CITY OF PRESCOTT
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# AGENDA

**PRESCOTT CITY COUNCIL**
**BUDGET WORKSHOP MEETING**
**Thursday, May 15, 2014**
**9:00 AM**

**Prescott Public Library, Founders Room**
**215 E. Goodwin**
**Prescott, Arizona 86303**
**(928) 777-1100**

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

- ♦ **CALL TO ORDER**
- ♦ **PLEDGE OF ALLEGIANCE**
- ♦ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall
Mayor Pro Tem Lamerson
Councilman Arnold
Councilman Blair
Councilman Kuknyo
Councilman Lazzell
Councilwoman Wilcox

**I. DISCUSSION ITEMS**

A FY 15 Budget Workshop, Part 1

**II. ADJOURNMENT**

**EXECUTIVE SESSION**

**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:**

**(i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));**

**(ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));**

**(iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));**

**(iv) 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));**

**(v) 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));**

**(vi) 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);**

**(vii) 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)).**

## Confidentiality

**Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed $500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).**

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on ______________ at _______________m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

____________________________________

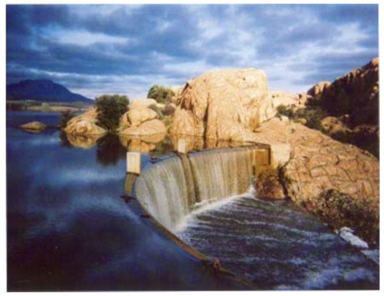
Dana R. DeLong, CMC, City Clerk

# City of Prescott
# Fiscal Year 2015 Budget

## Budget Workshop Part 1 – May 15, 2014

# Prescott – A Full Service City

- ❑ Police and Fire
- ❑ Solid Waste
- ❑ Streets
- ❑ Utilities
- ❑ Airport
- ❑ Recreation Services
- ❑ Planning & Building
- ❑ Economic Development
- ❑ Library











# Approach to Building the FY15 Budget

- Align the FY15 budget with Strategic Goals, and balance it while preserving services/levels of services
- Critically review and implement organizational alternatives for fulfilling departmental missions more effectively/efficiently
- Fund implementation of Airport area-focused economic development vision and strategies integrating the “inside the fence” Airport property and facilities, proximate privately owned properties, and the educational/technical leadership of Embry-Riddle Aeronautical University
- Identify and pursue entrepreneurial opportunities for net new revenue generation
- Update the City’s tourism development approach; identify “next level” opportunities and investment funding mechanisms; transition from General Fund support
- Complete ICMA operational analysis of public safety response models to identify operational opportunities, and utilize FY15 as a transitional year of community dialogue and implementation of selected strategies

# Strategic Goals

**Stronger Local Economy and Expanded Tax Base**

- More quality jobs with family wages
- More diverse economy which is less retail dependent
- Development of our airport as an "economic engine"
- Continue as the Regional Retail Center
- Make land available for developing business/commercial sites
- Leverage open space recreation and tourism assets

**Better Mobility through Improved Roads and Transportation System**

- Improved condition and quality of city streets
- All city streets and alleys paved
- Air service to alternative hubs
- Effective and functioning Municipal Planning Organization
- Facilities accommodating alternate modes (bicyclists and pedestrians)

**Managed Growth for a Balanced Community**

- More affordable (workforce) housing units
- Well-planned annexed areas with mixed and balanced uses
- Preservation of Prescott's historic charm and character
- Growth paying for growth
- Development consistent with Land Development Code

**Polished City – Beautiful and Clean**

- Cleaner and well-maintained streets, alleys and rights-of-way
- Reduce blighted homes and buildings
- Effective solid waste collection and management
- Redevelopment of aging commercial centers
- Well maintained parks and recreational areas
- Care of greenbelts and street trees

**First Class Utility System**

- Water supply for the next 100 years
- Sewers for all residences and businesses
- Well-maintained water treatment and distribution system
- Well-maintained wastewater collection and treatment facility
- Effective stormwater collection and natural treatment system to enhance water quality

**Alive Downtown**

- Cleaner downtown with improved infrastructure
- More commercial offices with people working downtown
- More activity venues for attracting residents and events
- More people living downtown
- More evening activities with businesses open beyond 5:30

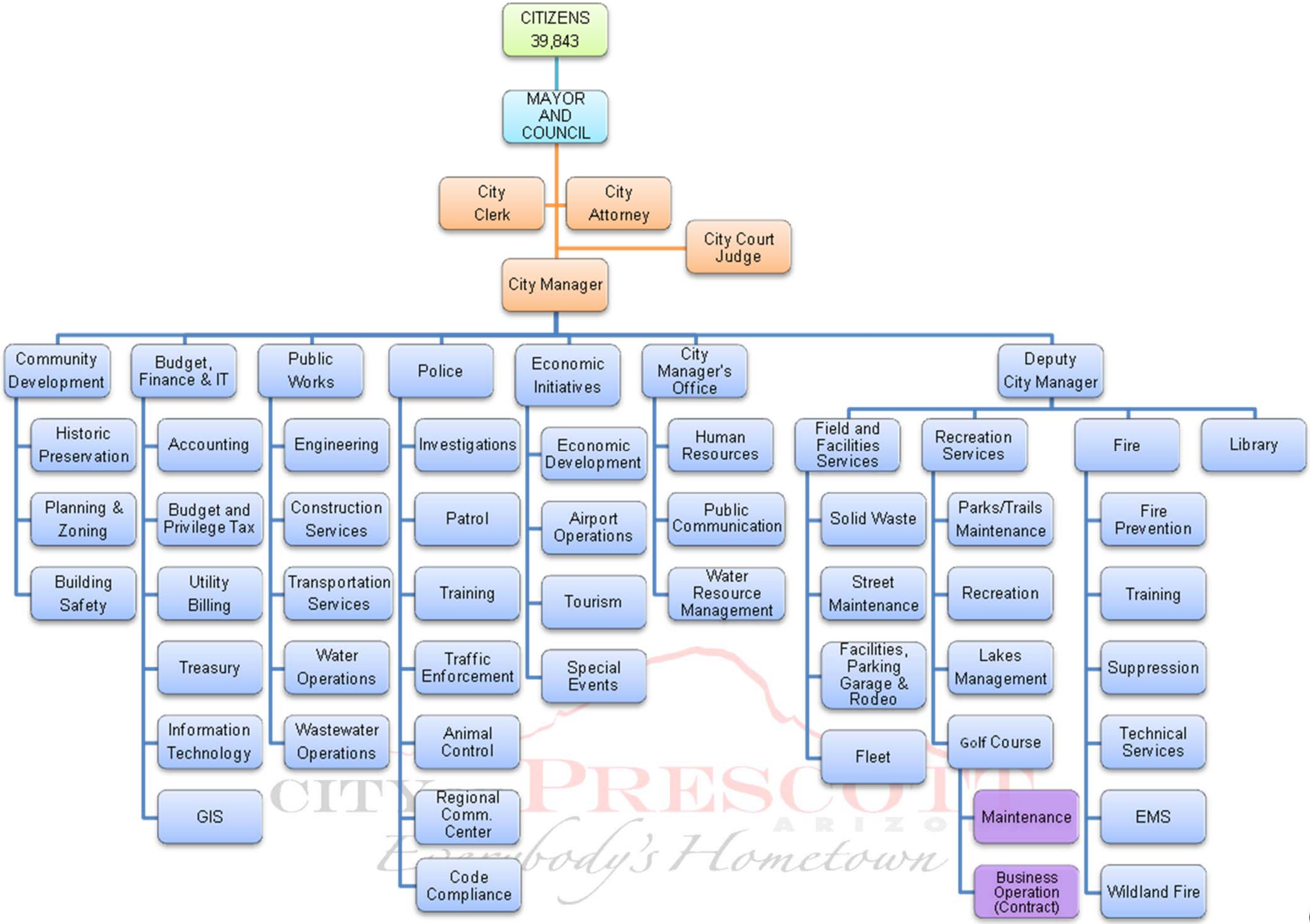
**Financially Sustainable City**

- Maintain basic services
- Focus on long-term planning in all funds
- Target excess resources for economic & strategic program investment
- Maintain flexibility to respond to unknown opportunities

# FY15 Budget Process

| | |
|---|---|
| 1/14/14 | Council Discussion on Airport Area Economic Development Strategic Planning |
| 2/04/14 | FY13 Mid-Year Budget Review<br>Public Works Capital Improvement Program Update |
| 2/11/14 | Council Discussion of FY15 Work Program |
| 2/18/14 | Council Discussion of Development Impact Fees Project |
| 2/25/14 | Council Discussion on Airport Area Economic Development Strategic Planning |
| 3/25/14 | Council Discussion on Airport Area Economic Development Strategic Planning |
| 4/8/14 | Council Discussion of Open Space Program<br>Council Discussion of Debt Capacities and Options |
| 4/22/14 | Council Discussion on Airport Area Economic Development Strategic Planning |
| 4/22/14 | Council Discussion FY15 Budget – Goals, Progress and Projects |
| 5/15/14 | Council Budget Workshop Part 1 (General Fund, Tourism, Golf Course) |
| 5/29/14 | Council Budget Workshop Part 2 (Streets, Utilities, Solid Waste, Airport) |

# FY15 City of Prescott Organization



# FY15 Budget Context, Key Issues, and Considerations

- Stabilization and growth of the regional, state, and national economies
- Transaction Privilege Tax (TPT) – the financial impact of "reform" legislation reducing construction sales tax and shifting to State collection (Loss of $150,000 in FY15 and $300,000 in FY16 for each of General Fund and Streets Fund)
- Property tax capacity and revenue stream diversification
- Employee pay and benefits; compression; funding/impact of mandated retirement system increases
- Airport Area – "revisioning," economic development, Antelope Hills Golf Course public-private partnership
- Tourism - the continuing importance to the City economy; keeping downtown attractive; identifying new venues for selected existing and new events (e.g., Watson Lake)
- Public safety response alternatives, and transition to enhanced fuels reduction program to reduce wildfire susceptibility – fuels reduction is among the highest priorities for funding as an essential City service
- Strengthening relationships with regional partners

# Personnel, Pay, and Benefits

# Retirement Costs, Overtime, and Assignment Pay

| | FY 14 Rate | FY 15 Rate | Increase in Contribution Rates | Estimated Increase in FY 15 Budget | Estimated FY 15 Budget Amount | Estimated Average Increase per Employee | Estimated Average Annual Cost per Employee |
|---|---|---|---|---|---|---|---|
| Az State Retirement System | | | | | | | |
| (Employees 426) | | | | | | | |
| City | 11.54% | 11.60% | 0.06% | $ 12,000 | $ 2,373,541 | $ 27 | $ 5,572 |
| Employee | 11.54% | 11.60% | 0.06% | | | 27 | 5,572 |
| Public Safety Retirement System | | | | | | | |
| Fire (Employees 65) | | | | | | | |
| City | 43.47% | 59.66% | 16.19% | $ 572,000 | $ 2,106,682 | $ 8,793 | $ 32,404 |
| Employee | 10.35% | 11.05% | 0.70% | | | 380 | 6,002 |
| Police (Employees 72) | | | | | | | |
| City | 43.98% | 50.27% | 6.29% | $ 279,000 | $ 2,232,916 | $ 3,881 | $ 31,019 |
| Employee | 10.35% | 11.05% | 0.70% | | | 432 | 6,818 |
| Total | | | | $ 863,000 | $ 6,713,139 | | |

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# Pay and Benefits for FY15

- To remain competitive as an employer among its municipal peers, the City must:
  1) Identify and take advantage of opportunities for increasing efficiency; and
  2) Enhance revenues, particularly in the General Fund
- Changes in FY15 to the cost of health insurance and coverages provided through the Yavapai Combined Trust will be absorbed by both the City and its employees
- The Pay Plan update to be accomplished in FY15 must be market-driven, realistic, and affordable
  - Occupational families which are unique or nearly unique to the public sector compete with similar governments (public safety, parks and recreation, library)
  - Others compete in broader public-private markets (administrative personnel, engineers, inspectors, equipment operators, and other trades)
- Our public safety pay plans have traditionally been structured as a series of fixed % steps
- Non-public safety pay has been based upon ranges (max and min) for each job type, through which employees move via merit increases
- Positions will need to be added and others more closely monitored in order to assure proper compliance with the federal Affordable Care Act (ACA)

# Pay and Benefits for FY15 (cont'd)

- In FY14, compression and merit adjustments were funded for the first time in several years
- Prior to FY14, cost of living adjustments were made in FY08; merit and step increases were suspended after FY09 due to lack of funding
- Pay compression throughout the City workforce remains an issue needing continued attention
- Funding will be included in the FY15 budget to enable continuing to address compression, and provide for a first phase of market adjustments to be determined through analysis
- Work-related training and travel are included in each departmental budget
- Education assistance for personal occupational development, not directly related to an employee's job, was last funded in FY08 at $50,000 total (including $30,000 for General Fund departments)
- This draft FY15 budget does not include funding for tuition assistance; resumption of this benefit should be considered if recommended by the market analysis

# Employee Pay Adjustments

**FY14**

Public Safety (PSPRS Personnel)

- Retained the step plan for sworn Police Officers and Firefighters, subject to evaluation of whether to retain a step plan as part of the market study in the FY15 budget
- Applied a variable compression percentage increase based on year of hire (FY12 or earlier) up to 4.5%

Other Departments (ASRS and non-sworn Personnel)

- Variable compression percentage increase based on year of hire (FY12 or earlier) up to 3%
- Made available a second component of funding for merit increases, funded at 75% of the total personnel budget, up to 2% for employees with superior performance

**FY15**

- Conduct market study and fund first phase adjustments prioritized for those most heavily impacted by turnover resulting from employees moving to other organizations for same/similar job at higher pay

# Position Changes - FY15 Budget

New (11.0)

- 1.0 HR Assistant – Human Resources (pg.2)
- 1.0 Maintenance Worker – Recreation Services (pg.4)
- 0.5 Crime Prevention Specialist (half-to full time) – Police (pg.5)
- 0.5 Real Property Specialist (half-to full time) – Com. Dev. & Engineering (pg.6)
- 1.0 Office Assistant – Fire Administration (pg.11)
- 3.0 Leads Fuels Technicians – Fire (pg.12)
- 1.0 Treatment Plant Operator – Waste Water (pg.13)
- 1.0 Maintenance Specialist – Waste Water (pg.14)
- 2.0 Maintenance Workers – Solid Waste (pg.15)

Eliminated (13.0)

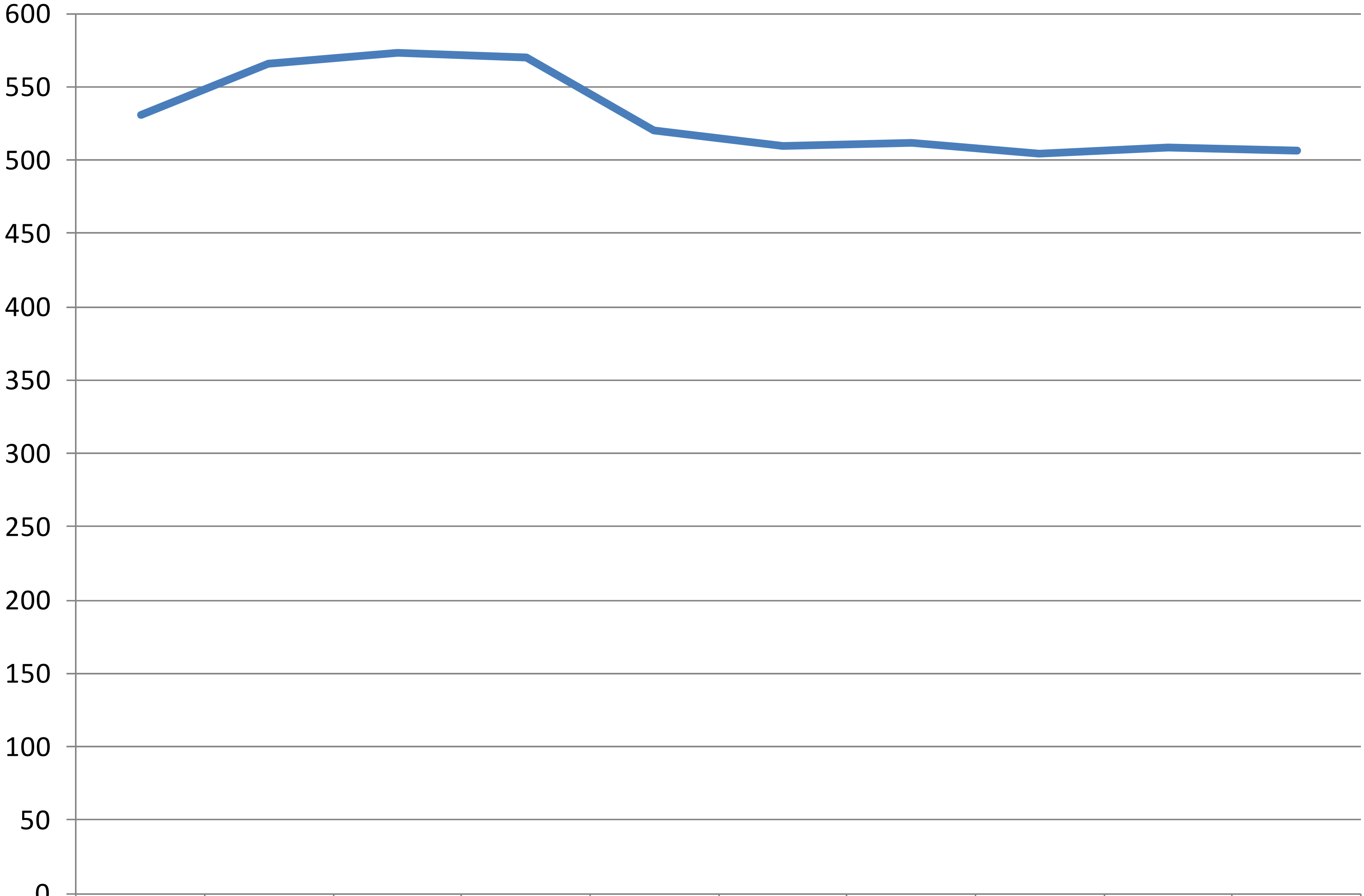
- 1.0 Tax & Licensing Representative – Finance
- 6.0 Hot Shot Crew – Fire
- 6.0 Golf Operations – Recreation Services

Net Change: 2.0 Positions Removed

**FY14 Total Budgeted Personnel = 508**

**FY15 Total Budgeted Personnel = 506**

# Total Full Time Equivalent Positions




| | FY06 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---|---|---|---|---|---|---|---|---|---|---|
| FTEs | 531.00 | 565.25 | 573.50 | 570.25 | 520.25 | 509.75 | 511.25 | 504.75 | 508.00 | 506.00 |

# General Fund

# General Fund

## Key Items, Issues, and Considerations

- The funding structure is severely limited by state law
- Continued attacks on funding sources and revenue amounts by the Arizona Legislature through tax code revisions and changes to state-shared revenue distributions ($150,000 impact in FY15)
- 85% of the General Fund revenue comes from City and State-assessed taxes which have no correlation to service demand
- 66% of FY15 General Fund expenses will be for public safety; up from 60% in FY14, and 80% of the costs of public safety are for personnel

  (note: the Regional Communications Center, which is cost-recovered, has been separated from Police and Fire for this FY15 calculation)
- The vast majority of public safety cost escalation in recent years is attributable to State-mandated pension cost increases
- The growing cost of public safety is continuing to pressure other City programs, services, and available resources directly related to the overall quality of life in our community

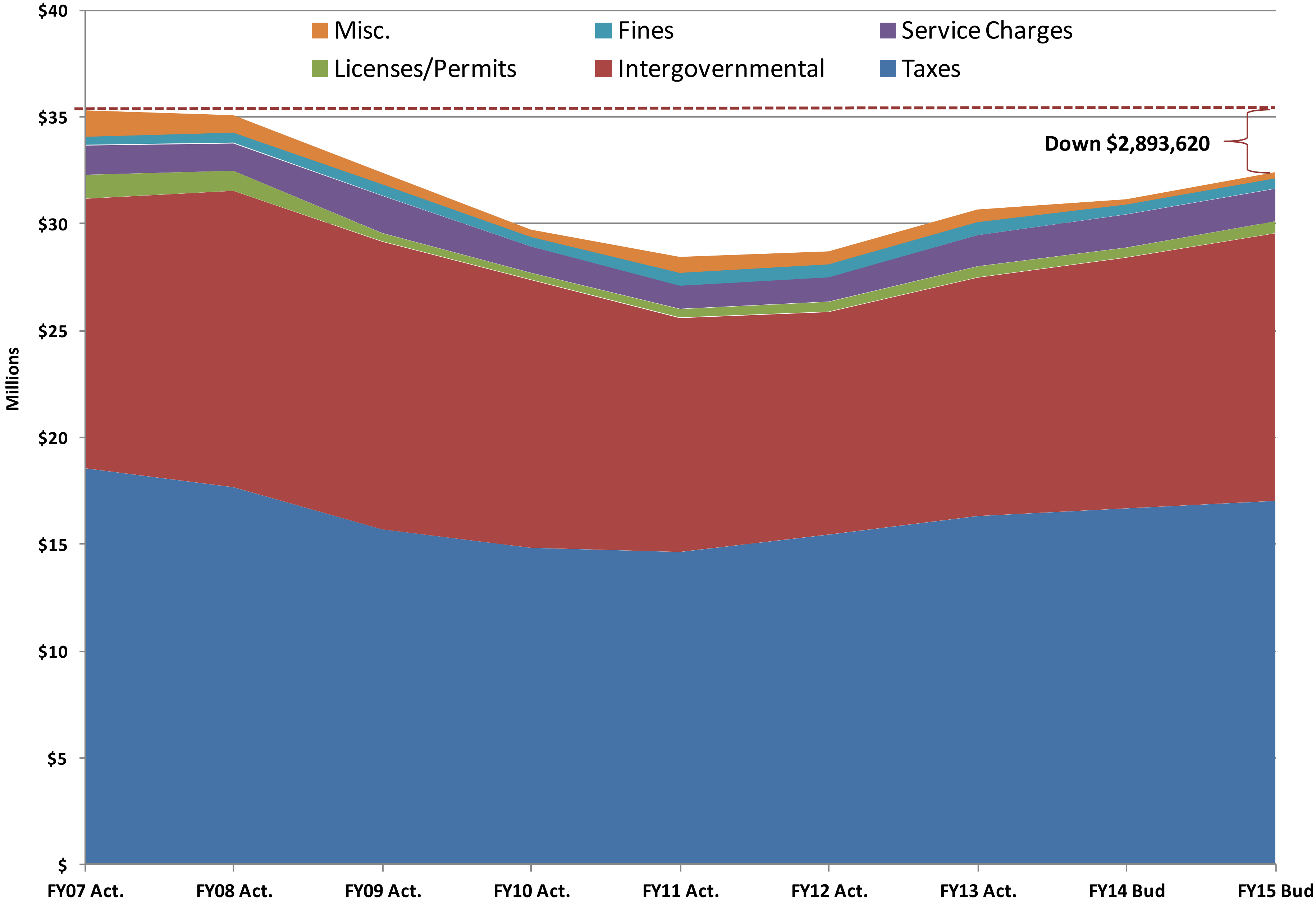
# General Fund

## Key Programs/Projects/Requests/Other Items

| Budget Item | Strategic Goal | FY15 Amount |
|---|---|---|
| Included in the Draft FY15 Budget | | |
| 1. PSPRS Increase | Financially Sustainable City | $851,000 |
| 2. ASRS Increase | Financially Sustainable City | $ 12,000 |
| 3. Affordable Care Act<br>- New Time and Attendance Software<br>- New Coverage Expense<br>- Position Adjustments Required | Federal Mandate/Financially Sustainable City | $210,000 |
| 4. Class and Comp/Pay Plan; Capacity | Financially Sustainable City | $ 80,000/TBD |
| 5. Fuels Reduction Program (Fire Prevention) | Polished City/Financially Sustainable | $100,000 |
| 6. Rodeo Grounds ED Master Plan | Stronger Local Economy/Expanded Tax Base | $ 50,000 |
| Not Funded or Fully Funded in the Draft FY15 Budget | | |
| 1. GPREP (Regional ED Contribution) | Stronger Local Economy/Expanded Tax Base | $ 40,000 |
| 2. Airport CIP Grants Matches | Stronger Local Economy/Expanded Tax Base | TBD |
| 3. Vehicles/Capital Equipment Replacement | Financially Sustainable City | TBD |
| 4. Life-Cycle Facilities Management | Financially Sustainable City | TBD |

# General Fund Revenue and Sources

# General Fund Revenues FY07-15



# General Fund Revenues

| | FY14 Budget | FY15 Budget | % Chg Budget | % of Total |
|---|---|---|---|---|
| **Local Taxes** | | | | |
| Sales/Use Tax | $ 13,520,000 | $ 13,840,000 | 2.4% | 42.6% |
| Primary Property Tax | 1,518,465 | 1,570,938 | 3.5% | 4.8% |
| Franchise Taxes | 1,658,979 | 1,636,000 | -1.4% | 5.0% |
| **Total Local Taxes** | $ 16,697,444 | $ 17,046,938 | 2.1% | 52.5% |
| **Intergovernmental Revenues** | | | | |
| State Sales Tax | $ 3,442,737 | $ 3,600,149 | 4.6% | 11.1% |
| State Income Tax | 4,445,081 | 4,822,959 | 8.5% | 14.9% |
| State Vehicle License | 2,073,120 | 2,199,130 | 6.1% | 6.8% |
| Joint Dispatch | 1,215,787 | 1,327,197 | 9.2% | 4.1% |
| Library | 550,931 | 564,444 | 2.5% | 1.7% |
| Other | 333,076 | 357,223 | 7.2% | 1.1% |
| **Total Intergovernmental Revenues** | $ 12,060,732 | $ 12,871,102 | 6.7% | 39.7% |
| **Licenses and Permits** | 444,800 | 547,900 | 23.2% | 1.7% |
| **Service Charges** | 1,226,058 | 1,201,499 | -2.0% | 3.7% |
| **Fines and Forfeitures** | 476,350 | 492,400 | 3.4% | 1.5% |
| **Miscellaneous and Interest** | 247,000 | 292,300 | 18.3% | 0.9% |
| **Total General Fund Revenue** | $ 31,152,384 | $ 32,452,139 | 4.2% | |

# Property Tax

- There are significant state limitations on the amount of property tax the City is allowed to assess
- The City of Prescott assesses two types of property tax
  - Primary, used for general governmental operations, including public safety
  - Secondary, which pays debt service on voter-approved debt (each issue has a specified end date); the City's current secondary property tax pertains to the recreational development improvements at Watson and Willow Lakes
- Property owners surrounding Prescott do not pay any City property tax (primary or secondary) but for fire protection are subject to Central Yavapai Fire District (CYFD) tax

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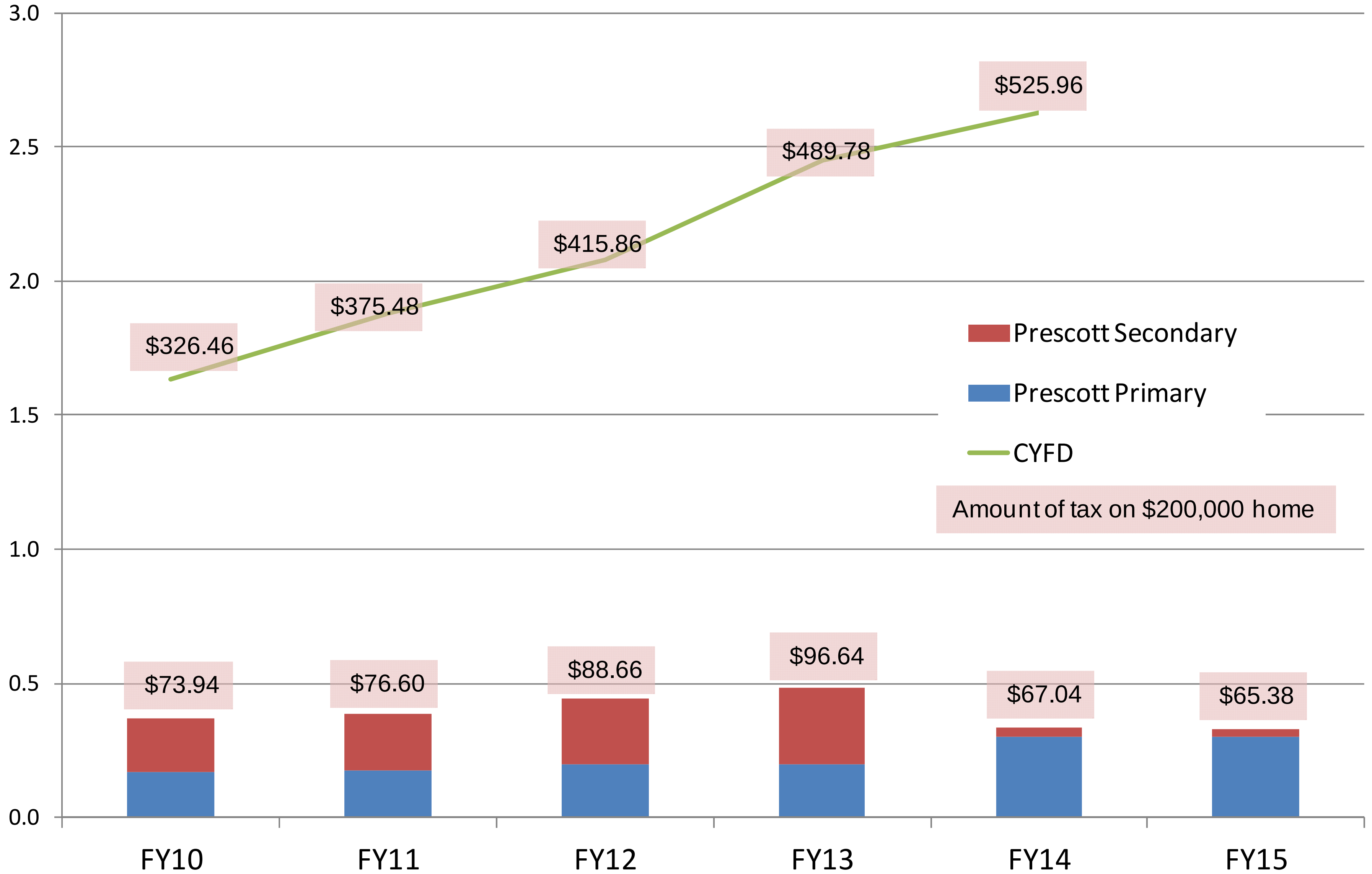
# Property Tax Rates
## City of Prescott Compared to CYFD



# Property Tax Rate Comparison

## Property Tax on $200,000 Residence
## Tax Year 2014

| TAXING ENTITY | COUNTY RESIDENCE | | | CITY RESIDENCE | | | | |
|---|---|---|---|---|---|---|---|---|
| | PRIMARY | SECONDARY | TAX DUE | PRIMARY | SECONDARY | TAX DUE | DIFFERENCE | |
| YAVAPAI COUNTY & AHCCCS/ALTCS | 386.16 | - | 386.16 | 386.16 | - | 386.16 | - | 21.3% |
| SCHOOL EQUALIZATION | 102.46 | - | 102.46 | 102.46 | - | 102.46 | - | 5.6% |
| PRESCOTT UNIFIED SCHOOL #1 | 675.00 | 73.48 | 748.48 | 675.00 | 73.48 | 748.48 | - | 41.2% |
| JTED | - | 10.00 | 10.00 | - | 10.00 | 10.00 | | 0.6% |
| YAVAPAI COMMUNITY COLLEGE | 364.82 | 44.54 | 409.36 | 364.82 | 44.54 | 409.36 | - | 22.5% |
| FIRE DISTRICT ASSISTANCE*** | - | 20.00 | 20.00 | - | 20.00 | 20.00 | - | 1.1% |
| YAVAPAI COUNTY LIBRARY DISTRICT | - | 29.82 | 29.82 | - | 29.82 | 29.82 | - | 1.6% |
| YAVAPAI FLOOD CONTROL DISTRICT | - | 43.24 | 43.24 | - | 43.24 | 43.24 | - | 2.4% |
| CENTRAL YAVAPAI FIRE DISTRICT | - | 525.96 | 525.96 | - | - | - | (525.96) | 0.0% |
| CITY OF PRESCOTT | - | - | - | 59.68 | 7.34 | 67.02 | 67.02 | 3.7% |
| TOTAL | 1,528.44 | 747.04 | 2,275.48 | 1,588.12 | 228.42 | 1,816.54 | (458.94) | 100.0% |

***FIRE DISTRICT ASSISTANCE HAS NOTHING TO DO WITH EITHER CYFD OR CITY

| | FY14 | FY15 | DIFFERENCE |
|---|---|---|---|
| City Tax Rate per $100 Assessed Val. | | | |
| Primary Tax Rate | 0.2984 | 0.3007 | 0.0023 |
| Secondary Tax Rate | 0.0367 | 0.0262 | (0.0105) |
| Total Tax Rate | 0.3351 | 0.3269 | (0.0082) |

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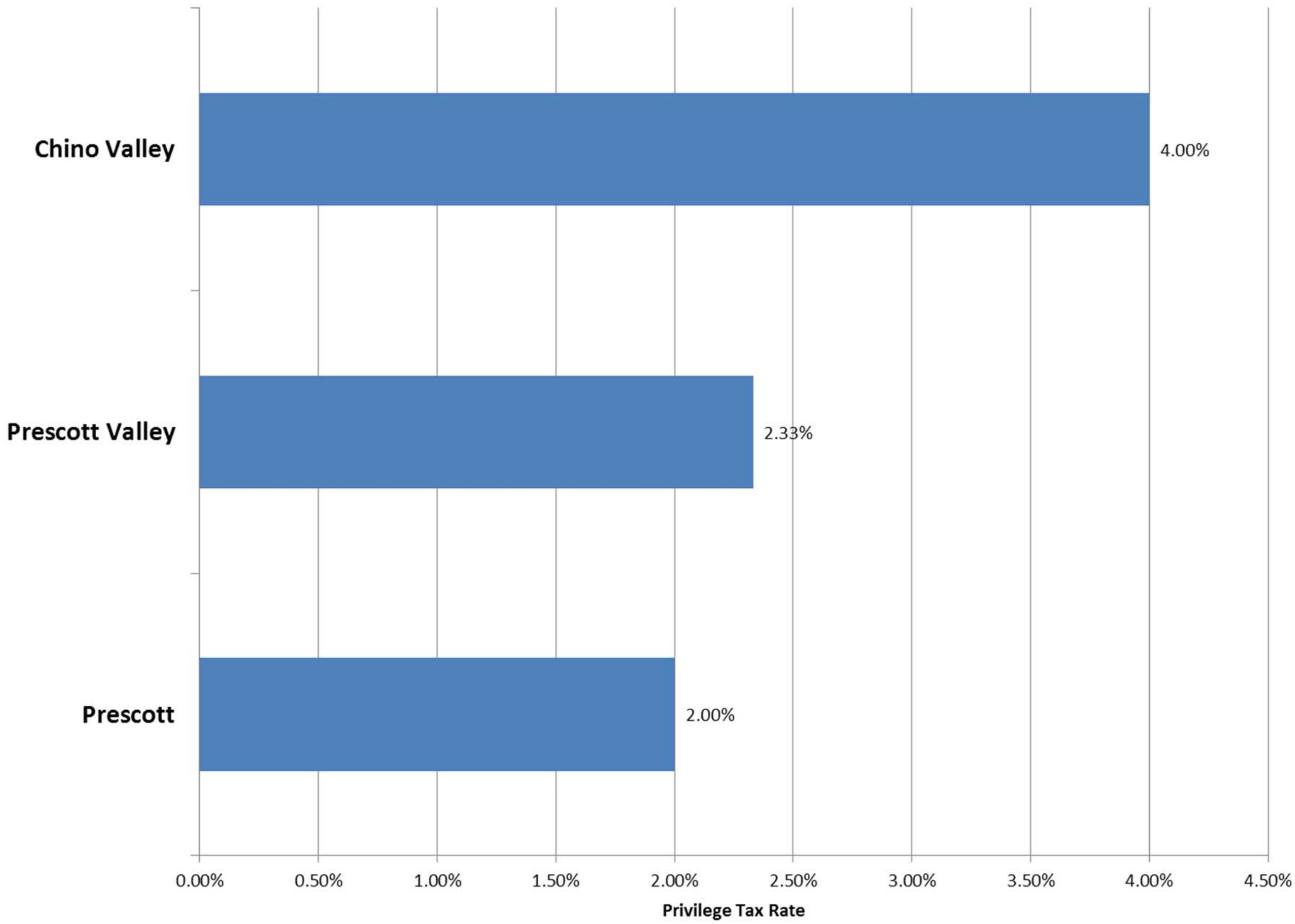
# Local Sales Tax Rate Comparison



# Breakdown of Total Transaction Privilege Tax Levied in Prescott

| | | |
|---|---|---|
| City ("Local") | General Fund | 1.00% |
| | Streets & Open Space | 1.00% |
| Yavapai County | Excise Tax | 0.50% |
| | Jail Tax | 0.25% |
| State of Arizona | | 5.60% |
| | Total in Prescott | 8.35% |
| | Total in Prescott Valley | 8.68% |
| | Total in Chino Valley | 10.35% |

Notes: This is the maximum transaction privilege tax levied on sales within the City (excluding the Transient Occupancy Tax of 3%). The rates on specific items may vary by taxable category.

A quarter percent (0.25%) Jail Tax increase will be on the ballot in November's general election.

# TPT (Sales Tax) "Reform" Legislation

- HB 2111 passed during the FY13 Legislative session
- Effective January 2015
- State assumes administrative processing and collection of TPT including online tax remittance
  - Beginning with the January 2015 reporting period, all Prescott TPT taxpayers will remit returns to the State directly
- City retains audit authority for single-jurisdiction taxpayers (only doing business in Prescott)
  - State approval is required for multi-jurisdictional audits
- Service Contractors/Trades will be exempt from prime contracting and instead will pay a tax on materials at the point of sale. This will result in an anticipated tax/revenue reduction and shift at point of sale (outside of City)
  - FY15 Estimated Total Loss $300,000 (General Fund Loss $150,000)
  - FY16 Estimated Total Loss $600,000 (General Fund Loss $300,000)

# General Fund Expenditures
## Operating and Capital

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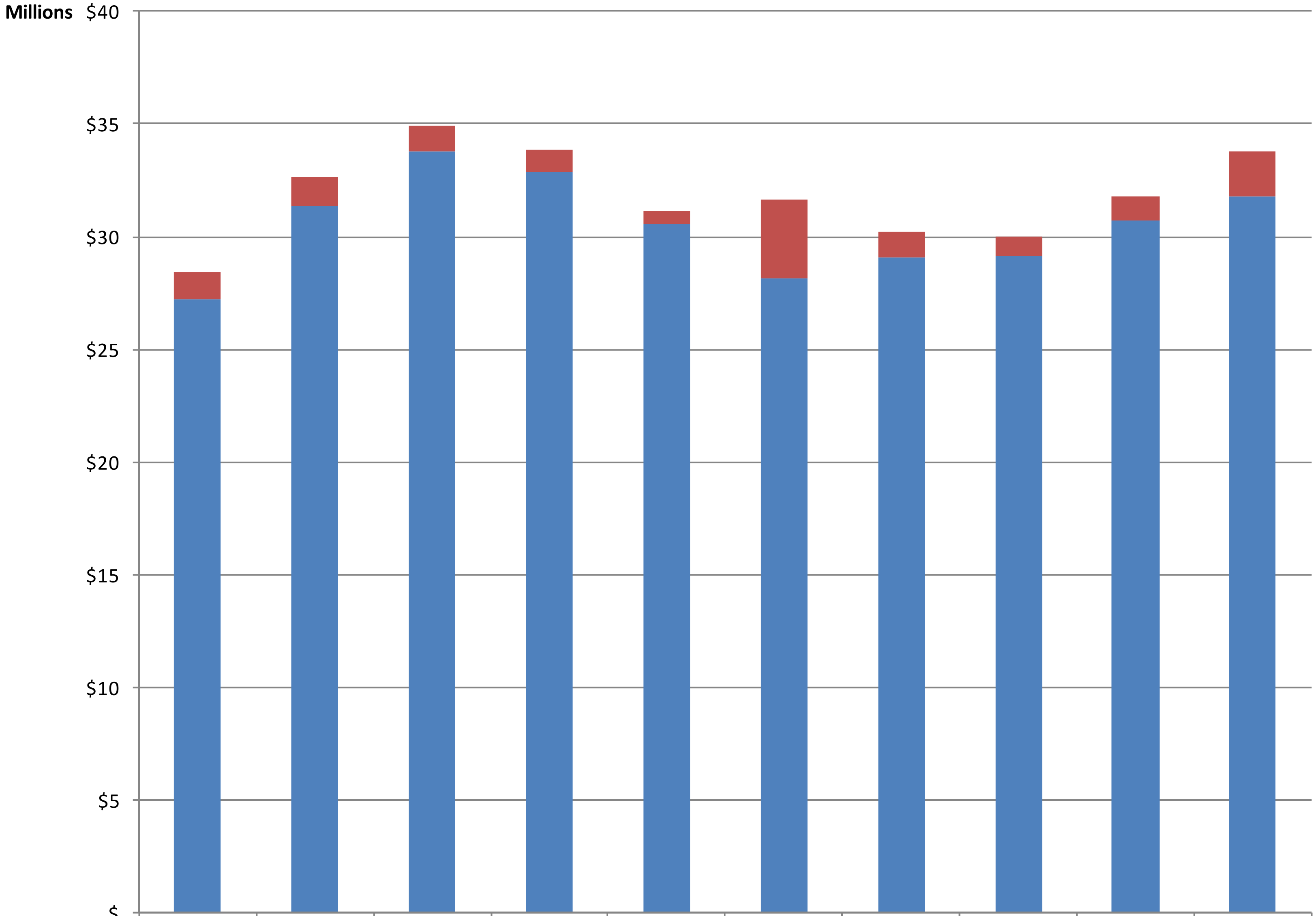
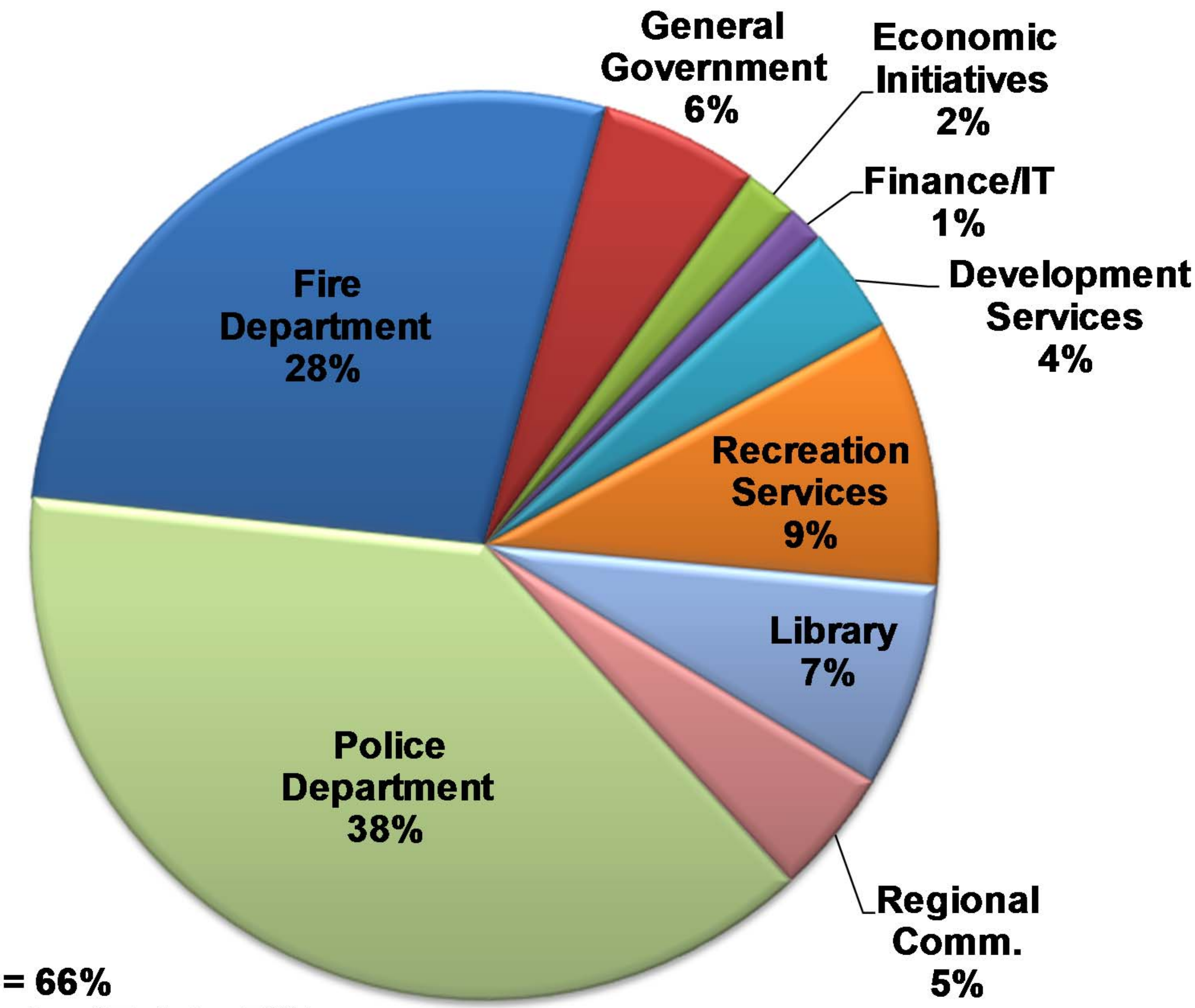
# General Fund Budget




| | FY06 Budget | FY07 Budget | FY08 Budget | FY09 Budget | FY10 Budget | FY11 Budget | FY12 Budget | FY13 Budget | FY14 Budget | FY15 Budget |
|---|---|---|---|---|---|---|---|---|---|---|
| Capital Outlay/Projects | 1,168,413 | 1,280,534 | 1,077,874 | 1,026,888 | 537,243 | 3,510,027 | 1,186,594 | 861,961 | 1,070,201 | 2,000,571 |
| Operating Budget | 27,243,626 | 31,357,766 | 33,812,632 | 32,830,521 | 30,574,990 | 28,118,573 | 29,045,894 | 29,121,839 | 30,726,547 | 31,765,708 |

# General Fund Operating Expenditures




**Public Safety = 66%**
**Personnel Costs of Total = 76%**

# General Fund
## Operating Expenditures by Department

| | FY14 Budget | FY15 Budget | % Change |
|---|---|---|---|
| City Council | $ 47,508 | $ 51,275 | 7.9% |
| City Clerk | 109,317 | 114,402 | 4.7% |
| City Court | 558,207 | 581,411 | 4.2% |
| City Manager (HR, Pub Comm) | 665,299 | 562,863 | -15.4% |
| Legal Department | 373,999 | 373,802 | -0.1% |
| Field and Facilities (Rodeo, Pkg Gar) | 104,338 | 102,946 | -1.3% |
| Economic Initiatives (Tourism,ED,Spec Events) | 624,622 | 611,071 | -2.2% |
| Finance/Information Technology | 407,690 | 414,118 | 1.6% |
| Development Services | 1,289,307 | 1,205,672 | -6.5% |
| Recreation Services | 2,896,679 | 3,002,886 | 3.7% |
| Library | 2,260,241 | 2,316,955 | 2.5% |
| Police Department | 10,218,847 | 12,208,657 | 19.5% |
| Regional Communications | 2,725,368 | 1,431,978 | -47.5% |
| Fire Department | 7,745,125 | 8,870,292 | 14.5% |
| **Total General Fund Operating** | **$30,026,547** | **$ 31,848,328** | **6.1%** |

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# City Council
## Operating Expenditures

| | FY14 Budget | FY15 Budget | % Change |
|---|---|---|---|
| Personnel Services | $ 49,936 | $ 49,455 | -0.96% |
| Office Supplies | 3,000 | 3,000 | 0.00% |
| Other Services and Charges | | | |
| Internal Charges | 29,418 | 32,727 | 11.25% |
| Facilities Maintenance | 24,957 | 27,172 | 8.88% |
| Insurance | 44 | 88 | 100.00% |
| Subscriptions | 30,000 | 30,277 | 0.92% |
| Professional Services | 4,000 | - | -100.00% |
| Travel | 19,500 | 19,500 | 0.00% |
| Postage, Copier Charges and Misc. | 8,000 | 8,500 | 6.25% |
| **Subtotal City Council Budget** | $168,855 | $170,719 | 1.10% |
| Caborca Sister City | $ 3,000 | $ 3,000 | 0.00% |
| Suchitoto Sister City | 1,500 | 1,500 | 0.00% |
| Zietz Sister City | - | - | |
| **Total City Council Budget** | $173,355 | $175,219 | 1.08% |
| Cost Recovered from Other Revenue Centers | (121,347) | (119,444) | -1.57% |
| **Total General Fund Cost** | $ 52,008 | $ 55,775 | 7.24% |

# Library

## Yavapai County Free Library District – Funding Issues and Considerations

- In the FY14 tax year, the Yavapai County Free Library District (YCFLD) collected $760,760 from properties within the City limits ($510,234,917 x 0.1491%)
- The District disbursed $550,931 in direct funding to Prescott for library operations, and provided direct services for a variety of operations through the Yavapai Library Network (YLN)
- The FY14 YCFLD tax levy was reduced from 0.1660 to 0.1491, reducing the annual funding available to distribute to member libraries by $600,000
- Recent County discussions for FY15 have included providing a new library in Paulden which would be funded from the existing YCFLD levy, resulting in further reductions for all YCFLD members
- YCFLD funding and state services are governed by similar rules - charges for library services were reviewed and adjusted where feasible in FY14
- For a library to be eligible for Library Services and Technology Act (LSTA) funding from the Arizona State Library, core library services must be offered free of charge
- The Yavapai County Free Library District (YCFLD) receives some LSTA general support money from the Arizona State Library, and follows the eligibility guidelines set forth by the Arizona State Library

# Library

## Yavapai County Free Library District – Funding Eligibility

Library Services and Technology Act (LSTA) eligibility is important for public libraries. Core services are not defined in Arizona Statutes. Instead they are defined as an eligibility requirement by the Arizona State Library to receive LSTA grants and services. The eligibility requirements for libraries in Arizona to receive LSTA funds and services include:

- ❑ Be open to the public at least 750 hours per year, with regular, posted hours
- ❑ Provide core library services, such as borrowing privileges and computer use, free of charge to all residents within the library's service area
- ❑ The core services of borrowing privileges for all types of media and use of computers/internet need to be free of charge to all residents within the library's service area
- ❑ The Yavapai County Free Library District receives some LSTA general support money from the Arizona State Library. YCFLD follows the eligibility guidelines set out by the Arizona State Library

Being LSTA eligible allows public libraries to:

- ❑ Apply for subgrants such as the one that allowed Prescott Public Library to add the Early Literacy Rock Garden and the Job Help Hub computer training lab.
- ❑ Access databases provided by the Arizona State Library with LSTA monies that allow residents to access information that ranges from scholarly articles to homework help to "how-to" information. As of July the cost of 27 of our 32 databases available to patrons will be paid for by the Arizona State Library valued at tens of thousands of dollars.
- ❑ Receive summer reading materials supplied by the Arizona State Library including participation in a nationwide consortium that offers professional created summer reading logs, signage, licenses to use artwork and manuals to help in the creation of programs.
- ❑ Utilize continuing education programs provided by the Arizona State Library as well as scholarships to attend library conferences. Continuing education and training are important for maintaining currency and providing excellent customer service to Prescott residents. Such funding has been curtailed in city budgets.
- ❑ Access information to search and borrow items held by libraries outside the Yavapai Library Network. This is done through OCLC access paid for by the Arizona State Library. OCLC is an international consortium that coordinates borrowing and lending between libraries.

# General Fund FY15 Capital Outlay/Projects

| Page No. | Description | Budgeted Amount |
|---|---|---|
| | General Government | |
| 20 | Time & Attendance Software and Timeclock Equipment (Affordable Care Act) | $ 210,000 |
| 21 | Classification & Compensation Pay Plan Study (HR) | 80,000 |
| 22 | Records Retention Management Module for OnBase (Clerk) | 20,000 |
| C/O | City Hall Conference Room (Council) | 3,394 |
| | Economic Initiatives | |
| 23 | Rodeo Grounds Master Plan | 50,000 |
| | Police | |
| 24 | Video Server - Data Vault | 25,400 |
| 25 | Neighborhood Enhancement Program (Code Compliance) | 12,500 |
| | Regional Communications | |
| 26 | Recording System for Dispatch | 25,000 |
| | Fire | |
| 27 | McCormick Street Admin/Training Facility | 437,777 |
| 28 | Cardiac Heart Monitors (ECG) Monitors | 300,000 |
| 29 | Hazmat Vehicle #781 HMT 75 (Utility Type) | 300,000 |
| 30 | Diesel Exhaust Systems - Scrubbers | 160,000 |
| 31 | Station Refurbishment | 130,000 |
| | Recreation Services | |
| 32 | Roughrider Parking Lot Pavement Preservation | 80,000 |
| 33 | City Playgrounds ADA Compliance | 20,000 |
| | Community Development | |
| 34 | Completion of General Plan | 3,500 |
| | **Total General Capital/Projects** | **$ 1,857,571** |

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# General Fund CIP FY16-20

| Page No. | Description | FY2016 Projected | FY2017 Projected | FY2018 Projected | FY2019 Projected | FY2020 Projected |
|---|---|---|---|---|---|---|
| | General Government | | | | | |
| 35 | Agenda Management Program (Clerk) | $ 25,000 | $ - | $ - | $ - | $ - |
| 36 | Book Lockers (Library) | 17,300 | 17,300 | - | - | - |
| | Police | | | | | |
| 37 | Electronic Ticketing and Form Completion | 135,000 | - | - | - | - |
| 38 | On-body Video Camera System | 57,777 | 11,451 | 11,451 | 11,451 | 11,451 |
| 39 | Microwave Equipment Replacement/Upgrade | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| 40 | Walk in Freezer Maint/Replacement | 15,000 | - | - | - | - |
| 41 | ATV Vehicle for Radio Technicians | 15,000 | - | - | - | - |
| 42 | Armored Personnel Vehicle | - | 240,000 | - | - | - |
| 43 | Mobile Emergency Command Center Vehicle | - | - | 492,035 | - | - |
| 44 | Police Headquarters Building Expansion | - | - | - | - | 3,685,882 |
| | Regional Communications | | | | | |
| 45 | Copy Machine for PRCC | 10,000 | - | - | - | - |
| 46 | CAD Upgrade/Replacement | - | - | 1,000,000 | - | - |
| | Field and Facilities | | | | | |
| 47 | Security Locks for City Hall Campus and Other City Facilities | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| | Community Development | | | | | |
| 48 | Historic Master Plan Update (Planning and Zoning) | 70,000 | - | - | - | - |
| 49 | Scan Building Permits and Plans (Building Safety) | 50,000 | - | - | - | - |

# General Fund CIP FY16-20 (cont'd)

| Page No. | Description | FY2016 Projected | FY2017 Projected | FY2018 Projected | FY2019 Projected | FY2020 Projected |
|---|---|---|---|---|---|---|
| | Fire | | | | | |
| 50 | Self Contained Breathing Apparatus (SCBA's) | 450,000 | - | - | - | - |
| 51 | Portable Electronic Data Collection Devices | 90,000 | - | - | - | - |
| 31 | Station Refurbishment | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| 52 | Paving of Traing Center Grounds | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| 53 | Hydraulic Extrication Tool Package | 30,000 | - | - | - | - |
| 54 | Automatic Vehicle Locators and Mobile Data Computers | 20,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 27 | McCormick Street Admin/Training Facility | - | 437,277 | - | - | - |
| 55 | Fire Station 76 Downtown and Administrative Offices | - | 120,000 | 1,200,000 | - | - |
| 56 | Fire Station 77 Watson Lake Road and Engine | - | 100,000 | 2,350,000 | - | - |
| 57 | Firehouse Furniture | - | 15,000 | - | - | - |
| 58 | Inflatable Fire Education House | - | 8,300 | - | - | - |
| 59 | Fire Station 78 North Prescott and Engine | - | - | 200,000 | 2,350,000 | - |
| 60 | Fire Station 73 Relocation | - | - | 200,000 | - | - |
| 61 | Thermal Imaging Cameras | - | - | 150,000 | - | - |
| 62 | Portable and Mobile Radio Devices | - | - | 75,000 | 75,000 | - |
| 63 | Training Center Exterior Lighting | - | - | 20,000 | - | - |
| 64 | Breathing Air Compressor | - | - | - | 50,000 | - |
| 65 | Mobile Fire Safety Training House | - | - | - | 30,000 | - |

# General Fund CIP FY16-20 (cont'd)

| Page No. | Description | FY2016 Projected | FY2017 Projected | FY2018 Projected | FY2019 Projected | FY2020 Projected |
|---|---|---|---|---|---|---|
| | Recreation Services | | | | | |
| 66 | Willow Lake RV Camping (utilities, improvements) | $ 250,000 | $ - | $ - | $ - | $ - |
| 67 | Goldwater Lake - Entrance Road Asphalt Replacement/Widening | 70,000 | - | - | - | - |
| 68 | New Ballfield Lighting - Bill Vallely Lower Field (GRANT) | 63,600 | - | - | - | - |
| 69 | Boat storage - Watson Lake Park | 55,000 | - | - | - | - |
| 70 | Mountain Bike Competitive Track & Event Area - Pioneer Park | 40,000 | - | - | - | - |
| 71 | Sports Facility Fence Replacement Program | 30,000 | | - | - | - |
| 33 | City Playgrounds ADA Compliance | 20,000 | 20,000 | 20,000 | - | - |
| 72 | Heritage Park - Ballfield Light Replacement | - | 225,000 | - | - | - |
| 73 | Grade Tractor | - | 80,000 | - | - | - |
| 74 | Roughrider Park Lower Field Stadium Seating Concrete Cap | - | 80,000 | - | - | - |
| 75 | New Shade Pavilion - Pioneer Park 4-plex | - | 30,000 | - | - | - |
| 76 | Connection to City Sewer - Boyle-DeBusk building | - | 20,000 | - | - | - |
| 77 | Park-wide Fence Replacement (wood - round rail) | - | 20,000 | - | - | - |
| 78 | Goldwater Lake Expansion (campground w/ hookups, trails etc.) | - | - | 500,000 | - | - |
| 79 | Rosser Street Neighborhood Park | - | - | 250,000 | - | - |
| 80 | Ken Lindley Field - Ballfield Lighting Replacement | - | - | 195,000 | - | - |
| 81 | New Mobile Stage - Bandwagon Replacement | - | - | 165,000 | - | - |
| 82 | Mike Fann Community Skatepark - Lighting | - | - | 45,000 | - | - |
| 83 | Permanent Stage Upgrades - Watson Lake Park | - | - | 20,000 | - | - |
| 84 | Peavine Trail at Granite Creek (creek & haul road interface) | - | - | - | 400,000 | - |
| 85 | Willow Creek Park - Upgrades and Irrigation | - | - | - | 262,000 | - |
| 86 | Willow Lake South Shoreline Parking | - | - | - | 155,000 | - |
| 87 | Roughrider Park - Ballfield Lighting for Upper Field | - | - | - | 130,000 | - |
| 88 | Heritage Park - Fields 3 & 4 (safety upgrades/scorebooth) | - | - | - | 75,000 | - |
| 89 | Boundary Fence Replacements - Natural Parklands | - | - | - | 40,000 | - |
| 90 | Event Shade Canopies - Watson Lake Grass Area | - | - | - | 40,000 | - |
| 91 | Trailhead for Circle Trail - Northwest Prescott | - | - | - | 25,000 | - |
| | | $ 1,748,677 | $ 1,674,328 | $ 7,143,486 | $ 3,893,451 | $ 3,947,333 |

# General Fund Unfunded Capital

| Page No. | Description | FY2015 Projected | FY2016 Projected | FY2017 Projected | FY2018 Projected | FY2019 Projected | FY2020 Projected |
|---|---|---|---|---|---|---|---|
| | Field and Facilities | | | | | | |
| 93 | Rodeo Grounds Rehab | 609,357 | 27,300 | 270,000 | 882,532 | 350,000 | - |

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# General Fund Summary

| | FY14 Budget | FY15 Budget |
|---|---|---|
| **General Fund Operations** | | |
| Revenues | $ 31,152,384 | $ 32,452,139 |
| Transfers In - Bed Tax (Parking Garage) | 20,000 | 20,000 |
| Total Revenues/Transfers In | 31,172,384 | 32,472,139 |
| Operating Expenditures | 30,026,547 | 31,848,328 |
| **Operating Income** | 1,145,837 | 623,811 |
| **Capital Expenditures and Transfers Out** | | |
| Capital Expenditures | 1,070,201 | 1,857,571 |
| **Transfers Out** | | |
| Airport Operations | 47,988 | 152,124 |
| Governmental Grant Operations | 357,831 | 925,068 |
| Total Operating Transfers | 405,819 | 1,077,192 |
| Airport Capital | 255,166 | TBD |
| Airport Capital Grant Match | 85,233 | TBD |
| Governmental Capital Grant Match | 18,600 | - |
| Total Capital Transfers | 358,999 | - |
| Total Capital and Transfers Out | 1,835,019 | 2,934,763 |
| **Net Change in Fund Balance** | (689,182) | (2,310,952) |
| **Fund Balance - Beginning** | 20,623,975 | 24,046,518 |
| **Fund Balance - Ending** | $ 19,934,793 | $ 21,735,565 |
| **Ending Balance - Detail** | | |
| Reserve Policy | $ 6,230,477 | $ 6,490,428 |
| Retirement Reserve | 3,161,904 | 2,839,632 |
| Internal Loan | 6,743,937 | 5,630,198 |
| ED Reserve | 384,000 | 384,000 |
| Unassigned | 3,414,475 | 6,391,307 |

# Transient Occupancy (Bed Tax) and Tourism

# Transient Lodging (Bed) Tax

| | FY14 Budget | FY15 Projected |
|---|---|---|
| **Beginning Balance** | $ 226,499 | $ 128,347 |
| **Revenues** | | |
| Bed Tax Revenues (3% levy) | $ 601,500 | $ 632,000 |
| **Expenditures** | | |
| Marketing and Promotion | $ 290,000 | $ 290,000 |
| Contingency | 45,655 | 112,847 |
| Signature Events | 26,670 | 30,000 |
| Whiskey Off Road | 30,000 | 30,000 |
| Community Events | 3,675 | 10,000 |
| Support for the Arts | 35,000 | 35,000 |
| Tournaments | 30,000 | 30,000 |
| Courthouse Lighting | 30,000 | 30,000 |
| Parks Tourism Venues/Amenities | 30,000 | 30,000 |
| Phippen Museum | 15,000 | 15,000 |
| Smoki Museum | 15,000 | 15,000 |
| Sharlot Hall Museum | 25,000 | 25,000 |
| Special Events Overtime | 25,000 | 25,000 |
| PDP Contract | 20,000 | 20,000 |
| Prescott Frontier Days Rodeo | 20,000 | 20,000 |
| Parking Garage | 20,000 | 20,000 |
| Prescott Creeks Match | 12,500 | 12,500 |
| Open Space Management | 10,000 | 10,000 |
| Total Expenditures | $ 683,500 | $ 760,347 |
| **Ending Balance** | $ 144,499 | $ - |

# Tourism – An Enhanced Approach

- The FY15 Budget continues funding for enhancing sales to a variety of markets through a full-time Sales Manager
- Focus on marketing to increase interest in leisure and group market sales during target expansion periods (mid-week and off-season), attract conferences, meetings, scheduled group tours, and independent (fly/drive) tour programs
- Alleviating pressure on the General Fund by reducing financial support to Tourism ($632,000 for FY15) from this source is a continuing goal

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# Grant Applications and Funding

# Grant Applications – All Departments

| | FY15 Budget | City Share | Grant Share |
|---|---|---|---|
| **General Government** | | | |
| *Miscellaneous Grant Opportunities* | $ 500,000 | $ - | $ 500,000 |
| *ACA Grant Award* | 1,000,000 | 500,000 | 500,000 |
| *JCEF and Fill the Gap* | 74,000 | - | 74,000 |
| *ADA Dexter* | 139,420 | - | 139,420 |
| *CDBG Entitlement Admin* | 39,095 | - | 39,095 |
| *Meals on Wheels* | 20,000 | - | 20,000 |
| *Cornucopia* | 5,100 | - | 5,100 |
| *CDBG Fair Housing Education Program* | 1,600 | - | 1,600 |
| *Historic Preservation Project* | 1,800 | - | 1,800 |
| **Library** | | | |
| *Library Special Projects* | 50,000 | - | 50,000 |
| *Library Book Nooks* | 9,750 | - | 9,750 |
| **Recreational Services** | | | |
| *Boating Upgrades - Goldwater Lake* | 50,000 | - | 50,000 |
| **Fire Department** | | | |
| *FEMA Homeland Security Grants* | 250,000 | 62,500 | 187,500 |
| *State Fire Assistance* | 331,000 | 165,500 | 165,500 |
| *Hazardous Fuels* | 175,000 | 17,500 | 157,500 |
| *Fire Miscellaneous* | 100,000 | - | 100,000 |
| *Wildfire Academy Tohon* | 150,000 | - | 150,000 |
| *Wildfire Academy Gila River* | 50,000 | - | 50,000 |
| *FEMA AFG* | 1,751,500 | 175,150 | 1,576,350 |
| *AZ Homeland Security* | 100,000 | - | 100,000 |
| *County Title III Grant (Firewise)* | - | - | 25,000 |

# Grant Applications (cont.'d)

| | FY15 Budget | City Share | Grant Share |
|---|---|---|---|
| **Public Works** | | | |
| *Lincoln Elementary - Safe Roads to School* | $ 156,500 | $ - | $ 156,500 |
| *Taylor Hicks & Miller Valley - SRTS* | 95,500 | - | 95,500 |
| *Mile High & Mountain Oak Charter - SRTS* | 78,500 | - | 78,500 |
| *Washington Elementary - SRTS* | 78,500 | - | 78,500 |
| **Police** | | | |
| *COPS Hiring Recovery* | 158,636 | - | 158,636 |
| *Police Miscellaneous Grant* | 350,000 | - | 350,000 |
| *RICO* | 45,000 | - | 45,000 |
| *Vehicle Impound* | 82,250 | - | 82,250 |
| *AZHS Communications* | 36,016 | - | 36,016 |
| *GOHS DUI Enforcement* | 41,750 | - | 41,750 |
| *Narcotics Task Force* | 30,000 | - | 30,000 |
| *GOHS Traffic Enforcement* | 18,000 | - | 18,000 |
| *Canine Grant* | 4,500 | - | 4,500 |
| *Bullet Proof Vests* | 8,837 | 4,418 | 4,419 |
| *Victim Advocacy* | 65,049 | - | 65,049 |
| *Gang Task Force (GITTEM)* | 70,804 | - | 70,804 |
| *Alzheimer's Grant* | 45,000 | - | 45,000 |
| | $ 5,714,029 | $ 925,068 | $ 4,940,979 |

# Impact Fees

# Impact Fees
## Key Items, Issues, and Considerations

- Current law has significantly reduced the amount of funding which can be made available for new capacity (facilities and other infrastructure) needed to serve growth
- In communities with aging infrastructure, single rehabilitation projects (pipes, streets, treatment plants) usually include both “existing deficiency” and “new growth” components
- Due to the restrictions on uses of impact fees, and linkages to sensitive user rates (water, sewer), the funding and financing of capital costs is increasing difficult
- Library and Parks fees will end 8/1/2014
- Goldwater Lake expansion and Pioneer Park (future partnering) projects are included in the Impact Fees Capital Improvements Program; a City contribution to the Yavapai College Tennis Courts Project is not presently funded

# FY15 Governmental Impact Fees

| | Parks | Streets | Public Buildings (Eliminated) | Library | Fire | Police |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Impact Fees | $ 12,602 | $ 8,207 | $ - | $ 6,667 | $ 25,375 | $ 28,468 |
| Interest | 15,000 | 1,200 | 2,000 | 5,000 | 8,000 | 8,000 |
| Rent | - | - | - | - | 24,359 | - |
| Total Revenues | $ 27,602 | $ 9,407 | $ 2,000 | $ 11,667 | $ 57,734 | $ 36,468 |
| **Expenditures** | | | | | | |
| Transfers Out (Willow Creek Rd. - Increased Capacity) | | 125,117 | | | | |
| Total Expenditures | $ - | $ 125,117 | $ - | $ - | $ - | $ - |
| **Net Change in Fund Balance** | 27,602 | (115,710) | 2,000 | 11,667 | 57,734 | 36,468 |
| **Fund Balance - Beginning** | 704,318 | 115,710 | 174,593 | 432,942 | 773,971 | 809,743 |
| **Fund Balance - Ending** | $ 731,920 | $ - | $ 176,593 | $ 444,609 | $ 831,705 | $ 846,211 |

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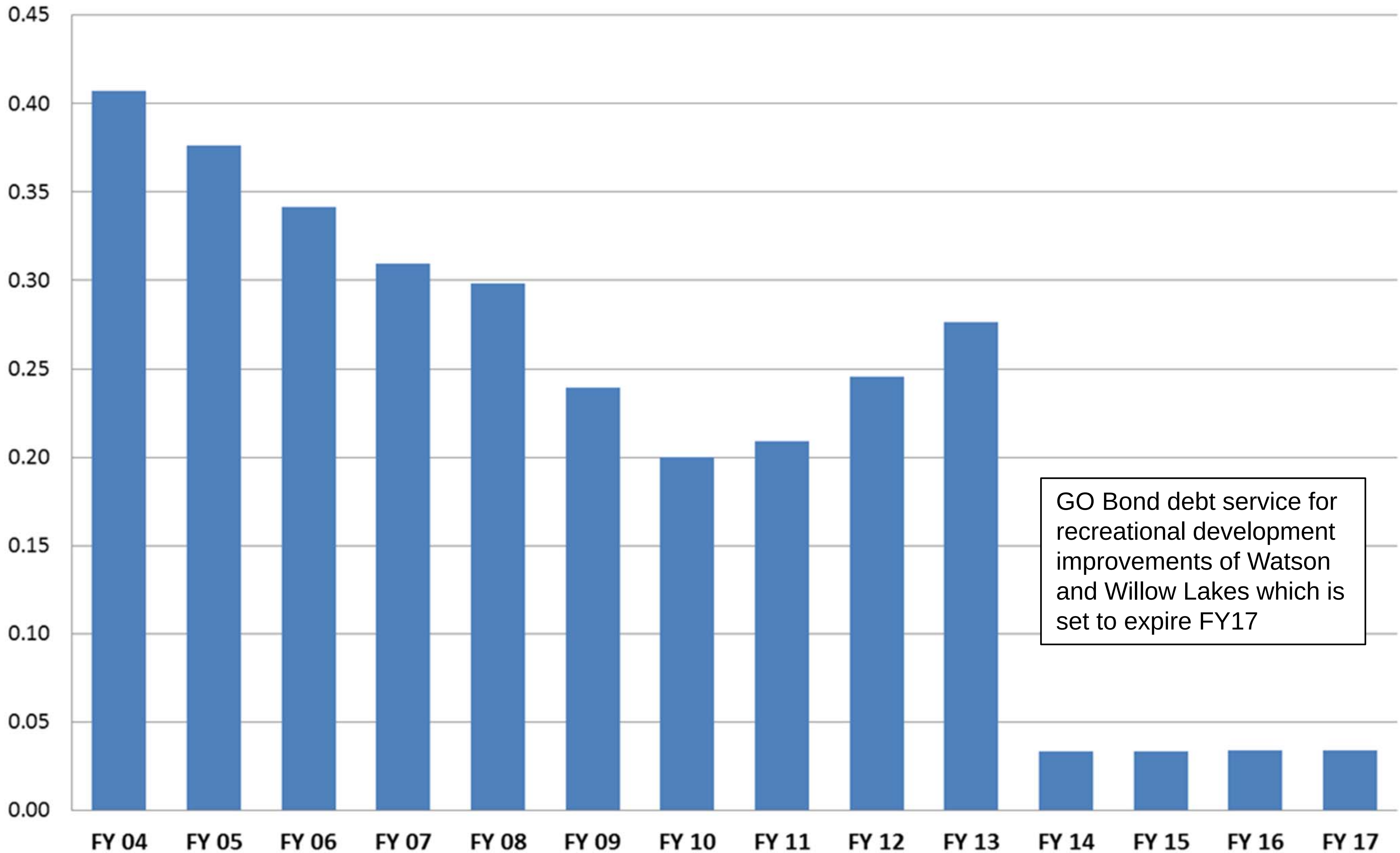
# Other Special Revenue Funds
# FY15 Budget

| | Acker Trust | Gifts & Donations |
|---|---|---|
| **Beginning Balance** | $ 572,766 | $ 308,332 |
| **Revenues/Transfers In** | | |
| Interest | 7,000 | - |
| **Total Revenues/Transfers In** | 7,000 | - |
| **Expenditures** | | |
| Scholarships | 10,000 | - |
| Gift/Donation Expenditures | - | 308,332 |
| **Total Expenditures** | 10,000 | 308,332 |
| **Ending Balance, 6/30** | $ 569,766 | $ - |

# Debt Service

| | FY14 Budget | FY15 Budget |
|---|---|---|
| **Revenues** | | |
| Secondary Property Taxes | $ 187,200 | $ 75,000 |
| Special Assessments Billing: | 377,534 | 6,062 |
| Interest | 12,000 | 10,000 |
| **Total Revenues** | $ 576,734 | $ 91,062 |
| **Expenditures** | | |
| GO Bonds | 188,200 | 186,800 |
| Special Assessment Bonds | 377,534 | 7,062 |
| **Total Expenditures** | $ 565,734 | $ 193,862 |

# City of Prescott Secondary Tax Rates
## Used for Servicing General Obligation (GO Bonds)



# Golf Course Enterprise Fund

# Golf Course Fund

| | FY14 Budget | FY15 Budget | % Change |
|---|---|---|---|
| **Golf Operations** | | | |
| Revenues | | | |
| Greens Fees | $ 1,330,432 | $ 1,414,398 | 6.3% |
| Cart Rentals | 490,489 | 524,007 | 6.8% |
| Pro Shop | 173,079 | 176,622 | 2.0% |
| Food and Beverage | 715,500 | 816,550 | 14.1% |
| Contingency | - | 300,000 | |
| Total Revenues | $ 2,709,500 | $ 3,231,577 | 19.3% |
| Expenditures | | | |
| Billy Casper Golf Operations | 1,436,930 | 1,467,981 | 2.2% |
| Course Maintenance | 1,318,932 | 1,325,674 | 0.5% |
| Cart Debt Service | 131,998 | 137,922 | 4.5% |
| Contingency | - | 300,000 | |
| Total Expenditures | $ 2,887,860 | $ 3,231,577 | 11.9% |
| Net Income (Loss) Golf Operations | $ (178,360) | $ - | |

# Golf Course

## Summary of Estimated Operating Revenues and Expenditures under the Present Public-Private Partnership

| | Estimated Operating Revenue | Estimated Operating Expenditures | Estimated Revenue Over (Under) Expenditures |
|---|---|---|---|
| FY 2014 | 2,756,418 | 2,748,065 | 8,353 |
| FY 2015 | 2,931,578 | 2,931,037 | 541 |
| FY 2016 | 2,986,220 | 2,840,539 | 145,681 |
| FY 2017 | 3,041,918 | 2,885,714 | 156,204 |
| FY 2018 | 3,098,692 | 3,027,678 | 71,014 |
| FY 2019 | 3,156,564 | 3,074,444 | 82,120 |

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# Golf Course

## Cash Flow with Public-Private Partnership

**City Council approves golf course budget annually to include all management, operation, maintenance, and capital project expenses whether incurred by Billy Casper Golf (BCG) or City of Prescott in the cash flow explained below**

**FY15 projections below anticipate $2.93 Million annual budget**

**One-time Initial Funding of $50,000 for working capital, this is not a payment of compensation to BCG by City**

Deposit

**Antelope Hills Golf Management (AHGM) Bank Account - AHGM will be a subsidiary LLC of BCG**

**All Business Revenues ($2.93 M)**

**Green Fees**

**Cart Fees**

**Driving Range**

**Pro Shop Sales**

**Food & Beverage**

Deposit

**Antelope Hills Golf Management Bank Account**

**All Revenues deposited daily to this account**

**Monthly, cash over minimum balance of $25,000 sent to City**

Payment

Payment

**AHGM and its Vendors ($1.47 M)**

**(BCG personnel are not City employees)**

**Payment of employees and course operating expenses in approved budget, monthly management fee, other than Course maintenance and other City cost**

**Performance incentives when earned**

**City of Prescott ($1.46 M)**

**Payment of Course maintenance expenses and other City cost related to the Course paid from payments of cash over minimum balance**

# Other Policy Items with Budget Dimensions

## General Fund

1. User Fees
   a) Parks
   b) Trails
   c) Library
2. Business License

## Other Funds

1. BBB Tax
2. Streets Sales Tax (consider raising to 1% from 0.75% rate to become effective 1-1-16)
3. Assured Funding for Public Safety and Community Quality of Life (consider sales tax increment)

# Upcoming Budget Process Steps

| | |
|---|---|
| May 29, 2014 | Council Budget Workshop Part 2<br>(Streets, Utilities, Solid Waste, Airport) |
| June 10, 2014 | Tentative budget adoption<br>Publishing of tentative budget |
| June 24, 2014 | Public hearing on budget |
| June 24, 2014 | Public hearing for truth in taxation |
| June 24, 2014 | Roll call vote for primary property tax increase |
| June 24, 2014 | Adoption of Final Budget by Council (separate meeting) |
| July 8, 2014 | Adopt Property Tax Levies |

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