

Fiscal Year 2015-2016 Adopted Budget

Town of Fountain Hills

Arizona



The Government Finance Officers Association of the United States and Canada (GFOA) presented the award of Distinguished Budget Presentation to the Town of Fountain Hills, Arizona, for its annual budget for the fiscal year beginning July 1, 2014.

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

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



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BUDGET MESSAGE

June 4, 2015

Honorable Mayor and Town Council:

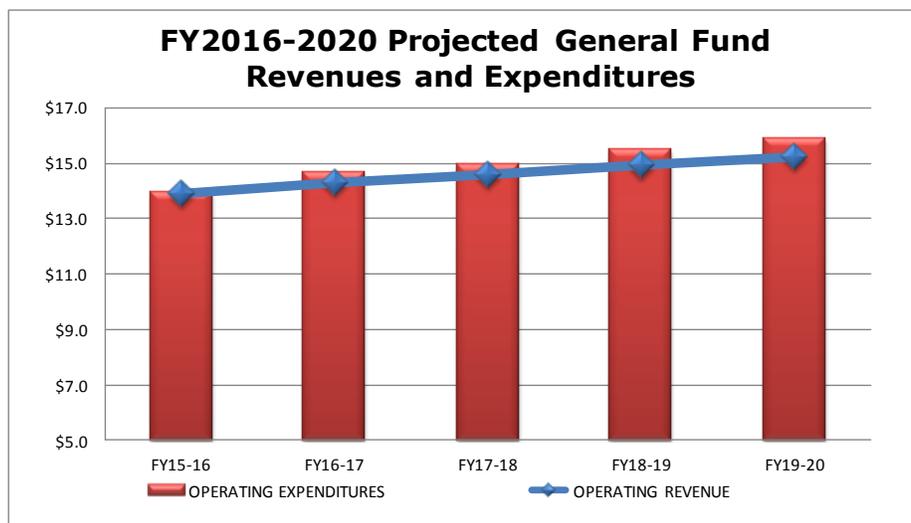
I am pleased to submit the operating budgets for the Town of Fountain Hills for the fiscal year beginning on July 1, 2015 and ending June 30, 2016 (FY15-16). This budget is balanced and designed to convey to the public a message that articulates priorities and issues for the upcoming fiscal year.

Although each fund should be viewed individually, the Town’s proposed total budget, including all funds is \$37.9M. It is important to note that the budget includes the use of one-time resources, such as one-time accumulated reserves and grant funds. These funds cannot be relied upon for on-going operations of the Town.

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

Five-year Revenue and Expenditure Forecast

The challenges that were faced by staff in balancing the proposed budget for FY15-16 will only increase over the coming years. The Town has worked diligently to pare down expenditures while preserving the core services and amenities that make Fountain Hills a desirable place to live. The Town is projected to face budget deficits over the next four years that will make that task increasingly more difficult, as depicted in the following chart:



Primary funding issues facing the Town of Fountain Hills include:

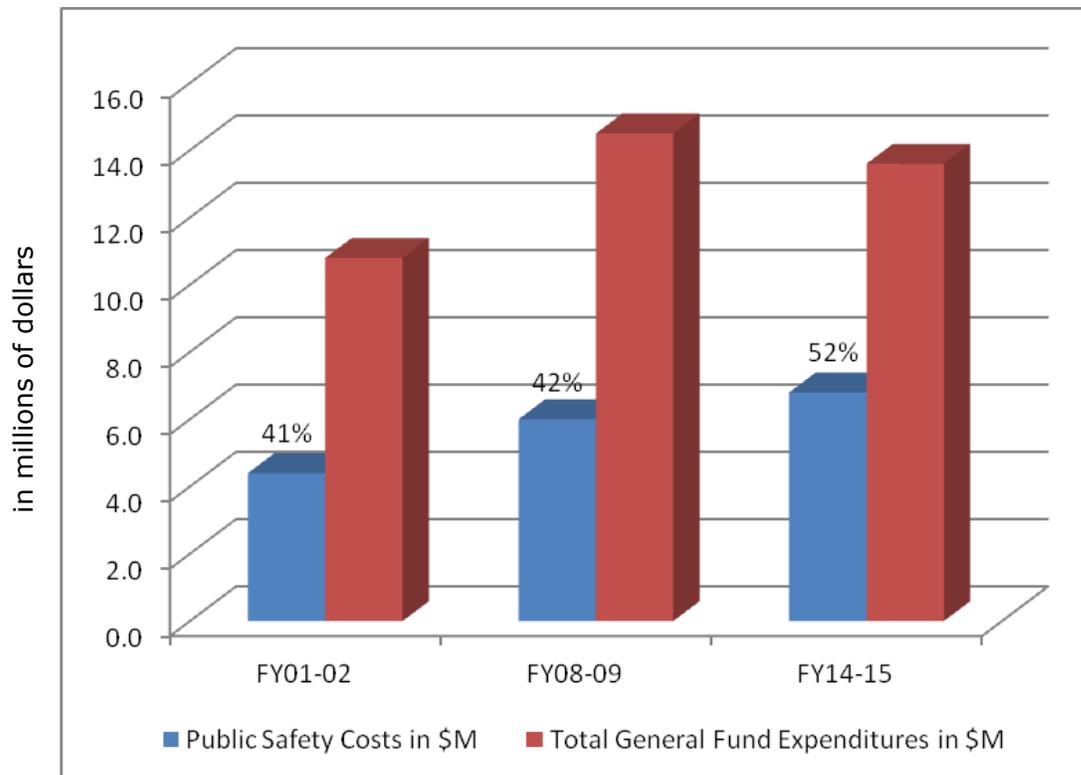
- Increased costs for maintenance, repair and/or replacement of aging infrastructure (roads, buildings, parks, the Fountain, etc.)
- Dependence upon State Shared revenues to fund operating expenditures
- Dependence upon economically volatile local sales tax to fund operating expenditures
- Decreased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

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

However, the fact remains that public safety costs (albeit very valid) represent an ever-increasing proportion of the Town's total expenditures. During the period from FY01-02 through FY14-15, Town total General Fund expenditures increased 25.7%, while public safety costs increased 54.2%, leaving reduced funding to pay for all other core services.

Said another way, in FY01-02 the Town's total General Fund expenditures were \$10.8M. Thirteen years later, in FY14-15, the Town's total expenditures had increased by \$3.1M, to a total of \$13.9M; public safety accounted for \$2.4M of the \$3.1M increase. In essence, this means that by FY14-15, the revenue available for the remainder of the Town's core services had increased *by only \$400K*. In FY15-16, public safety costs now represent 51.8% of the General Fund.

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



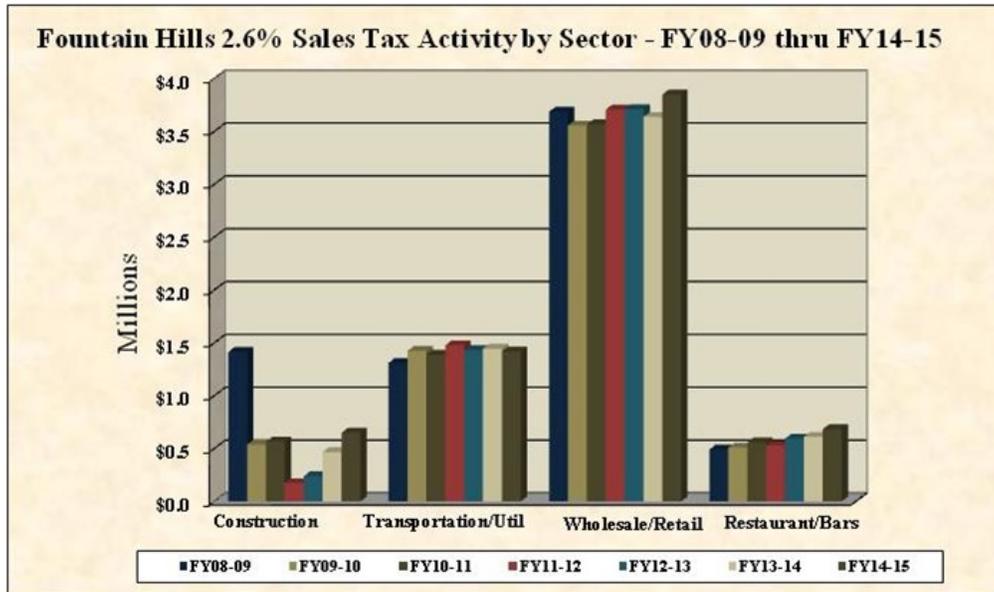
The problem lies not in total public safety costs to the Town, which are fair and reasonable, but rather in the lack of a growing, sustainable, and diversified revenue base. In order to provide the core services and amenities that the residents of Fountain Hills expect, new sources of revenue must be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

The Town relies primarily on two main sources of revenue for operations: (1) State Shared revenues (sales, income and vehicle license taxes distributed proportionately by the State based on population); and (2) local sales tax. Combined, these two sources contribute 88% of the General Fund (35% and 53% respectively).

Unfortunately, State Shared revenues are subject to appropriation by the State. The State has projected that shared revenues will exceed the prior year by a modest amount. Each year, there is pressure on the State legislature from outside sources to change the allocation formula which threatens to reduce the Town's proportionate share.



The chart below demonstrates that overall local sales tax collections now reflect a modest increase over FY09-10 levels:



The following chart demonstrates how total building permits have declined over the past fifteen years, and are over 70% below the record number issued in 2005.

HISTORICAL BUILDING PERMIT ACTIVITY
2000 Through 2014

YEAR	Single Family	Duplex		Multi-Family		Total Dwelling Units	Commercial	Other
		Bldg.	Total Units	Bldg.	Total Units			
2000	354	23	52	20	91	497	45	725
2001	269	3	6	4	37	312	36	567
2002	143	2	4	4	27	174	30	571
2003	145	0	0	3	17	162	20	662
2004	176	8	16	24	212	404	55	564
2005	303	22	44	20	146	493	35	697
2006	220	2	4	4	20	244	44	639
2007	70	0	0	3	18	88	58	408
2008	33	0	0	0	0	33	62	489
2009	5	1	2	0	0	7	20	328
2010	11	0	0	0	0	11	18	366
2011	7	0	0	0	0	7	17	319
2012	6	0	0	0	0	6	20	376
2013	14	0	0	0	0	14	18	386
2014	27	1	2	5	13	42	20	391
15 Year Total	1783	62	130	87	581	2494	498	7488
15 Year Avg	118.9	4.1	8.7	5.8	38.7	166.3	33.2	499.2



Core Services Budget

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

	<u>FY14-15</u>	<u>FY15-16</u>	<u>Funding Source</u>
Public Safety	\$ 6,826,729	\$ 7,185,767	General Fund
Administration	2,465,174	2,767,956	General Fund
Development Services	4,491,709	4,646,750	General Fund
Community Services	2,368,520	2,260,574	General Fund
Excise Tax Funds -			
Downtown/ED/Tourism	2,251,195	1,015,908	Excise Tax
Special Revenue Funds	1,373,654	2,378,899	Special Revenue
Debt Service	2,008,335	3,027,313	Debt Service
Capital Funds	<u>23,054,273</u>	<u>14,664,106</u>	CIP
	<u>\$ 44,839,589</u>	<u>\$ 37,947,273</u>	

Capital Improvement Program

The Town remains committed to funding one-time capital projects with one-time revenue sources.

The five-year capital improvement program, which represents an investment in public facilities and infrastructure, totals \$14.3M in FY15-16, a 35.8% decrease from last fiscal year. The Town also capitalizes on grants and other funding opportunities to complete projects.





Quick Guide to Strategic Plan 2010

What is a Strategic Plan and how will it be used?

A successful strategic plan is one that is integrated into the daily operations of an organization. In a municipal setting, staff and partner organizations use the strategic plan to develop proposals and initiatives that implement elements of the strategic plan; Council uses the strategic plan to evaluate all proposals.

While a full update of a Strategic Plan is recommended periodically (every five years), the Strategic Plan should be reviewed annually and adjustments made as necessary. The cycle (right) outlines the annual use of the Strategic Plan.



Our Vision

Fountain Hills is a distinctive community designed to invigorate the body, mind and spirit, and strives to:

- Be stewards of this unique enclave, dedicated to preserving the environment and visual aesthetic and to living in balance with the Sonoran Desert;
- Champion the diversity of experiences our residents bring to our community and rely on this depth of experience to innovatively address our challenges;
- Be economically sustainable and anchor our vitality in an active, vibrant town core that serves us culturally, socially and economically; and,
- Be civic-minded and friendly, taking responsibility for our Town's success by building partnerships and investing our talent and resources.

Civility

Our Pledge Build a community in which all can feel valued, welcome and as though they belong.

Strategic Directions

- C 1 Practice the art of civility in all public settings and encourage those around you to do the same.
- C 2 Support community events and activities that create opportunities to build community and friendship.
- C 3 Genuinely solicit and consider public and stakeholder feedback as part of the decision-making process.
- C 4 Be the friendliest place in the Valley.

Environmental Stewardship

Our Pledge Preserve the natural beauty that surrounds us and protect it so future generations can enjoy it.

Strategic Directions

- ES 1 Educate residents about our environment to increase awareness and promote stewardship.
- ES 2 Protect and enhance natural infrastructure, including native vegetation, terrain and open space.
- ES 3 Explore and implement new technologies and opportunities that will minimize noise, air and light pollution and reduce energy consumption.
- ES 4 Promote water conservation and identify ways to use of this precious desert resource wisely.
- ES 5 Protect selected view sheds from development and other manmade obstructions.
- ES 6 Improve access to the Sonoran Desert experience.

Civic Responsibility

Our Pledge Take responsibility for our community's future and foster opportunities for all residents to participate fully in our community through accessible, responsive leadership.

Strategic Directions

- CR 1 Foster an environment of accessible, responsive governance.
- CR 2 Discover, recognize and utilize the talents of our citizens and use these assets to address community needs.
- CR 3 Foster a culture of public service and volunteerism.
- CR 4 Implement a comprehensive communications plan to encourage informed citizen participation in civic life.
- CR 5 Support and develop programs that educate and involve our youth in community governance.
- CR 6 Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.
- CR 7 Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.
- CR 8 Foster a dialogue with residents and businesses regarding the importance of investing in the community's infrastructure maintenance to protect property values and enhance the business climate.

Education, Learning and Culture

Our Pledge Support quality, lifelong learning opportunities and cultural assets that enrich our lives.

Strategic Directions

- ELC 1 Partner with Fountain Hills' schools and other institutions to develop quality educational programming and opportunities.
- ELC 2 Support partners in providing arts and cultural opportunities and amenities.
- ELC 3 Promote and celebrate cultural diversity.
- ELC 4 Position the community's arts and cultural businesses, venues and amenities as economic drivers integrated into the Town's comprehensive economic strategy.
- ELC 5 Encourage access to higher learning opportunities or the establishment of an educational or training campus within our community.



Economic Vitality

Our Pledge Maintain a strong commitment to financial stability and local control, and will promote economic growth that leverages Fountain Hills' assets by building a dynamic, diverse economy that supports our community's needs and promotes successful businesses.

Strategic Directions

- EV 1 Develop a comprehensive economic development strategy for the Town's future and work with our partners to forward economic growth and awareness.
- EV 2 Develop and maintain a balanced, equitable, sustainable and local financing structure to support the Town's core government services at desired service levels.
- EV 3 Promote a mixed use core where residents can live, work, learn and play in an urban village setting, as depicted in the Downtown Area Specific Plan (Downtown Vision Master Plan).
- EV 4 Promote retention, expansion and relocation of quality businesses.
- EV 5 Promote Fountain Hills as a visitor destination.
- EV 6 Identify a slate of economic development tools and strategies (including tax incentives, fee abatements, etc.) to stimulate economic growth.
- EV 7 Identify areas for redevelopment, revitalization or reuse.
- EV 8 Promote unique and vibrant neighborhood and business districts.
- EV 9 Promote the maintenance of an age-balanced population that will support the long-term sustainability of our community.
- EV 10 Define Fountain Hills' market niche and actively pursue opportunities that attract and retain high quality employment opportunities.

Recreational Opportunities and Amenities

Our Pledge Make Fountain Hills a pedestrian- and bicycle-friendly community by contributing to healthy lifestyles, providing recreational and physical exercise opportunities to citizens, and taking advantage of Fountain Hills' closeness to the Sonoran Desert.

Strategic Directions

- R 1 Offer a wide range of cost-effective and accessible programs and services for all ages to promote a healthy and active community.
- R 2 Provide an interconnected, multi-use trail and bicycle system that promotes active living, physical activity, education and appreciation of our parks and natural resources.
- R 3 Support local organizations in providing affordable quality programs to promote recreational, sports, fitness and wellness programs for all ages.
- R 4 Support community events and activities that create opportunities to build community and neighborhood identity.

Fountain Hills Strategic Plan 2010—Updated January 17, 2013

Maintain and Improve Community Infrastructure

Our Pledge Maintain and improve our infrastructure to ensure a high quality living experience, enhance economic opportunities, and support and protect property values and community investments.

Strategic Directions

- I 1 Maintain a 5-year capital improvements plan that includes programmed maintenance projects.
- I 2 Lower the reliance on state revenues by developing a locally controlled, reliable funding source for infrastructure maintenance.
- I 3 Maintain a current condition assessment of all roadways and sidewalks and prioritize and implement maintenance efforts to minimize costly reconstruction.
- I 4 Partner with local civic and social organizations to assist in amenity upkeep and maintenance.
- I 5 Explore ways to reduce wear and tear on the transportation system including transit options and limiting of truck traffic.
- I 6 Coordinate closely with downtown development efforts to ensure adequate infrastructure is planned and amenities identified and programmed.
- I 7 Maintain an up-to-date impact fee structure and equitable development agreements to ensure new growth is not a burden on existing residents and businesses.
- I 8 Periodically meet with other community service providers to do joint planning and ensure that service providers can accommodate new customers resulting from growth without compromising service levels to existing residents and businesses.
- I 9 Build a protected fund to finance the major periodic maintenance of community facilities.

Public Safety, Health and Welfare

Our Pledge Protect the health and safety of our community and promote a high quality life.

Strategic Directions

- P 1 Promote and enhance community-based partnerships in crime prevention, fire and emergency preparedness.
- P 2 Reduce risk and increase safety through "community policing" and community-based fire prevention programs.
- P 3 Ensure appropriate service levels for public safety.
- P 4 Explore health and welfare opportunities, including the creation of a small hospital or a niche health-related service cluster.
- P 5 Support health and wellness instruction throughout the community.

Idea Box

While the Strategic Plan itself is intended to provide broad strategic guidance, each year Council will provide more specific direction on its annual course which will be used by staff to develop an action plan. The Idea Box section of the plan is a collection of specific ideas offered by residents and stakeholders. The ideas are presented neither with endorsement nor evaluation by the Town. The Idea Box is intended to serve as a repository of tools and activities that can be considered to build the Town's annual action plan. If you have some ideas you'd like included in the Idea Box, please provide them by visiting the Strategic Plan's Web site at: www.fh.az.gov/strategic-plan.aspx



Strategic Planning Goals and Operational Priorities

Following discussion at the Council Retreat held on January 29, 2015, the Town Council adopted the Strategic Planning Goals and Operational Priorities for FY15-16 at the February 19, 2015, Council meeting.



This proposed budget provides for incremental implementation of the following Strategic Planning Goals and Operational Priorities.

Strategic Planning Goals FY15-16

- C3 – Genuinely solicit and consider public and stakeholder feedback as part of the decision-making process
- CR4 – Implement a comprehensive communications plan to encourage informed citizen participation in civic life
- CR6 – Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements
- CR7 – Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices
- EV3 – Promote a mixed use core where residents can live, work, learn and play in an urban village setting, as depicted in the Downtown Area Specific Plan (Downtown Vision Master Plan)



- EV4 – Promote retention, expansion and relocation of quality businesses
- EV6 – Identify a slate of economic development tools and strategies (including tax incentives, fee abatements, etc.) to stimulate economic growth
- I2 – Lower reliance on State revenues by developing a locally controlled, reliable funding source for infrastructure maintenance
- I6 – Coordinate closely with downtown development efforts to ensure adequate infrastructure is planned and amenities identified and programmed



Operational Priorities FY15-16

- Pavement Management Program – Maintenance Plan expanded with Asphalt Replacement Plan
- Economic Development Plan implementation
- Fire Services contract negotiation
- Solid Waste contract negotiation
- Completion of Saguaro Boulevard reconstruction project
- Relocation of Fire Station #2 (site yet to be determined)
- Environmental Fee implementation



Budget Assumptions

- Continued new reality
- Adherence to State-imposed Expenditure Limitations Law will limit the Town’s ability to budget proposed capital projects
- Revenue projections are determined using both a trend analysis formula, as well as a flat percentage increase, but are estimates
- Little or no change is reflected in the distribution of State Shared revenues
- Existing levels of service are maintained, with no new programs and no new employee positions
- Annual debt service payment for McDowell Mountain Preserve bonds is eliminated after July 1, 2016
- An inflation factor of 2.5% to 3.5% has been added to existing budgets for Administration, Development Services and Community Services departments in future years
- The law enforcement contract with Maricopa County Sheriff’s Office has been budgeted at an increase of 10.0%
- The fire services contract with Rural/Metro Corporation is projected at 3% increase for FY15-16 and beyond

The following chart provides General Fund projections through FY19-20:

Five-year Budget Projection					
	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
REVENUES					
Intergovernmental	\$ 4,892,167	\$ 5,011,855	\$ 5,134,593	\$ 5,260,460	\$ 5,389,540
Permits, Licenses, Fees	1,162,911	1,157,285	1,182,459	1,205,452	1,230,582
Building Revenue	531,021	647,335	648,648	683,761	683,761
Local Taxes	<u>7,317,367</u>	<u>7,463,263</u>	<u>7,634,272</u>	<u>7,771,098</u>	<u>7,923,262</u>
Total Revenues	\$ 13,903,466	\$ 14,279,738	\$ 14,599,972	\$ 14,920,771	\$ 15,227,145
EXPENDITURES					
Mayor & Town Council	\$ 80,084	\$ 82,086	\$ 84,138	\$ 87,083	\$ 90,131
Administration	2,296,210	2,347,760	2,358,954	2,483,018	2,521,423
Municipal Court	277,107	284,035	291,136	301,326	311,872
Development Services	1,803,723	1,848,816	1,895,037	1,961,363	2,030,011
Community Services	2,260,575	2,723,590	2,762,718	2,849,850	2,860,508
Public Safety (Police & Fire)	<u>7,185,767</u>	<u>7,365,411</u>	<u>7,549,547</u>	<u>7,813,781</u>	<u>8,087,264</u>
Total Expenditures	\$ 13,903,466	\$ 14,651,698	\$ 14,941,530	\$ 15,496,421	\$ 15,901,209
Surplus/(Deficit)	\$ -	\$ (371,960)	\$ (341,558)	\$ (575,650)	\$ (674,064)



Fund Balances

During FY11-12, the Town amended the existing financial policy on the classification of fund balance in the annual financial reports; the Resolution created five new classifications of governmental fund balances as required by the Governmental Accounting Standards Board (GASB) Statement No. 54. GASB has found that the usefulness and value of fund balance information that was provided is significantly reduced by misunderstandings regarding the message that it conveys, and the inconsistent treatment and financial reporting practices of governments. In order to improve how fund balance information is reported and enhance its decision-usefulness, GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

The overall principal and goal of GASB Statement No. 54 was to report governmental fund balances based on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance, and accordingly, the extent to which governments are bound to honor them:

- **Nonspendable fund balance**—Includes amounts either not in spendable form or legally or contractually required to be maintained intact. This amount includes inventory, prepaids, and non-current receivables such as long-term loan and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).
- **Restricted fund balance**—Includes amounts that are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance means “restricted net assets” as defined in the government-wide Statement of Net Assets, GASB Statement No. 34, as amended by GASB Statement No. 46.
- **Committed fund balance**—Includes amounts that are committed for specific purposes by formal action of the Town Council. Amounts classified as “committed” are not subject to legal enforceability like restricted fund balance; however, those committed amounts cannot be used for any other purpose unless the Town Council removes or changes the limitation by taking the same form of action it employed to previously impose the limitation. The action to commit fund balances must occur prior to year end; however, actual amounts can be determined in the subsequent period.
- **Assigned fund balance**—Includes amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Town Council itself or a subordinate high-level body or official possessing the authority to assign amounts to be used for specific purposes in accordance with policy established by the Town Council.



This assignment would include any activity reported in a fund other than the General Fund that is not otherwise restricted more narrowly by the above definitions. The Town is not allowed to assign balances that result in a residual deficit.

- ***Unassigned fund balance***—Includes any remaining amounts after applying categories above (amounts not classified as nonspendable, restricted, committed or assigned). Planned spending in the subsequent year’s budget would be included in the unassigned fund balance category. The General Fund is the only fund that will report a positive unassigned balance.

The requirements in GASB Statement No. 54 are intended to improve financial reporting by providing fund balance categories and classifications that will be more easily understood. Elimination of the reserved component of fund balance in favor of a restricted classification will enhance the consistency between information reported in the government-wide statements and information in the governmental fund financial statements and avoid confusion about the relationship between reserved fund balance and restricted net assets.

The fund balance classification approach now requires governments to classify amounts consistently, regardless of the fund type or column in which they are presented. As a result, an amount cannot be classified as restricted in one fund but unrestricted in another. The fund balance disclosure will give users information necessary to understand the processes under which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated. The clarifications of the governmental fund type definitions will reduce uncertainty about which resources can or should be reported in the respective fund types.

Distinguished Budget Presentation Award

For the past 13 years the Town of Fountain Hills has been awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award. This award is presented to government entities that meet certain criteria in the presentation of their budget. This Budget Message section is designed to provide the lay person with a broad view of the contents of the FY15-16 annual budget, its processes, issues and anticipated outcomes.



A Debt of Gratitude

I would like to offer special thanks to the Mayor and Town Council, our numerous board and commission members, and our Town volunteers for their many hours of volunteer service without which the Town could not function in the fine manner it does. This volunteer core of more than 700 citizens provides the Town staff with a vast bank of knowledge about subjects that contribute to planning for the present and future of Fountain Hills.

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

Respectfully submitted,



Ken Buchanan
Town Manager



Community Profile



COMMUNITY PROFILE

The Town of Fountain Hills is a master planned community established in 1970 by McCulloch Properties (now MCO Properties, Inc.). Prior to 1970, the area was a cattle ranch and part of one of the largest land and cattle holdings in Arizona. The land was purchased by Robert McCulloch in the late 1960s and the community designed by Charles Wood, Jr. (designer of Disneyland in southern California).

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

The centerpiece of Fountain Hills is our beautiful fountain; one of the world's



tallest man-made fountains. It serves as a focal point for the community and attracts thousands of visitors each year.

The fountain, driven by three 600 horsepower (450kW) turbine pumps, sprays water at a rate of 7,000 gallons per minute through an 18-inch diameter cement lined steel pipeline. There is a three part, six inch nozzle that mixes air with the incoming water to form a unique jet stream. With all three pumps and under ideal conditions, the fountain reaches 560 feet (171m) in height, though in normal operation only two of the pumps are used, with a fountain height of around 330 feet (101m). When built, it was the world's tallest fountain and held that record for over a decade.



Fountain Hills is home to over 100 pieces of publicly displayed artwork throughout its downtown and at public buildings. Art is a significant part of the Town's heritage. The many fountains along the Avenue of the Fountains were the beginning of the public art collection.

Bronze sculptures and fountains with community profile themes, ranging from the whimsical to the serious, dot

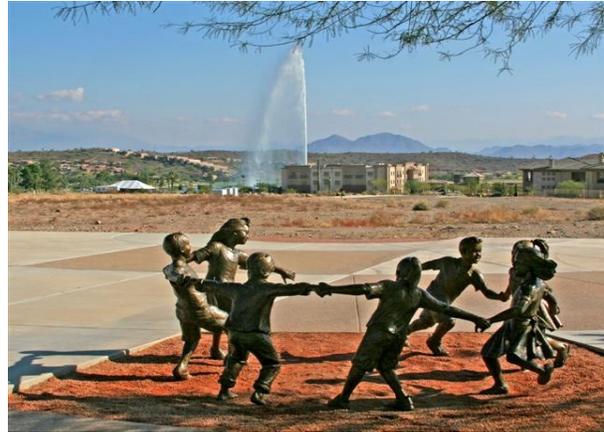


the streets and adorn the public buildings, plazas and parks. The collection also contains a wide variety of other art types and media, including paintings, stone, photography and metals. Residents and visitors are invited to wander the streets or take the "Art Walk" guided tour.

Located on 13,006 acres of land, Fountain Hills is surrounded by the 3,500-foot McDowell Mountains and Scottsdale on the west, the Fort McDowell Yavapai Nation on the east, the Salt River Pima-Maricopa Indian Community on the south and the McDowell Mountain Regional Park on the north. The elevation is 1,575 feet at the fountain, 2,130 feet on Golden Eagle Boulevard, and is approximately 500 feet above Phoenix.

Over the past twenty plus years, Fountain Hills has grown from 10,190 residents to a town of 22,489 in 2010. Although the rate of growth has slowed due to the lack of available land on which to build, the Town continues to attract residents who are building large custom homes to take advantage of the scenic vistas surrounding our mountain community.

The Town offers a wide range of living accommodations, from small condo-



minium complexes to large custom homes. Fountain Hills also offers recreational, cultural and retirement programs that address the needs and lifestyles of active families as well as older adults. The community consists of primarily residential property and open space (9,657 acres or 74%). Of the remaining land, 2,562 acres are developable, with 85 acres being zoned commercial (approximately .7%), 8 acres zoned industrial (.1%), and 1,521 acres are right-of-way/streets (12%).

In 2006, Fountain Hills was named by Phoenix Magazine as the best place to live and was cited as "a welcome oasis on the outskirts of a metropolis." The magazine measured the quality of life in 22 Valley communities, including a statistical analysis of each community's population, income, home price, crime rate, miles to Sky Harbor Airport, and square feet of retail. The criteria used by the magazine in this ranking are similar to the priorities established in the Town's Strategic Plan. The volunteer spirit and high level of involvement of the citizens and business representatives were highlighted.

Fountain Hills has also earned a top accolade from Business Week maga-



zine. In its February, 2009 online edition, Fountain Hills was named the "Best Affordable Suburb" in all of Arizona. The magazine evaluated suburbs on a variety of factors but weighted affordability most heavily. They also considered lifestyle (short commutes, clean air, low crime, good weather, and green space), the quality of schools, and the strength of the local economy. None of the places evaluated had populations of more than 60,000 or less than 5,000. Only one suburb per state was selected.

people per square mile, or 1.73 people per acre.

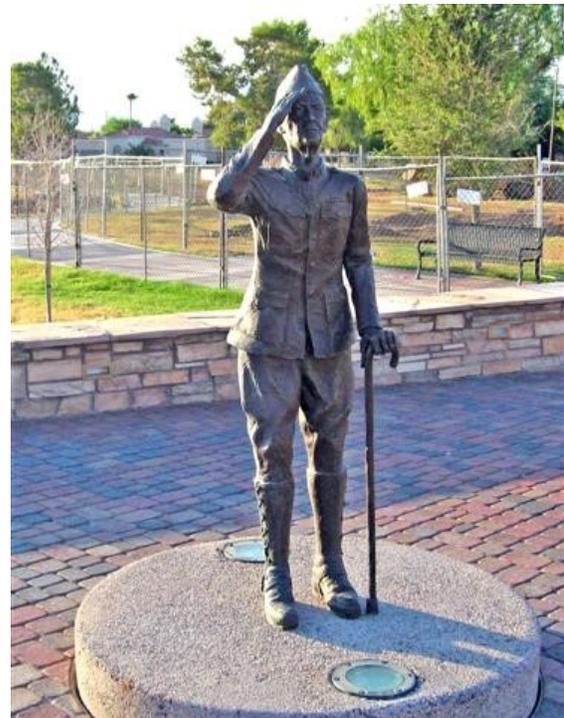


Fountain Hills' low population density is a major reason it is such a desirable place to live. Unlike other regions of the Valley, one can dine, play, and commute, without congestion.

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

At the end of the year, there were 1,001 vacant single family lots and 59 vacant multi-family lots.

Based upon 2010 population, Fountain Hills has an average of 1,106.7



Demographics

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

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

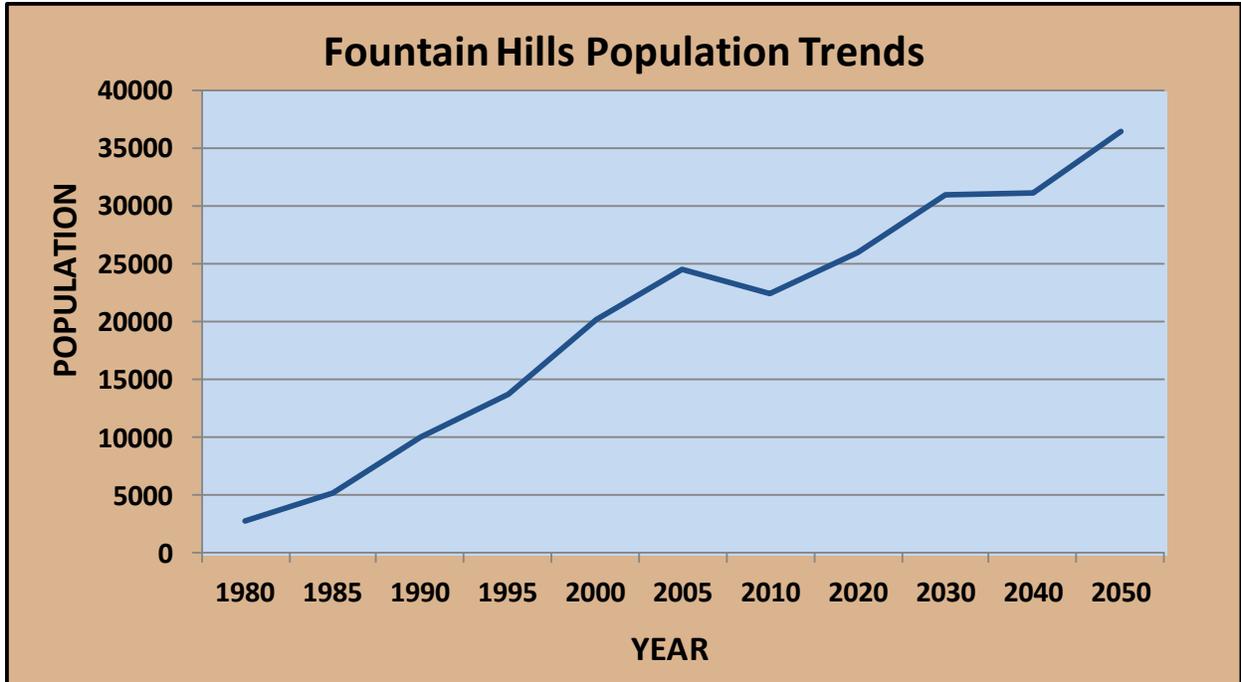
Population Trends	
Year	Fountain Hills Population
1980	2,772*
1985	5,200**
1990	10,030*
1995	13,745**
2000	20,235*
2005	24,492*
2010	22,489*
2020	25,929**
2030	31,042**
2040	31,181**
Estimated Buildout ~2050	36,540***

* US CENSUS

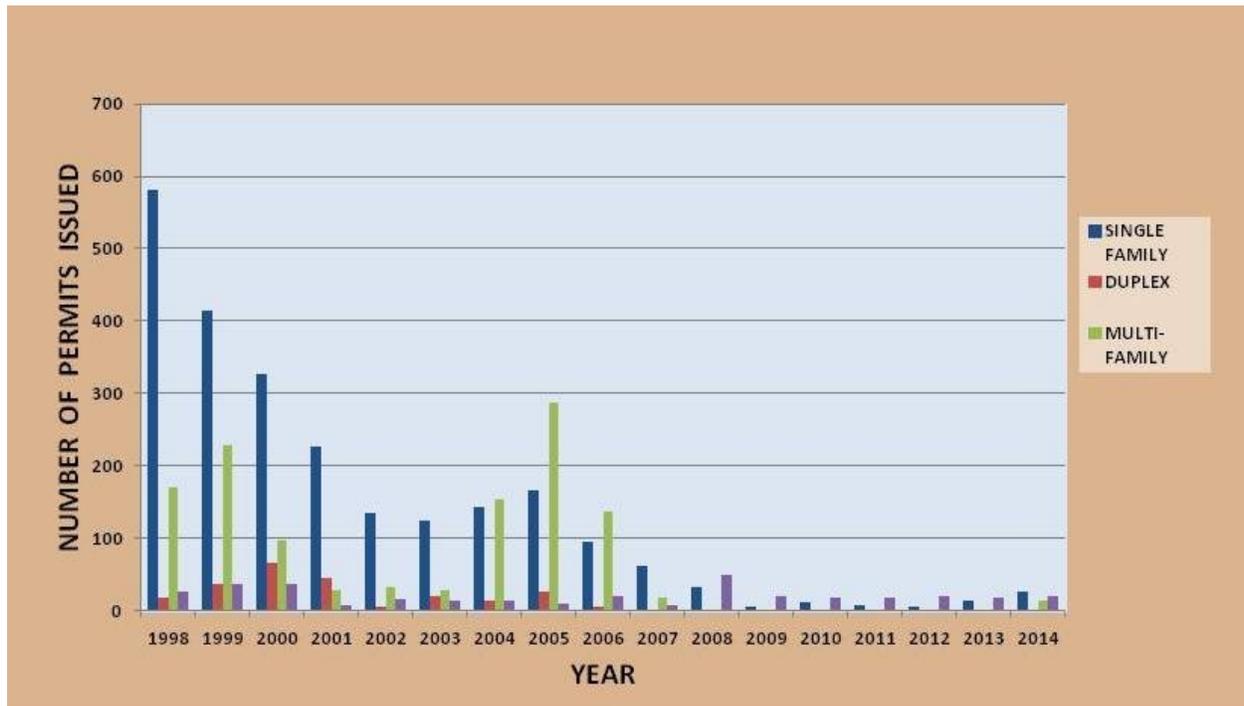
** MAG

***TOWN DEVELOPMENT SERVICES





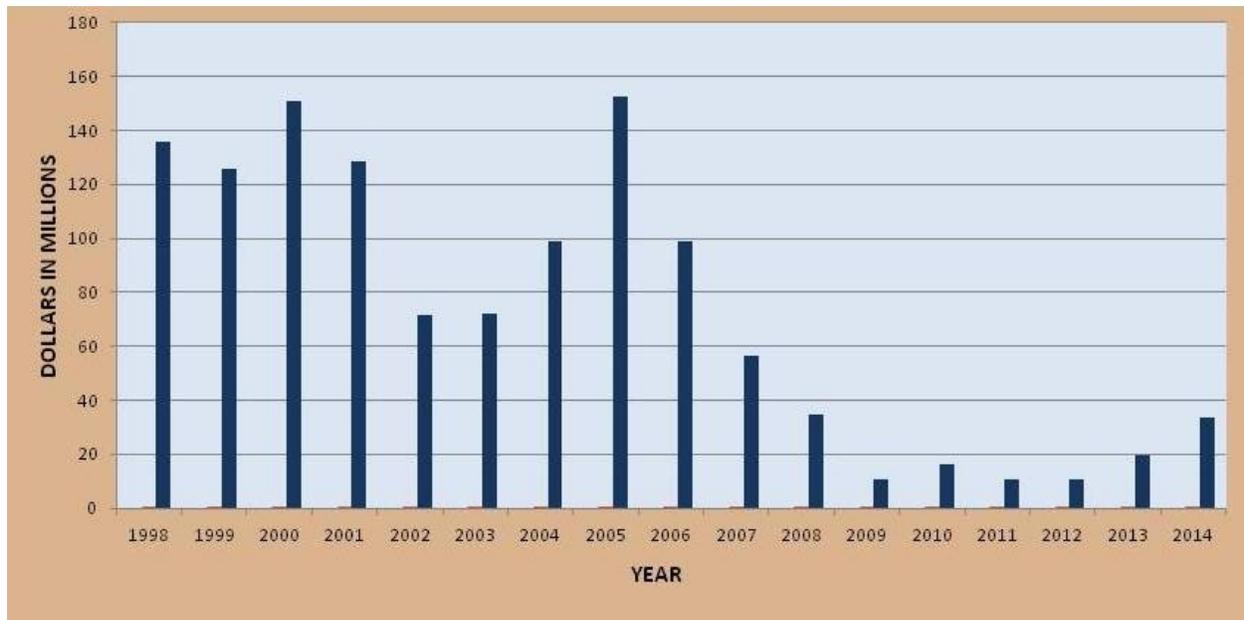
TOWN-WIDE BUILDING PERMITS ISSUED



YEAR	Single Family	Duplex	Multi-Family	Commercial	Other
1998	582	17	36	26	995
1999	415	18	34	36	947
2000	326	33	23	37	892
2001	227	23	6	8	707
2002	135	3	4	16	622
2003	124	10	10	14	689
2004	143	7	64	14	664
2005	165	13	184	9	777
2006	95	3	102	19	745
2007	62	0	18	7	589
2008	33	0	1	50	489
2009	5	1	0	20	328
2010	11	0	0	18	366
2011	7	0	0	17	319
2012	6	0	0	20	376
2013	14	0	0	18	386
2014	27	1	5	20	391
17 Year Total	2377	129	487	349	10282
17 Year Avg	139.8	7.6	28.6	20.5	604.8



TOWN-WIDE BUILDING PERMITS ISSUED VALUATION IN DOLLARS



COMMERCIAL BUILDING PERMITS ISSUED AND VALUATION

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

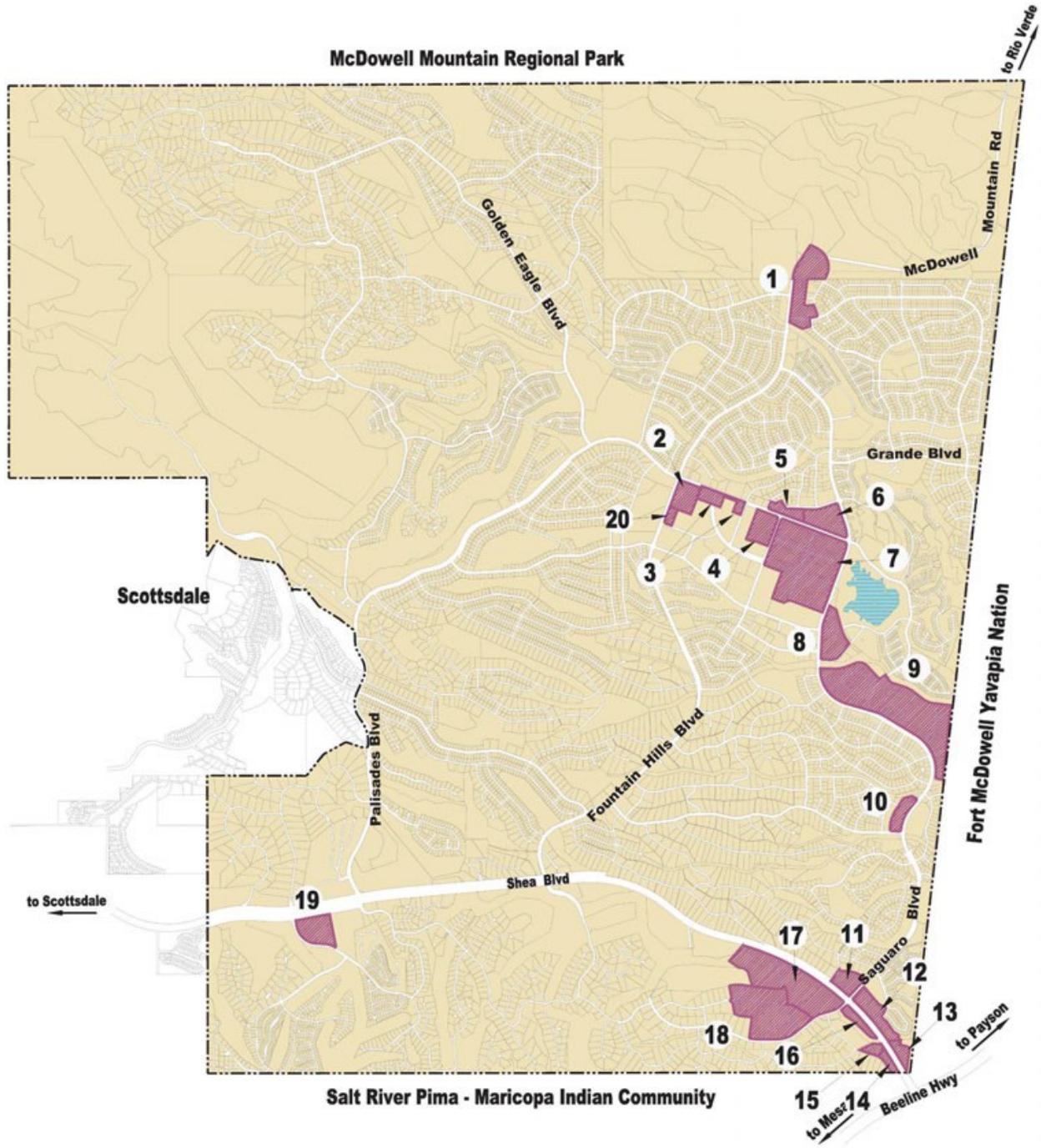
*1998-2014 Valuation includes commercial building permits as well as tenant improvements.



shopping centers (and other non-residential developments)

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

Shopping Center Location Map



Fountain Hills Schools

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

Public Schools

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

Address

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

Preschools

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

Address

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

Charter School

11. Fountain Hills Charter School

Address

- 16751 E. Glenbrook Blvd



Fountain Hills High School

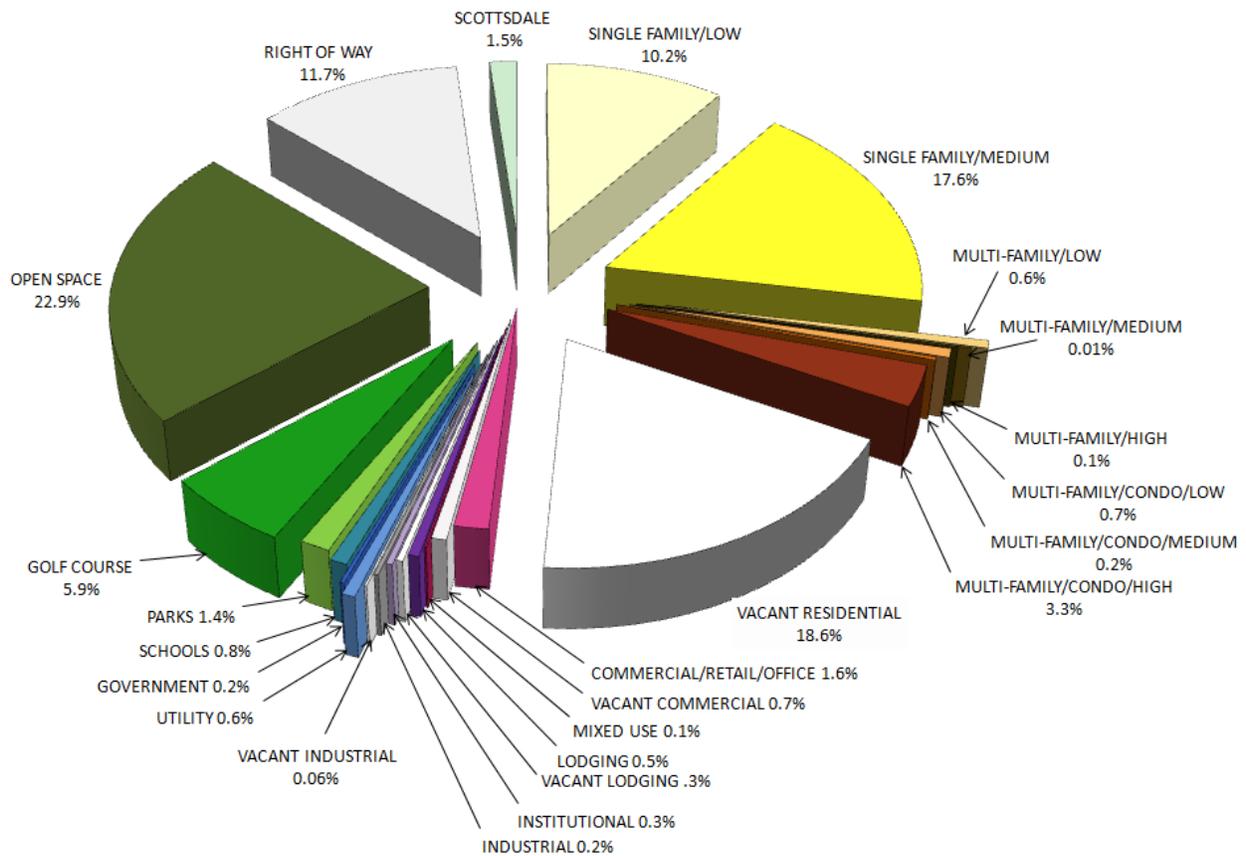


Fountain Hills Middle School and Four Peaks Elementary School

McDowell Mountain Elementary School



TOWN-WIDE LAND USE



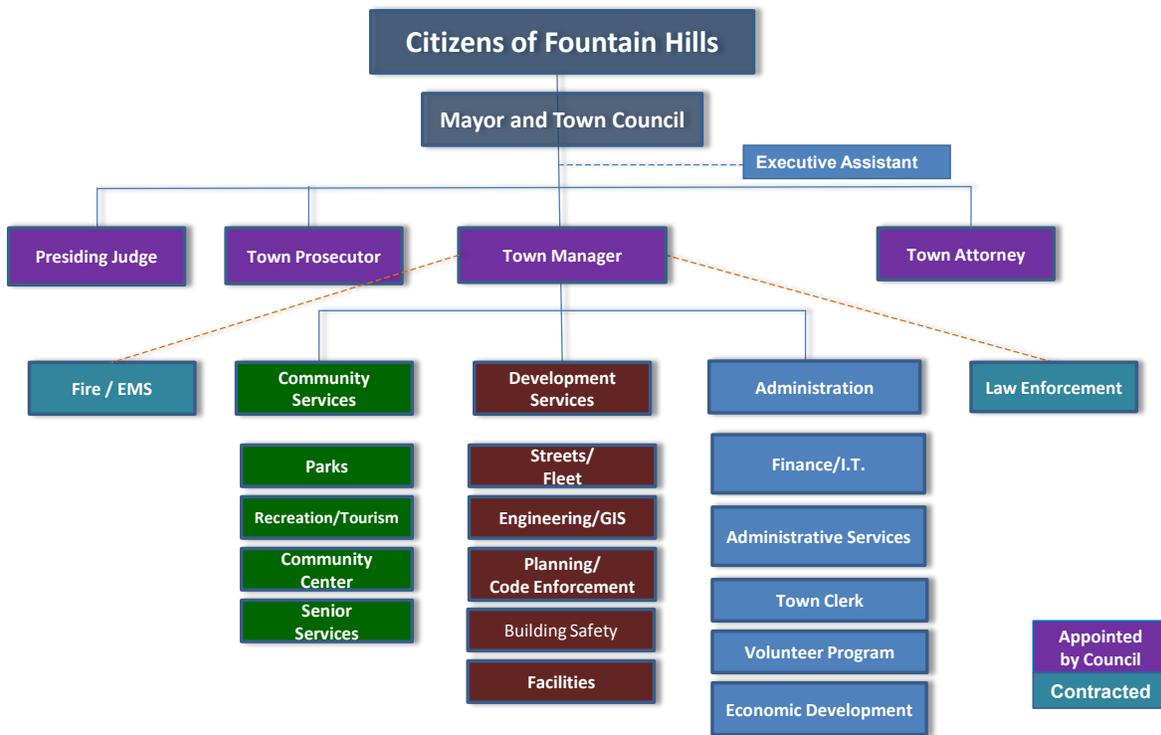
	Land Use	Residential Units	Developed Acres	Undeveloped Developable Acres	Undeveloped Undevelopable Acres	Total Acres
	Residential					
	Single Family – L	995	1,326.9	1,475.6		
	Single Family – M	7,290	2,283.8	911.5		
	Multi-Family – L	444	83.6			
	Multi-Family – M	30	1.2			
	Multi-Family – H	150	9.1			
	Multi-Family/Condo – L	555	88.9			
	Multi-Family/Condo – M	207	19.8			
	Multi-Family/Condo – H	3,051	435.2			
	Commercial/Retail		212.4	85.1		297.5
	Mixed Use	259	17.2			17.2
	Lodging		18.7	44.2		62.9
	Institutional		44.5			44.5
	Industrial		31.3	8.4		39.7
	Utility		76.4			76.4
	Government/Town Owned		25.6			25.6
	Schools		110.5			110.5
	Parks		182.4			182.4
	Golf Course		771.3			771.3
	Open Space				2,983.6	2,983.6
	Scottsdale Owned Land				199.9	199.9
	Right of Way/Streets		1,521.2			1,521.2
	Total	12,981	7,260.0	2,562.2	3,183.5	13,005.7



Town Council



Town of Fountain Hills Organization



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





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

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

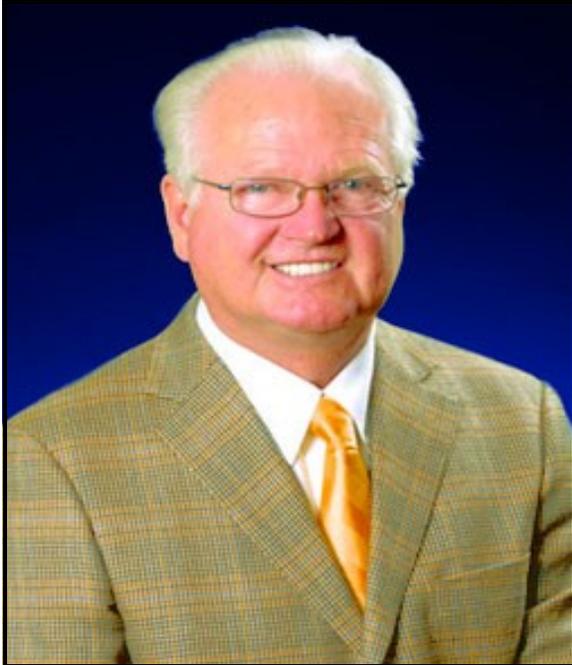
the town's world-renowned art collection. She was also very active with the Visitor's Bureau to spur tourism for the town.

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

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

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

Mayor Kavanagh was reelected to her second term of office in 2014.



numerous other local organizations. They have two sons and one daughter who have given them five – count them five – granddaughters.

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

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

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

Vice Mayor Brown and his wife have supported Little League baseball and football, the Fountain Hills Community Theater, Movies in the Park, and





Councilmember DePorter has enjoyed living in Arizona for 20 years and moved to Fountain Hills in 2010. He was born in Long Beach, California and primarily raised in Las Vegas, Nevada after his father retired from the Los Angeles City Fire Department. Nick holds a BA in Political Science, with minors in Business & Mass Communications, and a Master of Public Administration (MPA) from Arizona State University. He enjoys traveling and spending time with his wife, Adrienne, and children, Jack and Abbie. Nick is proud that his family, parents and in-laws all call Fountain Hills home.

Councilmember **Nick DePorter's** professional experience includes community relations, business development, strategic planning and higher education leadership. Nick currently serves as Associate Director for Strategic Employer Development at Arizona State University. Nick leads a team that is responsible for partnering with corporations, non-profits and governmental agencies on behalf of ASU providing these partners a connection to the University for research, recruitment and philanthropic investment opportunities.

Councilmember DePorter previously served on the Fountain Hills Strategic Planning Advisory Commission for three years, holding the positions of Chair and Vice-Chair. He also served as a Board Member for the Fountain Hills Cultural and Civic Association for two years. He currently serves on the Health & Human Services Board for Chicanos Por La Causa and the Phoenix Business and Workforce Development Board for the City of Phoenix.



Councilmember Hansen has been an ongoing participant in the community since 1989, having actively supported and/or participated in the Civic Association, the Community Chorus, the Arts Council and Public Art Committee, the Fountain Hills Theater, the Chamber Players, Sunridge Foundation, Fountain Hills Chamber of Commerce (1998 Business Person of the Year), Fountain Lake Republican Women's Club, the Fountain Hills Republican Club, the Library Association, Lower Verde River Valley Hall of Fame in 2004, Boys & Girls Club, Cattleguard, PTO, and mentor/director of various third grade musical programs.

Councilmember **Cassie Hansen** moved to Arizona from Aurora, Illinois, in 1977, and spent the summer living in a "spec" home built by her parents in Fountain Hills.

In 1980, she met husband Bruce in Phoenix where they began their telecommunications business in 1983. Moving to Fountain Hills in 1989, they worked on the successful incorporation effort. Appointed by the interim Council to serve as Town Clerk, Hansen became the first Town employee.

Serving as Town Clerk and Director of Administration for thirteen years, her areas of responsibility included human resources, facilities, finance, information technology, and administrative support. She was the liaison with many community groups including the design and construction of the Library/Museum and Community Center, and the re-location of Senior Services to Building C of the old Town Hall complex.





As a resident of Fountain Hills for over 23 years, Councilmember **Henry Leger** is currently serving his third term on Town Council. He has served the Town in this capacity since June of 2006. In addition to his Town Council position, Henry is currently a board member for Senior Services, Inc., and is a member of several community organizations, including the Fountain Hills Cultural and Civic Association and Chamber of Commerce.

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

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

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

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

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



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

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

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

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





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

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

Councilmember Yates is an award winning Commercial Real Estate Developer. He is presently the Director of Commercial Property for Tiempo, Inc. and operates over 500,000 square feet of office and retail space throughout Arizona. He has owned and operated several restaurants including Panini's Bar & Grill (as seen on "Man vs. Food") and Zeppes Pizzeria.

Councilmember Yates and his wife, Nancy, have been married since 1995 and are the proud parents of two children, Sophia, 17, and Mason, 13; (not to mention their black lab, Wizard; German Shepherd, Gracie; their cat, Simba; and whatever other crawling creatures their kids adopt!)

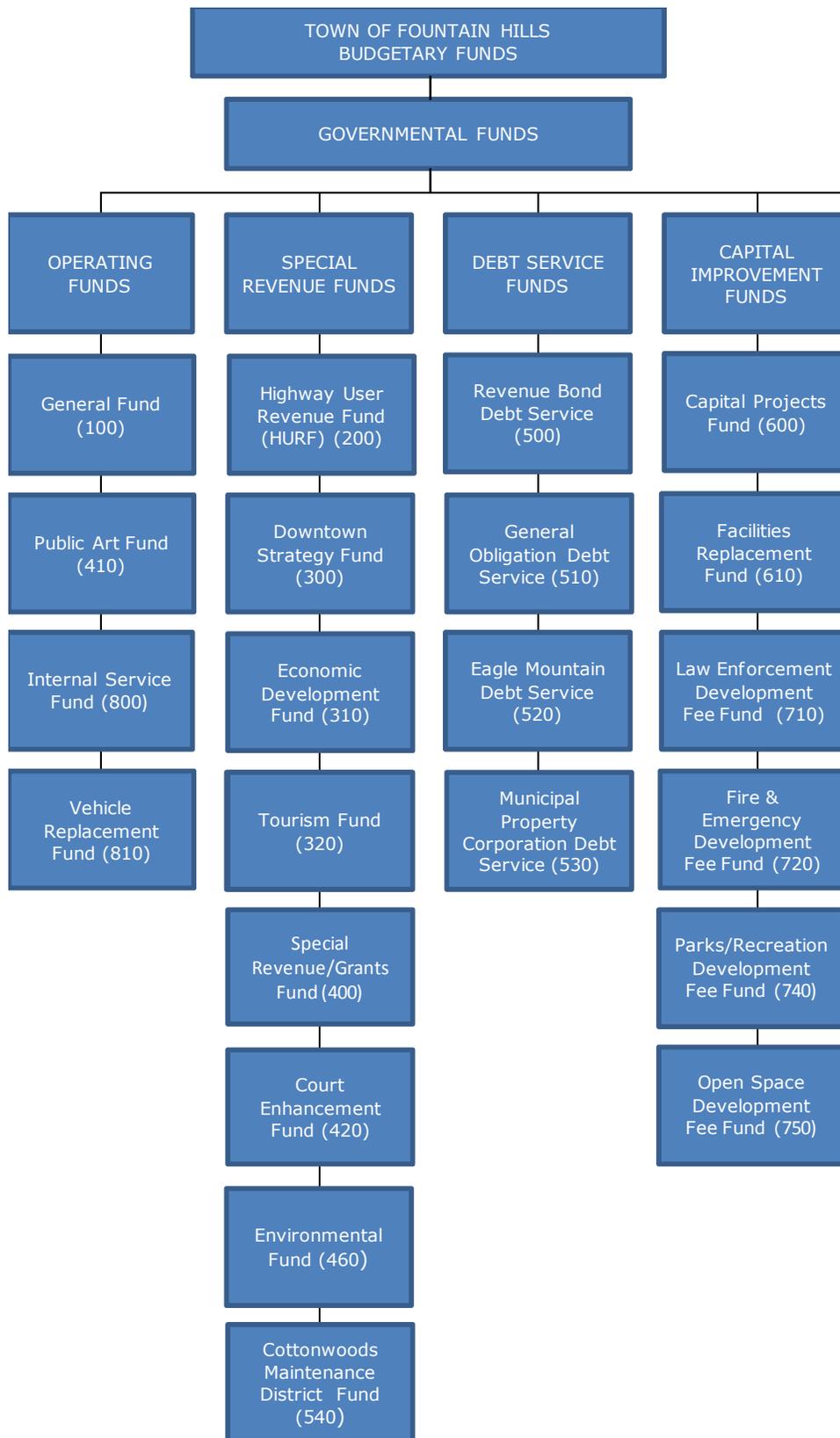




Financial Overview & Policies



FUND STRUCTURE



**FUND/DEPARTMENT STRUCTURE
Governmental Funds**

Fund Type	Fund	Department	Fund Statement		Department Summary	Total Proposed Budget
			Page Number	Page Number	Amount	
Operating						
		Total				\$ 14,018,021
	General Fund	Mayor & Town Council	112	127-132		80,084
	General Fund	Municipal Court	112	134-141		277,107
	General Fund	Administration	112	142-172		2,296,210
	General Fund	Community Services	112	205-233		2,260,574
	General Fund	Development Services	112	174-204		1,803,724
	General Fund	Law Enforcement	112	235-239		3,683,970
	General Fund	Fire & Emergency Medical	112	241-246		3,501,797
	Public Art Fund	Community Services	113	N/A		15,000
	Internal Service Fund	Administration	113	N/A		68,555
	Vehicle Replacement Fund	Administration	113	342-349		31,000
Special Revenue						
		Total				\$ 6,237,833
	Highway User Revenue Fund	Development Services	113	249-255		2,843,026
	Downtown Strategy Fund	Administration	113	258-260		557,886
	Economic Development Fund	Administration	113	261-265		321,101
	Tourism Fund	Community Services	113	266-268		136,921
	Special Revenue Fund	Administration	113	N/A		1,655,000
	Court Enhancement Fund	Municipal Court	113	N/A		80,615
	Environmental Fund	Development Services	113	269-272		639,241
	Cottonwoods Maintenance District Fund	Administration	113	273-275		4,043
Debt Service						
		Total				\$ 3,027,313
	General Obligation Bond Fund	Administration	113	27		2,094,722
	Eagle Mountain CFD Fund	Development Services	113	278		411,851
	Municipal Property Corporation Fund	Administration	113	279		520,740
Capital Projects						
		Total				\$ 14,664,106
	Capital Projects Fund	Administration, Community Services, Development Services, Fire & Emergency Medical	114	285-333		14,262,885
	Facilities Replacement Fund	Development Services	114	335-337		130,000
	Development Fees Funds	Community Services, Development Services, Law Enforcement, Fire & Emergency Medical, Parks/Recreation, Open Space	114	N/A		271,221
GRAND TOTAL ALL FUNDS						\$ 37,947,273

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



FUND STRUCTURE

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Town resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The Town of Fountain Hills appropriates all funds in its budget process.

Operating Funds

«The **General Fund (Fund 100)** is the primary operating fund of the Town and accounts for the resources and uses of various Fountain Hills departments. It exists to account for the financing of services traditionally associated with local government. These services include police and fire protection, development services (public works/planning), community services (parks and recreation/community center/senior activity center), general administration, and any other activity for which a special fund has not been created. Governmental accounting requires the General Fund be used for all financial resources except those required to be accounted for in another fund and have designations of non-spendable, restricted, committed, assigned or unassigned.

«The **Public Art Fund (Fund 410)** is funded by developer in-lieu contributions. These funds may only be used for the purchase of art and for the installation of this art throughout the community. Maintenance of the art is provided through the General Fund. This fund has an assigned fund balance.

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

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

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

«The **Highway User Revenue Fund (HURF) (Fund 200)** is funded by State Shared revenues. The State of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties and to the State Highway Fund. This fund may only be used for street and highway purposes and is a restricted fund.

«The **Downtown Strategy Fund (Fund 300)** is a committed fund which may only be used for development of the downtown. Revenue for this fund comes from the 20% (previously 40%) of the .1% of local sales tax collections that have been dedicated for this purpose.

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

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

«The **Special Revenue/Grants Fund (Fund 400)** is restricted by the terms of the individual grants or program funds received. An example of this would be ARRA Funds or other federal funds. These funds are to be used only for the specific program or programs for which the funds have been awarded and in accordance with all the grant conditions.

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

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

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

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



Debt Service funds include:

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

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

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

«The **Facilities Replacement Fund (Fund 610)** revenues are currently the result of a transfer from the General Fund. The Fund has been established to cover replacement costs for large scale items that cannot be absorbed in annual operating budgets. These items include, but are not limited to, roofing, interior and exterior building painting, carpet replacement, Physical Plant mechanical equipment, Fire Department equipment and Parks and Recreation structures.

«The **Development Fee Funds (Funds 710-760)** are restricted funds which may only be used for the planning, design and construction of public facilities serving the needs of the new development from which it was collected and designated as restricted. The Town has developed an Infrastructure Improvement Plan (IIP) that identifies each public improvement that is proposed to be the subject of a development fee. This IIP is incorporated as part of the Town's Capital Improvement Program (CIP). Funds 710, 730, 750 and 760 have been eliminated and development fees are no longer being collected. Development Fee funds currently being collected include:

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

BUDGETARY AND ACCOUNTING BASIS

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

- Certain revenues, expenditures and transfers are not included on a budgetary basis, but are accrued and reported on a GAAP basis. For example, increases or decreases in compensated absences are not reported for budgetary purposes, but are presented as revenues or expenditures on a GAAP basis.
- Depreciation is not budgeted as an expense in budgetary accounting.
- Capital outlays are an expenditure in budgetary accounting and an asset in GAAP.
- Certain debt service principal and interest payments are accounted for as expenditures in the General Fund on a budgetary basis, but are reported as expenses in the Debt Service Fund on the GAAP basis.

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

Operating and Capital Budget Relationship

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

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



TOWN OF FOUNTAIN HILLS FINANCIAL POLICIES

Introduction

The Mayor and Town Council (the "Town Council") of the Town of Fountain Hills (the "Town") understand that principles of sound financial management establish the framework for overall fiscal planning and management. The principles set forth guidelines for both current activities and long range planning. Following these principles will enhance the Town's financial health as well as its image and credibility with its citizens, the public in general, bond rating agencies and investors. The policies will be reviewed periodically to assure the highest standards of fiscal management. Policy changes will be needed as the Town continues to grow and becomes more diverse and complex in the services it provides, as well as the organization under which it operates, to provide these services to its citizens. The Town Manager and staff have the primary role of reviewing and providing guidance in the financial area to the Town Council.

Overall Goals

The overall financial goals underlying these principles are:

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

Fund Balance

Fund balance is defined as the cumulative difference of all revenues and expenditures, also considered the difference between fund assets and fund liabilities, known as fund equity. The purpose of this policy is to establish a key element of

the financial stability of the Town by setting guidelines for fund balance. It is essential that the Town maintain adequate levels of fund balance to mitigate financial risk that can occur from unforeseen revenue fluctuations, unanticipated expenditures and similar circumstances. The fund balance also provides cash flow liquidity for the Town's general operations. Fund balance is an important indicator of the Town's financial position and adequate reserves must be maintained to allow the Town to continue providing services to the community during periods of economic downturns and/or unexpected emergencies or requirements.

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

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

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

1. Credit reviews performed by municipal bond analysts.
2. Preserving or improving the Aa3 bond rating.
3. Maintaining a positive trend to historical fund balances.
4. Maintaining a rating equal to or better than surrounding communities.

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

Fund Balance Categories

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



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

General Fund

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

Committed Fund Balance. The Town will maintain a committed fund balance in the General Fund of 20% of the average actual General Fund revenues for the preceding five fiscal years, indicating stable fiscal policies. The maintenance of this fiscal balance is a particularly important factor considered by credit rating agencies in their evaluation of the credit worthiness of the Town. It is of primary importance that the Town’s credit rating be protected.

1. Rainy Day Fund to be Maintained. As a component of the Committed fund balance, the Town will maintain a Rainy Day Fund, separate and apart from the Unassigned General Fund, which shall be designated for use in the event of an unanticipated expenditure or loss of revenue. The Rainy Day Fund balance at the end of any fiscal year will be equal to a minimum of 20% of the average actual General Fund revenues for the preceding five fiscal years. This contingency will provide for the temporary financing of an unforeseen nature for that year. Expenditures for these emergency or unforeseen appropriations can only be undertaken with Town Manager approval and only if funds are not available in the department requesting the contingency funding.

2. Guidelines for Rainy Day Fund. In order to achieve the objectives of this policy, and to maintain sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing, the following guidelines shall be adhered to by the Town Manager, Town staff and Town Council:

A. Deposit Rules. At the end of each fiscal year, the Town Council shall transfer 5% of any surplus revenues (before transfers to the Capital Projects Fund) to the Rainy Day Fund. Deposits shall be made as set forth herein until the Rainy Day Fund balance is equal to at least 20% of the average actual General Fund revenues for the preceding five fiscal years.

B. Use Rules. Rainy Day Funds may only be expended for any one of the following purposes or under the following circumstances:

1. To replace the loss of more than 25% of the Town’s local share of State Shared revenues received pursuant to ARIZ. REV. STAT. § 43-206.
2. For any event that threatens the health, safety or welfare of the Town’s citizens.
3. For any event that threatens the fiscal stability of the Town.
4. To address any matter declared as an emergency by the Governor or the Mayor.

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

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



2. The maximum amount of Rainy Day withdrawals in any fiscal year shall not exceed one-half of the total balance in the Fund.
- D. Replenishment Rules. Any amounts withdrawn from the Rainy Day Fund shall be replenished as follows (and such repayment shall be in addition to the annual deposits set forth above):
1. All amounts shall be repaid in not more than five years, in annual installments of not less than 1% of the previous fiscal year General Fund balance.
 2. Repayments shall be appropriated as part of the annual budget adoption.

Assigned Fund Balance. The Town will maintain an assigned fund balance in the General Fund of a minimum 10% of the average actual General Fund revenues for the preceding five fiscal years. This assigned fund balance will be assigned for (1) “pay-as-you-go” capital replacement expenditures, (2) vehicle or equipment replacement, (3) capital projects, (4) prepaying or defeasing existing Town debt or (5) any other expenditure that is non-recurring in nature. The 10% is the minimum and may be increased to accelerate accumulation of funds for a large capital expenditure. To the extent these balances are expended, additional funds necessary to restore this additional 10% amount will be provided in at least approximately equal contributions during the five fiscal years following the fiscal year in which the event occurred. The assigned General Fund balance can be authorized for expenditure only in accordance with Resolution 2012-02 adopted by the Mayor and Town Council on June 7, 2012, as may be amended from time to time.

Unassigned Fund Balance. Funds in excess of the balances described in the preceding paragraphs will be unassigned General Fund balance, unless otherwise assigned in accordance with GASB 54. By Resolution, the Town Council has allocated General Fund surplus funds to be (1) transferred to the Rainy Day Fund, (2) used to supplement “pay as you go” capital replacement expenditures in the Capital Projects Fund or (3) used to prepay or defease existing Town debt. These funds may not be used to establish or support costs that are recurring in nature. During the annual budget process, the Town Manager will estimate the surplus or deficit for the current year and prepare a projection of the year-end unassigned General Fund balance. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis.

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

These guidelines will be reviewed by the Town Manager periodically following adoption (or sooner at the direction of the Town Council).

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

A Capital Projects Fund has been established to allow the Town to accumulate monies for (1) purchase of land or buildings, (2) improvements to Town-owned properties, (3) grant matches associated with capital improvements, (4) public safety projects and equipment purchases, (5) economic development projects and (6) such other capital projects as determined by the Town Council. The Capital Projects Fund will be funded by: (A) sales of real and personal property belonging to the Town; (B) General Fund transfer of any excess revenues collected over budgeted and unexpended appropriations not needed to meet fund balance requirements or re-appropriation; and (C) interest earnings on the balance of the fund invested per the Town’s investment policy. Accounted for separately, but considered part of the Capital Projects Fund, are accumulated development fees collected pursuant to ARIZ. REV. STAT. § 9-463.05 that are assessed on new construction for the purpose of funding growth. These funds are restricted to growth-related capital expenditures as designated in the Town’s adopted Infrastructure Improvements Plan. The fund balance will be established each fiscal year during the budget process depending on planned expenditures but cannot exceed accumulated revenues. The Town shall first be entitled to recoup the cost of any capital improvements, infrastructure, marketing or sales-related costs associated with the disposition of property before crediting the Capital Projects Fund (for funds other than development fees). The Town Council may approve the uses of the Capital Projects Fund as a part of its annual budget or by motion and affirmative vote at the time the expenditures are approved.



FINANCIAL PLANNING

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

1. Budget Adoption. The Town Manager shall prepare a proposed annual budget, which shall be submitted to the Town Council and the public for review in accordance with ARIZ. REV. STAT. § 42-17001, *et seq.* The Town will budget revenues and expenditures on the basis of a fiscal year beginning July 1 and ending the following June 30. The Town Council will adopt the budget no later than June 30, and the Town Manager shall execute the Town Council policies as set forth in the final adopted budget.
2. Budget Preparation. The Town Manager or authorized designee will prepare a budget in accordance with the guidelines established by the Government Finance Officers Association in its Distinguished Budget Award Program. The proposed budget will contain the following:
 - A. Revenue estimates by major category, by major fund.
 - B. Expenditure estimates by department levels and major expenditure category, by major fund.
 - C. Estimated fund balance by fund.
 - D. Debt service, by issue, detailing principal and interest amounts by fund.
 - E. Proposed personnel staffing levels.
 - F. A detailed schedule of capital projects, including a capital improvement program.
 - G. Any additional information, data, or analysis requested of management by the Town Council.
3. Operating Budget. The operating budget will be based on the principle that current operating expenditures, including debt service, will be funded with current revenues, creating a balanced budget. The Town will not balance the current budget at the expense of meeting future years' expenditures; for example, accruing future years' revenues or rolling over short-term debt to avoid planned debt retirement.
4. Revenue Sources. Ongoing operating costs should be supported by ongoing, stable revenue sources. This policy protects the Town from fluctuating service levels and avoids crises when one-time revenues are reduced or removed. Revenues from growth or development should be targeted to costs related to development, or invested in improvements that will benefit future residents or make future service provision efficient.

5. Revenue Estimate. The Town Manager will provide an estimate of the Town's revenues annually for each fiscal year, as well as estimates of special (grant, excise tax, etc.) revenues and interfund transfers.
6. Staffing. The budget will fully appropriate the resources needed for authorized regular staffing. At no time shall the number of regular full-time employees on the payroll exceed the total number of full-time positions authorized by the Town Council. All personnel actions shall be in conformance with applicable Federal and State law and all Town ordinances and policies.
7. Budget Preparation Schedule. Annually, the Town Manager shall provide a budget preparation schedule outlining the preparation timelines for the proposed budget. Budget packages for the preparation of the budget, including forms and instructions, shall be distributed to Town Departments in a timely manner for the Department's completion. Department Directors shall prepare and return their budget proposals to the Administration Department, as required in the budget preparation schedule.
8. Performance Measurement. Performance measurement indicators will be integrated into the budget process as appropriate.
9. Efficiency Analysis. Alternatives for improving the efficiency and effectiveness of the Town's programs and the productivity of its employees will be considered during the budget process. Duplication of services and inefficiency in service delivery should be eliminated wherever they are identified.
10. Department Responsibility. Department Directors are required to monitor revenues and control expenditures to prevent exceeding their total departmental expenditure budgets. Department Directors shall immediately notify the Town Manager of any exceptional circumstances that could cause a departmental expenditure budget to be exceeded.
11. Quarterly Report. A quarterly report on the status of the General Fund budget and trends will be prepared within 60 days of the end of each quarter by the Town Manager or authorized designee. In addition, the quarterly report shall include revenue and expenditure projections through the end of the fiscal year.
12. Deficit. If a deficit is projected during any fiscal year, the Town will take steps to reduce expenditures, increase revenues or, if a deficit is caused by an emergency, consider using the Rainy Day Fund, to the extent necessary to ensure a balanced budget at the close of the fiscal year. The Town Manager may institute a cessation during the fiscal year on hirings, promotions, transfers and capital equipment purchases. Such action will not be taken arbitrarily or without knowledge and support of the Town Council.



EXPENDITURE CONTROL

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

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

REVENUES AND COLLECTIONS

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

1. Balanced Revenue Base. The Town's goal is a General Fund revenue base that is equally balanced between sales taxes, State Shared revenues, property tax, service fees and other revenue sources.
2. Stable Revenue Base. The Town will strive for a diversified and stable revenue base to shelter it from economic changes or short-term fluctuations and in any one revenue source by doing the following:

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



USER FEE COST RECOVERY

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

1. Establishing Fees. The Town may establish user fees and charges for certain services provided to users receiving a specific benefit. User fees and charges will be established to recover as much as possible the direct and indirect costs of the program or service, unless the percentage of full cost recovery has been mandated by specific action of the Town Council. It is recognized that occasionally competing policy objectives may result in reduced user fees and charges that recover a smaller portion of service costs.
2. Recalculation. Periodically, the Town will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other attendant costs.

CASH HANDLING POLICY

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

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

1. Individual Responsibilities. All cash transactions are to be processed by Town staff (including cash, credit cards, checks, etc.) and not volunteers. Any Department Director or manager with responsibilities for managing Town cash receipts and those employees who are entrusted with the receipt, deposit and reconciliation of cash for Town-related activities shall be responsible for knowledge of and compliance with this Section. A reference to this Section should be included as part of all departmental policies and procedures.
2. Establishing Cash Handling Sites. Ideally, from a control perspective, collecting and controlling cash should be centralized in one location; however, that is not always possible or practical. As a result, the collection of money is, in part, decentralized. The Finance Division must authorize all cash handling sites, including one-time requests for cash for special events. Depart-

ments requesting status as a cash handling site (or special events where money is being collected and a cash float is needed) must submit a request to the Finance Division at least 24 hours prior to the special event that includes:

- A. Reason(s) why cash handling site or cash float is needed.
- B. A list of the personnel involved with the cash handling site, descriptions of their duties and how segregation of duties will be maintained.
- C. Whether a change drawer will be needed.
- D. A description of the reconciliation process, including frequency of reconciliation.
- E. A description of the process for safeguarding cash until it is deposited.
- F. A schedule of how often and where cash deposits will be made.

3. Procedures for Cash Collection.

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

4. Receipts.

- A. Procedures must be in place to record the daily beginning and ending receipt numbers of the cash register, and include safeguards to prevent manipulation of register totals, receipt numbers, etc. Automatic number-



ing of receipts through a computerized system is an acceptable alternative.

- B. Receipts should be generated from either receipt books or cash register receipt system.
- C. Cash registers must be programmed to issue receipts, which shall contain all information required by the accounting system to properly credit and track payments.
- D. Receipt books, if issued for special events, must be issued in sequential order. All books should be accounted for from the time of delivery and returned to the Finance Division.
- E. Only those receipt books that have been distributed by the Finance Division may be used.
- F. At a minimum, sequential, pre-numbered receipt forms must contain the following information:
 - (1) Date issued.
 - (2) Cashier and/or Department issuing the receipt.
 - (3) Name of payor (not the department name or revenue source).
 - (4) Net amount received.
 - (5) Sufficient information to identify the purpose of the payment.
 - (6) Form of payment (cash, check, credit card, etc.).
- G. The receipt forms should also:
 - (1) Contain all available identifying numbers and other pertinent, descriptive information including invoice numbers.
 - (2) Be issued in a minimum of two copies, one for the payor and one to accompany the deposit.
 - (3) Never be altered; if any type of change is necessary, all copies of the receipt must be clearly marked "void" and a new receipt issued.
 - (4) Be filed sequentially and retained by the Department (including void receipts).

5. Cash Received in Person.

- A. When a customer produces a mutilated bill (where a portion is missing), the receiver should request that the customer have a bank redeem the bill. No bill will be considered for acceptance if both serial numbers are not present.
- B. A printed receipt must be issued for each payment received when the customer pays in person. At a remote location (for special events), man-



- ual pre-numbered receipts may be used when cash register receipts are not available.
- C. Departments may not accept post-dated checks, IOU's, or third party checks.
 - D. All cash received must be recorded through the computerized accounting system (MUNIS and/or ACTIVE Net) with computer-generated official Town cash receipts. When a cash handling site with a computerized accounting system has to use temporary cash receipts, those temporary receipts must be converted over to computerized receipts as soon as possible. If the conversion cannot be accomplished within 48 hours, the cash should be deposited into the Department's safe and tracked in detail until it is recorded on the computerized accounting system.
 - E. The customer must be presented an official Town receipt form with a duplicate record being retained by the receiving Department. All numbered receipts must be accounted for, including the original of voided receipts.
 - F. The cash handling site must maintain a clear separation of duties. An individual should not have responsibility for more than one of the cash handling components: collecting, depositing, disbursement and reconciling.
 - G. The procedures below are to be followed to safeguard the employee and the cash:
 - (1) Account for cash as soon as is it received – count the cash in front of customer.
 - (2) Keep cash received in view of the customer until the transaction is complete.
 - (3) If change is required, count all cash and change in front of customer.
 - (4) Reconcile the funds received to the computerized accounting system cash report or to the total of the temporary receipts at the end of the day or at the end of each shift and balance the receipts.
 - (5) Immediately place all cash in a cash drawer, safe or other secure place until deposited. A secure area for processing and safeguarding funds received should be provided and restricted to authorized personnel.
 - (6) Personal transactions with Town cash funds are prohibited. Monies may never be borrowed nor loaned from cash funds, nor may personal checks be cashed from receipts.
 - (7) All employees paying for Town services (rentals, movie tickets, animal license, business license, etc.) must be rung up by a different employee under a separate user ID.
 - (8) Deposit all cash intact and not intermingled or substituted with other cash.



- (9) Pay refunds or expenditures through the appropriate Town bank account on a Town-generated check from the main accounts payable account or petty cash for the smaller accounts. If the original payment was made using credit/debit card, then refunds will be issued through the credit card per credit card regulations.
- (10) Provide printed receipts generated by the point of sale (POS) program for every transaction involving money.
- (11) Voided cash receipts must be approved and initialed by a supervisor before the daily deposit is done, noting the reason for voiding the transaction.
- (12) Deposit daily cash report and cash promptly at the end of each day into the Finance Division safe.
- (13) Place cash in amounts over \$500.00 in the Finance Division safe immediately following the transaction until the end of day close out.
- (14) Cashiers should enter transactions using their personal logins (switch user) during a single shift.
- (15) All packaged coin or strapped currency received as payment should be removed from the package or straps and verified.

H. Cashing checks from Town deposits, borrowing cash for personal use, lapping receipts to cover shortages in cash receipts, withholding checks for deposit in order to float checks, commingling personal and Town funds and modifying cash records are all serious offenses and may result in discipline up to and including immediate discharge from employment.

6. Cash Received Through the Mail.

A. When mail is opened, if the cash received is not credited directly into the appropriate Town account or issued a receipt through a computerized accounting system, a log of the checks, credit card transactions and or cash should be prepared and submitted to the Finance Division. The log should include the customer's name, amount received, check number and any other information available that may assist in proper allocation of the funds. The envelope also should be retained as part of the records.

B. When mail is opened, checks must be endorsed promptly with a restrictive endorsement stamp. Checks must be stored in a safe or other secure place approved by the Finance Division until deposited.

C. Unidentified receipts must be deposited to a depository account approved for such purposes. All reasonable attempts should be made to identify the correct account and transfer the funds.

7. Check Acceptance.

A. The Federal Reserve has established a regulation to standardize check endorsements:

- (1) Checks must be made payable to the Town of Fountain Hills and endorsed promptly with a restrictive endorsement stamp payable to the Town of Fountain Hills. The endorsement stamps must be distributed by the Finance Division; this stamp protects the check if lost or stolen.
- (2) All depositor's endorsements are limited to the top 1.5 inches on the back side of the check, at the trailing edge of the check. This area is where endorsements are normally placed. If you look at the face of the check, the endorsement area is directly behind where "Pay to the Order of" is printed.
- (3) Any check that has been endorsed may not be returned to the customer. Any marks below the 1.5 inches on the check may obscure the bank routing number, cause delays in returning checks, and forfeit the Town's right to recovery. The purpose of this regulation is to speed collection and returns.
- (4) The endorsement must include the following:

FOR DEPOSIT ONLY
TOWN OF FOUNTAIN HILLS
[Account Number]

- (5) Checks should have the customer information pre-printed on the face of the check. Bank issued/generated checks are acceptable.
 - (6) Personal checks from employees for cash may not be cashed at any counter in a Town facility.
 - (7) Checks or credit card transactions will not be cashed or processed for more than the amount of purchase. Departments are not authorized to return currency to the payor in the event that the check exceeds the amount due to the Town.
- B. Be sure that the name, branch, city and state where the drawer's bank is located is printed on the check.
- C. The Town will not accept a check that is:
- (1) Illegible or not written out clearly; checks should be written out in blue or black ink only.
 - (2) For anything other than the exact amount (no change will be given).
 - (3) A third party check (that is, checks made out to someone other than the Town).
 - (4) Altered or changed.
 - (5) Undated, post-dated or stale dated (older than six months).
 - (6) Not signed.
 - (7) A starter check, i.e. a check without the name, address and check number on the face of the check.
 - (8) Not in U.S. funds.
 - (9) From a foreign bank, even if payable in U.S. funds.



(10) Transfer checks.

- D. If the written amount on a check does not match the numerical amount, the written amount will govern.
- E. Money orders should be filled out by the customer in the presence of Town staff; the customer must countersign and write Town of Fountain Hills in the payee section.

8. Credit Card Acceptance.

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

9. Balancing Cash Receipts.

- A. All funds collected must be balanced daily, by mode of payment, by comparing the total of the cash, checks and credit cards to the computerized accounting reports, to the manual receipts totals, including the totals of the money received by mail. All cash receipts and supporting documentation (daily deposit slip, system receipts, and system reports) should be transferred daily to the accounting system and all discrepancies should be resolved before the end of the day/shift.



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

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

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

10. Cash Over & Short.

- A. A daily accounting of cash received should be balanced against the total amount on the daily reports run by the Department. Any amount that is over or short shall be reported on the same day to the Department Director and the Accountant.
- B. The discipline procedures set forth below should be followed if the established dollar limits and frequency of overages and/or shortages are exceeded. The current established dollar limit is five dollars. A log should



be established to record any overages and shortages, and the employee's name and date. Patterns, frequencies and inconsistencies should be noted on the employee's performance review. Overages or shortages of \$50.00 or more are to be reported to the Finance Director.

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

11. Returned Check Procedures.

- A. Any checks returned by the Town's depository bank as uncollected shall be sent to the Finance Division. Examples of returned checks include: non-sufficient funds (NSF), account closed, payor's signature missing, refer to maker and post-dated or stale-dated checks.
- B. When a check is returned, the Finance Division prepares a negative entry to the revenue journal, debiting the originating account for the amount of the check and at the same time assessing a service fee in the amount set forth in the Town's adopted fee schedule. It is the responsibility of the Department that was credited with the revenue to notify the check writer and use due diligence to collect the amount of the check and the

service fee. The check writer will be prohibited from receiving Town services until the Town is paid the full amount, plus the returned check fee. Restitution should be in the form of currency, money order, cashier's check or certified check. The Finance Division will maintain an aging report on all non-collectable items; this report will be submitted monthly to the Finance Director.

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

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

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

13. Exceptions to Cash Handling Policy.

- A. Any exception to this Section **must** be approved in writing by the Department Director and requires the concurrence of the Finance Director. For example, in cases where there is not enough staff available to maintain complete separation of duties, an alternate process to safeguard Town funds must be established and approved by the Finance Director. Requests for exceptions to these procedures must be submitted to the Finance Director in writing.



B. Town personnel are prohibited from depositing Town cash into checking or other bank accounts unless the account has been set up by the Finance Division.

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

DEBT POLICY

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

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

1. General.

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

B. To increase its reliance on current revenue to finance its capital improvements, and promote a "pay-as-you-go" philosophy, the Town will appropriate each year a percentage of current revenues to maintain a minimum 10% of average actual General Fund revenues for the preceding five fiscal years in the assigned fund balance.

2. Capital Improvement Program.

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

B. The Town Manager and Department Directors will develop formal ranking criteria that will be used in the evaluation of all capital projects. The ranking criteria will give greatest weight to those projects that protect the health and safety of its citizens. "Pay-as-you-go" project financing shall be given the highest priority. Capital improvements that must rely upon debt financing shall be accorded a lower priority and projects with a useful life of less than ten years shall not be eligible for inclusion in bond issues except in extraordinary circumstances.

C. Lease-purchase financing shall be undertaken only when the project is considered essential to the efficient operation of the Town or to remove expenditures that would exceed the State-imposed expenditure limitation. The Town Manager or authorized designee shall be responsible for ensuring that "pay-as-you-go" expenditures do not cause the State-imposed expenditure limitation to be exceeded in any fiscal year.

D. All capital project requests will be accompanied by a description of the sources of funding to cover project costs. Where borrowing is recommended, a dedicated source of funds to cover debt service requirements must be identified. All capital project requests will be required to identify any impact the project may have on future operating costs of the Town. The Town will seek grants to finance capital improvements and will favor those projects that are likely to receive grant money.

E. All capital project appropriations and amendments to the capital improvement program must be approved by the Town Council.

F. The capital plan will include all equipment and facilities with a useful life of greater than ten years and a cost greater than \$50,000. Debt financing shall not exceed the useful life of the infrastructure improvement or asset.

G. The following steps shall be used to prepare the Capital Improvement Program ("CIP"):



- (1) Establish Capital Improvement policies.
 - (a) Time period the CIP will cover.
 - (b) Facilities/equipment that will be included in the CIP.
 - (c) How acquisition of multiple items (e.g. computers) will be treated.
 - (d) Identification of projects that are expected to be undertaken, but fall outside the time horizon of the plan.

- (2) Adopt standards to rank project requests.
 - (a) Projects that address a public health or safety concern are given top priority.
 - (b) Projects mandated by a court of competent jurisdiction or a government with authority over the Town are equal with public health or safety.
 - (c) Major maintenance (preservation of assets).
 - (d) Replacement of obsolete equipment (improving efficiency).
 - (e) Expansion to meet demand caused by growth.
 - (f) Coordination of projects to achieve cost savings.
 - (g) Availability of cash to finance improvements from current revenues.
 - (h) Acquisition of open space.

- (3) Perform and maintain a capital inventory and identify useful life.

- (4) Identify projects.
 - (a) Status review of previously approved projects.
 - (b) Identification of new projects.
 - (c) Assess capital project alternatives.
 - (d) Complete project request forms.

- (5) Assess funding sources.
 - (a) Available grants.
 - (b) Development fees shall be utilized to fund capital projects before pay-as-you-go and bond issuance financing.
 - (c) Developer contributions.
 - (d) Private contributions.
 - (e) Issuance of securities.
 - (f) Capital leases.

- (6) Approve the CIP and budget.
 - (a) Town Council review.
 - (b) Public hearing.
 - (c) Adoption of the CIP and capital budget.

All capital project requests will be accompanied by a description of the sources of funding to cover project costs. Where borrowing is recommended, the source of funds to cover debt service requirements must be

identified. All capital project requests will be required to identify any impact the project may have on future operating costs of the Town.

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

3. Financing Alternatives.

A. Financing alternatives include, but are not limited to:

- (1) Grants.
- (2) Developer contributions.
- (3) General Obligation (GO) Bonds – requires voter approval, supported by an ad valorem (property) tax.
- (4) Revenue Bonds – repaid with dedicated revenue stream (HURF, revenue generated by project).
- (5) Municipal Property Corporation (MPC) Bonds – repaid with a dedicated revenue source.
- (6) Community Facilities District ("CFD") or Special District Bonds – supported by an ad valorem property tax, revenues of the district or assessments of the cost of public infrastructure or enhanced municipal services.
- (7) Capital leases – repaid within operating budget.
- (8) Commercial paper (CP) or Bond Anticipation Notes (BAN) with terms less than two years.

B. Town debt service costs (GO Bonds, Revenue Bonds, MPC Bonds, Leases) shall not exceed 20% of the Town's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District, CFD and Special District debt service is not included in this calculation because it is paid by district property owners and is not an obligation of the general citizenry. Separate criteria for CFDs have been established and included within the Town's CFD policy.

C. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.

D. Where applicable, the Town will structure GO bond issues to create level debt service payments over the life of the issue. The goal will be to strive for a debt repayment schedule to be no more than 15 years; at no time will the debt exceed 25 years.



E. Refunding bonds will be measured against a standard of the net present value debt service savings exceeding 3% of the principal amount of the bonds being refunded, or if savings exceed \$750,000, or for the purposes of modifying restrictive covenants or to modify the existing debt structure to the benefit of the Town. Refinancings undertaken for other reasons should proceed only when the advantages have been clearly shown in a cost/benefit analysis of the transaction.

F. The Town will seek to maintain and, if possible, improve the current bond rating in order to minimize borrowing costs and preserve access to credit.

G. An analysis showing how a new issue combined with current debt impacts the Town's debt capacity and conformance with Town debt policies will accompany every future bond issue proposal. The debt capacity analysis should reflect a positive trend and include:

- (1) Percent of debt outstanding as a percent of the legal debt limit.
- (2) Measures of the tax and revenue base.
- (3) Evaluation of trends relating to expenditures and fund balance.
- (4) Debt service as a percentage of assessed valuation.
- (5) Measures of debt burden on the community.
- (6) Tax-exempt market factors affecting interest costs.
- (7) Debt ratios.

H. MPC and contractual debt, which is non-voter approved, will be utilized only when a dedicated revenue source (e.g., excise taxes) can be identified to pay debt service expenses. The project to be financed will generate net positive revenues (i.e., the additional revenues generated by the project will be greater than the debt service requirements).

I. The Town's privilege/excise tax to debt service goal will be a ratio of at least 2.5:1 to ensure the Town's ability to pay for long-term debt from this elastic revenue source.

4. Issuance of Obligations.

A. The Town shall select the underwriter and the paying agent/registrars for each debt issuance based on competitive bid. The underwriter must be a firm with an office in the Phoenix area and a record of prior working relationships.

B. The request for proposals process will be designed to select the service providers that offer the Town the best combination of expertise and price. The Town is not required to select the firm offering the lowest price, but a report must be prepared by the Town Manager providing justification to the Town Council for a recommendation when other than the

lowest bidder is chosen. The review of all proposals submitted shall be the responsibility of the Town Manager.

C. The Town will sell bonds through public sale, online bidding process or an accelerated bidding process unless the Town Council authorizes the bond to be sold by negotiated sale or private placement.

D. The Town Manager or designee and Town Attorney will coordinate their activities to ensure that all securities are issued in the most efficient and cost-effective manner and in compliance with the governing statutes and regulations. The Town Manager and the Town Attorney shall consult and jointly select the bond counsel for a bond issue.

E. The Town Manager or authorized designee will seek a rating on all new issues which are being sold in the public market if economically feasible.

F. The Town will report all financial information on an annual basis and notices of listed events in a timely manner, not in excess of ten business days after the occurrence of event, to the rating agencies and the Municipal Securities Rulemaking Board's ("MSRB's") Electronic Municipal Market Access (EMMA) system. The annual report will include, but not be limited to, the Town's annual Comprehensive Annual Financial Report (CAFR) and other items specified in the Town's continuing disclosure undertakings.

G. Any institution or individual investing monies as an agent for the Town shall do so in a manner consistent and in compliance with the Town's adopted Investment Policy.

H. The Town Manager or authorized designee will provide detailed draw schedules for any project to be funded with borrowed monies. The Town will invest the proceeds or direct a trustee to invest the proceeds of all borrowings in a manner that will ensure the availability of funds as described in the draw schedules.

I. The Town acknowledges the responsibilities of the underwriting community and pledges to make all reasonable efforts to assist underwriters in their efforts to comply with Securities and Exchange Commission Rule 15c2-12 and MSRB Rule G-36. The Town will follow its adopted issuance and post-issuance compliance procedures relating to its tax-exempt financings.





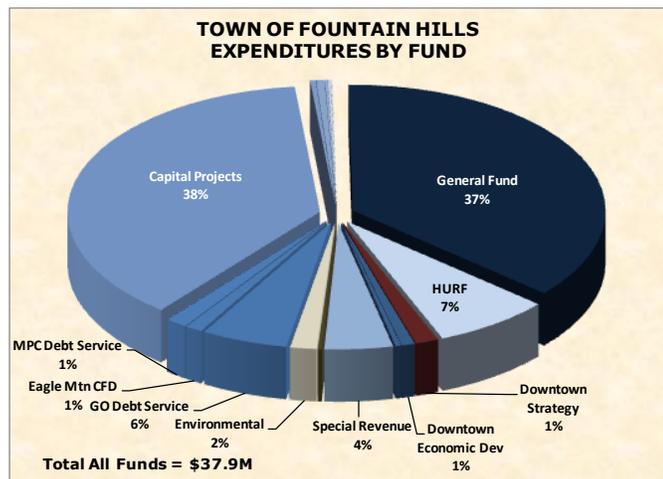
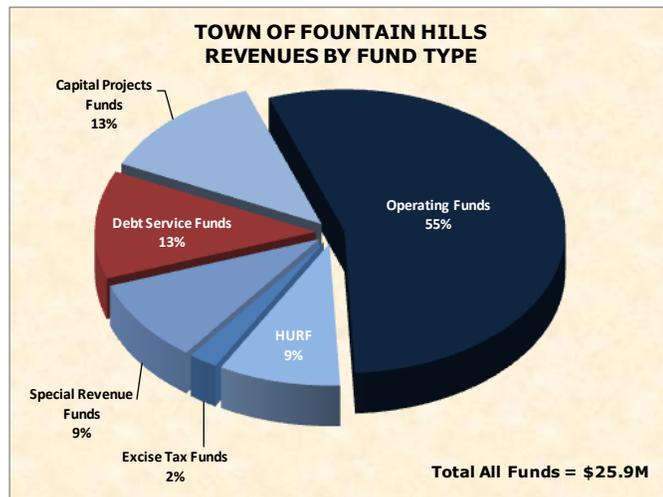
Budget Highlights



Budget Introduction

In FY09-10, the Town introduced program budgeting. Program budgeting is a method of budgeting expenditures to meet programmatic objectives rather than budgeting on a line-item basis. In program budgeting, specific performance objectives or outcomes are defined and the costs to produce those outcomes are enumerated in the budget. With each year's budget, we have moved closer to producing a true Program Budget. In FY15-16, the budget document continues with Department level, Division level and Program level budgets. We believe program budgeting will provide the citizens with a much better picture of the true cost of providing Town services. For a summary of all Town programs, please see pages 112-114.

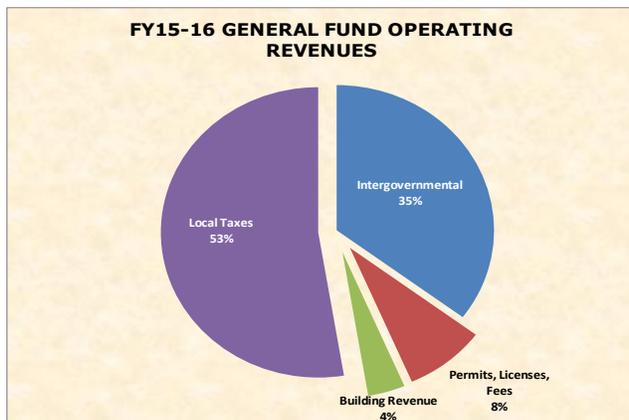
The proposed budget is based on revenue projections that are conservative and based on the expectation that the local and national economy will continue at its existing pace of moderate growth in revenues next fiscal year. Revenues for all funds are \$25.9M (excluding reserves) with expenditures of \$37.9M with some funds utilizing reserves for projects.



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

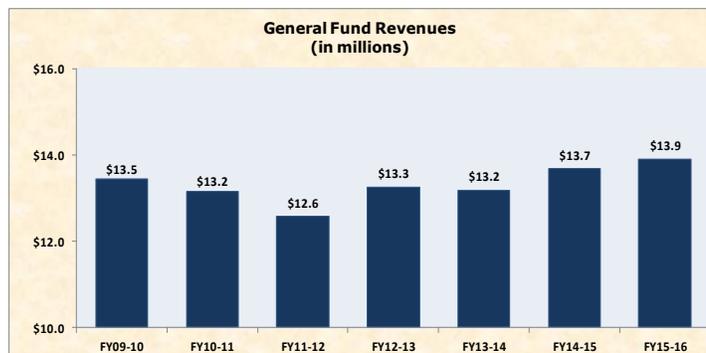
General Fund Budget Overview

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



Almost 90% of the Town's General Fund resources are derived from the local sales tax and State Shared revenues.

In FY08-09, the Town received \$14.8M in General Fund revenues but dropped over \$2M by FY12 to \$12.6M. The economic recovery saw a return to a revenue stream of \$13.9M. The drop by FY13-14 reflects the reallocation of the Vehicle License Tax revenue (historically available for General Fund expenditures) to the Highway User Revenue Fund (HURF) for pavement management.



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

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

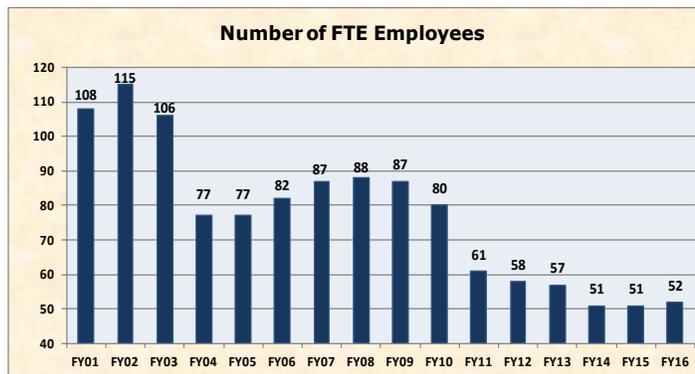
In addition to the focus on core services, the Town Council directed staff to develop a new program in FY14-15 for funding maintenance capital – those projects that are necessary to maintain the Town’s infrastructure but are not considered a capital improvement program (i.e., under the \$50,000 threshold for capital projects). During the upcoming year, staff will create a maintenance capital policy, identify the projects that would fall under the new program and also identify a sustainable funding source for those projects.

A long term goal has been to identify resources to create an asphalt replacement program; this program would ensure that a sustainable and standardized program would be appropriated annually for the Town’s 390 lane miles of roads.

Following is a brief summary of what is included in the proposed General Fund budget for FY15-16:

Salaries and Benefits - After the staff reductions made between FY09-10 and FY12-13, there remains a total of 52 full time equivalent employees (FTE) proposed for FY15-16, compared to 115 FTE in FY01-02, and 80 FTE in FY09-10. Most Town employees’ salaries and benefits are funded through the General Fund; salaries normally include overtime, sick leave, vacation and a set aside for increases. Staff is proposing a 2.5% salary adjustment for FY15-16. Because local governments are primarily a service industry, salaries and benefits comprise a major portion of expenditures. For Fountain Hills, salaries and benefits represent 23% of the proposed General Fund budget in FY15-16 and 10% of the total budget.

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



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

Contractual Services - The Town contracts with outside professionals for a number of services which represents 25% of the total budget (61% of the General Fund). Two major contracts included in this category are:

1. Fire protection and emergency medical services (\$3,306,680), currently under contract with Rural/Metro Corporation – 3% increase; and
2. Police protection (\$3,554,666), currently provided through the Maricopa County Sheriff's Office – 10% increase.

These two contracts alone represent 52% of the General Fund budget in FY15-16.

Contractual Services also includes annual landscape maintenance contracts, equipment and vehicle repairs, and facilities maintenance (janitorial, building maintenance, etc.). Maintenance of the Town's 116 acres of parks, Town medians, dams, and washes are provided by independent contractors. These contracts are solicited through a bid process to obtain the most competitive price for the Town. With pavement management a high priority, the Town is placing a priority on infrastructure maintenance that has been deferred (\$1,000,000 in the HURF fund).

Maintenance/Utilities - In FY15-16, maintenance/utilities represent 7% of the total General Fund budget. The Town owns ten buildings that require maintenance on HVAC equipment, interior and exterior surfaces, electric and plumbing, fire systems, irrigation, etc. Town staff has been unable to dedicate the resources necessary to maintain the buildings in an optimum condition; consequently future budgets will require increasing amounts of maintenance funding to bring the buildings up to standards.

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

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



HURF/Streets Fund Overview

The HURF/Streets Fund is a fund restricted to streets and transportation related purposes. With an operational priority for pavement management, the revenue from the Vehicle License Tax (VLT) will be appropriated within the HURF fund to be used for pavement maintenance (not reconstruction). The available resources in HURF are anticipated at \$2.3M in FY15-16 which includes \$888,838 from VLT. Road maintenance has not been adequately funded for several years which has resulted in serious degradation of the Town's 186 miles of arterial and collector streets. The FY15-16 program of work will continue to focus on resolving the long-term fiscal needs for road maintenance.

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

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

Excise Tax Funds Overview

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

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

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

The Economic Development Fund, originally, was funded with 60% of the .1% local sales tax to be available for any economic development purpose. The Economic Development budget also included a proposal to create a new fund for Tourism in the amount of \$103,000 as well as implementation of the Economic Development

Plan adopted by the Council in March 2013. A resolution (2014-50) was passed on December 4, 2014, changing the allocations to 80% to the Economic Development Fund and 20% to the Downtown Strategy Fund effective January 1, 2015.

Special Revenue Fund Overview

All special revenues (grants, etc) are received in the Special Revenue Fund unless the item specifically has been budgeted in another fund, especially if the grant pertains to a capital improvement project. The revenues and expenses for a grant need to be equal and net to zero. If grants require a Town match, funds are transferred to the Special Revenue Fund from another fund to account for the difference.

With proceeds from a \$63,000 grant from the State lottery funds (LTAF II), the Town contracted with Valley Metro to conduct a study regarding future transit services within the Town. The study was conducted within the community by Valley Metro and the results shared with Town Council who then recommended that the RideChoice program be adopted by the Town. Grant funds will continue to support the program as long as they are available. The RideChoice program is open to residents with qualifying disabilities and those who are 65 years of age and older. It is a voucher program that uses an electronic card to allow participants to use a taxi for rides. The program helps residents who are without transportation get around town or make connections to bus routes or Dial-a-Ride.

Included in the FY15-16 budget is an appropriation of \$1.5M in the event that an unanticipated grant becomes available. Other revenues in the Special Revenue Fund are the Court Enhancement Fund, the Environmental Fund, and the Cottonwoods Maintenance District Fund – these funds are assigned/restricted for specific purpose and not available for general operations.

Debt Service Funds Overview

Total debt service revenues for FY15-16 are budgeted at \$3.2 million including secondary property taxes for voter approved bonds, transfers from the General Fund for the Community Center and excise taxes to pay for Municipal Property Corporation (MPC) debt (Community Center and mountain preserve). Revenues are budgeted higher than expenditures to allow for a delinquency factor in uncollected property tax revenues. The following is a summary of the debt payments for FY15-16:

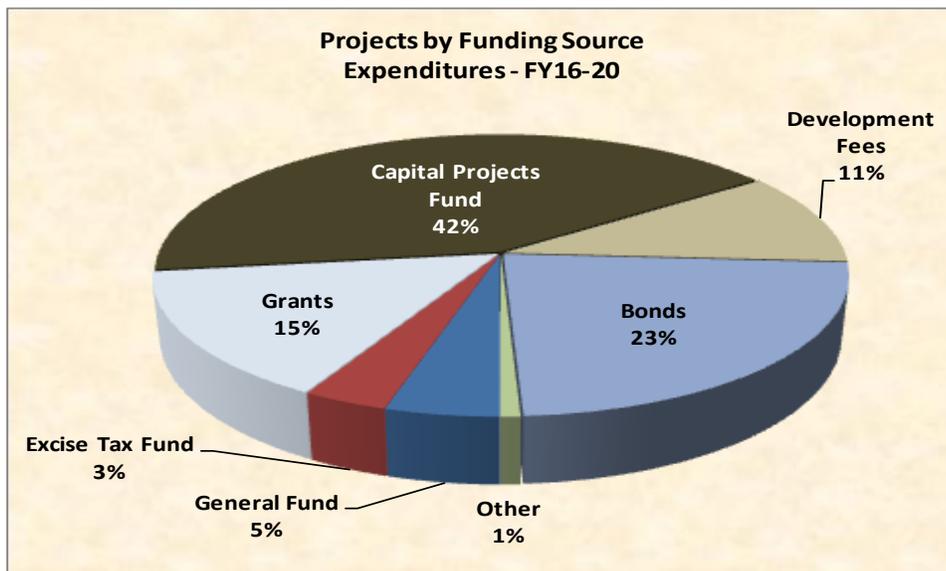
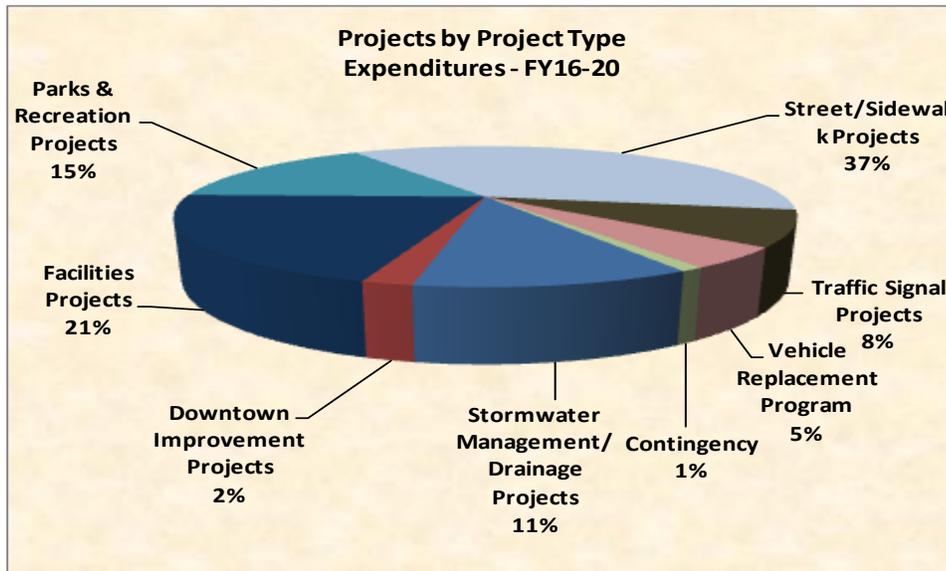
- General Obligation Bonds (property taxes) \$2.1 million
- Municipal Property Corporation (excise taxes) \$0.4 million
- Eagle Mountain Facilities District (property taxes) \$0.5 million



Capital Projects Fund Overview

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

Any proposed capital funding policy should include prioritization of projects based on strategic plans, need, cost, life expectancy, etc. A revised policy will be presented to the Town Council in the near future.



The following project areas and funding source are programmed for FY15-16 with total expenditures for capital projects budgeted at \$14.3M which include:

- \$5.0M for Saguaro Boulevard reconstruction, funded with bonds
- \$3.7M for a new fire station relocation project, funded with CIP reserves
- \$0.9M in park improvements, funded with CIP reserves
- \$2.1M in wash channelization project, mostly grant funded

The complete list of projects is shown on pages 292-297.

The annual impact on the FY15-16 operating budget as a result of the proposed capital improvement projects is expected to have minimal impact on maintenance costs although the amount is unknown at this time. The projects are replacing existing roads, facilities and open space that require high maintenance due to their age. No ongoing personnel related costs are anticipated from the completion of these projects.

Development Fees Fund Overview

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

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

The fund balances remaining in the eliminated categories are included in the FY15-16 expenditures to be used towards programs or projects that were included in the original IIP.

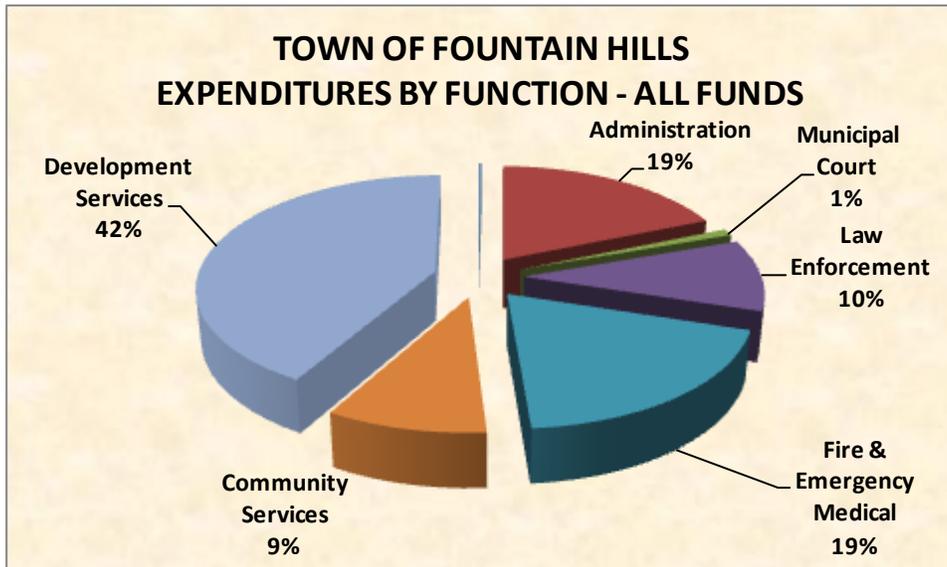
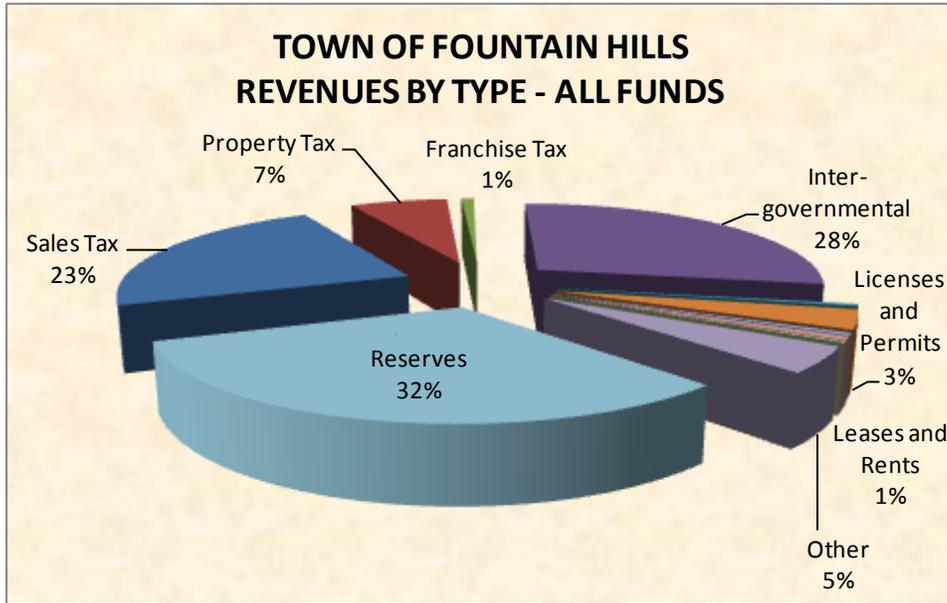


FY15-16 Summary of Proposed Budget Revenues and Expenditures - All Funds

	Operating Funds	Debt Service Funds	Capital Projects Funds	Non-Major Funds	Total
Revenues:					
Sales Tax	\$ 7,317,367	\$ 665,165	\$ 332,035	\$ 332,583	\$ 8,647,150
Property Tax	-	2,526,163	-	5,366	2,531,529
Franchise Tax	324,310	-	-	-	324,310
Intergovernmental	4,892,167	-	1,790,000	3,967,162	10,649,329
Debt Service Proceeds	-	-	-	-	-
Fines and Forfeitures	147,011	-	-	16,350	163,361
Licenses and Permits	686,428	-	104,640	540,000	1,331,068
Charges for Services	151,700	-	-	12,000	163,700
Leases and Rents	280,831	-	-	-	280,831
Investment Earnings	50,000	319	18,000	6,400	74,719
Other	343,669	-	981,483	417,579	1,742,731
Sub total	14,193,483	3,191,647	3,226,158	5,297,440	25,908,728
Use/(Source) of Reserves	(175,462)	(164,334)	11,437,948	940,393	12,038,545
Total Revenues	<u>\$ 14,018,021</u>	<u>\$ 3,027,313</u>	<u>\$ 14,664,106</u>	<u>\$ 6,237,833</u>	<u>\$ 37,947,273</u>
Expenditures:					
Current:					
General Government:					
Mayor and Council	\$ 80,084	\$ -	\$ -	\$ -	\$ 80,084
Administration	2,395,765	2,615,462	342,885	1,655,000	7,009,112
Municipal Court	277,107	-	-	80,615	357,722
Total General Government	<u>2,752,956</u>	<u>2,615,462</u>	<u>342,885</u>	<u>1,735,615</u>	<u>7,446,918</u>
Public Safety:					
Law Enforcement	3,683,970	-	203,484	-	3,887,454
Fire & Emergency Medical	3,501,797	-	3,717,202	-	7,218,999
Total Public Service	<u>7,185,767</u>	<u>-</u>	<u>3,920,686</u>	<u>-</u>	<u>11,106,453</u>
Community Services	2,275,574	-	1,130,535	136,921	3,543,030
Development Services	1,803,724	411,851	9,270,000	4,365,297	15,850,872
Total Expenditures	<u>\$ 14,018,021</u>	<u>\$ 3,027,313</u>	<u>\$ 14,664,106</u>	<u>\$ 6,237,833</u>	<u>\$ 37,947,273</u>

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

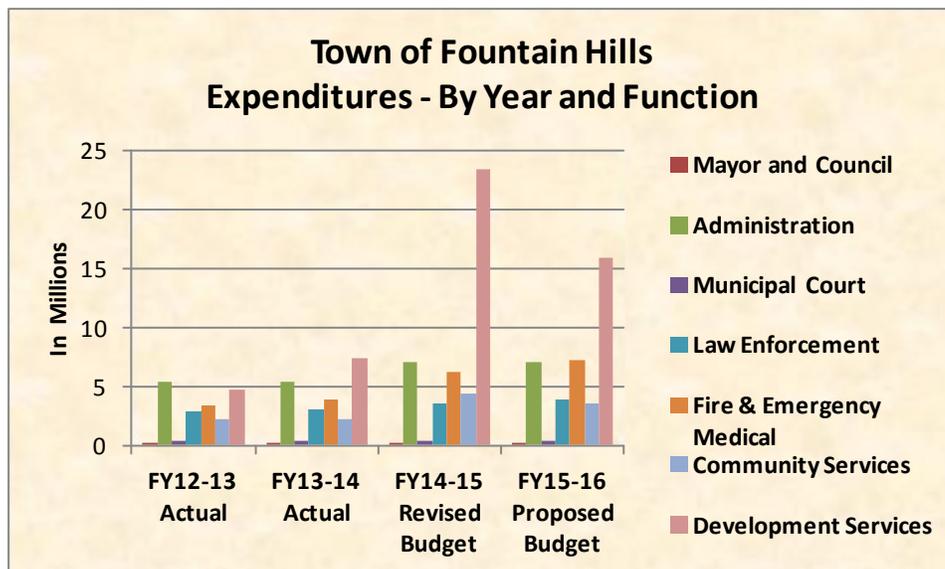
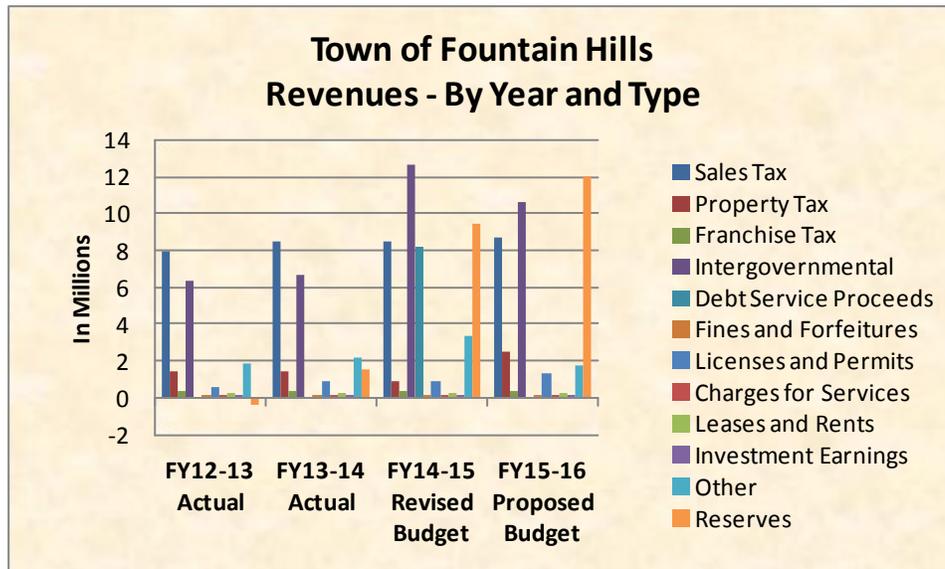




Historical Summary of Revenues and Expenditures - All Funds

	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Revenues:				
Taxes:				
Sales Tax	\$ 7,957,163	\$ 8,459,268	\$ 8,454,880	\$ 8,647,150
Property Tax	1,421,614	1,463,056	909,071	2,531,529
Franchise Tax	334,668	349,414	316,400	324,310
Intergovernmental	6,323,048	6,677,517	12,614,313	10,649,329
Debt Service Proceeds	-	-	8,200,000	-
Fines and Forfeitures	187,251	170,995	164,261	163,361
Licenses and Permits	570,904	891,783	903,899	1,331,068
Charges for Services	162,085	161,376	153,590	163,700
Leases and Rents	213,870	252,585	241,762	280,831
Investment Earnings	56,665	81,138	85,134	74,719
Other	<u>1,817,132</u>	<u>2,223,289</u>	<u>3,312,852</u>	<u>1,742,731</u>
Sub total	19,044,400	20,730,421	35,356,162	25,908,728
Use/(Source) of Reserves	<u>(348,591)</u>	<u>1,495,037</u>	<u>9,483,427</u>	<u>12,038,545</u>
Total Revenues	<u>\$ 18,695,809</u>	<u>\$ 22,225,458</u>	<u>\$ 44,839,589</u>	<u>\$ 37,947,273</u>
Expenditures:				
Current:				
General Government:				
Mayor and Council	\$ 76,004	\$ 76,799	\$ 80,318	\$ 80,084
Administration	5,277,580	5,297,766	7,024,510	7,009,112
Municipal Court	<u>385,253</u>	<u>296,384</u>	<u>355,780</u>	<u>357,722</u>
Total General Government	<u>5,738,837</u>	<u>5,670,949</u>	<u>7,460,608</u>	<u>7,446,918</u>
Public Safety:				
Law Enforcement	2,891,378	3,067,013	3,582,630	3,887,454
Fire & Emergency Medical	<u>3,317,115</u>	<u>3,821,721</u>	<u>6,124,099</u>	<u>7,218,999</u>
Total Public Service	<u>6,208,493</u>	<u>6,888,734</u>	<u>9,706,729</u>	<u>11,106,453</u>
Community Services	2,132,341	2,236,098	4,269,295	3,543,030
Development Services	<u>4,616,138</u>	<u>7,429,677</u>	<u>23,402,957</u>	<u>15,850,872</u>
Total Expenditures	<u>\$ 18,695,809</u>	<u>\$ 22,225,458</u>	<u>\$ 44,839,589</u>	<u>\$ 37,947,273</u>





FY15-16 Projected Changes in Fund Balances

	Operating Funds	Debt Service Funds	Capital Projects Funds	Non-Major Funds	Total
Revenues:					
Sales Tax	\$ 7,317,367	\$ 665,165	\$ 332,035	\$ 332,583	\$ 8,647,150
Property Tax	-	2,526,163	-	5,366	2,531,529
Franchise Tax	324,310	-	-	-	324,310
Intergovernmental	4,892,167	-	1,790,000	3,967,162	10,649,329
Debt Service Proceeds	-	-	-	-	-
Fines and Forfeitures	147,011	-	-	16,350	163,361
Licenses and Permits	686,428	-	104,640	540,000	1,331,068
Charges for Services	151,700	-	-	12,000	163,700
Leases and Rents	280,831	-	-	-	280,831
Investment Earnings	50,000	319	18,000	6,400	74,719
Other	343,669	-	981,483	417,579	1,742,731
Total Revenues	14,193,483	3,191,647	3,226,158	5,297,440	25,908,728
Expenditures:					
General Government:					
Mayor and Council	80,084	-	-	-	80,084
Administration	2,395,765	2,615,462	342,885	1,655,000	7,009,112
Municipal Court	277,107	-	-	80,615	357,722
Total General Government	2,752,956	2,615,462	342,885	1,735,615	7,446,918
Public Safety:					
Law Enforcement	3,683,970	-	203,484	-	3,887,454
Fire & Emergency Medical	3,501,797	-	3,717,202	-	7,218,999
Total Public Service	7,185,767	-	3,920,686	-	11,106,453
Community Services	2,275,574	-	1,130,535	136,921	3,543,030
Development Services	1,803,724	411,851	9,270,000	4,365,297	15,850,872
Total Expenditures	14,018,021	3,027,313	14,664,106	6,237,833	37,947,273
Net Change in Fund Balance	175,462	164,334	(11,437,948)	(940,393)	(12,038,545)
Fund Balance					
Beginning of Year - estimated	8,895,862	250,368	15,507,909	2,956,507	27,610,646
End of Year	\$ 9,071,324	\$ 414,702	\$ 4,069,961	\$ 2,016,114	\$ 15,572,101
Fund Balance Percentage Change	2%	66%	(74%)	(32%)	(44%)

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

Operating funds included in this table are the General Fund, Public Art and Internal Service Funds. The Debt Service Fund increased because of the initial long interest payment on the General Obligation Bonds, Series 2014 for the Saguaro Boulevard reconstruction. The Capital Projects and Non-Major funds will be utilizing accumulated reserves for one time capital expenditures.



**FY15-16 Proposed Budget
Summary of Expenditures**

<u>Fund/Department</u>	<u>FY12-13 Actual</u>	<u>FY13-14 Actual</u>	<u>FY14-15 Revised Budget</u>	<u>FY15-16 Proposed Budget</u>
Operating Funds				
Mayor & Council	\$ 76,004	\$ 76,799	\$ 80,318	\$ 80,084
Administration	2,720,606	1,958,224	2,094,545	2,296,210
Municipal Court	373,952	292,490	275,165	277,107
Development Services	1,534,135	1,609,961	2,014,506	1,803,724
Community Services	1,987,467	2,120,860	2,368,519	2,260,574
Fire & Emergency Medical	3,253,049	3,385,588	3,447,099	3,501,797
Law Enforcement	2,890,427	3,064,707	3,379,630	3,683,970
Total General Fund	<u>12,835,640</u>	<u>12,508,629</u>	<u>13,659,782</u>	<u>13,903,466</u>
Community Services	<u>3,680</u>	<u>1,234</u>	<u>15,000</u>	<u>15,000</u>
Total Public Art Fund	<u>3,680</u>	<u>1,234</u>	<u>15,000</u>	<u>15,000</u>
Administration	<u>63,186</u>	<u>64,560</u>	<u>72,394</u>	<u>68,555</u>
Total Internal Service Fund	<u>63,186</u>	<u>64,560</u>	<u>72,394</u>	<u>68,555</u>
Administration	116,336	550,581	17,752	31,000
Development Services	6,427	134,091	-	-
Total Vehicle/Equip Repl Fund	<u>122,763</u>	<u>684,672</u>	<u>17,752</u>	<u>31,000</u>
Total Operating Funds	<u>\$ 13,025,269</u>	<u>\$ 13,259,095</u>	<u>\$ 13,764,928</u>	<u>\$ 14,018,021</u>
Special Revenue Funds				
Development Services	\$ 2,049,424	\$ 3,146,310	\$ 2,387,204	\$ 2,843,026
Total Highway User Revenue Fund	<u>2,049,424</u>	<u>3,146,310</u>	<u>2,387,204</u>	<u>2,843,026</u>
Administration	<u>176,322</u>	<u>272,730</u>	<u>1,879,079</u>	<u>557,886</u>
Total Downtown Strategy Fund	<u>176,322</u>	<u>272,730</u>	<u>1,879,079</u>	<u>557,886</u>
Administration	-	147,581	245,841	321,101
Total Economic Development Fund	<u>-</u>	<u>147,581</u>	<u>245,841</u>	<u>321,101</u>
Community Services	-	-	126,275	136,921
Total Tourism Fund	<u>-</u>	<u>-</u>	<u>126,275</u>	<u>136,921</u>
Administration	<u>125,222</u>	<u>61,667</u>	<u>1,289,439</u>	<u>1,655,000</u>
Total Special Revenue Fund	<u>125,222</u>	<u>61,667</u>	<u>1,289,439</u>	<u>1,655,000</u>
Municipal Court	<u>11,300</u>	<u>3,894</u>	<u>80,615</u>	<u>80,615</u>
Total Court Enhancement Fund	<u>11,300</u>	<u>3,894</u>	<u>80,615</u>	<u>80,615</u>
Development Services	-	-	-	639,241
Total Environmental Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,241</u>
Administration	<u>11,033</u>	<u>3,363</u>	<u>3,600</u>	<u>4,043</u>
Total Cottonwoods Maint District	<u>11,033</u>	<u>3,363</u>	<u>3,600</u>	<u>4,043</u>
Total Special Revenue Funds	<u>\$ 2,373,301</u>	<u>\$ 3,635,545</u>	<u>\$ 6,012,053</u>	<u>\$ 6,237,833</u>



FY15-16 Proposed Budget Summary of Expenditures				
Fund/Department	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Debt Service Funds				
Administration	\$ 1,001,062	\$ 1,014,000	\$ 472,100	\$ 2,094,722
Total Gen Oblig Debt Service	<u>1,001,062</u>	<u>1,014,000</u>	<u>472,100</u>	<u>2,094,722</u>
Development Services	<u>421,193</u>	<u>425,313</u>	<u>423,035</u>	<u>411,851</u>
Total Eagle Mtn CFD Debt Service	<u>421,193</u>	<u>425,313</u>	<u>423,035</u>	<u>411,851</u>
Administration	<u>1,089,175</u>	<u>1,108,910</u>	<u>1,113,200</u>	<u>520,740</u>
Total Munic Prop Corp Debt Service	<u>1,089,175</u>	<u>1,108,910</u>	<u>1,113,200</u>	<u>520,740</u>
Total Debt Service Funds	<u>\$ 2,511,430</u>	<u>\$ 2,548,223</u>	<u>\$ 2,008,335</u>	<u>\$ 3,027,313</u>
Capital Projects Funds				
Administration	\$ 176,217	\$ 539,824	\$ 2,055,080	\$ 342,885
Development Services	399,066	1,678,516	15,808,000	9,140,000
Community Services	131,978	92,712	1,717,000	1,130,000
Fire & Emergency Medical	<u>63,115</u>	<u>433,826</u>	<u>2,630,000</u>	<u>3,650,000</u>
Total Capital Projects Fund	<u>770,376</u>	<u>2,744,878</u>	<u>22,210,080</u>	<u>14,262,885</u>
Development Services	-	-	143,772	130,000
Total Facilities Replacement Fund	-	-	<u>143,772</u>	<u>130,000</u>
Law Enforcement	<u>951</u>	<u>2,306</u>	<u>203,000</u>	<u>203,484</u>
Total Law Enforcement Dev Fee	<u>951</u>	<u>2,306</u>	<u>203,000</u>	<u>203,484</u>
Fire & Emergency Medical	<u>951</u>	<u>2,306</u>	<u>47,000</u>	<u>67,202</u>
Total Fire/Emergency Dev Fee	<u>951</u>	<u>2,306</u>	<u>47,000</u>	<u>67,202</u>
Development Services	<u>4,315</u>	<u>11,813</u>	<u>407,921</u>	-
Total Streets Dev Fee	<u>4,315</u>	<u>11,813</u>	<u>407,921</u>	-
Community Services	<u>3,795</u>	<u>9,217</u>	-	-
Total Park/Rec Dev Fee	<u>3,795</u>	<u>9,217</u>	-	-
Community Services	<u>4,470</u>	<u>9,769</u>	-	535
Total Open Space Dev Fee	<u>4,470</u>	<u>9,769</u>	-	<u>535</u>
Community Services	<u>951</u>	<u>2,306</u>	<u>42,500</u>	-
Total Library/Museum Dev Fee	<u>951</u>	<u>2,306</u>	<u>42,500</u>	-
Total Capital Projects Funds	<u>\$ 785,809</u>	<u>\$ 2,782,595</u>	<u>\$ 23,054,273</u>	<u>\$ 14,664,106</u>
Grand Total of All Funds	<u>\$ 18,695,809</u>	<u>\$ 22,225,458</u>	<u>\$ 44,839,589</u>	<u>\$ 37,947,273</u>

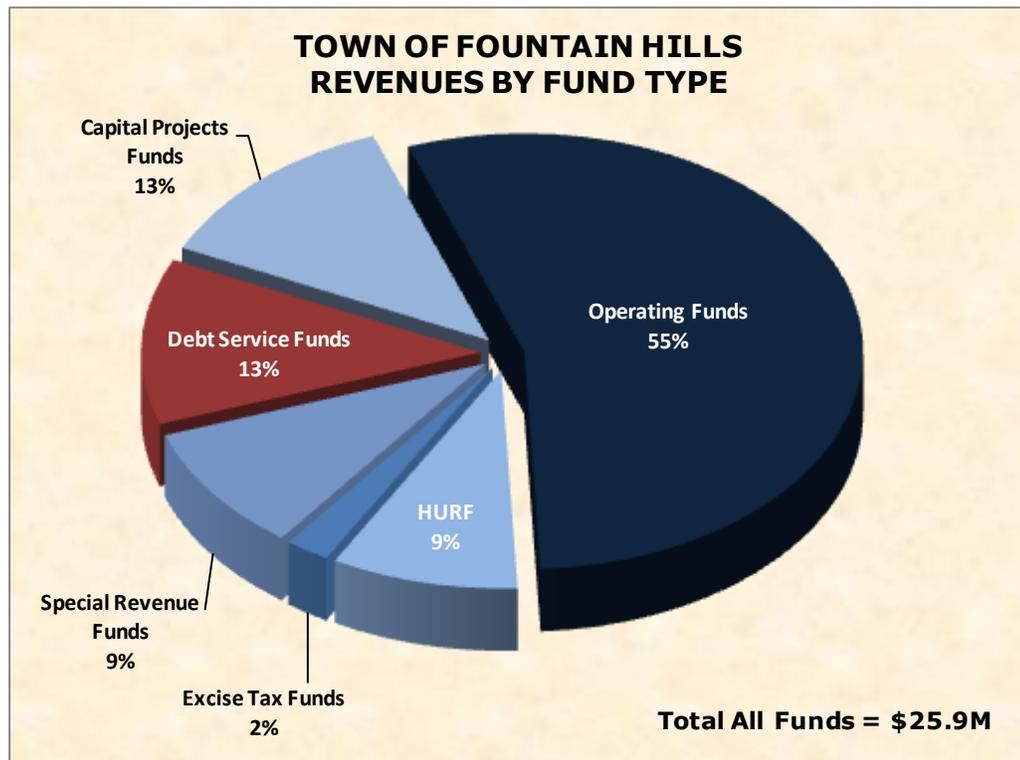


Revenue Summary



Revenue

This section provides a broad overview of the revenues included in the FY15-16 budget. Information is presented for each fund.



Total revenues for all funds are estimated at \$25,908,728. The Operating Funds portion represents approximately 55% of the total. HURF/Streets funds represent 9% of the total. Special Revenue funds represent another 9% of the budget. Debt Service represents 13% and Capital Projects represent 13%.

**FY15-16 Proposed Budget
Summary of Revenues**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Operating Funds				
Sales Tax-Local	\$ 6,758,279	\$ 7,100,383	\$ 7,232,640	\$ 7,317,367
Franchise Fees	334,668	349,414	316,400	324,310
Liquor License Fees	2,150	4,400	1,500	1,500
Business License	102,614	103,640	111,305	109,575
Animal License	45,595	44,426	41,006	41,832
Building Permit	86,420	137,133	390,900	257,755
Sign Permits	11,240	8,540	3,350	3,350
Planning & Zoning Fees	9,090	40,278	10,000	10,000
Landscape Permits	420	-	1,348	2,100
Encroachment Permits	41,025	19,921	35,000	20,000
Variances	4,200	3,225	4,000	4,000
Subdivision Fees	7,100	34,755	21,000	21,000
Special Event Permit	3,675	5,350	2,500	2,500
Engineering Fees	4,550	3,850	2,500	2,500
Plan Review	86,144	131,005	50,000	193,316
Inspection Fees	12,214	18,168	17,000	17,000
Rental Fees	83,003	98,793	94,850	124,840
Non-Taxable Rental	3,472	12,215	6,500	13,779
Cell Tower Lease	127,395	141,576	140,412	142,212
Sales Tax-State	1,840,766	1,957,505	2,048,760	2,148,444
Income Tax-State	2,297,203	2,506,685	2,722,248	2,707,673
Vehicle License Tax	752,949	-	-	-
Fire Insurance Prem Tax	34,719	39,174	35,000	36,050
Program Fees	152,106	138,089	124,850	135,200
Non-Taxable Fees	1,650	381	1,500	1,500
Sponsorships	8,845	9,469	10,200	10,250
Donations	439	36,208	300	20,260
Reimbursements/Refunds	170,853	-	1,000	1,000
Auction/Recycle Proceeds	623	2,516	1,150	1,000
Restitution/Ins Proceeds	6,533	60	1,000	1,000
Miscellaneous Revenue	59,869	13,583	19,830	20,822
Taxable Sales	7,241	7,785	15,000	6,900
Court Fines/Fees	173,024	154,024	150,011	147,011
Interest Income	22,611	56,449	62,424	50,000
Internal Service Charges	253	1,926	3,300	5,420
Transfer In	-	-	-	2,000
Total General Fund	13,252,938	13,180,926	13,678,784	13,903,466
In-Lieu Fees	3,412	750	15,000	15,000
Transfer In	780	-	-	-
Total Public Art Fund	4,192	750	15,000	15,000
Miscellaneous Revenue	169	201	-	-
Internal Service Charges	60,001	61,859	62,246	68,555
Total Internal Service Fund	60,170	62,060	62,246	68,555
Auction/Recycle Proceeds	11,017	54,107	-	-
Restitution/Ins Proceeds	12,664	-	-	-
Interest Income	-	95	-	-
Internal Service Charges	1,519	2,233	1,268	1,268
Vehicle Repl Charges	173,359	153,797	167,705	205,194
Transfer In	1,704	-	-	-
Total Vehicle/Equip Repl Fund	200,263	210,232	168,973	206,462
Total Operating Funds	\$ 13,517,563	\$ 13,453,968	\$ 13,925,003	\$ 14,193,483

Revenue Summary

FY15-16 Proposed Budget Summary of Revenues				
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Special Revenue Funds				
Vehicle License Tax	\$ -	\$ 800,475	\$ 867,000	\$ 888,838
Highway User Tax	1,232,187	1,268,563	1,194,094	1,403,324
In-Lieu Fees	4,796	22,156	12,000	12,000
Adopt-A-Street Fee	120	-	240	-
Auction/Recycle Proceeds	1,128	437	-	-
Restitution/Ins Proceeds	8,112	9,212	-	-
Miscellaneous Revenue	1,000	533	6,060	6,000
Interest Income	711	375	1,200	300
Transfer In	<u>767,000</u>	<u>994,000</u>	<u>-</u>	<u>-</u>
Total Highway User Revenue Fund	<u>2,015,054</u>	<u>3,095,751</u>	<u>2,080,594</u>	<u>2,310,462</u>
Sales-Excise Tax	305,703	129,069	117,540	66,517
Interest Income	<u>5,654</u>	<u>11,878</u>	<u>-</u>	<u>6,000</u>
Total Downtown Strategy Fund	<u>311,357</u>	<u>140,947</u>	<u>117,540</u>	<u>72,517</u>
Sales-Excise Tax	-	193,603	160,300	266,066
Interest Income	-	29	-	-
Transfer In	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>50,000</u>
Total Economic Development Fund	<u>-</u>	<u>193,632</u>	<u>250,300</u>	<u>316,066</u>
Grants	-	-	-	20,000
Transfer In	<u>-</u>	<u>-</u>	<u>119,100</u>	<u>139,100</u>
Total Tourism Fund	<u>-</u>	<u>-</u>	<u>119,100</u>	<u>159,100</u>
Grants	36,957	-	1,367,079	1,515,000
LTAI II	9,662	31,667	66,132	65,000
Prop 202/Gaming Rev	<u>78,603</u>	<u>30,000</u>	<u>-</u>	<u>75,000</u>
Total Special Revenue Fund	<u>125,222</u>	<u>61,667</u>	<u>1,433,211</u>	<u>1,655,000</u>
CCEF Revenue	12,087	14,750	14,250	14,250
JCEF Revenue	2,140	2,221	-	2,100
Interest Income	<u>196</u>	<u>124</u>	<u>300</u>	<u>100</u>
Total Court Enhancement Fund	<u>14,423</u>	<u>17,095</u>	<u>14,550</u>	<u>16,450</u>
Environmental Fee	-	-	-	540,000
Transfer In	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,479</u>
Total Environmental Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>762,479</u>
Property Tax-Cy	3,339	4,823	4,823	5,366
Interest Income	<u>9</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total Cottonwoods Maint District	<u>3,348</u>	<u>4,828</u>	<u>4,823</u>	<u>5,366</u>
Total Special Revenue Funds	<u>\$ 2,469,404</u>	<u>\$ 3,513,920</u>	<u>\$ 4,020,118</u>	<u>\$ 5,297,440</u>



FY15-16 Proposed Budget Summary of Revenues				
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Debt Service Funds				
Property Tax-Cy	\$ 998,602	\$ 1,029,428	\$ 474,000	\$ 2,109,477
Interest Income	372	178	210	210
Transfer In	-	-	42,500	-
Total Gen Oblig Bd Debt Serv	<u>998,974</u>	<u>1,029,606</u>	<u>516,710</u>	<u>2,109,687</u>
Property Tax-Cy	419,673	428,805	430,248	416,686
Interest Income	123	77	600	9
Total Eagle Mtn CFD Debt Serv	<u>419,796</u>	<u>428,882</u>	<u>430,848</u>	<u>416,695</u>
Sales-Excise Tax	611,406	645,342	619,800	665,165
Interest Income	276	107	500	100
Transfer In	403,454	421,884	193,500	-
Total Munic Prop Corp Debt Serv	<u>1,015,136</u>	<u>1,067,333</u>	<u>813,800</u>	<u>665,265</u>
Total Debt Service Funds	<u>\$ 2,433,906</u>	<u>\$ 2,525,821</u>	<u>\$ 1,761,358</u>	<u>\$ 3,191,647</u>



Revenue Summary

FY15-16 Proposed Budget Summary of Revenues				
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Capital Projects Funds				
Sales Tax-Local	\$ 281,775	\$ 390,871	\$ 324,600	\$ 332,035
Development Fees	-	-	200,000	-
Debt Serv/Bond Proceeds	-	-	8,200,000	-
Grants	40,001	43,449	4,314,000	1,790,000
Miscellaneous/Reimbursements	11,626	-	-	154,082
Interest Income	21,140	30,814	19,800	12,000
Transfer In	<u>108,943</u>	<u>421,641</u>	<u>2,434,921</u>	<u>745,686</u>
Total Capital Projects Fund	<u>463,485</u>	<u>886,775</u>	<u>15,493,321</u>	<u>3,033,803</u>
Transfer In	-	-	143,772	81,715
Total Facilities Replacement Fund	-	-	<u>143,772</u>	<u>81,715</u>
Development Fees	1,539	3,059	-	-
Interest Income	<u>207</u>	<u>105</u>	<u>100</u>	-
Total Law Enforcement Dev Fee	<u>1,746</u>	<u>3,164</u>	<u>100</u>	-
Development Fees	4,376	9,234	4,990	26,580
Interest Income	<u>43</u>	<u>25</u>	-	-
Total Fire/Emergency Dev Fee	<u>4,419</u>	<u>9,259</u>	<u>4,990</u>	<u>26,580</u>
Development Fees	107,605	228,265	-	-
Interest Income	<u>89</u>	<u>147</u>	-	-
Total Streets Dev Fee	<u>107,694</u>	<u>228,412</u>	-	-
Development Fees	41,353	93,636	7,500	78,060
Interest Income	-	<u>1</u>	-	-
Total Park/Rec Dev Fee	<u>41,353</u>	<u>93,637</u>	<u>7,500</u>	<u>78,060</u>
Development Fees	(810)	-	-	-
Interest Income	<u>5,192</u>	<u>11,622</u>	-	6,000
Total Open Space Dev Fee	<u>4,382</u>	<u>11,622</u>	-	<u>6,000</u>
Development Fees	1,333	2,898	-	-
Interest Income	<u>43</u>	<u>17</u>	-	-
Total Library/Museum Dev Fee	<u>1,376</u>	<u>2,915</u>	-	-
Development Fees	(928)	-	-	-
Interest Income	-	-	-	-
Transfer In	-	<u>928</u>	-	-
Total General Govt Dev Fee	<u>(928)</u>	<u>928</u>	-	-
Total Capital Projects Funds	<u>\$ 623,527</u>	<u>\$ 1,236,712</u>	<u>\$ 15,649,683</u>	<u>\$ 3,226,158</u>
Grand Total of All Funds	<u>\$ 19,044,400</u>	<u>\$ 20,730,421</u>	<u>\$ 35,356,162</u>	<u>\$ 25,908,728</u>



FY15-16 Revenues by Type

	Operating Funds	Debt Service Funds	Capital Projects Funds	Non-Major Funds	Total	% of Total
Revenues:						
Sales Tax	\$ 7,317,367	\$ 665,165	\$ 332,035	\$ 332,583	\$ 8,647,150	23%
Property Tax	-	2,526,163	-	5,366	2,531,529	7%
Franchise Tax	324,310	-	-	-	324,310	1%
Intergovernmental	4,892,167	-	1,790,000	3,967,162	10,649,329	28%
Debt Service Proceeds	-	-	-	-	-	0%
Fines and Forfeitures	147,011	-	-	16,350	163,361	0%
Licenses and Permits	686,428	-	104,640	540,000	1,331,068	4%
Charges for Services	151,700	-	-	12,000	163,700	0%
Leases and Rents	280,831	-	-	-	280,831	1%
Investment Earnings	50,000	319	18,000	6,400	74,719	0%
Other	343,669	-	981,483	417,579	1,742,731	4%
Sub total	14,193,483	3,191,647	3,226,158	5,297,440	25,908,728	68%
Use/(Source) of Reserves	(175,462)	(164,334)	11,437,948	940,393	12,038,545	32%
Total Revenues	<u>\$ 14,018,021</u>	<u>\$ 3,027,313</u>	<u>\$ 14,664,106</u>	<u>\$ 6,237,833</u>	<u>\$ 37,947,273</u>	<u>100%</u>

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

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

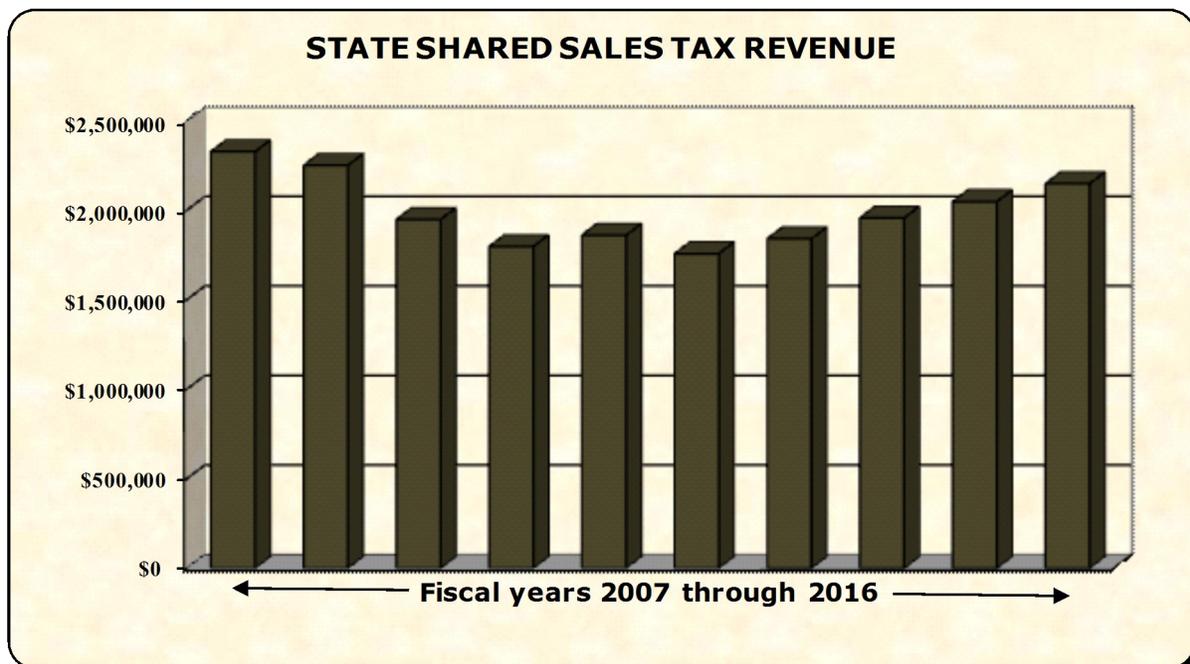
The use of reserves is intended to be for funding capital projects.



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	2006-07	\$2,327,899	7.2% ¹
	2007-08	\$2,250,912	-3.3%
	2008-09	\$1,948,661	-13.4%
	2009-10	\$1,797,356	-7.8%
	2010-11	\$1,860,421	3.5%
	2011-12	\$1,757,297	-5.5% ¹
	2012-13	\$1,840,766	4.7%
	2013-14	\$1,957,505	6.3%
	2014-15 (est.)	\$2,048,760	4.7%
	2015-16 (est.)	\$2,148,444	4.9%
¹ Change as a result of census population			
Assumptions			

The State assesses a 5.6% sales tax, of which cities and towns share in the collections based on the relation of its population to the total population of all incorporated cities and towns using the 2010 census figures (Fountain Hills represents .4% of the State total). The FY15-16 revenue projection is based on the League of Arizona Cities and Towns bulletin and by the Arizona Department of Revenue forecast for Sales and Use Tax.

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

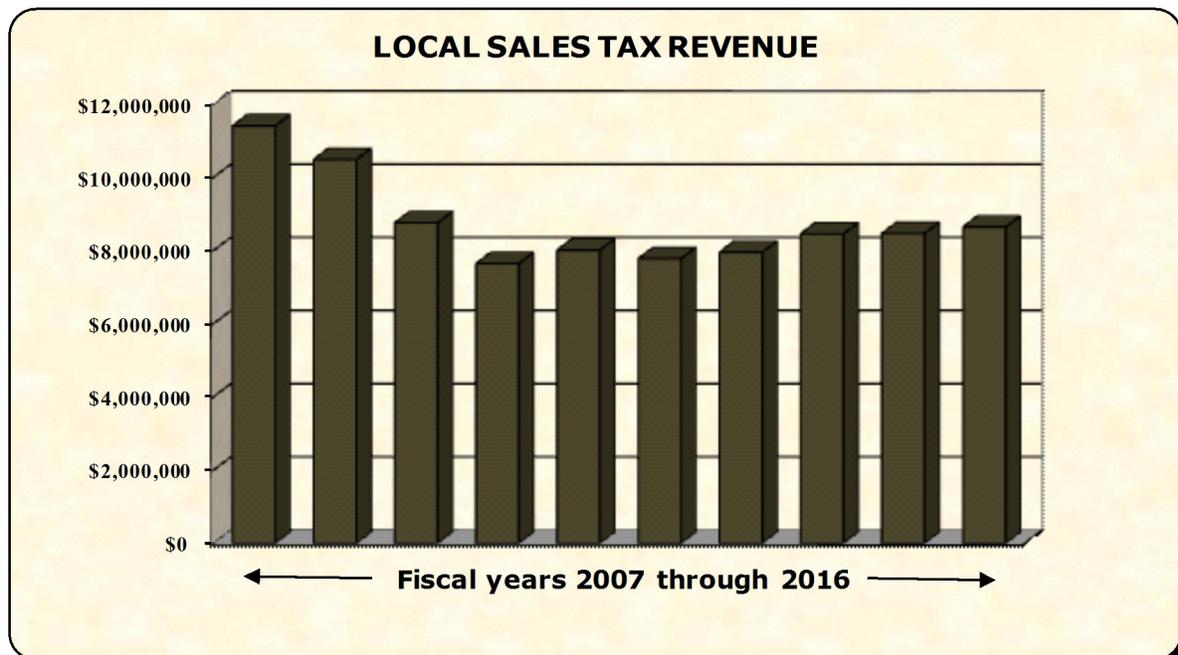


Restrictions	Fiscal Year	Amount	Percent Change
Revenues from the 2.6% local sales tax are allocated to Capital Projects, Municipal Property Corporation for mountain preserve bonds, Downtown Strategy, Economic Development and General Fund. General Fund proceeds are not restricted but must be expended for public purpose.	2006-07	\$11,411,401	3.7%
	2007-08	\$10,489,591	-8.1%
	2008-09	\$8,758,926	-16.5%
	2009-10	\$7,644,441	-12.7%
	2010-11	\$8,013,480	4.8%
	2011-12	\$7,779,219	-2.9%
	2012-13	\$7,957,162	2.3%
	2013-14	\$8,459,267	6.3%
	2014-15 (est.)	\$8,470,980	0.1%
	2015-16 (est.)	\$8,647,150	2.1%
Assumptions			

The local sales tax rate in Fountain Hills is 2.6% - total receipts for FY15-16 are estimated to be \$8,647,150. The construction related sales tax is derived from one-time activities and has been dedicated for one-time expenditures. Another portion of the local sales tax is dedicated for Municipal Property Corporation bond payments and downtown development. The following is a breakdown of the dedicated and non-dedicated (General Fund) projections:

<u>Dedications:</u>	
Downtown Strategy Fund	\$ 66,517
Economic Development Fund	266,066
Mountain Preserve Bonds	665,165
Capital Projects Fund	332,035
General Fund	<u>7,317,367</u>
Total Projections	<u>\$ 8,647,150</u>

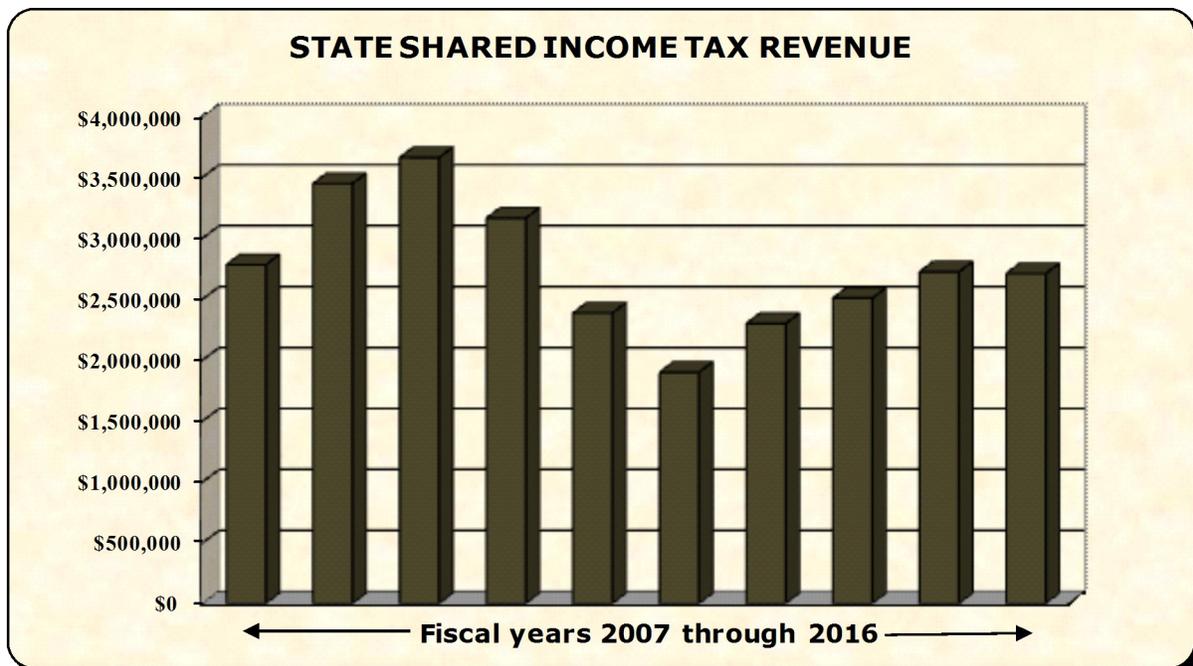
Major Influences: Economy, Construction Activity, Retail Sales, Public Policy



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	2006-07	\$2,780,715	31.3% ¹
	2007-08	\$3,446,760	24.0%
	2008-09	\$3,659,964	6.2%
	2009-10	\$3,162,174	-13.6%
	2010-11	\$2,383,874	-24.6%
	2011-12	\$1,898,088	-20.4% ¹
	2012-13	\$2,297,203	21.0%
	2013-14	\$2,506,685	9.1%
	2014-15 (est.)	\$2,722,248	8.6%
	2015-16 (est.)	\$2,707,673	-0.5%
¹ Change as a result of census population			
Assumptions			

A 1972 citizen's initiative gave the cities and towns a percentage share of the State income tax, officially called urban revenue sharing; Arizona cities and towns receive 15% of the State's income tax collections. This State Shared revenue is distributed to cities and towns based on the relation of their population to the total population of all incorporated cities and towns in the State according to the latest census. Amounts distributed are based on actual income tax collections from two years prior to the fiscal year in which the Town receives the funds. The projection for FY15-16 is provided by the League of Arizona Cities and Towns and the State's Joint Legislative Budget Committee (JLBC).

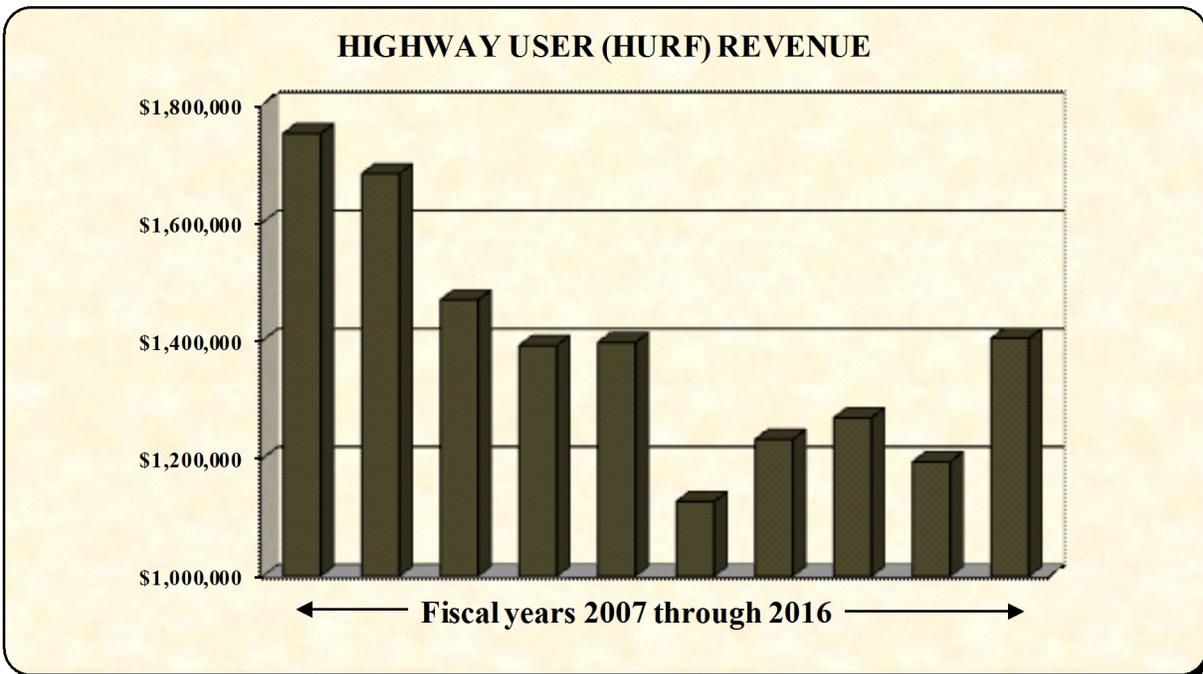
Major Influences: Personal Income, Corporate Net Profits, Population and State Policy



Restrictions	Fiscal Year	Amount	Percent Change
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.	2006-07	\$1,750,051	11.2%
	2007-08	\$1,682,055	-3.9%
	2008-09	\$1,468,335	-12.7%
	2009-10	\$1,391,100	-5.3%
	2010-11	\$1,396,075	0.4%
	2011-12	\$1,126,762	-19.3%
	2012-13	\$1,232,187	9.4%
	2013-14	\$1,268,563	3.0%
	2014-15 (est.)	\$1,194,094	-5.9%
	2015-16 (est.)	\$1,403,324	17.5%
Assumptions			

Cities and towns receive 27.5% of fuel tax and transportation related fees collected by the State based on population and county of origin of gasoline sales. The increase in HURF allocations in FY06-07 was the result of the 2005 census population estimates. The revenue estimate for FY15-16 is based on estimates of revenue sharing by Arizona Department of Transportation (ADOT) in their distribution forecast for FY15-16.

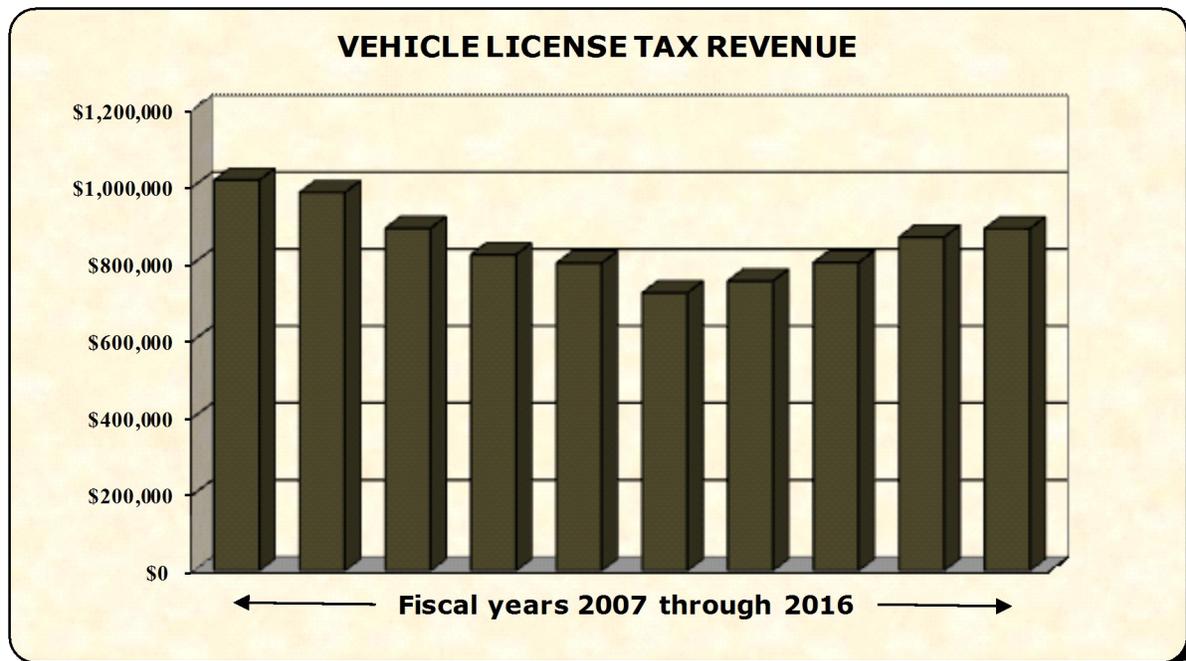
Major Influences: Gasoline sales, Population, Economy and State Policy



Restrictions	Fiscal Year	Amount	Percent Change
Town Council has restricted for the Pavement Management Program.	2006-07	\$1,014,853	4.1%
	2007-08	\$982,943	-3.1%
	2008-09	\$889,826	-9.5%
	2009-10	\$821,321	-7.7%
	2010-11	\$799,551	-2.7%
	2011-12	\$722,126	-9.7%
	2012-13	\$752,949	4.3%
	2013-14	\$800,475	6.3%
	2014-15 (est.)	\$867,000	8.3%
	2015-16 (est.)	\$888,838	2.5%
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 (.4%). The remainder of the revenues collected are shared by schools, counties, and the State. The Town Council of Fountain Hills passed Resolution 2013-02 designating proceeds from the VLT to be used strictly for maintenance of Town's street (transferred to HURF fund).

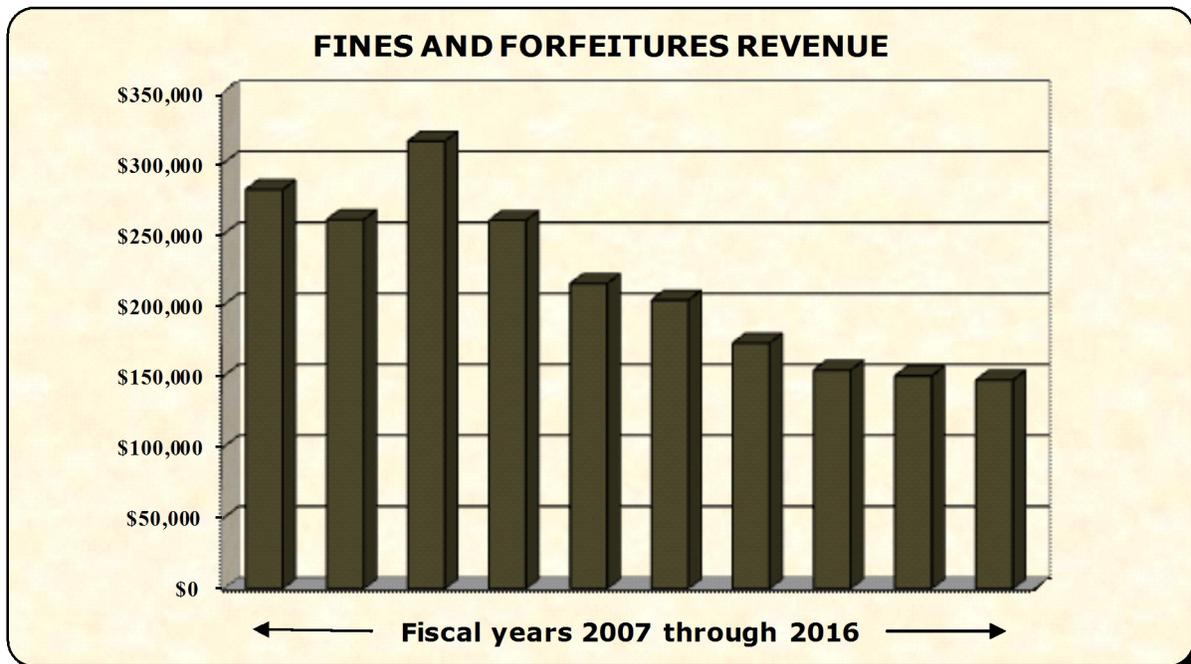
Major Influences: Automobile sales, Population, and State Policy



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	2006-07	\$281,173	31.4%
	2007-08	\$260,044	-7.5%
	2008-09	\$315,274	21.2%
	2009-10	\$259,571	-17.7%
	2010-11	\$214,999	-17.2%
	2011-12	\$203,350	-5.4%
	2012-13	\$173,024	-14.9%
	2013-14	\$154,024	-11.0%
	2014-15 (est.)	\$150,011	-2.6%
	2015-16 (est.)	\$147,011	-2.0%
Assumptions			

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

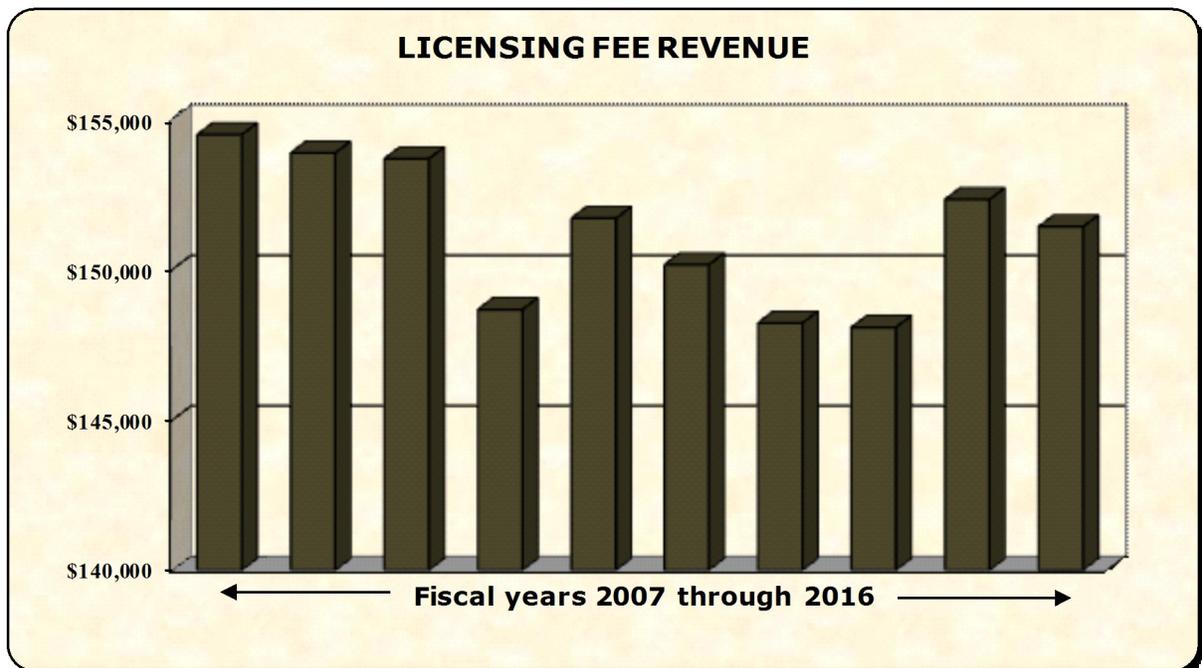
Major Influences: Population, Enforcement, Public Policy



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	2006-07	\$154,464	5.8%
	2007-08	\$153,858	-0.4%
	2008-09	\$153,663	-0.1%
	2009-10	\$148,657	-3.3%
	2010-11	\$151,687	2.0%
	2011-12	\$150,144	-1.0%
	2012-13	\$148,209	-1.3%
	2013-14	\$148,066	-0.1%
	2014-15 (est.)	\$152,311	2.9%
	2015-16 (est.)	\$151,407	-0.6%
Assumptions			

License fees are derived from fees on professions, occupations, businesses (\$109,575) and animals (\$41,832) within the Town. The license fee is used primarily as a means of regulating businesses and animal control within the community. The estimate for FY15-16 is based on 2,519 active business licenses and 2,996 animal licenses.

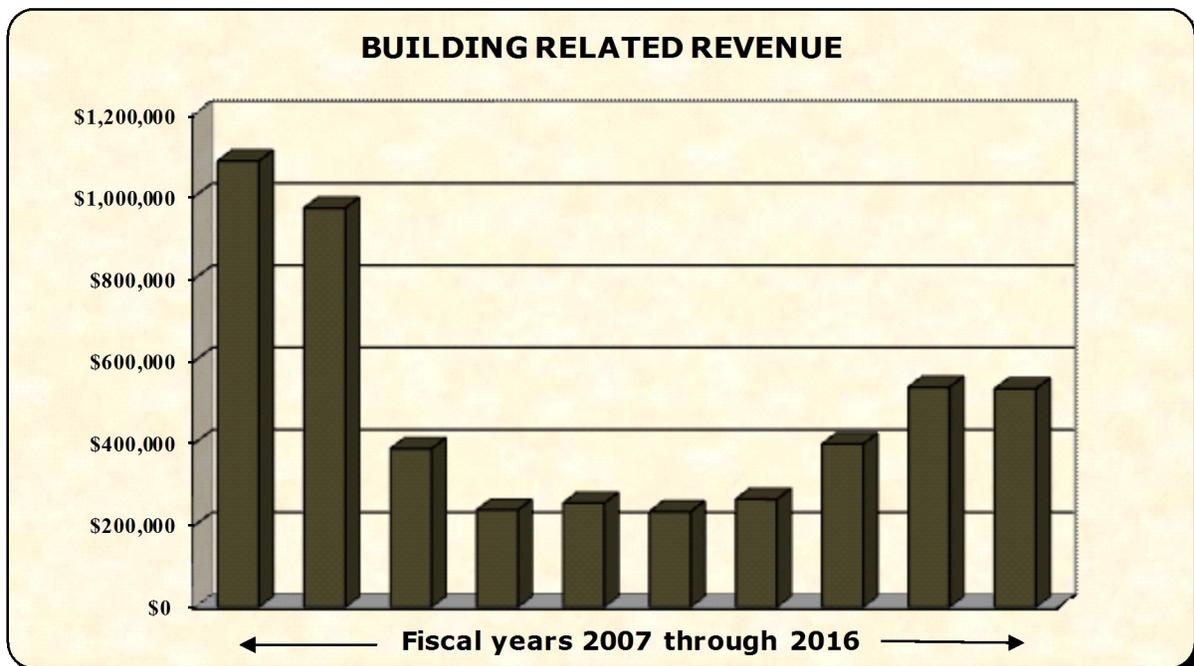
Major Influences: Economy, Enforcement



Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	2006-07	\$1,084,855	-39.8%
	2007-08	\$970,446	-10.5%
	2008-09	\$385,514	-60.3%
	2009-10	\$236,343	-38.7%
	2010-11	\$253,074	7.1%
	2011-12	\$232,447	-8.2%
	2012-13	\$262,403	12.9%
	2013-14	\$396,875	51.2%
	2014-15 (est.)	\$535,098	34.8%
	2015-16 (est.)	\$531,021	-0.8%
Assumptions			

Revenues from this source include the fees collected from building permits, rezoning, improvement plans, encroachment and subdivision plans. The estimates for FY15-16 are based on construction activity provided by the local developer and planning staff and reflect the general economic slowdown in new home construction. The projected number of permits for next fiscal year is 25 single family, 35 multi-family unit, and 2 commercial projects.

Major Influences: Population, Economy, Development, Public Policy

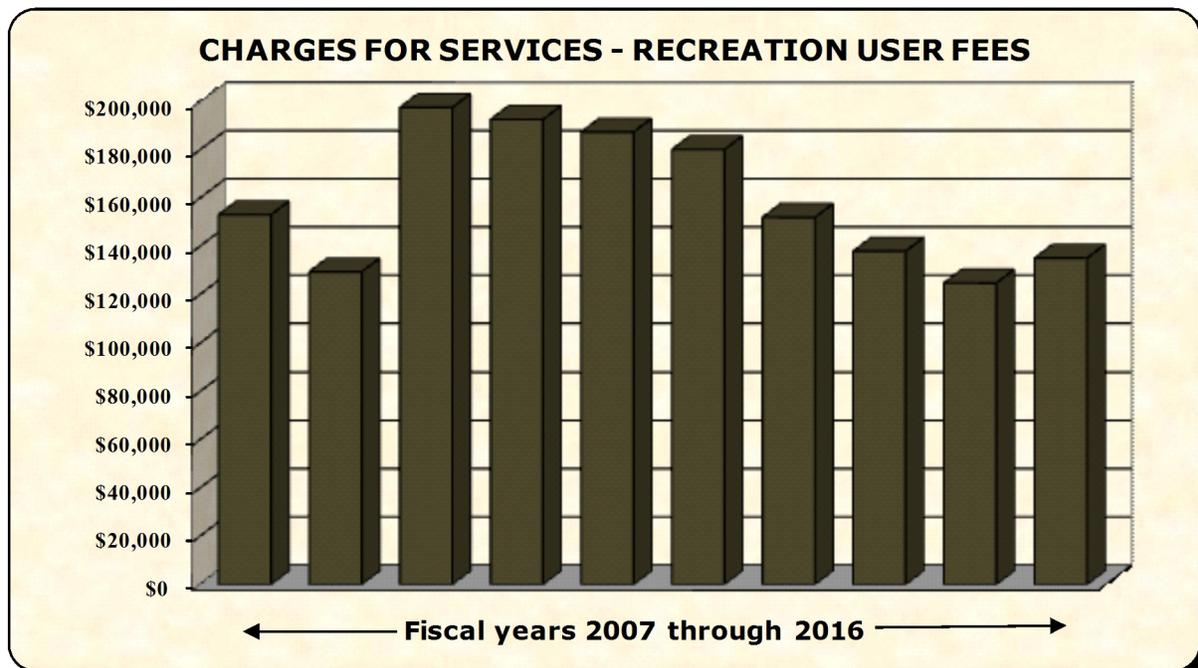


Revenue Summary
 Charges For Services-Recreation User Fees
 General Fund

Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	2006-07	\$153,219	-2.5%
	2007-08	\$129,522	-15.5%
	2008-09	\$197,717	52.7%
	2009-10	\$192,728	-2.5%
	2010-11	\$187,524	-2.7%
	2011-12	\$180,223	-3.9%
	2012-13	\$152,106	-15.6%
	2013-14	\$138,089	-9.2%
	2014-15 (est.)	\$124,850	-9.6%
	2015-16 (est.)	\$135,200	8.3%
Assumptions			

Charges for services are collected from recreation programs for youths to seniors. The Senior Center offers programs for senior citizens including home delivered meals, fitness programs, special interest classes, as well as social events. The decrease for FY13-14 reflects a general decline in the number of participants in recreation programs as well as a reduction in fees.

Major Influences: Population, Internal Policy on Rates

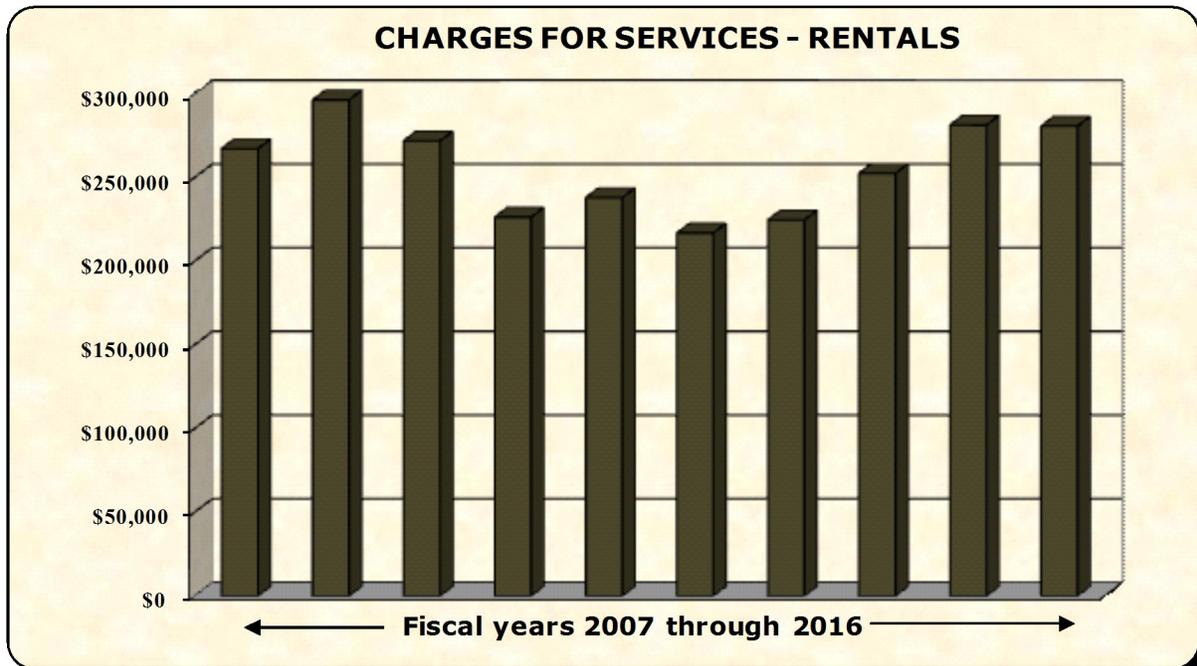


Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	2006-07	\$267,350	-5.9%
	2007-08	\$296,434	10.9%
	2008-09	\$271,987	-8.2%
	2009-10	\$226,429	-16.8%
	2010-11	\$238,104	5.2%
	2011-12	\$216,927	-8.9%
	2012-13	\$224,780	3.6%
	2013-14	\$252,584	12.4%
	2014-15 (est.)	\$281,411	11.4%
	2015-16 (est.)	\$280,831	-0.2%

Assumptions

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

Major Influences: Population, Internal Policy on Rates



Expenditure Summary



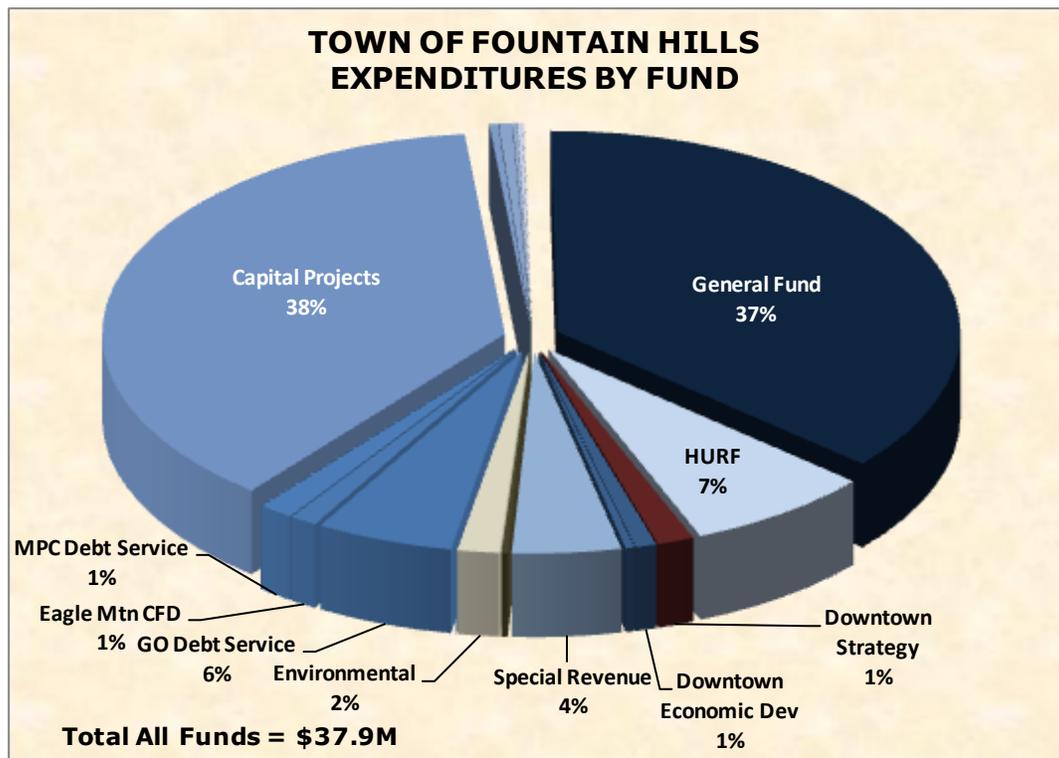
Expenditures

This section provides a broad overview of the expenditures included in the FY15-16 budget. Information is presented for each fund.

All Funds Expenditure Summary

Total expenditures for all funds are \$37,947,273 including transfers. The General Fund represents 37% of the total. HURF/Streets Fund represents 7% of the total Town budget. Special Revenue Funds represent 4% of the budget, Downtown Funds represent 2%, with Debt Service representing 8%, and Capital Projects representing 38%.

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



**FY15-16 Proposed Budget
Summary of Expenditures by Fund and Program**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Operating Funds				
Accounting	\$ 51,450	\$ 38,113	\$ 51,346	\$ 116,656
Administration	2,182,194	1,699,275	1,843,998	1,618,905
Amenities	218,515	190,310	239,748	327,975
Animal Control	37,880	37,705	39,825	40,320
Art & Culture	7,767	48,127	42,021	41,453
Attorney Services	236,759	205,137	232,430	293,454
Audit Services	65,925	68,946	68,279	97,370
Boards & Commissions	43,473	56,217	60,627	48,691
Budget	39,636	56,545	45,514	52,601
Building Inspection	209,033	234,543	252,190	240,052
Building Maintenance	567,569	593,143	726,442	657,174
Capital Improvement Prog	87,949	89,718	96,002	93,274
Civil Cases	40,347	31,909	30,999	31,505
Code Compliance	91,185	93,627	104,546	102,479
Community Events	99,135	94,842	109,330	114,580
Criminal Cases	75,831	51,224	48,996	48,866
Current Planning	94,363	97,300	106,782	107,623
Customer Service	31,974	32,151	31,166	17,762
Elections	29,979	57,432	58,917	34,840
Emergency Medical	1,377,727	1,420,228	1,468,591	1,513,136
Engineering	124,254	136,475	146,313	197,654
Environmental Service	29,398	32,611	35,214	30,747
Event Planning	54,013	61,195	60,394	57,862
Field Prep/Maint	152,826	170,384	187,281	181,643
Fire Projects	1,550,938	1,624,954	1,628,240	1,661,464
Fountain	188,860	223,119	223,665	220,871
Home Delivered Meals	74,521	60,983	65,266	73,522
Incarceration/Transport	66,434	56,302	67,500	67,500
Juvenile	15,467	8,691	8,292	8,286
Landscape Maintenance	176,540	162,852	228,117	236,488
Legislation	42,081	38,488	48,183	46,655
Licensing	35,877	45,436	38,702	47,777
Long Range Planning	25,972	26,790	29,315	29,278
Mapping & Graphics	86,156	72,239	76,812	70,565
Network Administration	193,367	145,728	151,955	159,391
Open Space	31,762	31,494	39,581	29,058
Operations	88,148	115,620	137,406	116,568
Patrol	2,762,382	2,946,797	3,249,300	3,554,666
Payroll	15,255	16,291	22,060	23,668
Permitting	108,205	114,359	122,699	126,218
Public Defender	2,750	3,750	6,300	4,800
Prosecutor	110,000	91,667	90,000	90,000
Purchasing	17,157	28,341	41,180	47,247
Records Management	16,223	15,550	16,735	16,206
Recruitment	7,405	21,110	32,575	29,652
Risk Management	254,571	243,193	281,456	276,779
Senior Memberships	80,550	86,956	99,108	105,841
Social/Community Services	386,637	129,103	140,772	115,197
Support	45,881	54,487	41,974	42,451
Special Events	27,364	27,073	25,864	26,769
Special Interest Programs	26,889	24,407	41,725	39,850
Sports Activities	56,901	55,629	78,519	73,851
Stormwater Management	193,225	205,650	255,405	148,939
Strategic Planning	21,330	22,040	21,848	57,259
Training & Development	3,315	4,389	7,000	18,000
Treasury	44,091	41,053	46,808	42,902
Video Services	20,593	17,188	10,529	13,233
Volunteers	55,471	44,024	69,565	75,435
Web Site	15,139	10,948	38,393	49,927
Youth & Teen Programs	39,001	94,771	89,982	90,531
Total General Fund	12,835,640	12,508,629	13,659,782	13,903,466



**FY15-16 Proposed Budget
Summary of Expenditures by Fund and Program**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Art & Culture	3,680	1,234	15,000	15,000
Total Public Art Fund	<u>3,680</u>	<u>1,234</u>	<u>15,000</u>	<u>15,000</u>
Operational Support	63,186	64,560	72,394	68,555
Vehicle Replacement	122,763	684,672	17,752	31,000
Total Internal Service Funds	<u>185,949</u>	<u>749,232</u>	<u>90,146</u>	<u>99,555</u>
Total Operating Funds	<u>\$ 13,025,269</u>	<u>\$ 13,259,095</u>	<u>\$ 13,764,928</u>	<u>\$ 14,018,021</u>
Special Revenue Funds				
Administration	\$ 140,481	\$ 336,496	\$ 170,717	\$ 220,860
Adopt A Street	3,164	3,585	4,804	4,227
Legal Services	25,696	25,698	24,000	32,136
Open Space	263,788	241,291	275,863	350,309
Pavement Management	1,225,433	2,205,886	1,493,250	1,761,276
Street Signs	75,621	82,757	86,798	90,003
Street Sweeping	133,990	74,772	92,563	-
Traffic Signals	106,317	103,333	152,034	278,145
Vehicle Maintenance	74,934	72,492	87,175	106,070
Total Highway User Revenue Fund	<u>2,049,424</u>	<u>3,146,310</u>	<u>2,387,204</u>	<u>2,843,026</u>
Administration	176,322	272,730	1,879,079	557,886
Total Downtown Strategy Fund	<u>176,322</u>	<u>272,730</u>	<u>1,879,079</u>	<u>557,886</u>
Administration	-	147,581	245,841	321,101
Total Economic Development Fund	<u>-</u>	<u>147,581</u>	<u>245,841</u>	<u>321,101</u>
Administration	-	-	126,275	136,921
Total Tourism Fund	<u>-</u>	<u>-</u>	<u>126,275</u>	<u>136,921</u>
Grants Admin	125,222	61,667	1,289,439	1,655,000
Total Special Revenue Fund	<u>125,222</u>	<u>61,667</u>	<u>1,289,439</u>	<u>1,655,000</u>
Administration	-	-	30,000	30,000
Equipment Replacement	11,300	3,894	50,615	50,615
Total Court Enhancement Fund	<u>11,300</u>	<u>3,894</u>	<u>80,615</u>	<u>80,615</u>
Administration	-	-	-	639,241
Total Environmental Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>639,241</u>
Cottonwoods Maintenance District	11,033	3,363	3,600	4,043
Total Cottonwoods Maint District	<u>11,033</u>	<u>3,363</u>	<u>3,600</u>	<u>4,043</u>
Total Special Revenue Funds	<u>\$ 2,373,301</u>	<u>\$ 3,635,545</u>	<u>\$ 6,012,053</u>	<u>\$ 6,237,833</u>
Debt Service Funds				
Gen Oblig Bd Debt Service	\$ 1,001,062	\$ 1,014,000	\$ 472,100	\$ 2,094,722
Eagle Mtn CFD Debt Service	421,193	425,313	423,035	411,851
Munic Prop Corp Debt Service	1,089,175	1,108,910	1,113,200	520,740
Total Debt Service Funds	<u>\$ 2,511,430</u>	<u>\$ 2,548,223</u>	<u>\$ 2,008,335</u>	<u>\$ 3,027,313</u>



**FY15-16 Proposed Budget
Summary of Expenditures by Fund and Program**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Capital Projects Funds				
Administration	\$ 2,805	\$ 1,650	\$ 190,080	\$ 142,885
Downtown Development	145,306	515,983	1,865,000	200,000
Fire Projects	63,115	433,826	2,630,000	3,650,000
General Govt Projects	28,106	220,714	100,000	-
Library/Museum Project	38,000	-	-	-
Park Development	93,978	92,712	1,717,000	1,130,000
Pavement Management	391,900	1,414,200	13,618,000	6,565,000
Stormwater Management	7,166	51,814	1,690,000	2,195,000
Traffic Signals	-	13,979	400,000	380,000
Total Capital Projects Fund	<u>770,376</u>	<u>2,744,878</u>	<u>22,210,080</u>	<u>14,262,885</u>
Administration	-	-	143,772	130,000
Total Facilities Replacement Fund	-	-	<u>143,772</u>	<u>130,000</u>
Law Enforcement Dev Fee	951	2,306	203,000	203,484
Fire/Emergency Dev Fee	951	2,306	47,000	67,202
Streets Dev Fee	4,315	11,813	407,921	-
Park/Rec Dev Fee	3,795	9,217	-	-
Open Space Dev Fee	4,470	9,769	-	535
Library/Museum Dev Fee	951	2,306	42,500	-
General Govt Dev Fee	-	-	-	-
Total Development Fee Funds	<u>15,433</u>	<u>37,717</u>	<u>700,421</u>	<u>271,221</u>
Total Capital Projects Funds	\$ 785,809	\$ 2,782,595	\$ 23,054,273	\$ 14,664,106
Grand Total of All Funds	\$ 18,695,809	\$ 22,225,458	\$ 44,839,589	\$ 37,947,273



FY15-16 Expenditures by Department and Division

Department	Division	Proposed Budget
General Fund Operations		
Mayor & Council	Mayor & Council	\$ 80,084
Municipal Court	Municipal Court	277,107
Administration	Town Manager	592,150
	Town Clerk	130,490
	Human Resources/Risk Management	401,120
	Finance	508,221
	Information Technology	275,975
	Legal Services	388,254
	Total Administration	2,296,210
Development Services	Engineering	505,793
	Facilities	752,761
	Planning	167,648
	Code Compliance	102,479
	Mapping & Graphics	70,565
	Building Safety	204,478
	Total Development Services	1,803,724
Community Services	Recreation	614,267
	Community Center	227,823
	Senior Services	231,846
	Parks-Fountain Park	442,267
	Parks-Golden Eagle Park	374,238
	Parks-Desert Vista Park	113,291
	Parks-Four Peaks Park	140,963
	Parks-Open Space/Trails	29,058
	Parks-Avenue of the Fountains Plaza	86,821
	Total Community Services	2,260,574
Law Enforcement	Law Enforcement	3,683,970
Fire & Emergency Medical	Fire & Emergency Medical	3,501,797
	Total General Fund Operations	13,903,466
Special Revenue Fund Operations		
Development Services	Streets/HURF	2,843,026
Administration	Downtown Strategy Fund	557,886
Administration	Economic Development Fund	321,101
Administration	Tourism Fund	136,921
Development Services	Environmental Fund	639,241
	Total Special Revenue Fund Operations	4,498,175
	Total of Above Expenditures	\$ 18,401,641



Expenditure Limitation

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

The FY15-16 expenditure limitation for the Town of Fountain Hills is \$26,804,069 which is a 2.7% increase from the previous year. The limit applies to FY15-16 expenditures of the Town (all funds) but allows for certain exemptions and deductions. For example, bond proceeds, debt service payments, grant expenditures, and HURF and are not included when determining compliance with the expenditure limitation. However, development fee and capital project expenditures are subject to the limitation. The table below is an estimate of the Town’s expenditure limitation, deductions and exclusions and final spending authority.

EXPENDITURE LIMITATION ANALYSIS (Estimated)

Total Expenditures	\$ 36,706,292
Exclusions (Subtractions) from Revenues:	
Bond Proceeds Carried Forward	5,000,000
Bond Proceeds	-
Debt Service Payments	3,031,356
Dividends, Interest, Gains	74,719
Grants	3,325,000
Received from State	140,000
Quasi-External interfund Transactions	8,460
Savings Reserved for Capital Purchase (voter approved)	-
Highway User Revenues Excess 1979-80	1,909,188
Contracts with Other Political Subdivisions	-
Refunds, Reimbursements	-
Voter Approved Exclusions	-
Prior Years Carry Forward	-
Total Exclusions	<u>13,488,723</u>
Expenditures subject to limitation	23,217,569
Expenditure Limitation	<u>26,804,069</u>
Under/(Over) Limitation	<u>\$ 3,586,500</u>



Budget Process & Schedule



Planning Process

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

Planning Process	Description
Town Vision, Mission, Goals and Values	Sets the overall tone of the organization and guides employees in managing the daily operations of the Town.
General Plan	A guide designed to encourage the most appropriate use of land and resources within the Town consistent with the interest of the citizens. The General Plan sets forth goals, objectives, policies and implementation techniques that will guide the development activity within the Town and promote, preserve and protect the health, safety, and general welfare of its citizens.
Capital Improvement Program	A five year guide to assist in long range planning for the Town’s capital needs. Details of the adopted Capital Improvement Plan are found beginning on page 286.
Fiscal Policy Guidelines	Policies guiding the financial management of the Town of Fountain Hills are approved by the Town Council to ensure a fiscally sound government. The adoption of and compliance with these policies is an important factor in Rating Agency reviews. A summary of the Town’s policies can be found beginning on page 50.
Annual Budget Process	Town staff develops a recommended budget. Many of the decisions included in that recommendation are driven by processes noted above. A summary of the Town’s budget process can be found on the following pages.
Five Year Financial Plan	A five year financial forecast is developed annually as a tool to anticipate potential budget imbalances. The current plan can be found on page 16.



Mission of the Budget Process

Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the budget mission allows issues to be addressed that have limited the success of budgeting in the past. Apathy is a serious illness of government; it is in the best interests of government to have involved stakeholders.

The term stakeholder refers to anyone affected by or who has a stake in government. This term stakeholder includes, but is not limited to, citizens, customers, elected officials, management, employees and their representatives, businesses, vendors, other governments, and the media. It is vital that the budget processes include diverse stakeholders.

Each year, the Town of Fountain Hills budget is developed from the Town Council's priorities by the Finance Division with the individual Departments and the Town Manager. Meetings with each Department, the Town Manager and the Finance Division are held during the month of March. After these meetings are completed, a proposed Town-wide balanced budget is prepared for submittal to the full Town Council and public in April/May.

Recommended Budget Practices

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

The Town of Fountain Hills budget process incorporates the recommended practices promulgated by the National Advisory Council on State and Local Budgeting (NACSLB) and the Government Finance Officers Association (GFOA). Concurrently, Town staff apply diligent effort into improving the processes, decisions and outcomes with each new budget year. The NACSLB's practices encourage governments to consider the long-term consequences of actions to ensure that impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained.

Budget Definition

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



A good budget process is characterized by several essential features:

- Incorporates a long-term perspective
- Establishes linkages to broad goals
- Focuses budget decisions on results and outcomes
- Involves and promotes effective communication with stakeholders
- Provides incentives to government management and employees

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line-item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

Principles and Elements of the Budget Process

The budget process consists of four broad principles that stem from the definition and mission previously described. These principles are as follows:

1. A government should have broad goals that provide overall direction for the government and serve as a basis for decision making.
2. A government should have specific policies, plans, programs and management strategies to define how it will achieve its long-term goals.
3. A financial plan and budget that moves toward town achievement of goals, within the constraints of available resources, should be prepared and adopted.
4. Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.

These principles encompass many functions that spread across a governmental organization. They reflect the fact that development of a balanced budget is a political and managerial process that also has financial and technical dimensions. Each of the principles of the budget process incorporates components or elements that represent achievable results. These elements help translate the guiding principles into action components. Individual budgetary practices are derived from these elements. The principles and elements provide a structure to categorize budgetary practices.

The Town of Fountain Hills has broad goals that provide overall direction for the government and serves as a basis for decision-making.

- Assess community needs, priorities, challenges and opportunities
- Identify opportunities and challenges for governmental services, capital assets, and management
- Develop and disseminate broad goals

- Develop approaches to achieve goals – a government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals
- Adopt financial policies
- Develop programmatic, operating, and capital policies and plans
- Develop programs and services that are consistent with policies and plans
- Develop management strategies
- Develop a budget consistent with approaches to achieve goals – a financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted
- Develop a process for preparing and adopting a budget
- Develop and evaluate financial options
- Make choices necessary to adopt a budget
- Evaluate performance and make adjustments – program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals
- Monitor, measure, and evaluate performance
- Make adjustments as needed

When does the “budget season” start?

The budget process typically begins in January when the Finance Division begins to review current levels of service, Council goals and objectives as identified at the annual Council retreat, proposed capital improvements, and financial forecasts.

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

Implementing, Monitoring, and Amending the Budget

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

In July, the Town staff begins the process of implementing the newly adopted budget and is accountable for budgetary control throughout the fiscal year. Revenue and expenditure patterns are examined, compared to budget plans, and corrective action, if necessary, is taken during the fiscal year. Town management has access to a monthly budget and activity report; the Town Council is provided a



summary budget report at the end of each quarter disclosing actual revenue, expenditure, and fund balance performance as compared to the budget.

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

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

What funds are included in this budget?

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

- General Fund – revenues and expenditures to carry out basic governmental activities such as police and fire, recreation, planning, legal services, administrative services, etc. (unrestricted).
- Special Revenue Funds – revenues derived from specific taxes or other earmarked revenue sources, usually required by statute or ordinance to finance particular activities. Highway User Revenue Fund (HURF), grants, and the Excise Tax Funds are examples of special revenue funds.
- Debt Service Funds – established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Municipal Property Corporation (MPC) and Community Facilities District (CFD) funds are included within the debt service funds.
- Capital Projects Funds – to account for the purchase or construction of major capital facilities, heavy equipment, park improvements and major road improvements. The Capital Projects Fund revenues are derived from excess General Fund revenues and 50% of the construction related local sales tax.

When can a citizen have input into the budget process?

Town staff welcomes comments and suggestions throughout the year. The first opportunity for the Town Council to contribute to the budget is during the annual goal setting retreat which is typically held around the beginning of the calendar year. The proposed budget is presented to the public and Town Council in April/ May at which time a public hearing is held to receive input. This hearing is the opportunity to increase the budget for the next fiscal year before the maximum spending amount is established. Once the maximum spending amount is adopted as the tentative budget, line items can only be exchanged or decreased prior to the budget's final adoption.



Budget Schedule FY15-16

Mon, December 1, 2014	5 year Revenue Forecast due to Town Manager
Tues, December 30, 2014	Preliminary operating budgets entered into MUNIS; Staffing Requirements due to Finance
Thu, January 29, 2015	Council Retreat Session - Priorities for FY15-16; Council receives preliminary CIP Budget & Strategic Plan Review
Thu, February 5, 2015	Department/Division templates due to Finance for inclusion in budget book
Thu, February 12, 2015	Final operating budgets entered into MUNIS
Mon-Thu, February 23 - 26, 2015	Department presentations due to Town Manager
Thu, March 5, 2015	Final revenue projections entered into MUNIS
Tues, March 10, 2015	Council Special Session @ 5:30 PM – Consideration of projects listed in the CIP
Mon, March 30, 2015	Staff to publish fee and tax levy notice on website for legal compliance
Mon, April 6, 2015	Council receives proposed budget ; the proposed budget is posted online & the Resolution exhibit schedules are prepared by Finance for Legal
Thu, April 16, 2015	Public Outreach/Open House held prior to the Council meeting (6:00 – 6:30 PM)
Tue, April 21, 2015	Council Budget Special Session @ 5:30 PM
Wed, April 22, 2015	Council Budget Special Session (if needed) @ 5:30 PM
Thu, May 7, 2015	Town, CMD & EMCFD Meetings - Adoption of Tentative Budgets
Thu, June 4, 2015	Town, CMD & EMCFD Meetings – Adoption of Final Budgets
Thu, June 18, 2015	Town, CMD & EMCFD Meetings - Adoption of Tax Levy



OPERATING BUDGETS

MAYOR & TOWN COUNCIL

MUNICIPAL COURT

ADMINISTRATION

DEVELOPMENT SERVICES

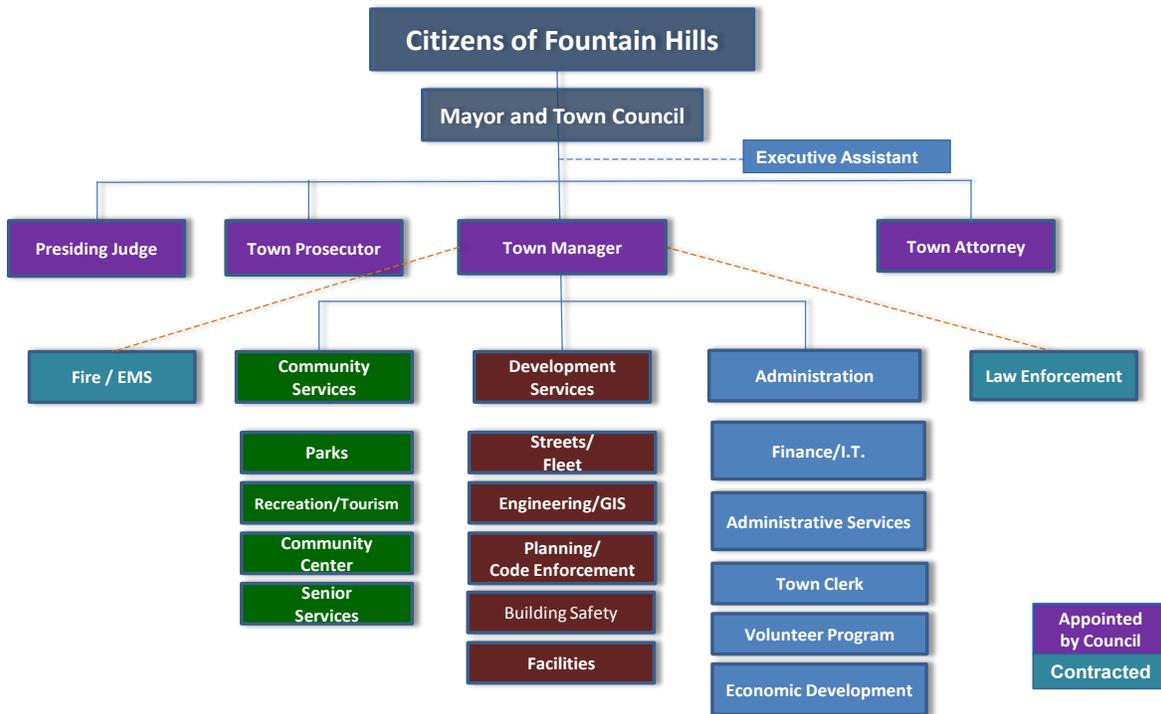
COMMUNITY SERVICES

LAW ENFORCEMENT

FIRE & EMERGENCY MEDICAL



Town of Fountain Hills Organization



Department Directors

Town Manager	Ken Buchanan
Finance Director	Craig Rudolph
Presiding Judge	Robert Melton
Community Services Director	Mark Mayer
Development Services Director	Paul Mood
Fire Chief	Chief Randy Roberts, Rural/Metro Corporation
District Commander	Captain David Letourneau, Maricopa County Sheriff's Office
Town Prosecutor	Mark Iacovino The Law Office of Mark Iacovino
Town Attorney	Andrew McGuire, Gust Rosenfeld, P.L.C.



Mayor & Town Council



MAYOR & TOWN COUNCIL

Mission Statement

The Mayor & Town Council are charged with serving the best interests of the community by providing for its safety and well-being; respecting its special, small-town character and quality of life; providing superior public services; sustaining the public trust through open and responsive government; and maintaining the stewardship and preservation of its financial and natural resources.



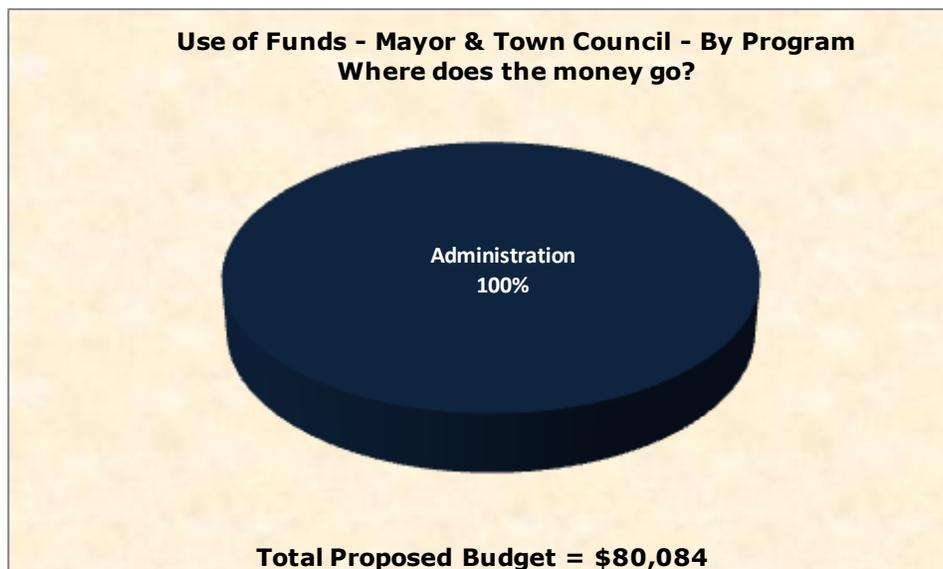
FRONT ROW: Councilmember Cassie Hansen, Mayor Linda M. Kavanagh, Councilmember Cecil A. Yates
BACK ROW: Councilmember Alan Magazine, Councilmember Henry Leger, Vice Mayor Dennis Brown, Councilmember Nick DePorter



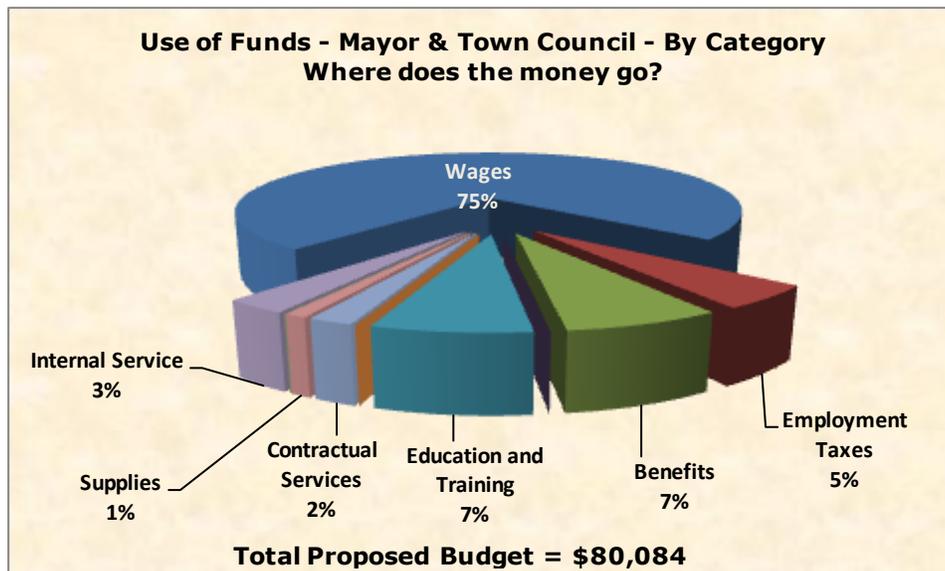
Department Overview

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 76,004	\$ 76,799	\$ 80,318	\$ 80,084
Total	\$ 76,004	\$ 76,799	\$ 80,318	\$ 80,084



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 59,753	\$ 60,144	\$ 59,703	\$ 59,703
Employment Taxes	4,812	4,386	4,269	3,730
Benefits	5,492	5,370	5,528	5,687
Dues and Memberships	650	360	360	360
Education and Training	3,059	2,491	900	5,634
Maintenance and Repair	219	246	-	-
Contractual Services	70	-	1,990	1,740
Supplies	342	1,396	5,493	1,200
Equipment/Improvement	-	127	-	-
Internal Service	1,607	2,279	2,075	2,030
Total	\$ 76,004	\$ 76,799	\$ 80,318	\$ 80,084



Operational Priorities for FY15-16

- Pavement Management Program
- Economic Development Plan
- Fire Station #2 Relocation
- Environmental Fee
- Saguaro Boulevard Project
- Solid Waste Services Negotiations/RFP
- Rural/Metro Contract Negotiations

STRATEGIC PLAN GOALS FOR FY15-16

From the Values listed in the *Strategic Plan 2010*, Council identified the following Strategic Directions as Goals for FY15-16.

Civility

- C 3** Genuinely solicit and consider public and stakeholder feedback as part of the decision-making process.

Maintain and Improve Community Infrastructure

- I 2** Lower the reliance on State revenues by developing a locally controlled, reliable funding source for infrastructure maintenance.
- I 6** Coordinate closely with downtown development efforts to ensure adequate infrastructure is planned and amenities identified and programmed.

Economic Vitality

- EV 3** Promote a mixed use core where residents can live, work, learn and play in an urban village setting, as depicted in the Downtown Area Specific Plan (Downtown Vision Master Plan).
- EV 4** Promote retention, expansion and relocation of quality businesses.
- EV 6** Identify a slate of economic development tools and strategies (including tax incentives, fee abatements, etc.) to stimulate economic growth.

Civic Responsibility

- CR 4** Implement a comprehensive communications plan to encourage informed citizen participation in civic life.
- CR 6** Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.
- CR 7** Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.



**FY15-16 Proposed Budget
Summary of Expenditures
Mayor & Council**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 59,752	\$ 27,144	\$ 23,703	\$ 23,703
Salaries-Part Time	-	33,000	36,000	36,000
FICA	2,232	2,251	2,232	2,232
Medicare	854	863	866	866
Workers Compensation	672	548	332	234
Unemployment Insurance	1,054	724	839	398
Group Health Insurance	2,588	2,438	2,583	2,738
Group Dental Insurance	154	152	157	153
Group Vision Insurance	23	23	23	23
Disability Insurance	51	66	83	87
Retirement	2,607	2,617	2,607	2,607
Life Insurance	70	74	75	79
Dues, Subscript & Publicat	650	360	360	360
Meetings & Conferences	3,060	2,491	900	5,634
Sign Repair & Replacement	219	246	-	-
Printing Expense	70	-	490	240
Community Contracts/Events	-	-	1,500	1,500
Office Supplies	342	1,055	100	100
Food & Beverage Supplies	-	341	250	250
Program Materials	-	-	5,143	850
Peripherals	-	127	-	-
ISF-Copier Charges	83	199	100	200
ISF-Mail Service Charges	12	36	25	30
ISF-Telecom Charges	1,511	2,044	1,950	1,800
Total Mayor & Council	\$ 76,004	\$ 76,799	\$ 80,318	\$ 80,084

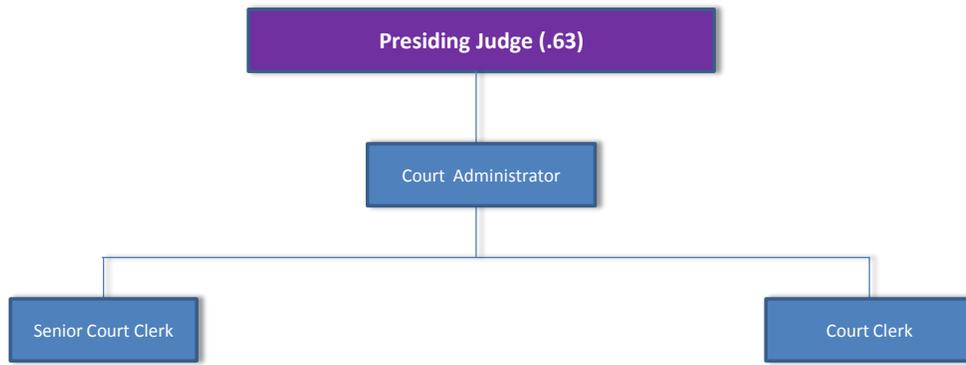




Municipal Court



MUNICIPAL COURT



*Part time -
Appointed
by Council

Full Time



MUNICIPAL COURT

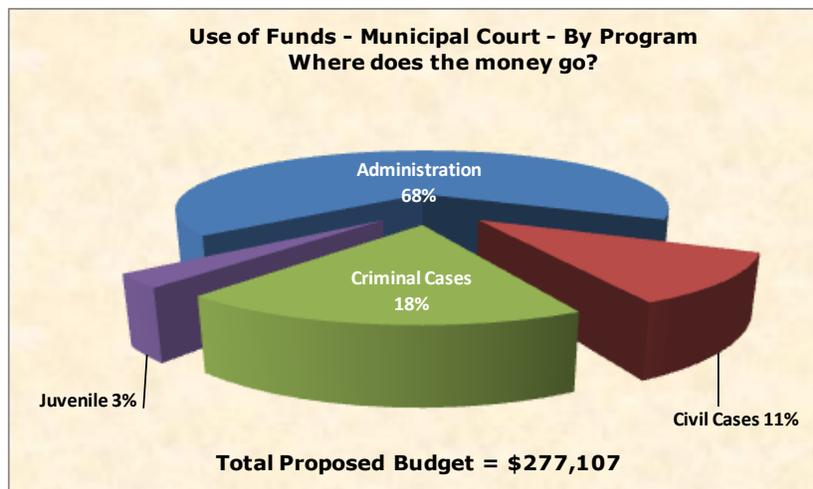
Mission Statement

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

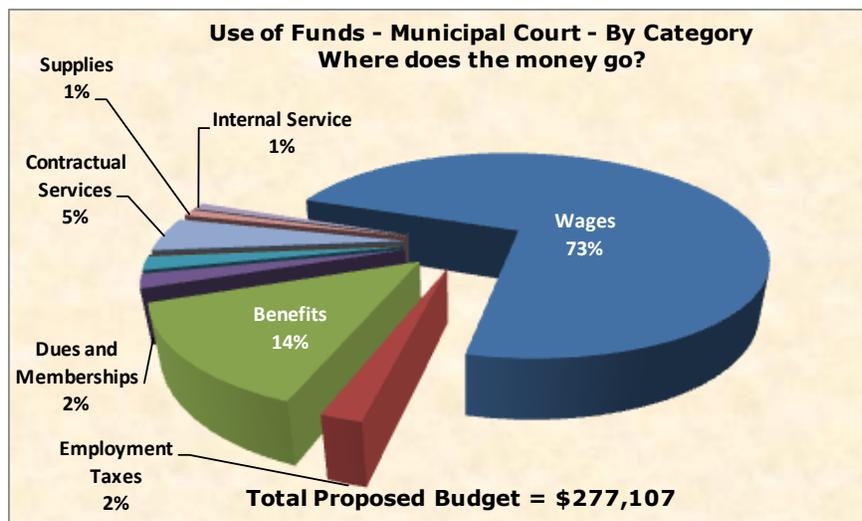
Department Overview

The Fountain Hills Municipal Court is the judicial branch of the Fountain Hills government. Pursuant to State law and the Town Code, decisions regarding the overall function of the Court are the sole responsibility of the Presiding Judge, who also has exclusive supervisory authority over all court personnel. The Court has jurisdiction over civil traffic, criminal traffic and criminal misdemeanor offenses and violations of our Town Code and ordinances. The Court also has authority over specified juvenile offenses. In addition, the Presiding Judge has authority to issue arrest/search warrants, civil orders of protection and injunctions against harassment. As part of the Arizona State Court System, the Fountain Hills Municipal Court is subject to the authority and administrative supervision of the Arizona Supreme Court. The Fountain Hills Municipal Court has legal obligations and reporting responsibilities to the State as well as to the Town of Fountain Hills. The Court must comply with constantly changing federal, state and local laws and administrative rules, including those relating to crimes and criminal procedure, victims' rights, record keeping, ADA, minimum accounting standards and judicial ethics.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 242,308	\$ 200,666	\$ 186,878	\$ 188,450
Civil Cases	40,346	31,909	30,999	31,505
Criminal Cases	75,831	51,224	48,996	48,866
Juvenile	15,467	8,691	8,292	8,286
Total	\$ 373,952	\$ 292,490	\$ 275,165	\$ 277,107



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 281,915	\$ 222,774	\$ 197,340	\$ 200,111
Employment Taxes	5,406	5,406	6,896	6,480
Benefits	67,108	35,705	39,666	38,470
Dues and Memberships	4,116	4,323	4,441	5,001
Education and Training	25	1,288	2,100	4,600
Maintenance and Repair	469	478	320	800
Contractual Services	8,177	14,293	17,070	14,090
Supplies	2,266	3,041	3,800	3,800
Equipment	427	1,234	-	-
Internal Service	4,043	3,948	3,532	3,755
Total	\$ 373,952	\$ 292,490	\$ 275,165	\$ 277,107



FY14-15 Department Accomplishments

Initiative	Strategic Value
Complied with recognized Supreme Court/AOC guidelines for timely case processing, management and finances.	CR1-Foster an environment of accessible, responsive governance.
Continued the Fountain Hills Community Teen Court which includes students from Fountain Hills and the surrounding communities through a partnership with Fountain Hills High School and Juvenile Court of Maricopa County.	CR4-Implement a comprehensive communications plan to encourage informed citizen participation in civic life and CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices
Continued community outreach through informing the public and Fountain Hills High School about Teen Court and the justice system.	CR4-Implement a comprehensive communications plan to encourage informed citizen participation in civic life and CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.
Successfully hired a new Presiding Judge.	CR3-Foster a culture of public service and volunteerism, CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements and CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.
Court staff completed all training required by the Supreme Court.	CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.
Successfully implemented e-citation from law enforcement.	CR3-Foster a culture of public service and volunteerism and CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements .
Transitioned all court computers to new Supreme Court/AOC computers.	CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.
Implemented disconnected scanning to improve electronic document management in preparation to transition to a paperless court.	CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.



FY15-16 Objectives

Initiative	Strategic Value	Estimated Cost/ Funding Source
Provide all court and judicial services as mandated by the Constitution, statutes and ordinances as fairly, effectively and efficiently as possible.	CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements and CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.	\$0
Provide community outreach through informing the public and Fountain Hills High School about Teen Court and the justice system.	CR4-Implement a comprehensive communications plan to encourage informed citizen participation in civic life and CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.	\$0
Effectively and efficiently monitor and enforce timely compliance with Court ordered sentencing and diversion programs while holding defendants accountable for their actions and obligations.	CR3-Foster a culture of public service and volunteerism and CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements and CR7-Communicate the role of local government and clearly define the trade-offs between service levels and amenities and the associated costs so residents can make informed choices.	\$0
Transition to the new case management system provided by the Arizona Supreme Court to provide better access to justice.	CR3-Foster a culture of public service and volunteerism and CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.	\$0
Eliminate paper files by transitioning to disconnected scanning of active case records to improve case processing.	CR3-Foster a culture of public service and volunteerism and CR6-Evaluate customer satisfaction with Town services on a regular basis and implement appropriate service improvements.	\$0



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Cases Filed	1,740	1,649	1,800	2,000
Cases Terminated	2,008	1,875	2,000	2,200
Hearings/Trials Held	703	1,665	1,700	1,900



**FY15-16 Proposed Budget
Summary of Expenditures
Municipal Court**

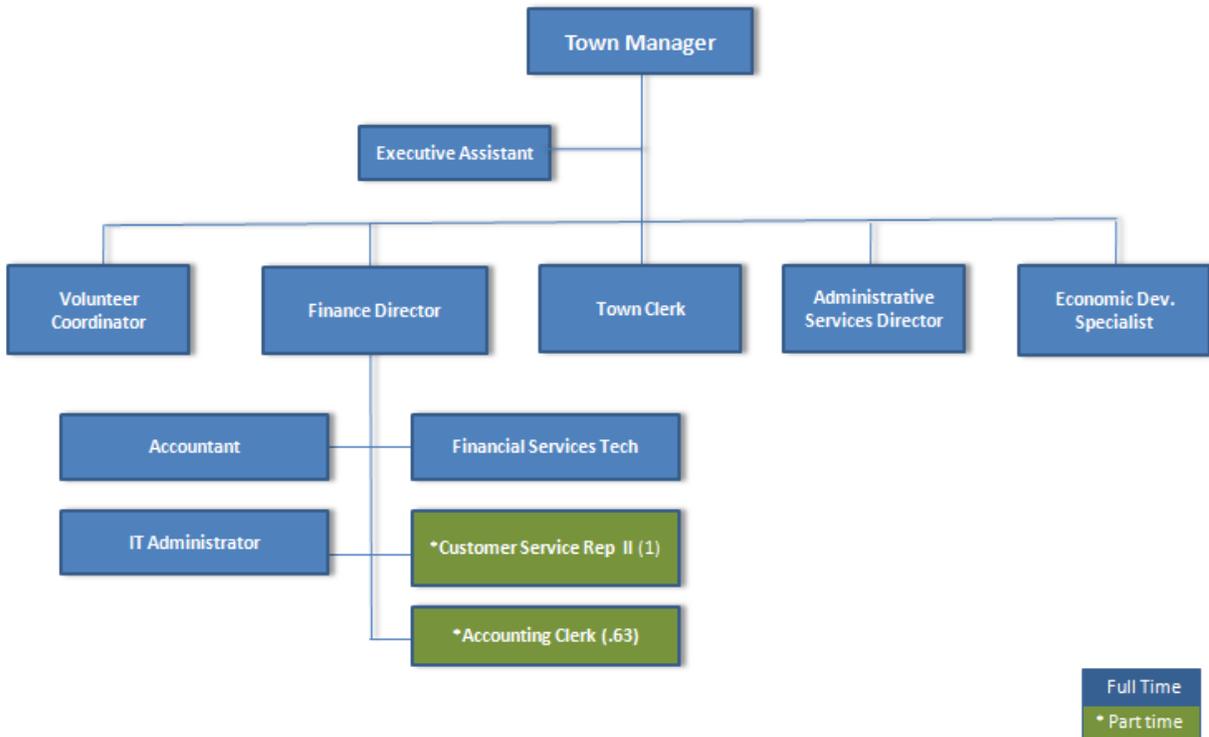
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 281,914	\$ 207,049	\$ 197,340	\$ 156,844
Salaries-Part Time	-	15,719	-	43,267
Overtime	-	6	-	-
FICA	-	975	2,620	2,617
Medicare	3,997	3,147	2,859	2,885
Workers Compensation	609	650	1,004	712
Unemployment Insurance	800	635	413	266
Group Health Insurance	31,699	18,463	19,616	18,217
Group Dental Insurance	2,781	2,134	1,822	1,720
Group Vision Insurance	243	198	193	193
Disability Insurance	640	560	542	577
Retirement	31,011	13,776	17,013	17,253
Life Insurance	735	572	480	510
License/Filing Fees	10	-	-	-
Dues, Subscript & Publicat	4,107	4,323	4,441	5,001
Training/Cont Ed	25	375	700	-
Meetings & Conferences	-	913	1,400	4,600
Office Equip Maint/ Repair	469	478	320	800
Auditing Expense	-	-	2,500	-
Professional Fees	30	526	150	150
Legal Fees	125	6,800	2,000	2,000
Rentals & Leases	-	-	480	-
Printing Expense	2,076	612	2,000	2,000
Advertising/Signage	-	-	150	150
Intergovt Agreements	4,502	4,501	7,600	7,600
Bank/Merc Acct Fees	1,443	1,854	1,950	1,950
ActiveNet Fees	-	-	240	240
Office Supplies	1,498	1,861	3,300	3,300
Cleaning/Janitorial Supplies	-	75	-	-
Safety Supplies	-	26	-	-
Food & Beverage Supplies	768	471	500	500
Uniforms	-	609	-	-
Hardware	-	1,234	-	-
Peripherals	317	-	-	-
Furniture/Appliances	110	-	-	-
ISF-Copier Charges	2	4	32	5
ISF-Mail Service Charges	1,008	1,327	1,200	1,200
ISF-Motor Pool Charges	279	403	250	250
ISF-Telecom Charges	2,754	2,214	2,050	2,300
Total Municipal Court	\$ 373,952	\$ 292,490	\$ 275,165	\$ 277,107



Administration



ADMINISTRATION DEPARTMENT



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



ADMINISTRATION

Mission Statement

The Administration Department is dedicated to serving the citizens of Fountain Hills by providing administrative direction and support to the Town’s Departments. Administration provides accurate and current information on Council legislation and administrative actions; provides for the delivery of comprehensive financial services to internal and external customers; provides support to Town staff; reaches out to political leaders and geographical neighbors to continue to grow relationships in the best interests of the Town; and enhances the Town’s economic base through business attraction, retention and business vitality activities.

Department Overview

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

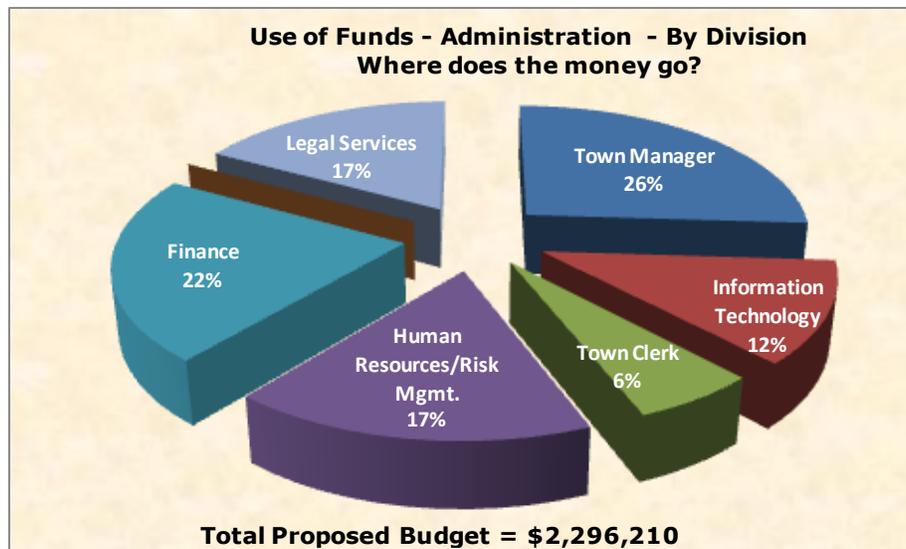
Division	Expenditures by Division			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Town Manager	\$ 1,207,682	\$ 577,643	\$ 499,893	\$ 592,150
Information Technology	309,022	253,853	253,380	275,975
Town Clerk	117,554	141,316	159,247	130,490
Human Resources/Risk Mgmt.	401,131	321,961	400,557	401,120
Finance	321,485	362,897	362,738	508,221
Economic Development	14,223	-	90,000	-
Legal Services	349,509	300,554	328,730	388,254
Total	\$ 2,720,606	\$ 1,958,224	\$ 2,094,545	\$ 2,296,210

Variance Explanations:

Finance: Amount was provided to the new Environmental Fund to cover the initial cost of implementing an annual environmental fee.

Economic Development: For FY15-16, funding was moved out of this Division and relocated in the Town Manager’s budget in order to consolidate Economic Development into its own fund.





Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Accounting	\$ 51,450	\$ 38,113	\$ 51,346	\$ 116,656
Administration	1,072,982	625,601	611,385	609,461
Attorney Services	236,759	205,137	232,430	293,454
Audit Services	65,925	68,946	68,279	97,370
Budget	39,636	56,545	45,514	52,601
Customer Service	31,974	32,151	31,166	17,762
Elections	29,979	57,432	58,917	34,840
Legislation	42,081	38,488	48,183	46,655
Licensing	35,877	45,436	38,702	47,777
Network Administration	193,367	145,728	151,955	159,391
Payroll	15,255	16,291	22,060	23,668
Public Defender	2,750	3,750	6,300	4,800
Prosecutor	110,000	91,667	90,000	90,000
Purchasing	17,157	28,341	41,180	47,247
Records Management	16,223	15,550	16,735	16,206
Recruitment	7,405	21,110	32,575	29,653
Risk Management	254,571	243,193	281,456	276,779
Social/Community Services	291,395	30,615	30,245	32,683
Support	45,881	54,487	41,974	42,451
Strategic Planning	21,330	22,040	21,848	57,259
Training & Development	3,315	4,389	7,000	18,000
Treasury	44,091	41,053	46,808	42,902
Video Services	20,593	17,188	10,529	13,233
Volunteers	55,471	44,024	69,565	75,435
Web Site	15,139	10,949	38,393	49,927
Total	\$ 2,720,606	\$ 1,958,224	\$ 2,094,545	\$ 2,296,210

Variance Explanations:

Accounting: Due to the creation of the Environmental Fund, the Finance Division had to transfer the initial funding for the billing costs.



Variance Explanations (cont.):

Attorney Services: Due to increasing attorney fees, the budget was increased.

Audit Services: Due to the reorganization of the Finance Division, there were personnel allocation changes that affected program costs.

Customer Service: Due to the reorganization of the Finance Division, there were personnel allocation changes that affected program costs.

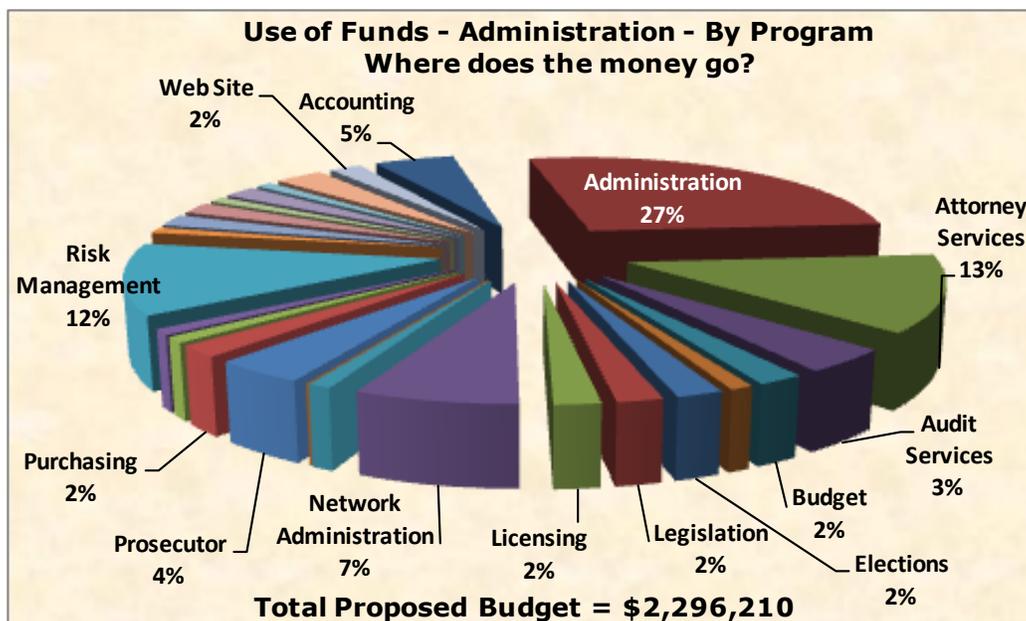
Elections: In FY14-15, the costs for two mail ballot elections were included, which in FY15-16 are not anticipated, so they were removed from the budget. In case an election is to be scheduled, monies from the Town Manager’s contingency will be transferred to the Town Clerk’s budget.

Licensing: Due to the reorganization of the Finance Division, there were personnel allocation changes that affected program costs.

Strategic Planning: A one-time expense is budgeted to hire a consultant/facilitator to update the Strategic Plan.

Training & Development: To encourage employee retention and skill/education development, Human Resources Division increased funding for tuition reimbursement and specialized training courses enabling employees to obtain and maintain professional certifications.

Web Site: As a continuation in redesigning the Town’s website, in FY15-16 funds were budgeted to enhance the new website with online payment services for basic Town services, there by increasing customer service to residents.



Note: Programs that account for 1% of the total are not shown on the chart.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 697,533	\$ 682,418	\$ 672,493	\$ 687,792
Employment Taxes	20,277	22,671	16,545	15,357
Benefits	140,017	119,836	190,640	157,092
Dues & Memberships	132,994	126,588	134,096	138,246
Education and Training	8,403	10,469	22,996	29,335
Maintenance and Repair	1,138	3,369	6,970	5,050
Utilities	2,639	2,742	2,460	1,680
Contractual Services	947,699	674,579	781,579	879,586
Supplies	24,352	23,434	24,646	27,772
Equipment	82,477	43,374	34,600	36,725
Internal Service	20,123	20,360	19,020	24,625
Transfers	642,954	228,384	90,000	130,000
Contingency	-	-	98,500	147,175
Capital Expenditures	-	-	-	15,775
Total	\$ 2,720,606	\$ 1,958,224	\$ 2,094,545	\$ 2,296,210

Variance Explanations:

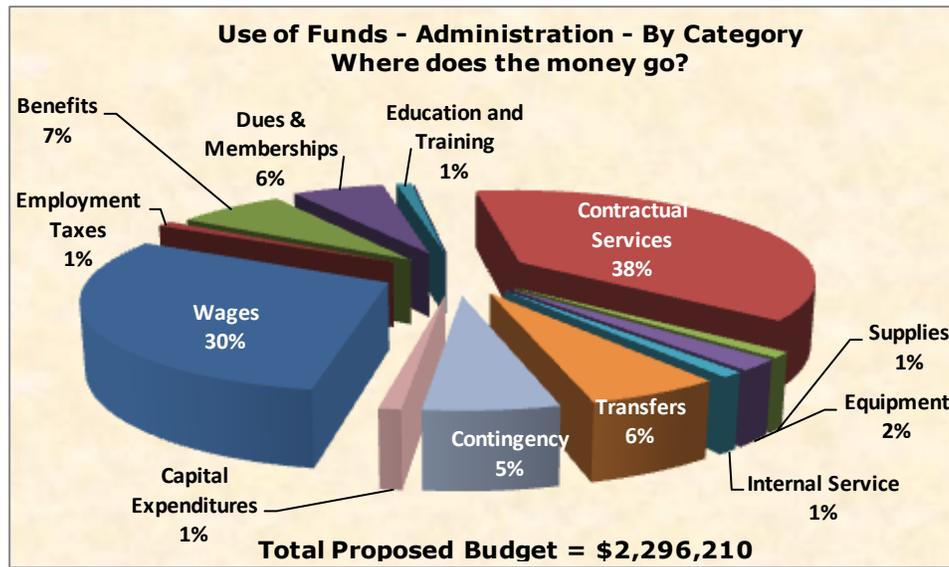
Education and Training: The Finance and Human Resources Divisions have increased their budgets for continuing education and training. Two members of Finance have been encouraged to attend the annual Munis conference slated for the spring of 2016 which will be located in Phoenix, AZ for the first time. The budget also anticipates additional training for employees to update their skills and knowledge that has been deferred due to budget constraints.

Internal Service: The increase in expenditures for internal service is related to the increase of printing materials in-house rather than outsourcing printing needs in an effect to save money.

Transfers: One of the Town Council's Operational Priorities for FY15-16 is the establishment of an environmental fee. An amount was transferred from the Finance Division to the new Environmental Fund to cover the initial cost of implementing this new fee.

Contingency: Amount was increased to include estimated election costs and any storm damage cleanup should the needs arise.





FY14-15 Department Accomplishments

Initiative	Strategic Value
Voter approval for \$8.2M in bonds for reconstruction of Saguaro Boulevard	I3-Pavement Management
Conducted second bi-annual Citizens Academy	CR4-Implement communications plan for civic involvement
Transitioned Tourism program from Chamber of Commerce to Town program	EV5-Promote Fountain Hills as a visitor destination
Developed a plan for sustainable maintenance of Town owned facilities/property	I9-Build a protected fund to finance the major periodic maintenance of community facilities
Expanded Mayor's Youth Council program	CR5-Support and develop programs that educate and involve our youth in community governance

FY15-16 Objectives

Initiative	Strategic Value	Estimated Cost/Funding Source
Enhance Town website through a web portal for e-payments	CR1-Foster an environment of accessible, responsive governance	\$20,000/General Fund
Implement an Environmental Fee	ES2-Maintain & improve community infrastructure	\$80,000/General Fund



**FY15-16 Proposed Budget
Summary of Expenditures
Administration**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 614,201	\$ 546,177	\$ 638,948	\$ 653,797
Salaries-Part Time	80,169	135,998	33,545	33,995
Overtime	1,082	243	-	-
Severance	2,081	-	-	-
FICA	4,904	8,423	2,079	2,108
Medicare	9,837	9,616	9,666	9,887
Workers Compensation	3,698	2,955	3,700	2,655
Unemployment Insurance	1,839	1,677	1,100	707
Group Health Insurance	64,692	53,481	111,110	77,134
Group Dental Insurance	4,317	3,536	5,013	3,991
Group Vision Insurance	597	495	1,053	585
Disability Insurance	1,279	1,364	2,210	2,368
Retirement	67,376	59,451	69,279	70,888
Life Insurance	1,756	1,509	1,975	2,126
Licenses/Filing Fees	92,964	87,794	91,416	94,720
Dues, Subscript & Publicat	40,030	38,794	42,680	43,526
Training/Cont Ed	4,733	5,550	9,660	-
Meetings & Conferences	3,670	4,919	13,336	29,335
Equipment Maint/Repair	1,075	1,364	5,000	5,000
Office Equip Maint/ Repair	-	1,901	1,800	-
Sign Repair & Replacement	63	104	170	50
Telecommunications	2,639	2,742	2,460	1,680
Auditing Expense	52,706	53,260	55,000	53,224
Professional Fees	20,631	20,013	69,040	86,292
Legal Fees	345,304	296,698	324,700	384,624
Management Fees	15,819	15,925	18,950	16,225
Insurance Expense	210,245	218,629	243,800	244,012
Printing Expense	1,706	8,163	2,065	1,965
Advertising/Signage	5,420	6,090	10,340	9,619
Intergovt Agreements	-	22,993	21,604	49,845
Contractual Services	445	-	-	-
Bank/Merc Acct Fees	9,733	8,608	11,520	9,220
Community Contracts/Events	182,490	24,200	24,200	24,200
Tourism	103,200	-	-	-
ActiveNet Fees	-	-	360	360
Office Supplies	5,166	5,211	3,970	5,241
Cleaning/Janitorial Supplies	-	-	10	10
Operating Supplies	5,038	4,384	5,955	5,780
Food & Beverage Supplies	5,189	7,000	8,510	8,620
Program Materials	8,275	6,262	5,691	7,365
Uniforms	-	87	-	-
Postage & Delivery	580	372	510	756
Miscellaneous Expense	104	118	-	-
Software	8,921	3,654	20,600	7,400
Hardware	72,197	39,358	13,000	29,325
Peripherals	968	362	1,000	-
Furniture/Appliances	391	-	-	-
ISF-Copier Charges	8,230	9,713	8,867	12,895
ISF-Mail Service Charges	3,766	4,713	4,588	5,665
ISF-Motor Pool Charges	102	161	120	220
ISF-Telecom Charges	8,024	5,773	5,445	5,845
Transfer Out	642,954	228,384	90,000	130,000
Contingency	-	-	98,500	147,175
Capital Expenditures	-	-	-	15,775
Total Administration	\$ 2,720,606	\$ 1,958,224	\$ 2,094,545	\$ 2,296,210

Town Manager Division

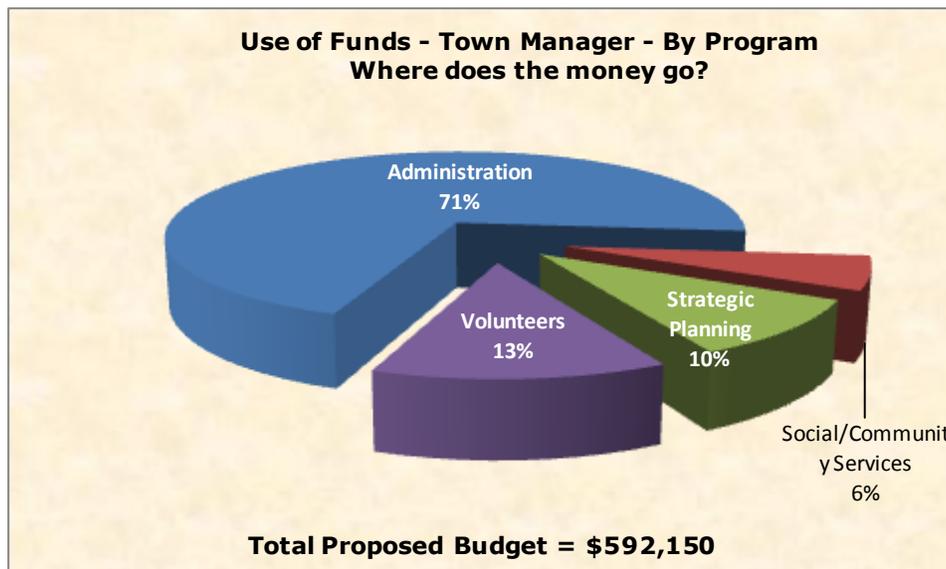
Service Delivery Plan

Provide leadership to ensure a high quality of life for the citizens of Fountain Hills by utilizing Town resources to the greatest extent possible and offering superior service. Work in conjunction with the Town Council and the Strategic Planning Advisory Commission (SPAC) for successful implementation of Operational Priorities and Strategic Plan Goals. Per direction and approval of the Town Council, administer fees for service contracts and administer the Volunteer Program.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 894,956	\$ 480,964	\$ 378,235	\$ 426,773
Social/Community Services	291,395	30,615	30,245	32,683
Strategic Planning	21,330	22,040	21,848	57,259
Volunteers	-	44,024	69,565	75,435
Total	\$ 1,207,681	\$ 577,643	\$ 499,893	\$ 592,150

Variance Explanations:

Strategic Planning: A one-time expense is budgeted to hire a consultant/facilitator to update the Strategic Plan.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 202,348	\$ 235,065	\$ 238,159	\$ 227,258
Employment Taxes	5,707	6,976	4,982	4,267
Benefits	41,365	40,700	65,882	52,124
Dues & Memberships	19,391	18,927	19,090	21,147
Education and Training	2,501	1,905	5,275	3,400
Maintenance and Repair	10	591	500	50
Utilities	927	778	780	780
Contractual Services	285,888	28,124	49,440	65,719
Supplies	2,707	11,527	11,665	13,380
Equipment	554	-	-	-
Internal Service	3,329	4,666	5,620	6,850
Transfers	642,954	228,384	-	50,000
Contingency	-	-	98,500	147,175
Total	\$ 1,207,681	\$ 577,643	\$ 499,893	\$ 592,150

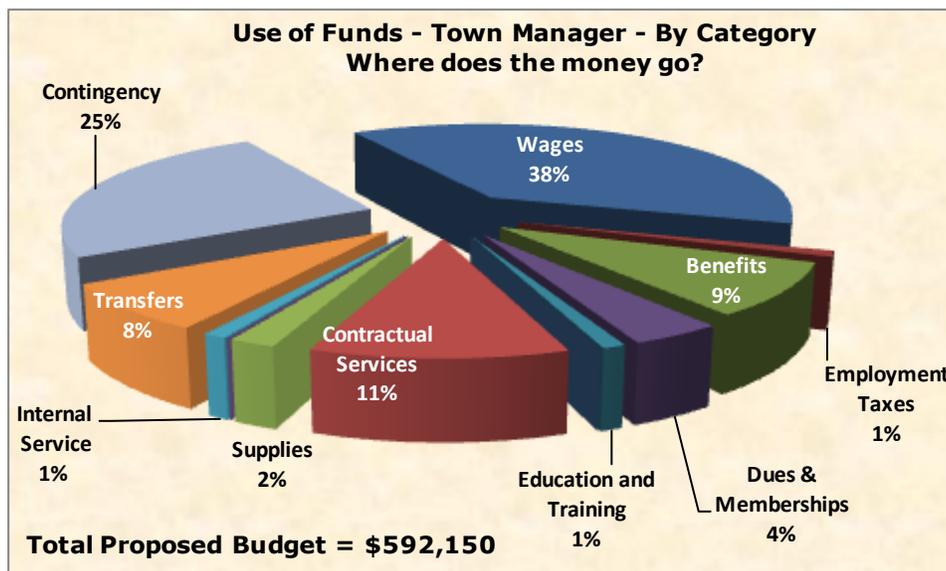
Variance Explanations:

Benefits: The decrease is a result of changes in coverage for an employee.

Contractual Services: Amount was included for a consultant/facilitator to update the Strategic Plan.

Transfers: The increase is the result of moving the transfer to the Economic Development Fund into the Town Manager’s budget.

Contingency: Amount was increased to include estimated election costs and any storm damage cleanup should the needs arise.



Activities/Results

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

The Town presently works with more than 700 volunteers and, in 2013, provided over 20,000 hours, at an overall cost savings to the Town of \$397,000! (using data collected by the U.S. Census Bureau and the Bureau of Labor Statistics; AZ hourly volunteer value was \$19.85).

- 190 Volunteers delivered 4,800 meals to homebound residents in 2014
- 54 volunteers provided over 850 rides through the Give a Lift Program
- Over 355 volunteers helped with:
 - Teen Court
 - Halloween in the Hills
 - Ballet Under the Stars
 - Movie in the Park
 - Town Hall receptions
 - Guided Hikes
 - Decorating the Community Center for the Holidays and offering a Christmas party for families
 - Assisting with the 25th Anniversary of the Town celebration
- 92 Volunteers helped make Turkey Trot another success this year
- 32 Volunteers provide excellent customer service and welcome residents and visitors at reception desks
- 10 Volunteers currently provide specialized support to staff in a variety of functions: procurement, accounting, special projects, archiving, and data entry throughout the town
- 300 Volunteers served during the Make a Difference Day event, making a great difference in the homes of 40 residents
- 12 Volunteers keep our public art pieces clean through the Save Our Sculptures; 5 Volunteers are ready to lead art walk tours
- 100's of Volunteers assist with special events throughout the year, such as St. Patrick's Day, the Oktoberfest, Pitch, Hit, and Run, the Eggstravaganza, and serving at the Tourism Booth at all events
- 100 Volunteers keep the streets clean through the Adopt a Street program
- 60 Volunteers build and maintain trails
- 18 youth serve as Volunteers on the Mayor's Youth Council, a civic and service program
- 55 Volunteers serve on Advisory Committees, Boards, and Commissions

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

**FY15-16 Proposed Budget
Summary of Expenditures
Town Manager**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 202,348	\$ 206,378	\$ 238,159	\$ 227,258
Salaries-Part Time	-	28,688	-	-
FICA	-	1,779	-	-
Medicare	2,853	3,321	3,368	3,209
Workers Compensation	2,561	1,502	1,291	863
Unemployment Insurance	293	375	323	195
Group Health Insurance	17,638	16,418	37,116	24,801
Group Dental Insurance	1,008	988	1,564	1,360
Group Vision Insurance	143	140	219	195
Disability Insurance	402	525	809	810
Retirement	21,596	22,028	25,442	24,224
Life Insurance	577	601	732	734
Dues, Subscript & Publicat	19,391	18,927	19,090	21,147
Training/Cont Ed	25	-	-	-
Meetings & Conferences	2,476	1,905	5,275	3,400
Office Equip Maint/ Repair	-	487	450	-
Sign Repair & Replacement	10	104	50	50
Telecommunications	927	778	780	780
Professional Fees	-	3,750	25,100	40,300
Printing Expense	140	70	-	-
Advertising/Signage	59	104	140	1,219
Community Contracts/Events	182,490	24,200	24,200	24,200
Tourism	103,200	-	-	-
Office Supplies	2,547	1,864	1,700	1,820
Operating Supplies	-	2,138	2,700	2,410
Food & Beverage Supplies	70	5,063	5,910	6,020
Program Materials	-	2,035	1,145	2,795
Uniforms	-	87	-	-
Postage & Delivery	90	339	210	335
Software	30	-	-	-
Hardware	98	-	-	-
Peripherals	301	-	-	-
Furniture/Appliances	125	-	-	-
ISF-Copier Charges	2,800	3,027	3,800	4,105
ISF-Mail Service Charges	18	396	650	1,325
ISF-Motor Pool Charges	-	161	120	120
ISF-Telecom Charges	511	1,081	1,050	1,300
Transfer Out	642,954	228,384	-	50,000
Contingency	-	-	98,500	147,175
Total Town Manager	<u>\$ 1,207,681</u>	<u>\$ 577,643</u>	<u>\$ 499,893</u>	<u>\$ 592,150</u>



Town Clerk Division

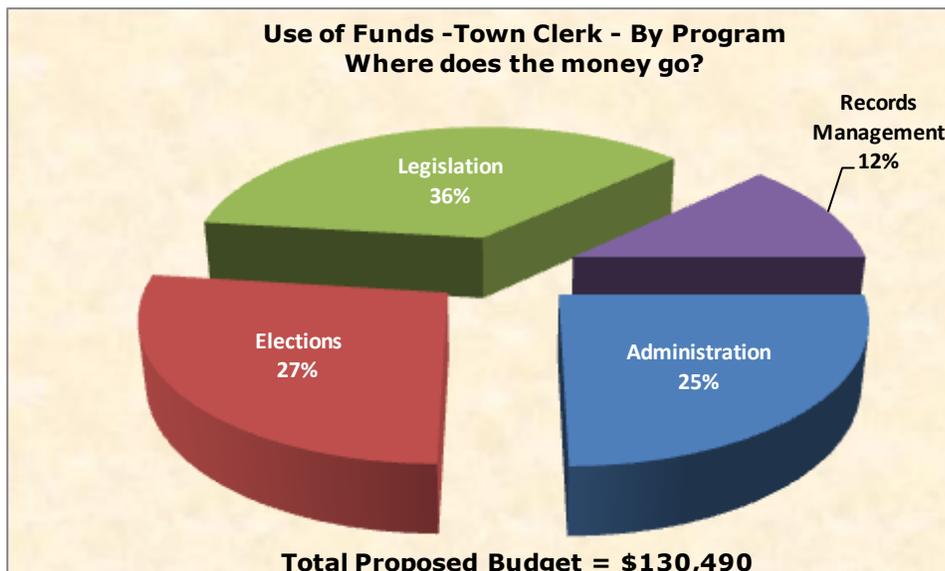
Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 29,271	\$ 29,846	\$ 35,412	\$ 32,789
Elections	29,979	57,432	58,917	34,840
Legislation	42,081	38,488	48,183	46,655
Records Management	16,223	15,550	16,735	16,206
Total	\$ 117,554	\$ 141,316	\$ 159,247	\$ 130,490

Variance Explanations:

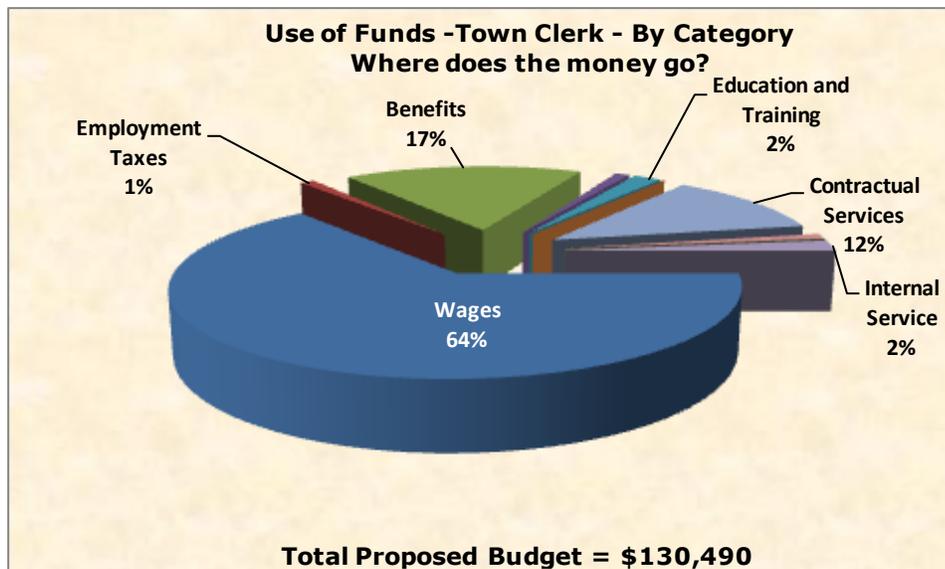
Elections: FY15-16 is an off year for local candidate elections; therefore, no monies were budgeted for the cost of elections this fiscal year. However, due to the change in State law requiring consolidated candidate elections be held in the Fall of even years, funds have been included in the Clerk’s budget for the cost of publication and Spanish translation of election notices that must be prepared prior to the FY16/17 Mayor and Council Candidate elections. Reminder: Spanish translation of voter information is required by Federal law.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 79,278	\$ 80,988	\$ 83,306	\$ 84,137
Employment Taxes	1,407	1,471	1,787	1,620
Benefits	21,274	21,051	25,201	22,290
Dues & Memberships	265	354	670	870
Education and Training	905	983	5,365	2,304
Maintenance and Repair	-	487	570	-
Contractual Services	11,548	33,066	39,799	15,140
Supplies	231	468	625	1,001
Equipment	896	-	100	50
Internal Service	1,750	2,448	1,824	3,078
Total	\$ 117,554	\$ 141,316	\$ 159,247	\$ 130,490

Variance Explanations:

Contractual Services: The reduction in contractual services is related to the removal of the FY14-15 election costs. FY15-16 is an off year for local candidate elections; therefore, no monies were budgeted for the cost of elections this fiscal year. However, due to the change in State law requiring consolidated candidate elections be held in the Fall of even years, funds have been included in the Clerk’s budget for the cost of publication and Spanish translation of election notices that must be prepared prior to the FY16/17 Mayor and Council Candidate elections. Reminder: Spanish translation of voter information is required by Federal law.



Activities/Results

Performance Measures

		FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Registered Voters:	Bond Election (Nov) Primary (Mar) General (May) Primary (Aug) General (Nov)	N/A 16,043 16,074	16,031	16,213 Not Town Election	N/A N/A
Voter Turnout %	Bond Election (Nov) Primary (Mar) General (May) Primary (Aug) General (Nov)	N/A 39% 34%	43%	38% Not Town Election	N/A N/A

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of contracts processed within 5 business days after approval	100%	100%	100%	100%
Percentage of agenda meeting notices posted in compliance with State Law and Town Policy	100%	100%	100%	100%

Productivity

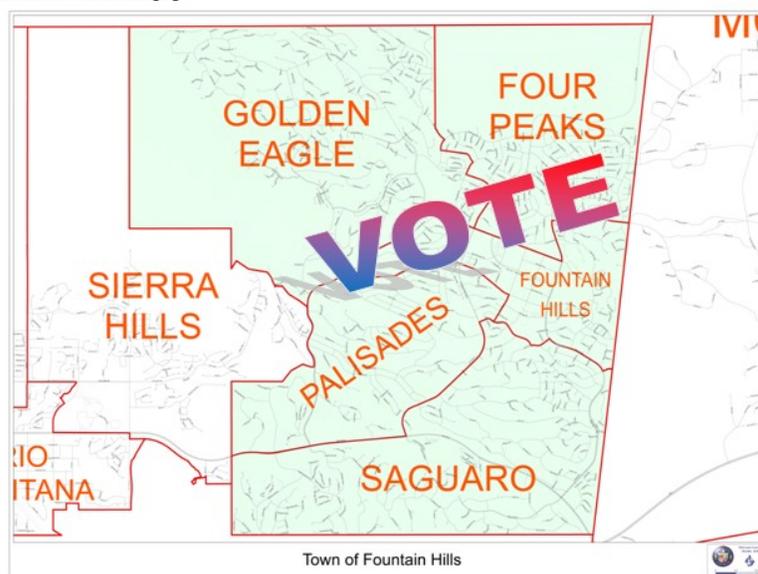
	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Town Council Agenda /Meeting notices posted	51/32	30/19	30/20	30/20
Ordinances processed	13	6	8	9
Resolutions processed	39	57	35	40
Contract and Agreements processed	42	51	25	35
Requests for Public Information processed	125	149	126	134



**FY15-16 Proposed Budget
Summary of Expenditures
Town Clerk**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 79,278	\$ 80,988	\$ 83,306	\$ 84,137
Medicare	1,054	1,084	1,209	1,220
Workers Compensation	184	259	464	327
Unemployment Insurance	169	129	114	73
Group Health Insurance	11,416	10,912	14,757	11,736
Group Dental Insurance	643	648	640	629
Group Vision Insurance	90	90	89	89
Disability Insurance	172	241	291	307
Retirement	8,721	8,908	9,164	9,255
Life Insurance	232	251	260	274
Licenses/Filing Fees	10	7	70	70
Dues, Subscript & Publicat	255	347	600	800
Training/Cont Ed	483	271	800	-
Meetings & Conferences	422	712	4,565	2,304
Office Equip Maint/Repair	-	487	450	-
Sign Repair & Replacement	-	-	120	-
Professional Fees	9,478	5,841	12,295	10,740
Printing Expense	69	6,457	-	-
Advertising/Signage	2,001	3,775	6,900	4,400
Intergovt Agreements	-	16,993	20,604	-
Office Supplies	199	468	425	801
Postage & Delivery	32	-	200	200
Software	11	-	100	50
Hardware	885	-	-	-
ISF-Copier Charges	1,434	2,176	1,500	2,750
ISF-Mail Service Charges	42	32	94	98
ISF-Motor Pool Charges	12	-	-	-
ISF-Telecom Charges	262	240	230	230
Total Town Clerk	\$ 117,554	\$ 141,316	\$ 159,247	\$ 130,490

Election Precincts [5]



Human Resources/Risk Management Division

Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 65,114	\$ 36,978	\$ 57,465	\$ 53,021
Payroll	15,255	16,291	22,060	23,668
Recruitment	7,405	21,110	32,576	29,652
Risk Management	254,571	243,193	281,456	276,779
Training & Development	3,315	4,389	7,000	18,000
Volunteers	55,471	-	-	-
Total	\$ 401,131	\$ 321,961	\$ 400,557	\$ 401,120

Variance Explanations:

Training & Development: To encourage employee retention and skill/education development, Human Resources Division increased funding for tuition reimbursement and specialized training courses enabling employees to obtain and maintain professional certifications.

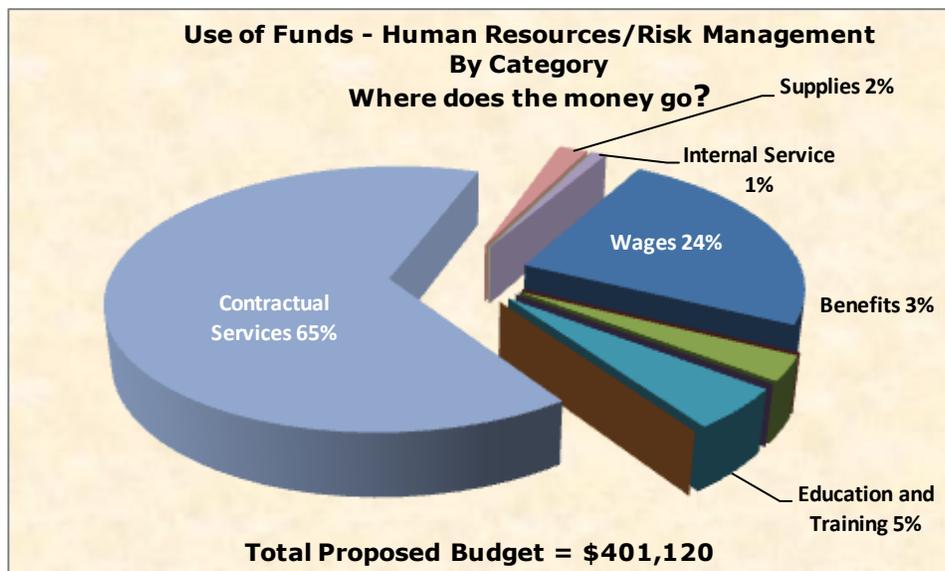


Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 132,479	\$ 72,114	\$ 92,250	\$ 95,692
Employment Taxes	4,257	6,012	1,965	1,831
Benefits	19,867	66	30,635	10,925
Dues & Memberships	2,097	762	765	1,774
Education and Training	3,315	4,389	7,500	19,000
Maintenance & Repair	-	163	450	-
Contractual Services	221,159	230,121	257,645	262,014
Supplies	15,243	6,886	7,471	7,866
Equipment	117	-	-	-
Internal Service	2,597	1,448	1,876	2,018
Total	\$ 401,131	\$ 321,961	\$ 400,557	\$ 401,120

Variance Explanations:

Benefits: The decrease is a result of changes in coverage for an employee.

Education and Training: To encourage employee retention and skill/education development, Human Resources Division increased funding for tuition reimbursement and specialized training courses enabling employees to obtain and maintain professional certifications.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Increase the percentage of employee performance reviews completed on schedule	90%	90%	96%	96%
Increase or maintain the number of applications received per recruitment for non-exempt positions	45	22	20	20
Increase or maintain the number of applications received per recruitment for exempt positions	43	20	18	20

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Decrease the number of days lost to injury per workers' compensation claim	128	49	0	0
Maintain the turnover rate of full-time employees at an acceptable rate	8%	13%	4%	6%

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of full-time employees departed from Town service	5	6	3	5
Number of exit interviews conducted	5	3	1	5
Ensure supervisors receive performance evaluation documentation four weeks in advance	95%	100%	95%	95%
Quarterly track and analyze performance evaluation trends, including number of performance evaluations that were late, type of increases each employee received, etc.	100%	100%	100%	100%
Number of exempt recruitments conducted	0	6	1	4
Number of full-time non-exempt recruitments conducted	1	1	1	1
Average number of days to fill a vacancy	14	30	35	30
Number of workers' compensation claims due to injury	1	1	1	0

**FY15-16 Proposed Budget
Summary of Expenditures
Human Resources/Risk Management**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 104,037	\$ 716	\$ 92,250	\$ 95,692
Salaries-Part Time	27,359	71,398	-	-
Overtime	1,082	-	-	-
FICA	1,763	4,417	-	-
Medicare	1,878	1,044	1,339	1,386
Workers Compensation	285	262	513	373
Unemployment Insurance	331	290	113	72
Group Health Insurance	7,445	-	18,651	-
Group Dental Insurance	439	-	988	-
Group Vision Insurance	64	-	493	-
Disability Insurance	202	(13)	316	343
Retirement	11,444	79	9,900	10,270
Life Insurance	273	-	287	312
Licenses/Filing Fees	-	-	-	125
Dues, Subscript & Publicat	2,097	762	765	1,649
Training/Cont Ed	3,315	4,389	7,300	-
Meetings & Conferences	-	-	200	19,000
Office Equip Maint/Repair	-	162	450	-
Professional Fees	9,885	10,171	11,645	14,752
Legal Fees	168	-	400	600
Management Fees	150	-	-	-
Insurance Expense	210,245	218,629	243,800	244,013
Printing Expense	66	-	-	150
Advertising/Signage	646	1,320	1,800	2,500
Office Supplies	533	445	245	500
Cleaning/Janitorial Supplies	-	-	10	10
Operating Supplies	1,589	314	400	400
Food & Beverage Supplies	4,895	1,938	2,600	2,600
Program Materials	7,784	4,082	4,216	4,240
Postage & Delivery	442	8	-	116
Small Tools	-	100	-	-
Peripherals	117	-	-	-
ISF-Copier Charges	1,135	837	1,113	1,135
ISF-Mail Service Charges	417	130	298	427
ISF-Telecom Charges	1,045	481	465	455
Transfer Out	-	-	-	-
Total Human Resources/Risk Management	\$ 401,131	\$ 321,961	\$ 400,557	\$ 401,120



Finance Division

Service Delivery Plan

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

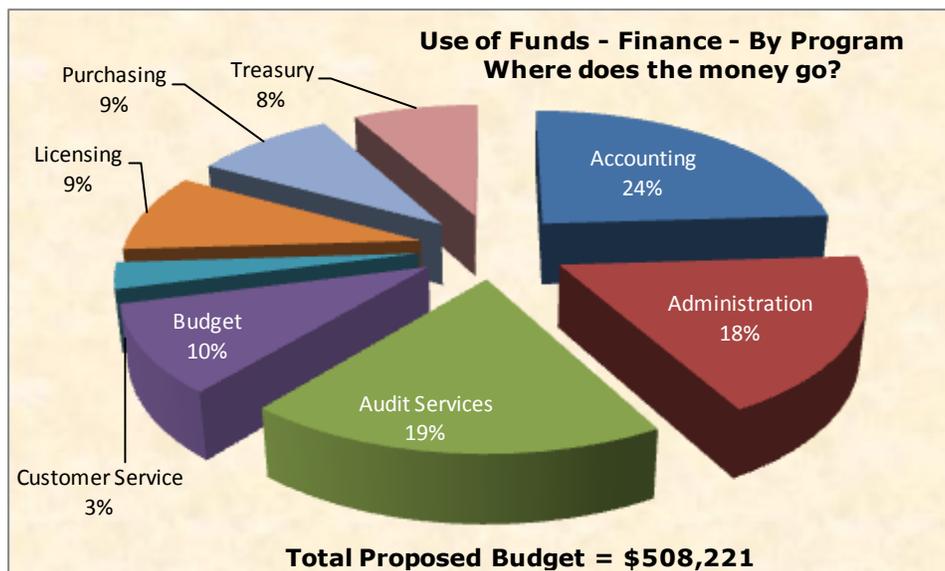
Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Accounting	\$ 51,450	\$ 38,113	\$ 51,346	\$ 116,656
Administration	35,376	52,312	39,743	85,906
Audit Services	65,924	68,946	68,279	97,370
Budget	39,636	56,545	45,514	52,601
Customer Service	31,974	32,152	31,166	17,762
Licensing	35,877	45,436	38,702	47,777
Purchasing	17,157	28,341	41,180	47,247
Treasury	44,091	41,052	46,808	42,902
Total	\$ 321,485	\$ 362,897	\$ 362,738	\$ 508,221

Variance Explanations:

Accounting: Amount was transferred to the new Environmental Fund to cover the initial cost of implementing an annual environmental fee.

Administration: Amount was included for the Town’s portion of funding the Arizona Department of Revenue Transaction Privilege Tax (TPT) collection costs.

Audit Services/Customer Service/Licensing: Due to the reorganization of the Finance Division, there were personnel allocation changes that affected program costs.

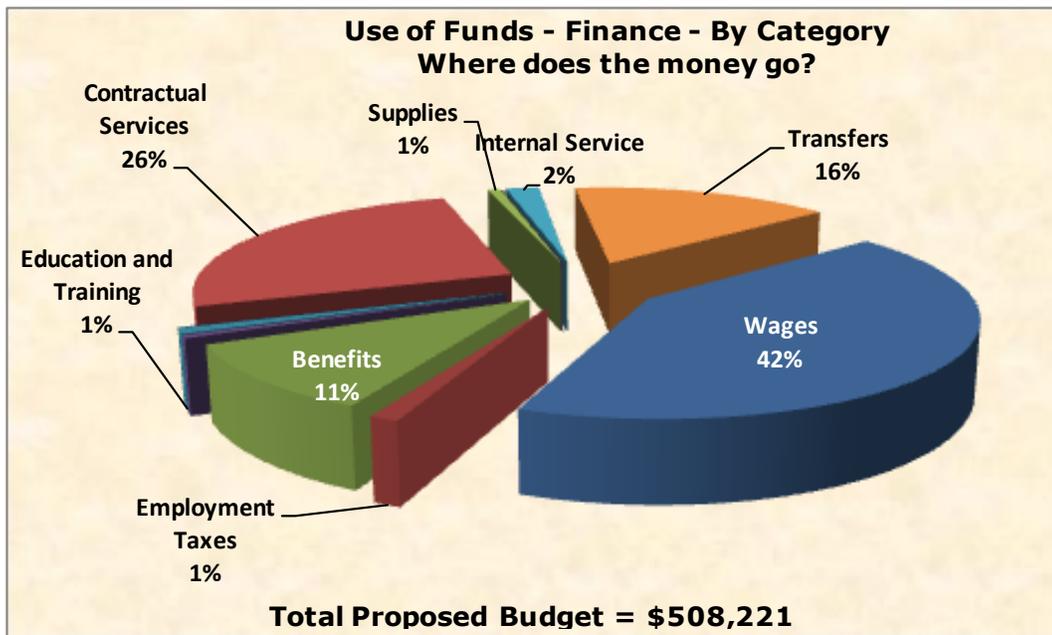


Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 184,400	\$ 213,445	\$ 192,558	\$ 213,825
Employment Taxes	6,976	6,611	6,367	6,334
Benefits	31,545	37,222	53,306	55,603
Dues & Memberships	1,757	3,037	4,321	2,605
Education and Training	1,682	3,192	4,856	4,631
Maintenance & Repair	-	487	450	-
Utilities	1,056	690	780	-
Contractual Services	81,508	85,571	89,395	131,189
Supplies	4,033	2,586	3,435	3,825
Equipment	31	824	-	-
Internal Service	8,497	9,232	7,270	10,209
Transfers	-	-	-	80,000
Total	\$ 321,485	\$ 362,897	\$ 362,738	\$ 508,221

Variance Explanations:

Contractual Services: Amount was included for the Town’s portion of funding the Arizona Department of Revenue Transaction Privilege Tax (TPT) collection costs.

Transfers: Amount was included to cover the billing costs to implement the new environmental fee.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Consecutive years for GFOA annual Certificate of Achievement for Excellence in Financial Reporting award	17	18	19	20
Consecutive years for GFOA annual Distinguished Budget Presentation award	11	12	13	14

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Actual revenue versus forecast	97%	99%	96%	97%
Unqualified audit opinion	Yes	Yes	Yes	Yes

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Accounts payable checks issued	1,538	1,667	1,656	1,500
Purchase orders processed	1,137	1,152	1,094	1,150
Local tax revenues from audits	\$30,000	\$66,889	\$73,750	\$30,000
Business licenses processed	2,230	2,298	2,624	2,600



**FY15-16 Proposed Budget
Summary of Expenditures
Finance**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 133,746	\$ 177,289	\$ 159,013	\$ 179,830
Salaries-Part Time	48,573	35,912	33,545	33,995
Overtime	-	243	-	-
Severance	2,081	-	-	-
FICA	3,140	2,227	2,079	2,108
Medicare	2,644	3,007	2,788	3,101
Workers Compensation	431	680	1,063	831
Unemployment Insurance	760	696	437	294
Group Health Insurance	14,812	15,597	33,207	32,773
Group Dental Insurance	1,170	1,100	1,374	1,564
Group Vision Insurance	161	128	188	237
Disability Insurance	289	358	560	661
Retirement	14,722	19,645	17,487	19,781
Life Insurance	392	394	490	587
Licenses/Filing Fees	719	851	1,396	1,325
Dues, Subscript & Publicat	1,038	2,187	2,925	1,280
Training/Cont Ed	910	890	1,560	-
Meetings & Conferences	772	2,302	3,296	4,631
Office Equip Maint/Repair	-	488	450	-
Telecommunications	1,056	690	780	-
Auditing Expense	52,706	53,260	55,000	53,224
Professional Fees	-	250	-	-
Management Fees	15,669	15,925	18,950	16,225
Printing Expense	1,366	1,635	2,065	1,815
Advertising/Signage	1,590	892	1,500	1,500
Intergovt Agreements	-	5,000	-	48,845
Contractual Services	445	-	-	-
Bank/Merc Acct Fees	9,733	8,608	11,520	9,220
ActiveNet Fees	-	-	360	360
Office Supplies	1,464	1,355	1,350	1,620
Operating Supplies	1,749	1,068	1,755	1,870
Food & Beverage Supplies	223	-	-	-
Program Materials	491	145	330	330
Postage & Delivery	1	1	-	5
Miscellaneous Expense	104	18	-	-
Software	11	-	-	-
Hardware	-	824	-	-
Peripherals	20	-	-	-
ISF-Copier Charges	2,668	3,524	2,354	4,705
ISF-Mail Service Charges	3,279	4,153	3,526	3,804
ISF-Motor Pool Charges	12	-	-	100
ISF-Telecom Charges	2,538	1,555	1,390	1,600
Transfer Out	-	-	-	80,000
Total Finance	\$ 321,485	\$ 362,897	\$ 362,738	\$ 508,221



Information Technology Division

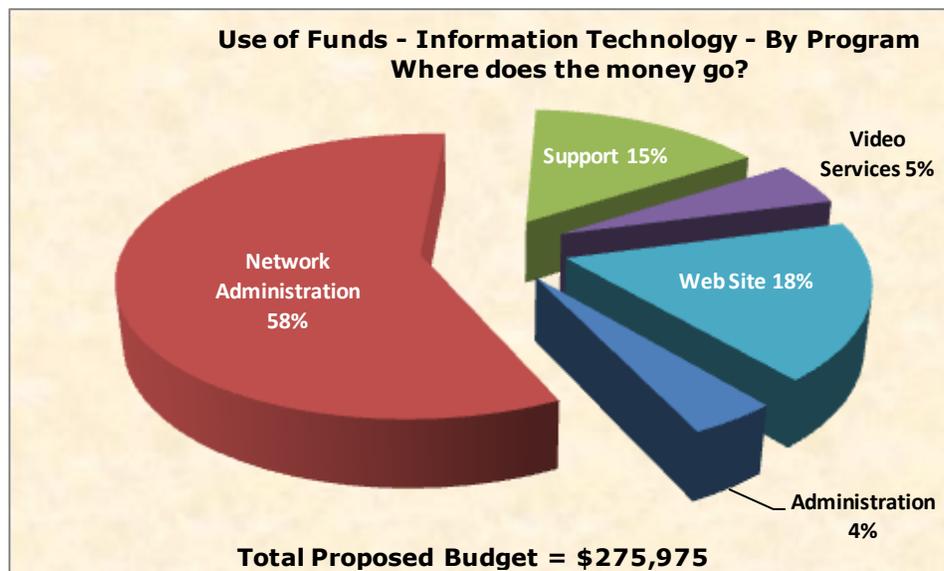
Service Delivery Plan

The Information Technology Division is dedicated to providing professional support in a timely and responsive manner while focusing on high availability and reliable technology. The Division also endeavors to implement alternative technologies to reduce operating and maintenance costs.

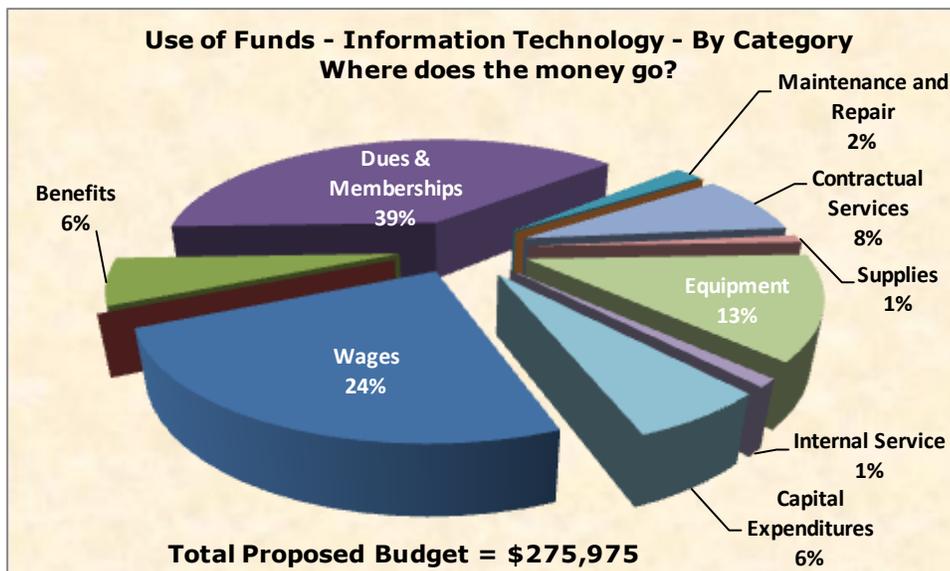
Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 34,042	\$ 25,502	\$ 10,529	\$ 10,973
Network Administration	193,367	145,728	151,955	159,391
Support	45,881	54,487	41,974	42,451
Video Services	20,593	17,188	10,529	13,233
Web Site	15,139	10,948	38,393	49,927
Total	\$ 309,022	\$ 253,853	\$ 253,380	\$ 275,975

Variance Explanations:

Web Site: As a continuation in redesigning the Town’s website, in FY15-16, funds were budgeted to enhance the new website with online payment services for basic Town services, increasing customer service to residents.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 93,298	\$ 80,806	\$ 66,220	\$ 66,880
Employment Taxes	1,832	1,600	1,444	1,305
Benefits	24,833	20,796	15,616	16,150
Dues & Memberships	100,681	99,892	105,050	107,850
Maintenance and Repair	1,128	1,641	5,000	5,000
Utilities	649	1,274	900	900
Contractual Services	209	1,000	21,000	21,500
Supplies	2,138	1,968	1,450	1,700
Equipment	80,879	42,550	34,500	36,675
Internal Service	3,375	2,326	2,200	2,240
Capital Expenditures	-	-	-	15,775
Total	\$ 309,022	\$ 253,853	\$ 253,380	\$ 275,975



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of emergency related helpdesk tickets resolved within two business hours	95%	97%	95%	97%
Percentage of high priority helpdesk tickets resolved within four hours	99%	99%	99%	99%
Percentage of helpdesk tickets resolved within twelve hours	95%	98%	95%	98%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Total number of tickets opened	900	818	608	600
Total number of tickets closed without resolution	0	0	0	0
Total number of tickets resolved within established timeframe	750	818	608	600
Number of issues resolved during initial contact	550	613	486	510

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Employee cost involved for support	\$44,476	\$53,572	\$37,474	\$37,951
Availability of computer system up-time	98.5%	98%	99%	99%



**FY15-16 Proposed Budget
Summary of Expenditures
Information Technology**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY14-15 Proposed Budget
General Fund				
Salaries-Full Time	\$ 93,298	\$ 80,806	\$ 66,220	\$ 66,880
Medicare	1,326	1,160	962	971
Workers Compensation	219	252	369	261
Unemployment Insurance	286	187	113	73
Group Health Insurance	12,927	10,553	7,379	7,824
Group Dental Insurance	1,032	801	447	438
Group Vision Insurance	137	137	64	64
Disability Insurance	202	252	234	247
Retirement	10,263	8,791	7,286	7,358
Life Insurance	273	263	206	219
Licenses/Filing Fees	92,235	86,937	89,950	93,200
Dues, Subscript & Publicat	8,446	12,955	15,100	14,650
Equipment Maint/Repair	1,075	1,364	5,000	5,000
Office Equip Maint/Repair	-	276	-	-
Sign Repair & Replacement	53	-	-	-
Telecommunications	649	1,274	900	900
Professional Fees	144	-	20,000	20,500
Printing Expense	65	-	-	-
Intergovt Agreements	-	1,000	1,000	1,000
Office Supplies	422	1,080	250	500
Operating Supplies	1,701	864	1,100	1,100
Postage & Delivery	15	24	100	100
Software	8,869	3,654	20,500	7,350
Hardware	71,215	38,534	13,000	29,325
Peripherals	530	362	1,000	-
Furniture/Appliances	266	-	-	-
ISF-Copier Charges	187	149	100	200
ISF-Mail Service Charges	6	1	20	10
ISF-Motor Pool Charges	37	-	-	-
ISF-Telecom Charges	3,144	2,177	2,080	2,030
Capital Expenditures	-	-	-	15,775
Total Information Technology	\$ 309,022	\$ 253,853	\$ 253,380	\$ 275,975



**Economic Development Division
(General Fund)**

Service Delivery Plan

For FY15-16, funding was moved out of this Division and relocated in the Town Manager’s budget in order to consolidate Economic Development into its own Fund.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 14,223	\$ -	\$ 90,000	\$ -
Total	\$ 14,223	\$ -	\$ 90,000	\$ -

Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 5,730	\$ -	\$ -	\$ -
Employment Taxes	98	-	-	-
Benefits	1,133	-	-	-
Dues & Memberships	4,692	-	-	-
Utilities	7	-	-	-
Contractual Services	2,250	-	-	-
Internal Service	313	-	-	-
Transfers	-	-	90,000	-
Total	\$ 14,223	\$ -	\$ 90,000	\$ -

**FY15-16 Proposed Budget
Summary of Expenditures
Economic Development**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 1,493	\$ -	\$ -	\$ -
Salaries-Part Time	4,237	-	-	-
Medicare	81	-	-	-
Workers Compensation	17	-	-	-
Group Health Insurance	454	-	-	-
Group Dental Insurance	25	-	-	-
Group Vision Insurance	3	-	-	-
Disability Insurance	12	-	-	-
Retirement	630	-	-	-
Life Insurance	9	-	-	-
Dues, Subscript & Publicat	4,693	-	-	-
Telecommunications	7	-	-	-
Professional Fees	1,125	-	-	-
Advertising/Signage	1,125	-	-	-
ISF-Copier Charges	6	-	-	-
ISF-Mail Service Charges	4	-	-	-
ISF-Motor Pool Charges	40	-	-	-
ISF-Telecom Charges	262	-	-	-
Transfer Out	-	-	90,000	-
Total Economic Development	\$ 14,223	\$ -	\$ 90,000	\$ -



Legal Services Division

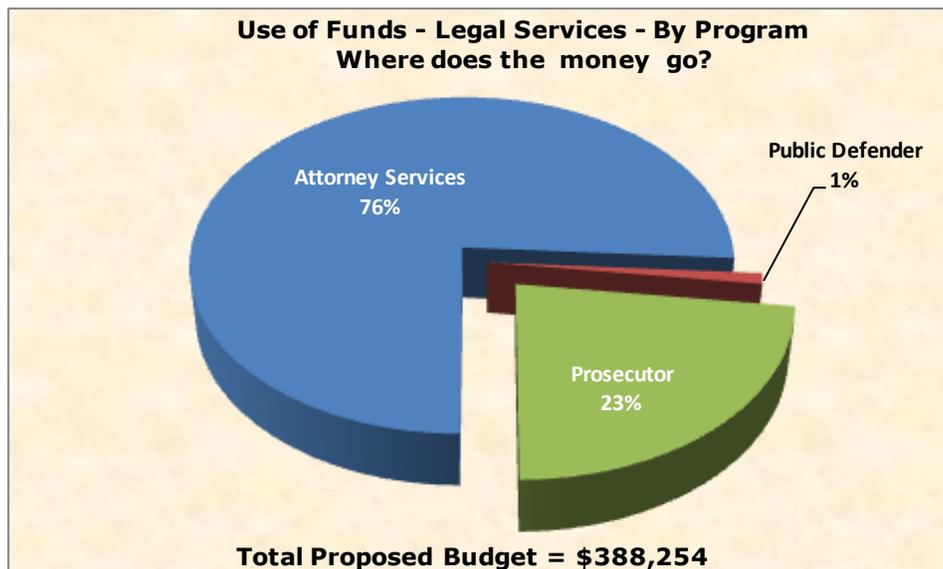
Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Attorney Services	\$ 236,759	\$ 205,137	\$ 232,430	\$ 293,454
Public Defender	2,750	3,750	6,300	4,800
Prosecutor	110,000	91,667	90,000	90,000
Total	\$ 349,509	\$ 300,554	\$ 328,730	\$ 388,254

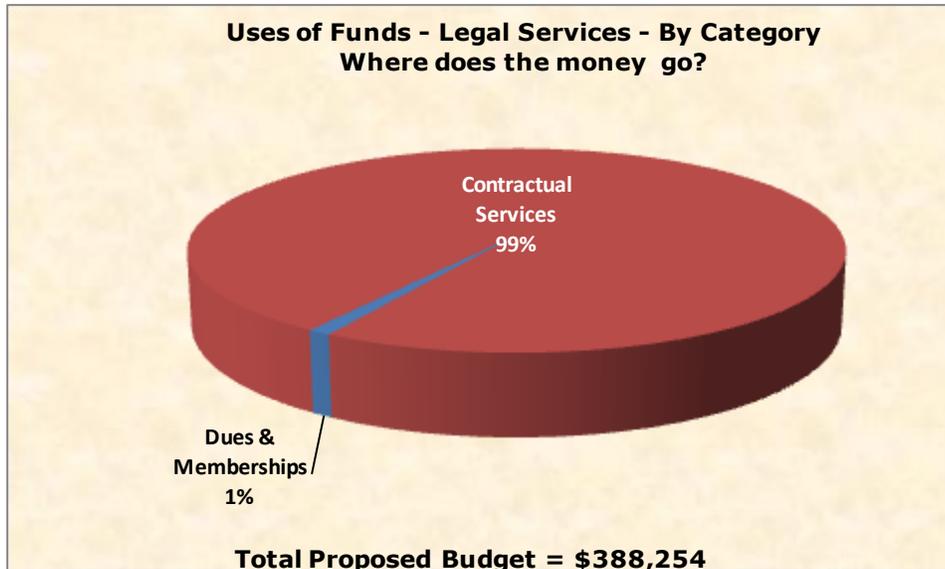
Variance Explanations:

Attorney Services: Due to increasing attorney fees, the budget was increased.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Dues & Memberships	\$ 4,110	\$ 3,616	\$ 4,200	\$ 4,000
Contractual Services	345,137	296,698	324,300	384,024
Internal Service	262	240	230	230
Total	\$ 349,509	\$ 300,554	\$ 328,730	\$ 388,254





Activities/Results

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of Resolutions prepared	40	50	10	20
Number of Ordinances prepared	10	9	5	10
Number of Contracts and Agreements prepared	42	58	60	60

**FY15-16 Proposed Budget
Summary of Expenditures
Legal Services**

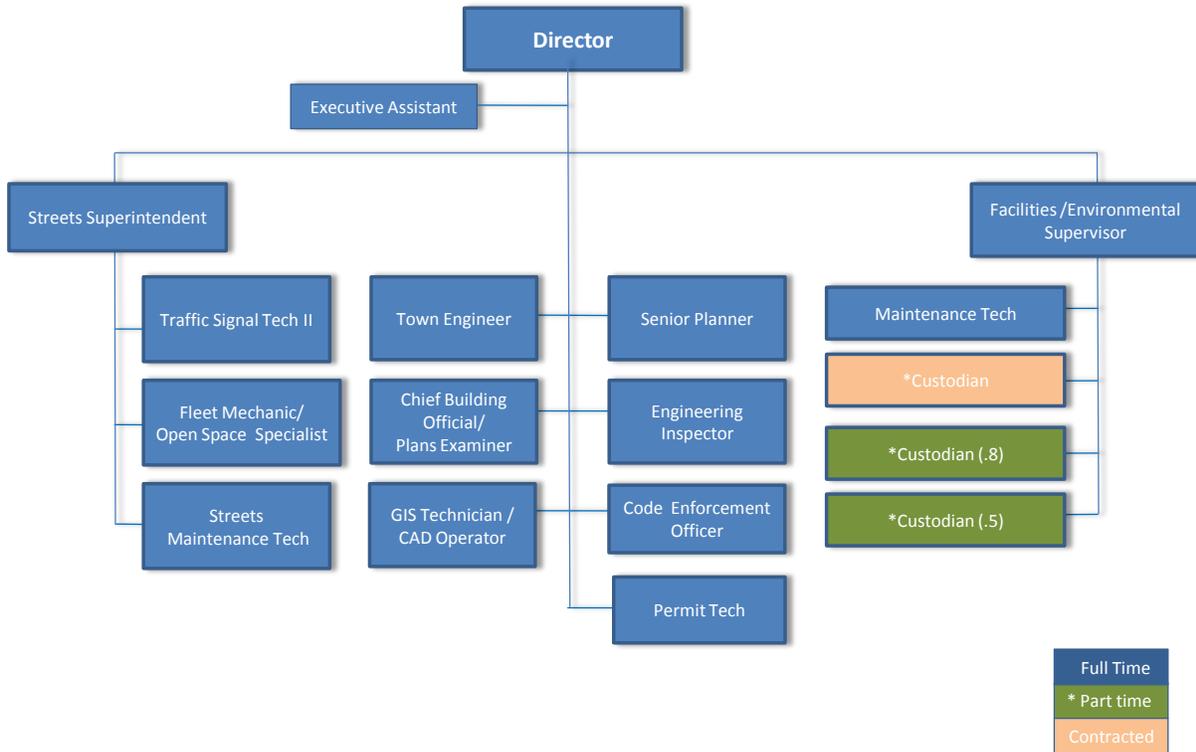
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Dues, Subscript & Publicat	\$ 4,111	\$ 3,616	\$ 4,200	\$ 4,000
Legal Fees	345,136	296,698	324,300	384,024
ISF-Telecom Charges	262	240	230	230
Total Legal Services	<u>\$ 349,509</u>	<u>\$ 300,554</u>	<u>\$ 328,730</u>	<u>\$ 388,254</u>



Development Services



DEVELOPMENT SERVICES DEPARTMENT



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



DEVELOPMENT SERVICES

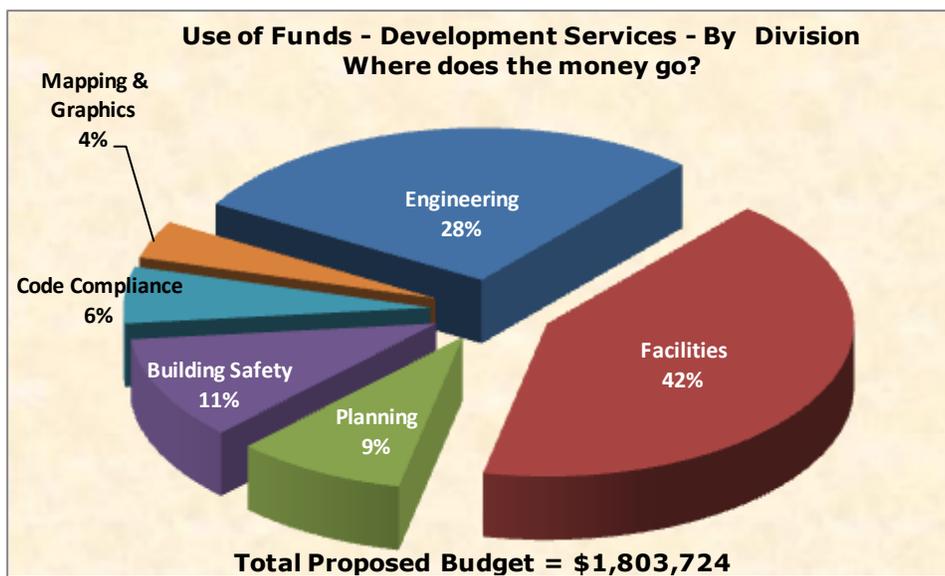
Mission Statement

The Development Services Department is dedicated to enhancing the quality of life in Fountain Hills by ensuring the construction of quality infrastructure; maintenance of roadways and traffic control devices; maintenance of Town-owned washes, dams, medians and open space; maintenance of public facilities; plan review, construction permitting, and building inspections; environmental compliance, enforcement of Town codes, improved environmental quality as well as the use of innovative and proven land planning techniques. The Department strives to provide quality customer service in a professional and timely manner.

Department Overview

The Development Services Department is made up of seven (7) Divisions: Building Safety, Code Compliance, Engineering, Facilities, Mapping & Graphics and Planning in the General Fund. The Streets Division is funded through the Highway Users Revenue Fund (HURF). The Development Services Director provides direct supervision over Division heads and the executive management assistant.

Division	Expenditures by Division			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Engineering	\$ 462,357	\$ 492,433	\$ 562,899	\$ 505,793
Facilities	574,001	600,513	881,690	752,761
Planning	149,733	156,701	171,311	167,648
Building Safety	170,703	194,449	217,248	204,478
Code Compliance	91,185	93,627	104,546	102,479
Mapping & Graphics	86,156	72,239	76,812	70,565
Total	\$ 1,534,135	\$ 1,609,962	\$ 2,014,506	\$ 1,803,724



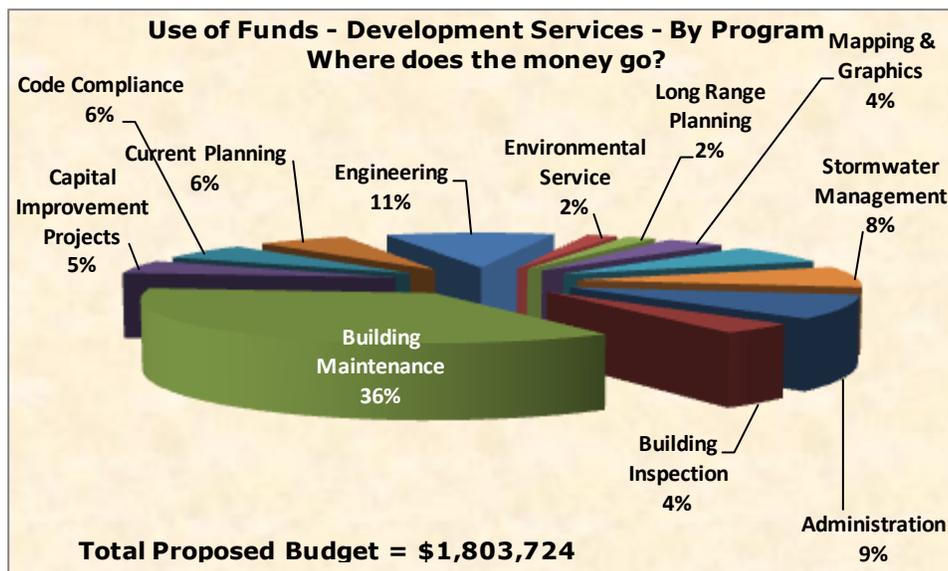
Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 63,362	\$ 67,960	\$ 220,427	\$ 161,513
Building Inspection	62,498	80,090	94,549	78,260
Building Maintenance	567,569	593,143	726,442	657,174
Capital Improvement Projects	87,949	89,718	96,002	93,274
Code Compliance	91,185	93,627	104,546	102,479
Current Planning	94,363	97,300	106,782	107,623
Engineering	124,254	136,475	146,313	197,654
Environmental Service	29,398	32,611	35,214	30,747
Long Range Planning	25,972	26,790	29,315	29,278
Mapping & Graphics	86,156	72,239	76,812	70,565
Permitting	108,204	114,359	122,699	126,218
Stormwater Management	193,225	205,650	255,405	148,939
Total	\$ 1,534,135	\$ 1,609,962	\$ 2,014,506	\$ 1,803,724

Variance Explanations:

Administration: Amount transferred to Facilities Replacement Fund was decreased.

Engineering: Amounts were included for engineering studies and surveys, and contracted inspections and plan review services. There is also an amount for hiring a consultant to aid in applying for and obtaining a Municipal Storm Sewer System (MS4) permit.

Stormwater Management: The majority of expenses were moved to the new Environmental Fund to be paid for by the annual environmental fee. Partial funding for expenses occurring prior to the collection of this fee was also transferred to the new Fund.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 691,040	\$ 703,294	\$ 719,809	\$ 720,505
Employment Taxes	24,178	30,180	43,626	34,137
Benefits	166,019	166,486	195,780	184,549
Dues & Memberships	12,032	23,970	21,372	20,097
Education and Training	1,230	1,121	9,105	9,680
Maintenance and Repair	352,736	349,060	471,761	193,403
Utilities	185,404	175,720	218,097	198,266
Contractual Services	24,370	80,597	103,410	173,856
Supplies	31,287	35,915	52,810	52,377
Equipment	29,584	21,180	8,715	10,735
Damages/Vandalism	-	-	250	250
Internal Service	16,255	21,511	25,999	26,674
Transfers	-	928	143,772	179,195
Total	\$ 1,534,135	\$ 1,609,962	\$ 2,014,506	\$ 1,803,724

Variance Explanations:

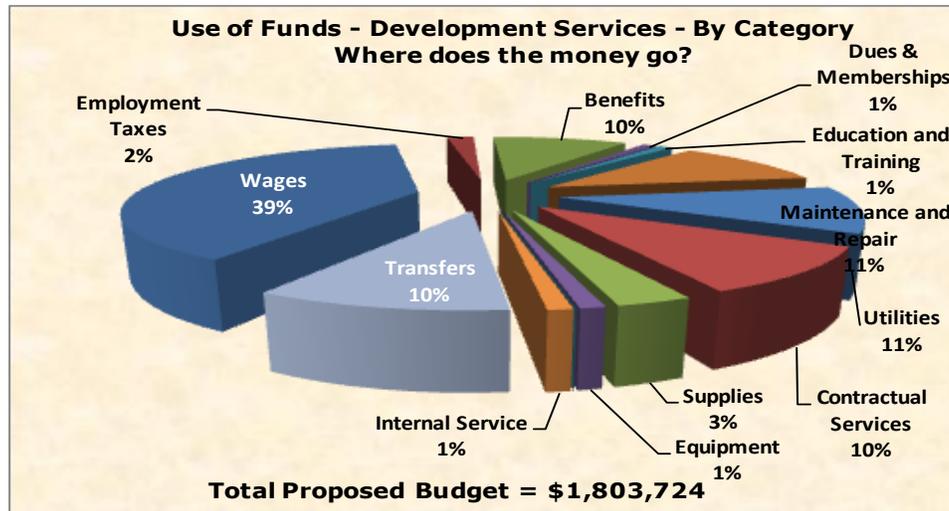
Employment Taxes: A reduction in the Town's rate, which used to calculate workers' compensation, resulted in a reduction of workers' compensation expenses.

Maintenance and Repair: Dam and wash maintenance, amounting to approximately \$170,000 was moved to the new Environmental Fund. Additionally, the cost for HVACV controllers replacement, a one-time expense, were completed in FY14-15.

Contractual Services: Amounts were included for engineering studies and surveys, and contracted inspections and plan review services. There is also an amount for hiring a consultant to aid in applying for and obtaining a Municipal Storm Sewer System (MS4) permit.

Transfers: Amount was transferred to the new Environmental Fund for partial funding of expenses occurring prior to the collection of the new annual environmental fee.





FY14-15 Department Accomplishments

Initiative	Strategic Value
Completed Town-owned wash and ADWR jurisdictional dam maintenance	ES2-Maintain and improve Community infrastructure
Completed the 2013 edition of the "Land Use Analysis and Statistical Report"	EV1-Economic Vitality
Completed Fire Station No. 1 Renovation	P3-Public Safety, Health, and Welfare
Organized florescent light bulb and electronics recycling events	ES1-Environmental Stewardship
Completed Avenue of the Fountains median improvements.	I3-Maintain and Improve Community Infrastructure

FY15-16 Objectives

Initiative	Strategic Value	Estimated Cost/Funding Source
Foster a culture of public service and volunteerism	CR3-Foster a culture of public service and volunteerism	\$0
Complete Town-owned wash and ADWR jurisdictional dam maintenance	ES2-Maintain & improve community infrastructure	\$150,000/General Fund
Complete 2014 edition of "Land Use Analysis and Statistical Report"	EV1-Economic Vitality	\$1,000/General Fund



**FY15-16 Proposed Budget
Summary of Expenditures
Development Services**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 649,758	\$ 660,282	\$ 677,834	\$ 677,851
Salaries-Part Time	40,261	42,028	41,974	42,654
Overtime	1,022	984	-	-
FICA	2,516	2,621	2,602	2,645
Medicare	9,763	9,915	10,441	10,450
Workers Compensation	10,021	16,114	29,265	20,202
Unemployment Insurance	1,879	1,531	1,318	840
Group Health Insurance	84,842	83,385	110,126	98,979
Group Dental Insurance	5,606	5,618	5,670	5,526
Group Vision Insurance	756	767	933	770
Disability Insurance	1,358	1,963	2,378	2,488
Retirement	71,553	72,717	74,561	74,564
Life Insurance	1,904	2,035	2,112	2,222
Licenses/Filing Fees	5,399	9,714	12,700	15,410
Dues, Subscript & Publicat	6,633	14,256	8,672	4,687
Training/Cont Ed	15	235	2,010	-
Meetings & Conferences	1,215	886	7,095	9,680
Building Main/Repair	91,621	35,386	88,593	88,986
HVAC Repair	41,776	56,028	114,435	58,340
Plumbing Repair	2,123	12,394	11,844	11,300
Electrical Repair/Maint	2,729	2,089	4,955	3,995
Fire Protection Systems	10,068	8,712	10,485	6,105
Grounds Maint/Repair	-	350	405	-
Irrigation Repair	-	-	-	4,200
Backflow Testing & Maintenance	1,502	30	1,185	1,185
Wash Maintenance	141,626	147,968	159,000	-
Dam Inspection And Maint	13,400	18,314	49,900	-
Equipment Maint/Repair	6,006	6,694	14,105	7,330
Vehicle Maint/Repair	910	1,383	2,563	2,563
Office Equip Maint/ Repair	349	550	2,462	200
Other Maint/Repair	7,695	2,068	1,325	2,700
Parking Lot Repair	22,954	-	-	-
Striping	-	-	2,400	-
Sidewalk/Pathway Repair	-	26,411	-	-
Sign Repair & Replacement	2,009	1,610	1,345	1,205
Painting	7,967	29,072	5,435	295
Lighting Repair	-	-	1,325	5,000
Electricity Expense	148,445	146,777	174,655	157,040
Refuse/Recycling	2,351	2,006	1,703	1,703
Telecommunications	3,436	4,471	5,004	5,388
Water/Sewer	26,513	17,433	29,585	26,985
Gas & Oil	4,660	5,034	7,150	7,150
Professional Fees	18,172	27,995	27,306	40,190
Engineering Fees	-	7,806	6,500	15,000
Rentals & Leases	-	10	400	400
Printing Expense	945	217	1,796	1,546
Advertising/Signage	867	1,006	2,500	2,500
Contractual Services	4,360	11,315	36,000	67,500
Bank/Merc Acct Fees	25	4,127	-	4,300
Landscape Contracts	-	28,121	28,788	42,300
ActiveNet Fees	-	-	120	120



**FY15-16 Proposed Budget
Summary of Expenditures
Development Services**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund-continued				
Office Supplies	\$ 5,781	\$ 7,384	\$ 7,960	\$ 10,372
Cleaning/Janitorial Supplies	11,228	8,773	17,480	14,150
Safety Supplies	137	765	1,025	870
Operating Supplies	10,328	14,189	19,790	20,905
Food & Beverage Supplies	1,513	1,619	2,000	2,000
Program Materials	858	875	925	925
Uniforms	1,403	2,265	2,730	3,005
Postage & Delivery	39	45	150	150
Miscellaneous Expense	-	-	750	-
Small Tools	487	371	2,315	1,190
Software	4,984	-	-	5,000
Hardware	6,343	2,121	-	-
Peripherals	65	-	-	-
Furniture/Appliances	10,022	6,200	2,200	2,200
Equipment	7,683	12,488	4,200	2,345
Damages/Vandalism	-	-	250	250
ISF-Copier Charges	3,524	3,072	4,348	4,540
ISF-Mail Service Charges	267	354	1,015	875
ISF-Vehicle Replacement Charge	5,189	9,813	13,343	13,856
ISF-Motor Pool Charges	1,000	1,624	898	898
ISF-Telecom Charges	6,274	6,648	6,395	6,505
Transfer Out	-	928	143,772	179,194
Total Development Services	\$ 1,534,135	\$ 1,609,962	\$ 2,014,506	\$ 1,803,724

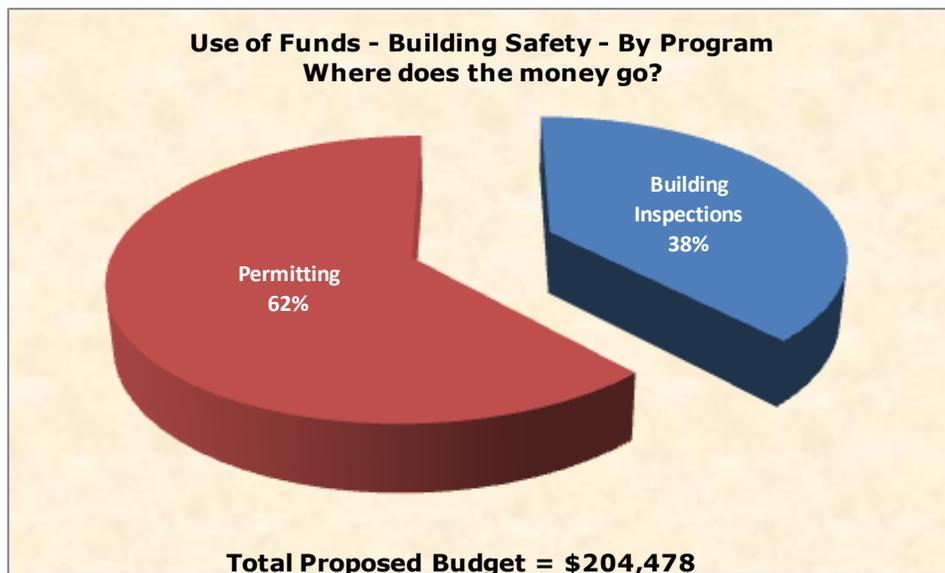


Building Safety Division

Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Building Inspections	\$ 62,498	\$ 80,090	\$ 94,549	\$ 78,260
Permitting	108,205	114,359	122,699	126,218
Total	\$ 170,703	\$ 194,449	\$ 217,248	\$ 204,478

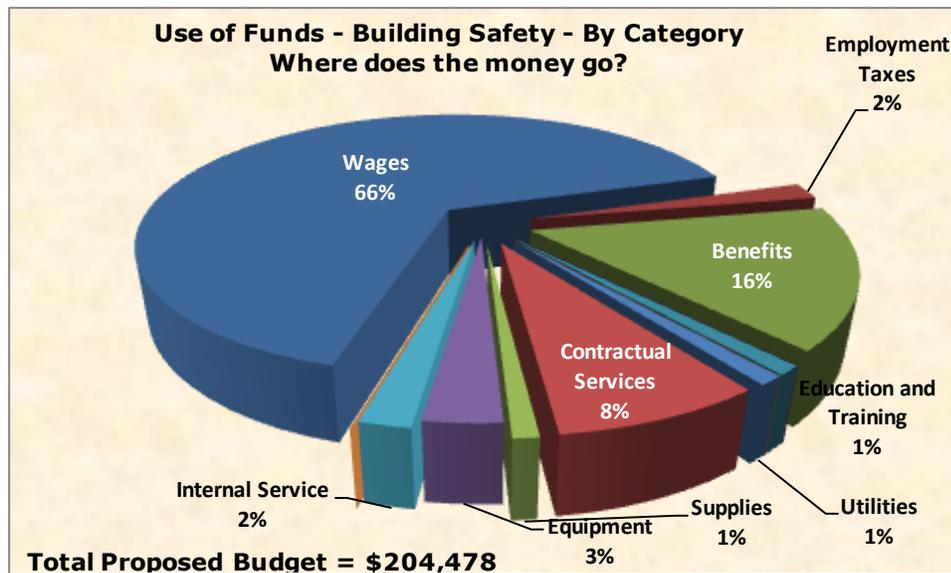


Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 125,231	\$ 136,911	\$ 131,525	\$ 133,923
Employment Taxes	3,513	4,456	5,914	4,798
Benefits	28,723	30,229	36,996	32,445
Dues & Memberships	1,778	509	1,305	710
Education and Training	1,045	789	1,710	2,260
Maintenance and Repair	27	589	935	685
Utilities	1,245	1,496	1,768	1,768
Contractual Services	4,635	13,292	31,320	17,320
Supplies	525	853	1,100	1,100
Equipment	-	222	150	5,150
Internal Service	3,981	4,175	4,525	4,319
Transfers	-	928	-	-
Total	\$ 170,703	\$ 194,449	\$ 217,248	\$ 204,478

Variance Explanations:

Contractual Services: Amount was decreased to be the same as originally budgeted last fiscal year. Additional budget was transferred in FY14-15 to cover the costs of a contract change order for additional building plan review and inspection services.

Equipment: The increase includes software updates to the permitting software.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of all residential building plan reviews completed within established turn-around times	97%	100%	100%	97%
Percentage of all commercial building plan reviews completed within established turn-around times	97%	100%	100%	97%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of building plan reviews conducted (multiple reviews possible)	420	420	475	510
Number of residential plan reviews conducted (multiple reviews possible)	125	125	397	400
Number of commercial plan reviews conducted (multiple reviews possible)	250	250	54	50
Number of building inspection FTE's	1	1	1	1
Total number of permits	457	445	500	550
Total number of inspections (all inspections)	2,000	2,131	2,150	2,200

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Average expenditure per inspection during the reporting period (includes all inspections)	\$31.25	\$37.59	\$42.82	\$35.57
Average cost per permit	\$236.78	\$256.99	\$245.40	\$229.49



**FY15-16 Proposed Budget
Summary of Expenditures
Building Safety**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 125,231	\$ 133,642	\$ 131,525	\$ 133,923
Salaries-Part Time	-	3,270	-	-
FICA	-	203	-	-
Medicare	1,744	1,902	1,906	1,943
Workers Compensation	1,426	2,075	3,757	2,695
Unemployment Insurance	343	276	251	160
Group Health Insurance	13,004	13,408	20,302	15,457
Group Dental Insurance	1,170	1,181	1,188	1,162
Group Vision Insurance	167	168	166	166
Disability Insurance	243	380	462	491
Retirement	13,769	14,699	14,469	14,731
Life Insurance	369	393	409	438
Dues, Subscript & Publicat	1,778	509	1,305	710
Training/Cont Ed	-	100	60	-
Meetings & Conferences	1,045	689	1,650	2,260
Equipment Maint/Repair	-	-	125	125
Vehicle Maint/Repair	27	589	560	560
Office Equip Maint/Repair	-	-	250	-
Telecommunications	526	740	768	768
Gas & Oil	719	755	1,000	1,000
Printing Expense	250	108	200	200
Contractual Services	4,361	11,315	31,000	15,000
Bank/Merc Acct Fees	25	1,869	-	2,000
ActiveNet Fees	-	-	120	120
Office Supplies	114	532	550	550
Uniforms	411	321	550	550
Small Tools	-	-	150	150
Software	-	-	-	5,000
Hardware	-	222	-	-
ISF-Copier Charges	160	247	600	340
ISF-Mail Service Charges	23	26	75	25
ISF-Vehicle Replacement Charge	2,595	2,647	2,700	2,754
ISF-Motor Pool Charges	16	53	-	-
ISF-Telecom Charges	1,187	1,202	1,150	1,200
Transfer Out	-	928	-	-
Total Building Safety	\$ 170,703	\$ 194,449	\$ 217,248	\$ 204,478

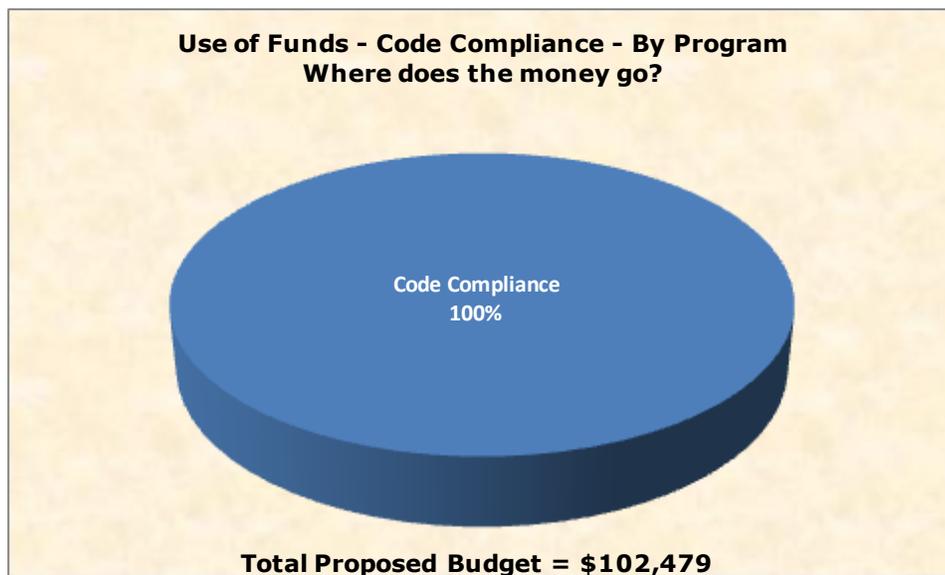


Code Compliance Division

Service Delivery Plan

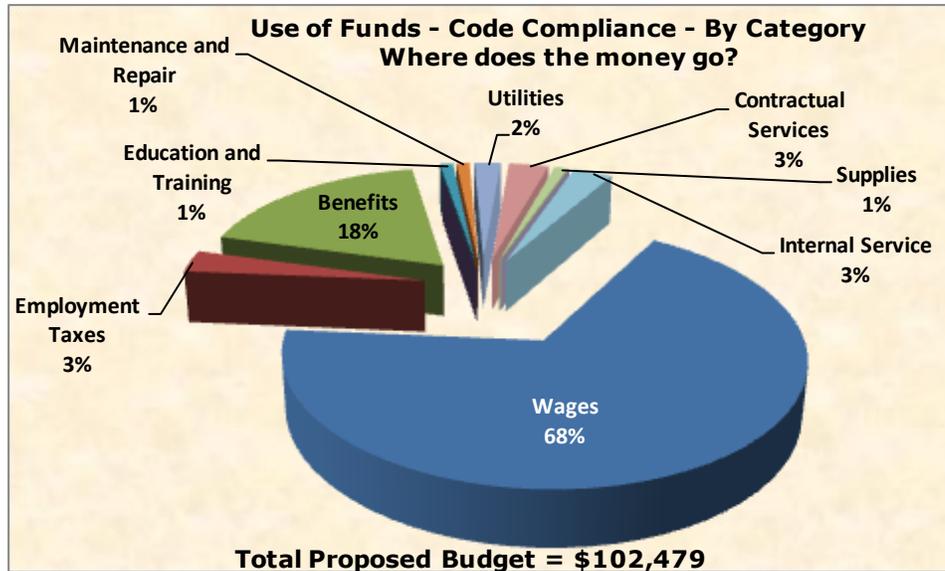
The Code Compliance Division is actively involved in maintaining an excellent quality of life by addressing community issues such as abandoned vehicles, property maintenance, improperly maintained pools, illegal signs, improper parking on private property, and dumping or other destruction in Town-owned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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Code Compliance	\$ 91,185	\$ 93,627	\$ 104,546	\$ 102,479
Total	\$ 91,185	\$ 93,627	\$ 104,546	\$ 102,479



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 66,417	\$ 67,750	\$ 69,780	\$ 70,465
Employment Taxes	2,042	2,602	3,983	3,121
Benefits	17,614	17,630	18,378	18,853
Dues & Memberships	35	35	135	150
Education and Training	90	80	625	900
Maintenance and Repair	73	755	560	560
Utilities	1,093	1,277	1,768	1,768
Contractual Services	445	-	5,072	2,572
Supplies	301	296	580	580
Equipment	-	286	-	-
Internal Service	3,075	2,916	3,665	3,510
Total	\$ 91,185	\$ 93,627	\$ 104,546	\$ 102,479





Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of code violations brought into voluntary compliance prior to initiation of administrative or judicial action	99%	99%	98%	99%

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of Code Enforcement Officers	1	1	1	1
Number of code violation cases	809	730	755	775
Number of code violation cases reviewed in court proceedings (does not include barking dog cases)	2	2	5	5

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Average cost per code violation case	\$112.72	\$128.26	\$138.48	\$132.23



**FY15-16 Proposed Budget
Summary of Expenditures
Code Compliance**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 66,416	\$ 67,750	\$ 69,780	\$ 70,465
Medicare	942	971	1,012	1,022
Workers Compensation	908	1,475	2,828	2,007
Unemployment Insurance	192	156	143	92
Group Health Insurance	9,337	9,135	9,593	9,976
Group Dental Insurance	554	554	568	555
Group Vision Insurance	81	82	81	81
Disability Insurance	144	201	244	259
Retirement	7,304	7,450	7,675	7,752
Life Insurance	195	208	217	230
Licenses/Filing Fees	-	-	100	100
Dues, Subscript & Publicat	35	35	35	50
Training/Cont Ed	15	-	450	-
Meetings & Conferences	75	80	175	900
Vehicle Maint/Repair	73	755	560	560
Telecommunications	527	749	768	768
Gas & Oil	566	528	1,000	1,000
Printing Expense	445	-	72	72
Contractual Services	-	-	5,000	2,500
Office Supplies	301	99	450	450
Uniforms	-	198	130	130
Hardware	-	286	-	-
ISF-Copier Charges	28	27	400	40
ISF-Mail Service Charges	25	13	100	15
ISF-Vehicle Replacement Charge	2,595	2,647	2,700	3,000
ISF-Motor Pool Charges	23	-	-	-
ISF-Telecom Charges	404	228	465	455
Total Code Compliance	\$ 91,185	\$ 93,627	\$ 104,546	\$ 102,479



Engineering Division

Service Delivery Plan

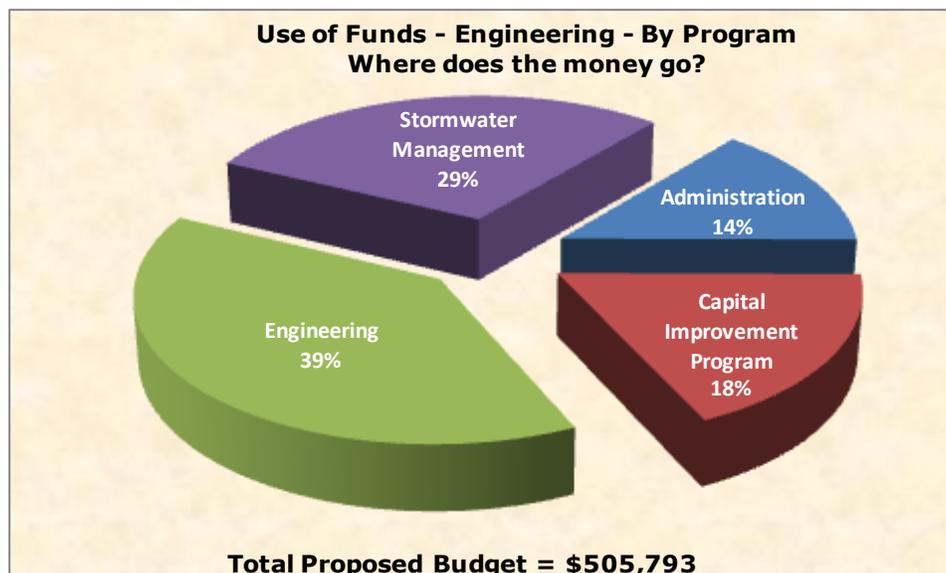
The Engineering Division is responsible for design, contract administration and construction oversight for capital projects. The Division is also responsible for the review of commercial and residential plans, utility plans, encroachment permits as well as the maintenance of Town-owned washes and six ADWR jurisdictional dams.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 56,930	\$ 60,589	\$ 65,179	\$ 65,926
Capital Improvement Program	87,949	89,719	96,002	93,274
Engineering	124,254	136,475	146,313	197,654
Stormwater Management	193,224	205,650	255,405	148,939
Total	\$ 462,357	\$ 492,433	\$ 562,899	\$ 505,793

Variance Explanations:

Engineering: Amounts were included for engineering studies and surveys, and contracted inspections and plan review services. There is also an amount for hiring a consultant to aid in applying for and obtaining a Municipal Storm Sewer System (MS4) permit.

Stormwater Management: The majority of expenses were moved to the new Environmental Fund to be paid for by the annual environmental fee. Partial funding for expenses occurring prior to the collection of this fee was also transferred to the new Fund.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 222,614	\$ 226,642	\$ 232,452	\$ 237,632
Employment Taxes	6,835	8,416	12,774	9,877
Benefits	58,256	58,207	67,776	63,995
Dues & Memberships	6,989	7,494	13,979	8,329
Education and Training	95	230	3,680	3,580
Maintenance and Repair	156,048	166,669	211,110	560
Utilities	3,619	3,938	4,088	4,088
Contractual Services	2,893	10,855	8,472	68,222
Supplies	444	2,410	2,035	3,960
Equipment	1,750	320	450	450
Internal Service	2,814	7,252	6,083	7,621
Transfers	-	-	-	97,479
Total	\$ 462,357	\$ 492,433	\$ 562,899	\$ 505,793

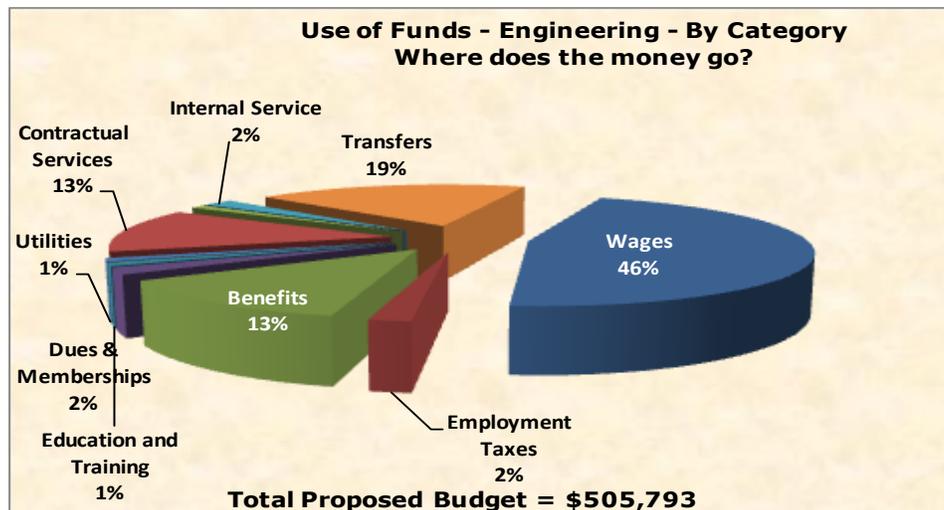
Variance Explanations:

Dues & Memberships: The annual Stormwater Permit costing \$5000 was moved to the new Environmental Fund.

Maintenance and Repair: Dam and wash maintenance, amounting to approximately \$170,000, was moved to the new Environmental Fund.

Contractual Services: Amounts were included for engineering studies and surveys and contracted inspections and plan review services. There is also an amount for hiring a consultant to aid in applying for and obtaining a Municipal Storm Sewer System (MS4) permit.

Transfers: Amounts were included to cover the costs of salaries, dam maintenance and permits in the new Environmental Fund before the fee is to be collected.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of reviews of final plats, site plans and commercial plans completed within established turn-around time.	95%	95%	95%	95%
Percentage of inspections completed within 24 hours of notice	95%	100%	98%	99%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Acres of Town-owned washes maintained*	75	75	75	75
Number of right-of-way and encroachment permits issued	300	350	325	325
Number of easements released or acquired	20	27	15	22
Number of capital improvement projects (CIP) completed	2	3	2	3
Total number of inspections (includes multiple inspection totals for residential, commercial & CIP projects)	275	302	250	300

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Expenditure per inspection (includes multiple inspection totals for residential, commercial & CIP projects)	\$771.65	\$748.99	\$969.26	\$969.76

*686 acres of Town-owned washes



**FY15-16 Proposed Budget
Summary of Expenditures
Engineering**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 222,297	\$ 225,897	\$ 232,452	\$ 237,632
Overtime	318	745	-	-
Medicare	3,090	3,146	3,372	3,447
Workers Compensation	3,299	4,898	9,071	6,210
Unemployment Insurance	446	373	331	220
Group Health Insurance	30,525	29,745	38,339	33,945
Group Dental Insurance	1,862	1,897	1,895	1,978
Group Vision Insurance	254	259	435	284
Disability Insurance	475	675	815	873
Retirement	24,490	24,935	25,569	26,139
Life Insurance	650	697	723	776
Licenses/Filing Fees	5,188	5,363	11,350	5,600
Dues, Subscript & Publicat	1,801	2,131	2,629	2,729
Training/Cont Ed	-	135	500	-
Meetings & Conferences	95	95	3,180	3,580
Wash Maintenance	141,626	147,968	159,000	-
Dam Inspection And Maint	13,400	18,314	49,900	-
Vehicle Maint/Repair	672	39	560	560
Office Equip Maint/ Repair	349	348	1,650	-
Telecommunications	1,551	1,731	1,788	1,788
Gas & Oil	2,068	2,207	2,300	2,300
Professional Fees	2,555	1,400	1,400	1,400
Engineering Fees	-	7,806	6,500	15,000
Printing Expense	184	108	572	322
Advertising/Signage	154	65	-	-
Contractual Services	-	-	-	50,000
Bank/Merc Acct Fees	-	1,475	-	1,500
Office Supplies	300	1,753	1,135	2,785
Safety Supplies	-	-	200	200
Operating Supplies	19	-	-	-
Food & Beverage Supplies	-	45	-	-
Program Materials	-	33	-	-
Uniforms	125	579	550	825
Postage & Delivery	-	-	150	150
Small Tools	357	-	450	450
Software	641	-	-	-
Hardware	706	320	-	-
Peripherals	46	-	-	-
ISF-Copier Charges	901	1,823	1,083	2,555
ISF-Mail Service Charges	87	173	425	425
ISF-Vehicle Replacement Charge	-	2,729	2,784	2,840
ISF-Motor Pool Charges	766	1,385	741	741
ISF-Telecom Charges	1,060	1,141	1,050	1,060
Transfer Out	-	-	-	97,479
Total Engineering	\$ 462,357	\$ 492,433	\$ 562,899	\$ 505,793



Facilities Division

Service Delivery Plan

The Facilities Division is dedicated to maintaining a safe and clean environment in Town-owned buildings for citizens and employees to enjoy. The Facilities Division maintains Town Hall, Community Center, Library/Museum, Fire Stations #1 and #2, Kiwanis Building and the Fountain Hills Theatre.

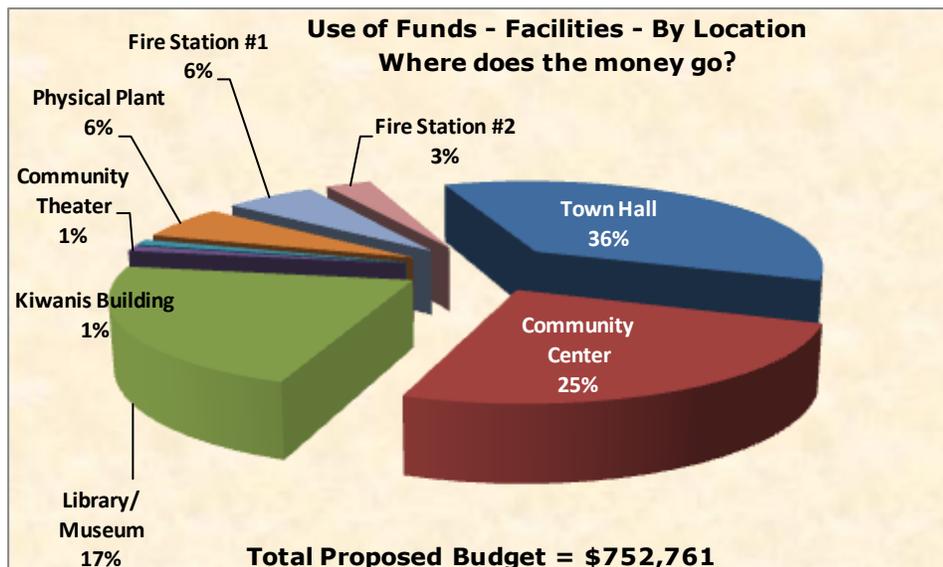
Location	Expenditures by Location			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Town Hall	\$ 179,084	\$ 169,944	\$ 401,604	\$ 274,356
Community Center	155,505	164,255	174,061	186,575
Library/Museum	135,858	134,477	150,497	162,165
Community Theater	17,668	5,004	17,350	6,529
Kiwanis Building	3,171	9,544	8,655	7,346
Physical Plant	46,762	44,146	48,740	48,116
Fire Station #1	23,768	53,661	61,429	48,257
Fire Station #2	12,185	19,482	19,354	19,417
Total	\$ 574,001	\$ 600,513	\$ 881,690	\$ 752,761

Variance Explanations:

Town Hall: In FY14-15, the cost for HVAC controllers replacement, a one-time expense, were completed. Annual maintenance costs for the HVAC and chillers and EMS were reallocated to include a percentage share to the power plant. Also, utility expenses, including electricity and water, were reduced to be more in line with actual costs.

Community Theater: Emergency repairs to the leaky roof included in FY14-15.

Fire Station #1: In FY14-15, budget transfers were made to cover the cost of construction documents for a remodel as well as emergency generator repairs.



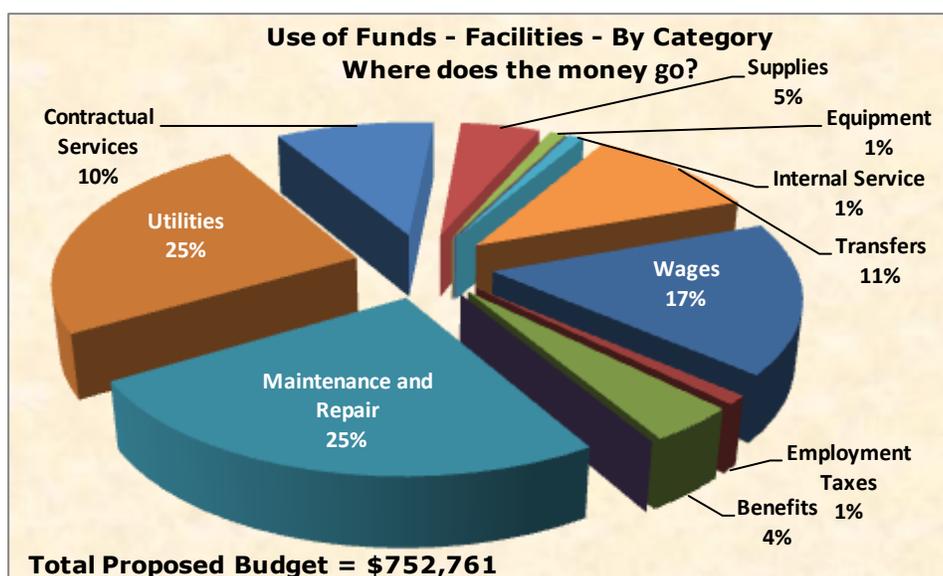
Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 116,766	\$ 109,711	\$ 120,694	\$ 122,699
Employment Taxes	8,154	9,745	13,480	10,922
Benefits	20,972	20,101	28,790	29,933
Dues & Memberships	273	8,680	-	495
Maintenance and Repair	195,736	180,169	255,612	188,216
Utilities	179,386	168,825	209,693	189,478
Contractual Services	11,196	52,720	50,724	76,120
Supplies	24,233	26,612	42,520	39,600
Equipment	14,515	19,059	8,015	5,035
Damages/Vandalism	-	-	250	250
Internal Service	2,770	4,891	8,140	8,298
Transfers	-	-	143,772	81,715
Total	\$ 574,001	\$ 600,513	\$ 881,690	\$ 752,761

Variance Explanations:

Maintenance and Repair: In FY14-15, the cost for HVAC controllers replacement, a one-time expense, were completed. Annual maintenance costs for the HVAC and chillers and EMS were reallocated to include a percentage share to the power plant. Also, utility expenses, including electricity and water, were reduced to be more in line with actual costs.

Contractual Services: Additional weeknight cleaning services for the Community Center were included in FY15-16. Increases were also estimated for landscaping costs due to need to go out to bid for a new landscaping contract.

Transfers: Amount of funding to the Facilities Replacement Fund was reduced.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of maintenance requests resolved within 24 hours	80%	79%	80%	80%
Percentage of maintenance requests resolved within 48 hours	94%	92%	92%	92%
Percentage of trade related work orders completed in house versus contracts	70%	70%	70%	70%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Square footage of buildings maintained by staff	121,487	122,283	122,283	122,283
Square footage of buildings cleaned by staff	23,500	23,500	23,500	23,500
Number of annual maintenance requests	1,625	1,625	1,625	1,500
Number of custodial staff	1.25	1.25	1.25	1.30
Community Center custodial staff	.10	.10	.10	.15
Library/Museum custodial staff	.40	.40	.40	.40
Town Hall custodial staff	.75	.75	.75	.75

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Civic Center utility costs per square foot (water, sewer, electric – includes parking lot lighting and landscape irrigation)	\$1.82	\$1.73	\$2.21	\$2.02



**FY15-16 Proposed Budget
Summary of Expenditures
Facilities**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 75,801	\$ 70,714	\$ 78,720	\$ 80,045
Salaries-Part Time	40,261	38,758	41,974	42,654
Overtime	704	239	-	-
FICA	2,516	2,418	2,602	2,645
Medicare	1,686	1,573	1,753	1,779
Workers Compensation	3,439	5,328	8,800	6,289
Unemployment Insurance	512	427	325	209
Group Health Insurance	11,439	11,092	18,819	19,797
Group Dental Insurance	681	674	692	679
Group Vision Insurance	100	100	96	96
Disability Insurance	153	222	277	293
Retirement	8,378	7,776	8,661	8,804
Life Insurance	221	236	245	264
Licenses/Filing Fees	144	9	-	-
Dues, Subscript & Publicat	129	8,671	-	495
Building Main/Repair	91,621	35,386	88,593	88,986
HVAC Repair	41,776	56,028	114,435	58,340
Plumbing Repair	2,123	12,394	11,844	11,300
Electrical Repair/Maint	2,729	2,089	4,955	3,995
Fire Protection Systems	10,068	8,712	10,485	6,105
Grounds Maint/Repair	-	350	405	-
Irrigation Repair	-	-	-	4,200
Backflow Testing & Maintenance	1,502	30	1,185	1,185
Equipment Maint/Repair	5,154	5,924	10,680	3,905
Vehicle Maint/Repair	138	-	800	800
Office Equip Maint/ Repair	-	94	400	200
Other Maint/Repair	7,695	2,068	1,325	2,700
Parking Lot Repair	22,954	-	-	-
Striping	-	-	2,400	-
Sidewalk/Pathway Repair	-	26,411	-	-
Sign Repair & Replacement	2,009	1,610	1,345	1,205
Painting	7,967	29,072	5,435	295
Lighting Repair	-	-	1,325	5,000
Electricity Expense	148,445	146,777	174,655	157,040
Refuse/Recycling	2,351	2,006	1,703	1,703
Telecommunications	771	1,066	1,500	1,500
Water/Sewer	26,513	17,433	29,585	26,985
Gas & Oil	1,307	1,544	2,250	2,250
Professional Fees	11,196	24,589	21,406	33,290
Instructor Fees	-	10	-	-
Rentals & Leases	-	-	400	400
Printing Expense	-	-	130	130
Landscape Contracts	-	28,121	28,788	42,300
Office Supplies	141	246	175	375



**FY15-16 Proposed Budget
Summary of Expenditures
Facilities**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund-continued				
Cleaning/Janitorial Supplies	\$ 11,228	\$ 8,773	\$ 17,480	\$ 14,150
Safety Supplies	137	765	825	670
Operating Supplies	10,309	14,189	19,790	20,905
Food & Beverage Supplies	1,513	1,574	2,000	2,000
Uniforms	867	1,040	1,500	1,500
Postage & Delivery	39	25	-	-
Miscellaneous Expense	-	-	750	-
Small Tools	130	371	1,615	490
Software	4,342	-	-	-
Peripherals	20	-	-	-
Furniture/Appliances	10,022	6,200	2,200	2,200
Equipment	-	12,488	4,200	2,345
Damages/Vandalism	-	-	250	250
ISF-Copier Charges	38	11	50	50
ISF-Mail Service Charges	8	8	15	10
ISF-Vehicle Replacement Charge	-	1,790	5,160	5,263
ISF-Motor Pool Charges	17	14	-	-
ISF-Telecom Charges	2,707	3,068	2,915	2,975
Transfer Out	-	-	143,772	81,715
Total Facilities	\$ 574,001	\$ 600,513	\$ 881,690	\$ 752,761

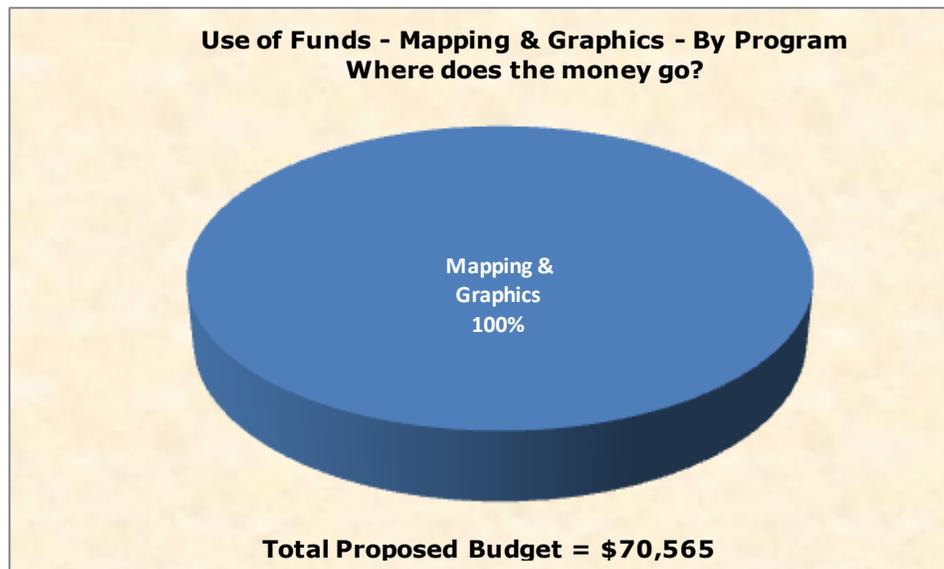


Mapping & Graphics Division

Service Delivery Plan

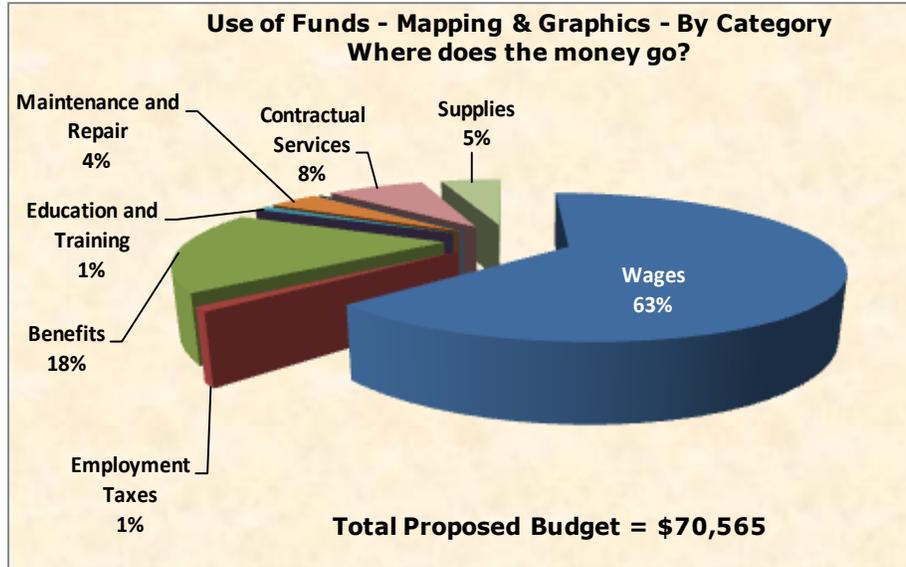
The Mapping & Graphics Division is dedicated to providing excellent customer service in a professional and timely manner. The Division is responsible for providing internal and external customers with maps, graphic information, and research.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Mapping & Graphics	\$ 86,156	\$ 72,239	\$ 76,812	\$ 70,565
Total	\$ 86,156	\$ 72,239	\$ 76,812	\$ 70,565



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 47,860	\$ 48,137	\$ 48,211	\$ 44,182
Employment Taxes	998	1,041	1,235	991
Benefits	13,893	13,544	15,266	12,542
Dues & Memberships	-	2,015	-	-
Education and Training	-	21	1,150	1,000
Maintenance and Repair	853	770	2,500	2,500
Utilities	4,421	2,006	-	-
Contractual Services	4,493	3,352	4,500	5,500
Supplies	13,319	1,061	3,500	3,500
Internal Service	319	292	450	350
Total	\$ 86,156	\$ 72,239	\$ 76,812	\$ 70,565





Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
eFountain work order survey satisfaction rating	95%	95%	95%	95%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of internal customer requests processed	200	280	250	250
Number of aerial site plans completed	75	65	75	75
Number of external customer requests processed	50	110	75	75
GIS database maintenance in hours	100	80	80	80



**FY15-16 Proposed Budget
Summary of Expenditures
Mapping & Graphics**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 47,859	\$ 48,137	\$ 48,211	\$ 44,182
Medicare	687	691	700	641
Workers Compensation	187	255	449	301
Unemployment Insurance	124	95	86	49
Group Health Insurance	7,776	7,376	9,061	6,901
Group Dental Insurance	563	530	531	426
Group Vision Insurance	49	50	49	44
Disability Insurance	104	145	169	162
Retirement	5,263	5,295	5,303	4,861
Life Insurance	140	148	153	148
Licenses/Filing Fees	-	2,015	-	-
Dues, Subscript & Publicat	-	-	-	-
Training/Cont Ed	-	-	1,000	-
Meetings & Conferences	-	21	150	1,000
Equipment Maint/Repair	852	770	2,500	2,500
Office Equip Maint/ Repair	-	-	-	-
Professional Fees	4,421	2,006	4,500	5,500
Printing Expense	-	-	-	-
Office Supplies	4,493	3,352	3,500	3,500
Hardware	5,636	1,061	-	-
Equipment	7,683	-	-	-
ISF-Copier Charges	11	12	120	20
ISF-Motor Pool Charges	46	40	100	100
ISF-Telecom Charges	262	240	230	230
Total Mapping & Graphics	\$ 86,156	\$ 72,239	\$ 76,812	\$ 70,565



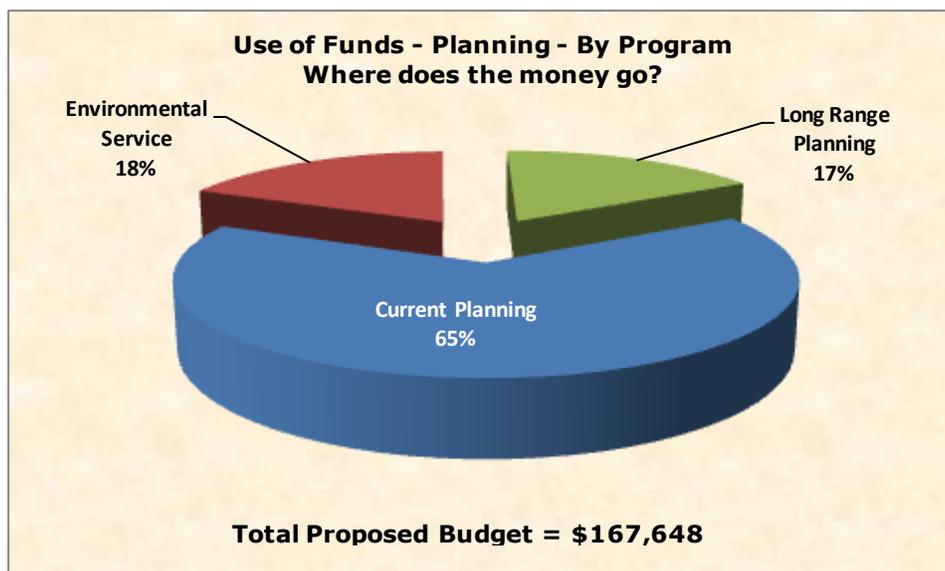
Planning Division

Service Delivery Plan

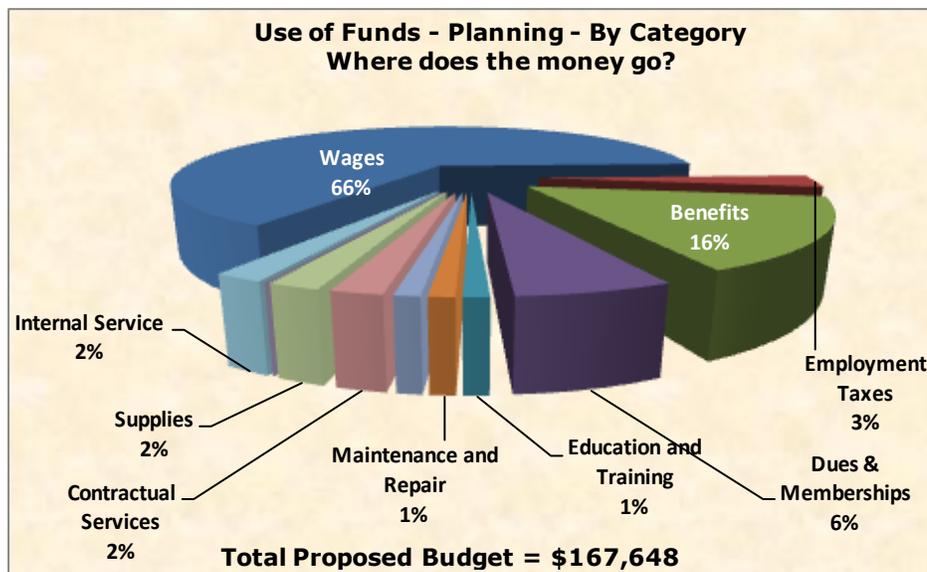
The Planning Division is dedicated to enhancing the quality of life in Fountain Hills through innovative, proven planning techniques, and providing excellent customer service in a professional and timely manner. The Division implements land use planning related goals, policies and programs as approved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

Environmental Service provides regulatory compliance oversight to Fountain Hills’ operations and facilities. Environmental Service is also responsible for coordinating recycling programs, energy efficiency activities to help promote and implement sustainable activities within the Town. This Division also maintains regulatory compliance permits for the Town.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Current Planning	94,363	97,300	106,782	107,623
Environmental Service	29,398	32,611	35,214	30,747
Long Range Planning	25,972	26,790	29,315	29,278
Total	\$ 149,733	\$ 156,701	\$ 171,311	\$ 167,648



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 112,153	\$ 114,143	\$ 117,146	\$ 111,604
Employment Taxes	2,636	3,921	6,240	4,428
Benefits	26,561	26,774	28,574	26,781
Dues & Memberships	2,957	5,237	5,953	10,413
Education and Training	-	-	1,940	1,940
Maintenance and Repair	-	108	1,044	882
Utilities	61	185	780	1,164
Contractual Services	779	1,724	3,322	4,122
Supplies	1,290	2,393	3,075	3,637
Equipment	-	232	100	100
Internal Service	3,296	1,984	3,137	2,577
Total	\$ 149,733	\$ 156,701	\$ 171,311	\$ 167,648



Activities/Results

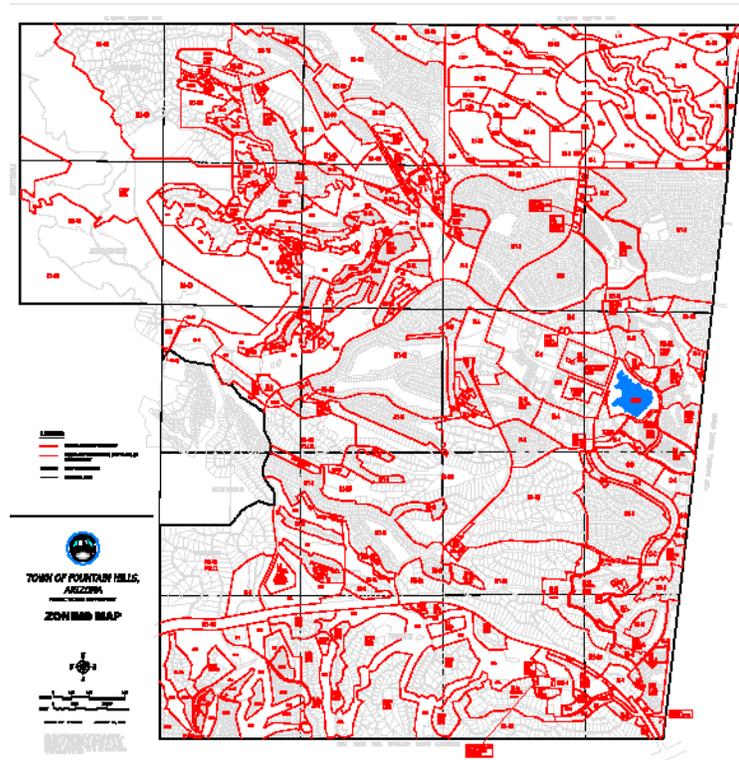
Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of first reviews of plans completed within the established Department turnaround time	100%	100%	100%	100%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of temporary use permits completed	9	2	5	N/A
Number of ordinance/code changes processed	4	4	5	4
Number of zoning cases	20	15	12	8
Number of concept plans reviewed	8	8	8	12
Number of A-frame sign permits	50	50	65	80
Number of paper shredding events held*	2*	2*	2*	2*
Number of recycling events held	2	1	1*	1*
CFL/florescent bulb recycling	0	0	2*	2*

*Funded by the Fountain Hills Library Association.



**FY15-16 Proposed Budget
Summary of Expenditures
Planning**

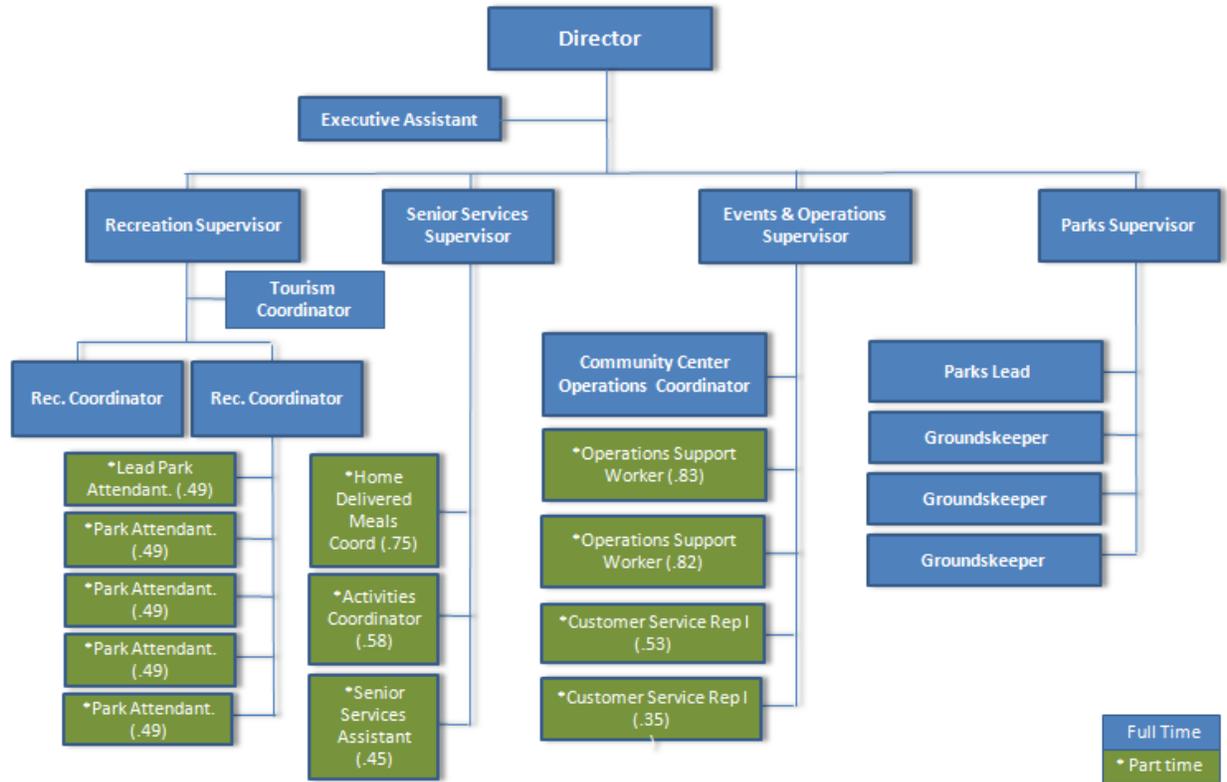
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 112,151	\$ 114,143	\$ 117,146	\$ 111,604
Medicare	1,614	1,633	1,698	1,618
Workers Compensation	761	2,084	4,360	2,700
Unemployment Insurance	261	204	182	110
Group Health Insurance	12,762	12,629	14,012	12,903
Group Dental Insurance	776	783	796	726
Group Vision Insurance	105	108	106	99
Disability Insurance	239	340	411	410
Retirement	12,350	12,561	12,884	12,277
Life Insurance	329	352	365	366
Licenses/Filing Fees	68	2,328	1,250	9,710
Dues, Subscript & Publicat	2,890	2,910	4,703	703
Meetings & Conferences	-	-	1,940	1,940
Equipment Maint/Repair	-	-	800	800
Vehicle Maint/Repair	-	-	82	82
Office Equip Maint/ Repair	-	108	162	-
Telecommunications	61	185	180	564
Gas & Oil	-	-	600	600
Printing Expense	66	-	822	822
Advertising/Signage	714	941	2,500	2,500
Bank/Merc Acct Fees	-	783	-	800
Office Supplies	432	1,403	2,150	2,712
Program Materials	858	842	925	925
Uniforms	-	127	-	-
Postage & Delivery	-	20	-	-
Small Tools	-	-	100	100
Hardware	-	232	-	-
ISF-Copier Charges	2,386	951	2,095	1,535
ISF-Mail Service Charges	124	133	400	400
ISF-Motor Pool Charges	132	132	57	57
ISF-Telecom Charges	654	769	585	585
Total Planning	\$ 149,733	\$ 156,701	\$ 171,311	\$ 167,648



Community Services



COMMUNITY SERVICES DEPARTMENT



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



COMMUNITY SERVICES

Mission Statement

The mission of the Community Services Department is to provide exceptional customer service to enhance the quality of life by providing and maintaining safe, available, and accessible parks and facilities, recreation programs, events, and services that will meet the intellectual, social, cultural, and leisure needs of all residents.

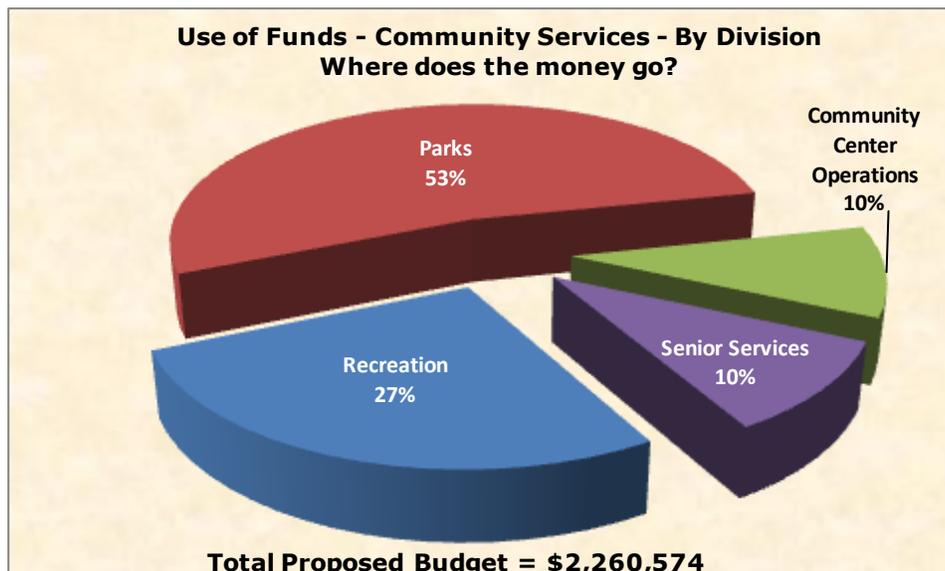
Department Overview

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

Division	Expenditures by Division			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Recreation	\$ 444,749	\$ 532,018	\$ 585,347	\$ 614,267
Parks	935,176	947,624	1,096,043	1,186,638
Community Center Operations	400,664	433,194	457,104	227,823
Senior Services	206,878	208,024	230,025	231,846
Total	\$ 1,987,467	\$ 2,120,860	\$ 2,368,519	\$ 2,260,574

Variance Explanations:

Community Center Operations: The decrease is attributable to the elimination of the transfer to debt service for FY15-16. The excise tax collected for the repayment of the MPC Bonds will cover the debt service payments in FY15-16, but the transfer will again be required in future years.

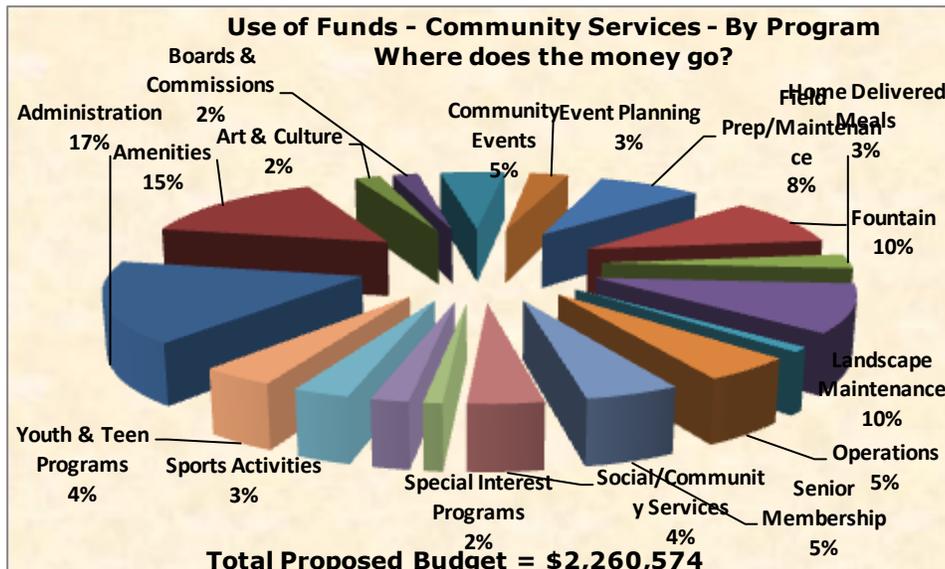


Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 554,839	\$ 546,422	\$ 561,091	\$ 392,508
Amenities	218,515	190,310	239,748	327,974
Art & Culture	7,767	48,127	42,021	41,453
Boards & Commissions	43,473	56,217	60,627	48,691
Community Events	99,135	94,842	109,330	114,580
Event Planning	54,013	61,195	60,394	57,862
Field Prep/Maintenance	152,826	170,384	187,280	181,643
Fountain	188,860	223,119	223,665	220,871
Home Delivered Meals	74,521	60,983	65,266	73,522
Landscape Maintenance	176,540	162,852	228,117	236,488
Open Space	31,762	31,494	39,581	29,058
Operations	88,147	115,620	137,406	116,568
Senior Membership	80,550	86,956	99,108	105,841
Social/Community Services	66,363	70,459	78,795	82,514
Special Events	27,364	27,073	25,864	26,769
Special Interest Programs	26,890	24,407	41,725	39,850
Sports Activities	56,901	55,629	78,519	73,851
Youth & Teen Programs	39,001	94,771	89,982	90,531
Total	\$ 1,987,467	\$ 2,120,860	\$ 2,368,519	\$ 2,260,574

Variance Explanations:

Administration: The decrease is attributable to the elimination of the transfer to debt service for FY15-16. The excise tax collected for the repayment of the MPC Bonds will cover the debt service payments in FY15-16, but the transfer will again be required in future years.

Amenities: The increase is due to the addition of the new Avenue of the Fountains Plaza in the Park’s budget.



Variance Explanations (cont.):

Open Space: Due to the addition of the new Avenue of the Fountains Plaza in the Parks budget, there were personnel allocation changes that affected the program costs.

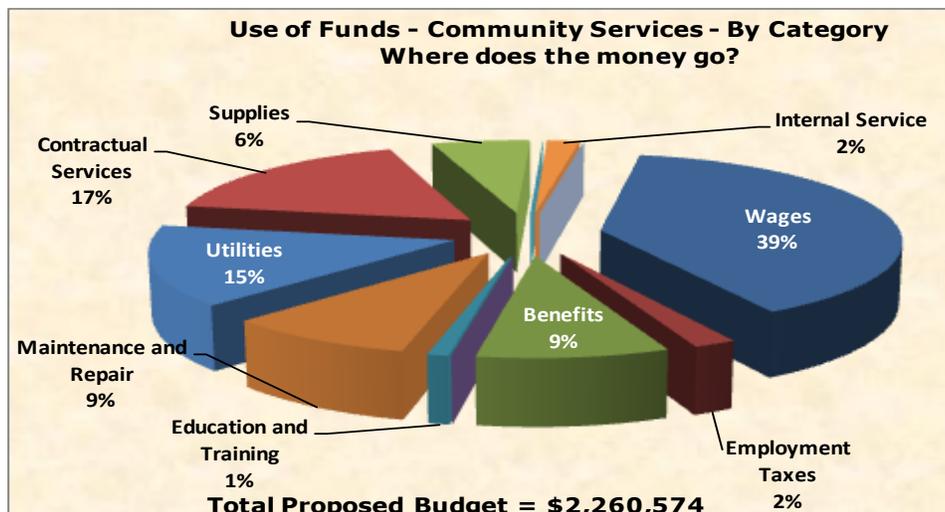
Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 822,745	\$ 824,172	\$ 847,675	\$ 860,753
Employment Taxes	39,670	44,449	61,121	51,352
Benefits	171,062	165,368	193,061	200,023
Dues & Memberships	5,976	4,940	5,101	4,642
Education and Training	5,704	9,138	12,050	11,655
Maintenance and Repair	132,347	141,825	168,957	205,518
Utilities	282,686	280,071	318,061	342,528
Contractual Services	185,585	279,706	369,825	393,041
Supplies	105,585	116,243	135,645	130,564
Equipment	4,557	20,296	19,870	10,600
Damages/Vandalism	6,540	1,080	2,100	2,100
Internal Service	29,806	40,072	41,553	47,798
Transfers	195,204	193,500	193,500	-
Total	\$ 1,987,467	\$ 2,120,860	\$ 2,368,519	\$ 2,260,574

Variance Explanations:

Maintenance and Repair: The increase is due to the addition of the new Avenue of the Fountains Plaza in the Park’s budget.

Equipment: The annual cost for replacing the chairs at the Community Center had to be eliminated.

Transfers: The annual transfer to debt service for FY15-16 was eliminated because the excise tax collected for the repayment of the MPC Bonds will cover the debt service payments in FY15-16, but the transfer will again be required in future years.



FY14-15 Department Accomplishments

Initiative	Strategic Value
Provided over 4,000 meals under the Home Delivered Meals program	P4-Public Safety, Health and Welfare
Continued to partner with various travel companies for trips for seniors	R1-Recreational opportunities and amenities
Developed various Trail Programs/brochures- Professionally printed	R2-Recreational opportunities and amenities & EV5-Economic Vitality
Completed Level 1 Background Checks - HDM	P1-Public Safety, Health and Welfare
Continued to Implement the Urban Trail Program	R2-Recreational opportunities and amenities;
Responsible for the Town's tourism efforts	R1, R2, R3-Recreational opportunities and amenities

FY15-16 Objectives

Initiative	Strategic Value	Estimated Cost/Funding Source
To increase, to the extent possible, both internal (Town) and external (Others) special events in the Community	C2-Civility-and R1, R2 R3-Recreational Opportunities and Amenities	TBD/General Fund
To continue to participate/provide input to the Fountain Hills Coalition and the School Health Committee	P5-Public Safety, Health and Welfare	\$0
To again be designated as a Playful City USA—5th year	R1, R4-Recreational Opportunities and Amenities	\$0
Assumed the responsibility for the Town's newly renovated Avenue of the Fountains Plaza	R2-Recreational opportunities and amenities	\$80,000/General Fund





**FY15-16 Proposed Budget
Summary of Expenditures
Community Services**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 665,672	\$ 654,805	\$ 651,058	\$ 656,237
Salaries-Part Time	154,729	168,884	196,617	91,395
Hourly Wages-Temp	-	-	-	111,121
Overtime	2,344	484	-	2,000
FICA	9,718	10,533	11,766	12,454
Medicare	11,718	11,748	12,199	12,437
Workers Compensation	13,793	18,670	34,888	24,997
Unemployment Insurance	4,440	3,498	2,268	1,464
Group Health Insurance	85,705	80,901	107,435	115,371
Group Dental Insurance	7,652	7,747	8,344	6,919
Group Vision Insurance	1,010	956	1,365	1,006
Disability Insurance	1,505	1,828	2,272	2,405
Retirement	73,260	71,990	71,617	72,181
Life Insurance	1,930	1,946	2,028	2,141
Licenses/Filing Fees	1,508	2,394	2,140	1,710
Dues, Subscript & Publicat	4,468	2,545	2,961	2,932
Training/Cont Ed	1,350	2,267	4,500	-
Meetings & Conferences	4,354	6,871	7,550	11,655
Building Main/Repair	970	1,102	850	1,000
HVAC Repair	-	1,018	4,350	1,400
Plumbing Repair	1,352	3,940	2,750	2,650
Electrical Repair/Maint	4,533	8,758	5,450	5,750
Fire Protection Systems	479	2,712	1,200	1,200
Grounds Maint/Repair	15,773	6,098	10,300	22,300
Irrigation Repair	14,381	15,836	12,898	13,950
Backflow Testing & Maintenance	1,175	70	2,500	3,690
Equipment Maint/Repair	17,839	59,088	39,642	79,590
Vehicle Maint/Repair	5,793	4,388	11,099	13,300
Office Equip Maint/ Repair	2,968	1,792	600	1,080
Other Maint/Repair	17,023	10,865	36,400	22,200
Art Maint/Repair/Install	4,715	9,525	8,500	7,500
Parking Lot Repair	33,411	-	-	-
Striping	220	820	1,900	2,380
Sidewalk/Pathway Repair	18	1,765	1,550	1,600
Sign Repair & Replacement	2,520	1,583	2,600	5,825
Painting	658	676	4,767	1,803
Lighting Repair	8,518	11,789	21,600	18,300
Electricity Expense	211,357	211,224	235,560	243,540
Refuse/Recycling	6,375	5,955	6,020	6,080
Telecommunications	7,156	6,900	6,808	7,492
Water/Sewer	44,342	41,868	55,221	70,604
Gas & Oil	13,458	14,124	14,452	14,812
Professional Fees	19,438	17,610	35,055	24,905
Instructor Fees	9,420	8,267	21,084	18,404
Rentals & Leases	32,672	32,914	33,903	37,791
Printing Expense	583	4,535	6,740	5,320



**FY15-16 Proposed Budget
Summary of Expenditures
Community Services**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund-continued				
Advertising/Signage	\$ 3,228	\$ 7,151	\$ 4,710	\$ 5,470
Contractual Services	63,278	45,804	47,735	57,520
Constituent Communication	-	-	31,400	32,900
Bank/Merc Acct Fees	4,748	4,016	11,989	9,950
Community Contracts/Events	-	99,120	79,296	74,176
Landscape Contracts	48,803	53,079	86,739	116,020
ActiveNet Fees	3,416	7,211	11,175	10,585
Office Supplies	4,768	9,391	8,400	7,750
Cleaning/Janitorial Supplies	11,923	11,335	12,353	12,353
Safety Supplies	1,403	810	1,100	1,100
Operating Supplies	51,228	65,939	75,729	72,683
Food & Beverage Supplies	3,197	2,397	2,345	1,870
Program Materials	28,662	23,703	32,135	30,315
Uniforms	4,170	2,460	3,583	3,593
Postage & Delivery	233	83	-	900
Miscellaneous Expense	-	125	-	-
Small Tools	3,814	3,443	8,670	10,600
Hardware	-	969	-	-
Peripherals	743	421	-	-
Furniture/Appliances	-	13,224	11,200	-
Equipment	-	2,239	-	-
Damages/Vandalism	6,540	1,080	2,100	2,100
ISF-Copier Charges	5,754	6,526	7,726	11,160
ISF-Mail Service Charges	423	743	592	453
ISF-Vehicle Replacement Charge	15,200	26,022	26,875	29,691
ISF-Motor Pool Charges	136	22	-	-
ISF-Telecom Charges	8,293	6,758	6,360	6,494
Transfer Out	195,204	193,500	193,500	-
Total Community Services	\$ 1,987,467	\$ 2,120,860	\$ 2,368,519	\$ 2,260,574



Community Center Division

Service Delivery Plan

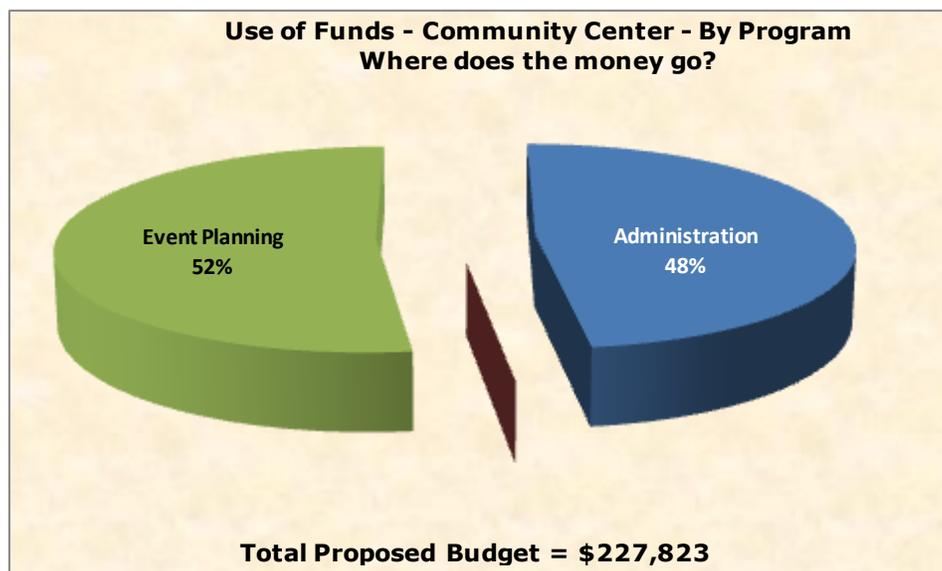
The Community Center strives to enhance the quality of life of Fountain Hills residents by providing and maintaining a safe, available, and accessible facility that will meet the needs of all residents.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 246,317	\$ 244,233	\$ 246,451	\$ 53,393
Boards & Commissions	12,187	12,146	12,853	-
Event Planning	54,013	61,195	60,394	57,862
Operations	88,147	115,620	137,406	116,568
Total	\$ 400,664	\$ 433,194	\$ 457,104	\$ 227,823

Variance Explanations:

Administration: The decrease is attributable to the elimination of the transfer to debt service for FY15-16. The excise tax collected for the repayment of the MPC Bonds will cover the debt service payments in FY15-16, but the transfer will again be required in future years.

Boards & Commissions: Due to combining three of the commissions into one called Community Services Advisory Commission (CSAC) on August 7, 2014, the budget were combined and the program costs were eliminated in this division.



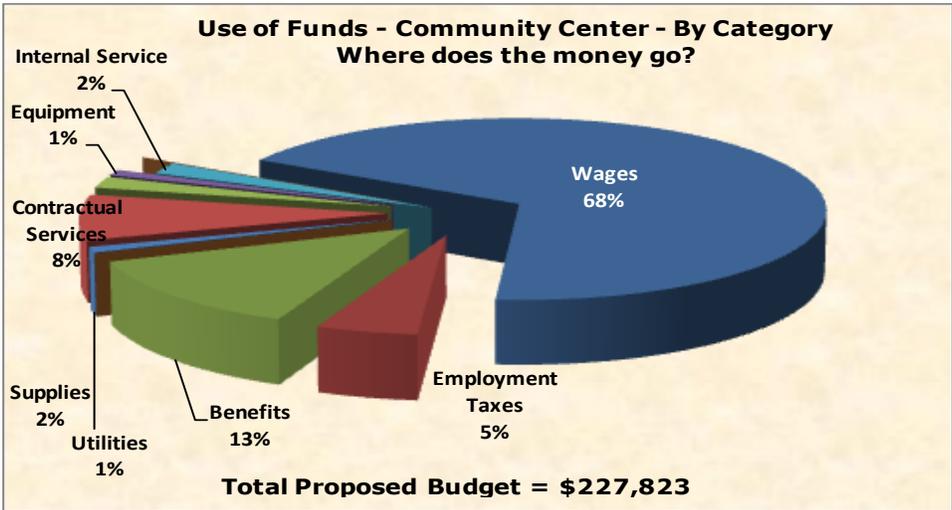
Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 152,928	\$ 164,593	\$ 163,500	\$ 156,129
Employment Taxes	7,466	9,624	13,021	10,664
Benefits	30,657	30,264	46,061	29,097
Dues & Memberships	367	1,270	608	870
Education and Training	199	268	-	-
Maintenance and Repair	2,968	1,751	600	1,080
Utilities	1,190	1,387	1,020	1,320
Contractual Services	4,963	9,463	16,944	18,314
Supplies	2,312	2,615	3,950	3,650
Equipment	-	14,930	14,850	2,950
Internal Service	4,114	3,529	3,050	3,749
Transfers	193,500	193,500	193,500	-
Total	\$ 400,664	\$ 433,194	\$ 457,104	\$ 227,823

Variance Explanations:

Benefits: The decrease is a result of changes in coverage for an employee.

Equipment: The annual cost for replacing the chairs at the Community Center had to be eliminated.

Transfers: The annual transfer to debt service for FY15-16 was eliminated because the excise tax collected for the repayment of the MPC Bonds will cover the debt service payments in FY15-16, but the transfer will again be required in future years.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
To attain a high overall satisfaction rating (good or better) with quality on rental evaluations	N/A	N/A	Good	Good
To achieve a high return rate on rental surveys	N/A	N/A	50%	50%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of bookings	3,200	3,220	3,250	3,275
Number of patrons served	67,000	69,400	72,000	75,000
Number of hours worked by volunteer staff in support of facility operations	875	875	884	884

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Net operating costs of facility per capita ¹	\$10.14	\$11.34	\$11.75	\$10.75

¹ Population for FY12-13 - FY15-16 is based on the 2010 U.S. Census.



**FY15-16 Proposed Budget
Summary of Expenditures
Community Center**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 105,968	\$ 112,449	\$ 107,618	\$ 99,822
Salaries-Part Time	46,899	52,145	55,882	14,359
Hourly Wages-Temp	-	-	-	41,948
Overtime	61	-	-	-
FICA	2,908	3,233	3,464	3,427
Medicare	2,204	2,374	2,371	2,250
Workers Compensation	1,520	3,220	6,713	4,696
Unemployment Insurance	834	796	473	291
Group Health Insurance	16,981	15,909	31,854	16,352
Group Dental Insurance	1,305	1,216	1,460	911
Group Vision Insurance	174	169	198	161
Disability Insurance	229	291	376	366
Retirement	11,656	12,362	11,839	10,981
Life Insurance	310	318	334	326
Licenses/Filing Fees	329	1,178	350	600
Dues, Subscript & Publicat	38	92	258	270
Meetings & Conferences	199	268	-	-
Office Equip Maint/ Repair	2,968	1,751	600	1,080
Sign Repair & Replacement	-	-	-	-
Telecommunications	1,190	1,387	1,020	1,320
Professional Fees	-	-	300	300
Rentals & Leases	-	1,689	3,120	3,120
Printing Expense	-	455	1,630	1,130
Advertising/Signage	3,124	5,819	4,250	4,920
Constituent Communication	-	-	1,800	3,000
Bank/Merc Acct Fees	1,837	1,166	4,911	4,911
ActiveNet Fees	2	334	933	933
Office Supplies	461	913	750	450
Operating Supplies	-	188	1,000	1,000
Food & Beverage Supplies	376	380	550	550
Program Materials	1,128	652	1,000	1,000
Uniforms	359	482	650	650
Postage & Delivery	(10)	-	-	-
Small Tools	-	808	3,650	2,950
Hardware	-	969	-	-
Peripherals	-	317	-	-
Furniture/Appliances	-	11,304	11,200	-
Equipment Maint/Repair	-	1,531	-	-
ISF-Copier Charges	623	913	680	1,370
ISF-Mail Service Charges	14	13	40	10
ISF-Telecom Charges	3,477	2,603	2,330	2,369
Transfer Out	193,500	193,500	193,500	-
Total Community Center	\$ 400,664	\$ 433,194	\$ 457,104	\$ 227,823



Parks Division

Service Delivery Plan

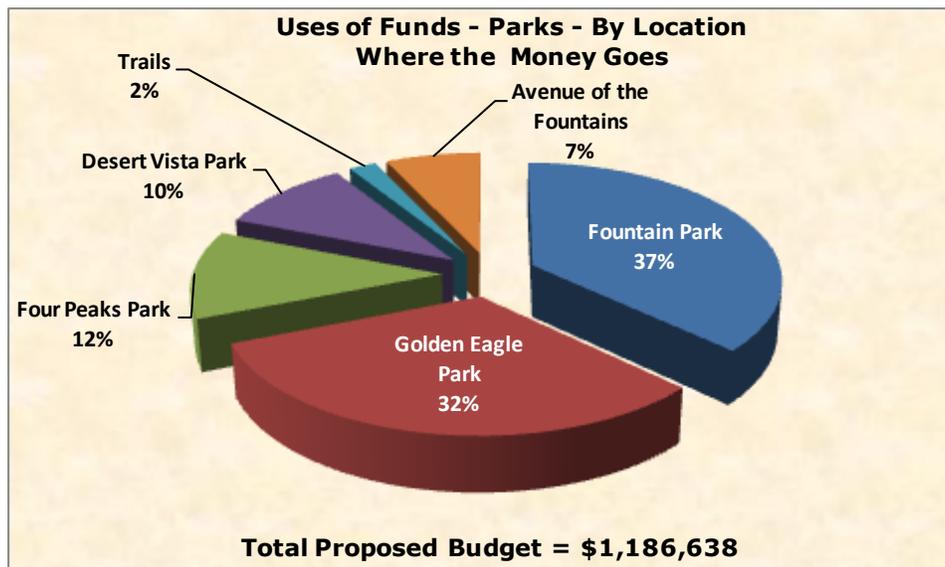
The Parks Division staff is dedicated to providing safe, clean and green parks that will meet the intellectual, social, cultural, and leisure needs of all park patrons. The Town’s park system has been developed to enhance the quality of life of Fountain Hills residents with hiking trails and park facilities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

Location Name	Expenditures by Location			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Fountain Park	\$ 383,784	\$ 411,288	\$ 452,480	\$ 442,267
Golden Eagle Park	304,664	296,590	342,047	374,238
Four Peaks Park	120,065	115,257	147,927	140,963
Desert Vista Park	94,902	92,995	114,008	113,291
Trails	31,761	31,494	39,581	29,058
Avenue of the Fountains	-	-	-	86,821
Total	\$ 935,176	\$ 947,624	\$ 1,096,043	\$ 1,186,638

Variance Explanations:

Trails: The decrease is from personnel allocation changes that affected the program costs.

Avenue of the Fountains: The increase is for the expense of maintaining the new Plaza, which formerly was maintained by Development Services.

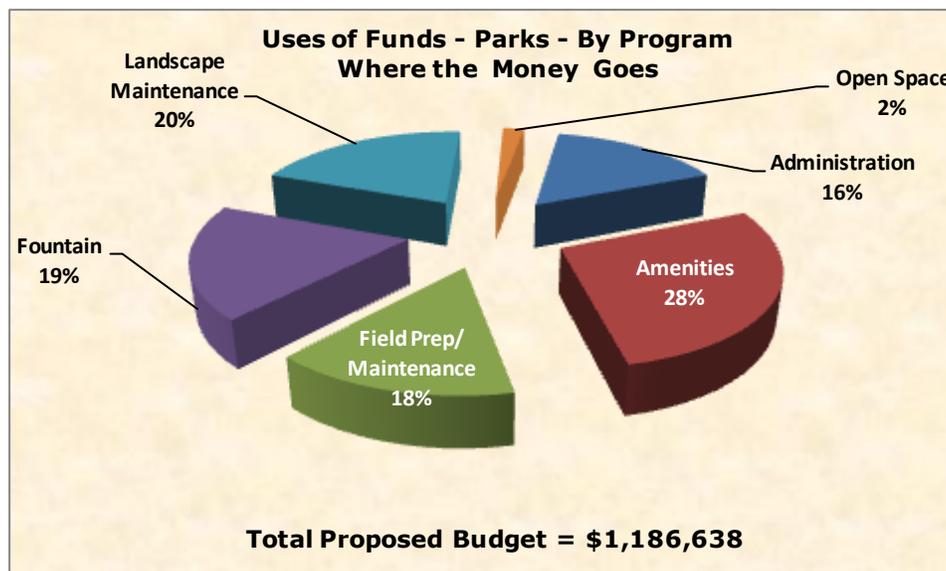


Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 166,674	\$ 169,465	\$ 177,652	\$ 190,604
Amenities	218,515	190,310	239,748	327,974
Field Prep/Maintenance	152,826	170,384	187,280	181,643
Fountain	188,860	223,119	223,665	220,871
Landscape Maintenance	176,540	162,852	228,117	236,488
Open Space	31,761	31,494	39,581	29,058
Total	\$ 935,176	\$ 947,624	\$ 1,096,043	\$ 1,186,638

Variance Explanations:

Amenities: The increase is due to the addition of the new Avenue of the Fountains Plaza.

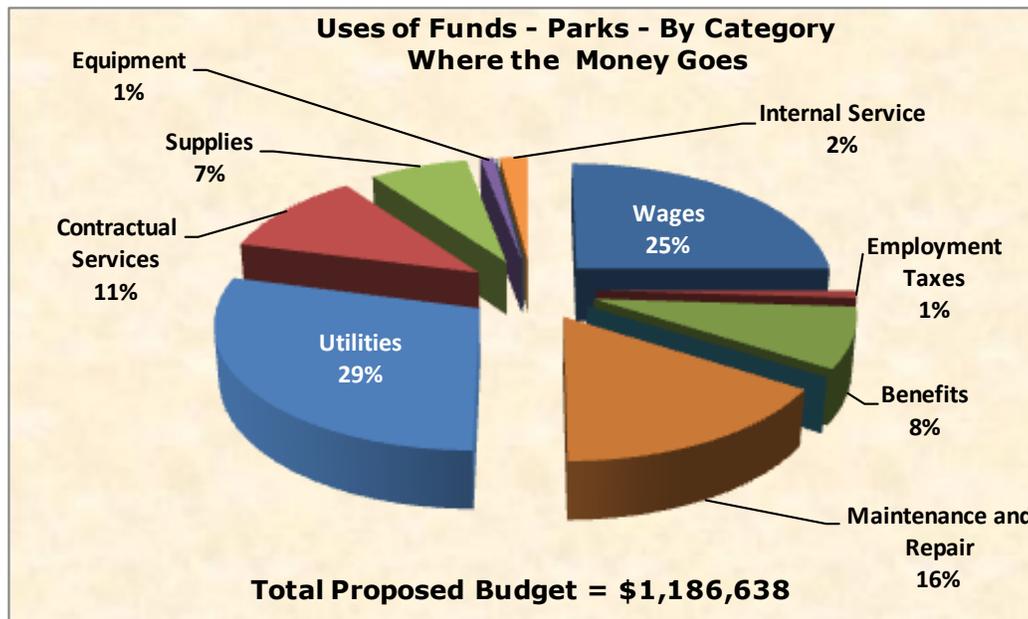
Open Space: The decrease is from personnel allocation changes that affected the program costs.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 287,888	\$ 271,388	\$ 278,983	\$ 280,594
Employment Taxes	12,853	13,538	20,446	15,450
Benefits	75,552	73,369	81,271	92,257
Dues & Memberships	740	840	1,780	1,035
Education and Training	1,138	2,299	2,300	3,905
Maintenance and Repair	122,917	130,250	159,307	194,388
Utilities	279,370	276,638	314,773	338,520
Contractual Services	61,867	73,761	115,064	136,122
Supplies	66,508	76,535	89,084	86,420
Equipment	3,717	3,472	5,020	7,650
Damages/Vandalism	6,540	1,067	2,100	2,100
Internal Service	14,382	24,467	25,915	28,197
Transfers	1,704	-	-	-
Total	\$ 935,176	\$ 947,624	\$ 1,096,043	\$ 1,186,638

Variance Explanations:

Maintenance and Repair: The increase is due to the addition of the new Avenue of the Fountains Plaza and the costs associated with annual upkeep of all the facilities and landscaping.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Maintain a high overall satisfaction rating (good or better) of maintenance/operations	Good	Good	Good	Good
Number of Special Events hosted in parks	23	25	30	30
Appearance/availability	Good	Good	Good	Good

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Restroom serviced and cleaned	365 days	365 days	365 days	365 days
Ramadas serviced and cleaned	365	365	365	365
Trails maintained and ready for use daily	365	365	365	365
Trailhead promotions with brochures, maps and Town website	365	365	365	365

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Park bookings	2,500	2,500	2,500	2,550
Park rentals/revenue	286/ \$14,457	300/ \$19,915	300/ \$18,550	320/ \$17,670
Department hosted special events	10	10	10	10
Fountain Hills Hiking Trail visitors	1000+	1000+	1000+	1000+

Fountain Hills Park Statistics:

- 116 Acres of Developed Parks
- 740 Acres of Mountain Preserve Park
- 8 Acres of Botanical Garden Preserve
- 59.2 Acres of Lake Overlook Trail Preserve
- 10.43 Miles of Trails



**FY15-16 Proposed Budget
Summary of Expenditures
Parks**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 287,725	\$ 270,929	\$ 278,983	\$ 278,594
Overtime	163	459	-	2,000
Medicare	4,101	3,874	4,052	4,039
Workers Compensation	7,654	8,901	15,725	10,982
Unemployment Insurance	1,097	762	669	429
Group Health Insurance	38,373	37,902	44,340	56,387
Group Dental Insurance	3,515	3,502	3,548	2,879
Group Vision Insurance	507	480	850	416
Disability Insurance	686	811	972	1,022
Retirement	31,648	29,832	30,690	30,642
Life Insurance	824	843	871	911
Licenses/Filing Fees	390	590	1,140	440
Dues, Subscript & Publicat	350	250	640	595
Training/Cont Ed	790	2,079	1,800	-
Meetings & Conferences	348	220	500	3,905
Building Main/Repair	970	1,102	850	1,000
HVAC Repair	-	1,018	4,350	1,400
Plumbing Repair	1,352	3,940	2,750	2,650
Electrical Repair/Maint	4,533	8,758	5,450	5,750
Fire Protection Systems	479	2,712	1,200	1,200
Grounds Maint/Repair	15,773	6,098	10,300	22,300
Irrigation Repair	14,381	15,836	12,898	13,950
Backflow Testing & Maintenance	1,175	70	2,500	3,690
Equipment Maint/Repair	17,839	59,088	39,642	79,590
Vehicle Maint/Repair	5,358	4,261	10,599	12,800
Other Maint/Repair	17,023	10,865	36,400	20,200
Parking Lot Repair	33,411	-	-	-
Striping	220	820	1,900	2,380
Sidewalk/Pathway Repair	18	1,765	1,550	1,600
Sign Repair & Replacement	1,208	1,452	2,550	5,775
Painting	658	676	4,767	1,804
Lighting Repair	8,518	11,789	21,600	18,300
Electricity Expense	211,357	211,224	235,560	243,540
Refuse/Recycling	6,375	5,955	6,020	6,080
Telecommunications	4,160	3,868	4,120	4,084
Water/Sewer	44,342	41,868	55,221	70,604
Gas & Oil	13,137	13,723	13,852	14,212
Professional Fees	9,538	7,700	18,000	9,200
Rentals & Leases	2,967	9,917	6,780	7,380
Printing Expense	-	1,986	2,300	2,300
Bank/Merc Acct Fees	241	550	551	551
Landscape Contracts	48,803	53,079	86,738	116,020



**FY15-16 Proposed Budget
Summary of Expenditures
Parks**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund-continued				
ActiveNet Fees	\$ 317	\$ 529	\$ 695	\$ 671
Office Supplies	15	-	200	200
Cleaning/Janitorial Supplies	11,923	11,335	12,153	12,153
Safety Supplies	1,403	810	1,100	1,100
Operating Supplies	49,199	62,926	71,683	69,383
Food & Beverage Supplies	-	-	120	119
Program Materials	1,921	-	1,700	1,350
Uniforms	1,823	1,464	2,128	2,114
Postage & Delivery	225	-	-	-
Small Tools	3,717	2,546	5,020	7,650
Furniture/Appliances	-	307	-	-
Equipment	-	620	-	-
Damages/Vandalism	6,540	1,067	2,100	2,100
ISF-Copier Charges	1,136	360	1,026	580
ISF-Mail Service Charges	2	5	28	9
ISF-Vehicle Replacement Charge	12,375	23,141	23,937	26,693
ISF-Telecom Charges	869	960	925	915
Transfer Out	1,704	-	-	-
Total Parks	\$ 935,176	\$ 947,624	\$ 1,096,043	\$ 1,186,638





Recreation Division

Service Delivery Plan

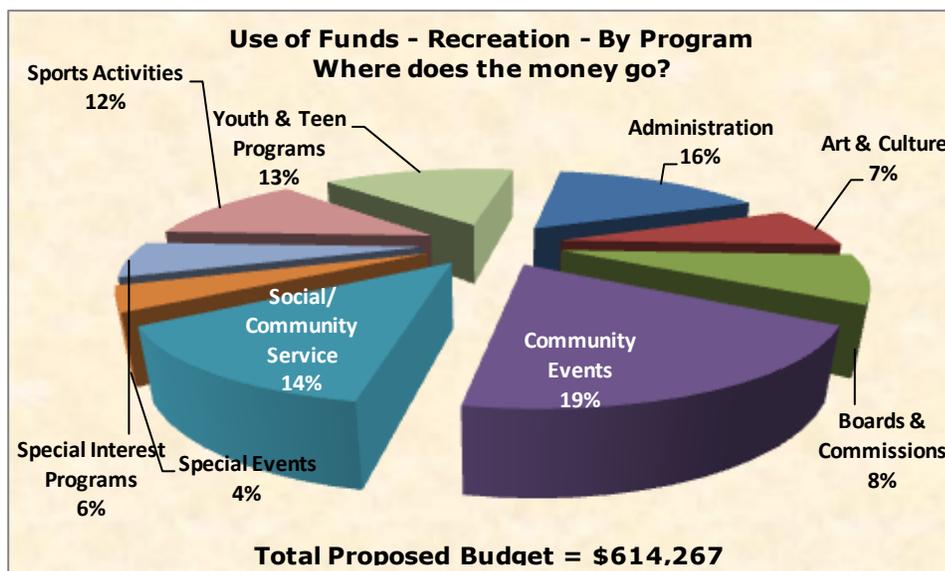
The Recreation Division strives to enhance the quality of life of Fountain Hills residents by providing recreation services that will meet the intellectual, social, cultural, and leisure needs of all residents.

Program activities include: Special Interest Classes, Youth and Adult Sports Programs, Youth and Teen Programs, Special Events, and Facility Rentals.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 90,756	\$ 87,388	\$ 88,306	\$ 96,028
Art & Culture	7,767	48,127	42,021	41,453
Boards & Commissions	30,571	29,322	30,805	48,691
Community Events	99,136	94,842	109,330	114,580
Social/Community Service	66,363	70,459	78,795	82,514
Special Events	27,364	27,073	25,864	26,769
Special Interest Programs	26,890	24,407	41,725	39,850
Sports Activities	56,901	55,629	78,519	73,851
Youth & Teen Programs	39,001	94,771	89,982	90,531
Total	\$ 444,749	\$ 532,018	\$ 585,347	\$ 614,267

Variance Explanations:

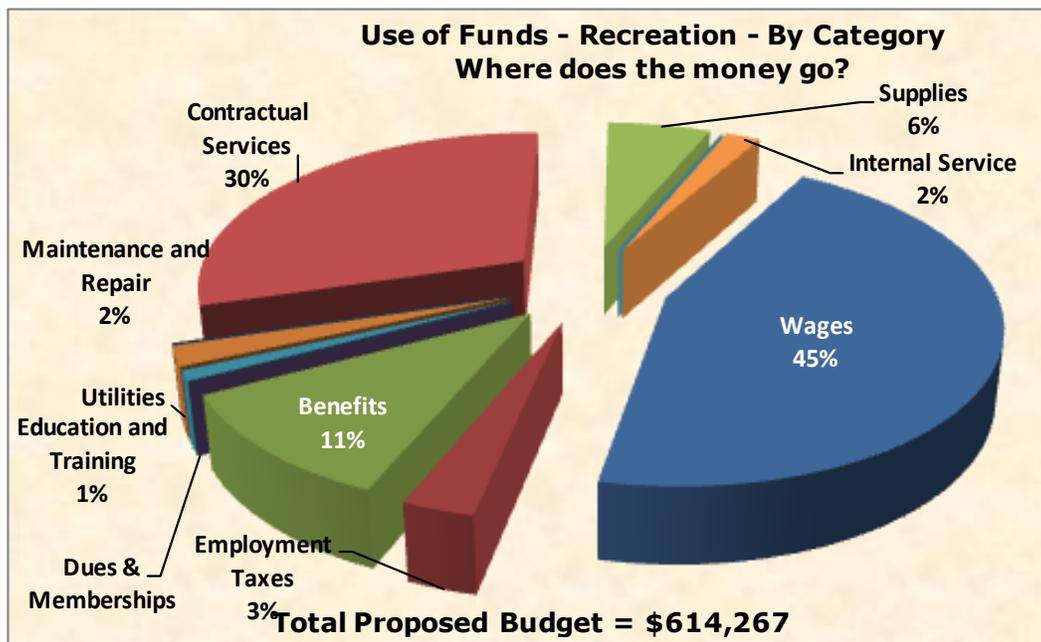
Boards & Commissions: Due to combining three of the commissions into one called Community Services Advisory Commission (CSAC) on August 7, 2014, there were personnel allocation changes that affected the program costs.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 256,169	\$ 252,513	\$ 256,073	\$ 277,991
Employment Taxes	12,447	14,165	19,106	17,284
Benefits	52,487	48,792	51,689	66,586
Dues & Memberships	4,573	1,968	2,413	2,417
Education and Training	4,367	6,535	9,750	7,750
Maintenance and Repair	6,450	9,824	9,000	10,000
Utilities	1,818	1,709	1,908	1,908
Contractual Services	64,946	157,189	189,609	184,949
Supplies	32,549	30,137	36,290	34,844
Equipment	731	90	-	-
Damages/Vandalism	-	13	-	-
Internal Service	8,212	9,083	9,509	10,538
Total	\$ 444,749	\$ 532,018	\$ 585,347	\$ 614,267

Variance Explanations:

Benefits: The increase is a result of changes in coverage for several employees.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
To attain a high overall satisfaction rating (good or better) with the quality of Town recreation programs on program evaluations	N/A	80%	80%	80%
To achieve a high return rate on recreation program surveys	N/A	25%	30%	35%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of individual program participants ¹	1,641	2,234	2,350	2,450
Number of team sports program participants	585	602	600	600
Number of hours worked by volunteer staff in support of recreation activities	1,000	1,000	1,000	1,000
Number of Youth Sports, Boys and Girls Club and School District Facility Bookings	1,500	1,500	1,761	1,800

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Net operating costs of recreation programs per capita ²	\$16.37	\$22.06	\$22.57	\$22.74

¹ Does not include participation at special events, drop-in teen programs, or Boys and Girls Club partnerships.

² Populations for FY12-13—FY15-16 are based on the 2010 U.S. Census.



**FY15-16 Proposed Budget
Summary of Expenditures
Recreation**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 201,441	\$ 194,206	\$ 185,681	\$ 203,714
Salaries-Part Time	52,650	58,282	70,392	9,329
Hourly Wages-Temp	-	-	-	64,948
Overtime	2,077	25	-	-
FICA	3,388	3,662	3,939	4,575
Medicare	3,603	3,547	3,615	4,030
Workers Compensation	3,972	5,672	10,850	8,203
Unemployment Insurance	1,484	1,284	702	476
Group Health Insurance	27,431	24,356	27,674	40,089
Group Dental Insurance	1,620	1,832	2,140	2,340
Group Vision Insurance	236	215	227	342
Disability Insurance	426	508	648	744
Retirement	22,200	21,334	20,423	22,408
Life Insurance	574	548	577	663
Licenses/Filing Fees	497	330	350	350
Dues, Subscript & Publicat	4,076	1,638	2,063	2,067
Training/Cont Ed	560	152	2,700	-
Meetings & Conferences	3,807	6,383	7,050	7,750
Vehicle Maint/Repair	435	127	500	500
Office Equip Maint/ Repair	-	41	-	-
Other Maint/Repair	-	-	-	2,000
Art Maint/Repair/Install	4,715	9,525	8,500	7,500
Sign Repair & Replacement	1,300	131	-	-
Telecommunications	1,497	1,308	1,308	1,308
Gas & Oil	321	401	600	600
Professional Fees	8,885	8,810	15,905	13,705
Instructor Fees	8,970	7,817	20,484	16,634
Rentals & Leases	29,431	21,137	23,775	27,135
Printing Expense	443	2,045	2,600	1,750
Advertising/Signage	104	1,332	300	550
Contractual Services	14,683	12,540	13,750	16,300
Constituent Communication	-	-	25,700	26,900
Bank/Merc Acct Fees	1,786	1,835	2,868	2,868
Community Contracts/Events	-	99,120	79,296	74,176
ActiveNet Fees	643	2,552	4,931	4,931
Office Supplies	2,308	6,335	5,300	5,300
Cleaning/Janitorial Supplies	-	-	200	200
Operating Supplies	904	337	-	-
Food & Beverage Supplies	1,734	403	550	550
Program Materials	25,612	22,501	29,435	27,965
Uniforms	1,991	514	805	829
Postage & Delivery	-	46	-	-
Small Tools	97	90	-	-
Peripherals	635	-	-	-
Damages/Vandalism	-	13	-	-
ISF-Copier Charges	2,935	4,101	4,650	5,625
ISF-Mail Service Charges	191	478	320	215
ISF-Vehicle Replacement Charge	2,825	2,881	2,939	2,998
ISF-Motor Pool Charges	136	22	-	-
ISF-Telecom Charges	2,126	1,602	1,600	1,700
Transfer Out	-	-	-	-
Total Recreation	\$ 444,749	\$ 532,018	\$ 585,347	\$ 614,267





Senior Services Division

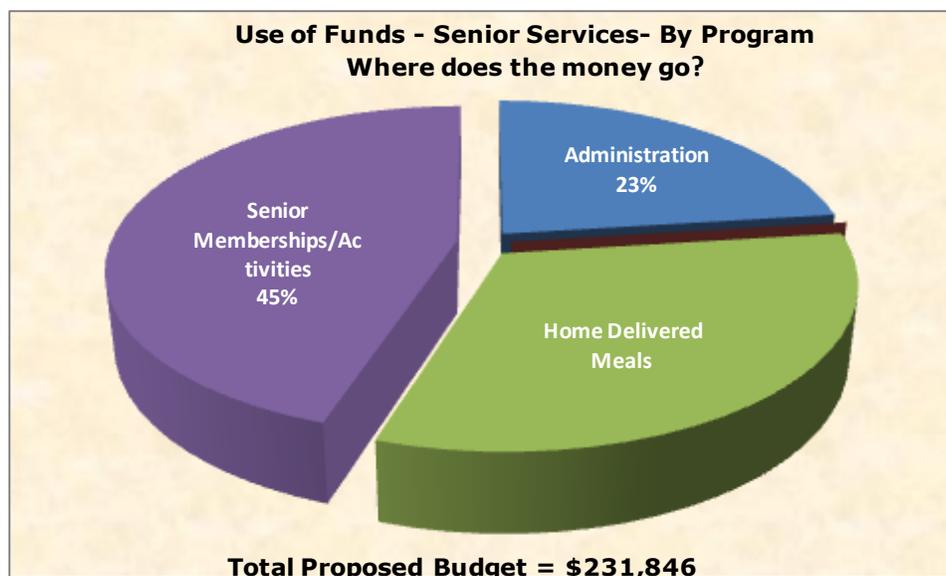
Service Delivery Plan

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

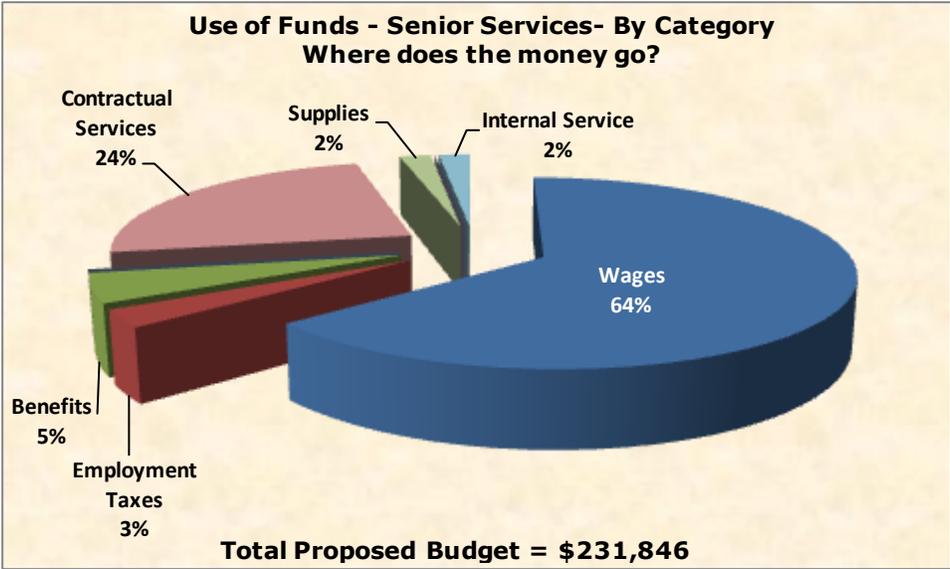
Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 51,091	\$ 45,335	\$ 48,682	\$ 52,483
Boards & Commissions	716	14,750	16,969	-
Home Delivered Meals	74,521	60,983	65,266	73,522
Senior Memberships/Activities	80,550	86,956	99,108	105,841
Total	\$ 206,878	\$ 208,024	\$ 230,025	\$ 231,846

Variance Explanations:

Boards & Commissions: Due to combining three of the commissions into one called Community Services Advisory Commission (CSAC) on August 7, 2014, the budget were combined and the program costs were eliminated in this division.



Category	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 125,761	\$ 135,678	\$ 149,119	\$ 146,039
Employment Taxes	6,905	7,122	8,548	7,954
Benefits	12,367	12,943	14,040	12,083
Dues & Memberships	295	862	300	320
Education and Training	-	36	-	-
Maintenance and Repair	12	-	50	50
Utilities	308	338	360	780
Contractual Services	53,809	39,294	48,208	53,656
Supplies	4,215	6,956	6,321	5,650
Equipment	108	1,803	-	-
Internal Service	3,098	2,992	3,079	5,314
Total	\$ 206,878	\$ 208,024	\$ 230,025	\$ 231,846



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of members	1,129	1,199	1,200	1,200
Maintain a high overall satisfaction rating (good or better) of meal quality	Good	Good	Good	Good

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Number of attendees to senior programs and presentations	20,858	22,228	22,200	22,200
Number of days per year meals delivered	365	365	365	365

Productivity

	FY11-12 Actual	FY12-13 Actual	FY13-14 Estimate	FY14-15 Target
Number of senior programs offered	51	63	55	55
Number of special presentations offered	31	44	31	30
Number of socialization activities/special events offered	10	8	6	8
Number of attendees at Activities EXPO	450	350	450	450
Number of meals delivered annually	6,945	4,799	5,000	5,000
Number of clients participating in HDM program	76	57	60	60



**FY15-16 Proposed Budget
Summary of Expenditures
Senior Services**

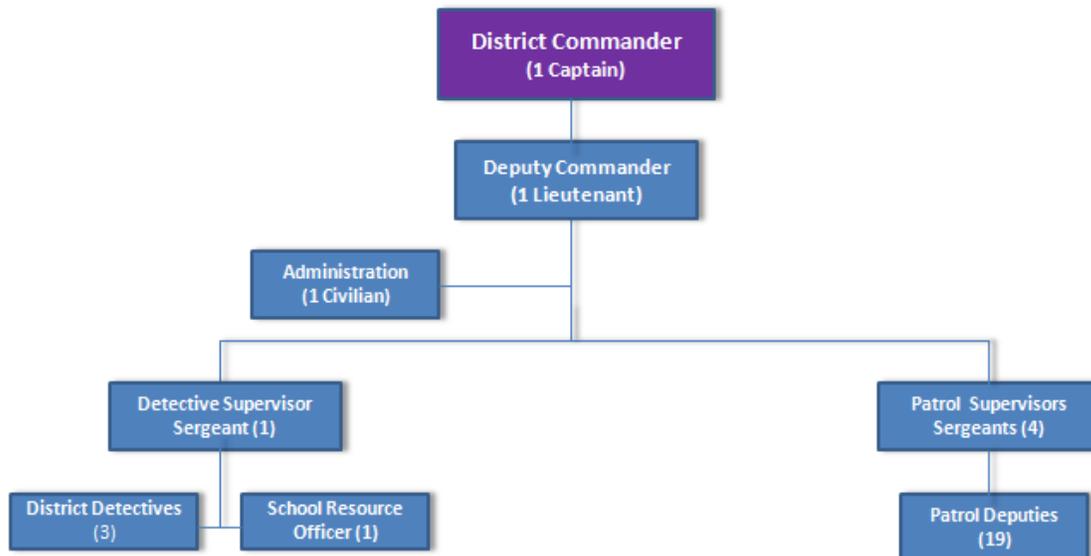
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 70,538	\$ 77,221	\$ 78,776	\$ 74,107
Salaries-Part Time	55,180	58,457	70,343	67,707
Hourly Wages-Temp	-	-	-	4,225
Overtime	43	-	-	-
FICA	3,423	3,638	4,363	4,452
Medicare	1,810	1,952	2,161	2,118
Workers Compensation	646	877	1,600	1,116
Unemployment Insurance	1,025	655	424	268
Group Health Insurance	2,919	2,735	3,567	2,543
Group Dental Insurance	1,212	1,197	1,196	789
Group Vision Insurance	93	93	90	87
Disability Insurance	164	218	276	273
Retirement	7,756	8,462	8,665	8,150
Life Insurance	223	238	246	241
Licenses/Filing Fees	292	296	300	320
Dues, Subscript & Publicat	4	565	-	-
Training/Cont Ed	-	36	-	-
Sign Repair & Replacement	12	-	50	50
Telecommunications	308	338	360	780
Professional Fees	1,015	1,100	850	1,700
Instructor Fees	450	450	600	1,770
Rentals & Leases	273	171	228	156
Printing Expense	139	49	210	140
Advertising/Signage	-	-	160	-
Contractual Services	48,594	33,264	33,985	41,220
Constituent Communication	-	-	3,900	3,000
Bank/Merc Acct Fees	884	464	3,659	1,620
ActiveNet Fees	2,454	3,796	4,616	4,050
Office Supplies	1,984	2,143	2,150	1,800
Operating Supplies	1,126	2,488	3,046	2,300
Food & Beverage Supplies	1,087	1,614	1,125	650
Program Materials	-	550	-	-
Postage & Delivery	18	37	-	900
Miscellaneous Expense	-	125	-	-
Hardware	-	-	-	-
Peripherals	108	103	-	-
Furniture/Appliances	-	1,613	-	-
Equipment	-	87	-	-
ISF-Copier Charges	1,060	1,152	1,370	3,585
ISF-Mail Service Charges	216	247	204	219
ISF-Telecom Charges	1,822	1,593	1,505	1,510
Total Senior Services	\$ 206,878	\$ 208,024	\$ 230,025	\$ 231,846



Law Enforcement



LAW ENFORCEMENT



LAW ENFORCEMENT

Mission Statement

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

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

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

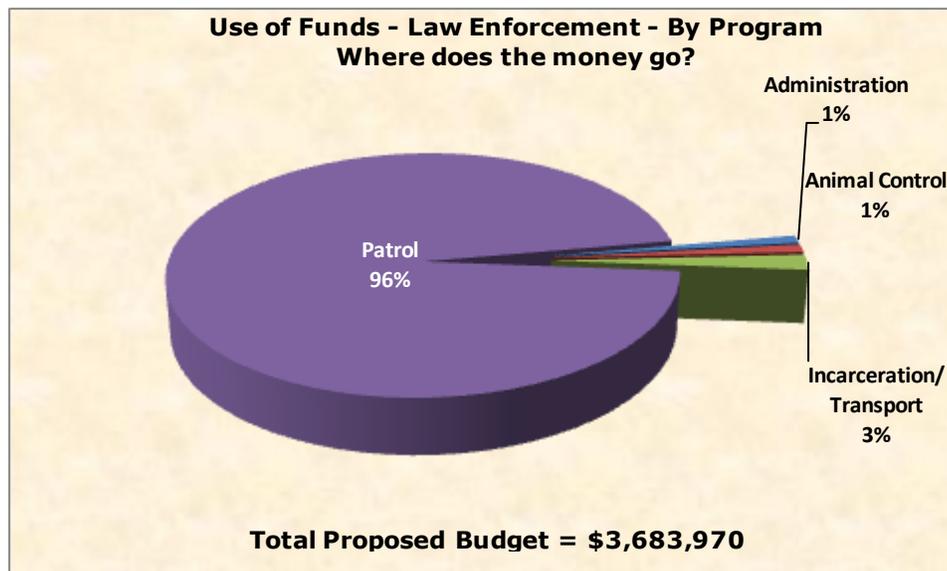
Department Overview

The Maricopa County Sheriff’s Office is a fully integrated law enforcement agency committed to being the leader in establishing the standards for providing quality law enforcement, detention and support services to the citizens of Maricopa County and to other criminal justice agencies.

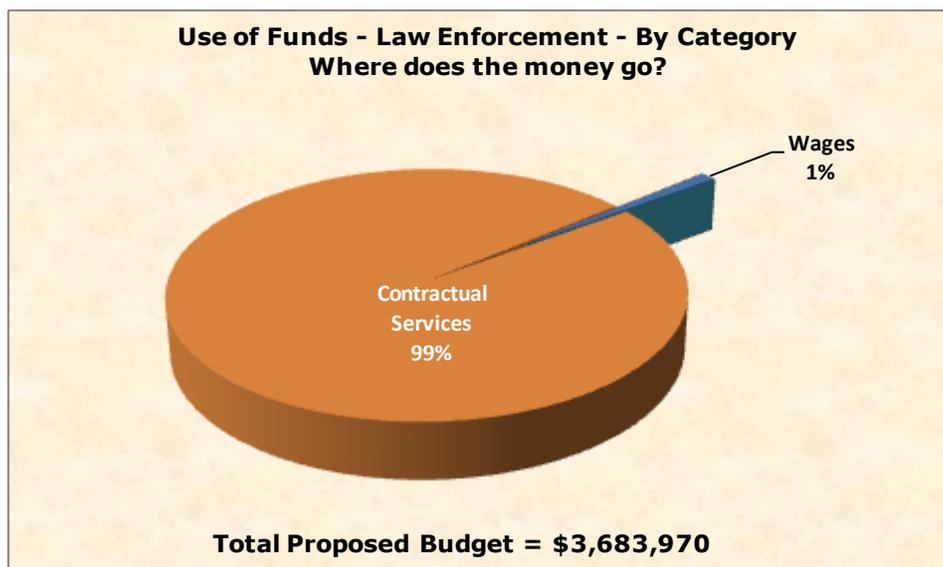
Under the command of Captain David Letourneau, twenty deputies are assigned full-time to the Town of Fountain Hills. Of these, nineteen deputies in addition to four sergeants are assigned to patrol. One deputy is assigned to the Schools and Community Services Department to address quality of life issues,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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 23,731	\$ 23,903	\$ 23,005	\$ 21,484
Animal Control	37,880	37,705	39,825	40,320
Incarceration/Transport	66,434	56,302	67,500	67,500
Patrol	2,762,382	2,946,797	3,249,300	3,554,666
Total	\$ 2,890,427	\$ 3,064,707	\$ 3,379,630	\$ 3,683,970





Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 13,935	\$ 15,659	\$ 13,353	\$ 13,598
Employment Taxes	801	818	761	736
Benefits	1,247	1,348	1,597	1,471
Dues & Memberships	1,218	1,200	-	-
Maintenance & Repair	109	-	-	-
Contractual Services	2,869,992	3,042,459	3,359,844	3,663,710
Supplies	877	602	1,845	1,845
Internal Service	2,248	2,621	2,230	2,610
Total	\$ 2,890,427	\$ 3,064,707	\$ 3,379,630	\$ 3,683,970



FY13-14 Department Accomplishments

Initiative	Strategic Value
Text-a-Tip Program resulting in over 70 arrests the first two years	CR1-Foster accessible, responsive Governance
Posted "Raids OnLine" for the public at www.raidsonline.com	CR1-Foster accessible, responsive Governance
Partnered with Fountain Hills Drug Coalition with events to deter drug use among teens	P1-Public Safety
Conducted emergency preparedness training for Fountain Hills Schools	P1-Public Safety
Increased participation in Safe Homes Network	P2-Public Safety
Sponsored 17 Midnight Madness programs for Town Youth	R4-Support community events
Increased visibility through participation in public events	R4-Support community events
Creation of "Power Squad" to target specific issues within the community	P1-Public safety

FY14-15 Objectives

Initiative	Strategic Value	Estimated Cost/ Funding Source
Participate in Town Citizen Academy	CR7-Communicate the role of local government	\$0
Conduct Quarterly Report and Open Houses for Citizens	CR6-Solicit public/stakeholder feedback	\$0
Participate in Fountain Hills Coalition	R4-Support community events/ activities to build community and friendship	\$0
Increase Traffic Enforcement	P3-Public Safety	In contract

For the six month period ending December 31:

Description	July '13 to Dec. '13	July '14 to Dec. '14
Criminal Arrests	298	155
Criminal Citations Issued	160	96
Driving Under Influence (DUI) Arrests	23	39
Interviews	1172	916
Juvenile Referrals	0	10
Traffic Arrests	122	50
Traffic Violations	852	756
Traffic Warnings	77	494
Barking Dog Warnings Issued	3	4
False Alarm Warnings Issued	5	2



**FY15-16 Proposed Budget
Summary of Expenditures
Law Enforcement**

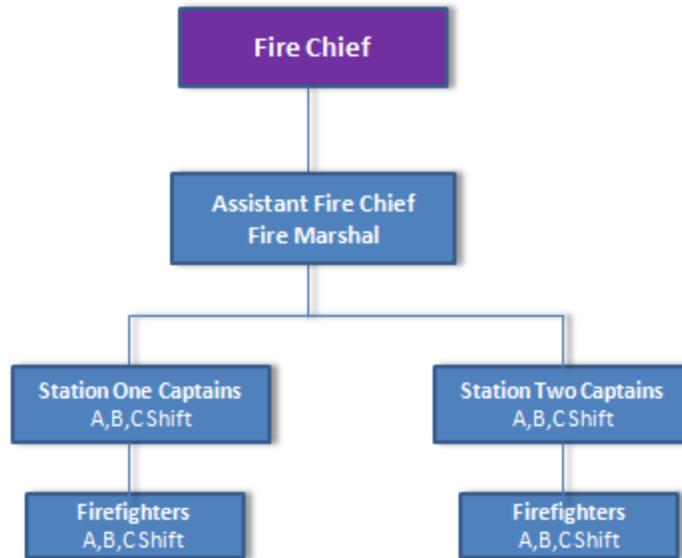
Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Salaries-Full Time	\$ 6,041	\$ 8,014	\$ 6,018	\$ 6,135
Salaries-Part Time	7,894	7,637	7,335	7,463
Overtime	-	8	-	-
FICA	489	474	456	463
Medicare	200	222	195	199
Workers Compensation	35	49	74	51
Unemployment Insurance	76	72	36	23
Group Health Insurance	519	413	886	743
Group Dental Insurance	31	25	9	9
Group Vision Insurance	5	4	1	1
Disability Insurance	13	13	21	22
Retirement	662	877	662	675
Life Insurance	18	16	18	21
Licenses/Filing Fees	18	-	-	-
Dues, Subscript & Publicat	1,200	1,200	-	-
Equipment Maintenance	109	-	-	-
Telecommunications	-	-	-	-
Printing Expense	-	569	-	-
Advertising/Signage	65	46	220	220
Intergovt Agreements	2,854,927	3,028,698	3,344,264	3,649,630
Contractual Services	15,000	13,147	15,000	13,500
ActiveNet Fees	-	-	360	360
Office Supplies	-	-	40	40
Operating Supplies	275	-	1,205	1,205
Program Materials	602	602	600	600
ISF-Copier Charges	104	71	110	110
ISF-Mail Service Charges	2,144	2,550	2,120	2,500
Total Law Enforcement	\$ 2,890,427	\$ 3,064,707	\$ 3,379,630	\$ 3,683,970



Fire & Emergency Medical



FIRE DEPARTMENT



FIRE & EMERGENCY MEDICAL

Mission Statement

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

Department Overview

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

The Fire Department is responsible for EMS delivery and fire suppression within the Town limits. The Fire Department is also responsible for fire prevention that includes plan review and building inspections. The Fire Department takes the lead role in emergency management at large scale disasters. The Fire Department also provides other community services such as public education, youth career oriented Explorer Post, child car seat installations and other safety programs.

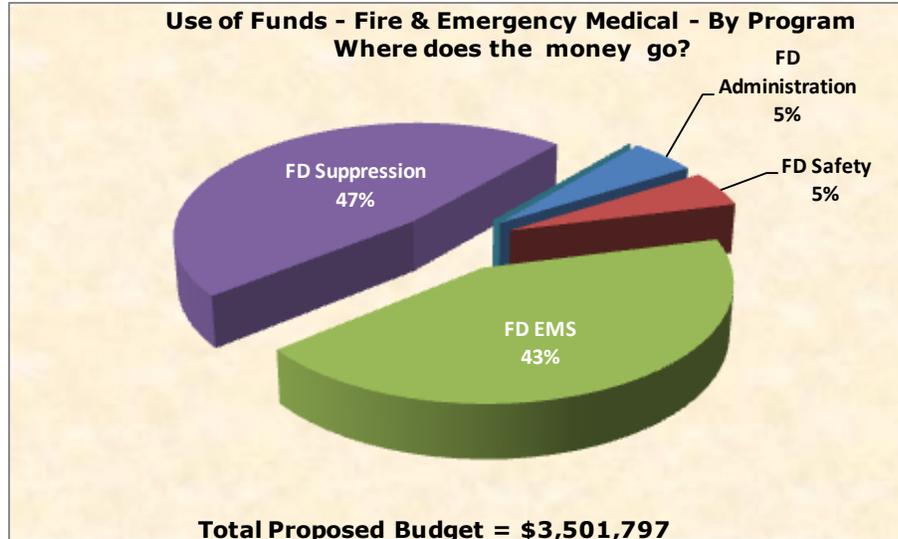
Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
FD Administration	\$ 148,968	\$ 157,925	\$ 160,895	\$ 165,404
FD Safety	146,535	154,452	157,641	161,793
FD EMS	1,377,728	1,420,228	1,468,591	1,513,136
FD Suppression	1,550,938	1,624,954	1,628,240	1,661,464
FD Care	28,880	28,029	31,732	-
Total	\$ 3,253,049	\$ 3,385,588	\$ 3,447,099	\$ 3,501,797

Variance Explanations:

FD Care: The Fountain Hills CARE Program has been a successful crisis intervention component of the Fire Department, staffed by a part-time paid coordinator and trained volunteers. Unfortunately, volunteer availability has diminished and there has been difficulty in procuring new volunteers. Recently, the CARE Coordinator resigned her position, making the program non-sustainable.

The need for crisis response still remains, and the Fire Department is committed to search for alternative solutions to cover the need.

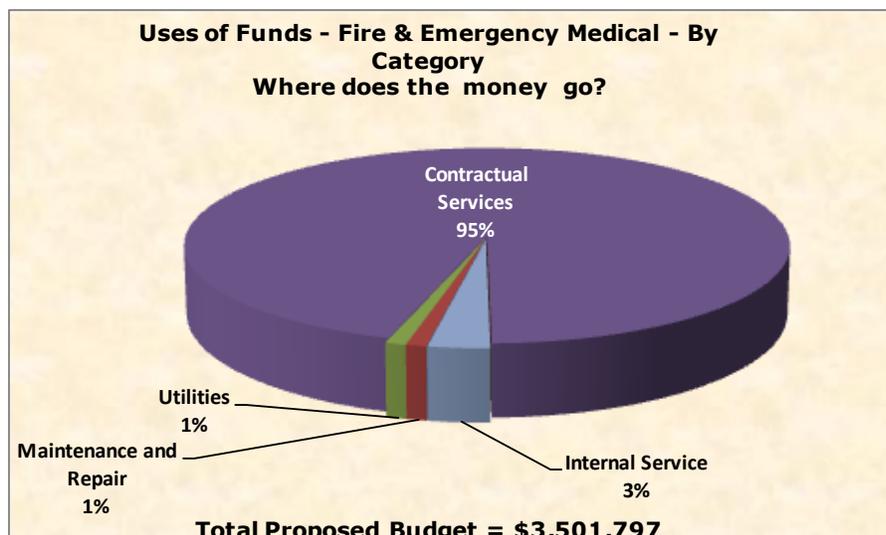




Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Dues & Memberships	\$ 185	\$ 183	\$ 750	\$ 750
Maintenance and Repair	34,105	31,771	42,565	39,015
Utilities	25,687	24,291	22,700	22,300
Contractual Services	3,051,706	3,143,756	3,238,678	3,309,491
Supplies	979	81,946	6,400	7,150
Equipment	13,932	5,649	16,500	16,500
Internal Service	126,455	97,992	107,506	106,591
Transfers	-	-	12,000	-
Total	\$ 3,253,049	\$ 3,385,588	\$ 3,447,099	\$ 3,501,797

Variance Explanations:

Transfers: Amount in FY14-15 was for a one-time purchase that will not recur in FY15-16.



FY14-15 Department Accomplishments

Initiative	Strategic Value
Purchase Dual Band Portable Radios to replace existing	P3-Public Safety, Health and Welfare
Complete Remodel Kitchen/Dayroom Project at Fire Station One	P3-Public Safety, Health and Welfare

FY15-16 Objectives

Initiative	Strategic Value	Estimated Cost/Funding Source
Relocate Fire Station #2	P3-Public Safety, Health and Welfare	\$3,650,000/Capital Projects
Remodel Training Room and Chief's Office	P3-Public Safety, Health and Welfare	\$20,000/General Fund



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Complete Annual Minimum Company Standards	100%	100%	100%	100%
Emergency Response Times (5 minutes)	70%	84%	82%	85%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Child Car Seat installations	70	103	100	100
Public Education Activities	500	49	70	70
Child Bicycle Helmet Program	75	N/A	N/A	N/A

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Fire Prevention Inspections	520	518	400	400
Plan Reviews	120	213	300	300



**FY15-16 Proposed Budget
Summary of Expenditures
Fire & Emergency Medical**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
General Fund				
Licenses/Filing Fees	\$ -	\$ 18	\$ -	\$ -
Dues, Subscript & Publicat	185	165	750	750
Equipment Maint/Repair	8,306	6,204	11,315	9,765
Vehicle Maint/Repair	25,799	25,567	31,000	29,000
Office Equip Maint/ Repair	-	-	150	150
Sign Repair & Replacement	-	-	100	100
Telecommunications	93	98	100	100
Gas & Oil	25,593	24,193	22,600	22,200
Printing Expense	326	345	1,000	800
Advertising/Signage	141	-	-	-
Intergovt Agreements	1,161	1,831	1,850	2,011
Contractual Services	3,050,078	3,141,580	3,235,828	3,306,680
Office Supplies	514	811	600	550
Safety Supplies	-	79,669	4,800	5,600
Operating Supplies	-	919	-	-
Program Materials	465	507	1,000	1,000
Postage & Delivery	-	40	-	-
Small Tools	4,611	-	6,500	6,500
Hardware	-	746	-	-
Equipment	9,321	4,902	10,000	10,000
ISF-Copier Charges	4	30	110	100
ISF-Mail Service Charges	48	123	335	85
ISF-Vehicle Replacement Charge	121,211	90,104	99,707	99,546
ISF-Motor Pool Charges	2	-	-	-
ISF-Telecom Charges	5,191	7,736	7,354	6,860
Transfer Out	-	-	12,000	-
Total Fire & Emergency Medical	\$ 3,253,049	\$ 3,385,588	\$ 3,447,099	\$ 3,501,797



Special Revenue Funds



Development Services Streets Division Highway User Revenue Fund (HURF)



Streets Division

Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 140,481	\$ 336,496	\$ 170,718	\$ 220,860
Adopt A Street	3,164	3,585	4,804	4,227
Legal Services	25,696	25,698	24,000	32,136
Open Space	263,788	241,291	275,863	350,309
Pavement Management	1,225,433	2,205,886	1,493,249	1,761,276
Street Signs	75,621	82,757	86,798	90,003
Street Sweepers	133,990	74,772	92,563	-
Traffic Signals	106,317	103,333	152,034	278,145
Vehicle Maintenance	74,934	72,493	87,175	106,070
Total	\$ 2,049,424	\$ 3,146,311	\$ 2,387,204	\$ 2,843,026

Variance Explanations:

Administration: Amount was transferred to the new Environmental Fund as partial funding for expenditures occurring prior to the collection of the new fee.

Legal Services: Due to increasing attorney fees, the budget was increased.

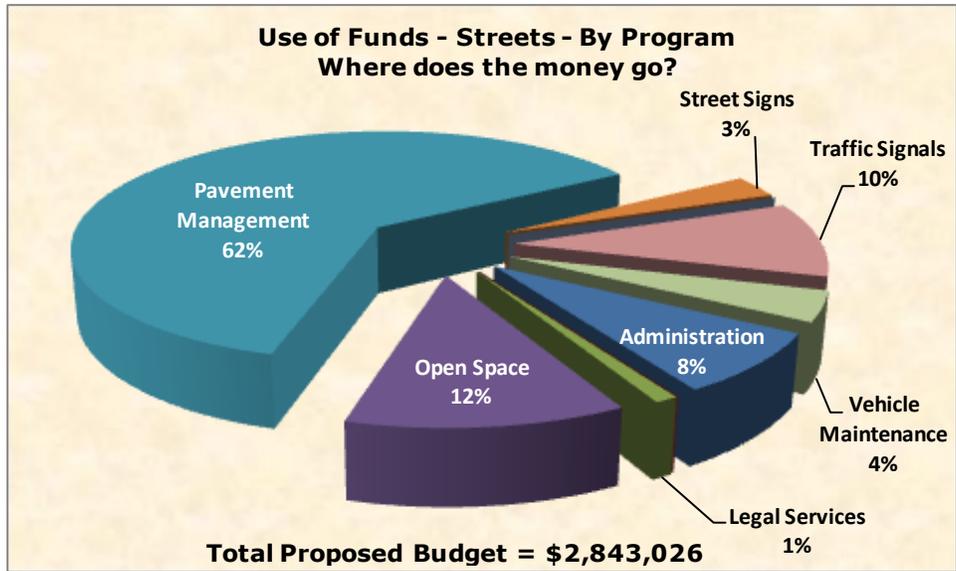
Open Space: Amount for landscaping increased in anticipation of new contract costs.

Street Sweepers: This program was eliminated in FY15-16 and the remaining expenses are now located in the new Environmental Fund.

Traffic Signals: Amount was budgeted to replace the existing deteriorating conduit for the traffic signal located at the intersections of Palisades and Fountain Hills Blvds.

Vehicle Maintenance: The main increase is due to the replacement needed for the sprinkler/EVAP cooler at the Street Yard.





Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 308,823	\$ 265,179	\$ 277,556	\$ 268,815
Employment Taxes	23,816	24,739	42,925	31,276
Benefits	94,663	82,065	95,412	85,035
Dues & Memberships	3,029	786	4,070	2,540
Education and Training	-	-	1,300	1,300
Maintenance and Repair	1,159,661	2,097,343	1,267,695	1,801,485
Utilities	148,248	129,377	175,053	152,133
Contractual Services	250,631	285,478	448,325	337,715
Supplies	15,131	24,823	28,816	29,036
Equipment	8,329	26,399	9,000	9,000
Damages/Vandalism	2,632	805	-	15,000
Internal Service	34,461	30,521	37,052	64,691
Transfers	-	178,796	-	45,000
Total	\$ 2,049,424	\$ 3,146,311	\$ 2,387,204	\$ 2,843,026

Variance Explanations:

Employment Taxes: A reduction in the Town’s rate, which is used to calculate workers’ compensation, resulted in a reduction of workers’ compensation expenses.

Maintenance and Repair: The postponement of pavement maintenance in FY14-15 allowed for an accumulation of additional funding needed for the FY15-16 pavement maintenance.

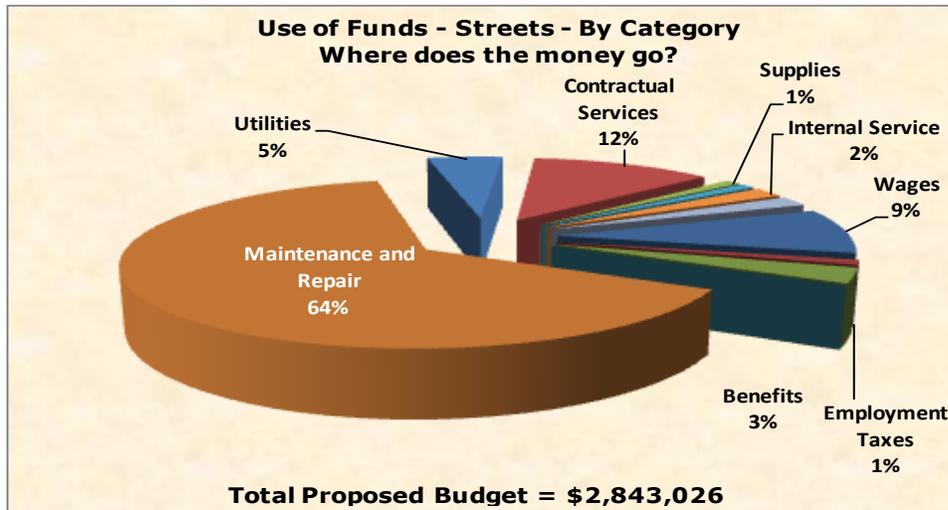
Contractual Services: Street sweeping and the drainage parcel and culvert maintenance costs were moved to the new Environmental Fund.



Variance Explanations (continued):

Internal Service: The amount for vehicle replacement charges increased in association with the scheduled replacement of the bucket truck in FY16-17 in order to assure adequate funding for the costs associated with the equipment transfer that needs to occur from current truck to the new one.

Transfers: Amounts were included to cover the cost of street sweeping in the new Environmental Fund before the fee is to be collected.



Activities/Results

Performance Measures

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Percentage of residential sweeping completed within specified cycle	100%	Contracted	Contracted	Contracted
Percentage of arterial sweeping completed within specific cycle	100%	Contracted	Contracted	Contracted
Percentage of fleet preventive maintenance completed on time	100%	100%	100%	100%

Quality

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Total lane miles on sweeping schedule	336	316	316	316
Total lane miles swept annually	3,456	2,682	2,682	2,682
Total arterial lane miles	79	79	79	79
Number of vehicles in fleet	39	36	30	30
Acreage of medians maintained	59	59	59	59
Number of Adopt-a-Street participants	64	66	44	44

Productivity

	FY12-13 Actual	FY13-14 Actual	FY14-15 Estimate	FY15-16 Target
Expenditure for street sweeping*	\$148,181	\$74,772	\$81,500	\$90,000
Expenditure per lane mile of streets swept*	\$42.88	\$27.88	\$30.39	\$33.56

*Contracted street sweeping in FY13-14. Arterial street sweeping changed from once every two weeks to once every three weeks.





**FY15-16 Proposed Budget
 Summary of Expenditures
 Streets**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Highway User Revenue Fund				
Salaries-Full Time	\$ 282,660	\$ 263,248	\$ 277,556	\$ 256,406
Salaries-Part Time	525	-	-	12,409
Overtime	2,795	1,797	-	-
On Call Pay	3,413	133	-	-
Severance	19,430	-	-	-
FICA	33	-	-	-
Medicare	4,208	3,574	4,025	3,899
Workers Compensation	18,984	20,574	38,358	27,048
Unemployment Insurance	592	590	542	329
Group Health Insurance	55,202	47,634	58,858	50,241
Group Dental Insurance	3,635	3,262	3,269	3,014
Group Vision Insurance	465	424	953	387
Disability Insurance	653	776	969	989
Retirement	33,869	29,166	30,533	29,570
Life Insurance	839	803	830	834
Licenses/Filing Fees	18	20	1,340	-
Dues, Subscript & Publicat	3,011	766	2,730	2,540
Training/Cont Ed	-	-	1,300	-
Meetings & Training	-	-	-	1,300
Building Main/Repair	47	309	3,500	18,500
HVAC Repair	839	90	-	-
Electrical Repair/Maint	1,926	814	3,000	3,000
Fire Protection Systems	953	-	2,000	2,000
Grounds Maint/Repair	415	2,800	-	10,000
Irrigation Repair	9,203	6,618	7,500	2,500
Backflow Testing & Maintenance	2,532	425	7,800	7,410
Drainage Maint/Repair	-	-	-	10,000
Equipment Maint/Repair	11,488	10,644	23,000	141,500
Vehicle Maint/Repair	16,443	18,006	14,000	12,400
Office Equip Maint/ Repair	274	647	1,470	750
Other Maint/Repair	8,332	9,264	13,800	1,800
Road Repair	8,769	31,041	100,000	60,000
Striping	4,612	-	-	-
Sidewalk/Pathway Repair	22,044	50,589	75,000	15,000
Other Road Related Repair	5,604	2,412	-	-
Sign Repair & Replacement	17,742	13,863	16,625	16,625
Pavement Management	1,048,366	1,949,822	1,000,000	1,500,000
Painting	29	-	-	-
Lighting Repair	43	-	-	-
Electricity Expense	38,646	38,318	46,800	39,800
Refuse/Recycling	10,968	5,781	6,200	6,200
Telecommunications	3,809	3,414	3,228	3,228
Water/Sewer	69,244	68,156	96,725	82,105
Gas & Oil	25,580	13,708	22,100	20,800
Auditing Expense	6,960	6,950	7,125	7,741



**FY15-16 Proposed Budget
Summary of Expenditures
Streets**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Highway User Revenue Fund-continued				
Professional Fees	\$ 11,582	\$ 4,009	\$ 140,500	\$ 15,100
Legal Fees	25,696	25,698	24,000	32,136
Insurance Expense	69,701	72,641	71,200	76,738
Rentals & Leases	-	1,345	-	-
Printing Expense	-	54	-	-
Advertising/Signage	-	238	-	-
Intergovt Agreements	16,648	15,322	25,000	20,000
Contractual Services	2,145	65,837	94,500	11,000
Bank/Merc Acct Fees	-	25	-	-
Landscape Contracts	117,899	93,359	86,000	175,000
Office Supplies	475	226	1,505	2,225
Cleaning/Janitorial Supplies	134	574	1,000	500
Safety Supplies	1,067	436	350	350
Operating Supplies	11,244	21,717	22,765	24,265
Food & Beverage Supplies	22	129	200	200
Program Materials	329	-	1,500	-
Uniforms	1,845	1,662	1,496	1,496
Postage & Delivery	15	79	-	-
Small Tools	2,722	2,310	7,000	7,000
Software	459	1,660	2,000	2,000
Hardware	4,691	5,253	-	-
Furniture/Appliances	456	15,459	-	-
Equipment	-	1,719	-	-
Damages/Vandalism	2,632	805	-	15,000
ISF-Copier Charges	3	-	-	-
ISF-Mail Service Charges	2	40	500	60
ISF-Vehicle Replacement Charge	31,759	27,858	33,672	62,101
ISF-Telecom Charges	2,698	2,622	2,880	2,530
Transfer Out	-	178,796	-	45,000
Total Streets	<u>\$ 2,049,424</u>	<u>\$ 3,146,311</u>	<u>\$ 2,387,204</u>	<u>\$ 2,843,026</u>



Administration Excise Tax Funds

Downtown Strategy
Economic Development
Tourism



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

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

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

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

The Economic Development Fund, is now funded with 80% of the .1% local sales tax and will be available for any economic development purpose.



Downtown Strategy Fund

Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ 176,322	\$ 272,730	\$ 1,879,079	\$ 557,886
Total	\$ 176,322	\$ 272,730	\$ 1,879,079	\$ 557,886

Variance Explanations:

Administration: Amount decreased with the completion of the Avenue of the Fountains median improvement project in FY14-15.



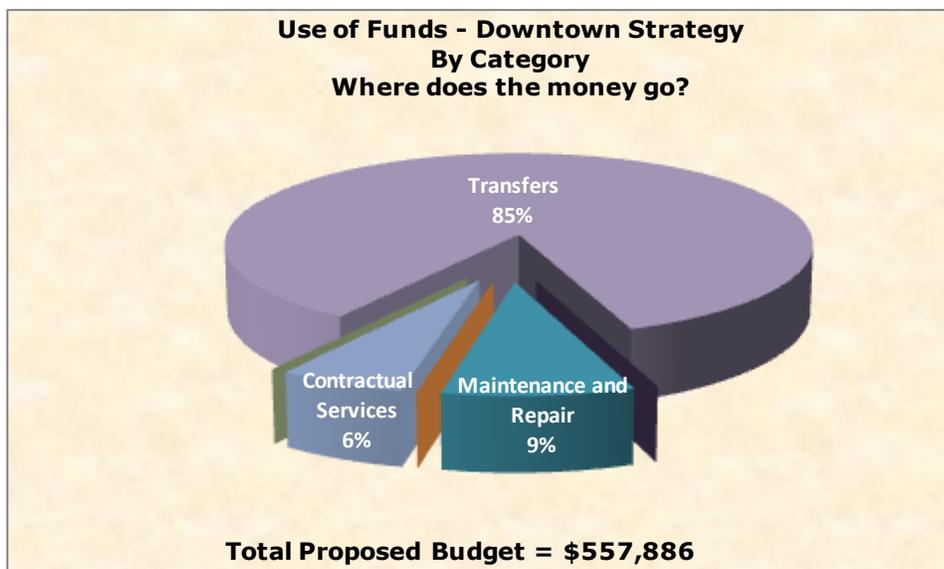
Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ 5,730	\$ -	\$ -	\$ -
Employment Taxes	98	-	-	-
Benefits	1,133	-	-	-
Dues & Memberships	4,395	-	-	-
Maintenance and Repair	4,079	-	-	50,000
Utilities	7	-	-	-
Contractual Services	51,937	29,884	30,350	30,885
Supplies	-	-	83,729	-
Internal Service	-	1	-	1
Transfers	108,943	242,845	1,765,000	477,000
Total	\$ 176,322	\$ 272,730	\$ 1,879,079	\$ 557,886

Variance Explanations:

Maintenance and Repair: An amount was included to cover the costs of repairing and/or replacing the light fixtures on both the north and south sides of the Avenue of the Fountains.

Supplies: Amount was reduced and moved to Maintenance and Repair to better reflect the type of expenditures budgeted.

Transfers: Amount decreased with the completion of the Avenue of the Fountains median improvement project in FY14-15.



**FY15-16 Proposed Budget
Summary of Expenditures
Downtown Strategy Fund**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Downtown Strategy Fund				
Salaries-Full Time	\$ 1,493	\$ -	\$ -	\$ -
Salaries-Part Time	4,237	-	-	-
Medicare	81	-	-	-
Workers Compensation	17	-	-	-
Group Health Insurance	454	-	-	-
Group Dental Insurance	25	-	-	-
Group Vision Insurance	3	-	-	-
Disability Insurance	12	-	-	-
Retirement	630	-	-	-
Life Insurance	9	-	-	-
Dues, Subscript & Publicat	4,395	-	-	-
Sign Repair & Replacement	4,079	-	-	-
Lighting Repair	-	-	-	50,000
Telecommunications	7	-	-	-
Professional Fees	1,125	-	-	-
Management Fees	667	535	-	535
Advertising/Signage	1,171	380	-	-
Community Contracts/Events	13,811	-	-	-
Holiday Lighting	35,163	28,970	30,350	30,350
Miscellaneous Expense	-	-	83,729	-
ISF-Copier Charges	-	-	-	-
ISF-Mail Service Charges	-	-	-	1
Transfer Out	108,943	242,845	1,765,000	477,000
Total Downtown Strategy Fund	\$ 176,322	\$ 272,730	\$ 1,879,079	\$ 557,886



Economic Development Fund

Service Delivery Plan

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

The economic development game plan is a multi-tiered approach to building a strong economic base. Create more base jobs locally to attract more year-round residents to live, work, and play in the community. Expand the market for local businesses creating revenues that support the community's quality of life. As revenues are generated and the economic base expands, revenues are available for needed basic services such as parks, recreation, and roadway improvements.

Coordinated Approach: All entities involved in economic development must work together to achieve mutually agreed-upon goals to ensure a sustainable effort.

Community Collaboration: A comprehensive understanding of the town and region and a commitment to collaborating with entities throughout the region (e.g., federal agencies and incorporated communities) are critical.

Smart Growth: The regional environment is a tremendous asset that should be protected for community and economic development reasons. The community must take great strides in addressing resource issues, such as water, to ensure long-term sustainability.

Long-Term Efforts: Economic development is not a one-shot activity. Success requires long-term investments (e.g., infrastructure and telecommunications) as well as continued focused effort and evaluation.

Existing Business Support: The Town's focus is on supporting existing enterprises, while looking at diversifying the economic base is important. Existing businesses are Fountain Hills' most valuable assets because they are already contributing to the local economy and quality of life. They are also the best source of business expansion and local job growth.

Corporate Responsibility: Fountain Hills encourages enterprises to work as civic partners, contributing to the community, protecting the natural environment, and providing workers with good pay, benefits, and opportunities for upward mobility, within a healthy working environment.

Human Investment: Human resources are so valuable in the Information Age. Fountain Hills will strive to provide life-long skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training that are available to all.

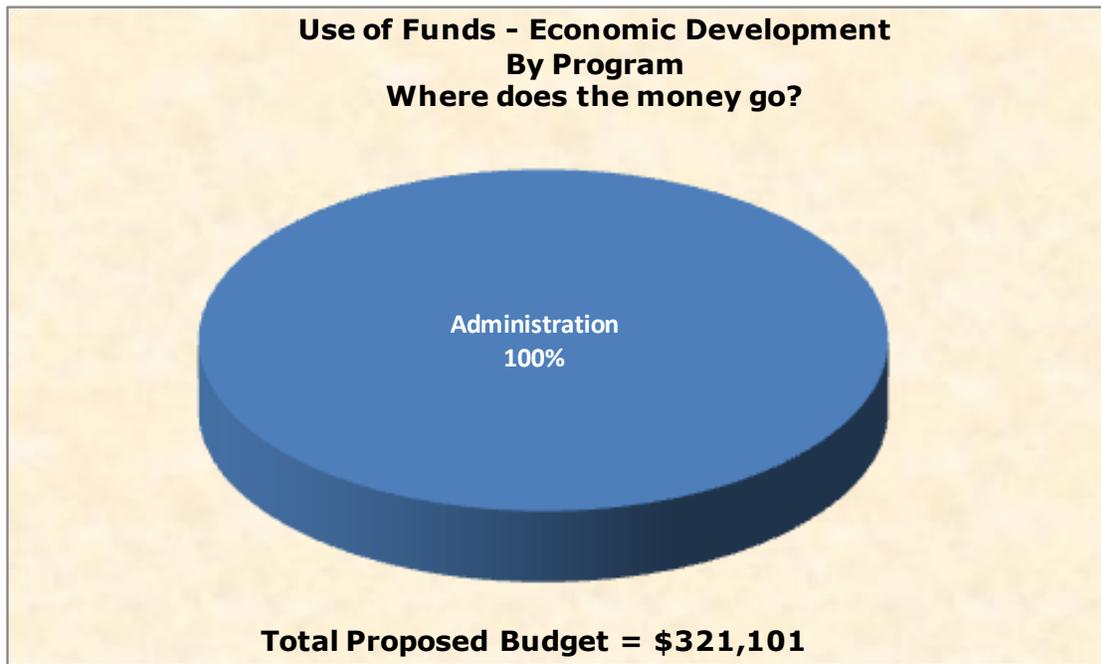


Economic Development Fund

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ -	\$ 147,580	\$245,841	\$321,101
Total	\$ -	\$ 147,580	\$ 245,841	\$ 321,101

Variance Explanations:

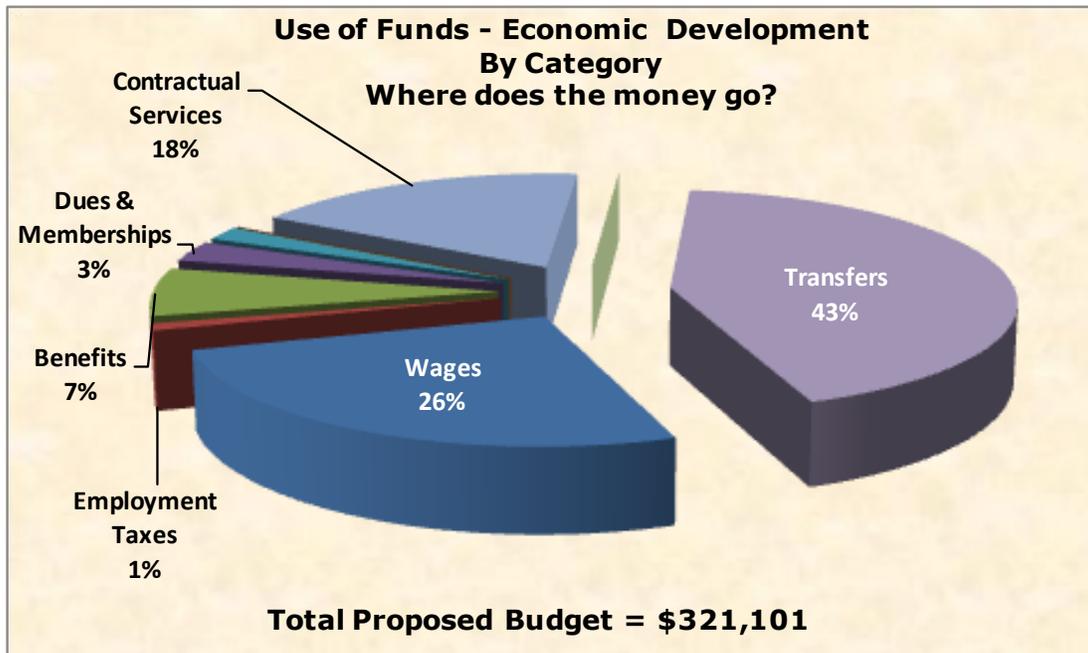
Administration: The Economic Development Specialist position was changed to be a full-time position as of January 1, 2015.



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ -	\$ 37,673	\$ 50,449	\$ 80,866
Employment Taxes	-	2,958	4,206	1,670
Benefits	-	445	-	21,191
Dues & Memberships	-	9,817	11,211	10,811
Education & Training	-	757	-	5,715
Utilities	-	562	900	900
Contractual Services	-	94,805	59,275	59,053
Supplies	-	372	-	1,500
Internal Service	-	191	700	295
Transfers	-	-	119,100	139,100
Total	\$ -	\$ 147,580	\$ 245,841	\$ 321,101

Variance Explanations:

Wages: The increase is attributable to making the Economic Development Specialist position a full-time position.



Activities/Results

Performance metrics are applied to measure a plan's activities and its overall performance. As there is always an element of uncertainty about the future, regular review to ensure that a plan is still effective and achieving desired outcomes is critical. Performance metrics should support the intended strategic outcome and typically meet six criteria: time, cost, resources, scope, quality, and actions. Performance metrics will be established with each strategic initiative to provide annual assessment of progress.

Performance Measures

Our **Economic Objectives** are the broad desired achievement that Fountain Hills will accomplish through the implementation of the Economic Development Plan. The economic objectives are:

- Grow Our Economy
- Maximize Our Talent
- Enhance Our Community

Quality

Our **Focused Approach** is how Fountain Hills is going to achieve its economic objectives. All five objectives are important and would be addressed simultaneously. The focused approach is through the following strategic initiatives:

- Business Attraction
- Business Retention and Expansion
- Entrepreneurial Development
- Foundational Maintenance
- Locational Catalysts

Productivity

Our **Targeted Industry Sectors** are the business sectors that offer Fountain Hills the most opportunity and will be pursued through our focused approach. Industry sectors help the community meet the stated economic objectives:

- Professional, Technical, and Scientific Services
- Healthcare, Medical, Biosciences, and Wellness
- Finance and Insurance
- Tourism and Recreation
- Retail
- Education Services

**FY15-16 Proposed Budget
Summary of Expenditures
Economic Development Fund**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Economic Development Fund				
Salaries-Full Time	\$ -	\$ 13,330	\$ -	\$ 80,866
Salaries-Part Time	-	24,343	50,449	-
FICA	-	2,080	3,128	-
Medicare	-	546	732	1,173
Workers Compensation	-	96	274	424
Unemployment Insurance	-	235	72	73
Group Health Insurance	-	-	-	11,736
Disability Insurance	-	(10)	-	297
Retirement	-	455	-	8,895
Life Insurance	-	-	-	263
Dues, Subscript & Publicat	-	9,817	11,211	10,811
Training/Cont Ed	-	95	-	-
Meetings & Conferences	-	663	-	5,715
Telecommunications	-	562	900	900
Professional Fees	-	4,635	4,500	4,050
Printing Expense	-	1,993	-	100
Advertising/Signage	-	595	-	21,105
Contractual Services	-	35,120	44,880	-
Community Contracts/Events	-	-	9,895	33,798
Tourism	-	52,463	-	-
Office Supplies	-	247	-	200
Operating Supplies	-	125	-	1,300
ISF-Copier Charges	-	26	470	50
ISF-Mail Service Charges	-	15	-	15
ISF-Motor Pool Charges	-	23	-	-
ISF-Telecom Charges	-	126	230	230
Transfer Out	-	-	119,100	139,100
Total Economic Development Fund	\$ -	\$ 147,580	\$ 245,841	\$ 321,101



Tourism Fund

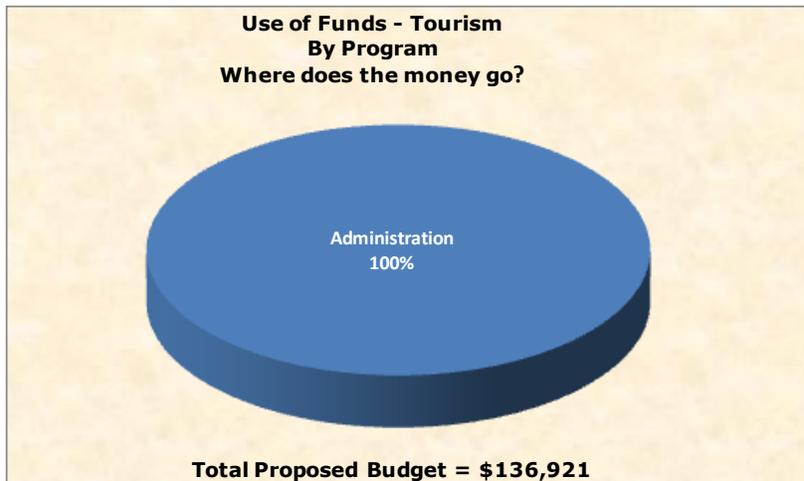
Service Delivery Plan

Implement a comprehensive tourism and recreation development program as outlined in the Town’s Economic Development Plan. Provide a mix of marketing tools, with an emphasis on digital methods, to promote Town programs, amenities, and special events. Support the tourism website. Maintain Fountain Hills as a Destination Marketing Organization (DMO) with the Arizona Office of Tourism. Continue to foster/improve relationship with Fort McDowell Yavapai Nation.

Action Steps:

- a) Actively pursue the Vision Plan’s core element of a first class performance venue in Fountain Park as the central attraction component for enhanced downtown vibrancy through non-resident visitation as well as increased resident patronage.
- b) Collaborate with Fort McDowell Yavapai Nation to adequately fund and implement a destination marketing effort focused on niche tourism segments such as golf (Sonoran Desert Golf Trail), weddings, desert/Southwest Experience, Native American Heritage and Old West experience, and arts.
- c) Promote the Community Center and other local venues as viable meeting and event centers.
- d) Explore the feasibility and initiate strategies to expand hospitality facilities in Fountain Hills.
- e) Develop more multi-day major events to Fountain Hills while ensuring long-term viability of existing events.
- f) Implement a program to attract more group tours to Fountain Hills.

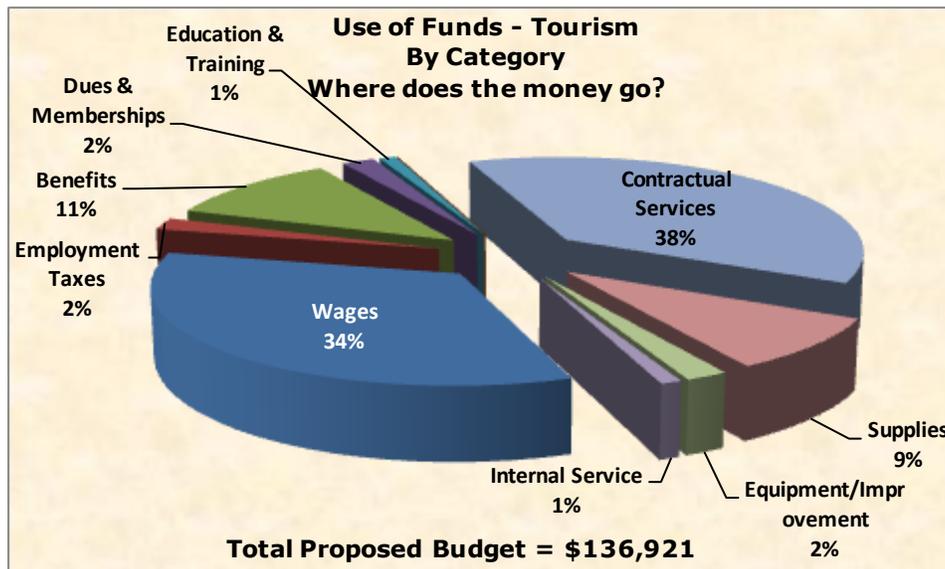
Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ -	\$ -	\$ 126,275	\$ 136,921
Total	\$ -	\$ -	\$ 126,275	\$ 136,921



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ -	\$ -	\$ 52,311	\$ 47,303
Employment Taxes	-	-	4,632	2,848
Benefits	-	-	1,532	15,340
Dues & Memberships	-	-	2,350	2,350
Education & Training	-	-	1,000	1,000
Utilities	-	-	-	150
Contractual Services	-	-	49,250	51,800
Supplies	-	-	11,000	11,700
Equipment/Improvement	-	-	3,000	3,000
Internal Service	-	-	1,200	1,430
Total	\$ -	\$ -	\$ 126,275	\$ 136,921

Variance Explanations:

Benefits: The increase is attributable to making the Tourism Coordinator position a full-time position.



**FY15-16 Proposed Budget
Summary of Expenditures
Tourism Fund**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Tourism Fund				
Salaries-Full Time	\$ -	\$ -	\$ 22,463	\$ 47,303
Salaries-Part Time	-	-	29,848	-
FICA	-	-	1,850	-
Medicare	-	-	525	687
Workers Compensation	-	-	2,132	2,081
Unemployment Insurance	-	-	125	80
Group Health Insurance	-	-	738	9,204
Group Dental Insurance	-	-	45	528
Group Vision Insurance	-	-	6	78
Disability Insurance	-	-	23	173
Retirement	-	-	700	5,203
Life Insurance	-	-	20	154
Dues, Subscript & Publicat	-	-	2,350	2,350
Meetings & Conferences	-	-	1,000	1,000
Telecommunications	-	-	-	150
Professional Fees	-	-	18,000	15,500
Printing Expense	-	-	4,000	4,300
Advertising/Signage	-	-	27,250	32,000
Office Supplies	-	-	500	700
Program Materials	-	-	10,000	10,000
Postage & Delivery	-	-	500	1,000
Software	-	-	3,000	3,000
ISF-Copier Charges	-	-	900	900
ISF-Mail Service Charges	-	-	300	300
ISF-Telecom Charges	-	-	-	230
Total Tourism Fund	\$ -	\$ -	\$ 126,275	\$ 136,921



Administration Environmental Fund



Environmental Fund

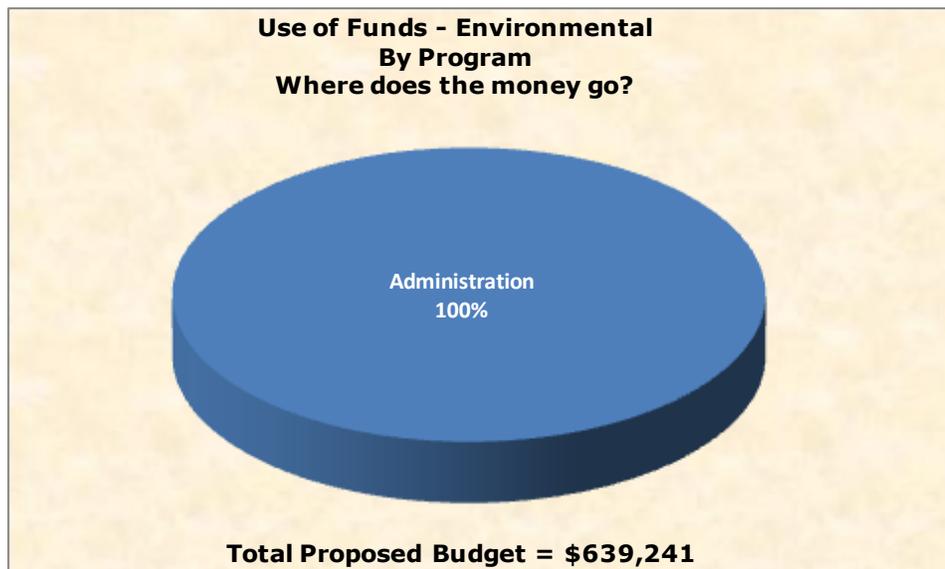
Service Delivery Plan

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

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ -	\$ -	\$ -	\$ 639,241
Total	\$ -	\$ -	\$ -	\$ 639,241

Variance Explanations:

Administration: Represents costs allocated to manage stormwater and other environmental programs.

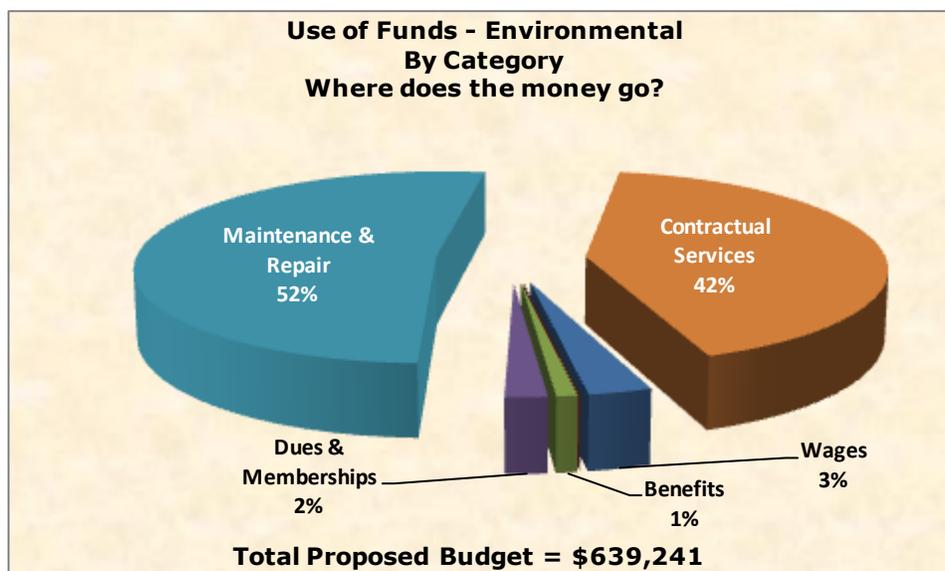


Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Wages	\$ -	\$ -	\$ -	\$ 17,665
Employment Taxes	-	-	-	1,314
Benefits	-	-	-	4,147
Dues & Memberships	-	-	-	10,715
Maintenance & Repair	-	-	-	335,400
Contractual Services	-	-	-	270,000
Total	\$ -	\$ -	\$ -	\$ 639,241

Variance Explanations:

Maintenance and Repair: Represents costs associated with wash, dam and drainage repairs/maintenance.

Contractual Services: Costs associated with billing/collections, street sweeping, sediment removal and a household hazardous waste event.



**FY15-16 Proposed Budget
Summary of Expenditures
Environmental Fund**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Environmental Fund				
Salaries-Full Time	\$ -	\$ -	\$ -	\$ 17,665
Medicare	-	-	-	256
Workers Compensation	-	-	-	1,040
Unemployment Insurance	-	-	-	18
Group Health Insurance	-	-	-	1,956
Group Dental Insurance	-	-	-	109
Group Health Vision	-	-	-	16
Disability Insurance	-	-	-	65
Retirement	-	-	-	1,943
Life Insurance	-	-	-	58
Licenses/Filing Fees	-	-	-	7,715
Dues, Subscript & Publicat	-	-	-	3,000
Grounds Maint/Repair	-	-	-	5,000
Wash Maintenance	-	-	-	150,000
Dam Inspection and Maint	-	-	-	20,400
Drainage Maint/Repair	-	-	-	130,000
Storm Damage Cleanup	-	-	-	30,000
Professional Fees	-	-	-	80,000
Contractual Services	-	-	-	140,000
Community Contracts/Events	-	-	-	50,000
Total Environmental Fund	\$ -	\$ -	\$ -	\$ 639,241



Cottonwoods Maintenance District



The Cottonwoods Maintenance District was formed by the Town Council in June, 1999 for the purpose of improving the common areas of the Cottonwoods subdivision; the Town Council serves as the governing Board for the District. The Maintenance District provides for the maintenance of the common area, which is performed by the Town of Fountain Hills. The cost is repaid through an annual property tax assessment per property owner levied by the Town and collected by Maricopa County. The estimated levy for FY15-16 is \$92.51 which includes the annual contract cost for landscaping as well as establishing a reserve amount for future exterior wall maintenance.

COTTONWOODS MAINTENANCE DISTRICT

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Revenues				
Property Tax	\$ 3,339	\$ 4,823	\$ 4,823	\$ 5,366
Interest Income	9	5	-	-
Total Revenues	<u>\$ 3,348</u>	<u>\$ 4,828</u>	<u>\$ 4,823</u>	<u>\$ 5,366</u>
Expenditures				
Grounds Maint/Repair	\$ (10,733)	\$ (3,250)	\$ (3,500)	\$ (4,015)
Advertising/Signage	(194)	(78)	-	-
ISF-Mail Service Charges	<u>(106)</u>	<u>(35)</u>	<u>(100)</u>	<u>(28)</u>
Total Expenditures	<u>\$ (11,033)</u>	<u>\$ (3,363)</u>	<u>\$ (3,600)</u>	<u>\$ (4,043)</u>



**Cottonwoods Maintenance District
Summary of Tax Levy and Tax Rate Information
Fiscal Year 15-16**

	FY14-15	FY15-16
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	_____ 4,823	_____ 5,366
C. Total property tax levy amounts	\$ _____ 4,823	\$ _____ 5,366
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	_____	
B. Secondary property taxes		
(1) Current year's levy	_____ 4,823	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	_____ 4,823	
C. Total property taxes collected	\$ _____ 4,823	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	\$ _____	\$ _____
(2) Secondary property tax rate	_____ 83.1500	_____ 92.5100
(3) Total city/town tax rate	\$ _____ 83.1500	\$ _____ 92.5100

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



Debt Service Funds



Debt Service Funds

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

General Obligation Debt

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

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

The annual property tax levy, impacted by Proposition 117 (a voter approved initiative passed in the 2012 general election affecting tax years beginning with 2015), is based on the total amount required for the payment (with adjustments for carry-forward, interest earnings, delinquencies, etc.) divided by the total limited property value for the Town of Fountain Hills.

The Town's assessed property valuation for FY15-16 is estimated to be \$402,135,304 for the upcoming year (a 0.2% decrease from the prior year) and the estimated levy is \$0.5246 per \$100 of assessed value. The levy is \$.4095 higher than last year as a result of the increase in the Town's outstanding debt.

GENERAL OBLIGATION DEBT SERVICE

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Revenues				
Secondary Property Tax	\$ 998,602	\$ 1,029,428	\$ 474,000	\$ 2,109,477
Interest Income	372	178	210	210
Transfer In	-	-	42,500	-
Total Revenues	\$ 998,974	\$ 1,029,606	\$ 516,710	\$ 2,109,687
Expenditures				
Principal Payments	\$ (855,000)	\$ (900,000)	\$ (390,000)	\$ (1,770,000)
Interest Payments	(145,813)	(113,750)	(80,000)	(321,622)
Administrative/Trustee Fees	(250)	(250)	(2,100)	(3,100)
Total Expenditures	\$ (1,001,063)	\$ (1,014,000)	\$ (472,100)	\$ (2,094,722)

Eagle Mountain Community Facilities District (CFD) Debt

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

- The first two CFD bond issues in 1996 (refunded in 2005) were to acquire certain public infrastructure benefiting the District, specifically a sewer project, a storm water conveyance system project, the Eagle Mountain Parkway Phase I project, and the Summer Hill Boulevard project.
- CFD bonds issued in 2005 were for refunding and defeasing the 1996 issues.
- Refunding bonds were issued in June 2015 to refund the 2005 bonds.

The Eagle Mountain Community Facilities District debt payments are levied on the property owners within the District. These obligations are paid by the property owners using secondary property taxes (less any credits, carry-forward and/or interest earnings and allowing for delinquencies) based on the limited property value. The anticipated rate based on the estimated assessed valuation of \$26,489,718 (a decrease of 1.7% from the prior year) is \$1.5853 per \$100 of assessed valuation compared to \$1.5695 in the prior year.

EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT DEBT SERVICE

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Revenues				
Property Tax	\$ 419,673	\$ 428,805	\$ 430,248	\$ 416,686
Interest Income	<u>122</u>	<u>77</u>	<u>600</u>	<u>9</u>
Total Revenues	<u>\$ 419,797</u>	<u>\$ 428,882</u>	<u>\$ 430,848</u>	<u>\$ 416,695</u>
Expenditures				
Advertising/Signage	\$ (83)	\$ (78)	\$ -	\$ (85)
Principal Payments	(290,000)	(305,000)	(315,000)	(365,000)
Interest Payments	(123,760)	(112,885)	(100,685)	(43,516)
Administrative/Trustee Fees	<u>(7,350)</u>	<u>(7,350)</u>	<u>(7,350)</u>	<u>(3,250)</u>
Total Expenditures	<u>\$ (421,193)</u>	<u>\$ (425,313)</u>	<u>\$ (423,035)</u>	<u>\$ (411,851)</u>



Municipal Property Corporation (MPC) Debt

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

- The first MPC bond issue in 2000 (partially refunded in 2005) was to build the Community Center.
- The second MPC issue was in 2001 (partially refunded in 2005) for the purchase of mountain preserve land.
- The third MPC issue was in 2004 for the construction of the Town Hall.
- Refunding bonds were issued in 2005 to refund the remaining 2000 and 2001 bonds.
- Refunding bonds were issued in June 2015 to refund the 2005 outstanding bonds.

One of the methods of funding major municipal projects is the use of a municipal property corporation (MPC). The Town created the Fountain Hills Municipal Property Corporation and bonds were issued in 2000 and 2001 to build the Community Center and purchase a portion of the McDowell Mountain Preserve. The MPC owns the land and buildings purchased through bond proceeds; the annual debt service payment for the Fountain Hills MPC mountain preserve bonds are paid from a dedicated portion of the local sales tax revenues within the MPC debt service fund. The bonds issued for the Community Center are repaid through the General Fund within the Community Services Department/Community Center Division budget. When the bonds are retired, any assets owned by the MPC will be turned over to the Town of Fountain Hills.

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

MUNICIPAL PROPERTY CORPORATION DEBT SERVICE

Description	FY12-13	FY13-14	FY14-15	FY15-16
	Actual	Actual	Revised Budget	Proposed Budget
Revenues				
Sales-Excise Tax	\$ 611,406	\$ 645,342	\$ 619,800	\$ 665,165
Interest Income	276	107	500	100
Transfer In	403,454	421,884	193,500	-
Total Revenues	\$ 1,015,136	\$ 1,067,333	\$ 813,800	\$ 665,265
Expenditures				
License/Filing Fees	\$ -	\$ (10)	\$ -	\$ -
Principal Payments	(895,000)	(955,000)	(995,000)	(480,000)
Interest Payments	(189,675)	(149,400)	(111,200)	(32,740)
Administrative/Trustee Fees	(4,500)	(4,500)	(7,000)	(8,000)
Total Expenditures	\$ (1,089,175)	\$ (1,108,910)	\$ (1,113,200)	\$ (520,740)

Outstanding Debt

The Schedule below includes an itemization of the outstanding debt as of June 30, 2015, after the scheduled principal and interest payment due July 1.

Outstanding Debt Schedule

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	Refunding	6/1/2005	4.00	7/1/2019	\$ 7,225,000	\$ 5,615,000	\$ -	\$ 1,610,000
	Road Construction		2.00-3.00					
GO		12/4/2014		7/1/2020	<u>7,565,000</u>	<u>-</u>	<u>-</u>	<u>7,565,000</u>
	Total GO				<u>14,790,000</u>	<u>5,615,000</u>	<u>-</u>	<u>9,175,000</u>
Rev	Revenue	12/1/2004	4.25-4.50	7/1/2015	3,645,000	3,645,000	-	-
Rev	Refunding	6/1/2005	3.25-4.00	7/1/2020	5,330,000	2,550,000	2,780,000	-
Rev	Refunding	6/4/2015	1.62	7/1/2020	<u>1,880,000</u>	<u>-</u>	<u>-</u>	<u>1,880,000</u>
	Total Rev				<u>10,855,000</u>	<u>6,195,000</u>	<u>2,780,000</u>	<u>1,880,000</u>
SA	Eagle Mtn	7/12/2005	4.00-4.125	7/1/2021	4,555,000	2,060,000	2,495,000	-
SA	Eagle Mtn	6/4/2015	1.76	7/1/2021	<u>2,300,000</u>	<u>-</u>	<u>-</u>	<u>2,300,000</u>
	Total SA				<u>6,855,000</u>	<u>2,060,000</u>	<u>2,495,000</u>	<u>2,300,000</u>
	Grand Total				<u>\$ 32,500,000</u>	<u>\$ 13,870,000</u>	<u>\$ 5,275,000</u>	<u>\$ 13,355,000</u>

GO General Obligation Bonds
Rev Revenue Bonds
SA Special Assessment Bonds



Legal Debt Margin Information

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

20% limit - GO bonds for projects involving water, sewer, artificial lighting, parks, open space, public safety, law enforcement, fire and emergency facilities, street and transportation facilities and recreational facility improvements.

6% limit - GO bonds for any other general purpose improvements.

**Town of Fountain Hills, Arizona
Legal Debt Margin Information**

	<u>FY11-12</u>	<u>FY12-13</u>	<u>FY14-15</u>	<u>FY15-16</u>
6% Debt Limit				
Debt limit	\$ 22,651,303	\$ 21,978,160	\$ 24,177,956	\$ 24,128,118
Total applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 22,651,303</u>	<u>\$ 21,978,160</u>	<u>\$ 24,177,956</u>	<u>\$ 24,128,118</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%
20% Debt Limit				
Debt limit	\$ 75,504,344	\$ 73,260,534	\$ 80,593,185	\$ 80,427,061
Total applicable to limit	<u>3,755,000</u>	<u>2,900,000</u>	<u>2,000,000</u>	<u>9,175,000</u>
Legal debt margin	<u>\$ 71,749,344</u>	<u>\$ 70,360,534</u>	<u>\$ 78,593,185</u>	<u>\$ 71,252,061</u>
Total net debt applicable to the limit as a percentage of debt limit	5%	4%	2%	11%
Limited Property Value - Net (Secondary Assessed Value - Net prior to FY 15-16)	\$377,521,718	\$366,302,672	\$402,965,927	\$402,135,304



**Town of Fountain Hills
 Summary of Tax Levy and Tax Rate Information
 Fiscal Year 15-16**

	FY14-15	FY15-16
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	463,622	2,109,477
C. Total property tax levy amounts	\$ 463,622	\$ 2,109,477
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	_____	
B. Secondary property taxes		
(1) Current year's levy	463,622	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	463,622	
C. Total property taxes collected	\$ 463,622	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	\$ _____	\$ _____
(2) Secondary property tax rate	0.1151	0.5246
(3) Total city/town tax rate	\$ 0.1151	\$ 0.5246

B. Special assessment district tax rates
 Secondary property tax rates - As of the date the proposed budget was prepared, the city/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 city/town.

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

**Eagle Mountain Community Facilities District
Summary of Tax Levy and Tax Rate Information
Fiscal Year 15-16**

	FY14-15	FY15-16
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ _____	\$ _____
B. Secondary property taxes	_____ 423,035	_____ 416,686
C. Total property tax levy amounts	\$ _____ 423,035	\$ _____ 416,686
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	_____	
B. Secondary property taxes		
(1) Current year's levy	_____ 423,035	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	_____ 423,035	
C. Total property taxes collected	\$ _____ 423,035	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	\$ _____	\$ _____
(2) Secondary property tax rate	_____ 1.5695	_____ 1.5853
(3) Total city/town tax rate	\$ _____ 1.5695	\$ _____ 1.5853

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





Capital Improvement Program



Capital Improvement Program (CIP) Policy and Procedures

Objective

To provide a policy and procedures for the development, approval, and implementation of the Town of Fountain Hills' five (5) year and twenty (20) year Capital Improvement Programs (CIP).

Scope

This policy applies to all projects undertaken by the Town of Fountain Hills that meet the definition of a capital improvement project detailed in the definitions section.

Policy

The purpose of the Capital Improvement Program is to provide an authoritative decision-making process for the evaluation, selection, and multi-year scheduling of public physical improvements based on a projection of available fiscal resources and the community's priorities.

The objectives of the Program are to:

- a) ensure the timely repair, replacement and expansion of the Town's infrastructure;
- b) serve as a link in the Town's planning between the Town's Strategic Plan and all subsidiary plans with a 5-20 year horizon and the annual budget process with a one-year horizon;
- c) maintain control over the Town's long-term cash flow in relation to the Town's financial capacity; and
- d) ensure efficient, effective and coordinated capital improvement.

Definitions

The following words, when used in connection with this policy, shall have the following meanings:

CAPITAL IMPROVEMENT PROGRAM: A multi-year planning document that is the product of a systematic evaluation of capital projects. This Program serves as a guide for the efficient and effective construction and maintenance of public facilities, outlining a detailed timeline and financing schedule of capital projects for a five (5) year period of time and a summary schedule of capital projects for a twenty (20) year period.

CAPITAL IMPROVEMENT PROJECT: A capital project is a heavy equipment acquisition, a computer/software systems acquisition, or a public improvement that involves construction of new infrastructure, additions to existing structures, renovation of existing structures, and major repairs to infrastructure of a comprehensive

and non-routine nature. A capital project is defined in financial terms as a project with a projected final cost of at least \$50,000 and is a non-recurring expense.

In addition, the capital asset(s) resulting from the project should have a useful life of at least 10 years. Studies, design and engineering fees greater than \$10,000 which are preparatory to a capital project with a projected final cost of at least \$50,000 should be included as part of the capital project cost.

INFRASTRUCTURE IMPROVEMENT PLAN (IIP): A written plan that individually or collectively identifies each public service that is proposed to be the subject of a development fee. The Town of Fountain Hills' IIP is incorporated as part of the Town's CIP and follows the same timeline and procedure.

Process

A. Schedule: Annually, the CIP Coordinator and Finance Director will submit a proposed CIP development calendar to the Town Manager for review. Based on this calendar, the CIP Coordinator will initiate a request to the management team for submission of updates, revisions and new projects for the five (5) year Capital Improvement Program. A further, but less detailed, review of the twenty (20) year Program will also be conducted.

B. Format: The management team will utilize the previous year's approved CIP as a base for developing recommended additions, deletions, or changes for incorporation in the updated CIP for the ensuing year. The management team will utilize the standard format provided to submit new projects or propose revisions to existing projects. All new projects will also include a comprehensive estimate of the impact of the new project on the Town's annual operating budget; e.g., salaries and benefits, supplies, utilities, fuel, maintenance requirements, etc.

C. Finance Review: The Finance Director will assist the CIP Coordinator as necessary in all facets of Capital Improvement Program development and review including production of revenue estimates and estimated growth in assessed valuation as well as overall financial analysis of the proposed program. Additional assistance may be requested to help produce draft documents, etc.

D. Town Manager Review: The CIP Coordinator will provide a copy of the proposed CIP document to the Finance Director and Town Manager for review and comment prior to distribution of the CIP document to the Town Council as part of the budget package.

E. Public Hearing: The proposed CIP will be considered at a public hearing convened by the Town Council to accept comments and input from the public on the content of the Program. Notice of said public hearing date, place, and time will be made at least 60 days in advance of the scheduled hearing.



Copies of the proposed CIP will be made available to the public at least 30 days prior to the scheduled hearing date and at the hearing itself.

F. Town Council Approval: The final draft of the proposed CIP will be submitted as an agenda item for formal approval by the Town Council at the first Council Meeting in June.

G. Distribution: A copy of the approved CIP document will be published on the Town's website.

H. Implementation: Upon adoption of the CIP, projects included within the applicable budget year may be implemented by the appropriate management team member in compliance with the Town's procurement policy, special benefit district, or applicable procedure.

I. Amendments: The adopted CIP may be amended upon approval of the Town Council. Examples of amendments include cost increases for approved projects, the acceleration of projects to the applicable budget year from a future year, and the addition of projects not previously included in the CIP.

An amendment to the CIP will be submitted to the Town Manager for approval. Upon approval, the amendment should be prepared as an agenda item for formal approval by the Town Council at a regular or special session. Upon approval, a copy of the amended CIP document will be published on the Town's website.

Procedure

A. Form: The form listed as Attachment A shall be utilized to request inclusion of a project in the Capital Improvement Program.

B. Funding Prioritization: As part of the project submittal process, management team members shall identify project priorities to help determine which projects are recommended for inclusion in the five-year CIP.

The initial measure of the project's priority is first established using the following factors:

HIGH

- Project protects the health and safety of the Town, its residents, visitors and employees
- Project is mandated by Federal, State or local, regulations
- Project is a high priority of the Town Council, based on the most current Strategic Plan or other subsidiary plans. Project prevents irreparable damage to existing facilities

- Project leverages local funding with other non-local funding sources
- Project finishes a partially completed project

MEDIUM

- Project maintains existing service levels
- Project provides for the maintenance of existing systems and equipment
- Project results in increased efficiency
- Project reduces operational costs
- Project significantly reduces losses in revenue or provides for significant increased revenues

LOW

- Project provides an expanded level of service or new public facility not included in the Town Council's priorities
- Project is deferrable
- Project uses debt financing

C. Funding Sources: The primary funding sources for the CIP are the General Fund, grants, development fees, excise taxes, HURF, bonded indebtedness, capital leases and Capital Projects funds. All potential projects must identify the proposed sources of funding before submission of the CIP request. Projects that are funded by development fees must also identify the relationship between the IIP project and the development fee from which it is funded in the justification section of the CIP Form.

D. Project Schedule: Each Project Manager shall provide a preliminary schedule which shall detail the various phases involved in the project and their starting and ending dates. It is the responsibility of the Project Manager to maintain this schedule or to provide schedule updates to the CIP Coordinator on at least a quarterly basis.

Responsibility for Enforcement

The Town Manager, Finance Director and CIP Coordinator will be responsible for ensuring that this policy is followed and/or updated as necessary.



Attachment A
Town of Fountain Hills
Capital Improvement Project Information

PROJECT TITLE: [Click here to enter text.](#)

PROJECT NUMBER: [Click here to enter text.](#)

PROJECT DESCRIPTION/SCOPE: [Click here to enter text.](#)

TIMEFRAME: [Click here to enter text.](#) Example FY 2016-20

YEAR PROJECT BEGAN: [Click here to enter text.](#) Example FY 2015-16

TOTAL ESTIMATED PROJECT COST: [Click here to enter text.](#)

PROJECT JUSTIFICATION: [Click here to enter text.](#)

FUNDING PRIORITY: [Click here to select a Priority from the list](#)

Note: Double click on the below tables to update them in Excel. The totals will automatically calculate.

Funding Sources							
Fund Type	Prior Years	FY15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
General							\$0
Capital Projects							\$0
Excise Tax							\$0
Grant							\$0
HURF							\$0
Development Fee							\$0
Developer							\$0
Unfunded							\$0
Other							\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Project Expenses							
Fund Type	Prior Years	FY15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
Planning							\$0
Design							\$0
Construction							\$0
Other							\$0
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Operating Impact							
Fund Type		FY15-16	FY 16-17	FY17-18	FY 18-19	FY19-20	Total
Salaries & Benefits							\$0
Services & Supplies							\$0
Other							\$0
Total		\$0	\$0	\$0	\$0	\$0	\$0



Capital Projects Summary



**PROPOSED CAPITAL PROJECTS
FY15-16 THROUGH FY19-20
REVENUES BY PROJECT BY YEAR**

Project No.	Project Title	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Five Year Total
<u>Stormwater Management/Drainage Projects</u>							
	Ashbrook Wash Channelization Improvements-						
D6030	Bayfield to Del Cambre	\$ 2,145,000	\$ -	\$ -	\$ -	\$ -	\$ 2,145,000
D6047	Drainage-Miscellaneous	50,000	-	-	-	-	50,000
TOTAL		\$ 2,195,000	\$ -	\$ -	\$ -	\$ -	\$ 2,195,000
<u>Downtown Improvement Projects</u>							
	Downtown Vision Master Plan - Phase II						
E8502	(Avenue/Lakeside Project)	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000
TOTAL		\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000
<u>Facilities Projects</u>							
F4005	Fire Station 2 Relocation	\$ 3,650,000	\$ -	\$ -	\$ -	\$ -	\$ 3,650,000
F4029	Civic Center Improvements	-	150,000	-	-	-	150,000
F4030	Purchase and Install Chiller #1	-	250,000	-	-	-	250,000
TOTAL		\$ 3,650,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 4,050,000
<u>Parks & Recreation Projects</u>							
P3011	Fountain Park Improvements - Phase 6	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ 910,000
P3022	Fountain Lake Water Quality Improvements	200,000	-	-	-	-	200,000
P3025	Adero Canyon Trailhead	20,000	1,910,000	-	-	-	1,930,000
TOTAL		\$ 1,130,000	\$ 1,910,000	\$ -	\$ -	\$ -	\$ 3,040,000
<u>Street/Sidewalk Projects</u>							
S6003	Unpaved Alley Paving Projects	\$ -	\$ 200,000	150,000	\$ -	\$ -	\$ 350,000
S6005	Shea Boulevard Widening-SR 87 to Technology	1,000,000	-	-	-	-	1,000,000
S6010	Saguaro Blvd Reconstruction-mill & overlay	429,082	-	-	-	-	429,082
S6053	Fountain Hills Blvd Shoulder Paving	500,000	-	-	-	-	500,000
S6056	Shea Blvd. Eastbound Bike Lane	-	380,000	-	-	-	380,000
S6057	McDowell Mountain Road Repairs	65,000	-	-	-	-	65,000
TOTAL		\$ 1,994,082	\$ 580,000	\$ 150,000	\$ -	\$ -	\$ 2,724,082
<u>Traffic Signal Projects</u>							
T5010	Intelligent Transportation System (ITS)	\$ -	250,000	\$ 962,000	\$ -	\$ -	\$ 1,212,000
T5011	Traffic Signal-Palisades & Saguaro Upgrades	380,000	-	-	-	-	380,000
TOTAL		\$ 380,000	\$ 250,000	\$ 962,000	\$ -	\$ -	\$ 1,592,000
<u>Contingency</u>		\$ 141,200	\$ 33,400	\$ 11,120	\$ -	\$ -	\$ 185,720
TOTAL PROPOSED CAPITAL PROJECTS		\$ 9,690,282	\$ 3,373,400	\$ 1,123,120	\$ -	\$ -	\$ 14,186,802



**PROPOSED CAPITAL PROJECTS
FY15-16 THROUGH FY19-20
EXPENDITURES BY PROJECT BY YEAR**

Project No.	Project Title	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Five Year Total (excludes Prior Years' Costs)
<u>Stormwater Management/Drainage Projects</u>							
D6030	Ashbrook Wash Channelization Improvements- Bayfield to Del Cambre	\$ 2,145,000	\$ -	\$ -	\$ -	\$ -	\$ 2,145,000
D6047	Drainage-Miscellaneous	50,000	-	-	-	-	50,000
TOTAL		\$ 2,195,000	\$ -	\$ -	\$ -	\$ -	\$ 2,195,000
<u>Downtown Improvement Projects</u>							
E8502	Downtown Vision Master Plan - Phase II (Avenue/Lakeside Project)	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000
TOTAL		\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000
<u>Facilities Projects</u>							
F4005	Fire Station 2 Relocation	\$ 3,650,000	\$ -	\$ -	\$ -	\$ -	\$ 3,650,000
F4029	Civic Center Improvements	-	150,000	-	-	-	150,000
F4030	Purchase and Install Chiller #1	-	250,000	-	-	-	250,000
TOTAL		\$ 3,650,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 4,050,000
<u>Parks & Recreation Projects</u>							
P3011	Fountain Park Improvements - Phase 6	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ 910,000
P3022	Fountain Lake Water Quality Improvements	200,000	-	-	-	-	200,000
P3025	Adero Canyon Trailhead	20,000	1,910,000	-	-	-	1,930,000
TOTAL		\$ 1,130,000	\$ 1,910,000	\$ -	\$ -	\$ -	\$ 3,040,000
<u>Street/Sidewalk Projects</u>							
S6003	Unpaved Alley Paving Projects	\$ -	\$ 200,000	150,000	\$ -	\$ -	\$ 350,000
S6005	Shea Boulevard Widening-SR 87 to Technology	1,000,000	-	-	-	-	1,000,000
S6010	Saguaro Blvd Reconstruction-mill & overlay	5,000,000	-	-	-	-	5,000,000
S6053	Fountain Hills Blvd Shoulder Paving	500,000	-	-	-	-	500,000
S6056	Shea Blvd. Eastbound Bike Lane	-	380,000	-	-	-	380,000
S6057	McDowell Mountain Road Repairs	65,000	-	-	-	-	65,000
TOTAL		\$ 6,565,000	\$ 580,000	\$ 150,000	\$ -	\$ -	\$ 7,295,000
<u>Traffic Signal Projects</u>							
T5010	Intelligent Transportation System (ITS)	\$ -	250,000	\$ 962,000	\$ -	\$ -	\$ 1,212,000
T5011	Traffic Signal-Palisesades & Saguaro Upgrades	380,000	-	-	-	-	380,000
TOTAL		\$ 380,000	\$ 250,000	\$ 962,000	\$ -	\$ -	\$ 1,592,000
<u>Contingency</u>		\$ 141,200	\$ 33,400	\$ 11,120	\$ -	\$ -	\$ 185,720
TOTAL PROPOSED CAPITAL PROJECTS		\$ 14,261,200	\$ 3,373,400	\$ 1,123,120	\$ -	\$ -	\$ 18,757,720



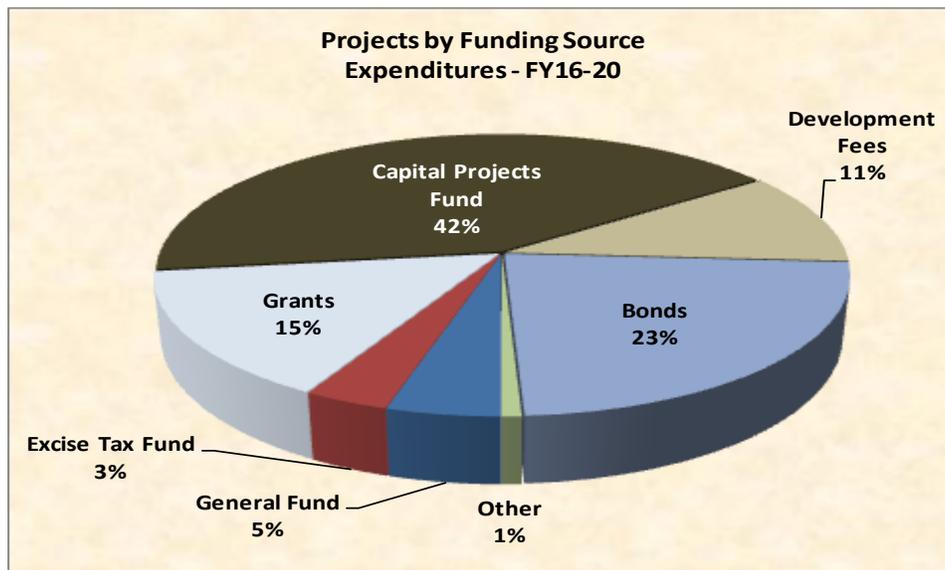
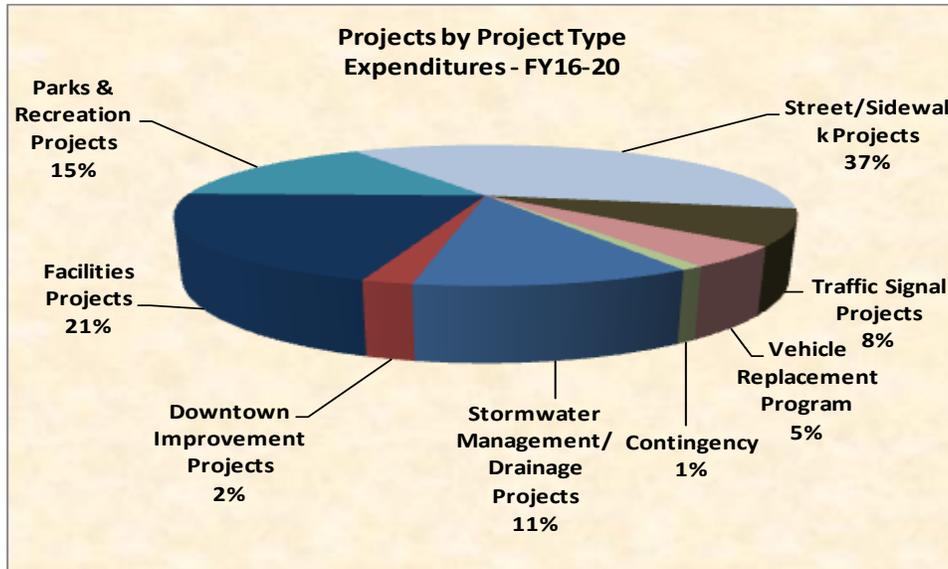
**CAPITAL PROJECTS FIVE-YEAR PROJECTION
REVENUES & PROJECT COSTS**

REVENUES BY SOURCE	FIVE-YEAR	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL FIVE-	SURPLUS/ DEFICIT
	AVAILABLE FUNDS	Requested	Requested	Requested	Requested	Requested	YEAR PROJECTION	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway User Fund	-	-	-	-	-	-	-	-
Excise Tax Fund	1,313,734	475,000	200,000	-	-	-	675,000	638,734
Grants	2,936,000	1,790,000	224,000	922,000	-	-	2,936,000	-
Capital Projects Fund	15,788,822	7,000,514	1,107,579	201,120	-	-	8,309,213	7,479,609
Development Fees:								
Streets	-	-	-	-	-	-	-	-
Law Enforcement	203,484	203,484	-	-	-	-	203,484	-
Fire & Emergency Medical	67,202	67,202	-	-	-	-	67,202	-
Open Space	1,657,793	-	1,657,793	-	-	-	1,657,793	-
Parks & Recreation	184,028	-	184,028	-	-	-	184,028	-
Library/Museum	-	-	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	-	-
Developers	-	-	-	-	-	-	-	-
Unfunded	-	-	-	-	-	-	-	-
Other	154,082	154,082	-	-	-	-	154,082	-
Total Revenues By Source	\$ 22,305,145	\$ 9,690,282	\$ 3,373,400	\$ 1,123,120	\$ -	\$ -	\$ 14,186,802	\$ 8,118,343

EXPENDITURES BY PROJECT TYPE & COSTS	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL FIVE-
	Requested	Requested	Requested	Requested	Requested	YEAR PROJECTION
Stormwater Management/Drainage Projects	\$ 2,195,000	\$ -	\$ -	\$ -	\$ -	\$ 2,195,000
Downtown Improvement Projects	200,000	200,000	-	-	-	400,000
Facilities Projects	3,650,000	400,000	-	-	-	4,050,000
Open Space Projects	-	-	-	-	-	-
Parks & Recreation Projects	1,130,000	1,910,000	-	-	-	3,040,000
Street/Sidewalk Projects	6,565,000	580,000	150,000	-	-	7,295,000
Traffic Signal Projects	380,000	250,000	962,000	-	-	1,592,000
Contingency	141,200	33,400	11,120	-	-	185,720
Total Project Costs	\$ 14,261,200	\$ 3,373,400	\$ 1,123,120	\$ -	\$ -	\$ 18,757,720



CAPITAL PROJECTS FIVE-YEAR PROJECTION



**PROPOSED CAPITAL PROJECTS
FY15-16 THROUGH FY19-20
BY PROJECT AND FUNDING SOURCE**

Project No.	Project Title	Prior Years' Costs	Capital Projects Fund	Grants	Excise Tax Fund	General Fund	Development Fees	Other	Total Project Costs
<u>Stormwater Management/Drainage Projects</u>									
D6030	Ashbrook Wash Channelization Improvements- Bayfield to Del Cambre	\$ 150,094	\$ 1,310,000	\$ 835,000	\$ -	\$ -	\$ -	\$ -	\$ 2,295,094
D6047	Drainage-Miscellaneous	51,362	50,000	-	-	-	-	-	101,362
TOTAL		\$ 201,456	\$ 1,360,000	\$ 835,000	\$ -	\$ -	\$ -	\$ -	\$ 2,396,456
<u>Downtown Improvement Projects</u>									
E8502	Downtown Vision Master Plan - Phase II (Avenue/Lakeside Project)	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
TOTAL		\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
<u>Facilities</u>									
F4005	Fire Station 2 Relocation	\$ 174,471	\$ 3,379,314	\$ -	\$ -	\$ -	\$ 270,686	\$ -	\$ 3,824,471
F4029	Civic Center Improvements	-	150,000	-	-	-	-	-	150,000
F4030	Purchase and Install Chiller #1	-	250,000	-	-	-	-	-	250,000
TOTAL		\$ 174,471	\$ 3,779,314	\$ -	\$ -	\$ -	\$ 270,686	\$ -	\$ 4,224,471
<u>Parks & Recreation Projects</u>									
P3011	Fountain Park Improvements - Phase 6	\$ 83,508	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 993,508
P3022	Fountain Lake Water Quality Improvements	53,506	200,000	-	-	-	-	-	253,506
P3025	Adero Canyon Trailhead	18,771	88,179	-	-	-	1,841,821	-	1,948,771
TOTAL		\$ 155,785	\$ 1,198,179	\$ -	\$ -	\$ -	\$ 1,841,821	\$ -	\$ 3,195,785
<u>Street/Sidewalk Projects</u>									
S6003	Unpaved Alley Paving Projects	\$ 383,282	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 733,282
S6005	Shea Boulevard Widening-SR 87 to Technology	1,783,456	300,000	700,000	-	-	-	-	2,783,456
S6010	Saguaro Blvd Reconstruction-mill & overlay	3,030,682	-	-	275,000	-	-	4,725,000	8,030,682
S6053	Fountain Hills Blvd Shoulder Paving	122,208	245,000	255,000	-	-	-	-	622,208
S6056	Shea Blvd. Eastbound Bike Lane	28,559	156,000	224,000	-	-	-	-	408,559
S6057	McDowell Mountain Road Repairs	-	65,000	-	-	-	-	-	65,000
TOTAL		\$ 5,350,236	\$ 1,116,000	\$ 1,179,000	\$ 275,000	\$ -	\$ -	\$ 4,725,000	\$ 12,645,236
<u>Traffic Signal Projects</u>									
T5010	Intelligent Transportation System (ITS)	\$ -	\$ 290,000	\$ 922,000	\$ -	\$ -	\$ -	\$ -	\$ 1,212,000
T5011	Traffic Signal-Palisades & Saguaro Upgrades	19,970	380,000	-	-	-	-	-	399,970
TOTAL		\$ 19,970	\$ 670,000	\$ 922,000	\$ -	\$ -	\$ -	\$ -	\$ 1,611,970
<u>Contingency</u>			\$ 185,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,720
TOTAL PROPOSED CAPITAL PROJECTS		\$ 5,901,918	\$ 8,309,213	\$ 2,936,000	\$ 675,000	\$ -	\$ 2,112,507	\$ 4,725,000	\$ 24,659,638



**PROPOSED CAPITAL PROJECTS
FY15-16 THROUGH FY19-20
BY YEAR AND FUNDING SOURCE
TOTALS**

REVENUE SUMMARY TOTALS BY FUNDING SOURCE

Source	Prior Years' Costs	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Total FY15-16 - FY19-20	Project Total
Capital Projects Fund	\$ 1,010,731	\$ 7,000,514	\$ 1,107,579	\$ 201,120	\$ -	\$ -	\$ 8,309,213	\$ 9,319,944
Grants	1,098,135	1,790,000	224,000	922,000	-	-	2,936,000	4,034,135
Excise Tax	25,000	475,000	200,000	-	-	-	675,000	700,000
General Fund	-	-	-	-	-	-	-	-
Development Fees	407,921	270,686	1,841,821	-	-	-	2,112,507	2,520,428
Reimbursements from Developers	200,000	-	-	-	-	-	-	200,000
Unfunded	-	-	-	-	-	-	-	-
Bonds	7,565,000	-	-	-	-	-	-	7,565,000
HURF	-	-	-	-	-	-	-	-
Other	164,000	154,082	-	-	-	-	154,082	318,082
Total	\$ 10,470,787	\$ 9,690,282	\$ 3,373,400	\$ 1,123,120	\$ -	\$ -	\$ 14,186,802	\$ 24,657,589

EXPENDITURE SUMMARY TOTALS BY ACTIVITY

Source	Prior Years' Costs	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	Total FY15-16 - FY19-20	Project Total
Acquisition	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Planning	203,600	-	-	-	-	-	-	203,600
Design	1,840,899	459,880	375,000	15,000	-	-	849,880	2,690,779
Construction	3,855,370	13,601,320	2,548,400	1,108,120	-	-	17,257,840	21,113,210
Other Expenses	-	200,000	200,000	-	-	-	400,000	400,000
Total	\$ 5,899,869	\$ 14,261,200	\$ 3,373,400	\$ 1,123,120	\$ -	\$ -	\$ 18,757,720	\$ 24,657,589





Capital Projects Information Sheets



PROJECT TITLE: Ashbrook Wash Channelization Improvements

PROJECT NUMBER: D6030

PROJECT DESCRIPTION/SCOPE:

This project will upgrade the channel and culverts along the Ashbrook Wash between Bayfield Drive and Del Cambre Avenue to carry run-off from a 100-year storm event without flooding adjacent residences.

The work is anticipated to include a new culvert at Bayfield Drive (six barrel, 8' x 5' concrete box culvert), a new culvert at Saguario Boulevard (seven barrel, 10' x 4' concrete box culvert), grading a portion of the channel length, excess vegetation removal, and two segments of masonry floodwall.

TOWN GOALS

TIMEFRAME: FY14-16

YEAR PROJECT BEGAN: FY13-14

TOTAL ESTIMATED PROJECT COST: \$2,295,094

PROJECT JUSTIFICATION:

Survey data and hydraulic calculations from the Maricopa County Flood Control District (MCFCD) show that 13 houses and duplex units are susceptible to flooding in the 100-year flood along Ashbrook Wash between Bayfield Drive and Del Cambre Avenue. The MCFCD had deferred its assessment of the Town's 2009 CIP submittal request pending confirmation of the flooding hazard.

Based on this new information, the Town updated and re-submitted its Capital Improvement Program Prioritization Procedure request to the MCFCD. MCFCD staff has recommended approval of the project to their Board of Directors and, if approved, the Town and the MCFCD will split the project costs equally with the MCFCD managing the project's design and construction.

FUNDING PRIORITY: High - Prevents Irreparable Damage to Existing Facilities



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 75,094	\$1,310,000	\$ -	\$ -	\$ -	\$ -	\$1,385,094
Grant	75,000	835,000					910,000
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 150,094	\$2,145,000	\$ -	\$ -	\$ -	\$ -	\$2,295,094

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning	150,094						150,094
Design							-
Construction		2,145,000					2,145,000
Other Expenses							-
TOTAL	\$ 150,094	\$2,145,000	\$ -	\$ -	\$ -	\$ -	\$2,295,094

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Miscellaneous Drainage Improvements

PROJECT NUMBER: D6047

PROJECT DESCRIPTION/SCOPE:

This project will provide for the construction of new drainage facilities or the extension of existing facilities at locations of future road widening projects where erosion occurs so that excess excavated materials may be put in place when available. The project will also provide for the revegetation of these locations.

TOWN GOALS

TIMEFRAME: FY14-16

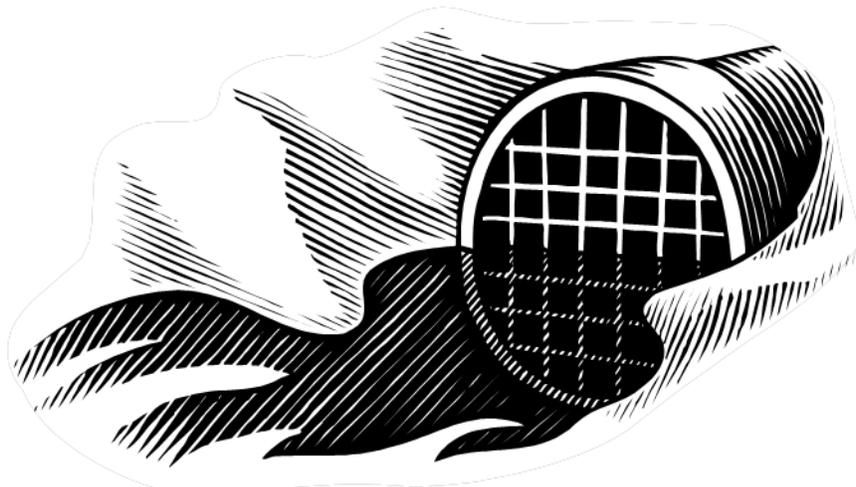
YEAR PROJECT BEGAN: FY14-15

TOTAL ESTIMATED PROJECT COST: \$101,362

PROJECT JUSTIFICATION:

The Town has worked successfully with municipal, private and utility construction contractors in the past to place excess excavation materials at locations where future Town road widening projects will require fill material. This work is done at no cost to the Town and will save on the costs to fill and compact these areas in the future. The locations where the excess materials can be placed are now limited without constructing or extending drainage culverts. Revegetation is also required in the areas where fill materials are placed to help with erosion and aesthetics.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 51,362	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 101,362
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 51,362	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 101,362

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design							-
Construction	51,362	50,000					101,362
Other Expenses							-
TOTAL	\$ 51,362	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 101,362

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Downtown Vision Master Plan - Phase II (Avenue/
Lakeside Project)

PROJECT NUMBER: E8502

PROJECT DESCRIPTION/SCOPE:

This project may be used as an inducement to reimburse a developer(s) up to \$400,000 for construction of Town approved streetscape/sidewalks/road improvements for development of a project or projects in the Lakeside District and/or The Avenue District in alignment with the Downtown Vision Master Plan adopted by Council on 9/17/09 and in alignment with the Downtown Area Specific Plan framework. It may also be used by the Town for streetscape/sidewalks/road improvements/parking studies to induce a developer(s) to develop a project or projects in the above mentioned Districts.

TOWN GOALS

TIMEFRAME: FY16-17

YEAR PROJECT BEGAN: N/A

TOTAL ESTIMATED PROJECT COST: \$400,000

PROJECT JUSTIFICATION:

In FY05-06 and FY06-07, the Town completed Phases I and II of the "Avenue of the Fountains Enhancement Project." Phase I included design of the entire project, and construction of the streetscape and sidewalks on the north side of the Avenue. Phase II included construction of the streetscape and sidewalks on the south side of the Avenue in front of Town Hall.

In January 2009, the Town of Fountain Hills and the Fountain Hills Chamber of Commerce, embarked on a journey to develop a master plan for downtown Fountain Hills. Swaback Partners was engaged to assist in this project. The process included input in structured group settings. Two different groups, inclusive of community leaders and local constituents, formally assisted in defining the vision - the Project Team and the Focus Group. In addition, the process included numerous public meetings to discuss the project progress, and receive feedback and guidance.

This project will continue the "Avenue of the Fountains Enhancement Project" in the form of an inducement up to \$400,000 to reimburse a developer or developers for developing a project(s) in the Lakeside District or The Avenue District in alignment with the Downtown Vision Master Plan. It may also be in the form of a Town project to induce a development. The Town Council would formalize the reimbursement or inducement through an adopted Development Agreement which would outline the conditions of the reimbursements or inducements.

FUNDING PRIORITY: High - Town Council Priority





FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant							-
Excise Tax		200,000	200,000				400,000
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design							-
Construction							-
Other Expenses		200,000	200,000				400,000
TOTAL	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Fire Station #2 Relocation

PROJECT NUMBER: F4005

PROJECT DESCRIPTION/SCOPE:

Construction of a new Fire Station #2 to replace the existing Fire Station #2 on Saguaro Blvd., south of Shea Blvd. The new station location will provide decreased response times within the service area. Two proposed locations have been identified and are under review. Location #1 is located on the south side of Shea Blvd. east of Palisades Blvd. and location #2 is at the southwest corner of Fountain Hills Blvd. and Muskrat Lane.

TOWN GOALS

TIMEFRAME: FY09-16

YEAR PROJECT BEGAN: FY08-09

TOTAL ESTIMATED PROJECT COST: \$3,824,471

PROJECT JUSTIFICATION:

The Fire Department has previously completed a study of seven sites (two current stations and five potential locations) to improve response times for all areas within the Town, in particular Eagle Mountain, Crestview, Copperwynd, Adero Canyon, Fire Rock, and the Westridge developments. The criteria used included response times (5 minutes 90% of the time), secondary emergency unit coverage, balanced call volumes, Town owned property, cost and sites requiring little or no Planning & Zoning or Council action.

The two potential new Fire Station locations selected will afford superior overlapping coverage for both of the Town's Fire Stations, which will equitably distribute and balance call volume, thus allowing better call support for multiple calls. Relocating Fire Station #2 will allow for faster response times to the western limits of Fountain Hills. The current Rural/Metro contract calls for 5 and 8 minute response.

FUNDING PRIORITY: Medium - Results in Increased Efficiency



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 174,471	\$3,379,314	\$ -	\$ -	\$ -	\$ -	\$3,553,785
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees		270,686					270,686
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 174,471	\$3,650,000	\$ -	\$ -	\$ -	\$ -	\$3,824,471

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	174,471	300,000					474,471
Construction		3,350,000					3,350,000
Other Expenses							-
TOTAL	\$ 174,471	\$3,650,000	\$ -	\$ -	\$ -	\$ -	\$3,824,471

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Civic Center Improvements

PROJECT NUMBER: F4029

PROJECT DESCRIPTION/SCOPE:

Removal and replacement of approximately 12,500 square feet of concrete between the Library and Community Center, removal of turf areas and replacement with xeriscape, tree replacement and miscellaneous improvements as needed.

TOWN GOALS

TIMEFRAME: FY16-17

YEAR PROJECT BEGAN: FY16-17

TOTAL ESTIMATED PROJECT COST: \$150,000

PROJECT JUSTIFICATION:

The Library and Community Center were opened in 2001 and since that time the concrete plaza has seen displacement causing tripping hazards. These trip hazards have been ground down to acceptable limits but the concrete continues to shift. The irrigation for the small turf areas surrounding the concrete plazas also run onto the concrete. Maintenance of these areas is a challenge and it is recommended to replace the turf areas with concrete curbing, decomposed granite and desert friendly plants.

FUNDING PRIORITY: Medium—Provides Maintenance of Existing Systems



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design							-
Construction			150,000				150,000
Other Expenses							-
TOTAL	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Chiller Installation

PROJECT NUMBER: F4030

PROJECT DESCRIPTION/SCOPE:

Purchase and installation of a new chiller and plumbing modifications for the Civic Center complex.

TOWN GOALS

TIMEFRAME: FY16-17

YEAR PROJECT BEGAN: FY16-17

TOTAL ESTIMATED PROJECT COST: \$250,000

PROJECT JUSTIFICATION:

When the Civic Center complex was constructed, the Physical Plant was designed for two cooling towers and three chillers to supply chilled water for the HVAC system. During the original construction, two chillers were sufficient to run the Community Center and Library/Museum. In 2005, the Town Hall building was constructed but the third chiller was not added. Two chillers are needed to run simultaneously to supply chilled water during the summer months. Without the third chiller, there is no operational redundancy and the current chillers have in excess of 42,000 hours of run time.

FUNDING PRIORITY: Medium—Provides Maintenance of Existing Systems



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Planning							-
Design							-
Construction							-
Other Expenses							-
TOTAL	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Fountain Park Improvements—Phase 6

PROJECT NUMBER: P3011

PROJECT DESCRIPTION/SCOPE:

Remaining improvements to Fountain Park include renovation of the east parking lot with lights, low level lighting of interior and exterior sidewalks, monument signage, and amphitheater area lighting and staging for day and evening events.

TOWN GOALS

TIMEFRAME: FY14-16

YEAR PROJECT BEGAN: FY13-14

TOTAL ESTIMATED PROJECT COST: \$993,508

PROJECT JUSTIFICATION:

Fountain Park has undergone several phases of improvements since the Town acquired the Park in 1997. All improvements are being done in conjunction with the approved Park master plan and will help keep Fountain Park the signature facility in Fountain Hills. These items represent the final improvements to the Park as outlined in the most recent master plan, which was approved in 1999.

FUNDING PRIORITY: High - Finishes a Partially Completed Project



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 83,508	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ 993,508
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 83,508	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ 993,508

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	83,508	29,880					113,388
Construction		880,120					880,120
Other Expenses							-
TOTAL	\$ 83,508	\$ 910,000	\$ -	\$ -	\$ -	\$ -	\$ 993,508

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies	28,300	28,300	28,300	28,300	28,300	141,500
Other Impact						-
TOTAL	\$ 28,300	\$ 28,300	\$ 28,300	\$ 28,300	\$ 28,300	\$ 141,500



PROJECT TITLE: Fountain Lake Water Quality Improvements

PROJECT NUMBER: P3022

PROJECT DESCRIPTION/SCOPE:

This project will help improve water quality in Fountain Lake by developing a comprehensive water quality management program.

TOWN GOALS

TIMEFRAME: FY12-16

YEAR PROJECT BEGAN: FY06-07

TOTAL ESTIMATED PROJECT COST: \$253,506

PROJECT JUSTIFICATION:

Fountain Lake serves as the centerpiece of the Town activities. The total lake area is approximately 29 acres and receives reclaimed wastewater with a high nutrient concentration. Over the years, the lake has experienced episodes of low oxygen levels, occasional algae blooms, unpleasant odors, and fish die off.

Meetings are being held between the Town and the Fountain Hills Sanitary District to help determine the extent and funding levels needed to further improve the lake's water quality in the future. A comprehensive water quality management program was previously completed by a consultant. Future improvements to help aerate or "mix" the lake may be required with estimated funding shown in FY15-16.

FUNDING PRIORITY: Medium - Maintains Existing Service Level



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 53,506	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 253,506
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 53,506	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 253,506

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning	53,506						53,506
Design		20,000					20,000
Construction		180,000					180,000
Other Expenses							-
TOTAL	\$ 53,506	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ 253,506

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies		10,000	10,000	11,000	11,000	42,000
Other Impact						-
TOTAL	\$ -	\$ 10,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ 42,000



PROJECT TITLE: Adero Canyon Trailhead

PROJECT NUMBER: P3025

PROJECT DESCRIPTION/SCOPE:

This access and trailhead will be the main entrance into the Town's McDowell Mountain Preserve and would provide the public with a large parking area, trail access and information, restrooms, a shade ramada, and drinking water. Parking for up to two buses will be provided on the site for the potential use of the local school district to conduct on-site environmental classes. The site would be designed to meet ADA requirements.

TOWN GOALS

TIMEFRAME: FY16-17

YEAR PROJECT BEGAN: FY15-16

TOTAL ESTIMATED PROJECT COST: \$1,948,771

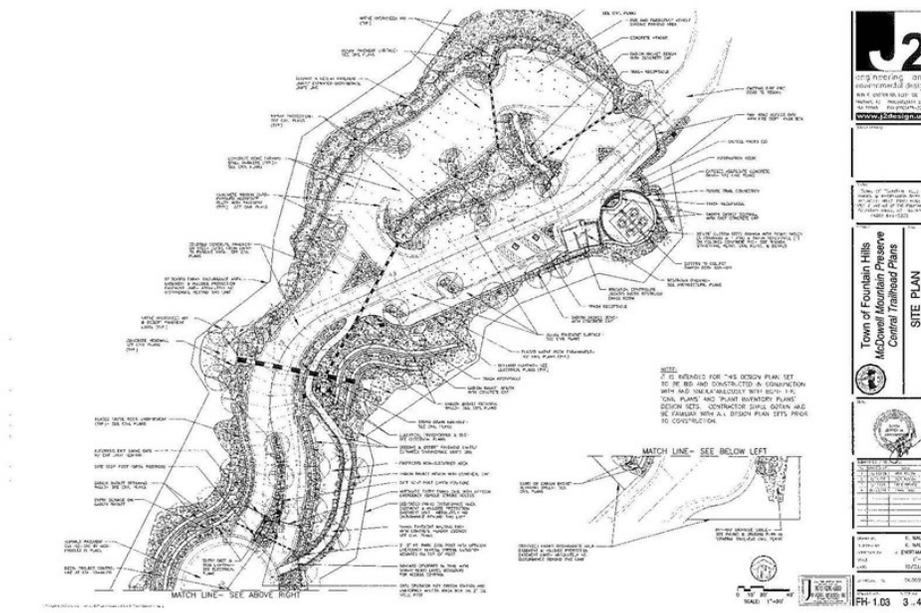
PROJECT JUSTIFICATION:

This entrance would be the sole means by which people would be able to access the McDowell Mountain Preserve from the south without walking through existing MCO private property. The site has been planned for a number of years with a master plan for development.

The timing of this project has been moved to FY15-16 to better reflect the realities of MCO's development schedule for the Adero Canyon development and the construction of the planned access road by MCO, which would serve as the means by which access to the trailhead site would be gained for the construction of the trailhead.

The trailhead site, once completed, will be ADA compliant and provide access to the complete Preserve and its trail system which has already been constructed.

FUNDING PRIORITY: Low - Provides an Expanded Level of Service



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 18,771	\$ 20,000	\$ 68,179	\$ -	\$ -	\$ -	\$ 106,950
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees			1,841,821				1,841,821
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 18,771	\$ 20,000	\$ 1,910,000	\$ -	\$ -	\$ -	\$ 1,948,771

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	18,771	20,000	10,000				48,771
Construction			1,900,000				1,900,000
Other Expenses							-
TOTAL	\$ 18,771	\$ 20,000	\$ 1,910,000	\$ -	\$ -	\$ -	\$ 1,948,771

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies		10,000	10,000	12,000	12,000	44,000
Other Impact						-
TOTAL	\$ -	\$ 10,000	\$ 10,000	\$ 12,000	\$ 12,000	\$ 44,000



PROJECT TITLE: Unpaved Alley Paving Projects

PROJECT NUMBER: S6003

PROJECT DESCRIPTION/SCOPE:

This project involves paving a number of unpaved alleys throughout the Town. The paving project is divided into five phases as follows:

Phase I: 1,400 LF from Panorama to Colony - Completed

Phase II: 870 LF from Tower to Panorama - Completed

Phase III: 890 LF from Panorama to Enterprise in FY14-15

Phase IV: 1,150 LF adjacent to Colony Wash and 770 linear feet from Fountain Hills Boulevard to Glenbrook in FY15-16

Phase V: 635 LF from Desert Vista to Saxon Dr. and 410 LF from Tioga south and east of Panorama in FY16-17

TOWN GOALS

TIMEFRAME: FY09-18

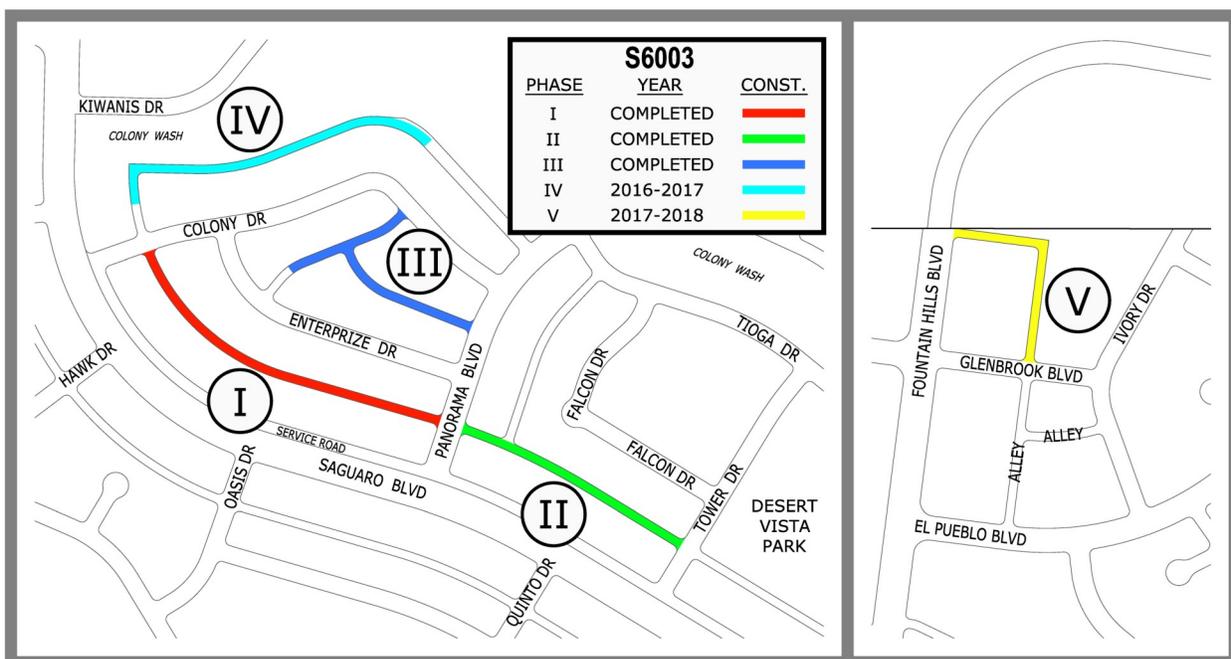
YEAR PROJECT BEGAN: FY08-09

TOTAL ESTIMATED PROJECT COST: \$733,282

PROJECT JUSTIFICATION:

Maricopa County has mandated that all municipalities stabilize unpaved alleys to mitigate air pollution. The Town of Fountain Hills has entered into an IGA with Maricopa County requiring the unpaved alleys to be stabilized.

FUNDING PRIORITY: High - Federal, State or Local Mandate



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 383,282	\$ -	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ 733,282
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 383,282	\$ -	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ 733,282

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	383,282		15,000	15,000			413,282
Construction			185,000	135,000			320,000
Other Expenses							-
TOTAL	\$ 383,282	\$ -	\$ 200,000	\$ 150,000	\$ -	\$ -	\$ 733,282

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact		2,000	2,000	2,000	2,000	8,000
TOTAL	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 8,000



PROJECT TITLE: Shea Boulevard Widening

PROJECT NUMBER: S6005

PROJECT DESCRIPTION/SCOPE:

This project will widen Shea Boulevard to three lanes in each direction from the east Town boundary to approximately 1,000 feet west of Technology Drive. Also included in the project are improvements to the Shea and Saguaro intersection, a rubberized asphalt overlay of the existing pavement, curb and gutter, sidewalks, traffic signal improvements, traffic signal interconnect conduit, wiring and appurtenances.

TOWN GOALS

TIMEFRAME: FY08-16

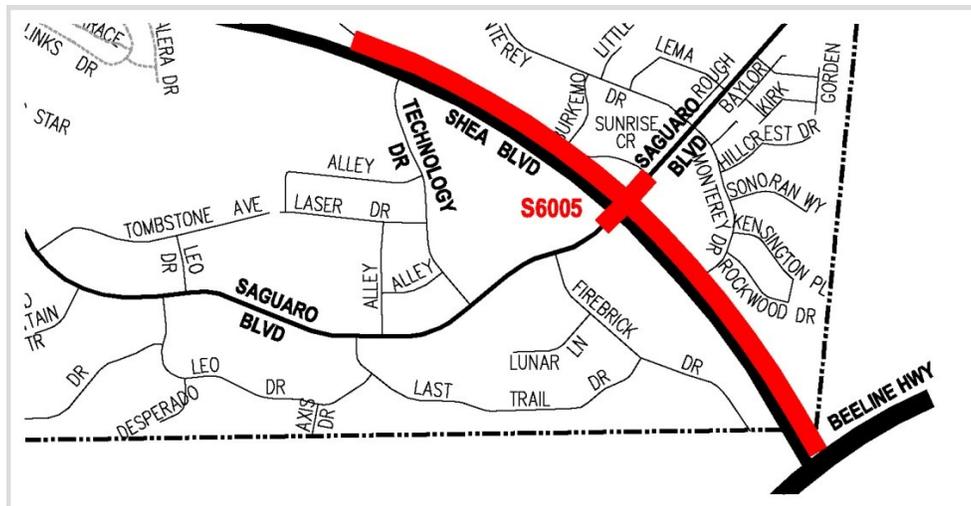
YEAR PROJECT BEGAN: FY07-08

TOTAL ESTIMATED PROJECT COST: \$2,783,456

PROJECT JUSTIFICATION:

Shea Boulevard is a road of regional significance and has an average traffic volume of 25,000 vehicles per day at Saguaro Boulevard. This project is a MAG Proposition 400 project which will provide for 70% of the project funding with a 30% match from the Town. The MAG reimbursement in the FY12-13 Arterial Life Cycle Program (ALCP) is a maximum of \$709,000 in FY13-14, \$500,000 in FY14-15 and \$1,594,000 in FY16-17. The Town was also awarded MCDOT Special Project Funds in the amount of \$152,400 to provide for a rubberized asphalt overlay from the Beeline Highway (SR 87) to the eastern Town limit.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Grant	1,023,135	700,000					1,723,135
Excise Tax							-
General							-
Developer	200,000						200,000
Development Fees	407,921						407,921
Bonds							-
Other Sources	152,400						152,400
Unfunded							-
TOTAL	\$1,783,456	\$1,000,000	\$ -	\$ -	\$ -	\$ -	\$2,783,456

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	526,419						526,419
Construction	1,257,037	1,000,000					2,257,037
Other Expenses							-
TOTAL	\$1,783,456	\$1,000,000	\$ -	\$ -	\$ -	\$ -	\$2,783,456

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -					



PROJECT TITLE: Saguaro Boulevard Reconstruction

PROJECT NUMBER: S6010

PROJECT DESCRIPTION/SCOPE:

This project will reconstruct Saguaro Boulevard from Trevino Drive to Fountain Hills Boulevard including the removal and replacement of subgrade as required. Also included are major drainage improvements at Palisades, minor drainage improvements at various locations, and ADA improvements as required. Coordinate project with Palisades and Avenue of the Fountains traffic signal improvements (T5011).

TOWN GOALS

TIMEFRAME: FY14-16

YEAR PROJECT BEGAN: FY13-14

TOTAL ESTIMATED PROJECT COST: \$8,030,682

PROJECT JUSTIFICATION:

Saguaro Boulevard was one of the first streets constructed in Fountain Hills and is a major truck route. This reconstruction is the first major work performed on the street. There have been some repairs performed in areas over time, however, the overall condition of the asphalt requires reconstruction.

FUNDING PRIORITY: High - Prevents Irreparable Damage to Existing Facilities



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grant							-
Excise Tax	25,000	275,000					300,000
General							-
Developer							-
Development Fees							-
Bonds	7,565,000						7,565,000
Other Sources	11,600	154,082					165,682
Unfunded							-
TOTAL	\$7,601,600	\$ 429,082	\$ -	\$ -	\$ -	\$ -	\$ 8,030,682

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	483,711						483,711
Construction	2,546,971	5,000,000					7,546,971
Other Expenses	-						-
TOTAL	\$3,030,682	\$5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 8,030,682

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -					



PROJECT TITLE: Fountain Hills Boulevard Shoulder Paving

PROJECT NUMBER: S6053

PROJECT DESCRIPTION/SCOPE:

This project will pave the dirt shoulders along Fountain Hills Boulevard from Segundo Drive to Pinto Drive providing dust mitigation and erosion control.

TOWN GOALS

TIMEFRAME: FY12-16

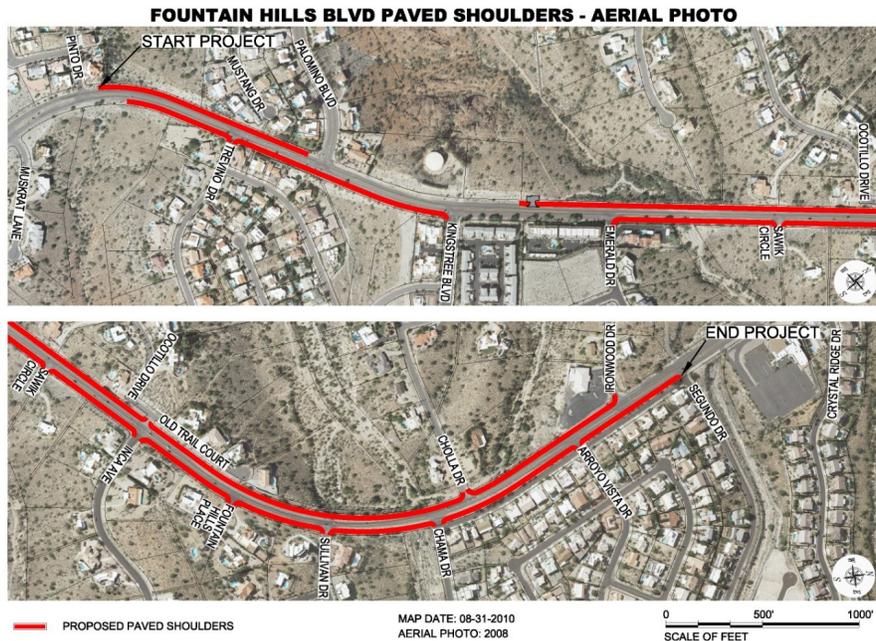
YEAR PROJECT BEGAN: FY11-12

TOTAL ESTIMATED PROJECT COST: \$622,208

PROJECT JUSTIFICATION:

The Town applied for and was awarded a Congestion Mitigation Air Quality (CMAQ) grant through the Maricopa Association of Governments for the paving of the dirt shoulders on Fountain Hills Boulevard. This project will provide dust mitigation, erosion control, run-off-the-road hazard mitigation, potential future use by bicycles, and will reduce maintenance costs. The project design is funded by the Town, with construction funded 94.3% through grant funds with a 5.7% local match requirement.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 114,900	\$ 245,000	\$ -	\$ -	\$ -	\$ -	\$ 359,900
Grant		255,000					255,000
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources	7,308						7,308
Unfunded							-
TOTAL	\$ 122,208	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 622,208

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	122,208	75,000					197,208
Construction		425,000					425,000
Other Expenses							-
TOTAL	\$ 122,208	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 622,208

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies	1,000	1,000	1,000	1,000	1,000	5,000
Other Impact						-
TOTAL	\$ 1,000	\$ 5,000				



PROJECT TITLE: Shea Boulevard Eastbound Bike Lane

PROJECT NUMBER: S6056

PROJECT DESCRIPTION/SCOPE:

This project will provide an eastbound bike lane on Shea Boulevard from Palisades to Fountain Hills Boulevard.

TOWN GOALS

TIMEFRAME: FY12-17

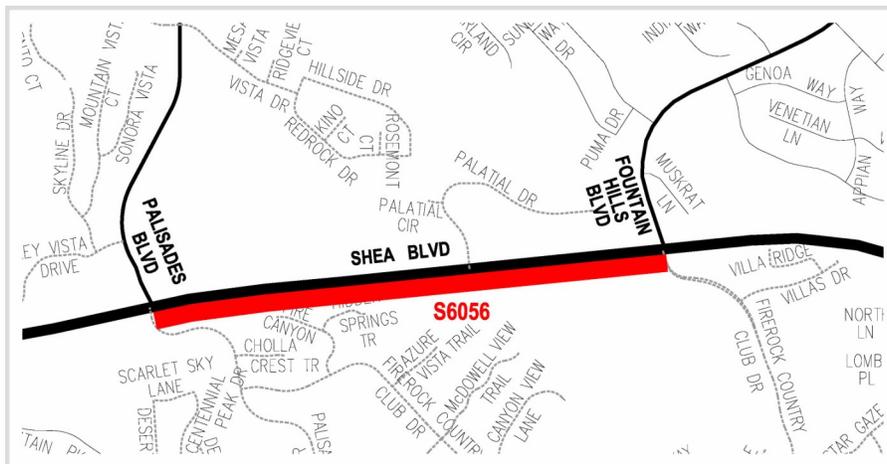
YEAR PROJECT BEGAN: FY11-12

TOTAL ESTIMATED PROJECT COST: \$408,559

PROJECT JUSTIFICATION:

Staff is working with ADOT to reallocate savings from favorable construction bids received for the Shea Gap Project (S6025) to complete the eastbound bike lane from Palisades to Fountain Hills Boulevard. This project will be administered by ADOT.

FUNDING PRIORITY: High - Leverage Local Funds



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 2,570	\$ -	\$ 156,000	\$ -	\$ -	\$ -	\$ 158,570
Grant			224,000				224,000
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources	25,989						25,989
Unfunded							-
TOTAL	\$ 28,559	\$ -	\$ 380,000	\$ -	\$ -	\$ -	\$ 408,559

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	28,559		100,000				128,559
Construction			280,000				280,000
Other Expenses							-
TOTAL	\$ 28,559	\$ -	\$ 380,000	\$ -	\$ -	\$ -	\$ 408,559

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: McDowell Mountain Road Repairs

PROJECT NUMBER: S6057

PROJECT DESCRIPTION/SCOPE:

This project will repair an uneven section of McDowell Mountain Road.

TOWN GOALS

TIMEFRAME: FY15-16

YEAR PROJECT BEGAN: FY15-16

TOTAL ESTIMATED PROJECT COST: \$65,000

PROJECT JUSTIFICATION:

Repairs are required to correct an uneven section of McDowell Mountain Road.

FUNDING PRIORITY: High - Protects Health & Safety of the Town



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design		15,000					15,000
Construction		50,000					50,000
Other Expenses							-
TOTAL	\$ -	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Intelligent Transportation System (ITS)

PROJECT NUMBER: T5010

PROJECT DESCRIPTION/SCOPE:

This project will install a hybrid Intelligent Transportation System (ITS) that will be part wireless and part fiber optic wiring for traffic signal interconnection on Shea, Palisades, Saguaro and Fountain Hills Boulevard

TOWN GOALS

TIMEFRAME: FY17-18

YEAR PROJECT BEGAN: FY16-17

TOTAL ESTIMATED PROJECT COST: \$1,212,000

PROJECT JUSTIFICATION:

In 2007 the Town hired a consultant to prepare a study with recommendations to implement an ITS system for the traffic signals throughout Fountain Hills. Fountain Hills was selected by MAG for a Federal Aid Grant (CMAQ) to construct the hybrid ITS system.

Design is anticipated to start in FY15-16 and continue through FY16-17 with construction in FY18-19.

FUNDING PRIORITY: Medium - Maintains Existing Service Level



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ -	\$ -	\$ 250,000	\$ 40,000	\$ -	\$ -	\$ 290,000
Grant				922,000			922,000
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ -	\$ -	\$ 250,000	\$ 962,000	\$ -	\$ -	\$1,212,000

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design			250,000				250,000
Construction				962,000			962,000
Other Expenses							-
TOTAL	\$ -	\$ -	\$ 250,000	\$ 962,000	\$ -	\$ -	\$1,212,000

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



PROJECT TITLE: Traffic Signal - Palisades and Saguaro Upgrades

PROJECT NUMBER: T5011

PROJECT DESCRIPTION/SCOPE:

Remove and replace existing traffic signal poles, foundations, mast arms, signal heads, and conduits to meet current standards.

TOWN GOALS

TIMEFRAME: FY15-16

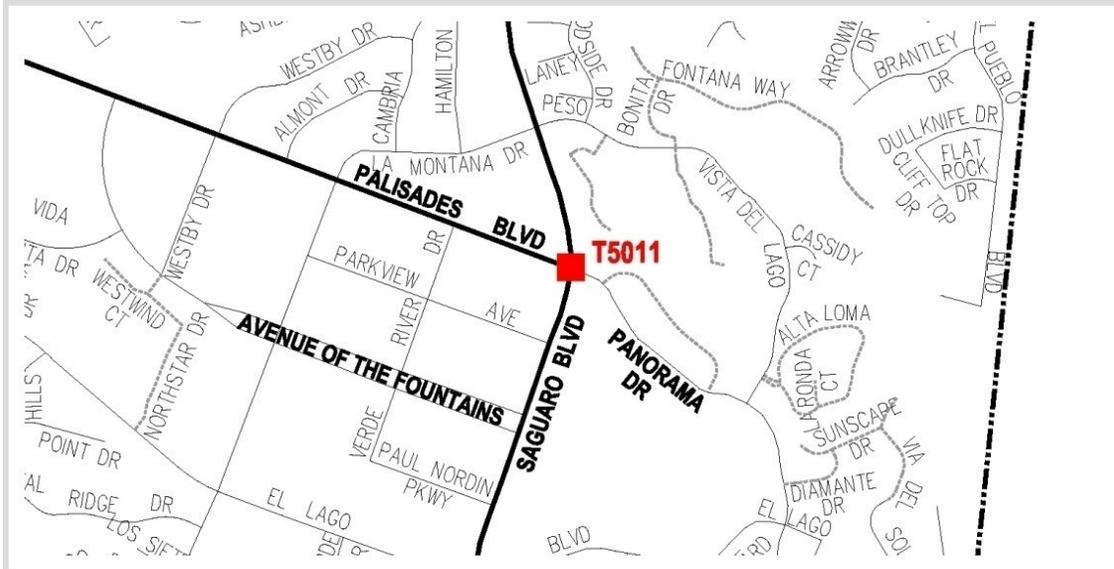
YEAR PROJECT BEGAN: FY13-14

TOTAL ESTIMATED PROJECT COST: \$399,970

PROJECT JUSTIFICATION:

The traffic signal at Palisades and Saguaro was built to Maricopa County standards prior to incorporation of the Town of Fountain Hills. Conditions of the traffic signal will be assessed annually until replacement is warranted.

FUNDING PRIORITY: Medium - Maintains Existing Service Level



FUNDING SOURCES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Capital Projects	\$ 19,970	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ 399,970
Grant							-
Excise Tax							-
General							-
Developer							-
Development Fees							-
Bonds							-
Other Sources							-
Unfunded							-
TOTAL	\$ 19,970	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ 399,970

PROJECT EXPENSES

ACTIVITY	Prior Years	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Acquisition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planning							-
Design	19,970						19,970
Construction		380,000					380,000
Other Expenses							-
TOTAL	\$ 19,970	\$ 380,000	\$ -	\$ -	\$ -	\$ -	\$ 399,970

OPERATING IMPACT

ACTIVITY	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	TOTAL
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Services & Supplies						-
Other Impact						-
TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -





Administration Facilities Replacement Fund



Facilities Replacement Fund

Service Delivery Plan

The Facilities Replacement Fund has been established to cover replacement costs for large scale items that cannot be absorbed in annual operating budgets. These items include, but are not limited to, roofing, interior and exterior building painting, carpet replacement, Physical Plant mechanical equipment, and Parks and Recreation structures.

Program Name	Expenditures by Program			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Administration	\$ -	\$ -	\$ 143,772	\$ 130,000
Total	\$ -	\$ -	\$ 143,772	\$ 130,000



Category	Expenditures by Category			
	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Maintenance & Repair	\$ -	\$ -	\$ 41,008	\$ 100,000
Contractual Services	-	-	-	30,000
Contingency	-	-	102,764	-
Total	\$ -	\$ -	\$ 143,772	\$ 130,000

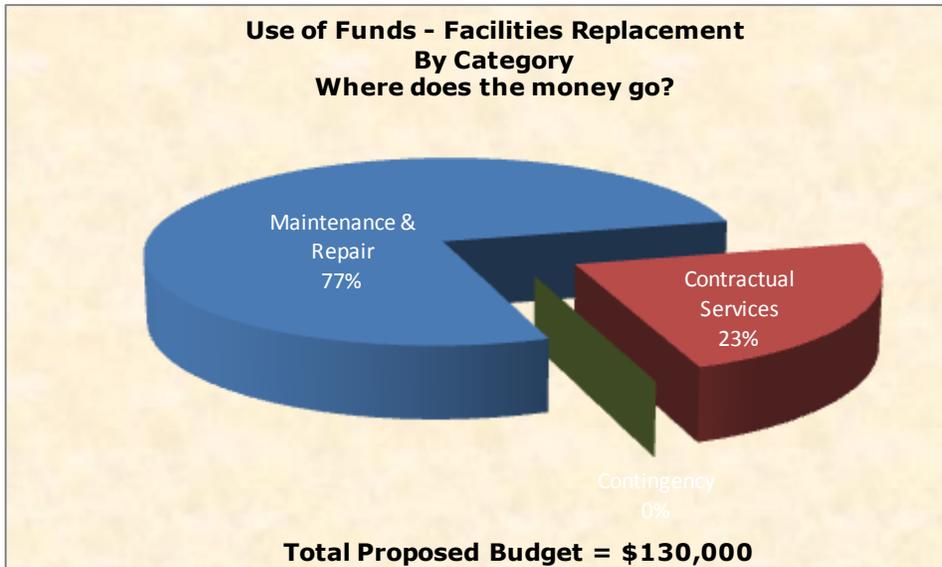


Variance Explanations:

Maintenance and Repair: Amount was increased and moved from Contingency to better reflect the type of expenditures budgeted.

Contractual Services: Amount was included for a reserve study.

Contingency: Amount was reduced and moved to Maintenance and Repair.



**FY15-16 Proposed Budget
Summary of Expenditures
Facilities Replacement Fund**

Description	FY12-13 Actual	FY13-14 Actual	FY14-15 Revised Budget	FY15-16 Proposed Budget
Facilities Replacement Fund				
Building Main/Repair	\$ -	\$ -	\$ -	\$ 100,000
HVAC Repair	-	-	41,008	-
Professional Fees	-	-	-	30,000
Contingency	-	-	102,764	-
Total Facilities Replacement Fund	\$ -	\$ -	\$ 143,772	\$ 130,000



Vehicle Replacement Program Policy & Procedure



Objective

To provide a policy and procedures for the development, approval, and implementation of the Town of Fountain Hills' multi-year Vehicle Replacement Program (VRP).

Scope

This policy applies to all vehicles owned by the Town of Fountain Hills that meet the definition detailed in the definitions section.

Policy

The purpose of the Vehicle Replacement Program is to provide an authoritative decision-making process for the evaluation, selection, and multi-year scheduling of vehicle replacements based on a projection of available fiscal resources and the vehicle's age, mileage, engine hours and repair costs. The objectives of the program are to:

- Ensure the timely purchase, repair and replacement of the Town's vehicles;
- Serve as a link in the Town's planning between the Town's operating and capital budgets;
- Maintain control over the Town's long-term cash flow in relation to the Town's financial capacity; and
- Ensure efficient, effective and coordinated vehicle acquisition and replacement.

Definitions

The following words when used in connection with this policy shall have the following meanings:

VEHICLE REPLACEMENT PROGRAM: A multi-year planning document that is the product of a systematic evaluation of vehicle utilization, repair and maintenance. This plan serves as a guide for the efficient and effective replacement of vehicles, outlining a detailed timeline and financing schedule of vehicle replacement.

VEHICLE: A vehicle is defined in financial terms as a piece of rolling stock with a projected final cost of at least \$10,000 and a useful life of at least 7 years. Vehicles shall be subdivided into various classifications, using gross vehicle weight rating standards, as follows:

- Sedans
- Sports Utility Vehicle (SUV)



- Light Duty Truck (commercial truck classes 1, 2 and 3 — 0—14,000 lb. GVWR)
- Medium Duty Truck (commercial truck classes 4, 5 and 6 — 14,001—26,000 GVWR)
- Heavy Duty Truck (commercial truck classes 7 and 8 — over 26,000 GVWR)
- Street Sweeper
- Fire Ladder Truck
- Fire Pumper Truck
- Utility Vehicle/Bunker Rake
- Loader/Grader/Tractor
- Trailer

Process

A. Schedule: Annually, the Development Services Director and Finance Director will submit an updated VRP to the Town Manager for review in each fiscal year. The Town Manager will review the proposal and forward the approved VRP to the Finance Director for inclusion in the Town's CIP budget proposal.

B. Format: The Development Services Director will utilize the previous year's approved VRP as the basis for developing recommended additions, deletions, or changes for incorporation in the updated VRP for the ensuing year. All new (not replacement) vehicle requests will also include a comprehensive estimate of the impact of the new vehicle on the Town's annual operating budget; e.g., fuel, maintenance requirements, etc.

C. Finance Review: The Finance Director will assist the Development Services Director as necessary in all facets of the Vehicle Replacement Program development and review including production of cost estimates, as well as an overall financial analysis of the proposed program. Additional assistance may be requested to help produce draft documents, etc.

D. Town Manager Review: The Development Services Director will provide a copy of the proposed VRP document to the Finance Director and Town Manager for review and comment. Following approval by the Town Manager, the VRP will be incorporated into the operating budget proposal for the coming year.

E. Implementation: Upon adoption of the VRP in the operating budget, vehicles included within the applicable budget year may be purchased by the Development Services Director, or his/her designee in compliance with the Town's Procurement Policy.

F. Amendments: The adopted VRP may be amended upon recommendation of the Development Services Director and approval of the Town Manager and Town Council.

Procedure

A. Form: A New Vehicle Request form shall be utilized to request inclusion of a new (not replacement) vehicle in the Vehicle Replacement Program. Department Directors may request the addition of a new vehicle or transfer between departments to the VRP by submitting their request to the Development Services Director as part of the budget process.

The Development Services Director shall include these requests in the VRP that is submitted to the Finance Director and Town Manager.

B. Funding Prioritization: As part of the VRP development process, the Development Services Director shall create vehicle replacement priorities to help determine the vehicle replacement schedule which will be incorporated in the five (5) year Capital Improvement Program included in the upcoming fiscal year budget.

The following guidelines shall be utilized:

- Sedans 10 years/100,000 miles
- Sports Utility Vehicle (SUV) 10 years/100,000 miles
- Light Duty Truck (0–14,000 lb. GVWR) 10 years/100,000 miles
- Medium Duty Truck (14,001–26,000 GVWR) 12 years/125,000 miles
- Heavy Duty Truck (over 26,000 GVWR) 15 years/125,000 miles
- Street Sweeper 8 years/75,000 miles
- Fire Ladder Truck 15 years/120,000 miles
- Fire Pumper Truck 15 years/120,000 miles



- Utility Vehicle/Bunker Rake 7 years/15,000 engine hours
- Loader/Grader/Tractor 20 years/15,000 engine hours
- Trailer 10 years

In addition to the factors listed previously, the Development Services Director, or his/her designee, shall also review the utilization, maintenance records of the vehicles, downtime and the overall condition of the vehicles when making recommendations for replacement.

C. Funding Sources: The primary funding sources for the VRP are the General Fund and Streets Fund. Revenues for the Vehicle Replacement Fund will also be generated from charges within the operating funds that support the departments that utilize the subject vehicles; charges will be calculated based on replacement cost and updated annually. Vehicles will be replaced according to the schedule and based on model year. Surplus sale proceeds and insurance claim proceeds will also be deposited to the Vehicle Replacement Fund to help offset future vehicle and equipment costs.

D. Vehicle Disposal: At least once annually, the Development Services Director, or his/her designee, shall prepare a list of vehicles to be retired from the Town's fleet based on the replacement schedule. At the discretion of the Development Services Director and based on a recommendation from the fleet mechanic, early retirement of a vehicle with excessive maintenance may be recommended. Excessive maintenance is defined as repair costs that exceed 40% of the vehicle value in a twelve month period.

The Town Manager shall authorize the sales of these vehicles at auction by signing over the vehicle title(s). The Development Services Director, or his/her designee, shall then transport the vehicles to the auctioneer and shall be responsible to insure that the auction proceeds are submitted to the Finance Division for deposit to the Vehicle Replacement Fund.

Responsibility for Enforcement

The Town Manager, Finance Director and Development Services Director will be responsible for ensuring that this policy is followed and/or updated as necessary.

Fiscal Year 15-16 Vehicle Replacement Recommendation

During FY12-13, the Vehicle Replacement Policy was updated with changes to the life of some vehicles and elimination of vehicles no longer utilized; the revised Policy was presented and approved by the Town Council. For FY15-16, one new vehicle is budgeted for vehicle replacement incorporating the revised schedules.

Vehicle Replacement Interfund Charges

	Vehicle No.	Description	Mod Year	Replacement Cost	FY15-16
Development Services	148	Ford Escape Hybrid	2008	\$25,947.22	\$2,753.53
Development Services	NEW	Ford F-150 Truck	2015	\$30,000.00	\$3,000.00
Fire	483 (L822)	American LaFrance	1998	\$444,527.00	\$18,869.42
Fire	(E822)	Spartan	2014	\$487,809.00	\$33,471.36
Fire	752 (E823)	Crimson	2008	\$369,225.00	\$26,121.64
Fire	528 (E822R)	American LaFrance	1999	\$396,032.00	\$0.00
Fire	422 (S822)	Ford F550 4x4 (V0822)	2012	\$95,911.85	\$8,481.86
Fire	(S823)	Equipment on Truck	2001	\$20,000.00	\$1,734.00
Fire	(S823)	Ford F550 4x4	2013	\$38,176.75	\$3,245.03
Fire	166 (D822)	Ford F150 Supercab	2011	\$28,829.10	\$3,059.37
Fire	053(7 (D823))	Ford F-150 4x4 Supercab	2009	\$43,004.00	\$4,563.62
Community Services	11	John Deere 4x2 Gator	2013	\$6,590.00	\$979.47
Community Services	141	Ford F-150	2007	\$15,174.00	\$1,610.28
Community Services	20	Bobcat	2013	\$7,943.04	\$1,180.56
Community Services	17	John Deere 4x2 Gator	2012	\$6,248.47	\$979.47
Community Services	146	Ford F-150 Pickup	2007	\$18,288.49	\$1,940.79
Community Services	SS1	Tenant Sweeper	2013	\$44,372.45	\$6,595.01
Community Services	3	Sand Pro 3040	2013	\$21,398.39	\$3,180.41
Community Services	16	Bobcat	2012	\$8,965.95	\$1,332.60
Community Services	18	Mule	2012	\$8,119.82	\$1,206.83
Community Services	14	Kubota KU	2007	\$27,199.30	\$1,443.21
Community Services	142	Ford F-250 Pickup	2007	\$19,089.00	\$2,025.74
Community Services	147	Ford F-150 Pickup	2007	\$18,288.49	\$1,777.71
Community Services	M-1	Kubota	2014	\$16,751.82	\$2,440.98
Community Services	143	Ford Escape Hybrid	2007	\$28,247.00	\$2,997.59
Development Services	145	Ford F-150 Supercab	2007	\$25,403.00	\$2,805.85
Development Services	158	Ford F-250 Pickup W/Liftgate	2014	\$24,089.98	\$2,457.18
Development Services	154	Ford F-150 Pickup W/Lights	2013	\$27,293.70	\$2,839.64
FUND 100 TOTAL					\$143,093.15
Development Services/Streets	155	Ford F-250 Pickup W/Lights	2014	\$24,047.88	\$2,452.89
Development Services/Streets	157	Ford F-250 Supercab W/Lights	2014	\$26,440.10	\$2,696.89
Development Services/Streets	20	Caterpillar 426C	1999	\$88,393.00	\$4,690.16
Development Services/Streets	135	Freightliner M2106	2005	\$63,170.13	\$4,469.11
Development Services/Streets	151	Ford F-450 Pickup	2008	\$52,182.78	\$4,614.74
Development Services/Streets	156	Ford F-250 Pickup W/Lights	2014	\$24,047.88	\$2,452.89
Development Services/Streets	5085M	John Deere 5085M Tractor	2013	\$59,555.10	\$3,037.32
Development Services/Streets	134	Ford F-550 Pickup-Bucket	2005	\$41,994.25	\$3,640.90
Development Services/Streets		BUCKET EQUIPMENT TRANSFER	2015	\$40,000.00	\$20,000.00
Development Services/Streets	134A	Aerial Platform-2005 Ford F550	2005	\$36,597.00	\$2,284.53
Development Services/Streets	113	Ford F-150 Pickup	2001	\$23,764.00	\$0.00
Development Services/Streets	138	Ford Escape Hybrid	2006	\$27,748.00	\$2,944.65
Development Services/Streets	149	Ford Escape Hybrid	2008	\$25,947.22	\$2,753.53
Development Services/Streets	144	Ford Escape Hybrid	2007	\$29,844.00	\$3,167.07
Development Services/Streets	140	Ford Escape Hybrid	2007	\$29,275.00	\$2,896.43
FUND 200 TOTAL					\$62,101.11
Fund 100				\$143,093.15	
Fund 200				\$62,101.11	
Total				\$205,194.26	





Schedules



Comprehensive Fee Schedule Effective July 1, 2015



Description	Fee FY15-16
MISCELLANEOUS FEES	
Services	
Notarization	\$2.00 per signature
Affix Town Seal	\$2.00 each
Faxing Service - Local Only	\$2.00 First Page, \$.50 Each Additional Page
Faxing Service - Long Distance	\$3.00 First Page, \$.50 Each Additional Page
Email Document Service	\$0.00
Returned Check Fee	\$30.00
Incoming Wire Transfer Fee	\$35.00
ActiveNet Transaction Fee	\$2.50 per transaction
Convenience Fee - credit card payment	\$3.00 per transaction
Campaign Fees	
Pro/Con Argument Fee	\$100.00
Campaign Finance - Late Filing Fee	\$10.00 per business day (per ARS 16-918)
Copies - Non - Commercial	
Photocopies (B&W) 8 1/2 x 11	\$.25 per page
Photocopies (B&W) 8 1/2 x 14	\$.30 per page
Photocopies (B&W) 11 x 17	\$.40 per page
Photocopies (Color) 8 1/2 x 11	\$.50 per page
Photocopies (Color) 8 1/2 x 14	\$.60 per page
Photocopies (Color) 11 x 17	\$.70 per page
Copies - Commercial	
Photocopies (B&W) 8 1/2 x 11	\$.50 per page
Photocopies (B&W) 8 1/2 x 14	\$.60 per page
Photocopies (B&W) 11 x 17	\$.80 per page
Photocopies (Color) 8 1/2 x 11	\$1.00 per page
Photocopies (Color) 8 1/2 x 14	\$1.20 per page
Photocopies (Color) 11 x 17	\$1.40 per page
Documents	
Town Code	\$25.00 (CD or hard copy)
Zoning Ordinances	\$25.00 (CD or hard copy)
Subdivision Code	\$25.00 (CD or hard copy)
CAFR (Annual Financial Report)	\$25.00 (CD or hard copy)
Annual Budget	\$25.00 (CD or hard copy)
Land Use Analysis	\$25.00 (hard copy only)
CD of Council Meeting	\$25.00 ea
Other Materials on CD	\$25.00 ea
Reports	
License Report (Non - Commercial Use)	\$25.00 (CD or hard copy)
License Report (Commercial Use)	\$50.00 (CD or hard copy)



Description	Fee FY15-16
MISCELLANEOUS FEES (CONT.)	
Maps	
11" x 17" Street/Index Map "Typical" (B&W)	\$0.80
11" x 17" Street/Index Map "Typical" (Color)	\$1.40
11" x 17" Street/Index Map "Typical" (Photo)	\$5.00
11" x 17" Aerial Site Plan (Photo)	\$20.00
24" x 36" Street/Final Plat/As Built (B&W)	\$3.00
24" x 36" Street/Final Plat/As Built (Color)	\$10.00
24" x 36" Aerial (Photo)	\$30.00
36" x 36" Bldg/Plat/Zoning Map (B&W)	\$10.00
36" x 36" Bldg/Plat/Zoning Map (Color)	\$25.00
36" x 36" Aerial (Photo)	\$40.00
60" x 60" Street/Bldg/Develop/Plat/Plot (B&W)	\$35.00
60" x 60" Street/Bldg/Develop/Plat/Plot (Color)	\$75.00
60" x 60" Street/Bldg/Develop/Plat/Plot (Photo)	\$125.00
Plat Map Book	\$25.00
Adopt A Street	
Fee, per sign	\$30.00
DOG LICENSE	
Non - neutered dog	\$42.00 - non-refundable
Spayed/Neutered dog	\$17.00 - non-refundable
Over 65 with neutered dog	\$6.00 - non-refundable
Service Dog	No fee
Replacement Dog Tag	\$4.00 - non-refundable
Late fee neutered dog (per month)	\$2.00 - non-refundable
Late fee non - neutered dog (per month)	\$4.00 - non-refundable
BUSINESS LICENSE FEES	
Providers of services, wholesalers and manufacturers with a fixed place of business within the town limits	\$50.00/application and first year fee - non-refundable
Retail merchants, restaurants, bars, contractors and renters of real and personal property with a fixed place of business within the town limits and persons engaging in the sale of real estate	\$50.00/application and first year fee - non-refundable
Wholesalers, manufacturers and providers of services without a fixed place of business within the town limits	\$50.00/application and first year fee - non-refundable



Description	Fee FY15-16
<i>BUSINESS LICENSE FEES (CONT.)</i>	
Retail merchants, etc. (as above) without a fixed place of business within the town limits	\$50.00/application and first year fee - non-refundable
Annual renewal fee for business within the town limits	\$35.00 - non-refundable
Annual renewal fee for business without a fixed place of business within the town limits	\$50.00 - non-refundable
Late fee for renewal of business license fee	25% of renewal fee
Peddlers, solicitors and mobile merchants	\$250.00/calendar quarter or fraction thereof - non-refundable
Peddler investigation fee (per person)	\$25.00 - non-refundable
Promoters of entertainments, circuses, bazaars, etc., who receive a percentage of receipts or other consideration for their services. Each such promoter shall also obtain liability insurance of a minimum of \$1 million per incident/\$2 million aggregate naming the Town as insured.	\$100.00/week
Animal Show	\$100.00/week
Circus Parade Only	\$50.00/day
Handbill Distributor	\$10.00/day
Amusement Company, such as ferris wheel, merry - go - round, etc., not part of a circus. Tent Show. Wrestling Exhibition. Road Show, Carnival or Circus.	\$100.00/day
Practice of palmistry, phrenology, astrology, fortune telling, mind reading, clairvoyancy, magic or any healing practices not licensed by the State of Arizona, or any similar calling without a fixed place of business	\$50.00/day
Duplicate Business License	\$10.00 - non-refundable
Verification of License Letter	\$10.00 - non-refundable
<i>FALSE ALARM SERVICE CHARGES (PER CALENDAR YEAR)</i>	
First and second	None
Third	\$50.00
Fourth	\$75.00
Fifth and Sixth	\$100.00
Seventh or more	\$200.00 each



Description	Fee FY15-16
<i>WIRELESS COMMUNICATIONS (CELL TOWER ON TOWN PROPERTY)</i>	
Lease Agreement Application Fee, each location	\$100.00, per location - non-refundable
Amendments to Cell Tower Lease Agreements	\$100.00 - non-refundable
<i>SPECIAL EVENT PERMITS</i>	
Special Event Permits - Business	
Application Fee - Business	\$100.00 - non-refundable
Permit Fee	\$50 per day (not to exceed \$400)
Special Event Permits - Non-Profit	
Application Fee - Charitable Organization	\$50.00 - non-refundable
Permit Fee	\$25 per day (not to exceed \$200)
Special Event Permits - Extra Fees	
Special Event Liquor Application Fee	See alcohol license application fees - non-refundable
Utility Fees	Actual cost of usage
<i>ALCOHOL LICENSE APPLICATION</i>	
Person Transfer Fee	\$150.00 - non-refundable
Location Transfer Fee	\$150.00 - non-refundable
Probate/Will Assignment/Divorce Decree	\$150.00 - non-refundable
Extension of Premise	\$25.00 - non-refundable
Sampling Permit	\$25.00 - non-refundable
Initial/Interim Application Fee	
01 - In State Producer	\$500.00 - non-refundable
02 - Out of State Producer	\$500.00 - non-refundable
03 - Domestic Microbrewery	\$500.00 - non-refundable
04 - In State Wholesaler	\$500.00 - non-refundable
05 - Government	\$500.00 - non-refundable
06 - Bar, All Spirituous Liquors	\$500.00 - non-refundable
07 - Beer & Wine Bar	\$500.00 - non-refundable
08 - Conveyance	\$500.00 - non-refundable
09 - Liquor Store	\$500.00 - non-refundable
10 - Beer & Wine Store	\$500.00 - non-refundable
11 - Hotel/Motel	\$500.00 - non-refundable
12 - Restaurant	\$500.00 - non-refundable
13 - Domestic Farm Winery	\$500.00 - non-refundable
14 - Private Club	\$0.00
15 - Special Event	\$25.00 - non-refundable
16 - Wine Festival/Wine Fair	\$25.00 - non-refundable



Description	Fee FY15-16
ADULT ORIENTED BUSINESS LICENSE	
Application Fee - Business	\$500.00 - non-refundable
Application Fee - Provider	\$100.00 - non-refundable
Application Fee - Manager	\$100.00 - non-refundable
Application Fee - Employee (per person)	\$50.00 - non-refundable
License Fee - annual - Business	\$200.00 - non-refundable
License Fee - annual - Provider	\$100.00 - non-refundable
License Fee - annual - Manager	\$100.00 - non-refundable
CABLE LICENSE	
Initial License Application	\$2,500.00 - non-refundable
Transfer of ownership	\$2,000.00 - non-refundable
License modification, pursuant to 47 USC Sec 545	\$2,500.00 - non-refundable
Other License modification	up to \$2000 - non-refundable
License fee - quarterly	5% of gross receipts
Late fee (after 30 days)	5% plus interest of 1 1/2% per mo
EXCAVATIONS/IN - LIEU FEES	
Base fee (per excavation)	\$250.00 plus:
Trench cut fees:	
Newly paved or overlaid 0 - 1 yrs	\$55.00 per lineal ft.
Newly paved or overlaid 1 - 2 yrs	\$45.00 per lineal ft.
Newly paved or overlaid 2 - 3 yrs	\$35.00 per lineal ft.
Newly paved or overlaid 3 - 4 yrs	\$25.00 per lineal ft.
Newly paved or overlaid 4 - 5 yrs	\$15.00 per lineal ft.
Newly paved or overlaid 5 - 6 yrs	\$10.00 per lineal ft.
Slurry or chip sealed 0 - 2 years	\$4.00 per lineal ft.
Pavement replacement greater than 300 ft in length	\$2.50 per sq. yd.
Utility Pit fees:	
Newly paved or overlaid 0 - 1 yrs	\$5.00 per Sq. ft.
Newly paved or overlaid 1 - 2 yrs	\$4.50 per Sq. ft.
Newly paved or overlaid 2 - 3 yrs	\$3.50 per Sq. ft.
Newly paved or overlaid 3 - 4 yrs	\$2.50 per Sq. ft.
Newly paved or overlaid 4 - 5 yrs	\$1.50 per Sq. ft.
Newly paved or overlaid 5 - 6 yrs	\$1.00 per Sq. ft.
Slurry or chip sealed 0 - 2 years	\$5.00 per Sq. ft.
Adjustment (MH, valve, monument, etc)	\$500 ea.
Striping	\$.55 per linear ft.
Lane Markers	\$150.00 ea.
Stop Bars	\$2.50 per Sq. ft.
Crosswalks	\$.79 per Sq. ft.
RPMs	\$7.00 ea.



Description	Fee FY15-16
ENCROACHMENT/ENGINEERING PERMITS	
Base Permit Fee	\$50.00 - non-refundable
2"/6" Paving A.C.	\$.35 per sq. yd.
1" Paving - Overlay or Top Course	\$.15 per sq. yd.
1" ABC or Select Subbase	\$.05 per sq. yd.
Permanent Barricading	\$25.00 ea.
Guard Rail/Hand Rail	\$.20 per linear ft.
Survey Monuments	\$10.00 ea.
Concrete Aprons	\$15.00 ea.
Scuppers	\$15.00 ea.
Review for Adjustments MH, etc.	\$10.00 ea.
4" Paving - PC Concrete	\$.22 per sq. yd.
Decorative Sidewalk or Paving	\$.30 per linear ft.
Sidewalk & Bike path	\$.30 per linear ft.
Curb & Gutter	\$.20 per linear ft.
Valley Gutter	\$.50 per linear ft.
Sign (regulator, street etc.)	\$5.00 ea.
Pavement Cuts	\$2.00 per linear ft.
Driveway/Driveway Modifications	\$30.00 ea.
Utility, Water Line, Sewer Line Trench	\$.15 per linear ft.
Drywells (maxwell or similar)	\$100.00 ea.
Storm Drain Pipe	\$2.00 per linear ft.
Catch Basins, Headwells	\$50.00 ea.
Cutoff Walls	\$.35 per linear ft.
Slope Protection	\$.30 per sq. yd.
Rip Rap	\$.90 Sq. ft.
Retaining Wall	\$1.53 per linear ft.
Cut/Fill (Materials Moved)	\$.40 per cubic yd.
Box Culverts	5% of attached estimate
Miscellaneous	5% of attached estimate
Landscaping	5% of attached estimate
Irrigation	5% of attached estimate
Lighting	5% of attached estimate
Grading	5% of attached estimate
Utility Splice/Repair Pits (outside pvmt)	\$2.00 Sq. ft. (minimum \$50.00)
Other	5% of attached estimate
In Lieu Payments	Calculated for cuts greater than 300 feet in length
Traffic Control Plan Review	\$200
Engineering Plan Review Fee	\$350 per sheet
Failure to obtain an Encroachment Permit	\$200
Failure to obtain a Final Inspection	\$100
Reinspection Fee	\$150
Investigation Fee for Work Done Without Permit	\$250 or the permit fee, whichever is greater, but not to exceed \$2,500 for every day or a portion of a day from the time unpermitted work began until a permit is obtained.



Description	Fee FY15-16
DEVELOPMENT SERVICES FEES	
Easement or Right-of-Way Abandonment	\$350.00
Hillside Protection Reconfiguration and/or Replacement of Hillside Protection Easement	\$350.00
Revocation Administrative Fee	\$300.00
Engineering Plan Review Fee	\$350 per sheet
Engineering Report/Calculations Review Fee (Drainage, Environmental, Traffic, Structural, Water, Sewer, etc.)	\$350.00 per report
Failure to barricade or improper barricading	Up to \$1,000
Environmental fee	\$3.00 per month per parcel; billed \$36.00 annually
PLANNING & ZONING FEES	
Area Specific Plans and amendments	\$3,000.00 plus \$ 100.00 per acre ^
General Plan Amendments	Minor \$ 3,000.00 plus \$ 100.00 per acre ^ Major \$ 5,000.00 plus \$ 100.00 per acre ^
Preliminary Plats	\$2,000.00 plus \$50.00 per lot, unit or tract ^
Time Extension Fee	\$100.00
Final Plats	\$1,500.00 plus \$ 50.00 per lot, unit or tract ^
Replats (lot joins, lot divisions, lot line adjustments)	\$500.00 up to three lots, more than 3 lots use Final Plat fees ^
Plat Abandonments	\$500.00 ^
Condominium Plats	\$1,500.00 plus \$50.00 per unit ^
Cut & Fill Waiver	\$300
Final Plat Improvement:	
Plan Checking	\$350.00 per sheet (includes 2nd and 3rd reviews)
Except water and sewer plans	\$175.00 per sheet (includes 2nd and 3rd reviews)
Water and sewer plans only	\$200.00 per sheet with corrections (4th + reviews)
	\$75.00 per sheet for addendums (changes made after approval).
Tract Housing	\$500.00 per Standard Plan + \$100 per House Façade Variant
Recording Fees (<i>subject to change without notice</i>)	\$24.00 first page for plat filed for record, + \$20.00 per page for each additional copy, and; \$9.00 for each instrument, + \$1.00 for each additional page over 5 pages.
Concept Plans or Design Review	\$500.00 plus \$200.00 for every 5,000 square feet or portion thereof ^
Time Extension fee	\$100.00



Description	Fee FY15-16
PLANNING & ZONING FEES (CONT.)	
Site Plan Review	\$500.00 plus \$ 100 per acre or portion thereof
Hillside Protection Easement (HPE)	\$20.00 + applicable recording fees
Land Disturbance Fee	\$10.00 per Sq. ft.
Rezoning (Map)	\$2,000.00 plus \$100 per acre or portion thereof plus notification *^
Ordinances (Text Amendments)	\$2,000.00 plus notification *
Planned Unit Developments (PUD)	\$2,000.00 plus \$100 per acre or portion thereof plus notification *
Development Agreements	\$2,500.00 plus \$100 per acre or portion thereof
Zoning Verification Letter	\$200.00
Continuance at Applicant Request	\$250.00
Variances	\$1,000.00 plus \$300.00 for each additional variance plus notification *^
Appeal of a Decision by the Zoning Administrator	\$1,000.00 plus notification *^
Special Use Permits and amendments	\$500.00 plus notification *^ - non-refundable
Temporary Use Permits	\$200.00 plus notification * - non-refundable
Time extension Fee	\$100.00
Comprehensive Sign Plans and amendments	\$200.00
Administrative Use Permit/Grand Opening Sign Permit	\$25.00
Landscape Plan Review	\$420.00 plus \$ 2,500.00 refundable deposit **
Saguaro Cactus Permit	\$90.00
Temporary Visitor Permit (RV Parking)	\$25.00
New/Address Change	\$25.00
Notification fee	\$5.00 per mailing label and \$ 60.00 per newspaper posting as appropriate
*Plus a notification charge of \$5.00 per mailing label and/or \$60 per newspaper posting as appropriate.	
**Deposit refundable upon landscaping approval by Town.	
^All fees include up to 3 reviews by staff. Any additional reviews will be subject to an additional fee equal to 25% of the original fee. The "recording fee" is per Maricopa County's Fee Schedule and is, therefore, subject to change.	



Description	Fee FY15-16
DEVELOPMENT FEES	
Single Family Residential	\$1,601
Multi - Family Residential	\$1,601/dwelling
Commercial	\$0.243/Sq. ft.
Office	\$0.243/Sq. ft.
Hotel	\$0.243/Sq. ft.
Industrial	\$0.243/Sq. ft.
Fee Detail (From Above)	
Park & Recreation	
Residential ⁽¹⁾	\$1,301/dwelling
Fire and Emergency	
Residential ⁽¹⁾	\$300/dwelling
Non - Residential ⁽²⁾	\$0.243/Sq. ft.
<i>(1) Residential includes single and multi - family dwelling units</i>	
<i>(2) Non - residential includes commercial and industrial square footage</i>	



Description	Fee FY15-16
<i>BUILDING PERMIT/PLAN CHECK – SINGLE FAMILY RESIDENTIAL</i>	
Single Family Homes (Includes Permit and Plan Review)	
Livable Area with A/C	\$.75 Sq. ft.
Covered Area: Garage and/or Patio (non A/C)	\$.45 Sq. ft.
Single Family Addition Area non A/C	\$.75 Sq. ft. \$.45 Sq. ft.
Single Family Remodel Area non A/C	\$.23 Sq. ft. \$.14 Sq. ft.
Specialized Permits (Includes Permit and Plan Review)	
Solar Photovoltaic	\$140.00
Fence Walls	\$70 plus \$.15 LF (Linear Footage)
Retaining Walls	\$70 plus \$1.53 LF (Linear Footage)
Pools & Spas Attached	\$290 plus \$.90 Sq. ft.
Stand Alone Spas	\$235.00
Landscape Plan Review	\$420.00 plus \$ 2,500.00 refundable deposit **
Miscellaneous Permits (Plan Review Fee Extra)	
One Discipline Permit	\$70.00 (building, plumbing, electrical or mechanical)
Combination Permit	\$210.00
Miscellaneous Plan Review	
Minimum Plan Review	\$70.00 per hour (1 - hour Minimum)
Revisions to Approved Plans	\$70.00 per hour (1 - hour Minimum)
Over the Counter Permits (No Plan Review Fee Required)	
Plumbing - Water heater replacement/solar (minor)	\$70.00
Mechanical - HVAC replacement (minor)	\$70.00
Electrical - panel repair (minor)	\$70.00
Demolition (minor)	\$120.00
Plan Review Add On (After 3rd Review)	50% of Bldg Permit/Plan Review Fee
Reinspection Fee	\$150.00 per Trip
Plan copies 24x36	\$3.00 per page - B&W \$5.00 per page - Color



Description	Fee FY15-16
<i>BUILDING PERMIT/PLAN CHECK - SINGLE FAMILY RESIDENTIAL (CONT.)</i>	
Permit Extensions - Residential new construction only (If Town has all records and within current Code cycle)	\$400.00
Permit Extensions - Residential remodel only (If Town has all records and within current Code cycle)	\$100.00
Refund for cancelled Single Family Home permit	35% of building permit fee paid - request must be made within 180 days of original payment
Penalty for failure to obtain a building permit	50% of Bldg Permit/Plan Review Fee
<i>BUILDING PERMIT/PLAN CHECK - COMMERCIAL</i>	
<i>Commercial Building Permit (Includes Permit and Plan Review)</i>	
Area with A/C	\$.75 Sq. ft.
Covered Area (non A/C)	\$.45 Sq. ft.
Commercial Building Addition	
Area with A/C	\$.75 Sq. ft.
Covered Area (non - A/C)	\$.45 Sq. ft.
Commercial Remodel (Existing)	
Area with A/C	\$145 plus \$.23 Sq. ft.
Covered Area (non - A/C)	\$145 plus \$.14 Sq. ft.
Shell Only for Commercial & Multi - Family	
Area with A/C	\$205 plus \$.50 Sq. ft.
Covered Area (non - A/C)	\$70 plus \$.45 Sq. ft.
Commercial Tenant Improvement	
Area with A/C	\$145 plus \$.23 Sq. ft.
Covered Area (non - A/C)	\$145 plus \$.14 Sq. ft.
Apartments/Condominiums	
Livable Area with A/C	\$.75 Sq. ft.
Covered Area (non - A/C)	\$.45 Sq. ft.
Apartments/Condominiums with 4 or more units & recurring floor plans (0 -100,000 livable sq. ft.)	
Livable Area with A/C	\$.60 Sq. ft.
Covered Area (non - A/C)	\$.37 Sq. ft.
Apartments/Condominiums with 4 or more units & recurring floor plans (Over 100,000 livable sq. ft.)	
Livable Area with A/C	\$.53 Sq. ft.
Covered Area (non - A/C)	\$.33 Sq. ft.



Description	Fee FY15-16
BUILDING PERMIT/PLAN CHECK – COMMERCIAL (CONT.)	
Specialized Permits (Includes Permit and Plan Review)	
Solar Photovoltaic	\$140.00
Fence Walls	\$70 plus \$.15 Lf (Linear Footage)
Retaining Walls	\$70 plus \$1.53 LF (Linear Footage)
Pools & Spas Attached	\$290 plus \$.90 Sq. ft.
Stand Alone Spas	\$235.00
Landscape Plan Review	\$420.00 plus \$ 2,500.00 refundable deposit **
Miscellaneous Permits (Plan Review Fee is Separate)	
Minimum Permit (one discipline)	\$70.00 (or \$210.00 for building, plumbing, electrical and mechanical)
Minimum Combination (all disciplines)	\$210.00
Sign Permit, less than 32 Sq. ft. (Face Replacement Only)	\$50.00 per sign
Sign Permit, greater than 32 Sq. ft. (Face Replacement Only)	\$100.00 per sign
Sign Permit, less than 32 Sq. ft. (New)	\$190.00 per sign
Sign Permit, greater than 32 Sq. ft. (New)	\$240.00 per sign
Miscellaneous Plan Review	
Minimum Plan Review	\$70.00 per hour (1 - hour Minimum)
Revisions to Approved Plans	\$70.00 per hour (1 - hour Minimum)
Over the Counter Permits (No Plan Review Fee Required)	
Plumbing - Water heater replacement/solar (minor)	\$70.00
Mechanical - HVAC replacement (minor)	\$70.00
Electrical - panel repair (minor)	\$70.00
Demolition (minor)	\$120.00
Plan Review Add On (After 3rd Review)	50% of Bldg Permit/Plan Review Fee
Reinspection Fee	\$150.00 per trip
Permit Extensions - Commercial new construction only (If Town has all records and within current Code cycle)	\$400.00
Permit Extensions - Commercial remodel only (If Town has all records and within current Code cycle)	\$100.00
Penalty for failure to obtain a building permit	\$100.00
Refund for cancelled Commercial Building permit (must be done in writing)	35% of building permit fee paid - request must be made within 180 days of original payment



Description	Fee FY15-16
<i>FIRE SAFETY FEES</i>	
Residential Automatic Sprinkler System Plan Review/Inspection	0.05 Sq. ft. (minimum \$25)
Commercial Automatic Sprinkler System Plan Review/Inspection	\$.10 Sq. ft. (minimum \$50)
Commercial Auto Sprinkler System Modification Plan Review/Inspection	\$75.00
Commercial Hood System Plan Review/Inspection	\$100.00
Commercial Fire Alarm System Plan Review/Inspection	\$100.00
Commercial Fire Alarm System Modification Plan Review/Inspection	\$50.00
Residential LPG Installation Review/Inspection	\$50.00
Annual Adult Residential Group Care Inspection	\$100.00 per year
Annual Commercial Fire Inspection Fee	\$15.00
Tent Permit Fee (any tent over 200 Sq. ft. & any canopy over 400 Sq. ft.)	\$100.00
Reinspection Fee (beyond one re-check)	\$150.00 per trip
<i>ABATEMENT FEES</i>	
Inspection fee	\$70.00 per hour (1 - hour minimum)
Reinspection fee	\$150.00 per trip
<i>PARK FACILITY RENTALS</i>	
Park Rental Fees - Resident/Non-Profit	Per Hour
Small Ramada - 2 hour minimum	\$10.00
Medium Ramada - 2 hour minimum	\$15.00
Large Ramada - 2 hour minimum	\$20.00
Meeting Rooms 2 hour minimum	\$10.00
Multi-Purpose Fields - 2 hour minimum	\$15.00
Open Turn Areas - 3 hour minimum ⁽¹⁾	\$50.00
Performance Pad (Amphitheater) - 3 hour minimum ⁽¹⁾	\$75.00
Tennis Courts - 90 minute reservation	\$5.00 without lighting
Tennis Courts - 90 minute reservation	\$7.00 with lighting
Avenue of the Fountains Plaza Rental - 3 hour minimum	\$75.00 Per Hour, each section



Description	Fee FY15-16
<i>PARK FACILITY RENTALS (CONT.)</i>	
Park Rental Fee Extras	
Power Distribution Box Rental Fee & Deposit	\$15.00/box per day; \$100.00 deposit per box and power cable
Athletic Field Lights (2 hour minimum)	\$10.00 Per Hour
Athletic Field – Prep & Bases	\$25.00 Each
Alcohol Permit with Park Reservation	\$10.00 for 50 Consuming Adults - non-refundable
Fountain Operation	\$265.00 Per Half-Hour
Staff (2 hour minimum)	\$21 - \$38 Per Hour
Park Rental Fees - Non - Resident	
	Per Hour
Small Ramada - 2 hour minimum	\$15.00
Medium Ramada - 2 hour minimum	\$22.50
Large Ramada - 2 hour minimum	\$30.00
Meeting Rooms - 2 hour minimum	\$15.00
Multi-Purpose Fields - 2 hour minimum	\$22.50
Open Turf Areas - 3 hour minimum ⁽¹⁾	\$75.00
Performance Pad (Amphitheater) - 3 hour minimum ⁽¹⁾	\$112.50
Tennis Courts - 90 minute reservation	\$10.00 without lights
Tennis Courts - 90 minute reservation	\$14.00 with lights
Avenue of the Fountains Plaza Rental - 3 hour minimum	\$112.50 Per Hour, each section
Park Rental Fee Extras	
Power Distribution Box Rental Fee & Deposit	\$15.00/box per day; \$100.00 deposit per box and power cable
Athletic Field Lights - 2 hour minimum	\$10.00 Per Hour
Athletic Field – Prep & Bases	\$25.00 Each
Alcohol Permit with Park Reservation	\$10.00 for 50 Consuming Adults - non-refundable
Fountain Operation	\$265.00 Per Half-Hour
Staff - 2 hour minimum	\$21.00 - \$38.00 Per Hour
Recreation Fees	
Program Cancellation Fee	\$10.00



Description	Fee FY15-16
COMMUNITY CENTER RENTALS	
Community Center Rental - Resident/Non-Profit (Tier 2)	Per Hour
Any Meeting Room - 2 hour minimum	\$15.00 Per Hour
One Ballroom (30 - 90 people)	
Minimum 4 hours	\$32.50
Two Ballrooms *(91 - 160 people)	
Minimum 4 hours ⁽¹⁾ (²)	\$65.00
Minimum 4 hours ⁽¹⁾ (²)	\$97.50
Grand Ballroom *(251 - 450 people)	
Minimum 4 hours ⁽¹⁾ (²)	\$130.00
Lobby	Per Hour
4 hour minimum	\$31.25
Grand Ballroom & Lobby (2)	
All Day Rate (Monday - Thursday 7:00 am to Midnight)	\$1,600.00
All Day Rate (Friday - Saturday 7:00 am to Midnight)	\$2,000.00
Weekend Rates: Friday & Saturday (no rentals on Sunday)	Weekend Rates: Friday-Sunday
Ballroom 3 (includes patio access and views)*	Per Hour
4 hour minimum ⁽¹⁾ (²)	\$37.50
Ballroom 4 (includes patio access and views)	
4 hour minimum ⁽²⁾	\$37.50
Tier 2 Groups meeting 6 or More Times per Year:	
4 hour minimum with contract	50% of Resident/Non-Profit rate
Centennial Circle - 3 hour minimum	\$75.00
*Ballroom 3 not available as a standalone rental	



Description	Fee FY15-16
COMMUNITY CENTER RENTALS (CONT.)	
Community Center Rental - Non-Resident/Commercial (Tier 3)	Per Hour
Any Meeting Room	\$35.00
One Ballroom (30-90 people) 4 hour minimum	\$75.00
Two Ballrooms *(91 - 160 people) 4 hour minimum	\$150.00
Three Ballrooms*(161 - 250 people) 4 hour minimum	\$225.00
Grand Ballroom *(251 - 450 people) 4 hour minimum	\$300.00
Lobby	
4 hour minimum	\$62.50
Grand Ballroom & Lobby	
All Day Rate (Monday - Thursday 7:00 am to Midnight)	\$4,000.00
All Day Rate (Friday - Saturday 7:00 am to Midnight)	\$5,000.00
Weekend Rates: Friday & Saturday (no rentals on Sunday)	Weekend Rates: Friday-Sunday
Ballroom 3 (includes patio access and views)*	Per Hour
4 hour minimum	\$112.50
Ballroom 4 (includes patio access and views)	
4 hour minimum	\$112.50
Tier 3 Groups meeting 6 or More Times per Year:	
4 hour minimum with contract	50% of Non-Resident/Commercial Rate
Centennial Circle - 3 hour minimum	\$112.50
*Ballroom 3 not available as a standalone rental	



Description	Fee FY15-16
COMMUNITY CENTER RENTALS (CONT.)	
Community Center Extra Service Fees - Resident/Non-Profit	
Video Projector - Note Vission 3,000 Lumens	\$40.00
Overhead Projector	\$15.00
Slide Projector	\$15.00
27" TV	\$15.00
Flat Screen TV	\$25.00
TV/VCR (or DVD)	\$0.00
VCR or DVD Player	\$10.00
Small Screen	\$5.00
Large Screen (8' x 10')	\$10.00
Large Screen Border	\$15.00
Internet Access	
Hard Wire	\$125 per day
Sound Reinforcement	
Microphones	
Wireless	\$5.00
Speaker Table (Includes Mixing Board)	\$15.00 each
Conference Phone	\$10.00
Portable Sound System (Includes Mixing Board and/or Portable Speaker)	\$25.00
CD Player	\$10.00
Electricity (per booth)	
110 V	\$15.00
220 V	\$40.00
Other	
Easel	\$5.00
Papers & Markers	\$10.00
Portable White Board	\$5.00
Walker Display Board	\$5.00
Items for Sale	
25' Extension Cord	\$15.00 each
Power Strip	\$15.00 each
Masking Tape	\$5.00 per roll
Miscellaneous	
Dance Floor - per 3' x 3' parquet square	\$3.00
Staging 6' x 8" section	\$5.00
Piano - Tuning Extra	
Upright	\$25.00
Grand	\$50.00
Coffee Service	\$5.00 per 8 cup pack



Description	Fee FY15-16
COMMUNITY CENTER RENTALS (CONT.)	
Community Center Extra Service Fees - Non - Resident/Commercial	
Video Projector - Note Vission 3,000 Lumens	\$75.00
Overhead Projector	\$30.00
Slide Projector	\$30.00
27" TV	\$30.00
Large Flat Panel Monitor	\$50.00
Flat Screen TV	\$50.00
VCR or DVD Player	\$20.00
Small Screen	\$10.00
Large Screen (8' x 10')	\$20.00
Large Screen Border	\$30.00
Internet Access	
Hard Wire	\$125.00 per day
Sound Reinforcement	
Microphones	
Wireless	\$15.00
Speaker Table (Includes Mixing Board)	\$15.00 each
Conference Phone	\$20.00
Portable Sound System (Includes Mixing Board and/or Portable Speaker)	\$50.00
CD Player	\$20.00
Electricity (per booth)	
110 V	\$25.00
220 V	\$75.00
Other	
Easel	\$10.00
Papers & Markers	\$20.00
Portable White Board	\$10.00
Walker Display Board	\$10.00
Items for Sale	
25' Extension Cord	\$15.00 each
Power Strip	\$15.00 each
Masking Tape	\$5.00 each
Miscellaneous	
Dance Floor - Per 3' x 3' parquet square	\$5.00
Staging 6' x 8" section	\$10.00
Piano - Tuning Extra	
Upright	\$50.00
Grand	\$100.00
Coffee Service	\$5.00 per (10) 8oz cup pack
Portable Bar	\$50.00
Labor Charges	\$25/hr \$40/hr OT
NOTE: All Rentals Are Subject To Applicable Arizona Sales Taxes	



Description	Fee FY15-16
SENIOR SERVICES ANNUAL MEMBERSHIP FEES (CALENDAR YEAR)	
Resident	\$20.00
Non - Resident	\$30.00
COURT FEES	
Non - Sufficient Funds (checks returned to Court)	\$29.00 per check
Public Defender	Actual costs for appointed attorney
Jail Reimbursement	Actual costs billed by County for jail time served
Jury Costs (assessed if jury trial canceled within five days of trial)	Actual administrative costs
Civil Traffic Default	\$25.00 per defaulted charge
Warrant	\$50.00 per warrant issued
Diversion Program Rescheduling	\$25.00
Court Clerk	\$17.00
Court User	\$20.00 per charge, plus surcharges
Public Records Search	\$2.00 per name
Copies	\$0.50 per page
Certified Copies	\$17.00
Copies of CDs	\$17.00
NOTE: Court fees are subject to change throughout the fiscal year in accordance with State Law and Arizona Supreme Court Rules.	





Schedule of Authorized Positions



Schedule of Authorized Positions

<u>Position Title</u>	<u>FY12-13 Authorized FTE</u>	<u>FY13-14 Authorized FTE</u>	<u>FY14-15 Authorized FTE</u>	<u>FY14-15 Revised FTE</u>	<u>FY 15-16 Proposed FTE</u>
<u>Municipal Court</u>					
Presiding Judge	1.00	1.00	0.63	0.63	0.63
Court Administrator	1.00	1.00	1.00	1.00	1.00
Senior Court Clerk	1.00	1.00	1.00	1.00	1.00
Court Clerk	2.00	1.00	1.00	1.00	1.00
Authorized FTE	5.00	4.00	3.63	3.63	3.63
<u>Administration</u>					
Town Manager	1.00	1.00	1.00	1.00	1.00
Deputy Town Manager/Finance Director	1.00	1.00	-	-	-
Administrative Services Director			1.00	1.00	1.00
Executive Asst to Town Mgr/Council	1.00	1.00	1.00	1.00	1.00
Town Clerk	1.00	1.00	1.00	1.00	1.00
Human Resources Administrator/Risk Mgr.	1.00	0.75	-	-	-
Volunteer Coordinator	0.88	0.88	1.00	1.00	1.00
Economic Development Administrator	1.00	-	-	-	-
Economic Development Specialist		0.63	0.63	1.00	1.00
Information Technology Coordinator	1.00	1.00	-	-	-
Information Technology Administrator	-	-	1.00	1.00	1.00
Information Technology Technician	0.75	0.50	-	-	-
Finance Director	-	-	1.00	1.00	1.00
Accounting Supervisor	1.00	1.00	-	-	-
Accountant	-	-	1.00	1.00	1.00
Financial Services Technician	0.75	0.50	1.00	1.00	1.00
Accounting Clerk	0.50	0.50	0.63	0.63	0.63
Customer Service Representative II	0.80	0.80	0.70	0.70	0.70
Authorized FTE	11.68	10.56	10.96	11.33	11.33
<u>Development Services</u>					
Development Services Director	1.00	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00	1.00
Civil Engineering Inspector	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Facilities/Environmental Supervisor	1.00	1.00	1.00	1.00	1.00
Facilities Maintenance Tech	1.50	1.00	1.00	1.00	1.00
Custodian	1.25	1.25	1.30	1.30	1.30
Street Superintendent	1.00	1.00	1.00	1.00	1.00
Fleet Mechanic/Open Space-Landscape Spec	1.00	1.00	1.00	1.00	1.00
Traffic Signal Technician II	1.00	1.00	1.00	1.00	1.00
Street Maintenance Technician	3.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	1.00
GIS Technician/CAD Operator	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer	1.00	1.00	1.00	1.00	1.00
Chief Building Official/Plans Examiner	1.00	1.00	1.00	1.00	1.00
Building Permit Technician	1.00	1.00	1.00	1.00	1.00
Authorized FTE	18.75	16.25	16.30	16.30	16.30



Schedule of Authorized Positions—continued

<u>Position – Title</u>	<u>FY12-13 Authorized FTE</u>	<u>FY13-14 Authorized FTE</u>	<u>FY14-15 Authorized FTE</u>	<u>FY14-15 Revised FTE</u>	<u>FY15-16 Proposed FTE</u>
<u>Community Services</u>					
Community Services Director	1.00	1.00	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00
Recreation Program Coordinator	2.00	2.00	2.00	2.00	2.00
Recreation Assistant	2.45	2.45	-	-	-
Tourism Coordinator	-	-	-	1.00	1.00
Tourism Assistant	-	-	0.50	-	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Parks Supervisor	1.00	1.00	1.00	1.00	1.00
Park Operations Lead	2.00	1.00	1.00	1.00	1.00
Lead Park Attendant	-	-	-	0.49	0.49
Park Attendant	-	-	2.45	1.96	1.96
Groundskeeper	3.00	3.00	3.00	3.00	3.00
Customer Service Representative II	0.30	0.30	0.30	0.30	0.30
Events Coordinator - Community Center	1.00	1.00	-	-	-
Events & Operations Supervisor - CC	-	-	1.00	1.00	1.00
Operations Coordinator - Community Center	1.00	1.00	1.00	1.00	1.00
Operations Support Worker	1.65	1.65	1.65	1.65	1.65
Customer Service Representative I	1.00	1.00	0.88	0.88	0.88
Senior Services Supervisor	1.00	1.00	1.00	1.00	1.00
Senior Services Activities Coordinator	0.58	0.58	0.58	0.58	0.58
Home Delivered Meals Coordinator	0.75	0.75	0.75	0.75	0.75
Senior Services Assistant	0.45	0.45	0.45	0.45	0.45
Authorized FTE	21.18	20.18	20.56	21.06	21.06
Total Authorized FTE	<u>56.61</u>	<u>50.99</u>	<u>51.45</u>	<u>52.32</u>	<u>52.32</u>

The reduction in authorized FTEs is a result of the economic downturn and the need to reduce town expenditures, resulting in the consolidation of positions as well as actual staff layoffs.

Compared to the high of 115 FTEs in FY01-02, the current level of 52 FTEs represents a total decrease of 45% over a fourteen year period.



Pay Plan



FY15-16 PAY PLAN
 (adjusted by 2.5%)
 Exempt Positions

<u>Position Title</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Previous Range</u>
Finance Director	\$ 85,406	\$ 121,456	\$ 83,323 - \$ 118,494
Development Services Director	84,095	119,592	82,044 - 116,675
Town Engineer	80,842	114,965	78,870 - 112,161
Administrative Services Director	75,654	107,588	73,809 - 104,964
Community Services Director	75,361	107,171	73,523 - 104,557
Court Administrator	67,511	96,007	65,864 - 93,665
Town Clerk	62,062	88,258	60,548 - 86,105
Economic Development Specialist	60,336	85,804	58,864 - 83,711
Chief Building Official/Plans Examiner	59,720	84,927	58,263 - 82,856
Street Superintendent	58,468	83,147	57,042 - 81,119
Senior Planner	58,227	82,805	56,807 - 80,785
Recreation Supervisor	54,229	77,119	52,906 - 75,238
Parks Supervisor	52,384	74,495	51,106 - 72,678
Information Technology Administrator	51,774	73,628	50,511 - 71,832
Facilities/Environmental Supervisor	50,936	72,437	49,694 - 70,670
Events and Operations Supervisor - Comm. Ctr.	47,486	67,530	46,328 - 65,883
Executive Assistant to the Town Manager/Council	47,150	67,052	46,000 - 65,417
Senior Services Supervisor	45,225	64,315	44,122 - 62,746
Accountant	43,525	61,897	42,463 - 60,387
Recreation Program Coordinator	41,114	58,468	40,111 - 57,042
Tourism Coordinator	41,114	58,468	40,111 - 57,042
Volunteer Coordinator	41,114	58,468	32,635 - 46,410
Community Center Operations Coordinator	38,214	54,344	37,282 - 53,019

Non-Exempt Positions

<u>Position Title</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Previous Range</u>
GIS Technician/CAD Operator	\$ 23.53	\$ 32.80	\$ 22.50 - \$ 32.00
Traffic Signal Technician II	22.98	32.00	21.95 - 31.22
Civil Engineer Inspector	20.57	28.48	19.54 - 27.79
Code Enforcement Officer	19.37	26.73	18.34 - 26.08
Executive Assistant	19.37	26.73	18.34 - 26.08
Fleet Mechanic/Open Space-Landscape Specialist	18.92	26.08	17.89 - 25.44
Park Operations Lead	18.92	26.08	17.89 - 25.44
Facilities Maintenance Technician	17.59	24.14	16.56 - 23.55
Building Permit Technician	17.16	23.51	16.13 - 22.94
Senior Court Clerk	16.72	22.87	15.69 - 22.31
Street Maintenance Technician	16.72	22.87	15.69 - 22.31
Court Clerk	16.03	21.86	15.00 - 21.33
Financial Services Technician	16.03	21.86	15.00 - 21.33
Accounting Clerk	15.54	21.15	14.51 - 20.63
Customer Service Representative II	15.54	21.15	14.51 - 20.63
Senior Services Activities Coordinator	15.23	20.70	14.20 - 20.19
Lead Park Attendant	15.23	20.69	14.20 - 20.19
Customer Service Representative I	13.96	18.85	12.93 - 18.39
Home Delivered Meals Coordinator	13.68	18.44	12.65 - 17.99
Groundskeeper	13.68	18.44	12.65 - 17.99
Operations Support Worker	13.68	18.44	12.65 - 17.99
Custodian	12.72	17.04	11.69 - 16.62
Park Attendant	12.72	17.04	11.69 - 16.62
Senior Services Assistant	12.72	17.04	11.69 - 16.62



Resolution 2015-13



RESOLUTION 2015-13

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, ADOPTING THE TENTATIVE BUDGET AS THE 2015-2016 FISCAL YEAR BUDGET FOR THE TOWN OF FOUNTAIN HILLS.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Arizona Revised Statutes (the “Applicable Law”), the Mayor and Council of the Town of Fountain Hills (the “Town Council”) did, on May 7, 2015, prepare (i) a full and complete statement of the Town’s financial affairs for the preceding fiscal year, (ii) an estimate of the different amounts that will be required to meet the Town’s public expense for the current fiscal year, including all of the items prescribed by ARIZ. REV. STAT. § 42-17102 and (iii) a summary schedule of estimated expenditures and revenues, which was prepared according to forms supplied by the Auditor General and entered in the Town Council’s minutes; and

WHEREAS, in accordance with the Applicable Law, and following due public notice, the Town Council met on May 7, 2015, at which meeting any taxpayer was provided the opportunity to appear and be heard in favor of or against any proposed expenditure or tax levy; and

WHEREAS, Resolution EMCFD 2015-04 authorized the issuance and sale of the Eagle Mountain Community Facilities District General Obligation Refunding Bonds, Series 2015, causing modifications to the District budget. Accordingly, the statements and schedules adopted as the tentative budget on May 7, 2015, have been revised; and

WHEREAS, publication has been duly made as required by law, of said estimates together with a notice that the Town Council would meet on June 4, 2015, at the Fountain Hills Town Council Chambers, for the purpose of hearing taxpayers and with respect to said estimate or any proposed expenditure or tax levy.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. The revised statements and schedules attached hereto as Exhibit A and incorporated herein by reference, are hereby adopted as the budget of the Town of Fountain Hills, Arizona, for the fiscal year July 1, 2015 through June 30, 2016.

SECTION 3. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

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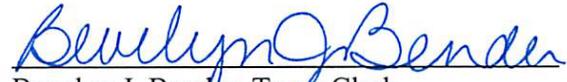


PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, June 4, 2015.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:


Linda M. Kavanagh, Mayor


Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:


Kenneth W. Buchanan, Town Manager


Andrew J. McGuire, Town Attorney



Glossary



Account

A separate financial reporting unit for budgeting, management or accounting purposes. All budgetary transactions, whether revenue or expenditure, are recorded in accounts. Several related accounts may be grouped together in a fund. A list of accounts is called a chart of accounts.

Accounting Standards

The generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) that guide the recording and reporting of financial information by state and local governments.

Accrual Basis of Accounting

The basis of accounting under which transactions are recognized at the time they are incurred, as opposed to when cash is received or sent. Expenses are recorded at the time liabilities are incurred and revenues are recorded when earned. Unbilled services are recorded as receivables at year end.

Actual vs. Budgeted

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

Adoption

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

Ad Valorem Taxes

Commonly referred to as property taxes. The charges levied on all real, and certain personal property, according to the property's assessed value and the tax rate. Used as a source of monies to pay general obligation debt and to support the General Fund.

Allotment

Part of an appropriation that may be expended or encumbered during a given period.

Appropriation

Specific amount of monies authorized by the Town Council for the purpose of incurring obligations and acquiring goods and services. An appropriation is limited in amount and time when it may be used unless it is for capital projects such as constructing roads and buildings.

Arbitrage

The ability to use tax exempt proceeds and, by investing those funds in higher yielding taxable securities, generate a profit to the issuer.



Assessed Valuation

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

Asset

The resources and property of the Town that can be used or applied to cover liabilities. Alternatively, any owned physical object (tangible) or right (intangible) having a monetary value or an item or source of wealth expressed in terms of any cost benefitting a future period.

Attrition

A method of achieving a reduction in personnel by not refilling the positions vacated through resignation, reassignment, transfer, or retirement.

Audit Report

The report prepared by an auditor covering the audit or investigation of an entity's financial position for a given period of time, usually a year. As a general rule, the report should include: 1) a statement of the scope of the audit; 2) explanatory comments concerning exceptions from generally accepted auditing standards; 3) opinions; 4) explanatory comments concerning verification procedures; 5) financial statements and schedules; and 6) statistical tables, supplementary comments and recommendations. The auditor's signature follows 3). The Town is required to have an annual audit conducted by qualified certified public accountants.

Authorized Positions

Employee positions which are authorized in the adopted budget.

Available (Unassigned) Fund Balance

Funds remaining from the prior year which are available for appropriation and expenditure in the current year.

Balanced Budget

Arizona law (Title 42-Arizona Revised Statutes) requires the Town Council to annually adopt a balanced budget by purpose of public expense. State law defines this balanced budget as "the primary property tax levy, when added together with all other available resources, must equal these expenditures." The total of proposed expenditures will not exceed the total of estimated revenues and fund balances.

Base Budget

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

Bond

A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity dates), and carrying interest at a specified rate, usually paid periodically. The difference

between a bond and a note is that a bond is issued for a longer period and requires greater legal formality.

Bonds are primarily used to finance capital projects. The most common types of bonds are:

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

Bond Rating

A judgment of credit quality based on detailed analysis of specific data given to an entity by a rating agency such as Moody's Investors Service, Standard and Poor's Corporation and Fitch's Investors Service. Factors that are evaluated in determining bond ratings include an entity's ability to raise taxes and the relative size and diversity of an entity's economic base.

Bond Refinancing

The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget

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

Budget Amendment

A change of budget appropriation between expenditure accounts which does not change the legal spending limit adopted by Town Council.

Budget Calendar

The schedule of key dates which a government follows in the preparation and adoption of the budget.

Budgetary Basis of Accounting

The basis of accounting used to estimate financing sources and uses in the budget. The method used to determine when revenues and expenditures are recognized for budgetary purposes. This basis generally takes one of three forms: GAAP, cash, or modified accrual.

Budgetary Control

The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets

Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.



Capital Budget

A spending plan for improvements to, or acquisition of, land, facilities and infrastructure that balances revenues and expenditures, specifies the sources of revenues, and lists each project or acquisition. Normally a capital budget must be approved by the legislative body. The capital budget and accompanying appropriation ordinance may be included in a consolidated budget document that has a section devoted to capital expenditures and another to operating expenditures. Alternatively, two separate documents may be prepared – one for the capital budget and one for the operating budget.

Capital Expenditure

A capital expenditure is made when purchasing a fixed asset having a value of \$10,000 or more and a useful life of more than one year.

Capital Improvement Program

A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the Town's long-term needs.

Capital Improvement Project

Expenditures for the construction, purchase or renovation of Town facilities or property that have a value greater than \$50,000.

Capital Outlay

Expenditures resulting in the acquisition of or addition to the Town's fixed assets with a value of \$10,000 or more and a useful economic lifetime of more than one year.

Capital Project Carryover

An approved Capital Project that was not completed in the fiscal year and, therefore, was budgeted again in the current fiscal year in order to finish the project.

Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Cash Basis of Accounting

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

Community Facilities District (CFD)

A separate legal entity established by the Town which allows for financing of public improvements and services.

Comprehensive Annual Financial Report (CAFR)

The official annual financial report of the Town. The CAFR represents management's report to the Town Council, constituents, investors and creditors.

Contingency/Reserve

An amount, a budgetary reserve/contingency, set aside as available, with Town Council approval, to cover unforeseen expenditures, emergency expenditures, or revenue shortfalls.

Debt Limit

Statutory or constitutional limit on the principal amount of debt that an issuer may incur (or that it may have outstanding at any one time).

Debt Management

Negotiate and manage issuance of bonds and refunding.

Debt Ratio

Total debt divided by total assets.

Debt Service

The cost of paying principal and interest payments on outstanding bonds according to a predetermined payment schedule.

Debt Service Fund

One or more funds established to account for revenues used to repay the principal and interest on debt.

Deficit

The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department

A functional group of the Town with related activities aimed at accomplishing a major Town service or program.

Depreciation

An accounting transaction which spreads the purchase cost of an asset across its useful life. Alternatively, expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development Fees

Those fees and charges generated by building, development, and growth in the Town.



Distinguished Budget Presentation Awards Program

A voluntary awards program administered by the Government Finance Officers Association of the United States and Canada to encourage governments to prepare effective budget documents.

Division

A grouping of related activities within a particular Department (example, Senior Services is a Division of Community Services).

Employee (or Fringe) Benefits

Contributions made by a government to meet commitments or obligations for employee fringe benefits. Included are the government's share of costs for the various retirement, medical and life insurance plans.

Encumbrance

The formal accounting recognition of appropriated or committed funds to be set aside for a future expenditure. To encumber funds means to set aside or commit funds for a specified future expenditure. For budgetary purposes, encumbrances are considered expenditures.

Estimated Revenue

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

Expenditure

A net decrease in financial resources. Expenditures include operating expenses which require the use of current assets. If accounts are kept on the accrual basis, this term designates total charges incurred, whether paid or unpaid. If they are kept on the cash basis, the term covers only actual disbursements for these purposes.

Expenditure Limitation

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

Expenses

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other costs.

Financial Plan

A summary by fund of planned revenues, expenditures, operating transfers, reserves, and fund balances.

Fiscal Policy

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year

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

Fixed Assets

Assets of a long-term character which are intended to continue to be in use or kept for more than one year and of a monetary value greater than \$10,000.

Full Faith and Credit

A pledge of a government's taxing power to repay debt obligations.

Full-Time Equivalent Position (FTE)

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

Fund

An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and changes in these assets and liabilities.

Fund Balance

The excess of the assets of a fund over its liabilities, reserves and carryovers. A balance or carryover that occurs when actual revenues exceed budgeted revenues and/or when actual expenditures are less than budgeted expenditures.

GAAP (Generally accepted accounting principles)

Uniform minimum standards for financial accounting and recording encompassing the conventions, rules, and procedures that define accepted accounting principles.

General Fund

The major fund in most governmental entities. While other funds tend to be restricted to a single purpose, the General Fund is a catch-all for general government purposes. The General Fund contains the activities commonly associated with municipal government, such as police and fire protection, parks and recreation.

General Obligation Bonds

This type of bond is backed by the full faith, credit and taxing power of the government. Bonds that finance a variety of public projects. The repayment of these bonds is usually made from secondary property tax revenues.



General Plan

A plan approved by the Town Council that provides the fundamental policy direction and guidance on development decisions in the Town.

Goal

A statement of broad direction, purpose, or intent based on the needs of the community. A goal is general and timeless.

Governmental Funds

Governmental Funds are those through which most governmental functions of the Town are recorded. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred except for unmatured interest on debt and certain similar obligations, which should be recognized when due.

Grants

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

Indirect Cost

A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned to one service.

Infrastructure

The physical assets of a government (e.g. streets, public buildings, parks, etc.)

Interfund Transfers

The movement of monies between funds of the same governmental entity.

Intergovernmental

Refers to transactions between different levels of government, e.g. city, county, state and federal.

Intergovernmental Revenue

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

Lapsing Appropriation

An appropriation made for a certain period of time, generally for the budget year. At the end of the specified period, any unexpended or unencumbered balance lapses or ends, unless otherwise provided by law.

Levy

The total amount to be raised by general property taxes for purposes specified in the property tax levy motion.

Levy Rate

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

Liability

Indebtedness of a governmental entity, such as amounts owed to vendors for services rendered or goods received, and principal and interest owed to bondholders. These amounts are debts or legal obligations which must be paid at some future date.

Line-item Budget

A budget prepared along departmental lines that focuses on what is to be bought.

Long-term Debt

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

Modified Accrual Basis of Accounting

The basis of accounting used by governmental-type funds. Under this basis, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period.

Municipal Property Corporation (MPC) Bond

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

Nonrecurring/One-Time Appropriation

An appropriation made for one-time items or projects. Examples include capital or major equipment purchases, special studies, and information technology upgrades.

Object Detail

Analysis of obligations and expenditures according to the types of services or other items involved, e.g. personal services, supplies, materials, equipment, as distinguished from the purpose for which such obligations are incurred. An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, asphalt, and furniture.

Objectives

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame. The achievement of the objective advances an organization toward a corresponding goal.

Obligations

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.



Operating Budget

Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing of acquisitions, spending, and service delivery activities of the Town are controlled.

Operating Expenses

The cost for personnel, materials, and equipment required for a department to function.

Operating Impacts

Operating impacts are the additional, incremental revenues or costs associated with the project—any new cost or revenue streams resulting from the project less existing expenditures and revenues where applicable. These impacts include maintenance expenses, utility and personnel expenses, revenues from project-specific construction spending and operating revenues.

Operating Revenue

Funds that the government receives as income to pay for ongoing operations. The revenue includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance

A formal legislative enactment by the Town Council.

Organization Unit (Org)

A budget format that assigns expenditures by department level, without specification as to what the funding level is for specific programs.

Pay-as-you-go Basis

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

Performance Based Budget

The Performance Based Budget is a customer based, performance driven, results oriented budget system based on Outcome Management. Outcome Management is a management approach that focuses on the results achieved when providing a service.

Performance Indicators

Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs. Measurement of service performance indicators that reflect the amount of money spent on services and the resulting outcomes at a specific level of services provided.

Performance Measurement

Statistical indicators that permit program evaluation to be conducted in a budgetary context.

Performance Target

Percentage or number for each program performance measure that will be the desired level of performance for the upcoming budget period.

Program

A functional grouping of departmental expenditures or activities which are directed toward a common purpose, consistent over time and meet the following criteria: comprehensive, distinctive, practical, and clear. Activities performed by one or more organizational units for the purpose of accomplishing a function for which the Town is responsible.

Program Budgeting

An approach to budget formulation and appropriations that identifies programs or activities, rather than line items, as the primary budget units, and presents information on program missions, goals and effectiveness. This information intends to aid in understanding the broader policy implications of funding decisions and the expected results of services to be carried out by programs.

Property Tax

The total property tax levied by a municipality. Arizona's municipal property tax system is divided into a primary and secondary tax rate. The rate is expressed as dollars per \$100 of assessed valuation.

Primary Property Tax Rate

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

Reserve

An account used to segregate a portion of a fund balance to indicate that it is not available for expenditure, or it is legally set aside for a specific future use.

Resolution

A special or temporary order of the Town Council. Requires less formality than an ordinance or statute.

Resources

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

Revenue

Amounts received by government from sources including taxes, fines, fees, grants, or charges for services, which can be used to finance government operations or capital assets. These amounts increase the net assets of the government. For those revenues which are recorded on an accrual basis, this term designates additions to assets which (a) do not increase any liability, (b) do not represent recovery of an expenditure, and (c) do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets.



Revenue Bonds

Bonds whose principal and interest are payable exclusively from earnings of a revenue generating fund.

Secondary Property Tax Rate

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

Service Level

Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

Sinking Fund

A means of repaying funds that were borrowed through a bond issue. The issuer makes periodic payments to a trustee who retires part of the issue by purchasing the bonds in the open market.

Special Revenue Fund

Accounts for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes.

State Shared Revenue

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

Strategic Plan

The Strategic Plan defines the Town's strategy, or direction, and assists Town management in making decisions on the allocation of personnel and resources.

Structural Deficit

Structural deficits occur when growth in spending needed to maintain current services and growth in revenues from current taxes and other revenue sources are inconsistent.

Supplemental Appropriation

An additional appropriation made by the governing body after the budget year has started to cover unforeseen events, projected over expenditures, or to replace revenue shortfalls.

Tax Levy

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

Tax Rate

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

Taxes

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfer

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

Unassigned Fund Balance

The portion of a fund's balance that is not restricted or committed for a specific purpose and is available for general appropriation.

Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered; essentially the amount of money still available for future purposes.

User Fees

The fee charged for the direct receipt of a public service to the party or parties who benefit from the service.

Valley

The area represented by the Greater Phoenix Metropolitan area. Phoenix is also known as the Valley of the Sun.

Working Capital

A financial metric which represents the amount of day-to-day operating liquidity available. Also known as operating capital, it is calculated as current assets minus current liabilities.

Working Cash

The excess of readily available assets over current liabilities.



Acronyms

Acronyms

ABC-American Base Course

AC-Asphaltic Concrete

ACA-Arizona Commerce Authority

ACMA-Arizona City Manager's Association

ADA-Americans with Disabilities Act

ADEQ-Arizona Department of Environmental Quality

ADOG-Association of Dog Owners Group

ADOT-Arizona Department of Transportation

ADWR-Arizona Department of Water Resources

AGIC-Arizona Geographic Information Council

AICP-American Institute of Certified Planners

AOC-Administrative Office of the Courts

APA-American Planning Association

APRA-American Parks & Recreation Association

APWA-American Public Works Association

ARRA-American Recovery and Reinvestment Act of 2009

ARS-Arizona Revised Statutes

ASCE-American Society of Civil Engineers

AZBO-Arizona Building Officials

AZDOR-Arizona Department of Revenue

AZDOT-Arizona Department of Transportation

AZ POST-Arizona Peace Officer Standards and Training Board



BGC-Boys and Girls Club

BRE-Business Retention and Expansion

BVAC-Business Vitality Advisory Council

CAD-Computer-Aided Design

CAFR-Comprehensive Annual Financial Report

CARE-Crisis Activated Response Effort

CELA-Code Enforcement League of Arizona

CFD-Community Facilities District

CIP-Capital Improvement Program

CMAQ-Congestion Mitigation and Air Quality

cu. yd.-Cubic Yard

EMCFD-Eagle Mountain Community Facilities District

EMMA-Electronic Municipal Market Access

EOC-Emergency Operations Center

EPIC-TBI-Excellence in Prehospital Care-Traumatic Brain Injury

FEMA-Federal Emergency Management Administration

FHUSD-Fountain Hills Unified School District

FTE-Full Time Equivalent

FY-Fiscal Year

GAAP-Generally Accepted Accounting Principles

GADA-Greater Arizona Development Authority

GASB-Governmental Accounting Standards Board

GFOA-Government Finance Officers Association

GIS-Geographical Information System

GO-General Obligation

GPEC-Greater Phoenix Economic Council

HDM-Home Delivered Meals

HPE-Hillside Protection Easement

HURF-Highway User Revenue Fund

HVAC-Heating, Cooling, and Air Conditioning

ICMA-International City/County Management Association

ICSC-International Council of Shopping Centers

ID-Improvement District

IGA-Intergovernmental Agreement

IIP-Infrastructure Improvement Plan

ISO-International Standards Organization

IT-Information Technology

ITS-Intelligent Transportation System

In. ft.-Lineal (Linear) Feet

LTAP-Local Technical Assistance Program

LTAF-Local Transportation Assistance Fund

MAG-Maricopa Association of Governments

MCFC-Maricopa County Flood Control District

MCSO-Maricopa County Sheriff's Office

MH-Manhole

MHz-Megahertz

MPC-Municipal Property Corporation

MSRB-Municipal Securities Rulemaking Board



NACSLB-National Advisory Council on State and Local Budgeting

NRPA-National Recreation and Park Association

PC-Portland Cement

PUD-Planned Unit Developments

PTO-Parent Teacher Organization

RFP-Request for Proposal

RFQ-Request for Quotation

RPM-Reflective Pavement Marker

RPTA-Regional Public Transit Agency

SEC-Securities and Exchange Commission

sq. ft.-Square Feet

sq. yd.-Square Yard

SR-State Route

STORM-Stormwater Outreach for Regional Municipalities

V-Volt

VHF-Very High Frequency

VOIP-Voice Over Internet Protocol

VRF-Vehicle Replacement Fund



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