City of Prescott

City Council - Workshop Meeting

May 16, 2025 | 3:00 PM
201 N Montezuma Street
City Council Chambers, 1st Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Prescott City Council** at its **Workshop Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of the meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

Viewing & Participation

This meeting may be viewed on Channel 64, Facebook Live or on the City's website: City of Prescott Live Meeting Feed
Public comments for Council may be submitted through the City website: Public Comment Form

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION**
   A. Presentation & Discussion Regarding the Fiscal Year 2026 Budget Workshop.
   Recommended Action: This item is for discussion only. No formal action will be taken.
4. **ADJOURNMENT**

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

(1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
(2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
(3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
(4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. § 38-431.03(A)(4));
(5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations

(A.R.S. §38-431.03(A)(5));
(6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);
(7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 5/14/25 at 11:00 a.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Siep

Sarah M. Siep, City Clerk

TO:	MAYOR AND CITY COUNCIL
AGENDA:	May 16 Budget Workshop
DATE:	May 16, 2025
DEPT:	Finance
ITEM #:	3.A
SUBJECT:	Presentation & Discussion Regarding the Fiscal Year 2026 Budget Workshop.

ITEM SUMMARY

This item is for a presentation and discussion regarding the proposed Fiscal Year 2026 (FY26) budget to review key financial projections, ensure alignment with the strategic plan, and gather Council feedback prior to final adoption.

BACKGROUND

The City Council will be provided with an overview of the proposed budget for the upcoming fiscal year. A detailed version of the budget was made available to both the City Council and the public in advance of the workshop. This presentation will highlight key revenue and expenditure projections, as well as other major budget considerations. The workshop is intended to facilitate discussion, gather Council feedback, and ensure alignment with strategic goals prior to final budget adoption.

The FY26 budget process with the public meetings in **red** text and today's workshop highlighted:

12/03/24 to 12/04/24	**Council Strategic Planning Retreat**
02/25/25	**Mid-year Budget Report and FY26 preliminary look**
01/09/25 to 03/14/25	Department submission of request and performance measures
03/24/25 to 04/11/25	City Manager's review and formation of FY26 proposed budget
04/24/25	**Release of the City Manager's proposed FY26 budget to Council and Public**
05/16/25	**Council Budget Workshop**
06/10/25	**Tentative FY26 budget adoption**
06/24/25	**Final FY26 budget adoption, including personnel roster and Approved Expenditure List (AEL)**
07/08/25	**Adopt property tax levies**

The slides for today's workshop are attached. Also, the proposed Approved Expenditure List (AEL) is also attached for Council's review.

FINANCIAL IMPACT

The proposed Fiscal Year 2026 budget allocates resources to provide essential services to City residents in the coming year.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. FY26 Budget Workshop Presentation
2. FY26 AEL

CITY OF PRESCOTT ARIZONA

Annual Council Workshop FY26 Budget

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FY26 Council Budget Process to Date

12/3/24 to 12/4/24	Council Strategic Planning Retreat
02/25/25	FY25 mid-year budget report and FY26 preliminary look
01/09/25 to 03/14/25	Department planning and submission of budget information and requests
03/24/25 to 04/11/25	City Manager and Budget Department review and formation of FY25 proposed budget
05/16/25	Annual Council Budget Workshop
06/10/25	Tentative budget adoption FY26
06/24/25	Final budget adoption FY26

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Budget Presentation Approach

- This budget presentation will focus on the initiatives and service level changes included in the budget and how they relate to the Council's strategic plan.
- The City Manager proposed budget is published on the OpenGov platform https://prescott-az.gov/budget-and-finance/budget-reports
  - ✓ Transparency
  - ✓ Efficiency
  - ✓ Access to information
- City staff is available if Council or the public have questions regarding the budget. Contact catherine.boland@prescott-az.gov to setup an appointment. (928 777-1408 ext 4901)

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National / State / Local Economy

- Economy – shadow of possible downturn with shake up of global trade
- Revenues are forecasted conservatively but not with expected decline
- Revenues are monitored monthly and mid-year adjustments will be made if revenues fluctuate significantly from projections
- The proposed budget preserves prudent financial reserves in accordance with City policies

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Taxable Activity Report
Fiscal Year to Date as of March

	FY 2025	% Chg	FY 2024	% Chg	FY 2023	% Chg	FY 2022
Retail Sales	$ 1,110,147,280	0.25%	$ 1,107,348,421	4.40%	$ 1,060,644,360	2.36%	$ 1,036,225,870
Online Retail Sales	89,368,760	9.66%	81,497,634	16.18%	70,146,037	4.20%	67,320,647
Residential Rental	64,098,288	-30.40%	92,093,253	6.17%	86,740,954	13.39%	76,499,211
Commercial Rental	64,560,217	5.82%	61,007,948	6.44%	57,314,510	10.12%	52,046,058
Rental of Personal Prop	36,455,942	10.94%	32,861,113	3.67%	31,696,432	2.32%	30,978,137
Restaurant and Bars	134,439,380	-2.18%	137,435,607	6.94%	128,520,342	11.19%	115,582,206
Hotels and Motels	39,169,488	-3.38%	40,541,193	-1.20%	41,035,061	0.33%	40,901,561
Construction	164,597,100	15.91%	142,009,735	3.63%	137,037,665	14.82%	119,351,099
Utilities	83,322,603	8.39%	76,875,042	3.66%	74,163,409	8.59%	68,296,325
Use Tax	53,218,212	-18.07%	64,958,410	53.90%	42,208,864	10.30%	38,268,216
All Other Businesses	25,300,796	-5.24%	26,698,957	2.12%	26,143,645	2.01%	25,627,816
Total	$ 1,864,678,065	0.07%	$ 1,863,327,310	6.13%	$ 1,755,651,276	5.06%	$ 1,671,097,143

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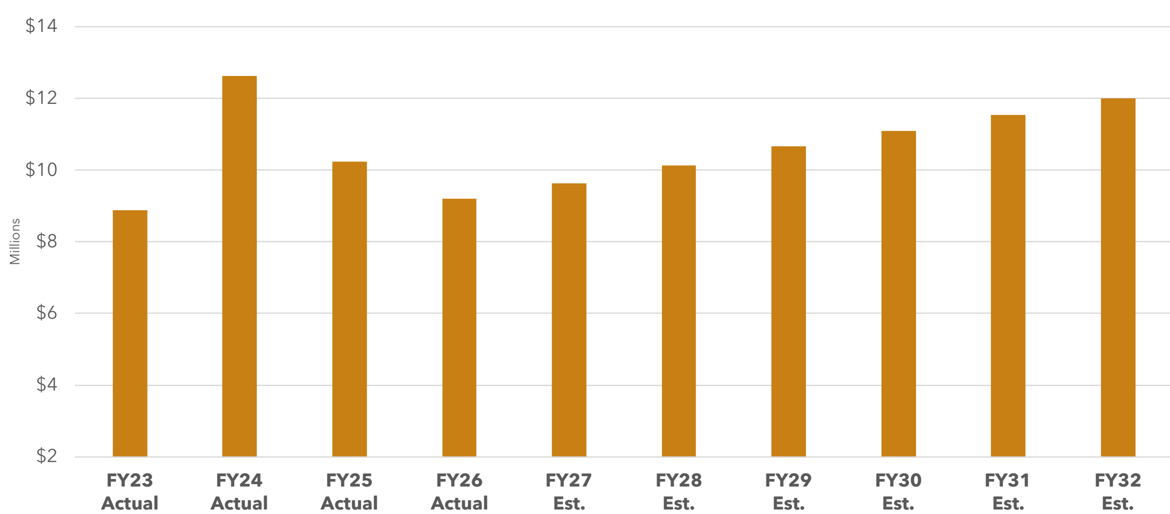
City of Prescott's Share of State Income Tax (URS)



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State Shared Revenue

	FY25	FY26	Per Resident	Per Home
General Fund				
State Income Tax	$ 10,223,268	$ 9,502,734	$ 199	$ 420
State Sales Tax	7,263,032	7,361,497	154	325
Vehicle License Tax	3,922,399	4,097,757	86	181
Total General Fund	21,408,699	20,961,988	439	926
Streets Fund				
HURF (Gas Tax)	4,868,238	5,063,868	106	224
Total State Shared Revenues	$ 26,276,937	$ 26,025,856	$ 545	$ 1,150

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FY26 Budget Summary and Overall Changes

- **Balanced Budget:** The FY26 Budget is balanced,
  - Operational expenditures are fully funded by ongoing revenue
- **Strategic capital funding**: One-time capital expenditures are funded through a mix of accumulated fund balance, debt issues, dedicated revenues, and grants
- **Employee Compensation:** continued funding of the Market Compensation Pay Plan is included in the budget
  - Cost-of-Living Adjustment of 2.2% based on the Phoenix Metro CPI and up to 3% merit based on evaluations for a total of up to 5.2%.
- **Operational Cost Increases:**
  - Health Insurance premiums up 7%
  - Internal Cost allocations for liability insurance and facilities increasing.
    - Facilities square footage rates increasing by 10% to address growing needs, with similar increases expected in the coming years.

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Budget Requests FY26

- Operating Budget Requests:

Type of Request	Total Requested	Proposed Budget		Total
	All Funds	General Fund	Other Funds or PSTI	All Funds
Recurring	8,788,000	707,000	4,858,000	5,565,000
One-time	5,956,000	1,243,000	3,368,000	4,611,000
Total	14,744,000	1,950,000	8,226,000	10,176,000

- Capital Requests have been aligned with projected available funding

PSTI =Public Safety Tax Initiative

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Proposed Total City Budget

	FY25 Revised Budget	FY26 Proposed Budget	% Chg
Operating Budget	$ 136,325,133	$ 145,732,441	6.9%
Capital Budget	122,088,210	148,013,721	21.2%
Subtotal	258,413,343	293,746,162	13.7%
Contingency	20,200,000	10,000,000	-50.5%
Total	$ 278,613,343	$ 303,746,162	9.0%

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Total Revenues (All Funds)

	FY25 Budget	FY26 Budget	% Change
Operating Revenues			
Tax Revenue	$ 57,901,710	$ 75,109,514	
Intergovernmental	26,697,536	26,375,856	
Licenses and Permits	226,100	229,800	
Charges for Services	71,483,072	79,871,375	
Fines and Forfeitures	323,800	350,800	
Investment Income	388,500	699,000	
Miscellaneous	188,516	164,517	
Internal Service	8,687,515	9,717,143	
Subtotal Operating Revenues	$ 165,896,749	$ 192,518,005	16.0%
Non-Operating Revenues			
Intergovernmental	21,771,014	36,585,300	
Gifts and Donations	666,740	653,628	
Proceeds from Debt	50,887,224	38,264,175	
Total	$ 239,221,727	$ 268,021,108	12.0%

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Total Expenditures (All Funds)

	FY25 Revised Budget	FY26 Proposed Budget	% Change
Operating Expenditures			
General Government	$ 5,999,018	$ 6,681,464	
Airport	2,981,212	3,315,578	
Community Development	5,926,276	6,942,972	
Fire	16,498,317	17,951,497	
Library	3,238,359	3,410,042	
Police	19,613,530	21,466,205	
Public Works	63,419,830	66,898,639	
Recreation Services & Facilities	15,083,049	15,405,316	
Regional Communications	2,316,402	2,798,786	
Non-Departmental	1,249,140	861,942	
Subtotal Operations	136,325,133	145,732,441	6.9%
Non-Operating Expenditures			
Airport Capital	17,161,602	24,928,136	
Public Safety Capital	16,788,676	38,785,546	
Public Works Capital	80,817,085	77,594,526	
Other Capital	7,320,847	6,705,513	
Contingency	20,200,000	10,000,000	
Subtotal Non-operating	142,288,210	158,013,721	11.1%
Total Expenditures	$ 278,613,343	$ 303,746,162	9.0%

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Budgeted Fund Balances FY26

	General Fund	Streets Fund	Special Revenue Funds (Bed Tax, Grants, Trust Funds)	Capital Projects Funds (Impact Fees)	Enterprise Funds (Water, Waste Water, Solid Waste, Golf, Airport)	Internal Service Funds
Beginning Projected Fund Balance	$ 55,286,720	$ 26,525,301	$ 2,612,065	$ 6,554,617	$ 38,832,625	$ 3,556,555
Net Change in Fund Balance	(13,957,036)	(11,366,338)	(637,128)	1,102,500	(10,350,509)	(516,543)
Ending Estimated Funding Balance	$ 41,329,684	$ 15,158,963	$ 1,974,937	$ 7,657,117	$ 28,482,116	$ 3,040,012
Ending Fund Balance Detail						
Reserved for:						
Operating (Policy)	$ 15,747,667	$ 2,962,887	$ 167,930	$ -	$ 6,732,472	$ -
Internal Loans	2,373,139	-	-	-	416,978	-
Long-term Obligations	3,500,000	-	-	-	1,215,981	-
Specific Programs / Projects	-	12,196,076	1,807,007	7,657,117	20,533,663	3,040,012
Unassigned / Future Projects	19,708,878	-	-	-	-	-
Ending Fund Balance	$ 41,329,684	$ 15,158,963	$ 1,974,937	$ 7,657,117	$ 28,899,094	$ 3,040,012

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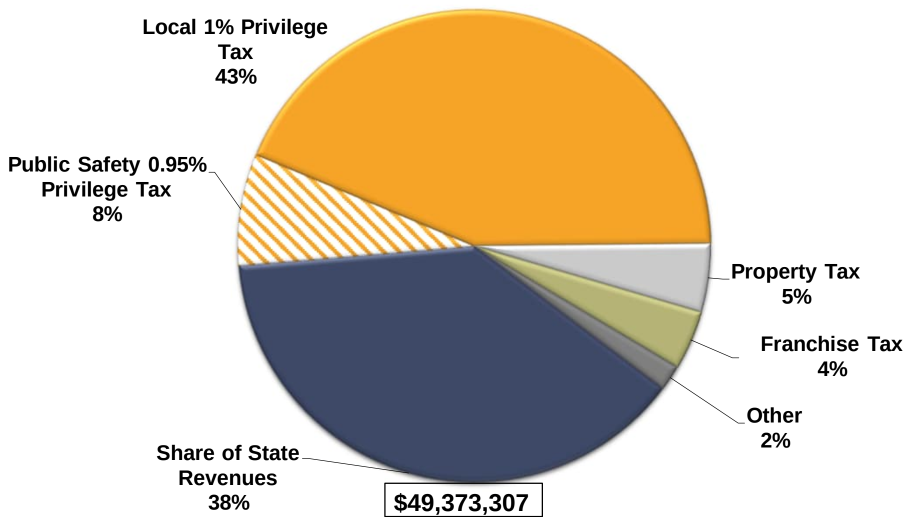
FY26 General Fund Operating Revenues
Less Program Revenues



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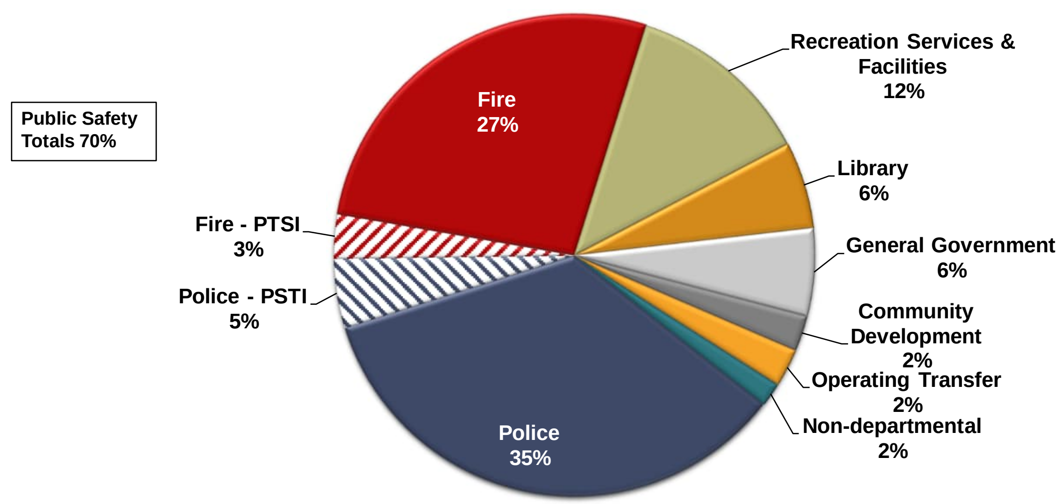
FY26 General Fund Operating Expenditure Budget
Net of Program Revenues and Cost Allocations



PSTI = Public Safety Tax Initiative

$49,638,838

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General Fund Expenditure Budget

	FY25 Revised Budget	FY26 Proposed Budget	% Change
Operating Expenditures			
General Government	$ 2,379,201	$ 2,537,932	
Community Development	2,449,422	2,957,167	
Economic Development	282,538	528,578	
Fire	13,680,965	14,086,437	
Fire - Public Safety Tax	950,590	1,460,438	
Library	3,142,351	3,274,034	
Police	17,186,734	17,523,276	
Police - Public Safety Tax	798,134	2,295,367	
Recreation Services & Facilities	6,207,972	7,037,276	
Regional Communications	2,316,402	2,798,786	
Non-Departmental	2,174,140	786,942	
Subtotal Operations	51,568,449	55,286,233	7.2%
Non-Operating Expenditures			
Public Safety Capital	16,453,676	38,671,576	
Recreation Services & Facilities	5,033,756	4,684,513	
Other Capital	12,000	205,000	
Capital Contingency	15,000,000	5,000,000	
Subtotal Non-operating	36,499,432	48,561,089	33.0%
Total Expenditures	$ 88,067,881	$ 103,847,322	17.9%

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Public Safety Tax Initiative (Prop 478)

		FY26 Proposed Budget
Revenue		
Tax Revenue	$	22,300,000
Proceeds from Debt		14,912,305
Total Revenue	$	37,212,305
Operating Expenditures		
Police - Public Safety Tax	$	2,295,367
Fire - Public Safety Tax		1,460,438
Subtotal Operations		3,755,805
Public Safety Tax Capital		
Police - Public Safety Tax		10,630,000
Fire - Public Safety Tax		22,826,500
Subtotal Capital		33,456,500
Total Expenditures	$	37,212,305

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Property Tax

	FY2025 Adopted	FY2026 Proposed
Levy	$2,267,210	$2,304,514
Rate	0.2423 per $100 assessed	0.2329 per $100 assessed

- Increased based on the value of new construction only $37,304
- No other increase proposed –
  - Maximum allowable levy limit is $2,397,526
  - This will be the second consecutive year of no increase in levy, but the levy limit continues to increase at 2% per year.

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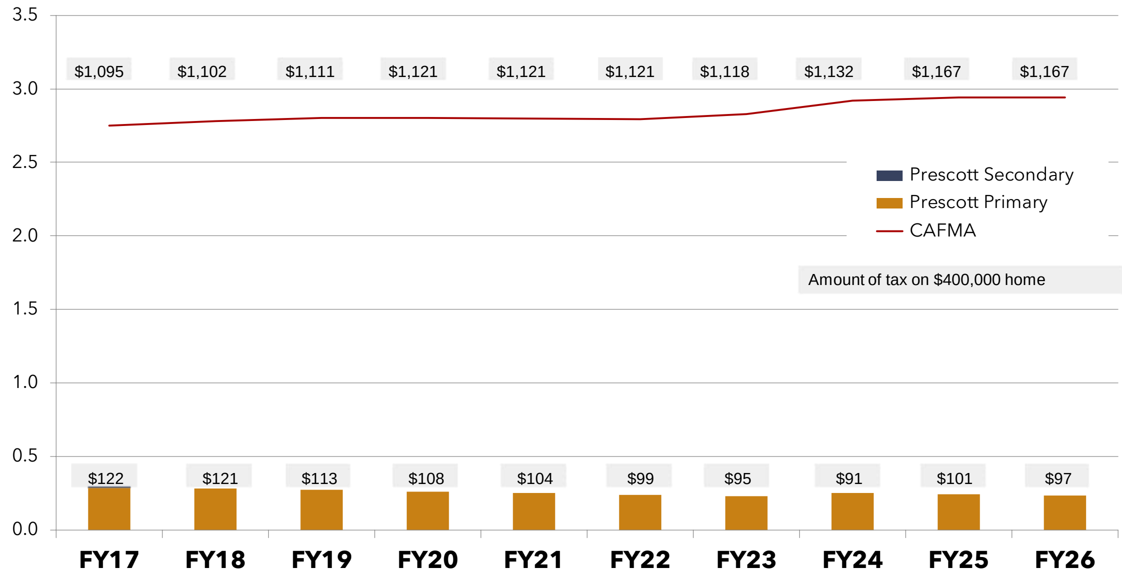
Property Tax Comparison



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Fee Schedule

- Council will discuss and possibly adopt changes on May 27th. Key proposals as follows:
  - Airport is proposing adding commercial and non-commercial differential rate differentials to the tie down, hangar and storage rentals fees.
  - Library is proposing increasing rates for room rentals for upgraded technology.
  - Recreation Services is proposing increases in rates for parking fees, facility use rentals, and special events application fees to keep up with increased costs of providing services.
  - The Fire department is proposing to do a catch-up CPI adjustment for its plan review, inspection, and permit fees as they have not been increased since 2016.
- Full report and justification is on the City's website with the public notice.

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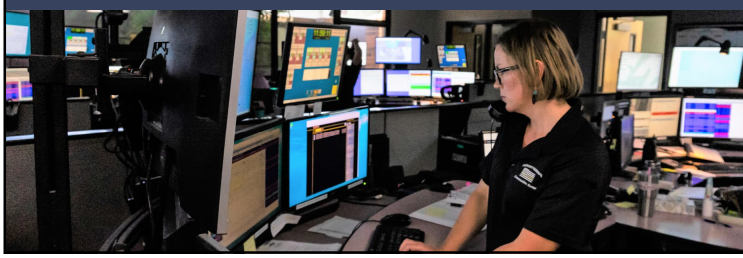
Organization and Personnel



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Organization Changes

- Fleet Maintenance moved to Public Works from Recreation Services
- Water Resources and Public Works Private Development Plan Review Staff moved to Community Development
  - Combined Permit Center to centralize services for citizens
- Full Organizational Chart available on the OpenGov budget under the Overview Menu.

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New Positions – 21.5 FTE

	FTE	Title/Position	Department
General Fund – 2.5 FTE			
	1	Economic Development Manager	City Manager
	1	Communications Manager	City Manager
	0.5	GIS Coordinator (Part-time)	Police/Regional Communications
Other Funds – 5 FTE			
	1	Striping Operator	Public Works/Streets
	1	Signs and Markings Technician	Public Works/Streets
	1	Administrative Specialist	Public Works/Solid Waste
	1	Maintenance Specialist	Public Works/Wastewater
	1	WW Treatment Plant Operations Supervisor	Public Works/Wastewater
Public Safety Tax Initiative – 14 FTEs (detail on next slide)			

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New Positions - Public Safety Tax Initiative

	FTE	Title/Position	Department
Public Safety Tax Initiative – Fire 6 FTE			
	1	Fire Captain	Fire
	1	Fire Engineer	Fire
	2	Firefighter	Fire
	1	Plans Examiner/Building Fire Inspector	Fire
	1	Administrative Specialist	Fire
Public Safety Tax Initiative – Police 8 FTE			
	6	Police Officer	Police
	1	Records Clerk	Police
	1	IT Specialist	Police

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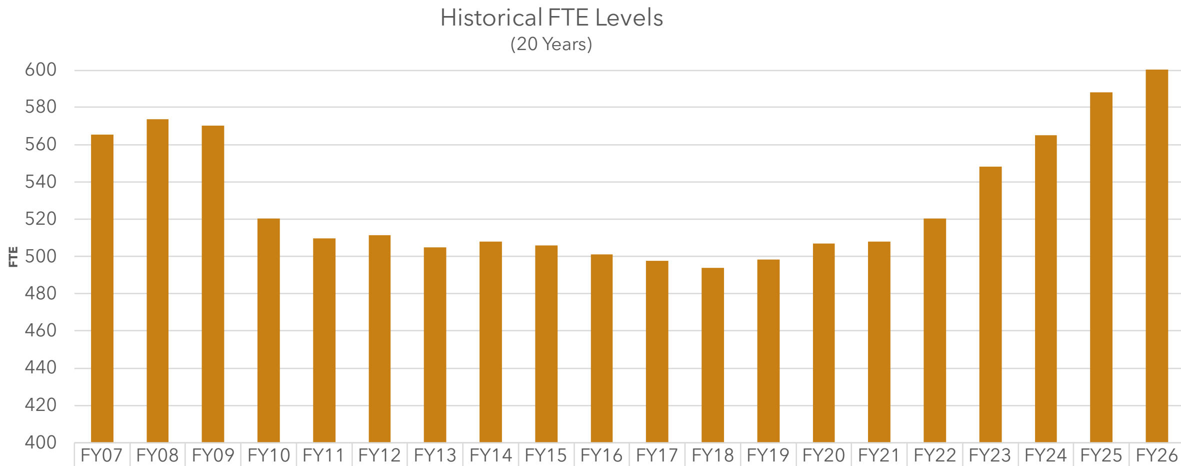
Total Full-Time Personnel



	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
FTEs	565	574	570	520	510	511	505	508	506	501	498	494	498	507	508	520	548	565	588	609.5

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Capital Improvement Program

FY2026 - FY2030

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Capital Improvement Plan

Project Category	FY2026	FY2027	FY2028	FY2029	FY2030	Future Years
Airport - City Only Funded	1,116,415	1,224,684	1,347,688	1,088,926	700,000	750,000
Airport - Grant Funded	23,501,721	8,490,601	9,865,291	22,221,235	23,077,390	30,975,000
Facilities Maintenance	761,320	700,000	250,000	-	-	-
Fire Department	23,425,550	7,946,963	2,106,000	2,210,000	23,223,600	20,790,000
Information Technology	30,000	-	-	-	-	-
Library	160,000	-	200,000	-	-	9,180,000
Police Department	10,681,000	205,750	28,917,000	6,361,740	-	-
Recreation Services	3,450,151	4,960,000	4,155,000	470,000	450,000	-
Solid Waste	250,000	400,000	500,000	1,400,000	8,000,000	7,000,000
Street Circulation	4,879,000	6,895,000	7,165,000	16,550,613	450,000	-
Street Preservation, Rehab, Maint	13,360,000	12,000,000	12,000,000	12,000,000	12,000,000	-
Street Reconstruction	3,715,805	1,200,000	350,000	1,700,000	450,000	12,475,000
Drainage	2,875,000	1,490,000	2,400,000	600,000	600,000	-
Wastewater Collections	11,770,565	17,300,000	16,865,000	26,145,600	18,695,000	18,547,000
Wastewater Treatment	6,964,600	10,750,000	15,750,000	15,550,000	3,500,000	26,300,000
Water Distribution	12,728,000	6,280,500	8,854,500	1,580,000	2,983,500	19,489,500
Water Production	10,049,705	4,000,000	2,000,000	2,000,000	2,320,000	23,230,000
Water Quality	1,152,751	670,000	570,000	520,000	-	-
Water Resources	395,000	230,000	230,000	-	-	-
Public Works Other Projects	3,721,100	1,085,000	3,435,500	1,415,000	1,780,000	10,175,000
Capital Equipment and Vehicles	12,016,068	11,500,250	7,260,000	7,100,000	5,355,000	-
Total	**147,003,751**	**97,328,748**	**124,220,979**	**118,913,114**	**103,584,490**	**178,911,500**

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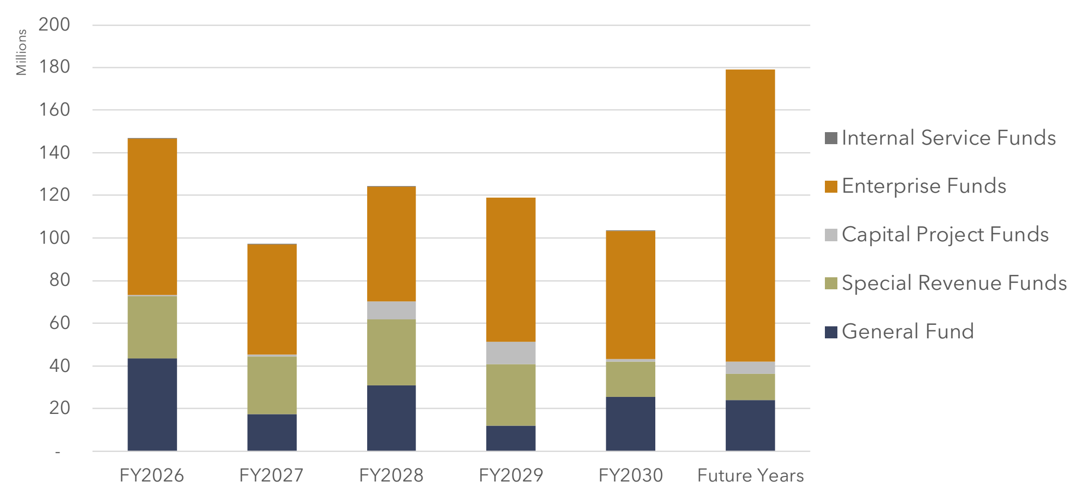
Capital Improvement Plan - Funding



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Capital Improvement Plan – Highlights

Airport: $24.6M
- ARFF Airport Facility
- A/P West Ramp Rehabilitation
- Airport Master Plan Update
- Airport Pavement preservation

Police & Fire: $34.1M
- Public Safety Tax Initiative Projects (shown later)
- Thermal Imaging Cameras, Station Alerting, Exhaust Capture

Recreation Services: $3.4M
- Field Light Renovation (LED) Heritage Park
- Goldwater Road Reconstruction
- Parks and Recreation Master Plan
- Maintenance Shop
- Playground replacement, Light Pole replacement, pavement Preservation

Library: $160,000
- 3rd Floor remodeling using Impact Fees

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Capital Improvement Plan – Public Works

Water Distribution Projects: $12.7M
- Citywide Water Main Replacement Program
- Zone 24/27 Water Pipeline Upsizing
- Citywide Water Meter Replacement Program

Water Production Projects: $10M
- Zone 41 Mingus Pump Station, Tank and Pipeline
- Water Production Facility and Intermediate Pump Station

Water Production Facility

Wastewater Collections Projects: $11.7M
- Willow Creek Gravity Sewer
- Yavapai Hills Lift Station Rehab
- Sundog Trunk Main Design

Wastewater Treatment: $6.9M
- Centralization – Effluent Tanks, Pipeline and SR89 Improvements Design
- Centralization – AWRF Solids Handling Facility

Original Yavapai Hills Lift Station

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Capital Improvement Plan – Public Works

Street Preservation, Rehab and Maintenace: $13M
- Pavement Preservation Program
- Pavement Reconstruction Program

Street Reconstruction: $3.7M
- Double D Reconstruction
- Whetstine Reconstruction

Street Circulation: $4.8M
- Bridge Maintenance Program
- Intersection Signalization Program
- Street Bollards

Other Capital
- Healthy Lakes Program
- Transfer Station Master Plan

Drainage: $2.8M
- Cherry Drive Drainage Improvements
- Hornet Drive Drainage Improvements

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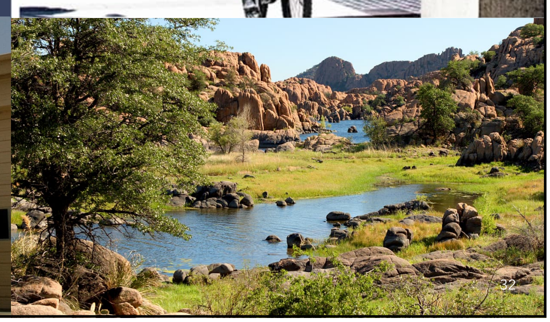
Council Strategic Plan

FY2026 Budget



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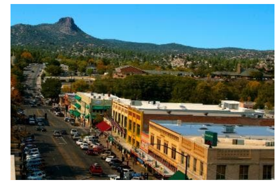

Vision:

Prescott is a thriving and scenic community in the heart of Arizona, rooted in western heritage and strong hometown values, where individuals, families and businesses enjoy outdoor adventures, vibrant cultural events, a prosperous economy, and the promise of a bold tomorrow.

Mission:

We enhance quality of life as stewards of our natural and built environment and through outstanding city services that engage our community, preserve our past, and ensure a safe and vibrant future.

CITY OF PRESCOTT
ARIZONA

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Strategic Plan

Strategic Priorities:

1. Public Safety
2. Dynamic Economic Environment
3. Infrastructure
4. Preserving & Protecting the Natural Environment
5. Good Governance

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Priority #1 - Public Safety

- Implementing the Proposition 478 tax initiative.
- Response Times
  - FY26 includes Police and Fire 14 FTEs as shown earlier in the presentation.
  - In FY25, 12 Police and Fire FTEs were added.
  - Station Alerting system installed in FY25 and FY26
- Proactive community policing increase as positions are filled
- Prescott Regional Airport infrastructure improvements
  - Idea to shift the runway to the northeast
  - Budget for new long-term master plan

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Priority #1 - Public Safety Infrastructure

	Budget	FY26-30 CIP					
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Future Years
Fire Department Capital							
Fire Training Center Improvements	750,000	750,000	-	-	-	-	-
Fire Station 76	849,000	10,584,000	-	-	-	-	-
Fire Station 73 Relocation	2,809,000	3,887,500	6,696,500	-	-	-	-
Fire Station 72 Remodel & Addition	1,510,000	7,560,000	-	-	-	-	-
Fire Station 71 Remodel	-	-	-	2,106,000	-	-	-
Public Safety Training Center Relocation	-	-	-	-	-	-	20,790,000
Self Contained Breathing Apparatus	-	-	1,250,463	-	-	-	-
Fire Station 75 Remodel	-	-	-	-	2,210,000	-	-
Fire Station 77 (Build #2)	-	-	-	-	-	20,909,600	-
Fire Station 74 Remodel	-	-	-	-	-	2,314,000	-
Fire Dept PSTI Capital Purchases	-	45,000	-	-	-	-	-
Police Department Capital							
Police Facility Enhancement/Renovations	-	-	-	-	6,361,740	-	-
Police Facility Expansion	-	-	-	28,917,000	-	-	-
Firing Range Improvement	475,000	460,000	-	-	-	-	-
Radio Tower Equipment Upgrades	1,500,000	1,400,000	-	-	-	-	-
Property and Evidence Facility	700,000	8,330,000	-	-	-	-	-
Police PSTI Vehicles	300,000	440,000	205,750	-	-	-	-
Total	**8,893,000**	**33,456,500**	**8,152,713**	**31,023,000**	**8,571,740**	**23,223,600**	**20,790,000**

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Priority #2 – Dynamic Economic Environment

- Adding capacity to implement the Economic Development Strategic Plan
  - Economic Development Manager – proactive business attraction focus
  - Communications Manager – allow existing staff to focus on business expansion
- Incentive policy in development
- Tourism – state partnerships on Route 66, mountain biking
- Airport
  - Recent expansion at Cutter
  - Partnership with Embry Riddle Aeronautical University
  - Lobbying for apron, runway improvements

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Priority #3 – Infrastructure

- Safe, efficient flow of traffic/transportation
  - Traffic control – Striping capabilities brought in house in FY26 with equipment and personnel
- Streets Capital plan
  - Circulation projects:
    - Signalization Program, Sidewalk Replacement Program, New Bridge Maintenance Program ($1.3M), Arterial Traffic Signal Coordination, 89A On-ramp ($1M).
  - Streets Reconstruction and Maintenance:
    - Pavement Preservation Program - $9 M & Pavement Reconstruction Program - $4.4 M
    - Whetstine Reconstruction $1M ($2M total), Double D Reconstruction Drainage ($2.2M)

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Priority #3 – Infrastructure

- Sidewalk improvement along Miller Valley Road and Grove Avenue Between Whipple Street and Gurley Street- $8 M
  - This project would require a reduction in the City pavement preservation program to construct.
  - Staff recommends funding design of the project in FY26 and to pursue "Safe Streets for All" grant funding for the construction of $8 million instead of reducing the pavement preservation program.

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Priority #4 – Preserving and Protecting Natural Environment

- Glassford Dells Gateway Park
- Bean Peaks
- Trail Connectivity Projects
- CYMPO Wildlife Corridors Study

- Risk assessments
- Emergency management

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Priority #5 – Good Governance

- Community Focused and Performance Driven Organization
  - Emphasis on training opportunities in departments, HR general training.
  - Operational Studies budgeted in IT, Com Dev, Employee Survey, Facilities Assessment, Permitting Fees, Long-term Water Management Plan, Land Development Code Update
- FY26 Open Gov Implementation
  - Budget tied to results
  - Community transparency
  - Improved internal budget monitoring
  - FY27 goal - performance reporting for the community

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Upcoming Steps in the FY26 Budget Process

6/10/2025 Tentative budget adoption
Publishing of tentative budget

6/24/2025 Public hearings:
- FY26 Budget
- Alternative Expenditure limitation
- Property Tax Levy

Adopt Final Budget, Personnel Roster, Approved Expenditure List (AEL) by Council

7/8/2025 Adopt property tax levies

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Approved Expenditure List

- Attached to the Council Workshop agenda
- Please review and let us know at the June 10th meeting you would like anything removed from the Approved Expenditure List
- Will be adopted by Council at the same time as the final budget on June 24th

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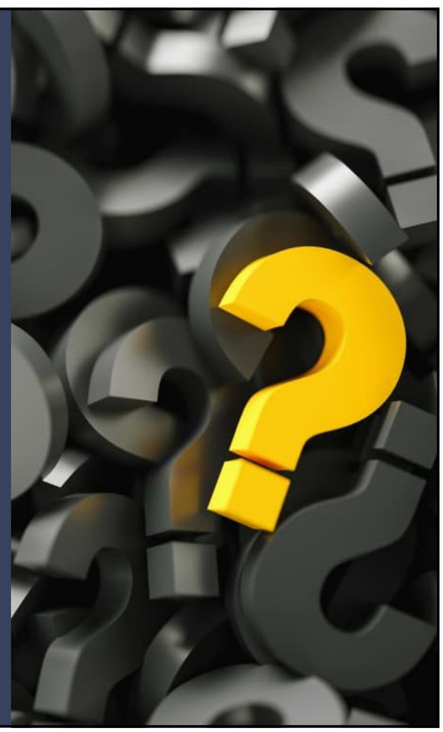
Questions

Thank you!



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Authorized Expenditure List for Fiscal Year 2026			
Item	**Fund**	**FY2025-26 Budget**	**Est Total Project**
Airport			
Capital Projects			
Airport Pavement Preservation Program	G	727,231	
Specialized Hangar Maintenance	G	50,000	
Hangar Improvements	G	339,184	
On-Call Planning & Environmental	G	650,000	
Runway 3R/21L Extension (Environmental Assessment only)	G/GR	750,000	
Taxiway C AGIS Update	G/GR	96,720	
Alternate Fuel and Dual Taxiway Study at the North Ramp	G/GR	205,789	
RW 12-30 Lighting	G/GR	600,000	
Airfield Striping for Compliance with FAA Part 139	GR	203,425	
Budget and Finance			
Annual Enterprise Resource Processing System Contract	G*	195,000	
City Clerk			
Elections	G*	170,000	
City Manager			
Information Technology			
Cybersecurity Hardware and Services	G*	175,000	
PC's and Laptops	G*	100,000	
Server Infrastructure Hardware, Software, and Licensing	G*	150,000	
Microsoft 365	G*	210,000	
PRCC CAD and RMS Software and Support	G*	265,000	
CentralSquare ComDev Software	G/S/W/WW	225,000	
PRCC RMS Rehost-new Servers/migration/configuration	G*	60,000	
Windows 11 PC Replacements	G*	135,000	270,000
IT Strategic Plan and Operations Study	G*	100,000	
SOC in a Box and Endpoints	G*	170,000	
Server Monkey - Server	G*	165,000	
Laserfische Document Management	G*	50,000	150,000
ESRI - GIS mapping software (3 year contract)	G*	45,000	130,000
Tourism			
Agency Support-Advertising, Public Relations, Media Campaigns	BT	110,000	
Economic Development			
Agency Support-Advertising, Public Relations, Media Campaigns	G	140,000	
Community Development			
Land Development Code Update	G	200,000	
Community Development Operational Analysis	G	100,000	
Facilities			
Facilities One-Time Expenses/Projects			
22013 -- Pavement Replacement (City Parking Lots)	FM	250,000	
25001 -- Exhuast Capture System (City Fire Stations)	G	575,000	
HVAC Replacements	FM	150,000	750,000
Facilities Assessment/Study	FM	200,000	
Facilities Recurring			
Janitorial Services	FM	181,000	
Operational & Janitorial Supplies	FM	100,000	

Authorized Expenditure List for Fiscal Year 2026			
Item	**Fund**	**FY2025-26 Budget**	**Est Total Project**
Fleet			
Fleet One-Time Expenses/Projects			
Six Vehicle Wheel Lifts	F	100,000	
Fleet Recurring			
Tires, Tubes and Service	F	300,000	
Bulk Fuel	G/F	150,000	450,000
Maintenance Machinery & Equipment	F	300,000	
Parts & Supplies	F	910,000	
Vehicle Replacements			
Airport			
New John Deere 6320	G	200,000	
New F250 snow plow lights package	G	110,000	
Replace 981 - E-One	G/GR	1,000,000	
		1,310,000	
Community Development			
Replace 1119 - Ford Escape	G	35,000	
Replace 1177 - Ford Escape	G	35,000	
		70,000	
Fire			
Replace 867 - 1997 International S74 (includes carryover from FY25)	G	450,000	
Replace 964 - 2000	G	40,000	
Replace 1083 - 2004 Chevy Tracker	G	45,000	
Replace 1178 - 2008 Ford ESCAPE	G	45,000	
Replace 1201 - 2006 Rosenbauer	G	900,000	1,800,000
Replace 1307 - 2009 Rosenbauer Gladiator (Carryover from FY25)	G	650,000	1,300,000
Replace 1396 - 2013 Rosenbauer Commander	G	650,000	1,300,000
Replace 1397 - 2013 Rosenbauer Commander (Carryover from FY25)	G	650,000	1,300,000
New Plans Examiner Vehicle	PSTI	45,000	
New Engine for Station 76 (Carryover from FY25)	PSTI	650,000	1,300,000
		4,125,000	
Fleet			
Replace 1082 - 2004 Ford Crown Vic	F	53,000	
IT			
Replace 887 - 1998 Ford F150	G*	45,000	
Replace 943 - 2000 Dodge Dakota	G*	45,000	
Replace 1072 - 2004 Ford Explorer 4x4	G*	45,000	
		135,000	
Police			
FY25 1787 - Upfitting Carryover to FY26	G	50,000	
FY25 1788 - Upfitting Carryover to FY26	G	50,000	
Replace 1142 - 2005 Honda ST1300	G	65,000	
Replace 1305 - 2008 Ford Expedition	G	110,000	
Replace 1313 - 2009 Honda ST1300	G	65,000	
Replace 1324 - 2010 Ford Crown Vic	G	60,000	
Replace 1330 - 2008 Ford Crown Vic	G	60,000	
Replace 1380 - 2012 Chevy Tahoe	G	110,000	
Replace 1596 - 2014 Dodge 1500	G	110,000	
Replace 1591 - 2005 Dodge 2500	G	110,000	
New Tahoe	G	110,000	
New Tahoe	G	110,000	
New Tahoe	G	110,000	
New Tahoe	G	110,000	
New Tahoe	G	125,000	
		1,355,000	
Recreation Services			

Authorized Expenditure List for Fiscal Year 2026			
Item	**Fund**	**FY2025-26 Budget**	**Est Total Project**
Replace 892 - 1998 Chevy S10	GC	35,000	
Replace 1031 - 2003 Ford Ranger	GC	35,000	
		70,000	
Recreation Services			
Carryover from FY25 - 928 - 2000 International Dump Truck	G	200,000	
Replace 1340 - 2010 Vermeer Chipper	G	100,000	
Replace #1369 2012 John Deere Excavator	G	65,000	
Replace 954 - 2000 Ford F150	G	50,000	
Replace 1033 - 2003 Chevy 2500HD	G	60,000	
Replace 1134 - 2005 Ford F350	G	120,000	
Replace 1153 - 2006 Ford E350 Van	G	80,000	
Replace Kiosk Machine Card Tap	G	48,042	
		723,042	
Public Works			
Engineering			
Replace 1189 - 2007 Ford F150	E	55,000	
Replace 1262 - 2008 Ford F150	E	55,000	
Replace 1264 - 2008 Ford F150	E	55,000	
		165,000	
Solid Waste			
Replace 1472 - 2017 CAT 930M	SW	350,000	
Replace 1502 - 2019 Peterbilt 520	SW	470,000	
Replace 1503 - 2019 Peterbilt 520	SW	470,000	
		1,290,000	
Streets			
Carry over from FY25 - 1218 - 2007 Peterbilt 357	S	400,000	
Replace 1211 - 2008 Ford F250	S	60,000	
Replace 1453 - 2016 Ford F550	S	150,000	
Replace 1454 - 2016 Ford F550	S	150,000	
Replace 1548 - 2020 Freightliner	S	350,000	
Replace 1037 - 2002 Cat 420D	S	175,000	
New Milling Maching	S	325,000	
		1,610,000	
Transportation Services			
Replace 1414 - 2015 Ford F450	S	90,000	
Replace 612 - 1988 IR Air Compressor	S	30,000	
Replace 1284 - 1996 Precision Message Boards	S	25,000	
Replace 1302 - 1996 Precision Message Boards	S	25,000	
NEW - Long Line Airless Paint Truck - $350,000	S	350,000	
NEW - Traffic Control Worker Pickup Truck with upgrades - $90,000	S	90,000	
NEW - Striping Operator Pickup - $60,000	S	60,000	
NEW - Thermoplastic Application Machine (Apollo III)	S	24,000	
NEW -Thermoplastic Trailer (2 Kettle)	S	70,000	
		764,000	
Water			
1491 2017 Ford F150	W	50,000	
1487 2017 Ford F350	W	70,000	
Carryover from FY25 - 1451 - 2016 Ford F550	W	200,000	
1411 - 2014 Ford F450	W	80,000	
1273 - 2008 Ford F550	W	160,000	
New SUV	W	40,000	
New F150	W	55,000	
New F150	W	55,000	
		710,000	

Authorized Expenditure List for Fiscal Year 2026			
Item	**Fund**	**FY2025-26 Budget**	**Est Total Project**
Wastewater			
Replace 934 - 1999 John Deere 410E	WW	175,000	
Replace 1467 - 2016 Ford F150	WW	55,000	
Replace 1421 - 2015 Kenworth T-800	WW	750,000	
Replace 1484 - 2017 Ford F350	WW	80,000	
New Ford F-150 Utility Truck	WW	55,000	
New Ford F-350 Utility Truck	WW	80,000	
New Ford F350	WW	80,000	
		1,275,000	
Fire Department			
Thermal Imaging Cameras	G	135,000	175,000
Municipal Firefighter Cancer Reimbursement Fund Assessment	G	126,550	
Turnout Cleaning and Inspections (IGA w/CAFMA)	G	54,705	
Turnout Coats & Pants (PPE)	G	157,897	
Station Duty Uniforms	G	130,000	390,000
Equipment Decontamination Machine	G	75,000	
Accreditation Manager - Out Source 2-years	G	72,000	144,000
Contract Yavapai County for Emergency Management	G	75,000	225,000
LifePack & Lucas Comprehensive Service Plans	G	20,240	60,720
Regulatory Testing & Inspections (Ladders, Hose & Pumps)	G	89,332	267,996
Third Party Plans Review - NAIS	G	90,000	
Hose & Ladder Inspections	G	19,176	57,528
Training Center Improvements - Tower	PSTI	750,000	1,700,000
Structural Engine Equipment Package (Fire/EMS) E-76	PSTI	363,147	726,293
Fire Station 76 Land, Engineering & Design, build	PSTI	1,058,400	1,949,000
Fire Station 72 Remodel Engineering, Design, Build and Temp Quarters	PSTI	1,510,000	7,560,000
Fire Station 73 Relocation: Land, Design & Engineering	PSTI	2,809,000	10,584,000
Firefighter Wellness/Fitness Physicals (3-year contract)	G	232,750	889,832
Library			
Recurring			
Library Books and Materials (Recurring)	G	202,000	
Capital			
Library 3rd Floor Remodel	LIB IMP	160,000	
Police Department			
Recurring			
PowerDMS Public Safety Software Subscription	G	60,000	
Crisis Counseling Services	G	55,000	
Ammunition	G	55,000	
Police Uniforms and Accessories	G	159,000	
FLOCK ALPR System	G	155,000	
LexisNexis RTCC Software Subscription	G	88,000	
Capital			
Radio Tower Equipment Upgrades	G	1,400,000	1,400,000
Tactical Operations Robot	G	50,000	
Small Unmanned Aerial System (sUAS)	G	51,000	
Leica 3D Sanner	G	121,026	
Property & Evidence Facility	PSTI	8,330,000	8,330,000
Police Facility Enhance/Renovations	G/PSTI	316,000	6,361,740
Police Facility Expansion	PSTI	241,000	28,917,000
Firing Range Improvement	PSTI	460,000	460,000

Authorized Expenditure List for Fiscal Year 2026			
Item	**Fund**	**FY2025-26 Budget**	**Est Total Project**
Public Works			
Recurring			
Personal Protection Equipment	S/SW/W/WW	100,000	
Uniform Rental & Laundry	S/SW/W/WW	100,000	
Emergency & On-Call Traffic Control Services	G/S/SW/W/WW	120,000	
Appraisal Services	S/SW/W/WW	100,000	
Title & Escrow Services	S/SW/W/WW	75,000	
Engineering/Inspections/ Project Management			
Citywide Rate and Fee Study - Permit Center Fees	G/S/W/WW	75,000	
Double D Rd Reconstruction and Drainage Improvements	S	2,400,000	
Downtown Bollard Project	S	345,000	
Street Maintenance Site Improvements Phase 1	S	550,000	
Willow Creek Road Improvements between Jenna and James Design	S	500,000	
Willow Lake Dam Repair: Discharge Valve Study	WW	250,000	
Centralization - Airport WRF Solids Handling Facility	WW	4,502,000	13,152,000
Wildwood Lift Station Abandonment	WW	820,000	
FY24 City Wide Water Main Replacement Phase 1 (Downer Trail, Idylwild, Parker Dr.)	W	1,355,000	
FY24 City Wide Water Main Replacement Phase 2 (Willow St., Ash St., Brush St., Country Club Cir., Rimrock Cir.)	W	2,170,000	
FY24 City Wide Water Main Replacement Phase 3 Design	W	250,000	
Zone 24/27 Water Pipeline Upsizing	W	4,258,000	4,300,000
Cherry Drive Roadway Improvements	W/S	1,750,000	
Whetstine Recon	W/S	1,000,000	2,000,000
Yavapai County Flood Control District Projects	S	**800,000**	
Hornet Drive Drainage Improvements			
Dexter Neighborhood Drainage Improvements Design			
Cortez Street Alley Reconstruction			
Lakeview Drainage			
Pavement Preservation Program Expenses	S	**9,000,000**	
Pavement Preservation - Crack Seal Materials and Installation			
Trip Hazard Elimination			
Sidewalk Repair and Replacement			
Pavement Rejuvenation			
Fog and Seal Coat			
Pavement Recon Stetson Road			
Pavement Reconstruction Program Expenses	S	**4,360,000**	
NPDES			
Healthy Lakes Program: Water quality treatments, maintenance, and monitoring for 4 la	W	682,751	
Green Stormwater Infrastructure Program	W	470,000	
Solid Waste			
65 Gallon Residential Garbage and Recycyle Containers	SW	370,000	
Commercial Front-Load and Roll-Off Dumpsters	SW	148,200	
Waste Management Disposal Fees	SW	3,750,000	
Garbage and Recycling Hauling Fees	SW	2,300,000	
Recycle Processing Fees	SW	350,000	
Routing GPS Software	SW	50,000	
Household Hazardous Waste Event	SW/W/WW	102,500	

Authorized Expenditure List for Fiscal Year 2026			
Item	**Fund**	**FY2025-26 Budget**	**Est Total Project**
Streets			
Deicing Material and Cinders	S	125,000	
Operated Equipment Contracts	S	120,000	
Operating Hauling Contracts	S	160,000	
Street Maintenance Materials (8350)	S	700,000	
Transportation / Traffic			
Traffic Signal Cabinets and GridSmart Detection Systems	S	220,000	
Rectangular Rapid Flash Beacon (2 crosswalk system, solar, 4 button/beacons)	S	50,000	
Sign shop materials	S	65,000	
Emergency & On-Call Traffic Control Services	G/S	120,000	
Annual Striping Program	S	300,000	
Utilities - Water / Wastewater			
Trenchless Technologies (CIPP, Pipe Bursting)	WW	800,000	
Root Control	WW	180,000	
Lift Station Control Panel Replacements	WW	100,000	
Lift Station Rehab	WW	180,000	
Manhole Rehabilitation & Replacements	WW	500,000	
Generator Replacements and New Purchases	WW	100,000	
Sewer Main Point Repairs	WW	100,000	
Biosolids Hauling	WW	355,000	
Sundog Primary Clarifer Rehabilitation	WW	300,000	
Sundog Barscreen Replacement	WW	250,000	
Polymer (Polymers are used in the sludge dewatering process)	WW	180,000	
Course Salt (Used to make bleach)	WW	70,000	
Disc Filter Panel Replacements	WW	100,000	
Reclaimed Water Tank Maintenance (sandblast, recoat inside & out)	WW	600,000	
Secondary Clarifier Maintenance (1) (sandblast, recoat)	WW	350,000	
Airport WRF Barscreen Repairs	WW	250,000	
Water Meters Purchase	W	300,000	
Potable water tank inspections	W	200,000	
AP3 Arsenic Media Changeout	W	260,000	
Water /Wastewater Street Maintenance Materials	W	300,000	
Water/Wastewater Materials	W/WW	450,000	
Water/Wastewater Treatment Chemicals	W/WW	350,000	
Water/Wastewater Analytical Services	W/WW	75,000	
Water/Wastewater Pump Repair & Replacement	W/WW	165,000	
Electrical Maintenance (Caliber Electrical)	W/WW	125,000	
Water Resources			
Professional Services by Matrix New World Consulting (D&O)	W	55,000	
Professional Services by Matrix New World Consulting (CA1)	W	205,000	
Big Chino Water Ranch Land Management	W	90,000	
Big Chino Water Ranch Water Aerial Photography	W	100,000	
Professional Services by Carollo (LTWMP)	W	190,000	
Recreation			
Recurring			
Rec Services Pavement Preservation	G	400,000	Ongoing
One-time Expenses/Projects			
26020 -- Playground Replacements	G	290,151	1,080,151
26022 -- Goldwater Road Reconstruction	G	600,000	
26021 -- Field Light Renovation (LED) Heritage Park	G	1,210,000	
26023 -- Peavine Trail Fencing	G	120,000	360,000
19017 -- West Granite Creek Park Improvements	G	80,000	800,000
23017 -- Parks Maintenance Shop	G,S	350,000	

Authorized Expenditure List for Fiscal Year 2026			
Item	Fund	FY2025-26 Budget	Est Total Project

Fund Legend:

G - General Fund
G* - General Fund Cost Recovered
GR - Grant
PSTI - Public Safety Tax Initiative
LIB IMPACT - Library Development Impact Fee Fund
BT - Bed Tax
S - Streets Fund
W - Water
WW - Water
SW - Solid Waste
FM - Facilities Management
F - Fleet Manangement