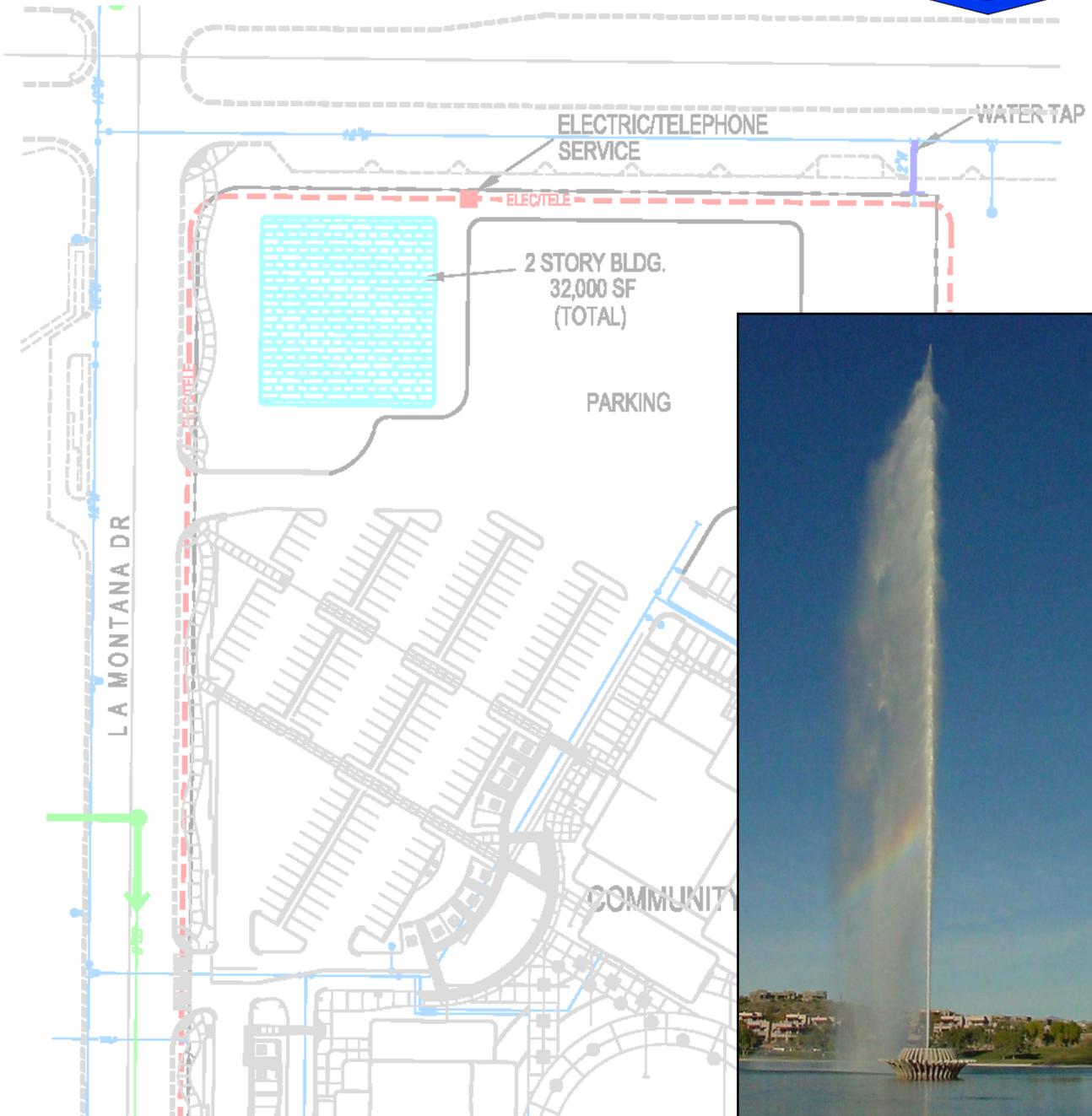


Town of Fountain Hills

Arizona



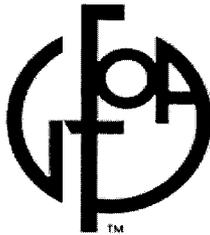
Annual Budget Fiscal Year 2004 - 2005



TOWN OF FOUNTAIN HILLS, ARIZONA

MISSION STATEMENT

**The Town of Fountain Hills' purpose
is to serve the best interests of the community by:
providing for its safety and well-being;
respecting its special, small-town character and quality of life;
providing superior public services;
sustaining the public trust through open and responsive government;
and maintaining the stewardship and preservation of its
financial and natural resources.**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

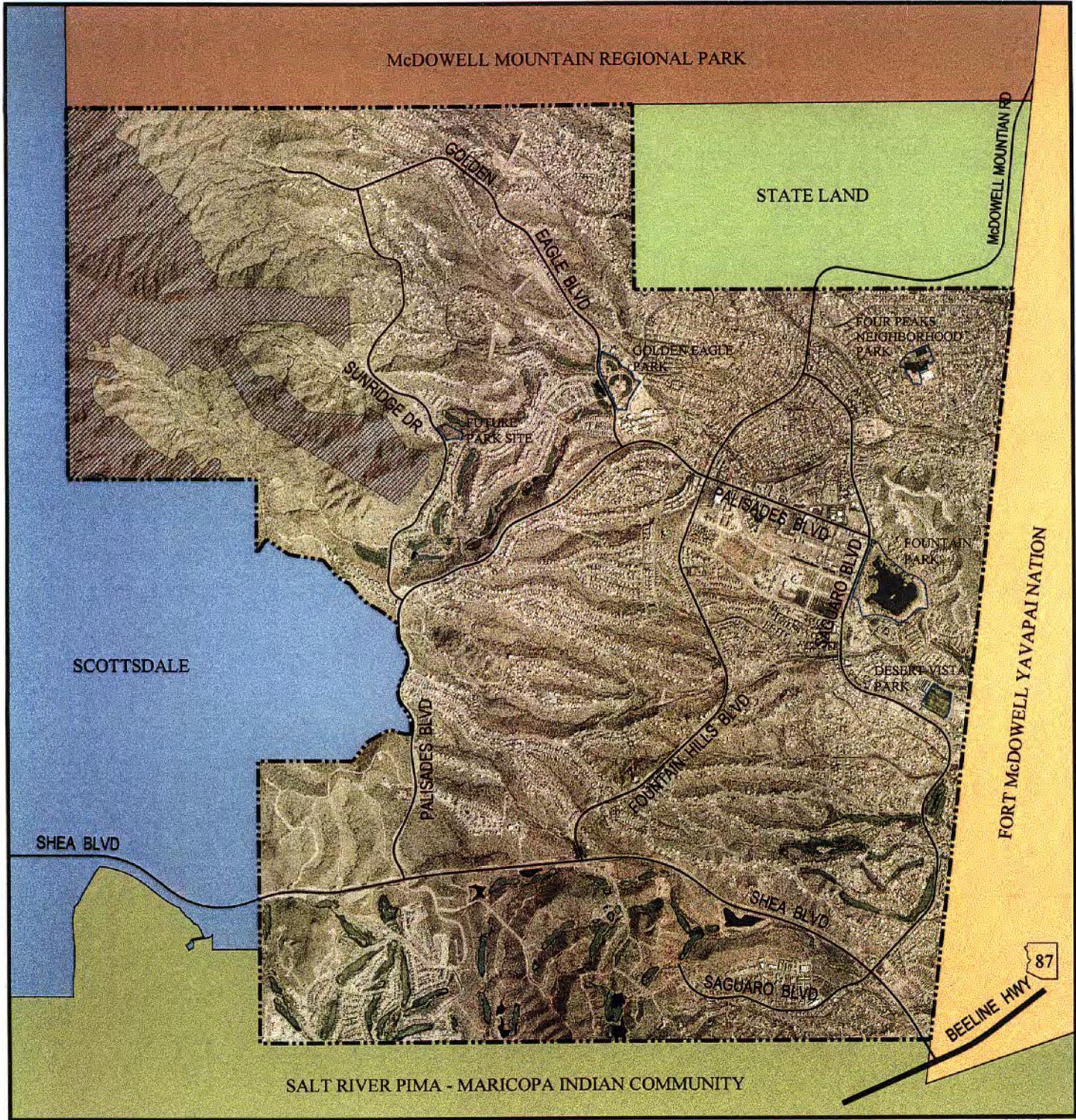
**Town of Fountain Hills
Arizona**

For the Fiscal Year Beginning

July 1, 2003

President

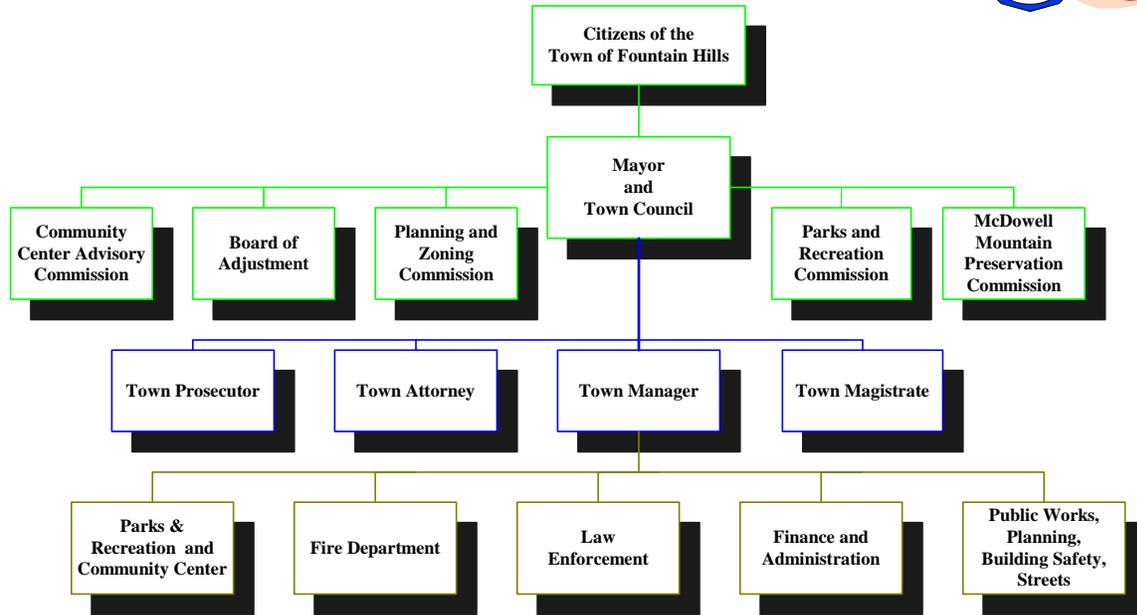
Executive Director



-  PARKS
-  PRESERVATION



TOWN OF FOUNTAIN HILLS LOCATION MAP



Fountain Hills Town Council

Mayor Wally Nichols
Vice Mayor Mike Archambault
Councilmember John Kavanagh
Councilmember Edwin Kehe
Councilmember Keith McMahan
Councilmember Kathleen Nicola
Councilmember Jay Schlum

Management Staff

Timothy G. Pickering, CEcD, ICMA-CM, Town Manager

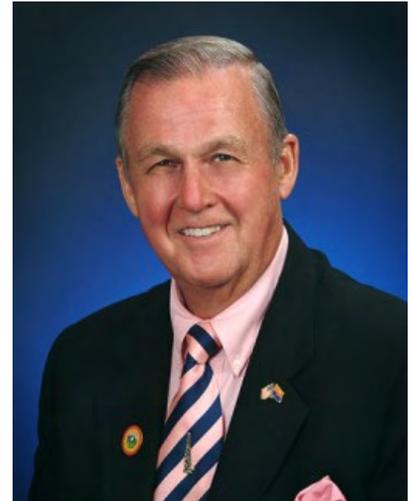
Department Directors

Ted Armbruster, Town Magistrate
Mark Mayer, Director of Parks, Recreation, and Community Center
John Kleinheinz, Sheriff Captain
Thomas Ward, Director of Public Works, Building Safety and Planning
Mark Zimmerman, Fire Chief



FOUNTAIN HILLS TOWN COUNCIL 2004-2005

Wallace J. Nichols was elected Mayor of Fountain Hills in May 2003. Mr. Nichols has served in highly regarded positions throughout his career; such as Executive Director for WorldatWork (formerly ACA), Managing Director for Nichols & Wharton, Inc., Senior Vice-President Human Resources at Premark International, Inc., Vice-President of Compensation & Benefits for Dart & Kraft International, Inc. and Director of Compensation & Benefits for CPC International, Inc. He was educated at Tufts University, earning a Bachelor's degree in Economics, and is an alumnus of the Harvard Business School. He has served the community as an elected officer/Chairman of the Fountain Hills Sanitary District, Los Arcos Multipurpose Facilities District Board of Directors, Scottsdale Boys & Girls Club Board of Directors, Fountain Hills Boys & Girls Club Advisory Chairman, Chairman of the Fountain Hills Community Center Advisory Commission, and on the Citizens Committee/Community Benefits Committee Board. Other local affiliations include the Noon Kiwanis, Fountain Hills Chamber of Commerce, Friend of the Fountain Hills Community Theater, Senior Center, Civic Association, Library Association, Republican Club, Fountain Hills Historical Society, McDowell Park Association, and the Four Peaks Community Church.



Mayor Wally Nichols

Vice Mayor Mike Archambault moved to Fountain Hills from Columbus, Ohio in 1972. He built one of the first homes in Fountain Hills and was among the first 10 families to live here. In 1981, he started Fountain Hills Wood Whims, Inc., a custom cabinet shop that currently employs fifteen craftsmen. Mike and his crew have been providing custom cabinets for Valley builders for more than 20 years.

Mike has been involved in community services since he moved here in 1972. He ran annual "Secret Santa" programs, bringing toys to children and helping with food donations for needy families, served as a Cub Scout and Boy Scout leader, and a Leader for Order of the Arrow, graduating fourteen Eagle Scouts. Mike also helped with the drive to bring the first health clinic to Fountain Hills in 1977. He served on the Church of the Ascension Committee, and with the help of volunteers, Mike built the Church's rectory. He also helped construct the original town library (now the Fountain Hills Theatre) with the Contractors Association, and assisted in building the Sunset Kiwanis clubhouse. He also served the community as President of the Fountain Hills Youth Association, and as a member of the Sunset Kiwanis.



Vice Mayor Mike Archambault



John Kavanagh is a ten-year resident of Fountain Hills who is a professor of criminal justice at Scottsdale Community College and Director of the college's Administration of Justice Studies Program. Prior to teaching at Scottsdale Community College, John taught at Arizona State University and spent 20 years as a police officer with the Port Authority of New York and New Jersey Police.

John Kavanagh has a B.A. in Sociology from NYU, an M.A. in Public Administration from St. John's University (Queens, New York), and a Ph.D. in Criminal Justice from Rutgers University. He also belongs to professional associations, such as the American Society of Criminology and the Arizona Criminal Justice Educators Association.

John Kavanagh is serving or has served with the following town groups: Parks and Recreation Commission, Community Center Advisory Committee, Vision 2000 Planning Committee, School Board Calendar Committee, Youth Basketball League, Veterans Memorial Sitting Committee, the Knights of Columbus, Civic Association, and the American Legion.



Councilmember John Kavanagh

Ed Kehe was awarded the degree of Bachelor of Arts cum laude by Albion College (MI) and received a MSc degree from the University of Illinois

Ed's career spanned thirty-three years in public secondary education, teaching mathematics, physical education, and coaching football, basketball, swimming, and wrestling. In 1968 Kehe founded and directed the Loucks Memorial Games, an Olympic-style multiple school interscholastic track meet that annually draws high school athletes, boys and girls, from states along the East Coast and Canada.

Ed served in a significant number of leadership and service roles in both his professional and private life. Among them were president of athletic leagues; Sectional and New York State Track and Field Chairman, member National Federation Track and Field Rules Committee; St. Vincent de Paul Society; Holy Innocents building fund raising committee; and yacht club commodore, a deference to his love of sailboat racing.



Councilmember Ed Kehe



Keith McMahan moved to Arizona in 1971 as an advertising writer with Lorne Pratt Enterprises, Inc., the ad agency for McCulloch Properties until 1991 when he formed his own company, McMahan and Company Advertising Agency. Keith has been actively involved in community projects and organizations since he came to Fountain Hills. He was the advertising and tourism chairman for the Chamber of Commerce for nine years as well as serving on their Board of Directors for three years. In 1997, he was honored as the "Business Person of the Year" by the Chamber of Commerce.

He served as an elected member of the Fountain Hills School Board from 1986 to 1990. For nine years, he was on the Road District Joint Powers Board; chairman in 1978. He is presently a contributing member of several organizations: the Fountain Hills Civic Association, the Fountain Hills Republican Club, and the Fountain Hills Historical Society Board of Directors.



Councilmember Keith McMahan

A long-time Arizona resident, Kathleen Connelly Nicola moved to Lake Havasu City in June 1967 and her family settled in Fountain Hills in 1989.

Kathleen earned a Bachelor of Science degree in Justice Studies from the College of Public Programs at Arizona State University. Kathleen graduated from the Arizona School of Real Estate & Business, and made a career change in the summer of 2000 to become a licensed real estate salesperson. Her license currently hangs with John Hall & Associates in Scottsdale.

As a local real estate professional, Kathleen is an active member of the Fountain Hills Chamber of Commerce and the Scottsdale Association of Realtors.



Councilmember Kathleen Nicola



Jay Schlum moved to Fountain Hills 27 years ago and he attended Coronado High School in Scottsdale. After graduation he attended Northern Arizona University where he studied Business Management and Public Speaking. After college, he returned to Fountain Hills and is currently employed by Qwest Communications where he manages business development for the company.

Jay has been active in the Fountain Hills community - he served as a Fountain Hills Planning and Zoning Commissioner, PTA vice president and is actively involved with the local Community Theater. Jay volunteers and performs in productions. He has also served on the advisory committee for the Boys and Girls Club of Fountain Hills.

Presently Jay is the president of the Shepherd of the Hills Lutheran Church and a coach with the Fountain Hills Little League.



Councilmember Jay Schlum



Table of Contents

Budget Overview

Manager's Message	1
Council Goals	2
Fiscal Year 2003-2004 Financial Accomplishments	4
Budget Process	15
Budget Schedule	18

Budget Summary

All Funds Revenue Summary	19
All Funds Expenditures	21
Budget Expenditure by Account Code	23
General Fund Revenues and Expenditures Summary	25
General Fund Revenues	26
General Fund Expenditures	35

Department Budgets

Town Council	36
Administration	39
Information Technology	49
Public Works	54
Building Safety	61
Streets	65
Planning	74
Parks and Recreation	80
Community Center	98
Public Safety	
Law Enforcement	104
Fire Department	108
Municipal Court	112

Schedules/Summaries

Special Revenue Funds	117
Debt Retirement	121
Development Fees	126
Capital Projects	132
Summary of Tax Levy and Tax Rate Information	133
Schedule of Fountain Hills Assessed Valuation	134
Schedule of Authorized Positions	135
Pay Plan	139
Succession Plan & Key Management Risk Analysis, Job Descriptions	144

Appendix

Glossary	149
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Manager’s Message _____

To the Honorable Mayor and Town Council:

The Town of Fountain Hills staff is pleased to present a balanced budget for fiscal year 2004-2005. The proposed budget is designed to convey to the public a budget message that articulates priorities and issues for the upcoming fiscal year, describe significant changes in priorities from the current fiscal year, and explain the factors that led to those changes. The budget also highlights any issues facing the staff in developing the budget, and short-term financial and operational policies that were instrumental in guiding the development of the annual budget. The proposed fiscal year 2004-2005 budget presents revenue estimates and spending recommendations for \$29.1 million in municipal operating and capital programs.

In presenting the second budget of my tenure in Fountain Hills, I continue to follow the same sound financial and business practices that I began with in 2002. Our fiscal situation has improved dramatically since then, which I believe can be attributed to the good stewardship that the Council has demonstrated in overseeing the Town’s fiscal resources.

This proposed budget includes the following funds, their purpose, and expenditures. The Town currently does not have any internal service or enterprise (business-like) funds, although the staff anticipates the creation of such funds in the future.

FUND NAME	PURPOSE	FY 2004-2005 BUDGET
General Fund	General government	\$13,887,023
Highway User Revenue Fund (HURF)	Streets and highways	\$1,700,962
Special Revenue Funds	Grants	\$1,780,770
Excise Tax Revenue	Designated for bond payments for mountains, Civic Center phase II, and downtown development	\$1,503,274
Debt Service	Restricted for payment on outstanding bonds	\$2,417,700
Development Fees	Capital Projects	\$1,281,123
Capital Projects Fund	Previously approved capital projects	\$6,511,170

The above table is for illustrative purposes only; each fund is a separate entity.



Council Goals _____

In January 2004 the Town Council held a retreat to establish goals and guidelines for the fiscal year 2004-2005 budget. The “magnificent seven” goals established by the Council are ranked as follows:

- ◆ Develop an operational contingency plan for fire service.
- ◆ Monitor and analyze the impact of the pending State trust land ballot measure regarding preservation. Additionally, work with State trust land staff to properly plan for the annexation and development of the adjacent parcels.
- ◆ Develop and present a comprehensive public information program.
- ◆ Conduct a financial analysis of the potential impact of the water issue on the Town’s long-range financial projections.
- ◆ Prepare, if warranted, a revenue ballot measure that is consistent with the findings and recommendations of the community strategic plan, no earlier than May 2006.
- ◆ Complete a community strategic plan by July 2005.
- ◆ Develop a succession plan staffing analysis and appropriate recommendations.



Developing the proposed budget required making choices to achieve a budget that balances the available resources with the Council goals, while maintaining the same level of service to the community. To meet these goals, additional new resources were proposed but not all were appropriated in the Town’s operational budget. The proposed appropriations are described below.

Operational contingency plan for fire service \$ 56,613

This appropriation includes funds to support the staff needed to complete this task, and can be found in the administration department’s budget. It includes one-half of the annual salary and benefits, recruitment, training seminars, office supplies, business cards, and attendance at the annual ICMA conference, for the assistant town manager. (Assistant town manager position was eliminated, reducing the budget by \$108,350.)

Impact of State trust land ballot measure \$25,000

Funding of this item includes an estimated cost to hire the services of a professional land use planner, and can be found in the Planning & Zoning division’s budget.



Comprehensive public information program \$121,804

This amount includes the funds related to the proposed public information officer position, required to implement this goal. It includes salary and benefits, recruitment costs, training seminars, supplies, communication (annual report, public information pamphlets, Channel 11 updates, *Compass* articles, and graphic art work), postage for mailings, advertising in the form of a monthly manager report, business cards, annual conference, and related expenses. These funds can be found in the administration department's budget. (Public information officer position was eliminated, reducing the budget by \$63,500.)

Financial analysis of the water issue \$0

No funds were appropriated, as no additional personnel were required to complete this item.

Prepare a revenue ballot measure \$0

The potential revenue ballot measure would not impact the budget until fiscal year 2005-2006; therefore, no funds were included.

Community strategic plan \$166,613

The appropriation of funds to support the services of a professional consultant, along with one-half of the proposed assistant town manager's position is included. Funds can be found in the administration department's budget. (Assistant town manager position was eliminated and costs for a consultant were reduced to \$50,000.)

Succession plan \$0

This item will be completed by existing staff, therefore requiring no new resources. The outline of the process is located in the appendix section of the budget.

Subsequent to the preparation of the fiscal year 2004-2005 budget, the Town Council held two public hearings to discuss, and take comment on, the proposed expenditures. Prior to adopting the tentative budget as final, the Council eliminated the assistant town manager and public information officer positions and significantly reduced the appropriation for a strategic plan. The seven goals established by the Town Council have been modified with the adoption of this budget. On July 1, 2004, a motion was approved by the Town Council to eliminate the public information program, narrow the scope of the fire contingency plan, and delay the revenue ballot issue until a strategic plan is complete. The four other goals remain intact.



Fiscal Year 2003-2004 Financial Accomplishments

There are three significant accomplishments for fiscal year 2003-2004 of which the citizens of Fountain Hills can be proud. The first accomplishment is the development of a five-year financial and capital improvement plan that was reviewed and adopted by the Town Council in November 2003. The plan is the Town's five-year blueprint for creating and maintaining the crucial infrastructure that will support the continued growth and development of the community. The financial plan also gives residents and businesses a clear and tangible estimate of the Town's long-term direction in the area of finance and capital improvements as well as a better understanding of the Town's ongoing needs for stable revenue sources to fund large or multi-year capital projects. Although a deficit for capital projects exists in the future, identifying financial needs is a critical step to financial success. The five-year plan will be reviewed and re-aligned with the wants and needs of the citizens of Fountain Hills as identified in the strategic plan.

The second accomplishment was the adoption of formal financial policies that established parameters for fund balance reserves, debt issuance, investment criteria, community facility districts and control of revenues and expenditures. Adoption of the financial policies and the five-year financial and capital improvement plan were instrumental in removing the Town's General Obligation bonds' negative outlook rating by Moody's Investors Service, and maintaining the Town's Aa3 bond rating.

The overall financial goals underlying the policies are:

1. Fiscal conservatism – to ensure that the Town is at all times in a solid financial condition, defined as having cash solvency, budgetary solvency, long run solvency, service level solvency and adhering to the highest accounting and management practices as set by the Government Finance Officers' Association standards for financial reporting and budgeting, by the Governmental Standards Board, and other professional standards
2. To maintain an Aa3 or better bond rating in the financial community to assure the Town taxpayers that the Town government is well managed and financially sound.
3. To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the Town's residents.
4. To deliver quality, efficient, affordable services in a cost-effective manner, providing full value for each tax dollar.

The final accomplishment is completing the fiscal year with a balanced budget, one which restores the Town's fund balance while maintaining the staff levels of approximately two-thirds the size of previous fiscal years. This is a testimony to the dedicated staff which the Town is fortunate to employ.



Budget Summary ---

The following is a summary of the fiscal year 2004-2005 budget highlights. A more detailed analysis of all the Town's revenues and expenditures is included in the budget summary and department sections.

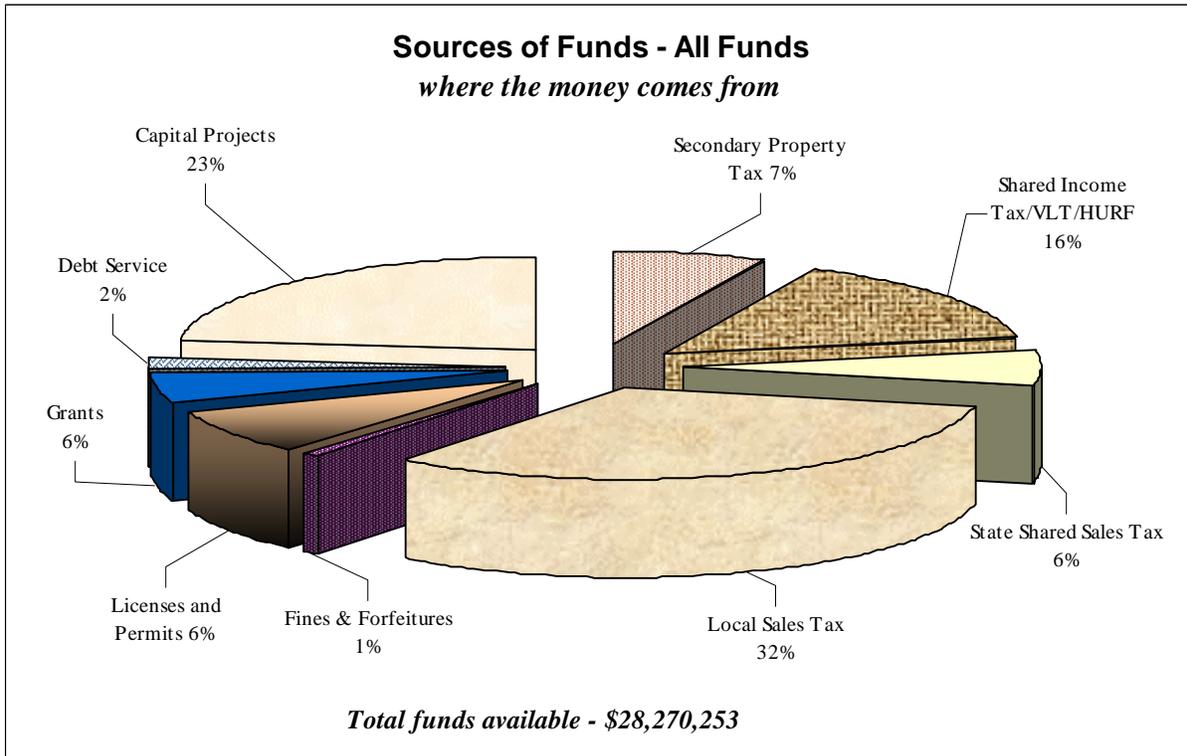
- Projected general fund reserves will be at policy levels of \$5.7M by June 30, 2005.
- Operate a balanced budget without the use of reserves.
- Fiscal year 2004-2005 budget includes \$6.5 million in pre-approved capital projects including the Civic Center Phase II project (Town-owned municipal building), improvements to Fountain Park, and a performance pad.
- Reduced the number of authorized employees from fiscal year 2003-2004, and re-aligned a few positions to accomplish Council strategic goals.
- Non recurring revenues (construction related), subsidize the operating budget by \$520,000 – these revenues will continue to decline as the Town approaches build-out. The estimated construction related general fund revenue for fiscal year 2004-2005 is \$2.7 million. Expenditures for one time costs are \$2.2 million, including \$940,752 transferred to the capital products fund. The remaining \$520,000 is contributed to the general fund operating expenditures.

In developing the proposed budget, Town staff followed a zero-based approach, leading to a focused review of services delivered by the Town, increased scrutiny of expenditures, and prioritization of programs to be funded using limited resources. Additionally, the Town will strive towards the goal of funding one-time capital projects with one-time revenue sources, such as construction funds, and fund operating costs with ongoing revenues.

The total fiscal year 2004-2005 projected revenues for all funds is \$28.3 million, with over half from local sales tax and state shared revenues (53%). The projection of state shared revenues are provided by the League of Arizona Cities and Towns and do not factor in any reductions resulting from potential legislative changes or distribution reductions. The Town's local sales tax continues to experience positive growth in the construction and retail activity sectors. In the current fiscal year, the Town Council amended the tax code to eliminate an exemption on advertising and residential rental activity. This change is projected to add approximately \$528,000 in revenue each year and is included as revenue in the capital projects fund. The local sales tax rate in the Town is 2.6% with total estimated revenue of \$9,096,131, including 2.2% in the general fund for government purposes, 0.2% for mountain bond payment, 0.1% for downtown development, and 0.1% for the Civic Center phase II bond payment, as well as newly enacted advertising and rental revenue enhancements. The importance of a diversified revenue stream will guide priorities in upcoming years.

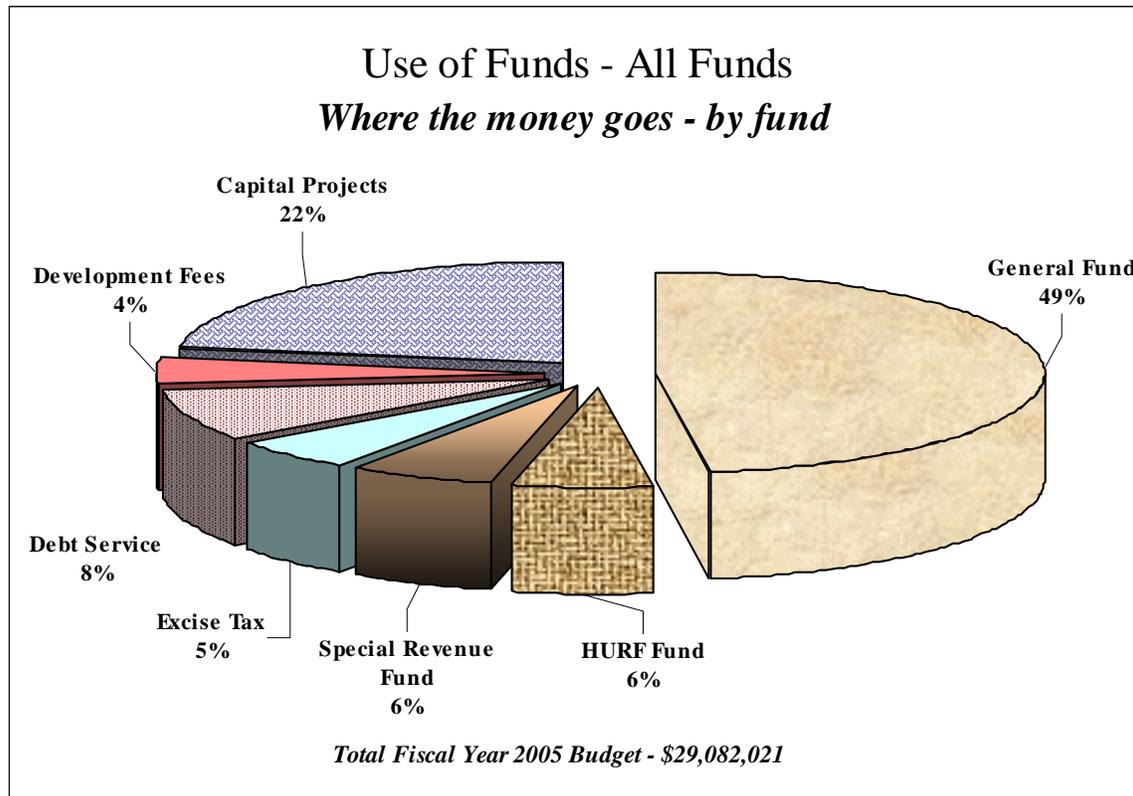


The total revenues and expenditures are shown below for illustrative purposes only. Individual revenue and expense funds should be compared to determine a surplus or deficit for each fund.





The total fiscal year 2004-2005 proposed expenditures for all funds is \$29.1 million, a significant increase (\$10.4M) over the budgeted expenditures for fiscal year 2003-2004. The expenditures that exceed current revenues will be made from accumulated capital project funds and street reserves. A large portion of the increase is attributed to \$7.8 million in one-time capital projects. The largest project is phase II of the Civic Center complex, which includes a new municipal building to house law enforcement, municipal court, public works, parks and recreation, and the administrative offices. Currently the Town is located in leased premises at an annual operating cost of approximately \$600,000. There will be significant savings when the building is completed and the Town occupies the new offices. Additionally, the budget provides for \$1.4 million of unanticipated grant funds in the event an opportunity is presented that provides funding for additional capital or one-time expenditures, and approximately \$500,000 for downtown investment.

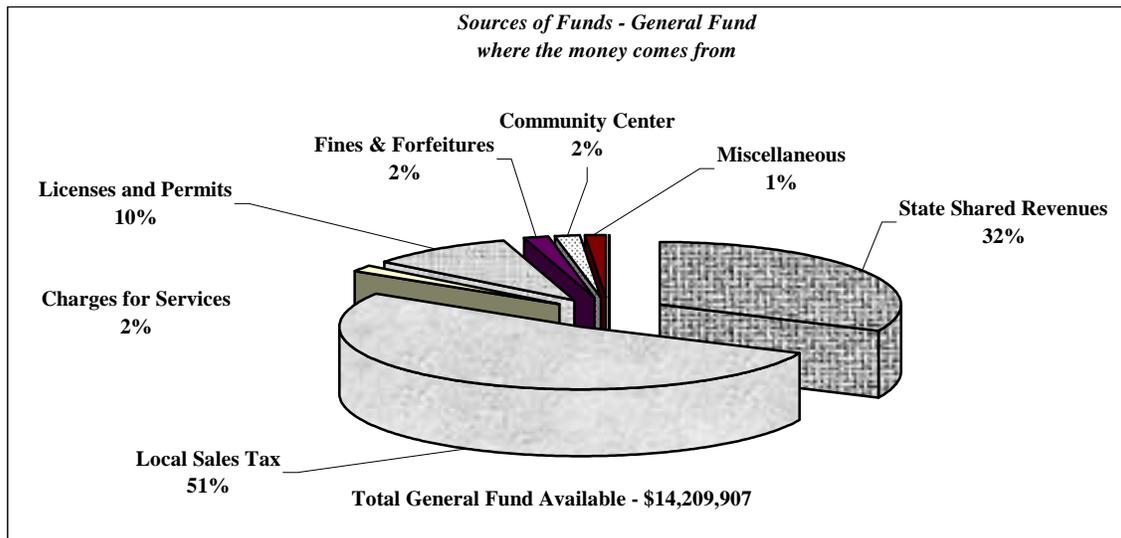




Revenues

General Fund

The general fund is the core service delivery budget and the largest fund with the highest potential for revenue fluctuations. The estimates in this proposal reflect a conservative but cautious optimism of revenues, reflecting a growing consensus that the national, state, and local economies are improving. The proposed budget is based on projections that the annual inflation will be approximately 3.0 percent for the coming fiscal year. Service levels for public safety, administration of Town government, and maintenance of Town-owned property are included in the operating budget requests.



Charts and descriptions of the major revenue sources with a ten-year history for the Town of Fountain Hills are shown in the budget summary section.

As the above chart shows, the Town's general fund resources rely heavily upon sales tax and state shared revenues (83% of total revenue), much the same as many other cities and towns in Arizona. These sources of revenue are not controlled by the Town and are therefore subject to upward and downward cycles of the economy as well as annual legislative appropriations. The Town will continue to focus efforts on alternative revenue options that will diversify resources and provide a more financially stable future to facilitate the multi-year and capital improvement planning. For fiscal year 2004-2005, state shared revenues in the General Fund are projected to increase by \$319,700, or 7.6 %, from the fiscal year 2003-2004 estimate of \$4,203,000.

Local Sales Tax

Fountain Hills continues to rely on local sales tax revenues for 51% of the general fund operating budget, while only 4% of the Town's land is zoned for commercial or industrial uses. The general fund is projecting an increase of 10.5% over fiscal year 2003-2004 in local sales tax revenue as a result of increased retail activity at the Target shopping center (opened in October, 2002). A new Ross clothing store, Checker Auto, Streets of New York restaurant, and Petco pet store opened in April 2004, which will provide additional sales tax revenues. With 51% of the general fund revenue derived from local sales tax, it is important for the Town to continue to



focus on economic development as well as revenue diversification. A portion (0.4%) of the 2.6% tax rate is dedicated to non-general fund activities.

A significant component of local sales tax collections has historically been due to construction related activity (\$1.8 million). Although residential construction permit activity in Fountain Hills has been steadily declining over the past two years, the construction value of the custom homes has increased dramatically, leading to higher than expected building permit and sales tax revenue.

Special Revenue Funds

In addition to the general fund, Fountain Hills maintains several other funds that are established for specific purposes. Within the special revenue funds is the Highway Users Revenue Fund (HURF), the resources of which are restricted for street and highway purposes (cost of right-of-way acquisition, construction, reconstruction, maintenance, repairs, roadside development of town roads, and payment of the interest and principal on highway and street bonds). Another HURF revenue source is the Local Transportation Assistance Fund (LTAF), which is generated by the State lottery. Statute allows that 10% of the proceeds may be used for cultural, educational, historical, recreational, or scientific facilities or programs if the state receives a maximum distribution of \$23 million.

Within the special revenue fund is the excise tax special revenue, which accounts for revenue received as the dedicated portion of the local sales tax. The tax collections are deposited to this fund for mountain bonds (0.2%), Civic Center phase II bonds (0.1%), and downtown development (0.1%) purposes as determined by the Council.

Grants are utilized whenever possible to supplement the Town's general fund and are designated for the specific purchases for which they are awarded. This budget includes an appropriation for the possibility for grants that may be awarded in fiscal year 2004-2005, as follows:

Furniture, Fixtures and Equipment (FF&E) – Donations were received from the community for furniture, fixtures and equipment at the new Community Center. Any unspent funds are carried over to the subsequent year.

Land and Water Conservation (LWCF) – This grant was awarded to the Town of Fountain Hills in fiscal year 2001-2002 for improvements to Fountain Park. These improvements have been included in the fiscal year 2004-2005 capital projects fund.

Federal Emergency Management Agency (FEMA) – If awarded, this grant would pay for an exhaust capture system for apparatus emissions in the apparatus bays that adjoin living and sleeping quarters of two fire stations.

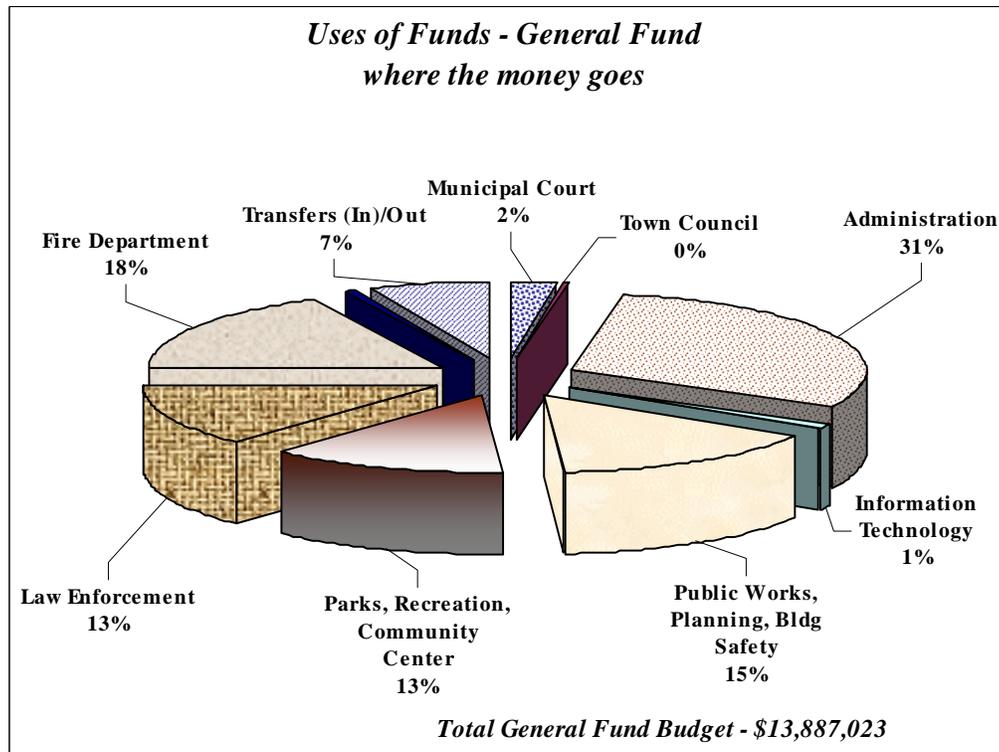
Undesignated Grant Revenue – This is an appropriation in the event the Town receives unanticipated grant funding, including proceeds from the Proposition 202 initiative.

Debt Service Funds

Total debt service revenue for fiscal year 2004-2005 is \$3,487,770 including secondary property taxes for voter approved bonds, transfers from Highway User Revenue Fund to pay for road improvements, and excise taxes to pay for Municipal Property Corporation (MPC) debt (mountain bonds and Civic Center phase II).



Expenditures



General Fund

The proposed general fund expenditures for fiscal year 2004-2005 are \$13,887,023, and reflect a \$1.7 million increase in expenditures (14%) over the prior year budget. The majority of the increase is within the administration department (\$821,000) and attributable to the additional costs associated with building the Civic Center phase II project, and complying with the goals set out by the Town Council. These goals are addressed fully in the administration department budget. It should be noted that the Town's fiscal year 2004-2005 general fund is operating at a level of more than \$1 million (8%) less than three years ago. The Council and staff should be commended for doing more with less. The administration department is also responsible for all non-departmental and overhead costs that are not allocated to individual departments. During an upcoming fiscal year, staff will be creating an internal service fund to accumulate the non-departmental and overhead costs to be allocated among all departments.

Salaries and Benefits

Most Town employees' salaries and benefits are funded through the general fund (the exceptions are Street division and Downtown Development staff who are funded with restricted revenues). Salaries include wages, overtime, vacation and merit pay. There are no cost of living raises included with this budget. An allowance of 4.5% is available for pay for performance merit increases. Employee benefits include health insurance, employer taxes, disability and worker compensation insurance, and employer match retirement contributions. The total salaries and benefits proposed for fiscal year 2004-2005 is \$4.3 million, or 15% of the budget. Although the total authorized employee count is two less than last fiscal year's count of 76, there were four



different positions being proposed: assistant town manager, public information officer, civil engineer inspector, and accounting clerk. (Assistant town manager and public information officer positions were not approved.) The proposed budgeted authorized positions has decreased from fiscal year 2001-2002 level of 115 FTE's to 74 FTE's. The positions not included in this budget were eliminated, unfilled, or transferred to another department. It should be noted that the total number of employees budgeted in fiscal year 04-05 is over a third less than just three years ago.

Contractual Services

The Town contracts with outside professionals for recreational programs, consulting and legal fees, outside auditing services, engineering/inspection fees, and contributions to special programs. Two major contracts included in this category are: 1) Police protection (Maricopa County Sheriff's Office at \$1,730,470) and 2) Fire protection and emergency medical services (\$2,395,131), currently under contract with Rural Metro Corporation.

Contractual services also include contributions that the Town makes to social and community benefit programs based on requests from the organizations. Total funding proposed for fiscal year 2004-2005 is \$245,000 and is described in the Administration department budget.

Repairs and Maintenance

Repairs and maintenance include annual landscape maintenance contracts, equipment and vehicle repairs, and facilities maintenance (janitorial, building maintenance, etc.). Maintenance of the Town's 121 acres of parks, as well as medians, dams, and washes is solicited through a bid process to obtain the most competitive price for the Town.

Supplies and Services

Supplies and services include operational costs such as rent, electricity, utilities, insurance, etc. for town hall and other Town-owned buildings. The Town owns the Kiwanis building, two fire stations, the Library/Museum, the Community Center, a vehicle maintenance garage, and the community theater building. The Town leases three buildings to house town hall, municipal court, and building safety. The annual town hall rent and overdue property taxes (\$895,570), electricity (\$325,000), and general liability insurance (\$318,600) comprise the largest portion of supplies and services. Due to the high cost of leasing the 42,000 square foot town hall complex and the need for less space, the Town Council has approved construction of a new town hall in Civic Center phase II. Other items in this category are office supplies, gas and oil, postage, travel, and communications.

Capital Projects

This budget includes two major capital projects that have been previously approved. The first is the construction of the Civic Center phase II project. The objective in building a new town hall is to cut costs by eliminating the need to rent space and developing a modern, town-owned facility to utilize space in a more efficient manner, without compromising town services. Plans call for an approximate 32,000 square foot building to house senior services, municipal law enforcement, court, parks and recreation, planning and public works, and administrative offices.

Currently the Town is renting space, month-to-month, and does not have a signed lease agreement. The draft lease ends in June 2005. Due to the unpredictable nature of this situation, it makes financial sense to construct a new town hall within this time frame. \$600,000 of the current lease; taxes, landscaping, and utility costs would be saved each year; and more than \$30 million would be saved over a thirty-year period.



The second capital project comprises continuing work on the Phase II improvements to Fountain Park, described more fully in the Parks and Recreation departmental budget.

New capital project requests are proposed from development fees, such as a skate park, spray park, trailhead development, veterans memorial, and two new traffic signals. A summary of the project, development fee costs and accounts are:

<u>Project Name</u>	<u>Estimated Cost</u>	<u>Development Fee Account</u>
McDowell Mountain trailhead	\$129,100	Open Space
Skatepark	\$206,000	Parks & Recreation
Fountain Spraypark	\$125,000	Parks & Recreation
Veterans Memorial	\$25,000	Parks & Recreation
Civic Center Phase II	\$40,068	Law Enforcement
Civic Center Phase II	\$390,955	General Government
Street Improvements	<u>\$365,000</u>	Streets
TOTAL	\$1,281,123	

The development fees fund is a restricted fund and may only be spent with council approval. Additionally, expenditures from this fund are also restricted by Ordinances 00-21 through 00-26 which state that the expenditures cannot be “appropriated for funding maintenance or repair of public facilities nor operational or personnel expenses associated with the provision of the public facility”. However, appropriations can be made by the council for financing public facilities and public facility expenditures, and capital expenditures related to maintaining the level of service standards for existing town residents (streets).

Special Revenue Funds ---

The Highway User Revenue Fund (HURF), grant fund, and excise tax funds are considered special revenue funds, which are dedicated for specific purposes. The HURF fund can only be used for road maintenance, construction, and debt service on road improvement bonds. Grants that are proposed will be used to purchase exhaust equipment for the fire stations (Federal Emergency Management Agency), and an undesignated amount for grants that may be awarded throughout the year.

Expenditures from the excise tax special revenue fund are restricted for bond payments and downtown development. This budget provides that debt service payments for the Municipal Property Corporation (MPC) portion of the mountain bonds be made out of this fund in addition to the new bonds for the civic center phase II. This budget also provides for improvements to the downtown area in the amount of \$400,000 in order to encourage businesses to locate on Avenue of the Fountains.

The debt service funds are for the payment of principal and interest on the Town’s general obligation bonds for the retirement of debt. A schedule of outstanding debt is included in the Schedules/Summaries section.

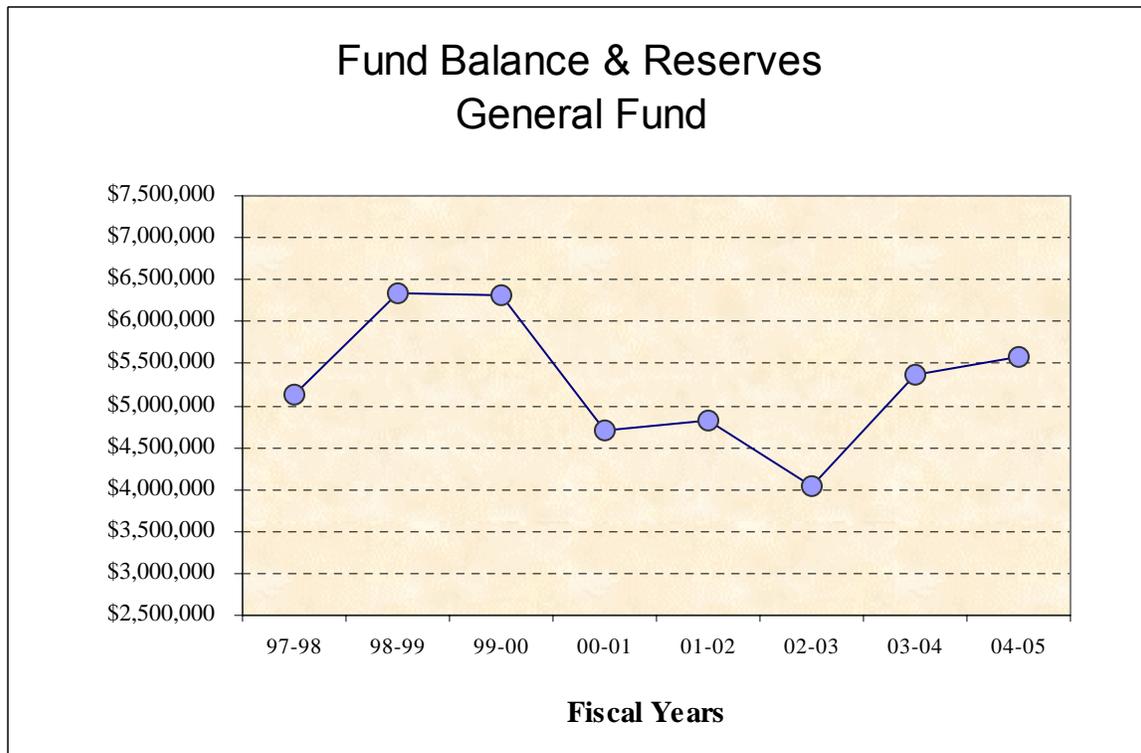


Transfers

The general fund will transfer \$910,250 in the current fiscal year and \$940,752 in fiscal year 2004-2005 to the capital projects fund to reduce debt financing for the Civic Center phase II project. The remainder of the project will be financed with development fees and bond proceeds.

Reserves

In May 2003, the Town Council adopted a formal fund balance policy appropriating funds as designated reserves for future capital expenditures, a contingency fund for unanticipated expenditures and/or revenue shortfalls, and an undesignated reserve fund. An important component of the reserve funds is an amount set aside that is not available for appropriation but will be maintained at a level that will satisfy the public and financial community regarding the fiscal stability of the Town, referred to as undesignated reserves. This proposed budget exceeds the policy requirement of \$4.7M in reserves with revenues exceeding expenditures. Historic highs have exceeded \$6M. The projected general fund balance for June 30, 2005 is \$5.7 million. A contingency amount of \$50,000 is included in non-departmental for minor unforeseen expenditures. The following chart illustrates the rising trend of the general fund reserves over the last two years.





A Debt of Gratitude

I would like to offer my special thanks to the Fountain Hills Mayor, Town Council members, and the numerous commission members for their many hours of volunteer service without which the Town could not function in the fine manner that it has over the years. This volunteer core of more than 200 citizens offers Town staff a vast bank of knowledge about subjects that contribute not only to planning for the present, but also for the future of Fountain Hills.

I would also like to thank the Town of Fountain Hills department directors for their patience and great effort in preparing their departmental budgets. The directors and their staffs endured several sessions with me in justifying their programs, developing cost estimates, and answering my many questions. My appreciation also goes to Julie Ghetti, for her professional and financial talents in preparing this year's budget; also to Joan McIntosh, Nancy Knihnisky, and Sue Stein for their tireless assistance with this project. Staff's efforts have resulted in a balanced budget, which achieves the Council's current goals, and assists in future planning towards the vision of Fountain Hills.

Respectfully submitted,

Timothy G. Pickering, CECd, ICMA-CM
Town Manager



Budget Process

Introduction _____

The budget process for the Town of Fountain Hills is designed to meet citizens' needs for information and input; decision makers' needs for information and advice from citizens on their desired blend of services; and the time line set by the State of Arizona through Arizona Budget Law.

The information in this section is intended to help the Town Council, citizens, and staff better understand the budget process. The question and answer format is designed to assist the reader in finding information.

When does the “budget season” start? _____

The budget process typically begins in January when the Finance Department begins to review current levels of service, council goals and objectives, proposed capital improvements, and financial plans.

In reality, the budget process for the Town is actually an ongoing process. Throughout the fiscal year, citizens and staff submit suggestions for new services, regulations, funding sources, and improved service delivery, as well as concerns to the Town Council and commissions for discussion, study, and/or implementation. Advisory boards and commissions develop plans for new or enhanced programs to be included in the following year's budget proposal.

What is a budget? _____

Simply stated, a budget is an annual planning tool. It identifies the Town's work plan and matches the financial, material, and human resources available with the requirements to complete the work plan. It includes information about the organization and identifies the council policy that directed the budget preparation. Although a budget is often discussed as a financial document, the financial portion means very little without the policy and administrative information that explains what the organization intends to do with the financial resources.

What is a fund-based budget? _____

The Town's accounts are organized on the basis of funds. Each fund is a separate entity with its own set of self-balancing accounts comprised of its assets, liabilities, fund equity, revenues, and expenditures.



What funds are included in this budget? _____

- General Fund – general purpose operating revenues: expenditures (non-restricted).
- Special Revenue Funds (restricted to purpose) – Highway User Revenue Funds (roads), excise tax special revenue (land preservation and downtown development), grants (varied purposes).
- Excise Tax Revenue Funds – designated for bond payments for mountains, Civic Center phase II project, and downtown development.
- Debt Service Fund – principal and interest payments on all general obligation bonds, revenue bonds, special districts and Municipal Property Corporation.
- Development Fee Fund – capital projects related to growth
- Capital Projects Fund – accumulation of funds and administration of a large capital project.

How can I find out what a department is doing? _____

Departments are organizational units formed on the basis of compatible services. Departments provide services based on departmental goals and objectives that fulfill work plans. In some cases, a department will work within several funds. Although each of the operations in these funds is different, they are similar enough that savings can be achieved by having people who can share job responsibilities. Each department prepares a budget that includes information about the organizational unit and matches the available resources with the requirements to complete the department and fund work plans.

Why does a town create a budget? _____

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

When can a citizen have input into the budget process? _____

Town staff welcomes comments and suggestions throughout the year. The final opportunity occurs in May when the Town Council holds a public hearing on the proposed budget as recommended through the budget hearings. This is the last opportunity to increase the budget for the next fiscal year. Once the tentative budget is adopted, line items can only be decreased prior to the budget's final adoption.

Many revenue estimates must be made based on assumptions regarding general economic conditions. For example, development related revenues (building permits, system development charges, etc.) are all based on assumptions regarding development forecasts for Fountain Hills during the coming year. Revenue estimates are conservative to avoid setting expenditure budgets that will not be supported by actual revenues.



Can the budget be amended once it is adopted? _____

During the fiscal year, the town manager may transfer appropriations between line items within a department.

What basis of accounting/budgeting does the Town use? _____

Governmental fund budgets (General, Special Revenue, Debt Service, Capital Projects) are prepared on a modified accrual basis. This means that expenditures are recorded when the related fund liability is incurred, and revenues are recognized only when they are measurable and available. In all cases, when goods and services are not received by year-end, the encumbrances lapse.

The Comprehensive Annual Financial Report (CAFR) shows the status of the Town's finances on the basis of "generally accepted accounting principles" (GAAP). In most cases, this conforms to the way the Town prepares its budget. The exceptions are liabilities for compensated absences, i.e. vacation pay, which are expected to be paid with available financial resources. The liability is reported as accrued by employees (GAAP) as opposed to being expended when paid (Budget).

The Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP basis and Budget basis for comparison purposes.

How do I get more information? _____

All requests for public information in the Town of Fountain Hills are handled by the Town Clerk's office. Please call (480) 837-2003 or visit the Town's website www.fh.az.gov and click on the Accounting Department icon.





Budget Schedule (Fiscal Year 2004-2005)

Date _____	Action _____
Jan. 6-7	Council holds goal-setting retreat to discuss budget priorities
Jan 20-21	Department directors hold retreat to identify budget priorities
Jan. 21-Feb 2	Department directors and accounting supervisor review YTD 2003-2004 budget and projected year end balance. Department directors prepare initial budget requests
Feb. 5-27	Fiscal year 2004-2005 revenue projections are prepared and reviewed with town manager
March 12	Departmental proposed budget numbers submitted to accounting department (revenues and expenditures)
March 15-April 2	Department directors, town manager, and accounting supervisor meet to review requested expenditures
April 2	Departmental budget documents electronically sent to accounting department
April 5-April 14	Town manager reviews proposed budget
April 15	Document submitted electronically for final compilation
April 23	Council receives copy of draft budget
May 5	Public Council budget meeting
May 6	Regular Council meeting -Adopt maximum amount of budget
May 20	Regular Council meeting – Budget public hearing. (Budget may be adopted any time after this date but before July 1.)
June 3	Regular Council meeting – Adopt final budget
July 1	Regular Council meeting – Adopt tax levy



All Funds Revenue Summary

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Proposed
Source of Revenues					
GENERAL FUND					
Intergovernmental					
State Sales Tax	\$1,559,318	\$1,582,535	\$1,575,000	\$1,500,000	\$1,747,300
Fire Insurance Premium Tax	\$0	\$207,244	\$88,000	\$88,000	\$88,000
Shared Income Tax	\$2,110,536	\$2,153,635	\$1,826,315	\$1,825,000	\$1,862,500
Vehicle License Tax	\$667,570	\$797,344	\$760,822	\$790,000	\$824,900
Total Intergovernmental	\$4,337,424	\$4,740,757	\$4,250,137	\$4,203,000	\$4,522,700
Taxes					
Property Tax	\$1,355,318	\$68,765	\$0	\$0	\$0
Local Sales Tax	\$4,355,701	\$5,051,871	\$6,459,293	\$6,560,000	\$7,249,767
Franchise Tax	\$130,694	\$152,542	\$150,000	\$150,000	\$150,000
Total Taxes	\$5,841,713	\$5,273,178	\$6,609,293	\$6,710,000	\$7,399,767
Charges for Services					
Parks & Rec User Fees	\$175,376	\$146,734	\$188,750	\$162,150	\$181,800
Encroachment Permit Fee	\$185,431	\$107,267	\$41,000	\$25,000	\$50,000
Subdivision Fees	\$36,854	\$28,378	\$15,200	\$17,000	\$15,000
Total Charges for Services	\$397,661	\$282,380	\$244,950	\$204,150	\$246,800
Licenses and Permits					
Animal License Fees	\$24,779	\$25,335	\$32,495	\$25,000	\$34,500
Business License Fees	\$87,394	\$99,004	\$95,210	\$95,210	\$95,540
Building Permit Fees	\$997,239	\$1,007,036	\$769,250	\$1,000,000	\$1,197,500
Rezoning/Variance Fees	\$27,327	\$32,560	\$15,300	\$20,000	\$15,850
Improvement Plan Review Fee	\$29,040	\$37,545	\$15,750	\$15,750	\$15,000
Total Licenses and Permits	\$1,165,779	\$1,201,480	\$928,005	\$1,155,960	\$1,358,390
Fines and Forfeitures					
Court Fines	\$256,774	\$195,091	\$212,000	\$200,600	\$234,250
JCEF/CCEF Revenue	\$8,831	\$0	\$1,500	\$0	\$0
Total Fines and Forefeitures	\$265,605	\$195,091	\$213,500	\$200,600	\$234,250
Community Center					
Rental Fees	\$71,057	\$132,003	\$195,000	\$142,483	\$179,300
Bar Sales/Commission	\$41,291	\$61,027	\$40,000	\$49,773	\$55,700
Total Community Center	\$112,347	\$193,030	\$235,000	\$192,256	\$235,000
Miscellaneous					
Leases	\$36,556	\$56,741	\$63,000	\$63,000	\$63,000
Donations	\$12,760	\$10,000	\$0	\$0	\$0
Interest on Investments	\$188,681	(\$54,422)	\$85,000	\$85,000	\$100,000
Miscellaneous	\$1,729,801	\$79,706	\$50,000	\$100,000	\$50,000
Total Miscellaneous	\$1,967,798	\$92,026	\$198,000	\$248,000	\$213,000
Transfer from County	\$0	\$0			\$0
Transfer from Development Fees	\$0	\$137,300			\$0
Transfer from MPC (BNY)	\$0	\$1,255,000			\$0
TOTAL GENERAL FUND REVENUES	\$14,088,326	\$13,370,242	\$12,678,885	\$12,913,966	\$14,209,907



All Funds Revenue Summary – continued

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Proposed
Source of Revenues					
SPECIAL REVENUE FUNDS					
Highway Users Revenue Funds					
Local Transportation (LTAF)	\$114,861	\$115,691	\$115,000	\$115,000	\$113,700
Highway Users	\$1,254,816	\$1,310,997	\$1,401,400	\$1,400,000	\$1,390,900
In Lieu Payments	\$7,648	\$298	\$500	\$1,000	\$1,500
Interest	\$37,422	\$31,775	\$6,000	\$27,000	\$19,000
Miscellaneous	\$0	\$7,410	\$1,000	\$100	\$1,000
Transfers	\$588,079				
Total Highway Users Revenue Fund	\$2,002,827	\$1,466,170	\$1,523,900	\$1,543,100	\$1,526,100
Excise Tax Special Revenue					
Mountain Bonds	\$804,959	\$1,084,814	\$888,693	\$996,485	\$666,570
Civic Center MPC	\$0	\$0	\$0	\$0	\$350,000
Downtown Development	\$271,065	\$358,978	\$268,750	\$268,750	\$329,535
Total Excise Tax Special Revenue	\$1,076,024	\$1,443,792	\$1,157,443	\$1,265,235	\$1,346,105
Court Special Revenue					
Court Enhancement Fund	\$0	\$118,747	\$0	\$66,500	\$70,000
Total Court Special Revenue	\$0	\$118,747	\$0	\$66,500	\$70,000
Community Center FF&E					
Donations	\$174,000	\$117,200	\$0	\$0	\$0
Total Community Center FF&E	\$174,000	\$117,200	\$0	\$0	\$0
Grants					
FEMA - Fire Department	\$0	\$84,769	\$83,000	\$51,551	\$67,500
Proposition 202	\$0	\$0	\$0	\$75,000	\$50,000
Miscellaneous Grants	\$120,586	\$59,244	\$680,000	\$28,601	\$1,375,000
Total Grants	\$120,586	\$144,012	\$763,000	\$155,152	\$1,492,500
TOTAL SPECIAL REVENUE FUNDS	\$3,373,437	\$3,289,921	\$3,444,343	\$3,029,987	\$4,434,705
DEBT SERVICE FUNDS					
General Obligation Bonds					
Secondary Property Tax	\$1,341,025	\$1,447,580	\$1,540,000	\$1,445,000	\$1,450,000
Interest	\$953	\$179	\$1,000	\$850	\$1,000
Total General Obligation Bonds	\$1,341,978	\$1,447,759	\$1,541,000	\$1,445,850	\$1,451,000
HURF Street Paving Transfers	\$135,861	\$126,000	\$124,000	\$124,000	\$124,000
Eagle Mountain CFD	\$715,494	\$262,641	\$561,500	\$270,023	\$513,000
Community Center MPC	\$407,634	\$385,022	\$375,500	\$375,500	\$375,500
Cottonwoods Maintenance District	\$0	\$0	\$3,200	\$3,200	\$3,300
Cottonwoods Improvement District	\$4,520	\$4,480	\$4,500	\$4,500	\$4,500
TOTAL DEBT SERVICE FUNDS	\$2,605,487	\$2,225,901	\$2,609,700	\$2,223,073	\$2,471,300
DEVELOPMENT FEES					
Law Enforcement Development Fees	\$10,843	\$6,573	\$9,950	\$9,950	\$11,742
Street Department Development Fees	\$144,761	\$96,705	\$138,175	\$138,175	\$154,475
Parks & Recreation Development Fees	\$176,759	\$192,463	\$347,200	\$347,200	\$410,480
Open Space Development Fees	\$198,023	\$212,684	\$386,500	\$386,500	\$456,948
General Government Development Fees	\$160,338	\$96,234	\$139,900	\$139,900	\$165,996
TOTAL DEVELOPMENT FEES	\$690,724	\$604,658	\$1,021,725	\$1,021,725	\$1,199,641
CAPITAL PROJECTS FUND					
Local SIs Tax - CIP	\$0	\$0	\$0	\$120,340	\$528,225
Community Center MPC	\$0	\$2,189,660	\$0	\$0	\$0
Civic Center Phase II Bonds	\$0	\$0	\$0	\$0	\$3,500,000
LWCF Proceeds	\$0	\$0	\$0	\$0	\$237,300
Transfers	\$0	\$0	\$0	\$1,001,620	\$1,371,775
Mountain Bonds	\$13,826,973	\$0	\$0	\$0	\$0
Library Museum		-	\$0	\$0	\$0
Developer Contributions		-	\$0	\$0	\$317,500
TOTAL CAPITAL PROJECTS FUND	\$13,826,973	\$2,189,660	\$0	\$1,121,960	\$5,954,800
TOTAL ALL FUNDS	\$34,584,947	\$21,680,382	\$19,754,653	\$20,310,711	\$28,270,353



All Funds Expenditures

Fund/Department	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Proposed
GENERAL FUND					
Community Center	\$1,023,873	\$570,926	\$469,994	\$436,142	\$511,497
Municipal Court	\$337,469	\$278,915	\$299,870	\$293,798	\$340,850
Town Council	\$102,491	\$66,272	\$85,360	\$86,055	\$60,010
Administration	\$2,930,827	\$3,062,123	\$3,329,771	\$2,648,011	\$4,150,777
Information Technology	\$213,318	\$119,130	\$178,169	\$136,000	\$166,231
Planning & Zoning	\$347,581	\$272,798	\$252,000	\$227,720	\$398,480
Building Safety	\$524,116	\$379,879	\$587,900	\$552,412	\$494,930
Public Works	\$1,181,919	\$942,589	\$1,082,560	\$998,831	\$1,193,235
Recreation	\$740,576	\$620,751	\$543,070	\$503,801	\$534,745
Parks	\$812,452	\$719,690	\$1,205,840	\$695,084	\$767,095
Law Enforcement	\$2,607,125	\$2,440,402	\$1,743,538	\$1,699,514	\$1,796,670
Fire Department	\$1,819,291	\$2,324,935	\$2,335,830	\$2,337,130	\$2,481,751
NonDepartmental	\$1,346,023	\$1,138,353	\$50,000	\$47,500	\$50,000
Transfers (In)/Out to CIP	\$1,075,000	(\$1,256,178)	\$0	\$910,250	\$940,752
TOTAL GENERAL FUND	\$15,062,061	\$11,680,585	\$12,163,902	\$11,572,249	\$13,887,023
SPECIAL REVENUE FUNDS					
Highway Users	\$2,011,832	\$1,278,353	\$1,523,900	\$1,456,023	\$1,700,962
AZ Commission on the Arts	\$2,500	\$2,500	\$0	\$0	\$0
FEMA - Fire Department	\$0	\$0	\$24,150	\$41,389	\$75,000
Community Center FF&E	\$51,706	\$51,924	\$187,294	\$6,800	\$180,770
Court Special Revenue (CCEF)	\$0	\$0	\$0	\$1,500	\$100,000
Proposition 202	\$0	\$0	\$0	\$75,000	\$50,000
Miscellaneous Grants	\$0	\$0	\$1,000,000	\$0	\$1,375,000
Total Special Revenue	\$2,066,038	\$1,332,776	\$2,735,344	\$1,580,712	\$3,481,732
Excise Tax Special Revenue					
Mountain Bonds	\$520,315	\$607,411	\$639,610	\$645,400	\$617,532
MPC - Civic Center Phase II	\$0	\$0	\$0	\$0	\$350,000
Downtown Development	\$50,000	\$0	\$318,455	\$55,732	\$535,742
Total Excise Tax Special Revenue	\$570,315	\$607,411	\$958,065	\$701,132	\$1,503,274
TOTAL SPECIAL REVENUE FUNDS	\$2,636,353	\$1,940,188	\$3,693,409	\$2,281,844	\$4,985,005
DEBT SERVICE FUNDS					
General Obligation Bonds					
Bond Payment - GO	\$338,220	\$349,690	\$360,000	\$360,000	\$355,000
Bond Payment - Lakeside	\$142,000	\$137,500	\$133,000	\$133,000	\$132,500
Bond Payment - Library/Museum	\$397,075	\$382,975	\$372,000	\$372,000	\$390,000
Bond Payment - Mtn Preserve GO	\$402,000	\$513,200	\$505,000	\$505,000	\$520,000
Total General Obligation Bonds	\$1,279,295	\$1,383,365	\$1,370,000	\$1,370,000	\$1,397,500



All Funds Expenditures – continued

Fund/Department	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Proposed
Special Districts/MPC Debt Service:					
Bond Payment - HURF	\$135,861	\$126,223	\$124,000	\$124,000	\$124,000
Bond Payment - Cottonwoods ID.	\$3,821	\$4,245	\$4,500	\$4,500	\$4,500
MPC - Community Center	\$392,000	\$385,022	\$375,500	\$375,500	\$375,500
Cottonwoods Maintenance District	\$0	\$0	\$3,200	\$3,200	\$3,200
Eagle Mountain CFD	\$321,526	\$512,425	\$514,500	\$514,500	\$513,000
Total Special District Debt Service	\$853,208	\$1,027,915	\$1,021,700	\$1,021,700	\$1,020,200
TOTAL DEBT SERVICE FUNDS	\$2,132,503	\$2,411,280	\$2,391,700	\$2,391,700	\$2,417,700
DEVELOPMENT FEES					
Law Enforcement Development Fees	\$0	\$0	\$0	\$0	\$40,068
Street Department Development Fees	\$0	\$7,000	\$200,000	\$173,562	\$365,000
Parks & Recreation Development Fees	\$80,954	\$0	\$129,670	\$69,670	\$356,000
Open Space Development Fees	\$0	\$14,105	\$33,500	\$10,000	\$129,100
General Government Development Fees	\$185,500	\$0	\$50,000	\$0	\$390,955
TOTAL DEVELOPMENT FEES	\$266,454	\$21,105	\$413,170	\$253,232	\$1,281,123
CAPITAL PROJECTS FUND					
Community Center MPC	\$0	\$362,500	\$0	\$0	\$0
Mountain Preserve	\$13,750,000	\$0	\$0	\$0	\$0
Civic Center Phase II	\$0	\$0	\$0	\$520,590	\$5,421,700
Fountain Park Improvements	\$0	\$0	\$0	\$45,000	\$588,970
Performance Pad	\$0	\$0	\$0	\$0	\$183,000
Capital Contingency	\$0	\$0	\$0	\$0	\$317,500
TOTAL CAPITAL PROJECTS FUND	\$13,750,000	\$362,500	\$0	\$565,590	\$6,511,170
TOTAL ALL FUNDS	\$33,847,371	\$16,415,657	\$18,662,181	\$17,064,615	\$29,082,021



Budgeted Expenditure by Account Code – All Funds

	Gen Fund	Special Revenue	Development	Debt	Capital	TOTAL	% of	
	TOTALS	HURF	Funds	Fees	Service	Projects	ALL FUNDS	Total
5200 Wages	\$2,962,588	\$424,247	\$37,500	\$0			\$3,424,336	11.8%
5201 FICA	\$67,000	\$6,220	\$413	\$0			\$73,633	0.3%
5202 Unemployment Insurance	\$4,259	\$531	\$36	\$0			\$4,827	0.0%
5203 Employee's Health Insurance	\$306,388	\$59,427	\$6,367	\$0			\$372,181	1.3%
5204 Employee's Life Insurance	\$8,237	\$1,346	\$95	\$0			\$9,677	0.0%
5205 Employee's Dental Insurance	\$35,855	\$6,527	\$738	\$0			\$43,120	0.1%
5206 Employee's Eye Insurance	\$0	\$0	\$0	\$0			\$0	0.0%
5207 Worker's Compensation Insurance	\$33,980	\$28,510	\$90	\$0			\$62,580	0.2%
5208 Employee's Retirement Fund	\$288,609	\$46,667	\$3,094	\$0			\$338,370	1.2%
5209 Recruitment Costs	\$15,000	\$0	\$0	\$0			\$15,000	0.1%
5211 Disability Insurance	\$12,691	\$2,036	\$135	\$0			\$14,862	0.1%
Total Wages & Salaries	\$3,734,607	\$575,512	\$48,467	\$0	\$0		\$4,358,585	15.0%
5901 Accounting Fees	\$19,500	\$3,500	\$0	\$0			\$23,000	0.1%
5902 Professional Fees	\$153,470		\$40,500	\$0			\$193,970	0.7%
5903 Legal Fees	\$332,700	\$9,250	\$0	\$0			\$341,950	1.2%
5906 Jail/Prisoner Fees	\$38,000		\$0	\$0			\$38,000	0.1%
5908 Engineering Fees	\$69,500		\$25,000	\$0			\$94,500	0.3%
5907 Rabies & Animal Control	\$28,200		\$0	\$0			\$28,200	0.0%
5915 Elections Expense	\$0		\$0	\$0			\$0	0.0%
5920 Intergovernmental Agreements	\$4,500		\$0	\$0			\$4,500	0.0%
5929 Special Programs - RPTA	\$61,750		\$0	\$0			\$61,750	0.2%
5930 Special Programs - Chamber	\$0		\$0	\$0			\$0	0.0%
5932 Special Programs	\$34,845	\$10,000	\$0	\$0			\$44,845	0.2%
5933 Youth And Teens	\$18,950		\$0	\$0			\$18,950	0.1%
5935 Sports Activities	\$48,690		\$0	\$0			\$48,690	0.2%
5936 Spec.Programs-Constituent Comm	\$40,500		\$0	\$0			\$40,500	0.1%
5939 Boys & Girls Club	\$150,000		\$0	\$0			\$150,000	0.5%
5940 Senior	\$55,000		\$0	\$0			\$55,000	0.2%
5941 McDowell Mtn Preservation	\$23,000		\$0	\$0			\$23,000	0.1%
5945 Community Benefit Programs	\$40,000		\$0	\$0			\$40,000	0.1%
5947 Tourism	\$75,500		\$0	\$0			\$75,500	0.3%
5950 Sheriff's Contract	\$1,730,470		\$0	\$0			\$1,730,470	6.0%
5955 Rural Metro Contract	\$2,395,131		\$0	\$0			\$2,395,131	8.2%
5980 Sales Tax Rebates	\$837,650		\$34,132	\$0			\$871,782	3.0%
Total Contract Services	\$6,157,356	\$22,750	\$99,632	\$0	\$0	\$0	\$6,279,738	21.6%
6400 Vehicle Repairs & Maintenance	\$51,250	\$38,000	\$0	\$0			\$89,250	0.3%
6402 Road Repair & Maintenance	\$0	\$120,200	\$0	\$0			\$120,200	0.4%
6403 Equipment Rental	\$3,500	\$500	\$0	\$0			\$4,000	0.0%
6404 Building Repairs & Maintenance	\$110,600	\$4,000	\$15,000	\$0			\$129,600	0.4%
6405 Office Equip. Repairs & Maint.	\$74,550	\$500	\$0	\$0			\$75,050	0.3%
6406 Major Road Improvements	\$0	\$490,000	\$0	\$0			\$490,000	1.7%
6410 Field Preparation/Maintenance	\$106,850		\$0	\$0			\$106,850	0.4%
6415 Mowing/Landscape Maintenance	\$337,800		\$0	\$0			\$337,800	1.2%
6420 DAM/WASH MAINTENANCE	\$130,000		\$0	\$0			\$130,000	0.4%
Total Repairs & Maintenance	\$814,550	\$653,200	\$15,000	\$0	\$0	\$0	\$1,482,750	5.1%



Budgeted Expenditure by Account Code – All Funds – continued

	Gen Fund	Special Revenue	Development	Debt	Capital	TOTAL	% of	
	TOTALS	HURF	Funds	Fees	Service	Projects	ALL FUNDS	Total
6501 Advertising/Signage	\$46,580	\$300	\$0	\$0			\$46,880	0.2%
6505 Conferences	\$25,690	\$500	\$5,025	\$0			\$31,215	0.1%
6507 Continuing Education	\$49,250	\$1,800	\$500	\$0			\$51,550	0.2%
6508 Dues & Publications	\$58,905	\$4,600	\$850	\$0			\$64,355	0.2%
6509 Dues - GPEC	\$8,300		\$0	\$0			\$8,300	0.0%
6511 Electricity Expense	\$358,350	\$28,000	\$0	\$0			\$386,350	1.3%
6514 Gas & Oil Expense	\$61,900	\$18,700	\$0	\$0			\$80,600	0.3%
6517 Liability Insurance	\$318,610	\$117,000	\$0	\$0			\$435,610	1.5%
6520 Office Supplies	\$62,775	\$1,200	\$15,300	\$0			\$79,275	0.3%
6525 Tools, Shop Supplies	\$4,050	\$5,500	\$0	\$0			\$9,550	0.0%
6526 Firefighting Equipment	\$1,900		\$75,000	\$0			\$76,900	0.3%
6529 Postage	\$25,600		\$0	\$0			\$25,600	0.1%
6530 Bar Supplies	\$14,000		\$0	\$0			\$14,000	0.0%
6531 Printing	\$16,450	\$300	\$2,000	\$0			\$18,750	0.1%
6534 Rent Expense	\$895,570		\$0	\$0			\$895,570	3.1%
6537 Communication Expense	\$83,965	\$7,500	\$0	\$0			\$91,465	0.3%
6546 Water/Sewer	\$114,962	\$5,000	\$0	\$0			\$119,962	0.4%
6548 Travel Expense	\$6,050	\$100	\$1,500	\$0			\$7,650	0.0%
6549 Uniforms	\$11,075	\$9,000	\$0	\$0			\$20,075	0.1%
6550 Weapons and Ammunition	\$0		\$0	\$0			\$0	0.0%
6560 Bank Charges	\$9,650		\$0	\$0			\$9,650	0.0%
6650 CCEF Expenditures	\$0		\$0	\$0			\$0	0.0%
Total Supplies & Services	\$2,173,632	\$199,500	\$100,175	\$0	\$0	\$0	\$2,473,307	8.5%
							\$0	
8010 Capital Outlay - Vehicles	\$0	\$120,000	\$0	\$0			\$120,000	0.4%
8020 Capital Outlay - Furn & Equip.	\$0	\$10,000	\$150,770	\$0			\$160,770	0.6%
8025 Capital Outlay - Computers	\$7,500		\$0	\$0			\$7,500	0.0%
8026 Capital Outlay - Software	\$8,626		\$0	\$0			\$8,626	0.0%
8090 Capital Expend. - Improvements	\$0		\$1,925,000	\$1,281,123		\$6,511,170	\$9,717,293	33.4%
Total Capital/Contingency	\$16,126	\$130,000	\$2,075,770	\$1,281,123	\$0	\$6,511,170	\$10,014,189	34.4%
9000 Debt Service	\$0	\$120,000	\$595,000	\$0	\$2,767,700		\$3,482,700	12.0%
9090 Transfers	\$940,752			\$0			\$940,752	3.2%
9999 Contingency	\$50,000		\$0	\$0			\$50,000	0.2%
Total Debt/Transfers	\$1,006,878	\$250,000	\$2,670,770	\$1,281,123	\$2,767,700	\$6,511,170	\$14,487,641	49.8%
GRAND TOTAL	\$13,887,023	\$1,700,962	\$2,934,044	\$1,281,123	\$2,767,700	\$6,511,170	\$29,082,021	100.0%



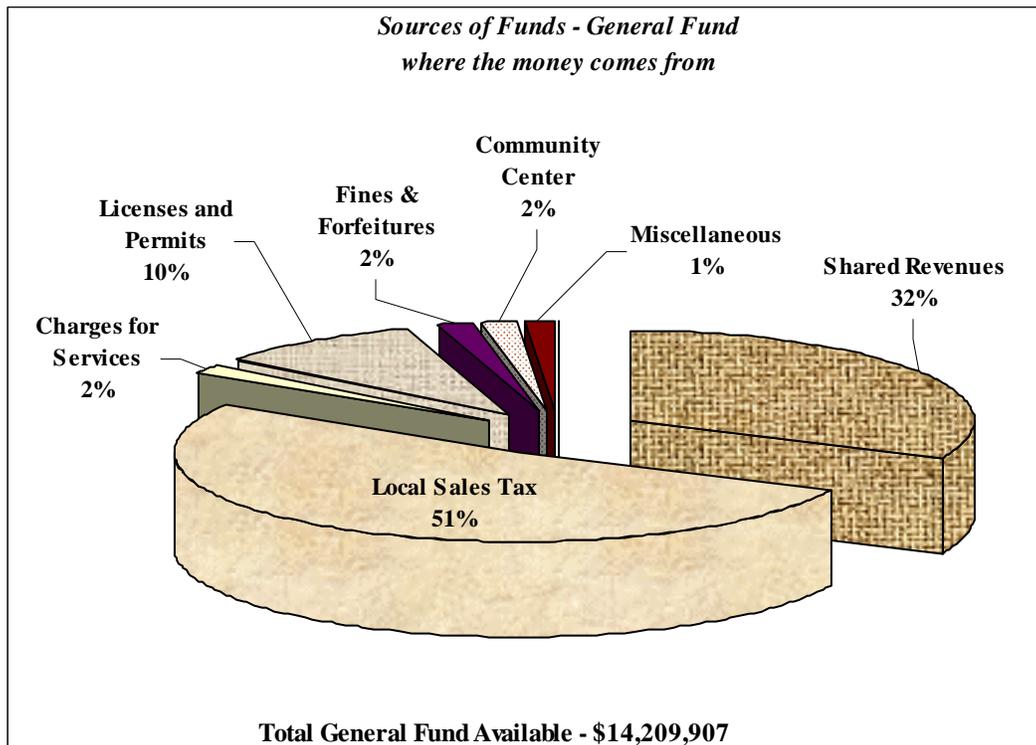
General Fund Revenues and Expenditures Summary

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
REVENUES					
State Sales Tax	1,559,318	1,582,535	1,575,000	1,500,000	1,747,300
Fire Insurance Premium Tax	0	207,244	88,000	88,000	88,000
State Income Tax	2,110,536	2,153,635	1,826,315	1,825,000	1,862,500
Vehicle License Tax	667,570	797,344	760,822	790,000	824,900
Local Sales Tax	4,355,701	5,051,871	6,459,293	6,560,000	7,249,767
Business License Fees	87,394	99,004	95,210	95,210	95,540
Building Permits	997,239	1,007,036	769,250	1,000,000	1,197,500
Animal License Fees	24,779	25,335	32,495	25,000	34,500
Court Fines & Fees	256,774	195,091	212,000	200,600	234,250
Rezoning/Variance/Special Use	27,327	32,560	15,300	20,000	15,850
Improvement Plan Review Fee	29,040	37,545	15,750	15,750	15,000
Encroachment Permit Fees	185,431	107,267	41,000	25,000	50,000
Subdivision Fees	36,854	28,378	15,200	17,000	15,000
Franchise Fees	130,694	152,542	150,000	150,000	150,000
Parks & Recreation User Fees	175,376	146,734	188,750	162,150	181,800
Rental	71,057	132,003	195,000	142,483	179,300
Bar Sales/Commission	41,291	61,027	40,000	49,773	55,700
Cellular Lease Payment	36,556	56,741	63,000	63,000	63,000
Interest/Investment Income	188,681	(54,422)	85,000	85,000	100,000
Donations	12,760	10,000	0	0	0
Miscellaneous	1,729,801	79,706	50,000	100,000	50,000
TOTAL CURRENT REVENUE	\$14,088,326	\$11,977,942	\$12,678,885	\$12,913,966	\$14,209,907
Mayor and Town Council Administration	102,491	66,272	85,360	86,055	60,010
Information Technology	2,930,827	3,062,123	3,329,771	2,648,011	4,150,777
Building Safety	213,318	119,130	178,169	136,000	166,231
Public Works	524,116	379,879	587,900	552,412	494,930
Planning and Zoning	1,181,919	942,589	1,082,560	998,831	1,193,235
Recreation	347,581	272,798	252,000	227,720	398,480
Parks	740,576	620,751	543,070	503,801	534,745
Community Center	812,452	719,690	1,205,840	695,084	767,095
Law Enforcement	1,023,873	570,926	469,994	436,142	511,497
Fire Department	2,607,125	2,440,402	1,743,538	1,699,514	1,796,670
Municipal Court	1,819,291	2,324,935	2,335,830	2,337,130	2,481,751
Non Departmental	337,469	278,915	299,870	293,798	340,850
Previously Approved Capital Projects	1,346,023	1,138,353	50,000	47,500	50,000
				\$910,250	\$940,752
TOTAL EXPENDITURES	\$15,062,061	\$11,680,585	\$12,163,902	\$11,572,249	\$13,887,023
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(973,735)	297,357	514,983	1,341,717	322,884
Fund Balance Beginning of Year	\$4,710,060	\$3,736,325	\$3,380,677	\$4,033,681	\$5,375,399
Ending Fund Balance	\$3,736,325	\$4,033,681	\$3,895,660	\$5,375,399	\$5,698,283



General Fund Revenues

General fund operating revenues are estimated at \$14,209,907 for fiscal year 2004-2005. The following charts will summarize operating revenues by major source, as well as provide a ten-year history. The following charts highlight the trends, account codes, restrictions on usage, major influences, and assumptions for the fiscal year 2004-2005 estimate.





State Shared Sales Tax

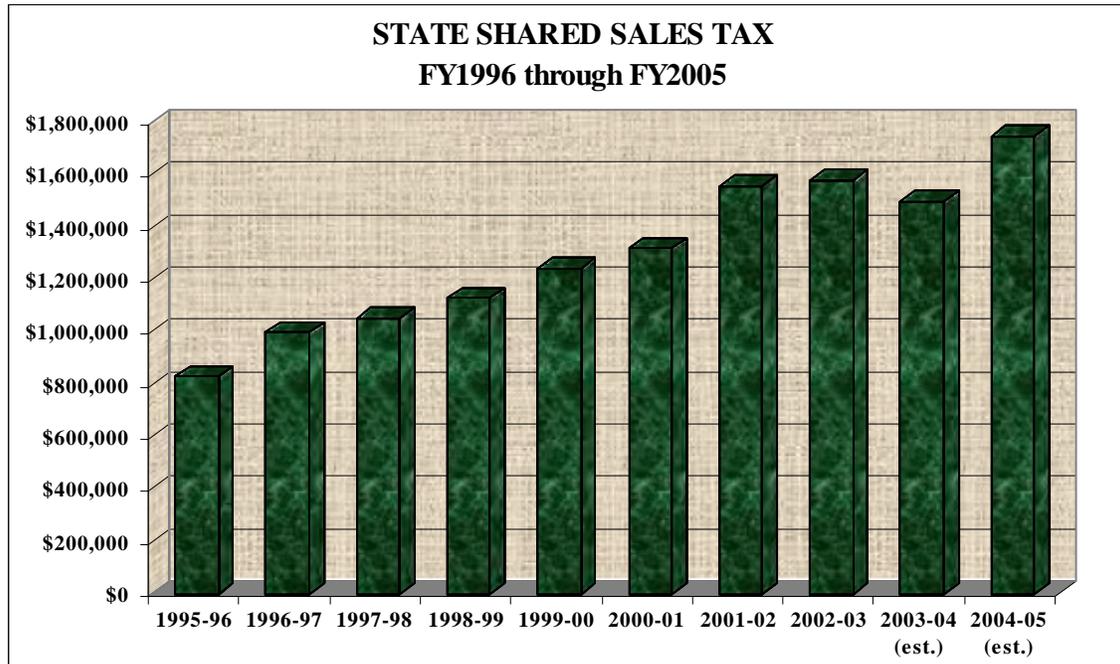
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	1995-96	\$830,145	7.4%
	1996-97	\$998,459	20.3%
	1997-98	\$1,054,548	5.6%
	1998-99	\$1,130,422	7.2%
	1999-00	\$1,242,559	9.9%
	2000-01	\$1,320,401	6.3%
	2001-02	\$1,559,318	18.1%
	2002-03	\$1,582,535	1.5%
	2003-04 (est.)	\$1,500,000	-5.2%
	2004-05 (est.)	\$1,747,300	16.5%
Account: 3010			

Increase as a result of mid-decade census population growth

Assumptions

The State assesses a 6.3% sales tax rate, of which cities and towns share in the collections total on the basis of the relation of its population to the total population of all incorporated cities and towns in the State using the 2000 census figures. The FY 2004-2005 projection is prepared by the League of Arizona Cities and Towns and is based on widespread optimism of a state-wide economic recovery continuing through the upcoming fiscal year.

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





State Income Tax

Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	1995-96	\$766,077	6.0%
	1996-97	\$1,071,161	39.8%
	1997-98	\$1,210,113	13.0%
	1998-99	\$1,412,702	16.7%
	1999-00	\$1,567,610	11.0%
	2000-01	\$1,688,004	7.7%
	2001-02	\$2,110,536	25.0%
	2002-03	\$2,153,635	2.0%
	2003-04 (est.)	\$1,826,315	-15.2%
	2004-05 (est.)	\$1,862,487	2.0%

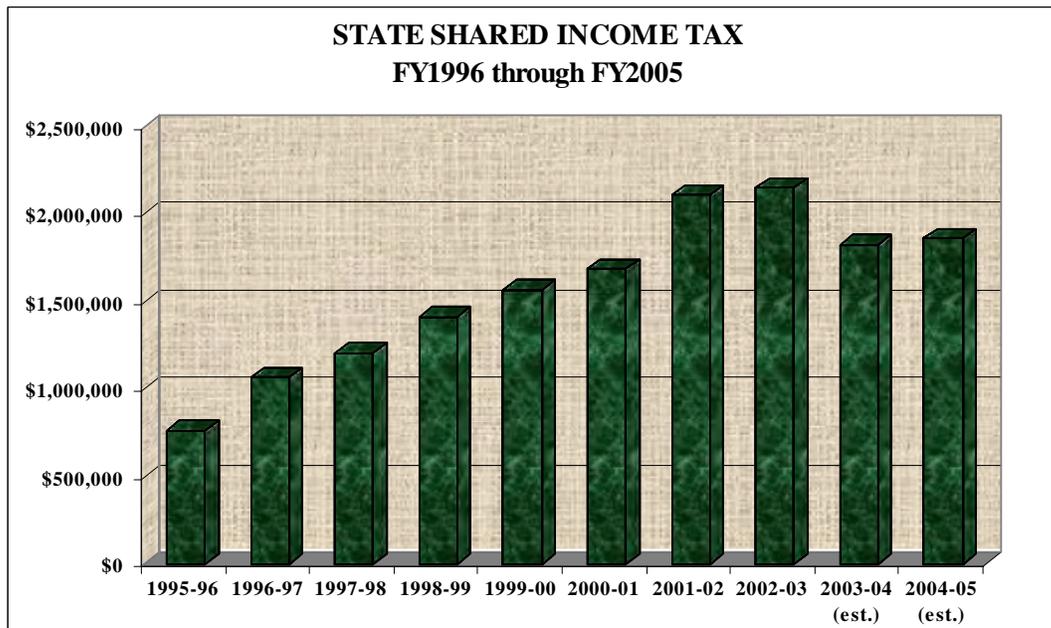
Account: 3020

Increase as a result of mid-decade census population growth

Assumptions

A 1972 citizens' initiative gave the cities and towns a percentage share of the state income tax, officially called urban revenue sharing. Arizona cities and towns receive 14.8% of the State's income tax collections until FY2004-2005 when the percentage goes up to 15%. This state shared revenue is distributed to cities and towns based on the relation of their population to the total population of all incorporated cities and towns in the state according to the 2000 census. Amounts distributed are based on actual income tax collections from two years prior to the fiscal year in which the Town receives the funds; thus the economic slowdown in corporate and personal income tax would be reflected in the FY2005 distribution. The projection for FY2004-2005 is provided by the League of Arizona Cities and Towns.

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



Fiscal Year 2004-2005 Budget



Vehicle License Tax

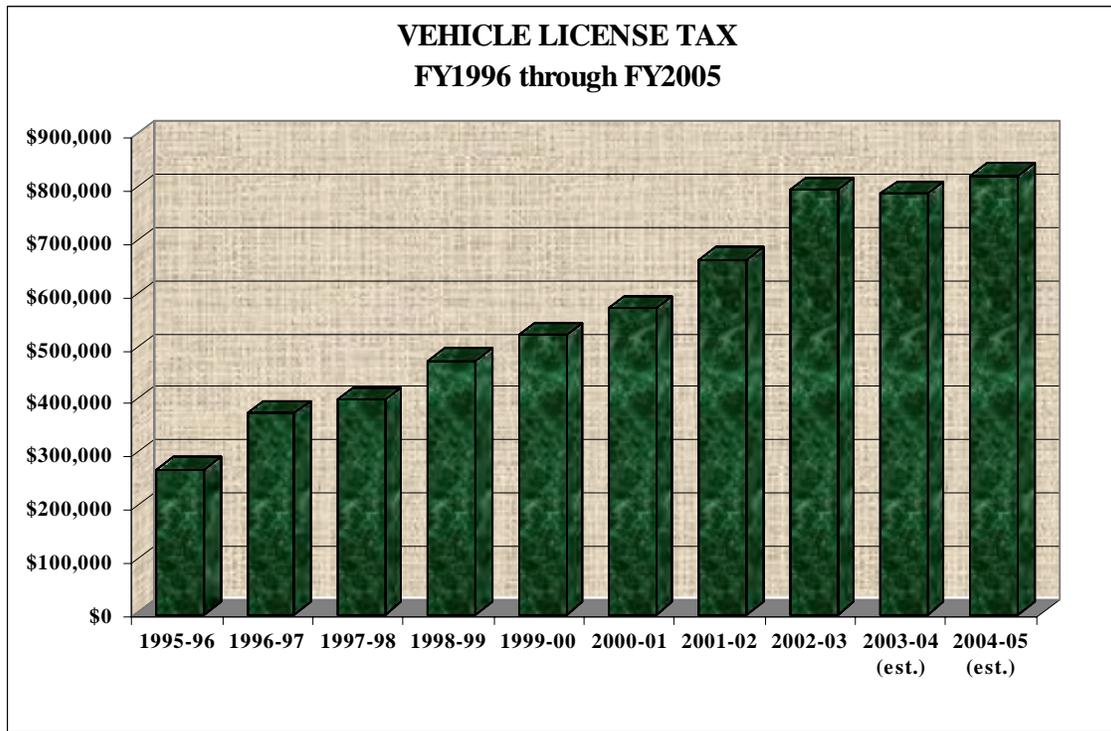
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	1995-96	\$273,111	-4.2%
	1996-97	\$378,103	38.4%
	1997-98	\$403,775	6.8%
	1998-99	\$476,430	18.0%
	1999-00	\$524,796	10.2%
	2000-01	\$576,264	9.8%
	2001-02	\$667,570	15.8%
	2002-03	\$797,344	19.4%
	2003-04 (est.)	\$790,000	-0.9%
	2004-05 (est.)	\$824,936	4.4%

Account: 3030

Assumptions

Approximately 20% of the revenues collected for the licensing of motor vehicles is distributed to incorporated cities and towns. The Town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county (0.7%). The remainder of the revenues collected are shared by schools, counties, and the state. The fiscal year 2004-2005 estimate is based on receiving 0.7% of the mid-point between Maricopa County's most likely (\$122,303,883) and pessimistic (\$113,392,248) projection.

Major Influences: Automobile sales, Population, and State Policy





Local Sales Tax

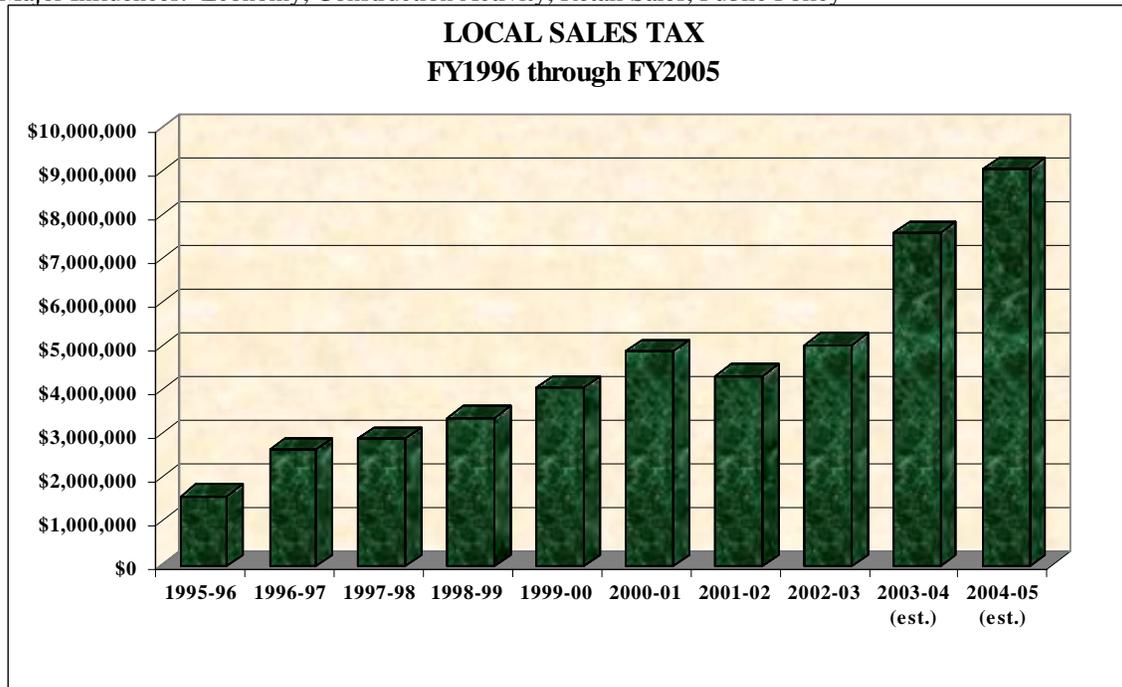
Restrictions	Fiscal Year	Amount	Percent Change
Of the total proceeds from the 2.6% tax rate 0.2% of the revenue is restricted for repayment of mountain bonds purchased through the Municipal Property Corporation (MPC), 0.1% for proposed Civic Center bond payments and 0.1% for Downtown Development. Additionally, bond payments of an MPC Agreement for the new community center are repaid from local sales tax. Excess proceeds are not restricted but must be expended for public purpose.	1995-96	\$1,610,116	
	1996-97	\$2,664,923	65.5%
	1997-98	\$2,920,084	9.6%
	1998-99	\$3,394,152	16.2%
	1999-00	\$4,087,514	20.4%
	2000-01	\$4,923,174	20.4% ¹
	2001-02	\$4,355,701	-11.5%
	2002-03	\$5,051,871	16.0% ¹
	2003-04 (est.)	\$7,633,710	51.1%
	2004-05 (est.)	\$9,096,131	19.2%

Account: 3205
¹Rate increase

Assumptions

Fountain Hills local sales tax rate is 2.6% of which 2.2% is unrestricted (\$7,249,767). The remaining is dedicated to bond payments (0.3%) \$988,605, downtown development (0.1%) \$329,535 and capital projects (\$528,224). The Town Council approved a 1% increase in the local sales tax rate that became effective April 2003. FY2003-2004 was the first full year that the increased rate was in effect. The 19.2% increase from the prior year is based on projected increases in residential construction values, the additional of four (4) new major retail stores, (Ross Stores, Checker Auto, PetCo, Streets of New York) and a tax code amendment eliminating the exemption on advertising and residential rental activity (within capital projects fund).

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





Fines and Forfeitures

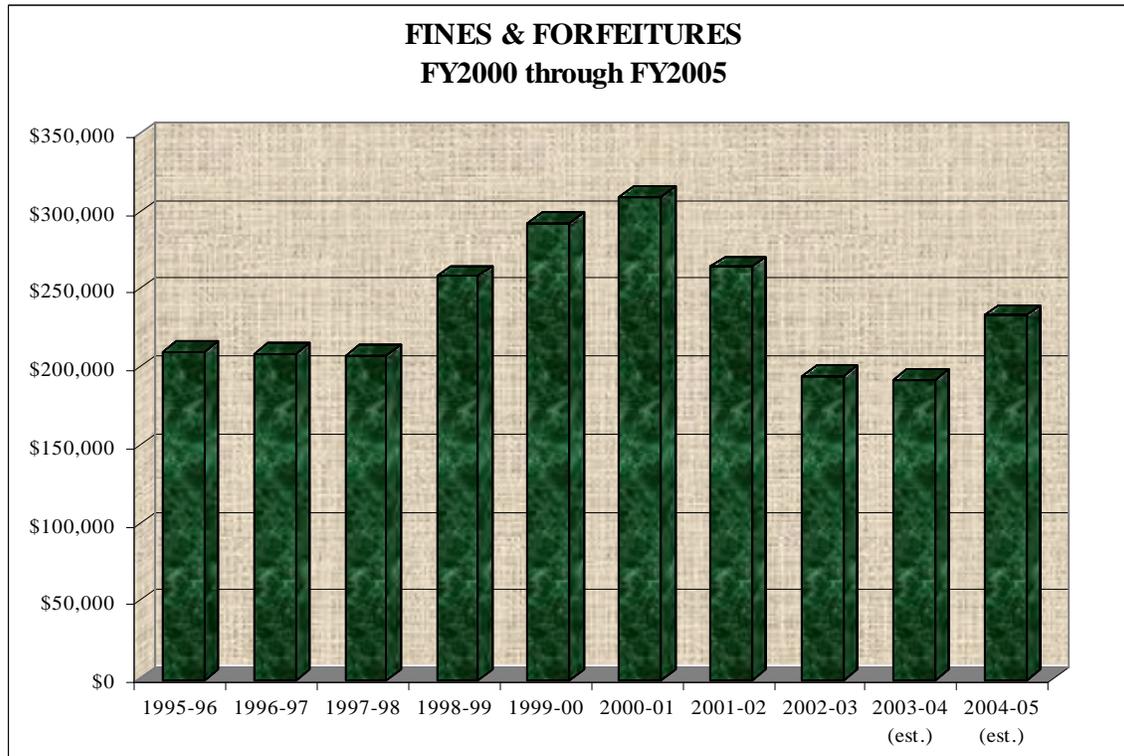
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	1995-96	\$211,289	
	1996-97	\$209,485	-0.9%
	1997-98	\$208,900	-0.3%
	1998-99	\$259,453	24.2%
	1999-00	\$293,910	13.3%
	2000-01	\$310,359	5.6%
	2001-02	\$265,605	-14.4%
	2002-03	\$195,091	-26.5%
	2003-04 (est.)	\$193,000	-1.1%
	2004-05 (est.)	\$234,250	21.4%

Account: 3230

Assumptions

Magistrate Court fines come from traffic violations and other fines paid for the violation of municipal ordinances. The decline in fines and forfeitures beginning in fiscal year 2001-2002 is related to the elimination of duplicate law enforcement within the Town. The estimate for FY2004-2005 includes an estimate for an increase in traffic enforcement activity.

Major Influences: Population, Enforcement, Public Policy





Building Related Fees

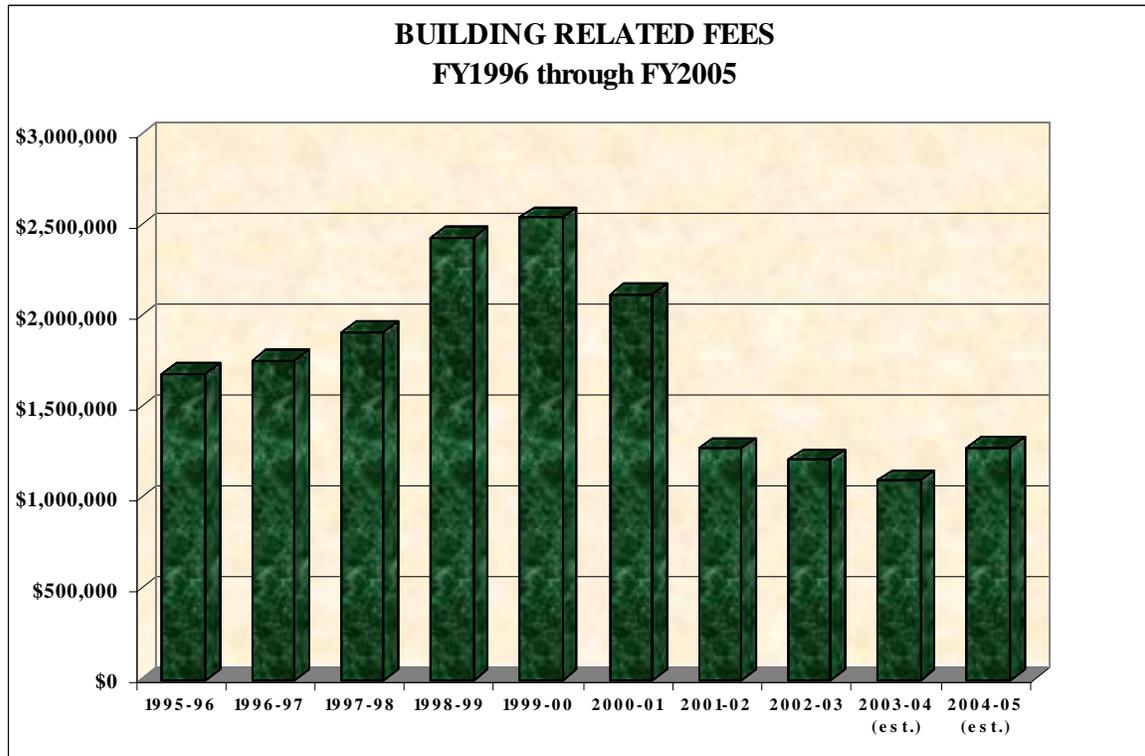
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	1995-96	\$1,688,321	
	1996-97	\$1,759,326	4.2%
	1997-98	\$1,912,468	8.7%
	1998-99	\$2,433,602	27.2%
	1999-00	\$2,547,521	4.7%
	2000-01	\$2,127,305	-16.5%
	2001-02	\$1,275,891	-40.0%
	2002-03	\$1,213,553	-4.9%
	2003-04 (est.)	\$1,100,000	-9.4%
	2004-05 (est.)	\$1,293,350	16.8%

Accounts: 3220-3250

Assumptions

Revenues from this source include the fees collected from building permits, rezoning, improvement plans, encroachment permits and subdivision plans. The sharp decline from 2001 is due to the decrease in production home building. The remaining lots will have custom homes with higher than average valuations. The estimates for FY2004-05 was based on estimates of construction activity provided by local engineering firms, the local developer, and planning staff. The projected number of permits for next fiscal year is 125 single family, 225 multi-family units, and 6 commercial.

Major Influences: Population, Economy, Development, Public Policy





License Fees

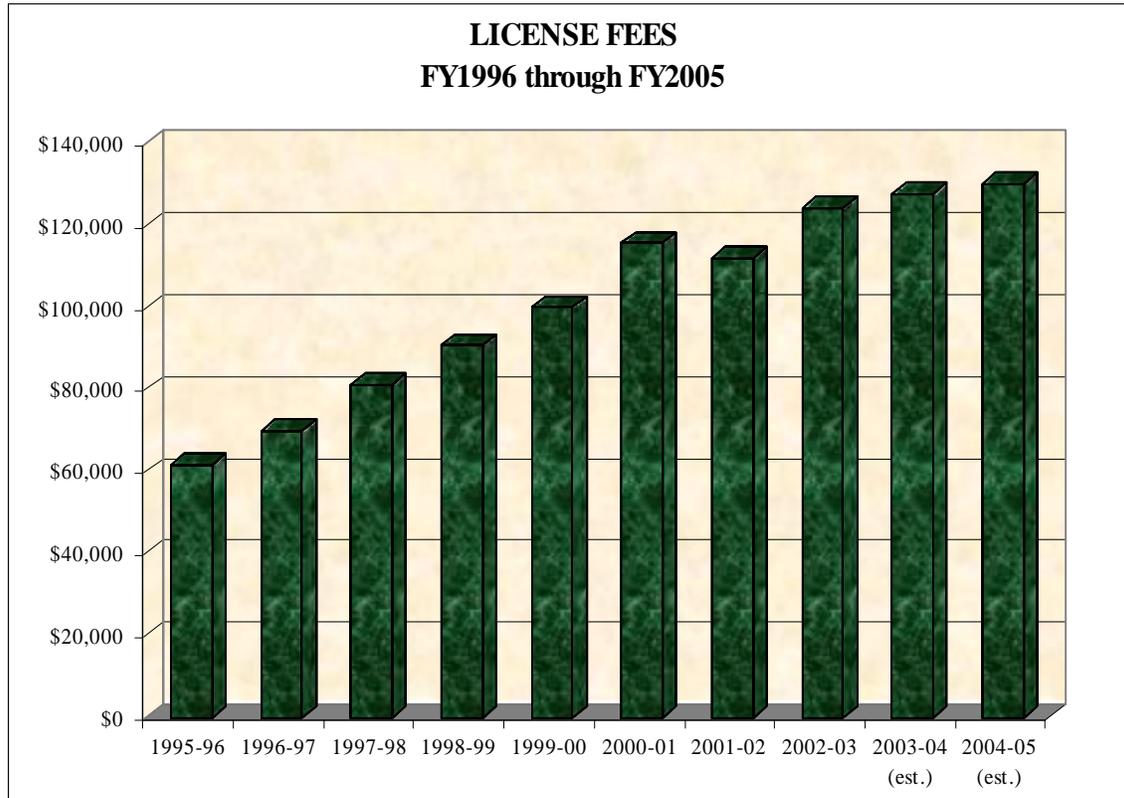
Restrictions	Fiscal Year	Amount	Change
No restrictions on usage. Must be expended for public purpose.	1995-96	\$61,594	
	1996-97	\$70,038	13.7%
	1997-98	\$81,125	15.8%
	1998-99	\$90,717	11.8%
	1999-00	\$100,134	10.4%
	2000-01	\$115,681	15.5%
	2001-02	\$112,173	-3.0%
	2002-03	\$124,292	10.8%
	2003-04 (est.)	\$127,705	2.7%
	2004-05 (est.)	\$130,040	1.8%

Accounts: 3210, 3225

Assumptions

License fees are derived from a license tax on professions, occupations, businesses, and animals within the Town. The license fee is used primarily as a means of regulating businesses and animal control within the community. The estimate for FY2004-2005 is based on 2,173 active business licenses and 2,921 animal licenses.

Major Influences: Economy, Enforcement





Charges for Services

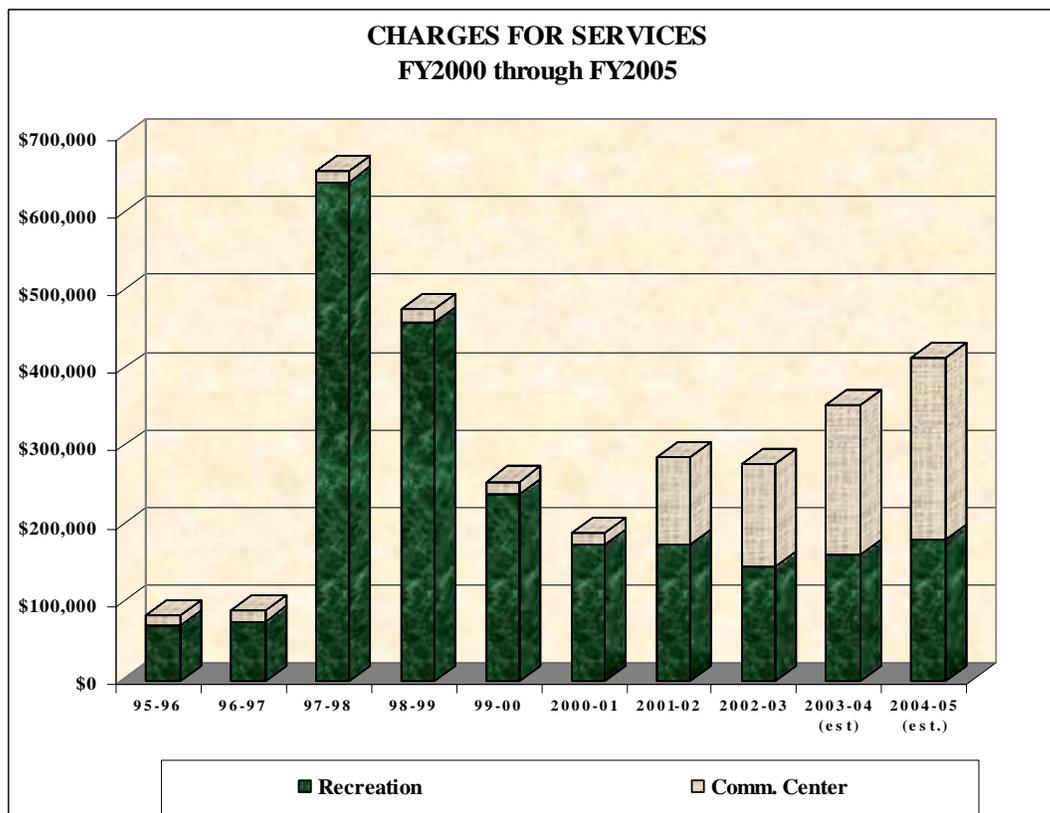
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	1995-96	\$70,948	
	1996-97	\$150,209	111.7%
	1997-98	\$656,283	336.9%
	1998-99	\$479,633	-26.9%
	1999-00	\$267,835	-44.2%
	2000-01	\$211,800	-20.9%
	2001-02	\$324,300	53.1%
	2002-03	\$341,479	5.3%
	2003-04 (est.)	\$417,141	22.2%
	2004-05 (est.)	\$479,800	15.0%

Accounts: 3270, 3280, 3285

Assumptions

Charges for services are collected from users of Town facilities (parks, community center) or programs (recreation). In September 2001 a new Community Center opened providing a venue for weddings, banquets, civic meetings, etc. The increase in FY2003-2004 reflects the new rates that were implemented by the Council in April 2003. The projection for FY2005 was calculated based on the number of facility bookings that have been received and a factor for growth. During FY1997-98 the master developer in Fountain Hills transferred Fountain Park to the Town, which included a monetary contribution for two years (\$700,000). That subsidy expired in FY1999-00. The Town collects a service charge from cellular providers for use of town property for their towers.

Major Influences: Population, Internal Policy on Rates

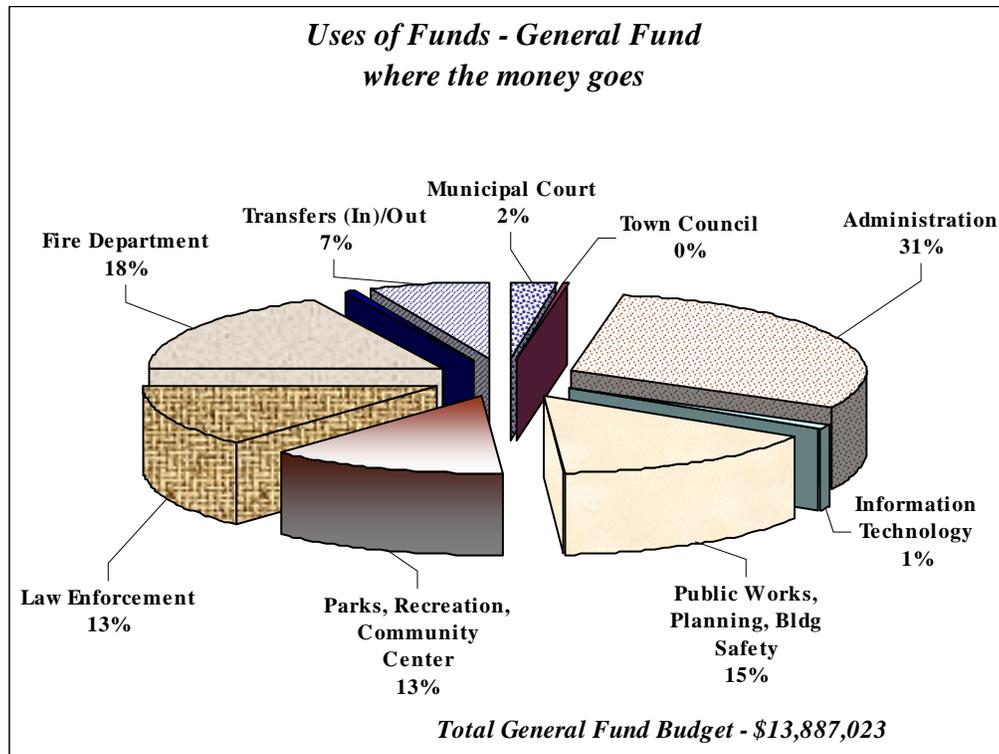




General Fund Expenditure Summary

TOWN OF FOUNTAIN HILLS 2004-05 GENERAL FUND EXPENDITURE SUMMARY

Department	Salaries & Benefits	Contract Services	Repairs & Maintenance	Supplies & Services	Capital Outlay	Total	% of Total
Mayor and Town Council	\$39,560	\$0	\$0	\$20,450	\$0	\$60,010	0.4%
Administration	\$935,900	\$1,592,370	\$71,000	\$1,551,507	\$0	\$4,150,777	29.9%
Information Technology	\$0	\$40,500	\$47,550	\$62,055	\$16,126	\$166,231	1.2%
Law Enforcement	\$0	\$1,796,670	\$0	\$0	\$0	\$1,796,670	12.9%
Fire Department	\$0	\$2,395,131	\$31,500	\$55,120	\$0	\$2,481,751	17.9%
Municipal Court	\$316,050	\$8,500	\$1,200	\$15,100	\$0	\$340,850	2.5%
Parks & Recreation	\$604,690	\$142,635	\$315,600	\$238,915	\$0	\$1,301,840	9.4%
Community Center	\$321,017	\$76,050	\$11,900	\$102,530	\$0	\$511,497	3.7%
Public Works	\$719,110	\$59,500	\$333,000	\$81,625	\$0	\$1,193,235	8.6%
Building Safety	\$456,500	\$15,000	\$1,800	\$21,630	\$0	\$494,930	3.6%
Planning & Zoning	\$347,780	\$25,000	\$1,000	\$24,700	\$0	\$398,480	2.9%
Contingency						\$50,000	0.4%
Previously Approved Capital					\$940,752	\$940,752	6.8%
GENERAL FUND TOTALS	\$3,740,607	\$6,151,356	\$814,550	\$2,173,632	\$956,878	\$13,887,023	100.0%
% of General Fund	26.9%	44.3%	5.9%	15.7%	6.9%	100.0%	





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Town Council





Fountain Hills Town Council

Mayor Wally Nichols
Vice Mayor Mike Archambault
Councilmember John Kavanagh
Councilmember Edwin Kehe
Councilmember Keith McMahan
Councilmember Kathleen Connelly Nicola
Councilmember Jay Schlum





Town Council

Mission Statement _____

Expenditures appearing in this section support the goals and objectives of the Mayor and Town Council. These include maximizing public access to Council meetings, providing funding for municipal elections, enhancing constituent communication, compensating and equipping the Mayor and Town Council with the tools necessary to do their jobs; and promoting communication and awareness of the Mayor, Town Council, and the Town with other municipalities

Salaries and Benefits **\$39,560**

This category of expenditures includes the salary and related taxes for the Mayor and Council members. Town Council members are paid monthly at the same rate since June 2000.

Supplies and Services **\$20,450**

An appropriation of \$5,000 is included to support activities such as meetings with other dignitaries, attending functions as Town representatives, hosting intergovernmental activities, and welcoming special guests and visitors to the community. This line item provides funding to purchase commemorative items to share with visiting dignitaries and to promote Fountain Hills at the annual Arizona League of Cities and Towns conference. An amount of \$3,000 has been included this year to fund participation in the Town's 15th year birthday celebration, to coincide with the annual Stroll and Glow event in December.

During fiscal year 2003-2004, the Council attended a goal setting and strategic planning retreat that gave them an opportunity to focus on issues such as budget priorities, economic development, and council relations. The Council would like to incorporate the retreat as an annual event as well as attend other related opportunities throughout the year such as League of Arizona Cities and Towns functions, Maricopa Association of Government (MAG) workshops, legislative events, and seminars. The estimated cost for these events is \$6,000.

Monies are also included for travel reimbursement, communications, publications, ads/notices, printing, portraits, and miscellaneous office items.



Summary Expenditures – Town Council

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$38,159	\$39,381	\$34,660	\$39,285	\$39,560
CONTRACTUAL SERVICES	\$0	\$0	\$0	\$0	\$0
REPAIRS & MAINTENANCE	\$0	\$0	\$0	\$0	\$0
SUPPLIES & SERVICES	\$64,332	\$26,891	\$50,700	\$46,770	\$20,450
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$102,491	\$66,272	\$85,360	\$86,055	\$60,010

TOWN COUNCIL	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS					
Wages	35,000	36,000	31,200	36,000	36,000
Employer Taxes	3,159	3,381	3,460	3,285	3,560
TOTAL	\$38,159	\$39,381	\$34,660	\$39,285	\$39,560
SUPPLIES & SERVICES:					
Election Expense	36,201	24,483	36,000	36,000	0
Advertising	23,482	0	5,000	3,550	8,000
Conferences	1,200	0	500	500	2,500
Continuing Education	0	0	4,000	5,220	6,000
Office Supplies/Portraits	957	1,434	2,200	500	2,200
Printing	113	0	500	500	300
Communications	0	533	1,250	0	200
Travel	2,379	441	1,250	500	1,250
TOTAL	\$64,332	\$26,891	\$50,700	\$46,770	\$20,450
TOTAL EXPENDITURES	\$102,491	\$66,272	\$85,360	\$86,055	\$60,010



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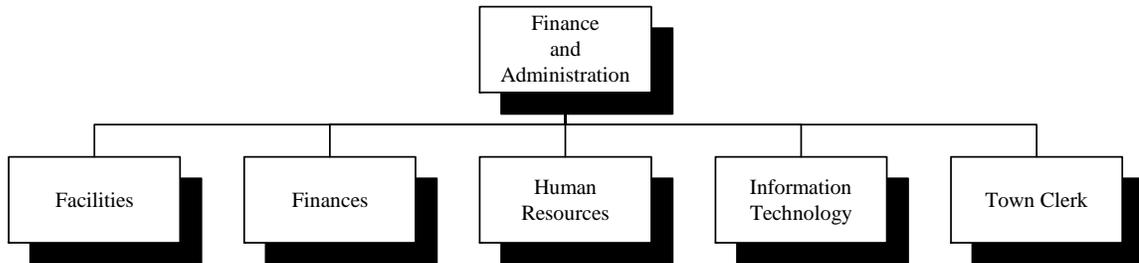
Administration

Information Technology





Administration



Mission Statement

The Administration Department is dedicated to serving the citizens of Fountain Hills by providing accurate and current information on Council legislation and administrative actions; supporting the Town of Fountain Hills and its departments; providing for the delivery of comprehensive financial services to internal and external customers; protecting the integrity of Town assets; maintaining Town facilities; and delivering the finest municipal services to ensure the highest quality of life for Fountain Hills residents.

Department Description

The Administration Department provides all administrative services for the Town including: town manager; town clerk; human resources; finance; risk management; facilities; information technology; legal; council, operational and community support.

Performance Standards

- Process zoning-approved business license applications within 2 working days; peddlers license applications within 10 working days.
- Respond to all citizen inquiries within the same working day.
- Serve the public as a source of reliable information on Town Council legislation and actions and insure the preservation of legal documents.
- Perform all duties required to conform to the Arizona Open Meeting Law.
- Conduct elections in accordance with current state law and facilitate the public's ability to vote.
- Coordinate and compile agenda packets on Fridays, prior to Town Council meetings; prepare Council meeting minutes within 10 working days, and process resolutions and ordinances on a timely basis.
- Update the Town Code on a regular basis to reflect legislation enacted by the Council.
- Maintain the Town's "Certificate of Achievement for Excellence in Financial Reporting".
- Maintain the Town's "Distinguished Budget Presentation Award".
- Update Town policies and procedures to stay current with local, state, and federal law.
- Provide a comprehensive personnel program based on merit principles administered in compliance with applicable local, state, and federal laws.



- Administer and coordinate all employee-related programs and benefits.

Management Indicators _____

	2002-2003 Actual	2003-2004	2004-2005 Estimated
Televised regular council meetings	24	24	24
Council sessions	21	38	37
Number of resolutions processed	40	67	67
Number of ordinances processed	15	20	20
New business licenses	490	576	120
Business license renewals	1,500	1,465	2,173
Number of registered voters	12,712	13,073	--
Number of ballots cast	2,561	2,902	
% of ballots cast to number of registered voters	20.15%	22.2%	
Adopt-A-Street commercial/residential	65/58	59/56	65/59
Certificate of Achievement for Excellence in Financial Reporting Award	6 th year	7 th year	8 th year
Distinguished Budget Presentation Award	1 st year	2 nd year	3 rd year
Invoices/accounts payable checks	8,600/2,900	8,200/2,500	8,600/2,900
Requisitions/purchase orders	2,700/160	2100/145	2,700/160
Sales tax recovered	\$165,244	\$71,292	\$160,000
Insurance claims managed	12	13	12
Bond rating	Aa3	Aa3	Aa3

Fiscal Year 2003-2004 Accomplishments _____

- Restored an Aa3 bond rating by Moody's Financial Services.
- Reestablished general fund balance to near historic levels.
- Adopted formal debt policy.
- Prepared five year financial and capital improvement plan (CIP).
- Approved plans to construct new municipal building for Town Hall.
- Implemented new financial reporting model per Governmental Accounting Standards Board (GASB) Statement 34.
- Investment policy certified by Association of Public Treasurers United States and Canada.
- Enhanced Channel 11 programming and Town website by offering current weather, live webcast for meetings, live webcam of the fountain.
- Prepared council policies and procedures for eventual adoption.
- Prepared administrative help manual outlining and documenting administrative procedures.



Fiscal Year 2004-2005 Objectives _____

- Continue to identify and implement new locally controlled revenue sources for capital project funding.
- Complete a community strategic long-range plan.
- Develop a succession plan staffing analysis and appropriate recommendations.
- Develop an operational contingency plan for fire service.

Summary Expenditures – Administration (includes Information Technology)

Summary Expenditures - Administration

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$831,256	\$940,398	\$830,300	\$665,056	\$935,900
CONTRACTUAL SERVICES	\$914,724	\$642,437	\$1,432,410	\$975,980	\$1,632,870
REPAIRS & MAINTENANCE	\$151,993	\$120,270	\$124,551	\$103,750	\$118,550
SUPPLIES & SERVICES	\$846,389	\$1,112,041	\$1,103,629	\$1,024,225	\$1,613,562
CAPITAL EXPENDITURES	\$212,141	\$1,531	\$17,050	\$15,000	\$16,126
TOTAL EXPENDITURES	\$2,956,503	\$2,816,677	\$3,507,940	\$2,784,011	\$4,317,008





Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Administration				
Town Manager	1.00	1.00	1.00	1.00
Undesignated Position	1.00	2.00	0	0
Director of Admin/Town Clerk	1.00	1.00	0	0
Town Clerk	0	0	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	1.00
I/T Administrator	1.00	1.00	0	0
I/T Intern	0.50	0.50	0.50	0.50
Accountant	1.00	0	0	1.00
Accounting/H.R.Clerk	0.50	1.00	1.00	0
Accounting Clerk	0	0	0	1.00
Administrative Intern	0.50	1.00	0	0
Exec.Asst to Town Mgr/Council	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	0	0
Human Resource. Administrator	1.00	1.00	1.00	1.00
I. T. Coordinator	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	0	0
Facilities Supervisor	1.00	1.00	1.00	1.00
Facilities Maintenance Tech	0	0	0	1.00
Maintenance/Custodial Worker	1.00	1.00	1.00	0.50
Custodian	2.50	2.00	1.50	1.00
Customer Service Represent.	1.00	1.00	1.50	1.00
Administrative Clerk	0	0	0	0.50
Authorized FTE	18.00	18.50	12.50	13.50

Salaries and Benefits

\$935,900

This category of expenditure provides salary and employee related expenses for 13.5 full time equivalent positions including the town manager, town clerk, finance, human resources, information technology, risk management, and support staff. One new position is included in the fiscal year 2004-2005 budget, an accounting clerk. The assistant town manager and public information officer were proposed to meet the council goals for a strategic planning process and a comprehensive public information program. These two programs could not be completed with existing staff due to the excessive workload staff has assumed with the elimination of four positions in the administration department last fiscal year. The accounting/HR clerk position is currently vacant resulting from a promotion to accountant. However, the accountant is still divided between accounting and human resources. The accounting clerk will assume the data entry, licensing applications (both animal and business), accounts payable, and cash receipts functions that are divided between the front desk customer service representative, town clerk, and the accountant. The accountant would then be able to provide support to both human resources and the accounting supervisor.



Contract Services **\$1,592,370**

The administration department coordinates and manages all non-departmental and overhead functions of the government, including contracts for outside professional services. These funds provide for contracts with outside vendors who provide specialized functions for the Town in the areas of accounting, auditing, legal fees, intergovernmental and miscellaneous fees. The following line item summaries will provide an explanation and amount for those items that represent a significant portion of the administration budget.

Accounting Fees and Professional/Outside Services \$175,420

The Town is required by law to have an annual audit conducted by an independent auditor at the end of each fiscal year. The Town issued a request for proposals for auditing services; the successful bidder will conduct the fiscal year 2003-2004 audit for an estimated cost of \$17,500.

Professional/outside services (\$97,920) include an estimated cost of \$50,000 for a community strategic plan consultant to prepare a limited analysis of the wants versus the needs of the community and satisfy the council goal of a community strategic plan by July 2005. Also included is a contract payment of \$24,000, which is the final payment under the current three-year agreement with the sales tax auditor. The auditor works with the accounting staff in assisting taxpayers with sales tax matters, including remittance, compliance, reporting and refund requests. In the first seven months of fiscal year 2003-2004 the auditor has identified an additional \$71,300 of local sales tax liability, of which \$53,850 has been paid. Property tax liens are filed with those that are unpaid. Another outside service is for transcription service for Town Council meeting minutes (\$10,000), which was previously handled by the executive assistant position that has been eliminated. The Town also utilizes an outside service for payroll processing (\$6,500).

Legal Fees \$330,700

Legal fees include the services of the town attorney, town prosecutor, and needed legal services for employment issues, bond counsel, or other specialized attorneys broken down as follows:

Town attorney (95% administration, 5% street fund)	\$184,500
Town prosecutor	\$110,000
Employee retirement, IRS compliance	\$ 2,700
Employment issues	\$ 3,500
Public defender, unanticipated legal costs, etc.	<u>\$ 30,000</u>
Total	\$330,700

Community Benefit and Special Programs \$245,000

The Town of Fountain Hills has traditionally supported the community in a variety of ways through the community benefit program and special programs. Each year, various groups have submitted funding requests to be considered in the budget. This year the senior services center has requested \$55,000, the Boys and Girls Club has asked for \$150,000, and the Community Theatre requested \$40,000. The community benefit program includes funds to assist non-profit organizations with projects that benefit the community.



Sales Tax Rebate

\$837,650

In July 2001, the Town Council entered into an economic development agreement with the Shea Retail Center providing Target stores with 50% of the local sales tax collected and paid to the Town by the merchants doing business on the project. The total rebate cannot exceed \$989,000 or ten years, whichever comes first; the fiscal year 2004-2005 payment is estimated to be approximately \$293,000, assuming that the tax rate remains at 2.6%. If the tax rate stays in effect, it is estimated that the rebate will be paid in full by 2007. The Town received two large requests for local sales tax refunds that the town has determined to be invalid. The taxpayer has referred the decision to the municipal tax hearing office in Phoenix. Pending the outcome of the hearing funds have been included in the proposed budget in the event that the town's decision is overturned (approximately \$545,000).

Public Transit/RPTA

\$61,750

The Town currently has two Intergovernmental Agreements (IGA's) for transportation related services. The agreement with Maricopa County Human Services Department has provided the Town with Special Transportation Services (STS) since 1995-1996. STS provides cost effective transportation for low-income, elderly, and disabled Fountain Hills residents for medical appointments, social services, shopping trips, adult day-care, recreational activities, employment as well as home-delivered meals. The STS vans are driven by Maricopa County employees with trips coordinated through the Fountain Hills senior center. The request for fiscal year 2004-2005 is estimated to be \$56,250. A new IGA was entered into in July 2002 with the Valley Metro Regional Public Transportation Authority (RPTA). The IGA will provide funding to the RPTA for a portion of the annual costs to run the bus service from Fountain Hills to Phoenix over the next three years. The fiscal year 2004-2005 cost is estimated at \$5,500.



Repairs and Maintenance

\$71,000

This section of the budget funds vehicle maintenance for two vehicles, office copier maintenance contract (\$10,800), and all overhead expenditures dealing with maintaining and operating town-owned facilities. Budgeted amounts are based on the current costs and reflect reductions that were a result of the budget reduction plan. The following is a breakdown of the costs:



HVAC (Heating, Ventilation and Air Conditioning)	\$11,500
HVAC for Town Center	\$18,500
Waste Collection	\$ 1,700
Cleaning Supplies	\$ 5,000
Electrical, plumbing, fuel station repairs	\$10,000
Maintenance/Repair Supplies (Home Depot, Paul's, etc)	<u>\$11,000</u>
	\$57,700

These costs assume that routine maintenance will be continue to done by in house staff and outside service calls will be done only when technical service is required.

Supplies and Services \$1,551,507

This category of expenditures for the Administration Department includes all routine operating costs associated with the Town governmental functions. Administration supports all other departments in the areas of public notices, public facility utilities and/or rent, and postage costs. The most significant portion of supplies and services is rent and utilities for the current town hall. These costs were a major determining factor in making the decision to construct a new municipal building that will save the taxpayers significant money over the long term.

Advertising \$14,500

The annual cost of placing meeting notices, the annual budget, resolutions, and ordinances in the local newspaper; includes costs associated with employee recognition and service awards.

The following is a breakdown of the costs:

Public notices, resolutions etc.	\$8,500
Employment ads	\$2,500
Recognition and service awards:	\$3,000
Monthly manager's report for newspaper	\$ 500

Conferences \$12,250

The increase over fiscal year 2003-2004 is to include some funds for a public information program. In the conferences line item, funds have been included to permit staff to attend professional conferences, such as International City/County Managers Association (ICMA), Arizona City Managers Association (ACMA), and Government Finance Officers Association (GFOA) - \$4,000. Additionally, the annual League of Arizona Cities and Towns conference (\$4,000) is included in the Administration budget

Education/Training \$22,300

The Town of Fountain Hills includes in the employee benefit package a tuition reimbursement policy that encourages employees to further their education. Additionally, the town manager will attend the Kennedy Program for Senior Executives in Local Government in July. Several of the other administration employees have certifications that require continuing education as part of their continued professional development. The following is a breakdown of the costs:



Tuition reimbursement	\$ 2,000
Program for Senior Executives in Local Government (by contract)	\$10,000
Continued professional development	\$ 1,650
Costs for off-site director meeting	\$ 3,000
Miscellaneous seminars	\$ 2,250
Town Manager seminars	\$ 1,400
Staff meeting speakers	\$ 2,000

Dues and Publications \$47,665

The estimated cost is \$47,665 for fiscal year 2004-2005; the following is a breakdown of the costs:

Annual dues of the League of Arizona Cities and Towns	\$ 8,400
Maricopa Association of Governments (MAG)	\$ 4,000
ICMA/ACMA	\$ 1,500
GFOA, AGTS, State Procurement	\$ 1,500
Subscriptions (FH Times, Republic, AM Best, West Group, etc)	\$ 5,400
MAG Special Census	\$18,500
Greater Phoenix Economic Council (GPEC)	\$ 8,300

The allocation of \$18,500 has been included as an initial payment to MAG for a possible special census in 2005. The Management Committee for MAG approved the establishment of a Subcommittee on 2005 population options to explore alternatives to deriving a 2005 population figure for distributing state shared revenues. The subcommittee approved reserving a total of \$6M over a four-year period to keep options open regarding taking a 2005 Special Census. The Town's portion is 1%.

In past years, the Town Council has funded the Greater Phoenix Economic Council (GPEC) to promote Fountain Hills. This budget includes GPEC's request in the amount of \$8,300 to focus the Town on development of its tax base.

Electricity/Water/Sewer \$162,712

Utility costs for Town-owned buildings include electricity and water/sewer charges for a total of \$162,700. The following is a breakdown of the costs:

Town Hall	\$137,900
Kiwanis Building	\$ 4,200
Library/Museum	\$ 20,650

Liability Insurance \$318,360

The Town of Fountain Hills is a member of the Arizona Municipal Risk Retention Pool (AMRRP) which provides municipal insurance to most Arizona cities and towns. The limit for basic coverage is \$2,000,000 per occurrence on a claims-made basis, excess coverage in the amount of \$8,000,000 is included in the premium. The anticipated increase in insurance includes coverage for land use liability, liquor liability (for the community center), commuting coverage and deductibles. The Town's coverage maintains a \$10,000 per occurrence deductible. There is \$20,000 included within this line item in the event two claims are made and the Pool settles on behalf of the Town, as well as \$5,000 for additional endorsements for any equipment added.



Office Supplies

\$15,700

The Administration Department is responsible for supplying copy paper for all the departments of the Town; the following is a breakdown of the other costs:

Copy paper for all copy machines	\$2,600
Misc. first aid supplies, flags, name plates	\$2,400
Consumables (binders, pens, staples, paper, etc.)	\$3,500
Annual holiday party, Chamber mixer	\$3,600
Water service	\$1,100
Miscellaneous supplies	\$2,500

Rent Expense

\$895,570

The Town leases office space under the provisions of an unsigned five-year lease agreement that would expire on June 30, 2005, and includes annual adjustments to the rent. The rate for fiscal year 2004-2005 increased from \$9.26 to \$9.64/square feet – plus property taxes. The annual total is approximately \$500,000. The annual property taxes are not included in the monthly rent but as a separate property owner expense that the landlord has requested that the town pay on behalf of the owner. This issue has not been resolved and past property taxes on this property remain unpaid. The past due amounts are included in the proposed budget should the town and property owner come to an agreement that the taxes will be paid by the town (\$400,000).

Communications

\$20,000

New this fiscal year is an appropriation for public information such annual reports, pamphlets, mailings, development of public service announcements, articles, etc, as outlined in the council goals for fiscal year 2004-2005.





ADMINISTRATION					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS:					
Wages	653,995	757,212	673,300	546,203	751,200
FICA	13,959	16,267	15,100	11,432	20,100
Unemployment Insurance	968	733	1,000	1,000	1,200
Employee's Health Insurance	53,969	59,384	57,800	36,917	56,100
Employee's Life Insurance	634	587	700	1,360	2,100
Employee's Dental Insurance	6,607	6,668	7,100	5,355	7,400
Employee's Eye Insurance	1,404	669	0	0	0
Worker's Compensation Insurance	4,906	5,696	6,400	4,378	8,600
Employee's Retirement Fund	66,760	77,558	66,000	56,511	71,100
Recruitment Costs	25,850	13,446	0	0	15,000
Disability Insurance	2,204	2,178	2,900	1,900	3,100
TOTAL	\$831,256	\$940,398	\$830,300	\$665,056	\$935,900
CONTRACT SERVICES					
Accounting Fees	13,443	11,665	22,500	11,800	17,500
Professional/Outside Services	91,407	45,436	50,000	50,000	97,920
Legal Fees	491,675	446,474	296,200	340,000	330,700
Public Transit /RPTA	0	11,436	56,250	22,150	61,750
Civil Defense	1,415	1,502	1,800	1,530	1,850
Boys & Girls Club	100,000	20,000	130,000	130,000	150,000
Senior Center Services	34,500	10,000	40,000	40,000	55,000
Community Benefits/Theater	80,000	0	15,000	15,000	40,000
Sales Tax Rebates	0	77,824	798,460	350,000	837,650
TOTAL	\$887,656	\$630,622	\$1,410,210	\$960,480	\$1,592,370
REPAIRS & MAINTENANCE:					
Vehicle Maintenance	507	1,406	2,000	750	2,500
Building Repairs & Maintenance	83,812	72,990	54,522	50,000	57,700
Office Equipment Repairs	15,848	12,601	15,000	10,000	10,800
TOTAL	\$100,168	\$86,997	\$71,522	\$60,750	\$71,000
SUPPLIES & SERVICES:					
Advertising	12,236	5,638	13,050	8,000	14,500
Conferences	11,972	4,482	7,975	7,975	12,250
Education/Training	2,343	1,362	14,450	12,000	22,300
Dues & Publications	29,026	20,223	33,400	19,000	39,365
Dues - GPEC	0	0	8,300	7,900	8,300
Electricity	131,488	139,648	139,932	160,000	138,350
Gas & Oil	1,117	2,280	2,850	2,850	5,700
Liability Insurance	183,128	421,811	250,000	295,000	318,610
Office Supplies	36,061	22,585	15,000	12,000	15,700
Postage	16,682	16,951	17,200	17,200	25,600
Printing	2,358	3,659	4,500	4,500	4,950
Rent Expense	323,648	371,178	482,920	390,000	895,570
Communications	0	0	0	0	20,000
Water/Sewer	18,892	22,801	24,662	20,000	24,362
Travel	3,517	3,449	2,000	1,800	2,100
Uniforms	1,028	1,635	0	500	500
Bank Charges	1,474	1,828	1,500	3,000	3,350
TOTAL	\$774,968	\$1,039,530	\$1,017,739	\$961,725	\$1,551,507
TOTAL EXPENDITURES	\$2,743,185	\$2,697,547	\$3,329,771	\$2,648,011	\$4,150,777



Information Technology Division



Mission Statement _____

The mission of the Information Technology Division is to work in partnership with the Town staff, facilitating their use of computing, telephone, and network technologies. The division also endeavors to provide excellent information technology, internal and external customer support, and resources to enable and encourage staff to effectively use technology to achieve town-wide missions and strategic goals.

Department Description _____

Information Technology (I/T Division) functions are incorporated within the Administration Department but the appropriation is shown separately to highlight the total investment in technology. Responsibilities include all aspects of Information Technology: computers, the Internet, town website, local and wide-area networks, inter-networking, voice and data communications systems, and cablecast technologies (Channel 11). All hardware and software requests in this section are based on departmental requests.

Performance Standards _____

- Coordinate and implement technology related purchases and processes Town-wide.
- Enhance the functionality of the Information Technology division.
- Expand and enhance internal training programs.
- Act as technology consultant and coordinator for Town departments to aid in identification, selection, and implementation of technology driven or assisted needs.
- Develop enterprise-wide technology architecture to drive standards that enable information sharing and maximize return on technology investments.
- Provide strategic I/T services and serve as an enabler to improve the delivery of town services and improve the efficiency, productivity, and financial performance of town operations.



Management Indicators _____

	FY 2002	FY 2003	FY 2004	FY 2005
	Actual	Actual	Actuals	Estimated
Number of training programs offered	N/A	N/A	13	20
Average time to resolve HelpDesk requests	N/A	48 Hours	4 Hours	2 Hours
Average time for set-up of new systems	N/A	N/A	48 Hours	24 Hours
Documented service requests	825	703	680	650
Channel 11 requests	N/A	153	162	200

Fiscal Year 2003-2004 Accomplishments _____

- Enhanced Town’s website with revised magistrate court, law enforcement, and building safety homepages.
- Increased public information offered on Town’s website and Channel 11 by posting press releases, bid openings, employment opportunities, and road construction information.
- Upgraded Channel 11 with improved graphics and current weather information.
- Made Fountain Hills weather information available on Town’s website and is updated every five minutes.
- Increased content on Channel 11 through the use of County-produced videos, “Our Town” seminar videos, and other government produced content.
- Provided live Fountain Park webcam for viewing on Town’s website with sunrise to sunset shots of Fountain Park.
- Achieved significant telephone savings by switching long distance carriers.

Fiscal Year 2004-2005 Objectives _____

- Respond to HelpDesk requests within 90 minutes.
- Expand co-operative IT intern program with local high school.
- Enhance functionality and appearance of Town website.
- Coordinate implementation of electronic council packets.
- Prepare new municipal building with latest technology .
- Increase programming on Channel 11.

Salaries and Benefits

The I/T division currently has one Information Technology Support Specialist and a part-time Information Technology Intern. These positions are appropriated within the Administration Department. There are no new positions for information technology in the upcoming fiscal year.



Contract Services \$40,500

An amount of \$1,000 is included in this budget for an outside contractor to assist with the installation of the virtual private network that will allow the street department interface with the main server at town hall. Also included under contract services is the annual appropriation for videotaping council meetings (2 meetings per month = 24 meetings at an average \$450 each, plus the “Our Town” series = \$13,500). Additional funds have been provided for the *Compass* newsletter for distribution to the residents (\$26,000) as outlined in the fiscal year 2004-2005 council goals.

Repairs and Maintenance \$47,550

This expenditure line item includes required maintenance and service on all Town-owned computer hardware and software. It includes annual software maintenance agreements and pay-per-call service calls for the various programs. The I/T staff is researching the practicality of eliminating annual maintenance contracts for some programs. It may be possible to reduce the annual contract costs without jeopardizing the program updates. The cost by department is as follows:

Information Technology Division Repairs & Maintenance FY 2004-2005		
Information Technology	All computer repairs, internet connection, domain registration, software support	\$ 6,420
	Scheduled server replacement	\$ 7,000
Parks & Recreation	Software support for program registration and facility booking program	\$12,000
Street Division	Pavement and fleet vehicle maintenance software support	\$ 7,875
Public Works	CAD software support	\$ 4,654
Fire Dept.	Firehouse annual support	\$ 700
Planning & Zoning	Set up, training, code enforcement on-line software	\$ 8,900

Supplies and Services \$62,055

An appropriation of \$5,000 is included in education/training for I/T staff to take professional development/certification courses that will enhance the level of service to the public and the staff (4 classes at \$1,000 each). An additional \$1,000 is included to provide basic computer hardware training for the high school intern program. In addition to the monthly line charges for the Internet, the Town pays a subscription service to ASU and Qwest for the Internet connection at an annual amount of \$7,000.

The I/T division is responsible for all costs associated with telecommunications, networking, and phones (\$48,965). During fiscal year 2003-2004 the staff saved the town \$20,000 by researching alternate long distance carriers. The monthly line charges through Qwest, ASU (internet), Muzak, and others comprise the majority of this category at approximately \$44,350. Long distance service is in addition to the monthly line charges and has been reduced from an estimated \$20,000 in prior years to \$1,800. The remainder of charges in this line item are for cell phones and Maricopa Association of Government (MAG) videoconferencing.



Capital Expenditures

\$16,126

Capital expenditures included in the I/T budget are for the rotation of old computers being replaced with newer units (5 at \$1,500 each). Two new software programs in the amount of \$8,626 are proposed – one to begin the foundation of a Geographic Information System (GIS) for public works and a second software site keeper program for automatic upgrading computer workstations when new versions of software are introduced. The software allows I/T staff to upgrade computers from their workstation rather than have to manually load each computer.

INFORMATION TECHNOLOGY	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
CONTRACT SERVICES					
Professional/Outside Services	12,175	0	4,200	3,500	1,000
Video Council Mtgs/Newsletter	14,893	11,815	18,000	12,000	39,500
TOTAL	\$27,068	\$11,815	\$22,200	\$15,500	\$40,500
REPAIRS & MAINTENANCE:					
Computer Repairs & Maintenance	51,825	33,273	53,029	43,000	47,550
TOTAL	\$51,825	\$33,273	\$53,029	\$43,000	\$47,550
SUPPLIES & SERVICES:					
Conferences	1,568	0	0	0	0
Education/Training	1,015	900	6,000	4,500	5,000
Dues & Publications	1,297	9,741	9,390	7,500	7,090
Office Supplies	2,751	4,928	500	500	1,000
Communications	64,789	56,943	70,000	50,000	48,965
TOTAL	\$71,420	\$72,511	\$85,890	\$62,500	\$62,055
CAPITAL EXPENDITURES					
Capital Outlay - Computers	47,454	1,531	4,050	4,000	7,500
Capital Outlay - Software	14,527	0	13,000	11,000	8,626
Capital Outlay - Communications	1,023	0	0	0	0
TOTAL CAPITAL EXPENDITURE	\$63,004	\$1,531	\$17,050	\$15,000	\$16,126
TOTAL EXPENDITURES	\$213,318	\$119,130	\$178,169	\$136,000	\$166,231



Public Works

Building Safety

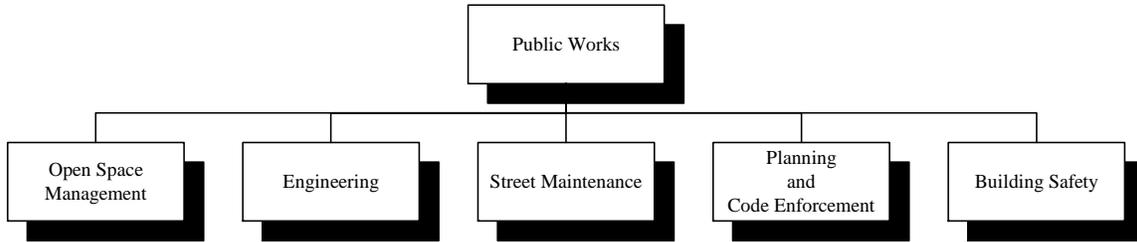
Planning

Streets





Public Works Department



Mission Statement

The Public Works department’s mission is to express and enhance the beauty, value, and quality of the environment by operating and maintaining public grounds, dams, medians, natural washes, and open space, as well as protecting the health, safety, and well being of the public by assuring properly designed and constructed infrastructure, correct property transfers, quality mapping, and excellent customer service.

Department Description

The open space and engineering divisions are responsible for the operation and maintenance of Town-owned wash parcels, open space, dams, public grounds, and median landscaping. The department is responsible for six ADWR jurisdictional dams and numerous smaller dams. The department maintains landscaping at all Town-owned buildings and facilities (except public parks), including Town Hall, Community Center/Library, two fire stations, Community Theatre building, and the street yard.

Engineering also processes, reviews, permits, and inspects encroachment permits, including subdivision plans, “off-site” improvement plans, and utility cuts. Engineering supports the Building Safety division by reviewing and inspecting site work plans for building permits. Engineering also supports the Planning division by technical review of area specific plans, rezonings, preliminary plats, special use permits, and other land use matters. Public Works is responsible for all right-of-way capital projects including streets, traffic, drainage, and landscaping, and it provides technical support for park and building projects. It provides project planning, design and drafting (or design contract management and plan review), construction inspection, and contract administration. The division also handles all street related construction maintenance contracts, including their design, layout, and inspection.



Fiscal Year 2002-2003 Accomplishments _____

- Hired a new planning & zoning administrator to manage the P&Z division.
- Submitted the Stormwater Management Plan to ADEQ and EPA for municipal stormwater discharges.
- Drafted new annual contracts for emulsion seal, wash cleanup, concrete, and asphalt work.
- Completed the Emergency Management Plan as required by Maricopa County. This covers floods, wildfires, severe weather, drought, hazardous materials, and other human-caused hazards.
- Continued the wash management program in Emerald Wash, Ironwood Wash, Mimosa Drain, and Ashbrook Wash (north of Aspen Dam).
- Received inspection reports by ADWR indicating that all of our dams are in compliance. Annual maintenance is performed to all six Town-owned dams to ensure the upkeep and safety of the dams.
- Reviewed 382 site plans for building permits. *
- Reviewed 12 subdivision preliminary plats and condo replats. *
- Reviewed and permitted 4 subdivision project improvement plan projects. *
- Reviewed, permitted and inspected 275 utility permit requests. *
- Reviewed and processed 17 easement and right-of-way abandonments and acquisitions.*
- Reviewed 16 applications for cut and fill waivers, concept plans and special use permits.*
- Inspected (or liaison for) major projects including:
 - Firerock Parcels M-2, K and A-1
 - Balera Development - grading and infrastructure
 - Desert Vista Condos
 - Town Center Crossing Condos
 - Microsurface on Fountain Hills Boulevard, Palisades Boulevard and Pepperwood Circle
 - Slurry sealed 21.4 miles between Fountain Hills Boulevard and Palisades
- Prepared section maps for all field employees and public.
- Updated plat, zoning, and building development maps.

*During 7 months ended February 29, 2004

Fiscal Year 2004-2005 Objectives _____

- Fulfill the first six requirements of the Stormwater Management Plan as required by the Arizona Department of Environmental Quality (ADEQ) and Environmental Protection Agency (EPA).
- Continue the wash management program at urgent and moderate fire hazard areas in coordination with the fire department requests.
- Assist the McDowell Mountain Preservation Commission (MMPC) with both trailheads in the mountain plats.
- Continue the storm drain atlas maps as required by the Stormwater Management Plan.
- Continue capital project planning, design, and construction consistent with the budget.
- Continue street major maintenance work (see street division section).



Performance Standards _____

- Provide information to the public regarding the medians, dams, preservation areas, and washes.
- Provide a high level of median maintenance, recognizing that medians are a very important element of the “first impression” people have of Fountain Hills.
- Inspect all dams quarterly.
- Check irrigation operation monthly to ensure proper coverage.
- Spray herbicides semi-annually for weed control in median areas.
- Respond promptly to citizen inquiries and concerns (within 24 hours, when feasible).
- Perform building permit first review plan checks within:
 - 15 working days for single-family residences and miscellaneous permits and 7-10 working days for multi-family and commercial permits.
 - Subsequent plan reviews in 5 working days.
 - Perform subdivision (encroachment permit) first review plan checks within 20 working days and subsequent plan reviews in 5 working days. Perform utility cut (encroachment permit) plan checks within 5 working days.
 - Identify all plan review concerns in the first submittal.
- Provide a customer friendly environment for citizen and developer access to services.
- Provide thorough, timely subdivision (and other development related) technical review comments to the planning division.
- Provide technical input to the town council and advisory commissions as requested.
- Provide positive support to all departments by way of trust, respect, and communication.
- Assist Planning & Zoning division with technical support of the annexation process of state trust land.

Management Indicators _____

	FY 2002-2003 Actual	FY 2003-2004 Estimates	FY 2004-05 Projected
<u>Engineering Plan review time (1st submittal) goal</u>			
• Single family residence: 15 working days	90%	90%	90%
• Commercial: 15 working days	90%	90%	90%
• Subdivision: 20 working days	90%	90%	90%
• Utility: 5 working days	90%	90%	90%
• Easement abandonments: 35 working days (including Council action)	40%	80%	80%

	FY 2002-2003 Actual	FY 2003-2004 Estimates	FY 2004-2005 Projected
Town owned maintained property	1,528 acres	1,528 acres	1,529 acres
Wash management program	17.0 acres	33.1 acres	51.4 acres
Note: Acres can vary depending on density of vegetation			



Summary Expenditures – Public Works

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$664,480	\$653,944	\$635,710	\$579,396	\$719,110
CONTRACTUAL SERVICES	\$58,700	\$28,575	\$44,000	\$44,500	\$59,500
REPAIRS & MAINTENANCE	\$343,771	\$185,781	\$303,000	\$303,500	\$333,000
SUPPLIES & SERVICES	\$96,699	\$74,290	\$99,850	\$71,435	\$81,625
CAPITAL EXPENDITURES	\$18,269	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,181,919	\$942,589	\$1,082,560	\$998,831	\$1,193,235

Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Public Works				
Public Works Director	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	1.00
Civil Engineer	1.00	1.00	1.00	1.00
Eng. Tech/CAD Operator	1.00	1.00	1.00	1.00
Sr. Civil Engineering Inspector	0	0	0	1.00
Civil Engineer Inspector	2.00	2.00	1.00	1.00
Drafting/CAD Technician	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	0	0
Open Space & Landscape Sup.	1.00	0	0	0
Open Space & Landscape Spec.	1.00	1.00	1.00	1.00
Traffic Engineering Analyst	1.00	0	0	0
Authorized FTE	13.00	11.00	9.00	10.00

Salaries and Benefits **\$719,110**

There are currently nine full-time positions in the Public Works department. The addition of a second civil engineering inspector is anticipated during the fiscal year.

Contract Services **\$59,500**

Engineering regularly contracts with design professionals (traffic engineers, land surveyors, architects and landscape architects) for services. These contracts provide disciplines and special expertise that are not available among the Town’s regular staff; provide technical manpower for major projects; and can provide a reserve of technical manpower during overflow time periods.



The anticipated major projects are:

- Civil Engineer - Shea Boulevard Bike Lanes (Federal Aid) - construction phase - \$5,000
- Civil Engineer - Stormwater Management Plan - \$8,000
- Civil Engineer - Design northbound right turn lane on Palisades Boulevard @ Westridge Village - \$5,000 (Design will be done in-house)
- Traffic Engineer - Design signal at Saguaro Boulevard and El Lago Boulevard - 50% Developer contribution - \$25,000
- Traffic Engineer - Design Shea Boulevard interconnect from Eagle Mountain to Palisades Boulevard - \$10,000
- Contribution to floodplain management, appraisals and mylar scanning - \$4,500
- Environmental assessment of Fountain Hills and Shea Boulevard.

Repairs and Maintenance \$333,000

Vehicle Repairs and Maintenance \$3,000

The division has five assigned vehicles; one for the department director, one for the engineering inspector, one for the open space and landscape specialist, and two for field work by the other six personnel.

Median Landscape Maintenance \$200,000

This item is revised due to an anticipated 46% increase in median maintenance contract costs. New bids should be established by July 1, 2004. The total median maintenance to date is 46 acres. The Town assumed responsibility for the medians on Avenue of the Fountains from the Post Office to Palisades Boulevard.

The request for median landscape maintenance covers spraying pre-emergent (surflan) and post-emergent (roundup) twice a year - \$17,171, mowing, aeration, fertilizer and application - \$23,118, landscape maintenance (3,000 hours) - \$120,470, palm tree trimming - \$6,890, tree trimming-(75 trees) - \$3,713, scalp, vacuum, dispose of clippings, mulch, overseed - \$4,118, annual backflow assembly inspection and repairs (required by law) - \$1,300, fountain maintenance/supplies (this work is done in-house and includes chlorine, algaecide, shock treatment, pump/motor maintenance and cleaning bronze statues) - \$3,500, irrigation maintenance supplies (includes valves, clocks, heads, pipes, etc.) - \$3,000, and an irrigation tech - \$16,720.

Dam/Wash Maintenance \$130,000

The item includes fire hazard, drainage control, trash and dumping removal in the wash and preservation areas. It also includes maintenance of items required at the six Town-owned jurisdictional dams. Most of this budget amount will be expended for urgent fire hazard removal areas during next fall, winter, and spring. Due to increased rainfall amounts this year, a sense of urgency does exist for this item. Total open space, including washes and dams, is 1,442 acres.

The request for dam and wash maintenance includes bridge inspections performed by the Arizona Department of Transportation (ADOT) on box culverts and corrugated metal pipe, and the removal of sediment and vegetation - \$3,000, dam inspections by the Arizona Department of Water Resources (ADWR) and the required cleanup and maintenance - \$8,000. Wash maintenance required to prevent any drainage problems and for fire protection, we propose to work in five washes: Powder Wash - 7.34 acres, Tumbleweed Wash - 3.26 acre, Arrow Wash 14.55 - acres, Sunflower Wash - 2.09 acres and Ashbrook Wash - 24.18 acres. The work is estimated at \$108,000.

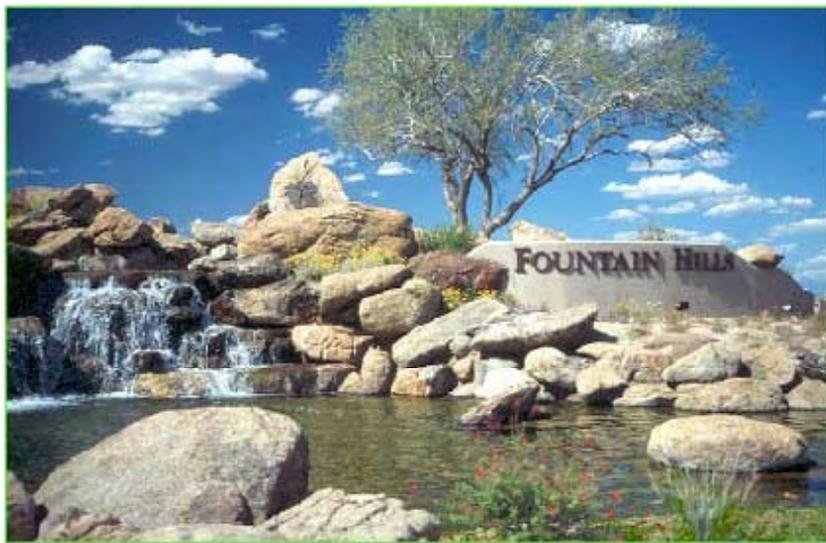


After the cutting and removal of debris from the washes, a post-emergent spray is applied to prevent re-growth of vegetation not indigenous to the area. The spraying and labor is estimated at \$10,000. Re-vegetation of native plant material (seed) is applied - done in-house. Cost of the seed is estimated at \$1,000.

Supplies and Services

\$81,625

This item includes water, electricity, advertising, education and training, dues and publications, fuel costs, office supplies, tool and shop supplies, printing, communication expenses, travel expenses, and uniforms. The water is for irrigation of medians, fountains, and other town-owned properties. Electricity for water features is estimated at \$11,500, while water estimates are \$45,000.





	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
PUBLIC WORKS					
SALARIES & BENEFITS:					
Wages	528,422	512,668	501,300	459,377	560,200
FICA	7,323	7,086	7,320	6,503	8,190
Unemployment Insurance	534	402	450	462	480
Employee's Health Insurance	54,894	62,159	56,530	48,806	70,250
Employee's Life Insurance	567	536	540	1,263	1,780
Employee's Dental Insurance	7,099	7,080	6,740	6,129	7,920
Employee's Eye Insurance	1,266	607	0	0	0
Worker's Compensation Insurance	4,140	4,769	5,280	4,143	5,970
Employee's Retirement Fund	57,988	56,393	55,140	50,513	61,630
Disability Insurance	2,246	2,243	2,410	2,200	2,690
TOTAL	\$664,480	\$653,944	\$635,710	\$579,396	\$719,110
CONTRACT SERVICES					
Contractual Services	0	0	500	500	2,000
Engineering Fees	58,700	28,575	43,500	44,000	57,500
TOTAL	\$58,700	\$28,575	\$44,000	\$44,500	\$59,500
REPAIRS & MAINTENANCE:					
Vehicle Repair & Maint.	4,280	3,023	3,000	3,500	3,000
Office Equipment Repairs	250	0	0	0	0
Mowing/Landscape Maintenance	211,173	139,516	150,000	150,000	200,000
Wash Maintenance	128,068	43,242	150,000	150,000	130,000
TOTAL	\$343,771	\$185,781	\$303,000	\$303,500	\$333,000
SUPPLIES & SERVICES:					
Advertising	154	19	200	2,000	2,000
Conferences	70	0	500	0	500
Education/Training	1,058	35	1,900	1,900	2,200
Dues & Publications	843	937	1,000	1,000	1,300
Electricity	9,184	9,725	11,800	10,000	11,500
Gas & Oil	6,262	4,610	5,000	6,000	7,500
Office Supplies	5,167	3,889	4,000	5,000	5,000
Tools, Shop Supplies	511	315	500	250	500
Printing	2,612	144	1,000	700	1,000
Communications Expense	3,359	2,929	3,500	3,000	3,500
Water/Sewer	65,497	50,308	68,500	40,000	45,000
Travel	262	0	500	100	100
Uniforms	1,685	1,343	1,450	1,450	1,525
Bank Charges	35	35	0	35	0
TOTAL	\$96,699	\$74,290	\$99,850	\$71,435	\$81,625
TOTAL EXPENDITURES	\$1,181,919	\$942,589	\$1,082,560	\$998,831	\$1,193,235



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Building Safety Division

Mission Statement _____

The Building Safety division of the Public Works department is dedicated to providing the highest quality construction permitting, plan review, and building inspection services in a responsive and friendly manner.

Division Description _____

The Building Safety division processes applications for permits to construct buildings, fences, pools, and any other structures. The division serves as a receiving and processing center for interdivisional review of these plans. The division's review and inspection staff includes a building official, two certified residential plans examiners, and two certified building inspectors to assure compliance with the adopted building codes of the town. The Building Safety division also issues numerous reports concerning building activity to other public agencies.

The Building Safety division anticipates that it will process building permit applications and perform inspections at approximately 700 building sites in fiscal year 2004-2005. Most of the division's activity will be concentrated in the developing portions of Firerock Country Club, Crestview, Hilton Condos, Eagle's Nest and Town Center. The division expects the same levels of construction inspection activity due to on-going construction projects that have been permitted in fiscal year 2002-2003 (550 active and open permits), and new residential and commercial projects permitted early in fiscal year 2003-2004.

Fiscal Year 2003-2004 Accomplishments _____

Projected from figures based on first nine months of fiscal year 2003-2004, the Building Safety division accomplished the following:

- Reviewed 524 building plans and permit applications.
- Performed 9,756 commercial and residential building inspections.
- Provided technical assistance in the construction of the Boys and Girls Club and Sanitary District buildings.
- Maintained an automated building permit system to better enhance customer service and reduce paper work.

Fiscal Year 2004-2005 Objectives _____

- Provide staff educational opportunities to best serve the community with the highest level of expertise in the building safety field.
- Provide highly trained and qualified team of plan examiners, building inspectors, and building permit technicians.
- Present the highest professional service and image to our customers.
- Maintain high workplace safety standards in the field and in the office.
- Educate the community about the new International Building Codes and the addition of an energy conservation code.



Performance Standards ---

- Perform first review plan reviews within 15 working days, and subsequent plan reviews in 7-10 working days.
- Identify all plan review concerns in the first review.
- Perform all requested inspections within 24 hours.
- Provide a customer friendly environment for citizens to access the services of the division and process the needed applications.
- Respond to all citizens inquiries within the same working day.

Management Indicators ---

	2002-2003 Actual	2003-2004 Estimated	2004-2005 Estimated
Building Permit Activity			
• Single-family	115	150	125
• Multi-family	215	175	225
• Commercial	10	10	6
• Pools, Fences, Additions and Remodels	647	725	400
Building Counter Activity	600	797	800
On-site Inspection	9,469	9,756	11,000 *

* Large custom homes require 25% more inspections than production homes.

Summary Expenditures - Building Safety

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$413,646	\$337,056	\$553,100	\$459,112	\$456,500
CONTRACTUAL SERVICES	\$85,674	\$27,629	\$15,000	\$70,000	\$15,000
REPAIRS & MAINTENANCE	\$4,075	\$1,384	\$2,500	\$2,500	\$1,800
SUPPLIES & SERVICES	\$20,721	\$13,811	\$17,300	\$20,800	\$21,630
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$524,116	\$379,879	\$587,900	\$552,412	\$494,930



Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Building Safety				
Chief Building Official	1.00	1.00	1.00	1.00
Plans Examiner	2.00	2.00	2.00	2.00
Building Inspector	1.00	1.00	2.00	2.00
Building Permit Technician	2.00	2.00	2.00	3.00
Senior Building Inspector	2.00	2.00	0	0
Building Safety Clerk	1.00	0	0	0
Administrative Assistant	0	0	1.00	0
Authorized FTE	9.00	8.00	8.00	8.00

Salaries and Benefits **\$456,500**

Contractual Services **\$15,000**

When commercial building plans are submitted for review, or when the residential plan check or inspection load exceeds the division’s ability to maintain its turn-around goals, outside consulting firms are utilized. The Town currently has a contract with GP Engineering. An estimate of \$15,000 for this service is budgeted based on past experience.

Repairs and Maintenance **\$1,800**

This item includes regular service and repair and maintenance for the three division vehicles.

Supplies and Services **\$21,630**

Funds are included for advertising, signage, conferences, education and training, dues and publications, gas and oil, office supplies, printing, communication expenses, travel, and uniforms.



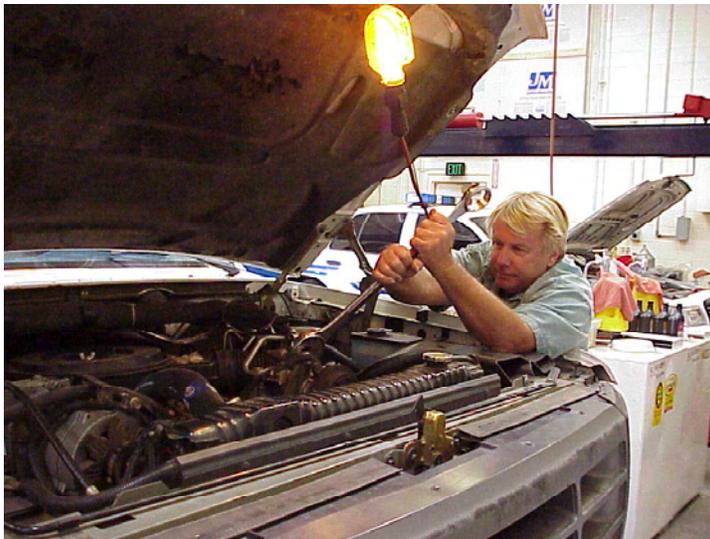


BUILDING SAFETY	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS:					
Wages	334,965	266,119	425,400	352,563	345,400
FICA	4,391	3,724	6,200	4,951	5,000
Unemployment Insurance	615	455	500	512	400
Employee's Health Insurance	29,000	29,712	57,900	50,657	55,200
Employee's Life Insurance	370	312	600	992	1,100
Employee's Dental Insurance	3,898	3,787	7,200	6,528	6,500
Employee's Eye Insurance	699	288	0	0	0
Worker's Compensation Insurance	2,325	2,306	6,500	2,657	3,200
Employee's Retirement Fund	36,066	29,273	46,800	38,772	38,000
Disability Insurance	1,319	1,080	2,000	1,480	1,700
TOTAL	\$413,646	\$337,056	\$553,100	\$459,112	\$456,500
CONTRACT SERVICES					
Professional Fees	85,674	27,629	15,000	70,000	15,000
TOTAL	\$85,674	\$27,629	\$15,000	\$70,000	\$15,000
REPAIRS & MAINTENANCE:					
Vehicle Maintenance	4,075	1,384	2,500	2,500	1,800
TOTAL	\$4,075	\$1,384	\$2,500	\$2,500	\$1,800
SUPPLIES & SERVICES:					
Advertising	1,672	1,549	1,000	1,500	1,000
Conferences	2,027	129	500	0	1,000
Education/Training	300	950	2,500	2,500	5,000
Dues & Publications	1,400	3,099	1,500	1,500	2,200
Gas & Oil	4,538	2,491	4,000	4,200	4,680
Office Supplies	4,131	860	1,500	1,500	1,000
Tools, Shop Supplies	249	0	300	300	300
Printing	1,149	859	1,000	2,500	1,500
Communications Expense	3,714	2,852	3,300	5,100	3,300
Travel	1,031	63	300	300	300
Uniforms	508	948	1,400	1,400	1,350
Bank Charges	4	10	0	0	0
TOTAL	\$20,721	\$13,811	\$17,300	\$20,800	\$21,630
TOTAL EXPENDITURES	\$524,116	\$379,879	\$587,900	\$552,412	\$494,930



Street Division (Highway User Revenue Fund)

STREET FUND SUMMARY					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
LTAF	114,861	115,691	115,000	115,000	113,700
Highway User	1,254,816	1,310,997	1,401,400	1,400,000	1,390,900
Charges for Svcs/In Lieu Pmts	37,422	31,775	6,000	27,000	19,000
Interest	7,648	298	500	1,000	1,500
Misc. Income	0	7,410	1,000	100	1,000
TOTAL CURRENT REVENUE	\$1,414,748	\$1,466,170	\$1,523,900	\$1,543,100	\$1,526,100
EXPENDITURES:					
Salaries and Benefits	628,585	613,036	612,425	495,773	575,511
Contractual Services	16,450	1,200	17,500	17,500	22,750
Repairs and Maintenance	1,018,005	340,540	571,075	612,600	653,200
Supplies and Services	176,845	194,991	194,900	195,150	199,500
Capital Outlay	37,906	2,585	5,000	12,000	130,000
Debt Retirement	134,041	126,000	123,000	123,000	120,000
TOTAL CURRENT EXPENDITURES	\$2,011,832	\$1,278,353	\$1,523,900	\$1,456,023	\$1,700,961
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(597,084)	187,817	0	87,077	(174,862)
Fund Balance Beginning of Year	\$9,005	\$0	\$0	\$187,817	\$274,894
Ending Fund Balance	(\$588,079)	\$187,817	\$0	\$274,894	\$100,033



**In memory of George A. Roth
Town Fleet Mechanic
March 18, 1951 – August 20, 2004**



Highway User Revenue (Street) Fund

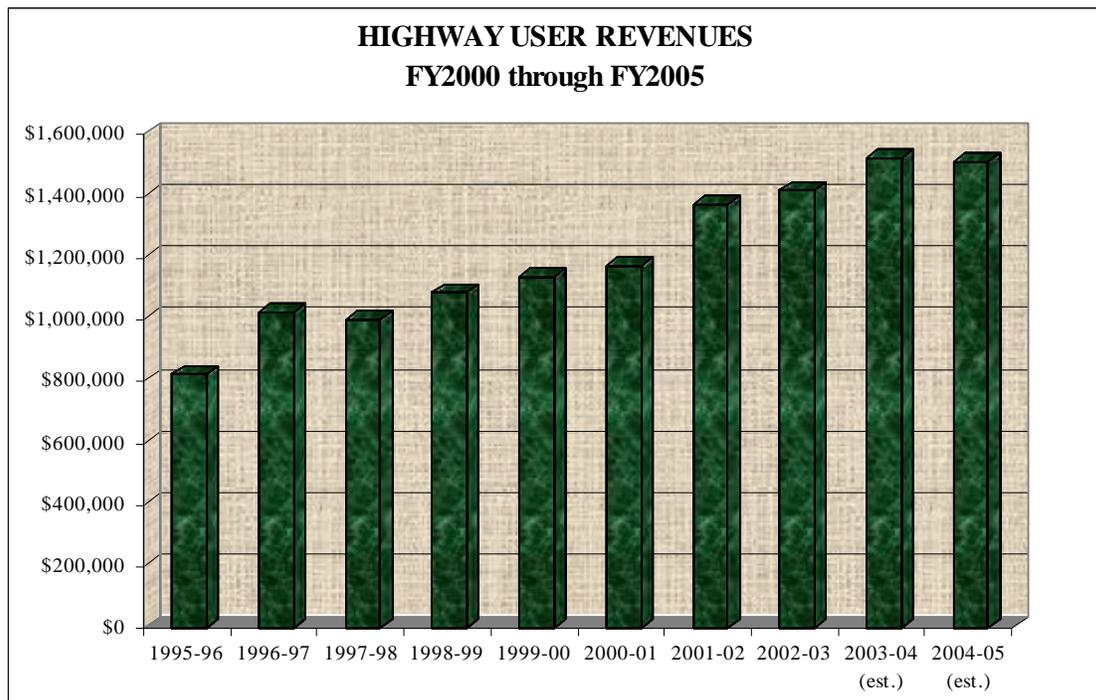
Restrictions	Fiscal Year	Amount	Percent Change
There is a State constitutional restriction on the use of these funds which requires that these funds be used solely for street and highway purposes. Payment of principal and interest on highway and street bonds are an approved use.	1995-96	\$818,458	7.8%
	1996-97	\$1,017,600	24.3%
	1997-98	\$996,805	-2.0%
	1998-99	\$1,082,173	8.6%
	1999-00	\$1,136,051	5.0%
	2000-01	\$1,171,463	3.1%
	2001-02	\$1,369,677	16.9%
	2002-03 (est.)	\$1,413,000	3.2%
	2003-04 (est.)	\$1,516,400	7.3%
	2004-05 (est.)	\$1,504,600	-0.8%

Accounts: 3040, 3050

Assumptions

Cities and towns receive 27.5% of gasoline tax and transportation related fees collected by the state based on population and county of origin of gasoline sales. The increases in HURF allocations in FY 1997 and 2002 were the result of the 1995 and 2000 census population growth. The estimate for FY2005 is based on information prepared by the League of Arizona Cities and Towns. Absent further unforeseen legislative changes the HURF revenue to cities and towns is projected to increase approximately 6% per year. The population factor has been reduced dramatically with the slowdown in growth as Fountain Hills approaches build out. The Local Transportation Assistance Fund (LTAF) is distributed to cities and towns based on population as a percentage of all incorporated cities and towns.

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





Street Division

Mission Statement _____

The Street division is dedicated to quality customer service by operating, preserving, and maintaining Town-owned roadways and traffic control systems safely and efficiently.

Division Description _____

The HURF (Highway User Revenue Fund) pays for Street division personnel and contract work for street repairs, operations, maintenance and improvements. Major street division staff tasks include crack sealing, asphalt patching, signing, striping, traffic signals, brush removal, house number painting, and street sweeping. The division provides vehicle maintenance services and fuel procurement for the entire town fleet, and traffic barricading for town-approved and sponsored special events. Contracted tasks include construction and renovation of streets, sidewalks, drainage facilities, and traffic signals. Contracted major street maintenance items include concrete curb replacement, asphalt reconstruction, asphalt overlays, slurry seal, and emulsion seal.

Performance Standards _____

- Gutter sweep all streets quarterly (at a minimum), with full width sweeping annually. Gutter sweep all arterial streets and commercial area collector streets monthly. Under the influence of the Storm Water Management Plan, street sweeping will return to five days per week.
- Respond to citizen inquiries within one working day, whenever possible.
- Schedule requested street maintenance in a reasonable time frame, consistent with maintaining a high level of productivity.
- Minimize disruption to the motoring public due to maintenance and construction work.
- Patch asphalt at concrete curb placement areas on an as-needed basis.
- Minimize vehicle maintenance “down-time”.

Management Indicators _____

	FY 2002-2003 Estimated	FY 2003-2004 Projected	FY 2004-2005 Actual
Slurry seal (includes microsurfacing)	6.8 miles	21.4 miles	17.0 miles
Emulsion seal applications	0 miles	10.5 miles	9.6 miles
Striping applied	25 miles	22.0 miles	25.0 miles



Fiscal Year 2003-2004 Accomplishments _____

- Barricaded and closed streets for all special events (600 man-hours total for 4 special events).
- Crack sealed in the west central quadrant of town (4 miles of streets).
- Street patched in miscellaneous areas - 110 tons of asphalt.
- Gutter swept all roadways - 4 times.
- Gutter swept all arterial roadways - 6 times.
- Performed major storm cleanup on an as-needed basis.
- Installed over 500 tons of riprap for drainage improvements.
- Began a cross-training program for all department related computer software.
- Painted addresses on curbs (over 1,500)
- Performed 1,300 man-hours on special projects (holiday lights, installation of banners, etc).
- Assisted other town departments (over 1,200 man-hours).
- Graded 20 miles of shoulder.
- Installed over 250 signs.
- Removed 35 tons of brush and debris.
- Performed 300 computerized traffic counts.
- Applied 1,000 feet of crosswalk and stop bars, and 150 reflective pavement markers.
- Slurry sealed 21 miles of streets.
- Emulsion sealed 10.5 miles of streets.
- Maintained vehicles and equipment.
- Performed 322 service repairs and routine maintenance.

Fiscal Year 2004-2005 Objectives _____

- Continue visibility and reflectivity sign checks.
- Crack seal in the northwest area of town.
- Complete all construction and major maintenance projects budgeted.
- Complete a Town-wide evaluation of all streets relative to asphalt conditions.
- Complete a street maintenance program for addressing short and long-range goals.
- Track and minimize vehicle maintenance down time.
- Check and verify sign inventory with sign maintenance program.
- Increase hours spent on signs and brush control (line-of-sight).
- Increase street sweeping to five days a week as desired by the Stormwater Management Program.



Summary Expenditures – Streets

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$628,585	\$613,036	\$612,425	\$495,773	\$575,511
CONTRACTUAL SERVICES	\$16,450	\$1,200	\$17,500	\$17,500	\$22,750
REPAIRS & MAINTENANCE	\$1,018,005	\$340,540	\$571,075	\$612,600	\$653,200
SUPPLIES & SERVICES	\$176,845	\$194,991	\$194,900	\$195,150	\$199,500
CAPITAL EXPENDITURES	\$171,947	\$128,585	\$128,000	\$135,000	\$250,000
TOTAL EXPENDITURES	\$2,011,832	\$1,278,353	\$1,523,900	\$1,456,023	\$1,700,961

Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Street Division				
Street Superintendent	1.00	1.00	1.00	1.00
Street Maintenance Supervisor	1.00	0	1.00	1.00
Fleet Mechanic	1.00	1.00	1.00	1.00
Fleet Equipment Mechanic	1.00	1.00	1.00	0
Street Maintenance Tech	9.00	9.00	7.00	6.00
Equipment Operator	2.00	2.00	2.00	2.00
Authorized FTE	15.00	14.00	13.00	11.00

Salaries and Benefits **\$575,511**

The Street division currently has eleven full-time regular employees including the street superintendent, field supervisor and one mechanic.

Contract Services **\$22,750**

Accounting (auditor) and town attorney legal fees are annually prorated to the street fund. LTAF special programs are budgeted at 10% of the estimated LTAF revenue. These funds are used for non-street “grants”. The Council has traditionally awarded these funds based on the recommendations of a special citizens’ review committee in the spring.



Repairs and Maintenance

\$653,200

The street maintenance budget should be maintained. Asphalt conditions are nearing the end of their life expectancy and further deterioration in pavement quality, traffic safety, and Town liability needs to be prevented.

From fiscal years 1996 to 2002, the annual expenditure for major road improvements averaged over \$970,000. During these years the general fund subsidized major road improvements. The average expenditure for major road improvements since fiscal year 2002 has been \$375,800. Over 50% of the streets in Fountain Hills are over 20 years old. Twenty years is the normal life expectancy of asphalt without any regular maintenance. Sufficient maintenance programs over the last 12 years proved to be the right investment, considering most of the streets are in good to fair condition.

Arterial roadways, such as Palisades, Fountain Hills, Saguaro, and Shea Boulevards make up 12% of the total network system and should always receive first preference when considering street maintenance. These streets carry more traffic than any others and represent the quality of the community, not to mention that properly maintained streets minimize the liability for the town.

The town-wide street maintenance study is not yet complete and more data is needed. During this time period, staff feels it is important to continue to perform street maintenance on as many streets as possible. Approximately 50% of Town streets are 20+ years old and require mill and overlay (the street maintenance study will indicate this), that is approximately 74 miles and mill and overlay presently costs \$135,000 per mile. This shows a cost of just under \$10 million dollars for these street improvements. Therefore, the need to start considering large amounts of funding for mill and overlay while still maintaining the other 50% of the newer streets, is imperative.

If no source of funding is available through bonds or property taxes, then the street maintenance portion of the budget must increase. The probability of mill and overlay is a welcome idea but we must continue with regular street maintenance until catch up with the overlay projects is possible.

\$38,000 has been budgeted for vehicle repairs and maintenance. This amount includes maintenance of six vehicles - \$7,200, sweepers and striper - \$15,000, backhoe, tractors and dump trucks - \$13,000, miscellaneous expenses for other departments - \$2,500, and repairs and maintenance on miscellaneous equipment - \$300.

\$120,200 has been budgeted under road repair and maintenance for the following: Adopt-a-Street - \$1,000, curb painting - \$200, replacement of 300 street signs - \$9,000, 150 directional signs - \$6,000, 150 stop signs - \$4,500, 150 cones - \$1,500, vertical barricades - \$2,500, 8 foot barricades - \$1,500, Phoenix Highway services contract for traffic signals - \$50,000, striping materials - \$15,000, crack seal materials - \$12,000, paving materials - \$10,000, dump fees - \$6,000, and miscellaneous materials - \$1,000.

Under the major road improvements line item, \$490,000 has been budgeted to include an amount of \$245,000 for slurry seal, which will be applied primarily in the northwest area of town. \$106,000 was included for microsurfacing planned for two locations: Palisades Boulevard



(Avenue of the Fountains to Lost Hills Dr.) and Fountain Hills Boulevard (Saguaro Blvd. to Palisades Blvd).

Plastic (emulsion) seal \$46,000 is planned for the northwest area of town. (See street maintenance map for exact locations.) Striping (thermoplastic) contract is \$35,000, which will be applied to all streets being re-surfaced (see map). \$36,000 for concrete curb repairs, handicap ramps and aprons, \$2,000 for traffic calming as needed, and \$20,000 for the Stormwater Management Plan have also been included.

Supplies and Services **\$199,500**

This item includes advertising, education and training, dues and publications, fuel costs, liability insurance, office supplies and printing, tool and shop supplies, communication expenses, water and sewer, travel expenses, and uniforms for the street division employees. Liability insurance is \$117,000. This item also includes electricity and lighting for the street yard, office trailer, maintenance building, and eleven traffic signals in the amount of \$28,000.

Capital Expenditures **\$130,000**

The amount includes funds to replace a 1991 7-yard dump truck for \$80,000, and a 1992 one-ton 550 pickup truck for \$40,000, and purchase a clean-out rack (EPA mandated) -\$10,000.

Debt Retirement **\$120,000**

The voter-approved street paving bonds of 1991 are paid from highway user revenues. The annual payment is transferred from HURF to the debt service fund.





STREET DIVISION	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS:					
Wages	482,087	460,424	460,176	378,050	424,247
FICA	6,745	7,078	6,910	5,510	6,220
Unemployment Insurance	660	557	646	658	531
Employee's Health Insurance	56,003	59,030	54,768	42,394	59,427
Employee's Life Insurance	698	713	780	1,131	1,346
Employee's Dental Insurance	6,882	7,237	6,542	4,890	6,527
Employee's Eye Insurance	1,432	709	0	0	0
Worker's Compensation Insurance	19,677	24,316	28,627	19,397	28,510
Employee's Retirement Fund	52,584	51,133	51,719	41,930	46,667
Disability Insurance	1,817	1,838	2,257	1,814	2,036
TOTAL	\$628,585	\$613,036	\$612,425	\$495,773	\$575,511
CONTRACT SERVICES					
Accounting Fees	2,750	0	3,500	3,500	3,500
Legal Fees	7,200	1,200	4,000	4,000	9,250
LTAF Special Programs	6,500	0	10,000	10,000	10,000
TOTAL	\$16,450	\$1,200	\$17,500	\$17,500	\$22,750
REPAIRS & MAINTENANCE:					
Vehicle/Equipment Rep/Maint.	40,828	30,772	30,000	36,800	38,000
Equipment Rental	0	0	500	500	500
Road Repair/Maintenance	115,312	94,144	128,600	120,800	120,200
Building Repairs/Maint.	8,433	2,916	4,000	4,000	4,000
Office Equipment Rep/Maint.	0	496	500	500	500
Major Road Improvements	853,433	212,212	407,475	450,000	490,000
TOTAL	\$1,018,005	\$340,540	\$571,075	\$612,600	\$653,200
SUPPLIES & SERVICES:					
Advertising	749	0	100	500	300
Conferences	0	0	0	0	500
Education/Training	1,602	368	1,300	1,300	1,800
Dues & Publications	4,616	5,402	4,600	4,600	4,600
Electricity	22,511	23,153	25,000	28,300	28,000
Gas & Oil	17,394	13,979	17,000	15,000	18,700
Liability Insurance	91,864	121,812	117,000	117,000	117,000
Office Supplies	1,997	1,208	2,000	1,500	1,200
Tools, Shop Supplies	8,160	7,862	5,000	7,000	5,500
Printing	41	41	300	300	300
Rent Expense	3,168	0	0	0	0
Communication Expense	10,868	6,971	7,500	7,500	7,500
Water/Sewer	5,059	4,396	6,000	3,500	5,000
Travel	79	0	100	25	100
Uniforms	8,736	9,800	9,000	8,625	9,000
TOTAL	\$176,845	\$194,991	\$194,900	\$195,150	\$199,500
CAPITAL EXPENDITURES					
Capital Equipment - Vehicles	18,269	0	0	0	120,000
Capital Outlay - Equipment	19,638	2,585	5,000	5,000	10,000
Capital Outlay - Software	0	0	0	7,000	0
Capital Outlay - Improvements	0	0	0	0	0
Debt Retirement	134,041	126,000	123,000	123,000	120,000
TOTAL CAPITAL EXPENDITURE	\$171,947	\$128,585	\$128,000	\$135,000	\$250,000
TOTAL EXPENDITURES	\$2,011,832	\$1,278,353	\$1,523,900	\$1,456,023	\$1,700,961



Planning Division

Mission Statement _____

The Planning and Zoning division is dedicated to enhancing the quality of life in Fountain Hills through innovative planning techniques and to providing customer service in a professional and timely manner.

Division Description _____

The Planning and Zoning division provides and implements the Town of Fountain Hills' planning, code enforcement, and economic development services and programs. Planning functions include the processing of applications for general plan amendments, area specific plans, special use permits, rezonings, subdivisions, variances, and other land use related requests. Code enforcement responds to citizen concerns and provides proactive services with the goal of eliminating blight and improving the appearance of business and residential areas to maintain the quality of life within the Town. Economic development programs provide support to existing businesses and seek to attract new opportunities to the town.

The division provides staff support to the Town Council, the Planning and Zoning Commission, and the Board of Adjustment. Staff represents the Town at intergovernmental meetings, Maricopa Association of Governments committees, boards and special interest associations, and neighborhood groups.

Performance Standards _____

- Perform first review plan checks within 15 working days and subsequent plan reviews in 7-10 working days.
- Identify all plan review concerns in the first submittal.
- Provide a customer friendly environment for citizens to access the services of the division and process the needed applications.
- Provide clear direction and suggestions to applicants at concept plan review and pre-application meetings.
- Provide clear and objective staff recommendations to the Planning and Zoning Commission, the Town Council, and the appropriate advisory commissions.
- Respond to all citizen inquiries within the same working day.
- Treat all people with the utmost respect.
- Keep the Council and appropriate commissions informed of new legislation and legal rulings pertaining to land use matters.
- Provide educational opportunities to Council members, commissioners, and staff on pertinent and evolving land use matters.
- Identify and correct any and all land use ordinance conflicts.
- Assure Council approved ordinances are upheld within the Town.
- Encourage the development of economic opportunities within the town.
- Maintain open relationships with Town businesses and economic organizations to foster public / private partnerships for the betterment of the town.



Management Indicators

	FY 2002-2003	FY 2003-2004	FY 2004-2005
	Actual	Estimated	Projected
Special use permits	16	5	10
Temporary use permits	9	11	12
Cut/fill waivers	5	4	10
Subdivisions w/improvements	34	12	15
Replats	5	2	5
Administrative use permits	1	3	6
Variances	0	2	1
Comprehensive sign plans	10	9	10
Concept plans	19	9	15
HPE abandonments	1	0	1
Plan of development	1	0	1
Zoning text amendments	6	1	10
Re-zoning	2	1	5
General plan amendments	1	1	1
Annexations	0	1	1

Fiscal Year 2003-2004 Accomplishments

In the first nine months of fiscal year 2003-2004, the Planning & Zoning division accomplished the following:

- Processed the final plats for Adero Canyon, Eagles Nest, and Sierra Madre.
- Prepared a comprehensive revision to chapter 6 of the Town’s zoning ordinance (Sign Regulations) to identify policies for the use of A-frame signage.
- Completed annexation of the CopperWynd property.
- Processed concept plan approvals for CopperWynd Phase II, Plaza Fountainside, Hollywood Video, and Checker Auto.
- Processed final plats for Adero Canyon (171 lots), Eagles Nest (244 lots), Sierra Madre (19 lots), Summit at Crestview (68 lots), Town development (145 units), and the Trevino Business Center.
- Processed general plan amendment and rezoning applications for Villas @ Fountain Hills resort (71 units).
- Provided landscape and site improvement inspections for Firerock Phase II, Hollywood Video, Crestview, Eagle Mountain (Parcels 4, 13, and 3B), Bella Lago, and Diamante del Lago.
- Worked with the Town Council and the Planning & Zoning Commission on the development of a basement ordinance to provide for administrative approval of certain cut and fill waivers.
- Developed and implemented the Town’s code enforcement program and processed 1,009 code violations.
- Developed the Avenue of the Fountains concept plan after issuance of a request for proposal.
- Hired a downtown economic development coordinator.

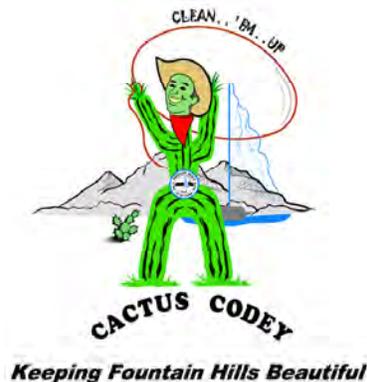


Fiscal Year 2004-2005 Objectives

- Begin implementation of the Avenue of the Fountains concept plan.
- Annex and plan for development of State Trust land.
- Obtain written commitment from the State to allow for planning and annexation of the State Trust land.
- Analyze and interpret the State’s ballot measure relative to the State Trust land.
- Continue to process development proposals and building permit applications in a thorough and timely manner.
- Process text amendments to the Town’s zoning and subdivision ordinances to clarify policies and remove grammatical and typographical errors.
- Continue to enforce Town ordinances and policies to maintain the Town’s quality of life, provide safe living conditions, and protect the environment and preserve resources.
- Develop business retention programs and policies to support existing businesses within the town.
- Identify attractive development sites and develop economic development programs and policies to attract businesses and industries to the Town.
- Provide staff educational opportunities to best serve the community with the highest level of expertise in the planning, code enforcement, and economic development fields.

Summary Expenditures - Planning & Zoning Division

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$283,271	\$256,296	\$227,950	\$188,795	\$347,780
CONTRACTUAL SERVICES	\$0	\$0	\$2,500	\$25,000	\$25,000
REPAIRS & MAINTENANCE	\$296	\$298	\$500	\$300	\$1,000
SUPPLIES & SERVICES	\$40,570	\$16,204	\$21,050	\$13,625	\$24,700
CAPITAL EXPENDITURES	\$23,445	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$347,581	\$272,798	\$252,000	\$227,720	\$398,480





Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Planning				
Director	1.00	1.00	0	0
P & Z Administrator	0	0	1.00	1.00
Senior Planner	2.00	2.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	0	0
Planning Assistant	.50	1.00	1.00	1.00
Economic/Downtown Dev. Coord.	0	0	0	1.00
Code Enforcement Officer	0	0	3.00	2.00
Authorized FTE	5.50	6.00	8.00	7.00

Salaries and Benefits

\$347,780

There are currently five full-time positions in the Planning & Zoning division. Code enforcement will transfer to Planning and Zoning in fiscal year 2004-2005, resulting in seven full-time positions within the division.

The function of the planning & zoning administrator is to assist the public works director with day-to-day operations and help handle caseloads for the planners. Other responsibilities would involve program goals, preparing the division budget, supervising code enforcement and economic development activities, negotiating and implementing development agreements, and attending all Planning & Zoning and MAG meetings.

The purpose for a downtown development coordinator is to provide special planning and research projects, analyze the needs of the downtown business community, monitor the implementation of long range financial and capital improvements, and assist the public works director and planning manager with the goals of the Town Council.

Contractual Service

\$25,000

These contracts provide disciplines and special expertise that are not available among the Town's regular staff; provide technical manpower for major projects; and can provide a reserve of technical manpower during overflow time periods. One of the goals established by the Council was for staff to monitor and analyze the impact of legislation regarding the sale of State Trust land bordering Fountain Hills. Staff will be working with the State Land department to properly plan for the annexation and development of the adjacent parcels. A proposed ballot measure will be monitored and its progress will be followed by staff and regularly reported to the Town Council. \$25,000 is included for professional fees to hire a consultant to assist with the preparation of a State Trust land use plan that will be used for planning guidelines when the state land is annexed into Fountain Hills.



Repairs and Maintenance

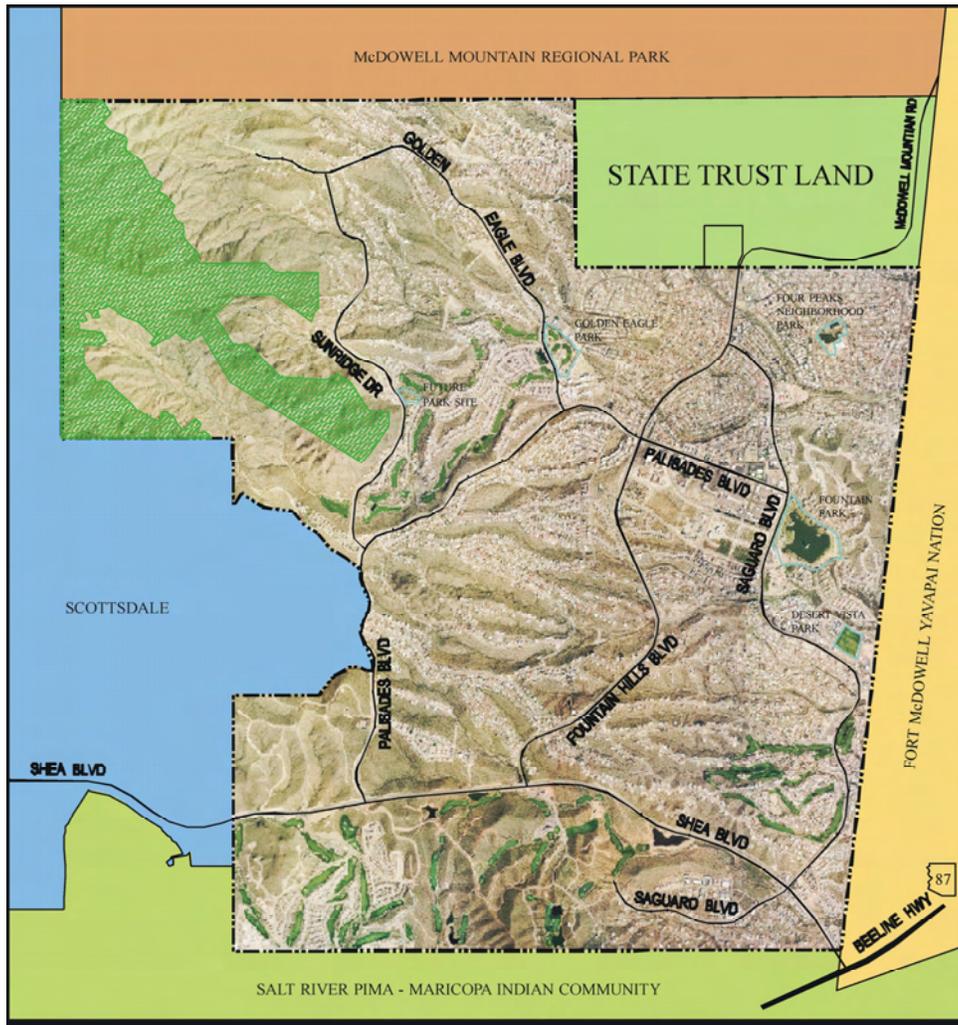
\$1,000

This includes regular service and maintenance for the division vehicle.

Supplies and Services

\$24,700

Funds are included for advertising, signage, conferences, education and training, dues and publications, gas and oil, office supplies, printing, communication expenses, travel, and uniforms.





PLANNING & ZONING					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS:					
Wages	234,839	206,771	181,700	141,511	275,200
FICA	4,358	4,812	2,660	2,018	3,890
Unemployment Insurance	347	325	200	209	300
Employee's Health Insurance	16,621	21,264	19,560	13,146	31,840
Employee's Life Insurance	202	207	240	414	860
Employee's Dental Insurance	2,078	2,177	2,230	1,676	3,700
Employee's Eye Insurance	457	247	0	0	0
Worker's Compensation Insurance	423	380	500	11,423	1,470
Employee's Retirement Fund	23,122	19,373	19,990	15,309	29,240
Recruitment Costs				2,623	
Disability Insurance	824	740	870	468	1,280
TOTAL	\$283,271	\$256,296	\$227,950	\$188,795	\$347,780
Professional Fees	\$0	\$0	2,500	25,000	25,000
TOTAL	\$0	\$0	\$2,500	\$25,000	\$25,000
REPAIRS & MAINTENANCE:					
Vehicle Repairs & Maintenance	296	298	500	300	1,000
TOTAL	\$296	\$298	\$500	\$300	\$1,000
SUPPLIES & SERVICES:					
Advertising/Signage	11,067	6,479	9,000	5,000	6,500
Conferences	8,615	0	500	500	3,700
Education/Training	1,953	806	1,000	1,200	2,450
Dues & Publications	3,146	3,403	3,000	2,500	2,550
Gas & Oil	862	777	1,000	800	2,500
Office Supplies	7,335	1,778	2,500	2,400	2,000
Printing	5,886	2,397	3,000	1,000	2,800
Communication	802	362	500	0	1,500
Travel	569	165	300	100	200
Uniforms	160	0	250	125	500
Bank Charges	174	37	0	0	0
TOTAL	\$40,570	\$16,204	\$21,050	\$13,625	\$24,700
CAPITAL EXPENDITURES					
Capital Expenditures - Vehicles	23,445	0	0	0	0
TOTAL CAPITAL EXPENDITURE	\$23,445	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$347,581	\$272,798	\$252,000	\$227,720	\$398,480

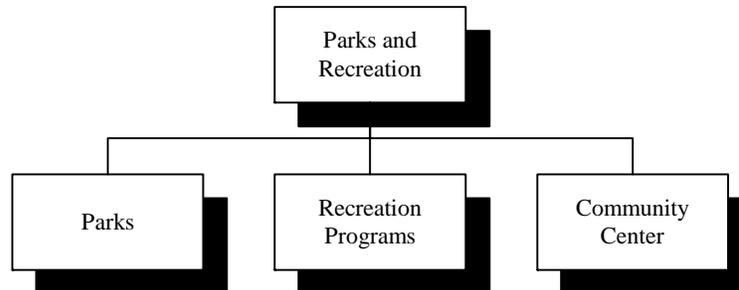


Parks, Recreation, and Community Center





Parks, Recreation, and Community Center



Mission Statement _____

The mission of the Fountain Hills Parks and Recreation Department is to enhance the quality of life by providing and maintaining safe, available, and accessible parks and recreation services that will meet the intellectual, social, cultural, and leisure needs of all residents.

Vision Statement _____

In April 2000, the Parks and Recreation Commission developed a Vision Statement for the department. The Vision Statement is contained in the department's Strategic Plan, which is reviewed annually. The Vision Statement states, "By the year 2008, Fountain Hills Parks and Recreation Department will achieve full agency accreditation, a National Gold Medal, and a 100% excellent rating from our citizens."

Department Description _____

The Parks and Recreation Department is responsible for providing safe and accessible recreation services for all age groups. Parks and Recreation services include senior programs, adult and youth sports, pre-school programs, cultural programs, teen services, outdoor programs, special events, special interest classes, adult education classes, and after school programs. In 2002, the department also assumed the responsibility for management of the Community Center.

Performance Standards _____

- Increase participation through unique marketing techniques.
- Increase the department's volunteer base and continue to explore and use creative methods to recognize volunteers.
- Provide Little League baseball, PONY League baseball, Soccer Club, and Pop Warner Football with assistance to help ensure the success of their respective organizations.
- Solicit special events sponsorship by community businesses.



Management Indicators

	FY 2002-2003	FY 2003-2004	FY 2004-2005
	Actual	Estimated	Projected
Recreation			
• Special events	5	4	4
• Adult and youth sports activities/ number courses offered	12/60	13/85	13/80
• Special interest programs/ number of courses offered	11/61	12/90	10/80
• Youth and teen programs/ number of courses offered	9/27	8/50	4/23
• Clubs co-sponsored by Parks and Recreation	8	0	0
• Volunteer hours (estimated)	3,800	4,000	4,000

Administrative Support

Youth sports organizations – Facility bookings:

• Little League Baseball	448	450	495
• PONY League Baseball	115	5	0
• Jr. Miss Softball	48	0	0
• Soccer Club	345	350	385
• Lacrosse Club	109	0	0
• Pop Warner Football	95	85	95
Total	1,160	890	975

Parks and Recreation Revenue

	FY 2002-2003	FY 2003-2004	FY 2004-2005
	Actual	Estimated	Projected
• Recreation programs	\$ 128,635	\$ 139,150	\$ 161,300
• Facility rentals	\$ 14,850	\$ 16,000	\$ 15,000
• Park ramada reservations	\$ 3,250	\$ 2,000	\$ 3,000
• Youth sports organizations	\$ 0	\$ 5,000	\$ 0
Total	\$ 146,753	\$ 162,150	\$ 179,300

Fiscal Year 2003-2004 Accomplishments

- Continued to work with the local VFW and American Legion groups on the plan that was approved for the Veterans Memorial.
- Continued to work with the McDowell Mountain Preservation Commission regarding the hiring of a firm to complete design work for a planned permanent trailhead into the McDowell Mountain preserve. Staff also assisted the group in its continuing efforts to establish an initial trail from the trailhead.



- Continued the positive relationship between the Town and the Fountain Hills School District to jointly utilize school facilities for various programs in return for the district's use of park facilities.
- Successfully gained sponsorship of several special events including St. Patrick's Day, Eggstravaganza, and the Fantastic Fall Festival to allow the community to continue enjoying these traditions.
- Increased participation in the Mayor's Youth Council for the third straight year. The Mayor's Youth Council volunteered over 2,000 hours last year and is on track to have over 2,000 hours this school year. Utilizing the conservative Federal minimum wage rate, this equates to over \$10,000 in volunteer labor contributed to the community.
- Continued cooperative relationship with MCSO Midnight Madness Foundation to offer a number of youth and late night programs throughout the year.
- Continued to provide expanded opportunities to utilize park facilities by the local Little League, Soccer, and Pop Warner youth organizations.
- Successfully implemented and trained staff on the "Class" software point-of-sale modules and credit card processing module to enhance customer service.
- Entered into a partnership with the Phoenix Suns to integrate the Jr. Suns and Jr. Mercury program into our existing youth basketball program. Additionally, experienced the highest registrations in the ten year history of the youth basketball program with 368 youth participating this year.
- Successfully trained all parks and recreation staff on the Automatic External Defibrillator (AED) units that were donated to the Town by the the Law Enforcement Advisory Panel (L.E.A.P) with funding made available by the SunRidge Foundation.
- Coordinated the Town's annual September 11th memorial at the Community Center.
- A recreation coordinator served as chair of the APRA's youth and teen branch as well as served on the Arizona Parks and Recreation Association (APRA) board of directors for 2003. Additionally, the supervisor of recreation and the recreation coordinator presented the session *Youth Councils-Allowing Youth to Lead* at the 2003 APRA Conference and Trade Show. Another recreation coordinator was elected treasurer of APRA's sports and aquatics branch for 2004.
- Continued seeking sponsorship for special event programs.
- Pursued grants through the Parks and Recreation Commission for the amphitheater in support of the concerts in the park program.

Fiscal Year 2004-2005 Objectives _____

- Provide excellent customer service including information referral, quality programs, and easy registration.
- Provide staff support to all events and activities scheduled at all town parks.
- Work closely with Fountain Hills Unified School District to assist with scheduling and maintenance of facilities utilized by the parks and recreation department.
- Identify new recreation and leisure education programs to be offered in fiscal year 2005-2006.



Summary Expenditures – Recreation Program

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$482,995	\$440,348	\$372,620	\$367,651	\$379,260
CONTRACTUAL SERVICES	\$221,448	\$142,189	\$142,550	\$109,800	\$124,635
REPAIRS & MAINTENANCE	\$2,837	\$2,866	\$2,950	\$1,950	\$2,050
SUPPLIES & SERVICES	\$35,742	\$18,063	\$24,950	\$24,400	\$28,800
CAPITAL EXPENDITURES	\$0	\$17,857	\$0	\$0	\$0
TOTAL EXPENDITURES	\$743,022	\$621,323	\$543,070	\$503,801	\$534,745



Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Parks & Recreation				
Parks & Rec/ Comm Ctr Director	1.00	1.00	0.50	0.50
Parks Supervisor	1.00	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00
Rec. Program Coordinator	3.00	3.00	2.00	2.00
Groundskeeper	1.00	1.00	1.00	1.00
Parks Intern	0.50	0	0	0
Recreation Intern	1.00	0	0	0
Park Operations Lead	3.00	3.00	2.00	2.00
Recreation Assistant	4.00	4.00	4.00	3.00
Recreation Aide	0	0	0	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	0	0
Receptionist	0	0	0.50	0.50
Authorized FTE	17.50	16.00	13.00	13.00



Recreation Programs

Salaries and Benefits

\$379,260

This category includes projected salary and employee related benefits for five full-time staff and several part-time/seasonal staff.

Contract Services

\$124,635

Recreation programs include special interest programs, special events, adult and youth sports activities, and youth and teen programs. The special programs line item of \$32,995 is broken down as follows: \$1,730 for an adult education courses with an estimated 144 participants; \$5,230 for supplies and instruction for art classes with 104 participants; \$610 for refreshments for 668 bridge participants; \$2,110 for a adult dance class instruction for 96 participants; \$810 for a dog obedience instructor for 30 participants; \$4,320 for fitness classes instruction for 180 participants; \$940 for hiking leader with 48 participants; \$2,040 for language lessons instruction for 85 participants; \$2,910 for Tai Chi instructors with 104 participants; \$3,315 for the Kartchner Caverns trips; and \$8,980 for the newly restored Concerts in the Park program.

The youth and teen programs line item of \$18,950 is broken down as follows: \$2,595 for art class supplies with 184 participants; \$2,370 for a dance class instructor for 85 participants; \$550 for Kiddie Rhythmics supplies for 70 participants; and \$1,300 for Mayor’s Youth Council supplies with 100 participants.

The sports activities line item of \$48,690 is broken down as follows: \$1,245 for adult basketball referees and supplies for 12 teams; \$13,415 for youth basketball referees and supplies for 350 participants; \$1,560 for golf instructors for 70 participants; \$4,120 for gymnastics instructor for 80 participants; \$720 for karate instructor with 48 participants; \$7,265 for adult softball umpires and supplies for 40 teams; \$1,540 for senior softball umpires and supplies for 38 teams; \$7,005 for senior softball tournament umpires and supplies for 40 teams; \$5,110 for youth and adult tennis instructors for 132 participants; \$4,400 for turkey trot supplies with 600 participants; \$1,235 for a youth volleyball coach and supplies for 36 participants; \$405 for a youth wrestling coach and supplies for 15 participants; and \$670 for youth sports competition supplies for 175 participants.

Each program was analyzed comparing expenses, including overhead versus fees, to ensure at least a break-even program.

This year’s constituent communications has been focused strictly on three recreation brochures to be sent to all households. The project’s \$23,000 amount indicates a reduction from prior fiscal years. The *Compass* cost will now be included in the public information program.

Repairs and Maintenance

\$2,050

This refers to expenses relating to the department’s 15-passenger van and an administrative vehicle, as well as maintenance and repairs to office equipment.

Supplies and Services

\$28,800

This category includes advertising, conferences, continuing education, dues and publications, gas and oil, office supplies, printing, communications, travel, and uniforms.



PARKS & RECREATION					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS:					
Wages	391,524	360,493	307,800	\$299,914	309,200
FICA	12,412	10,629	10,400	\$8,681	10,100
Unemployment Insurance	971	600	800	\$800	800
Employee's Health Insurance	26,945	30,487	23,300	\$22,563	27,200
Employee's Life Insurance	326	321	300	\$611	600
Employee's Dental Insurance	2,992	3,036	2,400	\$2,734	2,900
Employee's Eye Insurance	644	349	0	\$0	0
Worker's Compensation Insurance	3,053	3,372	3,220	\$2,622	3,260
Employee's Retirement Fund	30,342	29,871	23,400	\$28,763	24,100
Recruitment Costs	12,683	0	0	\$0	0
Disability Insurance	1,104	1,189	1,000	\$963	1,100
TOTAL	\$482,995	\$440,348	\$372,620	\$367,651	\$379,260
CONTRACT SERVICES					
Special Programs	69,551	39,686	39,150	26,500	32,995
Youth and Teen Programs	43,459	22,267	11,100	6,300	18,950
Sports Activities	55,354	42,559	51,100	45,000	48,690
Constituent Communications	49,521	37,104	40,200	31,000	23,000
McDowell Mtn Preservation	3,564	572	1,000	1,000	1,000
TOTAL	\$221,448	\$142,189	\$142,550	\$109,800	\$124,635
REPAIRS & MAINTENANCE:					
Vehicle Maintenance & Repair	475	891	500	250	250
Office Equipment Maintenance	2,362	1,975	2,450	1,700	1,800
TOTAL	\$2,837	\$2,866	\$2,950	\$1,950	\$2,050
SUPPLIES & SERVICES:					
Advertising	1,885	811	1,500	1,500	3,300
Conferences	8,842	1,115	1,700	1,700	2,400
Education/Training	1,729	629	3,200	2,250	2,900
Dues & Publications	1,859	1,460	1,400	1,400	1,200
Gas & Oil	1,094	740	1,500	750	1,500
Office Supplies	7,042	5,223	7,000	7,000	7,000
Printing	3,138	2,933	2,500	2,000	2,000
Communications	3,549	2,779	2,500	2,700	2,900
Travel	3,095	123	500	500	500
Uniforms	3,421	2,140	3,000	3,000	3,000
Bank Charges	89	111	150	1,600	2,100
TOTAL	\$35,742	\$18,063	\$24,950	\$24,400	\$28,800
TOTAL EXPENDITURES	\$743,022	\$621,323	\$543,070	\$503,801	\$534,745



Parks

Mission Statement _____

The park staff is dedicated to maintaining over 113 acres of park land throughout the Fountain Hills' park system to department standards by professionally maintaining and operating each park's facilities and amenities enhancing the beauty, value, quality of the park's environment; and continuing to provide quality recreation opportunities, safe and clean parks, and superior park beautification.

Park Descriptions _____

Each of the four parks in the Town's system is in a different stage of development based on master plans that were developed specific to each park. The Parks and Recreation Commission and Town Council have reviewed and approved these master plans, which included public input during their planning.

Desert Vista Neighborhood Park

Desert Vista Neighborhood Park is an all turf 12-acre park located between Desert Vista and Tower Drives, south of Tioga Drive. The Town acquired this site on May 21, 1998, from MCO Properties, Inc. The Town, in cooperation with the Fountain Hills Sanitary District, is using the 12-acre site for effluent water disposal. However, the Town has fenced 3.5 acres to be used as an off-leash recreational facility and uses the remainder of the park for soccer and open field play.

Fountain Park

Fountain Park is a 62-acre passive recreation facility and home of the Town's world famous fountain, the signature park of the community. The park was built in 1970 and includes 33 acres of turf, a 29-acre million gallon effluent lake, pump house station, dam, 18-hole disc golf course, restroom/control building, children's playground, two ramadas with picnic tables and grills, and two parking lots. The Town acquired the park on May 1, 1997, from MCO Properties, Inc., and approximately nine months later, the Parks and Recreation Commission developed a new park master plan. The revised plan includes approximately 7,200 linear feet of walkways complete with lighting, five picnic ramadas with tables and barbecue grills, one restroom/control building, two parking lots with over 130 parking spaces, a tot lot, and a playground. Additional amenities include a veterans' memorial and an outdoor performance pad. Several park improvement projects were made during fiscal year 2000-2001 including the replacement of the lake liner, construction and installation of injection wells, and the completion of Phase I improvements. Phase II improvements are projected to start in June 2004.

Four Peaks Neighborhood Park

Four Peaks Neighborhood Park is a 14-acre recreation facility adjacent to Four Peaks Elementary School. The Parks and Recreation department acquired approximately 9.9 acres of land from the School District in May 2001, bringing the total acreage of the park to 14 acres. The Parks and Recreation department has maintained this land over the last several years and will continue to maintain the property in the future. The park currently includes a lighted soccer field with seating, a multi-purpose field with lights, one Little League field, one softball field, two lighted tennis courts, two lighted basketball courts, two children's playgrounds, a restroom/control building, one ramada with a grill, and parking for twenty vehicles.



Golden Eagle Park

Golden Eagle Park is a 25-acre active recreation facility adjacent to Fountain Hills High School. The park includes four multi-purpose lighted ball fields with covered dugouts and seating for 550 spectators, four lighted tennis courts with a shaded waiting area, two lighted basketball courts with bleachers, two lighted sand volleyball courts with a shower tower, a shaded tot lot, a shaded children’s playground with a shaded seat wall, a 2,500 square foot restroom/control building, three parking lots with a total of 223 parking spaces, three picnic ramadas with grills, one pedestrian foot bridge, eight chilled drinking fountains, a horse shoe pit, six open turf areas, a large equipment storage yard, and over one mile of sidewalks and concrete pathways. Golden Eagle Park is the first park to complete all phases of capital improvements.

Performance Standards

Fountain Hills Park System

(Fountain Park, Desert Vista Neighborhood Park, Four Peaks Neighborhood Park, and Golden Eagle Park)

- Provide safe and clean facilities daily.
- Secure restroom/control buildings and park entry gates daily.
- Prepare and line all ball fields for scheduled activities.
- Maintain athletic facilities at standards acceptable for all scheduled sports activities.
- Maintain safe and beautiful green turf.
- Maintain an accident free work place.
- Provide excellent customer service.

Management Indicators – Parks

	FY 2002-2003 Actual	FY 2003-2004 Estimated	FY 2004-2005 Projected
Grounds Maintenance			
Mowing frequency	50 weeks	50 weeks	42 weeks
Aeration	4 x annually	4 x annually	2 x annually 2 x in-house
Post emergence spraying	3 x annually	3 x annually	In house
Pre emergence spraying	2 x annually	2 x annually	In house
Park Facility Bookings			
Desert Vista Neighborhood Park	68	70	78
Fountain Park	64	75	85
Four Peaks Neighborhood Park	439	445	465
Golden Eagle Park	1,864	1,875	1,880



Fiscal Year 2003 – 2004 Accomplishments (Parks) _____

Fountain Hills Park System

- Maintained our high standards of maintenance for all park amenities and facilities.
- Over-seeded all of the parks within the park system.
- Posted new signage throughout the park system.
- Installed several new memorial park benches and trees at several parks.
- Provided support services and field preparation for various Fountain Hills organizations, such as, the Chamber of Commerce, Ministerial Association, Little League, the Soccer Club, Pop Warner Football, the Senior Softball program, and the Men's League.
- Provided support services and field preparation to High School, Middle School, and Four Peaks Elementary School personnel and associated sports teams.
- Upgraded turf and field conditions at all parks.
- Maintained good working relationships with staff at SunRidge Canyon Golf Course and the Fountain Hills Unified School District.

Desert Vista Neighborhood Park

- Constructed ten new aluminum containers for mutt mitts.
- Installed six ficus trees and new drip system at the off-leash recreational facility.
- Set up for the annual Paws in the Park special event.
- Prepared and lined the turf for soccer games and practices.
- Backfilled low areas of the park.
- Repaired pet drinking fountains.
- Successfully completed the fall over-seeding.

Fountain Park

- Continued the St. Patrick's Day annual tradition of dyeing the fountain green.
- Repaired two aeration pumps for better circulation of oxygen into the fountain lake.
- Continued to repair the irrigation system for 100% automatic clock operation.
- Completed water quality assessment of the Fountain Lake.
- Initiated soils testing throughout the park in order to improve the appearance of the turf.
- Commenced Phase II Improvements.
- Initiated aquatic maintenance program for Fountain Lake.
- Successfully completed the fall over-seeding.

Four Peaks Neighborhood Park

- Reconditioned the Little League field.
- Continued park operations with staff reduction.
- Installed new park signage.
- Successfully completed fall over-seeding.

Golden Eagle Park

- Replaced gate and isolation valves throughout the park.
- Worked with SunRidge Canyon to repair and maintain the required level of pump pressure to ensure effective pump operations.
- Worked with SunRidge Canyon to continue access to the pump house.
- Reconditioned Field #1 with new sod and stabilizer.



- Successfully over-seeded all turf areas throughout the park.
- Commenced ball field lighting replacement program.
- Maintained buildings and amenities with a high level of service.
- Maintained grounds and landscaping with a high level of service.

Fiscal Year 2004-2005 Objectives (Parks) _____

Fountain Hills Park System

- Maintain current support services and professional assistance to customers, youth and adult organizations, school sports activities, and other community organizations using the facilities and amenities within the Fountain Hills' park system.
- Provide exceptional weekly maintenance of the parks, and emphasize restroom cleanliness and a litter free environment.
- Eliminate turf weeds and weeds on dirt slopes and open areas.
- Level low and uneven turf areas throughout each park.
- Cross-train recreation assistants to assist with park maintenance.
- Manage financial resources to meet authorized expenditures.
- Maintain high staff visibility and provide friendly help for park patrons.

Desert Vista Neighborhood Park

- Install additional benches and trees.
- Work with ADOG to continue safe and clean operations of the off-leash recreational facility.
- Improve turf and field conditions at the off-leash recreational facility.

Fountain Park

- Continue to decrease the migratory bird population at the lake.
- Perform major clean up of pump house building and yard to address risk management concerns.
- Work with contractors on the Veterans Memorial project.
- Start major work on Phase II improvements of the approved master plan.
- Improve turf conditioning and appearance where needed.

Four Peaks Neighborhood Park

- Continue annual reconditioning of all athletic fields.
- Meet with neighborhood watch groups to discuss issues.
- Streamline maintenance operations as a result of staff reductions.
- Install additional impact surface material in playgrounds.

Golden Eagle Park

- Maintain park amenities, courts, ball fields, landscaping, and building with a high level of service.
- Maintain good a relationship with SunRidge Canyon Golf Course for pump house access.
- Manage budgets to projected expenditures.
- Provide excellent customer service.
- Continue to provide excellent field preparation for scheduled sports activities.



Summary Expenditures - Parks

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$237,080	\$235,519	\$214,290	\$204,534	\$225,430
CONTRACTUAL SERVICES	\$0	\$0	\$12,800	\$7,000	\$18,000
REPAIRS & MAINTENANCE	\$344,772	\$291,005	\$292,550	\$271,200	\$313,550
SUPPLIES & SERVICES	\$205,789	\$178,167	\$176,200	\$167,350	\$210,115
CAPITAL EXPENDITURES	\$24,810	\$15,000	\$510,000	\$45,000	\$0
TOTAL EXPENDITURES	\$812,452	\$719,690	\$1,205,840	\$695,084	\$767,095

Salaries and Benefits **\$225,430**

The parks are maintained by a staff consisting of a park supervisor, two parks operations supervisors, and one parks operations worker. Although the staff members are assigned to a specific park, they share responsibilities for all parks and perform their duties wherever necessary.

Desert Vista Neighborhood Park	\$ 0
Fountain Park	\$ 59,220
Four Peaks Neighborhood Park	\$ 0
Golden Eagle Park	\$166,210

Contract Services **\$18,000**

Update and revise master plans to include \$6,000 for Desert Vista Neighborhood Park, \$6,000 for Four Peaks Neighborhood Park, and \$6,000 for Fountain Park for a total of \$18,000.

Repairs and Maintenance **\$313,550**

These expenses relate to the daily maintenance of the park, as well as renting power tools and small equipment to perform park maintenance repairs. The major component to this category is the annual landscape contract, which accounts for most of the expenditures for this category. The annual landscape contract was to be re-bid during fiscal year 2001-2002 and renewed on an annual basis for up to four additional years. We are in the second year of renewal for the annual landscape contract. However, the Fountain Park Phase II improvements, landscaping section, will require a modest increase in the annual landscape contract. Additionally, the annual landscape contract is adjusted annually to include the Consumer Price Index.

Desert Vista Neighborhood Park	\$ 42,000
Fountain Park	\$136,650
Four Peaks Neighborhood Park	\$ 39,500
Golden Eagle Park	\$ 95,400



Desert Vista Neighborhood Park has \$42,000 budgeted for repairs and maintenance, primarily mowing and landscaping work in the amount of \$30,000. This line item consists of mowing 42 times, equaling \$18,000; irrigation technician at \$1,400; herbicide spraying at \$2,200, and over-seeding the park at \$8,400. The remaining \$12,000 is for field preparation at \$10,800 and rentals of equipment at \$1,200.

Fountain Park's budget of \$136,650 for repairs and maintenance consists of \$1,200 for vehicle maintenance and repairs, \$500 for rentals, \$6,000 for building repairs, and \$12,000 to replace or repair valves on the "world famous" fountain. Field and park maintenance line item at \$49,950 consists of liquid fertilizer \$5,000, acid supplies \$5,000, granular fertilizer \$11,000, irrigation repairs \$5,000, hydroseeding \$2,500, concrete pads \$2,000, trees \$1,000, memorial benches \$5,000, lake management program, midge fly mitigation, odor control at \$12,950, flags at \$500, and \$1,200 for vehicle maintenance and repairs. Also included is \$6,000 for building repairs, and \$500 for rentals. Fountain Park's mowing and landscaping line item of \$67,000 breaks down as follows: Mowing 42 times at \$23,000; irrigation \$2,000; irrigation tech \$4,000; pesticide spraying \$4,020; trimming \$6,000; and over-seeding and scalping at \$25,200. Also included is \$2,780 for maintenance of Phase II landscaping improvements.

Four Peaks Neighborhood Park budget of \$39,500 consists mainly of two line items, \$16,000 for field preparation and \$16,800 for mowing and landscape maintenance. The \$16,000 field preparation consists of \$2,500 for lighting repairs, \$4,000 for stabilizer and paint, \$4,000 for fertilizer, \$2,500 for irrigation repairs, \$1,000 for herbicides, \$2,000 for rye and bermuda seed. The mowing and landscaping \$16,800 line item breaks down as 42 mows, totaling \$14,000; and \$2,800 for over-seeding. Also included is \$5,000 for building repairs, \$700 for equipment rentals, and \$1,000 for vehicle maintenance/repairs.

Golden Eagle Park's request of \$95,400 consists of \$31,200 for building repairs and maintenance which includes \$6,000 for painting ramada roofs, \$10,000 for supplies for plumbing repairs, concession stand, maintenance shed repairs, painting fire lanes, and \$15,200 for tennis court repairs. \$30,100 is budgeted under line item "Field Preparation and Maintenance", as follows: \$3,000 for stabilizer, \$5,000 for lighting repairs, \$5,000 for fertilizer, \$3,000 for electrical repairs, \$4,000 for irrigation, \$2,500 for chemicals, \$2,500 for benches and picnic tables, and \$2,100 for sports field repairs, and \$3,000 for field marking paint. \$24,000 is budgeted under "Mowing and Landscape Maintenance" as follows: \$12,000 for 42 mowings, \$7,500 for trimming, \$3,000 irrigation tech, and \$1,500 for scalping. \$9,000 is for vehicle maintenance/repairs, and \$1,100 for equipment rentals.

Supplies and Services \$210,115

Expenses in this category pertain to the daily operations of the park and include costs for electricity, water, sewer, trash pick-up, associated operational signage, and miscellaneous tools and supplies. The major portion of this category consists of the electricity required to operate the fountain pumps. Also included are expenditures associated with continuing education and conferences for park staff to keep current with certifications.

Desert Vista Neighborhood Park	\$ 5,150
Fountain Park	\$118,340
Four Peaks Neighborhood Park	\$ 34,400
Golden Eagle Park	\$ 52,225



Fountain Park has the largest line item, \$83,340, which includes \$69,000 for electricity to operate the fountain pumps, ramadas, parking lot lights, and control building. The remaining \$14,340 includes \$8,700 for water and sewer, \$1,700 for gas and oil, and all other associated line items equal \$1,000 or less. Four Peaks Neighborhood Park, \$34,400 has two major line items: electricity at \$14,000 for lights, and water and sewer costs \$19,300 for irrigation. Golden Eagle Park, \$52,225 has a major line item expense for electricity at \$31,500 for lighting the ball fields, tennis courts, parking lots, area lighting, and the control building. The remaining \$20,725 is accounted for in line items for gas and oil at \$4,500, tools and shop supplies at \$1,800, water and sewer at \$7,800, uniforms at \$3,500, and communication expense at \$1,700. All other associated line items equal \$1,000 or less.

Capital Improvement Projects **\$0**

Expenses in this category are budgeted in the Parks and Recreation development fee fund or the capital fund for previously approved projects. Two park improvement projects are carried over from last fiscal year’s budget: a skate park project at Desert Vista Neighborhood Park and a portion of Fountain Park Phase II improvements. \$56,000 of costs associated with the skate park will include either engineering/design fees or modular components for the skate park, and will come from development fee monies, and the Parks and Recreation Commission requested an additional \$150,000 for an in-ground skate park facility.

Fountain Park Phase II improvements, costing \$510,000 in general fund monies, including an activity area with a shared tot lot and playground, the north sidewalk to complete the walking path around the park, and a performance pad, which are budgeted under the previously approved capital projects fund. The Town was awarded a Land and Water Conservation Fund (LWCF) grant for the Fountain Park project in December 2000 in the amount of \$237,307 for the Fountain Park Phase II improvements.

Also included in the Parks and Recreation development fee fund is the Fountain Park capital improvement line item for \$125,000 to construct a sprayground at Fountain Park. Donations from Rotary and nearby developers will cause the entire project to be near \$200,000.

Desert Vista Neighborhood Park	\$206,000*
Fountain Park (Phase II improvements)	\$702,300**
Fountain Park (spraypark)	\$125,000*
Fountain Park picnic ramada	\$ 69,670*

*From development fees.

**From previously approved capital project fund.



DESERT VISTA PARK					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
CONTRACT SERVICES:					
Engineering/Design Fees	0	0	0	0	6,000
TOTAL	0	0	0	0	6,000
REPAIRS & MAINTENANCE:					
Equipment Rental	0	54	1,900	1,600	1,200
Field Preparation/Maintenance	2,536	4,740	5,000	7,700	10,800
Mowing/Landscape Maintenance	35,726	32,614	30,000	29,300	30,000
TOTAL	\$38,263	\$37,408	\$36,900	\$38,600	\$42,000
SUPPLIES & SERVICES:					
Advertising	0	0	500	0	300
Electricity	3,628	3,851	5,000	4,000	4,000
Tools/Shop Supplies	132	392	500	100	250
Water/Sewer	1,096	490	600	600	600
TOTAL	\$4,856	\$4,734	\$6,600	\$4,700	\$5,150
CAPITAL EXPENDITURES					
Capital Outlay - Park Improvements	0	0	0	0	0
TOTAL	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$43,118	\$42,142	\$43,500	\$43,300	\$53,150



Desert Vista Off Leash Recreational Park



FOUNTAIN PARK	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS:					
Wages	40,945	37,981	40,800	38,211	42,600
FICA	552	495	610	522	630
Unemployment Insurance	46	39	50	50	50
Employee's Health Insurance	6,002	7,011	7,820	7,250	8,490
Employee's Life Insurance	53	53	60	117	130
Employee's Dental Insurance	632	883	950	934	980
Employee's Eye Insurance	135	64	0	0	0
Worker's Compensation Insurance	829	1,025	1,390	1,040	1,450
Employee's Retirement Fund	4,504	4,801	4,490	4,203	4,690
Disability Insurance	151	143	200	167	200
TOTAL	\$53,849	\$52,495	\$56,370	\$52,494	\$59,220
CONTRACT SERVICES:					
Consultant Fees	0	0	12,800	7,000	6,000
TOTAL	\$0	\$0	\$12,800	\$7,000	\$6,000
REPAIRS & MAINTENANCE:					
Vehicle Maintenance/Repair	910	357	2,000	1,100	1,200
Equipment Rental	96	199	950	500	500
Building Repairs/Maintenance	5,670	3,026	5,000	7,500	6,000
Equipment Repair	1,648	25,199	12,000	17,500	12,000
Field and Park Maintenance	62,350	38,928	43,300	30,000	49,950
Mowing/Landscape Maintenance	110,446	67,439	70,000	55,000	67,000
TOTAL	\$181,119	\$135,149	\$133,250	\$111,600	\$136,650
SUPPLIES & SERVICES:					
Advertising	978	0	1,000	400	500
Conferences	125	75	240	0	240
Education/Training	100	80	780	600	600
Dues & Publications	120	145	100	100	100
Electricity	87,155	74,365	59,900	68,000	104,000
Gas and Oil	1,800	1,286	1,500	1,400	1,700
Office Supplies	500	303	200	100	200
Tools, Shop Supplies	659	1,058	1,000	500	500
Printing	0	195	300	300	300
Communications Expense	498	500	500	550	600
Water	7,375	7,416	9,200	8,300	8,700
Travel	5	0	0	0	0
Uniforms	1,130	788	1,000	850	900
TOTAL	\$100,445	\$86,211	\$75,720	\$81,100	\$118,340
CAPITAL EXPENDITURES					
Capital Outlay - Improvements	0	15,000	510,000	45,000	0
TOTAL	\$0	\$15,000	\$510,000	\$45,000	\$0
TOTAL EXPENDITURES	\$335,414	\$288,855	\$788,140	\$297,194	\$320,210



FOUR PEAKS NEIGHBORHOOD PARK					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
CONTRACT SERVICES:					
Engineering/Design Fees	0	0	0	0	6,000
TOTAL	0	0	0	0	6,000
REPAIRS & MAINTENANCE:					
Vehicle Maintenance/Repair	357	1,277	1,300	1,000	1,000
Equipment Rental	1,829	108	1,900	500	700
Building Repairs/Maintenance	6,135	5,024	5,000	5,000	5,000
Field Preparation/Maintenance	15,318	16,318	16,000	16,000	16,000
Mowing/Landscape Maintenance	13,798	18,437	17,800	16,400	16,800
TOTAL	\$37,437	\$41,164	\$42,000	\$38,900	\$39,500
SUPPLIES & SERVICES:					
Advertising	95	0	150	100	100
Conferences	1,491	75	0	0	0
Education/Training	75	0	0	0	0
Dues and Publications	305	70	0	0	0
Electricity	13,729	14,341	14,000	13,200	14,000
Gas and Oil	1,351	570	600	200	300
Office Supplies	89	151	0	0	0
Tools, Shop Supplies	1,097	979	1,000	700	700
Printing	51	0	0	0	0
Communication Expense	572	313	0	0	0
Water/Sewer	20,763	18,775	23,000	18,400	19,300
Uniforms	709	938	0	0	0
TOTAL	\$40,328	\$36,212	\$38,750	\$32,600	\$34,400
TOTAL EXPENDITURES	\$116,375	\$110,359	\$80,750	\$71,500	\$79,900



Four Peaks Neighborhood Park



GOLDEN EAGLE PARK					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS:					
Wages	110,708	113,610	120,700	\$117,067	126,100
FICA	1,445	1,567	1,780	\$1,651	1,850
Unemployment Insurance	139	118	150	\$150	140
Employee's Health Insurance	14,957	16,521	15,260	\$14,501	16,980
Employee's Life Insurance	158	158	180	\$346	400
Employee's Dental Insurance	1,568	1,686	1,800	\$1,782	1,880
Employee's Eye Insurance	354	168	0	\$0	0
Worker's Compensation Insurance	2,674	3,231	4,190	\$3,136	4,380
Employee's Retirement Fund	12,171	12,497	13,280	\$12,869	13,870
Disability Insurance	447	484	580	\$538	610
TOTAL	\$144,622	\$150,040	\$157,920	\$152,040	\$166,210
REPAIRS & MAINTENANCE:					
Vehicle Maintenance/Repair	9,098	9,502	9,000	8,000	9,000
Equipment Rental	628	830	1,400	1,100	1,100
Building Repairs/Maintenance	22,828	19,350	16,000	16,000	31,200
Field Preparation/Maintenance	26,857	23,482	26,000	33,000	30,100
Mowing/Landscape Maintenance	28,541	24,120	28,000	24,000	24,000
TOTAL	\$87,953	\$77,284	\$80,400	\$82,100	\$95,400
SUPPLIES & SERVICES:					
Advertising	395	0	500	200	300
Conferences	630	180	780	200	800
Education/Training	1,245	240	1,000	900	900
Dues and Publications	495	385	250	250	250
Electricity	34,041	35,233	33,000	30,000	31,500
Gas and Oil	3,674	3,461	3,900	4,200	4,500
Office Supplies	79	198	200	100	175
Tools, Shop Supplies	2,069	1,865	2,000	1,800	1,800
Printing	0	135	0	0	0
Communication Expense	1,485	1,509	1,900	1,600	1,700
Water/Sewer	13,300	5,236	8,000	7,400	7,800
Travel	372	0	0	0	0
Uniforms	2,377	2,567	3,600	2,300	2,500
TOTAL	\$60,160	\$51,009	\$55,130	\$48,950	\$52,225
CAPITAL EXPENDITURES					
Park Equipment	19,434	0	0	0	0
Park Improvements	5,376	0	0	0	0
TOTAL	\$24,810	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$317,545	\$278,334	\$293,450	\$283,090	\$313,835

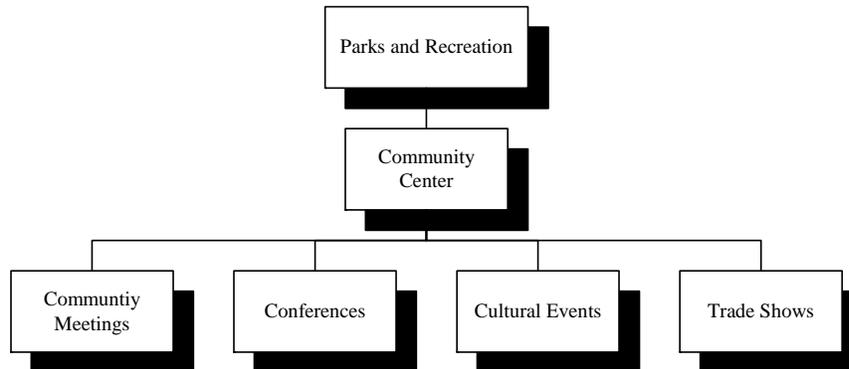


Fountain Park





Community Center



Mission Statement

Like the trademark fountain that stands at the heart of the community, so too does the Community Center. Its mission is to enhance the quality of life for Fountain Hills' citizens by providing a gathering place for civic, non-profit, and community events, promoting the arts, and developing a conference and convention trade. The Community Center shall be "All that is Fountain Hills".

Department Description

The Fountain Hills Community Center provides rental space for recreational, civic, educational, commercial, and personal events that require meeting, banquet, seminar, classroom, or exhibit space. The Center staff works with clients to ensure that meeting rooms and other areas are clean, properly set, and prepared for their use. License agreements ensure that users comply with the policies and procedures as adopted by the Town.

Goals and Objectives

The Fountain Hills Community Center is dedicated to service the residents and community groups of Fountain Hills in the manner and spirit established by the former Community Center. A variety of amenities and spaces combined with a very affordable rate structure provide residents with increased opportunities for personal and local non-profit use. The Center will continue to make community and resident usage a number one priority.

Additionally, the department will incorporate the following goals and objectives previously established: maintain a safe and accessible facility, satisfy clients' requirements, maximize facility usage, and bring additional revenues into Fountain Hills. The Center will provide a positive economic stimulus to the Town by scheduling and booking as many outside groups as possible while continuing to meet the needs of the Fountain Hills community.



Performance Standards _____

- The Community Center shall meet with clients, obtain all necessary event information, discuss rental fees and obtain a signed license agreement within ten working days.
- Clients shall be furnished a detailed scale drawing of their event showing the set. The drawing requires client approval before the event set-up begins.
- All events shall be properly supervised with Center personnel readily available to assist with clients' needs.
- Outstanding billings for events are to be processed in a prompt manner within ten days of the events.

Management Indicators _____

	FY 2002-2003	FY 2003-2004	FY 2004-2005
	Actual	Estimated	Projected
Events/Activities	2,054	1,800	1,900
Attendance	82,105	76,500	83,089
Revenues	\$175,024	\$195,000	\$235,000

Fiscal Year 2003-2004 Accomplishments _____

The Fountain Hills Community Center has accomplished the following:

- Hired and trained new staff for a number of part-time positions.
- Renewed the State of Arizona liquor license.
- Continued to meet monthly with the Community Center Advisory Commission.
- With Advisory Commission assistance, developed and recommended to the Town Council an updated rental rate for local civic groups to meet free of charge. Potential revisions for frequent users and civic organizations that donated \$50,000 or more to the Community Center Contribution Fund were also recommended.
- Updated the policies and procedures manual in cooperation with the Advisory Commission, including new cancellation policy.
- Continued to utilize volunteer staff that not only oversees the front desk but also has created several community activities: the Holiday Celebration and tree decorating, "Munch and Music", "Summer Serendipity", and was the first Town department to enter the Chamber of Commerce Thanksgiving Day Parade.
- Continued working to reduce the annual operational subsidy of the Community Center. It is anticipated that the previously anticipated operational deficit of over \$300,000 will be reduced to under \$200,000 for fiscal year 2003-2004. The operational budget for the Center, combined with the revenues for fiscal year 2004-2005, is anticipated to be close to those lower numbers again.



Fiscal Year 2004-2005 Objectives _____

- Continue serving as the location of choice for many service club meetings, civic functions, and major community social, fundraising, and Chamber of Commerce events.
- Work on making the facility one of the premier wedding destinations in the valley by exposing the public to the location through a marketing campaign, including bridal exhibitions and trade shows, hosting bridal consultant meetings, and other venues. 50 weddings per year is the goal.
- Revise the existing booking system to a more effective system that will save time and allow staff to focus more energy on creating in-house events with focus on customer service and cutting operational costs.
- Work on new marketing ideas for the Community Center to include more information on Channel 11; update current website information, put together a monthly newsletter, and make all marketing materials uniform in order to “brand” the Community Center.
- Along with Town staff and the Arts Council, finish the work of the Plaza Circle making it an extension of the Community Center to enhance its use for special events to allow generation of additional revenues.
- Extend liquor license to include the courtyard area.

Summary Expenditures – Community Center

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$223,448	\$287,858	\$301,144	\$272,142	\$321,017
CONTRACTUAL SERVICES	\$65,701	\$66,529	\$52,000	\$51,700	\$76,050
REPAIRS & MAINTENANCE	\$3,928	\$10,637	\$8,300	\$11,500	\$11,900
SUPPLIES & SERVICES	\$106,796	\$85,902	\$104,950	\$100,800	\$102,530
CAPITAL EXPENDITURES	\$18,082	\$0	\$3,600	\$0	\$0
TOTAL EXPENDITURES	\$417,955	\$450,926	\$469,994	\$436,142	\$511,497

Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Community Center				
Parks & Rec/Comm Ctr Director	1.00	1.00	0.50	0.50
Comm. Ctr Supervisor	1.00	1.00	1.00	1.00
Comm Ctr Operations Supervisor	1.00	1.00	1.00	1.00
Administrative Assistant	0.50	1.00	1.00	1.00
Operations Support Worker	1.00	1.00	1.50	1.50
Custodian	0	1.00	1.00	1.00
Volunteer Coordinator	0.50	0.50	0.50	0.50
Authorized FTE	5.00	6.50	6.50	6.50



Salaries and Benefits **\$321,017**

This item includes compensation and benefits for three full time and several part time employees.

Contract Services **\$76,050**

Contract services line items include costs associated with providing law enforcement security. An amount of \$550 is appropriated for contractual services with deputies from Maricopa County Sheriffs Office to provide security for liquor events. Additionally, included within this category is an amount of \$75,500 requested by the Tourism Bureau to promote tourism in Fountain Hills. The Bureau has also requested additional funding, which has been included in the Special Revenue Funds under Proposition 202 grants.

Repairs and Maintenance **\$11,900**

This category includes costs for normal repair and maintenance of the facility, equipment rental such as sound or lighting systems, and normal office equipment repair and maintenance. Though certain pieces of equipment are under warranty, it is anticipated that some repairs will be required.

Supplies and Services **\$102,530**

This category includes the Community Center printing budget, which is used for all brochures, flyers, promotional, and trade show materials. Also included are office supplies for daily operations, dues and publications, and conferences. The largest line item in this category is electricity at \$55,000 to run the building. Additionally, the Salt River Project will be increasing its rates by 1.8% beginning November 1, 2004. Liquor sales are also a significant part of the overall revenues and supplies costs at \$14,000. The Community Center's margins are lower than private commercial centers; this allows lower prices to be charged, which gives an advantage for major events to be held there. Lastly, volunteer programs are also included under the office supply line item. Volunteer programs include our Homecoming Celebration, Holiday Party, Summer Serendipity, and the Spring Volunteer Reception. The volunteer coordinator also works on new programs for the upcoming year to increase usage of the art rooms.



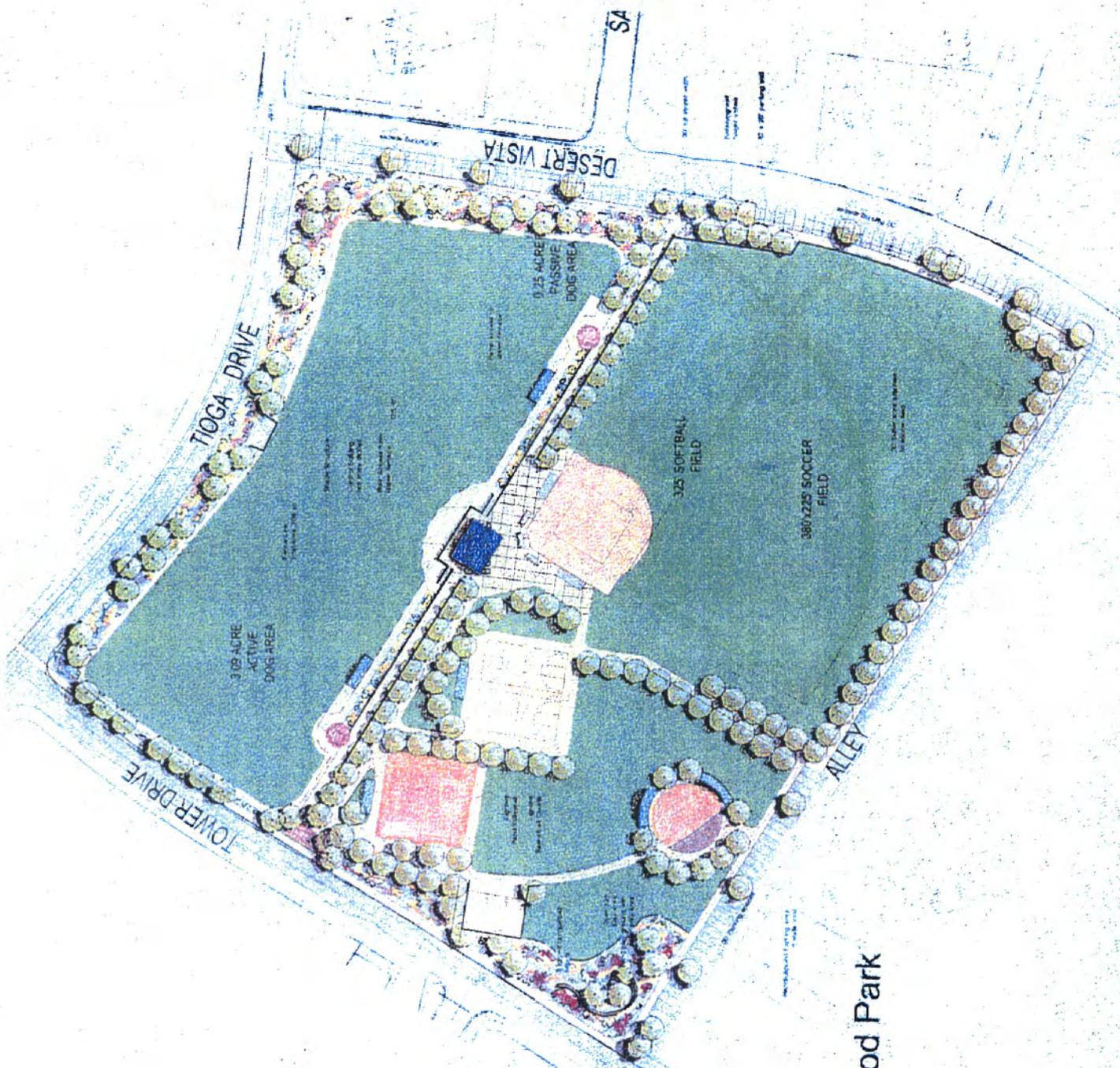
Fountain Hills Community Center



COMMUNITY CENTER	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS					
Wages	192,370	238,347	242,613	225,733	263,488
FICA	6,031	9,061	9,030	8,293	9,980
Unemployment Insurance	542	496	845	845	639
Employee's Health Insurance	8,121	12,722	13,692	12,543	14,858
Employee's Life Insurance	123	176	210	436	447
Employee's Dental Insurance	873	1,375	1,502	1,467	1,565
Employee's Eye Insurance	195	153	0	0	0
Worker's Compensation Insurance	527	1,593	4,530	1,353	5,120
Employee's Retirement Fund	14,165	16,282	16,981	15,712	18,129
Recruitment Costs	0	0	0	0	0
Disability Insurance	502	609	741	660	791
Bartender Services	0	7,046	11,000	5,100	6,000
TOTAL	223,448	287,858	301,144	272,142	321,017
CONTRACT SERVICES					
Contract Security Fees	3,300	1,040	1,500	1,200	550
Tourism	62,401	65,489	50,500	50,500	75,500
TOTAL	\$65,701	\$66,529	\$52,000	\$51,700	\$76,050
REPAIRS & MAINTENANCE:					
Building Repairs & Maintenance	3,480	9,572	7,000	10,200	10,700
Office Repairs/Maintenance	448	1,065	1,300	1,300	1,200
TOTAL	\$3,928	\$10,637	\$8,300	\$11,500	\$11,900
SUPPLIES & SERVICES:					
Advertising	2,860	3,173	8,000	9,000	9,680
Conferences		0	0	0	400
Education/Training	514	450	500	500	500
Dues/Publications	1,700	1,795	600	600	650
Electricity	33,653	43,449	50,000	54,700	55,000
Office Supplies	35,521	7,638	7,000	7,000	7,000
Bar Supplies	19,550	20,727	25,000	13,000	14,000
Printing	1,622	351	2,500	2,500	1,500
Communications Expense	2,002	1,031	1,150	1,400	1,300
Water/Sewer	7,554	7,017	9,000	9,400	9,800
Travel	136	189	200	0	200
Uniforms	1,559	0	800	1,100	800
Bank Charges	126	82	200	1,600	1,700
TOTAL	\$106,796	\$85,902	\$104,950	\$100,800	\$102,530
CAPITAL EXPENDITURES					
Capital - Furniture/Equipment	18,082	0	3,600	0	0
TOTAL	\$18,082	\$0	\$3,600	\$0	\$0
TOTAL EXPENDITURES	\$417,955	\$450,926	\$469,994	\$436,142	\$511,497



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Conceptual Master
Desert Vista Neighborhood Park

Town of Fountain Hills



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 Fountain Hills, AZ
 1999



Scale: 1" = 20' - 0"

Fountain Park Master Plan

PHASE I (EXISTING)

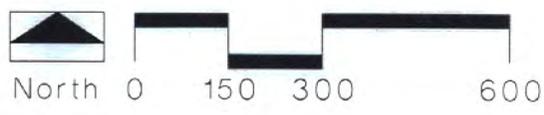
- ① 10' wide integrally colored ADA sidewalk (4,920 linear feet)
- ② 8' wide multi-use walking path with decomposed granite over asphalt (4,615 linear feet)
- ③ "Red Yucca Ramada" with three 8 person picnic tables and barbecue
- ④ West parking lot with 115 lighted spaces. See sheet "Fountain Park West Parking Lot" for an enlargement
- ⑤ "Golden Barrel Ramada" with three 8 person picnic tables and barbecue
- ⑥ Restroom / control building (990 S.F.)

PHASE II

- A "Kiwanis Ramada" with three 8 person picnic tables and barbecue
- B "Chuparosa Ramada" with three 8 person picnic tables and barbecue
- C "Ironwood Ramada" with three 8 person picnic tables and barbecue
- D Educational arboretum with signage 142 trees total.
- E Interpretive Signage (5 stations). See sheet "Fountain Park Interpretive Signage" for detail
- F 18 hole disc golf course with tee signs.
- G Fountain Lake performance pad with spectator seating
- H (45'x75') shaded tot lot for 3-5 year olds (45'x75') playground for 5-12 year olds
- I Park entry signage (2 locations) See sheet "Fountain Park Entry Signage" for detail
- J East parking lot with 59 lighted spaces
- K Veterans memorial and rose garden
- L Pathway lights covering (9,535 L.F. and 95 lamps)
- M Desert Wildflower Garden (15,060 S.F.). See sheet "Fountain Park Desert Wildflower Garden" for an enlargement.



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Four Peaks Neighborhood Park Phase II Conceptual Master Plan

- 1 New lighted in-line roller hockey facility with bleachers
 - 2 New lighted baseball courts, with bleachers
 - 3 Shade bscopa with picnic tables
 - 4 Existing lighted ball field
 - 5 New storage/maintenance yard (Approx. 2500 sq ft)
 - 6 Existing tennis courts
 - 7 Existing lighted softball field
 - 8 New Four Peaks Elementary School addition
 - 9 New 13,500 S.F. Community Recreation Center
 - 10 New parking lot (28 spaces)
 - 11 School playground
 - 12 New skateboard park
 - 13 New bike rack area
 - 14 Fire lane
 - 15 Large group amusea with picnic tables and barbecues
 - 16 New parking lot (25 spaces)
 - 17 New trash enclosure
 - 18 Existing pedestrian bridge
 - 19 Existing Four Peaks Neighborhood Park lighted soccer field
 - 20 Existing rest rooms and office
 - 21 Existing parking
 - 22 Administration Building
 - 23 Four Peaks Elementary School
 - 24 Existing bus loading area
 - 25 Existing Four Peaks Neighborhood Park Native Area Open Space
 - 26 Caliente Wash Native Area Open Space
 - 27 Cell Phone Transformer with Screen Wall
 - 28 Access for Cell Phone Transformer Maintenance
 - 29 Buffer Area with berming and landscape
- 3' Tall Metal Fence to Match Phase I Fence Along Wash
- Chainlink Fence for Baseball and Softball Fields



Four Peaks
Neighborhood Park
Phase II
Foundation 11/14
Arizona

Conceptual
Master
Plan

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RECREATIONAL MASTER PLAN
GOLDEN EAGLE PARK

FOUNTAIN HILLS, ARIZONA



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622298
 08/09/2009



Future Potential
Parking Lot

Bus/Car Drop
Off Zone

Cut Slope
Enhancements

Soil Cement
Roadway

Boulder Access
Control Area

Temporary Boulder
Access Control Area
Between Upper and
Lower Phases

Limit Line Between
Upper and Lower
Phases

Temporary Access
Control Gate

Enhanced Pavement
Brick Pavers

Trailhead Access

Sonic Overlook &
Picnic Ramada

Seatwall

Accessible
Parking Area

Gabion
Retaining Wall

Soil Cement
Roadway

Stabilized Decomposed
Granite Parking Stalls

Catch Basin

Gabion
Retaining Walls

Drainage
Headwalls

Stabilized Granite
Walkway

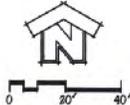
Entry Gates to Match
Subdivision Theme

Entry Monument
Signage on Gabion
Basket

Enhanced Pavement
Brick Pavers

Boulder Access
Control Area

Treddie



J.E. Engineering and Environmental Design, L.L.C.
3222 South 48th Street, Suite 135
Phoenix, Arizona 85044
Phone 602-438-2331
www.jehelp.com

Scale: 1" = 20'
Date: 10/05/03

TOWN OF FOUNTAIN HILLS CENTRAL TRAILHEAD

MASTER PLAN



Public Safety

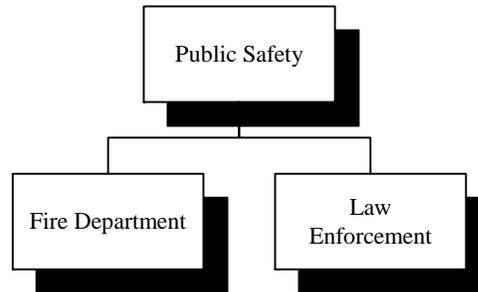
Law Enforcement

Fire Department





Law Enforcement Department



Mission Statement

The Maricopa County Sheriff's Office, in partnership with our citizens and contract cities, will enforce state laws, deter criminal activity, protect life and property, maintain order, and operate a safe, constitutional jail system.

Through innovative leadership and dedication to providing quality services, the Sheriff's Office will maximize the use of its resources to provide the highest quality service, which will aid in improving the quality of life for the citizens of Maricopa County.

The office is also dedicated to providing a caring and supportive environment for our employees because they are the backbone of the system and have a need for continued growth and development through education and training. Each employee will have opportunities for career development, professional growth, and a challenging work environment.

Employee creativity and innovations are encouraged for improving the effectiveness of the Office. Employees will be provided the same concern, respect, and caring attitude within the Office, that they are expected to share when contacting the citizens of Maricopa County

Department Description

Law enforcement services are provided to our residents through contract services from the Maricopa County Sheriff's Office (MCSO). The office enforces State and local laws as well as addressing "quality of life" issues such as crime prevention, traffic safety, drug enforcement, youth services, special events, barking dogs, and community services.

Performance Standards

- All department members will support the principles of community based policing.
- The public will be treated with courtesy and respect by all members of the Sheriff's Office.
- Members of the Sheriff's Office will not engage in racial profiling.
- All certified personnel will meet, or exceed, state training standards (AZ-POST) as a means of reducing liability.



Management Indicators

	2001 Actual	2002 Actual	2003 Actual
Crimes Part I*	370	443	387
Crimes Part II**	637	410	713
Ordinance violations	1,554	1,764	2,047
Traffic accidents	208	212	233
Driving under the influence (DUI)	86	46	60

*Part I Crimes – Homicide, Sex Assault, Robbery, Aggravated Assault, Residential/Business Burglaries, Auto Burglaries, Auto Theft, Theft, Arson.

**Part II Crimes – All other crimes, except Part I crimes and traffic violations.

Fiscal Year 2003-2004 Accomplishments

In the first nine months of the fiscal year, the Maricopa County Sheriff’s Office accomplished the following:

- Sponsored and presented a wide variety of youth service activities including Stranger-Danger, Teen Court, youth camp, and Midnight Madness.
- Promoted crime prevention through a wide variety of community programs including public service articles on crime resistance techniques, vacation watches, and bicycle patrols.
- Supported a successful and growing Block Watch program.
- Introduced several new programs including VIN etching, Watch Your Car Program, and the RUOK (elderly welfare check system).
- Became a stand-alone patrol district (District 7), allowing the Sheriff’s Office to better meet the needs of the Town.
- Successfully transitioned to a single agency law enforcement service.

Fiscal Year 2004-2005 Objectives

- The primary objective of the Maricopa County Sheriff’s Office for this upcoming fiscal year is to continue to provide the Town with quality law enforcement services at an affordable price.
- Achieve a clearance rate on violations of at least 85% based on the criteria of handling and resolving complaints to the resident’s satisfaction within 30 days of receipt.
- Continue to promote effective communications between the Town and Sheriff’s Office.
- Develop and implement an organized traffic safety strategy for the community to help prevent an increase in the traffic accident rate. The program will emphasize a combination of education and enforcement for this purpose.



- Sponsor, participate, or present youth oriented community service programs during the upcoming fiscal year including, but not limited to, bike safety inspections and registration, child restraint inspections, “Stranger-Danger” presentations, Teen Court, youth camp, Midnight Madness, and support of the Torch Run for Special Olympics.
- Promote public visibility, accessibility, and community relations through clearly marked cars and high profile uniformed personnel.

Summary Expenditures – Law Enforcement

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$975,029	\$896,570	\$75,900	\$36,756	\$0
CONTRACTUAL SERVICES	\$1,535,156	\$1,499,336	\$1,662,588	\$1,661,188	\$1,796,670
REPAIRS & MAINTENANCE	\$25,843	\$7,193	\$500	\$288	\$0
SUPPLIES & SERVICES	\$75,521	\$37,239	\$4,550	\$1,282	\$0
CAPITAL EXPENDITURES	\$34,381	\$36,994	\$0	\$0	\$0
TOTAL EXPENDITURES	\$2,645,929	\$2,477,332	\$1,743,538	\$1,699,514	\$1,796,670

Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Law Enforcement				
Pub.Safety Dir./Town Marshal	1.00	1.00	0	0
Emergency Mgmt.Coordinator	0	0	1.00	0
Sergeant	4.00	3.00	0	0
Deputy Marshal	4.00	8.00	0	0
Dispatcher	7.00	7.00	0	0
Administrative Assistant	0	1.00	0	0
Authorized FTE	26.00	20.00	1.00	0

Contract Services

\$1,796,670

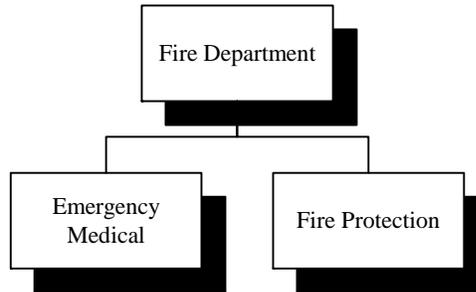
The Town of Fountain Hills contracts with the Maricopa County Sheriff’s Office for law enforcement services. The contract amount is \$1,730,470, or an increase of 4% over the previous fiscal year. This contract provides for 24 law enforcement officers for the Town of Fountain Hills at a ratio of more than one officer per 1,000 residents and provides for a school resource officer requested by the Fountain Hills School District. The Town’s cost for law enforcement services has dropped significantly (35% or over \$900,000) and excellent service levels have been maintained. In a separate agreement with Maricopa County Office of Management and Budget, prisoners are transported to the Maricopa County jail and the Town is charged a per diem fee, estimated at \$38,000. The Town also contracts with Maricopa County Animal Care and Control Services for animal control and shelter services in the amount of \$28,200.



LAW ENFORCEMENT	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS:					
Wages	773,700	720,694	55,200	31,813	0
FICA	10,709	14,399	800	909	0
Unemployment Insurance	858	1,098	0	38	0
Employee's Health Insurance	79,041	76,906	7,800	1,579	0
Employee's Life Insurance	966	726	100	26	0
Employee's Dental Insurance	10,272	8,431	900	139	0
Employee's Eye Insurance	2,014	903	0	0	0
Worker's Compensation Insurance	14,510	13,630	1,700	1,050	0
Employee's Retirement Fund	78,254	57,190	6,100	1,136	0
Recruitment Costs	1,699	333	3,000	0	0
Disability Insurance	3,007	2,261	300	65	0
TOTAL	\$975,029	\$896,570	\$75,900	\$36,756	\$0
CONTRACT SERVICES					
Jail/Prisoner Fees	38,804	36,930	38,000	36,000	38,000
Rabies/Animal Control	0	0	26,200	26,800	28,200
Sheriff's Contract	1,496,352	1,462,406	1,598,388	1,598,388	1,730,470
TOTAL	\$1,535,156	\$1,499,336	\$1,662,588	\$1,661,188	\$1,796,670
REPAIRS & MAINTENANCE:					
Vehicle Repairs & Maintenance	18,707	5,640	0	288	0
Office Equipment Repairs/Maintenance	7,136	1,553	500	0	0
TOTAL	\$25,843	\$7,193	\$500	\$288	\$0
SUPPLIES & SERVICES:					
Advertising/Signage	7,147	58	200	0	0
Conferences	2,750	89	400	0	0
Education/Training	5,846	1,981	500	0	0
Dues & Publications	2,087	910	500	0	0
Gas & Oil	15,912	8,260	0	94	0
Office Supplies	14,327	4,271	500	11	0
Printing	6,035	1,299	500	0	0
Communication Expense	8,286	15,823	1,400	1,177	0
Travel	2,579	570	500	0	0
Uniforms	7,770	2,892	0	0	0
Weapons/Ammunition	2,663	1,076	0	0	0
Bank Charges	119	10	50	0	0
TOTAL	\$75,521	\$37,239	\$4,550	\$1,282	\$0
CAPITAL EXPENDITURES					
Capital Outlay-Commun.	29,330	36,994	0	0	0
TOTAL CAPITAL EXPENDITURE	\$34,381	\$36,994	\$0	\$0	\$0
TOTAL EXPENDITURES	\$2,645,929	\$2,477,332	\$1,743,538	\$1,699,514	\$1,796,670



Fire Department



Mission Statement

The mission of the Fire department is to preserve life and property through fire prevention, education, suppression, and emergency medical services, while maintaining the highest level of training, professionalism, and dedication to customer service.

Department Description

Fire fighting and emergency medical services are provided to the residents through a unique combination of municipally owned equipment and facilities operated by contract personnel from the Rural Metro Corporation.

The fire department is responsible for prevention and suppression of structural and wild land fires within the town limits. The fire department also provides inspections, emergency medical services, emergency transport, hazardous material handling, and takes the lead role in emergency response to natural disasters. In conjunction with its primary role, the fire department provides a wide range of auxiliary community services such as public education, snake removal, a fire support program, and a youth-oriented explorer post.

Performance Standards

- Response time of 5 minutes or less to the scene of fire and medical calls at least 90% of the time.
- Provide a minimum of 240 hours of training to each individual assigned to Fountain Hills per year.
- Inspect and test all fire hydrants in Fountain Hills on an annual basis.



Management Indicators _____

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Estimated	FY 2004-2005 Projected
Emergency response time	3min 39min	2min 46sec	3min 32 sec	4min
EMS response time	3min 40min	2min 38sec	3min 25 sec	4min
Percentage of EMS calls	81%	88%	87%	85%
Emergency calls	1,359	1,367	1,456	1,450
Non-emergency service call	1,071	1,318	1,146	1,100
Construction inspections/ safety surveys	1,742	1,682	1,520	1,450

Fiscal Year 2003-2004 Accomplishments _____

- Brush 822 put in service at Station 1 as a Type 6 rated wildland unit.
- Reconfigured Utility 822 to Rehab 822 with additional firefighter rehabilitation gear and self contained breathing apparatus (SCBA) blast containment filling station.
- Applied for a Federal Emergency Management (FEMA) grant to install exhaust fume collection units in both fire stations.
- Executive fire officer program candidate completed second year of program at the National Fire Academy in Maryland.
- Two firefighters in the deputy fire marshal positions completed fire investigator training from the Arizona Chapter of the International Association of Arson Investigators.
- Maintained 4 minutes or less emergency response time community-wide.
- Maintained 4 minutes or less emergency medical response time community-wide.

Fiscal Year 2004-2005 Objectives _____

- Assist the town manager in meeting the town council goal of creating a contingency plan for fire and emergency medical services.
- Qualify for the FEMA fire grant for the purchase of exhaust fume collection units for both fire stations.
- Complete upgrades of the self contained breathing apparatus to meet new National Fire Protection Association (NFPA) standards.
- Maintain or improve upon a 4-minute response time for all emergency calls.
- Continue building the relationship with Maricopa County Sheriffs' Office District in Fountain Hills.



Summary Expenditures – Fire Department

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$0	\$0	\$0	\$0	\$0
CONTRACTUAL SERVICES	\$1,305,562	\$2,275,672	\$2,273,480	\$2,283,480	\$2,395,131
REPAIRS & MAINTENANCE	\$24,110	\$24,513	\$27,200	\$30,500	\$31,500
SUPPLIES & SERVICES	\$2,706	\$24,749	\$35,150	\$23,150	\$55,120
CAPITAL EXPENDITURES	\$485,540	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$1,817,918	\$2,324,935	\$2,335,830	\$2,337,130	\$2,481,751

Contract Services \$2,395,131

This represents the amount of the Town’s fire protection and emergency medical services contract with Rural Metro Corporation.

Repairs and Maintenance \$31,500

This refers to expenses relating to the department’s fleet of fire equipment for field operations as well as maintenance and repair of office equipment for administrative activities. Fleet expenses include tires, brakes, batteries, and vehicle parts essential to keeping equipment in operating order. Office equipment includes service contracts on existing copiers, printers, and computer equipment. Tires are budgeted at \$8,000, repairs at \$22,500, and \$1,000 for miscellaneous expenses.

Supplies and Services \$55,120

Expenses in this category pertain to daily operations of the department and range from fuel costs to fire fighting tools, office supplies, specialized training, printing, and publications. Items in this category are outside of the parameters of the Rural Metro contract and represent expenses specifically for Fountain Hills. Gas is the largest line item within this category at \$33,510. \$18,500 of fire fighting equipment will be purchased by the Town; including \$2,200 for SCBA upgrades, \$600 for stokes basket, \$3,000 for Holmatro upgrades, \$1,000 to rehab equipment, \$1,900 for a 14 inch saw to cut through commercial roofs, such as Target’s, \$2,300 for hose, and \$7,500 for matching funds for exhaust systems for both stations.



FIRE DEPARTMENT					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
CONTRACT SERVICES					
Rural Metro Contract	1,281,362	2,275,672	2,273,480	2,283,480	2,395,131
TOTAL	\$1,305,562	\$2,275,672	\$2,273,480	\$2,283,480	\$2,395,131
REPAIRS & MAINTENANCE:					
Vehicle Repairs & Maintenance	0	24,513	26,200	30,500	31,500
Office Equipment Repairs/Maintenance	17,700	0	1,000	0	0
TOTAL	\$24,110	\$24,513	\$27,200	\$30,500	\$31,500
SUPPLIES & SERVICES:					
Dues & Publications	0	563	650	650	700
Gas & Oil	0	15,245	20,800	17,500	33,520
Office Supplies	2,706	8,942	1,000	500	1,900
Fire Fighting Equipment	0	0	12,000	4,500	18,500
Printing	0	0	700	0	500
TOTAL	\$2,706	\$24,749	\$35,150	\$23,150	\$55,120
TOTAL EXPENDITURES	\$1,817,918	\$2,324,935	\$2,335,830	\$2,337,130	\$2,481,751



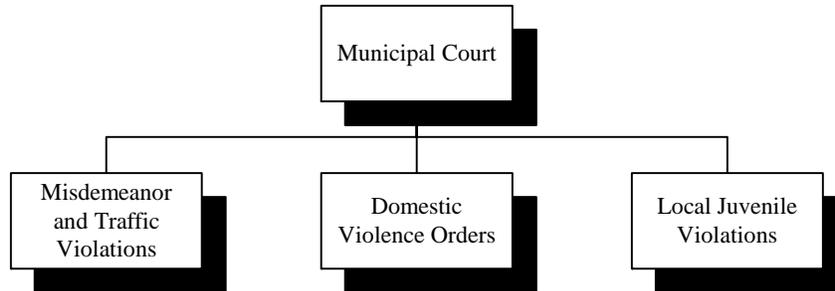


Municipal Court





Municipal Court



Mission Statement

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

Department Description

The Fountain Hills Municipal Court is the judicial branch of the Fountain Hills government. The court has jurisdiction over civil traffic, criminal traffic, and criminal misdemeanor offenses and violations of our town codes and ordinances. The Municipal Court judge also presides over some juvenile violations and has authority to issue search warrants, orders of protection, and injunctions against harassment.

As part of the Arizona State Court System, the Fountain Hills Municipal Court is subject to the authority and administrative supervision of the Arizona Supreme Court. The court has legal obligations and reporting responsibilities to the State, as well as to the Town of Fountain Hills. The court must comply with constantly changing federal, state, and local laws and administrative rules, including those relating to crimes and criminal procedure, victims rights, domestic violence, driving under the influence, record keeping, ADA, minimum accounting standards, and judicial ethics. Decisions regarding the overall function of the court are the sole responsibility of the presiding judge who also has exclusive supervisory authority over all court personnel.

Performance Standards

- Adjudicate 95% of all civil traffic cases within 60 days.
- Adjudicate 80% of criminal and criminal traffic cases within 60 days and 95% within 120 days.
- Maintain a fair and impartial environment to resolve legal disputes.
- Respond to incoming mail requests within 24 hours.
- Issue warrants for failure to appear within two business days.
- Keep written procedures current with changes in laws and rules.



Management Indicators _____

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Projected
Cases filed	3,135	3,605	3,700
Cases terminated	3,780	3,700	3,650
Hearings held	803	840	880
Civil traffic cases closed within 60 days	92%	95%	95%
Criminal/criminal traffic cases closed within 60 days	80%	85%	85%
Criminal/criminal traffic cases closed within 120 days	95%	95%	95%

Fiscal Year 2003–2004 Accomplishments _____

- Expanded the “court” section of the Town’s website with user-friendly information relating to the Fountain Hills municipal court specifically, as well as to the law/court system generally.
- Drafted comprehensive court security policies and installed a metal detector to enhance court security and public safety.
- Attended the Arizona Judicial Conference, the Arizona Limited Jurisdiction Judicial and Court Administration Conference.
- Attended all Limited Jurisdiction Presiding Judges meetings to keep the court current with changing laws and updated best practices and procedures.
- The entire court staff completed at least 16 hours of mandatory continuing education.
- Continued to participate in the Tax Intercept Program that intercepts and collects state income tax refunds of defendants with financial obligations to the court.
- The court was chosen by the Supreme Court’s Administrative Office of the Courts (AOC) as a model court for training new AOC employees on the administrative practices and customer service in a smaller community court.

Fiscal Year 2004-2005 Objectives _____

- Complete the review, updating, and implementation of court policies and procedures.
- Continue enhancement of collection methods and procedures.
- Implement the video conferencing program for certain court proceedings involving in-custody defendants. The court has obtained Maricopa County approval for the program.
- Continue to work with the Civic Center Phase II architectural design team in the proper design and planning of the new court facility, with the shared goal of obtaining the required Maricopa County Superior Court approval for the facility.



Summary Expenditures – Municipal Court

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
SALARIES & BENEFITS	\$300,515	\$259,064	\$276,320	\$273,760	\$316,050
CONTRACTUAL SERVICES	\$8,084	\$7,800	\$8,200	\$5,000	\$8,500
REPAIRS & MAINTENANCE	\$1,057	\$1,126	\$1,100	\$1,100	\$1,200
SUPPLIES & SERVICES	\$20,853	\$10,925	\$14,250	\$13,938	\$15,100
CAPITAL EXPENDITURES	\$6,960	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$337,469	\$278,915	\$299,870	\$293,798	\$340,850

Authorized Personnel

Position-Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Municipal Court				
Presiding Judge	1.00	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00	1.00
Senior Court Clerk	0	0	0	1.00
Court Collections Clerk	1.00	1.00	0	0
Court Clerk	3.00	3.00	3.00	2.00
Authorized FTE	6.00	6.00	5.00	5.00



Salaries and Benefits **\$316,050**

This item includes compensation for the judge, court administrator, and three court clerks within this department.

Contract Services **\$8,500**

This category includes required interpreting services other than day-to-day Spanish, which is provided by court staff, and the services of pro tem judges when the presiding judge is unavailable. The court also has a contract for \$4,500 with the Supreme Court for the use and maintenance of the Arizona Court Automation Program (ACAP).

Repairs and Maintenance **\$1,200**

This supports routine service and annual maintenance of office equipment.

Supplies and Services **\$15,100**

This line item includes funding to support advertising and signage, \$3,300 for the presiding judge and court staff to attend mandatory continuing education conferences as required by the Arizona Supreme Court, court-related association dues, fees for publications, updated Arizona statutes and court rules, subscriptions for the *Cole's Directory* and Experian credit reporting services. Also included in this item is funding for office supplies, printing, travel for required training and committee meetings, and bank charges.





MUNICIPAL COURT					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
SALARIES & BENEFITS					
Wages	241,629	205,809	220,600	219,723	253,200
FICA	3,404	2,917	3,230	3,151	3,700
Unemployment Insurance	249	243	250	250	250
Employee's Health Insurance	23,719	21,761	23,480	21,751	25,470
Employee's Life Insurance	290	251	300	643	820
Employee's Dental Insurance	2,754	2,343	2,670	2,740	3,010
Employee's Eye Insurance	536	175	0	0	0
Worker's Compensation Insurance	329	387	460	349	530
Employee's Retirement Fund	26,579	22,639	24,270	24,156	27,850
Recruitment Costs	0	1,704	0	0	
Disability Insurance	1,025	835	1,060	997	1,220
TOTAL	\$300,515	\$259,064	\$276,320	\$273,760	\$316,050
CONTRACT SERVICES					
Accounting Fees	2,000	0	0	0	2,000
Interpreters/Pro-Tem Judge	3,084	4,800	5,200	2,000	2,000
Intergovernmental Agreements	3,000	3,000	3,000	3,000	4,500
TOTAL	\$8,084	\$7,800	\$8,200	\$5,000	\$8,500
REPAIRS & MAINTENANCE:					
Office Equipment Repairs	1,057	1,126	1,100	1,100	1,200
TOTAL	\$1,057	\$1,126	\$1,100	\$1,100	\$1,200
SUPPLIES & SERVICES:					
Advertising/Signage	456	0	400	200	400
Conferences	719	1,460	1,000	1,000	1,900
Education/Training	537	25	700	1,400	1,400
Fees & Publications	4,163	3,138	3,100	3,400	3,500
Office Supplies	2,139	1,771	2,200	3,000	3,000
Printing	1,375	1,574	2,000	2,000	1,600
Communication Expense	0	302	450	38	0
Travel	358	55	400	400	800
Bank Charges	2,275	2,599	2,500	2,500	2,500
TOTAL	\$20,853	\$10,925	\$14,250	\$13,938	\$15,100
CAPITAL EXPENDITURES					
Capital Outlay - Furniture/Equipment	6,960	0	0	0	0
TOTAL CAPITAL EXPENDITURE	\$6,960	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$337,469	\$278,915	\$299,870	\$293,798	\$340,850



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Special Revenue Fund – Grants

SPECIAL REVENUE FUND	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
Land and Water Conservation (LWCF)	\$0	\$0	\$160,000	\$0	\$0
FEMA - Fire Department	\$0	\$84,769	\$21,600	\$21,600	\$67,500
Proposition 202	\$0	\$0	\$0	\$75,000	\$50,000
Undesignated Grant Revenue	\$0	\$59,244	\$680,000	\$28,601	\$1,375,000
TOTAL CURRENT REVENUE	\$0	\$144,012	\$861,600	\$125,201	\$1,492,500
Fountain Park Phase II	\$0	\$0	\$320,000	\$0	\$0
FEMA - Fire Department	\$0	\$67,530	\$24,150	\$41,389	\$75,000
Proposition 202	\$0	\$0	\$0	\$75,000	\$50,000
Undesignated Grant Expenditure	\$0	\$59,244	\$680,000	\$28,601	\$1,375,000
Transfer from General Fund	\$0	\$0	(\$162,550)	(\$2,550)	(\$7,500)
TOTAL EXPENDITURES & TRANSFERS		\$126,774	\$861,600	\$142,440	\$1,492,500
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	0	17,239	0	(17,239)	0
Fund Balance Beginning of Year	\$0	\$0	\$0	\$17,239	(\$0)
Ending Fund Balance	\$0	\$17,239	\$0	(\$0)	(\$0)

Special Revenue Fund – Community Center -Furniture, Fixtures & Equipment (FF&E)

SPECIAL REVENUE FUND - FF&E	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
Contributions	\$174,000	\$117,200	\$0	\$0	\$0
TOTAL CURRENT REVENUE	\$174,000	\$117,200	\$0	\$0	\$0
Contract Services	\$0	\$0	\$0	\$0	\$0
Repairs & Maintenance	\$0	\$13,433	\$15,000	\$1,200	\$15,000
Supplies & Services	\$0	\$10,615	\$12,294	\$5,600	\$15,000
Capital Expenditures	\$51,706	\$27,876	\$160,000	\$0	\$150,770
TOTAL EXPENDITURES	\$51,706	\$51,924	\$187,294	\$6,800	\$180,770
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	122,294	65,276	(187,294)	(6,800)	(180,770)
Fund Balance Beginning of Year	\$0	\$122,294	\$187,294	\$187,570	\$180,770
Ending Fund Balance	\$122,294	\$187,570	\$0	\$180,770	\$0



Excise Tax – Special Revenue – Mountain Bonds

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Budget	FY 2003-2004 Estimate	FY 2004-2005 Budget
Revenue:					
Mountain Bonds (.2%)	\$804,959	\$1,076,934	\$880,813	\$988,605	\$659,070
Interest		\$7,880	\$7,880	\$7,880	\$7,500
TOTAL REVENUES	\$804,959	\$1,084,814	\$888,693	\$996,485	\$666,570
EXPENDITURES:					
MPC Debt Service					
Mountain Bond Payment	\$520,315	\$607,411	\$605,000	\$605,000	\$595,000
Sales Tax Rebate	\$0	\$0	\$34,610	\$40,400	\$22,532
TOTAL EXPENDITURES	\$520,315	\$607,411	\$639,610	\$645,400	\$617,532
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	284,644	477,402	249,083	351,085	49,038
Fund Balance Beginning of Year	635,243	919,887	1,098,387	1,397,289	1,748,374
Ending Fund Balance	919,887	1,397,289	1,347,470	1,748,374	1,797,412





Excise Tax – Special Revenue – Downtown Development

EXCISE TAX SPECIAL REVENUE					
Downtown Development	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUES:					
Downtown Development (.1%)	271,065	358,978	268,750	268,750	329,535
TOTAL REVENUES	\$271,065	\$358,978	\$268,750	\$268,750	\$329,535
EXPENDITURES:					
SALARIES & BENEFITS:					
Wages	0	0	37,500	9,375	37,500
FICA	0	0	550	310	413
Unemployment Insurance	0	0	50	27	36
Employee's Health Insurance	0	0	7,824	4,775	6,367
Employee's Life Insurance	0	0	60	71	95
Employee's Dental Insurance	0	0	946	554	738
Employee's Eye Insurance	0	0	0	0	0
Worker's Compensation Insurance	0	0	120	68	90
Employee's Retirement Fund	0	0	4,125	2,321	3,094
Recruitment Costs	0	0	0	476	0
Disability Insurance	0	0	180	101	135
TOTAL SALARIES/BENEFITS	\$0	\$0	\$51,355	\$18,077	\$48,467
CONTRACT SERVICES					
Engineering Fees	0	0	25,000	25,735	25,000
Professional Fees	0	0	0	0	40,500
Sales Tax Rebate	0	0	11,600	11,600	11,600
TOTAL CONTRACT SERVICES	\$0	\$0	\$36,600	\$37,335	\$77,100
SUPPLIES & SERVICES					
Advertising/Signage	0	0	\$0	\$289	\$0
Conferences	\$0	\$0	\$2,500	\$0	\$5,025
Education/Training	\$0	\$0	\$3,000	\$0	\$500
Dues/Publications	\$0	\$0	\$0	\$0	\$850
Office Supplies	\$0	\$0	\$0	\$0	\$300
Printing	\$0	\$0	\$0	\$31	\$2,000
Travel	\$0	\$0	\$0	\$0	\$1,500
TOTAL	\$0	\$0	\$5,500	\$320	\$10,175
CAPITAL EXPENDITURES					
Capital Projects Fund	50,000	0	225,000	0	400,000
TOTAL CAPITAL EXPENDITURES	\$50,000	\$0	\$225,000	\$0	\$400,000
TOTAL EXPENDITURES	\$50,000	\$0	\$318,455	\$55,732	\$535,742
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$221,065	\$358,978	(\$49,705)	\$213,018	(\$206,207)
Fund Balance Beginning of Year	\$211,748	\$432,813	\$431,755	\$791,791	\$1,004,809
Ending Fund Balance	\$432,813	\$791,791	\$382,050	\$1,004,809	\$798,602



Downtown Development

Salaries and Benefits

\$48,468

The Town has hired a downtown economic development coordinator whose salary is funded by the dedicated \$0.01 downtown development local sales tax. The coordinator will dedicate 75% of the time with a focus on developing the downtown area; the remainder of the time will be spent on promoting economic development for the community as a whole.

Contractual Service

\$77,100

The Town of Fountain Hills will be celebrating its fifteen-year anniversary in December 2004. In conjunction with the Chamber of Commerce, the Town will have a professional firm provide a fantastic holiday/anniversary lighting display in the downtown area. The contract for repair, erection, dismantling, and storage of the Town-owned holiday lighting displays is estimated to be \$40,500. A landscape design contract for the grounds adjacent to the Civic Center phase II project is included in the amount of \$25,000, which will tie the project together with the entire downtown area.

Supplies and Services

\$10,175

The downtown economic development coordinator is planning to attend three major conferences in the upcoming fiscal year; the national International Economic Development (IEDC) conference in St. Louis on September 19, 2004 (\$3,150 including the Town Manager), the Arizona Economic Development Association conferences (fall and spring) for \$1,075, and the International Conference of Shopping Centers for \$800. Memberships in Arizona Association for Economic Development, International Economic Development Council, and associated publications will cost \$850.

Capital Expenditures

\$400,000

The capital request is for funding for the Avenue of the Fountain construction design. It is anticipated that the construction drawings will be completed by the end of fiscal year 2004-2005 and construction to begin in the following fiscal year. The capital request also includes \$250,000 for landscape construction for the area of the Civic Center phase II project.





Debt Retirement

The Debt Service Fund provides for the payment of interest, principal, and related costs on General Obligation (GO) Bonds, Highway User Revenue Fund bonds and Municipal Property Corporation (MPC) Revenue bonds. There are three General Obligation bond issues outstanding that were approved by the voters for specific purposes. The first GO bond issue in 1991 (refunded in 1995) was to pave roads that remained unpaved at the time of incorporation. Additional GO bonds issued in 1999 and 2000 were for the construction of a library/museum and community center. Bonds issued in 2001 were for the purchase of mountain preservation land in the McDowell mountains. Total General Obligation bond principal and interest payments for fiscal year 2004-2005 are \$1,450,000 and will be paid through a levy of Town property. The Summary/Schedules section includes an itemization of the outstanding debt as of June 30, 2004.

The HURF Bond principal and interest payment is \$124,000 for fiscal year 2004-2005 and will be paid from HURF revenues received during the year. The Cottonwoods Improvement District and Eagle Mountain CFD debt payments are levied on the property owners within those districts. These obligations are paid by the Fountain Hills property owners using secondary property taxes, less any credits, carry-forward and/or interest earnings. The annual Municipal Property Corporation debt service for the Community Center will be paid with residual proceeds from the PG&E refund. The annual Mountain Bond MPC debt service is included as an expenditure in the Excise Sales Tax – Mountain Bond Fund. Below is the schedule of Debt Service payments required for next fiscal year.

ISSUE	PRINCIPAL	INTEREST	TOTAL
Street Paving - GO	\$255,000	\$100,000	\$355,000
Lakeside - GO	\$75,000	\$57,500	\$132,500
Mountain Bonds - GO	\$250,000	\$270,000	\$520,000
Library/Museum - GO	\$225,000	\$165,000	\$390,000
Street Paving - HURF Revenue	\$90,000	\$34,000	\$124,000
Cottonwoods ID	\$3,228	\$1,000	\$4,228
Community Center/MPC	\$150,000	\$225,500	\$375,500
Mountain Bonds MPC	\$275,000	\$320,000	\$595,000
Eagle Mountain CFD	\$160,000	\$353,000	\$513,000

The annual property tax levy is based on the total amount required for the payment (with adjustments for carry-forward, delinquencies, etc.) divided by the total assessed valuation for the Town of Fountain Hills. The Town’s secondary assessed property valuation for fiscal year 2004-2005 is estimated to be \$349,398,334 for the upcoming year and the estimated levy is \$0.4021 per \$100 of assessed value.



Debt Retirement – HURF/GO Bonds

DEBT RETIREMENT - HURF/GO BONDS					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
Property Tax Revenue:					
General Obligation Bonds	1,341,025	1,447,580	1,540,000	1,445,000	1,450,000
Other Debt Retirement Issues:					
HURF Street Paving Transfers	135,861	126,000	124,000	124,000	124,000
Cottonwoods Improvement District	4,520	4,480	4,500	4,500	4,500
MPC - Community Center	407,634	385,022	375,500	375,500	375,500
MPC - Civic Center Phase II	0	0	0	0	350,000
Interest Earnings	953	179	1,000	850	1,000
TOTAL REVENUES	\$1,889,993	\$1,963,261	\$2,045,000	\$1,949,850	\$2,305,000
EXPENDITURES:					
General Obligation Bonds:					
Bond Payment - GO	338,220	349,690	360,000	360,000	355,000
Bond Payment - Lakeside	142,000	137,500	133,000	133,000	132,500
Bond Payment - Library/Museum	397,075	382,975	372,000	372,000	390,000
Bond Payment - Mtn Bonds GO	402,000	513,200	505,000	505,000	520,000
Special Districts/MPC Debt Service:					
MPC - Community Center	392,000	385,022	375,500	375,500	375,500
MPC - Civic Center Phase II	0	0	0	0	350,000
Bond Payment - HURF	135,861	126,223	124,000	124,000	124,000
Bond Payment - Cottonwoods Impr. Dist	3,821	4,245	4,500	4,500	4,500
TOTAL EXPENDITURES	\$1,810,977	\$1,898,855	\$1,874,000	\$1,874,000	\$2,251,500
EXCESS OF REVENUES OVER/					
(UNDER) EXPENDITURES					
	79,016	64,406	171,000	75,850	53,500
Fund Balance Beginning of Year	(113,857)	(34,841)	(134,841)	29,565	105,415
Ending Fund Balance	(34,841)	29,565	36,159	105,415	158,915



Computation of Legal Debt Margin – Fiscal Year 2004-2005

The Arizona Constitution provides that the general obligation bonded indebtedness for a municipality for general municipal purposes may not exceed six percent (6%) of the secondary assessed valuation of the taxable property in that city or town. In addition to the six percent limitation for general municipal purpose bonds, municipalities may issue general obligation bonds up to an additional twenty percent (20%) of the secondary assessed valuation for supplying water, artificial light, or sewers, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities

<u>General Municipal Purpose Bonds</u>		<u>Water, Light, Sewer, Open Space and Park Bonds</u>	
Net Assessed Value	\$362,191,458		\$362,191,458
6% Limitation	\$21,731,487	20% Limitation	\$72,438,292
Less Bonds Outstanding	(\$9,445,000)		(\$13,300,000)
Unused Borrowing Capacity	\$12,286,487		\$59,138,292



Schedule of Outstanding Debt (As of June 30, 2004)

Bond Type	Purpose of Issue	Date of Bond Issue	Interest Rate	Date of Maturity	Original Principal Amount	Principal Amount Retired	Amount Refunded	Outstanding Principal
GO	Street Paving	5/1/1991	7.00	7/1/2010	\$3,530,000	\$1,075,000	\$2,455,000	\$0
GO	Refunding	11/1/1995	5.30	7/1/2010	\$2,455,000	\$670,000	\$0	\$1,785,000
GO	Library/Museum	6/1/2000	5.50	7/1/2014	\$3,700,000	\$750,000	\$0	\$2,950,000
GO	Land Acq-Lake	8/1/1999	5.10	7/1/2014	\$1,400,000	\$350,000	\$0	\$1,050,000
GO	Mtn. Bonds	12/1/2001	4.90	7/1/2020	\$6,000,000	\$675,000	\$0	\$5,325,000
Rev	Street Paving	5/1/1991	7.50	7/1/2010	\$1,200,000	\$200,000	\$1,000,000	\$0
Rev	Refunding	8/1/1998	4.63	7/1/2010	\$1,075,000	\$445,000	\$0	\$630,000
Rev	Comm. Center	7/1/2000	5.40	7/1/2020	\$4,680,000	\$600,000	\$0	\$4,080,000
Rev	Mtn. Bonds	12/1/2001	4.70	7/1/2021	\$7,750,000	\$825,000	\$0	\$6,925,000
SA	Eagle Mtn-A	6/1/1996	6.50	7/1/2021	\$4,435,000	\$260,000	\$0	\$4,175,000
SA	Eagle Mtn-B	6/1/1996	7.25	7/1/2021	\$470,000	\$20,000	\$0	\$450,000
SA	Improvmts	6/16/1999	5.25	7/1/2009	\$32,276	\$16,137	\$0	\$16,139
GO	General Obligation Bonds							
Rev	Revenue Bonds							
SA	Special Assessment Bonds							



Eagle Mountain Community Facilities District

Annual Statement of Estimates of Expenses					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
Property Tax Revenue	413,962	458,288	561,500	566,000	513,000
Investment Earnings	301,532	(195,647)	0	(295,977)	0
TOTAL REVENUES	715,494	262,641	561,500	270,023	513,000
EXPENDITURES:					
Debt Service	316,526	507,425	455,500	455,500	457,000
Administrative Fees	0	0	54,000	54,000	51,000
Trustee Fees	5,000	5,000	5,000	5,000	5,000
TOTAL EXPENDITURES	321,526	512,425	514,500	514,500	513,000
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	393,968	(249,784)	47,000	(244,477)	0
Fund Balance Beginning of Year	646,529	1,040,497	1,022,147	790,713	546,236
Ending Fund Balance	1,040,497	790,713	1,069,147	546,236	546,236

Cottonwoods Maintenance District

Annual Statement of Estimates of Expenses					
	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
Maintenance District Revenue	0	0	3,200	3,200	3,200
TOTAL REVENUES	0	0	3,200	3,200	3,200
EXPENDITURES:					
Maintenance Costs			3,200	3,200	3,200
TOTAL EXPENDITURES			3,200	3,200	3,200

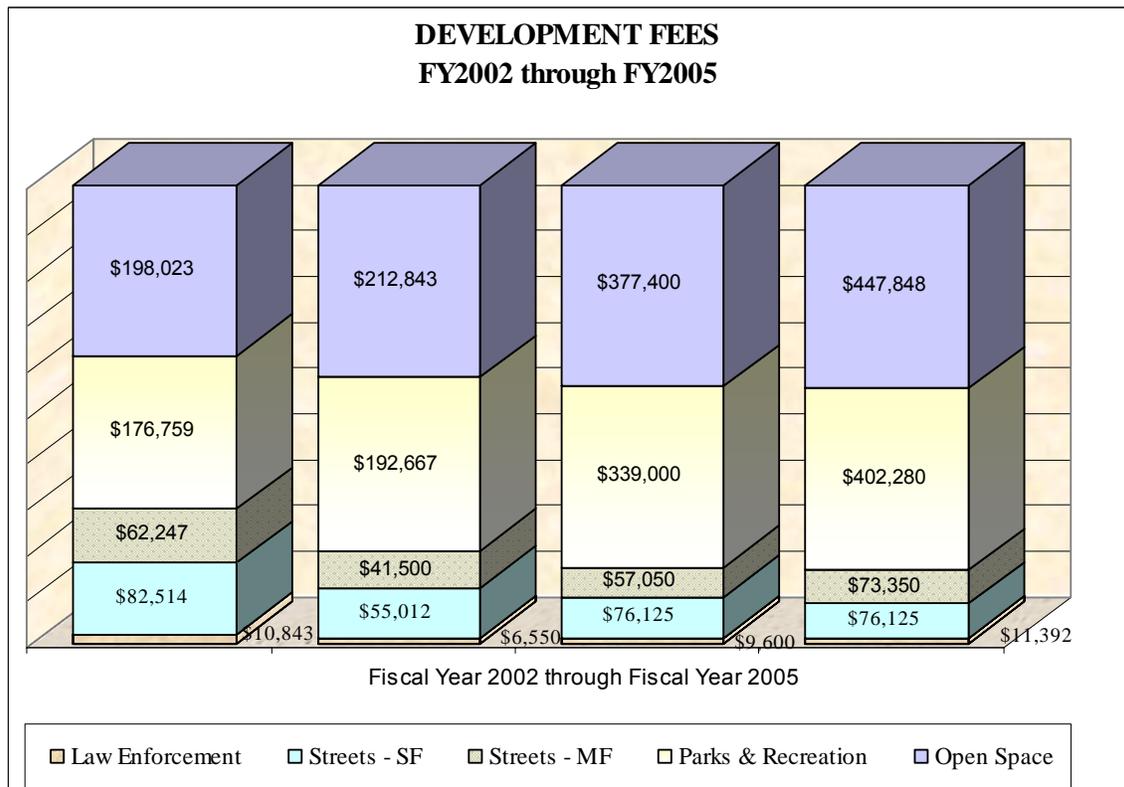


Development Fees

Restrictions	Fiscal Year	Amount	Percent Change
<p>There is a State constitutional restriction on the use of these funds which requires that these funds be used solely for infrastructure expansion required by new development. The Development Fund is a restricted fund and may only be appropriated for the particular purpose for which they were imposed. The projection for FY2005 is based on information provided by local engineering firms, developers, and planning staff estimates of construction activity.</p> <p>Accounts: 802 - 819</p>	2000-01	\$11,840	
	2001-02	\$121,800	928.7%
	2002-03	\$604,658	396.4%
	2003-04 (est.)	\$998,975	65.2%
	2004-05 (est.)	\$1,199,641	20.1%

Assumptions

Major Influences: Development





Development Fee Expenditures

In November 2000, the Town Council of Fountain Hills passed Ordinance 00-21 to establish and impose development fees on new residential permits to offset the costs associated with growth. The development fee accounts are restricted and may only be spent for the particular public facility for which they were imposed. Each year during the budget process, the Town of Fountain Hills will identify the projects anticipated to be funded in whole or in part with development fees. For fiscal year 2004-2005, the following schedule is presented for Council consideration and itemizes the proposed development fee expenditures based on available balance in each account as of June 30, 2005.

	Law Enforcement	Street	Parks	Open Space	General Government	TOTALS
Balance 6/3/2001	\$960	\$13,742	\$33,900	\$37,740	\$13,987	\$100,329
FY 2001-2002 Revenues	\$10,843	\$144,761	\$176,759	\$198,023	\$160,338	\$690,724
FY 2001-2002 Expenditures	\$0	\$0	(\$80,954)	\$0	(\$185,500)	(\$266,454)
FY 2002-2003 Revenues	\$6,573	\$96,705	\$192,463	\$212,684	\$96,234	\$604,659
FY 2002-2003 Expenditures	0	(\$7,000)	\$0	(\$14,105)	\$0	(\$21,105)
FY 2003-2004 Revenues	\$9,950	\$138,175	\$347,200	\$386,500	\$139,900	\$1,021,725
FY 2003-2004 Expenditures	\$0	(\$173,562)	(\$69,670)	(\$10,000)	\$0	(\$253,232)
FY 2004-2005 Revenues	\$11,742	\$154,475	\$410,480	\$456,948	\$165,996	\$1,199,641
FY 2004-2005 Expenditures ¹	(\$40,068)	(\$365,000)	(\$356,000)	(\$129,100)	(\$390,955)	(\$1,281,123)
FY 2002-2003 Ending Bal.	\$0	\$2,296	\$654,178	\$1,138,690	\$0	\$1,795,164

¹Fiscal year 2004-2005 proposed projects

There are several capital projects proposed with this budget, the majority of which are street projects, the specific ones are listed below:

Streets

1. Fountain Hills/El Lago traffic signal – The traffic signal for this intersection has been in development for two years. The design work has been completed and the project was placed for bid in March, 2004, with expected completion by the winter of 2004. A developer contribution will reduce the cost of this signal by \$100,000. \$85,000
2. Shea/Saguaro extension of left turn lane – The eastbound left turn lane needs to be extended due to the long lines of traffic that extend through the eastbound through lanes. The design will be completed in-house. \$30,000
3. Saguaro/Monterey left turn lane – Required to create a left turn. \$40,000
4. Shea/Eagle Mountain signal interconnect – This will provide a connection between the two traffic lights at Eagle Mountain Parkway and Palisades Boulevard and will better control traffic flow. \$20,000
5. Shea bike lanes – This will be the Town’s portion of a Federal aid project for bike lanes on the south side of Shea Boulevard. The project will also completely pave the gravel center median gaps. \$10,000



6. Drainage project at Ruskin/Kipling – During periods of heavy rain, the water runoff does not drain properly but accumulates at the end of the street, causing minor flooding. The drainage project will remove and replace curbs to re-route the runoff. \$40,000
7. Various sidewalks – Sidewalks will be constructed on Saguaro Boulevard, Eagle Lane, Malta Drive, and Oxford-Glenbrook to interconnect the sidewalk system. \$55,000
8. Saguaro/El Lago traffic signal – A developer contribution will reduce the cost of the proposed new signal at this intersection. The signal is necessary to accommodate the added foot traffic at Fountainside Plaza as well as the proposed downtown development projects. \$85,000

Parks

1. Fountain Park spray park – This budget includes plans for a Rotary spray park. The Rotary Club of Fountain Hills and the owners of Plaza Fountainside will contribute funds for a spray park that will be located at Fountain Park. The Town's portion of the cost is estimated to be \$125,000.
2. Skate Park – The proposed new site for the skate park is Desert Vista Neighborhood Park with an estimated cost of \$150,000 for construction and \$56,000 in design fees.
3. Veterans Memorial – The Fountain Hills Veterans Memorial Committee requested additional funding in the amount of \$25,000 to complete the Veteran's Memorial under construction in Fountain Park.

Open Space

1. There is an expenditure of \$129,100 proposed in the fiscal year 2004-2005 budget for design work on the trailhead (\$54,000) and public restrooms (\$75,000) in the McDowell Mountain Preserve

General Government and Law Enforcement

1. The Civic Center Phase II municipal building will include new law enforcement and general government facilities, including a sally-port, holding cells, security, as well as the general governmental services. The accumulated development fees in these two accounts will be used to fund the project.



Development Fees – Law Enforcement

DEVELOPMENT FEES					
LAW ENFORCEMENT	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUES:					
Law Enforcement Development Fees	10,809	6,550	9,600	9,600	11,392
Interest	34	23	350	350	350
TOTAL REVENUES	10,843	6,573	9,950	9,950	11,742
EXPENDITURES:					
Capital Project - Law Enf	0	0	0	0	40,068
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$40,068
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	10,843	6,573	9,950	9,950	(28,326)
Fund Balance Beginning of Year	\$960	\$11,803	\$17,503	\$18,376	\$28,326
Ending Fund Balance	\$11,803	\$18,376	\$27,453	\$28,326	\$0

Development Fees – Parks and Recreation

DEVELOPMENT FEES					
PARKS & RECREATION	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUES:					
P & R Department Development Fees	\$176,280	\$192,100	\$339,000	\$339,000	\$402,280
Interest	\$479	\$363	\$8,200	\$8,200	\$8,200
TOTAL REVENUES	\$176,759	\$192,463	\$347,200	\$347,200	\$410,480
EXPENDITURES:					
CAPITAL EXPENDITURES					
Fountain Park Spray Park	\$0	\$0	\$0	\$0	\$125,000
Skate Park	\$0	\$0	\$60,000	\$0	\$206,000
Veteran's Memorial	\$0	\$0	\$0	\$0	\$25,000
Previously Approved Projects	\$80,954	\$0	\$69,670	\$69,670	\$0
TOTAL EXPENDITURES	\$80,954	\$0	\$129,670	\$69,670	\$356,000
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$95,805	\$192,463	\$217,530	\$277,530	\$54,480
Fund Balance Beginning of Year	\$33,900	\$129,705	\$329,430	\$322,168	\$599,698
Ending Fund Balance	\$129,705	\$322,168	\$546,960	\$599,698	\$654,178



Development Fees – Streets

DEVELOPMENT FEES					
STREETS	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUES:					
Street Department Development Fees	144,391	96,512	133,175	133,175	149,475
Interest	370	193	5,000	5,000	5,000
TOTAL REVENUE	144,761	96,705	138,175	138,175	154,475
CAPITAL EXPENDITURES					
FH Blvd/El Lago Signal	\$0	\$7,000	\$200,000	\$55,500	\$85,000
Shea Widening (MCDOT)	\$0	\$0	\$0	\$118,062	\$0
Shea/Saguaro Left Turn Lane	\$0	\$0	\$0	\$0	\$30,000
Saguaro/Monterey Turn Lanes	\$0	\$0	\$0	\$0	\$40,000
Shea Signal (Eagle Mtn/Palisades)	\$0	\$0	\$0	\$0	\$20,000
Shea Bike Lanes	\$0	\$0	\$0	\$0	\$10,000
Drainage Ruskin/Kipling	\$0	\$0	\$0	\$0	\$40,000
Sidewalks	\$0	\$0	\$0	\$0	\$55,000
Saguaro/El Lago Signal	\$0	\$0	\$0	\$0	\$85,000
TOTAL EXPENDITURES	\$0	\$7,000	\$200,000	\$173,562	\$365,000
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$144,761	\$89,705	(\$61,825)	(\$35,387)	(\$210,525)
Fund Balance Beginning of Year	\$13,742	\$158,503	\$240,573	\$248,208	\$212,821
Ending Fund Balance	\$158,503	\$248,208	\$178,748	\$212,821	\$2,296

Development Fees – Open Space

DEVELOPMENT FEES					
OPEN SPACE	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUES:					
Open Space Development Fees	\$197,506	\$212,276	\$377,400	\$377,400	\$447,848
Interest	\$517	\$408	\$9,100	\$9,100	\$9,100
TOTAL REVENUES	\$198,023	\$212,684	\$386,500	\$386,500	\$456,948
EXPENDITURES:					
CAPITAL EXPENDITURES					
Capital Outlay - Trailhead Restroom	\$0	\$0	\$0	\$0	\$75,000
Capital Outlay-Trailhead Development	\$0	\$14,105	\$33,500	\$10,000	\$54,100
TOTAL EXPENDITURES	\$0	\$14,105	\$33,500	\$10,000	\$129,100
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$198,023	\$198,579	\$353,000	\$376,500	\$327,848
Fund Balance Beginning of Year	\$37,740	\$235,763	\$458,113	\$434,342	\$810,842
Ending Fund Balance	\$235,763	\$434,342	\$811,113	\$810,842	\$1,138,690



Development Fees – General Government

DEVELOPMENT FEES					
GENERAL GOVERNMENT	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
	Actual	Actual	Budget	Estimate	Budget
REVENUES:					
General Government Development Fees	159,942	96,087	139,800	139,800	165,896
Interest	396	147	100	100	100
TOTAL REVENUE	160,338	96,234	139,900	139,900	165,996
EXPENDITURES:					
Capital Project - Civic Center	185,500	0	50,000	0	390,955
CAPITAL EXPENDITURES					
Capital Outlay	0	0	0	0	0
TOTAL EXPENDITURES	185,500	0	50,000	0	390,955
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	(25,162)	96,234	89,900	139,900	(224,959)
Fund Balance Beginning of Year	\$13,987	(\$11,175)	\$21,175	\$85,059	\$224,959
Ending Fund Balance	(\$11,175)	\$85,059	\$111,075	\$224,959	(\$0)



Capital Project Fund

PREVIOUS APPROVED CAPITAL	FY 2001-2002	FY 2002-2003	FY 2003-2004	FY 2003-2004	FY 2004-2005
PROJECTS FUND	Actual	Actual	Budget	Estimate	Budget
REVENUE:					
Development Fees - Gen Govt	\$0	\$0	\$0	\$0	\$390,955
Development Fees - Law Enforc	\$0	\$0	\$0	\$0	\$40,068
Department Development Fees-P&R	\$0	\$0	\$0	\$69,670	\$0
Lcl Sales Tax - Advert/Rentals	\$0	\$0	\$0	\$120,340	\$528,225
Grant for Fountain Park	\$0	\$0	\$0	\$0	\$237,300
Transfer for Fountain Park	\$0	\$0	\$0	\$510,000	\$0
Transfer for Civ Ctr II	\$0	\$0	\$0	\$400,250	\$940,752
Proceeds from sale of assets	\$0	\$0	\$0	\$21,700	\$0
Bond Proceeds	\$0	\$0	\$0	\$0	\$3,500,000
Developer Proceeds	\$0	\$0	\$0	\$0	\$317,500
TOTAL REVENUES	\$0	\$0	\$0	\$1,121,960	\$5,954,800
EXPENDITURES:					
Civic Center Phase II	\$0	\$0	\$0	\$520,590	\$5,421,700
Fountain Park Ramada (1)	\$0	\$0	\$69,670	\$0	\$69,670
Shared Tot Lot	\$0	\$0	\$0	\$45,000	\$332,300
Fountain Park Sidewalk	\$0	\$0	\$0	\$0	\$187,000
Performance Pad	\$0	\$0	\$0	\$0	\$183,000
Capital Contingency	\$0	\$0	\$0	\$0	\$317,500
TOTAL EXPENDITURES	\$0	\$0	\$69,670	\$565,590	\$6,511,170
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	\$0	\$0	(\$69,670)	\$556,370	(\$556,370)
Fund Balance Beginning of Year	\$0	\$0	\$0	\$0	\$556,370
Ending Fund Balance	\$0	\$0	(\$69,670)	\$556,370	\$0

During the last half of fiscal year 2003-2004, two capital projects that were previously approved by the Town Council began. The first project is Phase II of Fountain Park, which includes an activity area with a shared tot lot and playground, a third picnic ramada, completion of the north sidewalk to provide a walking path around the perimeter of the fountain, and a performance pad. The construction phase is expected to begin in June 2004 and be completed by the end of November 2004.

The second major capital project is Civic Center phase II, which was approved by the Town Council in February 2004. Because the Town currently rents space at an annual rate of \$600,000 including maintenance, taxes, and rent, this project is expected to save the Town more than \$30 million over thirty years. The new facility will serve as the municipal offices for law enforcement, planning and zoning, parks and recreation, senior center, administrative offices, and the court. The project will primarily be funded through bonds sold by the Town of Fountain Hills Municipal Property Corporation as well as general government and law enforcement development fees. Additionally, a portion of the local sales tax has been designated for capital projects and will contribute approximately \$528,000 towards the construction cost of the project (\$5.4M). The project is expected to break ground in August 2004 and be completed by June 30, 2005.



Summary of Tax Levy and Tax Rate Information

TOWN OF FOUNTAIN HILLS, ARIZONA
 Summary of Tax Levy and Tax Rate Information
 Fiscal Year 2004-05

	<u>2003-04</u> <u>FISCAL YEAR</u>	<u>2004-05</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy A.R.S. §42-17051(A).	\$ <u>0</u>	\$ <u>0</u>
2. Amount received from primary property taxation in the 2002-03 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$ <u>0</u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>0</u>	\$ <u>0</u>
B. Secondary property taxes	<u>1,540,000</u>	
C. Total property tax levy amounts	\$ <u>1,540,000</u>	\$ <u>0</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2003-04 levy	\$ <u>0</u>	
(2) Prior years' levy		
(3) Total primary property taxes	\$ <u>0</u>	
B. Secondary property taxes		
(1) 2003-04 levy	\$ <u>1,445,000</u>	
(2) Prior years' levy		
(3) Total secondary property taxes	\$ <u>1,445,000</u>	
C. Total property taxes collected	\$ <u>1,445,000</u>	
5. Property tax rates		
A. Town tax rate		
(1) Primary property tax rate	<u>0.0000</u>	<u>0.0000</u>
(2) Secondary property tax rate (estimate)	<u>0.4716</u>	<u>0.4021</u>
(3) Total city/town tax rate	<u>0.4716</u>	<u>0.4021</u>
B. Special assessment district tax rates		

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

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



Schedule of Fountain Hills Assessed Valuation 1995-2004

<u>Tax Year</u>	<u>Primary</u>	<u>% Change</u>	<u>Secondary</u>	<u>% Change</u>
1995	\$94,188,635		\$100,161,566	
1996	\$100,649,833	6.9%	\$103,944,051	3.8%
1997	\$112,285,569	11.6%	\$116,333,406	11.9%
1998	\$133,721,181	19.1%	\$146,943,730	26.3%
1999	\$160,963,931	20.4%	\$174,760,640	18.9%
2000	\$190,102,361	18.1%	\$212,415,476	21.5%
2001	\$220,229,137	15.8%	\$238,714,537	12.4%
2002	\$247,151,729	12.2%	\$270,602,866	13.4%
2003	\$282,800,857	14.4%	\$323,385,230	19.5%
2004*	\$319,213,464	12.9%	\$349,398,334	8.0%

*estimate as of April, 2004



Schedule of Authorized Positions

Position – Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Court				
Presiding Judge	1.00	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00	1.00
Senior Court Clerk	0	0	0	1.00
Court Collection Clerk	1.00	1.00	0	0
Court Clerk	3.00	3.00	3.00	2.00
Authorized FTE	6.00	6.00	5.00	5.00
Administration				
Town Manager	1.00	1.00	1.00	1.00
Undesignated Position	1.00	2.00	0	0
Director of Admin/Town Clerk	1.00	1.00	0	0
Town Clerk	0	0	1.00	1.00
Accounting Supervisor	1.00	1.00	1.00	1.00
I/T Administrator	1.00	1.00	0	0
I/T Intern	0.50	0.50	0.50	0.50
Accountant	1.00	0	0	1.00
Accounting/HR Clerk	0.50	1.00	1.00	0
Accounting Clerk	0	0	0	1.00
Administrative Intern	0.50	1.00	0	0
ExecAsst to Town Mgr/Council	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	0	0
Human Resources Administr	1.00	1.00	1.00	1.00
I/ T Coordinator	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	0	0
Facilities Supervisor	1.00	1.00	1.00	1.00
Facilities Maintenance Tech	0	0	0	1.00
Maintenance/Custodial Wkr	1.00	1.00	1.00	0.50
Custodian	2.50	2.00	1.50	1.00
Customer Service Rep.	1.00	1.00	1.50	1.00
Administrative Clerk	0	0	0	0.50
Authorized FTE	18.00	18.50	12.50	13.50



Schedule of Authorized Positions

Position – Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Public Works				
Public Works Director	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	1.00
Civil Engineer	1.00	1.00	1.00	1.00
Eng. Tech/CAD Operator	1.00	1.00	1.00	1.00
Senior Civil Eng. Inspector	0	0	0	1.00
Civil Engineer Inspector	2.00	2.00	1.00	1.00
Drafting/CAD Technician	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	0	0
Open Space & Landscape Sup.	1.00	0	0	0
Open Space & Landscape Spec.	1.00	1.00	1.00	1.00
Traffic Engineering Analyst	1.00	0	0	0
Authorized FTE	13.00	11.00	9.00	10.00
Street				
Street Superintendent	1.00	1.00	1.00	1.00
Street Maint. Supervisor	1.00	0	1.00	1.00
Fleet Mechanic	1.00	1.00	1.00	1.00
Fleet Equipment Mechanic	1.00	1.00	1.00	0
Street Maintenance Tech.	9.00	9.00	7.00	6.00
Equipment Operator	2.00	2.00	2.00	2.00
Authorized FTE	15.00	14.00	13.00	11.00
Building Safety				
Chief Building Official	1.00	1.00	1.00	1.00
Plans Examiner	2.00	2.00	2.00	2.00
Building Inspector	1.00	1.00	2.00	2.00
Building Permit Technician	2.00	2.00	2.00	3.00
Senior Building Inspector	2.00	2.00	0	0
Building Safety Clerk	1.00	0	0	0
Administrative Assistant	0	0	0	0
Authorized FTE	9.00	8.00	8.00	8.00



Schedule of Authorized Positions

Position – Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Planning				
Director	1.00	1.00	0	0
P&Z Administrator	0	0	1.00	1.00
Senior Planner	2.00	2.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	0	0
Planning Assistant	.50	1.00	1.00	1.00
Economic/Downtn Dev. Coord.	0	0	1.00	1.00
Code Enforcement Officer	0	0	3.00	2.00
Authorized FTE	5.50	6.00	8.00	7.00
Parks & Recreation				
Parks & Rec/CommCtr Dir	1.00	1.00	0.50	0.50
Parks Supervisor	1.00	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00
Rec. Program Coordinator	3.00	3.00	2.00	2.00
Groundskeeper	1.00	1.00	1.00	1.00
Parks Intern	0.50	0	0	0
Recreation Intern	1.00	0	0	0
Parks Operations Lead	3.00	3.00	2.00	2.00
Recreation Assistant	4.00	4.00	4.00	4.00
Recreation Aide	0	0	0	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	0	0
Receptionist	0	0	0.50	0.50
Authorized FTE	17.50	16.00	13.00	13.00
Law Enforcement				
Pub.Safety Dir./Town Marshal	1.00	1.00	0	0
Emergency Mgmt.Coordinator	0	0	1.00	0
Sergeant	4.00	3.00	0	0
Deputy Marshal	14.00	8.00	0	0
Dispatcher	7.00	7.00	0	0
Administrative Assistant	0	1.00	0	0
Authorized FTE	26.00	20.00	1.00	0



Schedule of Authorized Positions

Position – Title	2001-2002 Authorized FTE	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Proposed FTE
Community Center				
Parks & Rec/Comm Ctr Dir.	1.00	1.00	0.50	0.50
Comm.Center Supervisor.	1.00	1.00	1.00	1.00
CommCtr Oper. Supervisor	1.00	1.00	1.00	1.00
Administrative Assistant	0.50	1.00	1.00	1.00
Operations Support Worker	1.00	1.00	1.50	1.50
Custodian	0	1.00	1.00	1.00
Volunteer Coordinator	0.50	0.50	0.50	0.50
Authorized FTE	5.00	6.50	6.50	6.50
Total Authorized FTE	115.00	106.00	76.00	74.00



Pay Plan

The Town Council last adopted the pay plan for the Town of Fountain Hills in June 2002. It is imperative that the salary ranges for each position be updated on a regular basis to remain competitive in the market. Consequently, the Human Resources division has surveyed the salary ranges from competing towns and cities for like positions. The information from those surveys has resulted in the proposed pay plan for the 2004-05 fiscal year.

In the proposed pay plan, there are twelve employees currently below the proposed starting wage for their position. The approximate dollar amount affecting the budget will be \$24,786. The positions affected are:

Senior Planner	Community Center Supervisor	Planner
Facilities Supervisor	Community Center Operations Super.	Accountant
Recreation Program Coordinator	Civil Engineer	Plans Examiner
Building Inspector	I/T Coordinator	St. Maint. Tech.

Six positions have been reclassified as follows:

Events & Marketing Coordinator	to	Community Center Supervisor
Civil Engineer Inspector	to	Sr. Civil Engineer Inspector
Administrative Assistant	to	Planning Assistant
I/T Support Specialist	to	I/T Coordinator
Maintenance/Custodial Worker	to	Facilities Maintenance Technician
Administrative Assistant	to	Permit Technician
Street Maintenance Supervisor		(Non-exempt to exempt)

Human Resources has also changed titles for the following positions:

Facilities Operations Supervisor	to	Facilities Supervisor
Fleet Master Mechanic	to	Fleet Mechanic
Park Operations Supervisor	to	Park Operations Lead
Park Worker	to	Groundskeeper
Court Services Specialist III	to	Sr. Court Clerk
Court Services Specialist II	to	Court Clerk
Clerk Typist/Receptionist	to	Customer Service Representative
Recreation Assistant III & II	to	Recreation Assistant
Recreation Assistant I	to	Recreation Aide

Human Resources received approval from the affected divisions for these title changes. While doing research, Human Resources found the Town's new job descriptions to be a closer match with the recommended titles.



Explanation of the Pay Plan _____

1. All Town positions, except that of town manager and presiding judge, are classified and covered in the pay plan.
2. Persons shall be recruited into the municipal service at the appropriate salary within that position, according to experience and/or market demand.
3. Advancement within the salary range shall be obtained on the basis of merit.
4. Supervisors and department directors recommend incremental increases. The Town Manager is authorized to place the salary of each employee at a rate of pay within the salary range for the position title to which said employee is assigned. The rates of pay so established for various employees shall be effective at the time of review.
5. Increases may be granted after six months of service and annually thereafter.
6. The town manager shall make whatever administrative regulations, not inconsistent with the plan or the ordinances of the Town of Fountain Hills, he/she deems necessary, for the effective administration of the plan.
7. Employees in section 1 are exempt and are not eligible for any overtime compensation. Employees in sections 2 and 3 are hourly non-exempt and therefore entitled to overtime compensation.
8. The pay plan shall be reviewed annually as part of the budget process. Approval of the budget, which contains the pay plan and/or employee salaries, shall constitute approval.
9. The minimum and maximum rates and the ranges constituting the salary range of a position title shall supersede any previously adopted for said title.



SECTION 1: That the minimum and maximum annual salaries for the employees of the Town of Fountain Hills described herein by position title shall be as follows:

Position Title	Minimum	Maximum	Previous Range
Assistant Town Manager	78,775	112,025	
Public Works Director	66,399	94,426	57,146 – 84,432
Town Engineer	62,799	89,307	64,656 – 95,520
Accounting Supervisor	59,132	84,092	50,508 – 74,628
Parks & Rec./Comm. Ctr. Director	58,182	82,741	57,146 – 84,432
Human Resources Administrator	57,567	81,866	50,508 – 74,628
Senior Civil Engineer	54,699	77,787	49,272 – 72,804
Court Administrator	54,580	77,619	48,072 – 71,028
Planning & Zoning Administrator	53,848	76,578	
Town Clerk	52,737	74,997	57,146 – 84,432
Economic Downtown Development Coord.	49,630	70,578	
Senior Planner	49,630	70,578	43,548 – 64,344
Chief Building Official	48,265	68,639	51,768 – 76,488
Street Superintendent	46,225	65,738	50,508 – 74,628
Recreation Supervisor	45,615	64,869	39,456 – 58,296
Parks Supervisor	43,752	62,220	39,456 – 58,296
Community Center Supervisor	43,752	62,220	
Public Information Officer	43,752	62,220	
Planner	42,804	60,870	38,496 – 56,868
Street Maintenance Supervisor	42,016	59,751	37,565 - 55,494
Facilities Supervisor	39,166	55,697	35,748 – 52,812
Community Center Operations Supervisor	39,166	55,697	35,748 – 52,812
Exec. Assistant to Town Manager/Council	37,008	52,628	36,636 – 54,132
Accountant	36,247	51,547	35,748 – 52,812
Recreation Program Coordinator	34,071	48,452	33,192 – 49,044



SECTION 2: That the hourly pay ranges for Public Works and Parks Department employees of the Town of Fountain Hills described herein by position title shall be as follows:

Position Title	Minimum	Maximum	Previous Range
Civil Engineer	23.34	33.20	18.97 – 28.03
Senior Civil Engineer Inspector	21.32	30.32	16.77 – 24.77
Plans Examiner	21.32	30.32	16.77 – 24.77
Engineering Technician/CAD Operator	19.80	28.15	17.18 – 25.39
Building Inspector	18.24	25.95	16.77 – 24.77
Civil Engineer Inspector	16.77	23.84	16.77 – 24.77
Code Enforcement Officer	16.36	23.27	16.36 – 24.17
Fleet Mechanic	16.21	23.05	16.77 – 24.77
Park Operations Lead	15.96	22.71	15.96 – 23.58
Open Space & Landscape Specialist	15.96	22.71	15.19 – 22.44
Planning Assistant	14.82	21.09	14.46 – 21.36
Equipment Operator	14.61	20.79	13.76 – 20.33
Drafting/CAD Technician	14.24	20.24	14.11 – 20.84
Street Maintenance Technician	13.70	19.47	12.47 – 18.42
Building Permit Technician	13.33	18.97	13.10 – 19.35
Groundskeeper	11.69	16.64	11.58 – 17.11
Receptionist	10.23	14.55	
Recreation Assistant	8.78	12.48	8.61 – 14.04
Recreation Aide	7.50	10.67	7.24 – 10.70



SECTION 3: That the hourly pay ranges for the administrative support employees of the Town of Fountain Hills described herein by position title shall be as follows:

Position Title	Minimum	Maximum	Previous Range
I/T Coordinator	20.94	29.77	14.82 – 21.89
Executive Assistant	14.80	21.06	14.82 – 21.89
Senior Court Clerk	14.62	20.80	13.10 – 19.35
Facilities Maintenance Technician	14.62	20.80	
Administrative Assistant	13.70	19.47	14.11 – 20.84
Court Clerk	13.35	19.00	12.16 – 17.97
Customer Service Representative	12.05	17.15	11.02 – 16.28
Maintenance/Custodial Worker	11.89	16.92	11.87 – 17.53
Accounting Clerk	11.48	16.32	13.43 – 19.83
Volunteer Coordinator	11.02	15.69	12.78 – 18.88
Administrative Clerk	10.23	14.55	10.23 – 15.12
Operations Support Worker	9.76	13.88	9.74 – 14.39
Custodian	9.76	13.88	9.74 – 14.39
I.T. Intern	7.50	10.67	7.24 – 10.70



Town of Fountain Hills - Succession Plan – 2004

As the Town Council and Town Manager set out ambitious plans to improve services, the Town faces enormous challenges recruiting and retaining staff to implement. The workforce is aging. Retirements will increase over the next few years. Finding qualified candidates may be difficult in a wide range of occupations - engineering to name one. These issues provide many challenges for Town staff. They may need to redesign departments, modify existing classification patterns, or it may require new and innovative approaches to recruiting qualified candidates.

It is the responsibility of the Town Council to determine the mission of our organization and provide the resources to hire the number of employees needed for services offered. It is the staff's responsibility to classify those positions and facilitate the recruitment and selection of qualified candidates to perform the work. The purpose of this report is to outline a succession plan process that eliminates or reduces the chances of the organization being crippled by the loss of an individual.

Planning Steps

1. **Scope:** It is important that the first step in a succession plan identify a manageable scope for the project. It should be something that can be accomplished within a reasonable period of time. The scope could involve the following:

- Issue: Problems with a particular title or occupation. It could have short-term and long-term implications, such as recruiting for certain titles.
- Initiative: A special initiative as part of a strategic plan or operational plan. The Town may set a particular goal or objective that will be met by the initiative.
- Organization: This may mean the organization as a whole, department or division.

2. **Context:** The outcome of this step is to have a clear idea of where the Town is headed and to understand the impact of external factors on planning the scope. The questions to be considered in understanding the context of the planning effort require thoughtful reflection on the direction that the Town of Fountain Hills is taking, the changing culture of the organization, and its strengths and weaknesses.

3. **Work:** In this step, Town staff needs to clearly identify the functions to be staffed within the chosen scope and context identified. The focus will be on the functions, not the people doing them. To determine the desired future functions within their departments, managers will take into consideration the timing of the potential changes and be proactive to allow the necessary actions to be accomplished in the required time frames.

4. **Demand:** Having identified the future functions that will need to be staffed, the next step is to focus on the type and number of personnel that will be required to perform the functions. Focus should be on:

- The knowledge, skills, abilities, and personal characteristics or competencies staff must have to be successful in performing each of the functions or positions; and
- The number of staff needed with the knowledge, skills and abilities or competencies set.



When the analysis on the type and number of personnel that will be needed to perform the functions is complete, some modification in expectations and capabilities may be needed.

5. **Supply:** This step in the planning process directs the managers to profile their workforce and determine what the supply of available workers will be within their departments. At this point, determining the supply assumes no hiring to replace the employees who leave. The supply is internal only. Managers will determine which employees now work within their departments and calculate the attrition rate. Past attrition may not be an accurate predictor of future attrition; however, it is one variable Town staff will use to help determine the future supply of employees necessary to provide the needed knowledge, skills and abilities for our organization.

6. **Gaps:** In this step a comparison of the expected staffing needs against the projected internal supply and focus on identifying if there are any gaps. The gaps will be in the following areas:

- Excess staff performing obsolete or declining functions, or functions likely to be outsourced.
- Inadequate supply of qualified people for positions in titles that will likely remain the same.
- Inadequate supply of people with needed skillsets for positions that may require further classification action.

Whether there is a gap for each title and, if so, the extent of the gap needs to be identified. The first part of this step involves identifying where candidates will come from for the titles or positions being considered. In the Demand step, titles to accomplish the new or modified functions are identified, but not where the qualified candidates would come from. In the Supply step, the workforce is characterized, but not evaluated, in terms of whether current employees will meet the supply needs of the agency for the titles in the new or revised functions. In the gap analysis, the issues regarding where to recruit to find the necessary employees are addressed. The managers conduct a gap analysis by comparing the internal supply of employees with the demand. Frank discussions need to take place regarding what staff will no longer be needed.

7. **Priority:** This step is a matter of prioritizing staffing gaps in terms of the biggest impact on the success of the organization, department, division, etc. It is a process that must include the direct input and agreement from the Town Manager and Council. The questions that follow need meaningful communication between the Town Manager and Council and the management staff.

- Which staffing gaps can be handled in a routine way with a minimum commitment of resources?
- Of the remaining staffing needs, what is the benefit of addressing each?
- What would be the impact of not addressing each?
- Based on the benefits and impact identified above, what is the relative priority of each of the needs?



8. **Solutions:** In this step, potential solutions are developed to meet the staffing needs on the priority list. Solutions typically fall in the broad categories of:

- Position classification actions, including redefining titles and special salary treatments.
- Recruitment/selection strategies to find and hire recent graduates or qualified candidates from other public or private sectors.
- Retention strategies to encourage employees to stay with the Town.
- Staff development strategies to prepare employees for specific positions.
- Organizational intervention such as reorganization.
- Knowledge transfer strategies to capture the knowledge of experienced employees before they leave the Town (cross training).

By making provision for the development of employees to be qualified for fundamental positions that become vacant over time, the Town will continue to provide uninterrupted quality services to its customers. By cultivating talent from within the Town of Fountain Hills through planned development activities, those positions identified as critical to successfully providing core services and meeting the mission and goals of the Town can be more readily filled with internal talent.

In summary, the succession plan is a management and planning tool to ensure a ready supply of internal talent for fundamental positions at all times. The Town of Fountain Hills is firmly committed to promotion from within, when qualified talent is available, for fundamental positions. However, the intent of the succession plan is not meant to eliminate the use of competitive internal and external recruitment and testing processes. The Town is also firmly committed to helping employees, regardless of race, age, gender, national origin or disability, to develop their potential so they are prepared and qualified to assume positions in line with individual career goals and organizational requirements.

Succession planning ensures that there are highly qualified people in all positions, not just today, but tomorrow, next year, and five years from now. Succession planning establishes a process that recruits employees, develops their skills and abilities, and prepares them for advancement, all while retaining them to ensure a return on the Town's training investment. Succession planning involves understanding the Town's long term goals and objectives, identifying the workforce's development needs, and determining workforce trends and predictions.

In the past, succession planning typically targeted only key leadership positions. In today's organizations, it is important to include key positions in a variety of job categories.

With good succession planning, employees are ready for new leadership roles as the need arises, and when someone leaves, a current employee is ready to step up to the plate. In addition, succession planning can help develop a diverse workforce, by enabling decision makers to look at the future make-up of the organization as a whole.



Timeline for Implementing Succession Plan _____

Context	As defined by Council & Town Manager at Retreat	1/04
Work	H.R. to meet with department directors to discuss any desired future functions within their department as well as any staff plans for retirement, etc.	9/1/04
Demand	H.R. to meet with department directors to discuss staffing needs to fulfill future plans.	10/01/04
Supply	Identify supply of available internal employees by knowledge, skills, abilities and personal characteristics or competencies.	11/01/04
Gaps	Compare future needs with employees available internally as well as external recruitment.	12/01/04
Priority	Prioritize gaps in terms of biggest impact on success of organization	1/1/05
Solutions	Recruitment, retention, staff development, reorganization, etc.	4/1/05



Key Management Risk Analysis

A key management risk analysis is essential if organizations are to assure a diverse group of high-performing, well-prepared individuals with an understanding of the Town's mission, values, and future.

The Town of Fountain Hills has several key management positions such as department directors and other one-person divisions, such as the town clerk and human resources. However, not all of these key positions are at risk. For example, the public works director is a key position, but the Town does have town engineer and street superintendent positions, either of which could become acting public works director on a temporary basis if necessary. The director of parks & recreation is a key position; however, the Town has both parks supervisor and recreation supervisor positions that could become acting director on a temporary basis if necessary.

Two key management positions that are immediately at risk should they become vacant are the town manager and the accounting supervisor.

An assistant town manager would eliminate the risk should the town manager position become vacant. A perfect example is when the Town's previous town manager, Paul Nordin, became ill. The Town did not have a position that could immediately take over and perform the duties of a town manager. An assistant town manager could also fulfill the duties on a temporary basis of positions such as the town clerk and human resources administrator should either of these positions become vacant. It is recommended that an assistant town manager be hired to eliminate the immediate risk the Town has.

An additional finance position would eliminate the risk should the accounting supervisor position become vacant. Although the other member of the Town's two person accounting team could fulfill the duties of the accounting supervisor on a temporary basis, the workload does not allow one person to fulfill the responsibilities of both positions, even on a temporary basis, when such a small-staffed division exists. Employees and vendors have to be paid and cannot wait until a position has been filled. It is recommended that an accounting clerk be hired to eliminate the immediate risk the Town has.

A risk analysis of all positions in the Town will be performed during implementation of the succession plan.



Glossary ---

Accrual Basis

A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or sent.

Actual vs. Budgeted

Difference between the amounts projected (budgeted) in revenues or expenditures at the beginning of the fiscal year and the actual receipts or expenses, which are incurred by the end of the fiscal year.

Adoption

Formal action by the Town Council, which sets the spending limits for the fiscal years.

Appropriation

Specific amount of monies authorized by the Council for the purpose of incurring obligations and acquiring goods and services.

Assessed Valuation

A value set upon real and personal property by the County Assessor for the purpose of levying property taxes.

Base Budget

The ongoing expense for personnel, contractual services, commodities, and the replacement of equipment to maintain service levels previously established by the Council.

Bond

A municipality will issue this debt instrument and agree to repay the face amount of the bond on the designated maturity date. Bonds are primarily used to finance capital projects.

- **General Obligation (GO) Bond**
This type of bond is secured by the full faith, credit, and taxing power of the municipality.
- **Revenue Bond**
This type of bond is secured by the revenues from a specific source such as gas taxes or water revenues.

Budget

Financial plan of estimated expenditures and anticipated resources adopted for a specific period of time outlining a plan for achieving council goals and objectives.

Budgetary Basis

The method used to determine when revenues and expenditures are recognized for budgetary purposes.

Capital Budget

The appropriation of bonds or operating revenue for improvements to city facilities that may include buildings, streets, and parks.



Carry Over

Year-end savings that can be carried forward to cover any one-time expenses such as supplies, equipment, or special contracts.

Cash Basis

A basis of accounting in which transactions are recognized only when cash amounts are increased or decreased.

Contingency/Reserve

An amount set aside as available, with Council approval, to cover unforeseen expenditures, emergency expenditures, or revenue short falls.

Debt Ratio

Total debt divided by total assets.

Debt Service

Principal and interest payments on outstanding bonds.

Estimated Revenue

The amount of projected revenue to be collected during the fiscal year.

Expenditure

Represents a decrease in fund resources.

Expenditure Limitation

An amendment to the Arizona State Constitution that limits annual expenditures of all municipalities. The Economic Estimates Commission, based on population growth and inflation sets the limit. All municipalities have the option of Home Rule where the voters approve a four-year expenditure limit based on revenues received.

Fiscal Year

Any period of twelve consecutive months establishing the beginning and the ending of financial transactions. For the Town of Fountain Hills, this period begins July 1 and ends June 30.

Full-Time Equivalent Position (FTE)

A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be equivalent to a 0.5 FTE.

Fund

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources.

Fund Balance

A balance or carry over that occurs when actual revenues exceed budgeted revenues and/or when actual expenditures are less than budgeted expenditures.



General Fund

The fund used to measure all financial transactions of the municipality except those required by law or agreement to be accounted for in another fund.

Highway Users Revenue Bond

Proceeds used solely for street and highway purposes and require voter authorization. Bonds are payable from highway user revenue up to 50% of total received for the past twelve month period (stipulated by state law).

Highway Users Revenue Fund (HURF)

This revenue source consists of state taxes collected on gasoline, vehicle licenses, and a number of other additional transportation related fees. These funds must be used for street and highway purposes.

Infrastructure

Facilities that support the continuance and growth of a community. Examples include roads, water lines, sewers, public buildings, and parks.

Intergovernmental Revenue

Federal and state grants and other forms of revenue (e.g. state sales tax, state income tax, gasoline tax, motor vehicle license).

Long Term Debt

Debt with a maturity of more than one year after date of issuance.

Management Indicators

A measurable means of evaluating impact of budget on achieving stated objectives.

Modified Accrual Basis of Accounting

Basis of accounting according to which; a) revenues are recognized in the accounting period in which they become available and measurable, and b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

Municipal Property Corporation (MPC) Bond

Bonds that are backed by the excise taxes of the Town including local sales tax, franchise tax, state shared sales tax, and auto lieu tax. The MPC is a non-profit corporation established for the purpose of issuing debt to purchase municipal facilities, which it leases to the Town.

Objectives

A measurable output that an organization strives to achieve within a designated time frame. The achievement of the objective advances an organization toward a corresponding goal.

Operating Budget

Day-to-day costs of delivering city services.

Performance Indicators

Measurement of service performance indicators that reflect amount of money spent on services and the resulting outcomes at a specific level of services provided.



Property Tax

The total property tax levied by a municipality. Arizona's municipal property tax system is divided into a primary and secondary rate.

Primary Tax

Arizona statute limits the primary property tax levy amount and municipalities may use this tax for any purpose.

Secondary Rate

Arizona statute does not limit the secondary tax levy amount and municipalities may only use this levy to retire the principal and interest or redemption charges on bond debt.

Resources

Total amounts available for appropriation including estimated revenues, bond/loan proceeds, fund transfers, and beginning fund balances.

Revenue

Financial resources received from taxes, user charges, and other levels of government.

State-Shared Revenue

Includes the Town's portion of state sales tax revenues, state income tax receipts, motor vehicle in-lieu taxes.

Tax Levy

The total amount of the general property taxes collected for purposes specified in the Tax Levy Ordinance.

Tax Rate

The amount of tax levied for each \$100 of assessed valuation.

Transfer

Movement of resources between two funds. Example: An interfund transfer would include the transfer of operating resources from the General Fund to the Street Fund.