, earnings, liquidity, management and local community development) using available public agency and private rating services as appropriate. Investment transactions shall only be conducted with financial institutions that are licensed as may be required by law to do business in Arizona. Primary government securities dealers, or broker-dealers engaged in the business of selling government securities shall be registered in compliance with section 15 or 15C of the Securities Exchange Act of 1934 and registered pursuant to ARIZ. REV. STAT. § 44-3151, as amended. It shall be the responsibility of the financial institutions and broker/dealers who desire to become qualified bidders for investment transactions to provide the following:

- i. Audited financial statements within six months of the close of the fiscal year
- ii. Proof of Financial Industry Regulatory Authority (FINRA) certification, and trading resolution;
- iii. Proof of State registration; and
- iv. Certification of having read this Investment Policy and the Town’s depository contracts.

An eligible listing of broker/dealers shall be established for the purchase and sale of investment securities; a new list of approved broker/dealers will be established as needed. External managers may also use their own lists of internally-approved broker-dealers, but only after any such list has been approved by the Town Manager and Finance Director. A periodic review of the financial condition and registrations of qualified companies will be conducted by the Finance Director and the Town Manager.



- A. Selection of Depository, Financial Institutions and Broker/Dealers: Depositories shall be selected through the Town's procurement process, with a typical contract being for two years with an option to extend the contract for three additional one year terms. In selecting depositories, the creditworthiness of institutions shall be considered, and the Finance Director shall conduct a comprehensive review of the prospective depositories' credit characteristics and financial history. No public deposit shall be made except in an eligible public depository as established by state depository laws. The depository bank bid will not include bids for investment rates on certificates of deposit.

Certificate of deposit rates will be evaluated competitively between qualified financial institutions in accordance with the manner in which all other types of investment assets are purchased. The Investment Officer may accept bids for certificates of deposit and for all marketable securities either orally, in writing, electronically, or in any combination of these methods. The Investment Officer will strive to receive three price quotes on marketable securities being sold, but may allow one broker/dealer to sell at a predetermined price under certain market conditions. Investments purchased shall be shopped competitively between approved financial institution and broker/dealers.

- B. Insurability: Banks, financial institutions, individuals and firms seeking to establish eligibility for the Town's certificates of deposit purchase program, shall submit financial statements, evidence of federal insurance and other information as required by the Investment Officers.

10.7 Portfolio and Investment Asset Parameters.

- A. Pricing: Market price for investments acquired for the Town's Investment Portfolio shall be priced using independent pricing sources and market value shall be monitored at least annually.
- B. Eligible Investments: The Town's eligible investments are governed by ARIZ. REV. STAT. § 35-323 *et seq.* Furthermore, those investments not identified in ARIZ. REV. STAT. § 35-323 *et seq.* are considered to be ineligible. For the eligible investments, the following limitations apply:
- (1) Investments in insured or collateralized CDs in eligible depositories shall not exceed 30% of the portfolio.
 - (2) Investments in Certificate of Deposit Account Registry Services shall not exceed 20% of the portfolio.
 - (3) Bonds, notes or other evidences of indebtedness of the State or any of its counties, incorporated cities or towns, school districts or special taxing districts, including registered warrants that bear interest pursuant to ARIZ. REV. STAT. § 11-635, shall not exceed 10% of the portfolio.
 - (4) Bonds, notes or evidences of indebtedness of any county, municipal district, municipal utility or special taxing district of any state that are payable from revenues, earnings or a special tax specifically pledged for the payment of the principal and inter-



est on the obligations, and for the payment of which a lawful sinking fund or reserve fund has been established and is being maintained shall not exceed 10% of the portfolio.

- (5) Bonds, notes or evidences of indebtedness issued by any county improvement district or municipal improvement district of any state to finance local improvements authorized by law, if the principal and interest of the obligations are payable from assessments on real property within the improvement district shall not exceed 10% of the portfolio.
- (6) Commercial paper of prime quality shall not exceed 30% of the portfolio.
- (7) Bonds, debentures, notes or other evidences of indebtedness shall not exceed 30% of the portfolio.
- (8) Negotiable or brokered certificates of deposit issued by a nationally or state chartered bank or savings and loan association shall not exceed 30% of the portfolio.

Bond proceeds shall be invested by the Finance Director (or the Investment Officer, if such duties have been delegated) pursuant to applicable laws, relevant bond indenture requirements and relevant tenets of this Investment Policy.

Proceeds from tax-exempt bonds shall be invested, recorded, and reported in the manner set forth by the United States ("U.S.") Treasury and Internal Revenue Service to preserve the tax-exempt status of the bonds. The Town's Finance Department will maintain systems to ensure that these requirements are met. Funds set aside to defease Town debt in conjunction with an escrow agreement will be invested in accordance with State law and appropriate bond documents and as the trustee bank holding such funds deems necessary.

- C. Prohibited Investments: Regardless of sector, no more than 5% of the portfolio may be invested in any one issuer (excluding obligations issued or guaranteed by the U.S. or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities). In addition to the limitations on investment types according to ARIZ. REV. STAT. § 35-323 *et seq.*, Town funds will not be invested in any of the following:
- (1) reverse repurchase agreement
 - (2) callable agencies
 - (3) derivative type investments such as collateralized mortgage obligations, strips, floaters, etc.
 - (4) futures, contractual swaps, options
 - (5) inverse floaters

- (6) interest only securities
 - (7) forward contracts
 - (8) interest bearing securities that have a possibility of not accruing current income
 - (9) closed end management type companies
 - (10) securities whose yield/market value is based on currency, commodity, or non-interest indices
 - (11) bearer-form securities
- D. Downgraded Credit Ratings: If the credit rating of a security is subsequently downgraded below the minimum rating level specified in this Investment Policy, the Finance Director shall evaluate the downgrade on a case-by-case basis in order to determine if the security should be held or sold. The Finance Director will apply the general objectives of safety, liquidity, yield, and legality to make the decision.
- 10.8 Collateralization. Where allowed by State law, full collateralization is required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit. The State requires all depositories holding public funds participate in the State managed pooled collateral program. The State will monitor collateral for public funds to ensure the proper level of collateral is maintained by participant depositories. The Finance Director will check to ensure that any depository it utilizes is a State collateral pool participant. In the event that the Town enters into a repurchase agreement, it shall require collateralization at 102% and accept only the following insurance and securities as collateral:
- A. FDIC insurance coverage.
 - B. Obligations of the U.S., its agencies and instrumentalities, including agency and instrumentality issued mortgage backed collateral if directly guaranteed by the U.S.
 - C. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State, the U.S. or its agencies and instrumentalities.
 - D. Obligations of states, agencies thereof, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a NRSRO and having received a rating of no less than "A" or its equivalent.
- 10.9 Safekeeping and Custody. All security transactions including collateral for repurchase agreements, entered into by the Town or its agents/trustees shall be conducted on a delivery-versus-payment ("DVP") basis. That is, funds shall not be wired or paid until verification has been made that the safekeeping bank received the correct security. The safekeeping, or custody, bank is responsible for matching instructions from the Town's Investment Officers on an investment settlement, with what is wired from the broker/dealer, prior to releasing



the Town's designated funds for a given purchase. The security shall be held in the name of the Town, or held on behalf of the Town, in a bank nominee name. A third party custodian designated by the Finance Director and evidenced by safekeeping receipts will hold securities. The safekeeping bank's records shall assure the notation of the Town's ownership of, or explicit claim on, the securities. The original copy of all safekeeping receipts shall be delivered to the Town. Securities shall be held by a custodian designated by the Town Manager and evidenced by safekeeping receipts.

10.10 Internal Control. The Town Manager shall establish an annual process of independent review as part of the external audit. This review will provide internal control by assuring compliance with policies and procedures. The Investment Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft, or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

- A. Control of collusion: Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- B. Separation of transaction authority from accounting and record keeping: By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
- C. Custodial safekeeping: Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party of custodial safekeeping.
- D. Avoidance of physical delivery securities: Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- E. Clear delegation of authority to staff members: Staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
- F. Written confirmation of transactions for investments and wire transfers: Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via facsimile if on letterhead and if the safekeeping institution has a list of authorized signatures.

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- G. Development of a wire transfer agreement with the lead bank and third-party custodian: The Finance Director should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.
- 10.11 Reporting. The Town Manager, or designee, is charged with the responsibility of providing quarterly reports on investment activity and returns. The report shall summarize investment transactions that occurred during the reporting period, and shall include, at a minimum:
- A. Asset listing showing par value, cost and market value of each security, type of investment, issuer and interest rate;
 - B. Average maturity of the portfolio;
 - C. Maturity distribution of the portfolio;
 - D. Average portfolio credit quality;
 - E. Distribution by type of investment.
- 10.12 Investment Policy Adoption. This Investment Policy shall be adopted by resolution of the Town Council. The Investment Policy shall be reviewed at least once every five years by the Finance Director and Town Manager and any modifications made hereto must be approved by the Town Council.
- 10.13 Certification. A copy of this Investment Policy will be provided upon request to the senior management of any financial institution that is approved to transact business with the Town in order that it is apprised of the policies of the Town. The certification must be signed and executed by a senior member of the financial institution before any business is conducted.



GLOSSARY

AGENCY: A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BASIS POINT: A unit of measurement used in the valuation of fixed-income securities equal to 1/100 of 1 percent of yield (e.g., "1/4" of 1 percent is equal to 25 basis points).

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for commission.

CERTIFICATE OF DEPOSIT (CDs): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SERVICES (CDARS): A network of financial institutions offering CDs that diversify large deposits between banks at FDIC limits.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the Town. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g., U.S. Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal Government set up to supply credit to various classes of institutions and individuals, e.g., S&L's small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FARM CREDIT BUREAU (FFCB): Debt securities issued by banks of the Farm Credit System, a leading provider of loans, leases, and services to rural communities and U.S. agriculture.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the U.S. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.



FEDERAL RESERVE SYSTEM: The central bank of the U.S. created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FINANCIAL REGULATORY INDUSTRY AUTHORITY: A regulatory body created after the merger of the National Association of Securities Dealers and the New York Stock Exchange's regulation committee. The Financial Industry Regulatory Authority is responsible for governing business between brokers, dealers and the investing public. By consolidating these two regulators, FINRA aims to eliminate regulatory overlap and cost inefficiencies.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHM mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

GOVERNMENT SPONSORED ENTERPRISE AGENCIES (GSE): U.S. Government Agencies, Government Sponsored Enterprises (GSEs), Corporations or Instrumentalities of the US Government – Federal Instrumentality Securities include, but are not limited to, Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and the Federal Farm Credit Bureau (FFCB).

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met.

INVESTMENT ADVISOR: An independent person or group of people that makes investment recommendations or conducts securities analysis for a fee.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (i.e., bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include SEC-registered securities broker-dealer, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state - the so-called legal list. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital (see ARIZ. REV. STAT. §§ 14-10902 and 14-10906).

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensation use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RAINY DAY FUND: Designed to set revenue aside during times of above-trend economic growth and to utilize this revenue during times of below-trend growth. A Rainy Day Fund can be used to balance the budget which is the intended purpose.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, which is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.



SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION (SEC): Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SIFMA: Securities Industry and Financial Markets Association.

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period: (Price Appreciation) + (Dividends paid) + (Capital Gains) = Total Return.

U.S. TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

U.S. TREASURY BONDS: Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

U.S. TREASURY NOTES: Intermediate U.S. government debt securities with maturities of 1 to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

U.S. TREASURY OBLIGATION: Direct obligations of the U.S. Treasury whose payment is guaranteed by the U.S.

YIELD: The current rate of return on an investment security generally expressed as a percentage of the security's current price.

Appendix A

Authorized Investment Officers:

- PFM Asset Management LLC
Attn: Paulina Woo
1820 East Ray Road
Chandler, Arizona 85225
- Town Manager
- Town Accountant (limited in ministerial acts only)
- Town Clerk (limited in ministerial acts only)



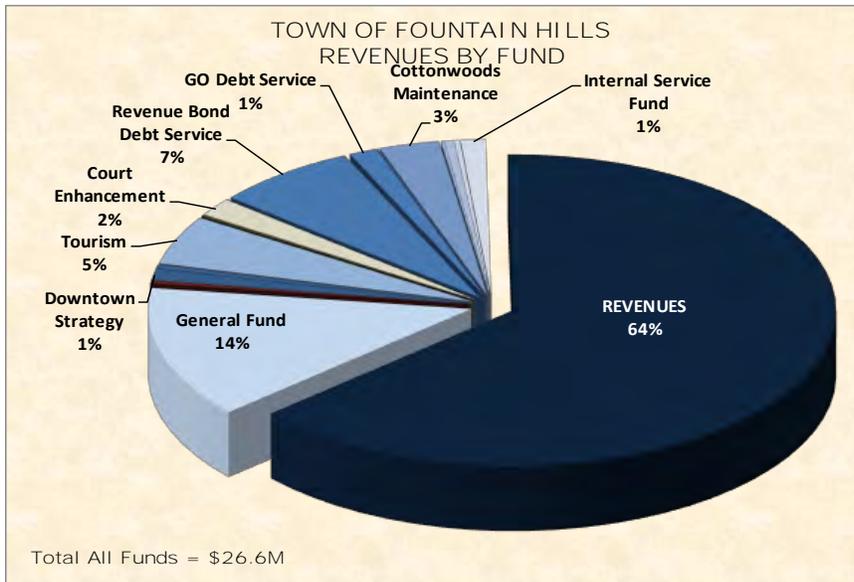


Budget Highlights

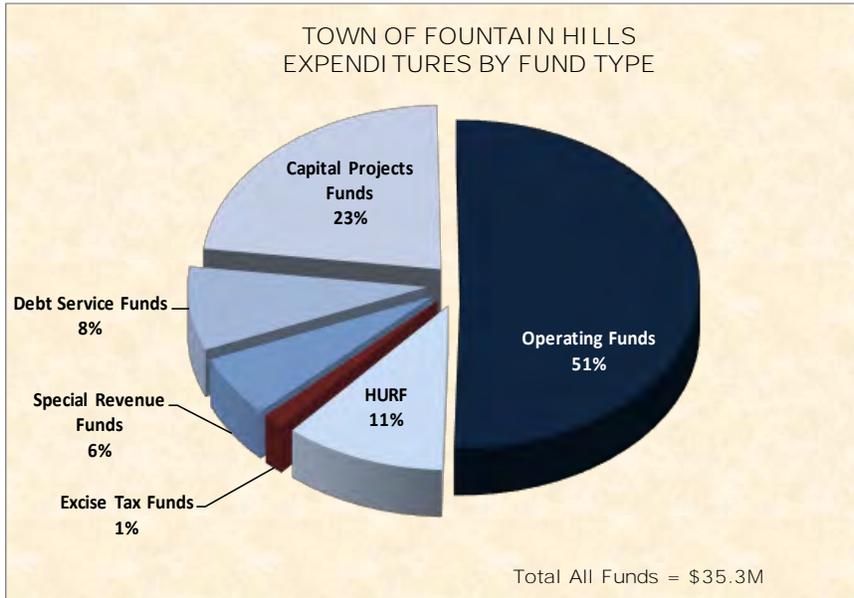


Budget Introduction

In FY09-10, the Town introduced program budgeting. Program budgeting is a method of budgeting expenditures to meet programmatic objectives rather than budgeting on a line-item basis. In program budgeting, specific performance objectives or outcomes are defined and the costs to produce those outcomes are enumerated in the budget. In FY16-17, although the budget document continues with Department level, Division level and Program level budgets, many programs were combined for more efficient managing and reporting purposes. There were also two new Departments created. The new General Government Department was created for all non-departmental, Town-wide items and the Public Works Department was created out of the Development Services Department to oversee the Streets and Facilities Divisions, as well as the Outside Inspections program that was previously reported under Engineering. For a summary of all Town programs, please see pages 127-129.



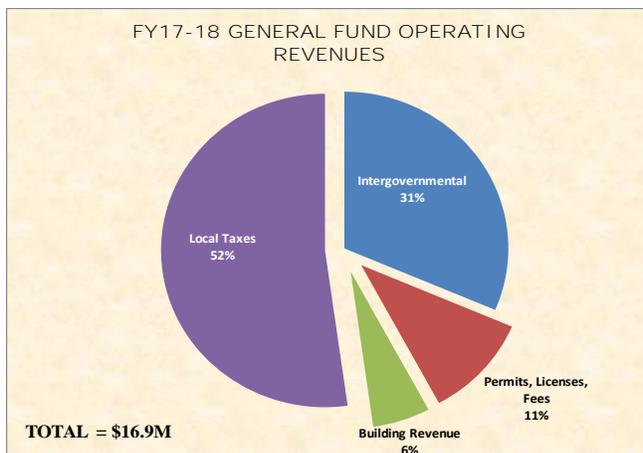
The proposed budget is based on revenue projections that are conservative and based on the expectation that the local and national economy will continue at its existing pace of moderate growth in revenues next fiscal year. Revenues for all funds are \$26.6M (excluding reserves) with expenditures of \$35.3M (excluding transfers) with some funds utilizing reserves for projects.



It should be noted that the State shared sources of revenue are very sensitive to the fluctuations of the economy as well as to annual legislative appropriations. Additionally, these revenues are distributed to cities and towns based on each municipality's population compared to that of the entire State. Some municipalities have abundant available land for expansion and will continue to grow in population, while others, like Fountain Hills, have fixed borders and limited population growth. Over time, Fountain Hills will, therefore, represent a smaller and smaller percentage of the total and will be allocated a smaller percentage of State shared revenues. Past efforts to diversify the Town's revenue sources by asking the voters to approve a primary property tax have been unsuccessful which has necessitated reductions in force while maintaining the existing level of service. During FY15-16, seven cities and towns had a mid-decade census done in order to capture a bigger portion of State shared revenues, which in turn, has had a negative impact on the Town's portion.

General Fund Budget Overview

The General Fund supports core services and is the largest fund with the greatest potential for revenue fluctuations. Revenues from taxes, State shared revenues, license and permit fees, and charges for services provide the major resources to fund programs and services delivered by the Town.



Almost 83% of the Town's General Fund resources are derived from the local sales tax and State shared revenues.

In FY08-09, the Town received \$14.8M in General Fund revenues but dropped over \$2M by FY12 to \$12.6M. The economic recovery saw a return to a revenue stream of \$16.0M. The drop in FY13-14 reflects the reallocation of the Vehicle License Tax revenue (historically available for General Fund expenditures) to the Highway User Revenue Fund (HURF) for pavement management.



The economic recession forced the Town to focus on the delivery of core services, defined by the Town Council as:

- Public Safety – Fire/Emergency Medical, Law Enforcement
- Administration – Economic Development, Finance, Administrative Services, Information Technology, Town Manager, Town Clerk, General Government, and Judicial
- Public Works - Streets, Stormwater/Environmental Services, Facilities
- Development Services – Building Safety, Engineering, Planning, Code Enforcement, Mapping & Graphics
- Community Services – Parks, Recreation, Senior Services, Community Center, Tourism, Open Space and Trails

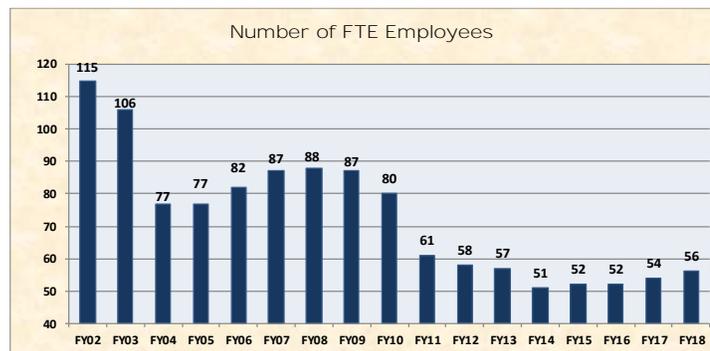
In FY14-15 , the Town Council directed staff to develop a new program for funding maintenance capital – those projects that are necessary to maintain the Town’s infrastructure but are not considered a capital improvement program (i.e., under the \$50,000 threshold for capital). In FY15-16, the Town had a Capital Reserve Study performed to identify those items. During the upcoming year, a transfer of General Fund reserves in the amount of \$500,000 is proposed into the Facilities Replacement Fund to help cover some of those projects.

Following is a brief summary of what is included in the proposed General Fund budget for FY17-18:

Salaries and Benefits - For FY17-18, additional staffing is proposed, totaling 2.00 FTEs; a part-time civil plans examiner and a part-time permit technician, both positions in Development Services and an economic development analyst in Administration. Most Town employees’ salaries and benefits are funded through the General Fund; salaries normally include overtime, sick leave, vacation and a set aside for merit increases. Staff is proposing a cost of living increase based on an updated market analysis with a 2.5% adjustment being proposed for FY17-18. The market analysis will result in a 5% adjustment to pay ranges (see pay plan on page 438). Because local governments are primarily a service industry, salaries and benefits comprise a major portion of expenditures. For Fountain Hills, salaries and benefits represent 21% of the proposed General Fund budget in FY17-18 and 12% of the total budget.

Employee benefits include health, vision and dental insurance, employer taxes, disability, workers’ compensation insurance, and employer match of retirement contributions. The Town does not provide a defined benefit pension plan for employees but rather matches employee contributions into a 401(a) account maintained by the International City/County Managers Association (ICMA).

The chart on the right shows that the number of Town employees is only slightly higher than at the lowest level in over seventeen years while the level of service to the citizens has remained constant.



Contractual Services - The Town contracts with outside professionals for a number of services which represents 32% of the total budget (57% of the General Fund). Two major contracts included in this category are:

1. Fire protection and emergency medical services (\$3,508,054), currently under contract with Rural/Metro Corporation – 3% increase; and
2. Police protection (\$3,715,447), currently provided through the Maricopa County Sheriff's Office – 2.6% decrease.

These two contracts alone represent 43% of the General Fund budget in FY17-18.

Contractual Services also includes annual landscape maintenance contracts, equipment and vehicle repairs, and facilities maintenance (janitorial, building maintenance, etc.). Maintenance of the Town's 119 acres of parks, Town medians, dams, and washes are provided by independent contractors. These contracts are solicited through a bid process to obtain the most competitive price for the Town. With pavement management a high priority, the Town is placing a priority on infrastructure maintenance that has been deferred (\$1,000,000 in the HURF fund annually).

Maintenance/Utilities - In FY17-18, maintenance/utilities represent 6% of the total General Fund budget. The Town owns nine buildings that require maintenance on HVAC equipment, interior and exterior surfaces, electric and plumbing, fire systems, irrigation, etc. Town staff has been unable to dedicate the resources necessary to maintain the buildings in an optimum condition; consequently future budgets will require increasing amounts of maintenance funding to bring the buildings up to standards.

Supplies and Services - Supplies and Services include operational costs such as insurance, office supplies, etc. for Town Hall and other Town-owned buildings and accounts for 4% of the operating budget. The Town owns the Library, the Museum, the Community Center, two fire stations, a vehicle maintenance facility, and the Kiwanis building, Town Hall, and the Community Center. Other items in this category are postage and travel.

Capital Outlays - Capital outlays include the purchase of furniture and equipment, and the improvement of Town facilities with a cost of at least \$10,000 but less than \$50,000. Expenditures of \$50,000 or more are included in the Capital Improvement Program. The Town began, with the FY10-11 budget, the inclusion of vehicle replacement charges to each department based on replacement cost to be transferred and expended within a Vehicle Replacement Fund.

HURF/Streets Fund Overview

The HURF/Streets Fund is a fund restricted to streets and transportation related purposes. With an operational priority for pavement management, the revenue from Vehicle License Taxes (VLT) will be appropriated within the HURF fund to be used for pavement maintenance (not reconstruction). The available resources in HURF are anticipated at \$3.8M in FY17-18 which includes \$1,013,279 from VLT. Road maintenance has not been adequately funded for several years which has resulted in serious degradation of the Town's 187 miles of arterial and collector streets. The FY17-18 program of work will continue to focus on resolving the long-term fiscal needs for road maintenance.



The HURF/Streets fund provides funding for the following Town programs:

- Streets Department—Administration, including Legal Services
- Adopt-A-Street
- Open Space
- Pavement Management
- Street Signs
- Traffic Signals
- Vehicle Maintenance

Excise Tax Funds Overview

The Excise Tax/Downtown Fund was created in FY00-01 designating .1% of the Town's 2.6% local sales tax to downtown development. Subsequently, on April 18, 2013, the Town Council established an additional fund by splitting the original Excise Tax/Downtown Fund into two separate funds:

- Downtown Strategy Fund (original Excise Tax/Downtown Fund)
- Economic Development Fund

Both funds were funded originally through the dedicated .1% of local sales tax with a 60/40 split—60% of sales tax revenues allocated to the new Economic Development Fund and 40% of sales tax revenues allocated to the Downtown Strategy Fund. The residual fund balance of the Excise Tax/Downtown Fund as of June 30, 2013, was included with any new revenue in the Downtown Strategy Fund to be used towards Town Center infrastructure improvement and development.

The Economic Development Fund, originally, was funded with 60% of the .1% local sales tax to be available for any economic development purpose. The Economic Development budget also included a proposal to create a new fund for Tourism in the amount of \$103,000 as well as implementation of the Economic Development Plan adopted by the Council in March 2013. A resolution (2014-50) was passed on December 4, 2014, changing the allocations to 80% to the Economic Development Fund and 20% to the Downtown Strategy Fund effective January 1, 2015.

Special Revenue Fund Overview

All special revenues (grants, etc.) are received in the Special Revenue Fund. Operating expenses are also recorded in the Special Revenue Fund unless the projects supported are in the Capital Improvement Program or the funds are in support of ongoing Town services. In these cases, funds are transferred from the Special Revenue Fund to either the Capital Projects Fund or the General Fund.

In 2013, with proceeds from a \$60,000 grant from the State lottery funds (LTAF II), the Town contracted with Valley Metro for a study on possible transportation programs in Fountain Hills that will bring visitors and workers into Town. The study was conducted throughout the community to get a wide response as to the transportation needs; as a result, the Town created a Ride Choice program. Grant funds will be used for that program as long as they are available.

Included in the FY17-18 budget is an appropriation in the event that unanticipated grants become available. Other revenues in the Special Revenue Funds are the Court Enhancement Fund, the Environmental Fund, and the Cottonwoods Maintenance District Fund – these funds will be committed/assigned/restricted for specific purpose and not available for general operations.

Debt Service Funds Overview

Total debt service revenues for FY17-18 are budgeted at \$2.9 million including secondary property taxes for voter approved bonds and transfers from the General Fund for the Community Center. Revenues are budgeted higher than expenditures to allow for a delinquency factor in uncollected property tax revenues. The following is a summary of the debt payments for FY17-18:

- | | |
|---|---------------|
| • General Obligation Bonds (property taxes) | \$2.1 million |
| • Municipal Property Corporation (excise taxes) | \$0.4 million |
| • Eagle Mountain Facilities District (property taxes) | \$0.4 million |

Development Fees Fund Overview

With limited funds from development anticipated, there are few capital projects budgeted to be funded from Development Fees in the next fiscal year. However, new legislation required that the Town update the Infrastructure Improvement Plan (IIP) and conduct a revised development fee study prior to August 1, 2014. This study was initiated in FY12-13, completed in FY13-14 and is the basis for new fees. The study was approved and reduced the number of fee categories from five to two:

- Law Enforcement, Streets, and Library/Museum were eliminated
- Fire & Emergency and Parks/Recreation will remain

The fund balances remaining in the eliminated categories are included in the FY17-18 expenditures to be used towards programs or projects that were included in the original IIP.

Capital Projects Fund Overview

The Capital Projects Fund resources are derived from one time construction sales tax (50% of revenues – the other 50% funds operations in the General Fund) as well as bond proceeds or other revenue sources. During the building boom prior to 2008, the Town accumulated approximately \$10M in the Capital Projects Fund and had been cautious about moving forward with projects during the recession.

The following project areas and funding source are programmed for FY17-18 with total expenditures for capital projects budgeted at \$7.0M which include:

- \$3.6M for a new fire station relocation project, funded with CIP reserves
- \$2.3M in park improvements, funded with Development Fees and CIP reserves

The complete list of projects is shown on page 342 and 346.



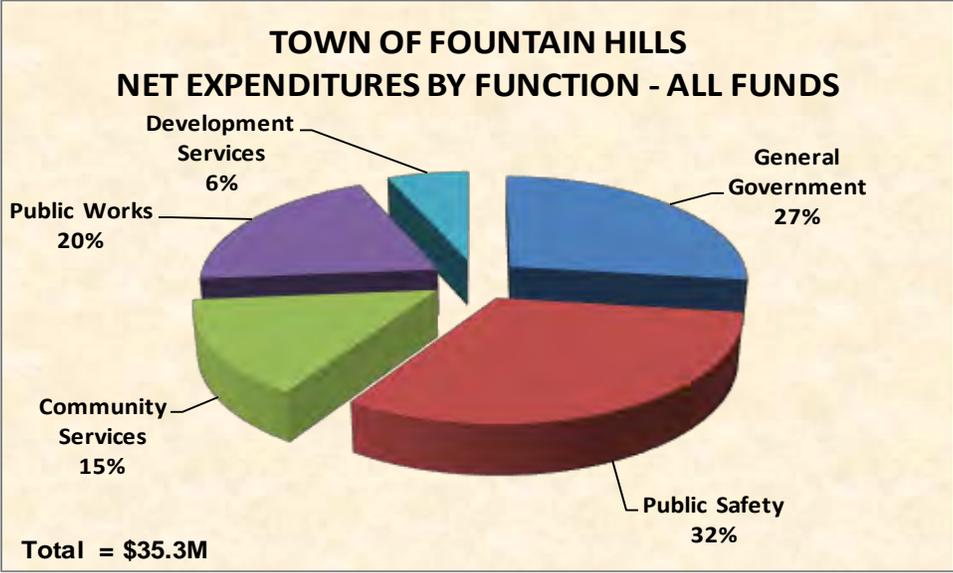
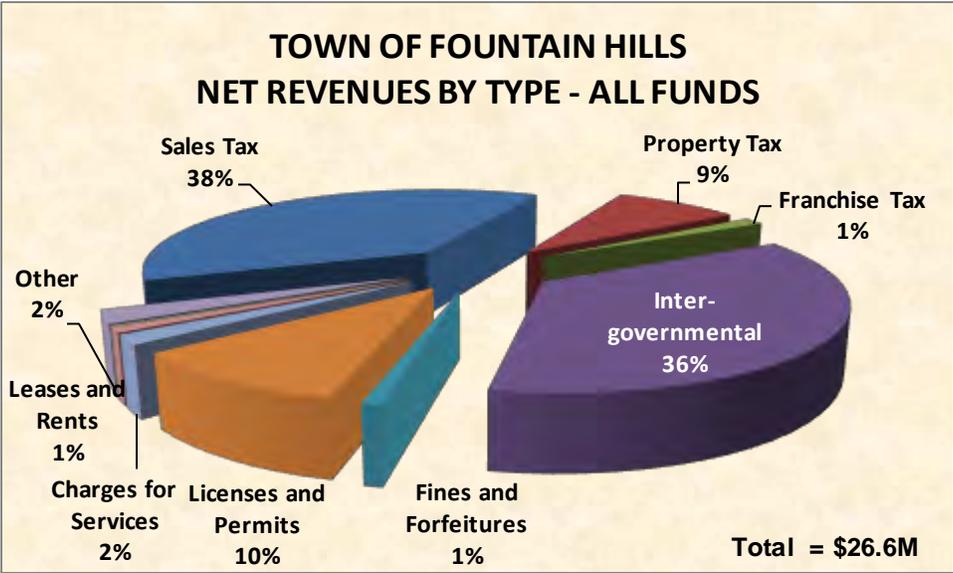
Budget Highlights

FY17-18 Summary of Proposed Budget Revenues and Expenditures - All Funds

| | Operating Funds | Debt Service Funds | Capital Projects Funds | Non-Major Funds | Total |
|----------------------------|----------------------|-----------------------|---------------------------|---------------------|----------------------|
| Revenues: | | | | | |
| Sales Tax | \$ 8,481,288 | \$ - | \$ 368,124 | \$ 1,154,268 | \$ 10,003,680 |
| Property Tax | - | 2,266,440 | - | 5,454 | 2,271,894 |
| Franchise Tax | 360,000 | - | - | - | 360,000 |
| Intergovernmental | 5,321,168 | - | 255,000 | 3,993,773 | 9,569,941 |
| Fines and Forfeitures | 200,000 | - | - | 24,600 | 224,600 |
| Licenses and Permits | 2,089,675 | - | 158,160 | 492,444 | 2,740,279 |
| Charges for Services | 198,724 | - | - | 262,000 | 460,724 |
| Leases and Rents | 235,423 | - | - | - | 235,423 |
| Investment Earnings | 12,980 | 1,680 | 14,004 | 6,384 | 35,048 |
| Other | 448,937 | - | 170,000 | 35,000 | 653,937 |
| Sub total Revenues | 17,348,195 | 2,268,120 | 965,288 | 5,973,923 | 26,555,526 |
| Transfers In | 1,062,500 | 209,838 | 2,577,024 | 548,368 | 4,397,730 |
| Sub total | 18,410,695 | 2,477,958 | 3,542,312 | 6,522,291 | 30,953,256 |
| Use/(Source) of Reserves | 439,071 | 428,944 | 7,653,837 | 226,117 | 8,747,969 |
| Total Revenues | <u>\$ 18,849,766</u> | <u>\$ 2,906,902</u> | <u>\$ 11,196,149</u> | <u>\$ 6,748,408</u> | <u>\$ 39,701,225</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General Government: | | | | | |
| Mayor and Council | \$ 71,849 | \$ - | \$ - | \$ - | \$ 71,849 |
| Administration | 2,342,476 | 2,906,902 | - | - | 5,249,378 |
| General Government | 2,289,758 | - | 171,740 | 1,344,000 | 3,805,498 |
| Municipal Court | 339,913 | - | - | 80,265 | 420,178 |
| Total General Government | <u>5,043,996</u> | <u>2,906,902</u> | <u>171,740</u> | <u>1,424,265</u> | <u>9,546,903</u> |
| Public Safety: | | | | | |
| Fire & Emergency Medical | 3,881,833 | - | 3,561,244 | - | 7,443,077 |
| Law Enforcement | 3,855,626 | - | - | - | 3,855,626 |
| Total Public Service | <u>7,737,459</u> | <u>-</u> | <u>3,561,244</u> | <u>-</u> | <u>11,298,703</u> |
| Community Services | 2,391,496 | - | 2,529,291 | 211,198 | 5,131,985 |
| Public Works | 837,495 | - | 1,706,850 | 4,547,369 | 7,091,714 |
| Development Services | 1,890,482 | - | 50,000 | 293,708 | 2,234,190 |
| Sub total | 17,900,928 | 2,906,902 | 8,019,125 | 6,476,540 | 35,303,495 |
| Transfers Out | 948,838 | - | 3,177,024 | 271,868 | 4,397,730 |
| Total Expenditures | <u>\$ 18,849,766</u> | <u>\$ 2,906,902</u> | <u>\$ 11,196,149</u> | <u>\$ 6,748,408</u> | <u>\$ 39,701,225</u> |

Note: See page 44 for a listing of the funds included in each column.

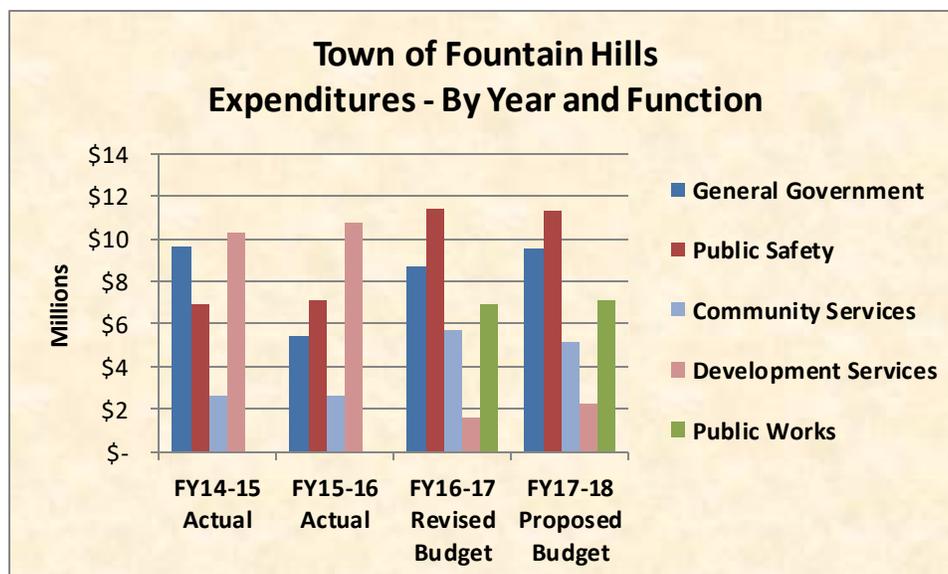
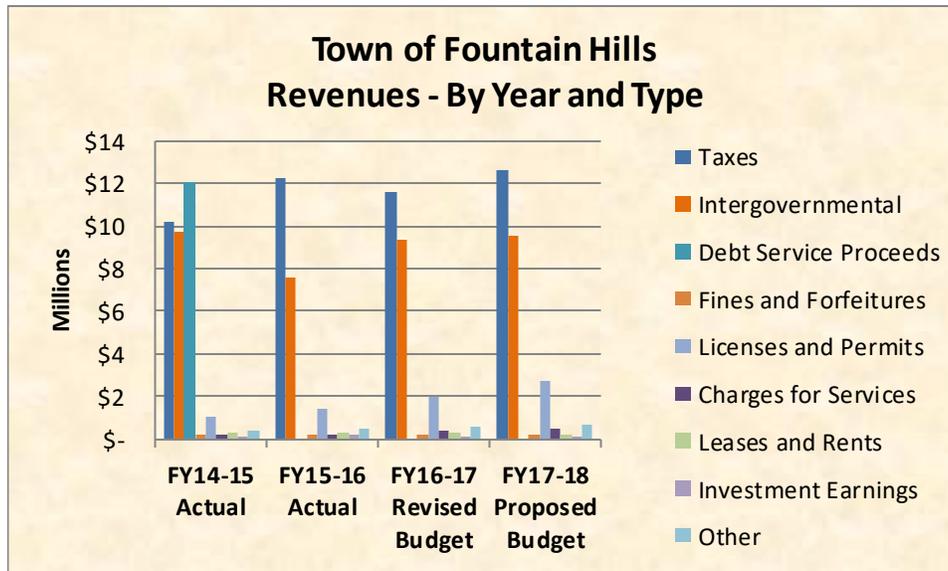




Historical Summary of Revenues and Expenditures - All Funds

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|----------------------|----------------------|------------------------------|-------------------------------|
| Revenues: | | | | |
| Taxes: | | | | |
| Sales Tax | \$ 8,983,050 | \$ 9,391,267 | \$ 9,023,247 | \$ 10,003,680 |
| Property Tax | 904,661 | 2,543,298 | 2,278,564 | 2,271,894 |
| Franchise Tax | 352,673 | 360,319 | 332,418 | 360,000 |
| Intergovernmental | 9,746,473 | 7,559,436 | 9,378,295 | 9,569,941 |
| Debt Service Proceeds | 12,087,086 | - | - | - |
| Fines and Forfeitures | 186,456 | 209,379 | 212,035 | 224,600 |
| Licenses and Permits | 1,043,382 | 1,368,536 | 2,013,346 | 2,740,279 |
| Charges for Services | 176,541 | 186,845 | 416,050 | 460,724 |
| Leases and Rents | 269,754 | 255,024 | 254,691 | 235,423 |
| Investment Earnings | 135,541 | 219,062 | 47,068 | 35,048 |
| Other | 362,785 | 499,160 | 559,637 | 653,937 |
| Sub total Revenues | 34,248,402 | 22,592,326 | 24,515,351 | 26,555,526 |
| Transfers In | 2,782,646 | 562,044 | 6,185,415 | 4,397,730 |
| Sub total | 37,031,048 | 23,154,370 | 30,700,766 | 30,953,256 |
| Use/(Source) of Reserves | (4,756,471) | 3,395,005 | 9,783,427 | 8,747,969 |
| Total Revenues | <u>\$ 32,274,577</u> | <u>\$ 26,549,375</u> | <u>\$ 40,484,193</u> | <u>\$ 39,701,225</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Mayor and Council | \$ 82,680 | \$ 72,094 | \$ 72,545 | \$ 71,849 |
| Administration | 9,276,154 | 5,086,592 | 7,603,161 | 5,249,378 |
| General Government | - | - | 582,364 | 3,805,498 |
| Municipal Court | 298,501 | 304,058 | 409,369 | 420,178 |
| Total General Government | <u>9,657,335</u> | <u>5,462,744</u> | <u>8,667,439</u> | <u>9,546,903</u> |
| Public Safety: | | | | |
| Fire & Emergency Medical | 3,534,617 | 3,495,408 | 7,508,717 | 7,443,077 |
| Law Enforcement | 3,353,581 | 3,654,337 | 3,930,111 | 3,855,626 |
| Total Public Service | <u>6,888,198</u> | <u>7,149,745</u> | <u>11,438,828</u> | <u>11,298,703</u> |
| Community Services | 2,646,343 | 2,623,548 | 5,673,507 | 5,131,985 |
| Public Works | - | - | 6,938,727 | 7,091,714 |
| Development Services | 10,300,055 | 10,751,294 | 1,580,277 | 2,234,190 |
| Sub total Expenditures | 29,491,931 | 25,987,331 | 34,298,778 | 35,303,495 |
| Transfers Out | 2,782,646 | 562,044 | 6,185,415 | 4,397,730 |
| Total Expenditures | <u>\$ 32,274,577</u> | <u>\$ 26,549,375</u> | <u>\$ 40,484,193</u> | <u>\$ 39,701,225</u> |





Budget Highlights

FY17-18 Proposed Budget Summary of Expenditures - includes transfers

| Fund/Department | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------------|----------------------|----------------------|---------------------------|----------------------------|
| Operating Funds | | | | |
| Mayor & Council | \$ 82,680 | \$ 72,094 | \$ 72,545 | \$ 71,849 |
| Administration | 2,202,263 | 2,008,969 | 2,092,500 | 2,342,476 |
| General Government | - | - | 3,160,419 | 2,312,894 |
| Municipal Court | 297,656 | 301,299 | 321,254 | 339,913 |
| Public Works | 1,212,549 | 911,106 | 830,201 | 837,495 |
| Development Services | 679,232 | 774,471 | 944,139 | 1,890,482 |
| Community Services | 2,178,290 | 2,120,066 | 2,464,559 | 2,352,113 |
| Fire & Emergency Medical | 3,415,299 | 3,481,017 | 3,708,717 | 3,881,833 |
| Law Enforcement | 3,353,581 | 3,654,337 | 3,930,111 | 3,855,626 |
| Total General Fund | <u>13,421,550</u> | <u>13,323,359</u> | <u>17,524,445</u> | <u>17,884,681</u> |
| Community Services | 7,185 | 7,920 | 52,093 | 39,383 |
| Total Public Art Fund | <u>7,185</u> | <u>7,920</u> | <u>52,093</u> | <u>39,383</u> |
| Administration | 60,203 | 66,021 | 71,780 | 63,702 |
| Total Internal Service Fund | <u>60,203</u> | <u>66,021</u> | <u>71,780</u> | <u>63,702</u> |
| Administration | 23,954 | 27,899 | - | - |
| Public Works | - | - | 228,300 | 862,000 |
| Total Vehicle/Equip Repl Fund | <u>23,954</u> | <u>27,899</u> | <u>228,300</u> | <u>862,000</u> |
| Total Operating Funds | <u>\$ 13,512,892</u> | <u>\$ 13,425,199</u> | <u>\$ 17,876,618</u> | <u>\$ 18,849,766</u> |
| Special Revenue Funds | | | | |
| Public Works | \$ 1,224,093 | \$ 2,605,816 | \$ 3,702,675 | \$ 3,825,625 |
| Total Highway User Revenue Fund | <u>1,224,093</u> | <u>2,605,816</u> | <u>3,702,675</u> | <u>3,825,625</u> |
| Administration | 1,194,160 | 106,069 | 1,021,655 | 140,885 |
| Total Downtown Strategy Fund | <u>1,194,160</u> | <u>106,069</u> | <u>1,021,655</u> | <u>140,885</u> |
| Administration | 264,396 | 314,898 | 318,411 | 411,191 |
| Total Economic Development Fund | <u>264,396</u> | <u>314,898</u> | <u>318,411</u> | <u>411,191</u> |
| Community Services | 118,120 | 194,435 | 218,790 | 224,698 |
| Total Tourism Fund | <u>118,120</u> | <u>194,435</u> | <u>218,790</u> | <u>224,698</u> |
| Administration | 102,364 | 158,947 | 1,644,430 | 1,344,000 |
| Total Special Revenue Fund | <u>102,364</u> | <u>158,947</u> | <u>1,644,430</u> | <u>1,344,000</u> |
| Municipal Court | 845 | 2,759 | 88,115 | 80,265 |
| Total Court Enhancement Fund | <u>845</u> | <u>2,759</u> | <u>88,115</u> | <u>80,265</u> |
| Public Works | - | 472,351 | 540,586 | 717,613 |
| Total Environmental Fund | <u>-</u> | <u>472,351</u> | <u>540,586</u> | <u>717,613</u> |
| Administration | 3,235 | 2,705 | 4,265 | 4,131 |
| Total Cottonwoods Maint District | <u>3,235</u> | <u>2,705</u> | <u>4,265</u> | <u>4,131</u> |
| Total Special Revenue Funds | <u>\$ 2,907,213</u> | <u>\$ 3,857,980</u> | <u>\$ 7,538,927</u> | <u>\$ 6,748,408</u> |



FY17-18 Proposed Budget
Summary of Expenditures - includes transfers

| Fund/Department | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---|----------------------|----------------------|---------------------------|----------------------------|
| Debt Service Funds | | | | |
| Administration | \$ 561,022 | \$ 2,002,850 | \$ 2,119,350 | \$ 2,121,550 |
| Total Gen Oblig Debt Service | <u>561,022</u> | <u>2,002,850</u> | <u>2,119,350</u> | <u>2,121,550</u> |
| Development Services | <u>2,669,113</u> | <u>408,711</u> | <u>409,226</u> | <u>407,656</u> |
| Total Eagle Mtn CFD Debt Service | <u>2,669,113</u> | <u>408,711</u> | <u>409,226</u> | <u>407,656</u> |
| Administration | <u>2,954,713</u> | <u>513,550</u> | <u>393,690</u> | <u>377,696</u> |
| Total Munic Prop Corp Debt Service | <u>2,954,713</u> | <u>513,550</u> | <u>393,690</u> | <u>377,696</u> |
| Total Debt Service Funds | <u>\$ 6,184,848</u> | <u>\$ 2,925,111</u> | <u>\$ 2,922,266</u> | <u>\$ 2,906,902</u> |
| Capital Projects Funds | | | | |
| Administration | \$ 1,099,020 | \$ 38,258 | \$ 1,022,885 | \$ 1,371,740 |
| Public Works | 7,422,660 | 5,911,111 | 1,880,000 | 850,000 |
| Community Services | 535,714 | 300,591 | 2,940,000 | 2,480,000 |
| Fire & Emergency Medical | <u>119,319</u> | <u>14,391</u> | <u>3,800,000</u> | <u>3,550,000</u> |
| Total Capital Projects Fund | <u>9,176,713</u> | <u>6,264,351</u> | <u>9,642,885</u> | <u>8,251,740</u> |
| Public Works | <u>41,010</u> | <u>76,198</u> | <u>431,000</u> | <u>906,850</u> |
| Total Facilities Replacement Fund | <u>41,010</u> | <u>76,198</u> | <u>431,000</u> | <u>906,850</u> |
| Law Enforcement | - | - | 203,484 | 160,368 |
| Total Law Enforcement Dev Fee | - | - | <u>203,484</u> | <u>160,368</u> |
| Fire & Emergency Medical | - | - | 51,822 | 11,244 |
| Total Fire/Emergency Dev Fee | - | - | <u>51,822</u> | <u>11,244</u> |
| Public Works | <u>407,921</u> | - | - | - |
| Total Streets Dev Fee | <u>407,921</u> | - | - | - |
| Community Services | - | - | 144,987 | 193,743 |
| Total Park/Rec Dev Fee | - | - | <u>144,987</u> | <u>193,743</u> |
| Community Services | <u>535</u> | <u>536</u> | <u>1,672,204</u> | <u>1,672,204</u> |
| Total Open Space Dev Fee | <u>535</u> | <u>536</u> | <u>1,672,204</u> | <u>1,672,204</u> |
| Community Services | <u>43,445</u> | - | - | - |
| Total Library/Museum Dev Fee | <u>43,445</u> | - | - | - |
| Total Capital Projects Funds | <u>\$ 9,669,624</u> | <u>\$ 6,341,085</u> | <u>\$ 12,146,382</u> | <u>\$ 11,196,149</u> |
| Grand Total of All Funds, including Transfers Out | <u>\$ 32,274,577</u> | <u>\$ 26,549,375</u> | <u>\$ 40,484,193</u> | <u>\$ 39,701,225</u> |
| Less: Transfers Out | <u>2,782,646</u> | <u>562,044</u> | <u>6,185,415</u> | <u>4,397,730</u> |
| Net Expenditures - Total of All Funds | <u>\$ 29,491,931</u> | <u>\$ 25,987,331</u> | <u>\$ 34,298,778</u> | <u>\$ 35,303,495</u> |



FY17-18 Projected Changes in Fund Balances

| | Operating Funds | Debt Service Funds | Capital Projects Funds | Non-Major Funds | Total |
|----------------------------------|--------------------|-----------------------|---------------------------|--------------------|---------------|
| Revenues: | | | | | |
| Sales Tax | \$ 8,481,288 | \$ - | \$ 368,124 | \$ 1,154,268 | \$ 10,003,680 |
| Property Tax | - | 2,266,440 | - | 5,454 | 2,271,894 |
| Franchise Tax | 360,000 | - | - | - | 360,000 |
| Intergovernmental | 5,321,168 | - | 255,000 | 3,993,773 | 9,569,941 |
| Fines and Forfeitures | 200,000 | - | - | 24,600 | 224,600 |
| Licenses and Permits | 2,089,675 | - | 158,160 | 492,444 | 2,740,279 |
| Charges for Services | 198,724 | - | - | 262,000 | 460,724 |
| Leases and Rents | 235,423 | - | - | - | 235,423 |
| Investment Earnings | 12,980 | 1,680 | 14,004 | 6,384 | 35,048 |
| Other | 448,937 | - | 170,000 | 35,000 | 653,937 |
| Sub total | 17,348,195 | 2,268,120 | 965,288 | 5,973,923 | 26,555,526 |
| Transfers In | 1,062,500 | 209,838 | 2,577,024 | 548,368 | 4,397,730 |
| Total Revenues | 18,410,695 | 2,477,958 | 3,542,312 | 6,522,291 | 30,953,256 |
| Expenditures: | | | | | |
| General Government: | | | | | |
| Mayor and Council Administration | 71,849 | - | - | - | 71,849 |
| General Government | 2,342,476 | 2,906,902 | - | - | 5,249,378 |
| Municipal Court | 2,289,758 | - | 171,740 | 1,344,000 | 3,805,498 |
| Municipal Court | 339,913 | - | - | 80,265 | 420,178 |
| Total General Government | 5,043,996 | 2,906,902 | 171,740 | 1,424,265 | 9,546,903 |
| Public Safety: | | | | | |
| Fire & Emergency Medical | 3,881,833 | - | 3,561,244 | - | 7,443,077 |
| Law Enforcement | 3,855,626 | - | - | - | 3,855,626 |
| Total Public Service | 7,737,459 | - | 3,561,244 | - | 11,298,703 |
| Community Services | 2,391,496 | - | 2,529,291 | 211,198 | 5,131,985 |
| Public Works | 837,495 | - | 1,706,850 | 4,547,369 | 7,091,714 |
| Development Services | 1,890,482 | - | 50,000 | 293,708 | 2,234,190 |
| Sub total | 17,900,928 | 2,906,902 | 8,019,125 | 6,476,540 | 35,303,495 |
| Transfers Out | 948,838 | - | 3,177,024 | 271,868 | 4,397,730 |
| Total Expenditures | 18,849,766 | 2,906,902 | 11,196,149 | 6,748,408 | 39,701,225 |
| Net Change in Fund Balance | (439,071) | (428,944) | (7,653,837) | (226,117) | (8,747,969) |
| Fund Balance | | | | | |
| Beginning of Year - estimated | 7,020,329 | 1,171,923 | 10,148,673 | 3,843,613 | 22,184,538 |
| End of Year | \$ 6,581,258 | \$ 742,979 | \$ 2,494,836 | \$ 3,617,496 | \$ 13,436,569 |
| Fund Balance Percentage Change | (6%) | (37%) | (75%) | (6%) | (39%) |

Note: See page 44 for a listing of the funds included in each column.

Operating funds included in this table are the General Fund, Public Art and Internal Service Funds. The Debt Service Fund decreased because of the use of accumulated reserves. The Capital Projects will also be utilizing accumulated reserves, as well as funds transferred into the fund, for one time capital expenditures.

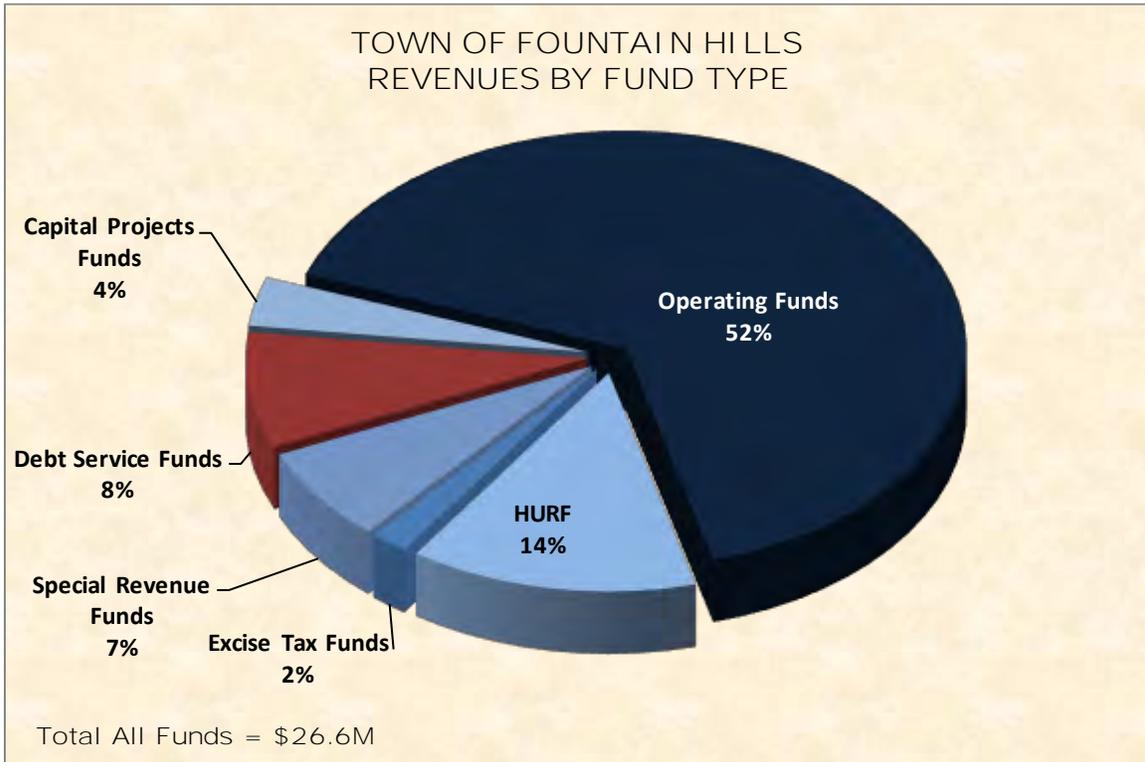


Revenue Summary



Revenue

This section provides a broad overview of the revenues included in the FY17-18 budget. Information is presented for each fund.



Total revenues for all funds are estimated at \$26,555,526, excluding transfers. The Operating Funds portion represents approximately 52% of the total. HURF/ Streets funds represent 14% of the total. Special Revenue funds represent another 7% of the budget. Debt Service represents 8%, Excise Tax is 2%, and Capital Projects represent 4%.



FY17-18 Proposed Budget
Summary of Revenues - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------------|----------------------|----------------------|---------------------------|----------------------------|
| Operating Funds | | | | |
| Sales Tax-Local | \$ 7,504,014 | \$ 7,869,026 | \$ 7,551,057 | \$ 8,481,288 |
| Franchise Fees | 352,673 | 360,320 | 332,418 | 360,000 |
| Liquor License Fees | 4,550 | 4,000 | 1,500 | 1,500 |
| Business License | 128,377 | 134,873 | 103,500 | 131,076 |
| Animal License | 41,261 | 40,247 | 40,320 | 41,832 |
| Building Permit | 171,307 | 116,731 | 556,512 | 450,619 |
| Sign Permits | 7,145 | 8,845 | 6,200 | 7,675 |
| Planning & Zoning Fees | 34,346 | 7,058 | 16,059 | 16,259 |
| Landscape Permits | 840 | 16,800 | 25,200 | 28,980 |
| Encroachment Permits | 38,709 | 175,075 | 35,000 | 40,000 |
| Variances | 5,000 | 2,900 | 9,000 | 6,000 |
| Subdivision Fees | 78,835 | 71,460 | 44,500 | 37,750 |
| Special Event Permit | 6,925 | 7,555 | 2,500 | 3,500 |
| Engineering Fees | 5,100 | 3,150 | 3,500 | 6,250 |
| Plan Review | 172,778 | 188,955 | 430,884 | 349,714 |
| Inspection Fees | 24,204 | 14,992 | 17,000 | 17,000 |
| Alcohol Permits | 20 | 180 | 1,100 | 1,520 |
| Third Party Revenues | - | - | - | 950,000 |
| Rental Fees | 116,736 | 110,891 | 134,210 | 108,604 |
| Non-Taxable Rental | 10,229 | 11,209 | 11,209 | 11,209 |
| Cell Tower Lease | 142,789 | 132,924 | 109,272 | 115,610 |
| Sales Tax-State | 2,055,241 | 2,131,484 | 2,250,724 | 2,271,564 |
| Income Tax-State | 2,722,433 | 2,707,673 | 2,925,453 | 2,999,604 |
| Fire Insurance Premium Tax | 38,211 | 47,081 | 37,132 | 50,000 |
| Program Fees | 156,839 | 167,270 | 139,050 | 183,724 |
| Non-Taxable Fees | 500 | - | - | - |
| Sponsorships | 9,860 | 8,590 | 10,200 | 10,200 |
| Donations | 2,484 | 26,230 | 105 | 20,085 |
| Reimbursements/Refunds | - | 26,375 | 1,000 | 1,000 |
| Auction/Recycle Proceeds | 643 | 74 | 1,000 | 1,140 |
| Restitution/Ins Proceeds | 9,282 | 100 | 1,000 | 4,500 |
| Miscellaneous Revenue | 2,543 | 2,255 | 10,150 | 5,200 |
| Taxable Sales | 6,938 | 10,034 | 6,522 | 7,300 |
| Court Fines/Fees | 167,491 | 185,279 | 195,685 | 200,000 |
| Interest Income | 55,009 | 93,776 | 30,000 | 12,680 |
| Internal Service Charges | 2,289 | 2,397 | 3,330 | 2,460 |
| Transfer In | - | - | 39,828 | 23,500 |
| Total General Fund | 14,075,601 | 14,685,809 | 15,082,120 | 16,959,343 |
| In-Lieu Fees | 16,180 | 500 | 15,000 | 15,000 |
| Interest Income | 6 | 14 | 12 | 60 |
| Transfer In | - | - | 39,000 | 39,000 |
| Total Public Art Fund | 16,186 | 514 | 54,012 | 54,060 |
| Miscellaneous Revenue | - | - | - | - |
| Internal Service Charges | 70,650 | 66,021 | 73,840 | 60,789 |
| Vehicle Replacement Charges | - | - | - | 5,100 |
| Total Internal Service Fund | 70,650 | 66,021 | 73,840 | 65,889 |
| Auction/Recycle Proceeds | 239 | 7,422 | - | - |
| Interest Income | 293 | 1,331 | 600 | 240 |
| Internal Service Charges | 1,445 | 1,469 | 1,268 | - |
| Vehicle Replacement Charges | 178,027 | 206,115 | 266,222 | 331,163 |
| Transfer In | - | - | - | 1,000,000 |
| Total Vehicle/Equip Repl Fund | 180,004 | 216,337 | 268,090 | 1,331,403 |
| Total Operating Funds | \$ 14,342,441 | \$ 14,968,681 | \$ 15,478,062 | \$ 18,410,695 |



Revenue Summary

FY17-18 Proposed Budget Summary of Revenues - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|------------------------------------|---------------------|---------------------|---------------------------|----------------------------|
| Special Revenue Funds | | | | |
| Sales Tax-Local | \$ - | \$ - | \$ 692,778 | \$ 769,512 |
| Vehicle License Tax | 858,874 | 927,440 | 929,081 | 1,013,279 |
| Highway User Tax | 1,392,806 | 1,451,431 | 1,444,905 | 1,553,494 |
| In-Lieu Fees | 3,022 | 18,985 | 262,000 | 262,000 |
| Adopt-A Street Fee | - | 90 | - | - |
| Reimbursements/Refunds | 509 | - | - | - |
| Auction/Recycle Proceeds | 2,089 | 1,301 | - | - |
| Restitution/Ins Proceeds | 8,510 | 20,974 | 25,000 | 25,000 |
| Miscellaneous Revenue | - | 395 | - | - |
| Interest Income | 809 | 2,411 | 300 | 2,340 |
| Transfer In | 562 | - | 202,000 | 200,000 |
| Total Highway User Revenue Fund | <u>2,267,181</u> | <u>2,423,027</u> | <u>3,556,064</u> | <u>3,825,625</u> |
| Downtown Strategy Fund | | | | |
| Sales Tax-Local | 100,540 | 70,878 | 69,278 | 76,956 |
| Sales-Excise Tax | - | - | - | - |
| Interest Income | 13,225 | 11,784 | 3,036 | 3,060 |
| Total Downtown Strategy Fund | <u>113,765</u> | <u>82,662</u> | <u>72,314</u> | <u>80,016</u> |
| Economic Development Fund | | | | |
| Sales Tax-Local | 244,420 | 283,511 | 277,111 | 307,800 |
| Sales-Excise Tax | - | - | - | - |
| Interest Income | 80 | 215 | 96 | 48 |
| Transfer In | 90,000 | 50,000 | 50,000 | - |
| Total Economic Development Fund | <u>334,500</u> | <u>333,726</u> | <u>327,207</u> | <u>307,848</u> |
| Tourism Fund | | | | |
| Grants | - | 28,347 | 31,494 | 38,000 |
| Prop 202/Gaming Rev | - | 25,000 | 39,076 | 45,000 |
| Sponsorships | - | - | 10,000 | 10,000 |
| Interest Income | - | 148 | - | 180 |
| Transfer In | 119,100 | 140,100 | 139,570 | 148,368 |
| Total Tourism Fund | <u>119,100</u> | <u>193,595</u> | <u>220,140</u> | <u>241,548</u> |
| Special Revenue Fund | | | | |
| Grants | 2,000 | 72,624 | 1,325,430 | 1,015,000 |
| LTA II | 9,643 | - | 65,000 | 254,000 |
| Prop 202/Gaming Rev | 67,044 | 50,000 | 75,000 | 75,000 |
| Donations | 23,677 | - | - | - |
| Transfer In | 1,639 | 36,323 | 179,000 | - |
| Total Special Revenue Fund | <u>104,003</u> | <u>158,947</u> | <u>1,644,430</u> | <u>1,344,000</u> |
| Court Enhancement Fund | | | | |
| CCEF Revenue | 16,599 | 21,526 | 14,250 | 22,000 |
| JCEF Revenue | 2,366 | 2,574 | 2,100 | 2,600 |
| Interest Income | 64 | 129 | 100 | 180 |
| Total Court Enhancement Fund | <u>19,029</u> | <u>24,229</u> | <u>16,450</u> | <u>24,780</u> |
| Environmental Fund | | | | |
| Environmental Fee | - | 486,751 | 540,000 | 492,444 |
| Interest Income | - | 410 | - | 540 |
| Transfer In | - | 194,769 | 240,000 | 200,000 |
| Total Environmental Fund | <u>-</u> | <u>681,930</u> | <u>780,000</u> | <u>692,984</u> |
| Cottonwoods Maint District | | | | |
| Property Tax-Cy | 4,823 | 5,430 | 5,588 | 5,454 |
| Interest Income | 8 | 30 | - | 36 |
| Total Cottonwoods Maint District | <u>4,831</u> | <u>5,460</u> | <u>5,588</u> | <u>5,490</u> |
| Total Special Revenue Funds | \$ 2,962,409 | \$ 3,903,576 | \$ 6,622,193 | \$ 6,522,291 |



FY17-18 Proposed Budget
Summary of Revenues - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|------------------------------------|---------------------|---------------------|---------------------------|----------------------------|
| Debt Service Funds | | | | |
| Property Tax-Cy | \$ 475,285 | \$ 2,119,611 | \$ 1,894,584 | \$ 1,893,694 |
| Interest Income | 327 | 2,514 | 210 | 720 |
| Transfer In | <u>362,638</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Gen Oblig Bond Debt Service | <u>838,250</u> | <u>2,122,125</u> | <u>1,894,794</u> | <u>1,894,414</u> |
| Property Tax-Cy | 424,552 | 418,257 | 378,392 | 372,746 |
| Debt Service/Bond Proceeds | 2,300,000 | - | - | - |
| Interest Income | 166 | 472 | 150 | 120 |
| Total Eagle Mtn CFD Debt Service | <u>2,724,718</u> | <u>418,729</u> | <u>378,542</u> | <u>372,866</u> |
| Sales Tax-Local | 689,920 | 708,777 | - | - |
| Sales-Excise Tax | - | - | - | - |
| Debt Service/Bond Proceeds | 1,880,000 | - | - | - |
| Interest Income | 455 | 994 | 300 | 840 |
| Transfer In | <u>500,000</u> | <u>-</u> | <u>249,055</u> | <u>209,838</u> |
| Total Munic Prop Corp Debt Service | <u>3,070,375</u> | <u>709,771</u> | <u>249,355</u> | <u>210,678</u> |
| Total Debt Service Funds | <u>\$ 6,633,343</u> | <u>\$ 3,250,625</u> | <u>\$ 2,522,691</u> | <u>\$ 2,477,958</u> |



Revenue Summary

FY17-18 Proposed Budget Summary of Revenues - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---|----------------------|----------------------|---------------------------|----------------------------|
| Capital Projects Funds | | | | |
| Sales Tax-Local | \$ 444,155 | \$ 459,075 | \$ 433,023 | \$ 368,124 |
| Development Fees | 200,000 | - | - | - |
| Debt Service/Bond Proceeds | 7,565,000 | - | 255,000 | 255,000 |
| Premium on Bond Proceeds | 342,086 | - | - | - |
| Grants | 2,600,221 | 118,356 | - | 20,000 |
| Reimbursements/Refunds | 11,600 | - | 150,000 | 150,000 |
| Restitution/ Ins Proceeds | 32,001 | 119,407 | - | - |
| Interest Income | 51,587 | 82,141 | 6,000 | 6,024 |
| Transfer In | 1,564,936 | 59,137 | 4,046,962 | 2,077,024 |
| Total Capital Projects Fund | 12,811,586 | 838,116 | 4,890,985 | 2,876,172 |
| Facilities Replacement Fund | | | | |
| Interest Income | - | 192 | - | 1,440 |
| Transfer In | 143,772 | 81,715 | 1,000,000 | 500,000 |
| Total Facilities Replacement Fund | 143,772 | 81,907 | 1,000,000 | 501,440 |
| Law Enforcement Dev Fee | | | | |
| Development Fees | 672 | - | - | - |
| Interest Income | 58 | - | - | - |
| Total Law Enforcement Dev Fee | 730 | - | - | - |
| Fire/Emergency Dev Fee | | | | |
| Development Fees | 20,504 | 33,021 | 58,421 | 35,986 |
| Interest Income | 45 | 216 | - | - |
| Total Fire/Emergency Dev Fee | 20,549 | 33,237 | 58,421 | 35,986 |
| Streets Dev Fee | | | | |
| Development Fees | 33,684 | - | - | - |
| Interest Income | 121 | - | - | - |
| Total Streets Dev Fee | 33,805 | - | - | - |
| Park/Rec Dev Fee | | | | |
| Development Fees | 68,651 | 55,943 | 122,294 | 122,294 |
| Interest Income | 34 | 427 | 120 | 420 |
| Total Park/Rec Dev Fee | 68,685 | 56,370 | 122,414 | 122,714 |
| Open Space Dev Fee | | | | |
| Interest Income | 13,241 | 21,858 | 6,000 | 6,000 |
| Total Open Space Dev Fee | 13,241 | 21,858 | 6,000 | 6,000 |
| Library/Museum Dev Fee | | | | |
| Development Fees | 474 | - | - | - |
| Interest Income | 13 | - | - | - |
| Total Library/Museum Dev Fee | 487 | - | - | - |
| General Govt Dev Fee | | | | |
| Transfer In | - | - | - | - |
| Total General Govt Dev Fee | - | - | - | - |
| Total Capital Projects Funds | \$ 13,092,855 | \$ 1,031,488 | \$ 6,077,820 | \$ 3,542,312 |
| Grand Total of All Funds, including Transfers In | \$ 37,031,048 | \$ 23,154,370 | \$ 30,700,766 | \$ 30,953,256 |
| Less: Transfers In | 2,782,646 | 562,044 | 6,185,415 | 4,397,730 |
| Net Revenues - Total of All Funds | \$ 34,248,402 | \$ 22,592,326 | \$ 24,515,351 | \$ 26,555,526 |



FY17-18 Revenues by Type

| | Operating Funds | Debt Service Funds | Capital Projects Funds | Non-Major Funds | Total | % of Total |
|--------------------------|----------------------|-----------------------|---------------------------|---------------------|----------------------|---------------|
| Revenues: | | | | | | |
| Sales Tax | \$ 8,481,288 | \$ - | \$ 368,124 | \$ 1,154,268 | \$ 10,003,680 | 25% |
| Property Tax | - | 2,266,440 | - | 5,454 | 2,271,894 | 6% |
| Franchise Tax | 360,000 | - | - | - | 360,000 | 1% |
| Intergovernmental | 5,321,168 | - | 255,000 | 3,993,773 | 9,569,941 | 24% |
| Fines and Forfeitures | 200,000 | - | - | 24,600 | 224,600 | 1% |
| Licenses and Permits | 2,089,675 | - | 158,160 | 492,444 | 2,740,279 | 7% |
| Charges for Services | 198,724 | - | - | 262,000 | 460,724 | 1% |
| Leases and Rents | 235,423 | - | - | - | 235,423 | 1% |
| Investment Earnings | 12,980 | 1,680 | 14,004 | 6,384 | 35,048 | 0% |
| Other | 448,937 | - | 170,000 | 35,000 | 653,937 | 2% |
| Sub total Revenues | 17,348,195 | 2,268,120 | 965,288 | 5,973,923 | 26,555,526 | 67% |
| Transfers In | 1,062,500 | 209,838 | 2,577,024 | 548,368 | 4,397,730 | 11% |
| Sub total | 18,410,695 | 2,477,958 | 3,542,312 | 6,522,291 | 30,953,256 | 78% |
| Use/(Source) of Reserves | 439,071 | 428,944 | 7,653,837 | 226,117 | 8,747,969 | 22% |
| Total Revenues | <u>\$ 18,849,766</u> | <u>\$ 2,906,902</u> | <u>\$ 11,196,149</u> | <u>\$ 6,748,408</u> | <u>\$ 39,701,225</u> | <u>100%</u> |

Note: See page 44 for a listing of the funds included in each column.

See the following pages for a discussion of the major revenue types, restrictions on use, and major influences for each type. The graphs on the following pages do not represent all of the accounts combined into the above categories.

The use of reserves is intended to be for funding capital projects.



Revenue Summary
 State Shared Sales Tax Revenue
 General Fund

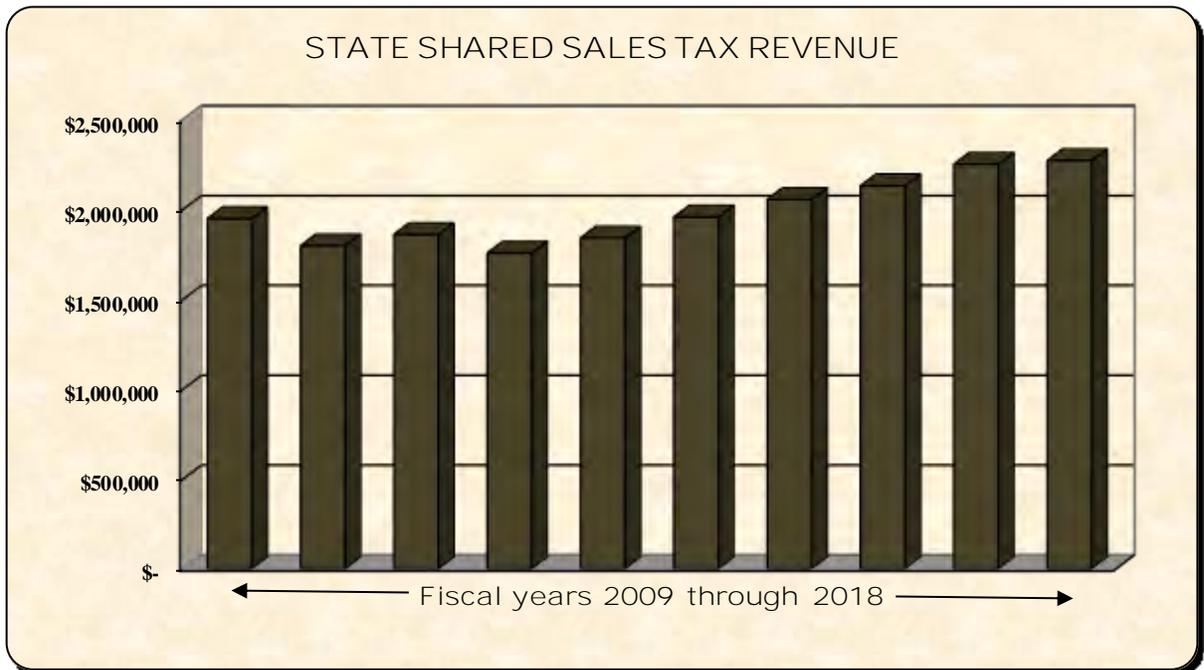
| Restrictions | Fiscal Year | Amount | Percent Change |
|---|----------------|--------------|--------------------|
| No restrictions on usage. Must be expended for public purposes. | 2008-09 | \$ 1,948,661 | -13.4% |
| | 2009-10 | \$ 1,797,356 | -7.8% |
| | 2010-11 | \$ 1,860,421 | 3.5% |
| | 2011-12 | \$ 1,757,297 | -5.5% ¹ |
| | 2012-13 | \$ 1,840,766 | 4.7% |
| | 2013-14 | \$ 1,957,505 | 6.3% |
| | 2014-15 | \$ 2,055,241 | 5.0% |
| | 2015-16 | \$ 2,131,484 | 3.7% |
| | 2016-17 (est.) | \$ 2,250,724 | 5.6% ¹ |
| | 2017-18 (est.) | \$ 2,271,333 | 0.9% |

¹ Change as a result of census population

Assumptions

The State assesses a 5.6% sales tax, of which cities and towns share in the collections based on the relation of its population to the total population of all incorporated cities and towns using the 2015 mid-decade census figures (Fountain Hills represents .4% of the State total). The FY17-18 revenue projection is based on the League of Arizona Cities and Towns bulletin and by the Arizona Department of Revenue forecast for Sales and Use Tax.

Major Influences: Construction Activity, Retail Sales, Population and Economy



| Restrictions | Fiscal Year | Amount | Percent Change |
|---|----------------|--------------|----------------|
| Revenues from the 2.6% local sales tax are allocated to Capital Projects, Downtown Strategy, Economic Development and General Fund. General Fund proceeds are not restricted but must be expended for public purpose. | 2008-09 | \$ 8,932,374 | -14.8% |
| | 2009-10 | \$ 7,644,441 | -14.4% |
| | 2010-11 | \$ 7,844,332 | 2.6% |
| | 2011-12 | \$ 7,779,219 | -0.8% |
| | 2012-13 | \$ 7,957,162 | 2.3% |
| | 2013-14 | \$ 8,454,297 | 6.2% |
| | 2014-15 | \$ 8,983,050 | 6.3% |
| | 2015-16 | \$ 9,391,267 | 4.5% |
| | 2016-17 (est.) | \$ 9,040,381 | -3.7% |
| 2017-18 (est.) | \$ 10,003,680 | 10.7% | |

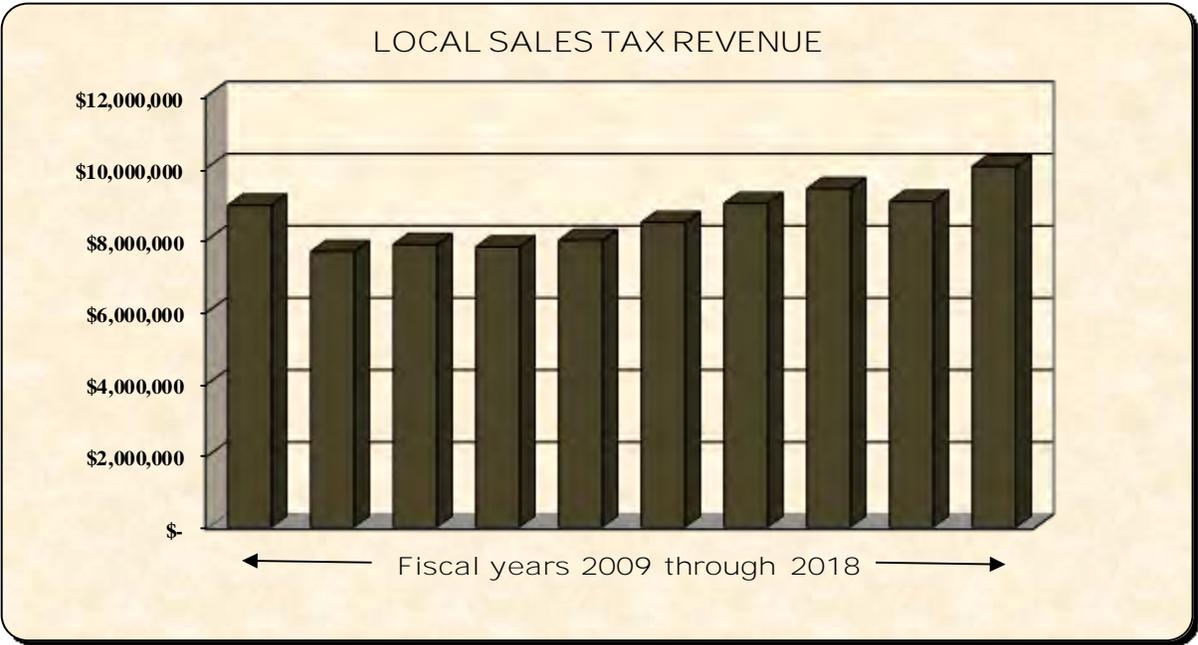
Assumptions

The local sales tax rate in Fountain Hills is 2.6% - total receipts for FY17-18 are estimated to be \$10,003,680. The construction related sales tax is derived from one-time activities and has been dedicated for one-time expenditures. Another portion of the local sales tax is dedicated for downtown development. The following is a breakdown of the dedicated and non-dedicated (General Fund) projections:

Dedications:

| | |
|---------------------------|---------------------|
| Downtown Strategy Fund | \$ 76,956 |
| Economic Development Fund | 307,800 |
| Pavement Replacement | 769,512 |
| Capital Projects Fund | 368,124 |
| General Fund | <u>8,481,288</u> |
| Total Projections | <u>\$10,003,680</u> |

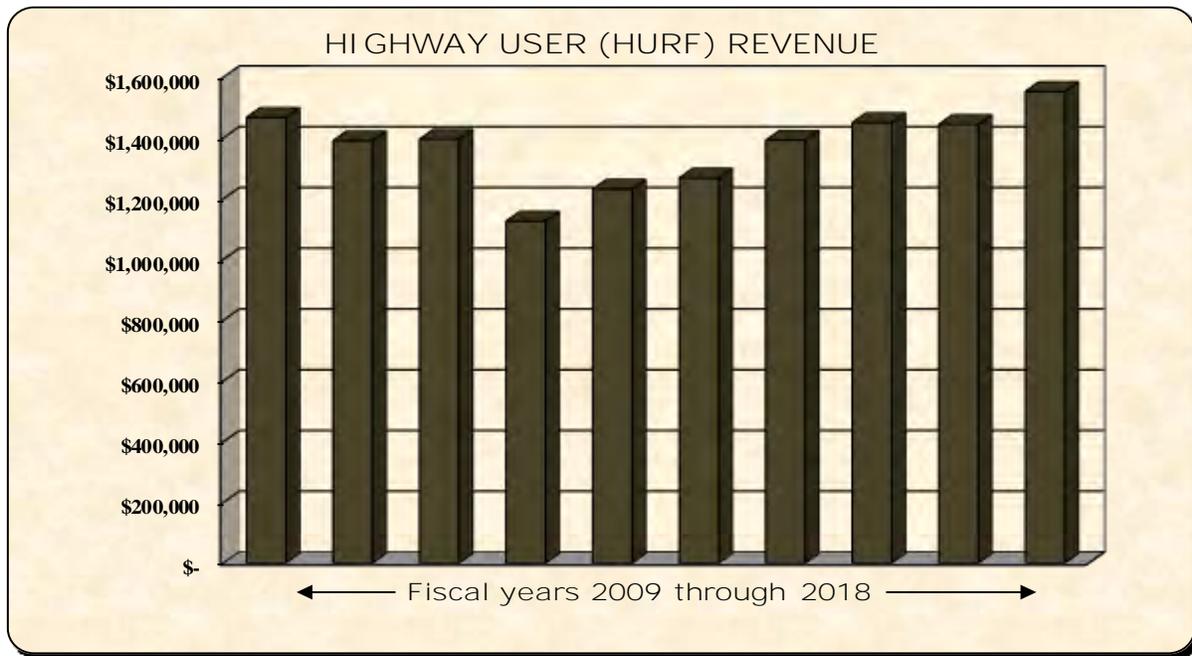
Major Influences: Economy, Construction Activity, Retail Sales, Public Policy



| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|--------------|----------------|
| There is a State constitutional restriction on the use of these funds which requires that these funds be used solely for street and highway purposes. Payment of principal and interest on highway and street bonds are an approved use. | 2008-09 | \$ 1,468,335 | -12.7% |
| | 2009-10 | \$ 1,391,100 | -5.3% |
| | 2010-11 | \$ 1,396,075 | 0.4% |
| | 2011-12 | \$ 1,126,762 | -19.3% |
| | 2012-13 | \$ 1,232,187 | 9.4% |
| | 2013-14 | \$ 1,268,563 | 3.0% |
| | 2014-15 | \$ 1,392,806 | 9.8% |
| | 2015-16 | \$ 1,451,431 | 4.2% |
| | 2016-17 (est.) | \$ 1,444,905 | -0.4% |
| | 2017-18 (est.) | \$ 1,553,494 | 7.5% |
| Assumptions | | | |

Cities and towns receive 27.5% of fuel tax and transportation related fees collected by the State based on population and county of origin of gasoline sales. The revenue estimate for FY17-18 is based on estimates of revenue sharing by Arizona Department of Transportation (ADOT) in their distribution forecast for the next fiscal year.

Major Influences: Gasoline sales, Population, Economy and State Policy



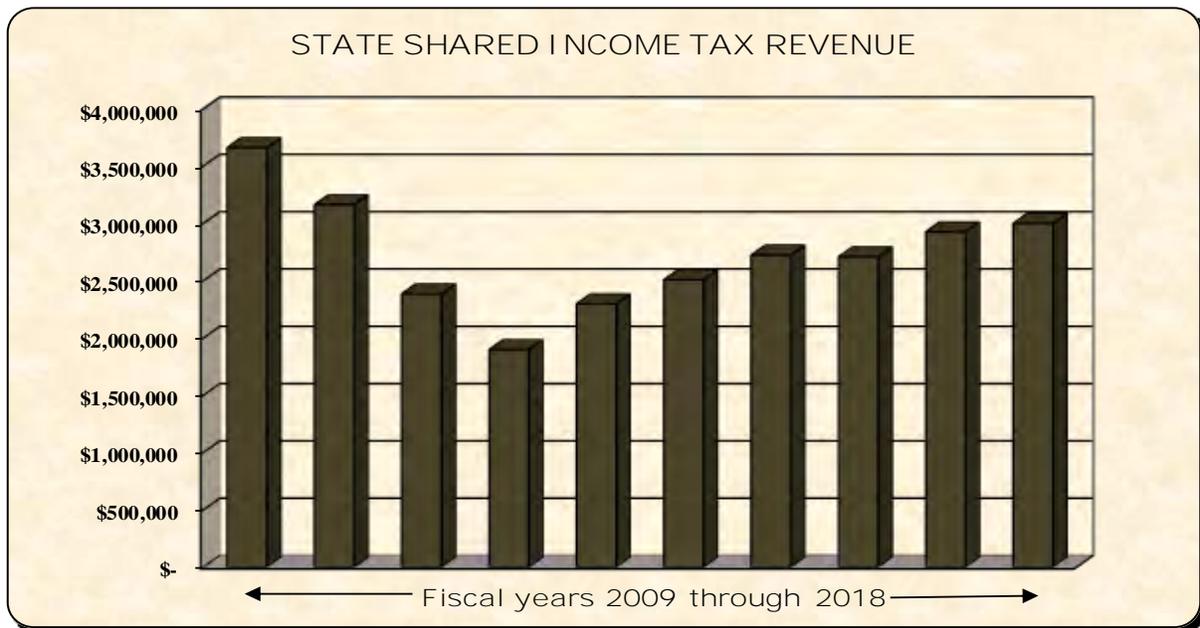
| Restrictions | Fiscal Year | Amount | Percent Change |
|---|----------------|--------------|---------------------|
| No restrictions on usage. Must be expended for public purposes. | 2008-09 | \$ 3,659,964 | 6.2% |
| | 2009-10 | \$ 3,162,174 | -13.6% |
| | 2010-11 | \$ 2,383,874 | -24.6% |
| | 2011-12 | \$ 1,898,088 | -20.4% ¹ |
| | 2012-13 | \$ 2,297,203 | 21.0% |
| | 2013-14 | \$ 2,506,685 | 9.1% |
| | 2014-15 | \$ 2,722,433 | 8.6% |
| | 2015-16 | \$ 2,707,673 | -0.5% |
| | 2016-17 (est.) | \$ 2,925,453 | 8.0% ¹ |
| | 2017-18 (est.) | \$ 2,999,604 | 2.5% |

¹ Change as a result of census population

Assumptions

A 1972 citizen's initiative gave the cities and towns a percentage share of the State income tax, officially called Urban Revenue Sharing; Arizona cities and towns receive 15% of the State's income tax collections. This State Shared revenue is distributed to cities and towns based on the relation of their population to the total population of all incorporated cities and towns in the State according to the latest census. Amounts distributed are based on actual income tax collections from two years prior to the fiscal year in which the Town receives the funds. The projection for FY17-18 is provided by the League of Arizona Cities and Towns and the State's Joint Legislative Budget Committee (JLBC).

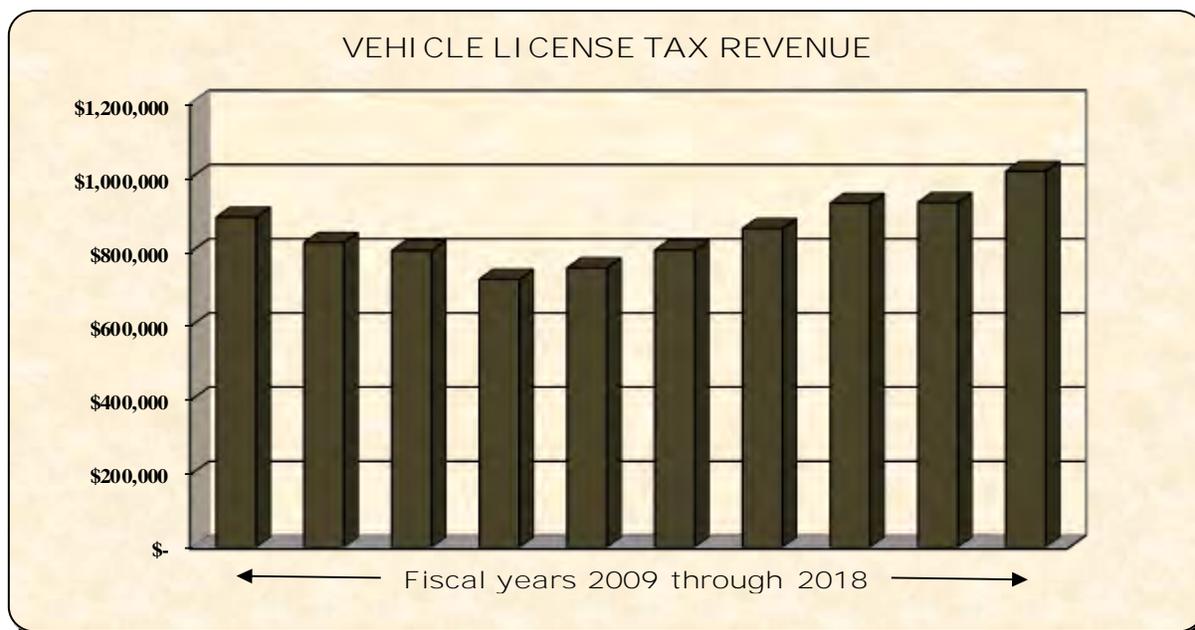
Major Influences: Personal Income, Corporate Net Profits, Population and State Policy



| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|--------------|----------------|
| Town Council has restricted for the Pavement Management Program. | 2008-09 | \$ 889,826 | -9.5% |
| | 2009-10 | \$ 821,321 | -7.7% |
| | 2010-11 | \$ 799,551 | -2.7% |
| | 2011-12 | \$ 722,126 | -9.7% |
| | 2012-13 | \$ 752,949 | 4.3% |
| | 2013-14 | \$ 800,475 | 6.3% |
| | 2014-15 | \$ 858,874 | 7.3% |
| | 2015-16 | \$ 927,440 | 8.0% |
| | 2016-17 (est.) | \$ 929,081 | 0.2% |
| | 2017-18 (est.) | \$ 1,013,279 | 9.1% |
| Assumptions | | | |

Approximately 20% of the revenues collected for the licensing of motor vehicles is distributed to incorporated cities and towns. The Town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county (Fountain Hills represents .4% of the State total). The remainder of the revenues collected are shared by schools, counties, and the State. The Town Council of Fountain Hills passed Resolution 2013-02 designating proceeds from the VLT to be used strictly for maintenance of Town's streets (transferred to HURF fund).

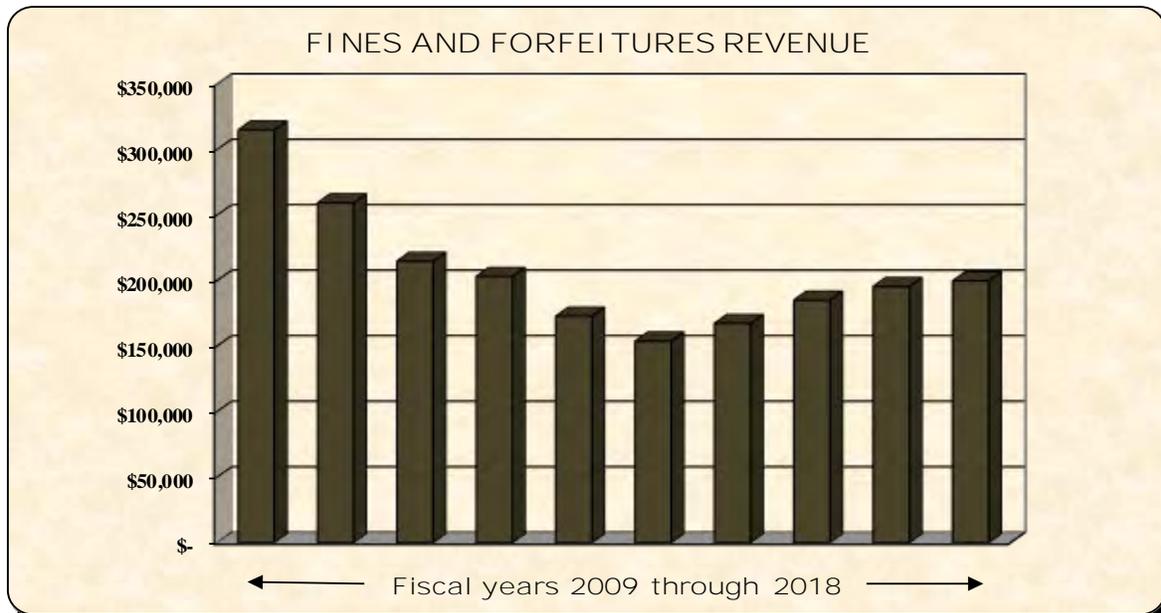
Major Influences: Automobile sales, Population, and State Policy



| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|------------|----------------|
| No restrictions on usage. Must be expended for public purpose. | 2008-09 | \$ 315,274 | 21.2% |
| | 2009-10 | \$ 259,571 | -17.7% |
| | 2010-11 | \$ 214,999 | -17.2% |
| | 2011-12 | \$ 203,350 | -5.4% |
| | 2012-13 | \$ 173,024 | -14.9% |
| | 2013-14 | \$ 154,024 | -11.0% |
| | 2014-15 | \$ 167,491 | 8.7% |
| | 2015-16 | \$ 185,279 | 10.6% |
| | 2016-17 (est.) | \$ 195,685 | 5.6% |
| | 2017-18 (est.) | \$ 200,000 | 2.2% |
| Assumptions | | | |

Municipal Court fines come from traffic violations and other fines paid for the violation of municipal ordinances. The Town contracts with the Maricopa County Sheriff's Office for traffic enforcement and has seen an increase in the number of citations.

Major Influences: Population, Enforcement, Public Policy

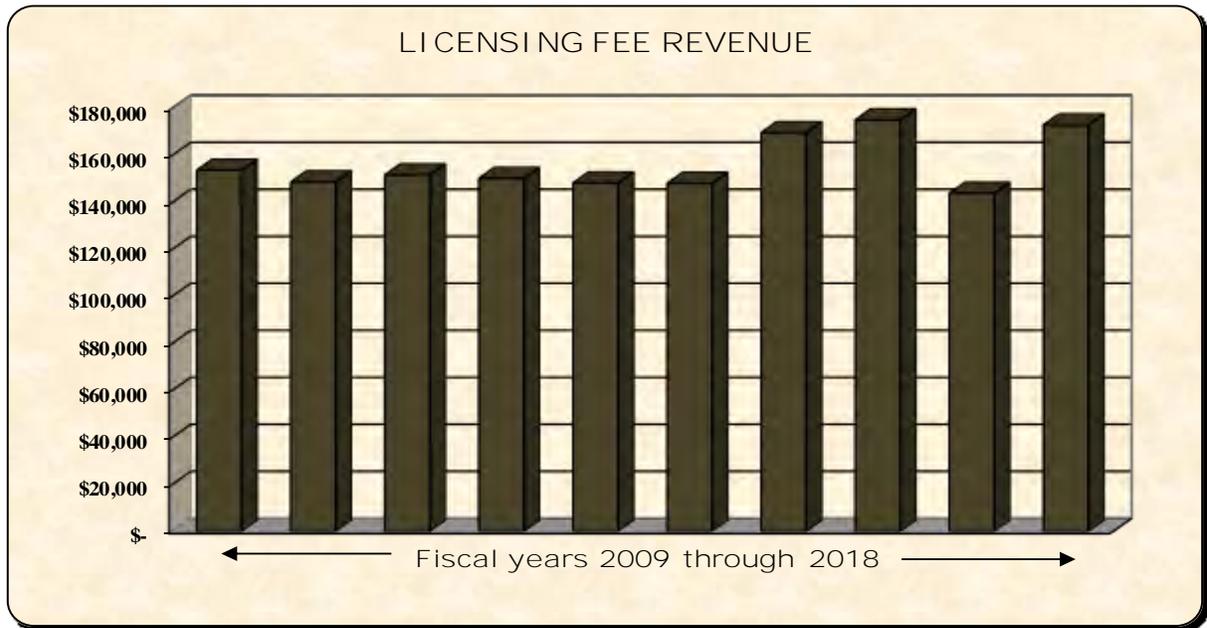


Revenue Summary
 Licensing Fee Revenue
 General Fund

| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|------------|----------------|
| No restrictions on usage. Must be expended for public purpose. | 2008-09 | \$ 153,663 | -0.1% |
| | 2009-10 | \$ 148,657 | -3.3% |
| | 2010-11 | \$ 151,637 | 2.0% |
| | 2011-12 | \$ 150,144 | -1.0% |
| | 2012-13 | \$ 148,209 | -1.3% |
| | 2013-14 | \$ 148,066 | -0.1% |
| | 2014-15 | \$ 169,638 | 14.6% |
| | 2015-16 | \$ 175,120 | 3.2% |
| | 2016-17 (est.) | \$ 143,820 | -17.9% |
| | 2017-18 (est.) | \$ 172,908 | 20.2% |
| Assumptions | | | |

License fees are derived from fees on professions, occupations, businesses (\$131,076) and animals (\$41,832) within the Town. The license fee is used primarily as a means of regulating businesses and animal control within the community. The estimate for FY17-18 is based on 3,146 active business licenses and 2,996 animal licenses.

Major Influences: Economy, Enforcement

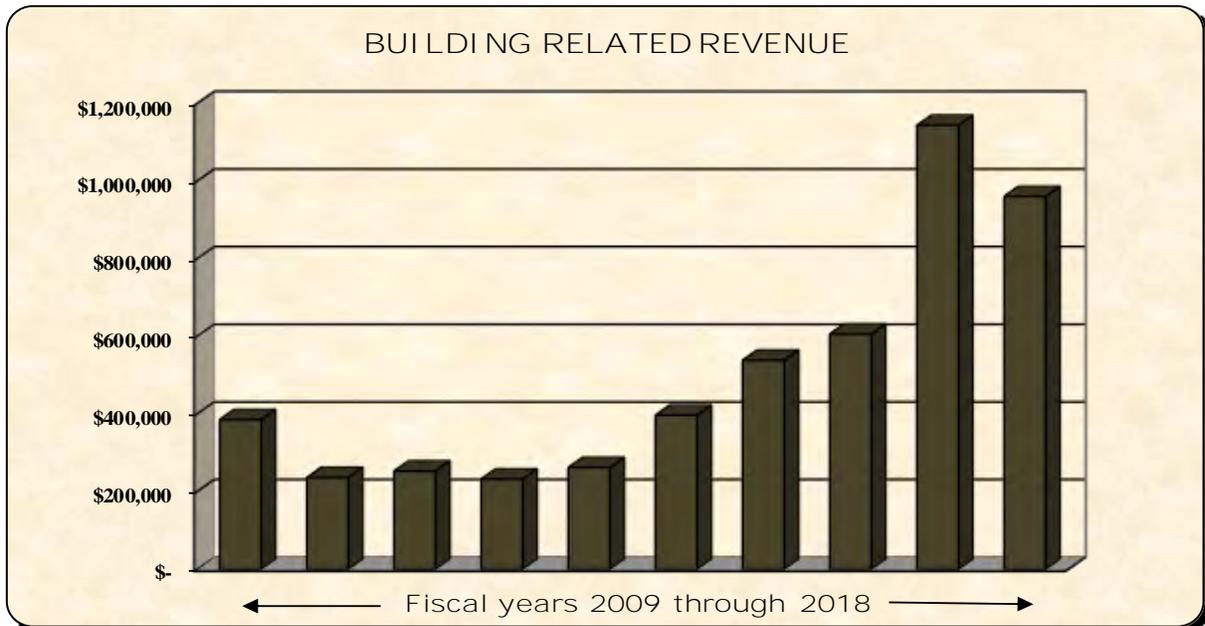


| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|--------------|----------------|
| No restrictions on usage. Must be expended for public purpose. | 2008-09 | \$ 385,514 | -60.3% |
| | 2009-10 | \$ 236,343 | -38.7% |
| | 2010-11 | \$ 253,074 | 7.1% |
| | 2011-12 | \$ 232,447 | -8.2% |
| | 2012-13 | \$ 262,403 | 12.9% |
| | 2013-14 | \$ 396,875 | 51.2% |
| | 2014-15 | \$ 538,264 | 35.6% |
| | 2015-16 | \$ 605,966 | 12.6% |
| | 2016-17 (est.) | \$ 1,143,855 | 88.8% |
| | 2017-18 (est.) | \$ 960,247 | -16.1% |

Assumptions

Revenues from this source include the fees collected from building permits, rezoning, improvement plans, encroachment and subdivision plans. The estimates for FY17-18 are based on construction activity provided by local developers and planning staff and reflect the general economy in new home construction. The projected number of permits for next fiscal year is 57 single family, 37 multi-family unit, and 2 commercial projects.

Major Influences: Population, Economy, Development, Public Policy

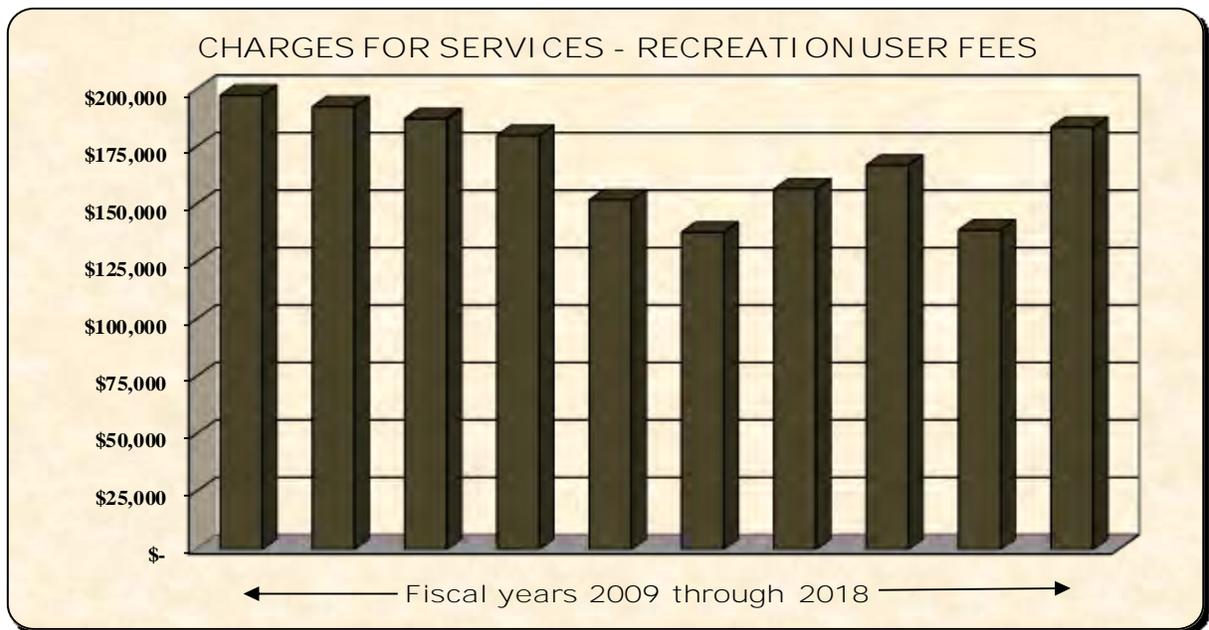


Revenue Summary
 Charges For Services-Recreation User Fees
 General Fund

| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|------------|----------------|
| No restrictions on usage. Must be expended for public purpose. | 2008-09 | \$ 197,717 | 52.7% |
| | 2009-10 | \$ 192,728 | -2.5% |
| | 2010-11 | \$ 187,524 | -2.7% |
| | 2011-12 | \$ 180,223 | -3.9% |
| | 2012-13 | \$ 152,106 | -15.6% |
| | 2013-14 | \$ 138,089 | -9.2% |
| | 2014-15 | \$ 156,839 | 13.6% |
| | 2015-16 | \$ 167,270 | 6.7% |
| | 2016-17 (est.) | \$ 139,050 | -16.9% |
| | 2017-18 (est.) | \$ 183,724 | 32.1% |
| Assumptions | | | |

Charges for services are collected from recreation programs for youths to seniors. The Senior Center offers programs for senior citizens including home delivered meals, fitness programs, special interest classes, as well as social events. The decreases reflects a general decline in the number of participants in recreation programs as well as a reduction in fees.

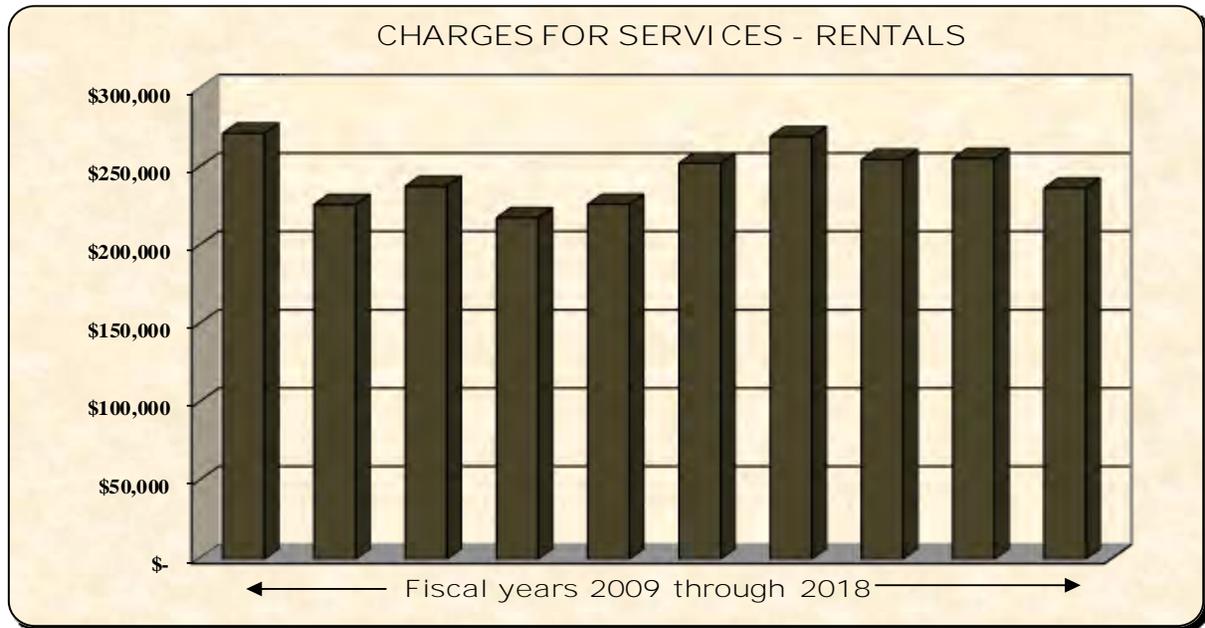
Major Influences: Population, Internal Policy on Rates



| Restrictions | Fiscal Year | Amount | Percent Change |
|--|----------------|------------|----------------|
| No restrictions on usage. Must be expended for public purpose. | 2008-09 | \$ 271,987 | -8.2% |
| | 2009-10 | \$ 226,429 | -16.8% |
| | 2010-11 | \$ 238,104 | 5.2% |
| | 2011-12 | \$ 217,987 | -8.4% |
| | 2012-13 | \$ 226,600 | 4.0% |
| | 2013-14 | \$ 252,874 | 11.6% |
| | 2014-15 | \$ 269,774 | 6.7% |
| | 2015-16 | \$ 255,204 | -5.4% |
| | 2016-17 (est.) | \$ 255,791 | 0.2% |
| | 2017-18 (est.) | \$ 236,943 | -7.4% |
| Assumptions | | | |

The Community Center provides meeting space for the Senior Activity Center, local organizations such as weddings, the photography club, Community Chorus, Fountain Hills Realtors and various homeowners associations. Park rentals include the Plaza and ramada rentals. Additional rental charges are collected from cellular providers for use of Town property for their towers.

Major Influences: Population, Internal Policy on Rates





Expenditure Summary



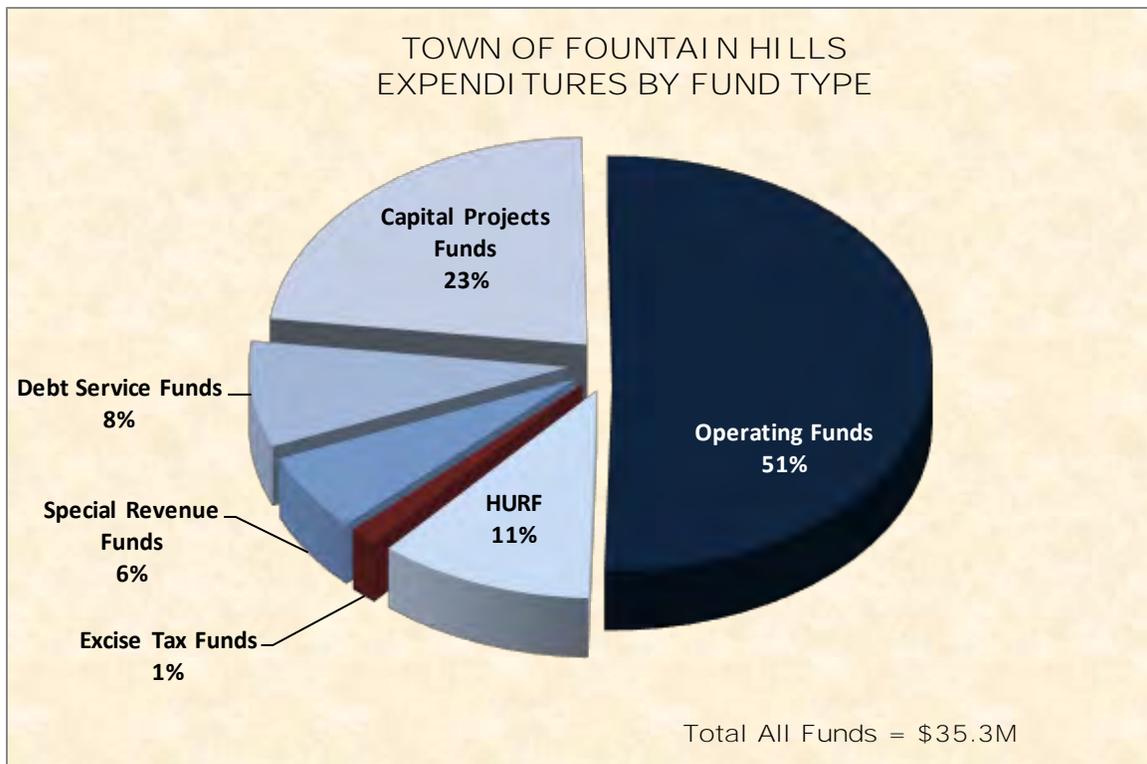
Expenditures

This section provides a broad overview of the expenditures included in the FY17-18 budget. Information is presented for each fund.

All Funds Expenditure Summary

Total expenditures for all funds are \$35,303,495, excluding transfers. The Operating Funds represent 51% of the total. HURF/Streets Fund represents 11% of the total Town budget. Special Revenue Funds represent 6% of the budget with Debt Service representing 8%, Excise Tax 1%, and Capital Projects 23%.

With the introduction of program budgeting, all expenditures are categorized by line item or program. A summary of all programs and proposed costs is shown on the next pages.



FY17-18 Proposed Budget
Summary of Expenditures by Fund and Program - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Operating Funds | | | | |
| Accounting | \$ 33,003 | \$ 87,340 | \$ 199,347 | \$ 193,745 |
| Administration | 2,001,704 | 1,490,753 | 9,405,845 | 8,408,981 |
| Amenities | 234,832 | 328,783 | - | - |
| Animal Control | 31,817 | 31,613 | 33,244 | 32,324 |
| Art & Culture | 38,857 | 36,372 | - | - |
| Attorney Services | 257,683 | 269,919 | 396,950 | 421,605 |
| Audit Services | 96,157 | 97,477 | - | - |
| Boards & Commissions | 53,865 | 46,357 | - | - |
| Budget | 50,268 | 52,386 | - | - |
| Building Inspection | 245,262 | 277,080 | 239,574 | 1,245,056 |
| Building Maintenance | 653,723 | 555,577 | 557,159 | 148,565 |
| Capital Improvement Prog | 91,417 | 79,036 | - | - |
| Civil Cases | 32,924 | 33,877 | - | - |
| Code Compliance | 96,965 | 101,141 | 77,400 | 75,964 |
| Community Events | 102,117 | 109,497 | 96,229 | 146,778 |
| Criminal Cases | 51,980 | 52,691 | - | - |
| Current Planning | 101,425 | 104,017 | - | - |
| Customer Service | 19,297 | 19,284 | 36,264 | 40,698 |
| Elections | 41,316 | 33,106 | - | - |
| Emergency Medical | 1,464,522 | 1,507,914 | - | - |
| Engineering | 142,668 | 209,890 | 228,229 | 191,642 |
| Environmental Service | 32,419 | 28,742 | - | - |
| Event Planning | 54,514 | 54,562 | - | - |
| Field Prep/Maint | 171,716 | 171,163 | - | - |
| Fire Suppression | 1,606,250 | 1,648,174 | - | - |
| Fountain | 196,149 | 195,730 | 262,375 | 200,375 |
| Home Delivered Meals | 56,661 | 51,965 | 63,464 | 61,637 |
| Incarceration/Transport | 56,703 | 48,593 | - | - |
| Juvenile | 9,448 | 9,468 | - | - |
| Landscape Maintenance | 184,317 | 183,682 | - | - |
| Legislation | 41,443 | 43,022 | 14,090 | 16,070 |
| Licensing | 49,243 | 50,534 | 51,388 | 56,029 |
| Long Range Planning | 27,130 | 29,164 | - | - |
| Mapping & Graphics | 70,893 | 69,801 | 105,817 | 104,868 |
| Media Relations | - | - | - | 35,459 |
| Network Administration | 132,268 | 141,727 | - | - |
| Open Space | 37,249 | 26,436 | 66,058 | 35,658 |
| Operations | 121,833 | 109,779 | 4,899,494 | 5,722,750 |
| Outside Inspections | - | - | 60,647 | 61,938 |
| Patrol | 3,249,272 | 3,554,666 | - | - |
| Payroll | 22,139 | 21,824 | - | - |
| Permitting | 117,510 | 114,555 | - | - |
| Planning & Zoning | - | - | 121,309 | 105,554 |
| Public Defender | 6,750 | 4,250 | - | - |
| Prosecutor | 90,000 | 100,000 | - | - |
| Purchasing | 46,269 | 48,859 | 57,544 | 59,704 |
| Records Management | 15,968 | 15,982 | - | - |
| Recruitment | 29,209 | 31,328 | - | - |
| Risk Management | 257,612 | 262,051 | 301,272 | 351,385 |
| Senior Memberships/Activities | 93,129 | 98,185 | 68,382 | - |
| Social/Community Services | 133,991 | 104,426 | - | - |
| Support | 41,883 | 42,632 | - | - |
| Special Events | 23,450 | 25,737 | - | - |
| Special Interest Programs | 30,697 | 32,806 | 20,007 | 15,847 |
| Sports Activities | 61,520 | 85,511 | 53,602 | 35,636 |
| Stormwater Management | 246,430 | 119,213 | - | - |
| Strategic Planning | 16,114 | 17,774 | - | - |
| Training & Development | 2,536 | 8,086 | - | - |
| Treasury | 41,702 | 41,487 | - | - |
| Video Services | 11,580 | 12,925 | - | - |
| Volunteers | 66,315 | 76,242 | 80,424 | 86,448 |
| Web Site | 40,227 | 35,822 | - | - |
| Youth & Teen Programs | 87,208 | 82,347 | 28,331 | 29,965 |
| Total General Fund | 13,421,550 | 13,323,360 | 17,524,445 | 17,884,681 |



Expenditure Summary

FY17-18 Proposed Budget
Summary of Expenditures by Fund and Program - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|------------------------------------|----------------------|----------------------|---------------------------|----------------------------|
| Operating Funds - continued | | | | |
| Art & Culture | \$ 7,185 | \$ 7,920 | \$ 52,093 | \$ 39,383 |
| Total Public Art Fund | <u>7,185</u> | <u>7,920</u> | <u>52,093</u> | <u>39,383</u> |
| Operational Support | 60,203 | 66,021 | 71,780 | 63,702 |
| Vehicle Replacement | 23,954 | 27,899 | 228,300 | 862,000 |
| Total Internal Service Funds | <u>84,157</u> | <u>93,920</u> | <u>300,080</u> | <u>925,702</u> |
| Total Operating Funds | <u>\$ 13,512,892</u> | <u>\$ 13,425,200</u> | <u>\$ 17,876,618</u> | <u>\$ 18,849,766</u> |
| Special Revenue Funds | | | | |
| Administration | \$ 149,690 | \$ 216,026 | \$ 331,598 | \$ 390,425 |
| Adopt A Street | 3,220 | 3,164 | 1,010 | 1,005 |
| Legal Services | 28,689 | 29,455 | - | - |
| Open Space | 261,749 | 294,114 | 447,562 | 387,493 |
| Pavement Management | 504,599 | 1,639,467 | 2,618,080 | 2,684,440 |
| Street Signs | 84,970 | 75,508 | 69,767 | 80,139 |
| Traffic Signals | 111,358 | 254,935 | 163,483 | 205,074 |
| Vehicle Maintenance | 79,818 | 93,146 | 71,175 | 77,049 |
| Total Highway User Revenue Fund | <u>1,224,093</u> | <u>2,605,815</u> | <u>\$ 3,702,675</u> | <u>\$ 3,825,625</u> |
| Administration | 1,194,160 | 106,069 | 1,021,655 | 140,885 |
| Total Downtown Strategy Fund | <u>1,194,160</u> | <u>106,069</u> | <u>1,021,655</u> | <u>140,885</u> |
| Administration | 264,396 | 314,898 | 318,411 | 411,191 |
| Total Economic Development Fund | <u>264,396</u> | <u>314,898</u> | <u>318,411</u> | <u>411,191</u> |
| Administration | 118,121 | 194,435 | 218,790 | 224,698 |
| Total Tourism Fund | <u>118,121</u> | <u>194,435</u> | <u>218,790</u> | <u>224,698</u> |
| Grants Admin | 102,364 | 158,947 | 1,644,430 | 1,344,000 |
| Total Special Revenue Fund | <u>102,364</u> | <u>158,947</u> | <u>1,644,430</u> | <u>1,344,000</u> |
| Court Enhancement | - | - | 58,115 | 50,265 |
| Judicial Court Enhancement | 845 | 2,759 | 30,000 | 30,000 |
| Total Court Enhancement Fund | <u>845</u> | <u>2,759</u> | <u>88,115</u> | <u>80,265</u> |
| Administration | - | 472,351 | 540,586 | 717,613 |
| Total Environmental Fund | <u>-</u> | <u>472,351</u> | <u>540,586</u> | <u>717,613</u> |
| Cottonwoods Maintenance District | 3,235 | 2,705 | 4,265 | 4,131 |
| Total Cottonwoods Maint District | <u>3,235</u> | <u>2,705</u> | <u>4,265</u> | <u>4,131</u> |
| Total Special Revenue Funds | <u>\$ 2,907,214</u> | <u>\$ 3,857,979</u> | <u>\$ 7,538,927</u> | <u>\$ 6,748,408</u> |
| Debt Service Funds | | | | |
| Gen Oblig Bond Debt Service | \$ 561,022 | \$ 2,002,850 | \$ 2,119,350 | \$ 2,121,550 |
| Eagle Mtn CFD Debt Service | 2,669,113 | 408,711 | 409,226 | 407,656 |
| Munic Prop Corp Debt Service | 2,954,713 | 513,550 | 393,690 | 377,696 |
| Total Debt Service Funds | <u>\$ 6,184,848</u> | <u>\$ 2,925,111</u> | <u>\$ 2,922,266</u> | <u>\$ 2,906,902</u> |



FY17-18 Proposed Budget
Summary of Expenditures by Fund and Program - includes transfers

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---|----------------------|----------------------|---------------------------|----------------------------|
| Capital Projects Funds | | | | |
| Administration | \$ 2,362 | \$ 38,258 | \$ 422,885 | \$ 1,271,740 |
| Downtown Development | 1,096,658 | - | 600,000 | 100,000 |
| Fire Suppression | 119,319 | 14,391 | 3,800,000 | 3,550,000 |
| General Govt Projects | 486 | - | 450,000 | 50,000 |
| Park Development | 535,714 | 300,591 | 2,940,000 | 2,480,000 |
| Pavement Management | 7,338,805 | 4,448,978 | 830,000 | 750,000 |
| Stormwater Management | 15,177 | 1,187,102 | 600,000 | 50,000 |
| Traffic Signals | 68,192 | 275,031 | - | - |
| Total Capital Projects Fund | <u>9,176,712</u> | <u>6,264,351</u> | <u>9,642,885</u> | <u>8,251,740</u> |
| Administration | <u>41,010</u> | <u>76,198</u> | <u>431,000</u> | <u>906,850</u> |
| Total Facilities Replacement Fund | <u>41,010</u> | <u>76,198</u> | <u>431,000</u> | <u>906,850</u> |
| Law Enforcement Dev Fee | - | - | 203,484 | 160,368 |
| Fire/Emergency Dev Fee | - | - | 51,822 | 11,244 |
| Streets Dev Fee | 407,921 | - | 144,987 | 193,743 |
| Park/Rec Dev Fee | - | - | 1,672,204 | 1,672,204 |
| Open Space Dev Fee | 535 | 536 | - | - |
| Library/Museum Dev Fee | 43,445 | - | - | - |
| Total Development Fee Funds | <u>451,901</u> | <u>536</u> | <u>2,072,497</u> | <u>2,037,559</u> |
| Total Capital Projects Funds | <u>\$ 9,669,623</u> | <u>\$ 6,341,085</u> | <u>\$ 12,146,382</u> | <u>\$ 11,196,149</u> |
| Grand Total of All Funds, including Transfers Out | \$ 32,274,577 | \$ 26,549,375 | \$ 40,484,193 | \$ 39,701,225 |
| Less: Transfers Out | <u>2,782,646</u> | <u>562,044</u> | <u>6,185,415</u> | <u>4,397,730</u> |
| Net Expenditures - Total of All Funds | <u>\$ 29,491,931</u> | <u>\$ 25,987,331</u> | <u>\$ 34,298,778</u> | <u>\$ 35,303,495</u> |



Expenditure Summary

FY17-18 General Fund Expenditures by Department and Division

| Department | Division | Proposed Budget |
|--|-------------------------------------|-----------------------------|
| Mayor & Council | Mayor & Council | \$ 71,849 |
| Administration | Town Manager | 343,054 |
| | Town Clerk | 132,852 |
| | Administrative Services | 518,073 |
| | Finance | 597,603 |
| | Information Technology | 329,289 |
| | Legal Services | <u>421,605</u> |
| | Total Administration | 2,342,476 |
| | General Government | Non-Departmental |
| Municipal Court | Municipal Court | 339,913 |
| Public Works | Public Works | 180,724 |
| | Facilities | <u>656,771</u> |
| | Total Public Works | 837,495 |
| Development Services | Development Services | 167,398 |
| | Engineering | 191,642 |
| | Planning | 105,554 |
| | Code Compliance | 75,964 |
| | Mapping & Graphics | 104,868 |
| | Building Safety | <u>1,245,056</u> |
| | Total Development Services | 1,890,482 |
| Community Services | Community Services | 204,845 |
| | Recreation | 554,413 |
| | Community Center | 242,784 |
| | Senior Services | 225,677 |
| | Parks-Town Hall | 84,781 |
| | Parks-Fountain Park | 435,342 |
| | Parks-Golden Eagle Park | 275,746 |
| | Parks-Four Peaks Park | 111,785 |
| | Parks-Desert Vista Park | 87,958 |
| | Parks-Open Space/Trails | 35,658 |
| | Parks-Avenue of the Fountains Plaza | <u>93,124</u> |
| | Total Community Services | 2,352,113 |
| | Law Enforcement | Law Enforcement |
| Fire & Emergency Medical | Fire & Emergency Medical | <u>3,881,833</u> |
| <i>Total General Fund Expenditures</i> | | <u><u>\$ 17,884,681</u></u> |



Expenditure Limitation

Each year, the Economic Estimates Commission of the State of Arizona develops expenditure limits for local governments in Arizona based on a formula using 1979-80 expenses adjusted for inflation and population growth. Cities and towns are required to stay within the limits or incur a penalty (reduction in State shared revenues).

The FY17-18 expenditure limitation for the Town of Fountain Hills is \$28,182,002 which is a 2.6% increase from the previous year. The limit applies to FY17-18 expenditures of the Town (all funds) but allows for certain exemptions and deductions. For example, bond proceeds, debt service payments, grant expenditures, and HURF and are not included when determining compliance with the expenditure limitation. However, development fee and capital project expenditures are subject to the limitation. The table below is an estimate of the Town's expenditure limitation, deductions and exclusions and final spending authority.

EXPENDITURE LIMITATION ANALYSIS (Estimated)

| | |
|---|---------------------|
| Total Expenditures | \$ 35,303,495 |
| Exclusions (Subtractions) from Revenues: | |
| Separate Legal Entities | 789,483 |
| Required fees paid to the Arizona Department of Revenue | 55,000 |
| Debt Service Payments | 2,121,550 |
| Dividends, Interest, Gains | 59,342 |
| Grants, Aid, Contributions from Federal Government | 15,000 |
| Grants, Aid, Contributions from Private Organizations | 60,285 |
| Amounts Received from State | 1,667,000 |
| Quasi-External interfund Transactions | 8,640 |
| Savings Reserved for Capital Purchase (voter approved) | - |
| Highway User Revenues Excess 1979-80 | 3,676,275 |
| Contracts with Other Political Subdivisions | - |
| Refunds, Reimbursements | 151,000 |
| Voter Approved Exclusions | - |
| Prior Years Carry Forward | - |
| Total Exclusions | <u>8,603,575</u> |
| Expenditures subject to limitation | 26,699,920 |
| Expenditure Limitation | <u>28,182,002</u> |
| Under/(Over) Limitation | <u>\$ 1,482,082</u> |





Budget Process & Schedule



Planning Process

A number of **planning processes** are in place to guide the Town's decision making. Many of these processes allow for direct citizen input through public hearings, community meetings or participation in Council-appointed committees. The **Town's planning** processes include:

| Planning Process | Description |
|--|--|
| Town Vision, Mission, Goals and Values | Sets the overall tone of the organization and guides employees in managing the daily operations of the Town. |
| General Plan | A guide designed to encourage the most appropriate use of land and resources within the Town consistent with the interest of the citizens. The General Plan sets forth goals, objectives, policies and implementation techniques that will guide the development activity within the Town and promote, preserve and protect the health, safety, and general welfare of its citizens. |
| Capital Improvement Program | A five year guide to assist in long range planning for the Town's capital needs . Details of the adopted Capital Improvement Plan are found beginning on page 335. |
| Fiscal Policy Guidelines | Policies guiding the financial management of the Town of Fountain Hills are approved by the Town Council to ensure a fiscally sound government. The adoption of and compliance with these policies is an important factor in Rating Agency reviews. A summary of the Town's policies can be found beginning on page 50. |
| Annual Budget Process | Town staff develops a recommended budget. Many of the decisions included in that recommendation are driven by processes noted above. A summary of the Town's budget process can be found on the following pages. |
| Five Year Financial Plan | A five year financial forecast is developed annually as a tool to anticipate potential budget imbalances. The current plan can be found on page 16. |



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 February/March. After these meetings are completed, a proposed Town-wide balanced budget is prepared for submittal 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 time line 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 into 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 impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained.

Budget Definition

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

A good budget process is characterized by several essential features:

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses 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 achievement of goals, within the constraints of available resources, should be prepared and adopted.
4. Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.

These principles encompass many functions that spread across a governmental organization. They reflect the fact that 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 serves 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 achieve goals – a financial plan and budget that moves toward 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 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 budget process for the Town is actually an ongoing 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. Advisory Boards and 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 begins the process of implementing the newly adopted budget and is accountable for budgetary control throughout the fiscal year. Revenue and expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. Town management has access to a monthly budget and activity report; the Town Council is provided a summary budget report at the end of each quarter disclosing actual revenue, expenditure, and fund balance performance as compared to the budget.

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

Pursuant to Arizona Revised Statutes, “No expenditure shall be made for a purpose not included in such budget...”. Thus, a contingency line item is included within the General Fund to accommodate most unplanned expenditures. The other option in amending the budget, according to State law, is for the Council to declare an emergency and then transfer the monies from one line item or Department to another. In essence, any approved Council transfers do amend the budget although the budget is never reprinted. All transfers are reflected on the following year’s legal schedules as required by the Auditor General’s Office.



What funds are included in this budget?

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

- General Fund – revenues and expenditures to carry out basic governmental activities such as police and fire, recreation, planning, legal services, administrative services, etc. (unrestricted).
- Special Revenue Funds – revenues derived from specific taxes or other earmarked revenue sources, usually required by statute or ordinance to finance particular activities. Highway User Revenue Fund (HURF), grants, and the Excise Tax 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.

When can a citizen have input into the budget process?

Town staff welcomes comments and suggestions throughout the year. The first opportunity for the Town Council to contribute to the budget is during the annual goal setting retreat which is typically held around the beginning of the calendar year. The proposed budget is presented to the public and Town Council in April/May at which time a public hearing is held to receive input. This hearing 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.

Budget Schedule FY17-18

| | |
|--------------------------------|---|
| Mon, November 14, 2016 | Staff budget “kick-off” meeting in the Council Chambers |
| Thu, December 15, 2016 | <u>DEADLINE</u> for preliminary operating budgets entered into MUNIS Staffing requirements and <u>budget supplements</u> due to Finance CIP project requests and funding sources due to Finance New or changes to existing fees on Fee Schedule due |
| Thu, December 29, 2016 | 5 year Revenue Forecast due to Town Manager |
| Thu, January 12, 2017 | Final reconciliation of revenues vs. expenditures (Finance staff) |
| Tue - Thu, January 23-26, 2017 | Departmental presentations for Town Manager |
| Mon, February 6, 2017 | Department/Division templates due to Finance |
| Thu, February 9, 2017 | Council Retreat Session - Priorities for FY17-18 with Council receiving preliminary CIP Budget & Strategic Plan Review |
| Mon, February 13, 2017 | Staff meeting to debrief Council Retreat |
| Thu, February 16, 2017 | Final operating budgets entered into MUNIS |
| Thu, March 2, 2017 | Staff to review proposed budget dates with Town Attorney for statute compliance |
| Tues, March 7, 2017 | Council Special Session @ 5:30 PM – Consideration of projects listed in the CIP |
| Mon, March 27, 2017 | A.R.S. §9-499.15(B)(1)-(3): Staff to publish the proposed fee and tax levy notice on the Town’s website (including written report/data supporting any increases or new fees) for legal compliance |
| Mon, April 10, 2017 | Council receives proposed budget ; the proposed budget is posted online & the Resolution exhibit schedules are prepared by Finance for Legal |
| Mon, April 17, 2017 | Final revenue projections entered into MUNIS |
| Wed, April 19, 2017 | A.R.S. §9-499.15(B)(4) Deadline to post [on all Town social media sites] the “Notice of Intent” |
| Thu, April 20, 2017 | Public Outreach/Open House held prior to the Council meeting (6:00 – 6:30 PM) |
| Mon, April 24, 2017 | Council Budget Special Session @ 5:00 PM |
| Thu, May 4, 2017 | Town, CMD & EMCFD Meetings - Adoption of Tentative Budgets with notice of hearing dates; notices sent to Cottonwood Homeowners the following day; <i>[Cottonwoods requires 20 days (5/24/17) between the date of the published notice and the final budget hearing, which (due to advertising date limitations creates a 29-day window between the tentative budget adoption and the final budget adoption; Eagle Mtn. requires 10 days between the date of the published notice and the final budget hearing, which would allow the EMCFD budget to be adopted with a 21-day gap between the tentative budget adoption and the final; however, it is aligned with the CMD to avoid confusion</i> |
| Wednesdays, May 10 & 17, 2017 | Publish Tentative Budgets in the Times legal section for 2 consecutive weeks; place budgets on Town website & at Maricopa County Branch Library the following business day after adoption of the Tentative Budget |
| Thu, June 1, 2017 | Town, CMD & EMCFD Meetings – Regular Session Public Hearing <u>held on or before the 14th day before the day on which it levies taxes</u> ; Council convenes in Special Session to adopt the Town’s Final Budget (A.R.S. §42-17104) and reconvenes the Regular Session (<u>14 days - June 16, 2017</u>) |
| Thu, June 15, 2017 | Town, CMD & EMCFD Meetings - Adoption of Tax Levy occurs on or before the 3 rd Monday in August |





OPERATING BUDGETS

MAYOR & TOWN COUNCIL

ADMINISTRATION

MUNICIPAL COURT

GENERAL GOVERNMENT

PUBLIC WORKS

DEVELOPMENT SERVICES

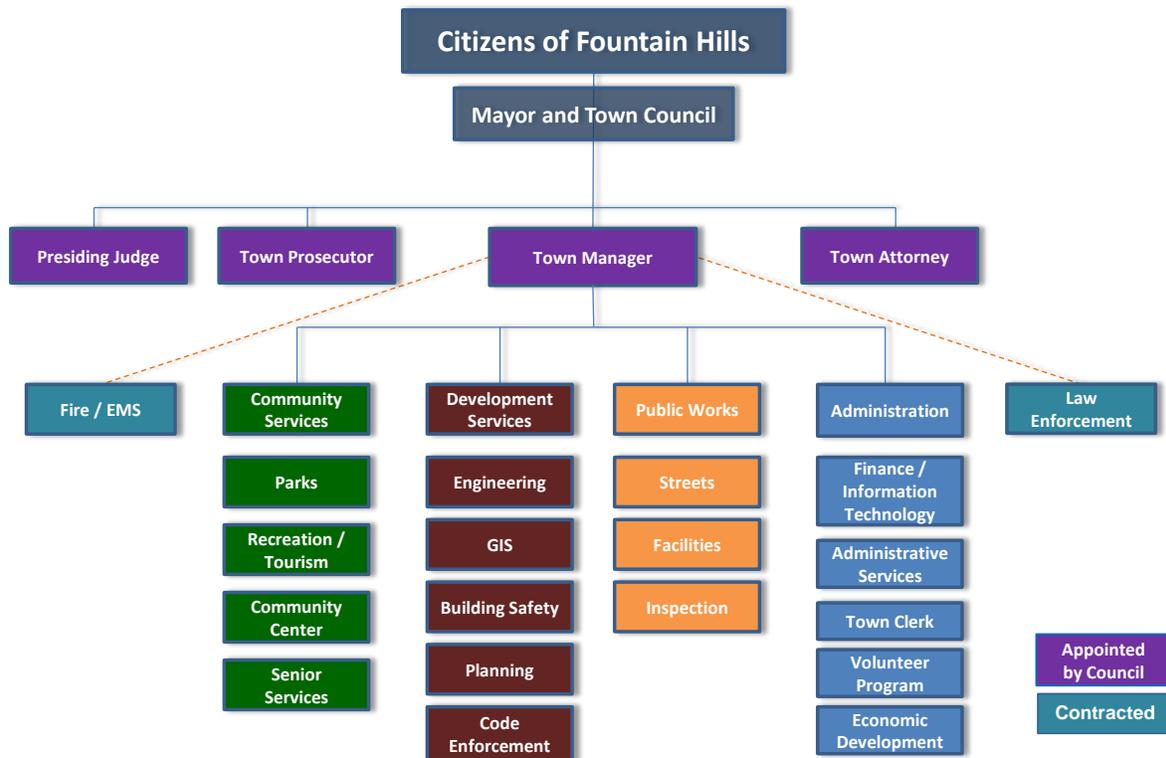
COMMUNITY SERVICES

LAW ENFORCEMENT

FIRE & EMERGENCY MEDICAL



Town of Fountain Hills Organization



Department Directors

| | |
|-------------------------------|---|
| Town Manager | Grady Miller |
| Finance Director | Craig Rudolph |
| Presiding Judge | Robert Melton |
| Community Services Director | Rachel Goodwin, Interim |
| Development Services Director | Robert Rodgers |
| Public Works Director | Justin Weldy, Interim |
| Fire Chief | Chief Dave Ott, Rural/Metro Corporation |
| District Commander | Captain Hank Brandimarte, Maricopa County Sheriff's Office |
| Town Prosecutor | Mark Iacovino The Law Office of Mark Iacovino |
| Town Attorney | Andrew McGuire, Gust Rosenfeld, P.L.C. |

Mayor & Town Council



MAYOR & TOWN COUNCIL

Mission Statement

The Mayor & 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 the public trust through open and responsive government; and maintaining the stewardship and preservation of its financial and natural resources.

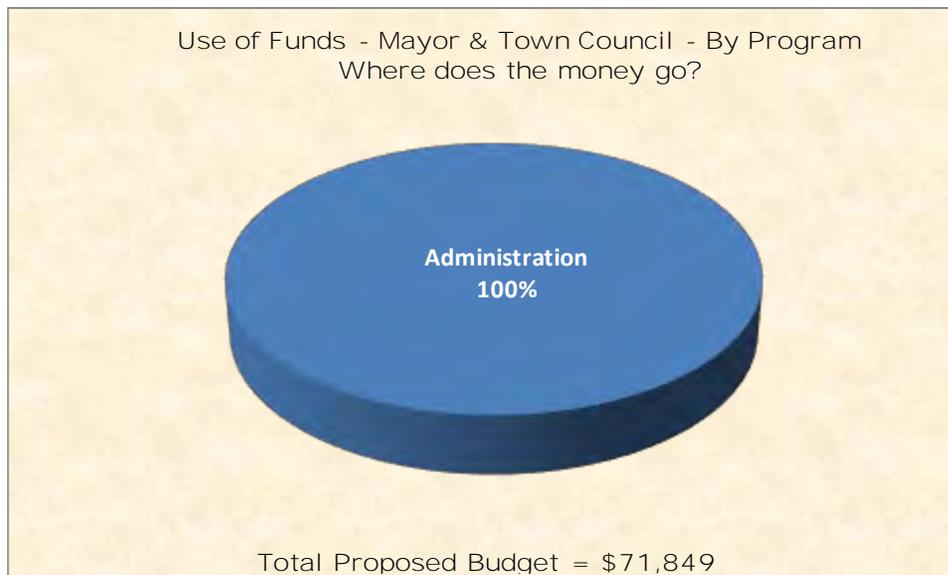


FRONT ROW: Councilmember Dennis Brown, Mayor Linda M. Kavanagh, Councilmember Art Tolis
BACK ROW: Councilmember Cecil A. Yates, Vice Mayor Alan Magazine, Councilmember Nick DePorter, Councilmember Henry Leger

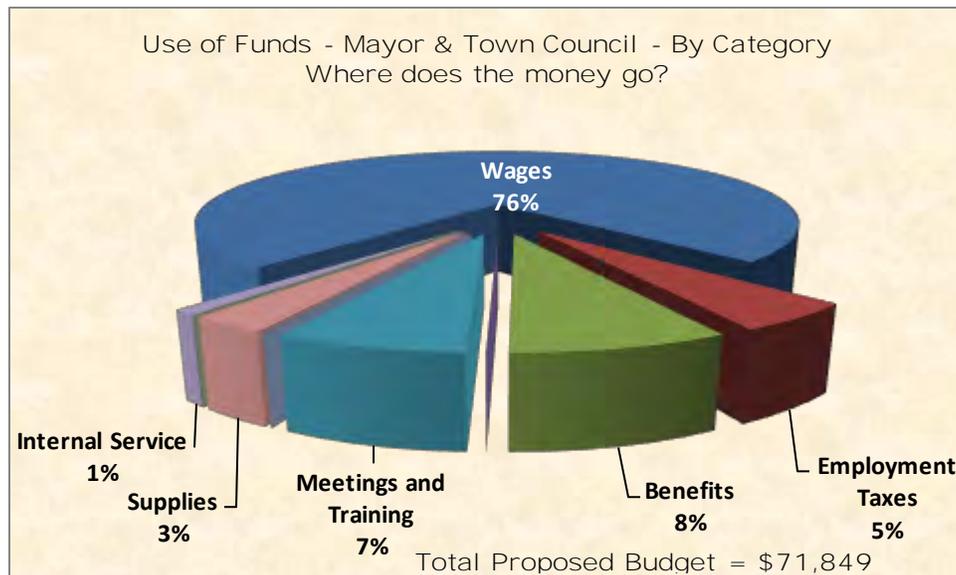
Department Overview

The Town Council is comprised of the Mayor and six Councilmembers, all of whom are elected at large to serve the citizens of the Town of Fountain Hills. The term of office for the Mayor is two years, and Councilmembers serve overlapping terms of four years. The corporate powers of the Town are vested in the Council and are exercised only as directed or authorized by law via ordinance, resolution, order or motion. The Council appropriates funds and provides policy direction to Town staff. The Council appoints a Town Manager, who is responsible for the day-to-day administration of the Town. The Council also appoints the Presiding Judge, Town Attorney, and Town Prosecutor.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 82,680 | \$ 72,094 | \$ 72,545 | \$ 71,849 |
| Total | \$ 82,680 | \$ 72,094 | \$ 72,545 | \$ 71,849 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 60,143 | \$ 51,726 | \$ 54,652 | \$ 55,118 |
| Employment Taxes | 3,892 | 3,505 | 3,577 | 3,425 |
| Benefits | 6,267 | 6,366 | 5,306 | 5,483 |
| Dues and Memberships | 393 | 469 | - | - |
| Meetings and Training | 1,772 | 3,109 | 5,420 | 4,810 |
| Maintenance and Repair | 99 | 27 | - | - |
| Contractual Services | 2,995 | 3,567 | 240 | 240 |
| Supplies | 4,746 | 1,131 | 1,200 | 2,100 |
| Equipment/Improvement | 412 | 216 | - | - |
| Internal Service | 1,961 | 1,978 | 2,150 | 673 |
| Total | \$ 82,680 | \$ 72,094 | \$ 72,545 | \$ 71,849 |



The 2017 Fountain Hills Strategic Plan contains a number of actions and performance measures tied to the following strategic priorities:

- ***Goal #1: Maximize Economic Development Opportunities in Fountain Hills***
- ***Goal #2: Ensure that Infrastructure and Physical Environment in Fountain Hills are Well-Maintained and Safe***
- ***Goal #3: Attract Families and Working Professionals to Fountain Hills***
- ***Goal #4: Ensure that Fountain Hills Finances are Stable and Sustainable***
- ***Goal #5: Focus on Strengthening the Community and Improving the Town's Quality of Life***



FY17-18 Proposed Budget
Summary of Expenditures
Mayor & Council

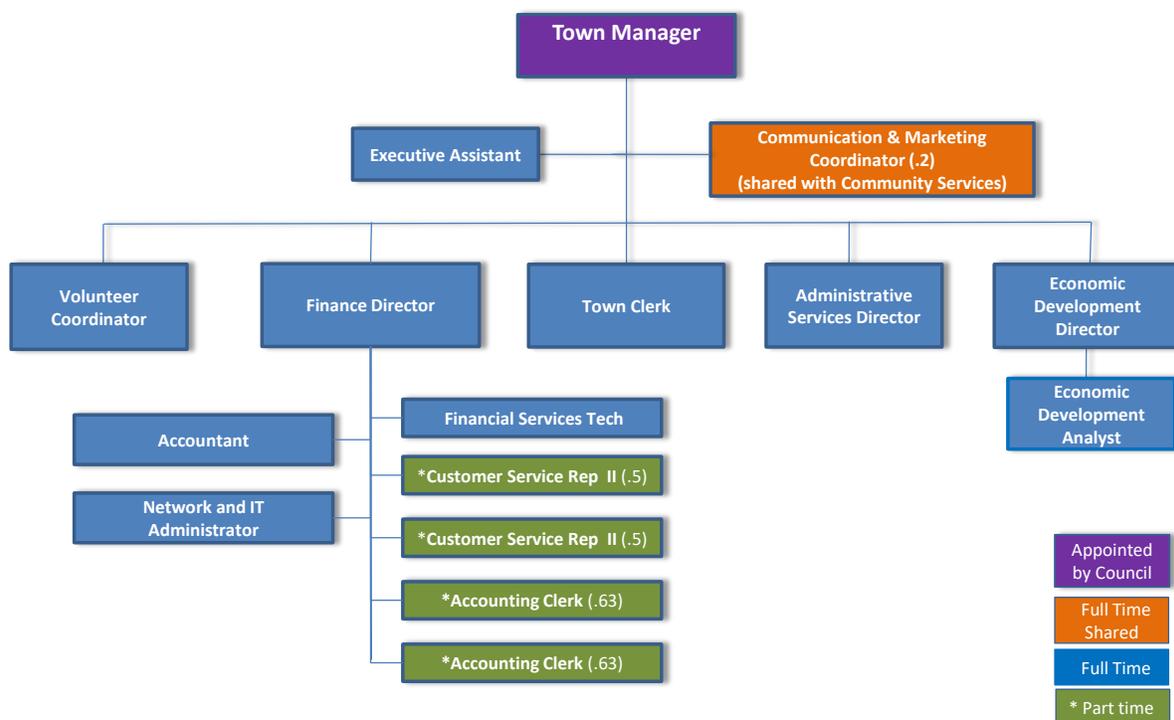
| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 23,693 | \$ 16,476 | \$ 18,652 | \$ 19,118 |
| Salaries-Part Time | 36,450 | 35,250 | 36,000 | 36,000 |
| FICA | 2,260 | 2,186 | 2,232 | 2,232 |
| Medicare | 861 | 736 | 792 | 800 |
| Workers Compensation | 284 | 188 | 144 | 94 |
| Unemployment Insurance | 487 | 396 | 409 | 299 |
| Group Health Insurance | 3,305 | 4,099 | 2,877 | 3,008 |
| Group Dental Insurance | 167 | 224 | 208 | 215 |
| Group Vision Insurance | 28 | 32 | 29 | 43 |
| Disability Insurance | 86 | 58 | 79 | 81 |
| Retirement | 2,604 | 1,889 | 2,051 | 2,103 |
| Life Insurance | 75 | 65 | 62 | 19 |
| Dues, Subscript & Publicat | 393 | 469 | - | 14 |
| Meetings & Training | 1,772 | 3,108 | 5,420 | 4,810 |
| Sign Repair & Replacement | 100 | 27 | - | - |
| Legal Fees | 2,773 | 3,492 | - | - |
| Printing Expense | 223 | 74 | 240 | 240 |
| Community Contracts/Events | 315 | - | 100 | 600 |
| Office Supplies | 493 | 234 | 250 | 400 |
| Food & Beverage Supplies | 3,938 | 898 | 850 | 900 |
| Program Materials | - | - | - | 200 |
| Furniture/Appliances | 412 | 216 | - | - |
| ISF-Copier Charges | 81 | 34 | 100 | 20 |
| ISF-Mail Service Charges | 43 | 42 | 50 | 38 |
| ISF-Motor Pool Charges | 40 | - | - | - |
| ISF-Telecom Charges | 1,797 | 1,901 | 2,000 | 615 |
| Sub total Expenditures | 82,680 | 72,094 | 72,545 | 71,849 |
| Transfers Out | - | - | - | - |
| Total Mayor & Council | <u>\$ 82,680</u> | <u>\$ 72,094</u> | <u>\$ 72,545</u> | <u>\$ 71,849</u> |



Administration



ADMINISTRATION DEPARTMENT



Note: Numbers in parentheses represent full-time equivalents (FTE).

ADMINISTRATION

Mission Statement

The Administration Department is dedicated to serving the citizens 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.

Department Overview

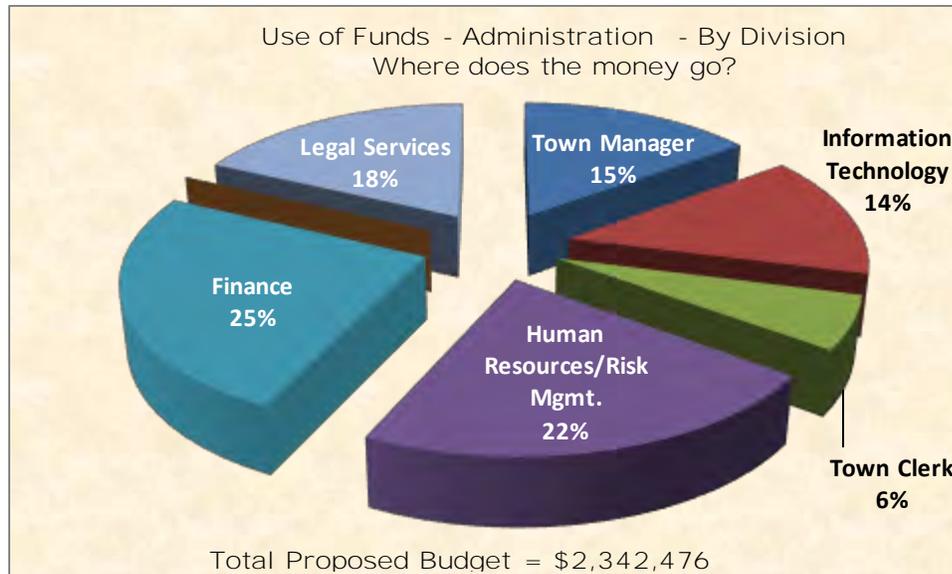
The Administration Department is made up of seven (7) Divisions and one (1) service function: Town Manager, Town Clerk, Administrative Services, Finance, Information Technology, Economic Development, Legal Services, and the Volunteer Program. The Town Manager provides direct supervision over the Town Clerk, Administrative Services, Finance, Economic Development, and the Volunteer Program. The Town Manager also administers the budget for Legal Services. The Finance Director is responsible for Finance and Information Technology. The Administrative Services Director is responsible for Human Resources and Risk Management.

| Division | Expenditures by Division | | | |
|----------------------------|--------------------------|---------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Town Manager | \$ 654,775 | \$ 404,404 | \$ 298,057 | \$ 343,054 |
| Information Technology | 237,468 | 246,529 | 267,262 | 329,289 |
| Town Clerk | 132,117 | 125,043 | 155,603 | 132,852 |
| Human Resources/Risk Mgmt. | 360,033 | 369,728 | 445,951 | 518,073 |
| Finance | 373,437 | 489,096 | 528,677 | 597,603 |
| Economic Development | 90,000 | - | - | - |
| Legal Services | 354,434 | 374,169 | 396,950 | 421,605 |
| Total | \$ 2,202,264 | \$ 2,008,969 | \$ 2,092,500 | \$ 2,342,476 |

Variance Explanations:

Information Technology: Budget supplements include Town-wide computer upgrades to Windows 10 and the latest version of Microsoft Office, in addition to adding a forms module to Laserfiche and upgrading the Wi-Fi system at the Community Center.



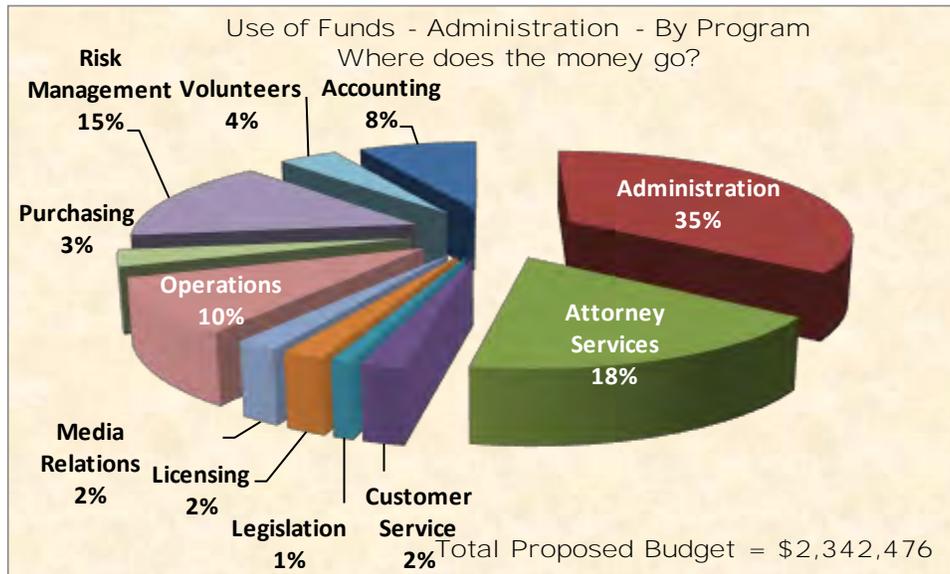


| Program Name | Expenditures by Program | | | |
|---------------------------|-------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Accounting | \$ 33,003 | \$ 87,340 | \$ 199,347 | \$ 193,745 |
| Administration | 760,347 | 462,144 | 776,591 | 851,692 |
| Attorney Services | 257,683 | 269,919 | 396,950 | 421,605 |
| Audit Services | 96,157 | 97,477 | - | - |
| Budget | 50,268 | 52,386 | - | - |
| Customer Service | 19,297 | 19,284 | 36,264 | 40,698 |
| Elections | 41,316 | 33,106 | - | - |
| Legislation | 41,443 | 43,022 | 14,090 | 16,070 |
| Licensing | 49,243 | 50,534 | 51,388 | 56,029 |
| Media Relations | - | - | - | 35,459 |
| Network Administration | 132,268 | 141,727 | - | - |
| Operations | - | - | 178,630 | 229,641 |
| Payroll | 22,139 | 21,824 | - | - |
| Public Defender | 6,750 | 4,250 | - | - |
| Prosecutor | 90,000 | 100,000 | - | - |
| Purchasing | 46,269 | 48,859 | 57,544 | 59,704 |
| Records Management | 15,968 | 15,981 | - | - |
| Recruitment | 29,209 | 31,328 | - | - |
| Risk Management | 257,612 | 262,051 | 301,272 | 351,385 |
| Social/Community Services | 32,934 | 32,769 | - | - |
| Support | 41,883 | 42,632 | - | - |
| Strategic Planning | 16,115 | 17,774 | - | - |
| Training & Development | 2,536 | 8,086 | - | - |
| Treasury | 41,702 | 41,487 | - | - |
| Video Services | 11,580 | 12,925 | - | - |
| Volunteers | 66,315 | 76,242 | 80,424 | 86,448 |
| Web Site | 40,227 | 35,822 | - | - |
| Total | \$ 2,202,264 | \$ 2,008,969 | \$ 2,092,500 | \$ 2,342,476 |



Variance Explanations:

Operations: Budget supplements include Town-wide computer upgrades to Windows 10 and the latest version of Microsoft Office, in addition to adding a forms module to Laserfiche and upgrading the Wi-Fi system at the Community Center.



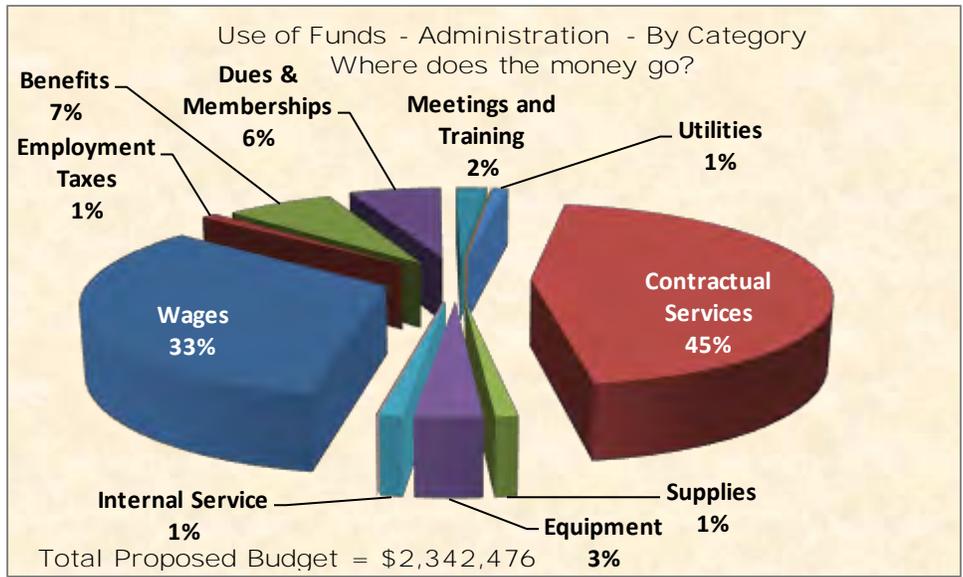
| Category | Expenditures by Category | | | |
|------------------------|--------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 675,705 | \$ 672,942 | \$ 740,897 | \$ 781,412 |
| Employment Taxes | 16,034 | 15,053 | 18,076 | 18,327 |
| Benefits | 158,636 | 163,249 | 138,724 | 156,873 |
| Dues & Memberships | 118,975 | 131,594 | 128,342 | 145,122 |
| Meetings and Training | 10,325 | 20,164 | 38,851 | 40,588 |
| Maintenance and Repair | 3,736 | 602 | 8,000 | 6,200 |
| Utilities | 2,538 | 2,208 | 1,800 | 13,000 |
| Contractual Services | 733,108 | 809,599 | 927,404 | 1,053,748 |
| Supplies | 23,868 | 29,603 | 31,774 | 32,160 |
| Equipment | 16,720 | 33,508 | 32,400 | 75,475 |
| Internal Service | 26,625 | 23,257 | 26,232 | 19,571 |
| Transfers | 396,500 | 102,290 | - | - |
| Contingency | - | 4,900 | - | - |
| Capital Expenditures | 19,494 | - | - | - |
| Total | \$ 2,202,264 | \$ 2,008,969 | \$ 2,092,500 | \$ 2,342,476 |

Variance Explanations:

Utilities: The increase includes the new emergency notification system.

Equipment: Budget supplements include Town-wide computer upgrades to Windows 10 and the latest version of Microsoft Office, in addition to adding a forms module to Laserfiche and upgrading the Wi-Fi system at the Community Center.

Internal Service: The decrease is attributed to a new departmental copier/printer in FY16-17 so less is being sent to the Town-wide machines.



FY17-18 Department Accomplishments

| Initiative | Strategic Value |
|---|--|
| Implement and fund infrastructure facilities replacement | I2–Maintain and Improve Community Infrastructure |
| Continue investment in Pavement Management Program | I3–Maintain and Improve Community Infrastructure |
| Promote quality development and actively assist new businesses, retain current businesses | EV1, EV3, EV4–Economic Vitality |
| Conduct biennial Citizens Academy | CR4–Civic Responsibility |

FY17-18 Objectives

| Initiative | Strategic Value | Estimated Cost/Funding Source |
|---|-------------------------------|---|
| Create a Communications Plan for Town of Fountain Hills | CR4, CR7–Civic Responsibility | \$10,000 one time funding from General Fund to create a communications plan |



FY17-18 Proposed Budget
Summary of Expenditures
Administration Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 637,991 | \$ 637,079 | \$ 667,625 | \$ 701,688 |
| Salaries-Part Time | 36,307 | 35,341 | 73,272 | 79,724 |
| Overtime | 1,406 | 522 | - | - |
| FICA | 2,251 | 2,209 | 4,543 | 4,902 |
| Medicare | 9,487 | 9,571 | 10,655 | 11,384 |
| Workers Compensation | 3,177 | 2,389 | 1,930 | 1,336 |
| Unemployment Insurance | 1,118 | 883 | 948 | 705 |
| Group Health Insurance | 79,982 | 83,796 | 56,913 | 60,228 |
| Group Dental Insurance | 4,396 | 4,225 | 4,158 | 4,953 |
| Group Vision Insurance | 648 | 521 | 409 | 820 |
| Disability Insurance | 2,007 | 2,238 | 2,781 | 2,957 |
| Retirement | 69,667 | 70,341 | 72,246 | 76,916 |
| Life Insurance | 1,935 | 2,128 | 2,217 | 705 |
| Bonus | - | - | - | 514 |
| Allowance/Stipend | - | - | - | 9,780 |
| Licenses/Filing Fees | 75,786 | 86,734 | 103,955 | 100,380 |
| Dues, Subscript & Publicat | 43,189 | 44,861 | 24,387 | 44,742 |
| Training/Cont Ed | 2,385 | - | 36,726 | 39,498 |
| Meetings & Training | 7,940 | 20,164 | 2,125 | 1,090 |
| Equipment Maint/Repair | 1,687 | 602 | 5,000 | 5,000 |
| Office Equip Maint/ Repair | 1,694 | - | 3,000 | 1,200 |
| Other Maint/Repair | 134 | - | - | - |
| Sign Repair & Replacement | 221 | - | - | - |
| Telecommunications | 2,538 | 2,208 | 1,800 | 13,000 |
| Auditing Expense | 53,260 | 53,840 | 99,500 | 91,513 |
| Professional Fees | 40,386 | 42,596 | 52,258 | 76,810 |
| Legal Fees | 350,584 | 370,084 | 298,900 | 307,839 |
| Management Fees | 15,755 | 16,090 | 16,375 | 17,825 |
| Insurance Expense | 222,795 | 231,353 | 264,300 | 316,101 |
| Rentals & Leases | - | - | - | 1,140 |
| Printing Expense | 2,134 | 6,168 | 1,965 | 4,050 |
| Advertising/Signage | 5,195 | 5,363 | 12,390 | 7,890 |
| Intergovt Agreements | 9,202 | 49,845 | 51,000 | 56,000 |
| Cont4ractual Services | - | - | - | 50,000 |
| Constituent Communication | - | 1,985 | - | 3,500 |
| Contractual Services | 535 | - | - | - |
| Bank/Merc Acct Fees | 9,064 | 8,075 | 10,320 | 11,280 |
| Election Expense | - | - | 25,236 | - |
| Community Contracts/Events | 24,200 | 24,200 | - | - |
| ActiveNet Fees | - | - | 360 | - |
| Prosecutor Fees | - | - | 90,000 | 105,000 |
| Public Defender Fees | - | - | 4,800 | 4,800 |
| Office Supplies | 3,535 | 4,332 | 5,791 | 5,747 |
| Cleaning/Janitorial Supplies | 39 | 8 | 10 | 10 |
| Operating Supplies | 3,069 | 2,506 | 6,690 | 6,850 |
| Food & Beverage Supplies | 6,886 | 7,239 | 9,400 | 10,210 |
| Program Materials | 9,981 | 11,125 | 9,127 | 8,537 |
| Uniforms | 45 | - | - | - |
| Postage & Delivery | 314 | 482 | 756 | 806 |
| Miscellaneous Expense | - | 3,911 | - | - |
| Small Tools | - | 139 | - | - |



FY17-18 Proposed Budget
Summary of Expenditures
Administration Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|---------------------|---------------------|---------------------------|----------------------------|
| General Fund-continued | | | | |
| Software | \$ 1,373 | \$ 1,548 | \$ 550 | \$ 54,050 |
| Hardware/Peripherals | 14,632 | 31,591 | 31,850 | 21,425 |
| Peripherals | 195 | - | - | - |
| Furniture/Appliances | - | 230 | - | - |
| Equipment | 519 | - | - | - |
| ISF-Copier Charges | 14,044 | 11,978 | 12,955 | 6,380 |
| ISF-Mail Service Charges | 7,398 | 5,486 | 6,727 | 5,708 |
| ISF-Vehicle Replacement Charge | - | - | - | 828 |
| ISF-Motor Pool Charges | 217 | 71 | 220 | 390 |
| ISF-Telecom Charges | 4,967 | 5,722 | 6,330 | 6,265 |
| Contingency | - | 4,900 | - | - |
| Capital Expenditures | 19,494 | - | - | - |
| Sub total Expenditures | 1,805,764 | 1,906,679 | 2,092,500 | 2,342,476 |
| Transfers Out | 396,500 | 102,290 | - | - |
| Total Administration | <u>\$ 2,202,264</u> | <u>\$ 2,008,969</u> | <u>\$ 2,092,500</u> | <u>\$ 2,342,476</u> |



Town Manager Division

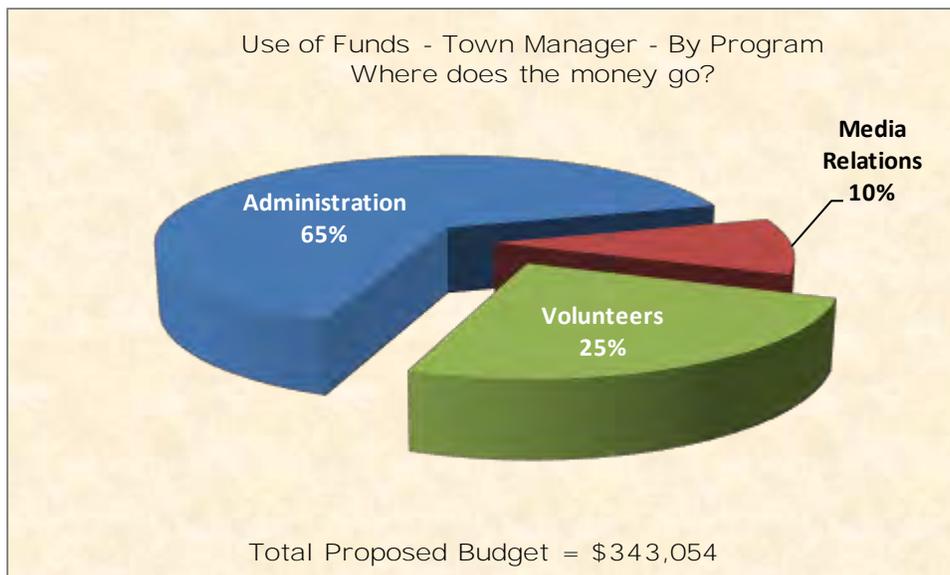
Service Delivery Plan

Provide 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. Work 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, administer fees for service contracts and administer the Volunteer Program.

| Program Name | Expenditures by Program | | | |
|---------------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 539,412 | \$ 277,620 | \$ 217,633 | \$ 221,148 |
| Media Relations | - | - | - | 35,459 |
| Social/Community Services | 32,934 | 32,769 | - | - |
| Strategic Planning | 16,114 | 17,774 | - | - |
| Volunteers | 66,315 | 76,241 | 80,424 | 86,447 |
| Total | \$ 654,775 | \$ 404,404 | \$ 298,057 | \$ 343,054 |

Variance Explanations:

Media Relations: New program created to accurately communicate news and information to Fountain Hills' customers, citizens, news media, elected officials, and employees via internal and external communication sources.

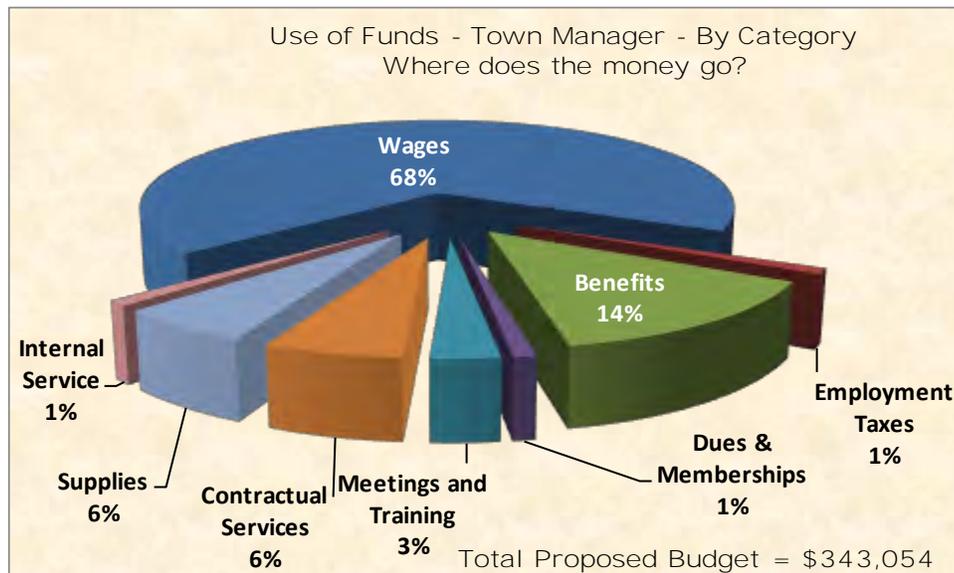


| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 222,387 | \$ 219,687 | \$ 219,352 | \$ 234,204 |
| Employment Taxes | 4,481 | 4,298 | 3,855 | 3,969 |
| Benefits | 50,799 | 50,036 | 36,806 | 47,797 |
| Dues & Memberships | 19,948 | 20,675 | 2,057 | 2,057 |
| Meetings and Training | 2,406 | 6,712 | 9,025 | 9,580 |
| Maintenance and Repair | 864 | - | - | - |
| Utilities | 768 | 1,009 | 900 | - |
| Contractual Services | 24,922 | 25,937 | 2,840 | 21,635 |
| Supplies | 14,427 | 16,560 | 17,002 | 19,691 |
| Equipment | 546 | 274 | - | - |
| Internal Service | 6,727 | 4,316 | 6,220 | 4,121 |
| Transfers | 306,500 | 50,000 | - | - |
| Contingency | - | 4,900 | - | - |
| Total | \$ 654,775 | \$ 404,404 | \$ 298,057 | \$ 343,054 |

Variance Explanations:

Benefits: Allowances/Stipends have been separated out of Wages for more efficient managing and reporting purposes.

Contractual Services: The increase is a result of the addition a new Town information publication planned in conjunction with the Media Relations program.



Activities/Results

The Town Volunteer Program presents an avenue in which the town and its residents can work together to provide enhanced services to the community, personnel cost savings, as well as opportunities for volunteers to utilize their many talents. The volunteers enable new and innovative programs, such as the Art Docent Walk and Save Our Sculpture Program as well as the Give a Lift transportation program that could not otherwise be offered, as well as supplement and complement existing programs and services.

The Town presently works with more than 835 volunteers and, in 2016, provided over 26,000 hours, at an overall cost savings to the Town of \$581,000! (using data collected by the U.S. Census Bureau and the Bureau of Labor Statistics; AZ hourly volunteer value was \$22.37).

- 190 Volunteers delivered 4,800 meals to homebound residents in 2016
- 24 volunteers provided over 100 rides through the Give a Lift Program
- Over 300 volunteers helped with:
 - Teen Court - 15
 - Halloween in the Hills - 60
 - Ballet Under the Stars - 10
 - Movie in the Park - 6
 - Town Hall receptions - 9
 - Guided Hikes - 66
 - Decorating the Community Center for the Holidays - 145
 - Hosting a Family Christmas party - 38
 - Expo - 112
- 116 Volunteers helped make Turkey Trot another success this year
- 44 Volunteers provide excellent customer service and welcome residents and visitors at reception desks
- 8 Volunteers currently provide specialized support to staff in a variety of functions: accounting, special projects, archiving, filing, data entry, writing press releases, maintaining kiosks and more
- 320 Volunteers served residents who, for the most part, are facing physical and/or emotional, financial and transportation challenges—during the Make a Difference Day event, making a great difference in the homes of 41 residents
- 14 Volunteers keep our public art pieces clean through the Save Our Sculptures; 5 Volunteers are ready to lead art walk tours
- 100's of Volunteers assist with special events throughout the year, such as Concours in the Hills, the Great Fair, Music Festival, Oktoberfest, Pitch, Hit, and Run, Eggstravaganza as well as serving at the Tourism Booth at all events
- 50 Volunteers build and maintain trails
- 16 youth serve as Volunteers on the Mayor's Youth Council, a civic and service program
- 60+ Volunteers serve on Advisory Committees, Boards, and Commissions

Our Town relies today, more than ever, upon the volunteer service of our residents and is grateful for the incredible value and enhanced services that they bring to Fountain Hills.

FY17-18 Proposed Budget
Summary of Expenditures
Town Manager

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---------------------------------|-----------------------|-----------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 222,387 | \$ 219,687 | \$ 219,352 | \$ 234,204 |
| Medicare | 3,137 | 3,270 | 3,094 | 3,413 |
| Workers Compensation | 1,034 | 829 | 562 | 400 |
| Unemployment Insurance | 310 | 199 | 199 | 156 |
| Group Health Insurance | 24,080 | 23,169 | 10,987 | 12,533 |
| Group Dental Insurance | 1,334 | 911 | 798 | 910 |
| Group Vision Insurance | 199 | 131 | 107 | 171 |
| Disability Insurance | 720 | 686 | 897 | 991 |
| Retirement | 23,796 | 24,402 | 23,302 | 25,763 |
| Life Insurance | 669 | 737 | 715 | 235 |
| Bonus | - | - | - | 114 |
| Allowance/Stipend | - | - | - | 7,080 |
| Licenses/Filing Fees | - | 30 | - | - |
| Dues, Subscript & Publicat | 19,948 | 20,645 | 2,057 | 2,057 |
| Meetings & Training | 2,406 | 6,712 | 6,900 | 8,490 |
| Boards & Commissions | - | - | 2,125 | 1,090 |
| Office Equip Maint/ Repair | 508 | - | - | - |
| Other Maint/Repair | 134 | - | - | - |
| Sign Repair & Replacement | 222 | - | - | - |
| Telecommunications | 768 | 1,009 | 900 | - |
| Professional Fees | - | 112 | 800 | 18,920 |
| Printing Expense | 76 | 459 | - | 75 |
| Advertising/Signage | 111 | 167 | 2,040 | 1,140 |
| Contractual Services | 535 | - | - | - |
| Constituent Communication | - | 999 | - | 1,500 |
| Community Contracts/Events | 24,200 | 24,200 | - | - |
| Office Supplies | 1,081 | 1,377 | 2,240 | 2,300 |
| Operating Supplies | 1,316 | 1,104 | 3,070 | 3,430 |
| Food & Beverage Supplies | 5,576 | 6,145 | 6,800 | 7,610 |
| Program Materials | 6,123 | 7,514 | 4,557 | 5,967 |
| Uniforms | 45 | - | - | - |
| Postage & Delivery | 286 | 420 | 335 | 384 |
| Hardware | 546 | 44 | - | - |
| Furniture/Appliances | - | 230 | - | - |
| ISF-Copier Charges | 4,780 | 2,633 | 3,900 | 2,125 |
| ISF-Mail Service Charges | 996 | 454 | 1,050 | 430 |
| ISF-Vehicle Replacement Charges | - | - | - | 313 |
| ISF-Motor Pool Charges | - | - | 120 | 147 |
| ISF-Telecom Charges | 952 | 1,229 | 1,150 | 1,106 |
| Contingency | - | 4,900 | - | - |
| Sub total Expenditures | <u>348,275</u> | <u>354,404</u> | <u>298,057</u> | <u>343,054</u> |
| Transfers Out | <u>306,500</u> | <u>50,000</u> | <u>-</u> | <u>-</u> |
| Total Town Manager | <u>\$ 654,775</u> | <u>\$ 404,404</u> | <u>\$ 298,057</u> | <u>\$ 343,054</u> |

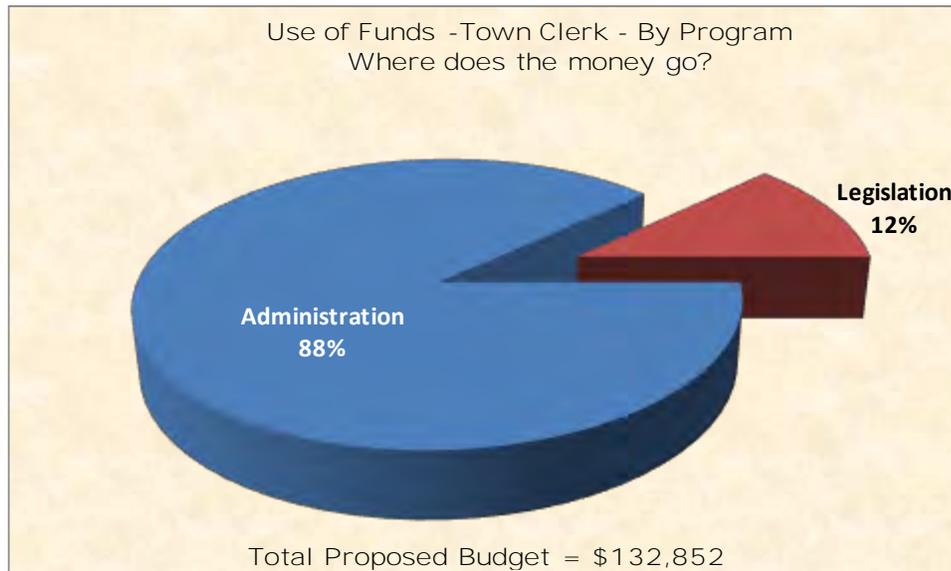


Town Clerk Division

Service Delivery Plan

The Town Clerk serves as the Town’s custodian of records and election official who conducts municipal elections and who coordinates all related activities in the most efficient and effective manner and in full compliance with all applicable State statutes and Town Code provisions. The Town Clerk maintains documents necessary for the effective administration and operation of municipal government and preserves the Town’s permanent records.

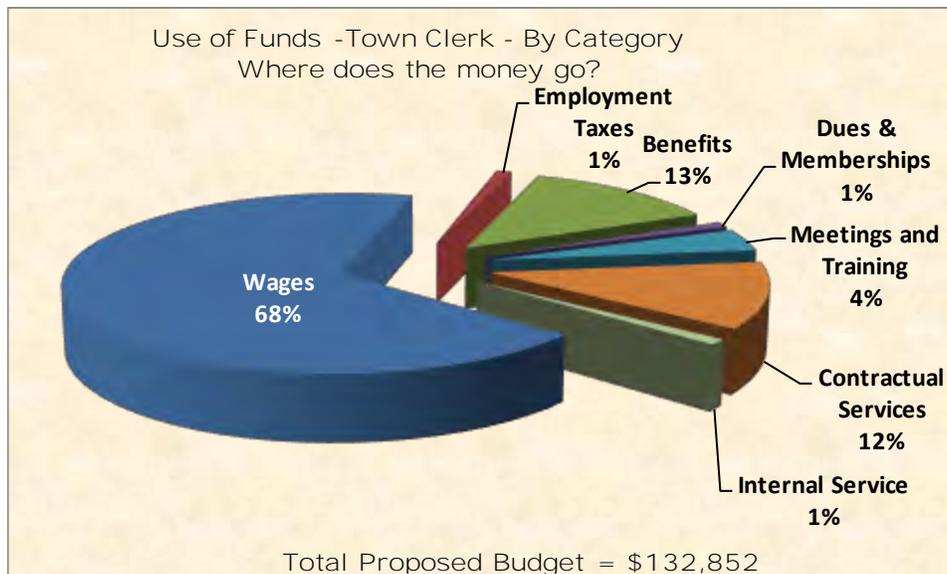
| Program Name | Expenditures by Program | | | |
|--------------------|-------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 33,391 | \$ 32,934 | \$ 141,513 | \$ 116,782 |
| Elections | 41,316 | 33,106 | - | - |
| Legislation | 41,443 | 43,022 | 14,090 | 16,070 |
| Records Management | 15,967 | 15,981 | - | - |
| Total | \$ 132,117 | \$ 125,043 | \$ 155,603 | \$ 132,852 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 83,206 | \$ 86,220 | \$ 88,388 | \$ 90,598 |
| Employment Taxes | 1,594 | 1,570 | 1,589 | 1,524 |
| Benefits | 21,395 | 20,597 | 16,712 | 17,006 |
| Dues & Memberships | 467 | 434 | 720 | 720 |
| Meetings and Training | 2,657 | 221 | 4,967 | 4,724 |
| Maintenance and Repair | 508 | - | - | - |
| Contractual Services | 18,738 | 11,981 | 39,326 | 16,070 |
| Supplies | 264 | 735 | 551 | 551 |
| Equipment | - | 86 | 50 | 50 |
| Internal Service | 3,288 | 3,199 | 3,300 | 1,609 |
| Total | \$ 132,117 | \$ 125,043 | \$ 155,603 | \$ 132,852 |

Variance Explanations:

Contractual Services: The decrease is the result of not including costs associated with an election.



Activities/Results

Performance Measures

| | | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--------------------|--|----------------------------------|---------------------------|-------------------------------------|---------------------------|
| Registered Voters: | Primary (Mar) General (May) Primary (Aug) General (Nov) | 16,213 Not a Town Election | N/A N/A | 16,387 Not a Town Election | N/A N/A |
| Voter Turnout % | Primary (Mar) General (May) Primary (Aug) General (Nov) | 38% Not a Town Election | N/A N/A | 41% Not a Town Election | N/A N/A |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Percentage of contracts processed within five business days after approval | 100% | 100% | 100% | 100% |
| Percentage of agenda and meeting notices posted in compliance legal requirements | 100% | 100% | 100% | 100% |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Town Council Agenda/Meeting notices posted | 36/18 | 33/23 | 30/31 | 34/25 |
| Requests for Public Information processed | 148 | 134 | 150 | 125 |



FY17-18 Proposed Budget
Summary of Expenditures
Town Clerk

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 83,206 | \$ 86,220 | \$ 88,388 | \$ 90,598 |
| Medicare | 1,117 | 1,195 | 1,281 | 1,314 |
| Workers Compensation | 394 | 300 | 233 | 155 |
| Unemployment Insurance | 83 | 75 | 75 | 55 |
| Group Health Insurance | 10,968 | 9,774 | 5,643 | 5,788 |
| Group Dental Insurance | 633 | 629 | 594 | 614 |
| Group Vision Insurance | 90 | 90 | 82 | 124 |
| Disability Insurance | 289 | 331 | 374 | 383 |
| Retirement | 9,153 | 9,484 | 9,723 | 9,966 |
| Life Insurance | 262 | 289 | 296 | 91 |
| Bonus | - | - | - | 40 |
| Licenses/Filing Fees | - | - | 70 | 70 |
| Dues, Subscript & Publicat | 467 | 434 | 650 | 650 |
| Meetings & Training | 2,657 | 221 | 4,967 | 4,724 |
| Office Equip Maint/Repair | 508 | - | - | - |
| Professional Fees | 8,065 | 9,447 | 10,290 | 11,470 |
| Advertising/Signage | 2,472 | 2,534 | 3,800 | 4,600 |
| Election Expense | - | - | 25,236 | - |
| Intergovt Agreements | 8,201 | - | - | - |
| Office Supplies | 264 | 725 | 351 | 351 |
| Postage & Delivery | - | 10 | 200 | 200 |
| Software | - | - | 50 | 50 |
| Hardware/Peripherals | - | 86 | - | - |
| ISF-Copier Charges | 3,043 | 2,968 | 3,000 | 1,350 |
| ISF-Mail Service Charges | 34 | 8 | 50 | 14 |
| ISF-Telecom Charges | 211 | 223 | 250 | 245 |
| Sub total Expenditures | 132,117 | 125,043 | 155,603 | 132,852 |
| Transfer Out | - | - | - | - |
| Total Town Clerk | <u>\$ 132,117</u> | <u>\$ 125,043</u> | <u>\$ 155,603</u> | <u>\$ 132,852</u> |

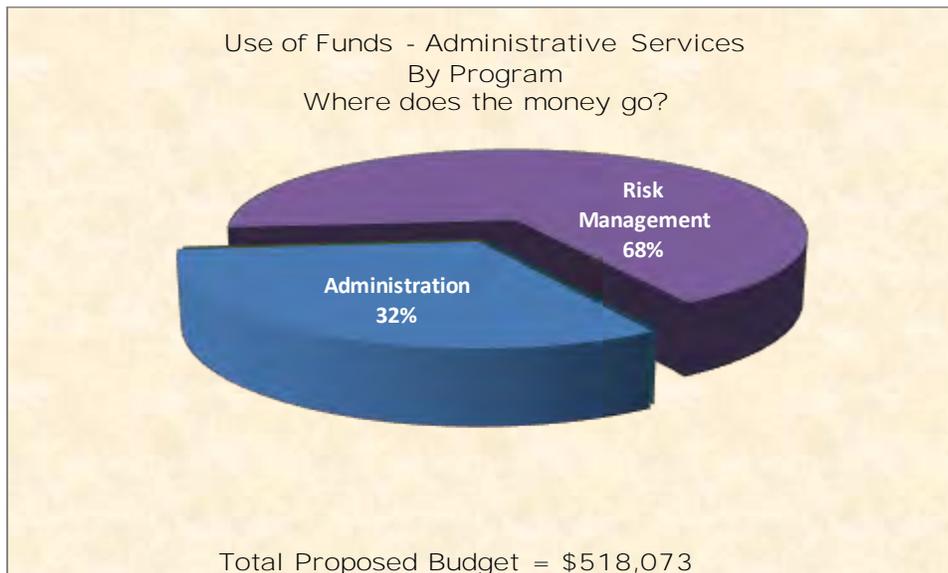


Administrative Services Division

Service Delivery Plan

Lead the organization in the acquisition, maintenance, development, supervision and measurement of the human assets and the results of their work (quality, productivity and service). Protect the Town’s assets from loss and minimize employee injuries on the job.

| Program Name | Expenditures by Program | | | |
|------------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 48,537 | \$ 46,439 | \$ 144,678 | \$ 166,688 |
| Payroll | 22,139 | 21,824 | - | - |
| Recruitment | 29,209 | 31,328 | - | - |
| Risk Management | 257,612 | 262,051 | 301,272 | 351,385 |
| Training & Development | 2,536 | 8,086 | - | - |
| Total | \$ 360,033 | \$ 369,728 | \$ 445,950 | \$ 518,073 |

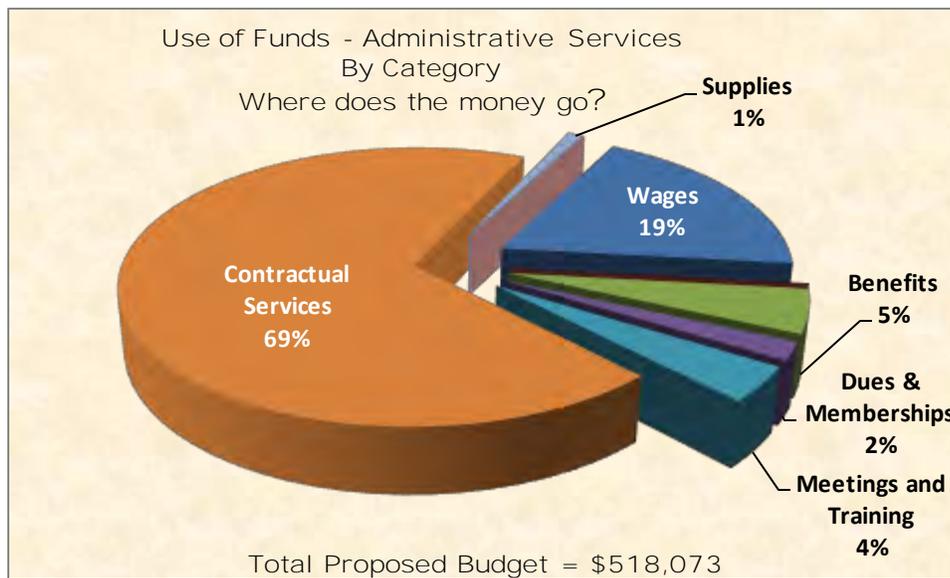


| Category | Expenditures by Category | | | |
|-----------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 94,927 | \$ 80,385 | \$ 98,326 | \$ 100,784 |
| Employment Taxes | 2,174 | 1,509 | 1,758 | 1,703 |
| Benefits | 18,195 | 20,421 | 22,423 | 24,079 |
| Dues & Memberships | 546 | 4,121 | 1,530 | 9,790 |
| Meetings and Training | 2,277 | 8,012 | 21,000 | 21,340 |
| Maintenance & Repair | 169 | - | - | - |
| Contractual Services | 235,517 | 244,863 | 291,417 | 353,751 |
| Supplies | 5,161 | 9,241 | 8,266 | 5,596 |
| Equipment | 206 | - | - | - |
| Internal Service | 861 | 1,176 | 1,230 | 1,030 |
| Total | \$ 360,033 | \$ 369,728 | \$ 445,950 | \$ 518,073 |

Variance Explanations:

Dues & Memberships: The increase is a result of memberships to new organizations and online job posting subscriptions.

Contractual Services: The increase is a result of rising insurance costs, a budget supplement for a classification and compensation study and consulting fees.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Increase the percentage of employee performance reviews completed on schedule | 90% | 92% | 97% | 97% |
| Increase or maintain the number of applications received per recruitment for non-exempt positions | 20 | 23 | 25 | 25 |
| Increase or maintain the number of applications received per recruitment for exempt positions | 18 | 29 | 30 | 30 |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Decrease the number of days lost to injury per workers' compensation claim | 0 | 2 | 2 | 0 |
| Maintain the turnover rate of full-time employees at an acceptable rate | 4% | 12% | 10% | 6% |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of full-time employees departed from Town service | 3 | 5 | 6 | 3 |
| Number of exit interviews conducted | 1 | 5 | 6 | 3 |
| Ensure supervisors receive performance evaluation documentation four weeks in advance | 95% | 95% | 100% | 100% |
| Quarterly track and analyze performance evaluation trends, including number of performance evaluations that were late, type of increases each employee received, etc. | 100% | 100% | 100% | 100% |
| Number of exempt recruitments conducted | 2 | 2 | 5 | 1 |
| Number of full-time non-exempt recruitments conducted | 2 | 2 | 2 | 2 |
| Average number of days to fill a vacancy | 35 | 43 | 65 | 60 |
| Number of workers' compensation claims due to injury | 3 | 1 | 3 | 0 |

FY17-18 Proposed Budget
Summary of Expenditures
Administrative Services

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 92,315 | \$ 80,385 | \$ 98,326 | \$ 100,784 |
| Salaries-Part Time | 2,612 | - | - | - |
| FICA | 162 | - | - | - |
| Medicare | 1,372 | 1,095 | 1,425 | 1,476 |
| Workers Compensation | 455 | 266 | 259 | 173 |
| Unemployment Insurance | 184 | 148 | 74 | 54 |
| Group Health Insurance | 7,004 | 10,279 | 10,388 | 10,868 |
| Group Dental Insurance | 398 | 683 | 853 | 864 |
| Group Vision Insurance | 59 | - | - | 74 |
| Disability Insurance | 308 | 352 | 402 | 416 |
| Retirement | 10,155 | 8,842 | 10,450 | 10,816 |
| Life Insurance | 271 | 264 | 330 | 101 |
| Bonus | - | - | - | 40 |
| Allowance/Stipend | - | - | - | 900 |
| Licenses/Filing Fees | 125 | - | 125 | - |
| Dues, Subscript & Publicat | 421 | 4,121 | 1,405 | 9,790 |
| Training/Cont Ed | 2,015 | - | - | - |
| Meetings & Training | 262 | 8,012 | 21,000 | 21,340 |
| Office Equip Maint/Repair | 170 | - | - | - |
| Professional Fees | 11,321 | 12,294 | 20,668 | 35,600 |
| Legal Fees | - | - | 1,000 | 1,000 |
| Insurance Expense | 222,795 | 231,353 | 264,300 | 316,101 |
| Printing Expense | 132 | 76 | 150 | 150 |
| Advertising/Signage | 1,268 | 1,141 | 5,300 | 900 |
| Office Supplies | 204 | 538 | 900 | 830 |
| Cleaning/Janitorial Supplies | - | - | 10 | 10 |
| Operating Supplies | - | 87 | 400 | - |
| Food & Beverage Supplies | 1,311 | 1,094 | 2,600 | 2,600 |
| Program Materials | 3,638 | 3,611 | 4,240 | 2,040 |
| Postage & Delivery | 8 | 11 | 116 | 116 |
| Miscellaneous Expense | - | 3,900 | - | - |
| Hardware/Peripherals | 206 | - | - | - |
| ISF-Copier Charges | 215 | 605 | 310 | 300 |
| ISF-Mail Service Charges | 193 | 124 | 419 | 107 |
| ISF-Vehicle Replacement Charges | - | - | - | 89 |
| ISF- Motor Pool Charges | 30 | - | - | 42 |
| ISF-Telecom Charges | 424 | 447 | 500 | 492 |
| Sub total Expenditures | <u>360,033</u> | <u>369,728</u> | <u>445,950</u> | <u>518,073</u> |
| Transfers Out | - | - | - | - |
| Total Administrative Services | <u>\$ 360,033</u> | <u>\$ 369,728</u> | <u>\$ 445,950</u> | <u>\$ 518,073</u> |



Finance Division

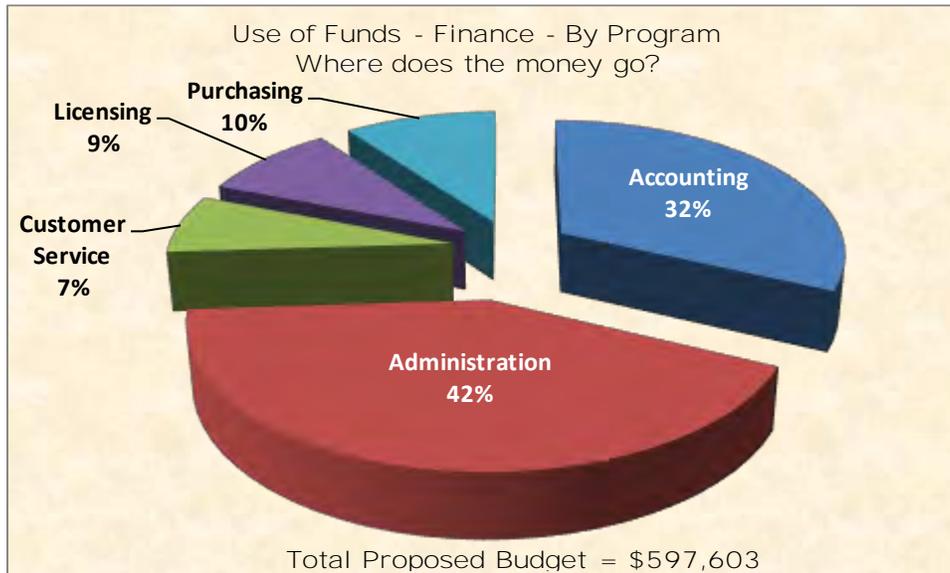
Service Delivery Plan

Provide efficient and cost effective financial oversight of both the short and long-term components of the Town’s functions. Provide safe, secure and effective cash, banking, merchant service, tax service and debt service administration for the Town.

| Program Name | Expenditures by Program | | | |
|------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Accounting | \$ 33,004 | \$ 87,340 | \$ 199,347 | \$ 193,745 |
| Administration | 37,497 | 91,729 | 184,134 | 247,427 |
| Audit Services | 96,157 | 97,477 | - | - |
| Budget | 50,268 | 52,386 | - | - |
| Customer Service | 19,297 | 19,284 | 36,264 | 40,698 |
| Licensing | 49,243 | 50,534 | 51,388 | 56,029 |
| Purchasing | 46,269 | 48,859 | 57,544 | 59,704 |
| Treasury | 41,702 | 41,487 | - | - |
| Total | \$ 373,437 | \$ 489,096 | \$ 528,677 | \$ 597,603 |

Variance Explanations:

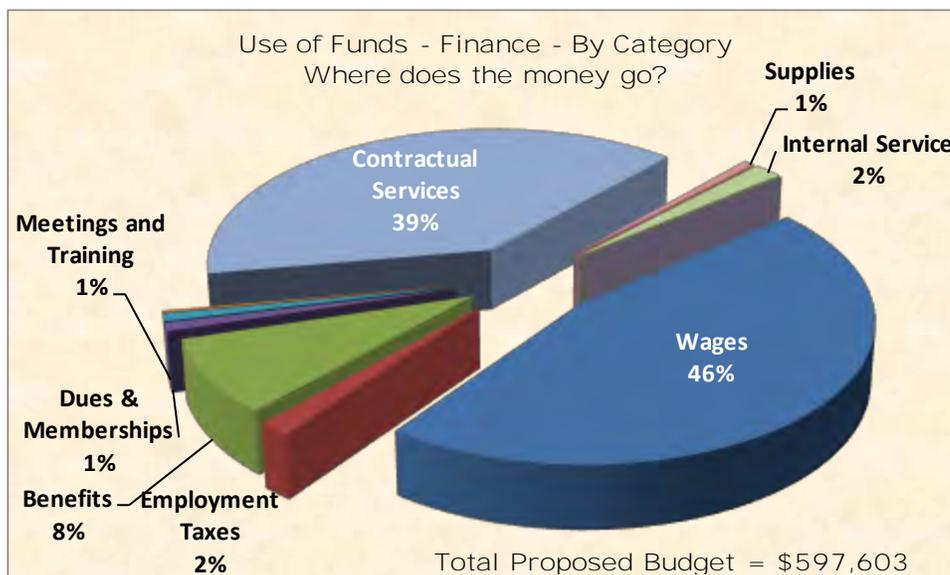
Administration: A budget supplement was added for additional outside services if needed for an anticipated labor-intensive project.



| Category | Expenditures by Category | | | |
|-----------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 209,382 | \$ 218,113 | \$ 264,571 | \$ 275,812 |
| Employment Taxes | 6,436 | 6,368 | 9,596 | 9,765 |
| Benefits | 52,765 | 55,840 | 48,414 | 51,541 |
| Dues & Memberships | 2,928 | 2,575 | 2,785 | 5,385 |
| Meetings and Training | 2,949 | 4,851 | 3,859 | 4,944 |
| Maintenance & Repair | 508 | - | 3,000 | 1,200 |
| Contractual Services | 81,834 | 135,203 | 179,620 | 234,653 |
| Supplies | 3,272 | 1,782 | 4,055 | 4,072 |
| Internal Service | 13,363 | 12,074 | 12,777 | 10,231 |
| Transfers | - | 52,290 | - | - |
| Total | \$ 373,437 | \$ 489,096 | \$ 528,677 | \$ 597,603 |

Variance Explanations:

Contractual Services: A budget supplement was added for additional outside services if needed for an anticipated labor-intensive project.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Consecutive years for GFOA annual Certificate of Achievement for Excellence in Financial Reporting award | 19 | 20 | 21 | 22 |
| Consecutive years for GFOA annual Distinguished Budget Presentation award | 13 | 14 | 15 | 16 |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Actual revenue versus forecast—General Fund only (excluding transfers) | 103% | 106% | 105% | 100% |
| Unqualified audit opinion | Yes | Yes | Yes | Yes |

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--------------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|
| Accounts payable checks issued | 1,703 | 1,570 | 1,465 | 1,500 |
| Purchase orders processed | 1,019 | 805 | 890 | 900 |
| Local tax revenues from audits | \$73,750 | \$177,152 | \$50,000 | \$50,000 |
| Business licenses processed | 2,723 | 2,872 | 3,000 | 3,000 |



FY17-18 Proposed Budget
Summary of Expenditures
Finance

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 174,281 | \$ 182,250 | \$ 191,299 | \$ 196,088 |
| Salaries-Part Time | 33,695 | 35,341 | 73,272 | 79,724 |
| Overtime | 1,406 | 522 | - | - |
| FICA | 2,089 | 2,209 | 4,543 | 4,902 |
| Medicare | 2,906 | 3,018 | 3,837 | 4,007 |
| Workers Compensation | 983 | 755 | 691 | 471 |
| Unemployment Insurance | 458 | 387 | 525 | 385 |
| Group Health Insurance | 30,621 | 32,750 | 24,252 | 25,251 |
| Group Dental Insurance | 1,595 | 1,565 | 1,501 | 2,139 |
| Group Vision Insurance | 236 | 236 | 166 | 376 |
| Disability Insurance | 460 | 606 | 811 | 829 |
| Retirement | 19,326 | 20,073 | 21,043 | 21,569 |
| Life Insurance | 527 | 610 | 641 | 197 |
| Bonus | - | - | - | 280 |
| Allowance/Stipend | - | - | - | 900 |
| Licenses/Filing Fees | 1,095 | 1,140 | 1,460 | 1,560 |
| Dues, Subscript & Publicat | 1,833 | 1,435 | 1,325 | 3,825 |
| Training/Cont Ed | 370 | - | - | - |
| Meetings & Training | 2,579 | 4,851 | 3,859 | 4,944 |
| Office Equip Maint/Repair | 508 | - | 3,000 | 1,200 |
| Auditing Expense | 53,260 | 53,840 | 99,500 | 91,513 |
| Professional Fees | 485 | 213 | - | 820 |
| Management Fees | 15,754 | 16,090 | 16,375 | 17,825 |
| Rentals & Leases | - | - | - | 1,140 |
| Printing Expense | 1,926 | 5,633 | 1,815 | 3,825 |
| Advertising/Signage | 1,344 | 1,520 | 1,250 | 1,250 |
| Intergovt Agreements | - | 48,845 | 50,000 | 55,000 |
| Constituent Communication | - | 986 | - | 50,000 |
| Contractual Services | - | - | - | 2,000 |
| Bank/Merc Acct Fees | 9,064 | 8,075 | 10,320 | 11,280 |
| ActiveNet Fees | - | - | 360 | - |
| Office Supplies | 1,476 | 1,337 | 1,800 | 1,766 |
| Cleaning/Janitorial Supplies | 39 | - | - | - |
| Operating Supplies | 1,535 | 417 | 1,920 | 1,770 |
| Program Materials | 220 | - | 330 | 530 |
| Postage & Delivery | 3 | 16 | 5 | 6 |
| Miscellaneous Expense | - | 11 | - | - |
| ISF-Copier Charges | 5,743 | 5,550 | 5,480 | 2,505 |
| ISF-Mail Service Charges | 6,164 | 4,891 | 5,197 | 5,134 |
| ISF-Vehicle Replacement Charges | - | - | - | 426 |
| ISF-Motor Pool Charges | 187 | 71 | 100 | 200 |
| ISF-Telecom Charges | 1,269 | 1,563 | 2,000 | 1,966 |
| Sub total Expenditures | 373,437 | 436,806 | 528,677 | 597,603 |
| Transfers Out | - | 52,290 | - | - |
| Total Finance | <u>\$ 373,437</u> | <u>\$ 489,096</u> | <u>\$ 528,677</u> | <u>\$ 597,603</u> |



Information Technology Division

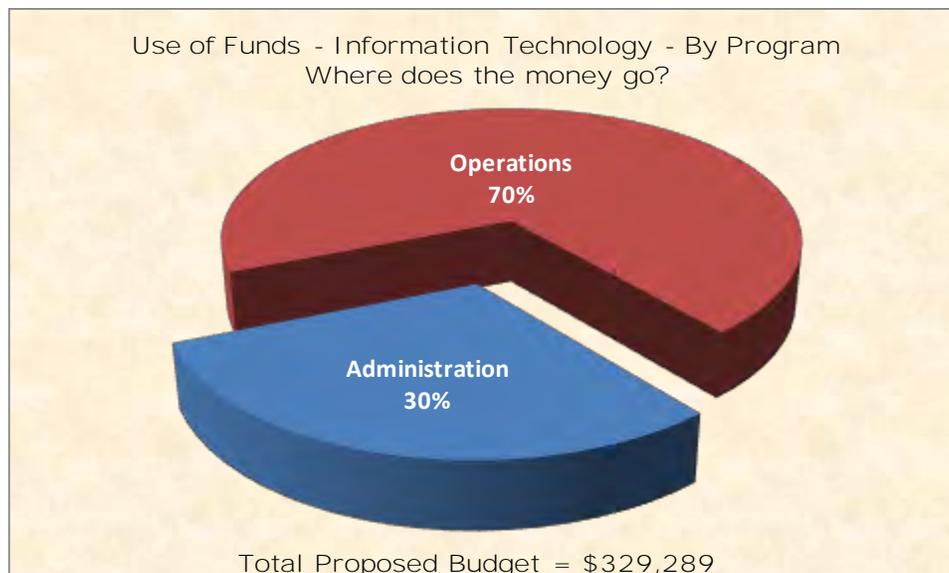
Service Delivery Plan

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.

| Program Name | Expenditures by Program | | | |
|------------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 11,510 | \$ 13,423 | \$ 88,632 | \$ 99,648 |
| Network Administration | 132,268 | 141,727 | - | - |
| Operations | - | - | 178,630 | 229,641 |
| Support | 41,883 | 42,632 | - | - |
| Video Services | 11,580 | 12,925 | - | - |
| Web Site | 40,227 | 35,822 | - | - |
| Total | \$ 237,468 | \$ 246,529 | \$ 267,262 | \$ 329,289 |

Variance Explanations:

Operations: Budget supplements include Town-wide computer upgrades to Windows 10 and the latest version of Microsoft Office, in addition to adding a forms module to Laserfiche and upgrading the Wi-Fi system at the Community Center.



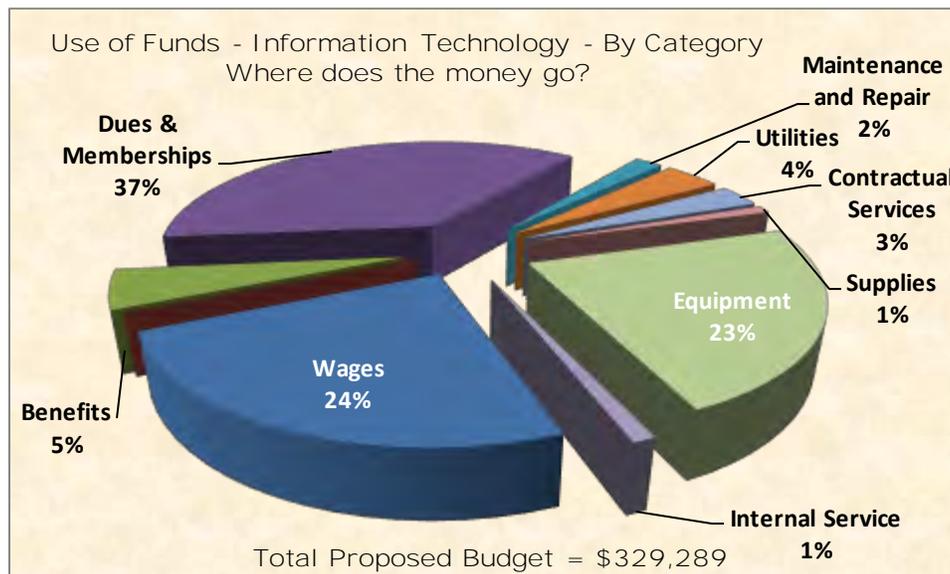
| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 65,802 | \$ 68,537 | \$ 70,260 | \$ 80,014 |
| Employment Taxes | 1,349 | 1,308 | 1,278 | 1,366 |
| Benefits | 15,482 | 16,355 | 14,369 | 16,450 |
| Dues & Memberships | 91,446 | 99,927 | 117,250 | 122,450 |
| Meetings and Training | 36 | 368 | - | - |
| Maintenance and Repair | 1,686 | 602 | 5,000 | 5,000 |
| Utilities | 1,771 | 1,198 | 900 | 13,000 |
| Contractual Services | 21,514 | 21,532 | 21,500 | 11,000 |
| Supplies | 744 | 1,285 | 1,900 | 2,250 |
| Equipment | 15,968 | 33,148 | 32,350 | 75,425 |
| Internal Service | 2,176 | 2,269 | 2,455 | 2,334 |
| Capital Expenditures | 19,494 | - | - | - |
| Total | \$ 237,468 | \$ 246,529 | \$ 267,262 | \$ 329,289 |

Variance Explanations:

Utilities: The increase includes the new emergency notification system.

Contractual Services: The decrease is a result of the completion of the website design services contract in FY16-17.

Equipment: Budget supplements include Town-wide computer upgrades to Windows 10 and the latest version of Microsoft Office, in addition to adding a forms module to Laserfiche and upgrading the Wi-Fi system at the Community Center.



Activities/Results

Performance Measures

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|------------------------------|----------------------------|
| Percentage of emergency related helpdesk tickets resolved within two business hours | 95.5% | 95% | 95% | 98% |
| Percentage of high priority helpdesk tickets resolved within four hours | 98.5% | 98% | 99% | 99% |
| Percentage of helpdesk tickets resolved within twelve hours | 95% | 95% | 95% | 98% |

Quality

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|------------------------------|----------------------------|
| Total number of tickets opened | 818 | 612 | 400 | 500 |
| Total number of tickets closed without resolution | 0 | 0 | 0 | 0 |
| Total number of tickets resolved within established timeframe | 818 | 612 | 400 | 500 |
| Number of issues resolved during initial contact | 613 | 520 | 375 | 450 |
| Online Payments Processed (Website) | N/A | N/A | 500 | 800 |

Productivity

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|------------------------------|----------------------------|
| Average cost involved for support per FTE | \$4,345 | \$4,483 | \$3,308 | \$4,253 |
| Availability of computer system up-time | 99% | 99% | 99% | 99% |



FY17-18 Proposed Budget
Summary of Expenditures
Information Technology

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------------|-----------------------|-----------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 65,802 | \$ 68,537 | \$ 70,260 | \$ 80,014 |
| Medicare | 954 | 994 | 1,018 | 1,174 |
| Workers Compensation | 311 | 239 | 185 | 137 |
| Unemployment Insurance | 83 | 75 | 75 | 55 |
| Group Health Insurance | 7,308 | 7,824 | 5,643 | 5,788 |
| Group Dental Insurance | 435 | 437 | 412 | 426 |
| Group Vision Insurance | 64 | 64 | 54 | 75 |
| Disability Insurance | 230 | 263 | 297 | 338 |
| Retirement | 7,238 | 7,539 | 7,728 | 8,802 |
| Life Insurance | 206 | 228 | 235 | 81 |
| Bonus | - | - | - | 40 |
| Allowance/Stipend | - | - | - | 900 |
| Licenses/Filing Fees | 74,566 | 85,564 | 102,300 | 98,750 |
| Dues, Subscript & Publicat | 16,881 | 14,363 | 14,950 | 23,700 |
| Meetings & Training | 36 | 368 | - | - |
| Equipment Maint/Repair | 1,687 | 602 | 5,000 | 5,000 |
| Telecommunications | 1,771 | 1,198 | 900 | 13,000 |
| Professional Fees | 20,514 | 20,530 | 20,500 | 10,000 |
| Advertising/Signage | - | 1 | - | - |
| Intergovt Agreements | 1,000 | 1,000 | 1,000 | 1,000 |
| Office Supplies | 510 | 355 | 500 | 500 |
| Cleaning/Janitorial Supplies | - | 8 | - | - |
| Operating Supplies | 218 | 898 | 1,300 | 1,650 |
| Postage & Delivery | 17 | 25 | 100 | 100 |
| Small Tools | - | 139 | - | - |
| Software | 1,373 | 1,548 | 500 | 54,000 |
| Hardware/Peripherals | 13,880 | 31,461 | 31,850 | 21,425 |
| Peripherals | 195 | - | - | - |
| Equipment | 519 | - | - | - |
| ISF-Copier Charges | 263 | 221 | 265 | 100 |
| ISF-Mail Service Charges | 12 | 10 | 10 | 23 |
| ISF-Telecom Charges | 1,901 | 2,038 | 2,180 | 2,211 |
| Capital Expenditures | 19,494 | - | - | - |
| Sub total Expenditures | <u>237,468</u> | <u>246,529</u> | <u>267,262</u> | <u>329,289</u> |
| Transfers Out | - | - | - | - |
| Total Information Technology | <u>\$ 237,468</u> | <u>\$ 246,529</u> | <u>\$ 267,262</u> | <u>\$ 329,289</u> |



**Economic Development Division –
(General Fund)**

Service Delivery Plan

Economic Development remains in its own fund and is no longer part of the General Fund.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 90,000 | \$ - | \$ - | \$ - |
| Total | \$ 90,000 | \$ - | \$ - | \$ - |

| Category | Expenditures by Category | | | |
|-----------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Transfers | \$ 90,000 | \$ - | \$ - | \$ - |
| Total | \$ 90,000 | \$ - | \$ - | \$ - |

FY17-18 Proposed Budget
Summary of Expenditures
Economic Development

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Transfers Out | \$ 90,000 | \$ - | \$ - | \$ - |
| Total Economic Development | \$ 90,000 | \$ - | \$ - | \$ - |

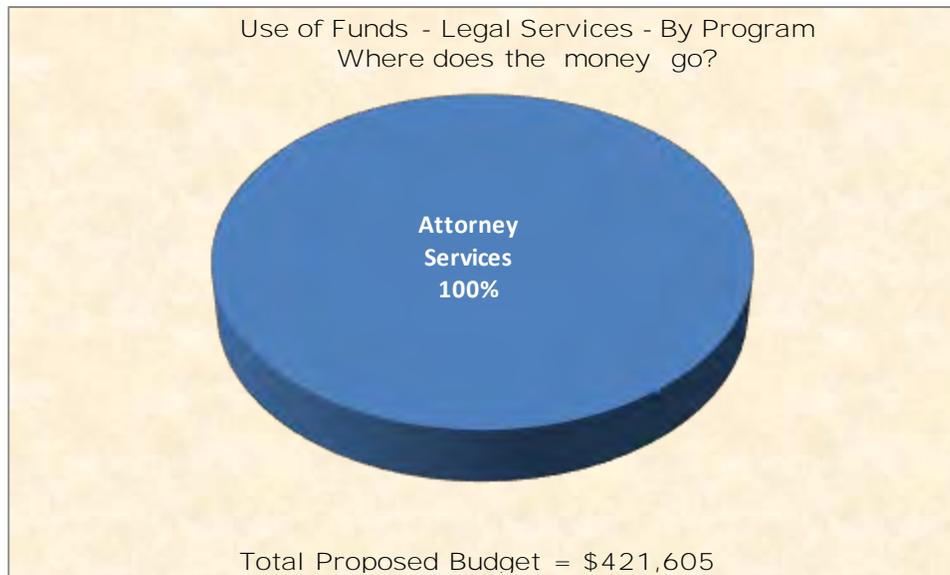


Legal Services Division

Service Delivery Plan

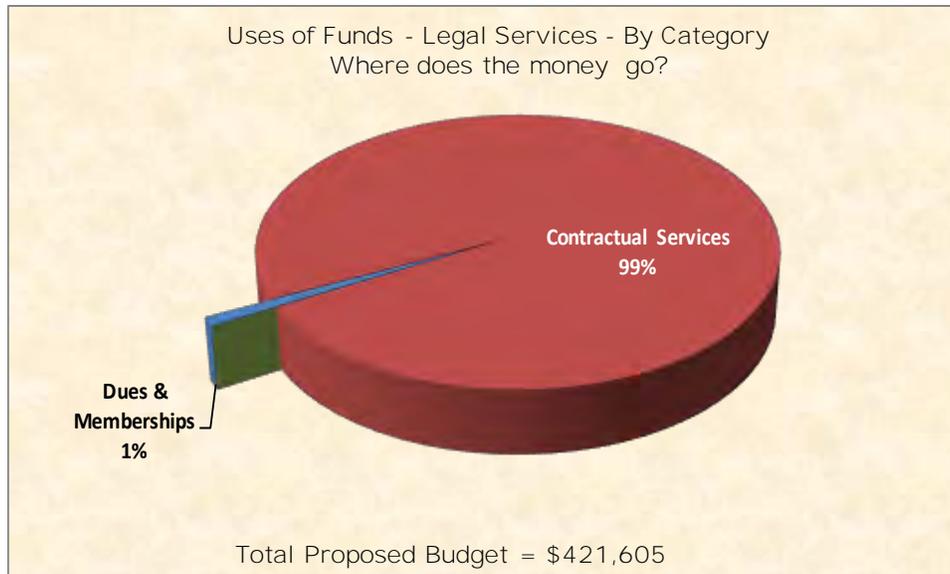
The Town Attorney and Town Prosecutor are appointed by the Town Council to serve as general counsel for the Town in addition to responsibility for the efficient disposition of criminal cases prosecuted in the Municipal Court.

| Program Name | Expenditures by Program | | | |
|-------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Attorney Services | \$ 257,683 | \$ 269,919 | \$ 396,950 | \$ 421,605 |
| Public Defender | 6,750 | 4,250 | - | - |
| Prosecutor | 90,000 | 100,000 | - | - |
| Total | \$ 354,433 | \$ 374,169 | \$ 396,950 | \$ 421,605 |



| Category | Expenditures by Category | | | |
|----------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Dues & Memberships | \$ 3,639 | \$ 3,863 | \$ 4,000 | \$ 4,720 |
| Contractual Services | 350,584 | 370,084 | 392,700 | 416,640 |
| Internal Service | 210 | 222 | 250 | 245 |
| Total | \$ 354,433 | \$ 374,169 | \$ 396,950 | \$ 421,605 |





Activities/Results

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|------------------------------------|-------------------|-------------------|---------------------|-------------------|
| Ordinances processed | 11 | 6 | 16 | 8 |
| Resolutions processed | 41 | 31 | 40 | 30 |
| Contracts and Agreements processed | 40 | 111 | 132 | 150 |

FY17-18 Proposed Budget
Summary of Expenditures
Legal Services

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Dues, Subscript & Publicat | \$ 3,639 | \$ 3,863 | \$ 4,000 | \$ 4,720 |
| Legal Fees | 350,584 | 370,084 | 297,900 | 306,840 |
| Prosecutor Fees | - | - | 90,000 | 105,000 |
| Public Defender Fees | - | - | 4,800 | 4,800 |
| ISF-Telecom Charges | 210 | 222 | 250 | 245 |
| Sub total Expenditures | 354,433 | 374,169 | \$ 396,950 | \$ 421,605 |
| Transfers Out | - | - | - | - |
| Total Legal Services | <u>\$ 354,433</u> | <u>\$ 374,169</u> | <u>\$ 396,950</u> | <u>\$ 421,605</u> |

General Government



GENERAL GOVERNMENT

Mission Statement

The mission of General Government is to provide a central location for Town-wide expenditures rather than in individual departmental budgets. By doing so, transparency will be enhanced.

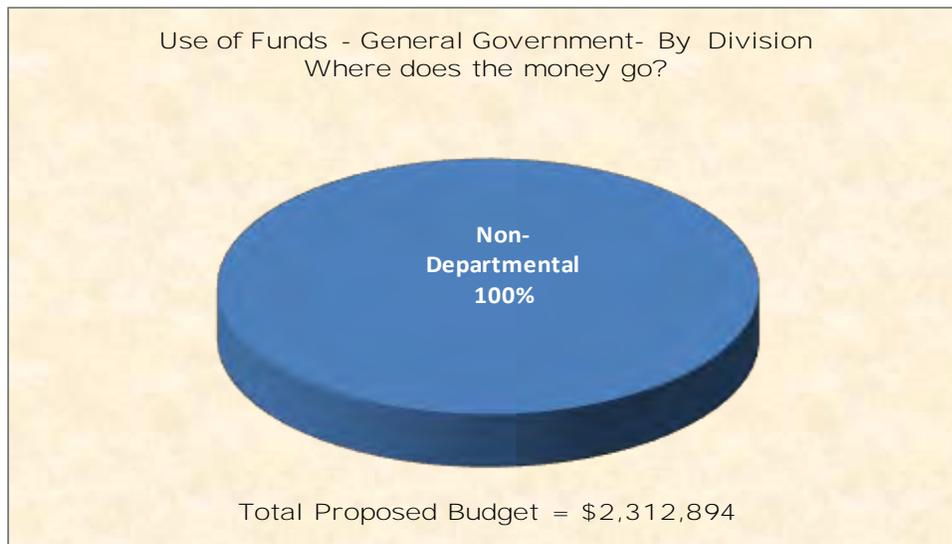
Department Overview

The purpose of the General Government Department is to locate expenditures that are Town-wide and do not belong to any one department. Such expenditures as the community contracts, Town’s membership dues in the Arizona League of Cities and Town, Maricopa Association of Governments, East Valley Partnership, and other Town-wide expenditures are located in the General Government Department. Transfers for Municipal Property Corporation (MPC) debt service for the Community Center are also located in General Government. Terms such as General Government or Non-Departmental to describe the cost center is a common approach in municipal budgeting.

| Division | Expenditures by Division | | | |
|------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Non-Departmental | \$ - | \$ - | \$ 3,160,419 | \$ 2,312,894 |
| Total | \$ - | \$ - | \$ 3,160,419 | \$ 2,312,894 |

Variance Explanations:

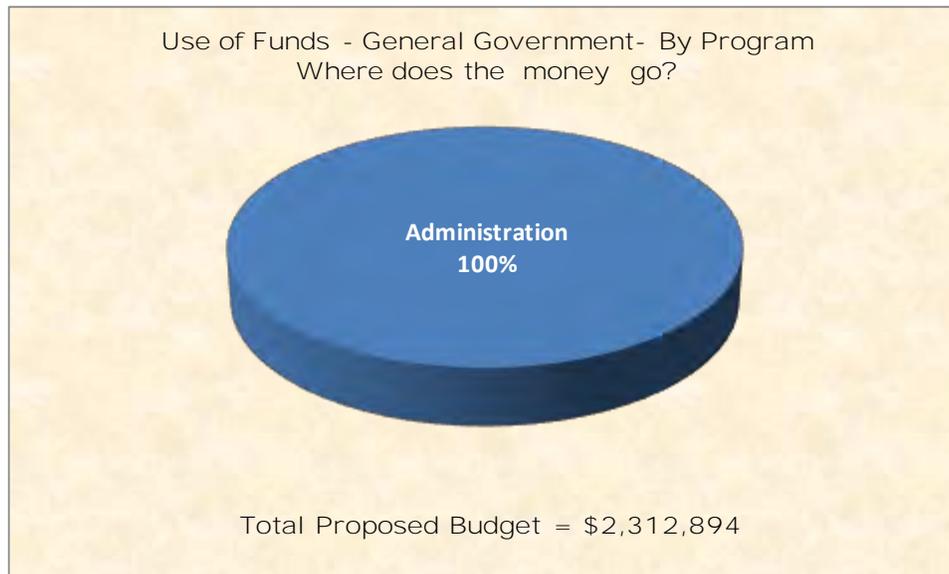
Non-Departmental: The decrease is due to one-time transfers made in FY16-17.



| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ - | \$ - | \$ 3,160,419 | \$ 2,312,894 |
| Total | \$ - | \$ - | \$ 3,160,419 | \$ 2,312,894 |

Variance Explanations:

Administration: The decrease is due to one-time transfers made in FY16-17.



| Category | Expenditures by Category | | | |
|----------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Dues & Memberships | \$ - | \$ - | \$ 32,695 | \$ 33,932 |
| Meetings & Training | - | - | - | 10,000 |
| Contractual Services | - | - | 137,022 | 224,489 |
| Supplies | - | - | - | 1,000 |
| Transfers Out | - | - | 2,578,055 | 948,838 |
| Contingency | - | - | 412,647 | 1,094,635 |
| Total | \$ - | \$ - | \$ 3,160,419 | \$ 2,312,894 |

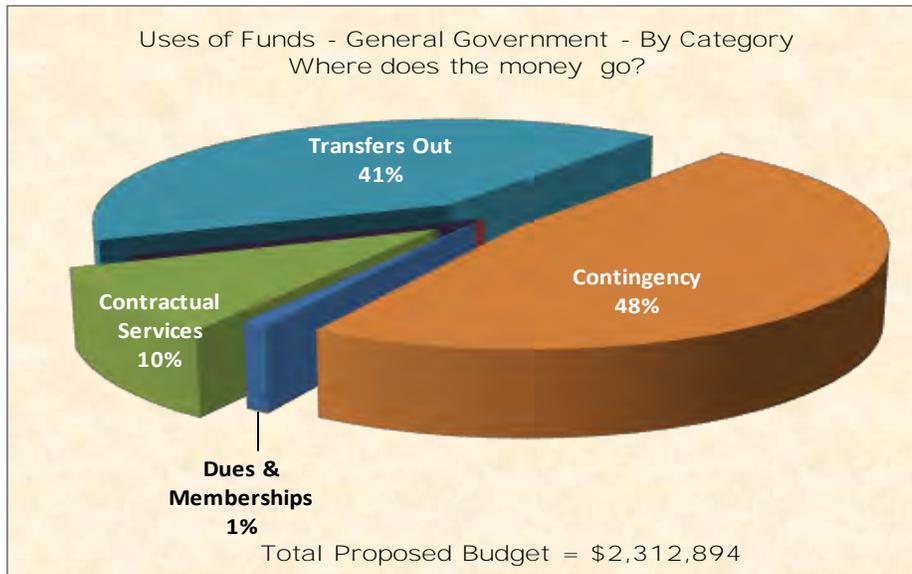
Variance Explanations:

Contractual Services: The increase is the result of adding amounts for the General Plan Update due every ten years.

Transfers Out: The decrease is due to one-time transfers made in FY16-17.

Contingency: The increase is an offset to the MCSO contract budget estimates which were lower than anticipated.





FY17-18 Proposed Budget
Summary of Expenditures
General Government

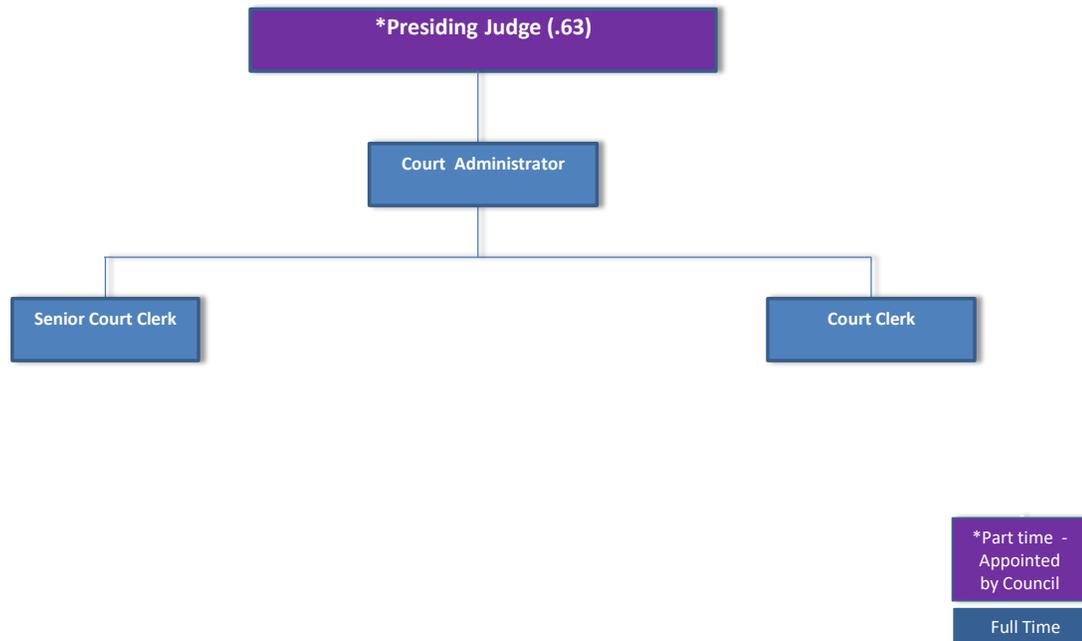
| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Dues, Subscript & Publicat | \$ - | \$ - | \$ 32,695 | \$ 33,932 |
| Boards & Commissions | - | - | - | 10,000 |
| Professional Fees | - | - | - | 100,000 |
| Contractual Services | - | - | - | 13,000 |
| Constituent Communication | - | - | 10,000 | - |
| Community Contracts/Events | - | - | 127,022 | 110,889 |
| Holiday Lighting | - | - | - | 600 |
| Program Materials | - | - | - | 1,000 |
| Contingency | - | - | 412,647 | 1,094,635 |
| Sub total Expenditures | - | - | 582,364 | 1,364,056 |
| Transfers Out | - | - | 2,578,055 | 948,838 |
| Total General Government | \$ - | \$ - | \$ 3,160,419 | \$ 2,312,894 |



Municipal Court



MUNICIPAL COURT



MUNICIPAL COURT

Mission Statement

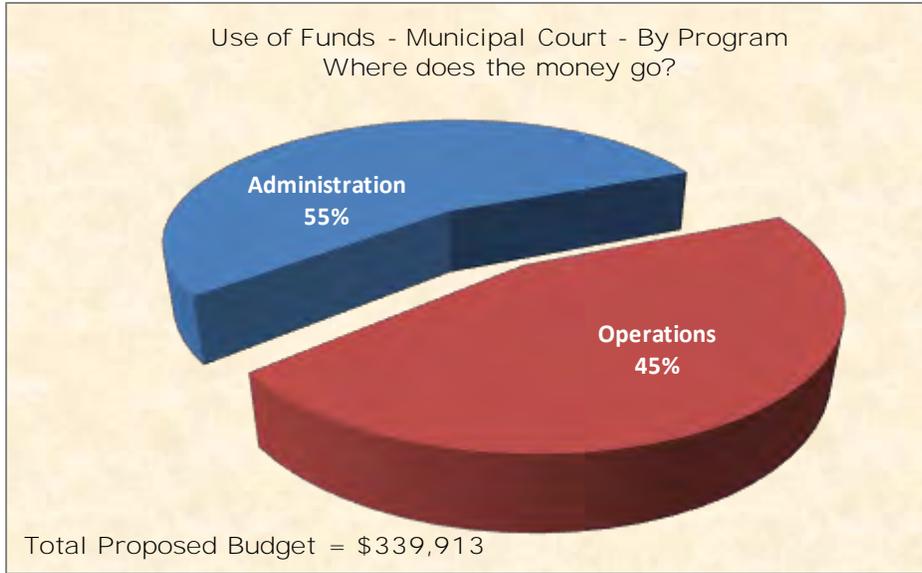
The Fountain Hills Municipal Court is committed to professionally serving the citizens of Fountain Hills by administering justice in a fair, efficient and respectful manner, so as to enhance public trust and community confidence in our court system.

Department Overview

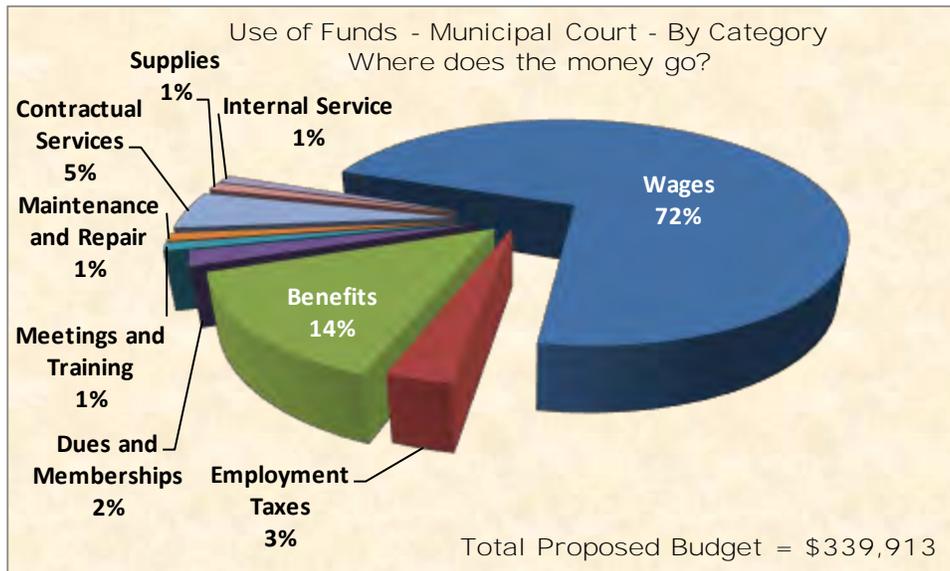
The Fountain Hills Municipal Court is the judicial branch of the Fountain Hills government. Pursuant to State law and the Town Code, decisions regarding the overall function of the Court are the sole responsibility of the Presiding Judge, who also has exclusive supervisory authority over all court personnel. 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.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 203,304 | \$ 205,262 | \$ 174,232 | \$ 188,172 |
| Civil Cases | 32,924 | 33,878 | - | - |
| Criminal Cases | 51,980 | 52,691 | - | - |
| Juvenile | 9,448 | 9,468 | - | - |
| Operations | - | - | 147,022 | 151,741 |
| Total | \$ 297,656 | \$ 301,299 | \$ 321,254 | \$ 339,913 |





| Category | Expenditures by Category | | | |
|------------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 223,506 | \$ 229,590 | \$ 234,633 | \$ 243,376 |
| Employment Taxes | 8,724 | 8,673 | 8,740 | 8,834 |
| Benefits | 36,952 | 39,620 | 42,384 | 46,458 |
| Dues and Memberships | 3,774 | 1,710 | 5,101 | 8,287 |
| Meetings and Training | 439 | 3,158 | 6,600 | 3,665 |
| Maintenance and Repair | 521 | 1,107 | 800 | 3,159 |
| Contractual Services | 14,490 | 10,389 | 15,090 | 18,440 |
| Supplies | 2,532 | 1,854 | 3,800 | 2,860 |
| Equipment | 2,942 | 1,401 | - | 105 |
| Internal Service | 3,776 | 3,797 | 4,106 | 4,729 |
| Total | \$ 297,656 | \$ 301,299 | \$ 321,254 | \$ 339,913 |



FY17-18 Department Accomplishments

| Initiative | Strategic Value |
|--|--------------------------------------|
| <p>Provided all court and judicial services as mandated by the Constitution, statutes and ordinances as fairly, effectively and efficiently as possible.</p> | <p>CR6, CR7-Civic Responsibility</p> |
| <p>Provided community outreach through informing the public and Fountain Hills High School about Teen Court and the justice system.</p> | <p>CR4, CR7-Civic Responsibility</p> |
| <p>Effectively and efficiently monitored and enforced timely compliance with Court ordered sentencing and diversion programs while holding defendants accountable for their actions and obligations.</p> | <p>CR3, CR7-Civic Responsibility</p> |
| <p>Complied with recognized Supreme Court/AOC guidelines for timely case processing, management and finances.</p> | <p>CR1-Civic Responsibility</p> |
| <p>Transition to the new case management system provided by the Arizona Supreme Court to provide better access to justice.</p> | <p>CR3, CR6-Civic Responsibility</p> |



FY17-18 Objectives

| Initiative | Strategic Value | Estimated Cost/ Funding Source |
|---|--|---|
| Provide all court and judicial services as mandated by the Constitution, statutes and ordinances as fairly, effectively and efficiently as possible. | CR6, CR7-Civic Responsibility | \$0 |
| Provide community outreach and garner support through informing the public and Fountain Hills High School about Teen Court and the justice system. | CR4, CR7-Civic Responsibility | \$0 |
| Refurbish or replace, as needed, the benches in the Courtroom due to the wear and tear that the benches have received from years of use. | I4-Maintain and Improve Community Infrastructure | \$0 |
| Eliminate paper files by transitioning to scanning of active case records to improve case processing. With the goal to become entirely file less the processing time should be reduced once the transition has been completed providing the staff a way to better serve the public. | CR3, CR6-Civic Responsibility | Estimated Cost Per Scanner: \$4,385.00 Total Estimated Cost of 3 Scanners: \$13,155 Funding Source: Court Enhancement Funds |
| Comply with recognized Arizona Supreme Court/AOC standards for timely case processing, management, and finances. | CR1-Civic Responsibility | \$0 |
| Comply with standard court security standards as defined and mandated by the Arizona Supreme Court/AOC. | CR1, CR6-Civic Responsibility | No more than: \$30,000 for upgraded security cameras. Funding Source: Court Enhancement Funds. Total amount is unknown |
| Effectively and efficiently monitor and enforce timely compliance with Court ordered sentencing and diversion programs while holding defendants accountable for their actions and obligations. | CR3, C6, C7-Civic Responsibility | \$0 |



Activities/Results

Performance Measures

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|----------------------|----------------------------|----------------------------|------------------------------|----------------------------|
| Cases Filed | 1,738 | 1,611 | 2,000 | 2,050 |
| Cases Terminated | 1,833 | 1,641 | 2,200 | 2,250 |
| Hearings/Trials Held | 1,585 | 1,070 | 1,900 | 1,950 |



FY17-18 Proposed Budget
Summary of Expenditures
Municipal Court

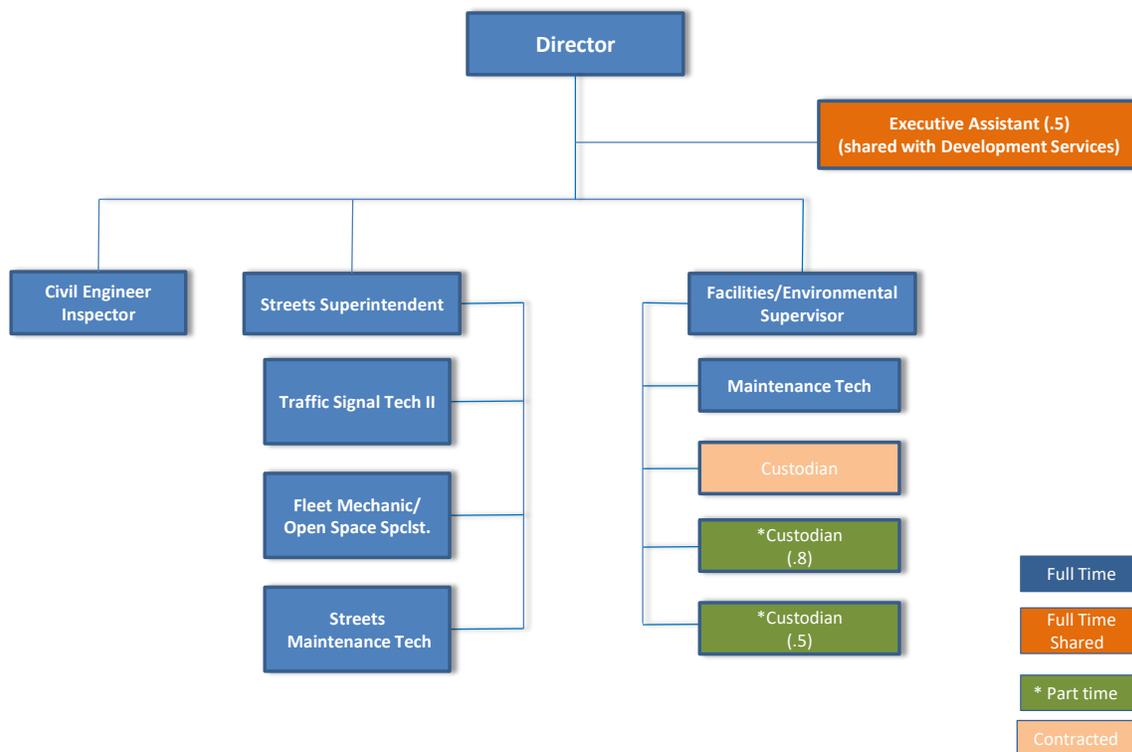
| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 154,523 | \$ 158,488 | \$ 162,473 | \$ 167,563 |
| Salaries-Part Time | 68,965 | 71,102 | 72,160 | 75,813 |
| Overtime | 18 | - | - | - |
| FICA | 4,292 | 4,372 | 4,474 | 4,701 |
| Medicare | 3,162 | 3,265 | 3,404 | 3,531 |
| Workers Compensation | 967 | 736 | 562 | 382 |
| Unemployment Insurance | 304 | 300 | 300 | 220 |
| Group Health Insurance | 17,022 | 18,228 | 13,719 | 20,021 |
| Group Dental Insurance | 1,736 | 1,720 | 1,655 | 1,512 |
| Group Vision Insurance | 193 | 193 | 162 | 256 |
| Disability Insurance | 545 | 615 | 688 | 708 |
| Retirement | 16,971 | 18,332 | 25,616 | 23,632 |
| Life Insurance | 485 | 533 | 544 | 169 |
| Bonus | - | - | - | 160 |
| Dues, Subscript & Publicat | 3,774 | 1,710 | 5,101 | 8,287 |
| Training/Cont Ed | 50 | - | - | - |
| Meetings & Training | 389 | 3,158 | 6,600 | 3,665 |
| Office Equip Maint/ Repair | 521 | 1,107 | 800 | 3,159 |
| Auditing Expense | 3,500 | - | - | 3,750 |
| Professional Fees | 848 | 216 | 150 | 2,150 |
| Legal Fees | 100 | - | 2,000 | 1,400 |
| Printing Expense | 1,261 | 480 | 2,000 | 2,000 |
| Advertising/Signage | - | - | 150 | - |
| Intergovt Agreements | 4,750 | 5,470 | 8,600 | 8,600 |
| Bank/Merc Acct Fees | 4,031 | 4,223 | 1,950 | 540 |
| ActiveNet Fees | - | - | 240 | - |
| Office Supplies | 1,764 | 1,106 | 3,300 | 2,200 |
| Cleaning/Janitorial Supplies | 139 | 92 | - | - |
| Safety Supplies | 11 | - | - | - |
| Operating Supplies | - | 28 | - | - |
| Food & Beverage Supplies | 593 | 558 | 500 | 660 |
| Uniforms | 25 | - | - | - |
| Miscellaneous Expense | - | 70 | - | - |
| Small Tools | 54 | - | - | - |
| Hardware/Peripherals | 2,453 | 1,308 | - | - |
| Furniture/Appliances | 435 | 92 | - | - |
| Equipment | - | - | - | 105 |
| ISF-Copier Charges | 11 | 7 | 6 | 5 |
| ISF-Mail Service Charges | 1,699 | 1,398 | 1,700 | 1,400 |
| ISF-Vehicle Replacement Charge | - | - | - | 756 |
| ISF-Motor Pool Charges | 162 | 154 | 250 | 356 |
| ISF-Telecom Charges | 1,903 | 2,238 | 2,150 | 2,212 |
| Sub total Expenditures | 297,656 | 301,299 | 321,254 | 339,913 |
| Transfers Out | - | - | - | - |
| Total Municipal Court | \$ 297,656 | \$ 301,299 | \$ 321,254 | \$ 339,913 |



Public Works



PUBLIC WORKS DEPARTMENT



Note: Numbers in parentheses represent full-time equivalents (FTE).

PUBLIC WORKS

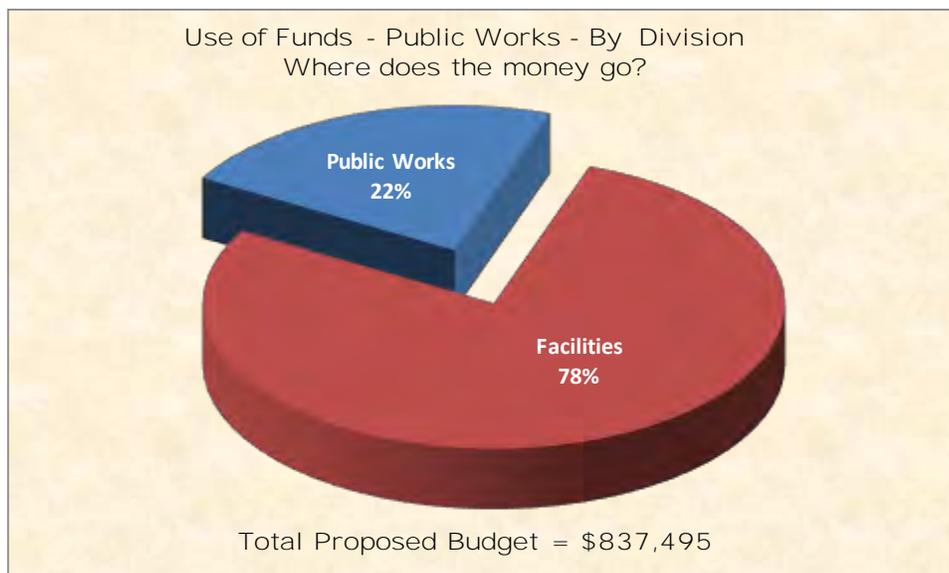
Mission Statement

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.

Department Overview

The Public Works Department is made up of two (2) Divisions: Public Works and Facilities. The Streets Division is funded through the Highway User Revenue Fund (HURF) and the Environmental Services Division is funded primarily through the environmental fee. The Public Works Director provides direct supervision over Division heads and the executive management assistant.

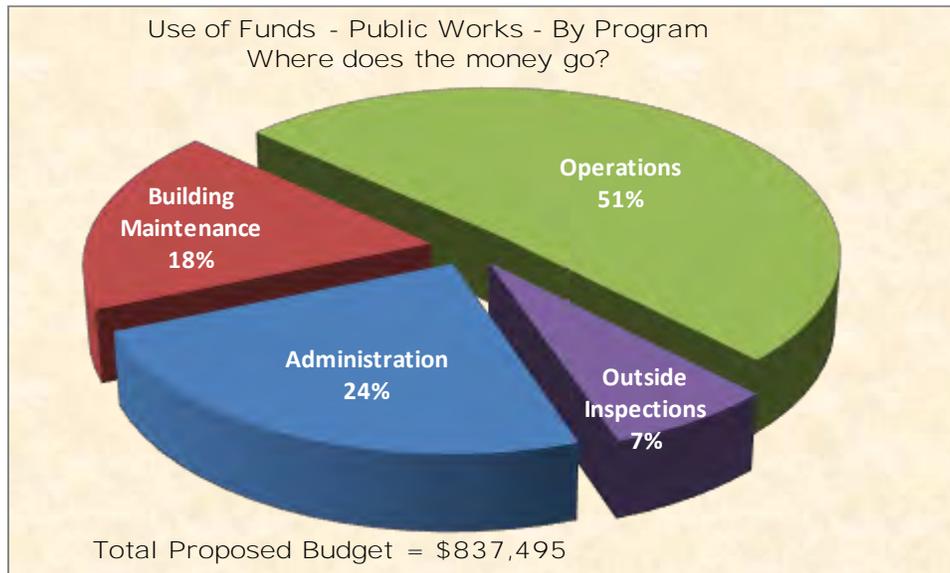
| Division | Expenditures by Division | | | |
|--------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Public Works | \$ 399,712 | \$ 260,052 | \$ 191,233 | \$ 180,724 |
| Facilities | 812,836 | 651,054 | 638,968 | 656,771 |
| Total | \$ 1,212,548 | \$ 911,106 | \$ 830,201 | \$ 837,495 |



| Program Name | Expenditures by Program | | | |
|------------------------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 220,977 | \$ 157,281 | \$ 212,395 | \$ 201,610 |
| Building Maintenance | 653,724 | 555,577 | 557,159 | 148,565 |
| Capital Improvement Projects | 91,417 | 79,036 | - | - |
| Operations | - | - | - | 425,382 |
| Outside Inspections | - | - | 60,647 | 61,938 |
| Stormwater Management | 246,430 | 119,212 | - | - |
| Total | \$ 1,212,548 | \$ 911,106 | \$ 830,201 | \$ 837,495 |

Variance Explanations:

Building Maintenance/Operations: Programs were combined into Operations for more efficient managing and reporting purposes.

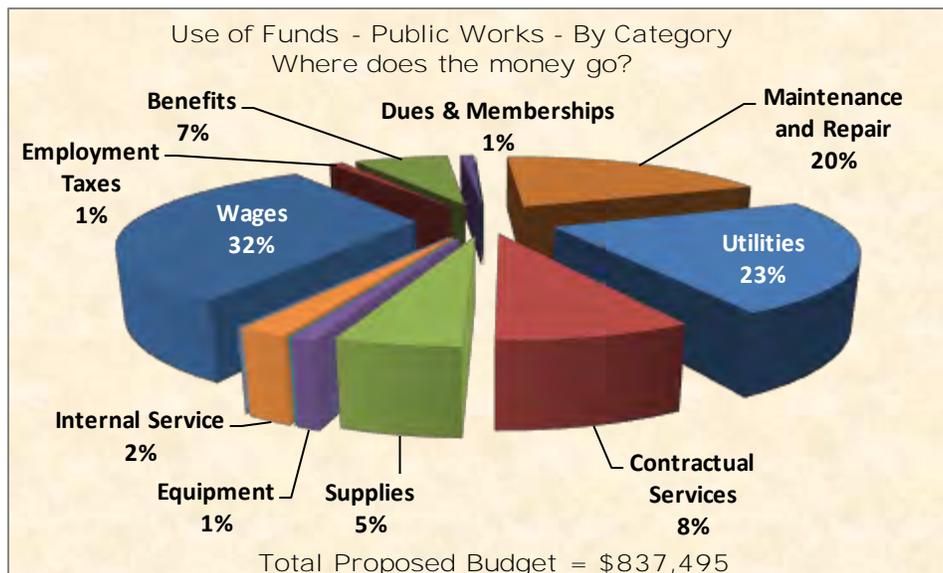


| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 262,093 | \$ 245,451 | \$ 262,130 | \$ 268,668 |
| Employment Taxes | 20,513 | 16,239 | 14,011 | 11,765 |
| Benefits | 58,864 | 60,324 | 53,999 | 55,446 |
| Dues & Memberships | 7,132 | 501 | 1,665 | 9,525 |
| Meetings and Training | - | 824 | 2,240 | 2,040 |
| Maintenance and Repair | 426,221 | 119,049 | 150,240 | 158,383 |
| Utilities | 178,427 | 180,090 | 188,138 | 191,760 |
| Contractual Services | 46,409 | 56,257 | 97,623 | 71,130 |
| Supplies | 33,239 | 32,739 | 40,022 | 42,610 |
| Equipment | 14,890 | 9,315 | 5,950 | 8,950 |
| Damages/Vandalism | 9,510 | - | 900 | 900 |
| Internal Service | 11,478 | 11,122 | 13,283 | 16,318 |
| Transfers | 143,772 | 179,195 | - | - |
| Total | \$ 1,212,548 | \$ 911,106 | \$ 830,201 | \$ 837,495 |

Variance Explanations:

Dues & Memberships: The anticipated change in billing structure of the environmental fee was not made in FY16-17, resulting in an increased budget to accommodate the Town’s portion of the fees.

Contractual Services: FY16-17 included a one-time budget supplement for consulting fees.



FY17-18 Proposed Budget
Summary of Expenditures
Public Works Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 217,630 | \$ 200,314 | \$ 217,585 | \$ 223,014 |
| Salaries-Part Time | 44,180 | 45,091 | 44,545 | 45,655 |
| Overtime | 283 | 46 | - | - |
| FICA | 2,733 | 2,735 | 2,763 | 2,831 |
| Medicare | 3,703 | 3,475 | 3,804 | 3,908 |
| Workers Compensation | 13,693 | 9,634 | 7,033 | 4,725 |
| Unemployment Insurance | 384 | 396 | 411 | 301 |
| Group Health Insurance | 31,462 | 35,068 | 26,681 | 27,203 |
| Group Dental Insurance | 1,728 | 1,512 | 1,533 | 1,586 |
| Group Vision Insurance | 253 | 220 | 201 | 286 |
| Disability Insurance | 762 | 801 | 922 | 945 |
| Retirement | 23,981 | 22,034 | 23,934 | 24,531 |
| Life Insurance | 678 | 688 | 729 | 225 |
| Bonus | - | - | - | 220 |
| Allowance/Stipend | - | - | - | 450 |
| Licenses/Filing Fees | 5,000 | - | 460 | 8,740 |
| Dues, Subscript & Publicat | 2,132 | 501 | 1,205 | 785 |
| Meetings & Training | - | 824 | 2,240 | 2,040 |
| Building Maint/Repair | 80,405 | 45,700 | 63,800 | 56,300 |
| HVAC Repair | 106,417 | 55,388 | 53,180 | 59,180 |
| Plumbing Repair | 6,240 | 2,565 | 6,100 | 13,900 |
| Electrical Repair/Maint | 159 | 2,311 | 5,140 | 5,140 |
| Fire Protection Systems | 6,352 | 1,509 | 5,645 | 6,745 |
| Grounds Maint/Repair | 5,694 | - | - | - |
| Irrigation Repair | - | 1,131 | 2,650 | 2,450 |
| Backflow Testing & Maintenance | 824 | 1,498 | 810 | 810 |
| Wash Maintenance | 163,160 | - | - | - |
| Dam Inspection And Maint | 42,858 | - | - | - |
| Storm Damage Cleanup | 3,033 | - | - | - |
| Drainage Maint/Repair | - | - | - | 500 |
| Equipment Maint/Repair | 8,370 | 5,030 | 7,550 | 7,550 |
| Vehicle Maint/Repair | 513 | 1,387 | 1,360 | 2,160 |
| Office Equip Maint/ Repair | 822 | - | 200 | - |
| Other Maint/Repair | 807 | - | 1,500 | - |
| Art Maint/Repair/Install | - | 25 | - | - |
| Sidewalk/Pathway Repair | - | 1,724 | - | - |
| Sign Repair & Replacement | 566 | 780 | 1,205 | 2,548 |
| Painting | - | - | 100 | 100 |
| Lighting Repair | - | - | 1,000 | 1,000 |
| Electricity Expense | 147,467 | 152,475 | 152,039 | 155,941 |
| Refuse/Recycling | 2,423 | 1,704 | 1,703 | 1,703 |
| Telecommunications | 1,234 | 1,232 | 3,060 | 2,280 |
| Water/Sewer | 26,142 | 23,037 | 26,985 | 26,985 |
| Gas & Oil | 1,161 | 1,642 | 4,350 | 4,850 |
| Professional Fees | 18,016 | 30,011 | 36,160 | 39,480 |
| Rentals & Leases | - | 397 | 750 | 750 |
| Printing Expense | 65 | 254 | 213 | 400 |
| Advertising/Signage | - | 199 | - | - |
| Contractual Services | - | - | 25,000 | - |
| Bank/Merc Acct Fees | - | - | 1,500 | 1,500 |
| Landscape Contracts | 28,329 | 25,397 | 34,000 | 29,000 |



FY17-18 Proposed Budget
Summary of Expenditures
Public Works Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|---------------------|-------------------|---------------------------|----------------------------|
| General Fund-continued | | | | |
| Office Supplies | \$ 1,426 | \$ 3,187 | \$ 2,372 | \$ 1,860 |
| Cleaning/Janitorial Supplies | 11,563 | 14,255 | 14,100 | 10,500 |
| Safety Supplies | 378 | 207 | 725 | 725 |
| Operating Supplies | 16,992 | 11,826 | 19,025 | 25,625 |
| Food & Beverage Supplies | 1,322 | 2,145 | 2,000 | 2,000 |
| Uniforms | 1,461 | 1,103 | 1,800 | 1,900 |
| Postage & Delivery | 97 | 16 | - | - |
| Small Tools | 259 | 1,129 | 950 | 950 |
| Hardware/Peripherals | - | 355 | 600 | 600 |
| Furniture/Appliances | 13,321 | 7,408 | 2,500 | 2,900 |
| Equipment | 1,310 | 423 | 1,900 | 1,500 |
| Building Improvements Exp | - | - | - | 3,000 |
| Damages/Vandalism | 9,510 | - | 900 | 900 |
| ISF-Copier Charges | 3,250 | 2,295 | 1,075 | 200 |
| ISF-Mail Service Charges | 35 | 15 | 17 | 14 |
| ISF-Vehicle Replacement Charge | 5,160 | 5,263 | 8,320 | 12,726 |
| ISF-Motor Pool Charges | 29 | 308 | 171 | 28 |
| ISF-Telecom Charges | 3,004 | 3,241 | 3,700 | 3,350 |
| Sub total Expenditures | 1,068,776 | 731,911 | 830,201 | 837,495 |
| Transfers Out | 143,772 | 179,195 | - | - |
| Total Public Works | \$ 1,212,548 | \$ 911,106 | \$ 830,201 | \$ 837,495 |



FY17-18 Department Accomplishments

| Initiative | Strategic Value |
|---|--|
| Completed Town-owned wash and ADWR jurisdictional dam maintenance | ES2-Environmental Stewardship |
| Completed Zone 1 Pavement Management | I3-Maintain and improve Community infrastructure |
| Completed Ashbrook Wash Drainage Improvements | I3-Maintain and Improve Community Infrastructure |

FY17-18 Objectives

| Initiative | Strategic Value | Estimated Cost/Funding Source |
|--|-------------------------------|--------------------------------------|
| Foster a culture of public service and volunteerism | CR1-Civic Responsibility | \$0/General Fund |
| Complete Town Owned wash and ADWR jurisdictional dam maintenance | ES2-Environmental Stewardship | \$170,000/Environmental Fund |

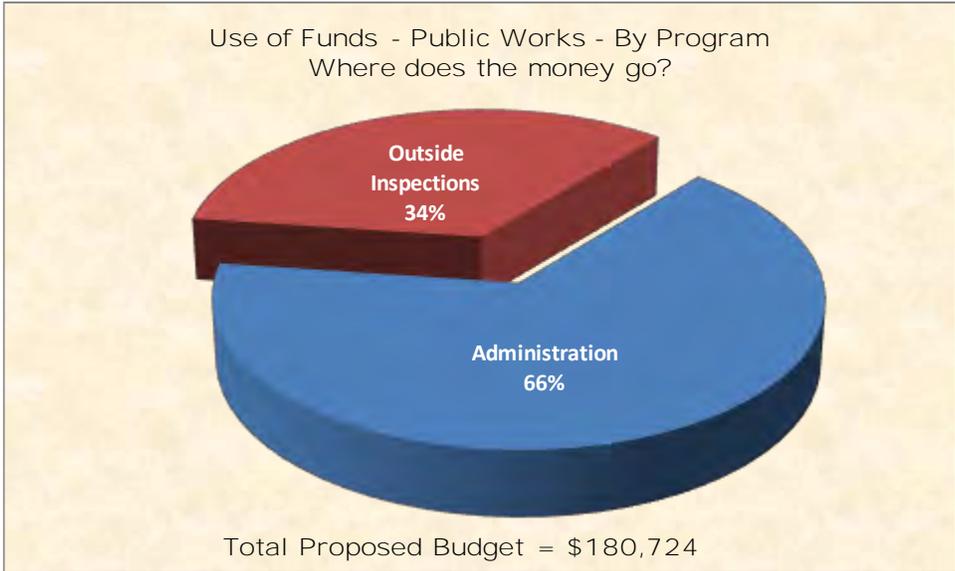


Public Works Division

Service Delivery Plan

The Public Works Division, through its administrative direction, is responsible for the general oversight of capital projects and review, approval and inspections related to encroachment permits.

| Program Name | Expenditures by Program | | | |
|-----------------------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 61,864 | \$ 61,804 | \$ 130,586 | \$ 118,786 |
| Capital Improvement Program | 91,417 | 79,036 | - | - |
| Outside Inspections | - | - | 60,647 | 61,938 |
| Stormwater Management | 246,430 | 119,212 | - | - |
| Total | \$ 399,711 | \$ 260,052 | \$ 191,233 | \$ 180,724 |

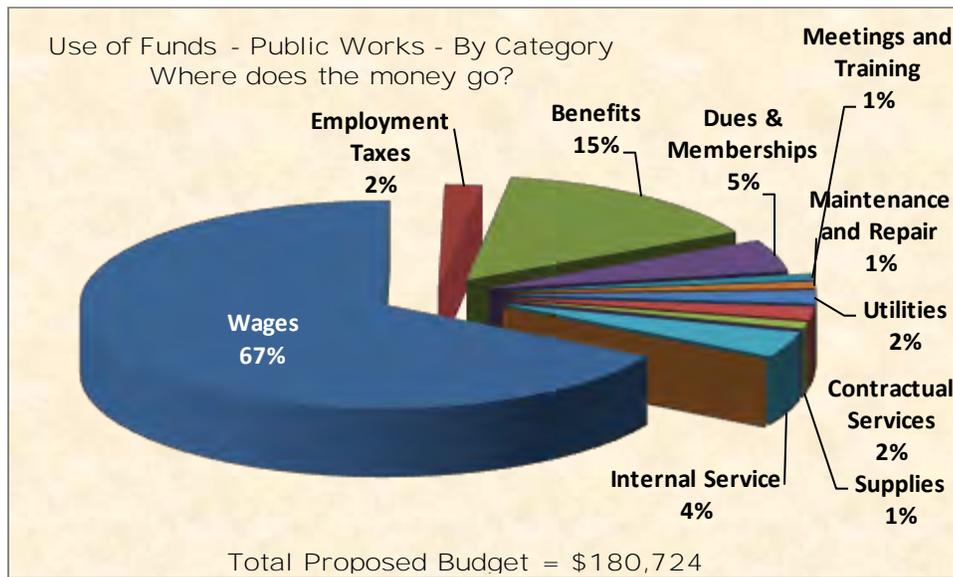


| Category | Expenditures by Category | | | |
|------------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 139,372 | \$ 119,431 | \$ 118,863 | \$ 121,830 |
| Employment Taxes | 7,200 | 5,043 | 3,784 | 3,155 |
| Benefits | 34,751 | 30,142 | 26,058 | 27,088 |
| Dues & Memberships | 6,496 | 501 | 1,170 | 9,225 |
| Meetings and Training | - | 824 | 2,240 | 2,040 |
| Maintenance and Repair | 206,841 | - | 560 | 1,360 |
| Utilities | 228 | 232 | 3,660 | 3,380 |
| Contractual Services | - | 254 | 27,983 | 3,100 |
| Supplies | 1,400 | 3,324 | 1,860 | 1,960 |
| Equipment | - | - | 450 | 450 |
| Internal Service | 3,423 | 2,821 | 4,605 | 7,136 |
| Transfers | - | 97,480 | - | - |
| Total | \$ 399,711 | \$ 260,052 | \$ 191,233 | \$ 180,724 |

Variance Explanations:

Dues & Memberships: The anticipated change in billing structure of the environmental fee was not made in FY16-17, resulting in an increased budget to accommodate the Town’s portion of the fees.

Contractual Services: FY16-17 included a one-time budget supplement for consulting fees.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Percentage of inspections completed within 24 hours of notice | 100% | 99% | 99% | 99% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of right-of-way and encroachment permits issued | 285 | 271 | 300 | 300 |
| Total number of inspections (includes multiple inspection totals for residential, commercial & encroachment permits) | 320 | 410 | 350 | 320 |
| Number of capital improvement (CIP) projects completed | 2 | 3 | 5 | 5 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Expenditure per right-of-way and encroachment permits issued | \$217.07 | \$228.06 | \$186.61 | \$190.74 |
| Expenditure per inspection (includes multiple inspection totals for residential, commercial & encroachment permits) | \$193.33 | \$150.74 | \$173.28 | \$193.72 |



FY17-18 Proposed Budget
Summary of Expenditures
Public Works Division

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|------------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 139,097 | \$ 119,431 | \$ 118,863 | \$ 121,830 |
| Overtime | 275 | - | - | - |
| Medicare | 1,949 | 1,679 | 1,725 | 1,775 |
| Workers Compensation | 5,112 | 3,238 | 1,929 | 1,285 |
| Unemployment Insurance | 140 | 126 | 130 | 95 |
| Group Health Insurance | 17,297 | 15,138 | 11,163 | 11,533 |
| Group Dental Insurance | 1,054 | 835 | 812 | 840 |
| Group Vision Insurance | 153 | 121 | 108 | 155 |
| Disability Insurance | 486 | 491 | 503 | 516 |
| Retirement | 15,330 | 13,138 | 13,074 | 13,401 |
| Life Insurance | 432 | 418 | 398 | 123 |
| Bonus | - | - | - | 70 |
| Allowance/Stipend0 | - | - | - | 450 |
| Licenses/Filing Fees | 5,000 | - | 460 | 8,740 |
| Dues, Subscriptions & Publications | 1,496 | 501 | 710 | 485 |
| Meetings & Training | - | 824 | 2,240 | 2,040 |
| Wash Maintenance | 163,160 | - | - | - |
| Dam Inspection and Maint | 42,859 | - | - | - |
| Vehicle Maint/Repair | - | - | 560 | 1,360 |
| Office Equipment Maint/Repair | 822 | - | - | - |
| Telecommunications | 227 | 232 | 1,560 | 780 |
| Gas & Oil | - | - | 2,100 | 2,600 |
| Professional Fees | - | - | 1,400 | 1,400 |
| Printing Expense | - | 254 | 83 | 200 |
| Contractual Services | - | - | 25,000 | - |
| Bank/Merc Acct Fees | - | - | 1,500 | 1,500 |
| Office Supplies | 1,302 | 3,154 | 1,285 | 1,285 |
| Cleaning/Janitorial Supplies | - | 5 | - | - |
| Safety Supplies | - | - | 100 | 100 |
| Operating Supplies | - | 10 | - | - |
| Uniforms | 97 | 155 | 475 | 575 |
| Small Tools | - | - | 450 | 450 |
| ISF-Copier Charges | 3,044 | 2,167 | 875 | 100 |
| ISF-Mail Service Charges | 33 | 15 | 13 | 10 |
| ISF-Vehicle Replacement Charge | - | - | 2,896 | 6,384 |
| ISF-Motor Pool Charges | 29 | 306 | 171 | 28 |
| ISF-Telecom Charges | 317 | 334 | 650 | 614 |
| Sub total Expenditures | 399,711 | 162,572 | 191,233 | 180,724 |
| Transfers Out | - | 97,480 | - | - |
| Total Public Works | <u>\$ 399,711</u> | <u>\$ 260,052</u> | <u>\$ 191,233</u> | <u>\$ 180,724</u> |



Facilities Division

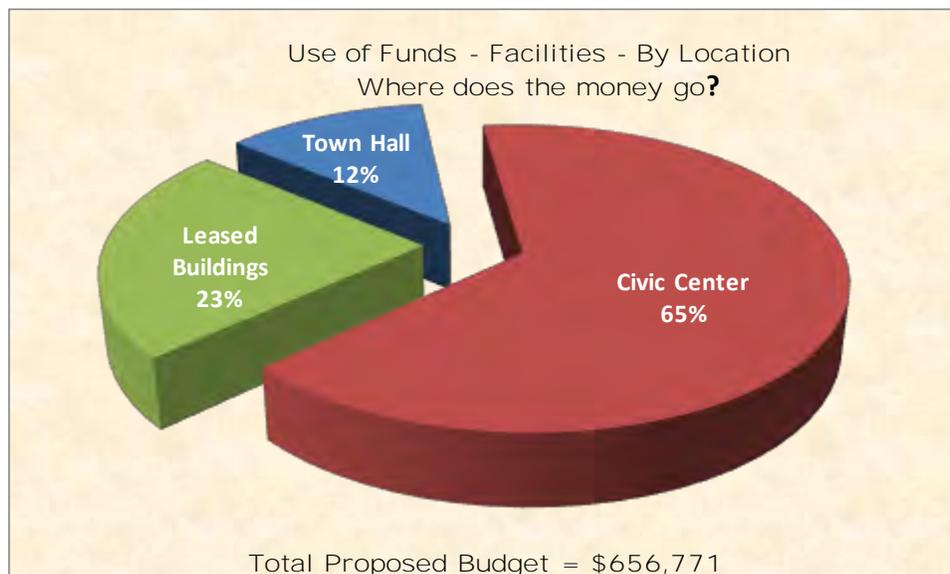
Service Delivery Plan

The Facilities Division is dedicated to maintaining a safe and clean environment in Town-owned buildings for citizens and employees to enjoy. The Facilities Division maintains Town Hall, Community Center, Library/Museum and the Kiwanis Building.

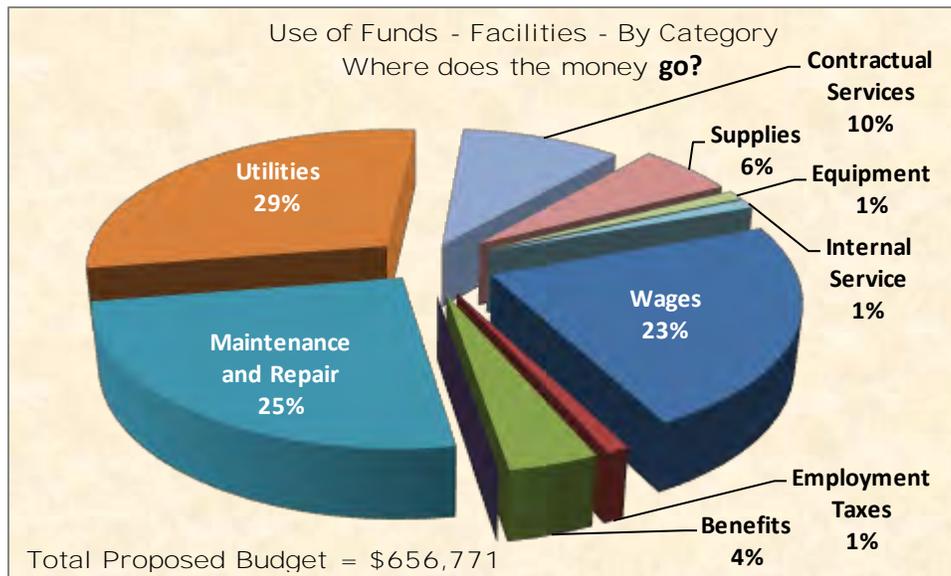
| Location | Expenditures by Location | | | |
|-------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Town Hall | \$ 378,223 | \$ 245,303 | \$ 273,158 | \$ 82,824 |
| Civic Center | - | - | - | 425,382 |
| Community Center | 151,405 | 129,801 | 176,734 | - |
| Library/Museum | 136,020 | 118,801 | - | - |
| Community Theater | 16,507 | 22,335 | - | - |
| Kiwanis Building | 5,969 | 9,787 | - | - |
| Physical Plant | 46,542 | 55,414 | 36,203 | - |
| Fire Station #1 | 59,777 | 53,856 | - | - |
| Fire Station #2 | 18,393 | 15,757 | - | - |
| Leased Buildings | - | - | 152,873 | 148,565 |
| Total | \$ 812,836 | \$ 651,054 | \$ 638,968 | \$ 656,771 |

Variance Explanations:

Town Hall/Civic Center/Community Center/Physical Plant: These locations were combined into Civic Center for more efficient managing and reporting purposes.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 122,721 | \$ 126,020 | \$ 143,267 | \$ 146,839 |
| Employment Taxes | 13,312 | 11,196 | 10,227 | 8,610 |
| Benefits | 24,113 | 30,183 | 27,941 | 28,358 |
| Dues & Memberships | 636 | - | 495 | 300 |
| Maintenance and Repair | 219,379 | 119,048 | 149,680 | 157,023 |
| Utilities | 178,200 | 179,857 | 184,478 | 188,380 |
| Contractual Services | 46,409 | 56,004 | 69,640 | 68,029 |
| Supplies | 31,839 | 29,415 | 38,162 | 40,650 |
| Equipment | 14,890 | 9,315 | 5,500 | 8,500 |
| Damages/Vandalism | 9,510 | - | 900 | 900 |
| Internal Service | 8,055 | 8,301 | 8,678 | 9,182 |
| Transfers Out | 143,772 | 81,715 | - | - |
| Total | \$ 812,836 | \$ 651,054 | \$ 638,968 | \$ 656,771 |



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Percentage of maintenance requests resolved within 24 hours | 75% | 80% | 80% | 80% |
| Percentage of maintenance requests resolved within 48 hours | 92% | 92% | 95% | 95% |
| Percentage of trade related work orders completed in house versus contracts | 70% | 70% | 70% | 70% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Square footage of buildings maintained by staff | 117,387 | 117,387 | 117,387 | 107,507 |
| Square footage of buildings cleaned by staff | 23,500 | 23,500 | 23,500 | 23,500 |
| Number of annual maintenance requests | 1,625 | 350 | 350 | 350 |
| Number of Custodial Staff | 1.25 | 1.25 | 1.25 | 1.25 |
| Library/Museum Custodial Staff | .5 | .5 | .5 | .5 |
| Town Hall Custodial Staff | .75 | .75 | .75 | .75 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Civic Center utility costs per square foot (water, sewer, electric – includes parking lot lighting and landscape irrigation) | \$1.80 | \$1.90 | \$2.02 | \$1.96 |



FY17-18 Proposed Budget
Summary of Expenditures
Facilities

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 78,533 | \$ 80,882 | \$ 98,722 | \$ 101,184 |
| Salaries-Part Time | 44,180 | 45,091 | 44,545 | 45,655 |
| Overtime | 8 | 46 | - | - |
| FICA | 2,733 | 2,735 | 2,763 | 2,831 |
| Medicare | 1,754 | 1,796 | 2,079 | 2,133 |
| Workers Compensation | 8,581 | 6,396 | 5,104 | 3,440 |
| Unemployment Insurance | 245 | 269 | 281 | 206 |
| Group Health Insurance | 14,165 | 19,930 | 15,518 | 15,670 |
| Group Dental Insurance | 674 | 677 | 721 | 746 |
| Group Vision Insurance | 100 | 100 | 93 | 131 |
| Disability Insurance | 277 | 310 | 419 | 429 |
| Retirement | 8,651 | 8,897 | 10,859 | 11,130 |
| Life Insurance | 245 | 270 | 331 | 102 |
| Bonus | - | - | - | 150 |
| Dues, Subscript & Publicat | 636 | - | 495 | 300 |
| Building Main/Repair | 80,405 | 45,700 | 63,800 | 56,300 |
| HVAC Repair | 106,417 | 55,388 | 53,180 | 59,180 |
| Plumbing Repair | 6,240 | 2,565 | 6,100 | 13,900 |
| Electrical Repair/Maint | 159 | 2,311 | 5,140 | 5,140 |
| Fire Protection Systems | 6,352 | 1,509 | 5,645 | 6,745 |
| Grounds Maint/Repair | 5,694 | - | - | - |
| Irrigation Repair | - | 1,131 | 2,650 | 2,450 |
| Backflow Testing & Maintenance | 824 | 1,498 | 810 | 810 |
| Storm Damage Cleanup | 3,033 | - | - | - |
| Drainage Maint/Repair | - | - | - | 500 |
| Equipment Maint/Repair | 8,370 | 5,030 | 7,550 | 7,550 |
| Vehicle Maint/Repair | 513 | 1,386 | 800 | 800 |
| Office Equip Maint/ Repair | - | - | 200 | - |
| Other Maint/Repair | 807 | - | 1,500 | - |
| Art Maint/Repair/Install | - | 25 | - | - |
| Sidewalk/Pathway Repair | - | 1,724 | - | - |
| Sign Repair & Replacement | 566 | 780 | 1,205 | 2,548 |
| Painting | - | - | 100 | 100 |
| Lighting Repair | - | - | 1,000 | 1,000 |
| Electricity Expense | 147,466 | 152,475 | 152,040 | 155,941 |
| Refuse/Recycling | 2,423 | 1,704 | 1,703 | 1,703 |
| Telecommunications | 1,006 | 1,000 | 1,500 | 1,500 |
| Water/Sewer | 26,142 | 23,037 | 26,985 | 26,985 |
| Gas & Oil | 1,161 | 1,642 | 2,250 | 2,250 |
| Professional Fees | 18,016 | 30,011 | 34,760 | 38,080 |
| Rentals & Leases | - | 397 | 750 | 750 |
| Printing Expense | 65 | - | 130 | 200 |
| Advertising/Signage | - | 199 | - | - |
| Landscape Contracts | 28,329 | 25,397 | 34,000 | 29,000 |
| Office Supplies | 123 | 33 | 1,087 | 575 |
| Cleaning/Janitorial Supplies | 11,563 | 14,250 | 14,100 | 10,500 |
| Safety Supplies | 378 | 207 | 625 | 625 |
| Operating Supplies | 16,992 | 11,816 | 19,025 | 25,625 |
| Food & Beverage Supplies | 1,322 | 2,145 | 2,000 | 2,000 |
| Uniforms | 1,364 | 948 | 1,325 | 1,325 |



FY17-18 Proposed Budget
Summary of Expenditures
Facilities

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund-continued | | | | |
| Postage & Delivery | \$ 97 | \$ 16 | \$ - | \$ - |
| Small Tools | 259 | 1,129 | 500 | 500 |
| Hardware/Peripherals | - | 355 | 600 | 600 |
| Furniture/Appliances | 13,321 | 7,408 | 2,500 | 2,900 |
| Equipment | 1,310 | 423 | 1,900 | 1,500 |
| Building Improvements Exp | - | - | - | 3,000 |
| Damages/Vandalism | 9,510 | - | 900 | 900 |
| ISF-Copier Charges | 206 | 129 | 200 | 100 |
| ISF-Mail Service Charges | 2 | - | 4 | 4 |
| ISF-Vehicle Replacement Charge | 5,160 | 5,263 | 5,424 | 6,342 |
| ISF-Motor Pool Charges | - | 2 | - | - |
| ISF-Telecom Charges | 2,687 | 2,907 | 3,050 | 2,736 |
| Sub total Expenditures | 669,064 | 569,339 | 638,968 | 656,771 |
| Transfers Out | 143,772 | 81,715 | - | - |
| Total Facilities | \$ 812,836 | \$ 651,054 | \$ 638,968 | \$ 656,771 |

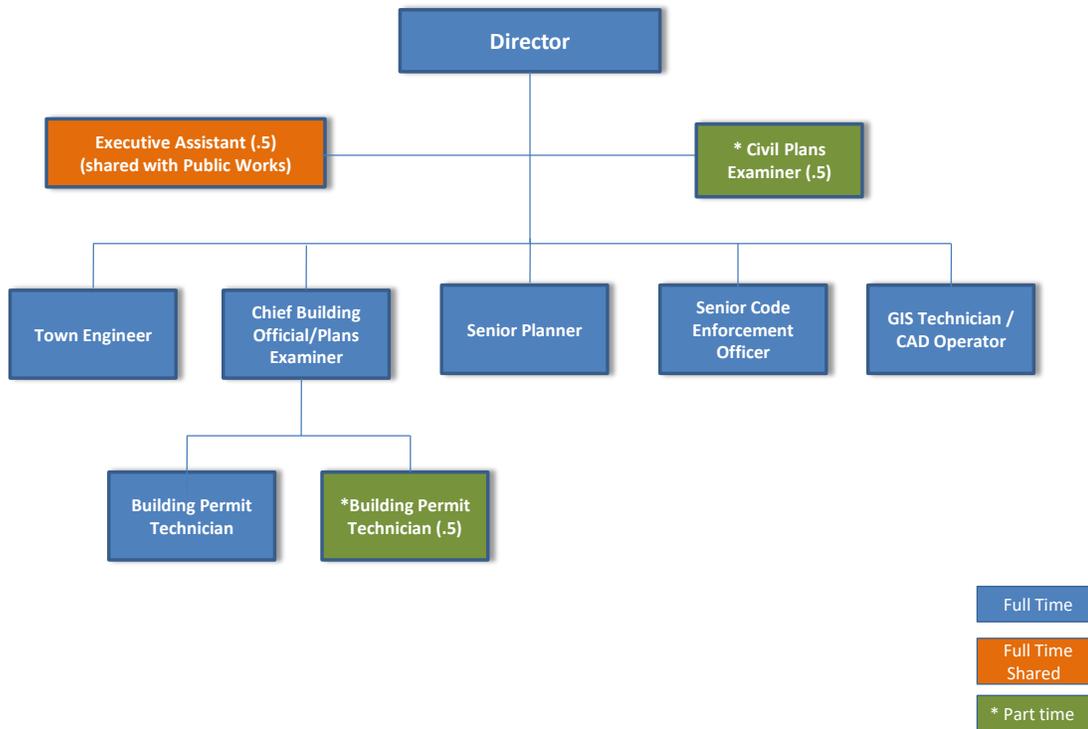




Development Services



DEVELOPMENT SERVICES DEPARTMENT



Note: Numbers in parentheses represent full-time equivalents (FTE).

DEVELOPMENT SERVICES

Mission Statement

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, 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.

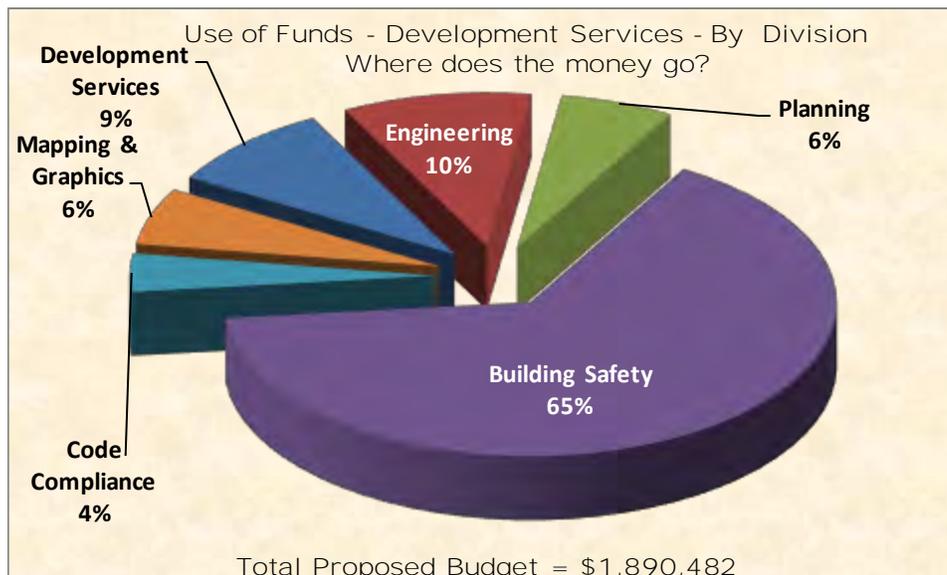
Department Overview

The Development Services Department is made up of six (6) Divisions: Development Services, Building Safety, Code Compliance, Engineering, Mapping & Graphics and Planning. The Development Services Director provides direct supervision over Division heads and the executive management assistant.

| Division | Expenditures by Division | | | |
|----------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Development Services | \$ - | \$ - | \$ 171,810 | \$ 167,398 |
| Engineering | 142,667 | 209,890 | 228,229 | 191,642 |
| Planning | 160,973 | 161,923 | 121,309 | 105,554 |
| Building Safety | 207,734 | 231,716 | 239,574 | 1,245,056 |
| Code Compliance | 96,965 | 101,141 | 77,400 | 75,964 |
| Mapping & Graphics | 70,892 | 69,801 | 105,817 | 104,868 |
| Total | \$ 679,231 | \$ 774,471 | \$ 944,139 | \$ 1,890,482 |

Variance Explanations:

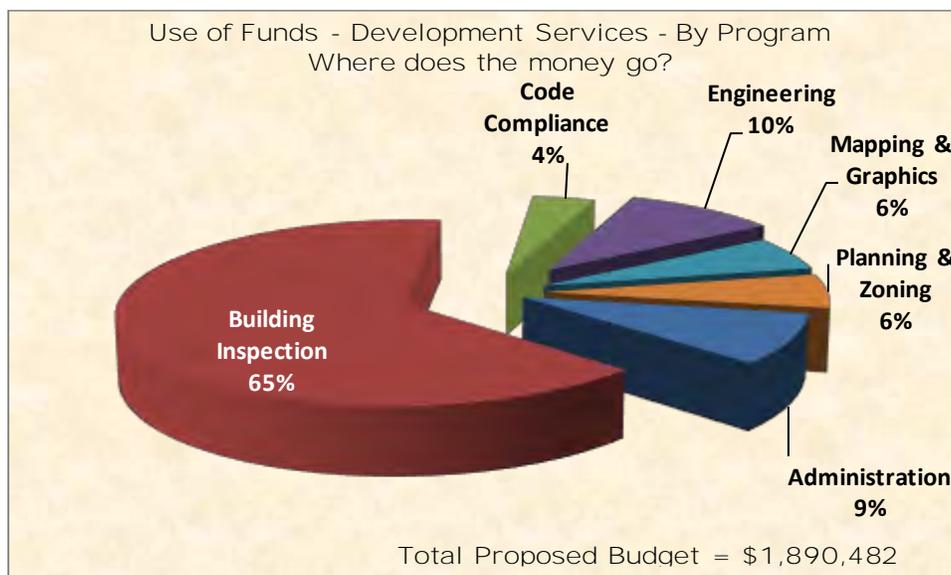
Building Safety: The increase is a result of increased wages and benefits for two new part-time positions and the Chief Building Official. Also third-party inspection and plan review fees will now be processed through the Town.



| Program Name | Expenditures by Program | | | |
|-----------------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ - | \$ - | \$ 171,810 | \$ 167,398 |
| Building Inspection | 90,224 | 117,162 | 239,574 | 1,245,056 |
| Code Compliance | 96,965 | 101,141 | 77,400 | 75,964 |
| Current Planning | 101,425 | 104,017 | - | - |
| Engineering | 142,667 | 209,890 | 228,229 | 191,642 |
| Environmental Service | 32,419 | 28,742 | - | - |
| Long Range Planning | 27,129 | 29,164 | - | - |
| Mapping & Graphics | 70,892 | 69,801 | 105,817 | 104,868 |
| Permitting | 117,510 | 114,554 | - | - |
| Planning & Zoning | - | - | 121,309 | 105,554 |
| Total | \$ 679,231 | \$ 774,471 | \$ 944,139 | \$ 1,890,482 |

Variance Explanations:

Building Inspection: The increase is a result of increased wages and benefits for two new part-time positions and the Chief Building Official. Also third-party inspection and plan review fees will now be processed through the Town.

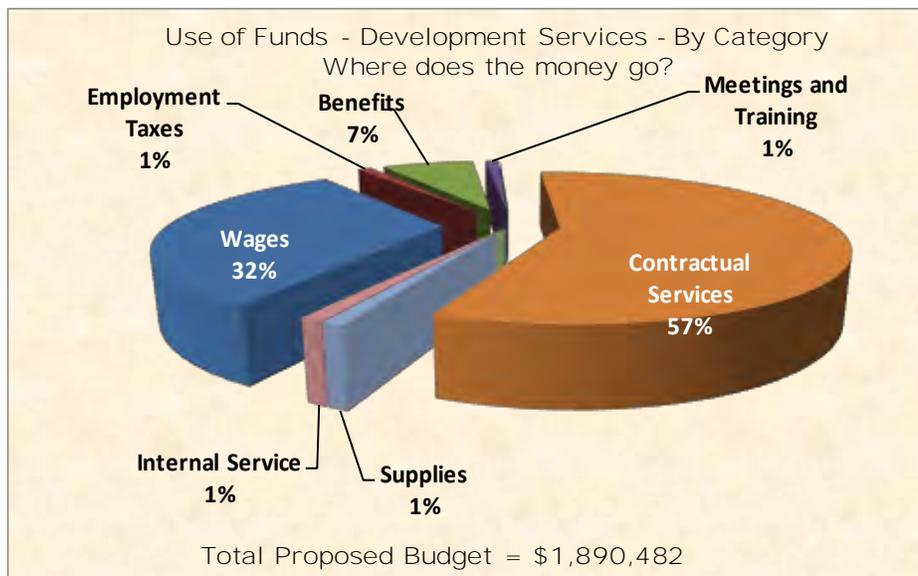


| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 457,158 | \$ 486,740 | \$ 556,536 | \$ 606,400 |
| Employment Taxes | 19,371 | 16,657 | 16,995 | 17,752 |
| Benefits | 113,670 | 117,935 | 120,364 | 125,075 |
| Dues & Memberships | 7,292 | 12,375 | 5,442 | 5,888 |
| Meetings and Training | 1,313 | 2,972 | 11,216 | 12,160 |
| Maintenance and Repair | 1,115 | 7,704 | 4,220 | 5,020 |
| Utilities | 6,689 | 6,126 | 5,120 | 4,340 |
| Contractual Services | 50,945 | 102,777 | 187,919 | 1,087,214 |
| Supplies | 4,244 | 5,924 | 10,065 | 12,025 |
| Equipment | 444 | 933 | 7,684 | 250 |
| Internal Service | 15,351 | 14,328 | 18,578 | 14,358 |
| Transfers | 1,639 | - | - | - |
| Total | \$ 679,231 | \$ 774,471 | \$ 944,139 | \$ 1,890,482 |

Variance Explanations:

Contractual Services: Third-party inspection and plan review fees will now be processed through the Town.

Equipment: FY16-17 included the purchase of a new plotter for the Mapping & Graphics division.



FY17 - 18 Department Accomplishments

| Initiative | Strategic Value |
|--|--------------------------------------|
| Completed the 2016 edition of the "Land Use Analysis and Statistical Report" | EV1 - Economic Vitality |
| Revised Administrative Site Plan Ordinance | EV3 - Economic Vitality |
| Adopted Downtown Entertainment Overlay Zone | EV3 - Economic Vitality |
| Revised Administrative Minor Replat Ordinance | EV3 - Economic Vitality |
| Revised Outdoor Lighting Ordinance | ES3 - Environmental Stewardship |
| Revised Noise Ordinance | ES3 - Environmental Stewardship |
| Permitted Park Place Phase 1 | EV3 - Economic Vitality |
| Implemented the Crash Magic System | P3 - Public Safety, Health & Welfare |
| Updated the Sanitary District Sewer Atlas | ES3 - Environmental Stewardship |

FY17 - 18 Objectives

| Initiative | Strategic Value | Estimated Cost/Funding Source |
|---|----------------------------|-------------------------------|
| Foster a culture of public service and volunteerism | CR2 - Civic Responsibility | \$0/General Funds |
| Complete 2017 edition of "Land Use Analysis and Statistical Report" | EV1 - Economic Vitality | \$1,000/General Fund |



FY17-18 Proposed Budget
Summary of Expenditures
Development Services Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-----------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 456,844 | \$ 486,740 | \$ 556,535 | \$ 564,826 |
| Salaries-Part Time | - | - | - | 41,574 |
| FICA | - | - | - | 2,578 |
| Overtime | 314 | - | - | - |
| Medicare | 6,453 | 6,913 | 8,072 | 8,827 |
| Workers Compensation | 12,373 | 9,064 | 8,369 | 5,831 |
| Unemployment Insurance | 545 | 680 | 554 | 516 |
| Group Health Insurance | 56,069 | 57,008 | 50,358 | 53,095 |
| Group Dental Insurance | 3,757 | 3,577 | 4,072 | 3,995 |
| Group Vision Insurance | 514 | 492 | 493 | 719 |
| Disability Insurance | 1,608 | 1,782 | 2,355 | 2,389 |
| Retirement | 50,288 | 53,541 | 61,221 | 62,132 |
| Life Insurance | 1,433 | 1,535 | 1,866 | 569 |
| Bonus | - | - | - | 376 |
| Allowance/Stipend | - | - | - | 1,800 |
| Licenses/Filing Fees | 791 | 10,610 | 1,850 | 1,850 |
| Dues, Subscript & Publicat | 6,501 | 1,765 | 3,592 | 4,038 |
| Meetings & Training | 1,313 | 2,972 | 11,216 | 12,160 |
| Equipment Maint/Repair | 976 | 7,704 | 3,100 | 2,700 |
| Vehicle Maint/Repair | - | - | 1,120 | 1,120 |
| Office Equip Maint/Repair | 140 | - | - | 1,200 |
| Telecommunications | 3,692 | 4,035 | 3,120 | 2,340 |
| Gas & Oil | 2,997 | 2,091 | 2,000 | 2,000 |
| Professional Fees | 16,609 | 20,407 | 78,500 | 38,500 |
| Rentals & Leases | - | - | - | 1,214 |
| Printing Expense | 65 | 221 | 1,499 | 1,600 |
| Advertising/Signage | 1,388 | 1,036 | 2,500 | 5,000 |
| Contractual Services | 30,000 | 77,826 | 102,500 | 87,500 |
| Bank/Merc Acct Fees | 2,883 | 3,287 | 2,800 | 3,400 |
| ActiveNet Fees | - | - | 120 | - |
| Third Party Fees | - | - | - | 950,000 |
| Office Supplies | 2,839 | 4,231 | 9,383 | 10,345 |
| Safety Supplies | - | 83 | 100 | 100 |
| Operating Supplies | 451 | 23 | - | - |
| Food & Beverage Supplies | - | 10 | - | - |
| Program Materials | 80 | 964 | - | - |
| Uniforms | 874 | 612 | 432 | 1,430 |
| Postage & Delivery | - | - | 150 | 150 |
| Small Tools | 44 | 266 | 250 | 250 |
| Software | 76 | - | - | - |
| Hardware/Peripherals | 324 | 336 | 5,434 | - |
| Equipment | - | 331 | 2,000 | - |
| ISF-Copier Charges | 2,957 | 1,738 | 3,715 | 1,490 |
| ISF-Mail Service Charges | 449 | 274 | 358 | 250 |
| ISF-Vehicle Replacement Charge | 8,183 | 8,593 | 11,461 | 8,921 |
| ISF-Motor Pool Charges | 907 | 708 | 694 | 1,366 |
| ISF-Telecom Charges | 2,855 | 3,016 | 2,350 | 2,331 |
| Sub total Expenditures | <u>677,592</u> | <u>774,471</u> | <u>944,139</u> | <u>1,890,482</u> |
| Transfers Out | <u>1,639</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Development Services | <u>\$ 679,231</u> | <u>\$ 774,471</u> | <u>\$ 944,139</u> | <u>\$ 1,890,482</u> |

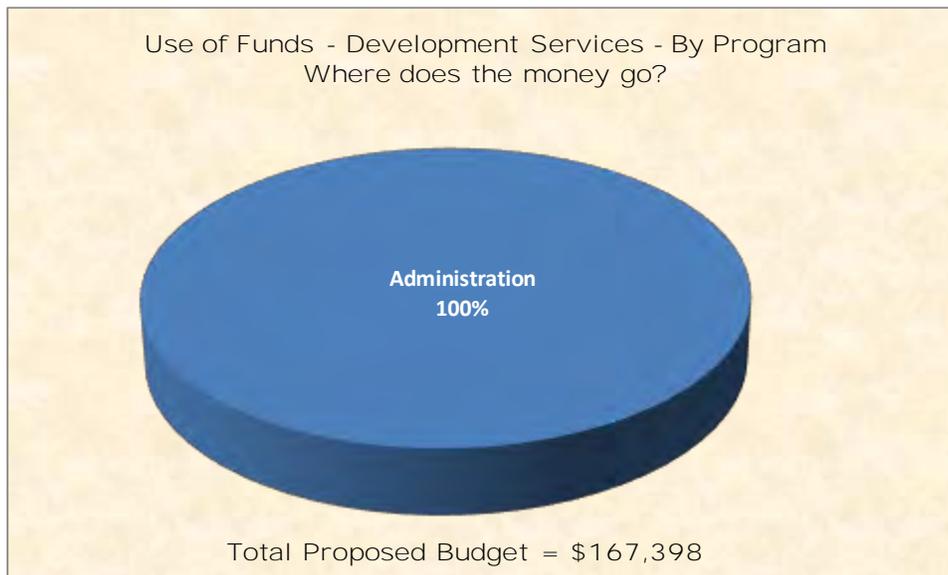


Development Services Division

Service Delivery Plan

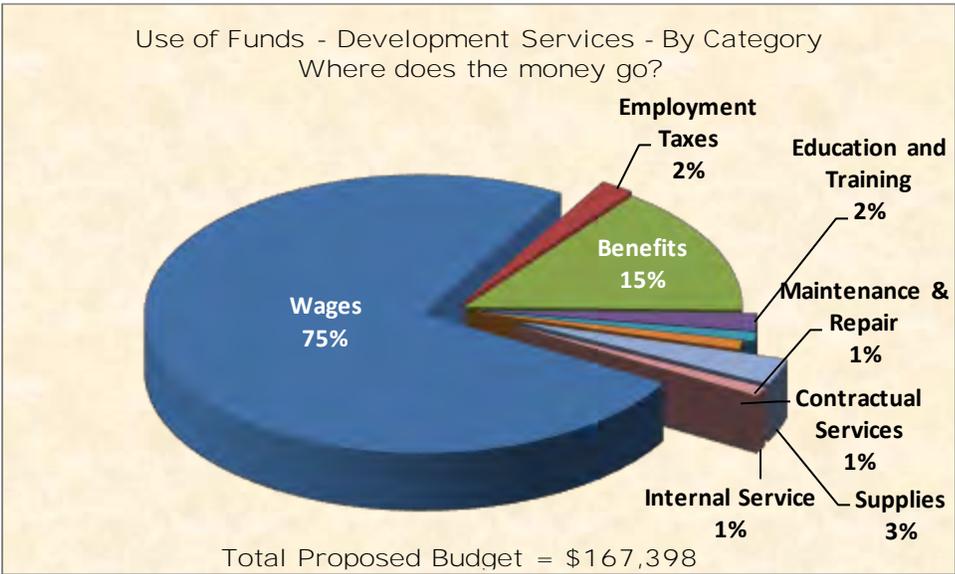
The Development Services Division, through its administrative services, provides direction to and clerical support for the Department by the Development Services Director and Executive Assistant.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ - | \$ - | \$ 171,810 | \$ 167,398 |
| Total | \$ - | \$ - | \$ 171,810 | \$ 167,398 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ - | \$ - | \$ 130,773 | \$ 125,153 |
| Employment Taxes | - | - | 4,166 | 3,224 |
| Benefits | - | - | 29,764 | 23,916 |
| Dues & Memberships | - | - | 94 | 494 |
| Education and Training | - | - | 400 | 4,100 |
| Maintenance & Repair | - | - | - | 1,200 |
| Utilities | - | - | - | 780 |
| Contractual Services | - | - | 83 | 1,514 |
| Supplies | - | - | 5,242 | 5,695 |
| Internal Service | - | - | 1,288 | 1,322 |
| Total | \$ - | \$ - | \$ 171,810 | \$ 167,398 |





Activities/Results

Performance Measures

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|------------------------------|----------------------------|
| Continue to serve as staff liaison to the Planning & Commission, Zoning Board of Adjustment and Building Board of Appeals | 15 | 16 | 16 | 18 |
| Continue to support joint P&Z Commission/Town Council meetings | 1 | 1 | 1 | 1 |
| Prepare/Post Commission and Board meeting agendas both pre and post meetings | 30 | 33 | 32 | 36 |
| Prepare Commission and Board meeting minutes and post approved meeting minutes | 24 | 22 | 24 | 26 |

Quality

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|------------------------------|----------------------------|
| Continue to draft, propose and update various improvements to the Zoning Ordinance, Subdivision Ordinance and Town Code | Yes | Yes | Yes | Yes |
| Publish the annual Land Use Analysis and Statistical Report | Yes | Yes | Yes | Yes |
| Administer contracts for engineering review of various project's Traffic and Parking reports | 2 | 2 | 3 | 2 |
| Administer contracts for plan review and inspection consulting services | 1 | 2 | 2 | 3 |



Summary of Expenditures
Development Services Division

| Description | FY14-15 | FY15-16 | FY16-17 | FY17-18 |
|---------------------------------|---------|---------|----------------|-----------------|
| | Actual | Actual | Revised Budget | Proposed Budget |
| General Fund | | | | |
| Salaries-Full Time | \$ - | \$ - | \$ 130,773 | \$ 125,153 |
| Medicare | - | - | 1,897 | 1,816 |
| Workers Compensation | - | - | 2,157 | 1,326 |
| Unemployment Insurance | - | - | 112 | 82 |
| Group Health Insurance | - | - | 13,209 | 8,682 |
| Group Dental Insurance | - | - | 1,058 | 639 |
| Group Vision Insurance | - | - | 122 | 112 |
| Disability Insurance | - | - | 553 | 530 |
| Retirement | - | - | 14,384 | 13,767 |
| Life Insurance | - | - | 438 | 126 |
| Bonus | - | - | - | 60 |
| Dues, Subscript & Publicat | - | - | 94 | 494 |
| Meetings & Training | - | - | 400 | 4,100 |
| Office Equip Maint/Repair | - | - | - | 1,200 |
| Telecommunications | - | - | - | 780 |
| Rentals & Leases | - | - | - | 1,214 |
| Printing Expense | - | - | 83 | 300 |
| Office Supplies | - | - | 5,142 | 5,395 |
| Uniforms | - | - | 100 | 300 |
| ISF-Copier Charges | - | - | 875 | 475 |
| ISF-Mail Service Charges | - | - | 13 | - |
| ISF-Vehicle Replacement Charges | - | - | - | 325 |
| ISF-Motor Pool Charges | - | - | - | 153 |
| ISF-Telecom Charges | - | - | 400 | 369 |
| Sub total Expenditures | - | - | \$ 171,810 | \$ 167,398 |
| Transfers Out | - | - | - | - |
| Total Development Services | \$ - | \$ - | \$ 171,810 | \$ 167,398 |



Building Safety Division

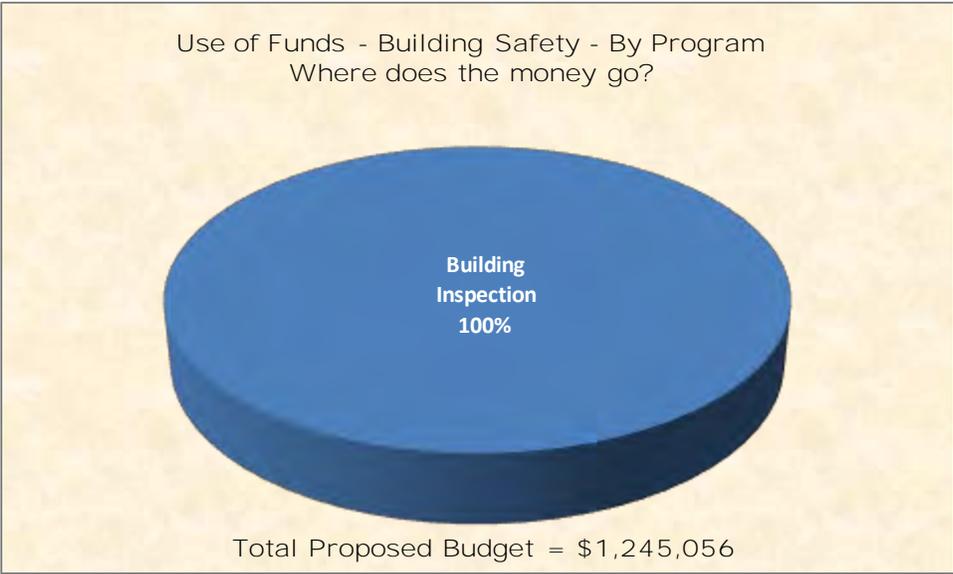
Service Delivery Plan

The Building Safety Division is dedicated to processing applications for permits to construct homes, commercial buildings, fences, swimming pools and other structures in a manner that is responsive and customer friendly. The Division coordinates the review of plans for the structures it permits and conducts construction inspections.

| Program Name | Expenditures by Program | | | |
|---------------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Building Inspection | \$ 90,224 | \$ 117,162 | \$ 239,574 | \$ 1,245,056 |
| Permitting | 117,510 | 114,554 | - | - |
| Total | \$ 207,734 | \$ 231,716 | \$ 239,574 | \$ 1,245,056 |

Variance Explanations:

Building Inspection: The increase is a result of increased wages and benefits for two new part-time positions and the Chief Building Official. Also third-party inspection and plan review fees will now be processed through the Town.



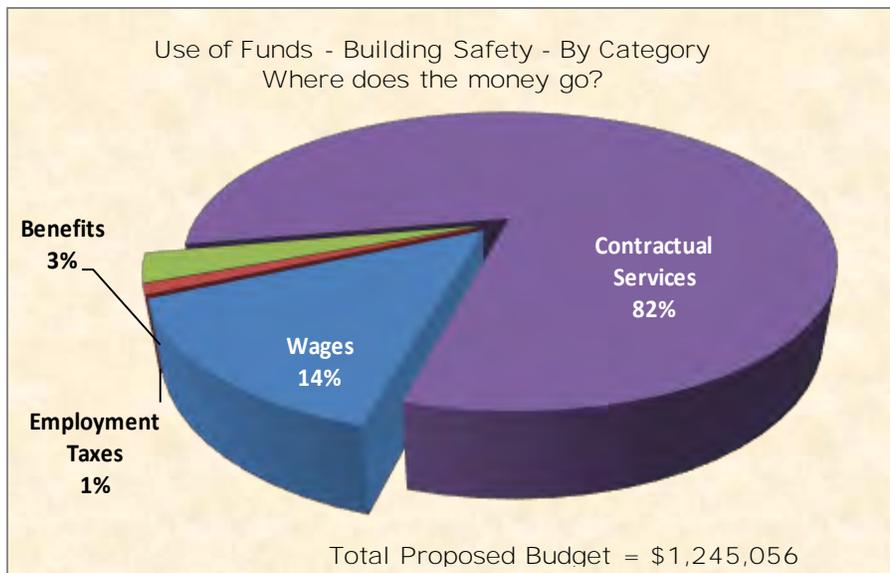
| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 131,170 | \$ 127,435 | \$ 119,511 | \$ 179,348 |
| Employment Taxes | 5,226 | 4,213 | 3,388 | 6,918 |
| Benefits | 31,074 | 31,255 | 25,584 | 35,104 |
| Dues & Memberships | 439 | 487 | 650 | 620 |
| Meetings and Training | 307 | 1,109 | 2,360 | 2,420 |
| Maintenance and Repair | 173 | 4,776 | 760 | 760 |
| Utilities | 1,606 | 1,067 | 1,780 | 1,000 |
| Contractual Services | 32,292 | 56,381 | 77,320 | 1,012,900 |
| Supplies | 642 | 464 | 682 | 1,050 |
| Equipment | 325 | - | 584 | 150 |
| Internal Service | 4,480 | 4,529 | 6,955 | 4,786 |
| Total | \$ 207,734 | \$ 231,716 | \$ 239,574 | \$ 1,245,056 |

Variance Explanations:

Wages: Amounts were added to reflect two new part-time positions, a permit technician and a civil plans examiner, and the new Chief Building Official.

Benefits: Amounts were added to reflect the new Chief Building Official.

Contractual Services: Third-party inspection and plan review fees will now be processed through the Town.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Percentage of all residential building plan reviews completed within established turnaround times | 97% | 100% | 97% | 97% |
| Percentage of all commercial building plan reviews completed within established turnaround times | 100% | 100% | 100% | 100% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of building plan reviews conducted (multiple reviews possible) | 462 | 510 | 550 | 600 |
| Number of residential plan reviews conducted (multiple reviews possible) | 170 | 400 | 500 | 700 |
| Number of commercial plan reviews conducted (multiple reviews possible) | 18 | 50 | 65 | 30 |
| Number of building inspection FTE's | 1 | 1* | 1* | 1* |
| Total number of permits | 443 | 410 | 400 | 500 |
| Total number of inspections (all inspections) | 2,448 | 2,129 | 2,200 | 3,000 |

*Building Inspections are performed by Building Official and 3rd party Inspectors

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Average expenditure per inspection during the reporting period (includes all inspections) | \$84.86 | \$108.84 | \$102.05 | \$71.11 |
| Average processing cost per permit | \$468.93 | \$565.16 | \$561.27 | \$426.65 |



FY17-18 Proposed Budget
Summary of Expenditures
Building Safety

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 131,162 | \$ 127,435 | \$ 119,511 | \$ 137,774 |
| Salaries-Part Time | - | - | - | 41,574 |
| FICA | - | - | - | 2,578 |
| Overtime | 8 | - | - | - |
| Medicare | 1,807 | 1,762 | 1,734 | 2,617 |
| Workers Compensation | 3,252 | 2,283 | 1,504 | 1,503 |
| Unemployment Insurance | 167 | 168 | 150 | 220 |
| Group Health Insurance | 14,442 | 14,933 | 10,388 | 16,656 |
| Group Dental Insurance | 1,166 | 1,163 | 1,006 | 1,291 |
| Group Vision Insurance | 168 | 168 | 136 | 221 |
| Disability Insurance | 458 | 520 | 506 | 582 |
| Retirement | 14,429 | 14,018 | 13,147 | 15,155 |
| Life Insurance | 411 | 453 | 401 | 139 |
| Bonus | - | - | - | 160 |
| Allowance/Stipend | - | - | - | 900 |
| Licenses/Filing Fees | - | 60 | - | - |
| Dues, Subscript & Publicat | 439 | 427 | 650 | 620 |
| Meetings & Training | 307 | 1,109 | 2,360 | 2,420 |
| Equipment Maint/Repair | - | - | 200 | 200 |
| Vehicle Maint/Repair | 173 | 4,776 | 560 | 560 |
| Telecommunications | 758 | 775 | 780 | - |
| Gas & Oil | 848 | 292 | 1,000 | 1,000 |
| Printing Expense | - | - | 200 | 400 |
| Contractual Services | 30,000 | 53,980 | 75,000 | 60,000 |
| Bank/Merc Acct Fees | 2,292 | 2,401 | 2,000 | 2,500 |
| ActiveNet Fees | - | - | 120 | - |
| Third Party Fees | - | - | - | 950,000 |
| Office Supplies | 117 | 269 | 550 | 550 |
| Safety Supplies | - | 42 | - | - |
| Operating Supplies | 69 | - | - | - |
| Uniforms | 456 | 154 | 132 | 500 |
| Small Tools | - | - | 150 | 150 |
| Hardware/Peripherals | 324 | - | 434 | - |
| ISF-Copier Charges | 487 | 330 | 500 | 160 |
| ISF-Mail Service Charges | 51 | 32 | 25 | 38 |
| ISF-Vehicle Replacement Charge | 2,700 | 2,753 | 5,480 | 3,366 |
| ISF-Motor Pool Charges | 187 | 295 | - | 240 |
| ISF-Telecom Charges | 1,056 | 1,118 | 950 | 982 |
| Sub total Expenditures | 207,734 | 231,716 | 239,574 | 1,245,056 |
| Transfers Out | - | - | - | - |
| Total Building Safety | <u>\$ 207,734</u> | <u>\$ 231,716</u> | <u>\$ 239,574</u> | <u>\$ 1,245,056</u> |



Code Compliance Division

Service Delivery Plan

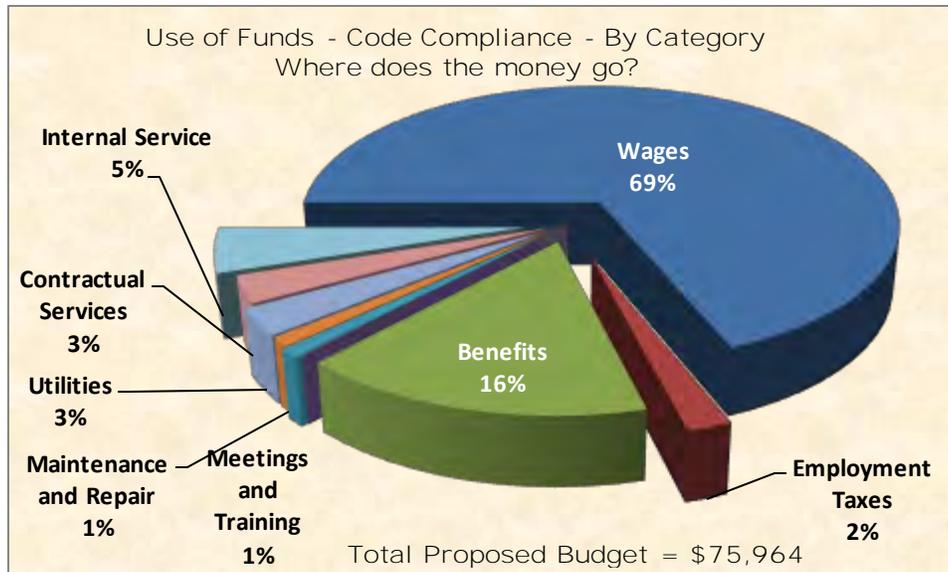
The Code Compliance Division is actively involved in maintaining an excellent quality of life by addressing community issues such as abandoned vehicles, property maintenance, improperly maintained pools, illegal signs, improper parking on private property, and dumping or other destruction in Town-owned washes. The Code Compliance Division strives to address problems in a confidential, friendly and understanding way which allows for sufficient time to come into compliance voluntarily.

| Program Name | Expenditures by Program | | | |
|-----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Code Compliance | \$ 96,965 | \$ 101,141 | \$ 77,400 | \$ 75,964 |
| Total | \$ 96,965 | \$ 101,141 | \$ 77,400 | \$ 75,964 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 69,579 | \$ 71,859 | \$ 51,215 | \$ 52,490 |
| Employment Taxes | 3,497 | 2,968 | 1,801 | 1,473 |
| Benefits | 18,068 | 19,033 | 12,131 | 12,427 |
| Dues & Memberships | - | - | 150 | 150 |
| Meetings and Training | 376 | - | 900 | 900 |
| Maintenance and Repair | 642 | 2,208 | 560 | 560 |
| Utilities | 1,226 | 1,193 | 1,780 | 1,780 |
| Contractual Services | - | - | 2,572 | 2,600 |
| Supplies | 356 | 235 | - | 130 |
| Equipment | - | 126 | - | - |
| Internal Service | 3,221 | 3,519 | 6,291 | 3,454 |
| Total | \$ 96,965 | \$ 101,141 | \$ 77,400 | \$ 75,964 |





Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|----------------|----------------|------------------|----------------|
| Percentage of code violations brought into voluntary compliance prior to initiation of administrative or judicial action | 99% | 99% | 99% | 99% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|----------------|----------------|------------------|----------------|
| Number of Code Enforcement Officers | 1 | 1 | 1 | 1 |
| Number of code violation cases | 752 | 713 | 725 | 725 |
| Number of code violation cases reviewed in court proceedings (does not include barking dog cases) | 4 | 2 | 2 | 2 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--------------------------------------|----------------|----------------|------------------|----------------|
| Average cost per code violation case | \$128.94 | \$141.85 | \$107.56 | \$104.87 |

FY17-18 Proposed Budget
Summary of Expenditures
Code Compliance

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 69,579 | \$ 71,859 | \$ 51,215 | \$ 52,490 |
| Medicare | 1,006 | 1,039 | 743 | 762 |
| Workers Compensation | 2,396 | 1,836 | 983 | 656 |
| Unemployment Insurance | 95 | 94 | 75 | 55 |
| Group Health Insurance | 9,318 | 9,975 | 5,643 | 5,788 |
| Group Dental Insurance | 554 | 556 | 412 | 426 |
| Group Vision Insurance | 81 | 81 | 54 | 124 |
| Disability Insurance | 244 | 277 | 216 | 222 |
| Retirement | 7,654 | 7,904 | 5,634 | 5,774 |
| Life Insurance | 217 | 240 | 172 | 53 |
| Bonus | - | - | - | 40 |
| Licenses/Filing Fees | - | - | 100 | 100 |
| Dues, Subscript & Publicat | - | - | 50 | 50 |
| Training/Cont Ed | 341 | - | - | - |
| Meetings & Training | 35 | - | 900 | 900 |
| Vehicle Maint/Repair | 642 | 2,207 | 560 | 560 |
| Telecommunications | 758 | 775 | 780 | 780 |
| Gas & Oil | 468 | 418 | 1,000 | 1,000 |
| Printing Expense | - | - | 72 | 100 |
| Contractual Services | - | - | 2,500 | 2,500 |
| Office Supplies | 48 | 21 | - | - |
| Operating Supplies | 232 | - | - | - |
| Uniforms | 75 | 213 | - | 130 |
| Small Tools | - | 126 | - | - |
| ISF-Copier Charges | 81 | 47 | 40 | 25 |
| ISF-Mail Service Charges | 7 | 25 | 20 | 22 |
| ISF-Vehicle Replacement Charge | 2,700 | 3,000 | 5,981 | 3,162 |
| ISF-Motor Pool Charges | 10 | - | - | - |
| ISF-Telecom Charges | 424 | 448 | 250 | 245 |
| Sub total Expenditures | 96,965 | 101,141 | 77,400 | 75,964 |
| Transfers Out | - | - | - | - |
| Total Code Compliance | <u>\$ 96,965</u> | <u>\$ 101,141</u> | <u>\$ 77,400</u> | <u>\$ 75,964</u> |

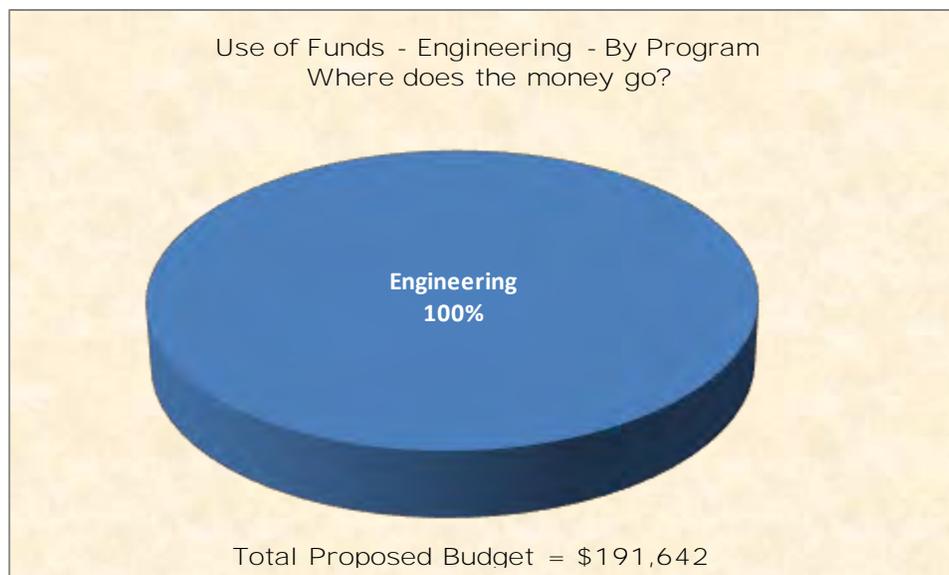


Engineering Division

Service Delivery Plan

The Engineering Division is responsible for the review of commercial and residential building plans, flood plain administration, preliminary and final plats, easement abandonments, etc.

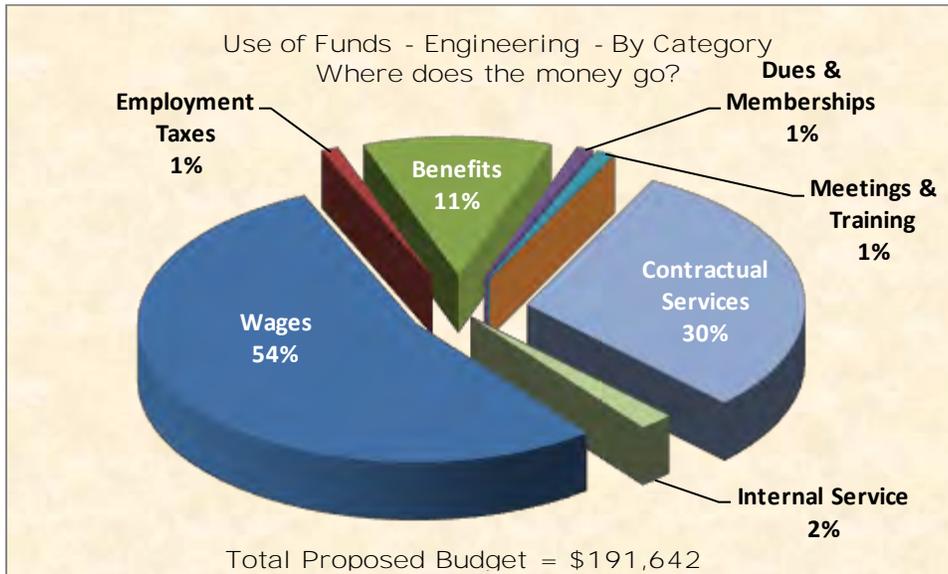
| Program Name | Expenditures by Program | | | |
|--------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Engineering | \$ 142,668 | \$ 209,890 | \$ 228,229 | \$ 191,642 |
| Total | \$ 142,668 | \$ 209,890 | \$ 228,229 | \$ 191,642 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 90,900 | \$ 126,970 | \$ 101,435 | \$ 103,971 |
| Employment Taxes | 3,908 | 4,206 | 3,486 | 2,856 |
| Benefits | 23,787 | 27,943 | 19,935 | 20,419 |
| Dues & Memberships | 1,528 | 636 | 1,595 | 1,870 |
| Meetings & Training | 629 | 250 | 2,240 | 1,540 |
| Maintenance and Repair | 230 | 720 | - | - |
| Utilities | 3,251 | 2,931 | 780 | 780 |
| Contractual Services | 12,893 | 40,924 | 96,822 | 56,850 |
| Supplies | 597 | 371 | 296 | 450 |
| Equipment | 44 | 779 | - | - |
| Internal Service | 4,901 | 4,160 | 1,640 | 2,906 |
| Transfers | - | - | - | - |
| Total | \$ 142,668 | \$ 209,890 | \$ 228,229 | \$ 191,642 |

Variance Explanations:

Contractual Services: FY16-17 included budget supplements for engineering studies and surveys.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|----------------|----------------|------------------|----------------|
| Percentage of reviews of final plats, site plans and commercial plans completed within established turn-around time. | 95% | 95% | 95% | 95% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|----------------|----------------|------------------|----------------|
| Number of easements released or acquired | 27 | 15 | 25 | 25 |



FY17-18 Proposed Budget
Summary of Expenditures
Engineering

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 90,657 | \$ 126,970 | \$ 101,435 | \$ 103,971 |
| Overtime | 243 | - | - | - |
| Medicare | 1,261 | 1,806 | 1,471 | 1,508 |
| Workers Compensation | 2,555 | 2,174 | 1,948 | 1,299 |
| Unemployment Insurance | 92 | 226 | 67 | 49 |
| Group Health Insurance | 12,295 | 12,461 | 7,399 | 7,736 |
| Group Dental Insurance | 779 | 706 | 535 | 553 |
| Group Vision Insurance | 107 | 96 | 73 | 112 |
| Disability Insurance | 321 | 385 | 430 | 440 |
| Retirement | 9,999 | 13,966 | 11,158 | 11,437 |
| Life Insurance | 285 | 328 | 340 | 105 |
| Bonus | - | - | - | 36 |
| Licenses/Filing Fees | 271 | 86 | 500 | 500 |
| Dues, Subscript & Publicat | 1,258 | 550 | 1,095 | 1,370 |
| Meetings & Training | 629 | 250 | 2,240 | 1,540 |
| Vehicle Maint/Repair | 160 | 720 | - | - |
| Office Equip Maint/ Repair | 70 | - | - | - |
| Telecommunications | 1,569 | 1,550 | 780 | 780 |
| Gas & Oil | 1,682 | 1,381 | - | - |
| Professional Fees | 12,455 | 16,470 | 71,500 | 31,500 |
| Printing Expense | 65 | 149 | 322 | 350 |
| Contractual Services | - | 23,846 | 25,000 | 25,000 |
| Bank/Merc Acct Fees | 373 | 460 | - | - |
| Office Supplies | 202 | 99 | 46 | - |
| Safety Supplies | - | 42 | 100 | 100 |
| Operating Supplies | 150 | 23 | - | - |
| Uniforms | 245 | 206 | - | 200 |
| Postage & Delivery | - | - | 150 | 150 |
| Small Tools | 44 | 139 | - | - |
| Hardware/Peripherals | - | 309 | - | - |
| Equipment | - | 331 | - | - |
| ISF-Copier Charges | 796 | 430 | 800 | 230 |
| ISF-Mail Service Charges | 88 | 37 | 50 | 42 |
| ISF-Vehicle Replacement Charge | 2,784 | 2,840 | - | 1,625 |
| ISF-Motor Pool Charges | 599 | 184 | 540 | 764 |
| ISF-Telecom Charges | 634 | 670 | 250 | 245 |
| Sub total Expenditures | 142,668 | 209,890 | 228,229 | 191,642 |
| Transfers Out | - | - | - | - |
| Total Engineering | \$ 142,668 | \$ 209,890 | \$ 228,229 | \$ 191,642 |

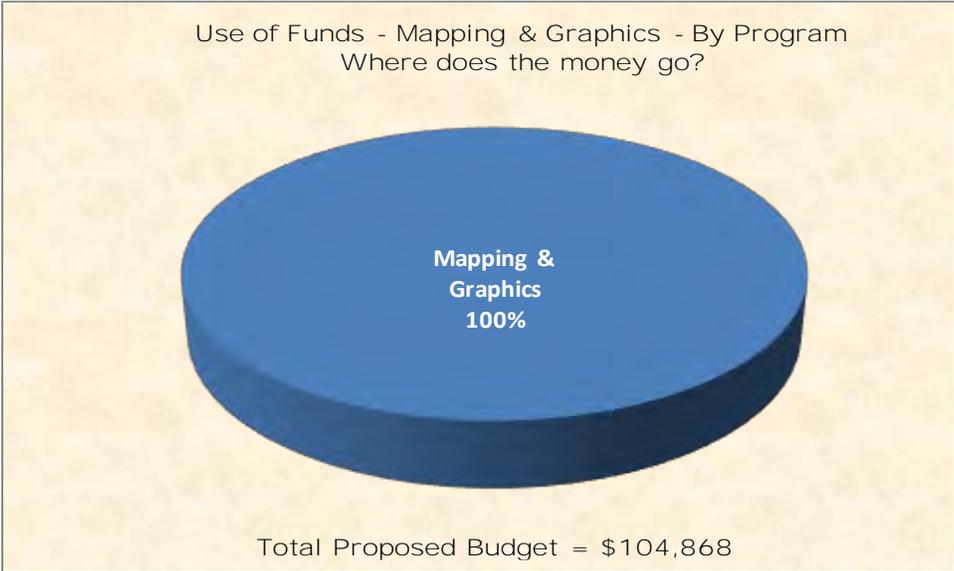


Mapping & Graphics Division

Service Delivery Plan

The Mapping & Graphics Division is dedicated to providing excellent customer service in a professional and timely manner. The Division is responsible for providing internal and external customers with maps, graphic information, and research.

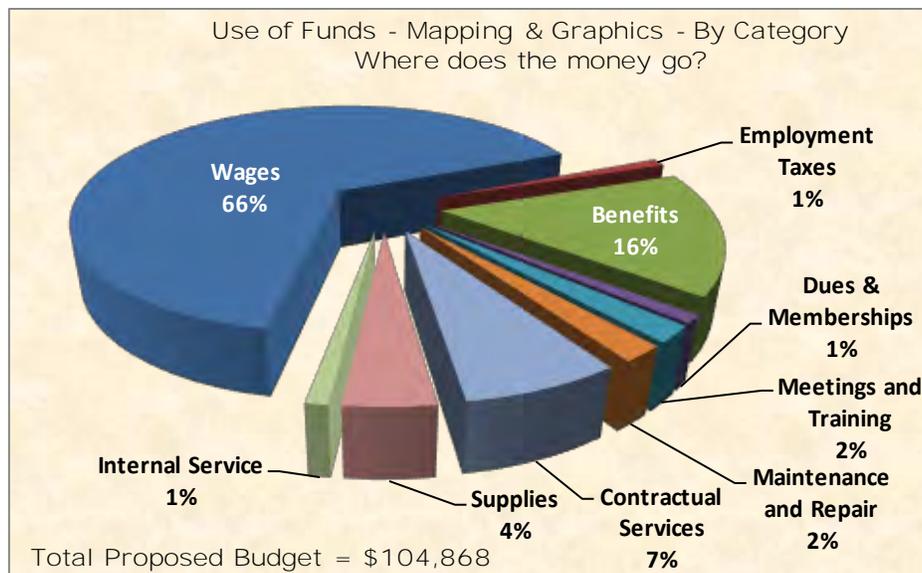
| Program Name | Expenditures by Program | | | |
|--------------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Mapping & Graphics | \$ 70,893 | \$ 69,801 | \$ 105,817 | \$ 104,868 |
| Total | \$ 70,893 | \$ 69,801 | \$ 105,817 | \$ 104,868 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 49,045 | \$ 46,915 | \$ 67,899 | \$ 69,588 |
| Employment Taxes | 1,156 | 1,006 | 1,238 | 1,184 |
| Benefits | 13,489 | 12,843 | 16,764 | 17,239 |
| Dues & Memberships | 3 | 1,064 | 1,000 | 1,000 |
| Meetings and Training | - | 85 | 566 | 2,000 |
| Maintenance and Repair | - | - | 2,500 | 2,500 |
| Utilities | - | - | - | - |
| Contractual Services | 3,937 | 3,937 | 7,000 | 7,200 |
| Supplies | 1,412 | 3,429 | 3,500 | 3,600 |
| Equipment | - | 27 | 5,000 | - |
| Internal Service | 212 | 495 | 350 | 557 |
| Transfers Out | 1,639 | - | - | - |
| Total | \$ 70,893 | \$ 69,801 | \$ 105,817 | \$ 104,868 |

Variance Explanations:

Equipment: FY16-17 included the purchase of a new plotter.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|
| Work order survey satisfaction rating | 96% | 95% | 95% | 95% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of internal customer requests processed | 300 | 250 | 250 | 250 |
| Number of aerial site plans completed | 100 | 75 | 100 | 100 |
| Number of external customer requests processed | 80 | 75 | 100 | 100 |
| GIS database maintenance in hours | 60 | 80 | 80 | 80 |

FY17-18 Proposed Budget
Summary of Expenditures
Mapping & Graphics

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-------------------------------------|-------------------------|-------------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 49,037 | \$ 46,915 | \$ 67,899 | \$ 69,588 |
| Overtime | 8 | - | - | - |
| Medicare | 705 | 673 | 984 | 1,010 |
| Workers Compensation | 389 | 279 | 179 | 119 |
| Unemployment Insurance | 62 | 54 | 75 | 55 |
| Group Health Insurance | 7,228 | 6,886 | 8,076 | 8,445 |
| Group Dental Insurance | 487 | 426 | 649 | 660 |
| Group Vision Insurance | 50 | 44 | 54 | 75 |
| Disability Insurance | 175 | 175 | 288 | 294 |
| Retirement | 5,395 | 5,160 | 7,469 | 7,655 |
| Life Insurance | 154 | 151 | 228 | 70 |
| Bonus | - | - | - | 40 |
| Dues, Subscript & Publicat | - | - | 1,000 | 1,000 |
| Licenses/Filing Fees | 3 | 1,064 | - | - |
| Meetings & Training | - | 85 | 566 | 2,000 |
| Equipment Maint/Repair | - | - | 2,500 | 2,500 |
| Professional Fees | 3,937 | 3,937 | 7,000 | 7,000 |
| Printing Expense | - | - | - | 100 |
| Bank/Merc Acct Fees | - | - | - | 100 |
| Office Supplies | 1,412 | 3,429 | 3,500 | 3,500 |
| Uniforms | - | - | - | 100 |
| Hardware/Peripherals | - | 27 | 5,000 | - |
| ISF-Copier Charges | - | 199 | - | 150 |
| ISF-Vehicle Replacement Charges | - | - | - | 110 |
| ISF-Motor Pool Charges | 1 | 74 | 100 | 52 |
| ISF-Telecom Charges | 211 | 223 | 250 | 245 |
| Sub total Expenditures | <u>69,254</u> | <u>69,801</u> | <u>105,817</u> | <u>104,868</u> |
| Transfers Out | <u>1,639</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Mapping & Graphics | <u>\$ 70,893</u> | <u>\$ 69,801</u> | <u>\$ 105,817</u> | <u>\$ 104,868</u> |

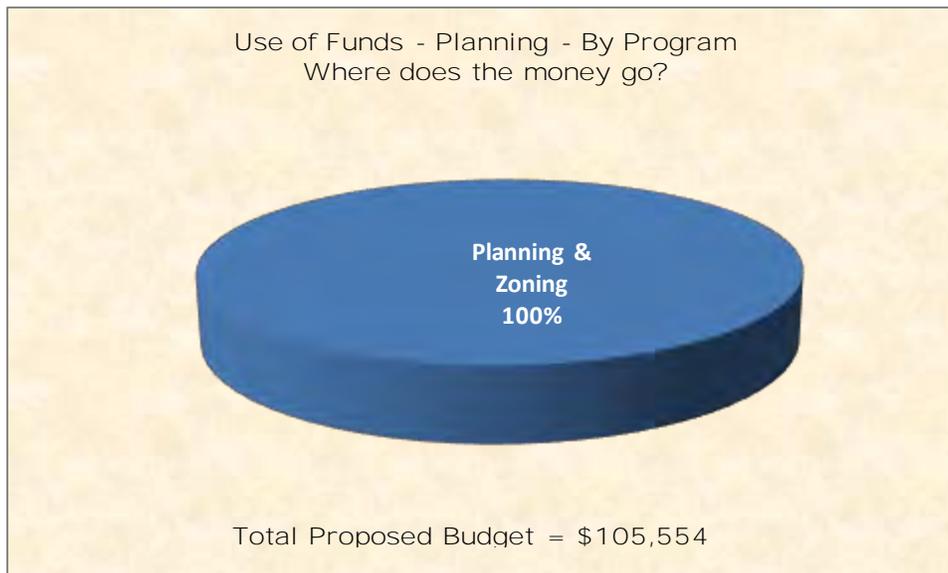


Planning & Zoning Division

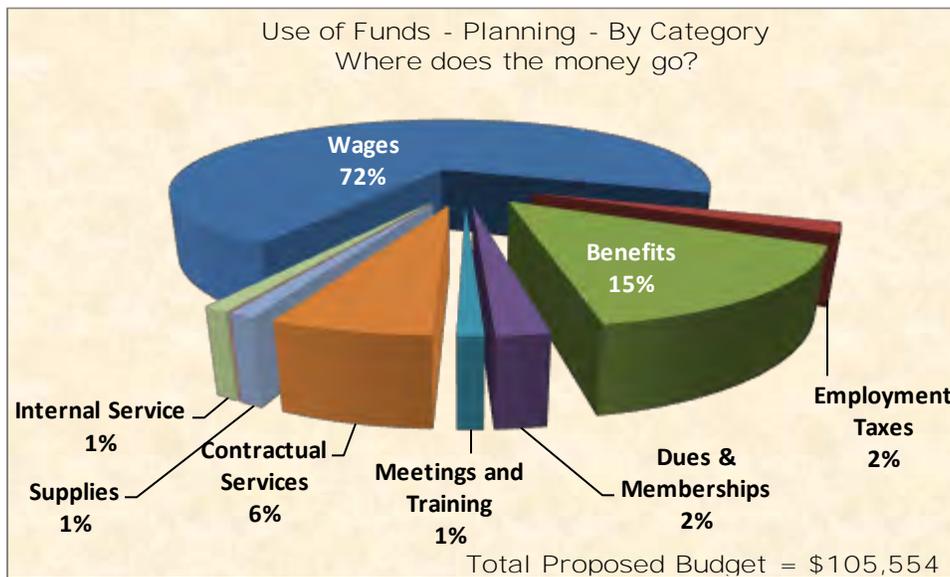
Service Delivery Plan

The Planning & Zoning Division is dedicated to enhancing the quality of life in Fountain Hills through innovative, proven planning techniques, and providing excellent customer service in a professional and timely manner. The Division implements land use planning related goals, policies and programs as approved by the Town Council. The Division processes applications for zoning interpretations and verifications, preliminary and final sub-division plats, variances from the requirements of the Zoning Ordinance, Temporary Use Permits, Special Use Permits, Commercial Site Plans, signs and amendments to the General Plan and Area Specific Plans. The Division also processes amendments to the Town’s regulations, the Zoning Ordinance, Subdivision Ordinance and Town Code.

| Program Name | Expenditures by Program | | | |
|-----------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Current Planning | 101,425 | 104,017 | \$ - | \$ - |
| Environmental Service | 32,419 | 28,742 | - | - |
| Long Range Planning | 27,129 | 29,164 | - | - |
| Planning & Zoning | - | - | 121,309 | 105,554 |
| Total | \$ 160,973 | \$ 161,923 | \$ 121,309 | \$ 105,554 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 116,465 | \$ 113,562 | \$ 85,703 | \$ 75,850 |
| Employment Taxes | 5,583 | 4,265 | 2,916 | 2,097 |
| Benefits | 27,253 | 26,860 | 16,186 | 15,970 |
| Dues & Memberships | 5,323 | 10,189 | 1,953 | 1,754 |
| Meetings and Training | - | 1,527 | 4,750 | 1,200 |
| Maintenance and Repair | 70 | - | 400 | - |
| Utilities | 605 | 935 | 780 | - |
| Contractual Services | 1,824 | 1,535 | 4,122 | 6,150 |
| Supplies | 1,238 | 1,425 | 345 | 1,100 |
| Equipment | 76 | - | 2,100 | 100 |
| Internal Service | 2,536 | 1,625 | 2,054 | 1,333 |
| Total | \$ 160,973 | \$ 161,923 | \$ 121,309 | \$ 105,554 |



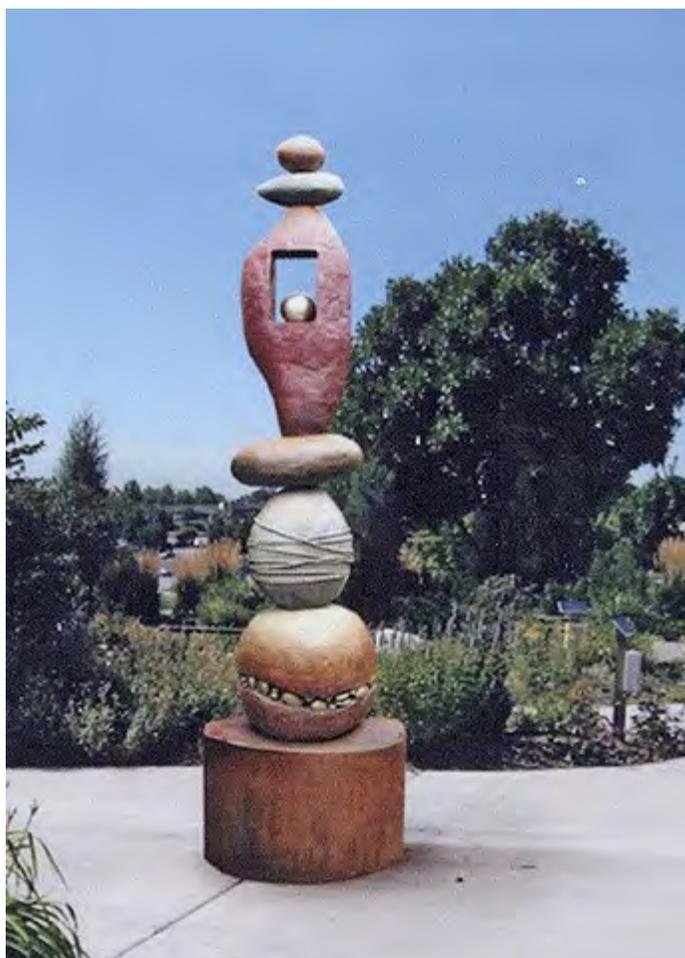
Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Percentage of first reviews of plans completed within the established Department turnaround time | 100% | 100% | 100% | 100% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of temporary use permits completed | 0 | N/A | 24 | 24 |
| Number of ordinance/code changes processed | 4 | 4 | 8 | 8 |
| Number of zoning cases | 6 | 8 | 27 | 27 |
| Number of Site Plans reviewed | 6 | 12 | 6 | 6 |



FY17-18 Proposed Budget
Summary of Expenditures
Planning

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|--------------------------|--------------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 116,409 | \$ 113,561 | \$ 85,703 | \$ 75,850 |
| Overtime | 55 | - | - | - |
| Medicare | 1,673 | 1,634 | 1,243 | 1,114 |
| Workers Compensation | 3,781 | 2,493 | 1,598 | 928 |
| Unemployment Insurance | 129 | 138 | 75 | 55 |
| Group Health Insurance | 12,786 | 12,752 | 5,643 | 5,788 |
| Group Dental Insurance | 771 | 726 | 412 | 426 |
| Group Vision Insurance | 108 | 102 | 54 | 75 |
| Disability Insurance | 411 | 425 | 362 | 321 |
| Retirement | 12,812 | 12,492 | 9,428 | 8,344 |
| Life Insurance | 366 | 363 | 287 | 76 |
| Bonus | - | - | - | 40 |
| Allowance/Stipend | - | - | - | 900 |
| Licenses/Filing Fees | 518 | 9,401 | 1,250 | 1,250 |
| Dues, Subscript & Publicat | 4,805 | 788 | 703 | 504 |
| Meetings & Training | - | 1,527 | 4,750 | 1,200 |
| Equipment Maint/Repair | - | - | 400 | - |
| Office Equip Maint/ Repair | 70 | - | - | - |
| Telecommunications | 605 | 935 | 780 | - |
| Professional Fees | 218 | - | - | - |
| Printing Expense | - | 72 | 822 | 350 |
| Advertising/Signage | 1,388 | 1,036 | 2,500 | 5,000 |
| Bank/Merc Acct Fees | 218 | 427 | 800 | 800 |
| Office Supplies | 1,060 | 412 | 145 | 900 |
| Food & Beverage Supplies | - | 10 | - | - |
| Program Materials | 80 | 964 | - | - |
| Uniforms | 97 | 39 | 200 | 200 |
| Small Tools | - | - | 100 | 100 |
| Software | 76 | - | - | - |
| Equipment | - | - | 2,000 | - |
| ISF-Copier Charges | 1,593 | 732 | 1,500 | 450 |
| ISF-Mail Service Charges | 304 | 180 | 250 | 148 |
| ISF-Vehicle Replacement Charge | - | - | - | 333 |
| ISF-Motor Pool Charges | 110 | 155 | 54 | 157 |
| ISF-Telecom Charges | 530 | 559 | 250 | 245 |
| Subtotal Expenditures | <u>160,973</u> | <u>161,923</u> | <u>121,309</u> | <u>105,554</u> |
| Transfers Out | - | - | - | - |
| Total Planning | <u>\$ 160,973</u> | <u>\$ 161,923</u> | <u>\$ 121,309</u> | <u>\$ 105,554</u> |

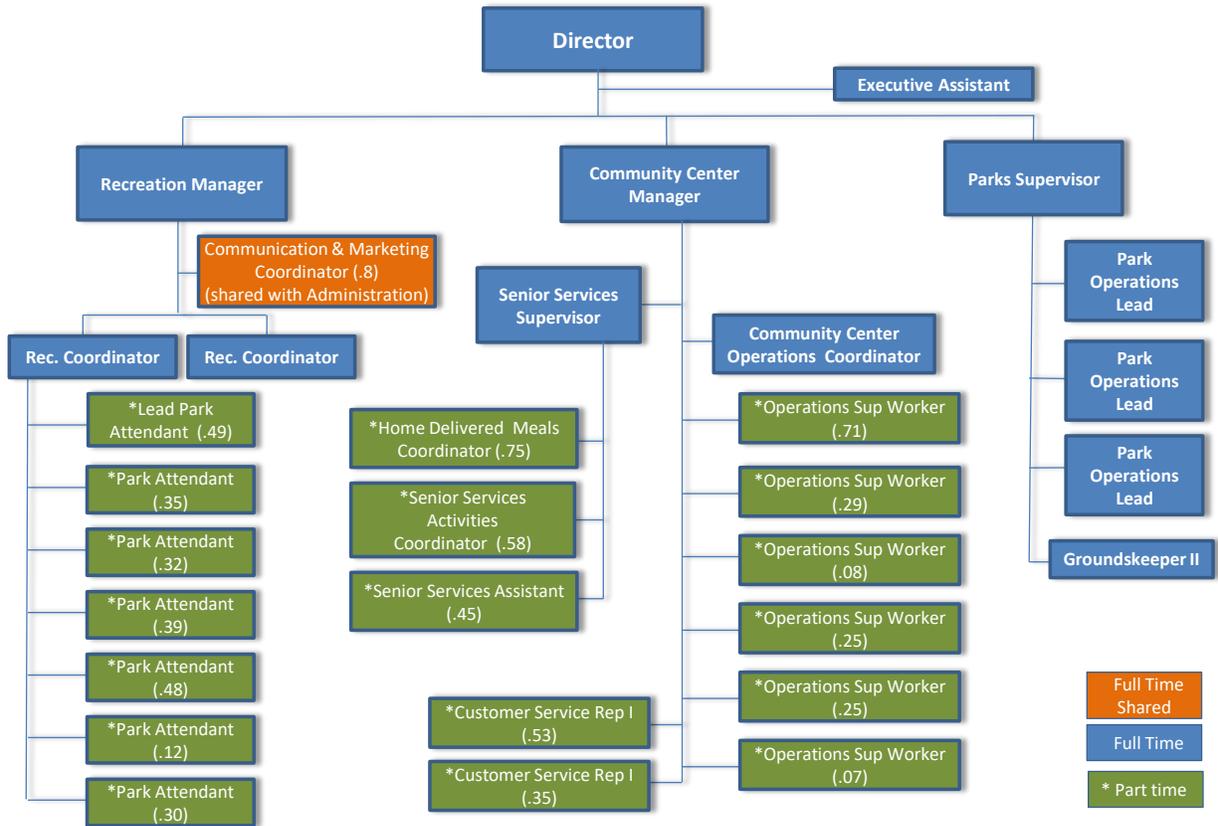




Community Services



COMMUNITY SERVICES DEPARTMENT



Note: Numbers in parentheses represent full-time equivalents (FTE).

COMMUNITY SERVICES

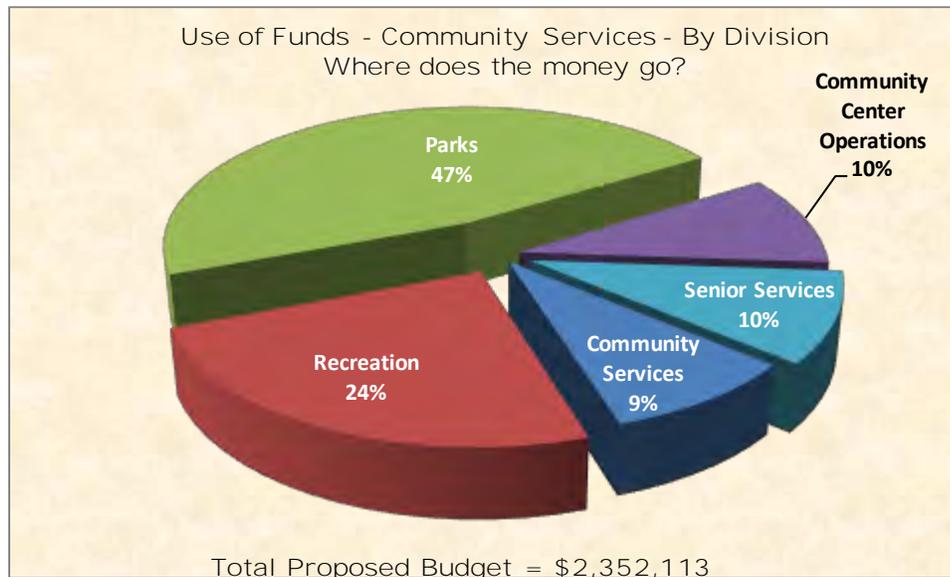
Mission Statement

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.

Department Overview

Management and operations of Parks, Recreation, Community Center, Senior Services, McDowell Mountain Preserve, Desert Botanical Garden, a growing public trails system, public art, tourism, and the Avenue of the Fountains Plaza.

| Division | Expenditures by Division | | | |
|-----------------------------|--------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Community Services | \$ - | \$ - | \$ 205,342 | \$ 204,845 |
| Recreation | 527,535 | 588,270 | 485,659 | 554,413 |
| Parks | 1,005,310 | 1,113,143 | 1,328,477 | 1,124,394 |
| Community Center Operations | 430,739 | 215,173 | 222,606 | 242,784 |
| Senior Services | 214,706 | 203,480 | 222,475 | 225,677 |
| Total | \$ 2,178,290 | \$ 2,120,066 | \$ 2,464,559 | \$ 2,352,113 |



| Program Name | Expenditures by Program | | | |
|---------------------------|-------------------------|---------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 557,661 | \$ 409,496 | \$ 772,422 | \$ 615,813 |
| Amenities | 234,832 | 328,783 | - | - |
| Art & Culture | 38,857 | 36,372 | - | - |
| Boards & Commissions | 53,865 | 46,357 | - | - |
| Community Events | 102,117 | 109,497 | 96,229 | 146,778 |
| Event Planning | 54,514 | 54,562 | - | - |
| Field Prep/Maintenance | 171,716 | 171,163 | - | - |
| Fountain | 196,149 | 195,730 | 262,375 | 200,375 |
| Home Delivered Meals | 56,661 | 51,965 | 63,464 | 61,637 |
| Landscape Maintenance | 184,317 | 183,682 | - | - |
| Open Space | 37,249 | 26,436 | 66,058 | 35,658 |
| Operations | 121,833 | 109,780 | 1,033,689 | 1,210,404 |
| Senior Membership | 93,129 | 98,185 | 68,382 | - |
| Social/Community Services | 72,515 | 71,657 | - | - |
| Special Events | 23,450 | 25,737 | - | - |
| Special Interest Programs | 30,697 | 32,806 | 20,007 | 15,847 |
| Sports Activities | 61,520 | 85,511 | 53,602 | 35,636 |
| Youth & Teen Programs | 87,208 | 82,347 | 28,331 | 29,965 |
| Total | \$ 2,178,290 | \$ 2,120,066 | \$ 2,464,559 | \$ 2,352,113 |

Variance Explanations:

Administration: Individual park administrative programs were combined into Operations for more efficient managing and reporting purposes and an amount was added in Contingency for anticipated recreation program costs associated with increased registrations.

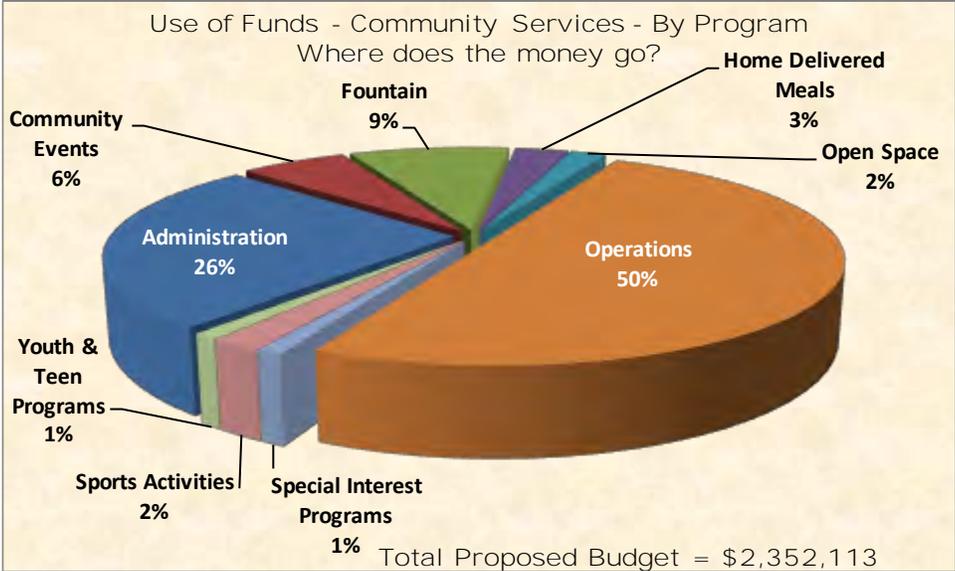
Community Events: Budgeted amounts increased for Town events.

Fountain: FY16-17 included the repair costs of Fountain Pump #1.

Open Space: Budget supplements were included for supplies and signage for new trails, the opening of the new Adero Canyon trailhead and the costs associated with it.

Senior Membership: The program was combined into Operations for more efficient managing and reporting purposes.





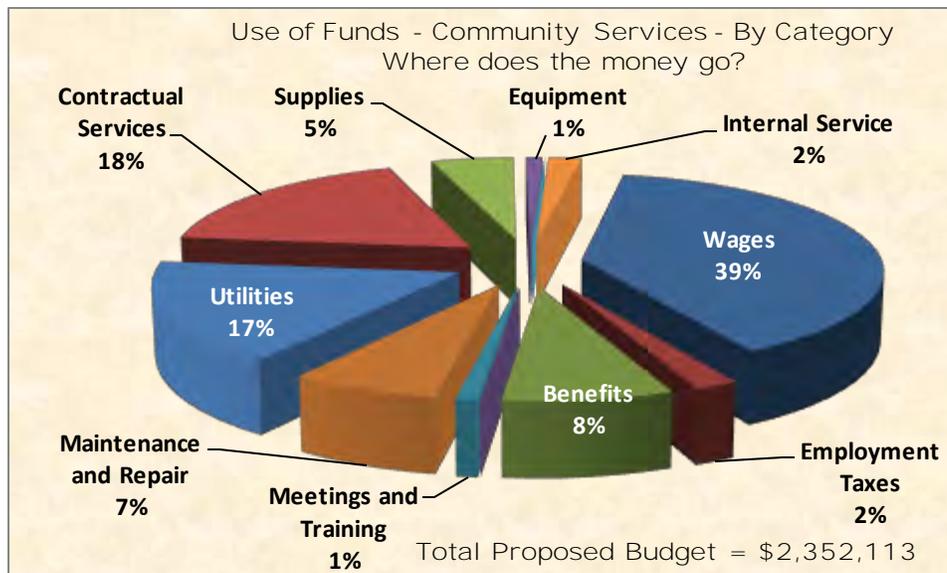
| Category | Expenditures by Category | | | |
|------------------------|--------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 810,544 | \$ 857,996 | \$ 879,463 | \$ 923,442 |
| Employment Taxes | 53,740 | 48,395 | 44,770 | 39,989 |
| Benefits | 175,507 | 186,616 | 170,779 | 180,569 |
| Dues & Memberships | 4,621 | 4,284 | 5,092 | 6,014 |
| Meetings and Training | 11,284 | 7,179 | 12,425 | 15,750 |
| Maintenance and Repair | 167,243 | 155,096 | 321,968 | 156,102 |
| Utilities | 280,115 | 325,711 | 354,830 | 374,178 |
| Contractual Services | 304,634 | 350,553 | 431,945 | 428,917 |
| Supplies | 112,512 | 79,300 | 119,864 | 122,361 |
| Equipment | 21,524 | 9,580 | 64,550 | 27,400 |
| Damages/Vandalism | 1,226 | 3,863 | 2,100 | 2,100 |
| Internal Service | 41,840 | 41,489 | 54,303 | 50,291 |
| Transfers | 193,500 | - | 2,470 | - |
| Contingency | - | - | - | 25,000 |
| Capital Expenditures | - | 50,004 | - | - |
| Total | \$ 2,178,290 | \$ 2,120,066 | \$ 2,464,559 | \$ 2,352,113 |

Variance Explanations:

Maintenance and Repair: FY16-17 included improvements made to the dog park at Desert Vista Park and included the repair costs of Fountain Pump #1.

Equipment: FY16-17 included a budget transfer for the unanticipated resurfacing of the Splash Pad at Fountain Park.

Contingency: Amount was added for anticipated recreation program costs associated with increased registrations



FY17-18 Department Accomplishments

| Initiative | Strategic Value |
|---|--|
| Completed the sixth and final phase of improvements to Fountain Park | R1 – Recreational opportunities and amenities. |
| Named Playful City – 6 th consecutive year. | R1 – Recreational opportunities and amenities. |
| Won an AZ Parks and Recreation award and four tourism awards. | R1 – Recreational opportunities and amenities. |
| Several grants were awarded to tourism. | R1 – Recreational opportunities and amenities. |
| Completed the reconstruction of all public tennis courts in Town. | R1 – Recreational opportunities and amenities. |
| Completed demolition of the bus barn in Four Peaks Park. | R1 – Recreational opportunities and amenities. |
| Completed resurfacing of the basketball courts at Golden Eagle Park. | R1 – Recreational opportunities and amenities. |
| Hosted a number of new special events on the Avenue of the Fountains Plaza and Fountain Park. | R1 – Recreational opportunities and amenities. |
| Installed with Kiwanis (playground) at Golden Eagle Park and with Rotary (musical playground) at Fountain Park. | R1 – Recreational opportunities and amenities. |

FY17-18 Objectives

| Initiative | Strategic Value | Estimated Cost/Funding Source |
|---|---|--------------------------------------|
| Complete the Adero Canyon Trailhead. | R1, R2 and R3 – Recreational opportunities and amenities. | \$2.2 million – Development Fees/CIP |
| Be named Playful City | R1 and R4 – Recreational opportunities and amenities. | \$0 |
| To continue to increase the number of special events. | C2 – Civility and R1, R2 and R3 – Recreational opportunities and amenities. | To be Determined/General Fund |
| To continue to participate in the Youth Coalition. | P5 – Public Safety Health and Welfare. | \$0 |



FY17-18 Proposed Budget
Summary of Expenditures
Community Services Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 622,757 | \$ 678,024 | \$ 678,279 | \$ 712,559 |
| Salaries-Part Time | 186,762 | 178,102 | 201,184 | 210,882 |
| Overtime | 1,024 | 1,869 | - | - |
| FICA | 11,270 | 11,184 | 12,473 | 12,902 |
| Medicare | 11,514 | 12,192 | 12,754 | 13,449 |
| Workers Compensation | 28,378 | 22,660 | 17,498 | 12,048 |
| Unemployment Insurance | 2,580 | 2,358 | 2,045 | 1,590 |
| Group Health Insurance | 95,269 | 103,608 | 83,343 | 83,993 |
| Group Dental Insurance | 6,611 | 6,438 | 6,828 | 6,751 |
| Group Vision Insurance | 968 | 987 | 851 | 1,074 |
| Disability Insurance | 2,145 | 2,493 | 2,873 | 3,013 |
| Retirement | 68,602 | 70,960 | 74,611 | 78,384 |
| Life Insurance | 1,912 | 2,130 | 2,273 | 717 |
| Bonus | - | - | - | 1,236 |
| Allowance/Stipend | - | - | - | 5,400 |
| Licenses/Filing Fees | 1,756 | 1,695 | 1,710 | 1,940 |
| Dues, Subscript & Publicat | 2,865 | 2,589 | 3,382 | 4,074 |
| Training/Cont Ed | 4,378 | - | - | - |
| Meetings & Training | 6,906 | 7,179 | 11,275 | 14,600 |
| Boards & Commissions | - | - | 1,150 | 1,150 |
| Building Maint/Repair | 915 | - | 1,000 | 1,300 |
| HVAC Repair | - | 685 | 1,400 | 1,400 |
| Plumbing Repair | 1,043 | 1,015 | 2,650 | 2,650 |
| Electrical Repair/Maint | 6,593 | 8,959 | 5,750 | 5,950 |
| Fire Protection Systems | 640 | - | 2,200 | 2,440 |
| Grounds Maint/Repair | 6,026 | 9,770 | 111,704 | 23,300 |
| Irrigation Repair | 14,296 | 22,456 | 15,400 | 15,400 |
| Backflow Testing & Maintenance | 495 | 392 | 2,450 | 2,450 |
| Drainage Maint/Repair | - | 1,900 | - | - |
| Storm Damage Cleanup | 2,006 | - | - | - |
| Equipment Maint/Repair | 34,749 | 44,872 | 90,090 | 22,090 |
| Vehicle Maint/Repair | 17,320 | 5,484 | 11,100 | 11,010 |
| Office Equip Maint/ Repair | 2,860 | 3,911 | 2,000 | 2,004 |
| Other Maint/Repair | 39,470 | 20,138 | 34,350 | 31,600 |
| Art Maint/Repair/Install | 6,600 | 5,284 | - | - |
| Parking Lot Repair | 1,269 | - | - | - |
| Striping | 927 | 754 | 2,380 | 2,380 |
| Sidewalk/Pathway Repair | 1,249 | 10,582 | 1,600 | 1,600 |
| Sign Repair & Replacement | 3,124 | 3,472 | 7,825 | 12,825 |
| Painting | 1,464 | 4,009 | 1,803 | 1,803 |
| Lighting Repair | 26,196 | 11,412 | 28,266 | 15,900 |
| Electricity Expense | 207,542 | 218,791 | 248,100 | 251,096 |
| Refuse/Recycling | 4,962 | 5,553 | 6,380 | 6,380 |
| Telecommunications | 9,218 | 9,029 | 7,514 | 6,466 |
| Water/Sewer | 46,682 | 81,801 | 78,024 | 95,424 |
| Gas & Oil | 11,711 | 10,537 | 14,812 | 14,812 |
| Professional Fees | 22,312 | 35,320 | 33,500 | 35,252 |
| Instructor Fees | 14,509 | 33,789 | 56,229 | 31,980 |
| Rentals & Leases | 35,309 | 29,721 | 34,001 | 57,001 |
| Printing Expense | 2,564 | 2,188 | 5,270 | 7,705 |



FY17-18 Proposed Budget
Summary of Expenditures
Community Services Department

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------------|-------------------------|---------------------------|----------------------------|
| General Fund-continued | | | | |
| Advertising/Signage | \$ 4,501 | \$ 2,637 | \$ 3,250 | \$ 3,250 |
| Contractual Services | 43,295 | 37,498 | 54,200 | 52,074 |
| Constituent Communication | 25,050 | 25,259 | 33,890 | 33,990 |
| Bank/Merc Acct Fees | 4,364 | 5,256 | 8,000 | 8,345 |
| Community Contracts/Events | 79,296 | 74,547 | 65,000 | 53,500 |
| Landscape Contracts | 65,544 | 96,162 | 128,020 | 134,294 |
| ActiveNet Fees | 7,890 | 8,178 | 10,585 | 11,526 |
| Office Supplies | 2,985 | 3,110 | 7,550 | 3,700 |
| Cleaning/Janitorial Supplies | 10,924 | 12,636 | 12,153 | 14,779 |
| Safety Supplies | 867 | 164 | 1,100 | 1,100 |
| Operating Supplies | 61,387 | 27,835 | 55,593 | 66,528 |
| Food & Beverage Supplies | 2,830 | 2,492 | 2,070 | 2,520 |
| Program Materials | 26,597 | 30,462 | 36,905 | 30,005 |
| Uniforms | 2,695 | 2,597 | 3,593 | 3,729 |
| Postage & Delivery | 4,227 | 4 | 900 | - |
| Small Tools | 5,844 | 3,686 | 7,120 | 8,900 |
| Hardware/Peripherals | 886 | 1,717 | 5,000 | 2,000 |
| Furniture/Appliances | 10,335 | 726 | 15,000 | 16,500 |
| Equipment | 4,459 | 3,451 | - | - |
| Park Improvements Exp | - | - | 37,430 | - |
| Damages/Vandalism | 1,226 | 3,863 | 2,100 | 2,100 |
| ISF-Copier Charges | 6,318 | 6,032 | 7,751 | 4,156 |
| ISF-Mail Service Charges | 479 | 325 | 466 | 299 |
| ISF-Vehicle Replacement Charge | 29,108 | 29,691 | 39,296 | 38,233 |
| ISF-Motor Pool Charges | 83 | 217 | - | 191 |
| ISF-Telecom Charges | 5,852 | 6,225 | 6,790 | 7,414 |
| Contingency | - | 50,004 | - | 25,000 |
| Sub total Expenditures | <u>1,984,790</u> | <u>2,121,066</u> | <u>2,462,089</u> | <u>2,352,113</u> |
| Transfers Out | <u>193,500</u> | <u>-</u> | <u>2,470</u> | <u>-</u> |
| Total Community Services | <u>\$ 2,178,290</u> | <u>\$ 2,121,066</u> | <u>\$ 2,464,559</u> | <u>\$ 2,352,113</u> |

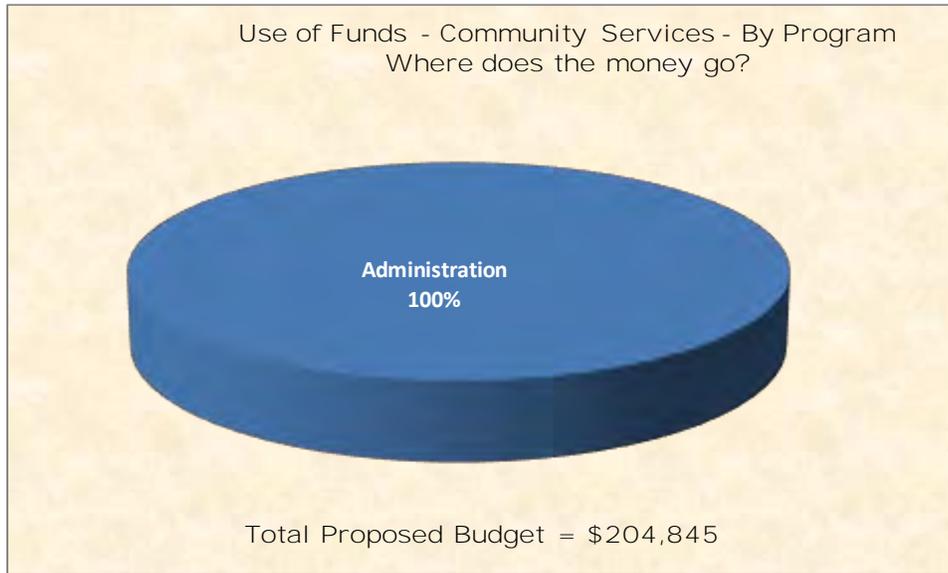


Community Services Division

Service Delivery Plan

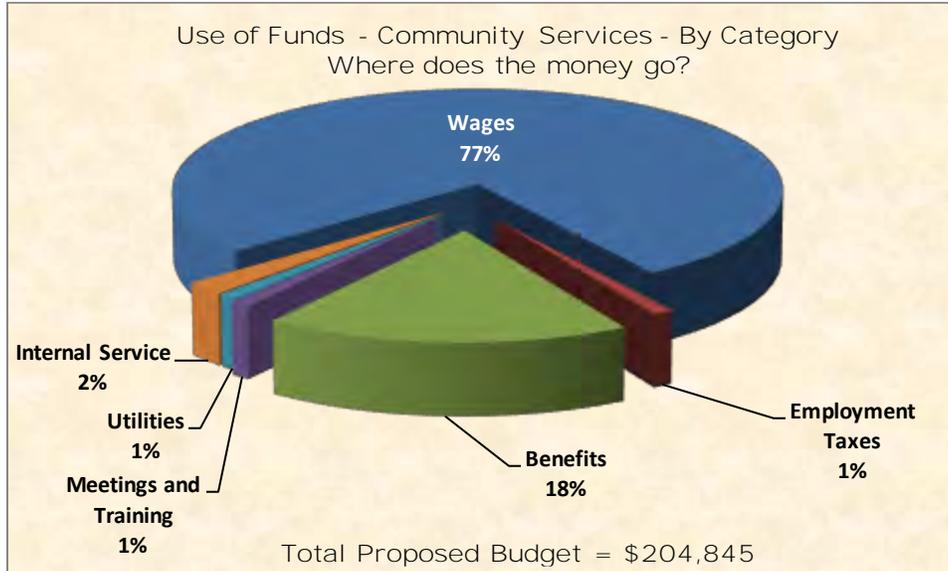
The Community Services Division, through its administrative services, provides direction to and clerical support for the Department by the Community Services Director and Executive Assistant.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ - | \$ - | \$ 205,342 | \$ 204,845 |
| Total | \$ - | \$ - | \$ 205,342 | \$ 204,845 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ - | \$ - | \$ 153,418 | \$ 157,891 |
| Employment Taxes | - | - | 2,864 | 2,672 |
| Benefits | - | - | 35,485 | 36,442 |
| Meetings and Training | - | - | 1,150 | 2,150 |
| Maintenance and Repair | - | - | 500 | 500 |
| Utilities | - | - | 1,140 | 1,380 |
| Supplies | - | - | 4,500 | 450 |
| Internal Service | - | - | 6,285 | 3,360 |
| Total | \$ - | \$ - | \$ 205,342 | \$ 204,845 |





Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|-------------------|-------------------|---------------------|-------------------|
| Continue to serve as staff liaison to the two advisory commissions | 18 | 18 | 18 | 15 |
| Continue to support joint commission and Council meetings | 2 | 2 | 2 | 2 |
| Prepare commission meeting minutes and post approved meeting minutes | 36 | 36 | 36 | 30 |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|-------------------|-------------------|---------------------|-------------------|
| Continue to provide support for various improvements to the parks | Yes | Yes | Yes | Yes |
| Administer contracts for various capital projects | 1 | 2 | 2 | 3 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|-------------------------------|-------------------|-------------------|---------------------|-------------------|
| Monitor number of trail users | N/A | N/A | 1,000 | 1,900 |



FY17-18 Proposed Budget
Summary of Expenditures
Community Services Division

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ - | \$ - | \$ 153,418 | \$ 157,891 |
| Medicare | - | - | 2,224 | 2,291 |
| Workers Compensation | - | - | 490 | 271 |
| Unemployment Insurance | - | - | 150 | 110 |
| Group Health Insurance | - | - | 16,031 | 16,656 |
| Group Dental Insurance | - | - | 1,264 | 1,291 |
| Group Vision Insurance | - | - | 149 | 221 |
| Disability Insurance | - | - | 650 | 667 |
| Retirement | - | - | 16,877 | 17,368 |
| Life Insurance | - | - | 514 | 159 |
| Bonus | - | - | - | 80 |
| Meetings & Training | - | - | - | 1,000 |
| Boards & Commissions | - | - | 1,150 | 1,150 |
| Vehicle Maint/Repair | - | - | 500 | 500 |
| Telecommunications | - | - | 540 | 780 |
| Gas & Oil | - | - | 600 | 600 |
| Office Supplies | - | - | 4,500 | 450 |
| ISF-Copier Charges | - | - | 10 | 10 |
| ISF-Mail Service Charges | - | - | 30 | 2 |
| ISF-Vehicle Replacement Charge | - | - | 5,745 | 2,856 |
| ISF-Telecom Charges | - | - | 500 | 492 |
| Sub total Expenditures | - | - | \$ 205,342 | \$ 204,845 |
| Transfers Out | - | - | - | - |
| Total Community Services | \$ - | \$ - | \$ 205,342 | \$ 204,845 |

The Musical Playground



A New Fountain Park Attraction



Community Center Division

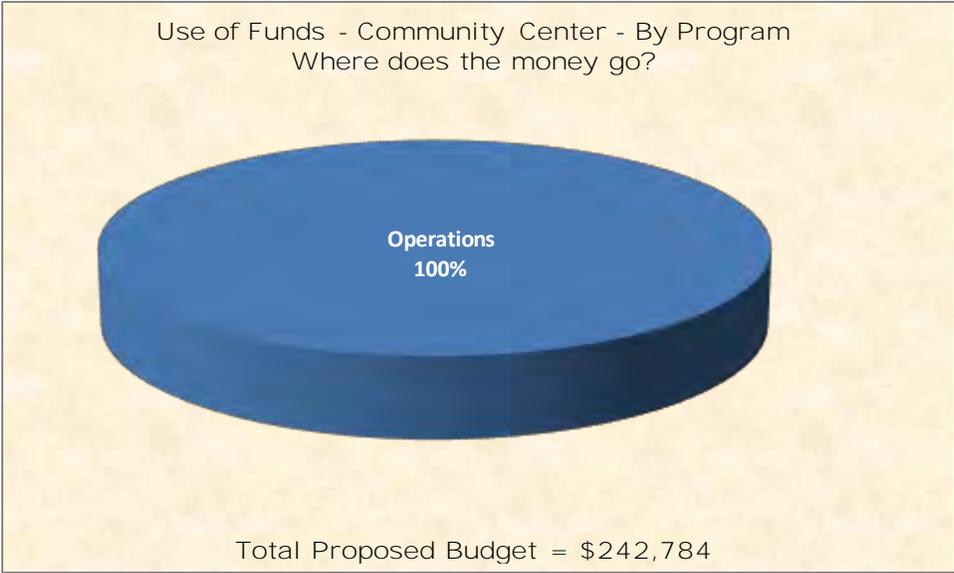
Service Delivery Plan

The Community Center strives to enhance the quality of life of Fountain Hills residents by providing and maintaining a safe, available, and accessible facility that will meet the needs of all residents.

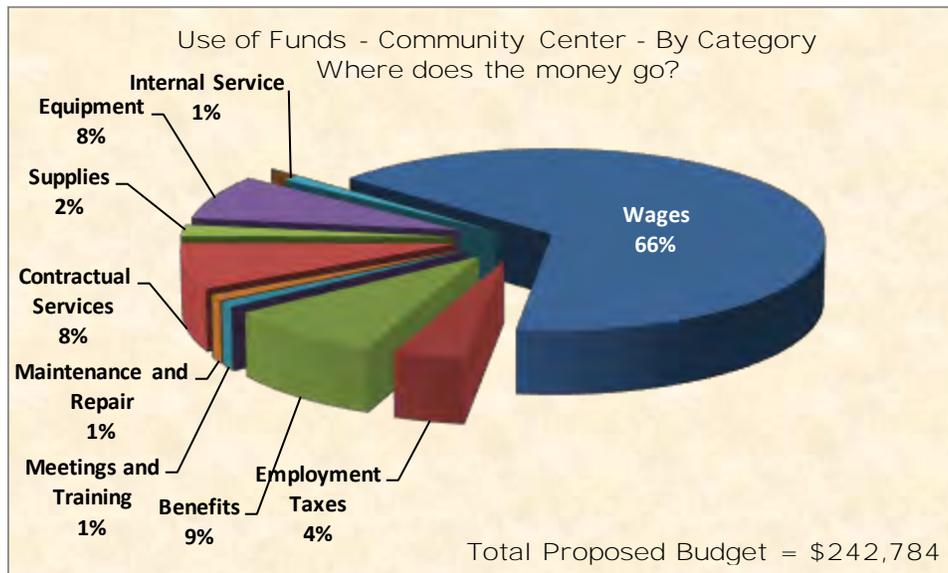
| Program Name | Expenditures by Program | | | |
|----------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 242,164 | \$ 50,831 | \$ 100,587 | \$ - |
| Boards & Commissions | 12,228 | - | - | - |
| Event Planning | 54,514 | 54,562 | - | - |
| Operations | 121,833 | 109,780 | 122,019 | 242,784 |
| Total | \$ 430,739 | \$ 215,173 | \$ 222,606 | \$ 242,784 |

Variance Explanations:

Administration/Operations: These programs were combined into Operations for more efficient managing and reporting purposes.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 163,934 | \$ 155,700 | \$ 146,139 | \$ 159,993 |
| Employment Taxes | 11,977 | 10,233 | 9,286 | 8,734 |
| Benefits | 30,654 | 29,355 | 21,770 | 23,396 |
| Dues & Memberships | 642 | 779 | 870 | 1,092 |
| Meetings and Training | 146 | - | 2,000 | 2,000 |
| Maintenance and Repair | 2,626 | 1,868 | 2,000 | 2,004 |
| Utilities | 1,453 | 1,469 | 1,140 | 1,140 |
| Contractual Services | 9,354 | 7,515 | 14,654 | 18,654 |
| Supplies | 3,007 | 3,085 | 3,650 | 3,650 |
| Equipment | 10,867 | 2,576 | 18,020 | 18,800 |
| Internal Service | 2,579 | 2,593 | 3,077 | 3,321 |
| Transfers | 193,500 | - | - | - |
| Total | \$ 430,739 | \$ 215,173 | \$ 222,606 | \$ 242,784 |



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| To attain a high overall satisfaction rating (good or better) with quality on rental evaluations | N/A | N/A | Good | Good |
| To achieve a high return rate on rental surveys | N/A | N/A | 50% | 50% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of bookings | 3,946 | 3,628 | 3,809 | 4,000 |
| Number of patrons served | 78,600 | 68,072 | 71,475 | 75,000 |
| Number of hours worked by volunteer staff in support of facility operations | 884 | 884 | 884 | 892 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Net operating costs of facility per capita ¹ | \$10.64 | \$10.13 | \$9.90 | \$10.38 |

¹ Population for FY13-14 - FY17-18 is based on the 2010 U.S. Census.



FY17-18 Proposed Budget
Summary of Expenditures
Community Center

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 108,109 | \$ 103,139 | \$ 88,901 | \$ 99,181 |
| Salaries-Part Time | 55,755 | 52,434 | 57,238 | 60,812 |
| Overtime | 70 | 127 | - | - |
| FICA | 3,459 | 3,302 | 3,548 | 3,701 |
| Medicare | 2,365 | 2,256 | 2,120 | 2,310 |
| Workers Compensation | 5,695 | 4,183 | 3,200 | 2,336 |
| Unemployment Insurance | 456 | 492 | 418 | 387 |
| Group Health Insurance | 16,810 | 16,351 | 10,439 | 10,708 |
| Group Dental Insurance | 1,056 | 918 | 762 | 788 |
| Group Vision Insurance | 174 | 163 | 115 | 138 |
| Disability Insurance | 379 | 389 | 377 | 419 |
| Retirement | 11,896 | 11,198 | 9,779 | 10,910 |
| Life Insurance | 340 | 334 | 298 | 100 |
| Bonus | - | - | - | 333 |
| Licenses/Filing Fees | 568 | 613 | 600 | 600 |
| Dues, Subscript & Publicat | 75 | 167 | 270 | 492 |
| Meetings & Training | 146 | - | 2,000 | 2,000 |
| Equipment Maint/Repair | 580 | - | - | - |
| Office Equip Maint/ Repair | 1,921 | 1,869 | 2,000 | 2,004 |
| Other Maint/Repair | 125 | - | - | - |
| Telecommunications | 1,453 | 1,469 | 1,140 | 1,140 |
| Professional Fees | - | - | 300 | 5,300 |
| Rentals & Leases | 3,098 | 3,272 | 3,480 | 3,480 |
| Printing Expense | - | - | 1,130 | 130 |
| Advertising/Signage | 3,913 | 2,448 | 2,850 | 2,850 |
| Constituent Communication | 699 | - | 3,000 | 3,000 |
| Bank/Merc Acct Fees | 1,091 | 1,138 | 2,961 | 2,961 |
| ActiveNet Fees | 553 | 656 | 933 | 933 |
| Office Supplies | 466 | 501 | 450 | 450 |
| Cleaning/Janitorial Supplies | - | 8 | - | - |
| Operating Supplies | 792 | 200 | 1,000 | 1,000 |
| Food & Beverage Supplies | 328 | 697 | 550 | 550 |
| Program Materials | 842 | 1,118 | 1,000 | 1,000 |
| Uniforms | 454 | 562 | 650 | 650 |
| Postage & Delivery | 126 | - | - | - |
| Small Tools | 531 | 301 | 3,020 | 3,800 |
| Furniture/Appliances | - | - | 15,000 | 15,000 |
| Hardware/Peripherals | - | 749 | - | - |
| Furniture/Appliances | 10,335 | 726 | - | - |
| Equipment | - | 800 | - | - |
| ISF-Copier Charges | 422 | 391 | 820 | 360 |
| ISF-Mail Service Charges | 5 | 3 | 7 | 4 |
| ISF-Vehicle Replacement Charges | - | - | - | 60 |
| ISF-Motor Pool Charges | - | - | - | 28 |
| ISF-Telecom Charges | 2,152 | 2,199 | 2,250 | 2,869 |
| Sub total Expenditures | 237,239 | 215,173 | 222,606 | 242,784 |
| Transfers Out | 193,500 | - | - | - |
| Total Community Center | <u>\$ 430,739</u> | <u>\$ 215,173</u> | <u>\$ 222,606</u> | <u>\$ 242,784</u> |



Parks Division

Service Delivery Plan

The Parks Division staff is dedicated to providing safe, clean and green parks that will meet the intellectual, social, cultural, and leisure needs of all park patrons. The Town’s park system has been developed to enhance the quality of life of Fountain Hills residents with hiking trails and park facilities for Youth and Adult Sports Programs, Youth and Teen Programs, Special Events, and Facility Rentals. Each year, our experienced staff works to meet the goals through efficient park maintenance and operations methods.

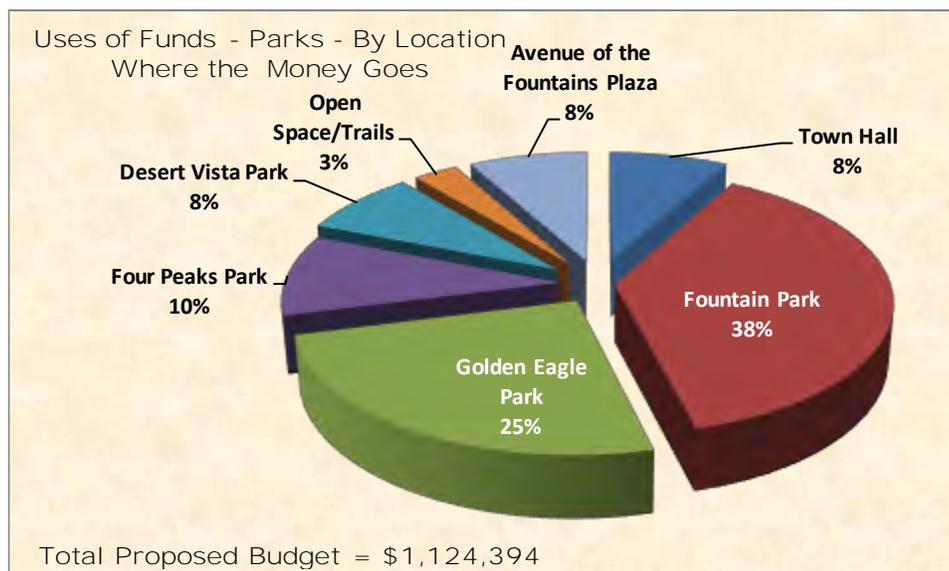
| Location Name | Expenditures by Location | | | |
|-------------------------------|--------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Town Hall | \$ - | \$ - | \$ 83,594 | \$ 84,781 |
| Fountain Park | 396,811 | 402,816 | 524,769 | 435,342 |
| Golden Eagle Park | 327,719 | 356,344 | 291,620 | 275,746 |
| Four Peaks Park | 141,793 | 137,923 | 112,926 | 111,785 |
| Desert Vista Park | 101,738 | 111,382 | 173,211 | 87,958 |
| Open Space/Trails | 37,249 | 26,436 | 66,058 | 35,658 |
| Avenue of the Fountains Plaza | - | 78,242 | 76,299 | 93,124 |
| Total | \$ 1,005,310 | \$ 1,113,143 | \$ 1,328,477 | \$ 1,124,394 |

Variance Explanations:

Desert Vista Park: FY16-17 included improvements made to the dog park.

Open Space/Trails: Budget supplements were included for supplies and signage for new trails, the opening of the new Adero Canyon trailhead and the costs associated with it.

Avenue of the Fountains Plaza: Grounds maintenance and water budgets were increased to reflect higher actual costs.

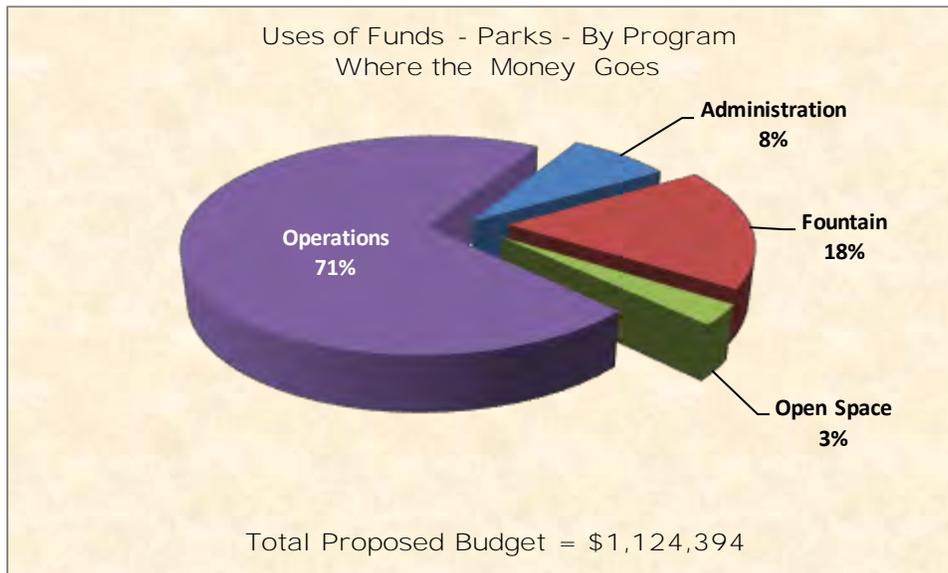


| Program Name | Expenditures by Program | | | |
|------------------------|-------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 181,047 | \$ 207,349 | \$ 88,374 | \$ 84,781 |
| Amenities | 234,832 | 328,783 | - | - |
| Field Prep/Maintenance | 171,716 | 171,163 | - | - |
| Fountain | 196,149 | 195,730 | 262,375 | 200,375 |
| Landscape Maintenance | 184,317 | 183,682 | - | - |
| Open Space | 37,249 | 26,436 | 66,058 | 35,658 |
| Operations | - | - | 911,670 | 803,580 |
| Total | \$ 1,005,310 | \$ 1,113,143 | \$ 1,328,477 | \$ 1,124,394 |

Variance Explanations:

Fountain: FY16-17 included the repair costs of Fountain Pump #1.

Open Space: Budget supplements were included for supplies and signage for new trails, the opening of the new Adero Canyon trailhead and the costs associated with it.

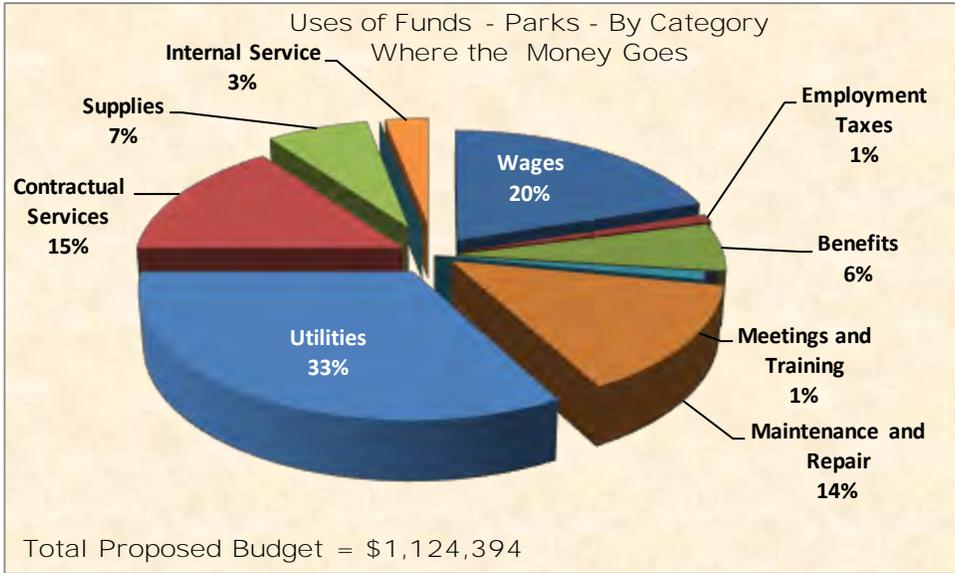


| Category | Expenditures by Category | | | |
|------------------------|--------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 278,316 | \$ 292,154 | \$ 219,574 | \$ 225,623 |
| Employment Taxes | 17,526 | 15,148 | 11,000 | 8,567 |
| Benefits | 82,225 | 86,061 | 64,273 | 66,279 |
| Dues & Memberships | 747 | 819 | 885 | 1,040 |
| Meetings and Training | 1,144 | 1,888 | 1,875 | 6,350 |
| Maintenance and Repair | 154,141 | 145,485 | 319,418 | 153,548 |
| Utilities | 274,805 | 320,612 | 350,822 | 370,333 |
| Contractual Services | 84,964 | 122,040 | 204,522 | 168,250 |
| Supplies | 72,924 | 42,026 | 75,470 | 81,802 |
| Equipment | 9,598 | 5,139 | 41,530 | 4,100 |
| Damages/Vandalism | 1,226 | 3,863 | 2,100 | 2,100 |
| Internal Service | 27,694 | 27,904 | 35,008 | 36,402 |
| Transfers | - | - | 2,000 | - |
| Capital Expenditures | - | 50,004 | - | - |
| Total | \$ 1,005,310 | \$ 1,113,143 | \$ 1,328,477 | \$ 1,124,394 |

Variance Explanations:

Maintenance and Repair: FY16-17 included improvements made to the dog park at Desert Vista Park and included the repair costs of Fountain Pump #1.

Equipment: FY16-17 included a budget transfer for the unanticipated resurfacing of the Splash Pad at Fountain Park.



FY17-18 Proposed Budget
Summary of Expenditures
Parks

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 277,498 | \$ 290,782 | \$ 219,574 | \$ 225,623 |
| Salaries-Part Time | - | 136 | - | - |
| Overtime | 818 | 1,236 | - | - |
| FICA | - | 8 | - | - |
| Medicare | 3,974 | 4,130 | 3,185 | 3,314 |
| Workers Compensation | 13,006 | 10,425 | 7,441 | 4,979 |
| Unemployment Insurance | 546 | 584 | 374 | 274 |
| Group Health Insurance | 46,672 | 48,969 | 35,392 | 34,404 |
| Group Dental Insurance | 2,736 | 2,767 | 2,737 | 2,552 |
| Group Vision Insurance | 425 | 409 | 328 | 423 |
| Disability Insurance | 941 | 1,007 | 930 | 953 |
| Retirement | 30,614 | 32,060 | 24,151 | 24,819 |
| Life Insurance | 837 | 848 | 735 | 228 |
| Bonus | - | - | - | 200 |
| Allowance/Stipend | - | - | - | 2,700 |
| Licenses/Filing Fees | 552 | 440 | 440 | 590 |
| Dues, Subscript & Publicat | 195 | 379 | 445 | 450 |
| Training/Cont Ed | 889 | - | - | - |
| Meetings & Training | 255 | 1,888 | 1,875 | 6,350 |
| Building Main/Repair | 915 | - | 1,000 | 1,300 |
| HVAC Repair | - | 685 | 1,400 | 1,400 |
| Plumbing Repair | 1,043 | 1,015 | 2,650 | 2,650 |
| Electrical Repair/Maint | 6,593 | 8,959 | 5,750 | 5,950 |
| Fire Protection Systems | 640 | - | 2,200 | 2,440 |
| Grounds Maint/Repair | 6,026 | 9,770 | 111,704 | 23,300 |
| Irrigation Repair | 14,296 | 22,456 | 15,400 | 15,400 |
| Backflow Testing & Maintenance | 495 | 393 | 2,450 | 2,450 |
| Drainage Maint/Repair | - | 1,900 | - | - |
| Storm Damage Cleanup | 2,006 | - | - | - |
| Equipment Maint/Repair | 34,169 | 44,872 | 90,090 | 22,090 |
| Vehicle Maint/Repair | 16,065 | 5,432 | 10,600 | 10,510 |
| Other Maint/Repair | 39,345 | 20,138 | 34,350 | 31,600 |
| Parking Lot Repair | 1,269 | - | - | - |
| Striping | 927 | 753 | 2,380 | 2,380 |
| Sidewalk/Pathway Repair | 1,249 | 10,582 | 1,600 | 1,600 |
| Sign Repair & Replacement | 1,442 | 3,109 | 7,775 | 12,775 |
| Painting | 1,465 | 4,009 | 1,803 | 1,804 |
| Lighting Repair | 26,196 | 11,412 | 28,266 | 15,900 |
| Electricity Expense | 207,542 | 218,791 | 248,100 | 251,096 |
| Refuse/Recycling | 4,962 | 5,553 | 6,380 | 6,380 |
| Telecommunications | 4,118 | 4,183 | 4,106 | 3,220 |
| Water/Sewer | 46,682 | 81,801 | 78,024 | 95,424 |
| Gas & Oil | 11,501 | 10,284 | 14,212 | 14,212 |
| Professional Fees | 10,049 | 16,650 | 20,000 | 15,200 |
| Rentals & Leases | 6,413 | 6,060 | 7,380 | 7,380 |
| Printing Expense | 2,099 | 1,953 | 2,900 | 6,400 |
| Bank/Merc Acct Fees | 385 | 677 | 551 | 771 |
| Community Contracts/Events | - | - | 45,000 | 3,500 |



FY17-18 Proposed Budget
Summary of Expenditures
Parks

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|---------------------|---------------------|---------------------------|----------------------------|
| General Fund-continued | | | | |
| Landscape Contracts | \$ 65,544 | \$ 96,162 | \$ 128,020 | \$ 134,294 |
| ActiveNet Fees | 475 | 539 | 671 | 705 |
| Office Supplies | 23 | 4 | 100 | 100 |
| Cleaning/Janitorial Supplies | 10,824 | 12,610 | 12,153 | 14,779 |
| Safety Supplies | 867 | 149 | 1,100 | 1,100 |
| Operating Supplies | 58,222 | 26,404 | 52,083 | 63,153 |
| Food & Beverage Supplies | - | 7 | 120 | 120 |
| Program Materials | 1,119 | 1,203 | 7,800 | 300 |
| Uniforms | 1,869 | 1,650 | 2,114 | 2,250 |
| Small Tools | 5,139 | 2,488 | 4,100 | 4,100 |
| Equipment | 4,459 | 2,651 | - | - |
| Park Improvements Exp | - | - | 37,430 | - |
| Damages/Vandalism | 1,226 | 3,863 | 2,100 | 2,100 |
| ISF-Copier Charges | 601 | 287 | 451 | 450 |
| ISF-Mail Service Charges | 77 | 9 | 6 | 1 |
| ISF-Vehicle Replacement Charge | 26,170 | 26,693 | 33,551 | 34,971 |
| ISF-Motor Pool Charges | - | 22 | - | - |
| ISF-Telecom Charges | 845 | 893 | 1,000 | 980 |
| Park Improvements | - | 50,004 | - | - |
| Sub total Expenditures | 1,005,310 | 1,113,143 | 1,326,477 | 1,124,394 |
| Transfers Out | - | - | 2,000 | - |
| Total Parks | \$ 1,005,310 | \$ 1,113,143 | \$ 1,328,477 | \$ 1,124,394 |



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Maintain a high overall satisfaction rating (good or better) of maintenance/operations | Good | Good | Good | Good |
| Number of Special Events hosted in parks | 30 | 27 | 50 | 55 |
| Appearance/availability | Good | Good | Good | Good |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Restroom serviced and cleaned | 365 days | 365 days | 365 days | 365 days |
| Ramadas serviced and cleaned | 365 | 365 | 365 | 365 |
| Trails maintained and ready for use daily | 365 | 365 | 365 | 365 |
| Trailhead promotions with brochures, maps and Town website | 365 | 365 | 365 | 365 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Net expenditures for park operations per capita* | \$36.65 | \$40.28 | \$51.58 | \$45.86 |
| Park rentals/ Revenue | 165/ \$24,038 | 208/ \$56,832 | 206/ \$25,570 | 225/ \$30,260 |
| Fountain Hills Hiking Trail visitors | 1000+ | 1000+ | 7000+ | 8000+ |

* Population for FY13-14 - FY17-18 is based on the 2010 U.S. Census.

Fountain Hills Recreation Statistics:

- 119 Acres of Developed Parks
- 740 Acres of Mountain Preserve Park
- 8 Acres of Botanical Garden Preserve
- 59.2 Acres of Lake Overlook Trail Preserve
- 5.6 Miles of Preserve Trails
- 8.7 Miles of Urban Trails (FIT)



Recreation Division

Service Delivery Plan

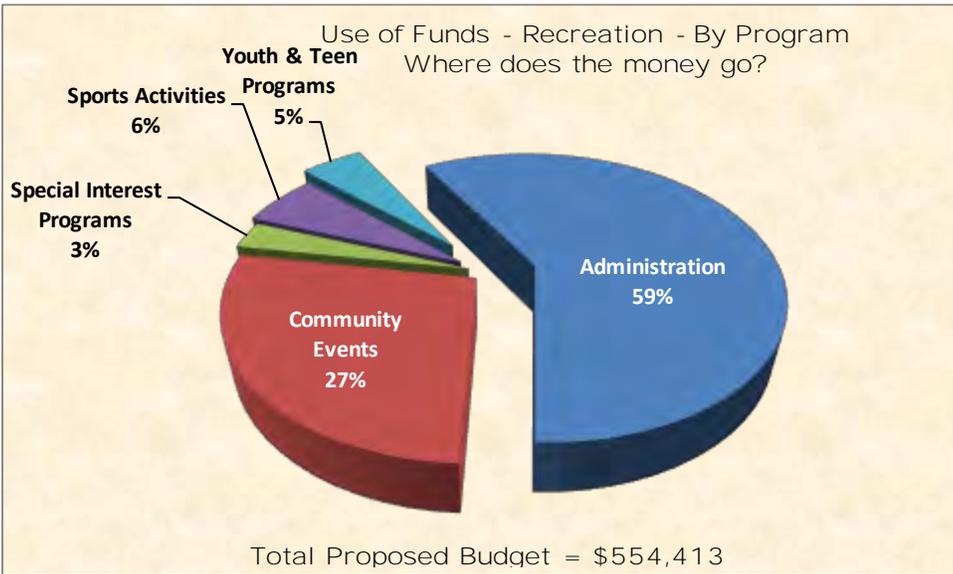
The Recreation Division strives to enhance the quality of life of Fountain Hills residents by providing recreation services that will meet the intellectual, social, cultural, and leisure needs of all residents. Program activities include: Special Interest Classes, Youth and Adult Sports Programs, Youth and Teen Programs, and Special Events.

| Program Name | Expenditures by Program | | | |
|---------------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 82,090 | \$ 97,988 | \$ 287,490 | \$ 326,187 |
| Art & Culture | 38,857 | 36,372 | - | - |
| Boards & Commissions | 29,081 | 46,355 | - | - |
| Community Events | 102,117 | 109,497 | 96,229 | 146,778 |
| Social/Community Service | 72,515 | 71,657 | - | - |
| Special Events | 23,450 | 25,737 | - | - |
| Special Interest Programs | 30,696 | 32,806 | 20,007 | 15,847 |
| Sports Activities | 61,520 | 85,511 | 53,602 | 35,636 |
| Youth & Teen Programs | 87,208 | 82,347 | 28,331 | 29,965 |
| Total | \$ 527,534 | \$ 588,270 | \$ 485,659 | \$ 554,413 |

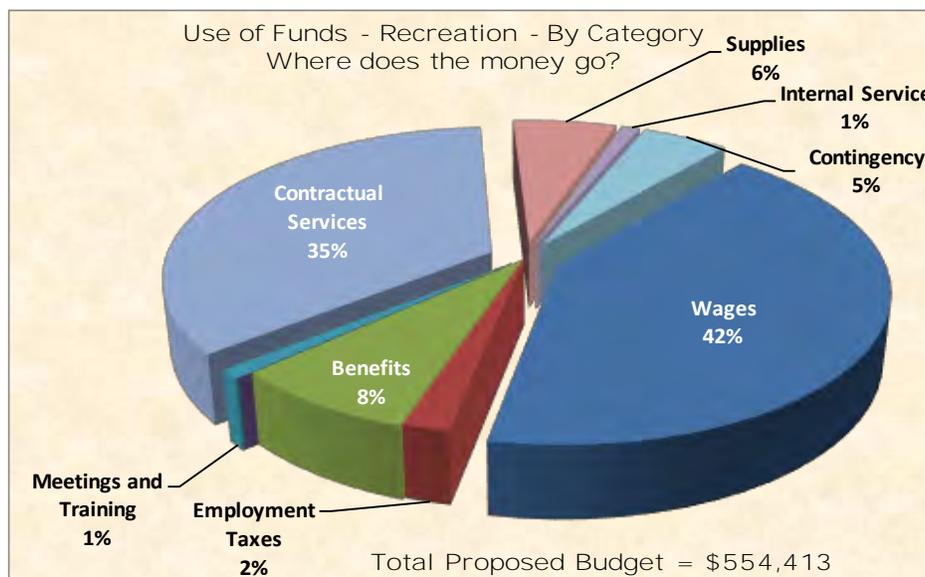
Variance Explanations:

Community Events: Budgeted amounts increased for Town events.

Sports Activities: FY16-17 had to increase the budget for instructor fees due to increased participation.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 226,634 | \$ 271,536 | \$ 219,698 | \$ 232,463 |
| Employment Taxes | 17,128 | 15,666 | 13,713 | 12,072 |
| Benefits | 49,633 | 59,221 | 40,223 | 44,152 |
| Dues & Memberships | 2,286 | 2,380 | 2,417 | 2,467 |
| Meetings and Training | 9,845 | 5,292 | 7,200 | 5,050 |
| Maintenance and Repair | 10,476 | 7,380 | - | - |
| Utilities | 2,779 | 2,682 | 948 | 1,326 |
| Contractual Services | 170,992 | 186,653 | 165,323 | 196,896 |
| Supplies | 29,731 | 29,296 | 30,184 | 30,784 |
| Equipment | - | 1,051 | - | 1,000 |
| Damages/Vandalism | - | - | - | - |
| Internal Service | 8,030 | 7,113 | 5,483 | 3,203 |
| Transfers | - | - | 470 | - |
| Contingency | - | - | - | 25,000 |
| Total | \$ 527,534 | \$ 588,270 | \$ 485,659 | \$ 554,413 |



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| To attain a high overall satisfaction rating (good or better) with the quality of Town recreation programs on program evaluations | 82% | 85% | 85% | 85% |
| To achieve a high return rate on recreation program surveys | 26% | 30% | 35% | 38% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of individual program participants ¹ | 2,470 | 2,362 | 2,500 | 2,550 |
| Number of team sports program participants | 615 | 750 | 775 | 850 |
| Number of teen trip/teen activity participants | 160 | 535 | 600 | 620 |
| Number of youth sport, Boys and Girls Club, and FHUSD facility bookings | 1,871 | 1,820 | 1,850 | 1,875 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Net operating costs of recreation programs per capita ² | \$24.83 | \$26.05 | \$18.48 | \$20.50 |

¹Does not include participations at special events or teen drop in programs.

²Population based on U.S Census 2014 estimates



FY17-18 Proposed Budget
Summary of Expenditures
Recreation

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 158,369 | \$ 208,776 | \$ 151,393 | \$ 162,166 |
| Salaries-Part Time | 68,205 | 62,463 | 68,305 | 70,297 |
| Overtime | 60 | 298 | - | - |
| FICA | 4,549 | 3,944 | 4,235 | 4,277 |
| Medicare | 3,130 | 3,796 | 3,184 | 3,382 |
| Workers Compensation | 8,331 | 7,066 | 5,593 | 3,898 |
| Unemployment Insurance | 1,118 | 859 | 701 | 515 |
| Group Health Insurance | 29,046 | 35,785 | 20,635 | 21,357 |
| Group Dental Insurance | 1,846 | 2,175 | 1,591 | 1,630 |
| Group Vision Insurance | 276 | 325 | 194 | 281 |
| Disability Insurance | 550 | 805 | 641 | 687 |
| Retirement | 17,426 | 19,434 | 16,654 | 17,839 |
| Life Insurance | 490 | 697 | 508 | 162 |
| Bonus | - | - | - | 396 |
| Allowance/Stipend | - | - | - | 1,800 |
| Licenses/Filing Fees | 335 | 336 | 350 | 400 |
| Dues, Subscript & Publicat | 1,951 | 2,044 | 2,067 | 2,067 |
| Training/Cont Ed | 3,340 | - | - | - |
| Meetings & Training | 6,505 | 5,292 | 7,200 | 5,050 |
| Vehicle Maint/Repair | 1,255 | 53 | - | - |
| Office Equip Maint/ Repair | 939 | 2,043 | - | - |
| Art Maint/Repair/Install | 6,600 | 5,284 | - | - |
| Sign Repair & Replacement | 1,683 | - | - | - |
| Telecommunications | 2,570 | 2,429 | 948 | 1,326 |
| Gas & Oil | 209 | 253 | - | - |
| Professional Fees | 10,559 | 18,510 | 12,880 | 12,880 |
| Instructor Fees | 14,059 | 33,589 | 55,359 | 30,900 |
| Rentals & Leases | 25,643 | 20,233 | 22,985 | 45,985 |
| Printing Expense | 465 | 135 | 1,100 | 1,100 |
| Advertising/Signage | 588 | 189 | 400 | 400 |
| Contractual Services | 13,940 | 11,830 | 17,300 | 19,800 |
| Constituent Communication | 21,347 | 21,548 | 27,500 | 26,700 |
| Bank/Merc Acct Fees | 2,340 | 2,863 | 2,868 | 3,423 |
| Community Contracts/Events | 79,296 | 74,547 | 20,000 | 50,000 |
| ActiveNet Fees | 2,754 | 3,209 | 4,931 | 5,708 |
| Office Supplies | 742 | 991 | 700 | 700 |
| Cleaning/Janitorial Supplies | - | 19 | - | - |
| Safety Supplies | - | 15 | - | - |
| Operating Supplies | - | 12 | - | - |
| Food & Beverage Supplies | 450 | 605 | 550 | 550 |
| Program Materials | 24,609 | 27,264 | 28,105 | 28,705 |
| Uniforms | 372 | 386 | 829 | 829 |
| Postage & Delivery | 3,557 | 4 | - | - |
| Small Tools | - | 898 | - | 1,000 |
| Hardware/Peripherals | - | 153 | - | - |
| ISF-Copier Charges | 3,381 | 2,111 | 3,850 | 1,185 |
| ISF-Mail Service Charges | 147 | 131 | 193 | 123 |
| ISF-Vehicle Replacement Charge | 2,939 | 2,998 | - | 286 |
| ISF-Motor Pool Charges | 83 | 194 | - | 135 |
| ISF-Telecom Charges | 1,480 | 1,679 | 1,440 | 1,474 |
| Contingency | - | - | - | 25,000 |
| Sub total Expenditures | 527,534 | 588,270 | 485,189 | 554,413 |
| Transfers Out | - | - | 470 | - |
| Total Recreation | <u>\$ 527,534</u> | <u>\$ 588,270</u> | <u>\$ 485,659</u> | <u>\$ 554,413</u> |



Senior Services Division

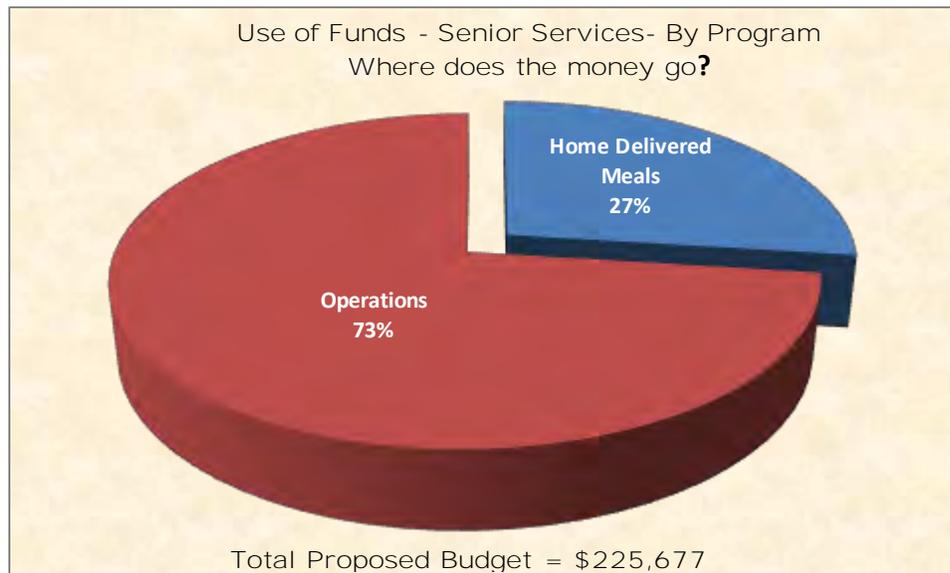
Service Delivery Plan

Provide meeting space to members for programs and presentations. Coordinate meeting schedule with support groups and offer social services for the community. Deliver a quality noon-time meal to Town residents who require assistance in obtaining nutritional meals.

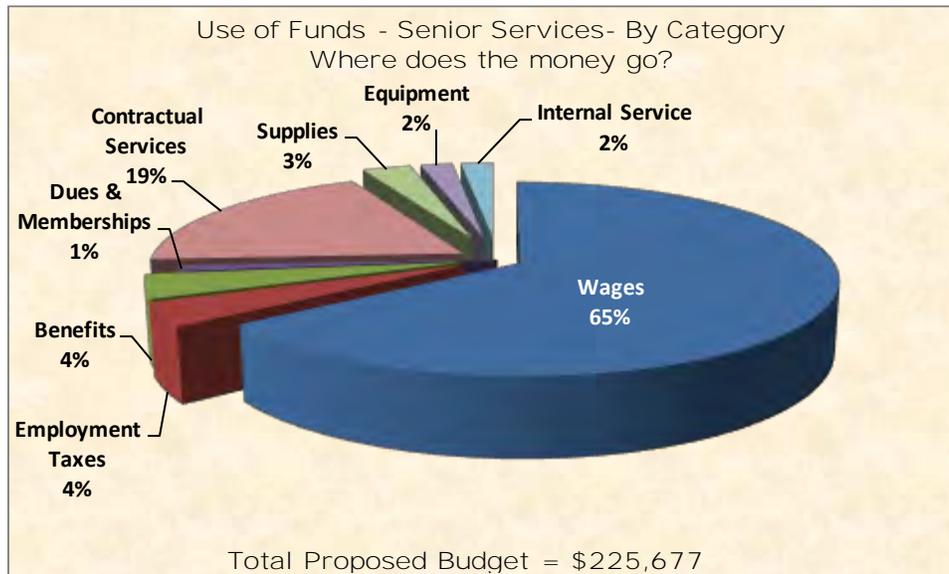
| Program Name | Expenditures by Program | | | |
|-------------------------------|-------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 52,360 | \$ 53,328 | \$ 90,629 | \$ - |
| Boards & Commissions | 12,556 | 2 | - | - |
| Home Delivered Meals | 56,661 | 51,965 | 63,464 | 61,637 |
| Operations | - | - | - | 164,040 |
| Senior Memberships/Activities | 93,129 | 98,185 | 68,382 | - |
| Total | \$ 214,706 | \$ 203,480 | \$ 222,475 | \$ 225,677 |

Variance Explanations:

Administration/Operations/Senior Memberships/Activities: Programs were combined into Operations for more efficient managing and reporting purposes.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 141,660 | \$ 138,606 | \$ 140,634 | \$ 147,471 |
| Employment Taxes | 7,109 | 7,348 | 7,907 | 7,944 |
| Benefits | 12,995 | 11,979 | 9,028 | 10,299 |
| Dues & Memberships | 946 | 306 | 920 | 1,415 |
| Meetings and Training | 149 | - | 200 | 200 |
| Maintenance and Repair | - | 363 | 50 | 50 |
| Utilities | 1,077 | 947 | 780 | - |
| Contractual Services | 39,323 | 34,345 | 47,446 | 45,117 |
| Supplies | 6,850 | 4,893 | 6,060 | 5,675 |
| Equipment | 1,059 | 814 | 5,000 | 3,500 |
| Internal Service | 3,538 | 3,879 | 4,450 | 4,006 |
| Total | \$ 214,706 | \$ 203,480 | \$ 222,475 | \$ 225,677 |



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of members | 1,298 | 1,366 | 1,350 | 1,350 |
| Maintain a high overall satisfaction rating (good or better) of meal quality | Good | Good | Good | Good |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of attendees to senior programs and presentations | 21,841 | 25,370 | 25,000 | 25,000 |
| Number of days per year meals delivered | 365 | 365 | 365 | 365 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Number of senior programs offered | 55 | 68 | 62 | 62 |
| Number of special guest presentations offered | 33 | 48 | 46 | 45 |
| Number of socialization activities/special events offered | 8 | 7 | 7 | 7 |
| Number of support groups and social services offered | 12 | 14 | 13 | 11 |
| Number of meals delivered annually | 4,035 | 3,497 | 4,000 | 4,400 |
| Number of clients participating in HDM program | 61 | 62 | 65 | 65 |



FY17-18 Proposed Budget
Summary of Expenditures
Senior Services

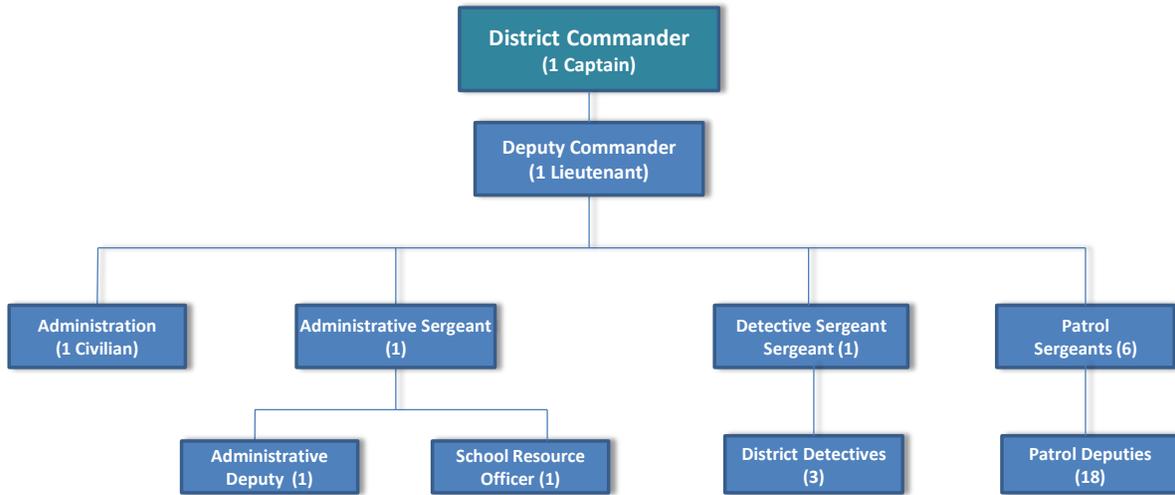
| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 78,782 | \$ 75,328 | \$ 64,993 | \$ 67,698 |
| Salaries-Part Time | 62,802 | 63,070 | 75,641 | 79,773 |
| Overtime | 76 | 209 | - | - |
| FICA | 3,262 | 3,930 | 4,690 | 4,924 |
| Medicare | 2,043 | 2,010 | 2,041 | 2,152 |
| Workers Compensation | 1,346 | 985 | 774 | 564 |
| Unemployment Insurance | 459 | 423 | 402 | 304 |
| Group Health Insurance | 2,741 | 2,503 | 846 | 868 |
| Group Dental Insurance | 973 | 577 | 474 | 490 |
| Group Vision Insurance | 93 | 90 | 65 | 11 |
| Disability Insurance | 275 | 290 | 275 | 287 |
| Retirement | 8,667 | 8,268 | 7,150 | 7,448 |
| Life Insurance | 246 | 250 | 218 | 68 |
| Bonus | - | - | - | 227 |
| Allowance/Stipend | - | - | - | 900 |
| Licenses/Filing Fees | 301 | 306 | 320 | 350 |
| Dues, Subscript & Publicat | 645 | - | 600 | 1,065 |
| Training/Cont Ed | 149 | - | - | - |
| Meetings & Training | - | - | 200 | 200 |
| Sign Repair & Replacement | - | 363 | 50 | 50 |
| Telecommunications | 1,077 | 947 | 780 | - |
| Professional Fees | 1,703 | 160 | 320 | 1,872 |
| Instructor Fees | 450 | 200 | 870 | 1,080 |
| Rentals & Leases | 156 | 156 | 156 | 156 |
| Printing Expense | - | 99 | 140 | 75 |
| Contractual Services | 29,355 | 25,668 | 36,900 | 32,274 |
| Constituent Communication | 3,003 | 3,710 | 3,390 | 4,290 |
| Bank/Merc Acct Fees | 548 | 577 | 1,620 | 1,190 |
| ActiveNet Fees | 4,108 | 3,774 | 4,050 | 4,180 |
| Office Supplies | 1,753 | 1,614 | 1,800 | 2,000 |
| Cleaning/Janitorial Supplies | 99 | - | - | - |
| Operating Supplies | 2,374 | 1,219 | 2,510 | 2,375 |
| Food & Beverage Supplies | 2,053 | 1,183 | 850 | 1,300 |
| Program Materials | 27 | 877 | - | - |
| Postage & Delivery | 544 | - | 900 | - |
| Small Tools | 173 | - | - | - |
| Hardware/Peripherals | 886 | 815 | 5,000 | 2,000 |
| Furniture/Appliances | - | - | - | 1,500 |
| ISF-Copier Charges | 1,913 | 2,243 | 2,620 | 2,150 |
| ISF-Mail Service Charges | 249 | 182 | 230 | 169 |
| ISF-Vehicle Replacement Charges | - | - | - | 60 |
| ISF-Motor Pool Charges | - | - | - | 28 |
| ISF-Telecom Charges | 1,375 | 1,454 | 1,600 | 1,599 |
| Sub total Expenditures | 214,706 | 203,480 | 222,475 | 225,677 |
| Transfers Out | - | - | - | - |
| Total Senior Services | <u>\$ 214,706</u> | <u>\$ 203,480</u> | <u>\$ 222,475</u> | <u>\$ 225,677</u> |



Law Enforcement



LAW ENFORCEMENT



LAW ENFORCEMENT

Mission Statement

The Maricopa County Sheriff’s Office (MCSO) proudly provides contractual law enforcement services to the Town of Fountain Hills by enforcing State and local laws, selective Town Ordinances and deterring criminal activity. MCSO will protect life and property, investigate criminal activity, and will work in partnership with the Town Council, staff, community leaders, and residents to resolve issues and concerns.

MCSO is dedicated to providing these services to the residents of Fountain Hills and the general public in a respectful, courteous, and professional manner and is supportive of the community-based policing principles.

Additionally, all sworn personnel will meet and stay current with established State training as delineated by Arizona Peace Officer Standards and Training Board (AZ POST) and the Maricopa County Sheriff’s Office as a means of reducing liability.

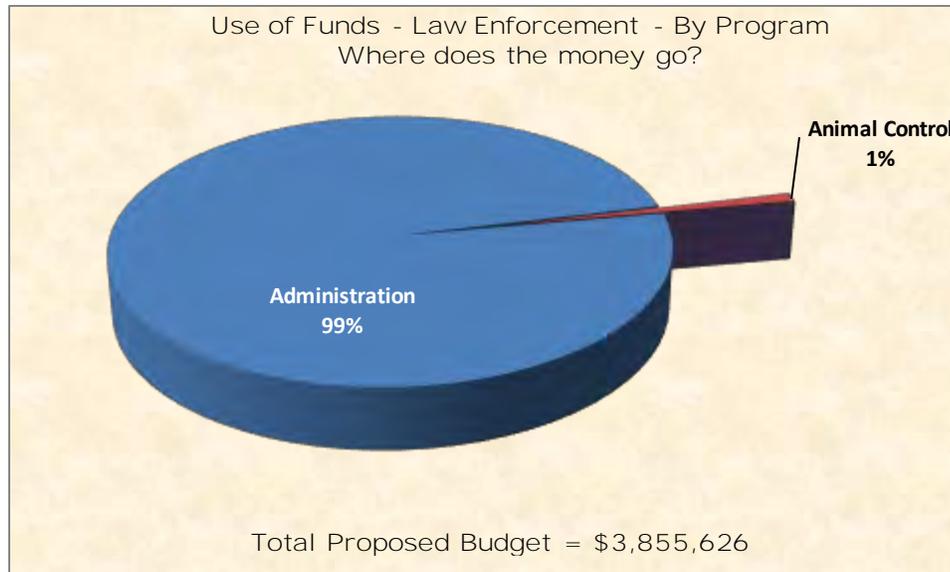
Department Overview

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.

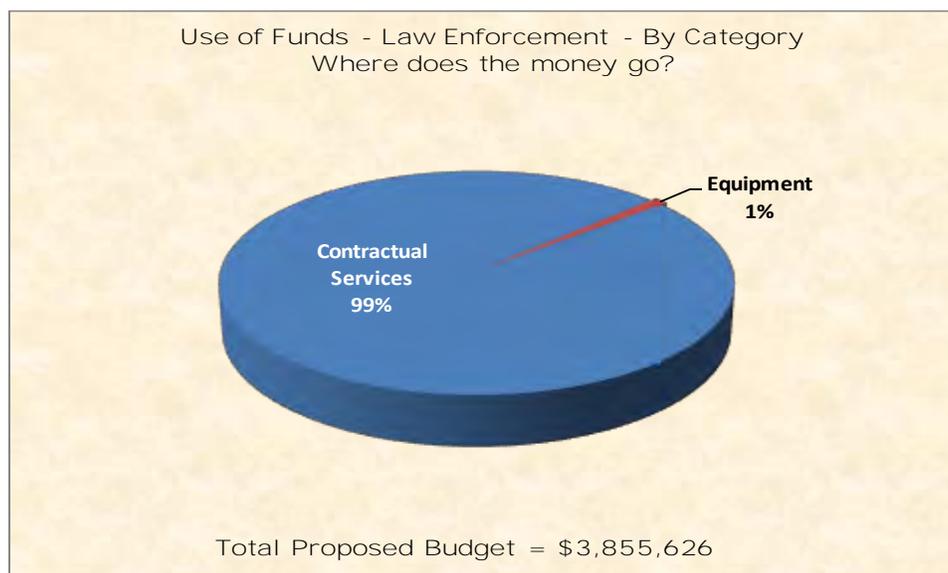
Under the command of Captain David Letourneau, twenty deputies are assigned full-time to the Town of Fountain Hills. Of these, eighteen deputies and four sergeants are assigned to patrol. One deputy is assigned to the Schools and Community Services Department to address quality of life issues, court security, and administrative duties. Additionally, there are three detectives assigned, one detective supervisor sergeant, one administrative sergeant, one Commander (Captain), one Deputy Commander (Lieutenant), and one administrative assistant.

| Program Name | Expenditures by Program | | | |
|-------------------------|-------------------------|---------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 15,789 | \$ 19,465 | \$ 3,896,867 | \$ 3,823,302 |
| Animal Control | 31,817 | 31,613 | 33,244 | 32,324 |
| Incarceration/Transport | 56,703 | 48,593 | - | - |
| Patrol | 3,249,272 | 3,554,666 | - | - |
| Total | \$ 3,353,581 | \$ 3,654,337 | \$ 3,930,111 | \$ 3,855,626 |





| Category | Expenditures by Category | | | |
|----------------------|--------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 13,785 | \$ 13,422 | \$ - | \$ - |
| Employment Taxes | 830 | 771 | - | - |
| Benefits | 1,443 | 1,500 | - | - |
| Dues & Memberships | 1,296 | 1,296 | 1,296 | 1,296 |
| Maintenance & Repair | - | - | - | - |
| Contractual Services | 3,332,673 | 3,634,149 | 3,924,305 | 3,821,946 |
| Supplies | 766 | 657 | 1,845 | 740 |
| Equipment | - | - | - | 19,000 |
| Damages/Vandalism | - | - | - | 10,000 |
| Internal Service | 2,788 | 2,542 | 2,665 | 2,644 |
| Total | \$ 3,353,581 | \$ 3,654,337 | \$ 3,930,111 | \$ 3,855,626 |



For the six month period ending December 31:

| Description | July '15 to Dec. '15 | July '16 to Dec. '16 |
|---------------------------------------|----------------------|----------------------|
| Criminal Arrests | 78 | 70 |
| Criminal Citations Issued | 46 | 56 |
| Driving Under Influence (DUI) Arrests | 9 | 9 |
| Interviews | 1,208 | 1,408 |
| Juvenile Referrals | 2 | 4 |
| Traffic Arrests | 31 | 34 |
| Traffic Violations | 603 | 973 |
| Traffic Warnings | 441 | 443 |
| Barking Dog Warnings Issued | 15 | 14 |
| False Alarm Warnings Issued | 27 | 72 |

FY17-18 Proposed Budget
Summary of Expenditures
Law Enforcement

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|---------------------|---------------------|---------------------------|----------------------------|
| General Fund | | | | |
| Salaries-Full Time | \$ 5,960 | \$ 5,802 | \$ - | \$ - |
| Salaries-Part Time | 7,825 | 7,618 | - | - |
| Overtime | - | 3 | - | - |
| FICA | 485 | 482 | - | - |
| Medicare | 195 | 190 | - | - |
| Workers Compensation | 67 | 47 | - | - |
| Unemployment Insurance | 82 | 53 | - | - |
| Group Health Insurance | 737 | 820 | - | - |
| Group Dental Insurance | 10 | 13 | - | - |
| Group Vision Insurance | 2 | 2 | - | - |
| Disability Insurance | 15 | 18 | - | - |
| Retirement | 661 | 626 | - | - |
| Life Insurance | 19 | 20 | - | - |
| Dues, Subscript & Publicat | 1,296 | 1,295 | 1,296 | 1,296 |
| Printing Expense | - | - | 150 | 375 |
| Advertising/Signage | - | 646 | - | - |
| Intergovt Agreements | 3,325,439 | 3,622,722 | 28,024 | 28,024 |
| Contractual Services | 6,973 | 10,515 | 13,500 | 10,000 |
| Bank/Merc Acct Fees | 261 | 266 | 240 | 600 |
| ActiveNet Fees | - | - | 360 | - |
| Law Patrol | - | - | 3,814,531 | 3,715,447 |
| Jail Fees | - | - | 67,500 | 67,500 |
| Office Supplies | - | - | 40 | 40 |
| Operating Supplies | 128 | - | 1,205 | - |
| Program Materials | 638 | 657 | 600 | 700 |
| Equipment | - | - | - | 19,000 |
| Rewards Program | - | - | - | 10,000 |
| ISF-Copier Charges | 155 | 124 | 165 | 125 |
| ISF-Mail Service Charges | 2,633 | 2,418 | 2,500 | 2,519 |
| Sub total Expenditures | 3,353,581 | 3,654,337 | 3,930,111 | 3,855,626 |
| Transfers Out | - | - | - | - |
| Total Law Enforcement | <u>\$ 3,353,581</u> | <u>\$ 3,654,337</u> | <u>\$ 3,930,111</u> | <u>\$ 3,855,626</u> |

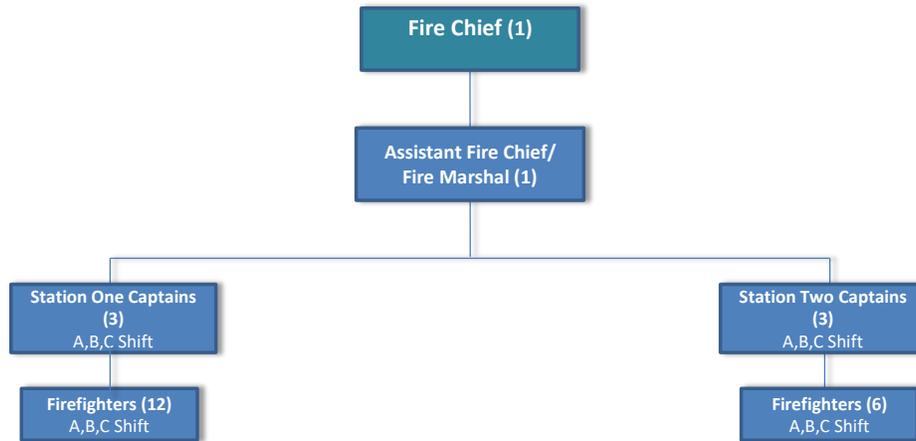




Fire & Emergency Medical



FIRE DEPARTMENT



FIRE & EMERGENCY MEDICAL

Mission Statement

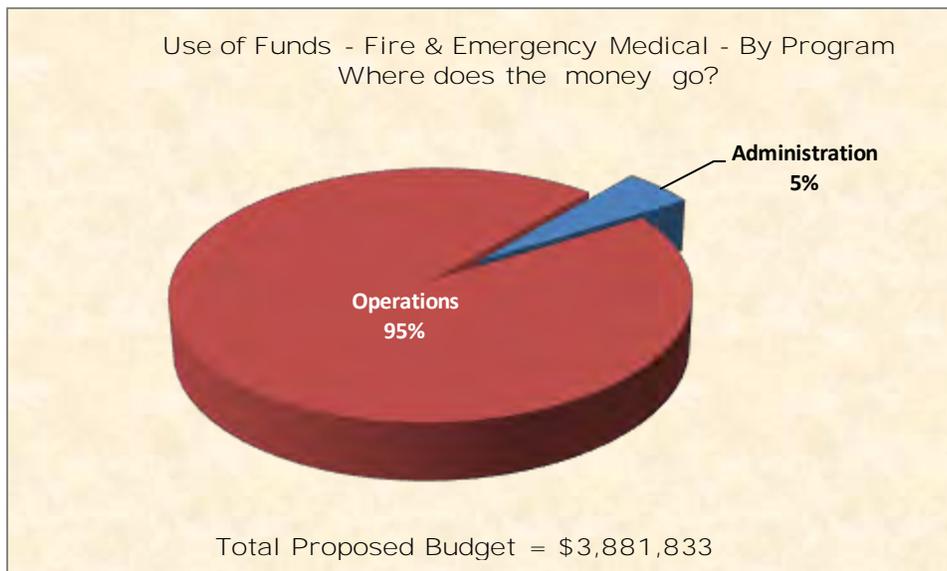
The mission of the Fire Department is to protect the safety and quality of life of residents, visitors and businesses in Fountain Hills. This mission is achieved by a commitment to exceptional service delivery in fire suppression, emergency medicine and rescue, as well as a proactive approach to fire prevention and public safety education.

Department Overview

Fire protection and Emergency Medical Service (EMS) are provided by a public/private combination of Town owned equipment and facilities, operated by contract personnel from the Rural/Metro Corporation.

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 at large scale disasters. The Fire Department also provides other community services such as public education, youth career oriented Explorer Post, child car seat installations and other safety programs.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 160,946 | \$ 165,011 | \$ 168,564 | \$ 176,251 |
| FD Safety | 155,038 | 159,918 | - | - |
| FD EMS | 1,464,522 | 1,507,914 | - | - |
| FD Suppression | 1,606,250 | 1,648,174 | - | - |
| Operations | - | - | 3,540,153 | 3,705,582 |
| FD Care | 28,543 | - | - | - |
| Total | \$ 3,415,299 | \$ 3,481,017 | \$ 3,708,717 | \$ 3,881,833 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|---------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Dues & Memberships | \$ 680 | \$ 480 | \$ 750 | \$ 3,360 |
| Meeting & Training | - | - | - | 2,200 |
| Maintenance and Repair | 30,427 | 33,566 | 77,055 | 55,990 |
| Utilities | 23,129 | 16,549 | 20,000 | 25,580 |
| Contractual Services | 3,231,489 | 3,308,688 | 3,415,688 | 3,518,819 |
| Supplies | 2,843 | 3,672 | 4,360 | 11,960 |
| Equipment | 20,141 | 9,901 | 44,000 | 16,500 |
| Internal Service | 106,590 | 108,161 | 146,864 | 247,424 |
| Total | \$ 3,415,299 | \$ 3,481,017 | \$ 3,708,717 | \$ 3,881,833 |

Variance Explanations:

Maintenance and Repair: FY16-17 included budget supplements for the truck bay floor repair and coating and the turnout room conversion.

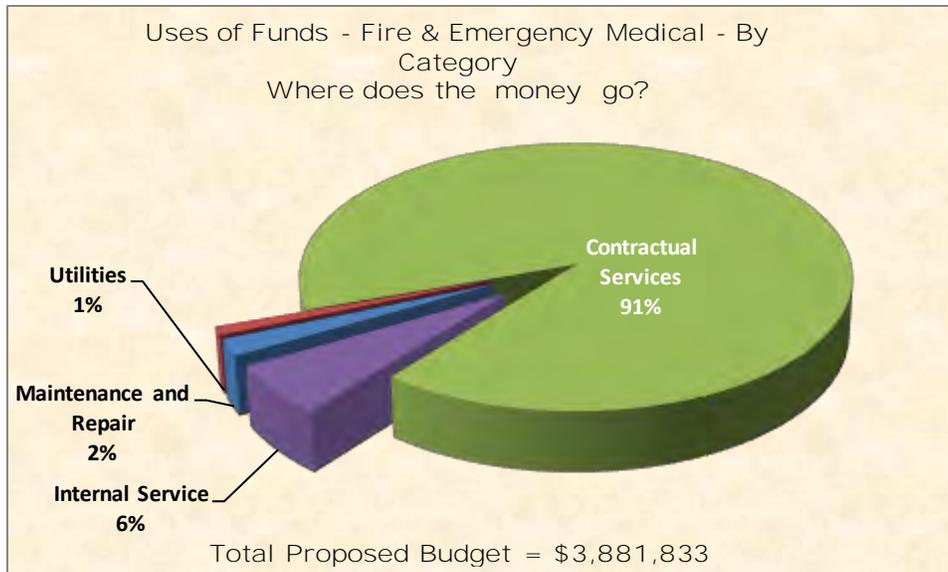
Utilities: The increase is a result of maintaining the fire station building on Sagua-ro Boulevard after the opening of the new fire station #2.

Supplies: The increase is a result of costs associated with the Crisis Response vol-unteers.

Equipment: FY16-17 included budget supplements for replacement AED units, de-fibrillator and extrication equipment.

Internal Service: The increase is the result of vehicle replacement charges associ-ated with the purchase of a new ladder truck.





FY17 - 18 Department Accomplishments

| Initiative | Strategic Value |
|---|--------------------------------------|
| Design development for the relocation of Fire Station Two | P3-Public Safety, Health and Welfare |
| Remodel storage area at Fire Station One | P3-Public Safety, Health and Welfare |

FY17 - 18 Objectives

| Initiative | Strategic Value | Estimated Cost/Funding Source |
|---------------------------------------|--------------------------------------|------------------------------------|
| Complete building of Fire Station Two | P3-Public Safety, Health and Welfare | \$3,550,000/Capital Projects |
| Purchase replacement Ladder Truck | P3-Public Safety, Health and Welfare | \$800,000/Vehicle Replacement Fund |



Activities/Results

Performance Measures

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|------------------------------|----------------------------|
| Complete Annual Minimum Company Standards | 100% | 100% | 100% | 100% |
| Emergency Response Times (5 minutes) | 80% | 84% | 85% | 85% |

Quality

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|------------------------------|----------------------------|----------------------------|------------------------------|----------------------------|
| Child Car Seat installations | 104 | 80 | 95 | 100 |
| Public Education Activities | 54 | 62 | 65 | 70 |

Productivity

| | FY14 -15 Actual | FY15 -16 Actual | FY16 -17 Estimate | FY17 -18 Target |
|-----------------------------|----------------------------|----------------------------|------------------------------|----------------------------|
| Fire Prevention Inspections | 549 | 572 | 575 | 580 |
| Plan Reviews | 250 | 236 | 300 | 300 |



FY17-18 Proposed Budget
Summary of Expenditures
Fire & Emergency Medical

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | | | | |
| Dues, Subscript & Publicat | \$ 680 | \$ 480 | \$ 750 | \$ 3,360 |
| Meetings & Training | - | - | - | 2,200 |
| Building Maint/Repair | - | - | 23,000 | 3,000 |
| HVAC Repair | - | - | 2,500 | 2,500 |
| Plumbing Repair | - | - | 2,000 | 2,000 |
| Fire Protection Systems | - | - | 915 | 915 |
| Irrigation Repair | - | - | 525 | 525 |
| Backflow Testing & Maintenance | - | - | 300 | 450 |
| Equipment Maint/Repair | 14,612 | 9,384 | 16,165 | 14,850 |
| Vehicle Maint/Repair | 15,814 | 24,182 | 29,000 | 29,000 |
| Office Equip Maint/ Repair | - | - | 150 | 150 |
| Other Maint/Repair | - | - | 2,400 | 2,400 |
| Sign Repair & Replacement | - | - | 100 | 200 |
| Electricity Expense | - | - | - | 3,000 |
| Refuse/Recycling | - | - | - | 1,080 |
| Water/Sewer | - | - | - | 1,500 |
| Telecommunications | - | 37 | - | - |
| Gas & Oil | 23,129 | 16,512 | 20,000 | 20,000 |
| Professional Fees | - | - | - | 640 |
| Printing Expense | 141 | - | 800 | 900 |
| Intergovt Agreements | 1,887 | 2,010 | 2,011 | 2,225 |
| Contractual Services | 3,229,462 | 3,306,677 | 3,405,877 | 3,508,054 |
| Landscape Contracts | - | - | 7,000 | 7,000 |
| Office Supplies | 671 | - | 550 | 550 |
| Cleaning/Janitorial Supplies | - | - | 50 | 50 |
| Operating Supplies | 1,719 | 2,527 | 2,760 | 6,760 |
| Program Materials | 453 | 1,145 | 1,000 | 1,000 |
| Uniforms | - | - | - | 3,600 |
| Small Tools | 1,741 | - | 6,500 | 6,500 |
| Hardware/Peripherals | - | 130 | - | - |
| Furniture/Appliances | 39 | - | - | - |
| Equipment | 18,361 | 9,772 | 37,500 | 10,000 |
| ISF-Copier Charges | 124 | 122 | 100 | 150 |
| ISF-Mail Service Charges | 44 | 232 | 100 | 160 |
| ISF-Vehicle Replacement Charge | 99,839 | 100,467 | 139,514 | 238,102 |
| ISF-Telecom Charges | 6,583 | 7,340 | 7,150 | 9,012 |
| Sub total Expenditures | <u>3,415,299</u> | <u>3,481,017</u> | <u>3,708,717</u> | <u>3,881,833</u> |
| Transfers Out | - | - | - | - |
| Total Fire & Emergency Medical | <u>\$ 3,415,299</u> | <u>\$ 3,481,017</u> | <u>\$ 3,708,717</u> | <u>\$ 3,881,833</u> |





Special Revenue Funds



Development Services Streets Division Highway User Revenue Fund (HURF)



Streets Division

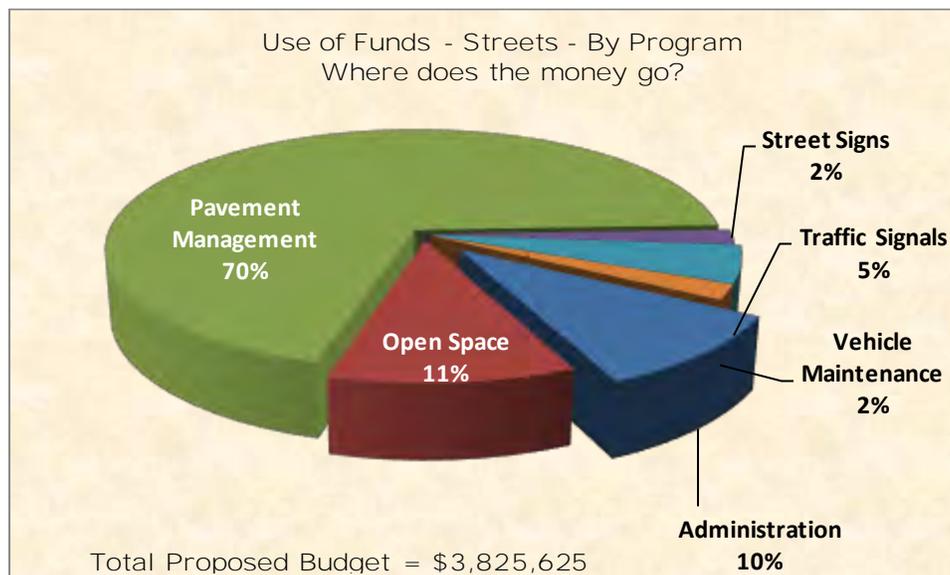
Service Delivery Plan

The Streets Division is responsible for the maintenance of traffic signals; regulatory signs; median landscape maintenance; storm debris clean up; street sweeping; street-related emergency responses; vehicle maintenance; contract administration as well as minor asphalt, curb and sidewalk repairs. The Highway User Revenue Fund (HURF), which includes Vehicle License Tax (VLT) and transfers from the Capital Improvement Fund, pays for Streets personnel and contract work for street repair.

| Program Name | Expenditures by Program | | | |
|---------------------|-------------------------|---------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 149,690 | \$ 216,026 | \$ 331,598 | \$ 390,425 |
| Adopt A Street | 3,220 | 3,164 | 1,010 | 1,005 |
| Legal Services | 28,689 | 29,455 | - | - |
| Open Space | 261,749 | 294,114 | 447,562 | 387,493 |
| Pavement Management | 504,599 | 1,639,467 | 2,618,080 | 2,684,440 |
| Street Signs | 84,970 | 75,508 | 69,767 | 80,139 |
| Street Sweeping | - | - | - | - |
| Traffic Signals | 111,358 | 254,935 | 163,483 | 205,074 |
| Vehicle Maintenance | 79,818 | 93,146 | 71,175 | 77,049 |
| Total | \$ 1,224,093 | \$ 2,605,815 | \$ 3,702,675 | \$ 3,825,625 |

Variance Explanations:

Traffic Signals: Amounts were included for spare equipment, new intersection LED lighting and maintenance of equipment.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 284,211 | \$ 236,206 | \$ 300,647 | \$ 305,410 |
| Employment Taxes | 37,323 | 22,681 | 22,381 | 16,383 |
| Benefits | 85,217 | 84,340 | 82,207 | 84,410 |
| Dues & Memberships | 1,463 | 2,116 | 2,940 | 12,240 |
| Meetings and Training | - | 9 | 1,300 | 1,300 |
| Maintenance and Repair | 284,462 | 1,654,617 | 2,391,340 | 2,428,845 |
| Utilities | 131,136 | 131,620 | 157,145 | 154,875 |
| Contractual Services | 298,040 | 312,225 | 346,408 | 445,763 |
| Supplies | 28,396 | 14,872 | 29,090 | 30,120 |
| Equipment | 4,942 | 4,375 | 9,000 | 21,750 |
| Damages/Vandalism | 30,539 | 33,111 | 40,000 | 40,000 |
| Internal Service | 37,878 | 64,643 | 70,217 | 34,529 |
| Transfers | 486 | 45,000 | - | - |
| Contingency | - | - | 250,000 | 250,000 |
| Total | \$ 1,224,093 | \$ 2,605,815 | \$ 3,702,675 | \$ 3,825,625 |

Variance Explanations:

Employment Taxes: The decrease is a result of lower workers' compensation rates.

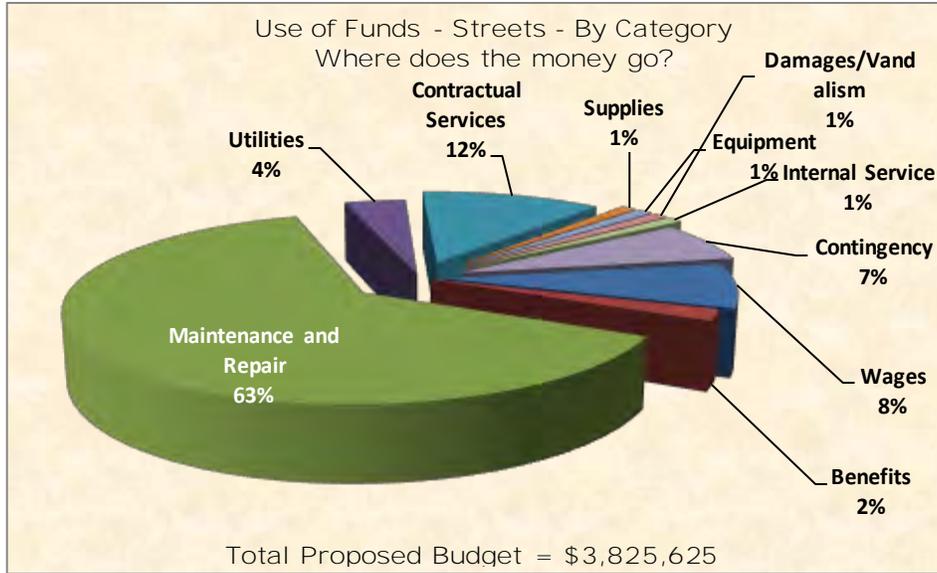
Dues & Memberships: The increase is a result of pavement management and sign software subscriptions.

Contractual Services: The increase is a result of increased costs associated with traffic signal maintenance and on-call services, landscaping and other maintenance and repairs.

Equipment: The increase is a result of the anticipated upgrades to the fuel facility software and related expenses and the purchase of a new vacuum excavator.

Internal Service: The decrease is a due to less vehicle replacement charges since the truck used for traffic signals will not be replaced.





Special Revenue Funds
 Development Services-Streets Division
 Highway User Revenue Fund

FY17-18 Proposed Budget
 Summary of Expenditures
 Streets

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Highway User Revenue Fund | | | | |
| Salaries-Full Time | \$ 278,813 | \$ 227,895 | \$ 293,078 | \$ 299,646 |
| Overtime | 3,785 | 1,694 | 2,000 | - |
| On Call Pay | 1,614 | 6,617 | 5,569 | 5,764 |
| Medicare | 3,872 | 3,165 | 4,331 | 4,439 |
| Workers Compensation | 33,072 | 19,156 | 17,689 | 11,680 |
| Unemployment Insurance | 379 | 360 | 361 | 264 |
| Group Health Insurance | 48,671 | 52,804 | 43,270 | 45,232 |
| Group Dental Insurance | 3,187 | 3,368 | 3,462 | 2,852 |
| Group Vision Insurance | 410 | 468 | 377 | 493 |
| Disability Insurance | 891 | 907 | 1,265 | 1,292 |
| Retirement | 31,263 | 25,996 | 32,852 | 33,594 |
| Life Insurance | 795 | 797 | 981 | 303 |
| Bonus | - | - | - | 194 |
| Allowance/Stipend | - | - | - | 450 |
| Licenses/Filing Fees | 10 | 9 | - | - |
| Dues, Subscript & Publicat | 1,453 | 2,107 | 2,940 | 12,240 |
| Meetings & Training | - | 9 | 1,300 | 1,300 |
| Building Maint/Repair | 276 | 208 | 4,000 | 28,500 |
| HVAC Repair | 80 | 11,996 | - | - |
| Electrical Repair/Maint | 1,255 | 1,120 | 3,000 | 3,000 |
| Fire Protection Systems | - | - | 2,000 | 2,000 |
| Grounds Maint/Repair | 14,442 | 277 | 20,000 | 25,000 |
| Irrigation Repair | 6,215 | 4,525 | 2,500 | 2,500 |
| Backflow Testing & Maintenance | 1,605 | 2,502 | 7,410 | 6,110 |
| Drainage Maint/Repair | 5,475 | - | 10,000 | 10,000 |
| Storm Damage Cleanup | 3,114 | 160 | - | - |
| Equipment Maint/Repair | 4,322 | 121,165 | 26,500 | 68,500 |
| Vehicle Maint/Repair | 8,505 | 11,263 | 14,000 | 17,950 |
| Office Equip Maint/ Repair | - | - | 750 | 750 |
| Other Maint/Repair | 10,100 | 517 | 109,779 | 1,800 |
| Road Repair | 24,659 | 36,038 | 50,000 | - |
| Striping | 29,905 | - | - | 50,000 |
| Sidewalk/Pathway Repair | 23,022 | (139,237) | 50,000 | 70,000 |
| Other Road Related Repair | 397 | 6,349 | - | - |
| Sign Repair & Replacement | 10,091 | 14,171 | 16,625 | 29,000 |
| Pavement Management | 139,237 | 1,580,607 | 2,074,776 | 2,113,735 |
| Painting | 1,500 | - | - | - |
| Lighting Repair | 260 | 2,956 | - | - |
| Electricity Expense | 43,695 | 34,964 | 39,800 | 39,670 |
| Refuse/Recycling | 4,384 | 3,788 | 11,200 | 16,200 |
| Telecommunications | 3,654 | 3,713 | 3,240 | 3,120 |
| Water/Sewer | 67,019 | 77,971 | 82,105 | 76,885 |
| Gas & Oil | 12,385 | 11,184 | 20,800 | 19,000 |
| Auditing Expense | 6,950 | 7,125 | 12,500 | 12,500 |



FY17-18 Proposed Budget
Summary of Expenditures
Streets

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-------------------------------------|-------------------------|-------------------------|---------------------------|----------------------------|
| Highway User Revenue Fund-continued | | | | |
| Professional Fees | \$ 86,013 | \$ 11,047 | \$ 20,600 | \$ 30,600 |
| Legal Fees | 28,689 | 29,454 | 33,096 | 34,080 |
| Insurance Expense | 74,097 | 95,540 | 82,212 | 97,083 |
| Printing Expense | - | 73 | - | - |
| Advertising/Signage | 186 | - | - | - |
| Intergovt Agreements | 13,750 | 15,000 | 20,000 | - |
| Contractual Services | 2,353 | 1,361 | 3,000 | 71,500 |
| Landscape Contracts | 86,002 | 152,624 | 175,000 | 200,000 |
| Office Supplies | 508 | - | 2,225 | 2,705 |
| Cleaning/Janitorial Supplies | 441 | 238 | 500 | 500 |
| Safety Supplies | 131 | 7 | 400 | 650 |
| Operating Supplies | 26,001 | 13,893 | 24,265 | 24,265 |
| Food & Beverage Supplies | 224 | 517 | 200 | 500 |
| Uniforms | 1,051 | 125 | 1,500 | 1,500 |
| Postage & Delivery | 40 | 92 | - | - |
| Small Tools | 1,807 | 1,457 | 7,000 | 6,750 |
| Software | 712 | 356 | 2,000 | 7,500 |
| Hardware/Peripherals | - | 75 | - | - |
| Furniture/Appliances | - | 2,066 | - | - |
| Equipment | 2,423 | 422 | - | 7,500 |
| Damages/Vandalism | 30,539 | 33,111 | 40,000 | 40,000 |
| ISF-Copier Charges | - | 6 | - | 5 |
| ISF-Mail Service Charges | 13 | 7 | 16 | 11 |
| ISF-Vehicle Replacement Charge | 35,736 | 62,101 | 67,631 | 31,450 |
| ISF-Motor Pool Charges | - | 12 | - | - |
| ISF-Telecom Charges | 2,129 | 2,517 | 2,570 | 3,063 |
| Contingency | - | - | 250,000 | 250,000 |
| Sub total Expenditures | <u>1,223,607</u> | <u>2,560,815</u> | <u>3,702,675</u> | <u>3,825,625</u> |
| Transfers Out | <u>486</u> | <u>45,000</u> | <u>-</u> | <u>-</u> |
| Total Streets | <u>\$ 1,224,093</u> | <u>\$ 2,605,815</u> | <u>\$ 3,702,675</u> | <u>\$ 3,825,625</u> |



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Pothole repair requests completed within two business days. | N/A | 95% | 95% | 95% |

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---------------------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|
| Total residential lane miles | 264 | 264 | 265 | 265 |
| Total arterial lane miles | 79 | 79 | 79 | 79 |
| Number of vehicles in fleet | 39 | 39 | 40 | 40 |
| Acreage of medians maintained | 56 | 56 | 56 | 56 |
| Number of Adopt-a-Street participants | 65 | 65 | 60 | 55 |

Productivity

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|-----------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|
| Net expenditures per capita | \$54.43 | \$115.87 | \$159.84 | \$170.10 |



Administration Excise Tax Funds

Downtown Strategy Economic Development Tourism



The Town originally established an Excise Tax/Downtown Fund on August 3, 2000, for the purpose of improving the downtown area to spur economic activity; this fund had been funded through a dedicated portion of the Town’s local sales tax (.1% of 2.6%).

On April 18, 2013, the Town Council established an additional fund by splitting the original Excise Tax/Downtown Fund into two separate funds:

Downtown Strategy Fund (original Excise Tax/Downtown Fund)
Economic Development Fund (new)

Both funds were originally funded through the dedicated .1% of local sales tax with a 60/40 split—60% of sales tax revenues would be allocated to the new Economic Development Fund and 40% of sales tax revenues would be allocated to the Downtown Strategy Fund. The residual fund balance of the Excise Tax/Downtown Fund as of June 30, 2013, was included with any new revenue in the Downtown Strategy Fund to be used towards Town Center infrastructure improvement and development. In January 2015, the percentage was changed to 80/20, respectively. The Economic Development Fund is now funded with 80% of the .1% local sales tax and will be available for any economic development purpose.



Downtown Strategy Fund

Service Delivery Plan

The Downtown Strategy Fund was established to provide resources for enhancement to the downtown area through capital and economic development expenditures to enhance the downtown’s economic base.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 1,194,160 | \$ 106,069 | \$ 1,021,655 | \$ 140,885 |
| Total | \$ 1,194,160 | \$ 106,069 | \$ 1,021,655 | \$ 140,885 |

Variance Explanations:

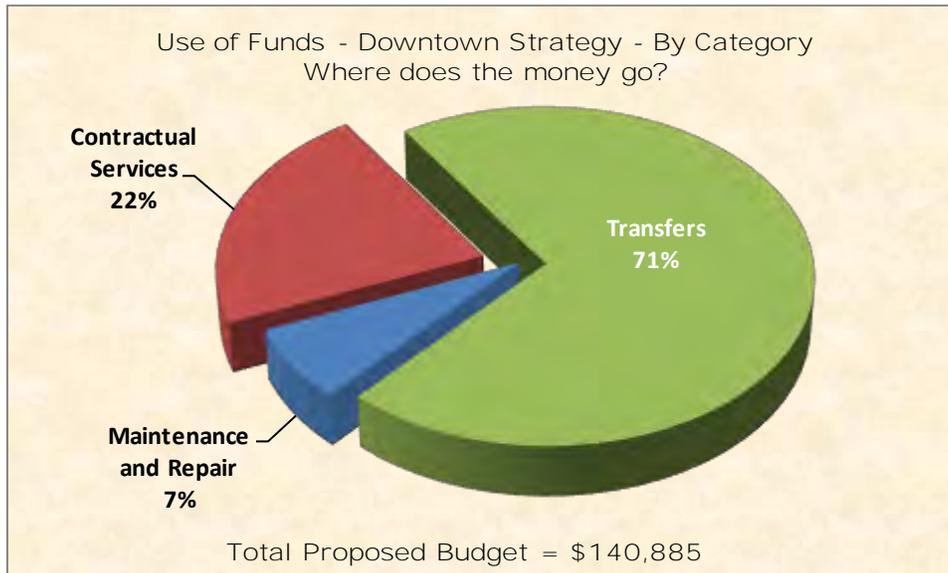
Administration: FY16-17 included transfers to the Capital Improvement Fund for capital projects.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Maintenance and Repair | \$ 7,672 | \$ 18,380 | \$ 10,000 | \$ 10,000 |
| Contractual Services | 29,397 | 28,552 | 36,655 | 30,885 |
| Internal Service | - | - | - | - |
| Transfers | 1,157,091 | 59,137 | 975,000 | 100,000 |
| Total | \$ 1,194,160 | \$ 106,069 | \$ 1,021,655 | \$ 140,885 |

Variance Explanations:

Transfers: FY16-17 included transfers to the Capital Improvement Fund for capital projects.



FY17-18 Proposed Budget
Summary of Expenditures
Downtown Strategy Fund

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-------------------------------------|---------------------|-------------------|---------------------------|----------------------------|
| Downtown Strategy Fund | | | | |
| Sign Repair & Replacement | \$ 7,672 | \$ 2,853 | \$ - | \$ - |
| Lighting Repair | - | 15,527 | 10,000 | 10,000 |
| Management Fees | 493 | 298 | 535 | 535 |
| Holiday Lighting | 28,904 | 28,254 | 36,120 | 30,350 |
| ISF-Mail Service Charges | - | - | - | - |
| Sub total Expenditures | 37,069 | 46,932 | 46,655 | 40,885 |
| Transfers Out | 1,157,091 | 59,137 | 975,000 | 100,000 |
| Total Downtown Strategy Fund | \$ 1,194,160 | \$ 106,069 | \$ 1,021,655 | \$ 140,885 |



Economic Development Fund

Service Delivery Plan

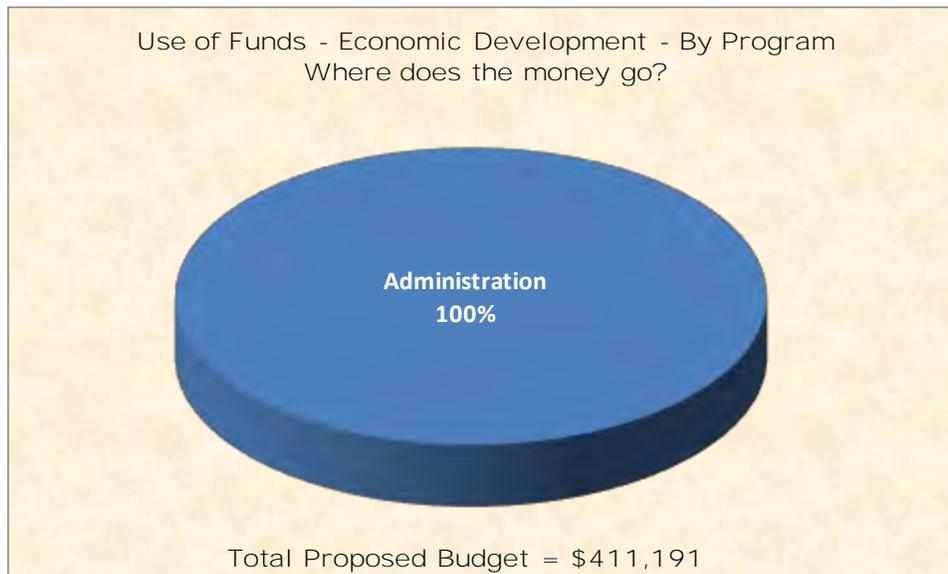
Economic Development in Fountain Hills requires a collaborative effort to ensure success. The Town of Fountain Hills plays a key role along with the business community and residents. The Town works collaboratively with the various stakeholder groups and other agencies in its effort to diversify the local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

The economic development plan is a multi-tiered approach to building strong economic base. Create more base jobs locally to attract more year-round residents to live, work and play in the community. Expand the market for local business creating 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.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 264,396 | \$ 314,898 | \$318,411 | \$411,191 |
| Total | \$ 264,396 | \$ 314,898 | \$ 318,411 | \$ 411,191 |

Variance Explanations:

Administration: Budget supplement was added for marketing agency assistance and a new position, economic development analyst, was added.



Economic Development Fund

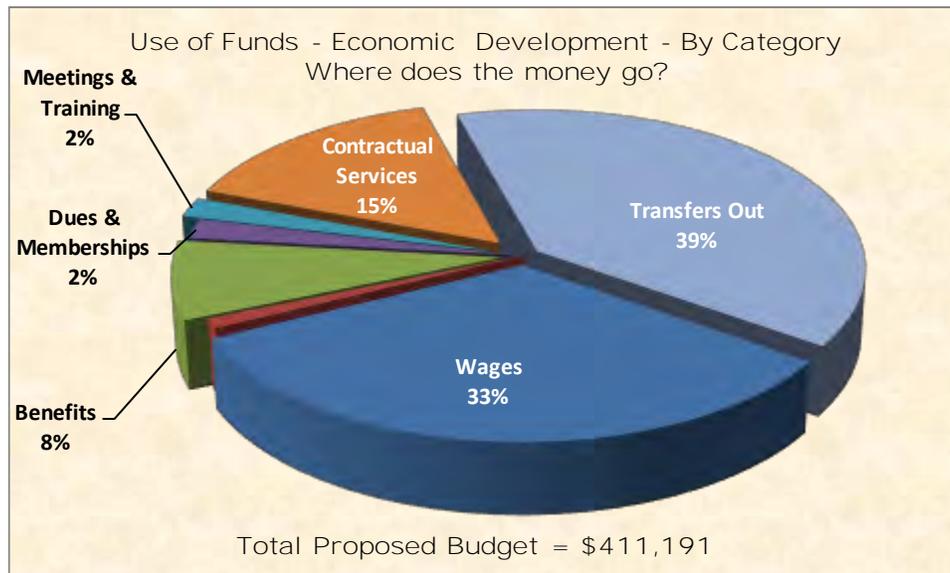
| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 64,690 | \$ 81,644 | \$ 83,697 | \$ 135,789 |
| Employment Taxes | 2,984 | 1,486 | 1,614 | 2,339 |
| Benefits | 9,515 | 21,991 | 18,709 | 33,152 |
| Dues & Memberships | 12,600 | 17,877 | 778 | 9,456 |
| Meetings & Training | 1,796 | 2,339 | 6,915 | 6,915 |
| Utilities | 758 | 775 | 900 | - |
| Contractual Services | 52,469 | 43,649 | 21,405 | 62,534 |
| Supplies | 88 | 73 | 5,100 | 200 |
| Equipment/Improvements | 6 | 4,617 | - | 2,000 |
| Internal Service | 390 | 347 | 365 | 438 |
| Transfers Out | 119,100 | 140,100 | 178,928 | 158,368 |
| Total | \$ 264,396 | \$ 314,898 | \$ 318,411 | \$ 411,191 |

Variance Explanations:

Wages/Benefits: A new position, economic development analyst, was added.

Dues & Memberships: Amounts were added for various new memberships and subscriptions beginning in FY17-18.

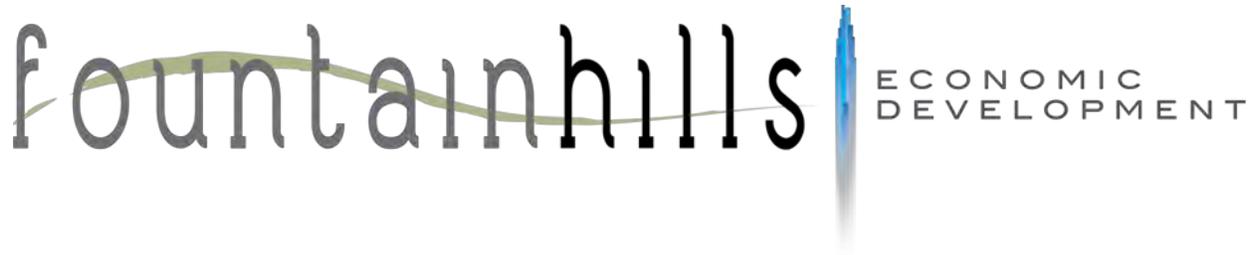
Contractual Services: Budget supplement was added for marketing agency assistance.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---|---|--|--|
| Facilitate and/or recruit new base sector employment opportunities | 44 jobs \$2.6M capital expendi- tures | 32 jobs \$1M capi- tal ex- penditures | 4 jobs \$500 capi- tal ex- penditures | 25 jobs \$2M capi- tal ex- penditures |
| Facilitate expansion of targeted existing business | 13 jobs \$100K capital expendi- tures | 16 jobs \$125 capi- tal ex- penditures | 10 jobs \$0 capital expendi- tures | 25 jobs \$1M capi- tal ex- penditures |
| Support and structure assistance for entrepreneurial growth | N/A | 2 through JumpStart Biz | 4 through JumpStart Biz | 3 through JumpStart Biz |



FY17-18 Proposed Budget
Summary of Expenditures
Economic Development Fund

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--|-----------------------|-----------------------|---------------------------|----------------------------|
| Economic Development Fund | | | | |
| Salaries-Full Time | \$ 40,225 | \$ 81,644 | \$ 83,697 | \$ 135,789 |
| Salaries-Part Time | 24,465 | - | - | - |
| FICA | 1,695 | - | - | - |
| Medicare | 906 | 1,127 | 1,214 | 1,996 |
| Workers Compensation | 299 | 284 | 325 | 233 |
| Unemployment Insurance | 83 | 75 | 75 | 110 |
| Group Health Insurance | 4,570 | 11,724 | 8,221 | 14,383 |
| Group Dental Insurance | 262 | 629 | 594 | 1,040 |
| Group Vision Insurance | 27 | 64 | 54 | 199 |
| Disability Insurance | 127 | 321 | 354 | 575 |
| Retirement | 4,425 | 8,981 | 9,206 | 14,937 |
| Life Insurance | 105 | 272 | 280 | 138 |
| Bonus | - | - | - | 80 |
| Allowance/Stipend | - | - | - | 1,800 |
| Dues, Subscript & Publicat | 12,600 | 17,877 | 778 | 9,456 |
| Training/Cont Ed | 530 | - | - | - |
| Meetings & Training | 1,266 | 2,339 | 6,915 | 6,915 |
| Telecommunications | 758 | 775 | 900 | - |
| Professional Fees | 9,510 | 9,550 | - | - |
| Rentals & Leases | 2,019 | - | - | - |
| Printing Expense | - | - | 100 | 100 |
| Advertising/Signage | 500 | 300 | 16,305 | - |
| Contractual Services | 35,440 | - | - | - |
| Community Contracts/Events | 5,000 | 33,799 | 5,000 | - |
| Marketing | - | - | - | 62,435 |
| Tourism | - | - | 200 | 200 |
| Office Supplies | 88 | 73 | 4,900 | - |
| Operating Supplies | - | - | - | - |
| Software | 6 | - | - | 2,000 |
| Hardware/Peripherals | - | 2,214 | - | - |
| Equipment | - | 2,403 | 100 | 60 |
| ISF-Copier Charges | 179 | 110 | 15 | 13 |
| ISF-Mail Service Charges | 1 | 14 | - | 81 |
| ISF-Motor Pool Charges | - | - | - | 38 |
| ISF-Telecom Charges | <u>210</u> | <u>223</u> | <u>250</u> | <u>245</u> |
| Sub total Expenditures | 145,296 | 174,798 | 139,483 | 252,823 |
| Transfers Out | <u>119,100</u> | <u>140,100</u> | <u>178,928</u> | <u>158,368</u> |
| Total Economic Development Fund | <u>\$ 264,396</u> | <u>\$ 314,898</u> | <u>\$ 318,411</u> | <u>\$ 411,191</u> |



Tourism Fund

Service Delivery Plan

Implement a comprehensive tourism program as outlined in the Town’s Economic Development Plan. Provide a mix of marketing tools, with an emphasis on digital methods, to promote Town programs, amenities, and special events. Maintain the tourism website and provide timely analytic updates. Establish and maintain Fountain Hills as a Destination Marketing Organization with the Arizona Office of Tourism. Research grant opportunities, specific to Proposition 302 funding dispersed through the Arizona Office of Tourism, and apply annually.

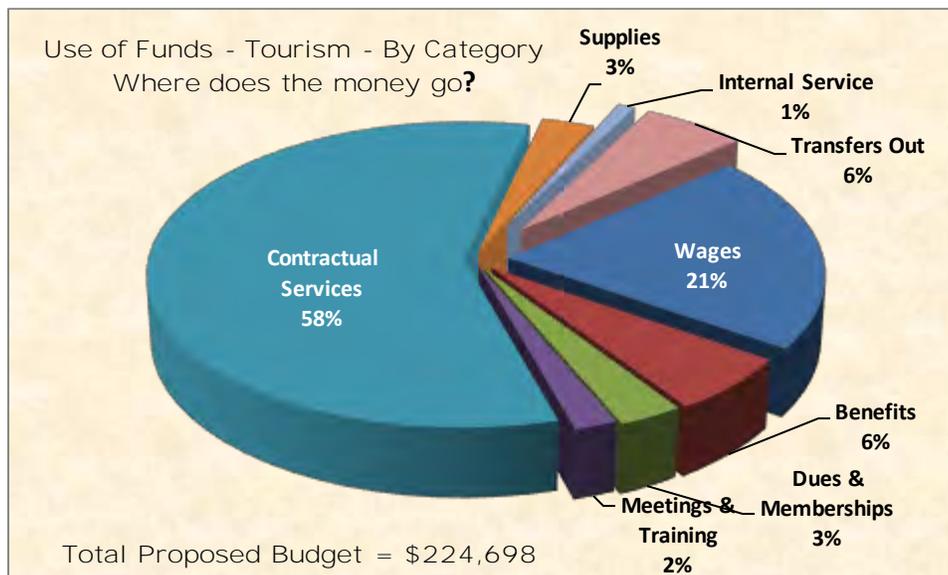
| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 118,120 | \$ 194,435 | \$ 218,790 | \$ 224,698 |
| Total | \$ 118,120 | \$ 194,435 | \$ 218,790 | \$ 224,698 |



| Category | Expenditures by Category | | | |
|-----------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ 40,288 | \$ 47,851 | \$ 51,181 | \$ 47,541 |
| Employment Taxes | 1,824 | 930 | 988 | 842 |
| Benefits | 7,606 | 15,423 | 13,262 | 12,456 |
| Dues & Memberships | 1,941 | 2,704 | 2,350 | 7,750 |
| Meetings & Training | 1,744 | 2,270 | 2,000 | 3,500 |
| Maintenance & Repair | 184 | 1,361 | - | - |
| Utilities | 272 | 382 | 420 | 498 |
| Contractual Services | 56,143 | 108,511 | 135,040 | 127,600 |
| Supplies | 4,166 | 7,539 | 6,649 | 6,649 |
| Equipment/Improvement | 327 | 3,344 | 1,000 | 1,000 |
| Internal Service | 3,625 | 4,120 | 5,900 | 3,362 |
| Transfers Out | - | - | - | 13,500 |
| Total | \$ 118,120 | \$ 194,435 | \$ 218,790 | \$ 224,698 |

Variance Explanations:

Dues & Memberships: The increase is a result of the web hosting costs associated with the Tourism website.



Performance Measures

| | FY14 -15 Actual | FY15 -16 Actual | FY16-17 Estimate | FY17 -18 Target |
|---|----------------------------|----------------------------|-----------------------------|----------------------------|
| Average monthly website views | 17,670 | 26,027 | 30,000 | 40,000 |
| Average monthly social media reach | 4,700 | 16,737 | 20,000 | 25,000 |
| Social Media Followers | 3,273 | 4,271 | 4570 | 5,000 |
| Support overall quality of visitor experience while in Fountain Hills via visitor surveys | Good | Good | Good | Good |

Quality

| | FY14 -15 Actual | FY15 -16 Actual | FY16-17 Estimate | FY17 -18 Target |
|--|----------------------------|----------------------------|-----------------------------|----------------------------|
| Number of special events supported | 44 | 48 | 50 | 55 |
| Reach/maintain status of Destination Marketing Organization as determined by the Arizona Office of Tourism standards | Reached | Maintain | Maintain | Maintain |

Productivity

| | FY14 -15 Actual | FY15 -16 Actual | FY16-17 Estimate | FY17 -18 Target |
|--|----------------------------|----------------------------|-----------------------------|----------------------------|
| Total distribution of collateral (includes Visitor/ Dining Guides) | 21,727 | 22,000 | 30,000 | 30,000 |
| Percentage of in/out of county distribution | 43/57 | 66/44 | 55/45 | 45/55 |



PROJECT TITLE: Proposition 302 Grant for Tourism—Arizona Office of Tourism
GRANT NUMBER: G5201
GRANT AMOUNT AWARDED: \$38,000
TOWN'S MATCH AMOUNT: \$ 0
TOTAL ESTIMATED PROJECT COST: \$38,000

PROJECT DESCRIPTION/SCOPE:

Marketing grant through the Arizona Office of Tourism.

TIMEFRAME: FY17-18

TOTAL ESTIMATED PROJECT COST: \$38,000

PROJECT JUSTIFICATION:

Grant funding not requiring any Town matching funds.

FUNDING PRIORITY: High - Leverage Local Funds



PROJECT TITLE: Proposition 202 Grant for Tourism—Salt River Pima Indian Community

GRANT NUMBER: G5202

GRANT AMOUNT AWARDED: \$35,000

TOWN'S MATCH AMOUNT: \$ 0

TOTAL ESTIMATED PROJECT COST: \$35,000

PROJECT DESCRIPTION/SCOPE:

Marketing grant through Salt River Pima Indian Community for Special Events Support.

TIMEFRAME: FY17-18

TOTAL ESTIMATED PROJECT COST: \$38,000

PROJECT JUSTIFICATION:

Grant funding not requiring any Town matching funds.

FUNDING PRIORITY: High - Leverage Local Funds



PROJECT TITLE: Proposition 202 Grant for Tourism—Fort McDowell
GRANT NUMBER: G5204
GRANT AMOUNT AWARDED: \$10,000
TOWN'S MATCH AMOUNT: \$ 0
TOTAL ESTIMATED PROJECT COST: \$10,000

PROJECT DESCRIPTION/SCOPE:

Fort McDowell grant for marketing the area and golfing activities.

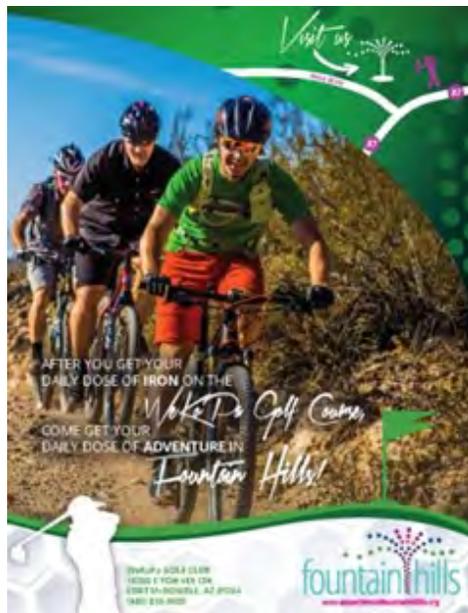
TIMEFRAME: FY17-18

TOTAL ESTIMATED PROJECT COST: \$10,000

PROJECT JUSTIFICATION:

Grant funding not requiring any Town matching funds.

FUNDING PRIORITY: High - Leverage Local Funds



FY17-18 Proposed Budget
Summary of Expenditures
Tourism Fund

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|--------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Tourism Fund | | | | |
| Salaries-Full Time | \$ 31,050 | \$ 47,851 | \$ 51,181 | \$ 47,541 |
| Salaries-Part Time | 9,237 | - | - | - |
| FICA | 981 | - | - | - |
| Medicare | 569 | 681 | 742 | 700 |
| Workers Compensation | 186 | 167 | 164 | 93 |
| Unemployment Insurance | 87 | 82 | 82 | 49 |
| Group Health Insurance | 4,226 | 9,203 | 6,682 | 5,718 |
| Group Dental Insurance | 267 | 528 | 497 | 427 |
| Group Vision Insurance | 40 | 78 | 64 | 75 |
| Disability Insurance | 78 | 188 | 217 | 202 |
| Retirement | 2,923 | 5,264 | 5,630 | 5,230 |
| Life Insurance | 72 | 162 | 172 | 48 |
| Bonus | - | - | - | 36 |
| Allowance/Stipend | - | - | - | 720 |
| License/Filing Fee | 60 | 590 | - | - |
| Dues, Subscript & Publicat | 1,881 | 2,114 | 2,350 | 7,750 |
| Meetings & Training | 1,744 | 2,270 | 2,000 | 3,500 |
| Sign Repair & Replacement | 184 | 1,361 | - | - |
| Telecommunications | 272 | 382 | 420 | 498 |
| Professional Fees | 9,952 | 31,145 | 28,500 | 24,000 |
| Rentals & Leases | - | 4,706 | 13,000 | 3,000 |
| Printing Expense | 285 | - | 470 | - |
| Advertising/Signage | 43,475 | 71,123 | 91,570 | 99,100 |
| Contractual Services | 2,431 | - | - | - |
| Constituent Communication | - | 1,536 | 1,500 | 1,500 |
| Office Supplies | 821 | 714 | 700 | 700 |
| Cleaning/Janitorial Supplies | - | 4 | - | - |
| Operating Supplies | 559 | - | - | - |
| Food & Beverage Supplies | 111 | 302 | 500 | 500 |
| Program Materials | 1,625 | 6,161 | 4,449 | 4,449 |
| Uniforms | 483 | - | - | 1,000 |
| Postage & Delivery | 568 | 359 | 1,000 | - |
| Software | - | 198 | - | - |
| Hardware/Peripherals | 327 | 184 | - | - |
| Equipment | - | 2,962 | 1,000 | 1,000 |
| ISF-Copier Charges | 3,203 | 2,746 | 5,400 | 1,820 |
| ISF-Mail Service Charges | 205 | 1,151 | 250 | 1,200 |
| ISF-Vehicle Replacement Charge | - | - | - | 66 |
| ISF-Motor Pool Charges | 7 | - | - | 31 |
| ISF-Telecom Charges | 211 | 223 | 250 | 245 |
| Sub total Expenditures | 118,120 | 194,435 | 218,790 | 211,198 |
| Transfers Out | - | - | - | 13,500 |
| Total Tourism Fund | <u>\$ 118,120</u> | <u>\$ 194,435</u> | <u>\$ 218,790</u> | <u>\$ 224,698</u> |



Administration Special Revenue Fund

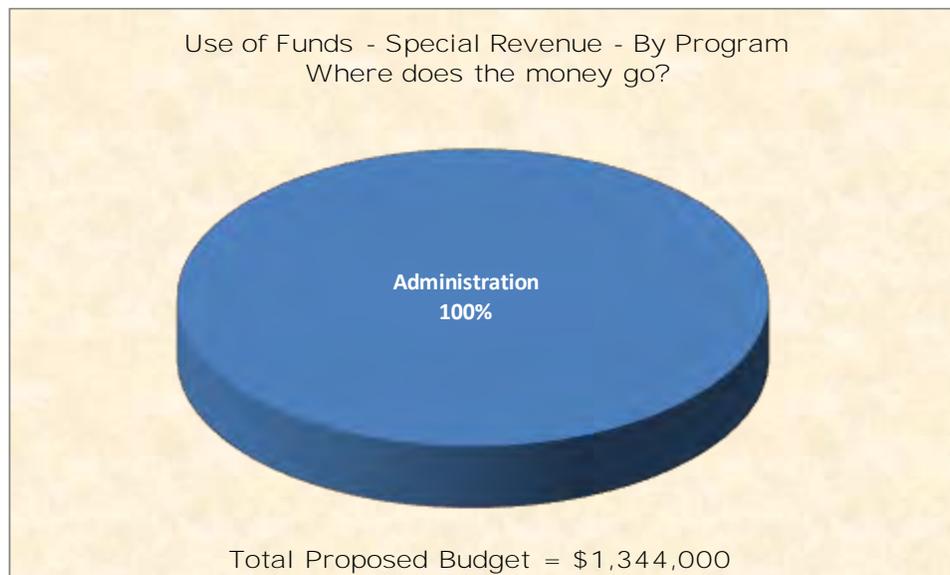


Special Revenue Fund

Service Delivery Plan

The Special Revenue Fund was established as a receptacle for grant monies, both anticipated and unanticipated. Any monies received may have a matching expenditure associated with it. If grants require a Town match, those monies are transferred into this fund. Anticipated grants received on annual basis include Proposition 202 funds and LTAF II funds.

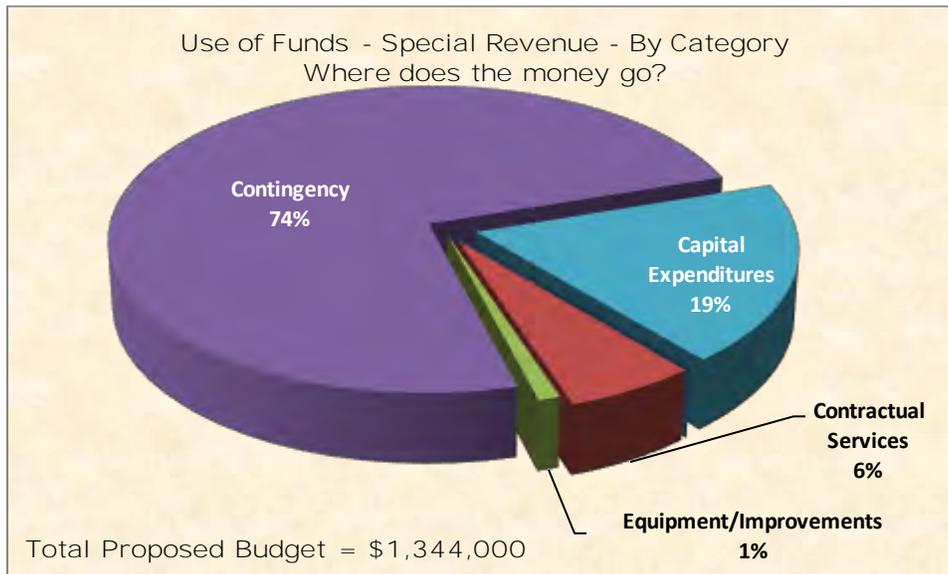
| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 102,364 | \$ 158,947 | \$ 1,644,430 | \$ 1,344,000 |
| Total | \$ 102,364 | \$ 158,947 | \$ 1,644,430 | \$ 1,344,000 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Dues & Memberships | \$ - | \$ - | \$ - | \$ - |
| Contractual Services | 78,687 | 50,000 | 142,000 | 77,000 |
| Equipment/Improvements | - | - | 15,000 | 15,000 |
| Contingency | - | - | 1,071,152 | 1,000,000 |
| Capital Expenditures | 23,677 | 108,947 | 416,278 | 252,000 |
| Total | \$ 102,364 | \$ 158,947 | \$ 1,644,430 | \$ 1,344,000 |

Variance Explanations:

Contractual Services/Capital Expenditures: The changes include a reallocation of funding of the LTAF II funds from Valley Metro services to the creation of a new bus stop at Civic Center Plaza.



FY17-18 Proposed Budget
Summary of Expenditures
Special Revenue Fund

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Special Revenue Fund | | | | |
| Advertising/Signage | \$ - | \$ - | \$ 2,000 | \$ 2,000 |
| Intergovt Agreements | 76,687 | 50,000 | 140,000 | 75,000 |
| Contractual Agreements | 2,000 | - | - | - |
| Street Improvements | - | - | 15,000 | 15,000 |
| Contingency | - | - | 1,071,152 | 1,000,000 |
| Park Improvements | 23,677 | 108,947 | 390,000 | - |
| Other Infrastructure | - | - | 26,278 | 252,000 |
| Sub total Expenditures | 102,364 | 158,947 | 1,644,430 | 1,344,000 |
| Transfers Out | - | - | - | - |
| Total Special Revenue Fund | <u>\$ 102,364</u> | <u>\$ 158,947</u> | <u>\$ 1,644,430</u> | <u>\$ 1,344,000</u> |



PROJECT TITLE: Highway Safety Improvement Program — Stop Signs
GRANT NUMBER: G3204
GRANT AMOUNT AWARDED: \$46,800
TOWN'S MATCH AMOUNT: \$ 0
TOTAL ESTIMATED PROJECT COST: \$46,800

PROJECT DESCRIPTION/SCOPE:

This project will provide improved stop signs on and intersecting with arterial streets.

| | | | |
|--------------------------------------|----------|----------|----------|
| TIMEFRAME: | FY17-18 | FY18-19 | Total |
| TOTAL ESTIMATED PROJECT COST: | \$15,000 | \$31,800 | \$46,800 |

PROJECT JUSTIFICATION:

The Town applied for and was awarded a Highway Safety Improvement Program (HSIP) grant through the Maricopa Association of Governments for the installation of guardrail impact attenuators and traffic signal pedestrian countdown timers. The traffic signal pedestrian countdown times have been installed. This project will provide additional safety measures for motorists and pedestrians while being funded 100% through grant funds.

FUNDING PRIORITY: High - Leverage Local Funds



PROJECT TITLE: Civic Center Bus Stop Improvements
GRANT NUMBER: G4101
GRANT AMOUNT AWARDED: \$280,000
TOWN'S MATCH AMOUNT: \$ 0
TOTAL ESTIMATED PROJECT COST: \$280,000

PROJECT DESCRIPTION/SCOPE:

This project will relocate the existing Valley Metro 514 Express bus route origination point from Palisades Boulevard south of La Montana Drive to a more centralized location at the Town's Civic Center. The new bus stop location will provide for a bus shelter, parking and ADA compliance.

TIMEFRAME: FY17-18

PROJECT JUSTIFICATION:

This project will provide for a centralized bus stop location for the 514 Express Route at the Town's Civic Center and near higher density apartments and housing. Funding for the project is provided by Local Transportation Assistance Funds (LTAF II).

FUNDING PRIORITY: High - Leverage Local Funds





Municipal Court Court Enhancement Fund

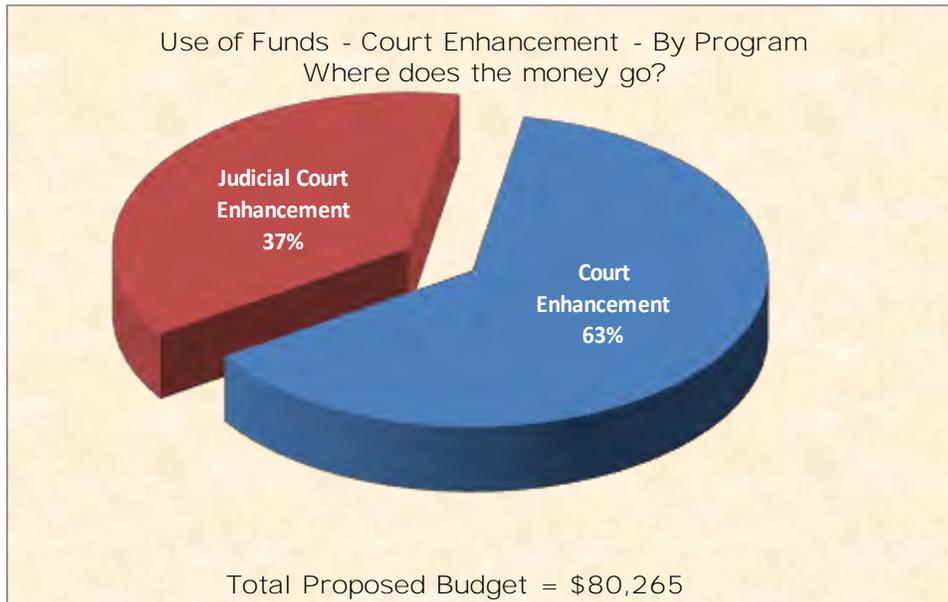


Court Enhancement Fund

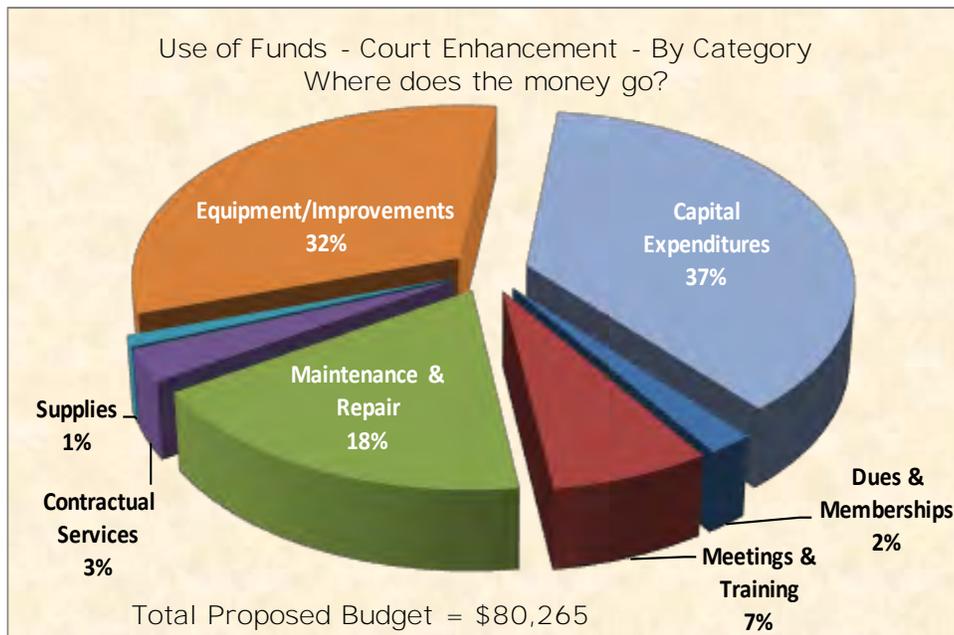
Service Delivery Plan

Pursuant to local ordinance and Arizona Revised Statutes, the court collects monies deposited into the local Court Enhancement Fund (CCEF) and Judicial Court Enhancement Fund (JCEF) to increase the effectiveness of Fountain Hills Municipal Court. Pursuant to Town Resolution 2000-03A, Court Enhancement Funds shall be used to offset the costs of computer software, personnel, equipment and supplies needed to increase the effectiveness of Court case management. Pursuant to A.R.S. §12-113(B), Judicial Court Enhancement Funds, "shall be used according to plans approved by the supreme court to train court personnel, improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts, including restitution, child support, fines and civil penalties, to improve court automation, to improve case processing or the administration of justice and for probation services." The monies collected into these funds are to be used to supplement the Court's annual appropriations and shall not be used solely to fund court operations. Both funds are maintained as separate accounts within the Town and any balance remaining in such accounts at the end of the fiscal year shall carry over into the subsequent fiscal year.

| Program Name | Expenditures by Program | | | |
|----------------------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Court Enhancement | \$ 845 | \$ 2,759 | \$ 58,115 | \$ 50,265 |
| Judicial Court Enhancement | - | - | 30,000 | 30,000 |
| Total | \$ 845 | \$ 2,759 | \$ 88,115 | \$ 80,265 |



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|-----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Dues & Memberships | \$ - | \$ - | \$ 1,500 | \$ 1,500 |
| Meetings & Training | - | - | 1,000 | 5,500 |
| Maintenance & Repair | 534 | - | 17,000 | 14,500 |
| Contractual Services | - | - | 7,375 | 2,500 |
| Supplies | - | - | 740 | 500 |
| Equipment/Improvements | 311 | 2,759 | 30,500 | 25,765 |
| Capital Expenditures | - | - | 30,000 | 30,000 |
| Total | \$ 845 | \$ 2,759 | \$ 88,115 | \$ 80,265 |



FY17-18 Proposed Budget
Summary of Expenditures
Court Enhancement Fund

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|------------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Court Enhancement Fund | | | | |
| Dues, Subscript & Publicat | \$ - | \$ - | \$ 1,500 | \$ 1,500 |
| Meetings & Training | - | - | 1,000 | 5,500 |
| Office Equip Maint/Repair | 534 | - | 4,500 | 4,500 |
| Other Maint/Repair | - | - | 12,500 | 10,000 |
| Professional Fees | - | - | 1,500 | - |
| Printing Expense | - | - | 2,000 | 2,000 |
| Advertising/Signage | - | - | 500 | 500 |
| Intergovt Agreements | - | - | 3,375 | - |
| Office Supplies | - | - | 500 | 500 |
| Food & Beverage Supplies | - | - | 240 | - |
| Software | - | - | 10,000 | 510 |
| Hardware/Peripherals | 311 | - | 8,000 | 15,155 |
| Furniture/Appliances | - | 2,759 | 12,500 | 10,100 |
| Computer Hardware | - | - | 30,000 | 30,000 |
| Sub total Expenditures | 845 | 2,759 | 88,115 | 80,265 |
| Transfers Out | - | - | - | - |
| Total Court Enhancement Fund | \$ 845 | \$ 2,759 | \$ 88,115 | \$ 80,265 |



Administration Environmental Fund



Environmental Fund

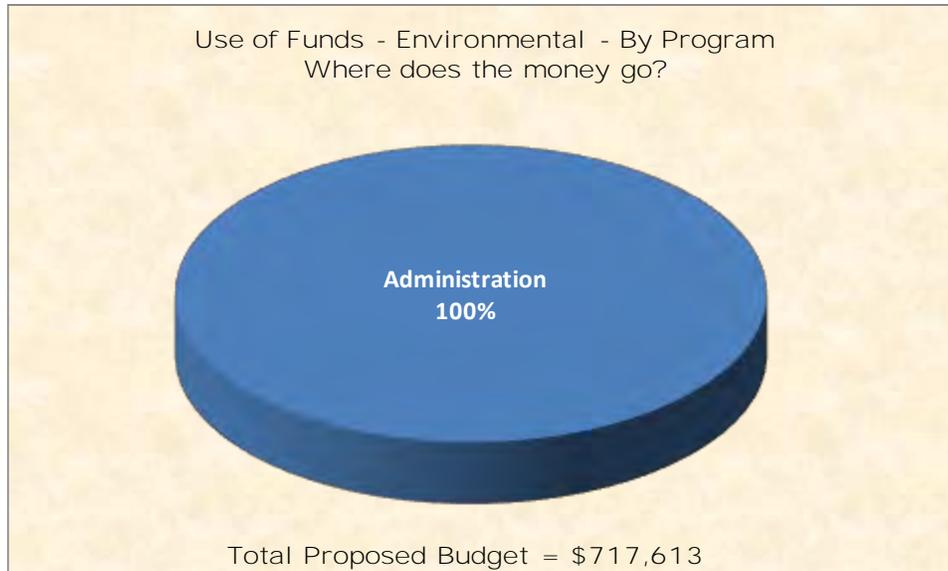
Service Delivery Plan

The Environment Fund was established to help offset the costs of stormwater management and air quality permit requirements as well as other environmental programs. These items include but are not limited to permit fees, wash maintenance, ADWR dam inspection and maintenance, street sweeping, storm drain cleaning and household hazardous waste disposal.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ - | \$ 472,351 | \$ 540,586 | \$ 717,613 |
| Total | \$ - | \$ 472,351 | \$ 540,586 | \$ 717,613 |

Variance Explanations:

Administration: Amounts were included for a household hazardous waste event and new stormwater support services.

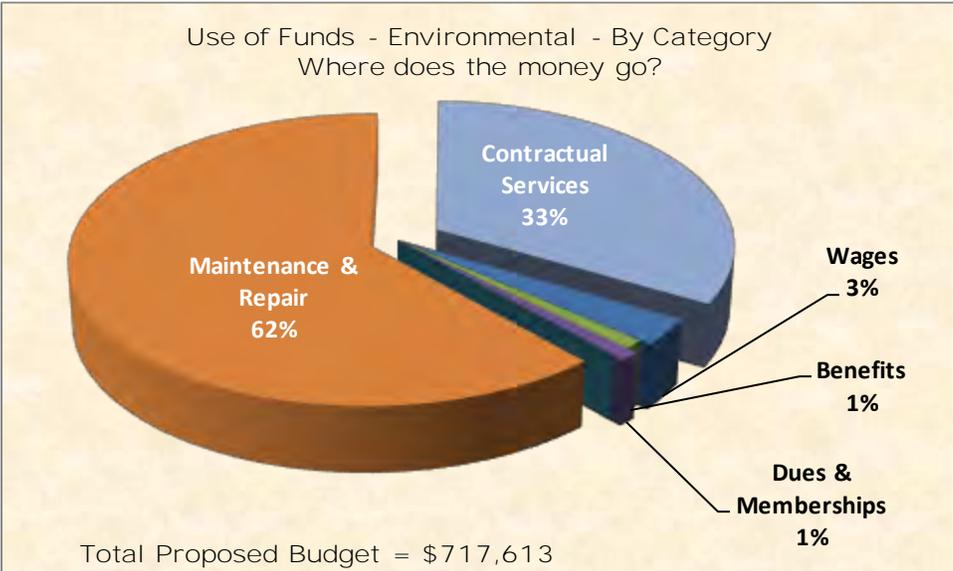


| Category | Expenditures by Category | | | |
|-----------------------|--------------------------|----------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Wages | \$ - | \$ 18,004 | \$ 18,283 | \$ 18,740 |
| Employment Taxes | - | 1,151 | 1,011 | 771 |
| Benefits | - | 4,191 | 3,677 | 3,742 |
| Dues & Memberships | - | 10,000 | 10,715 | 10,715 |
| Meetings and Training | - | - | 300 | 300 |
| Maintenance & Repair | - | 284,039 | 335,400 | 445,400 |
| Contractual Services | - | 154,966 | 170,000 | 235,945 |
| Supplies | - | - | 1,200 | 2,000 |
| Total | \$ - | \$ 472,351 | \$ 540,586 | \$ 717,613 |

Variance Explanations:

Maintenance & Repair: Amount was added for additional maintenance in the Ashbrook Wash.

Contractual Services: Amounts were included for a household hazardous waste event and new stormwater support services.



Activities/Results

Performance Measures

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| Percentage of residential sweeping completed within specified cycle* | 100% | 100% | 100% | 100% |
| Percentage of arterial sweeping completed within specific cycle* | 100% | 100% | 100% | 100% |
| Completion of annual permit requirements | N/A | N/A | 100% | 100% |

*Contracted street sweeping in FY13-14. Arterial street sweeping changed from once every two weeks to once every three weeks. FY14-15 actual sweeping costs were paid out of the Streets fund.

Quality

| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Total lane miles on sweeping schedule | 316 | 316 | 317 | 317 |
| Total lane miles swept annually | 2,682 | 2,682 | 2,695 | 2,695 |
| Acres of Town-owned washes maintained | 75 | 65 | 65 | 65 |
| Number of paper shedding events held* | 2 | 2 | 2 | 2 |
| Number of electronics recycling events held | 1 | 1 | 1 | 1 |
| Number of household hazardous waste events held | 0 | 0 | 1 | 1 |

*Friends of the Library sponsored event

Productivity

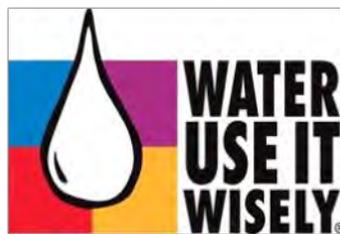
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Estimate | FY17-18 Target |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Expenditure for street sweeping* | \$87,908 | \$69,316 | \$90,000 | \$90,000 |
| Expenditure per lane mile of streets swept* | \$32.78 | \$25.84 | \$33.40 | \$33.40 |

*Contracted street sweeping in FY13-14. Arterial street sweeping changed from once every two weeks to once every three weeks. FY13-14 and FY14-15 actual sweeping costs were paid out of the Streets fund.



FY17-18 Proposed Budget
Summary of Expenditures
Environmental Fund

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|----------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Environmental Fund | | | | |
| Salaries-Full Time | \$ - | \$ 18,004 | \$ 18,283 | \$ 18,740 |
| Medicare | - | 260 | 265 | 272 |
| Workers Compensation | - | 872 | 727 | 485 |
| Unemployment Insurance | - | 19 | 19 | 14 |
| Group Health Insurance | - | 1,956 | 1,411 | 1,447 |
| Group Dental Insurance | - | 109 | 103 | 107 |
| Group Health Vision | - | 16 | 13 | 19 |
| Disability Insurance | - | 69 | 78 | 79 |
| Retirement | - | 1,981 | 2,011 | 2,061 |
| Life Insurance | - | 60 | 61 | 19 |
| Bonus | - | - | - | 10 |
| Licenses/Filing Fees | - | 7,000 | 7,715 | 7,715 |
| Dues, Subscript & Publicat | - | 3,000 | 3,000 | 3,000 |
| Meetings & Training | - | - | 300 | 300 |
| Grounds Maint/Repair | - | - | 5,000 | 5,000 |
| Wash Maintenance | - | 146,817 | 150,000 | 210,000 |
| Dam Inspection and Maint | - | 19,960 | 20,400 | 20,400 |
| Drainage Maint/Repair | - | 92,188 | 130,000 | 180,000 |
| Storm Damage Cleanup | - | 25,074 | 30,000 | 30,000 |
| Professional Fees | - | 54,242 | 80,000 | 50,000 |
| Contractual Services | - | 98,816 | 90,000 | 135,920 |
| Constituent Communication | - | 1,134 | - | - |
| Bank/Merc Acct Fees | - | 24 | - | 25 |
| Community Contracts/Events | - | 750 | - | 50,000 |
| Program Materials | - | - | 1,200 | 2,000 |
| Sub total Expenditures | - | 472,351 | 540,586 | 717,613 |
| Transfers Out | - | - | - | - |
| Total Environmental Fund | \$ - | \$ 472,351 | \$ 540,586 | \$ 717,613 |



Cottonwoods Maintenance District



The Cottonwoods Maintenance District was formed by the Town Council in June 1999 for the purpose of improving the common areas of the Cottonwoods subdivision; the Town Council serves as the governing Board for the District. The Maintenance District provides for the maintenance of the common area, which is performed by the Town of Fountain Hills. The cost is repaid through an annual property tax assessment per property owner levied by the Town and collected by Maricopa County. The estimated levy for FY17-18 is \$94.04 which includes the annual contract cost for landscaping as well as establishing a reserve amount for future exterior wall maintenance.

COTTONWOODS MAINTENANCE DISTRICT

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|---------------------------|-------------------|-------------------|---------------------------|----------------------------|
| Revenues | | | | |
| Property Tax | \$ 4,823 | \$ 5,430 | \$ 5,588 | \$ 5,454 |
| Interest Income | <u>8</u> | <u>30</u> | <u>-</u> | <u>36</u> |
| Total Revenues | <u>\$ 4,831</u> | <u>\$ 5,460</u> | <u>\$ 5,588</u> | <u>\$ 5,490</u> |
| Expenditures | | | | |
| Grounds Maint/Repair | \$ (3,000) | \$ (2,500) | \$ (4,015) | \$ (3,881) |
| Advertising/Signage | \$ (185) | \$ (195) | \$ (200) | \$ (200) |
| ISF-Mail Service Charges | <u>\$ (50)</u> | <u>\$ (10)</u> | <u>\$ (50)</u> | <u>(50)</u> |
| Total Expenditures | <u>\$ (3,235)</u> | <u>\$ (2,705)</u> | <u>\$ (4,265)</u> | <u>\$ (4,131)</u> |

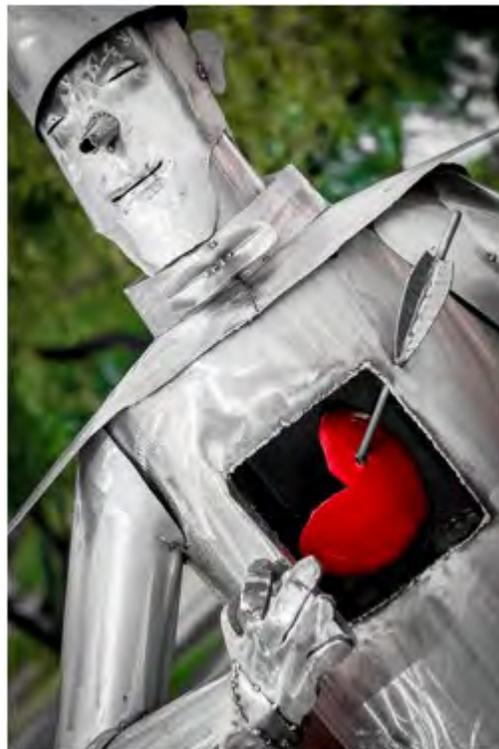


**Cottonwoods Maintenance District
Summary of Tax Levy and Tax Rate Information
Fiscal Year 17-18**

| | FY16-17 | FY17-18 |
|--|------------------|------------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A) | \$ _____ | \$ _____ |
| 2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18) | \$ _____ | |
| 3. Property tax levy amounts | | |
| A. Primary property taxes | \$ _____ | \$ _____ |
| B. Secondary property taxes | _____ 5,588 | _____ 5,454 |
| C. Total property tax levy amounts | \$ _____ 5,588 | \$ _____ 5,454 |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) Current year's levy | \$ _____ | |
| (2) Prior years' levies | _____ | |
| (3) Total primary property taxes | _____ | |
| B. Secondary property taxes | | |
| (1) Current year's levy | _____ 5,588 | |
| (2) Prior years' levies | _____ | |
| (3) Total secondary property taxes | _____ 5,588 | |
| C. Total property taxes collected | \$ _____ 5,588 | |
| 5. Property tax rates | | |
| A. City/Town tax rate | | |
| (1) Primary property tax rate | \$ _____ | \$ _____ |
| (2) Secondary property tax rate | _____ 96.3500 | _____ 94.0400 |
| (3) Total city/town tax rate | \$ _____ 96.3500 | \$ _____ 94.0400 |

* 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.





Debt Service Funds



Debt Service Funds

The Debt Service Funds provide for the payment of interest, principal, and related costs on General Obligation (GO) bonds (both the Town of Fountain Hills and the Eagle Mountain Community Facilities District) and Municipal Property Corporation (MPC) Revenue bonds.

General Obligation Debt

There have been four General Obligation bond issues that were approved by the voters for specific purposes:

- The first GO bond issue in 1991 (refunded in 1995) was to pave roads that remained unpaved at the time of incorporation.
- Additional GO bonds issued in 1999 and 2000 (partially refunded in 2005) were for the construction of a library/museum and acquiring land for open space preservation.
- Bonds issued in 2001 (partially refunded in 2005) were for the purchase of mountain preserve land in the McDowell mountains.
- Bonds were issued in December 2014 to pay for the Saguaro Boulevard Reconstruction Project.

The annual property tax levy is based on the total amount required for the payment (with adjustments for carry-forward, delinquencies, etc.) divided by the total secondary assessed valuation for the Town of Fountain Hills.

The Town’s assessed property valuation for FY17-18 is estimated to be \$444,649,617 for the upcoming year (a 5.0% increase from the prior year) and the estimated levy is \$0.4259 per \$100 of assessed value. The levy is \$.0213 lower than last year as a result of the use of accumulated reserves.

GENERAL OBLIGATION DEBT SERVICE

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-----------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Revenues | | | | |
| Secondary Property Tax | \$ 475,285 | \$ 2,119,611 | \$ 1,894,584 | \$ 1,893,694 |
| Interest Income | 327 | 2,514 | 210 | 720 |
| Transfer In | <u>362,637</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Revenues | <u>\$ 838,250</u> | <u>\$ 2,122,125</u> | <u>\$ 1,894,794</u> | <u>\$ 1,894,414</u> |
| Expenditures | | | | |
| Principal Payments | \$ (390,000) | \$ (1,770,000) | \$ (1,930,000) | \$ (1,980,000) |
| Interest Payments | (169,772) | (231,850) | (188,250) | (140,950) |
| Administrative/Trustee Fees | <u>(1,250)</u> | <u>(1,000)</u> | <u>(1,100)</u> | <u>(600)</u> |
| Total Expenditures | <u>\$ (561,022)</u> | <u>\$ (2,002,850)</u> | <u>\$ (2,119,350)</u> | <u>\$ (2,121,550)</u> |



Eagle Mountain Community Facilities District (CFD) Debt

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

- The first two CFD 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.
- CFD bonds issued in 2005 were for refunding and defeasing the 1996 issues.
- Outstanding bonds were refinanced 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 anticipated rate based on the estimated assessed valuation of \$28,954,057 (an increase of 4.6% from the prior year) is \$1.2874 per \$100 of assessed valuation compared to \$1.3680 in the prior year.

EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT DEBT SERVICE

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-----------------------------|-----------------------|---------------------|---------------------------|----------------------------|
| Revenues | | | | |
| Property Tax | \$ 424,552 | \$ 418,257 | \$ 378,392 | \$ 372,746 |
| Bond Proceeds | 2,300,000 | - | - | - |
| Interest Income | 166 | 472 | 150 | 120 |
| Total Revenues | \$ 2,724,718 | \$ 418,729 | \$ 378,542 | \$ 372,866 |
| Expenditures | | | | |
| Advertising/Signage | \$ (175) | \$ (195) | \$ (170) | \$ (200) |
| Principal Payments | (2,495,000) | (365,000) | (375,000) | (380,000) |
| Interest Payments | (100,685) | (43,516) | (34,056) | (27,456) |
| Administrative/Trustee Fees | (73,253) | - | - | - |
| Total Expenditures | \$ (2,669,113) | \$ (408,711) | \$ (409,226) | \$ (407,656) |

Municipal Property Corporation (MPC) Debt

There have been four Municipal Property Corporation (MPC) bond issues that were approved by the voters for specific purposes:

- The first MPC bond issue in 2000 (partially refunded in 2005) was to build the Community Center.



- The second MPC issue was in 2001 (partially refunded in 2005) for the purchase of mountain preserve land.
- The third MPC issue was in 2004 for the construction of the Town Hall.
- Outstanding bonds were refinanced in 2015 to reduce interest costs.

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. The MPC owns the land and buildings purchased through bond proceeds. The bonds issued for the Community Center are repaid through the General Fund within the General Government Department budget. When the bonds are retired, any assets owned by the MPC will be turned over to the Town of Fountain Hills.

During FY11-12, the Town used surplus reserves to retire bonds that were issued in 2004 for the Civic Center (Town Hall). The payoff provided a net savings of approximately \$276,000 over the life of the bonds. The annual debt service payment savings will be available in the General Fund for ongoing operations.

Beginning in FY17-18, the local sales tax that was dedicated to paying for the mountain preserve bonds will be used to fund the asphalt replacement program.

MUNICIPAL PROPERTY CORPORATION DEBT SERVICE

| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
|-----------------------------|-----------------------|---------------------|---------------------------|----------------------------|
| Revenues | | | | |
| Sales-Excise Tax | \$ 689,920 | \$ 708,777 | \$ - | \$ - |
| Bond Proceeds | 1,880,000 | - | - | - |
| Interest Income | 455 | 994 | 300 | 840 |
| Transfer In | 500,000 | - | 249,055 | 209,838 |
| Total Revenues | \$ 3,070,375 | \$ 709,771 | \$ 249,355 | \$ 210,678 |
| Expenditures | | | | |
| License/Filing Fees | \$ (10) | \$ (10) | \$ (10) | \$ (10) |
| Principal Payments | (2,780,000) | (480,000) | (370,000) | (360,000) |
| Interest Payments | (111,200) | (32,740) | (22,680) | (16,686) |
| Administrative/Trustee Fees | (63,503) | (800) | (1,000) | (1,000) |
| Total Expenditures | \$ (2,954,713) | \$ (513,550) | \$ (393,690) | \$ (377,696) |



Outstanding Debt

The Schedule below includes an itemization of the outstanding debt as of June 30, 2017, after the scheduled principal and interest payment due July 1.

Outstanding Debt Schedule

| <u>Bond Type</u> | <u>Purpose of Issue</u> | <u>Date of Bond Issue</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>Original Principal Amount</u> | <u>Principal Amount Retired</u> | <u>Outstanding Principal</u> |
|------------------|-------------------------|---------------------------|----------------------|-------------------------|----------------------------------|---------------------------------|------------------------------|
| GO | Refunding | 6/1/2005 | 4.00 | 7/1/2019 | \$ 7,225,000 | \$ 6,460,000 | \$ 765,000 |
| GO | Road Construction | 12/18/2014 | 2.00-3.00 | 7/1/2020 | <u>7,565,000</u> | <u>2,855,000</u> | <u>4,710,000</u> |
| | Total GO | | | | <u>14,790,000</u> | <u>9,315,000</u> | <u>5,475,000</u> |
| Rev | Refunding | 6/4/2015 | 1.62 | 7/1/2020 | <u>1,880,000</u> | <u>850,000</u> | <u>1,030,000</u> |
| | Total Rev | | | | <u>1,880,000</u> | <u>850,000</u> | <u>1,030,000</u> |
| GO | Eagle Mtn | 6/4/2015 | 1.76 | 7/1/2021 | <u>2,300,000</u> | <u>740,000</u> | <u>1,560,000</u> |
| | Total GO - Eagle Mtn | | | | <u>2,300,000</u> | <u>740,000</u> | <u>1,560,000</u> |
| | Grand Total | | | | <u>\$ 18,970,000</u> | <u>\$ 10,905,000</u> | <u>\$ 8,065,000</u> |

GO General Obligation Bonds
Rev Revenue Bonds



Legal Debt Margin Information

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

20% limit - GO 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 - GO bonds for any other general purpose improvements.

Proposition 117 in FY15-16 changed the basis for assessment from full cash value to limited property value.

| Town of Fountain Hills, Arizona Legal Debt Margin Information | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | <u>FY14-15</u> | <u>FY15-16</u> | <u>FY16-17</u> | <u>FY17-18</u> |
| 6% Debt Limit | | | | |
| Debt limit | \$ 24,177,956 | \$ 24,128,118 | \$ 25,419,147 | \$ 26,678,977 |
| Total applicable to limit | - | - | - | - |
| Legal debt margin | <u>\$ 24,177,956</u> | <u>\$ 24,128,118</u> | <u>\$ 25,419,147</u> | <u>\$ 26,678,977</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% |
| 20% Debt Limit | | | | |
| Debt limit | \$ 80,593,185 | \$ 80,427,061 | \$ 84,730,489 | \$ 88,929,923 |
| Total applicable to limit | 2,900,000 | 2,000,000 | 7,405,000 | 5,475,000 |
| Legal debt margin | <u>\$ 77,693,185</u> | <u>\$ 77,527,061</u> | <u>\$ 82,730,489</u> | <u>\$ 81,524,923</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 4% | 2% | 9% | 6% |
| Net Assessed: | | | | |
| Full Cash Value | \$ 402,965,927 | | | |
| Limited Property Value | | \$ 402,135,304 | \$ 423,652,443 | \$ 444,649,617 |



**Town of Fountain Hills
Summary of Tax Levy and Tax Rate Information
Fiscal Year 17-18**

| | FY16-17 | FY17-18 |
|--|--------------|--------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A) | \$ _____ | \$ _____ |
| 2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18) | \$ _____ | |
| 3. Property tax levy amounts | | |
| A. Primary property taxes | \$ _____ | \$ _____ |
| B. Secondary property taxes | 1,894,584 | 1,893,694 |
| C. Total property tax levy amounts | \$ 1,894,584 | \$ 1,893,694 |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) Current year's levy | \$ _____ | |
| (2) Prior years' levies | _____ | |
| (3) Total primary property taxes | _____ | |
| B. Secondary property taxes | | |
| (1) Current year's levy | 1,894,584 | |
| (2) Prior years' levies | _____ | |
| (3) Total secondary property taxes | 1,894,584 | |
| C. Total property taxes collected | \$ 1,894,584 | |
| 5. Property tax rates | | |
| A. Town tax rate | | |
| (1) Primary property tax rate | \$ _____ | \$ _____ |
| (2) Secondary property tax rate | 0.4472 | 0.4259 |
| (3) Total city/town tax rate | \$ 0.4472 | \$ 0.4259 |

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.



**Eagle Mountain Community Facilities District
 Summary of Tax Levy and Tax Rate Information
 Fiscal Year 17-18**

| | FY16-17 | FY17-18 |
|--|------------|------------|
| 1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A) | \$ _____ | \$ _____ |
| 2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18) | \$ _____ | |
| 3. Property tax levy amounts | | |
| A. Primary property taxes | \$ _____ | \$ _____ |
| B. Secondary property taxes | 378,392 | 372,746 |
| C. Total property tax levy amounts | \$ 378,392 | \$ 372,746 |
| 4. Property taxes collected* | | |
| A. Primary property taxes | | |
| (1) Current year's levy | \$ _____ | |
| (2) Prior years' levies | _____ | |
| (3) Total primary property taxes | _____ | |
| B. Secondary property taxes | | |
| (1) Current year's levy | 378,392 | |
| (2) Prior years' levies | _____ | |
| (3) Total secondary property taxes | 378,392 | |
| C. Total property taxes collected | \$ 378,392 | |
| 5. Property tax rates | | |
| A. CFD | | |
| (1) Primary property tax rate | \$ _____ | \$ _____ |
| (2) Secondary property tax rate | 1.3680 | 1.2874 |
| (3) Total city/town tax rate | \$ 1.3680 | 1.2874 |

* 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.



Capital Improvement Program



Capital Improvement Program (CIP) Policy and Procedures

Objective

To provide a policy and procedures for the development, approval, and implementation of the Town of Fountain Hills' five (5) year and twenty (20) year Capital Improvement Programs (CIP).

Scope

This policy applies to all projects undertaken by the Town of Fountain Hills that meet the definition of a capital improvement project detailed in the definitions section.

Policy

The purpose of the Capital Improvement Program is to provide an authoritative decision-making process for the evaluation, selection, and multi-year scheduling of public physical improvements based on a projection of available fiscal resources and the community's priorities.

The objectives of the Program are to:

- a) ensure the timely repair, replacement and expansion of the Town's infrastructure;
- b) serve as a link in the Town's planning between the Town's Strategic Plan and all subsidiary plans with a 5-20 year horizon and the annual budget process with a one-year horizon;
- c) maintain control over the Town's long-term cash flow in relation to the Town's financial capacity; and
- d) ensure efficient, effective and coordinated capital improvement.

Definitions

The following words, when used in connection with this policy, shall have the following meanings:

CAPITAL IMPROVEMENT PROGRAM: A multi-year planning document that is the product of a systematic evaluation of capital projects. This Program serves as a guide for the efficient and effective construction and maintenance of public facilities, outlining a detailed timeline and financing schedule of capital projects for a five (5) year period of time and a summary schedule of capital projects for a twenty (20) year period.

CAPITAL IMPROVEMENT PROJECT: A capital project is a heavy equipment acquisition, a computer/software systems acquisition, or a public improvement that involves construction of new infrastructure, additions to existing structures, renovation of existing structures, and major repairs to infrastructure of a comprehensive and non-routine nature. A capital project is defined in financial terms as a project with a projected final cost of at least \$50,000 and is a non-recurring expense.

In addition, the capital asset(s) resulting from the project should have a useful life of at least 10 years. Studies, design and engineering fees greater than \$10,000 which are preparatory to a capital project with a projected final cost of at least \$50,000 should be included as part of the capital project cost.

INFRASTRUCTURE IMPROVEMENT PLAN (IIP): A written plan that individually or collectively identifies each public service that is proposed to be the subject of a development fee. The Town of Fountain Hills' IIP is incorporated as part of the Town's CIP and follows the same timeline and procedure.

Process

A. Schedule: Annually, the CIP Coordinator and Finance Director will submit a proposed CIP development calendar to the Town Manager for review. Based on this calendar, the CIP Coordinator will initiate a request to the management team for submission of updates, revisions and new projects for the five (5) year Capital Improvement Program. A further, but less detailed, review of the twenty (20) year Program will also be conducted.

B. Format: The management team will utilize the previous year's approved CIP as a base for developing recommended additions, deletions, or changes for incorporation in the updated CIP for the ensuing year. The management team will utilize the standard format provided to submit new projects or propose revisions to existing projects. All new projects will also include a comprehensive estimate of the impact of the new project on the Town's annual operating budget; e.g., salaries and benefits, supplies, utilities, fuel, maintenance requirements, etc.

C. Finance Review: The Finance Director will assist the CIP Coordinator as necessary in all facets of Capital Improvement Program development and review including production of revenue estimates and estimated growth in assessed valuation as well as overall financial analysis of the proposed program. Additional assistance may be requested to help produce draft documents, etc.

D. Town Manager Review: The CIP Coordinator will provide a copy of the proposed CIP document to the Finance Director and Town Manager for review and comment prior to distribution of the CIP document to the Town Council as part of the budget package.

E. Public Hearing: The proposed CIP will be considered at a public hearing convened by the Town Council to accept comments and input from the public on the content of the Program. Notice of said public hearing date, place, and time will be made at least 60 days in advance of the scheduled hearing. Copies of the proposed CIP will be made available to the public at least 30 days prior to the scheduled hearing date and at the hearing itself.

F. Town Council Approval: The final draft of the proposed CIP will be submitted as an agenda item for formal approval by the Town Council at the first Council Meeting in June.

G. Distribution: A copy of the approved CIP document will be published on the Town's website.

H. Implementation: Upon adoption of the CIP, projects included within the applicable budget year may be implemented by the appropriate management team member in compliance with the Town's procurement policy, special benefit district, or applicable procedure.



I. Amendments: The adopted CIP may be amended upon approval of the Town Council. Examples of amendments include cost increases for approved projects, the acceleration of projects to the applicable budget year from a future year, and the addition of projects not previously included in the CIP.

An amendment to the CIP will be submitted to the Town Manager for approval. Upon approval, the amendment should be prepared as an agenda item for formal approval by the Town Council at a regular or special session. Upon approval, a copy of the amended CIP document will be published on the Town's website.

Procedure

A. Form: The form listed as Attachment A shall be utilized to request inclusion of a project in the Capital Improvement Program.

B. Funding Prioritization: As part of the project submittal process, management team members shall identify project priorities to help determine which projects are recommended for inclusion in the five-year CIP.

The initial measure of the project's priority is first established using the following factors:

HIGH

- Project protects the health and safety of the Town, its residents, visitors and employees
- Project is mandated by Federal, State or local, regulations
- Project is a high priority of the Town Council, based on the most current Strategic Plan or other subsidiary plans. Project prevents irreparable damage to existing facilities
- Project leverages local funding with other non-local funding sources
- Project finishes a partially completed project

MEDIUM

- Project maintains existing service levels
- Project provides for the maintenance of existing systems and equipment
- Project results in increased efficiency
- Project reduces operational costs
- Project significantly reduces losses in revenue or provides for significant increased revenues

LOW

- Project provides an expanded level of service or new public facility not included in the Town Council's priorities
- Project is deferrable
- Project uses debt financing

C. Funding Sources: The primary funding sources for the CIP are the General Fund, grants, development fees, excise taxes, HURF, bonded indebtedness, capital leases and Capital Projects funds. All potential projects must identify the proposed sources of funding before submission of the CIP request. Projects that are funded by development fees must also identify the relationship between the IIP project and the development fee from which it is funded in the justification section of the CIP Form.

D. Project Schedule: Each Project Manager shall provide a preliminary schedule which shall detail the various phases involved in the project and their starting and ending dates. It is the responsibility of the Project Manager to maintain this schedule or to provide schedule updates to the CIP Coordinator on at least a quarterly basis.

Responsibility for Enforcement

The Town Manager, Finance Director and CIP Coordinator will be responsible for ensuring that this policy is followed and/or updated as necessary.



Attachment A
Town of Fountain Hills
Capital Improvement Project Information

PROJECT TITLE: [Click here to enter text.](#)

PROJECT NUMBER: [Click here to enter text.](#)

PROJECT DESCRIPTION/SCOPE: [Click here to enter text.](#)

TIMEFRAME: [Click here to enter text.](#) Example FY 2018-20

YEAR PROJECT BEGAN: [Click here to enter text.](#) Example FY 2017-18

TOTAL ESTIMATED PROJECT COST: [Click here to enter text.](#)

PROJECT JUSTIFICATION: [Click here to enter text.](#)

FUNDING PRIORITY: [Click here to select a Priority from the list](#)

Note: Double click on the below tables to update them in Excel. The totals will automatically calculate.

| Funding Sources | | | | | | | |
|-------------------|-------------|----------|----------|----------|----------|----------|-------|
| Fund Type | Prior Years | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | Total |
| Capital Projects | | | | | | | \$C |
| Grant | | | | | | | \$C |
| Downtown Strategy | | | | | | | |
| General | | | | | | | \$C |
| Developer | | | | | | | \$C |
| Development Fees | | | | | | | \$C |
| Bonds | | | | | | | \$C |
| Other Sources | | | | | | | \$C |
| Unfunded | | | | | | | \$C |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$C |

| Project Expenses | | | | | | | |
|------------------|-------------|----------|----------|----------|----------|----------|-------|
| Fund Type | Prior Years | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21 | FY 21-22 | Total |
| Acquisition | | | | | | | |
| Planning | | | | | | | \$C |
| Design | | | | | | | \$C |
| Construction | | | | | | | \$C |
| Other Expenses | | | | | | | \$C |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$C |

| Operating Impact | | | | | | | |
|---------------------|--|---------|----------|---------|---------|---------|-------|
| Fund Type | | FY17-18 | FY 18-19 | FY19-20 | FY20-21 | FY21-22 | Total |
| Salaries & Benefits | | | | | | | \$C |
| Services & Supplies | | | | | | | \$C |
| Other Impact | | | | | | | \$C |
| Total | | \$0 | \$0 | \$0 | \$0 | \$0 | \$C |



Capital Projects Summary



**PROPOSED CAPITAL PROJECTS
FY17 -18 THROUGH FY21 -22
PROJECTS BY YEAR**

| Project No. | Project Title | Prior Years' Revenues | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | Five Year Total (excludes Prior Years' Revenues) |
|---|---|-----------------------|---------------------|---------------------|---------------------|-------------------|---------------------|--|
| <u>Stormwater Management/Drainage Projects</u> | | | | | | | | |
| D6047 | Drainage-Miscellaneous | \$ 51,362 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 250,000 |
| D6055 | Drainage-Civic Center Improvements | - | - | 275,000 | - | - | - | 275,000 |
| TOTAL | | \$ 51,362 | \$ 50,000 | \$ 325,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 525,000 |
| <u>Downtown Improvement Projects</u> | | | | | | | | |
| E8505 | Downtown Lighting Improvements | \$ 24,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |
| TOTAL | | \$ 24,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |
| <u>Facilities Projects</u> | | | | | | | | |
| F4005 | Fire Station #2 Relocation | \$ 283,800 | \$ 3,550,000 | \$ - | \$ - | \$ - | \$ - | \$ 3,550,000 |
| F4013 | Fire Station #3 | - | - | - | - | 343,000 | 2,402,000 | 2,745,000 |
| F4014 | Fire Station #3 Vehicles & Equipment | - | - | - | - | - | 1,122,000 | 1,122,000 |
| F4029 | Civic Center Improvements | - | - | 150,000 | - | - | - | 150,000 |
| F4030 | Purchase and Install Chiller #1 | 250,000 | 50,000 | - | - | - | - | 50,000 |
| F4031 | Town Hall Improvements | - | - | 100,000 | - | - | - | 100,000 |
| TOTAL | | \$ 533,800 | \$ 3,600,000 | \$ 250,000 | \$ - | \$ 343,000 | \$ 3,524,000 | \$ 7,717,000 |
| <u>Parks & Recreation Projects</u> | | | | | | | | |
| P3023 | New Pocket Park-West | - | \$ - | \$ - | \$ - | \$ 113,000 | \$ 790,000 | \$ 903,000 |
| P3025 | Adero Canyon Trailhead | 97,362 | 2,285,000 | - | - | - | - | 2,285,000 |
| P3026 | Fountain Park Access Improvements | - | - | 834,006 | - | - | - | 834,006 |
| P3028 | Four Peaks Park - Phases II & III | - | - | 2,000,000 | 3,300,000 | - | - | 5,300,000 |
| P3029 | Fountain Park Drainage Improvements Plaza Fountainside Courtyard Area | - | - | 50,000 | - | - | - | 50,000 |
| P3030 | Improvements Fountain Lake Water Quality Improvments - Phase II | - | 145,000 | 120,000 | - | - | - | 265,000 |
| P3031 | Phase II | - | - | 2,622,400 | - | - | - | 2,622,400 |
| P3032 | Sport Field Lighting | - | - | - | 1,733,000 | - | - | 1,733,000 |
| P3033 | Video Surveillance Cameras | - | 50,000 | - | - | - | - | 50,000 |
| TOTAL | | \$ 97,362 | \$ 2,480,000 | \$ 5,626,406 | \$ 5,033,000 | \$ 113,000 | \$ 790,000 | \$ 14,042,406 |
| <u>Street/Sidewalk Projects</u> | | | | | | | | |
| S6003 | Unpaved Alley Paving Projects Fountain Hills Blvd Widening - Shea Boulevard to Pinto | \$ 380,479 | \$ - | \$ 255,000 | \$ 308,000 | \$ - | \$ - | \$ 563,000 |
| S6015 | Fountain Hills Blvd Shoulder Paving Shea Blvd. Widening - Palisades Blvd. to Technology Dr. | - | 100,000 | - | - | - | - | 100,000 |
| S6053 | Fountain Hills Blvd Shoulder Paving Shea Blvd. Widening - Palisades Blvd. to Technology Dr. | 104,884 | 550,000 | - | - | - | - | 550,000 |
| S6058 | Wayfinding Signs | - | - | 130,000 | - | - | - | 130,000 |
| S6059 | Monument Signs | - | 100,000 | - | - | - | - | 100,000 |
| S6060 | Monument Signs | - | - | 100,000 | - | - | - | 100,000 |
| TOTAL | | \$ 485,363 | \$ 750,000 | \$ 485,000 | \$ 308,000 | \$ - | \$ - | \$ 1,543,000 |
| <u>Traffic Signal Projects</u> | | | | | | | | |
| T5005 | Traffic Signal-Palisades & Eagle Ridge/Palomino | \$ - | \$ - | \$ - | \$ 450,000 | \$ - | \$ - | \$ 450,000 |
| TOTAL | | \$ - | \$ - | \$ - | \$ 450,000 | \$ - | \$ - | \$ 450,000 |
| <u>Vehicle Replacement Program</u> | | | | | | | | |
| | Vehicle Replacement Per Schedule | | \$ 862,000 | \$ 32,252 | \$ 354,443 | \$ 74,688 | \$ 58,516 | \$ 1,381,899 |
| <u>Contingency</u> | | | | | | | | |
| | | | \$ 69,800 | \$ 66,864 | \$ 58,410 | \$ 5,060 | \$ 43,640 | \$ 243,774 |
| TOTAL PROPOSED CAPITAL PROJECTS | | \$ 1,191,887 | \$ 7,049,800 | \$ 6,753,270 | \$ 5,899,410 | \$ 511,060 | \$ 4,407,640 | \$ 24,621,180 |
| (excludes Vehicle Replacement Program) | | | | | | | | |



Capital Projects Summary

| FY17-18 Proposed Budget Summary of Expenditures Capital Projects Fund | | | | |
|---|---------------------|---------------------|---------------------------|----------------------------|
| Description | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Capital Projects Fund | | | | |
| Management Fees | \$ 1,949 | \$ 1,935 | \$ 1,685 | \$ 1,940 |
| Software | - | - | - | - |
| Hardware/Peripherals | - | - | - | - |
| Building Improvement Expenses | - | - | - | - |
| Street Improvement Expenses | - | - | 75,000 | 100,000 |
| Park Improvement Expenses | - | - | 75,000 | 145,000 |
| Other Infrastructure Expenses | - | - | 150,000 | - |
| Stormwater/Drainage Expenses | 9,943 | - | 50,000 | 50,000 |
| Furniture/Equipment | 107,607 | - | 300,000 | 50,000 |
| Building Improvements | 12,197 | 14,391 | 3,800,000 | 3,550,000 |
| Street Improvements | 3,963,158 | 105,478 | 755,000 | 650,000 |
| Park Improvements | 513,717 | 300,591 | 2,865,000 | 2,335,000 |
| Other Infrastructure | 1,118,654 | - | 600,000 | 100,000 |
| Stormwater/Drainage Improvements | 5,647 | 1,187,102 | 550,000 | - |
| Damages/Vandalism | - | - | - | - |
| Contingency | - | - | 42,200 | 69,800 |
| Sub total Expenditures | 5,732,872 | 1,609,497 | 9,263,885 | 7,051,740 |
| Transfers Out | 319,192 | 36,323 | 379,000 | 1,200,000 |
| Total Capital Projects Fund | \$ 6,052,064 | \$ 1,645,820 | \$ 9,642,885 | \$ 8,251,740 |



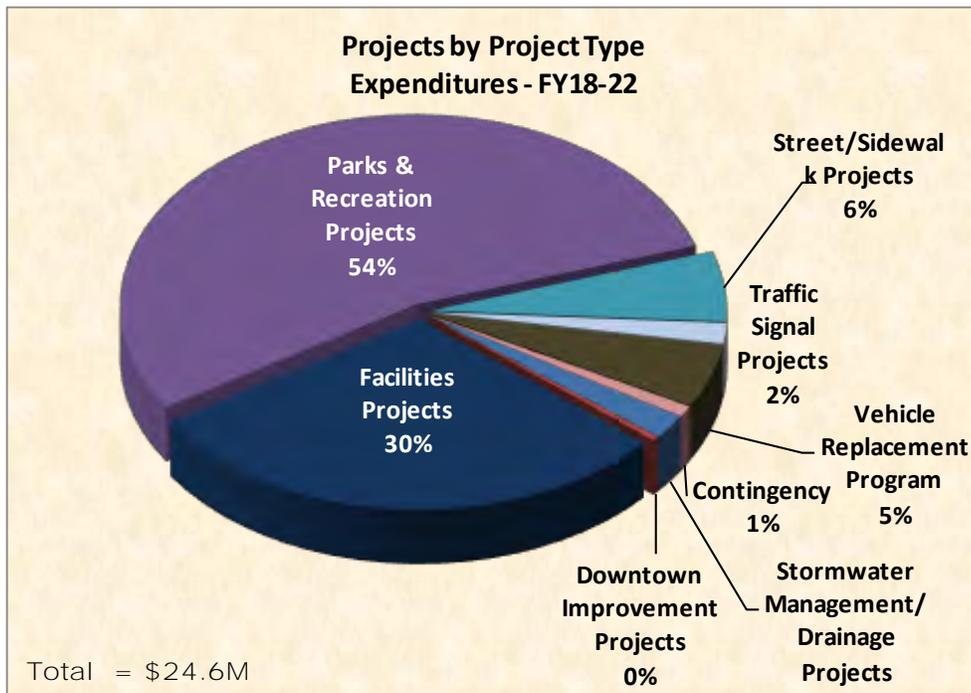
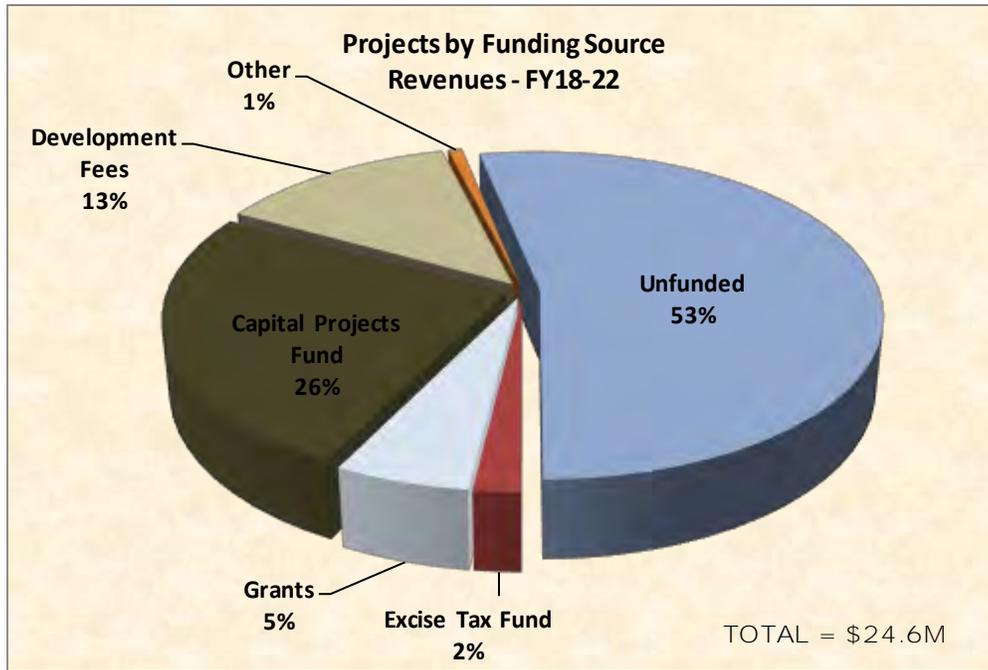
**CAPITAL PROJECTS FIVE-YEAR PROJECTION
REVENUES & PROJECT COSTS**

| REVENUES BY SOURCE | FIVE-YEAR | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL FIVE- | SURPLUS/ (DEFICIT) |
|--------------------------|--------------------|--------------|--------------|--------------|------------|--------------|--------------------|-----------------------|
| | AVAILABLE FUNDS | Requested | Requested | Requested | Requested | Requested | YEAR PROJECTION | |
| General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Highway User Fund | - | - | - | - | - | - | - | - |
| Downtown Strategy Fund | 1,318,616 | 100,000 | 375,000 | - | - | - | 475,000 | 843,616 |
| Grants | 1,345,000 | 255,000 | 590,000 | 500,000 | - | - | 1,345,000 | - |
| Capital Projects Fund | 7,716,890 | 4,539,833 | 1,186,864 | 416,410 | 55,060 | 93,640 | 6,291,807 | 1,425,083 |
| Development Fees: | | | | | | | | |
| Streets | - | - | - | - | - | - | - | - |
| Law Enforcement | 160,368 | 160,368 | - | - | - | - | 160,368 | - |
| Fire & Emergency Medical | 340,887 | - | - | - | 309,645 | 31,242 | 340,887 | - |
| Open Space | 1,679,612 | 1,679,612 | - | - | - | - | 1,679,612 | - |
| Parks & Recreation | 1,104,961 | 144,987 | - | - | 113,000 | 790,000 | 1,047,987 | 56,974 |
| Library/Museum | - | - | - | - | - | - | - | - |
| Bonds | - | - | - | - | - | - | - | - |
| Developers | - | - | - | - | - | - | - | - |
| Other | 190,000 | 170,000 | 20,000 | - | - | - | 190,000 | - |
| Total Revenues By Source | \$ 13,856,334 | \$ 7,049,800 | \$ 2,171,864 | \$ 916,410 | \$ 477,705 | \$ 914,882 | \$ 11,530,661 | \$ 2,325,673 |
| Unfunded | 13,090,519 | - | 4,581,406 | 4,983,000 | 33,355 | 3,492,758 | 13,090,519 | (13,090,519) |
| Total Revenues Required | \$ 26,946,853 | \$ 7,049,800 | \$ 6,753,270 | \$ 5,899,410 | \$ 511,060 | \$ 4,407,640 | \$ 24,621,180 | \$ (10,764,846) |

| EXPENDITURES BY PROJECT TYPE & COSTS | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL FIVE- |
|---|--------------|--------------|--------------|------------|--------------|--------------------|
| | Requested | Requested | Requested | Requested | Requested | YEAR PROJECTION |
| Stormwater Management/Drainage Projects | \$ 50,000 | \$ 325,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 525,000 |
| Downtown Improvement Projects | 100,000 | - | - | - | - | 100,000 |
| Facilities Projects | 3,600,000 | 250,000 | - | 343,000 | 3,524,000 | 7,717,000 |
| Parks & Recreation Projects | 2,480,000 | 5,626,406 | 5,033,000 | 113,000 | 790,000 | 14,042,406 |
| Street/Sidewalk Projects | 750,000 | 485,000 | 308,000 | - | - | 1,543,000 |
| Traffic Signal Projects | - | - | 450,000 | - | - | 450,000 |
| Contingency | 69,800 | 66,864 | 58,410 | 5,060 | 43,640 | 243,774 |
| Total Project Costs | \$ 7,049,800 | \$ 6,753,270 | \$ 5,899,410 | \$ 511,060 | \$ 4,407,640 | \$ 24,621,180 |



CAPITAL PROJECTS FIVE-YEAR PROJECTION



**PROPOSED CAPITAL PROJECTS
FY17 - 18 THROUGH FY21 - 22
BY YEAR AND FUNDING SOURCE**

| Project No. | Project Title/ <i>Funding Source</i> | Prior Years' Costs | | | | | Five Year Source Total | | | Project Total |
|--|--|---------------------|---------------------|---------------------|---------------------|-------------------|------------------------|----------------------|--|----------------------|
| | | | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | | | |
| D6047 | Drainage-Miscellaneous | | | | | | | | | 301,362 |
| | <i>Capital Projects Fund</i> | \$ 51,362 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 250,000 | | |
| D6055 | Drainage-Civic Center Improvements | | | | | | | | | 275,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ - | \$ 275,000 | \$ - | \$ - | \$ - | \$ 275,000 | | |
| E8505 | Downtown Lighting Improvements | | | | | | | | | 124,000 |
| | <i>Downtown Strategy</i> | 24,000 | 100,000 | - | - | - | - | 100,000 | | |
| F4005 | Fire Station #2 Relocation | | | | | | | | | 3,833,800 |
| | <i>Capital Projects Fund</i> | \$ 188,862 | \$ 3,239,632 | \$ - | \$ - | \$ - | \$ - | \$ 3,239,632 | | |
| | <i>Development Fees</i> | 94,938 | 160,368 | - | - | - | - | 160,368 | | |
| | <i>Other</i> | - | 150,000 | - | - | - | - | 150,000 | | |
| F4013 | Fire Station #3 | | | | | | | | | 2,745,000 |
| | <i>Development Fees</i> | - | - | - | - | 309,645 | 31,242 | 340,887 | | |
| | <i>Unfunded</i> | - | - | - | - | 33,355 | 2,370,758 | 2,404,113 | | |
| F4014 | Fire Station #3 Vehicles & Equipment | | | | | | | | | 1,122,000 |
| | <i>Unfunded</i> | - | - | - | - | - | 1,122,000 | 1,122,000 | | |
| F4029 | Civic Center Improvements | | | | | | | | | 150,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ - | \$ 150,000 | \$ - | \$ - | \$ - | \$ 150,000 | | |
| F4030 | Purchase and Install Chiller #1 | | | | | | | | | 300,000 |
| | <i>Capital Projects Fund</i> | \$ 250,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | | |
| F4031 | Town Hall Improvements | | | | | | | | | 100,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 | | |
| P3023 | New Pocket Park-West | | | | | | | | | 903,000 |
| | <i>Development Fees</i> | - | - | - | - | 113,000 | 790,000 | 903,000 | | |
| | <i>Unfunded</i> | - | - | - | - | - | - | - | | |
| P3025 | Adero Canyon Trailhead | | | | | | | | | 2,382,362 |
| | <i>Capital Projects Fund</i> | \$ 97,362 | \$ 460,401 | \$ - | \$ - | \$ - | \$ - | \$ 460,401 | | |
| | <i>Development Fees</i> | - | 1,824,599 | - | - | - | - | 1,824,599 | | |
| P3026 | Fountain Park Access Improvements | | | | | | | | | 834,006 |
| | <i>Downtown Strategy</i> | - | - | 375,000 | - | - | - | 375,000 | | |
| | <i>Unfunded</i> | - | - | 459,006 | - | - | - | 459,006 | | |
| P3028 | Four Peaks Park - Phases II & III | | | | | | | | | 5,300,000 |
| | <i>Grants</i> | - | - | 500,000 | 500,000 | - | - | 1,000,000 | | |
| | <i>Unfunded</i> | - | - | 1,500,000 | 2,800,000 | - | - | 4,300,000 | | |
| P3029 | Fountain Park Drainage Improvements | | | | | | | | | 50,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 | | |
| P3030 | Plaza Fountainside Courtyard Area Improvements | | | | | | | | | 265,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ 125,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ 225,000 | | |
| | <i>Other</i> | - | 20,000 | 20,000 | - | - | - | 40,000 | | |
| P3031 | Fountain Lake Water Quality Improvements - Phase II | | | | | | | | | 2,622,400 |
| | <i>Unfunded</i> | - | - | 2,622,400 | - | - | - | 2,622,400 | | |
| P3032 | Sport Field Lighting | | | | | | | | | 1,733,000 |
| | <i>Unfunded</i> | - | - | - | 1,733,000 | - | - | 1,733,000 | | |
| P3033 | Video Surveillance Cameras | | | | | | | | | 50,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 | | |
| S6003 | Unpaved Alley Paving Projects | | | | | | | | | 943,479 |
| | <i>Capital Projects Fund</i> | \$ 380,479 | \$ - | \$ 255,000 | \$ 308,000 | \$ - | \$ - | \$ 563,000 | | |
| S6015 | Fountain Hills Blvd Widening - Shea Boulevard to Pinto | | | | | | | | | 100,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 | | |
| S6053 | Fountain Hills Blvd Shoulder Paving | | | | | | | | | 654,884 |
| | <i>Capital Projects Fund</i> | \$ 104,884 | \$ 295,000 | \$ - | \$ - | \$ - | \$ - | \$ 295,000 | | |
| | <i>Grants</i> | - | 255,000 | - | - | - | - | 255,000 | | |
| S6058 | Shea Blvd. Widening - Palisades Blvd. to Technology Dr. | | | | | | | | | 130,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ - | \$ 40,000 | \$ - | \$ - | \$ - | \$ 40,000 | | |
| | <i>Grants</i> | - | - | 90,000 | - | - | - | 90,000 | | |
| S6059 | Wayfinding Signs | | | | | | | | | 100,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 | | |
| S6060 | Monument Signs | | | | | | | | | 100,000 |
| | <i>Capital Projects Fund</i> | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 | | |
| T5005 | Traffic Signal-Palisades & Eagle Ridge/Palomino | | | | | | | | | 450,000 |
| | <i>Unfunded</i> | - | - | - | 450,000 | - | - | 450,000 | | |
| | Contingency | | | | | | | | | 243,774 |
| | <i>Capital Projects Fund</i> | \$ - | \$ 69,800 | \$ 66,864 | \$ 58,410 | \$ 5,060 | \$ 43,640 | \$ 243,774 | | |
| TOTAL PROPOSED CAPITAL PROJECTS | | \$ 1,191,887 | \$ 7,049,800 | \$ 6,753,270 | \$ 5,899,410 | \$ 511,060 | \$ 4,407,640 | \$ 24,621,180 | | \$ 25,813,067 |

The highlighted rows represent project funding through the Town's Capital Projects Fund.



**PROPOSED CAPITAL PROJECTS
FY17 -18 THROUGH FY21-22
BY YEAR AND FUNDING SOURCE
TOTALS**

REVENUE SUMMARY TOTALS - BY FUNDING SOURCE

| Source | Prior Years' Costs | | | | | | Total FY17-18 - FY21-22 | |
|------------------------------|--------------------|------------------|------------------|------------------|----------------|------------------|-------------------------|-------------------|
| | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | FY21-22 | Project Total | |
| Capital Projects Fund | \$ 1,072,949 | \$ 4,539,833 | \$ 1,186,864 | \$ 416,410 | \$ 55,060 | \$ 93,640 | \$ 6,291,807 | \$ 7,364,756 |
| Grants | - | 255,000 | 590,000 | 500,000 | - | - | 1,345,000 | 1,345,000 |
| Downtown Strategy | 24,000 | 100,000 | 375,000 | - | - | - | 475,000 | 499,000 |
| Development Fees | 94,938 | 1,984,967 | - | - | 422,645 | 821,242 | 3,228,854 | 3,323,792 |
| Other | - | 170,000 | 20,000 | - | - | - | 190,000 | 190,000 |
| Funding Source Totals | 1,191,887 | 7,049,800 | 2,171,864 | 916,410 | 477,705 | 914,882 | 11,530,661 | 12,722,548 |
| Unfunded | - | - | 4,581,406 | 4,983,000 | 33,355 | 3,492,758 | 13,090,519 | 13,090,519 |
| Total Revenue Summary | 1,191,887 | 7,049,800 | 6,753,270 | 5,899,410 | 511,060 | 4,407,640 | 24,621,180 | 25,813,067 |

EXPENDITURE SUMMARY TOTALS - BY ACTIVITY

| Activity | Prior Years' Costs | | | | | | Total FY17-18 - FY21-22 | |
|----------------|--------------------|------------------|------------------|------------------|----------------|------------------|-------------------------|-------------------|
| | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | FY21-22 | Project Total | |
| Acquisition | \$ 250,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ 1,122,000 | \$ 1,172,000 | \$ 1,422,000 |
| Planning | - | 100,000 | 130,000 | - | - | - | 230,000 | 230,000 |
| Design | 524,704 | 325,000 | 936,800 | 85,000 | 456,000 | - | 1,802,800 | 2,327,504 |
| Construction | 416,410 | 6,505,000 | 5,619,606 | 5,756,000 | 50,000 | 3,242,000 | 21,172,606 | 21,589,016 |
| Other Expenses | 773 | 69,800 | 66,864 | 58,410 | 5,060 | 43,640 | 243,774 | 244,547 |
| Total | 1,191,887 | 7,049,800 | 6,753,270 | 5,899,410 | 511,060 | 4,407,640 | 24,621,180 | 25,813,067 |





Capital Projects Information Sheets



PROJECT TITLE: Miscellaneous Drainage Improvements

PROJECT NUMBER: D6047

PROJECT DESCRIPTION/SCOPE:

This project will provide for the construction of new drainage facilities, major repairs, or the extension of existing facilities at locations of future road widening projects so that excess excavated materials may be put in place when available. This project will also address erosion issues as well as improve drainage as needed.

TOWN GOALS

TIMEFRAME: FY15-22

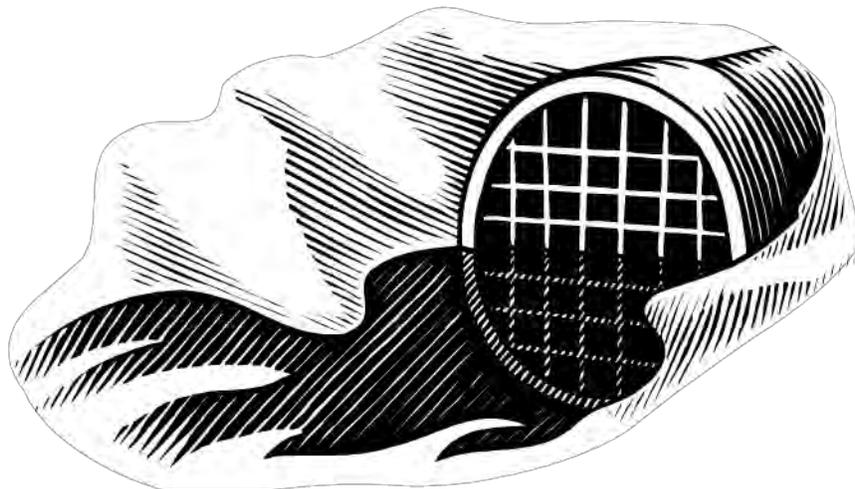
YEAR PROJECT BEGAN: FY14-15

TOTAL ESTIMATED PROJECT COST: \$301,362

PROJECT JUSTIFICATION:

The Town has worked successfully with municipal, private and utility construction contractors in the past to place excess excavation materials at locations where future Town road widening projects will require fill material. This work is done at no cost to the Town and will save on the costs to fill and compact these areas in the future. The locations where the excess materials can be placed are now limited without constructing or extending drainage culverts. Revegetation is also required in the areas where fill materials are placed to help with erosion and aesthetics.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|-----------|-----------|-----------|-----------|-----------|------------|
| Capital Projects | \$ 51,362 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 301,362 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ 51,362 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 301,362 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|-----------|-----------|-----------|-----------|-----------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | 51,362 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 301,362 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ 51,362 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 301,362 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Civic Center Drainage Improvements

PROJECT NUMBER: D6055

PROJECT DESCRIPTION/SCOPE:

Design and installation of storm drain piping along the southern and eastern limits of the Civic Center Complex that was not completed during the initial construction of the facility or has since been modified and does not provide for adequate drainage.

TOWN GOALS

TIMEFRAME: FY18-19

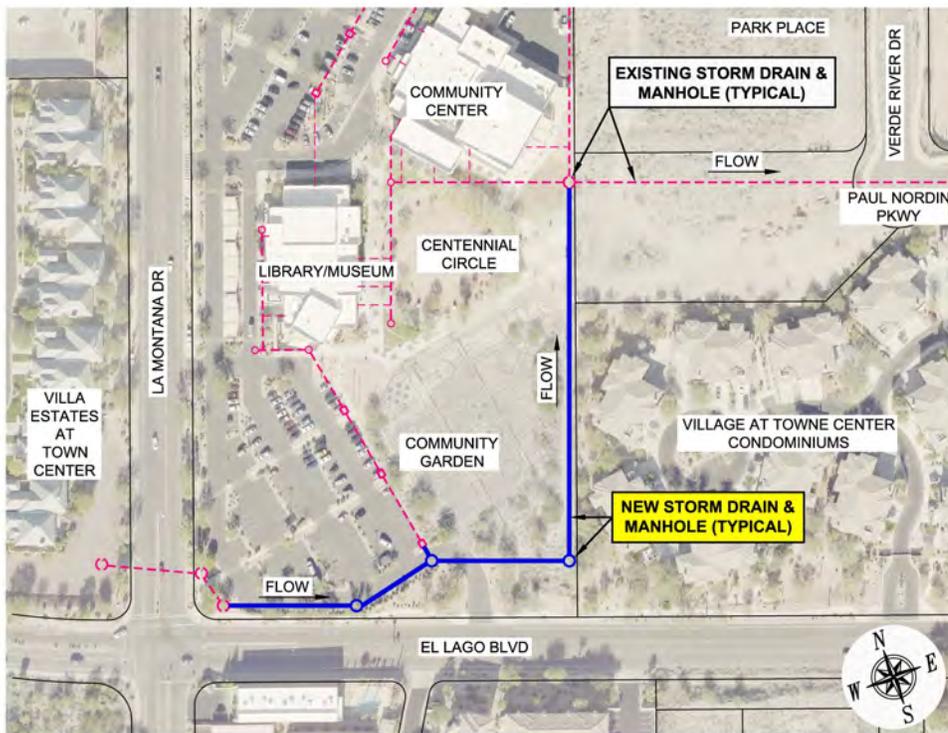
YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$275,000

PROJECT JUSTIFICATION:

The current storm drain manhole located at the southwest corner of the complex was never connected to the storm drain east of the Community Center and has an undersized outfall pipe onto La Montana Drive which causes the manhole to back up and spill into the parking lot. The proposed storm drain connection is shown on the original Civic Center plans as "future". Additionally, the storm drain system for the parking lot and Library roof drains runs into a storm drain along the eastern edge of the Library parking lot. This system had dumped into a detention basin on the vacant lot to the east but was previously filled in. The current storm drain system has no outlet and stagnant water remains in the piping after each rain.

FUNDING PRIORITY: Medium - Provides Maintenance of Existing Systems



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ 275,000 | \$ - | \$ - | \$ - | \$ 275,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 275,000 | \$ - | \$ - | \$ - | \$ 275,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | 50,000 | | | | 50,000 |
| Construction | | | 225,000 | | | | 225,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 275,000 | \$ - | \$ - | \$ - | \$ 275,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Downtown Lighting Improvements

PROJECT NUMBER: E8505

PROJECT DESCRIPTION/SCOPE:

The project will provide for lighting improvements along Avenue of the Fountains from Saguaro Boulevard to La Montana Drive. The design phase will include potential lighting options and cost estimates.

TOWN GOALS

TIMEFRAME: FY16-18

YEAR PROJECT BEGAN: FY16-17

TOTAL ESTIMATED PROJECT COST: \$124,000

PROJECT JUSTIFICATION:

This project is at the request of Town Council from the March 8, 2016, Special Session.

FUNDING PRIORITY: Low - Deferrable



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|------------|---------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | 24,000 | 100,000 | | | | | 124,000 |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ 24,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 124,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|------------|---------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | 24,000 | 10,000 | | | | | 34,000 |
| Construction | | 90,000 | | | | | 90,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ 24,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 124,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|----------|----------|----------|----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | 5,000 | 5,000 | 5,000 | 5,000 | 20,000 |
| TOTAL | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 20,000 |



PROJECT TITLE: Fire Station #2 Relocation

PROJECT NUMBER: F4005

PROJECT DESCRIPTION/SCOPE:

Construction of a new 9,600 square foot Fire Station #2 to replace the existing Fire Station #2 on Saguaro Boulevard., south of Shea Boulevard. The new station location is on Fountain Hills Boulevard, north of Shea Boulevard and will provide decreased response times within the service area.

TOWN GOALS

TIMEFRAME: FY09-18

YEAR PROJECT BEGAN: FY08-09

TOTAL ESTIMATED PROJECT COST: \$3,833,800

PROJECT JUSTIFICATION:

The Fire Department has previously completed a study to improve response times for all areas within the Town, in particular Eagle Mountain, Crestview, CopperWynd, Adero Canyon, Fire Rock, and the Westridge developments. The criteria used included response times (5 minutes 90% of the time), secondary emergency unit coverage, balanced call volumes, Town owned property, cost and sites requiring little or no Planning & Zoning or Council action.

The new Fire Station location will afford superior overlapping coverage for both of the Town's Fire Stations, which will equitably distribute and balance call volume, thus allowing better call support for multiple calls. Relocating Fire Station #2 will allow for faster response times to the western limits of Fountain Hills.

FUNDING PRIORITY: Medium - Results in Increased Efficiency



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------------|--------------------|-------------|-------------|-------------|-------------|--------------------|
| Capital Projects | \$ 188,862 | \$3,239,632 | \$ - | \$ - | \$ - | \$ - | \$3,428,494 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | 94,938 | 160,368 | | | | | 255,306 |
| Bonds | | | | | | | - |
| Other Sources | | 150,000 | | | | | 150,000 |
| Unfunded | | | | | | | - |
| TOTAL | \$ 283,800 | \$3,550,000 | \$ - | \$ - | \$ - | \$ - | \$3,833,800 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------------|--------------------|-------------|-------------|-------------|-------------|--------------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | 283,800 | 100,000 | | | | | 383,800 |
| Construction | - | 3,450,000 | | | | | 3,450,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ 283,800 | \$3,550,000 | \$ - | \$ - | \$ - | \$ - | \$3,833,800 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - |



PROJECT TITLE: Fire Station #3

PROJECT NUMBER: F4013

PROJECT DESCRIPTION/SCOPE:

Design and construction of Fire Station No. 3 in the northwest portion of the Town. Due to site constraints, the fire station is anticipated to be approximately 3,000 square feet with two apparatus bays. Construction completion by FY22-23 is based on the 2014 Land Use Assumptions and Infrastructure Improvements Plan.

TOWN GOALS

TIMEFRAME: FY21-22

YEAR PROJECT BEGAN: FY20-21

TOTAL ESTIMATED PROJECT COST: \$2,745,000

PROJECT JUSTIFICATION:

Fire Station #3 will allow the Fire Department to meet service levels and response times due to growth in the community.

FUNDING PRIORITY: High - Protects Health & Safety of the Town



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|---------|---------|------------|--------------|--------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | 309,645 | 31,242 | 340,887 |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | 33,355 | 2,370,758 | 2,404,113 |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 343,000 | \$ 2,402,000 | \$ 2,745,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|---------|---------|------------|--------------|--------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | 343,000 | | 343,000 |
| Construction | | | | | | 2,402,000 | 2,402,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 343,000 | \$ 2,402,000 | \$ 2,745,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|--------------|--------------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ 1,322,750 | \$ 1,322,750 |
| Services & Supplies | | | | | 370,900 | 370,900 |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 1,693,650 | \$ 1,693,650 |



PROJECT TITLE: Fire Station #3 Equipment

PROJECT NUMBER: F4014

PROJECT DESCRIPTION/SCOPE:

Purchase of pumper truck, brush truck, vehicle radios, portable radios, SCBA equipment, thermal imaging camera, heart monitor/defibrillator and extrication equipment for Fire Station #3.

TOWN GOALS

TIMEFRAME: FY21-22

YEAR PROJECT BEGAN: FY21-22

TOTAL ESTIMATED PROJECT COST: \$1,122,000

PROJECT JUSTIFICATION:

Fire Station #3 will allow the Fire Department to meet services levels and response times due to growth in the community.

FUNDING PRIORITY: High - Protects Health & Safety of the Town



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|---------|---------|---------|--------------|--------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | 1,122,000 | 1,122,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,122,000 | \$ 1,122,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|---------|---------|---------|--------------|--------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,122,000 | \$ 1,122,000 |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | | | | | | | - |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,122,000 | \$ 1,122,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|-----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | 6,928 | 6,928 |
| Other Impact | | | | | 83,000 | 83,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 89,928 | \$ 89,928 |



PROJECT TITLE: Civic Center Improvements

PROJECT NUMBER: F4029

PROJECT DESCRIPTION/SCOPE:

Removal and replacement of approximately 12,500 square feet of concrete between the Library and Community Center, removal of turf areas and replacement with xeriscape, tree replacement and miscellaneous improvements as needed.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$150,000

PROJECT JUSTIFICATION:

The Library and Community Center were opened in 2001 and since that time the concrete plaza has seen displacement causing tripping hazards. These trip hazards have been ground down to acceptable limits but the concrete continues to shift. The irrigation for the small turf areas surrounding the concrete plazas also run onto the concrete. Maintenance of these areas is a challenge and it is recommended to replace the turf areas with concrete curbing, decomposed granite and desert friendly plants.

FUNDING PRIORITY: Medium—Provides Maintenance of Existing Systems



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ 150,000 | \$ - | \$ - | \$ - | \$ 150,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 150,000 | \$ - | \$ - | \$ - | \$ 150,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | | | 150,000 | | | | 150,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 150,000 | \$ - | \$ - | \$ - | \$ 150,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Chiller Installation

PROJECT NUMBER: F4030

PROJECT DESCRIPTION/SCOPE:

Purchase and installation of a new chiller, controllers and plumbing modifications for the Civic Center complex.

TOWN GOALS

TIMEFRAME: FY16-18

YEAR PROJECT BEGAN: FY16-17

TOTAL ESTIMATED PROJECT COST: \$300,000

PROJECT JUSTIFICATION:

When the Civic Center complex was constructed, the Physical Plant was designed for two cooling towers and three chillers to supply chilled water for the HVAC system. During the original construction, two chillers were sufficient to run the Community Center and Library/Museum. In 2005, the Town Hall building was constructed but the third chiller was not added. Two chillers are needed to run simultaneously to supply chilled water during the summer months. Without the third chiller, there is no operational redundancy and the current chillers each have in excess of 48,000 hours of run time.

FUNDING PRIORITY: Medium—Provides Maintenance of Existing Systems



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|-----------|---------|---------|---------|---------|------------|
| Capital Projects | \$ 250,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ 250,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|-----------|---------|---------|---------|---------|------------|
| Acquisition | \$ 250,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | | | | | | | - |
| Other Expenses | | | | | | | - |
| TOTAL | \$ 250,000 | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 300,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|----------|----------|----------|----------|----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 30,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 6,000 | \$ 30,000 |



PROJECT TITLE: Town Hall Improvements

PROJECT NUMBER: F4031

PROJECT DESCRIPTION/SCOPE:

Renovation of existing shell storage space located on the first floor of Town Hall to include a conference room and two offices for Economic Development and Tourism staff.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$100,000

PROJECT JUSTIFICATION:

Project will provide dedicated meeting space for Economic Development and Tourism staff. The conference room may also be utilized by Town Council for executive sessions. Additional storage modifications within Town Hall will also be required.

FUNDING PRIORITY: Low - Provides an Expanded Level of Service



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | 20,000 | | | | 20,000 |
| Construction | | | 80,000 | | | | 80,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Pocket Park West

PROJECT NUMBER: P3023

PROJECT DESCRIPTION/SCOPE:

Development of a proposed pocket park to serve the western portion of the community near the northeast corner of Sunridge Canyon Drive and Desert Canyon Drive. The project is adjacent to Fire Station #3 and both projects should be done concurrently.

TOWN GOALS

TIMEFRAME: FY21-22

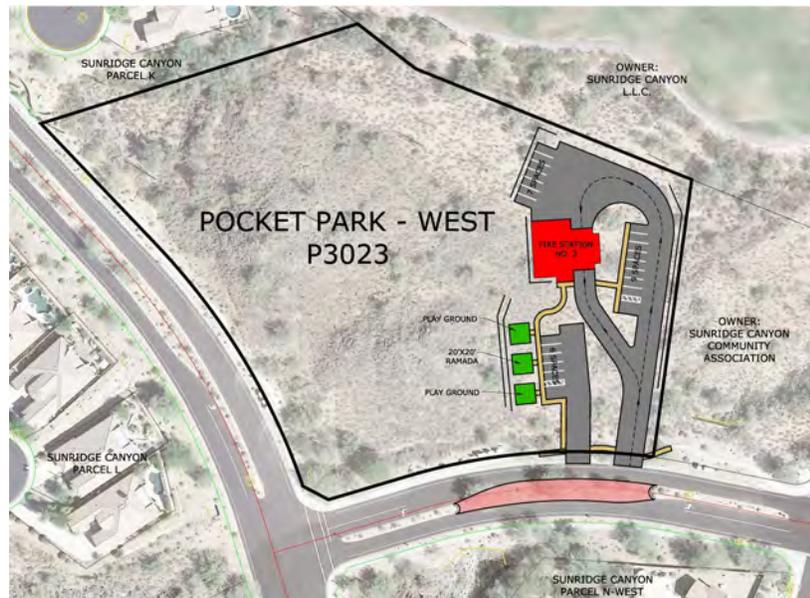
YEAR PROJECT BEGAN: FY20-21

TOTAL ESTIMATED PROJECT COST: \$903,000

PROJECT JUSTIFICATION:

The Town's current General Plan recommends that the community add two neighborhood parks (10-15 acres), or pocket parks (less than 5 acres), to parts of the community that are currently not being served because facilities are lacking and the distance to an existing community or neighborhood park is excessive. The General Plan indicates that one new neighborhood park should be located on existing Town owned property near the northeast corner of Sunridge Canyon Drive and Desert Canyon Drive.

FUNDING PRIORITY: Medium - Maintains Existing Level of Service



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|---------|---------|------------|------------|------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | 113,000 | 790,000 | 903,000 |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | - | - | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 113,000 | \$ 790,000 | \$ 903,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|---------|---------|------------|------------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | 113,000 | | 113,000 |
| Construction | | | | | | 790,000 | 790,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 113,000 | \$ 790,000 | \$ 903,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|----------|----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | 5,000 | 5,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ 5,000 | \$ 5,000 |



PROJECT TITLE: Adero Canyon Trailhead

PROJECT NUMBER: P3025

PROJECT DESCRIPTION/SCOPE:

This access and trailhead will be the main entrance into the Town's McDowell Mountain Preserve and would provide the public with a large parking area, trail access and information, restrooms, a shade ramada, and drinking water. Parking for up to two buses will be provided on the site for the potential use of the local school district to conduct on-site environmental classes. The site would be designed to meet ADA requirements.

TOWN GOALS

TIMEFRAME: FY16-18

YEAR PROJECT BEGAN: FY15-16

TOTAL ESTIMATED PROJECT COST: \$2,382,362

PROJECT JUSTIFICATION:

This entrance would be the sole means by which people would be able to access the McDowell Mountain Preserve from the south without walking through existing MCO private property. MCO's schedule for development of the planned access road for Adero Canyon also serves as the means by which access to the trailhead site would be gained for the construction of the trailhead. The site has been planned for a number of years with a master plan.

The trailhead site, once completed, will be ADA compliant and provide access to the complete Preserve and its trail system which has already been constructed.

FUNDING PRIORITY: Low - Provides an Expanded Level of Service



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|-------------|---------|---------|---------|---------|-------------|
| Capital Projects | \$ 97,362 | \$ 460,401 | \$ - | \$ - | \$ - | \$ - | \$ 557,763 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | 1,824,599 | | | | | 1,824,599 |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ 97,362 | \$2,285,000 | \$ - | \$ - | \$ - | \$ - | \$2,382,362 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|-------------|---------|---------|---------|---------|-------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | 97,362 | 130,000 | | | | | 227,362 |
| Construction | | 2,155,000 | | | | | 2,155,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ 97,362 | \$2,285,000 | \$ - | \$ - | \$ - | \$ - | \$2,382,362 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | 5,000 | 12,000 | 12,000 | 12,000 | 12,000 | 53,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ 5,000 | \$ 12,000 | \$ 12,000 | \$ 12,000 | \$ 12,000 | \$ 53,000 |



PROJECT TITLE: Fountain Park Access Improvements

PROJECT NUMBER: P3026

PROJECT DESCRIPTION/SCOPE:

Design and construction of a connection from the sidewalk along the east side of Saguaro Boulevard at the Avenue of the Fountains alignment to connect to the existing pathway around Fountain Lake. The improvements will be designed to be ADA compliant and may contain an observation area, steps, ramps, retaining walls, handrails lighting, etc.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$834,006

PROJECT JUSTIFICATION:

It has been observed that numerous pedestrians crossing Saguaro Boulevard at Avenue of the Fountains walk directly down the sloped drainage area into Fountain Park instead of utilizing the existing access points. Due to the existing change in grades from Saguaro Boulevard into Fountain Park, access is challenging down the existing steep slope. It is likely that some combination of steps, ramps and sidewalks will be required to provide a new access point into Fountain Park.

FUNDING PRIORITY: Low - Provides an Expanded Level of Service

CONCEPT PLAN



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | 375,000 | | | | 375,000 |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | 459,006 | | | | 459,006 |
| TOTAL | \$ - | \$ - | \$ 834,006 | \$ - | \$ - | \$ - | \$ 834,006 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | 83,400 | | | | 83,400 |
| Construction | | | 750,606 | | | | 750,606 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 834,006 | \$ - | \$ - | \$ - | \$ 834,006 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | 500 | 500 | 500 | 500 | 2,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 2,000 |



PROJECT TITLE: Four Peaks Park—Phases II & III

PROJECT NUMBER: P3028

PROJECT DESCRIPTION/SCOPE:

This project represents improvements to Four Peaks Park based on a revised park Master Plan. Work would include new athletic field lighting, new picnic ramadas and pickleball courts.

TOWN GOALS

TIMEFRAME: FY18-20

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$5,300,000

PROJECT JUSTIFICATION:

This is the Town’s original park dating back decades. A new Master Plan for the neighborhood park was developed with public input from the neighborhood.

FUNDING PRIORITY: Low - Deferrable



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|--------------|--------------|---------|---------|--------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | 500,000 | 500,000 | | | 1,000,000 |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | 1,500,000 | 2,800,000 | | | 4,300,000 |
| TOTAL | \$ - | \$ - | \$ 2,000,000 | \$ 3,300,000 | \$ - | \$ - | \$ 5,300,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|--------------|--------------|---------|---------|--------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | 500,000 | | | | 500,000 |
| Construction | | | 1,500,000 | 3,300,000 | | | 4,800,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 2,000,000 | \$ 3,300,000 | \$ - | \$ - | \$ 5,300,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|----------|----------|----------|----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | 2,000 | 5,000 | 5,000 | 5,000 | 17,000 |
| TOTAL | \$ - | \$ 2,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 17,000 |



PROJECT TITLE: Fountain Park Drainage Improvements (El Lago and Panorama)

PROJECT NUMBER: P3029

PROJECT DESCRIPTION/SCOPE:

Remove existing turf and sprinklers and add back granite, landscaping and drip irrigation to eliminate runoff problem.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$50,000

PROJECT JUSTIFICATION:

Currently, excessive effluent water from turf irrigation is running into the street catch basins and adjacent wash. This effluent water is required to remain on site per the existing effluent water reuse permit.

FUNDING PRIORITY: High—Federal, State or Local Mandate



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|-----------|---------|---------|---------|-----------|
| Capital Projects | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|-----------|---------|---------|---------|-----------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | | | 50,000 | | | | 50,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ 50,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Plaza Fountainside Courtyard Area Improvements

PROJECT NUMBER: P3030

PROJECT DESCRIPTION/SCOPE:

Remove existing turf and replace with pavilion area suitable for events needing a hardened surface.

TOWN GOALS

TIMEFRAME: FY17-19

YEAR PROJECT BEGAN: FY17-18

TOTAL ESTIMATED PROJECT COST: \$265,000

PROJECT JUSTIFICATION:

Currently, the area has not had descent turf despite repeated efforts. Space is needed, with hardened surface, for events.

FUNDING PRIORITY: Low—Provides an Expanded Level of Service



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|------------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ 125,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ 225,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | 20,000 | 20,000 | | | | 40,000 |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ 145,000 | \$ 120,000 | \$ - | \$ - | \$ - | \$ 265,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|------------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | 25,000 | 10,000 | | | | 35,000 |
| Construction | | 120,000 | 110,000 | | | | 230,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ 145,000 | \$ 120,000 | \$ - | \$ - | \$ - | \$ 265,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|----------|----------|----------|----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | 1,000 | 1,000 | 1,000 | 3,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 3,000 |



PROJECT TITLE: Fountain Lake Water Quality Improvements – Phase II

PROJECT NUMBER: P3031

PROJECT DESCRIPTION/SCOPE:

Continuation of the project which began in FY17-18 with aeration improvements. In FY18-19, project will include storage tanks to accept effluent water directly from the Sanitary District and new controls for the operation of the fountain.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$2,622,400

PROJECT JUSTIFICATION:

Project continued to include future improvements to the lake's water quality.

FUNDING PRIORITY: Medium - Provides Maintenance of Existing Systems



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|-------------|---------|---------|---------|-------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | 2,622,400 | | | | 2,622,400 |
| TOTAL | \$ - | \$ - | \$2,622,400 | \$ - | \$ - | \$ - | \$2,622,400 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|-------------|---------|---------|---------|-------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | 238,400 | | | | 238,400 |
| Construction | | | 2,384,000 | | | | 2,384,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$2,622,400 | \$ - | \$ - | \$ - | \$2,622,400 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Sport Field Lighting

PROJECT NUMBER: P3032

PROJECT DESCRIPTION/SCOPE:

Replacement of existing 1,500 watt metal halide sports field lighting assemblies at Golden Eagle Park and Four Peaks Park with LED field lighting assemblies.

TOWN GOALS

TIMEFRAME: FY19-20

YEAR PROJECT BEGAN: FY19-20

TOTAL ESTIMATED PROJECT COST: \$1,733,000

PROJECT JUSTIFICATION:

Four Peaks Parks currently has 17 field lighting poles and metal halide lighting fixtures that were installed in the 1990s. Golden Eagle Park has 20 field lighting poles and metal halide lighting fixtures installed in the 1990s. This project will leave the existing field lighting poles in place and will replace the outdated lighting fixtures with LED fixtures offering better performance while reducing maintenance and electrical costs.

FUNDING PRIORITY: Medium - Provides Maintenance of Existing Systems



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|---------|-------------|---------|---------|-------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | 1,733,000 | | | 1,733,000 |
| TOTAL | \$ - | \$ - | \$ - | \$1,733,000 | \$ - | \$ - | \$1,733,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|---------|-------------|---------|---------|-------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | | | | 1,733,000 | | | 1,733,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$1,733,000 | \$ - | \$ - | \$1,733,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Video Surveillance Cameras

PROJECT NUMBER: P3033

PROJECT DESCRIPTION/SCOPE:

Purchase and installation of video surveillance cameras at various Town parks and facilities.

TOWN GOALS

TIMEFRAME: FY17-18

YEAR PROJECT BEGAN: FY17-18

TOTAL ESTIMATED PROJECT COST: \$50,000

PROJECT JUSTIFICATION:

The Town has seen an increase in vandalism at Town parks and facilities. Additional surveillance cameras may deter vandalism or provide video evidence should vandalism occur.

FUNDING PRIORITY: High - Protects Health & Safety of the Town



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|-----------|---------|---------|---------|---------|-----------|
| Capital Projects | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|-----------|---------|---------|---------|---------|-----------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | | | | - |
| Construction | | 50,000 | | | | | 50,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ 50,000 | \$ - | \$ - | \$ - | \$ - | \$ 50,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|----------|----------|----------|----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | 5,000 | 5,000 | 5,000 | 5,000 | 20,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 20,000 |



PROJECT TITLE: Unpaved Alley Paving Projects

PROJECT NUMBER: S6003

PROJECT DESCRIPTION/SCOPE:

This project involves paving a number of unpaved alleys throughout the Town. The paving project is divided into five phases as follows:

Phase I: 1,400 LF from Panorama to Colony - Completed

Phase II: 870 LF from Tower to Panorama - Completed

Phase III: 890 LF from Panorama to Enterprise - Completed

Phase IV: 1,150 LF adjacent to Colony Wash and 770 linear feet from Fountain Hills Boulevard to Glenbrook

Phase V: 770 feet from Fountain Hills Boulevard to Glenbrook and 425 feet from Rand Drive to Sioux Drive

TOWN GOALS

TIMEFRAME: FY09-20

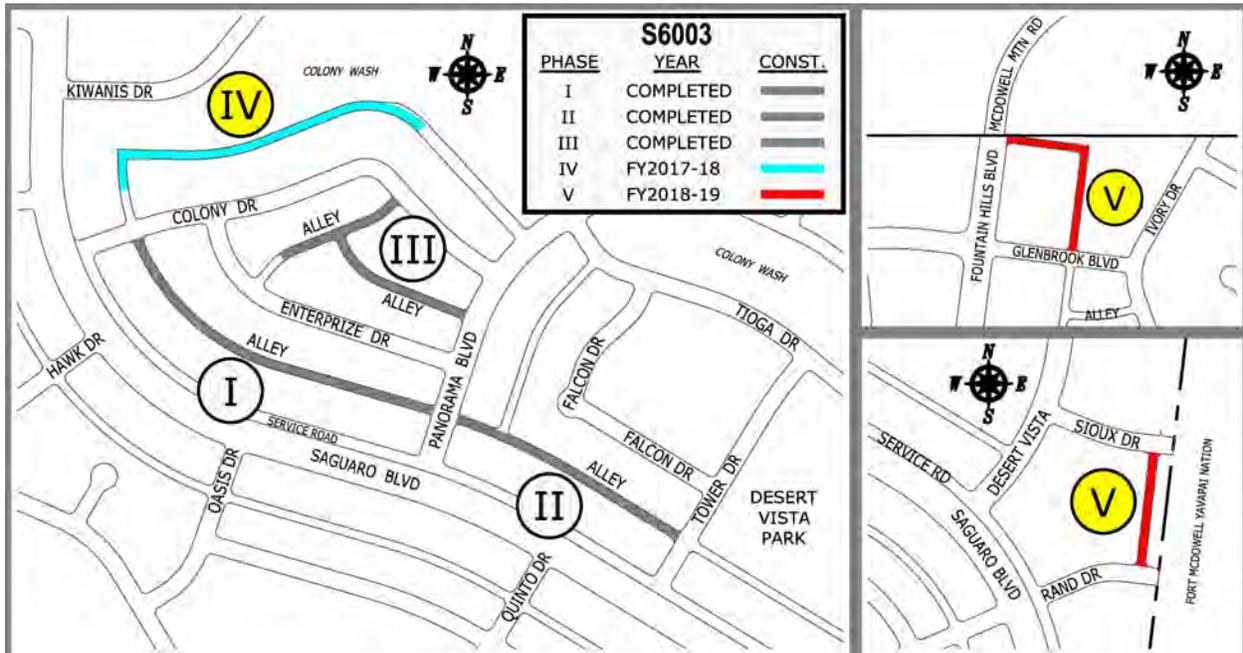
YEAR PROJECT BEGAN: FY08-09

TOTAL ESTIMATED PROJECT COST: \$943,479

PROJECT JUSTIFICATION:

Maricopa County has mandated that all municipalities stabilize unpaved alleys to mitigate air pollution. The Town of Fountain Hills has entered into an IGA with Maricopa County requiring the unpaved alleys to be stabilized.

FUNDING PRIORITY: High - Federal, State or Local Mandate



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|------------|---------|---------|------------|
| Capital Projects | \$ 380,479 | \$ - | \$ 255,000 | \$ 308,000 | \$ - | \$ - | \$ 943,479 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ 380,479 | \$ - | \$ 255,000 | \$ 308,000 | \$ - | \$ - | \$ 943,479 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|------------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | 14,658 | | 25,000 | 45,000 | | | 84,658 |
| Construction | 365,048 | | 230,000 | 263,000 | | | 858,048 |
| Other Expenses | 773 | | | | | | 773 |
| TOTAL | \$ 380,479 | \$ - | \$ 255,000 | \$ 308,000 | \$ - | \$ - | \$ 943,479 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|----------|----------|----------|----------|----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | 2,000 | 2,000 | 2,000 | 2,000 | 8,000 |
| TOTAL | \$ - | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 8,000 |



PROJECT TITLE: Fountain Hills Boulevard Widening - Shea Boulevard to Segundo Drive

PROJECT NUMBER: S6015

PROJECT DESCRIPTION/SCOPE:

Design Concept Report for the widening of Fountain Hills Boulevard to four lanes from Shea Boulevard to Segundo Drive.

TOWN GOALS

TIMEFRAME: FY17-18

YEAR PROJECT BEGAN: FY17-18

TOTAL ESTIMATED PROJECT COST: \$100,000

PROJECT JUSTIFICATION:

Fountain Hills Boulevard from Segundo Drive to just north of Shea Boulevard is currently one lane in each direction. The Town's General Plan identifies Fountain Hills Boulevard as a minor arterial roadway which includes four travel lanes, center turn lane/median, bike lane curb & gutter, etc. The Design Concept Report will provide a preliminary roadway layout, identify key issues, drainage improvements, etc. for the safe and efficient movement of vehicles. This information will be used for a future bond issue to fund the design and construction of the widening.

FUNDING PRIORITY: Medium - Results in Increased Efficiency



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|------------|---------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|------------|---------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | 100,000 | - | | | | 100,000 |
| Design | | | | | | | - |
| Construction | | | | | | | - |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Fountain Hills Boulevard Shoulder Paving

PROJECT NUMBER: S6053

PROJECT DESCRIPTION/SCOPE:

This project will pave the dirt shoulders along Fountain Hills Boulevard from Segundo Drive to Pinto Drive providing dust mitigation and erosion control.

TOWN GOALS

TIMEFRAME: FY12-18

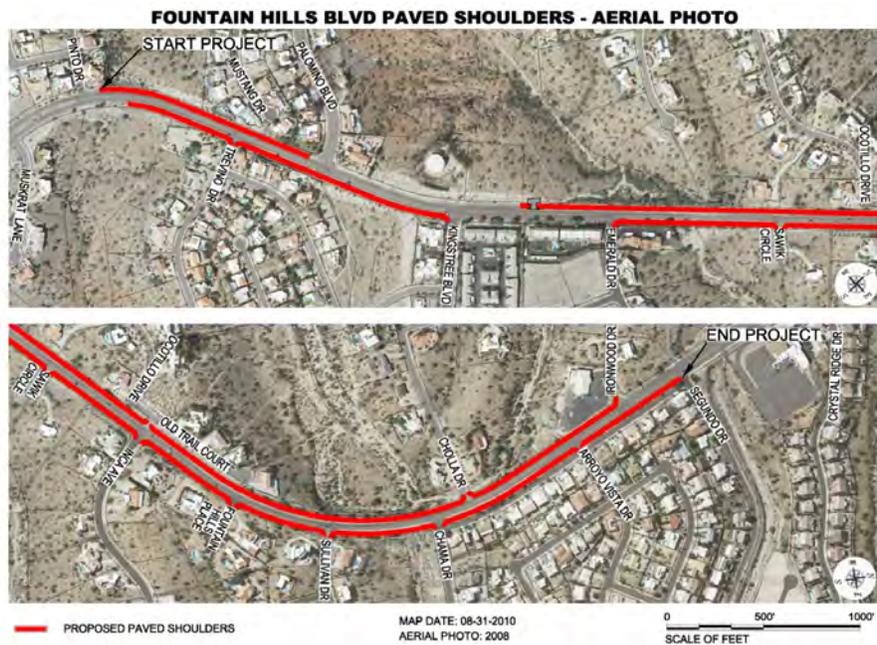
YEAR PROJECT BEGAN: FY11-12

TOTAL ESTIMATED PROJECT COST: \$654,884

PROJECT JUSTIFICATION:

The Town applied for and was awarded a Congestion Mitigation Air Quality (CMAQ) grant through the Maricopa Association of Governments for the paving of the dirt shoulders on Fountain Hills Boulevard. This project will provide dust mitigation, erosion control, run-off-the-road hazard mitigation, potential future use by bicycles, and will reduce maintenance costs. The project design is funded by the Town, with construction funded 94.3% through grant funds with a 5.7% local match requirement.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| Capital Projects | \$ 104,884 | \$ 295,000 | \$ - | \$ - | \$ - | \$ - | \$ 399,884 |
| Grant | | 255,000 | | | | | 255,000 |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ 104,884 | \$ 550,000 | \$ - | \$ - | \$ - | \$ - | \$ 654,884 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | 104,884 | 50,000 | | | | | 154,884 |
| Construction | | 500,000 | | | | | 500,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ 104,884 | \$ 550,000 | \$ - | \$ - | \$ - | \$ - | \$ 654,884 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | 1,000 | 1,000 | 1,000 | 1,000 | 4,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 4,000 |



PROJECT TITLE: Shea Boulevard Widening - Palisades Boulevard to Technology Drive

PROJECT NUMBER: S6058

PROJECT DESCRIPTION/SCOPE:

Design Concept Report for the design and widening of Shea Boulevard to six lanes from Palisades Boulevard to Technology Drive.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$130,000

PROJECT JUSTIFICATION:

Shea Boulevard is a road of regional significance and has an average daily traffic volume of 26,000 vehicles at Palisades Boulevard. This project is a MAG Proposition 400 project which will provide for 70% of the project funding with a 30% match from the Town. The Design Concept Report will provide for an updated scope of work and cost estimate.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ 40,000 | \$ - | \$ - | \$ - | \$ 40,000 |
| Grant | | | 90,000 | | | | 90,000 |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 130,000 | \$ - | \$ - | \$ - | \$ 130,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | 130,000 | | | | 130,000 |
| Design | | | | | | | - |
| Construction | | | | | | | - |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 130,000 | \$ - | \$ - | \$ - | \$ 130,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Wayfinding Signs

PROJECT NUMBER: S6059

PROJECT DESCRIPTION/SCOPE:

Provide wayfinding signs at strategic locations throughout the Town to help direct visitors to public amenities, parks, lodging and business areas.

TOWN GOALS

TIMEFRAME: FY17-18

YEAR PROJECT BEGAN: FY17-18

TOTAL ESTIMATED PROJECT COST: \$100,000

PROJECT JUSTIFICATION:

Project will replace outdated wayfinding signage installed in 2000.

FUNDING PRIORITY: Low - Deferrable



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|------------|---------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|------------|---------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | 10,000 | | | | | 10,000 |
| Construction | | 90,000 | | | | | 90,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 100,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Monument Signs

PROJECT NUMBER: S6060

PROJECT DESCRIPTION/SCOPE:

Replacement of two outdated Town monument signs on Shea Boulevard with new monument signs.

TOWN GOALS

TIMEFRAME: FY18-19

YEAR PROJECT BEGAN: FY18-19

TOTAL ESTIMATED PROJECT COST: \$100,000

PROJECT JUSTIFICATION:

The current monument signs at the Town limits on Shea Boulevard are outdated. Updated signage will conform to the Town's branding efforts.

FUNDING PRIORITY: Low - Deferrable



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|------------|---------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|------------|---------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | 10,000 | | | | 10,000 |
| Construction | | | 90,000 | | | | 90,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 100,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|---------|---------|-------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | | | - |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |



PROJECT TITLE: Palisades Boulevard and Eagle Ridge/Palomino Drive Traffic Signal

PROJECT NUMBER: T5005

PROJECT DESCRIPTION/SCOPE:

Provide for design and construction of a traffic signal at the intersection of Palisades Boulevard and Eagle Ridge Drive/Palomino Drive.

TOWN GOALS

TIMEFRAME: FY19-20

YEAR PROJECT BEGAN: FY19-20

TOTAL ESTIMATED PROJECT COST: \$450,000

PROJECT JUSTIFICATION:

With the Adero Canyon development and anticipated expansion of the CopperWynd Resort on Eagle Ridge Drive, traffic signal warrants at the intersection of Palisades Boulevard and Eagle Ridge Drive/Palomino Drive are anticipated to be met based on the CopperWynd Resort traffic study. Once traffic signal warrants are met, the design and construction of a traffic signal at the intersection will provide for a more efficient flow of traffic.

FUNDING PRIORITY: Medium - Results in Increased Efficiency



FUNDING SOURCES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|-------------------|-------------|---------|---------|------------|---------|---------|------------|
| Capital Projects | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Grant | | | | | | | - |
| Downtown Strategy | | | | | | | - |
| General | | | | | | | - |
| Developer | | | | | | | - |
| Development Fees | | | | | | | - |
| Bonds | | | | | | | - |
| Other Sources | | | | | | | - |
| Unfunded | | | | 450,000 | | | 450,000 |
| TOTAL | \$ - | \$ - | \$ - | \$ 450,000 | \$ - | \$ - | \$ 450,000 |

PROJECT EXPENSES

| ACTIVITY | Prior Years | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|----------------|-------------|---------|---------|------------|---------|---------|------------|
| Acquisition | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Planning | | | | | | | - |
| Design | | | | 40,000 | | | 40,000 |
| Construction | | | | 410,000 | | | 410,000 |
| Other Expenses | | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ 450,000 | \$ - | \$ - | \$ 450,000 |

OPERATING IMPACT

| ACTIVITY | FY17-18 | FY18-19 | FY19-20 | FY20-21 | FY21-22 | TOTAL |
|---------------------|---------|---------|---------|----------|----------|-----------|
| Salaries & Benefits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Services & Supplies | | | | 5,000 | 5,000 | 10,000 |
| Other Impact | | | | | | - |
| TOTAL | \$ - | \$ - | \$ - | \$ 5,000 | \$ 5,000 | \$ 10,000 |





Administration Facilities Replacement Fund



Facilities Replacement Fund

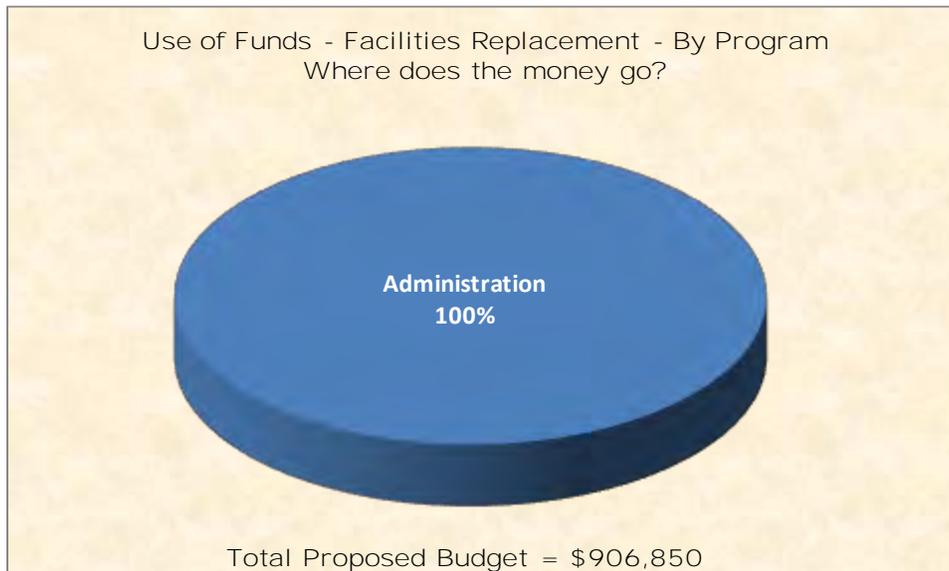
Service Delivery Plan

The Facilities Replacement Fund 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, Fire Department equipment and Parks and Recreation structures.

| Program Name | Expenditures by Program | | | |
|----------------|-------------------------|-------------------|------------------------------|-------------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Administration | \$ 41,010 | \$ 76,198 | \$ 431,000 | \$ 906,850 |
| Total | \$ 41,010 | \$ 76,198 | \$ 431,000 | \$ 906,850 |

Variance Explanations:

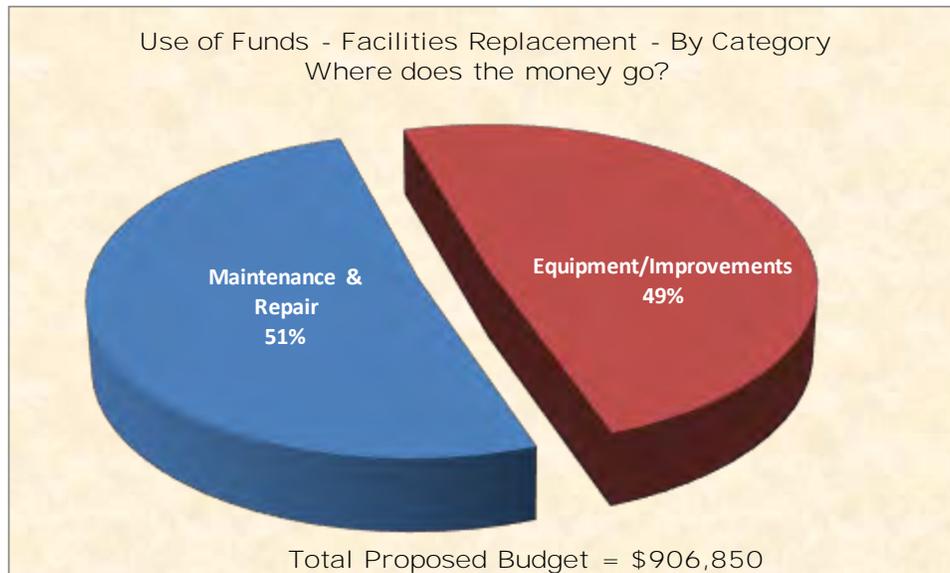
Administration: The increase is a result of FY16-17 replacements that were delayed and included in FY17-18 based on the Capital Reserve Study.



| Category | Expenditures by Category | | | |
|------------------------|--------------------------|------------------|------------------------|-------------------------|
| | FY14-15 Actual | FY15-16 Actual | FY16-17 Revised Budget | FY17-18 Proposed Budget |
| Maintenance & Repair | \$ - | \$ - | \$ 100,000 | \$ 463,349 |
| Contractual Services | - | 28,500 | - | - |
| Equipment/Improvements | 41,010 | 47,698 | - | 443,501 |
| Contingency | - | - | 331,000 | - |
| Total | \$ 41,010 | \$ 76,198 | \$ 431,000 | \$ 906,850 |

Variance Explanations:

Maintenance & Repair/Equipment/Improvements/Contingency: The changes are the result of FY16-17 replacements that were delayed and included in FY17-18 based on the Capital Reserve Study.



FY17-18 Proposed Budget
Summary of Expenditures
Facilities Replacement Fund

| Description | FY14-15 | FY15-16 | FY16-17 | FY17-18 |
|-----------------------------------|------------------|------------------|-------------------|-------------------|
| | Actual | Actual | Revised Budget | Proposed Budget |
| Facilities Replacement Fund | | | | |
| Building Maint/Repair | \$ - | \$ - | \$ 100,000 | \$ 432,549 |
| HVAC Repair | - | - | - | 30,800 |
| Professional Fees | - | 28,500 | - | - |
| Furniture/Appliances | 41,010 | - | - | - |
| Equipment | - | - | - | 55,208 |
| Building Improvements Exp | - | 47,698 | - | - |
| Park Improvements Exp | - | - | - | 388,293 |
| Contingency | - | - | 331,000 | - |
| Sub total Expenditures | 41,010 | 76,198 | 431,000 | 906,850 |
| Transfers Out | - | - | - | - |
| Total Facilities Replacement Fund | <u>\$ 41,010</u> | <u>\$ 76,198</u> | <u>\$ 431,000</u> | <u>\$ 906,850</u> |



Vehicle Replacement Program



Vehicle Replacement Program (VRP) Policy and Procedures

Objective

To provide a policy and procedures for the development and implementation of the Town of Fountain Hills' multi-year Vehicle Replacement Program (VRP).

Scope

This policy applies to all vehicles owned by the Town of Fountain Hills that meet the definition detailed in the Definitions section.

Policy

The purpose of the Vehicle Replacement Program is to provide an authoritative decision-making process for the evaluation, selection, and multi-year scheduling of vehicle replacements based on a projection of available fiscal resources and the vehicle's age, mileage, engine hours and repair costs. The objectives of the program are to:

- a) Ensure the timely purchase, repair and replacement of the Town's vehicles;
- b) Serve as a link in the Town's planning between the Town's operating and capital budgets;
- c) Maintain control over the Town's long-term cash flow in relation to the Town's financial capacity; and
- d) Ensure efficient, effective and coordinated vehicle acquisition and replacement.

Definitions

The following words, when used in connection with this policy, shall have the following meanings:

VEHICLE REPLACEMENT PROGRAM: A multi-year planning document that is the product of a systematic evaluation of vehicle utilization, repair and maintenance. This plan serves as a guide for the efficient and effective replacement of vehicles, outlining a detailed timeline and financing schedule of vehicle replacement.

VEHICLE: A vehicle is defined in financial terms as a piece of rolling stock with a projected final cost of at least \$10,000, or \$1,000 if maintained as a stewardship item, and a useful life of at least 7 years. Vehicles shall be subdivided into various classifications, using gross vehicle weight rating standards (GVWR) when appropriate, as follows (listed alphabetically):

- Gator or Similar
- Heavy Duty Trucks (commercial truck classes 7 and 8: over 26,000 GVWR (includes Dump Trucks)
- Ladder Trucks
- Light Duty Trucks (commercial truck classes 1, 2 and 3: 0 – 14,000 lb. GVWR)
- Medium Duty Trucks (commercial truck classes 4, 5 and 6: 14,001 – 26,000 GVWR)
- Pumper Trucks
- Sedans

- Small Utility Equipment (includes Bunker Rakes)
- Street Sweepers
- SUV (Sports Utility Vehicles)
- Tractors/Loaders (includes Backhoes and Graders)
- Trailers

Process

A. Schedule: Annually, the Public Works Director and Finance Director will submit an updated VRP to the Town Manager for review in each fiscal year. The Town Manager will review the proposal and forward the approved VRP to the Finance Director for inclusion in the Town's budget proposal.

B. Format: The Public Works Director will utilize the previous year's approved VRP as the base for developing recommended additions, deletions, or changes for incorporation in the updated VRP for the coming year. All new (not replacement) vehicle requests will also include a comprehensive estimate of the impact of the new vehicle on the Town's annual operating budget; e.g., fuel, maintenance requirements, etc.

C. Finance Review: The Finance Director will assist the Public Works Director as necessary in all facets of the Vehicle Replacement Program development and review including production of cost estimates, as well as an overall financial analysis of the proposed program. Additional assistance may be requested to help produce draft documents, etc.

D. Town Manager Review: The Public Works Director will provide a copy of the proposed VRP document to the Finance Director and Town Manager for review and comment. Following approval by the Town Manager the VRP will be incorporated into the budget proposal for the coming year.

E. Implementation: Upon adoption of the VRP in the operating budget, vehicles included within the applicable budget year may be purchased by the Public Works Director, or his/her designee, in compliance with the Town's Procurement Policy.

F. Amendments: The adopted VRP may be amended upon recommendation of the Public Works Director and approval of the Town Manager and Town Council.

Procedure

A. Form: A New Vehicle Request form shall be utilized to request inclusion of a new (not replacement) vehicle in the Vehicle Replacement Program. Department Directors may request the addition of a new vehicle or transfer between departments to the VRP by submitting their request to the Public Works Director as part of the budget process.

The Public Works Director shall include these requests in the VRP that is submitted to the Finance Director and Town Manager.

B. Funding Prioritization: As part of the VRP development process, the Public Works Director shall create vehicle replacement priorities to help determine the vehicle replacement schedule which will be incorporated in the upcoming fiscal year budget.



The following guidelines shall be utilized (listed alphabetically):

- Gator or Similar 7 years/15,000 hours
- Heavy Duty Trucks 15 years/125,000 miles
- Ladder Trucks 15 years/120,000 miles
- Light Duty Trucks 10 years/100,000 miles
- Medium Duty Trucks 12 years/125,000 miles
- Pumper Trucks 15 years/120,000 miles
- Sedans 10 years/100,000 miles
- Small Utility Equipment 7 years/15,000 engine hours
- Street Sweepers 8 years/75,000 miles
- SUV (Sports Utility Vehicles) 10 years/100,000 miles
- Tractors/Loaders 20 years/15,000 engine hours
- Trailers 10 years

In addition to the factors listed previously, the Public Works Director, or his/her designee, shall also review the utilization, maintenance records of the vehicles, downtime and the overall condition of the vehicles when making recommendations for replacement.

C. Funding Sources: The primary funding sources for the VRP are the General Fund and HURF Fund. Revenues for the Vehicle Replacement Fund will also be generated from charges within the operating funds that support the departments that utilize the subject vehicles; charges will be calculated based on replacement cost and updated annually. Vehicles will be replaced according to the schedule and based on model year. Surplus sale proceeds and insurance claim proceeds will also be deposited to the Vehicle Replacement Fund to help offset future vehicle costs.

D. Vehicle Disposal: At least once annually, the Public Works Director, or his/her designee, shall prepare a list of vehicles to be retired from the Town's fleet based on the replacement schedule. At the discretion of the Public Works Director and based on a recommendation from the fleet mechanic, early retirement of a vehicle with excessive maintenance may be recommended. Excessive maintenance is defined as repair costs that exceed 40% of the vehicle value in a twelve-month period.

The Town Manager shall authorize the sales of these vehicles at auction by signing over the vehicle title(s). The Public Works Director, or his/her designee, shall then transport the vehicles to the auctioneer and shall be responsible to insure that the auction proceeds are submitted to the Finance Division for deposit to the Vehicle Replacement Fund.

Responsibility for Enforcement

The Town Manager, Finance Director and Public Works Director will be responsible for ensuring that this policy is followed and/or updated as necessary.



Fiscal Year 17-18 Vehicle Replacement Recommendation

During FY12-13, the Vehicle Replacement Program was updated with changes to the life of some vehicles and elimination of vehicles no longer utilized; the revised Program was presented and approved by the Town Council. For FY17-18, the same update was made for this year. Therefore, for FY17-18, three new vehicles are budgeted for vehicle replacement incorporating the revised schedules.

Attachment A



New Vehicle Request Form

Information

Employee Name: _____
Department/Division: _____
Total Purchase Price: _____

Type of Vehicle Requested:

- | | | | |
|---|---|---|--|
| <input type="checkbox"/> Sedan/SUV | <input type="checkbox"/> Loader/Grader/Tractor Utility Vehicle | <input type="checkbox"/> Medium/Heavy Duty Truck | <input type="checkbox"/> Ladder/Pumper Truck |
| <input type="checkbox"/> Light Duty Truck | <input type="checkbox"/> /Bunker Rake | <input type="checkbox"/> Dump Truck | <input type="checkbox"/> Other _____ |

Date Needed by: _____ Budgeted: _____ Account Code: _____
ORG Object

Reason for Purchase:

Department Director Signature *Date*

Finance Approval

- Approved
 Rejected

Comments:

Finance Director/Procurement Agent Signature *Date*

Vehicle Replacement Interfund Charges

| Department | Vehicle No. | Description | Type | Mod Year | Replacement Cost | FY17-18 |
|------------------------------|---------------|--------------------------------|-------------------------|----------|------------------|---------------------|
| Development Services | 164 | Equinox | SUV | 2017 | \$28,560.00 | \$2,856.00 |
| Development Services | 160 | Ford F-150 | Light Duty Truck | 2017 | \$31,620.00 | \$3,162.00 |
| Fire | 483 (L822) | American LaFrance | Ladder Truck | 1998 | \$1,020,000.00 | \$68,000.00 |
| Fire | (E822) | Spartan | Pumper Truck | 2014 | \$612,000.00 | \$40,800.00 |
| Fire | 752 (E823) | Crimson | Pumper Truck | 2008 | \$612,000.00 | \$40,800.00 |
| Fire | 528 (E822R) | American LaFrance | Pumper Truck | 1999 | \$612,000.00 | \$40,800.00 |
| Fire | 422 (S822) | Ford F550 4x4 (V0822) | Medium Duty Truck | 2012 | \$97,920.00 | \$8,160.00 |
| Fire | (S823) | Ford F550 4x4 | Medium Duty Truck | 2013 | \$55,080.00 | \$4,590.00 |
| Fire | 166 (D822) | Ford F150 Supercab | Light Duty Truck | 2011 | \$31,620.00 | \$3,162.00 |
| Fire | 053(7 (D823)) | Ford F-150 4x4 Supercab | Light Duty Truck | 2009 | \$31,620.00 | \$3,162.00 |
| Community Services | 11 | John Deere 4x2 Gator | Gator or Similar | 2013 | \$10,200.00 | \$1,457.14 |
| Community Services | 20 | Bobcat | Gator or Similar | 2013 | \$10,200.00 | \$1,457.14 |
| Community Services | 17 | John Deere 4x2 Gator | Gator or Similar | 2012 | \$10,200.00 | \$1,457.14 |
| Community Services | 146 | Ford F-150 Pickup | Light Duty Truck | 2007 | \$31,620.00 | \$3,162.00 |
| Community Services | 551 | Tenant Sweeper | Street Sweeper | 2013 | \$44,880.00 | \$5,610.00 |
| Community Services | 3 | Sand Pro 3040 | Small Utility Equipment | 2013 | \$22,440.00 | \$3,205.71 |
| Community Services | 16 | Bobcat | Gator or Similar | 2012 | \$10,200.00 | \$1,457.14 |
| Community Services | 18 | Mule | Gator or Similar | 2012 | \$10,200.00 | \$1,457.14 |
| Community Services | 14 | Kubota KU | Tractor/Loader | 2007 | \$28,560.00 | \$1,428.00 |
| Community Services | 147 | Ford F-150 Pickup | Light Duty Truck | 2007 | \$31,620.00 | \$3,162.00 |
| Community Services | 159 | Ford F-150 | Light Duty Truck | 2016 | \$31,620.00 | \$3,162.00 |
| Community Services | M-1 | Kubota Mower | Small Utility Equipment | 2014 | \$22,440.00 | \$3,205.71 |
| Community Services | 162 | Ford F-150 | Light Duty Truck | 2017 | \$31,620.00 | \$3,162.00 |
| Community Services | 165 | Equinox | SUV | 2017 | \$28,560.00 | \$2,856.00 |
| Public Works | 161 | Ford F-150 | Light Duty Truck | 2017 | \$31,620.00 | \$3,162.00 |
| Public Works | 158 | Ford F-250 Pickup W/Liftgate | Light Duty Truck | 2014 | \$31,620.00 | \$3,162.00 |
| Public Works | 163 | Colorado | Light Duty Truck | 2017 | \$31,620.00 | \$3,162.00 |
| Public Works | 154 | Ford F-150 Pickup W/Lights | Light Duty Truck | 2013 | \$31,620.00 | \$3,162.00 |
| FUND 100 TOTAL | 27 | | | | | \$264,379.12 |
| Development Services/Streets | 155 | Ford F-250 Pickup W/Lights | Light Duty Truck | 2014 | \$31,620.00 | \$3,162.00 |
| Development Services/Streets | 157 | Ford F-250 Supercab W/Lights | Light Duty Truck | 2014 | \$31,620.00 | \$3,162.00 |
| Development Services/Streets | 20 | Caterpillar 426C | Tractor/Loader | 1999 | \$160,140.00 | \$8,007.00 |
| Development Services/Streets | 135 | Freightliner M2106 | Heavy Duty Truck | 2005 | \$66,300.00 | \$4,420.00 |
| Development Services/Streets | 151 | Ford F-450 Pickup | Medium Duty Truck | 2008 | \$55,080.00 | \$4,590.00 |
| Development Services/Streets | 156 | Ford F-250 Pickup W/Lights | Light Duty Truck | 2014 | \$31,620.00 | \$3,162.00 |
| Development Services/Streets | 5085M | John Deere 5085M Tractor | Tractor/Loader | 2013 | \$98,940.00 | \$4,947.00 |
| Development Services/Streets | 134 | Ford F-550 Pickup-Bucket | Medium Duty Truck | 2005 | \$55,080.00 | \$0.00 |
| Development Services/Streets | 134A | Aerial Platform-2005 Ford F550 | Aerial Lift Platform | 2005 | \$44,880.00 | \$3,740.00 |
| Development Services/Streets | 113 | Ford F-150 Pickup | Light Duty Truck | 2001 | \$31,620.00 | \$0.00 |
| Development Services/Streets | 167 | Impala | Sedan | 2017 | \$22,440.00 | \$2,244.00 |
| Development Services/Streets | 166 | Equinox | SUV | 2017 | \$28,560.00 | \$2,856.00 |
| FUND 200 TOTAL | 12 | | | | | \$40,290.00 |
| | | | | | Fund 100 | \$264,379.12 |
| | | | | | Fund 200 | \$40,290.00 |
| | | | | | Total | \$304,669.12 |



Schedules



Comprehensive Fee Schedule Effective July 1, 2017



| Description | Fee FY17-18 |
|---------------------------------------|---|
| MISCELLANEOUS FEES | |
| Services | |
| Notarization | \$2.00 per signature |
| Affix Town Seal | \$2.00 each |
| Faxing Service - Local Only | \$2.00 First Page, \$.50 Each Additional Page |
| Faxing Service - Long Distance | \$3.00 First Page, \$.50 Each Additional Page |
| Email Document Service | \$0.00 |
| Returned Check Fee | \$30.00 |
| Incoming Wire Transfer Fee | \$35.00 |
| ActiveNet Transaction Fee | \$2.50 per transaction |
| Convenience Fee - credit card payment | \$3.00 per transaction |
| Art Commission | 20% of selling price |
| Campaign Fees | |
| Pro/Con Argument Fee | \$100.00 |
| Campaign Finance - Late Filing Fee | \$10.00 per business day (per ARS 16-918) |
| Copies - Non - Commercial | |
| Photocopies (B&W) 8 1/2 x 11 | \$.25 per page |
| Photocopies (B&W) 8 1/2 x 14 | \$.30 per page |
| Photocopies (B&W) 11 x 17 | \$.40 per page |
| Photocopies (Color) 8 1/2 x 11 | \$.50 per page |
| Photocopies (Color) 8 1/2 x 14 | \$.60 per page |
| Photocopies (Color) 11 x 17 | \$.70 per page |
| Copies - Commercial | |
| Photocopies (B&W) 8 1/2 x 11 | \$.50 per page |
| Photocopies (B&W) 8 1/2 x 14 | \$.60 per page |
| Photocopies (B&W) 11 x 17 | \$.80 per page |
| Photocopies (Color) 8 1/2 x 11 | \$1.00 per page |
| Photocopies (Color) 8 1/2 x 14 | \$1.20 per page |
| Photocopies (Color) 11 x 17 | \$1.40 per page |
| Documents (CD Only) | |
| Town Code | \$25.00 ea |
| Zoning Ordinances | \$25.00 ea |
| Subdivision Code | \$25.00 ea |
| CAFR (Annual Financial Report) | \$25.00 ea |
| Annual Budget | \$25.00 ea |
| Land Use Analysis | \$25.00 ea |
| Council Meeting | \$25.00 ea |
| Other Materials | \$25.00 ea |
| Reports | |
| License Report (Non - Commercial Use) | \$25.00 (CD or hard copy) |
| License Report (Commercial Use) | \$50.00 (CD or hard copy) |
| Adopt A Street | |
| Fee, per sign | \$30.00 |



Comprehensive Fee Schedule
Effective July 1, 2017

| Description | Fee FY17-18 |
|--|---|
| <i>MISCELLANEOUS FEES (CONT.)</i> | |
| Maps | |
| 11" x 17" Street/Index Map "Typical" (B&W) | \$6.00 |
| 11" x 17" Street/Index Map "Typical" (Color) | \$8.00 |
| 11" x 17" Aerial Site Plan (Photo) | \$20.00 |
| 24" x 36" Custom Map (B&W) | \$20.00 |
| 24" x 36" Custom Map (Color) | \$30.00 |
| 36" x 36" Bldg/Plat/Zoning Map (B&W) | \$30.00 |
| 36" x 36" Bldg/Plat/Zoning Map (Color) | \$40.00 |
| 60" x 60" Street/Bldg/Develop/Plat/Plot (B&W) | \$50.00 |
| 60" x 60" Street/Bldg/Develop/Plat/Plot (Color) | \$80.00 |
| Map Book | \$25.00 |
| <i>DOG LICENSE</i> | |
| Non - neutered dog | \$42.00 - non-refundable |
| Spayed/Neutered dog | \$17.00 - non-refundable |
| Over 65 with neutered dog | \$6.00 - non-refundable |
| Service Dog | No Charge |
| Replacement Dog Tag | \$4.00 - non-refundable |
| Late fee neutered dog (per month) | \$2.00 - non-refundable |
| Late fee non - neutered dog (per month) | \$4.00 - non-refundable |
| <i>BUSINESS LICENSE FEES</i> | |
| Providers of services, wholesalers and manufacturers with a fixed place of business within the town limits | \$50.00/application and first year fee - non-refundable |
| Retail merchants, restaurants, bars, contractors and renters of real and personal property with a fixed place of business within the town limits and persons engaging in the sale of real estate | \$50.00/application and first year fee - non-refundable |
| Wholesalers, manufacturers and providers of services without a fixed place of business within the town limits | \$50.00/application and first year fee - non-refundable |
| Retail merchants, etc. (as above) without a fixed place of business within the town limits | \$50.00/application and first year fee - non-refundable |
| Annual renewal fee for business within the town limits | \$35.00 - non-refundable |
| Annual renewal fee for business without a fixed place of business within the town limits | \$50.00 - non-refundable |
| Late fee for renewal of business license fee | 25% of renewal fee |
| Penalty for operating a business without a license | \$100.00 |



| Description | Fee FY17-18 |
|--|--|
| <i>BUSINESS LICENSE FEES (CONT.)</i> | |
| Peddlers, solicitors and mobile merchants | \$250.00/calendar quarter or fraction thereof - non-refundable |
| Peddler investigation fee (per person) | \$41.00 - non-refundable |
| 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. | \$100.00/week |
| Animal Show | \$100.00/week |
| Circus Parade Only | \$50.00/day |
| Handbill Distributor | \$10.00/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. | \$100.00/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/day |
| Duplicate Business License | \$10.00 - non-refundable |
| Verification of License Letter | \$10.00 - non-refundable |
| <i>FALSE ALARM SERVICE CHARGES (PER CALENDAR YEAR)</i> | |
| First and second | None |
| Third | \$50.00 |
| Fourth | \$75.00 |
| Fifth and Sixth | \$100.00 |
| Seventh or more | \$200.00 each |
| <i>ALARM SYSTEM LICENSE PERMIT</i> | |
| License fee | \$25/annually - non-refundable |
| <i>WIRELESS COMMUNICATIONS (CELL TOWER ON TOWN PROPERTY)</i> | |
| Lease Agreement Application Fee, each location | \$250.00, per location - non-refundable |
| Amendments to Cell Tower Lease Agreements | \$250.00, per location - non-refundable |



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| Description | Fee FY17-18 |
|--|---|
| <i>SPECIAL EVENT PERMITS</i> | |
| Special Event Permits - Business | |
| Application Fee - Business (If submitted at least 60 days prior to the event date) | \$100.00 - non-refundable |
| Application Fee - If submitted 59 days or less prior to the event date | \$300.00 - non-refundable |
| Permit Fee | \$50 per day (not to exceed \$400) |
| Special Event Permits - Non-Profit | |
| Application Fee - Charitable Organization (If submitted at least 60 days prior to the event date) | \$50.00 - non-refundable |
| Application Fee - If submitted 59 days or less prior to the event date | \$200.00 - non-refundable |
| Permit Fee | \$25 per day (not to exceed \$200) |
| Special Event Permits - Extra Fees | |
| Special Event Liquor Application Fee | See alcohol license application fees - non-refundable |
| Utility Fees | Actual cost of usage |
| Park/Open Space Fees, including Amphitheater, Avenue of the Fountains Plaza, Great Lawn, Centennial Circle and other lawns - Event with less than 5,000 attendance | \$2,500/day |
| Park/Open Space Fees, including Amphitheater, Avenue of the Fountains Plaza, Great Lawn, Centennial Circle and other lawns - Event with more than 5,000 attendance | \$3,500/day |
| Special Event Permits - Deposit Fees | |
| Events with less than 1,000 attendance | \$500 |
| Events with 1,000 - 1,999 attendance | \$1,000 |
| Events with 2,000 - 5,000 attendance | \$2,500 |
| Events with over 5,000 attendance | \$5,000 |
| Special Event Permit Fees - Road Closure Admin Fees | |
| Events with less than 1,000 attendance | \$500 |
| Events with 1,000 - 1,999 attendance | \$750 |
| Events with 2,000 - 5,000 attendance | \$1,000 |
| Events with over 5,000 attendance | \$1,500 |
| Special Event Permit Fees - Vendor Compliance Fine | |
| First time penalty | \$250 |
| Recurring penalty | \$750 |
| Film permit application | \$50.00 non-refundable |



| Description | Fee FY17-18 |
|--|-----------------------------------|
| <i>ALCOHOL LICENSE APPLICATION</i> | |
| Person Transfer Fee | \$150.00 - non-refundable |
| Location Transfer Fee | \$150.00 - non-refundable |
| Probate/Will Assignment/Divorce Decree | \$150.00 - non-refundable |
| Extension of Premise | \$50.00 - non-refundable |
| Sampling Permit | \$50.00 - non-refundable |
| Acquisition of Control/Restructure/Agent Change | \$100.00 - non-refundable |
| Initial/Interim Application Fee | |
| 01 - In State Producer | \$500.00 - non-refundable |
| 02 - Out of State Producer | \$500.00 - non-refundable |
| 03 - Domestic Microbrewery | \$500.00 - non-refundable |
| 04 - In State Wholesaler | \$500.00 - non-refundable |
| 05 - Government | \$500.00 - non-refundable |
| 06 - Bar, All Spirituous Liquors | \$500.00 - non-refundable |
| 07 - Beer & Wine Bar | \$500.00 - non-refundable |
| 08 - Conveyance | \$500.00 - non-refundable |
| 09 - Liquor Store | \$500.00 - non-refundable |
| 10 - Beer & Wine Store | \$500.00 - non-refundable |
| 11 - Hotel/Motel | \$500.00 - non-refundable |
| 12 - Restaurant | \$500.00 - non-refundable |
| 13 - Domestic Farm Winery | \$500.00 - non-refundable |
| 14 - Private Club | |
| 15 - Special Event | \$25.00 - non-refundable |
| 16 - Wine Festival/Wine Fair | \$25.00 - non-refundable |
| <i>ADULT ORIENTED BUSINESS LICENSE</i> | |
| Application Fee - Business | \$500.00 - non-refundable |
| Application Fee - Provider | \$100.00 - non-refundable |
| Application Fee - Manager | \$100.00 - non-refundable |
| Application Fee - Employee (per person) | \$50.00 - non-refundable |
| License Fee - annual - Business | \$200.00 - non-refundable |
| License Fee - annual - Provider | \$100.00 - non-refundable |
| License Fee - annual - Manager | \$100.00 - non-refundable |
| <i>CABLE LICENSE</i> | |
| Initial License Application | \$2,500.00 - non-refundable |
| Transfer of ownership | \$2,000.00 - non-refundable |
| License modification, pursuant to 47 USC Sec 545 | \$2,500.00 - non-refundable |
| Other License modification | up to \$2000 - non-refundable |
| License fee - quarterly | 5% of gross receipts |
| Late fee (after 30 days) | 5% plus interest of 1 1/2% per mo |



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| Description | Fee FY17-18 |
|--|--------------------------|
| <i>EXCAVATIONS/IN - LIEU FEES</i> | |
| Base fee (per excavation) | \$250.00 plus: |
| Trench cut fees: | |
| Newly paved or overlaid 0 - 1 yrs | \$55.00 per lineal ft. |
| Newly paved or overlaid 1 - 2 yrs | \$45.00 per lineal ft. |
| Newly paved or overlaid 2 - 3 yrs | \$35.00 per lineal ft. |
| Newly paved or overlaid 3 - 4 yrs | \$25.00 per lineal ft. |
| Newly paved or overlaid 4 - 5 yrs | \$15.00 per lineal ft. |
| Newly paved or overlaid 5 - 6 yrs | \$10.00 per lineal ft. |
| Slurry or chip sealed 0 - 2 years | \$4.00 per lineal ft. |
| Pavement replacement greater than 300 ft in length | \$2.50 per sq. yd. |
| | |
| Utility Pit fees: | |
| Newly paved or overlaid 0 - 1 yrs | \$5.00 per Sq. ft. |
| Newly paved or overlaid 1 - 2 yrs | \$4.50 per Sq. ft. |
| Newly paved or overlaid 2 - 3 yrs | \$3.50 per Sq. ft. |
| Newly paved or overlaid 3 - 4 yrs | \$2.50 per Sq. ft. |
| Newly paved or overlaid 4 - 5 yrs | \$1.50 per Sq. ft. |
| Newly paved or overlaid 5 - 6 yrs | \$1.00 per Sq. ft. |
| Slurry or chip sealed 0 - 2 years | \$5.00 per Sq. ft. |
| | |
| Adjustment (MH, valve, monument, etc) | \$500 ea. |
| Striping | \$.55 per linear ft. |
| Lane Markers | \$150.00 ea. |
| Stop Bars | \$2.50 per Sq. ft. |
| Crosswalks | \$.79 per Sq. ft. |
| RPMs | \$7.00 ea. |
| Seal-Coat | \$2.00 per Sq. yd. |
| | |
| <i>ENCROACHMENT/ENGINEERING PERMITS</i> | |
| Base Permit Fee | \$70.00 - non-refundable |
| 2"/6" Paving A.C. | \$.35 per sq. yd. |
| 1" Paving - Overlay or Top Course | \$.15 per sq. yd. |
| 1" ABC or Select Subbase | \$.05 per sq. yd. |
| Permanent Barricading | \$25.00 ea. |
| Guard Rail/Hand Rail | \$.20 per linear ft. |
| Survey Monuments | \$10.00 ea. |
| Concrete Aprons | \$15.00 ea. |
| Scuppers | \$15.00 ea. |
| Review for Adjustments MH, etc. | \$10.00 ea. |
| 4" Paving - PC Concrete | \$.22 per sq. yd. |
| Decorative Sidewalk or Paving | \$.30 per linear ft. |
| Sidewalk & Bike path | \$.30 per linear ft. |
| Curb & Gutter | \$.20 per linear ft. |
| Valley Gutter | \$.50 per linear ft. |
| Sign (regulator, street etc.) | \$5.00 ea. |
| Pavement Cuts | \$2.00 per linear ft. |
| Driveway/Driveway Modifications | \$30.00 ea. |
| Utility, Water Line, Sewer Line Trench | \$.15 per linear ft. |
| Drywells (maxwell or similar) | \$100.00 ea. |
| Storm Drain Pipe | \$2.00 per linear ft. |
| Catch Basins, Headwells | \$50.00 ea. |



| Description | Fee FY17-18 |
|--|---|
| <i>ENCROACHMENT/ENGINEERING PERMITS (CONT.)</i> | |
| Cutoff Walls | \$.35 per linear ft. |
| Slope Protection | \$.30 per sq. yd. |
| Rip Rap | \$.90 Sq. ft. |
| Retaining Wall | \$1.53 per linear ft. |
| Cut/Fill (Materials Moved) | \$.40 per cubic yd. |
| Box Culverts | 5% of attached estimate |
| Miscellaneous | 5% of attached estimate |
| Landscaping | 5% of attached estimate |
| Irrigation | 5% of attached estimate |
| Lighting | 5% of attached estimate |
| Grading | 5% of attached estimate |
| Utility Splice/Repair Pits (outside pvmt) | \$2.00 Sq. ft. (minimum \$50.00) |
| Other | 5% of attached estimate |
| In Lieu Payments | Calculated for cuts greater than 300 feet in length - per MAG section 336 |
| Traffic Control Plan Review | \$200 |
| Engineering Plan Review Fee | \$350 per sheet |
| Failure to obtain an Encroachment Permit | \$200 |
| Failure to obtain a Final Inspection | \$100 |
| Reinspection Fee | \$150 |
| Investigation Fee for Work Done Without Permit | \$250 or the permit fee, whichever is greater, but not to exceed \$2,500 for every day or a portion of a day from the time unpermitted work began until a permit is obtained. |
| Oversize/Overweight Vehicle Permit | \$210.00 |
| Haul Route Permit (greater than or equal to 500 cubic yards) | \$210.00 |
| Failure to barricade or improper barricading | Up to \$1,000 |
| Permit Extension | \$50.00 |
| Penalty for work w/o permit | 50% of Permit Fee |
| Minimum Plan Review | \$70.00 per hour (1 - hour Minimum) |
| <i>ENVIRONMENTAL FEE</i> | |
| Environmental fee: | |
| per residential solid waste account | \$3.00 per month per parcel; billed \$36.00 annually |
| per multifamily solid waste account (with a range for number of units) | to be determined |
| commercial solid waste accounts (license fee and/or cost per commercial account) | to be determined |
| late fee for paying the environmental fee | \$5.00 per month up to a maximum of \$35. |



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| Description | Fee FY17-18 |
|---|--|
| <i>DEVELOPMENT SERVICES FEES</i> | |
| Easement or Right-of-Way Abandonment | \$350.00 |
| Hillside Protection Reconfiguration and/or Replacement of Hillside Protection Easement | \$350.00 |
| Revocation Administrative Fee | \$300.00 |
| Engineering Plan Review Fee | \$350.00 per sheet |
| Final Plat Improvement: | |
| Plan Checking | \$350.00 per sheet (includes 2nd and 3rd |
| Except water and sewer plans | \$175.00 per sheet (includes 2nd and 3rd |
| Water and sewer plans only | \$200.00 per sheet with corrections (4th+ reviews); \$75.00 per sheet for addendums (changes made after approval). |
| Engineering Report/Calculations Review Fee (Drainage, Environmental, Traffic, Structural, Water, Sewer, etc.) | \$350.00 per report |
| New/Address Change | \$25.00 |
| Environmental fee: | |
| per residential solid waste account | \$3.00 per month per parcel; billed \$36.00 |
| per multifamily solid waste account (with a range for number of units) | to be determined |
| commercial solid waste accounts (license fee and/or cost per commercial account) | to be determined |
| late fee for paying the environmental fee | \$5.00 per month up to a maximum of \$35. |
| <i>DEVELOPMENT FEES</i> | |
| Single Family Residential | \$1,601 |
| Multi - Family Residential | \$1,601/dwelling |
| Commercial | \$0.243/Sq. ft. |
| Office | \$0.243/Sq. ft. |
| Hotel | \$0.243/Sq. ft. |
| Industrial | \$0.243/Sq. ft. |
| Fee Detail (From Above) | |
| Park & Recreation | |
| Residential (1) | \$1,301/dwelling |
| Fire and Emergency | |
| Residential (1) | \$300/dwelling |
| Non - Residential (2) | \$0.243/Sq. ft. |
| <i>(1) Residential includes single and multi - family dwelling units</i> | |
| <i>(2) Non - residential includes commercial and industrial square footage</i> | |



| Description | Fee FY17-18 |
|--|---|
| PLANNING & ZONING FEES | |
| Administrative Use Permit/Grand Opening Sign Permit | \$25.00 |
| Appeal of a Decision by the Zoning Administrator | \$1,000.00 plus notification * ^ |
| Area Specific Plans and amendments | \$3,000.00 plus \$ 100.00 per acre ^ |
| Comprehensive Sign Plans and amendments | \$200.00 |
| Commercial/Industrial/Multi-Family Site Plan Review | \$500.00 plus \$200.00 for every 5,000 square feet or portion thereof ^ |
| Condominium Plats | \$1,500.00 plus \$50.00 per unit ^ |
| Continuance at Applicant Request | \$250.00 |
| Cut & Fill Waiver | \$300 |
| Development Agreements | \$5,000.00 plus \$100 per acre or portion thereof |
| Final Plats | \$1,500.00 plus \$ 50.00 per lot, unit or tract ^ |
| General Plan Amendments | Minor \$ 3,000.00 plus \$ 100.00 per acre ^ Major \$ 5,000.00 plus \$ 100.00 per acre ^ |
| Hillside Protection Easement (HPE) | \$20.00 + applicable recording fees |
| Land Disturbance Fee | \$10.00 per Sq. ft. plus revegetation |
| Landscape Plan Review | \$420.00 plus \$ 2,500.00 refundable deposit ** |
| Notification fee | \$5.00 per mailing label and \$ 60.00 per newspaper posting as appropriate |
| Ordinances (Text Amendments) | \$2,000.00 plus notification * |
| Planned Area Developments (PAD) | \$2,000.00 plus \$100 per acre or portion thereof plus notification * |
| Planned Unit Developments (PUD) | \$2,000.00 plus \$100 per acre or portion thereof plus notification * |
| Plat Abandonments | \$500.00 ^ |
| Preliminary Plats | \$2,000.00 plus \$50.00 per lot, unit or tract ^ |
| Recording Fees (<i>subject to change without notice</i>) | \$24.00 first page for plat filed for record, + \$20.00 per page for each additional copy, and; \$9.00 for each instrument, + \$1.00 for each additional page over 5 pages. |
| Replats (lot joins, lot divisions, lot line adjustments) | \$500.00 up to three lots, more than 3 lots use Final Plat fees ^ |
| Rezones (Map) | \$2,000.00 plus \$100 per acre or portion thereof plus notification * ^ |
| Saguaro Cactus Permit | \$90.00 |
| Special Use Permits and amendments | \$500.00 plus notification * ^ - non-refundable |
| Temporary Use Permits | \$200.00 plus notification * - non-refundable |
| Temporary Visitor Permit (RV Parking): | \$25.00 |
| Time Extension Fee | \$100.00 |
| Tract Housing | \$500.00 per Standard Plan + \$100 per House Façade Variant |
| Variances | \$1,000.00 plus \$300.00 for each additional variance plus notification * ^ |
| Zoning Verification Letter | \$200.00 |
| *Plus a notification charge of \$5.00 per mailing label and/or \$75 per newspaper posting as appropriate. | |
| ** Deposit required for Certificate of Occupancy (C of O) if landscaping is not installed; refundable upon landscaping approval by Town within six (6) months. | |
| ^ 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. The "recording fee" is per Maricopa County's Fee Schedule and is, therefore, subject to change. | |



Comprehensive Fee Schedule
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| Description | Fee FY17-18 |
|---|--|
| BUILDING PERMIT/PLAN CHECK – SINGLE FAMILY RESIDENTIAL | |
| Single Family Homes (Includes Permit and Plan Review) | |
| Livable Area with A/C | \$.75 Sq. ft. |
| Covered Area: Garage and/or Patio (non A/C) | \$.45 Sq. ft. |
| Single Family Addition | |
| Area non A/C | \$.75 Sq. ft. |
| Single Family Remodel | |
| Area non A/C | \$.45 Sq. ft. |
| Specialized Permits (Includes Permit and Plan Review) | |
| Solar Photovoltaic | \$140.00 |
| Fence Walls | \$70 plus \$.15 LF (Linear Footage) |
| Retaining Walls | \$70 plus \$1.53 LF (Linear Footage) |
| Pools & Spas Attached | \$290 plus \$.90 Sq. ft. |
| Stand Alone Spas | \$235.00 |
| Landscape Plan Review | \$420.00 plus \$ 2,500.00 refundable deposit ** |
| Miscellaneous Permits (Plan Review Fee Extra) | |
| One Discipline Permit | \$70.00 (building, plumbing, electrical or mechanical) |
| Combination Permit | \$210.00 |
| Miscellaneous Plan Review | |
| Minimum Plan Review | \$70.00 per hour (1 - hour Minimum) |
| Revisions to Approved Plans | \$70.00 per hour (1 - hour Minimum) |
| Over the Counter Permits (No Plan Review Fee Required) | |
| Plumbing - Water heater replacement/solar (minor) | \$70.00 |
| Mechanical - HVAC replacement (minor) | \$70.00 |
| Electrical - panel repair (minor) | \$70.00 |
| Demolition (minor) | \$120.00 |
| Plan Review Add On (After 3rd Review) | 50% of Bldg Permit/Plan Review Fee |
| Reinspection Fee | \$150.00 per Trip |
| Plan copies 24x36 | \$3.00 per page - B&W \$5.00 per page - Color |
| Permit Extensions - Residential new construction only (If Town has all records and within current Code cycle) | \$400.00 |
| Permit Extensions - Residential remodel only (If Town has all records and within current Code cycle) | \$100.00 |
| Refund for cancelled Single Family Home permit | 35% of building permit fee paid - request must be made within 180 days of original payment |
| Penalty for failure to obtain a building permit | 50% of Bldg Permit/Plan Review Fee |



| Description | Fee FY17-18 |
|--|---|
| BUILDING PERMIT/PLAN CHECK - COMMERCIAL | |
| <i>Commercial Building Permit (Includes Permit and Plan Review)</i> | |
| Area with A/C | \$.75 Sq. ft. |
| Covered Area (non A/C) | \$.45 Sq. ft. |
| Commercial Building Addition | |
| Area with A/C | \$.75 Sq. ft. |
| Covered Area (non - A/C) | \$.45 Sq. ft. |
| Commercial Remodel (Existing) | |
| Area with A/C | \$145 plus \$.23 Sq. ft. |
| Covered Area (non - A/C) | \$145 plus \$.14 Sq. ft. |
| Shell Only for Commercial & Multi - Family | |
| Area with A/C | \$205 plus \$.50 Sq. ft. |
| Covered Area (non - A/C) | \$70 plus \$.45 Sq. ft. |
| Commercial Tenant Improvement | |
| Area with A/C | \$145 plus \$.23 Sq. ft. |
| Covered Area (non - A/C) | \$145 plus \$.14 Sq. ft. |
| Apartments/Condominiums | |
| Livable Area with A/C | \$.75 Sq. ft. |
| Covered Area (non - A/C) | \$.45 Sq. ft. |
| Apartments/Condominiums with 4 or more units & recurring floor plans (0 - 100,000 livable sq. ft.) 100,000 livable Sq. ft.) | |
| Livable Area with A/C | \$.60 Sq. ft. |
| Covered Area (non - A/C) | \$.37 Sq. ft. |
| Apartments/Condominiums with 4 or more units & recurring floor plans (Over 100,000 livable sq. ft.) | |
| Livable Area with A/C | \$.53 Sq. ft. |
| Covered Area (non - A/C) | \$.33 Sq. ft. |
| Specialized Permits (Includes Permit and Plan Review) | |
| Solar Photovoltaic | \$140.00 |
| Fence Walls | \$70 plus \$.15 Lf (Linear Footage) |
| Retaining Walls | \$70 plus \$1.53 LF (Linear Footage) |
| Pools & Spas Attached | \$290 plus \$.90 Sq. ft. |
| Stand Alone Spas | \$235.00 |
| Landscape Plan Review | \$420.00 plus \$ 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. | |



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| Description | Fee FY17-18 |
|--|--|
| BUILDING PERMIT/PLAN CHECK – COMMERCIAL (CONT.) | |
| Miscellaneous Permits (Plan Review Fee is Separate) | |
| Minimum Permit (one discipline) | \$70.00 (or \$210.00 for building, plumbing, electrical and mechanical) |
| Minimum Combination (all disciplines) | \$210.00 |
| Sign Permit, less than 32 Sq. ft. (Face Replacement Only) | \$50.00 per sign |
| Sign Permit, greater than 32 Sq. ft. (Face Replacement Only) | \$100.00 per sign |
| Sign Permit, less than 32 Sq. ft. (New) | \$190.00 per sign |
| Sign Permit, greater than 32 Sq. ft. (New) | \$240.00 per sign |
| Miscellaneous Plan Review | |
| Minimum Plan Review | \$70.00 per hour (1 - hour Minimum) |
| Revisions to Approved Plans | \$70.00 per hour (1 - hour Minimum) |
| Over the Counter Permits (No Plan Review Fee Required) | |
| Plumbing - Water heater replacement/solar (minor) | \$70.00 |
| Mechanical - HVAC replacement (minor) | \$70.00 |
| Electrical - panel repair (minor) | \$70.00 |
| Demolition (minor) | \$120.00 |
| Plan Review Add On (After 3rd Review) | 50% of Bldg Permit/Plan Review Fee |
| Reinspection Fee | \$150.00 per trip |
| Permit Extensions - Commercial new construction only (If Town has all records and within current Code cycle) | \$400.00 |
| Permit Extensions - Commercial remodel only (If Town has all records and within current Code cycle) | \$100.00 |
| Penalty for failure to obtain a building permit | 50% of Bldg Permit/Plan Review Fee |
| 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 |
| Appeal of Decision by Building Official/Fire Marshall | \$1,000 plus notification * ^ |
| *Plus a notification charge of \$5.00 per mailing label and/or \$75 per newspaper posting as appropriate. | |
| ^ 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. The "recording fee" is per Maricopa County's Fee Schedule and is, therefore, subject to change. | |



| Description | Fee FY17-18 |
|---|---|
| FIRE SAFETY FEES | |
| Residential Automatic Sprinkler System Plan Review/Inspection | 0.05 Sq. ft. (minimum \$25) |
| Commercial Automatic Sprinkler System Plan Review/Inspection | \$.10 Sq. ft. (minimum \$50) |
| Commercial Auto Sprinkler System Modification Plan Review/Inspection | \$75.00 |
| Commercial Hood System Plan Review/Inspection | \$100.00 |
| Commercial Fire Alarm System Plan Review/Inspection | \$100.00 |
| Commercial Fire Alarm System Modification Plan Review/Inspection | \$50.00 |
| Residential LPG Installation Review/Inspection | \$50.00 |
| Annual Adult Residential Group Care Inspection | \$100.00 per year |
| Annual Commercial Fire Inspection Fee | \$15.00 |
| Tent Permit Fee (any tent over 200 Sq. ft. & any canopy over 400 Sq. ft.) | \$100.00 |
| Reinspection Fee (beyond one re-check) | \$150.00 per trip |
| ABATEMENT FEES | |
| Inspection fee | \$70.00 per hour (1 - hour minimum) |
| Reinspection fee | \$150.00 per trip |
| PARK FACILITY RENTALS | |
| Park Rental Fees - Resident/Organization ⁽¹⁾ | Per Hour |
| Small Ramada - 2 hour minimum | \$10.00 |
| Medium Ramada - 2 hour minimum | \$15.00 |
| Large Ramada - 2 hour minimum | \$20.00 |
| Meeting Rooms 2 hour minimum | \$10.00 |
| Multi-Purpose Fields - 2 hour minimum | \$15.00 |
| Tennis Courts - 90 minute reservation | \$5.00 without lighting |
| Tennis Courts - 90 minute reservation | \$7.00 with lighting |
| Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Great Lawn, Centennial Circle and other lawns | \$400/half day (4 hours or less) \$750/full day (over 4 hours) |
| ⁽¹⁾ 10% wedding discount when combined with Community Center Rental | |



Comprehensive Fee Schedule
Effective July 1, 2017

| Description | Fee FY17-18 |
|---|---|
| <i>PARK FACILITY RENTALS (CONT.)</i> | |
| Park Rental Fee Extras | |
| Power Distribution Box Rental Fee & Deposit | \$15.00/box per day; \$100.00 deposit per box and power cable |
| Athletic Field Lights (2 hour minimum) | |
| Athletic Field – Prep & Bases | |
| Alcohol Permit with Park Reservation | \$10.00 for 50 Consuming Adults - non-refundable |
| Fountain Operation | \$265.00 Per Half - Hour |
| Staff (2 hour minimum) | \$21 - \$38 Per Hour |
| Park Rental Fees - Non-Resident/ Commercial ⁽¹⁾ | Per Hour |
| Small Ramada - 2 hour minimum | \$15.00 |
| Medium Ramada - 2 hour minimum | \$22.50 |
| Large Ramada - 2 hour minimum | \$30.00 |
| Meeting Rooms - 2 hour minimum | \$15.00 |
| Multi-Purpose Fields - 2 hour minimum | \$22.50 |
| Tennis Courts - 90 minute reservation | \$10.00 without lights |
| Tennis Courts - 90 minute reservation | \$14.00 with lights |
| Open Park space, including Amphitheater, Avenue of the Fountains Plaza, Great Lawn, Centennial Circle and other lawns | \$750/half day (4 hours or less) \$1,400/full day (over 4 hours) |
| ⁽¹⁾ 10% wedding discount when combined with Community Center Rental | |
| Park Rental Fee Extras | |
| Power Distribution Box Rental Fee & Deposit | \$15.00/box per day; \$100.00 deposit per box and power cable |
| Athletic Field Lights - 2 hour minimum | \$10.00 per hour |
| Athletic Field – Prep & Bases | \$25.00 per field |
| Alcohol Permit with Park Reservation | \$10.00 for 50 Consuming Adults - non- |
| Fountain Operation | \$265.00 Per Half - Hour |
| Staff - 2 hour minimum | \$21.00 - \$38.00 Per Hour |
| | |
| Recreation Fees | |
| Program Cancellation Fee | \$10.00 |



| Description | Fee FY17-18 |
|---|---------------------------------|
| <i>COMMUNITY CENTER RENTALS</i> | |
| Community Center Rental - Resident/ Organization (Tier 2) ⁽²⁾ | Per Hour |
| Any Meeting Room - 2 hour minimum | \$17.00 |
| One Ballroom (30 - 90 people) Minimum 4 hours | \$36.00 |
| Two Ballrooms *(91 - 160 people) Minimum 4 hours | \$72.00 |
| Three Ballrooms* (161 - 250 people) Minimum 4 hours | \$108.00 |
| Grand Ballroom *(251 - 450 people) Minimum 4 hours | \$144.00 |
| Lobby ⁽²⁾ | Per Hour |
| 4 hour minimum | \$34.00 |
| Grand Ballroom & Lobby ⁽²⁾ | |
| All Day Rate (Monday - Thursday 7:00 am to Midnight) | \$1,760.00 |
| All Day Rate (Friday - Saturday 7:00 am to Midnight) | \$2,200.00 |
| Weekend Rates: Friday & Saturday ⁽²⁾ (no rentals on Sunday) | Weekend Rates: Friday-Sunday |
| Ballroom 3 (includes patio access and views)* 4 hour minimum | Per Hour \$41.00 |
| Ballroom 4 (includes patio access and views) 4 hour minimum | \$41.00 |
| Tier 2 Groups meeting 6 or More Times per Year: | |
| 4 hour minimum with contract | 50% of Resident/Non-Profit rate |
| * Ballroom 3 not available as a standalone rental | |
| ⁽²⁾ 10% wedding discount when combined with a Park Rental | |



Comprehensive Fee Schedule
Effective July 1, 2017

| <u>Description</u> | <u>Fee FY17-18</u> |
|--|-------------------------------------|
| <i>COMMUNITY CENTER RENTALS (CONT.)</i> | |
| Community Center Rental - Non-Resident/ Commercial (Tier 3) ⁽²⁾ | Per Hour |
| Any Meeting Room | \$39.00 |
| One Ballroom (30-90 people) 4 hour minimum | \$83.00 |
| Two Ballrooms * (91 - 160 people) 4 hour minimum | \$166.00 |
| Three Ballrooms* (161 - 250 people) 4 hour minimum | \$249.00 |
| Grand Ballroom * (251 - 450 people) 4 hour minimum | \$332.00 |
| Lobby ⁽²⁾ 4 hour minimum | \$69.00 |
| Grand Ballroom & Lobby ⁽²⁾ All Day Rate (Monday - Thursday 7:00 am to Midnight) | \$4,400.00 |
| All Day Rate (Friday - Saturday 7:00 am to Midnight) | \$5,500.00 |
| Weekend Rates: Friday & Saturday ⁽²⁾ (no rentals on Sunday) | Weekend Rates: Friday-Sunday |
| Ballroom 3 (includes patio access and views)* 4 hour minimum | Per Hour \$124.00 |
| Ballroom 4 (includes patio access and views) 4 hour minimum | \$124.00 |
| Tier 3 Groups meeting 6 or More Times per Year: 4 hour minimum with contract | 50% of Non-Resident/Commercial Rate |
| * Ballroom 3 not available as a standalone rental | |
| ⁽²⁾ 10% wedding discount when combined with a Park Rental | |



| Description | Fee FY17-18 |
|---|-----------------------|
| <i>COMMUNITY CENTER RENTALS (CONT.)</i> | |
| Community Center Extra Service Fees - Resident/Non-Profit | |
| Video Projector - Note Vission 3,000 Lumens | \$40.00 |
| Overhead Projector | \$15.00 |
| Slide Projector | \$15.00 |
| 27" TV | \$15.00 |
| Flat Screen TV | \$25.00 |
| TV/VCR (or DVD) | \$0.00 |
| VCR or DVD Player | \$10.00 |
| Small Screen | \$5.00 |
| Large Screen (8' x 10') | \$10.00 |
| Large Screen Border | \$15.00 |
| Ping Pong Table | \$15.00 per rental |
| Internet Access | |
| Hard Wire | \$125 per day |
| Sound Reinforcement | |
| Wireless Microphones | \$5.00 |
| Speaker Table (Includes Mixing Board) | \$15.00 each |
| Conference Phone | \$10.00 |
| Portable Sound System (Includes Mixing Board and/or Portable Speaker) | \$25.00 |
| CD Player | \$10.00 |
| Electricity (per booth) | |
| 110 V | \$15.00 |
| 220 V | \$40.00 |
| Other | |
| Easel | \$5.00 |
| Papers & Markers | \$10.00 |
| Portable White Board | \$5.00 |
| Walker Display Board | \$5.00 |
| Items for Sale | |
| 25' Extension Cord | \$15.00 each |
| Power Strip | \$15.00 each |
| Masking Tape | \$5.00 per roll |
| Miscellaneous | |
| Dance Floor - per 3' x 3' parquet square | \$3.00 |
| Staging 6' x 8" section | \$5.00 |
| Piano - Tuning Extra | |
| Upright | \$25.00 |
| Grand | \$50.00 |
| Coffee Service | \$5.00 per 8 cup pack |



Comprehensive Fee Schedule
Effective July 1, 2017

| Description | Fee FY17-18 |
|---|------------------------------|
| <i>COMMUNITY CENTER RENTALS (CONT.)</i> | |
| Community Center Extra Service Fees - Non - Resident/Commercial | |
| Video Projector - Note Vission 3,000 Lumens | \$75.00 |
| Overhead Projector | \$30.00 |
| Slide Projector | \$30.00 |
| 27" TV | \$30.00 |
| Large Flat Panel Monitor | \$50.00 |
| Flat Screen TV | \$50.00 |
| VCR or DVD Player | \$20.00 |
| Small Screen | \$10.00 |
| Large Screen (8' x 10') | \$20.00 |
| Large Screen Border | \$30.00 |
| Ping Pong Table | \$30.00 per rental |
| Internet Access | |
| Hard Wire | \$125.00 per day |
| Sound Reinforcement | |
| Wireless Microphones | \$15.00 |
| Speaker Table (Includes Mixing Board) | \$15.00 each |
| Conference Phone | \$20.00 |
| Portable Sound System (Includes Mixing | \$50.00 |
| CD Player | \$20.00 |
| Electricity (per booth) | |
| 110 V | \$25.00 |
| 220 V | \$75.00 |
| Other | |
| Easel | \$10.00 |
| Papers & Markers | \$20.00 |
| Portable White Board | \$10.00 |
| Walker Display Board | \$10.00 |
| Items for Sale | |
| 25' Extension Cord | \$15.00 each |
| Power Strip | \$15.00 each |
| Masking Tape | \$5.00 each |
| Miscellaneous | |
| Dance Floor - Per 3' x 3' parquet square | \$5.00 |
| Staging 6' x 8" section | \$10.00 |
| Piano - Tuning Extra | |
| Upright | \$50.00 |
| Grand | \$100.00 |
| Coffee Service | \$5.00 per (10) 8oz cup pack |
| Portable Bar | \$50.00 |
| Labor Charges | \$25/hr \$40/hr OT |
| NOTE: All Rentals Are Subject To Applicable Arizona Sales Taxes | |



| Description | Fee FY17-18 |
|---|---|
| <i>SENIOR SERVICES ANNUAL MEMBERSHIP FEES (CALENDAR YEAR)</i> | |
| Resident | \$20.00 |
| Non - Resident | \$30.00 |
| <i>COURT FEES</i> | |
| Non-Sufficient Funds (checks returned to Court) | \$30.00 per check |
| Public Defender | Actual costs for appointed attorney |
| Jail Reimbursement | Actual costs billed by County for jail time |
| Jury Costs (assessed if jury trial canceled within five days of trial) | Actual administrative costs |
| Civil Traffic Default | \$50.00 per defaulted charge |
| Warrant | \$50.00 per warrant issued |
| Diversion Program Rescheduling | \$25.00 |
| Court Clerk | \$17.00 |
| Court User | \$30.00 per charge, plus surcharges |
| Public Records Search | \$2.00 per name |
| Copies | \$0.50 per page |
| Certified Copies | \$17.00 |
| Copies of CDs | \$17.00 |
| NOTE: Court fees are subject to change throughout the fiscal year in accordance with State Law and Arizona Supreme Court Rules. | |





Schedule of Authorized Positions



Schedule of Authorized Positions

| Position Title | FY13-14 Authorized FTE | FY14-15 Authorized FTE | FY 15-16 Authorized FTE | FY 16-17 Authorized FTE | FY 17-18 Authorized FTE |
|--|------------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Municipal Court</u> | | | | | |
| Presiding Judge | 1.00 | 0.63 | 0.63 | 0.63 | 0.63 |
| Court Administrator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Court Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Court Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Authorized FTE | 4.00 | 3.63 | 3.63 | 3.63 | 3.63 |
| <u>Administration</u> | | | | | |
| Town Manager | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Administrative Services Director | | 1.00 | 1.00 | 1.00 | 1.00 |
| Executive Asst to Town Mgr/Council | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Town Clerk | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Volunteer Coordinator | 0.88 | 1.00 | 1.00 | 1.00 | 1.00 |
| Economic Development Analyst | | - | - | - | 1.00 |
| Economic Development Specialist | 0.63 | 1.00 | 1.00 | | |
| Economic Development Director | - | - | - | 1.00 | 1.00 |
| Communication and Marketing Coordinator | | | | 0.20 | 0.20 |
| Information Technology Administrator | - | 1.00 | 1.00 | | |
| Network & Information Technology Administrator | - | - | - | 1.00 | 1.00 |
| Finance Director | - | 1.00 | 1.00 | 1.00 | 1.00 |
| Accountant | - | 1.00 | 1.00 | 1.00 | 1.00 |
| Financial Services Technician | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 |
| Accounting Clerk | 0.50 | 0.63 | 0.63 | 1.26 | 1.26 |
| Customer Service Representative II | 0.80 | 0.70 | 1.00 | 1.00 | 1.00 |
| Authorized FTE | 9.06 | 11.33 | 11.63 | 12.46 | 13.46 |
| <u>Public Works</u> | | | | | |
| Public Works Director | - | - | - | 1.00 | 1.00 |
| Civil Engineering Inspector | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Executive Assistant | | | | 0.50 | 0.50 |
| Facilities/Environmental Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Facilities Maintenance Tech | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Custodian | 1.25 | 1.30 | 1.30 | 1.30 | 1.30 |
| Street Superintendent | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fleet Mechanic/Open Space-Landscape Spec | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Traffic Signal Technician II | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Street Maintenance Technician | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Authorized FTE | 8.25 | 8.30 | 8.30 | 9.80 | 9.80 |



Schedule of Authorized Positions (continued)

| <u>Position – Title</u> | <u>FY13-14 Authorized FTE</u> | <u>FY14-15 Authorized FTE</u> | <u>FY 15-16 Authorized FTE</u> | <u>FY 16-17 Authorized FTE</u> | <u>FY 17-18 Authorized FTE</u> |
|---|---------------------------------------|---------------------------------------|--|--|--|
| <u>Development Services</u> | | | | | |
| Development Services Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Executive Assistant | 1.00 | 1.00 | 1.00 | 0.50 | 0.50 |
| Town Engineer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Planner | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| GIS Technician/CAD Operator | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Code Enforcement Officer | - | - | - | - | 1.00 |
| Code Enforcement Officer | 1.00 | 1.00 | 1.00 | 1.00 | - |
| Chief Building Official/Plans Examiner | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Civil Plans Examiner | - | - | - | - | 0.50 |
| Building Permit Technician | 1.00 | 1.00 | 1.00 | 1.00 | 1.50 |
| Authorized FTE | 8.00 | 8.00 | 8.00 | 7.50 | 8.50 |
| <u>Community Services</u> | | | | | |
| Community Services Director | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Recreation Manager | - | - | - | - | 1.00 |
| Recreation Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | - |
| Recreation Program Coordinator | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Tourism Coordinator | - | 1.00 | 1.00 | - | - |
| Communication and Marketing Coordinator | - | - | - | 0.80 | 0.80 |
| Executive Assistant | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Parks Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Park Operations Lead | 1.00 | 1.00 | 1.00 | 3.00 | 3.00 |
| Lead Park Attendant | - | 0.49 | 0.49 | 0.49 | 0.49 |
| Park Attendant | - | 1.96 | 1.96 | 1.96 | 1.96 |
| Groundskeeper | 3.00 | 3.00 | 3.00 | 1.00 | - |
| Groundskeeper II | - | - | - | - | 1.00 |
| Customer Service Representative II | 0.30 | 0.30 | - | - | - |
| Community Center Manager | - | - | - | - | 1.00 |
| Events & Operations Supervisor - CC | - | 1.00 | 1.00 | 1.00 | - |
| Operations Coordinator - Community Center | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Operations Support Worker | 1.65 | 1.65 | 1.65 | 1.65 | 1.65 |
| Customer Service Representative I | 1.00 | 0.88 | 0.88 | 0.88 | 0.88 |
| Senior Services Supervisor | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Senior Services Activities Coordinator | 0.58 | 0.58 | 0.58 | 0.58 | 0.58 |
| Home Delivered Meals Coordinator | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 |
| Senior Services Assistant | 0.45 | 0.45 | 0.45 | 0.45 | 0.45 |
| Authorized FTE | 20.18 | 21.06 | 20.76 | 20.56 | 20.56 |
| Total Authorized FTE | <u>49.49</u> | <u>52.32</u> | <u>52.32</u> | <u>53.95</u> | <u>55.95</u> |

Compared to the high of 115 FTEs in FY01-02, the current level of 56 FTEs represents a total decrease of 51% over a seventeen year period. The reduction in authorized FTEs is a result of the economic downturn and the need to reduce town expenditures, resulting in the consolidation of positions as well as actual staff layoffs.





Pay Plan



FY17-18 PAY PLAN
(adjusted by 5.0%)

Exempt Positions

| <u>Position Title</u> | <u>Minimum</u> | <u>Maximum</u> | <u>Previous Range</u> | |
|--|----------------|----------------|-----------------------|--------------|
| Finance Director | \$ 94,160 | \$ 133,905 | \$ 89,676 | - \$ 127,529 |
| Public Works Director | 92,715 | 131,850 | 88,300 | - 125,571 |
| Development Services Director | 92,715 | 131,850 | 88,300 | - 125,571 |
| Town Engineer | 89,128 | 126,749 | 84,884 | - 120,713 |
| Administrative Services Director | 83,409 | 118,616 | 79,437 | - 112,968 |
| Community Services Director | 83,085 | 118,155 | 79,129 | - 112,529 |
| Court Administrator | 74,430 | 105,847 | 70,886 | - 100,807 |
| Town Clerk | 68,423 | 97,305 | 65,165 | - 92,671 |
| Economic Development Director | 66,520 | 94,599 | 63,352 | - 90,094 |
| Chief Building Official/Plans Examiner | 65,841 | 93,633 | 62,706 | - 89,174 |
| Recreation Manager | 65,041 | 92,506 | 59,787 | - 85,024 |
| Street Superintendent | 64,461 | 91,669 | 61,391 | - 87,304 |
| Senior Planner | 64,196 | 91,292 | 61,139 | - 86,945 |
| Community Center Manager | 62,755 | 89,244 | 54,389 | - 77,346 |
| Network and Information Technology Administrator | 60,409 | 87,839 | 57,532 | - 85,697 |
| Parks Supervisor | 57,753 | 82,131 | 55,003 | - 78,220 |
| Facilities/Environmental Supervisor | 56,157 | 79,862 | 53,483 | - 76,059 |
| Senior Services Supervisor | 54,389 | 77,346 | 51,799 | - 73,663 |
| Executive Assistant to Town Manager/Council | 54,006 | 76,801 | 51,434 | - 73,144 |
| Economic Development Analyst | 53,150 | 75,585 | N/A - new position | |
| Accountant | 49,850 | 70,892 | 47,476 | - 67,516 |
| Recreation Program Coordinator | 49,850 | 70,892 | 47,476 | - 67,516 |
| Communications and Marketing Coordinator | 49,850 | 70,892 | 47,476 | - 67,516 |
| Senior Code Enforcement Officer | 49,850 | 70,892 | 43,118 | - 61,318 |
| Volunteer Coordinator | 49,850 | 70,892 | 47,476 | - 67,516 |
| Community Center Operations Coordinator | 49,850 | 70,892 | 47,476 | - 67,516 |

Non-Exempt Positions

| <u>Position Title</u> | <u>Minimum</u> | <u>Maximum</u> | <u>Previous Range</u> | |
|--|----------------|----------------|-----------------------|------------|
| Civil Plans Examiner | \$ 25.89 | \$ 36.82 | N/A - new position | |
| GIS Technician/CAD Operator | 25.44 | 36.17 | \$ 24.22 | - \$ 34.44 |
| Traffic Signal Technician II | 24.81 | 35.28 | 23.62 | - 33.60 |
| Civil Engineer Inspector | 22.09 | 31.41 | 21.03 | - 29.91 |
| Executive Assistant | 20.73 | 29.48 | 19.74 | - 28.07 |
| Fleet Mechanic/Open Space-Landscape Specialist | 20.22 | 28.75 | 19.25 | - 27.38 |
| Park Operations Lead | 20.22 | 28.75 | 19.25 | - 27.38 |
| Facilities Maintenance Technician | 18.72 | 26.62 | 17.82 | - 25.35 |
| Building Permit Technician | 18.23 | 25.93 | 17.36 | - 24.69 |
| Senior Court Clerk | 17.74 | 25.22 | 16.89 | - 24.01 |
| Street Maintenance Technician | 17.74 | 25.22 | 16.89 | - 24.01 |
| Court Clerk | 16.95 | 24.11 | 16.14 | - 22.96 |
| Financial Services Technician | 16.95 | 24.11 | 16.14 | - 22.96 |
| Groundskeeper II | 16.95 | 24.11 | 14.30 | - 20.33 |
| Accounting Clerk | 16.41 | 23.33 | 15.62 | - 22.21 |
| Customer Service Representative II | 16.41 | 23.33 | 15.62 | - 22.21 |
| Senior Services Activities Coordinator | 16.05 | 22.82 | 15.28 | - 21.73 |
| Lead Park Attendant | 16.05 | 22.82 | 15.28 | - 21.73 |
| Customer Service Representative I | 14.62 | 20.78 | 13.92 | - 19.79 |
| Home Delivered Meals Coordinator | 14.30 | 20.33 | 13.61 | - 19.36 |
| Operations Support Worker | 14.30 | 20.33 | 13.61 | - 19.36 |
| Custodian | 13.21 | 18.79 | 12.58 | - 17.89 |
| Park Attendant | 13.21 | 18.79 | 12.58 | - 17.89 |
| Senior Services Assistant | 13.21 | 18.79 | 12.58 | - 17.89 |



Resolution 2017-13



RESOLUTION 2017-13

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, 2017, AND ENDING JUNE 30, 2018.

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 4, 2017, 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 May 4, 2017, at which meeting any taxpayer was provided the opportunity to appear and be heard in favor of or against any proposed expenditure or tax levy; and

WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the Town Council would meet on June 1, 2017, at the Fountain Hills Town Council Chambers, for the purpose of hearing taxpayers and with respect to said estimate or any proposed expenditure or tax levy.

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 budget of the Town of Fountain Hills, Arizona, for the fiscal year July 1, 2017, through June 30, 2018.

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.

[SIGNATURES ON FOLLOWING PAGE]

PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills,
Arizona, June 1, 2017.

FOR THE TOWN OF FOUNTAIN HILLS:



Linda M. Kavanagh, Mayor

REVIEWED BY:



Grady E. Miller, Town Manager

ATTESTED TO:



Bevelyn J. Bender, Town Clerk

APPROVED AS TO FORM:



Andrew J. McGuire, Town Attorney





Glossary



Account

A separate financial reporting unit for budgeting, management or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts. Several related accounts may be grouped together in a fund. A list of accounts is called a chart of accounts.

Accounting Standards

The generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) that guide the recording and reporting of financial information by state and local governments.

Accrual Basis of Accounting

The basis of accounting under which transactions are recognized at the time they are incurred, as opposed to when cash is received or sent. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. Un-billed services are recorded as receivables at year end.

Actual vs. Budgeted

Difference between the amounts projected (budgeted) in revenues or expenditures at the beginning of the fiscal year and the actual receipts or expenses, which are incurred by the end of the fiscal year.

Adopted Budget

Used in fund summaries and department and division summaries within the budget document. Represents the annual budget as approved by formal action of the Town Council, which sets the spending limits for the fiscal year.

Adoption

Formal action by the Town Council, which sets the spending limits for the fiscal year.

Ad Valorem Taxes

Commonly referred to as property taxes. The charges levied on all real, and certain personal property, according to the property's assessed value and the tax rate. Used as a source of monies to pay general obligation debt and to support the General Fund.

Allocation

A part of a lump sum appropriation which is designated for expenditure by specific organization units and/or for special purposes, activities, or subjects.

Appropriation

Specific amount of monies authorized by the Town Council for the purpose of incurring obligations and acquiring goods and services. An appropriation is limited in amount and time when it may be used unless it is for capital projects such as constructing roads and buildings.

Arbitrage

The ability to use tax exempt proceeds and, by investing those funds in higher yielding taxable securities, generate a profit to the issuer.

Assessed Valuation

A value that is established for real and personal property for use as a basis for levying property taxes. Property values are established by the County Assessor and the State as a basis for levying taxes.

Asset

Resources and property of the Town that can be used or applied to cover liabilities. Alternatively, any owned physical object (tangible) or right (intangible) having a monetary value or an item or source of wealth expressed in terms of any cost benefiting a future period.

Attrition

A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, or retirement.

Audit Report

The report prepared by an auditor covering the audit or investigation of an entity's financial position for a given period of time, usually a year. As a general rule, the report should include: 1) a statement of the scope of the audit; 2) explanatory comments concerning exceptions from generally accepted auditing standards; 3) opinions; 4) explanatory comments concerning verification procedures; 5) financial statements and schedules; and 6) statistical tables, supplementary comments and recommendations. The auditor's signature follows 3). The Town is required to have an annual audit conducted by qualified certified public accountants.

Authorized Positions

Employee positions which are authorized in the adopted budget.

Available (Unassigned) Fund Balance

Funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Balanced Budget

Arizona law (Title 42-Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget by purpose of public expense. State law defines this balanced budget as "the primary property tax levy, when added together with all other available resources, must equal these expenditures." The total of proposed expenditures will not exceed the total of estimated revenues and fund balances.

Base Budget

The ongoing expense for personnel, contractual services, commodities, and the replacement of equipment to maintain service levels previously established by the Town Council.

Basis of Accounting

Defined by the Government Accounting Standards Board by Fund type as the method of accounting for various activities. The basis is determined when a transaction or event is recognized in the fund's operating statement.

Beginning Balance

The residual funds brought forward from the previous fiscal year (ending balance).



Bond

A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity dates), and carrying interest at a specified rate, usually paid periodically. The difference between a bond and a note is that a bond is issued for a longer period and requires greater legal formality.

Bonds are primarily used to finance capital projects. The most common types of bonds are:

- General Obligation (GO) Bond: This type of bond is secured by the full faith, credit, and taxing power of the municipality.
- Revenue Bond: This type of bond is secured by the revenues from a specific source such as gas taxes or water revenues.

Bond Rating

The measure of the quality and safety of a bond. The rating indicates the likelihood that a debt issuer will be able to meet scheduled repayments and dictates the interest rate paid.

Bond Refinancing

The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. This official public document reflects decisions, assesses service needs, establishes allocation of resources, and is the monetary plan for achieving Town goals and objectives.

Budget Amendment

A change of budget appropriation between expenditure accounts that is different from the original adopted budget. Budget amendments do not change the legal spending limit adopted by the Town Council.

Budget Calendar

The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budget Document

The instrument used by the budget-making authority to present a comprehensive financial program to the Town Council.

Budget Message

The opening section of the budget document which provides the Town Council and the public with a general summary of the most important aspects of the budget, changes from the previous fiscal year, and recommendations regarding the financial policy for the upcoming period.

Budgetary Basis of Accounting

The basis of accounting used to estimate financing sources and uses in the budget. The method used to determine when revenues and expenditures are recognized for budgetary purposes. This basis generally takes one of three forms: GAAP, cash, or modified accrual.

Budgetary Control

The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets

Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Budget

A spending plan for improvements to, or acquisition of, land, facilities and infrastructure that balances revenues and expenditures, specifies the sources of revenues, and lists each project or acquisition. Normally a capital budget must be approved by the legislative body. The capital budget and accompanying appropriation ordinance may be included in a consolidated budget document that has a section devoted to capital expenditures and another to operating expenditures. Alternatively, two separate documents may be prepared – one for the capital budget and one for the operating budget.

Capital Expenditure

A capital expenditure is made when purchasing a fixed asset having a value of \$10,000 or more and a useful life of more than one year.

Capital Improvement Program

The Capital Improvement Plan (CIP) is a comprehensive projection of capital investment projects, which identifies priorities as to need, method of financing, and project costs and revenues that will result during a five-year period. The plan is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the annual capital budget. The capital plan for the ensuing year must be formally adopted during the budget process.

Capital Improvement Project

Expenditures for the construction, purchase or renovation of Town facilities or property that have a value greater than \$50,000.

Capital Outlay

Expenditures resulting in the acquisition of or addition to the Town's fixed assets with a value of \$10,000 or more and a useful economic lifetime of more than one year.

Capital Project Carryover

An approved Capital Project that was not completed in the fiscal year and, therefore, was budgeted again in the current fiscal year in order to finish the project.

Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.



Cash Basis of Accounting

The basis of accounting in which transactions are recognized only when cash amounts are increased or decreased.

Cash-in-lieu

Funding for capital projects the Town requires from developers in lieu of them constructing necessary off- site improvements related to their development project.

Community Facilities District (CFD)

A separate legal entity established by the Town which allows for financing of public improvements and services.

Comprehensive Annual Financial Report (CAFR)

The official annual financial report of the Town. The CAFR represents management's report to the Town Council, constituents, investors and creditors.

Contingency/Reserve

An amount, a budgetary reserve/contingency, set aside as available, with Town Council approval, to cover unforeseen expenditures, emergency expenditures, or revenue shortfalls.

Contractual Services

Services such as rentals, insurance, maintenance, etc. that are purchased by the Town.

Debt Limit

Statutory or constitutional limit on the principal amount of debt that an issuer may incur (or that it may have outstanding at any one time).

Debt Ratio

Total debt divided by total assets.

Debt Service

The cost of paying principal and interest payments on outstanding bonds according to a predetermined payment schedule.

Debt Service Fund

One or more funds established to account for revenues used to repay the principal and interest on debt.

Deficit

The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department

A major administrative portion of the Town which indicates overall management responsibility for an operation or a group of related operations.

Depreciation

An accounting transaction which spreads the acquisition value of an asset across its useful life. Alternatively, expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Fees

Those fees and charges generated by building, development, and growth in the Town.

Disbursement

The expenditure of money from an account.

Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association of the United States and Canada to encourage governments to prepare effective budget documents.

Division

A grouping of related activities within a particular Department (example, Senior Services is a Division of Community Services).

Employee (or Fringe) Benefits

Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the Town's share of costs for social security, pension plans, medical and life insurance plans.

Encumbrance

The formal accounting recognition of appropriated or committed funds to be set aside for a future expenditure. To encumber funds means to set aside or commit funds for a specified future expenditure. For budgetary purposes, encumbrances are considered expenditures.

Ending Balance

The residual funds that are spendable or available for appropriation at the end of the fiscal year.

Estimated Revenue

The amount of projected revenue to be collected during the fiscal year.

Expenditure

A net decrease in financial resources. Expenditures include operating expenses which require the use of current assets. If accounts are kept on the accrual basis, this term designates total charges incurred, whether paid or unpaid. If they are kept on the cash basis, the term covers only actual disbursements for these purposes.

Expenditure Limitation

An amendment to the Arizona State Constitution that limits annual expenditures of all municipalities. The Economic Estimates Commission, based on population growth and inflation, sets the limit. All municipalities have the option of Home Rule where the voters approve a four-year expenditure limit based on revenues received.

Expenses

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other costs.

Fees

Charges for specific services.



Financial Plan

A summary by fund of planned revenues, expenditures, operating transfers, reserves, and fund balances.

Fiscal Policy

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year

Any period of twelve consecutive months establishing the beginning and the ending of financial transactions. For the Town of Fountain Hills, this period begins July 1 and ends June 30.

Fixed Assets

Assets of a long-term character which are intended to continue to be in use or kept for more than one year and of a monetary value greater than \$10,000.

Franchise Fees

Annual fees paid by utilities (e.g. cable TV) for use of Town public rights-of-way. Franchise fees are typically a set percentage of gross revenue within the Town.

Full Faith and Credit

A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent Position (FTE)

A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be equivalent to a 0.5 FTE.

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

Fund Balance

Difference between assets and liabilities reported in a government fund.

Non-spendable – Portions of fund balance that include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Portion of fund balance that reflects constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. In the case of the Town, this would be the Council and Mayor.

Assigned – Amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed.

Unassigned – Residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

General Fund

The major fund in most governmental entities. While other funds tend to be restricted to a single purpose, the General Fund is a catch-all for general government purposes. The General Fund contains the activities commonly associated with municipal government, such as police and fire protection, parks and recreation.

General Obligation Bonds

This type of bond is backed by the full faith, credit and taxing power of the government. Bonds that finance a variety of public projects. The repayment of these bonds is usually made from secondary property tax revenues.

General Plan

A plan approved by the Town Council that provides the fundamental policy direction and guidance on development decisions in the Town.

Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Goal

The end toward which effort is directed. A goal is general and timeless.

Governmental Funds

Governmental Funds are those through which most governmental functions of the Town are recorded. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred except for unmatured interest on debt and certain similar obligations, which should be recognized when due.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Highway User Revenue Fund (HURF)

A fund with revenues consisting of state taxes collected on gasoline, vehicle licenses and other transportation related fees. These funds must be used for street and highway purposes.

Indirect Cost

A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure

The physical assets of a government (e.g. streets, public buildings, parks, etc.).



Interfund Transfers

The movement of monies between funds of the same governmental entity.

Intergovernmental

Refers to transactions between different levels of government, e.g. city, county, state and federal.

Intergovernmental Agreement

A contract between governmental entities as authorized by State law.

Intergovernmental Revenue

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Journal Entry

An entry into the financial system that transfers actual amounts from one account, department, or fund to another.

Lapsing Appropriation

An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpended or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy

The total amount to be raised by general property taxes for purposes specified in the property tax levy motion.

Levy Rate

The amount of tax levied for each \$100 of assessed valuation.

Liability

Indebtedness of a governmental entity, such as amounts owed to vendors for services rendered or goods received, and principal and interest owed to bondholders. These amounts are debts or legal obligations which must be paid at some future date.

Line-item Budget

A budget prepared along departmental lines that focuses on what is to be bought.

Local Transportation Assistance Fund (LTAF)

Revenues are generated by the State Lottery. Distribution of these funds is based on population. Funds must be used for public transit or streets, but a small portion may be used for cultural purposes.

Long-term Debt

Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Basis of Accounting

The basis of accounting used by governmental-type funds. Under this basis, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period.

Municipal Property Corporation (MPC) Bond

Bonds that are backed by the excise taxes of the Town including local sales tax, franchise tax, State shared sales tax, and motor vehicle in-lieu tax. The MPC is a non-profit corporation established for the purpose of issuing debt to purchase municipal facilities, which it leases to the Town.

Object Detail

An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objectives

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame. The achievement of the objective advances an organization toward a corresponding goal.

Obligations

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

Operating Budget

Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisitions, spending, and service delivery activities of the Town are controlled.

Operating Expenses

The cost for personnel, materials, and equipment required for a department to function.

Operating Impacts

Operating impacts are the additional, incremental revenues or costs associated with the project—any new cost or revenue streams resulting from the project less existing expenditures and revenues where applicable. These impacts include maintenance expenses, utility and personnel expenses, revenues from project-specific construction spending and operating revenues.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. The revenue includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the governing body of a municipality. If the ordinance is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Pay-as-you-go Basis

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Per Capita

A unit of measure that indicates the amount of some quantity per person in the Town.



Performance Based Budget

The Performance Based Budget is a customer based, performance driven, results oriented budget system based on Outcome Management. Outcome Management is a management approach that focuses on the results achieved when providing a service.

Performance Indicators

Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs. Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.

Performance Measurement

Statistical indicators that permit program evaluation to be conducted in a budgetary context.

Performance Target

Percentage or number for each program performance measure that will be the desired level of performance for the upcoming budget period.

Personal Services

The classification of all salaries, wages, and fringe benefits expenditures. Fringe benefits include FICA, retirement contributions, medical insurance, life insurance, and workers' compensation. In some cases, benefits may also include clothing allowances and education assistance.

Policy

A plan, course of action, or guiding principle, designed to set parameters for decisions and actions. A policy could also be a more precise statement of a desired course of action.

Program

A group of related activities performed by one or more divisions or departments of the Town for the purpose of accomplishing a service the Town is responsible for delivering.

Property Tax

Total property tax levied by a municipality on the assessed value of a property within Town limits. In Arizona, the property tax system is divided into primary and secondary.

Primary Property Tax – A limited tax levy used for operations based on primary assessed valuation and primary tax rate. The tax rate is restricted to a 2% annual increase. Municipalities may use this tax for any purpose.

Secondary Property Tax – An unlimited tax levy restricted to voter-approved budget overrides. The tax is based on the secondary assessed valuation and secondary tax rate.

Reserve

An account used to segregate a portion of a fund balance to indicate that it is not available for expenditure, or it is legally set aside for a specific future use.

Resolution

A special or temporary order of the Town Council. Requires less formality than an ordinance or statute.

Resources

Total amounts available for appropriation including estimated revenues, bond/loan proceeds, fund transfers, and beginning fund balances.

Revenue

Amounts received by government from sources including taxes, fines, fees, grants, or charges for services, which can be used to finance government operations or capital assets. These amounts increase the net assets of the government. For those revenues which are recorded on an accrual basis, this term designates additions to assets which (a) do not increase any liability, (b) do not represent recovery of an expenditure, and (c) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.

Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of a revenue generating fund.

Secondary Property Tax Rate

Arizona statute does not limit the secondary tax levy amount and municipalities may only use this levy to retire the principal and interest or redemption charges on bonded debt.

Service Level

Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Sinking Fund

A means of repaying funds that were borrowed through a bond issue. The issuer makes periodic payments to a trustee who retires part of the issue by purchasing the bonds in the open market.

Special Revenue Fund

Created out of receipts of specific taxes or other earmarked revenues. Such funds are authorized by statutory or charter provisions to pay for specific activities with a special form of continuing revenues.

State shared Revenue

Includes the Town's portion of State sales tax revenues, State income tax receipts, and motor vehicle in-lieu taxes.

Strategic Plan

The Strategic Plan defines the Town's strategy, or direction, and assists Town management in making decisions on the allocation of personnel and resources.

Supplemental Appropriation

An additional appropriation made by the governing body after the budget year has started.



Tax Levy

The total amount of the general property taxes collected for purposes specified in the Tax Levy Ordinance.

Tax Rate

The amount of tax levied for each \$100 of assessed valuation.

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfer

Movement of resources between two funds. Example: An interfund transfer would include the transfer of operating resources from the General Fund to the Streets Fund.

Unassigned Fund Balance

The portion of a fund's balance that is not restricted or committed for a specific purpose and is available for general appropriation.

Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered; essentially the amount of money still available for future purposes.

Unreserved Fund Balance

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

User Fees

The fee charged for the direct receipt of a public service to the party or parties who benefit from the service.

Valley

The area represented by the Greater Phoenix Metropolitan area. Phoenix is also known as the Valley of the Sun.

Variance

Comparison of actual expenditure and revenues from one year to the next and comparison of budget-to-actual in current fiscal year.

Working Capital

A financial metric which represents the amount of day-to-day operating liquidity available. Also known as operating capital, it is calculated as current assets minus current liabilities.

Working Cash

The excess of readily available assets over current liabilities.

Acronyms



Acronyms

- ABC**-American Base Course
- AC**-Asphaltic Concrete
- ACA**-Arizona Commerce Authority
- ACMA**-Arizona City Manager's Association
- ADA**-Americans with Disabilities Act
- ADEQ**-Arizona Department of Environmental Quality
- ADOG**-Association of Dog Owners Group
- ADOT**-Arizona Department of Transportation
- ADWR**-Arizona Department of Water Resources
- AGIC**-Arizona Geographic Information Council
- AICP**-American Institute of Certified Planners
- AOC**-Administrative Office of the Courts
- APA**-American Planning Association
- APRA**-American Parks & Recreation Association
- APWA**-American Public Works Association
- ARRA**-American Recovery and Reinvestment Act of 2009
- ARS**-Arizona Revised Statutes
- ASCE**-American Society of Civil Engineers
- AZBO**-Arizona Building Officials
- AZDOR**-Arizona Department of Revenue
- AZDOT**-Arizona Department of Transportation
- AZ POST**-Arizona Peace Officer Standards and Training Board
- BGC**-Boys and Girls Club
- BRE**-Business Retention and Expansion
- BVAC**-Business Vitality Advisory Council

CAD-Computer-Aided Design

CAFR-Comprehensive Annual Financial Report

CARE-Crisis Activated Response Effort

CCEF-Court Collection Enhancement fund

CELA-Code Enforcement League of Arizona

CFD-Community Facilities District

CIP-Capital Improvement Program

CMAQ-Congestion Mitigation and Air Quality

cu. yd.-Cubic Yard

EMCFD-Eagle Mountain Community Facilities District

EMMA-Electronic Municipal Market Access

EOC-Emergency Operations Center

EPIC-TBI-Excellence in Prehospital Care-Traumatic Brain Injury

FEMA-Federal Emergency Management Administration

FHUSD-Fountain Hills Unified School District

FIT-Fountain Hills Integrated Trails

FTE-Full Time Equivalent

FY-Fiscal Year

GAAP-Generally Accepted Accounting Principles

GADA-Greater Arizona Development Authority

GASB-Governmental Accounting Standards Board

GFOA-Government Finance Officers Association

GIS-Geographical Information System

GO-General Obligation

GPEC-Greater Phoenix Economic Council

HDM-Home Delivered Meals

HPE-Hillside Protection Easement



HURF-Highway User Revenue Fund
HVAC-Heating, Cooling, and Air Conditioning
ICMA-International City/County Management Association
ICSC-International Council of Shopping Centers
ID-Improvement District
IGA-Intergovernmental Agreement
IIP-Infrastructure Improvement Plan
ISO-International Standards Organization
IT-Information Technology
ITS-Intelligent Transportation System
JCEF-Judicial Court Enhancement Fund
In. ft.-Lineal (Linear) Feet
LTAP-Local Technical Assistance Program
LTAF-Local Transportation Assistance Fund
MAG-Maricopa Association of Governments
MCFCD-Maricopa County Flood Control District
MCSO-Maricopa County Sheriff's Office
MH-Manhole
MHz-Megahertz
MPC-Municipal Property Corporation
MSRB-Municipal Securities Rulemaking Board
NACSLB-National Advisory Council on State and Local Budgeting
NRPA-National Recreation and Park Association
PC-Portland Cement
PUD-Planned Unit Developments
PTO-Parent Teacher Organization
RFP-Request for Proposal



RFQ-Request for Quotation

RPM-Reflective Pavement Marker

RPTA-Regional Public Transit Agency

SEC-Securities and Exchange Commission

sq. ft.-Square Feet

sq. yd.-Square Yard

SR-State Route

STORM-Stormwater Outreach for Regional Municipalities

SWOT-Strengths, Weaknesses, Opportunities, Threats

V-Volt

VHF-Very High Frequency

VOIP-Voice Over Internet Protocol

VRF-Vehicle Replacement Fund





2010 Strategic Plan





Quick Guide to Strategic Plan 2010

What is a Strategic Plan and how will it be used?

A successful strategic plan is one that is integrated into the daily operations of an organization. In a municipal setting, staff and partner organizations use the strategic plan to develop proposals and initiatives that implement elements of the strategic plan; Council uses the strategic plan to evaluate all proposals.

While a full update of a Strategic Plan is recommended periodically (every five years), the Strategic Plan should be reviewed annually and adjustments made as necessary. The cycle (right) outlines the annual use of the Strategic Plan.



Our Vision

Fountain Hills is a distinctive community designed to invigorate the body, mind and spirit, and strives to:

- Be stewards of this unique enclave, dedicated to preserving the environment and visual aesthetic and to living in balance with the Sonoran Desert;
- Champion the diversity of experiences our residents bring to our community and rely on this depth of experience to innovatively address our challenges;
- Be economically sustainable and anchor our vitality in an active, vibrant town core that serves us culturally, socially and economically; and,
- Be civic-minded and friendly, taking responsibility for our Town's success by building partnerships and investing our talent and resources.

Civility

Our Pledge Build a community in which all can feel valued, welcome and as though they belong.

Strategic Directions

- C 1 Practice the art of civility in all public settings and encourage those around you to do the same.
- C 2 Support community events and activities that create opportunities to build community and friendship.
- C 3 Genuinely solicit and consider public and stakeholder feedback as part of the decision-making process.
- C 4 Be the friendliest place in the Valley.

Environmental Stewardship

Our Pledge Preserve the natural beauty that surrounds us and protect it so future generations can enjoy it.

Strategic Directions

- ES 1 Educate residents about our environment to increase awareness and promote stewardship.
- ES 2 Protect and enhance natural infrastructure, including native vegetation, terrain and open space.
- ES 3 Explore and implement new technologies and opportunities that will minimize noise, air and light pollution and reduce energy consumption.
- ES 4 Promote water conservation and identify ways to use of this precious desert resource wisely.
- ES 5 Protect selected view sheds from development and other manmade obstructions.
- ES 6 Improve access to the Sonoran Desert experience.

Civic Responsibility

Our Pledge Take responsibility for our community's future and foster opportunities for all residents to participate fully in our community through accessible, responsive leadership.

Strategic Directions

- CR 1 Foster an environment of accessible, responsive governance.
- CR 2 Discover, recognize and utilize the talents of our citizens and use these assets to address community needs.
- CR 3 Foster a culture of public service and volunteerism.
- CR 4 Implement a comprehensive communications plan to encourage informed citizen participation in civic life.
- CR 5 Support and develop programs that educate and involve our youth in community governance.
- CR 6 Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.
- CR 7 Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.
- CR 8 Foster a dialogue with residents and businesses regarding the importance of investing in the community's infrastructure maintenance to protect property values and enhance the business climate.

Education, Learning and Culture

Our Pledge Support quality, lifelong learning opportunities and cultural assets that enrich our lives.

Strategic Directions

- ELC 1 Partner with Fountain Hills' schools and other institutions to develop quality educational programming and opportunities.
- ELC 2 Support partners in providing arts and cultural opportunities and amenities.
- ELC 3 Promote and celebrate cultural diversity.
- ELC 4 Position the community's arts and cultural businesses, venues and amenities as economic drivers integrated into the Town's comprehensive economic strategy.
- ELC 5 Encourage access to higher learning opportunities or the establishment of an educational or training campus within our community.



Economic Vitality

Our Pledge Maintain a strong commitment to financial stability and local control, and will promote economic growth that leverages Fountain Hills' assets by building a dynamic, diverse economy that supports our community's needs and promotes successful businesses.

Strategic Directions

- EV 1 Develop a comprehensive economic development strategy for the Town's future and work with our partners to forward economic growth and awareness.
- EV 2 Develop and maintain a balanced, equitable, sustainable and local financing structure to support the Town's core government services at desired service levels.
- EV 3 Promote a mixed use core where residents can live, work, learn and play in an urban village setting, as depicted in the Downtown Area Specific Plan (Downtown Vision Master Plan).
- EV 4 Promote retention, expansion and relocation of quality businesses.
- EV 5 Promote Fountain Hills as a visitor destination.
- EV 6 Identify a slate of economic development tools and strategies (including tax incentives, fee abatements, etc.) to stimulate economic growth.
- EV 7 Identify areas for redevelopment, revitalization or reuse.
- EV 8 Promote unique and vibrant neighborhood and business districts.
- EV 9 Promote the maintenance of an age-balanced population that will support the long-term sustainability of our community.
- EV 10 Define Fountain Hills' market niche and actively pursue opportunities that attract and retain high quality employment opportunities.

Recreational Opportunities and Amenities

Our Pledge Make Fountain Hills a pedestrian- and bicycle-friendly community by contributing to healthy lifestyles, providing recreational and physical exercise opportunities to citizens, and taking advantage of Fountain Hills' closeness to the Sonoran Desert.

Strategic Directions

- R 1 Offer a wide range of cost-effective and accessible programs and services for all ages to promote a healthy and active community.
- R 2 Provide an interconnected, multi-use trail and bicycle system that promotes active living, physical activity, education and appreciation of our parks and natural resources.
- R 3 Support local organizations in providing affordable quality programs to promote recreational, sports, fitness and wellness programs for all ages.
- R 4 Support community events and activities that create opportunities to build community and neighborhood identity.

Maintain and Improve Community Infrastructure

Our Pledge Maintain and improve our infrastructure to ensure a high quality living experience, enhance economic opportunities, and support and protect property values and community investments.

Strategic Directions

- I 1 Maintain a 5-year capital improvements plan that includes programmed maintenance projects.
- I 2 Lower the reliance on state revenues by developing a locally controlled, reliable funding source for infrastructure maintenance.
- I 3 Maintain a current condition assessment of all roadways and sidewalks and prioritize and implement maintenance efforts to minimize costly reconstruction.
- I 4 Partner with local civic and social organizations to assist in amenity upkeep and maintenance.
- I 5 Explore ways to reduce wear and tear on the transportation system including transit options and limiting of truck traffic.
- I 6 Coordinate closely with downtown development efforts to ensure adequate infrastructure is planned and amenities identified and programmed.
- I 7 Maintain an up-to-date impact fee structure and equitable development agreements to ensure new growth is not a burden on existing residents and businesses.
- I 8 Periodically meet with other community service providers to do joint planning and ensure that service providers can accommodate new customers resulting from growth without compromising service levels to existing residents and businesses.
- I 9 Build a protected fund to finance the major periodic maintenance of community facilities.

Public Safety, Health and Welfare

Our Pledge Protect the health and safety of our community and promote a high quality life.

Strategic Directions

- P 1 Promote and enhance community-based partnerships in crime prevention, fire and emergency preparedness.
- P 2 Reduce risk and increase safety through "community policing" and community-based fire prevention programs.
- P 3 Ensure appropriate service levels for public safety.
- P 4 Explore health and welfare opportunities, including the creation of a small hospital or a niche health-related service cluster.
- P 5 Support health and wellness instruction throughout the community.

Idea Box

While the Strategic Plan itself is intended to provide broad strategic guidance, each year Council will provide more specific direction on its annual course which will be used by staff to develop an action plan. The Idea Box section of the plan is a collection of specific ideas offered by residents and stakeholders. The ideas are presented neither with endorsement nor evaluation by the Town. The Idea Box is intended to serve as a repository of tools and activities that can be considered to build the Town's annual action plan. If you have some ideas you'd like included in the Idea Box, please provide them by visiting the Strategic Plan's Web site at: www.fh.az.gov/strategic-plan









Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, Arizona 85268
480-816-5100
www.fh.az.gov



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