



NOTICE OF MEETING
SPECIAL MEETING
FOUNTAIN HILLS TOWN COUNCIL

Mayor Ginny Dickey

Vice Mayor Art Tolis
Councilmember Dennis Brown
Councilmember Sherry Leckrone

Councilmember Alan Magazine
Councilmember Mike Scharnow
Councilmember David Spelich

TIME: 5:30 PM – SPECIAL MEETING
WHEN: TUESDAY, APRIL 23, 2019 (AND WEDNESDAY, APRIL 24, 2019, IF NEEDED)
WHERE: FOUNTAIN HILLS TOWN HALL – COUNCIL CHAMBERS
16705 E. AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, AZ

Councilmembers of the Town of Fountain Hills will attend either in person or by telephone conference call; a quorum of the Town's various commission, committee or board members may be in attendance at the Council meeting.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions makes a video or audio recording of a minor child. Meetings of the Town Council are audio and/or video recorded and, as a result, proceedings in which children are present may be subject to such recording. Parents, in order to exercise their rights may either file written consent with the Town Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the Town will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

1. CALL TO ORDER – Mayor Ginny Dickey
2. ROLL CALL – Mayor Ginny Dickey
3. Discussion and direction to staff regarding the FY2019-20 Town of Fountain Hills Budget.
4. ADJOURNMENT

DATED this 17th day of April, 2019.

Elizabeth A. Burke, MMC, Town Clerk

TOWN OF FOUNTAIN HILLS TENTATIVE BUDGET COUNCIL PRESENTATION FY 19-20



Grady Miller, Town Manager
Craig Rudolphy, Finance Director
April 23, 2019

VISION STATEMENT

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 aesthetics 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;
- ❖ Be civic-minded and friendly, taking responsibility for our Town's success by building partnerships and investing our talent and resources.

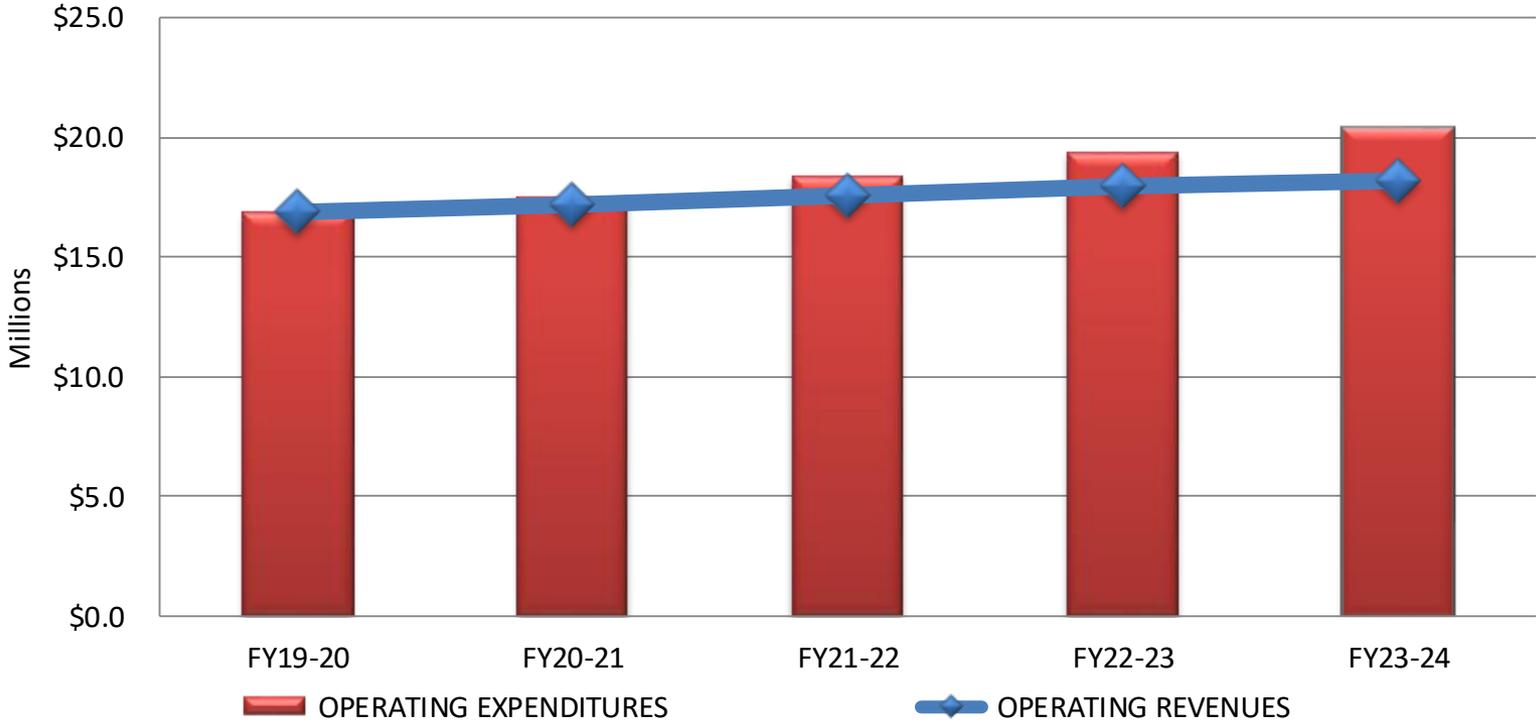
VALUES STATEMENT

- **We Value:**
 - Civility
 - Civic Responsibility
 - Environmental Stewardship
 - Economic Vitality
 - Education, Learning and Culture
 - Maintaining and Improving Community Infrastructure
 - Public Safety, Health and Welfare
 - Recreational Opportunities and Amenities

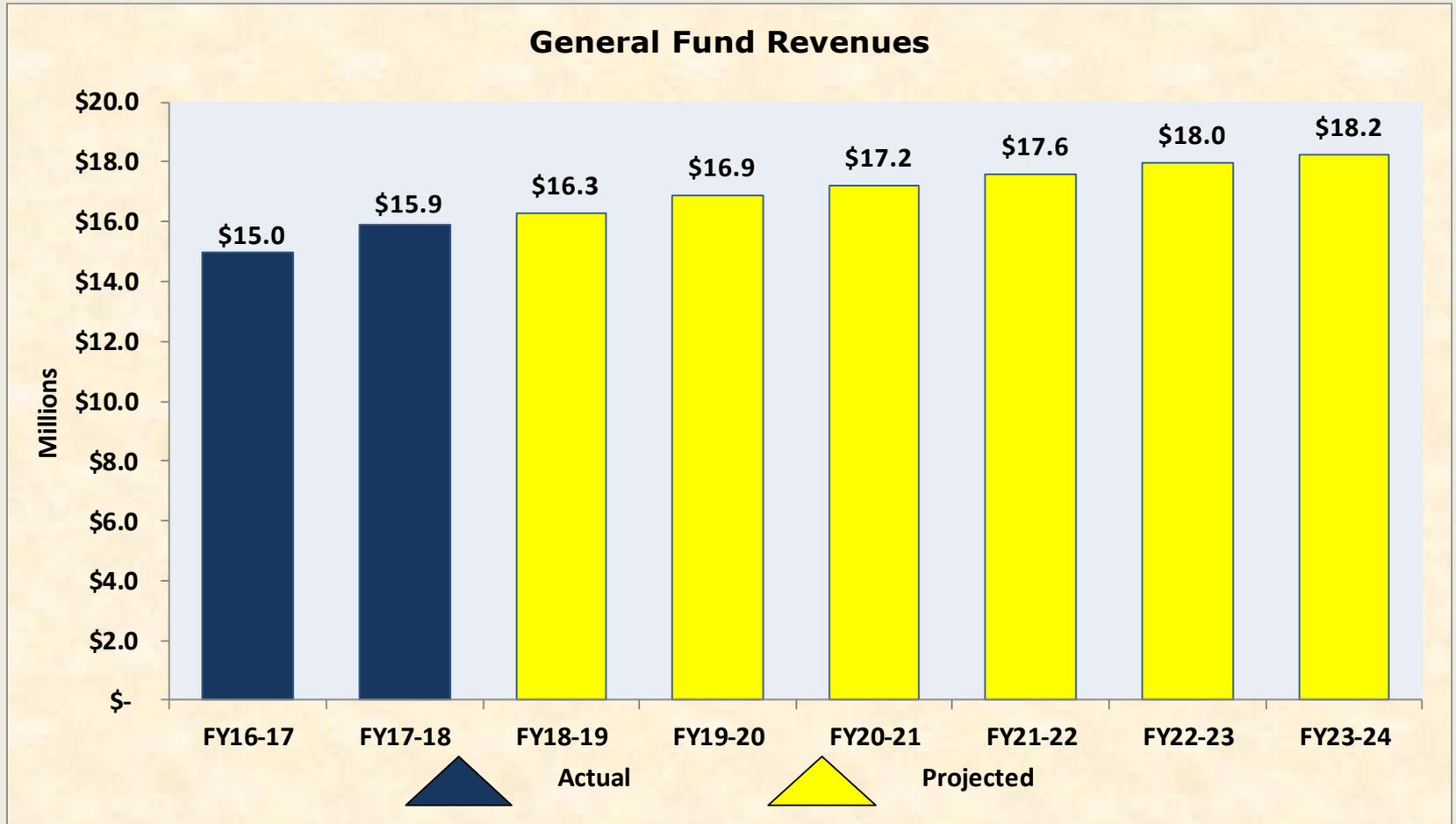
5-Year Financial Overview

GENERAL FUND PROJECTIONS

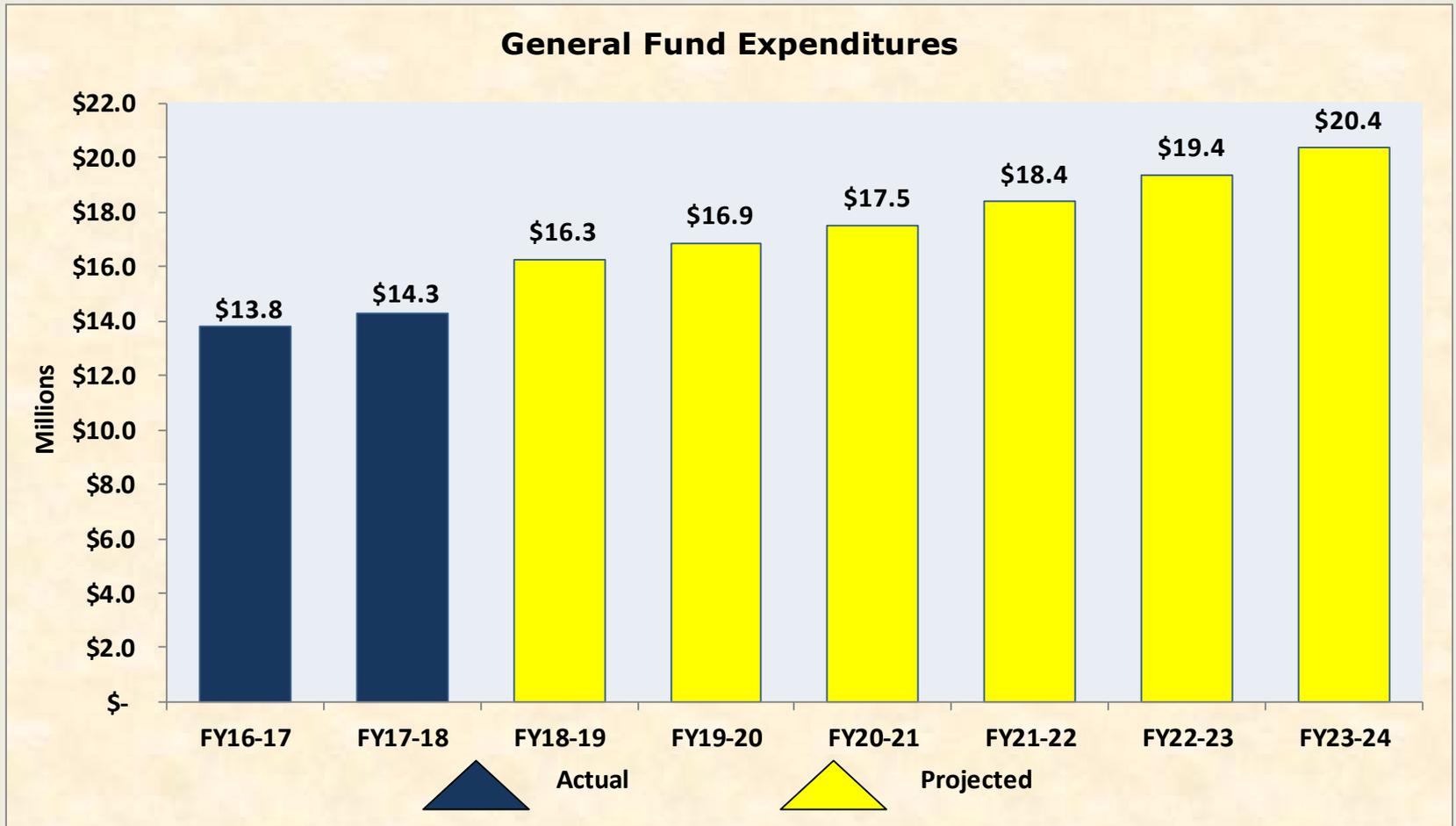
FY20-24 Projected General Fund Revenues and Expenditures



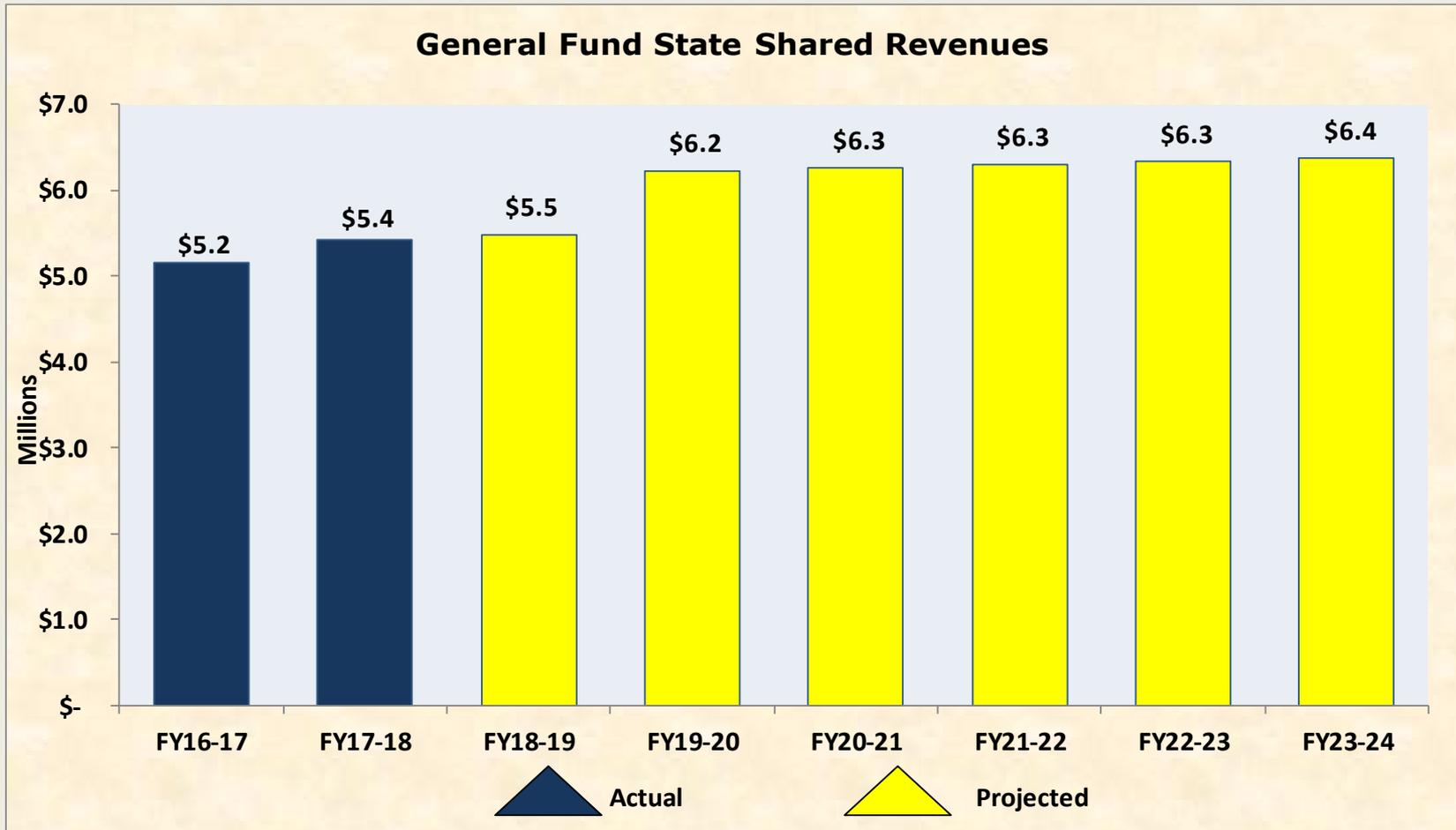
GENERAL FUND PROJECTIONS



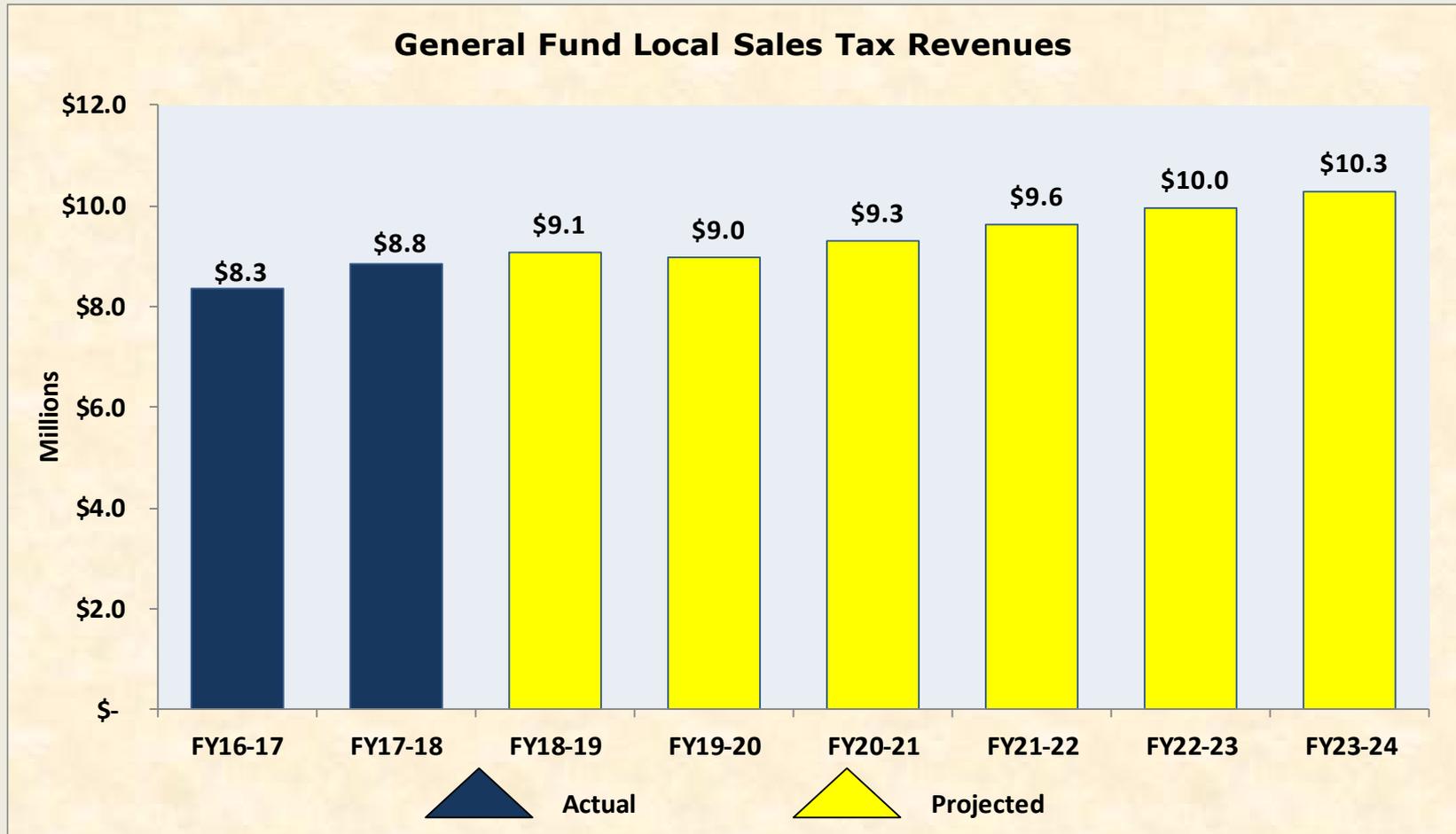
GENERAL FUND PROJECTIONS



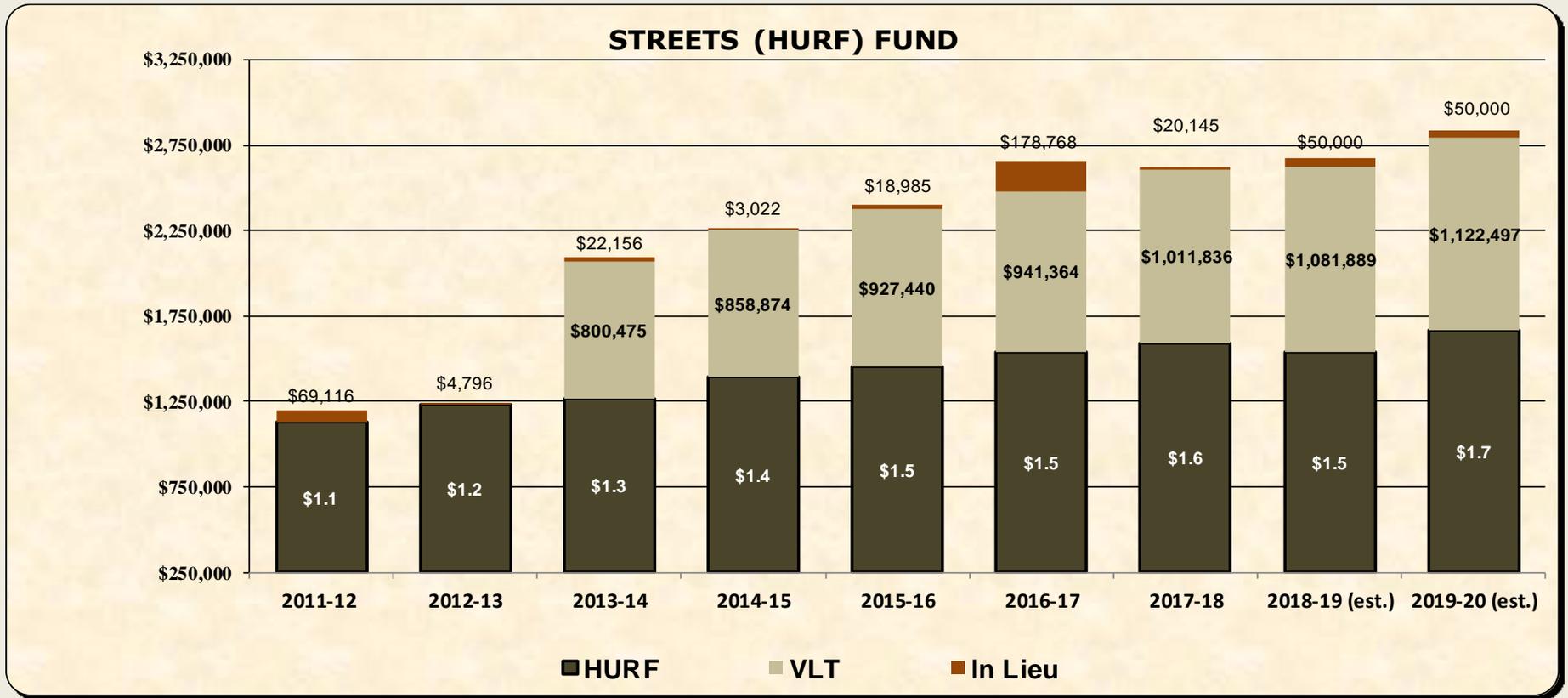
GENERAL FUND PROJECTIONS



GENERAL FUND PROJECTIONS



STREETS (HURF) FUND



HURF is Highway User Revenue Fund

VLT is Vehicle License Tax

In Lieu fees represent encroachment permit revenues for street encroachments.

DEBT OVERVIEW

OUTSTANDING BONDS - 7/1/19



Bond Type	Purpose of Issue	Date of Bond Issue	Interest Rate	Date of Maturity	Original Principal Amount	Principal Amount Retired	Outstanding Principal
GO	Refunding	6/1/2005	4.00	7/1/2019	\$ 7,225,000	\$ 7,225,000	\$ -
GO	Road Construction	12/18/2014	2.00-3.00	7/1/2020	7,565,000	5,950,000	1,615,000
	Total GO				14,790,000	13,175,000	1,615,000
Rev	Refunding	6/4/2015	1.62	7/1/2020	1,880,000	1,580,000	300,000
	Total Rev				1,880,000	1,580,000	300,000
GO	Eagle Mtn	6/4/2015	1.76	7/1/2021	2,300,000	1,505,000	795,000
	Total GO - Eagle Mtn				2,300,000	1,505,000	795,000
	Grand Total				\$ 18,970,000	\$ 16,260,000	\$ 2,710,000

GO General Obligation Bonds
 Rev Revenue Bonds

Revenue Bonds include Community Center
General Obligation Bonds include Library/Museum, Preserve and Saguaro Blvd.

BUDGET OVERVIEW

**TOWN MANAGER'S
FY19-20 PROPOSED BUDGET**

\$32,156,660

PREVIOUS FISCAL YEAR BUDGETS

- **FY14** **\$39.1M**
- **FY15** **\$41.7M**
- **FY16** **\$36.7M**
- **FY17** **\$34.3M**
- **FY18** **\$35.3M**
- **FY19** **\$32.4M**
- **FY20** **\$32.2M**

BUDGET HIGHLIGHTS

FY19-20 BUDGET ASSUMPTIONS

	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
New staff	*	*	*	*	*
MCSO Increase	14.3%	10.0%	10.0%	10.0%	10.0%
Rural Metro Increase	3.0%	3.0%	3.0%	3.0%	3.0%
Inflation	-	3.0%	3.0%	3.0%	3.0%
Building Permits	104	96	92	94	60
Election Costs	\$2,000	\$30,000	\$2,200	\$25,000	\$2,200
Community Center debt payment subsidy	\$303,235	\$0	\$0	\$0	\$0
General Fund contingency	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000

* Additional staff is dependent upon budget availability.

BUDGET ASSUMPTIONS

- Revenue projections are determined using some trend analyses as well as estimates of building activity; they are our best guesses for future revenues
- Little to no increase in State-shared revenue. Reflects slower increase in State sales tax as well as no growth in State income tax due to prior tax cuts which will become effective
- The existing level of service is maintained
- Building permit activity projected to include permits primarily for Adero Canyon and Firerock Parcel B along with infill development
- Additional priority staffing will be considered dependent upon the need for increased service levels and budget availability

BUDGET ASSUMPTIONS - CONTINUED

- No inflation factor for FY20, 3.0% for FY21, FY22, FY23, & FY24
- Public safety contracts – Rural Metro increase 3.0%; MCSO is 14% for FY19-20 and 10% thereafter due to anticipated PSPRS costs
- An annual General Fund payment for Community Center was required beginning in FY16-17 and will end in FY19-20
- The projections do not presume development of the State Trust land in the next five years

Potential Future Development

- Keystone (Bashas' property) – 149 units
- CopperWynd – 300 units – delayed
- Adero Canyon – 343 units (71 completed) 37
- Daybreak (resort property) – 382 units
- Eagles Nest – 245 units (55 completed)
- Firerock Parcel B – 64 units (40 completed) 25
- Park Place – 400 units (230 completed)
- State Trust land – 1350 units – not active
- Infill development – approximately 1,000 units 42
 - » 104 units in FY 19-20

Variables/Unknowns

- Impact of any potential legislation on construction sales tax revenue of \$1,280,586
- Impact of PSPRS on cost of MCSO contract
- Future impact on State-shared revenue due to the Tax Cuts and Jobs Act of 2017 signed by the President on December 22, 2017
- Impact of Proposition 126 or other legislation on sales tax or Town revenues

FY19-20 BUDGET HIGHLIGHTS

Departmental Funding Requests:

There were \$1,567,918 in Core Services Supplemental Budget requests submitted with \$346,500 recommended as follows:

General Fund

- Administration - \$27,000
- Municipal Court - \$41,200
- Development Services - \$10,000
- Community Services - \$29,000
- Public Works - \$30,000

Other Funds

- Court Enhancement Fund - \$149,300
- Development Fees Funds - \$60,000

The above recommendations were offset by \$213,300 in new or accumulated revenue. Net increase recommended is \$139,200.

FY19-20 BUDGET HIGHLIGHTS

- Public Safety Increases total \$693,173.
 - Law Enforcement 14.3% Contract Increase
 - Fire Service 3% Contract Increase

FY19-20 BUDGET SUMMARY

Fund	Revenues	Expenditures	Source (Use) of Reserves
Operating Funds	\$17.3M	\$17.4M	(\$0.1M)
HURF	\$3.5M	\$5.2M	(\$1.7M)
Excise Tax	\$.5M	\$.5M	---
Special Revenues	\$2.3M	\$2.6M	(\$0.3M)
Debt Service	\$2.1M	\$2.4M	(\$0..3M)
Capital Projects	\$0.9M	\$4.1M	(\$3.2M)
TOTALS	\$26.6M	\$32.0M	(\$5.6M)

SUMMARY OF CHANGES

FY19-20 BUDGET

Expenditure Details	FY18-19	FY19-20	% Change
SERVICE	\$ million	\$ million	%
Wages & Benefits	\$4.5M	\$4.9M	11.1%
Supplies & Services	\$1.8M	\$1.3M	(28.4%)
Contractual Services	\$11.2M	\$11.6M	2.9%
Maintenance/Utilities	\$6.2M	\$5.7M	(8.9%)
Capital Expense from all Funds	\$5.0M	\$3.7M	(25.6%)
Debt Service	\$2.8M	\$2.4M	(13.8%)
Internal Service/ Contingency	\$0.9M	\$2.6M	175.5%
TOTAL	\$32.4M	\$32.2M	(0.8%)

GENERAL FUND OPERATING BUDGETS

Expenditure Details	FY18-19	FY19-20	Change	Change
SERVICE	\$ Budget (revised)	\$ Budget	\$ Change	%
Council	\$82,592	\$99,773	\$17,181	20.8%
General Government	\$656,326	\$861,154	\$204,828	31.2%
Administration, Finance, HR, IT, Legal	\$2,438,780	\$2,013,640	(\$425,140)	(17.4)%
Court Services	\$342,027	\$390,279	\$48,252	14.1%
Public Works, Facilities, Engineering	\$1,035,576	\$1,084,322	\$48,746	4.7%
Development Services, Planning & Zoning, Building Safety, Code Enforcement, GIS	\$1,065,398	\$1,077,274	\$11,876	1.1%
Community Services, Recreation, Parks, Community Center, Seniors	\$2,520,781	\$2,550,769	\$29,988	1.2%
Fire, Emergency Medical Services	\$3,918,227	\$4,021,299	\$103,072	2.6%
Law Enforcement	\$4,211,488	\$4,785,920	\$574,432	13.3%
TOTAL OPERATING BUDGET	\$16,271,195	\$16,884,430	\$613,235	3.8%

GENERAL FUND

OPERATING BUDGETS - CHANGES

Supplemental Budget Requests	\$ 62,000
Increase in personnel & related costs	357,561
Rural Metro increase	108,400
MCSO increase	584,773
Reduction in legal costs	(229,000)
Reduction in contingency	(127,497)
Reduction in contract for inspections	(104,413)
Other changes	<u>(38,589)</u>
Changes FY18-19 to FY19-20	\$ 613,235

FY19-20 BUDGET BY CORE SERVICES FROM ALL FUNDS

	<u>FY19-20</u>
Public Safety	\$8,807,219
General Government	1,277,303
Administration	2,643,032
Public Works	1,084,322
Development Services	1,077,274
Community Services	2,550,769
Excise Tax Funds -	
Downtown/ED/Tourism	541,639
Special Revenue Funds	7,727,046
Debt Service	2,378,862
Capital Funds	4,069,194
	<u>\$32,156,660</u>

Reserve Funds (Fund Balances)

RESERVE FUNDS (FUND BALANCES)

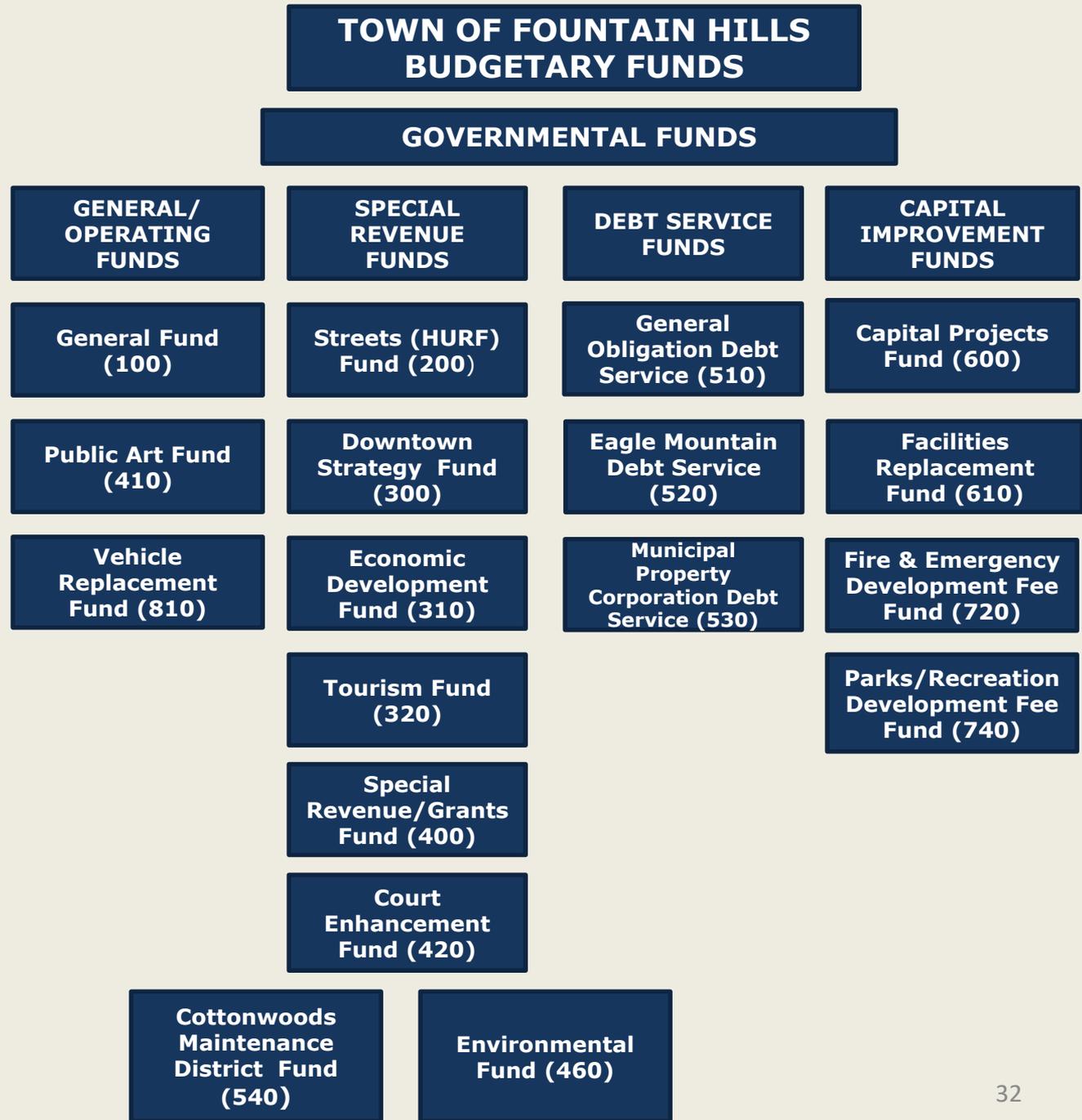
Fund	6/30/2019 Estimated Year End Balance
General Fund (includes Rainy Day Fund)	\$ 7,693,763
Highway User Revenue Fund	1,420,968
Downtown Strategy Fund	999,902
Economic Development/Tourism Funds	28,897
Special Revenue Funds	767,338
Debt Service Funds	(286,045)*
Capital Projects Fund	<u>2,911,907</u>
TOTAL	\$13,536,730

Does not include transfer from the General Fund of \$303,235.

5 YEAR FINANCIAL OVERVIEW

Town Funds

18 different funds as required by GAAP and/or Arizona Budget Law



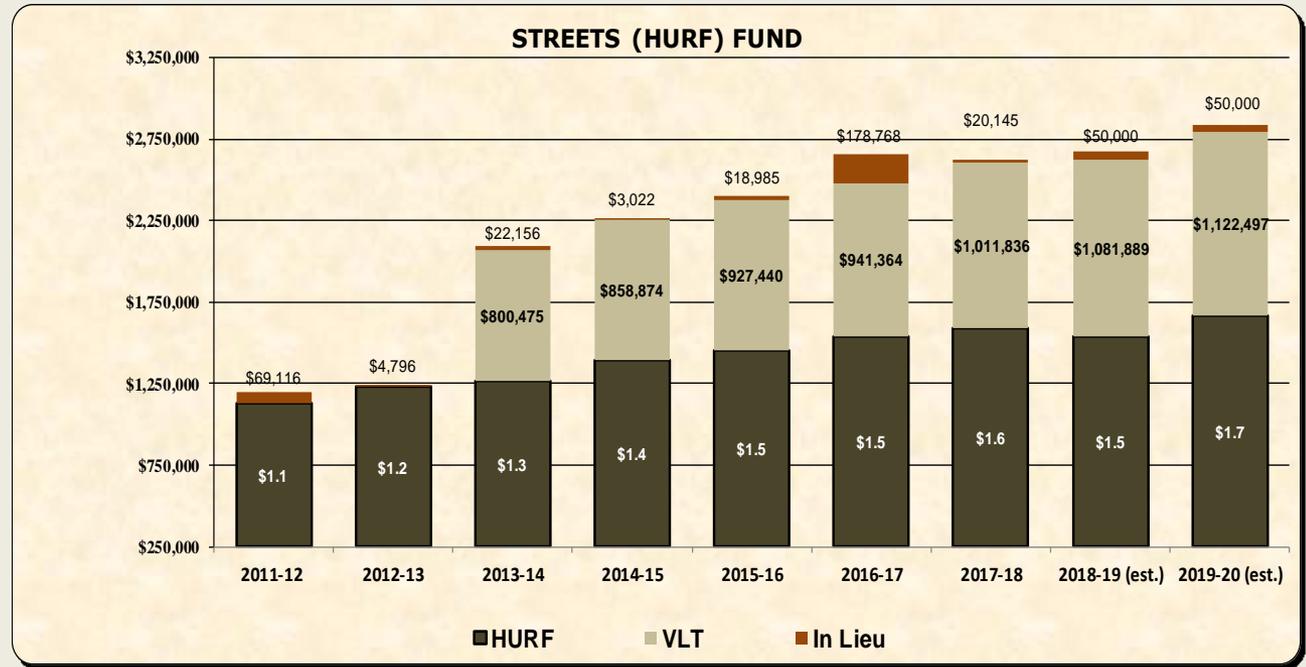
FIVE YEAR GENERAL FUND REVENUE PROJECTIONS

FISCAL YEAR (July to June)	STATE SHARED REVENUES	LOCAL REVENUES	TOTAL GF EXPEND.	SURPLUS/ (SHORTFALL)
2019-20	6,220,134	10,664,296	16,884,430	-
2020-21	6,251,977	10,972,228	17,517,485	(293,280)
2021-22	6,290,174	11,286,317	18,383,723	(807,232)
2022-23	6,329,033	11,636,713	19,365,602	(1,399,856)
2023-24	6,368,936	11,860,365	20,369,674	(2,140,373)

Expenditure increases are estimated at 3.0% per year except public safety contracts which come in higher.

PAVEMENT MANAGEMENT PROGRAM

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 fuel sales. The revenue estimate for FY19-20 is based on estimates of revenue sharing by Arizona Department of Transportation (ADOT) in their distribution forecast in addition to the transfer of revenue from the General Fund to HURF (vehicle license taxes) to fund a pavement management program.

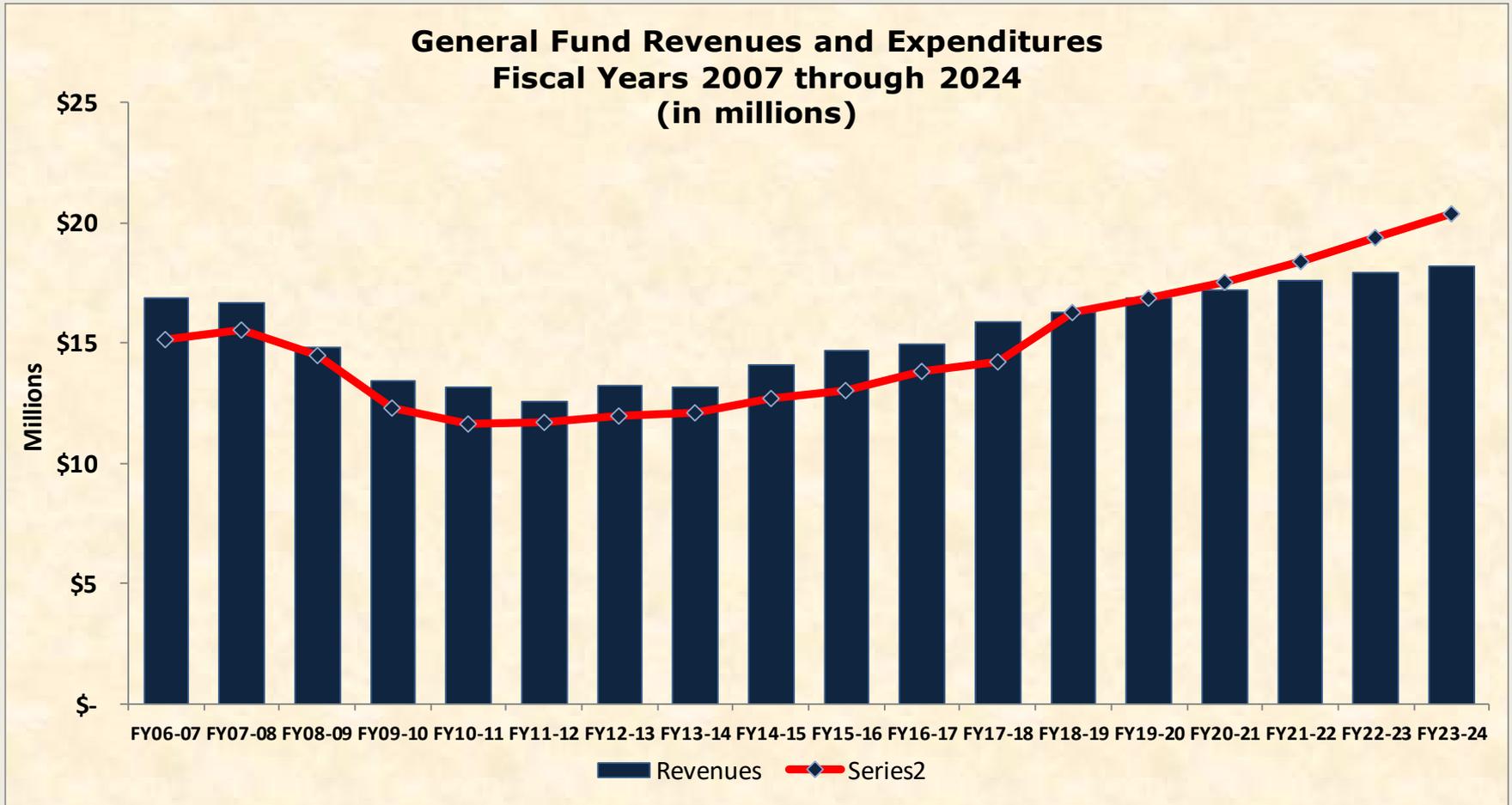


HURF is Highway User Revenue Fund

VLT is Vehicle License Tax

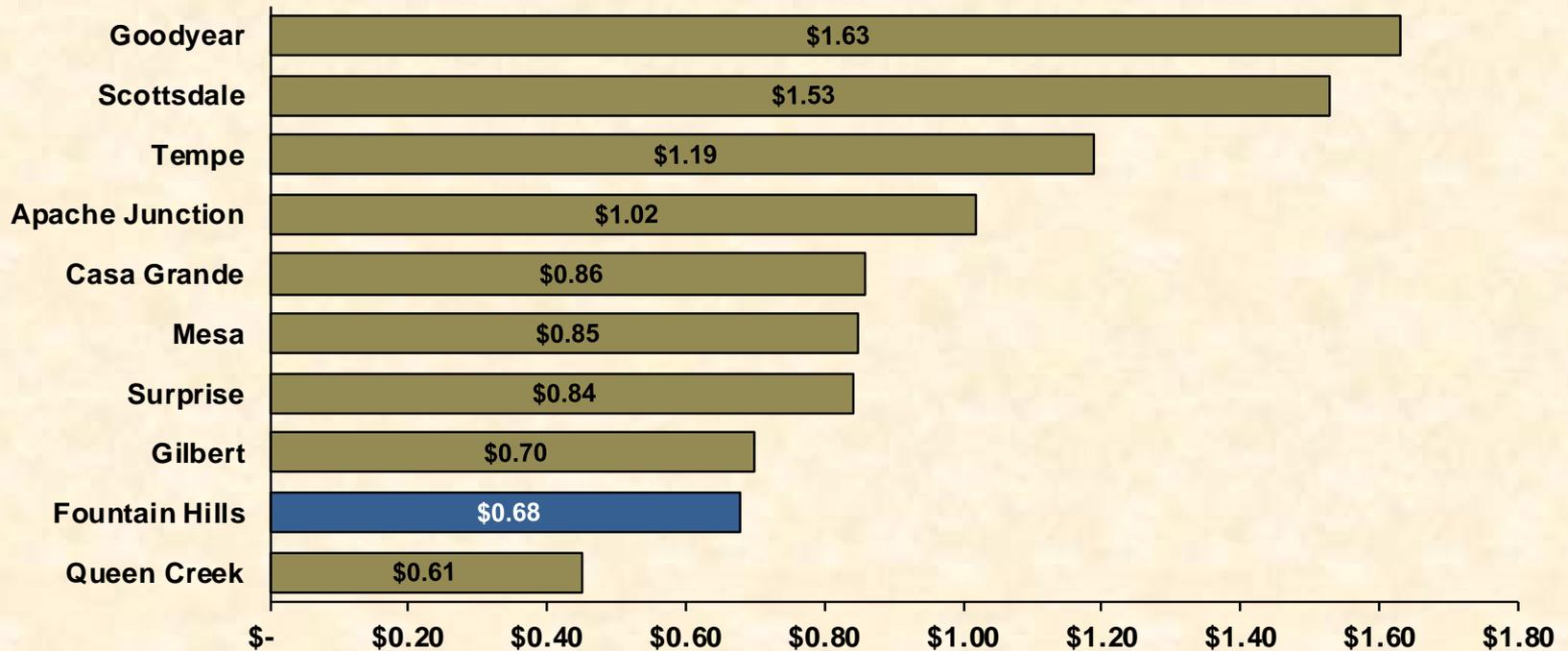
In Lieu fees represent encroachment permit revenues for street encroachments.

GENERAL FUND PROJECTIONS



OPERATING COSTS PER CAPITA

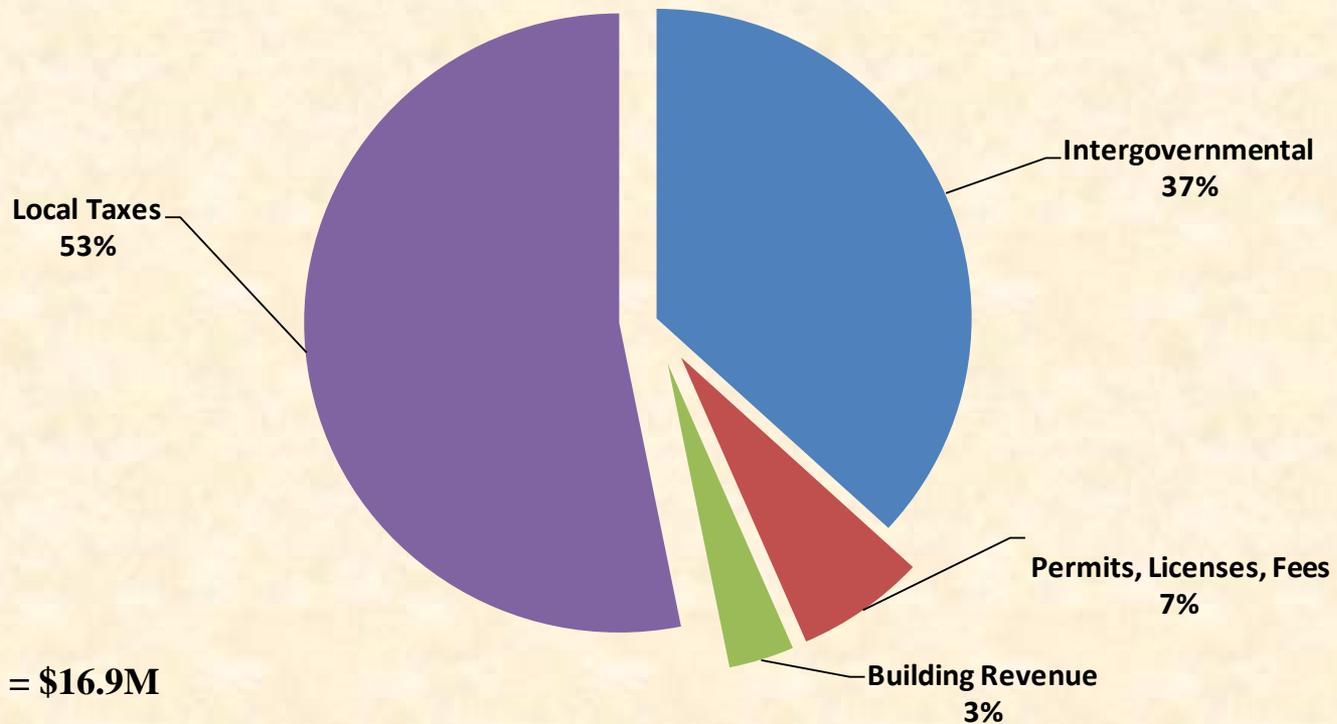
Comparison of FY18-19 General Fund Operating Cost Per 1,000 Citizens



Source: Auditor General's Official City-Town Budget Forms-Schedule A for FY18-19 and Economic Estimates Commission

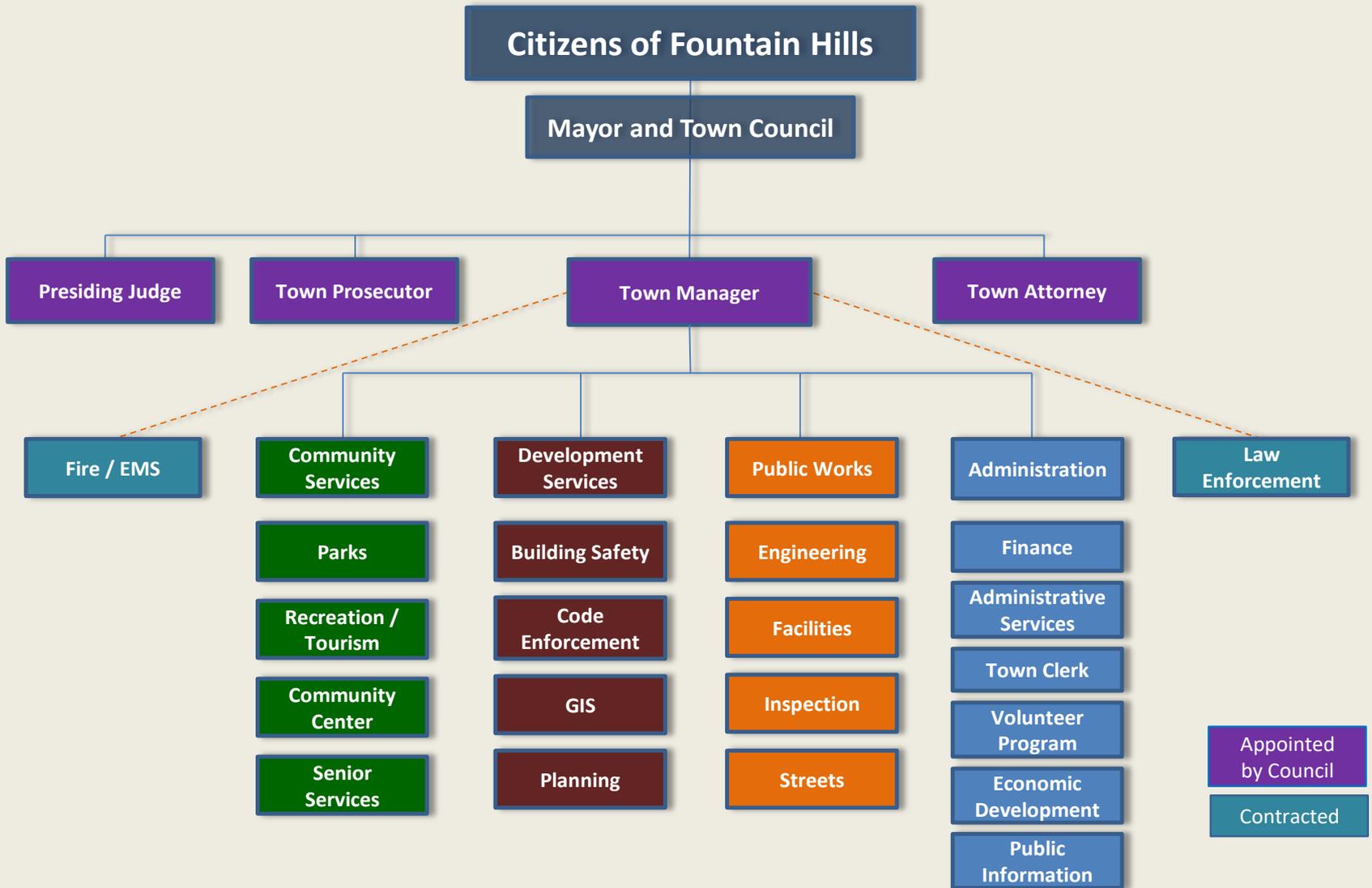
GENERAL FUND PROJECTIONS

**Town of Fountain Hills
FY19-20 General Fund Operating Revenues**



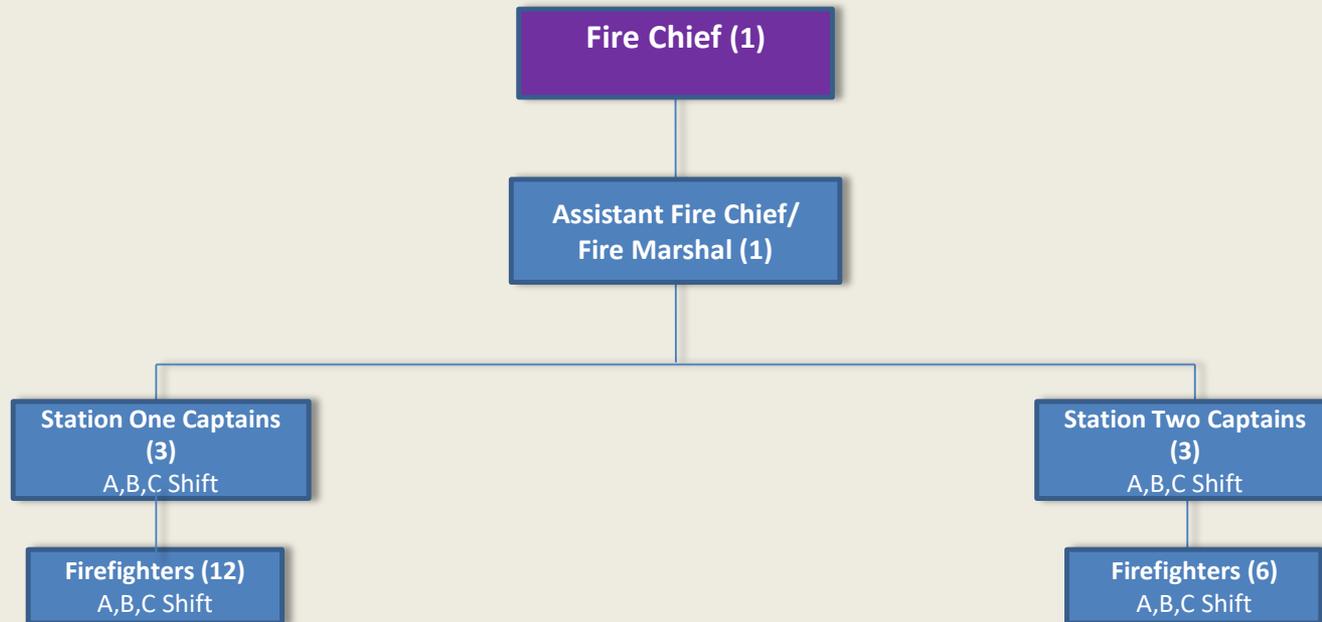
ORGANIZATIONAL CHART

Town of Fountain Hills Organization



PUBLIC SAFETY

FIRE DEPARTMENT



FIRE & EMERGENCY MEDICAL

\$4,021,299 **↑ 2.6%**

- Rural/Metro Contract Extension valid to June 2022 with two 2 year renewal options
- Activities include fire suppression, fire prevention, emergency medical service, building/fire safety.
- The C.A.R.E. Program has been discontinued and replaced by the Crisis Response Team



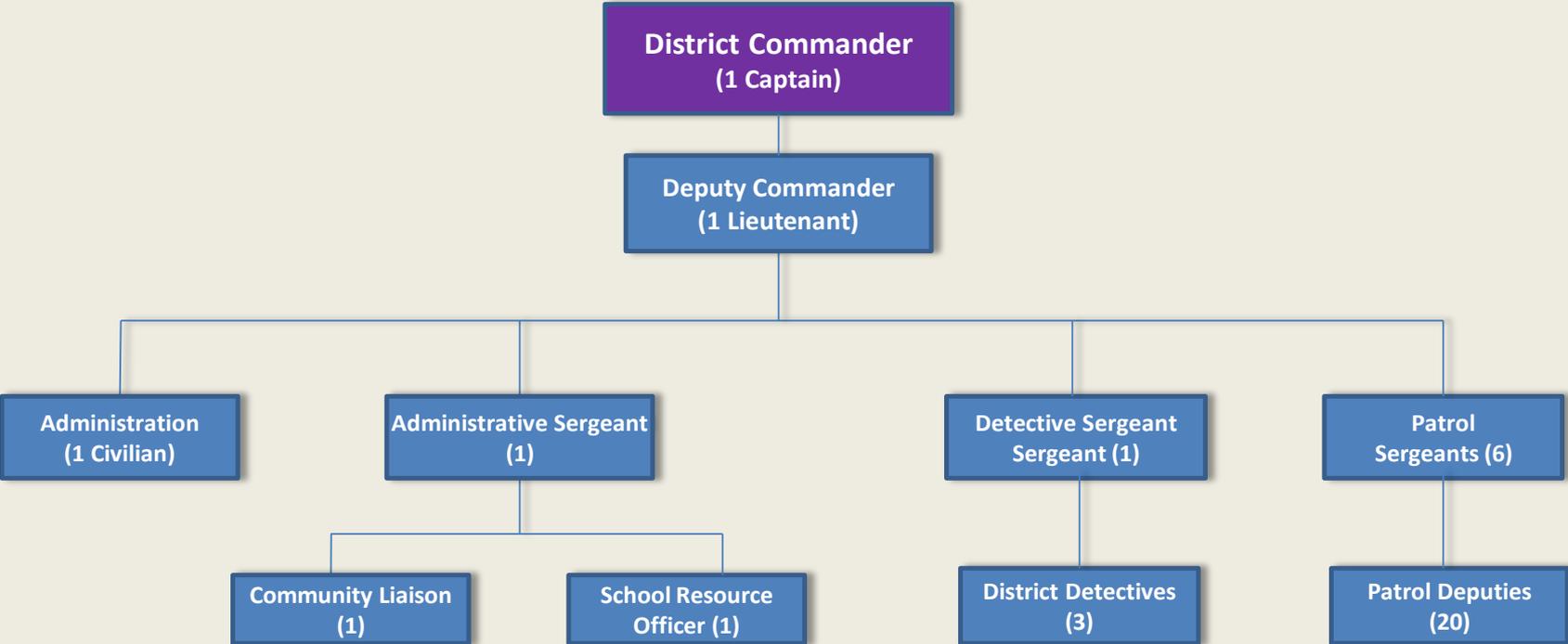
FIRE SERVICES BUDGET HIGHLIGHTS

- Increase in Rural Metro contract cost:
\$108,400
- All Facilities expenses have been moved to Operations program.

FIRE AND EMERGENCY PROGRAMS

PROGRAM NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Fire Administration	\$180,757	\$189,231	4.7%
Operations	\$3,737,470	\$3,832,068	2.5%
TOTAL	\$3,918,227	\$4,021,299	2.6%

LAW ENFORCEMENT



LAW ENFORCEMENT

\$4,785,920 **↑ 13.6%**

- 14.3% increase in MCSO contract \$584,773
- 3.8 beats plus School Resource Officer
- Increases to County benefits are passed on to the Town
- Includes contract with County for animal control and jail fees

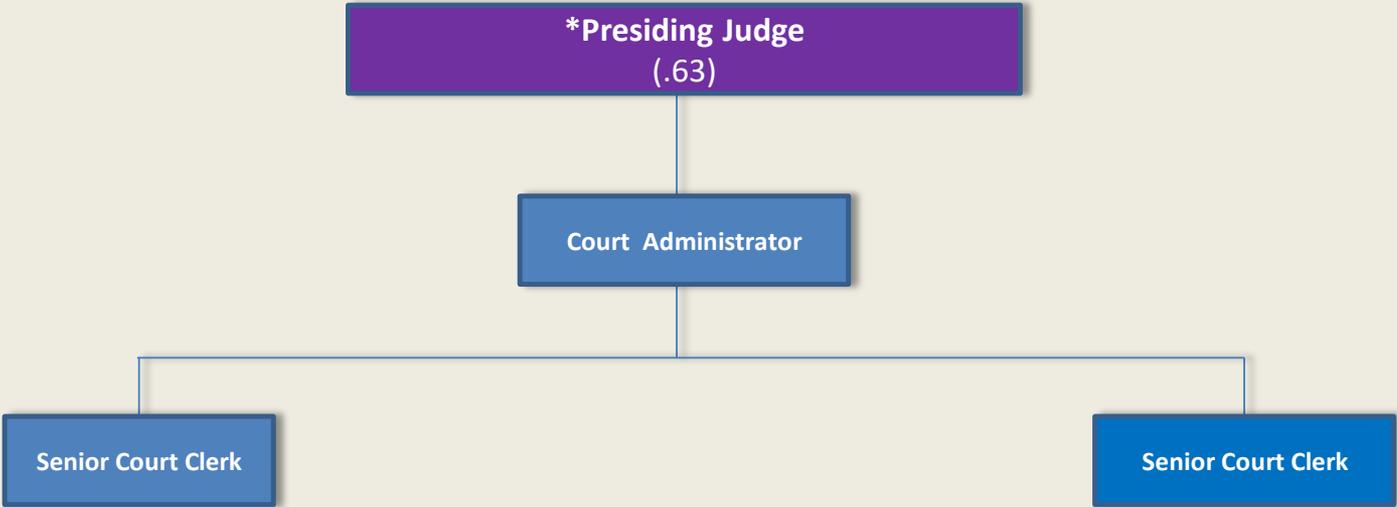


LAW ENFORCEMENT

PROGRAM NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Administration	\$4,211,488	\$4,785,920	13.6%
TOTAL	\$4,211,488	\$4,785,920	13.6%

MUNICIPAL COURT

MUNICIPAL COURT



*Part time -
Appointed
by Council

Full Time

MUNICIPAL COURT BUDGET HIGHLIGHTS

- **Increase in Municipal Court Budget
\$48,252**
- **Continued Teen Court program**

MUNICIPAL COURT

\$390,279  **14.1%**

PROGRAM NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED Budget	INCREASE/ (DECREASE) PRIOR YEAR
Administration	\$186,270	\$190,852	2.5%
Operations	\$155,757	\$199,427	28.0%
TOTAL	\$342,027	\$390,279	14.1%

Core Responsibilities:

Civil/Criminal Traffic Violations; Misdemeanor Offenses; Town Code/Ordinance Offenses; Trials, Hearings, Sentence Enforcement and Compliance; Orders of Protection and Harassment Injunctions, Teen Court.

Full Time Equivalent (FTE) Employees:

FY17	FY18	FY19	FY20
3.63	3.63	3.63	3.63

GENERAL GOVERNMENT

GENERAL GOVERNMENT

DIVISION NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Non-Departmental	\$656,326	\$861,154	31.2%
Sub-TOTAL	\$656,326	\$861,154	31.2%

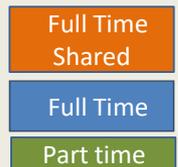
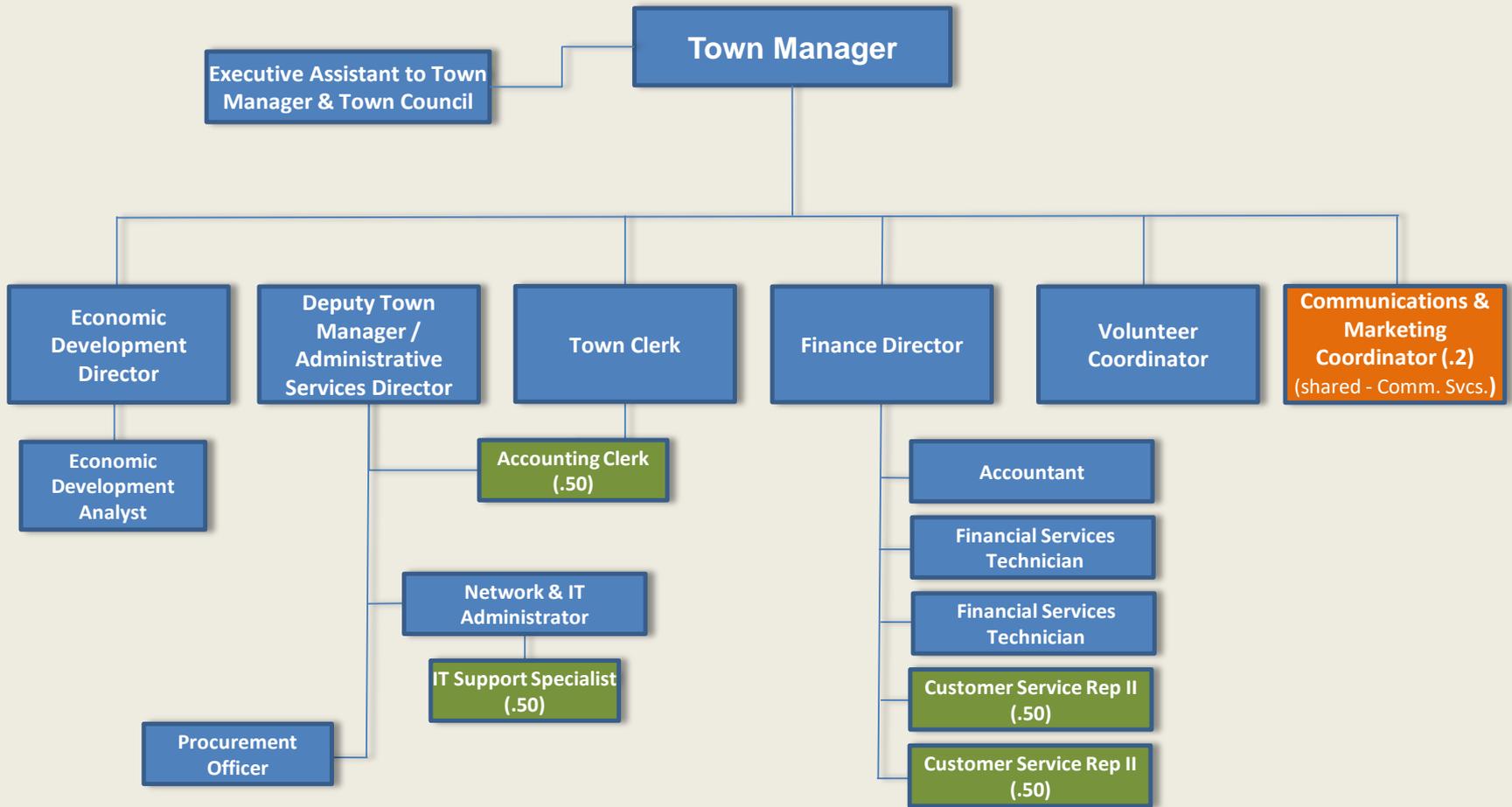
GENERAL GOVERNMENT

Budget Highlights:

- Community Service Contracts totaling \$102,794
- Dues for League of Cities and Town, Maricopa Association of Governments, East Valley Partnership, GPEC, and National League of Cities
- Sister Cities membership
- General Plan update \$80,000
- Comprehensive user fee study \$50,000
- Includes Town's general liability insurance \$298,582
- Contingency of \$231,545

ADMINISTRATION

ADMINISTRATION DEPARTMENT



ADMINISTRATION

\$2,013,640 ↓ **17.4%**

- CORE SERVICES: Town Manager, Legal Services, Town Clerk, Finance, Administrative Services, Purchasing, Information Technology, Volunteer Program

- Finance/Budget, Banking, Asset Tracking, Licensing, Purchasing, Audit, Customer Service, Channel 11, Websites.
- Employee policies/procedures, employee benefits, payroll/compensation, loss control/risk management, employee relations, employee training.
- Public records administration, elections, general administration, legislative administration.
- Town Council, Strategic Planning Advisory Commission, Municipal Property Corporation.
- Volunteer Program coordinates programs; 900+ volunteers; 21,000 hours; \$514,710 savings.

Town Manager	\$ 365,718
Information Technology	306,096
Town Clerk	182,370
Administrative Services	217,647
Purchasing	83,060
Finance	612,633
Legal Services	<u>246,116</u>
	\$2,013,640



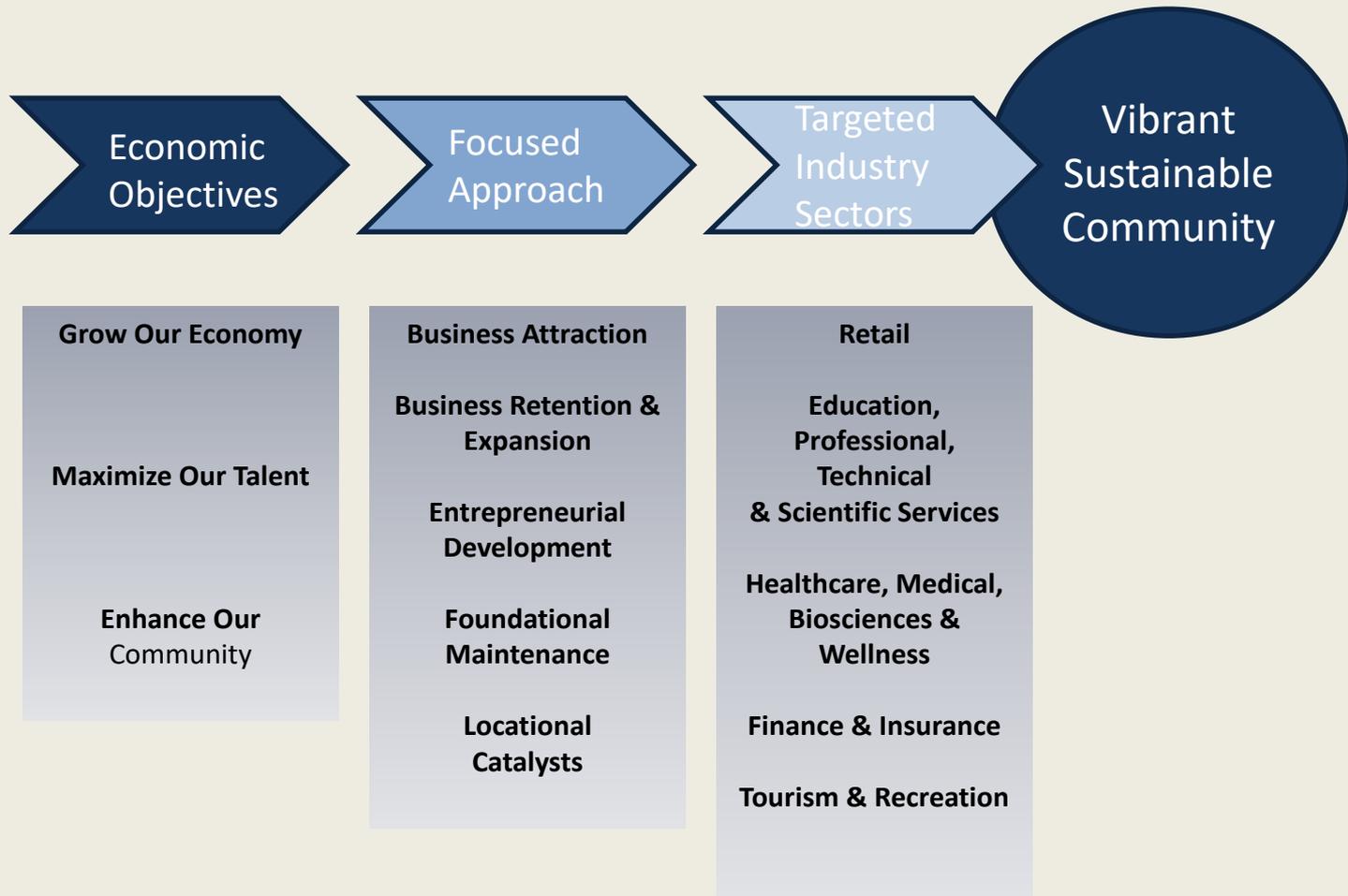
ADMINISTRATION DIVISIONS

DIVISION NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Town Manager	\$353,484	\$365,718	3.5%
Information Technology	\$300,502	\$306,096	1.9%
Town Clerk	\$178,897	\$182,370	1.9%
Administrative Services	\$533,399	\$217,647	(59.2%)
Purchasing	---	83,060	N/A
Finance	\$592,728	\$612,633	3.4%
Legal Services	\$479,770	\$246,116	(48.7%)
Sub-TOTAL	\$2,438,780	\$2,013,640	(17.4%)

Full Time Equivalent (FTE) Employees:

FY17	FY18	FY19	FY20
11.91	12.11	14.15	15.20

Economic Development Planning Approach



ECONOMIC DEVELOPMENT

\$246,231 **↓ 8.2%**

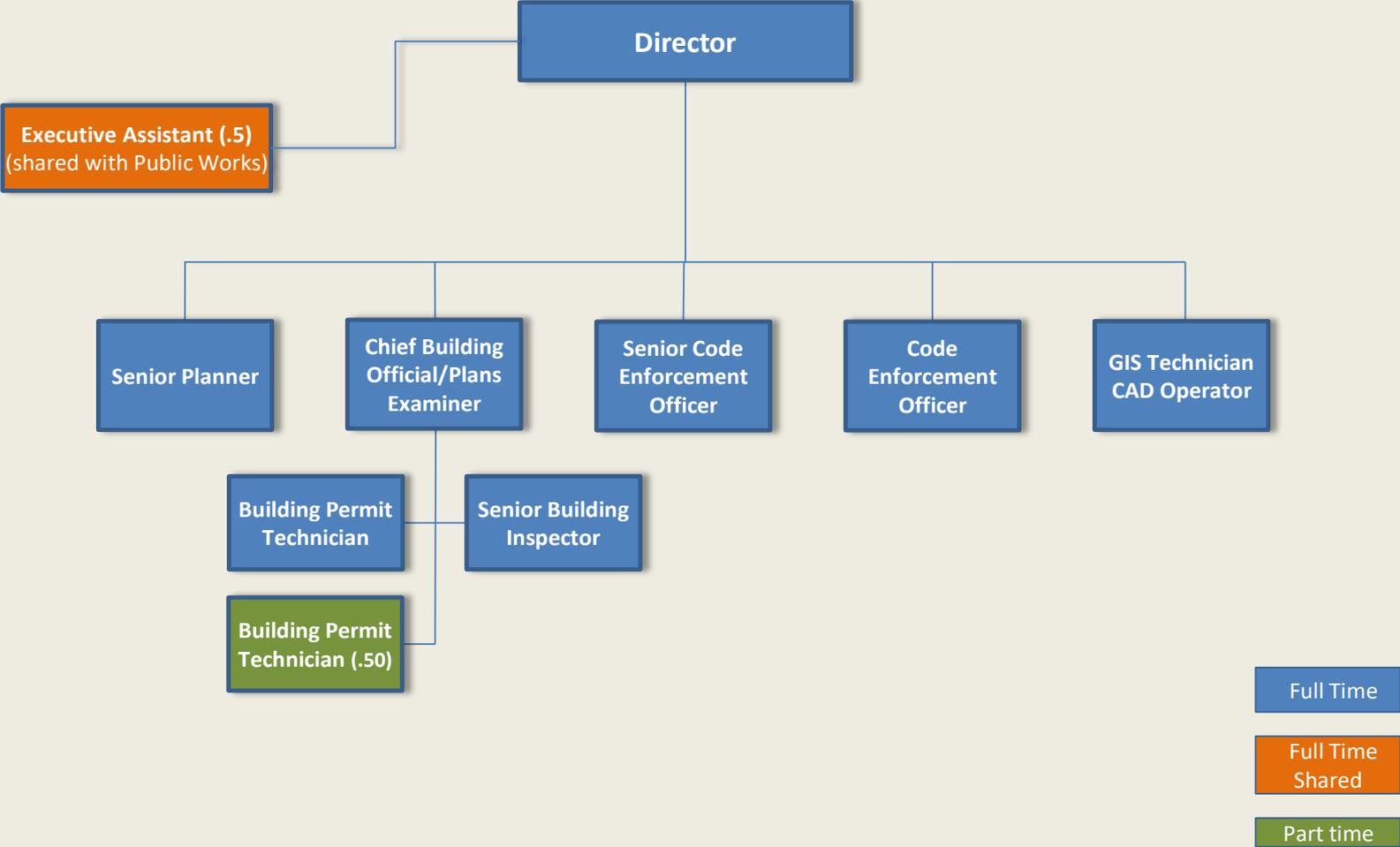
- Activities include Business Attraction, Business Retention & Expansion and Entrepreneurial Development

Budget Highlights:

- Budget decrease of \$22,081
- Includes external marketing activities, trade shows, sales missions and corporate visits
- Marketing initiatives \$15,000
- Membership and involvement in International Council for Shopping Centers (ICSC) for retail recruitment

DEVELOPMENT SERVICES

DEVELOPMENT SERVICES DEPARTMENT



DEVELOPMENT SERVICES

\$1,077,274  **1.1%**

- Departments include Planning & Zoning, Building Safety, Code Enforcement, Mapping & Graphics

Budget Highlights:

- Budget increase of \$11,876
- Responsible for review of building plans and inspections
- Responsible for annual Land Use Analysis report
- Estimated 3,000 Building Inspections
- Estimated 725 Code Enforcement Cases

DEVELOPMENT SERVICES DIVISIONS

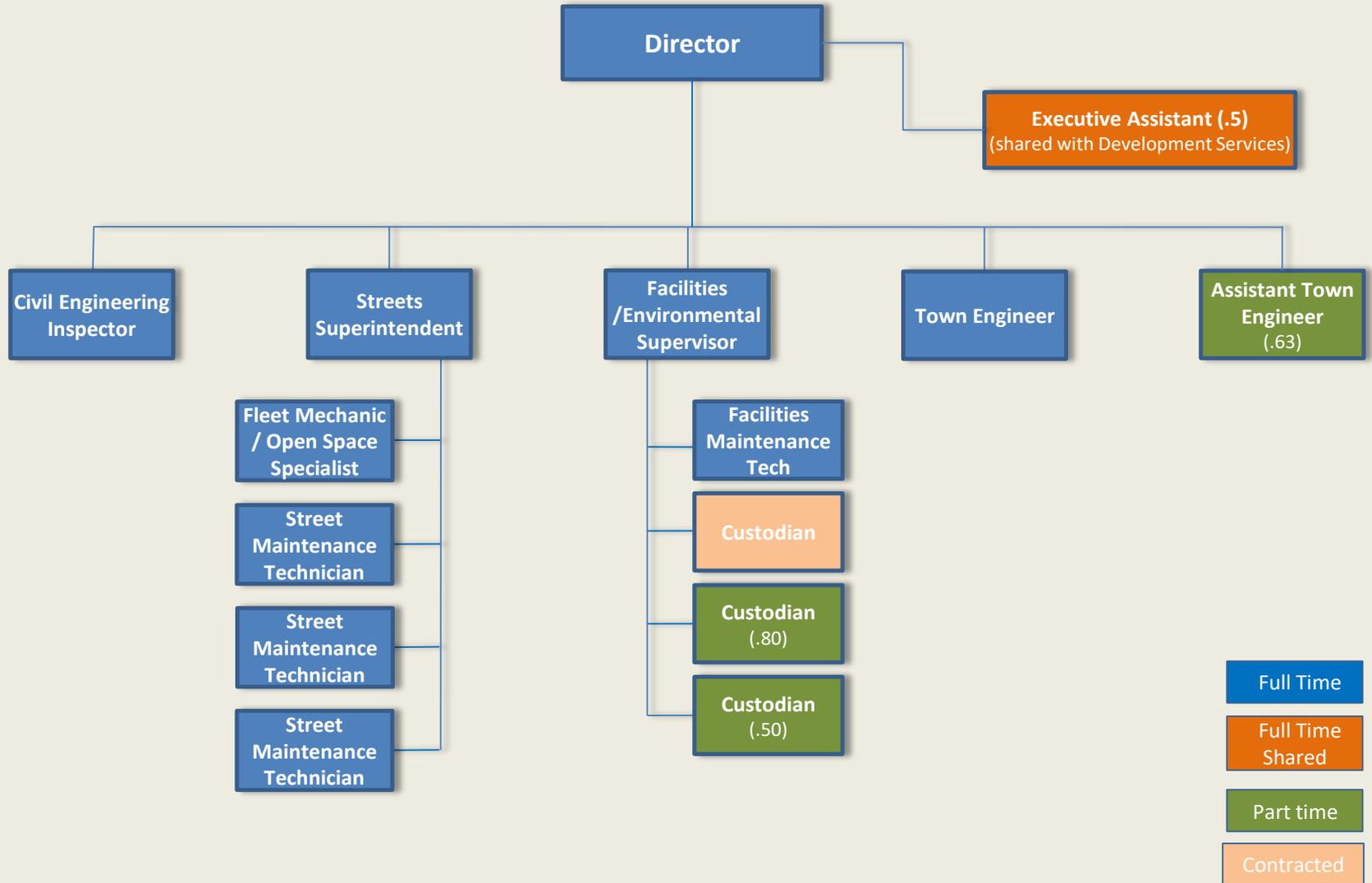
DIVISION NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Development Services	\$174,138	\$174,881	0.4%
Planning & Zoning	\$109,814	\$108,328	(1.4%)
Building Safety	\$592,025	\$527,200	(10.9%)
Code Compliance	\$79,058	\$156,439	97.9%
Mapping & Graphics	\$110,363	\$110,426	0.1%
Sub-TOTAL	\$1,065,398	\$1,077,274	1.1%

Full Time Equivalent (FTE) Employees:

FY17	FY18	FY19	FY20
7.65	8.4	7.5	9.0

PUBLIC WORKS

PUBLIC WORKS DEPARTMENT



PUBLIC WORKS

\$1,084,322  **4.7%**

- Department includes Streets, Facilities, Engineering, Capital Projects, Pavement Management, and Offsite Inspections

Budget Highlights:

- Budget increase of \$48,746
- Responsible for inspection and maintenance of six ADWR Dams
- Solid waste/recycling contract administration
- Estimated 70 acres of wash maintenance annually
- Maintenance of eight town-owned buildings
- Responsible for overall Capital Improvement Program Administration
- Oversee, update, and implement Pavement Management Program
- Street sweeping contract administration

PUBLIC WORKS DIVISIONS

DIVISION NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Public Works	\$179,521	\$143,342	(20.2%)
Engineering	\$196,322	\$265,206	35.1%
Facilities	\$659,733	\$675,774	2.4%
Sub-TOTAL	\$1,035,576	\$1,084,322	4.7%

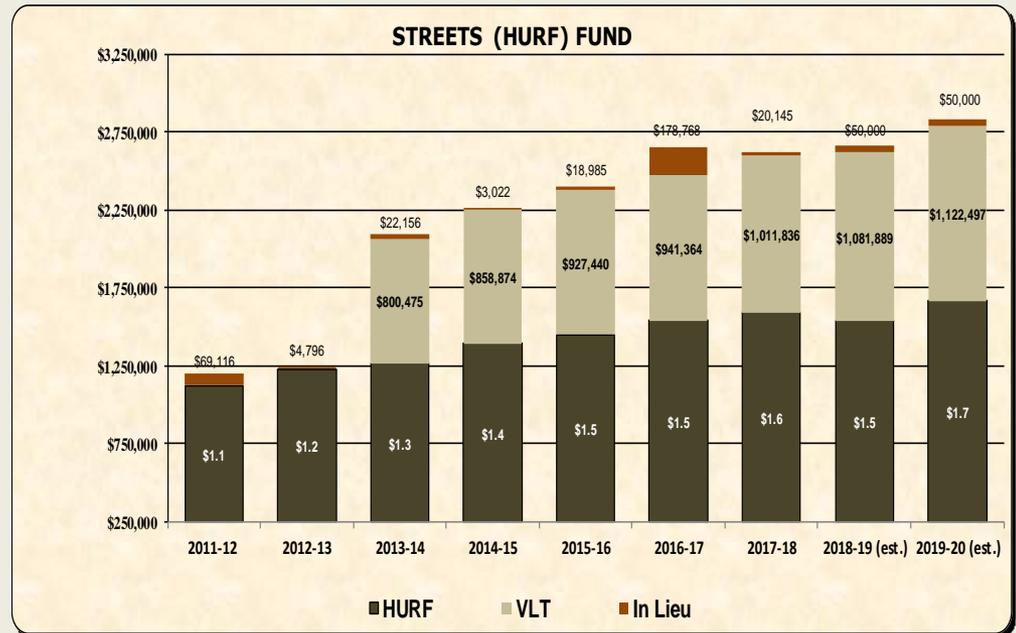
Full Time Equivalent (FTE) Employees:

FY17	FY18	FY19	FY20
4.8	5.05	5.95	6.375

STREETS FUND (HURF)

\$5,181,641  0.3%

- Funds street division operations – 6.05 FTEs
- Maintain 354 lane miles, 3.5 million sq. yds. of asphalt
- Maintain 68 acres of medians
- Pavement Maintenance



HURF/STREET PROGRAMS

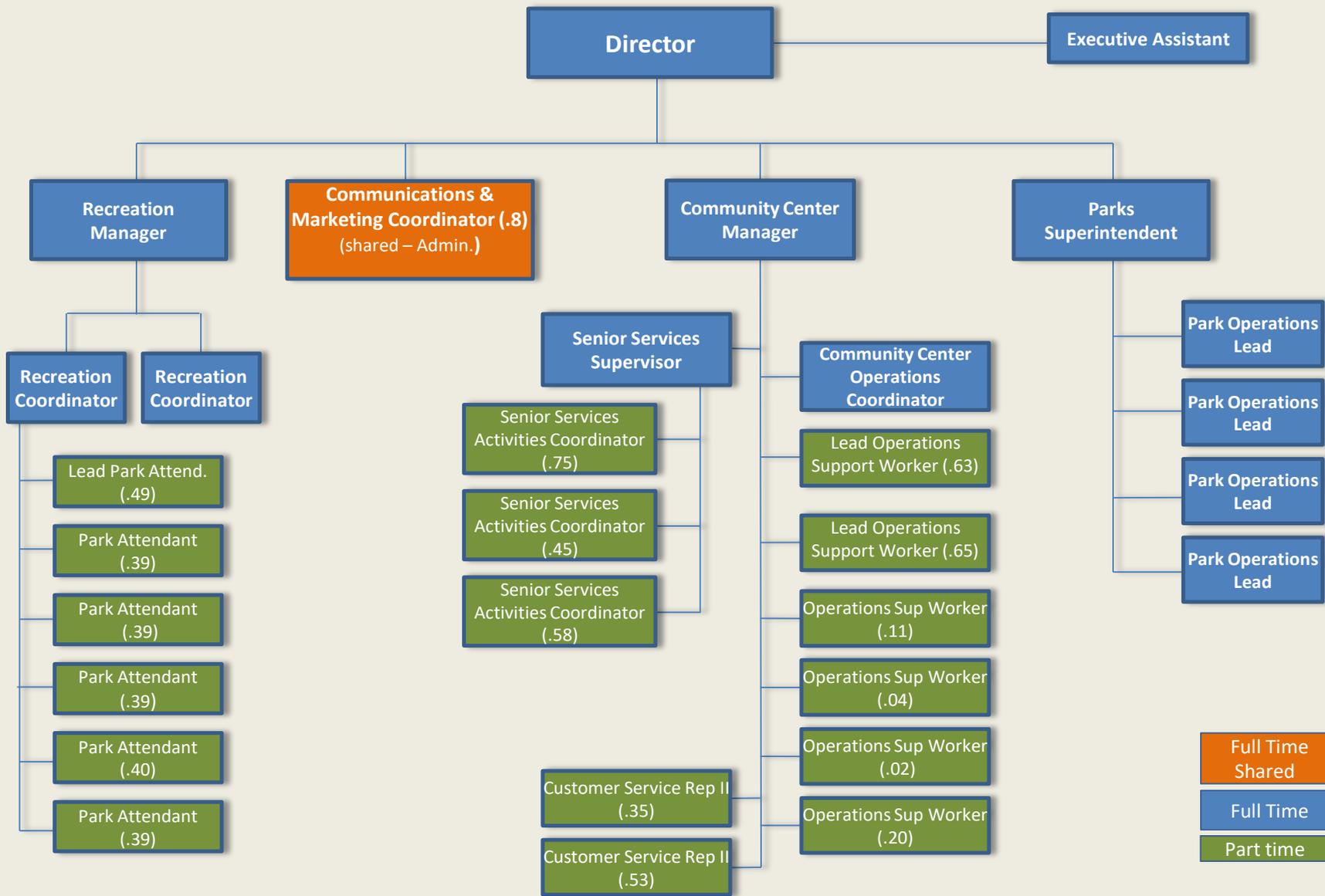
PROGRAM NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Administration	\$508,673	\$522,423	2.7%
Open Space	\$399,282	\$408,422	2.3%
Pavement Management	\$4,112,534	\$4,036,717	(1.8%)
Street Signs	\$66,811	\$150,398	125.1%
Vehicle Maintenance	\$79,196	\$63,681	(19.6%)
TOTAL	\$5,166,496	\$5,181,641	0.3%

Full Time Equivalent (FTE) Employees:

FY17	FY18	FY19	FY20
4.85	4.85	4.85	6.05

COMMUNITY SERVICES

COMMUNITY SERVICES DEPARTMENT



COMMUNITY SERVICES

\$2,550,769 ↑ 1.2%

- Activities include the Parks, Trails, Community Center, Recreation Programs, Senior Programs, Home Delivered Meals



COMMUNITY SERVICES

BUDGET HIGHLIGHTS

Highlights:

- Parks – 119 acres of parks; dog park; five ball parks; six tennis courts; two basketball courts, two sand volleyball courts, and six playgrounds.
- 822 acres of Preserve; and 7.7 miles of Preserve Trails
- Recreation Programs – sports, cultural, fine arts, toddler, youth and adult
- Senior programs, presentations, and services
- Facility Rentals including classrooms, ballrooms, and ramadas
- Special Events including Turkey Trot, Movies in the Park, Ballet Under the Stars, and St. Patrick's Day

COMMUNITY SERVICES DIVISIONS

DIVISION NAME	FY18-19 REVISED BUDGET	FY19-20 PROPOSED BUDGET	INCREASE/ (DECREASE) PRIOR YEAR
Community Services	\$195,627	\$227,553	16.3%
Recreation	\$614,598	\$620,295	0.9%
Parks	\$1,219,482	\$1,216,190	(0.3%)
Community Center Operations	\$293,198	\$278,404	(5.0%)
Senior Services	\$197,875	\$208,327	5.3%
TOTAL	\$2,520,780	\$2,550,769	1.2%

Full Time Equivalent (FTE) Employees:

FY 17	FY 18	FY 19	FY 20
20.76	20.56	20.76	20.56

CAPITAL IMPROVEMENT PLAN

\$3,197,250

CAPITAL PROJECTS

Capital expenditures are made in five different areas:

- Revenue is from Development Impact Fees
- Operational Capital – expenditures of one time nature
- Facilities Maintenance – expenditures based on a schedule of facilities infrastructure’s useful life replacement
- CIP – major capital one-time capital expenditures
- Comprehensive review of the CIP Program in the Fiscal Policy for a priority rating system of capital projects during the coming year

FY19-20 Capital Projects

- D6047 – Miscellaneous Drainage Improvements (\$50,000 CIP)
- D6055 – Drainage – Civic Center Improvements (\$50,000 CIP)
- D6056 – Drainage – Eagle Mountain Pkwy (\$75,000 CIP)
- D6057 – Golden Eagle Impoundment Area (\$500,000 CIP)
- F4029 – Civic Center Improvements (\$150,000 CIP)
- F4033 – Street Yard Sign Shop Building (\$150,000 HURF)
- F4034 – Solar Power Generating System (\$50,000 CIP)
- P3033 – Video Surveillance Cameras (\$50,000 CIP)
- P3035 – Four Peaks Park Upgrades (\$335,000 CIP)
- S6003 – Unpaved Alley Paving – Phase IV (\$255,000 CIP)
- S6015 – Fountain Hills Boulevard Widening (\$100,000 CIP)

FY19-20 Capital Projects - continued

- S6051 – Avenue of the Fountains/La Montana Intersection Improvements (\$600,000 Downtown Strategy)
- S6058 – Shea Boulevard Widening – (Total \$130,000; \$40,000 CIP; \$90,000 Grant)
- S6061 – Sidewalk Infill Program (\$200,000 HURF)
- S6062 – AOTF/Verde River Intersection Improvements (\$350,000 Downtown Strategy)
- Contingency - \$152,250 (CIP)

Total **\$3,197,250**

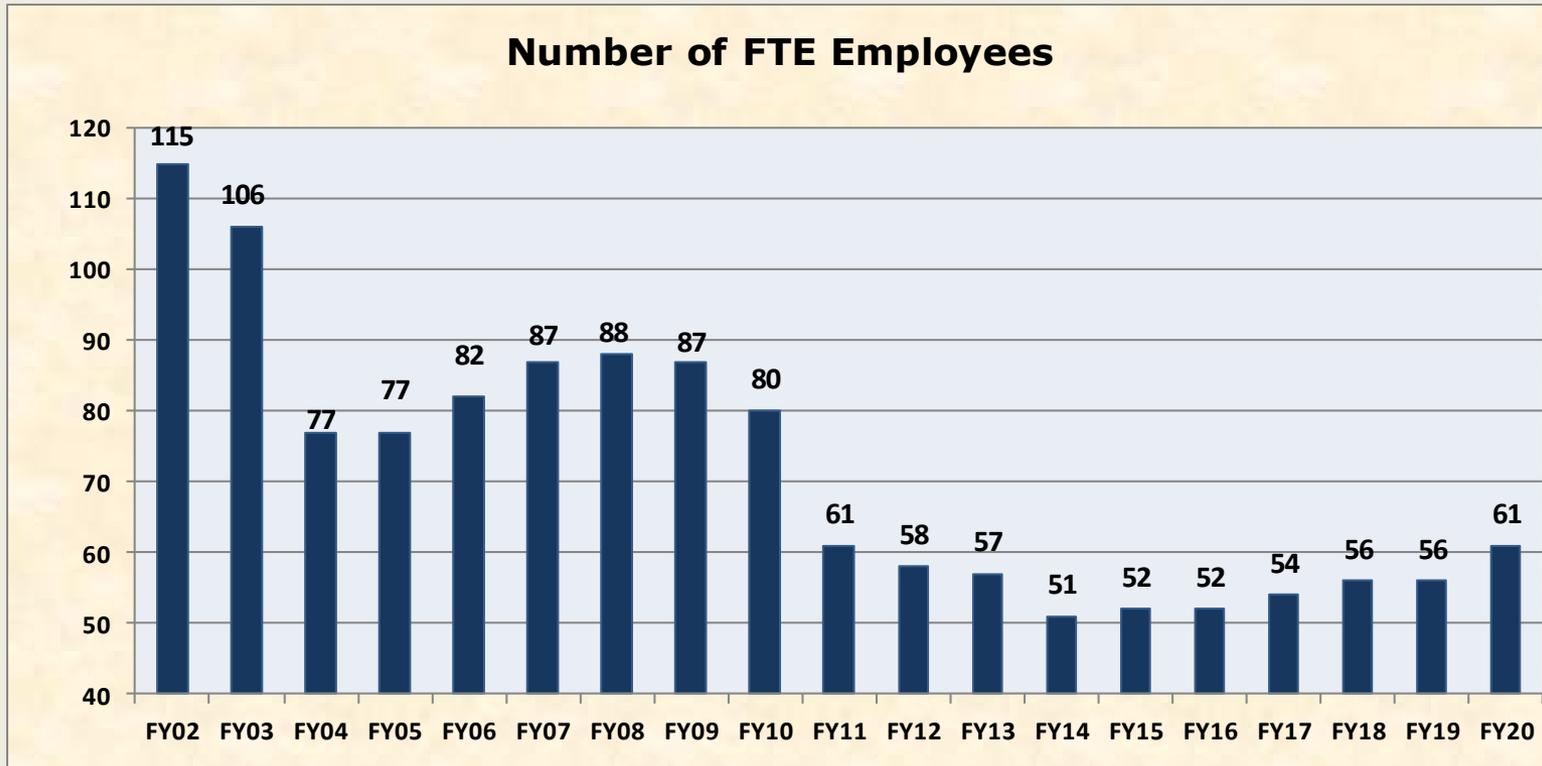
FEE SCHEDULE CHANGES

FY19-20 FEE SCHEDULE CHANGES

- At March 26 Council meeting, Council deferred any fee schedule changes until the completion of the comprehensive user fee study being conducted by Willdan Financial Services

PERSONNEL

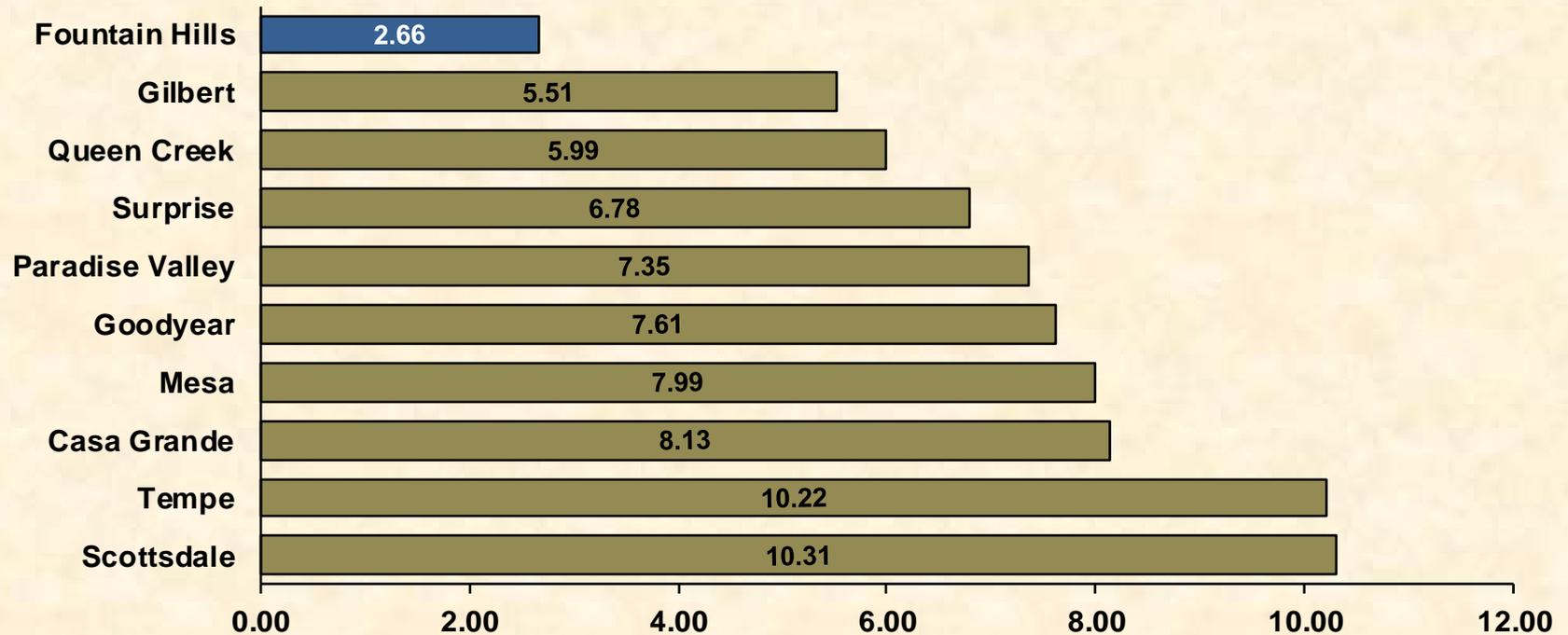
PERSONNEL



Increase resulted from adding full-time Senior Building Inspector, Code Enforcement Officer, Procurement Officer, Streets Technician and part-time Account Clerk.

EMPLOYEES PER CAPITA

Employees Per 1,000 Citizens per 2018 Census Estimate



Source: Auditor General's Official City-Town Budget Forms-Schedule G for FY18-19 and Economic Estimates Commission

PERSONNEL

- Personnel requests from Development Services, Public Works, Administration, Municipal Court and Community Services
- 4 new full-time (revenue or expenditure offsets for two positions) and 1 new part-time (expenditure offset) staff positions recommended
- **49 Full Time** Employees/ **27 Part Time** Employees...**60.82** Total Full Time Equivalent Employees (with proposed additional staff)
- No recommended general wage increase for FY19-20
- AZ Metropolitan Trust has saved Town annually in medical, dental, vision, and other employee benefit costs
- Total Personnel Costs (with proposed additional staff) **\$4,955,439**. Increase of **11.1%**

FY19-20 ANNUAL BUDGET

Town Manager Recommendation:
Approve the FY19-20 Annual Budget
In the amount of

\$32,156,660

FY19-20 BUDGET ADOPTION STEPS

Approval of Three (3) Budget Resolutions:

- **1st Resolution** Adopts the Proposed Budget on May 7, 2019
- **2nd Resolution** Adopts the Final Budget on June 4, 2019, and clarifies the parameters of administering the FY19-20 Budget
 - Provides policy direction in administering policies and procedures governing planned budgeted expenditures
 - Highlights the parameters of various departmental and program expenditures for the Final Adopted Budget
 - Approves the Organizational Charts, FTE Schedule, Job Descriptions and Pay Plan for FY FY19-20
 - Includes adoption of the Fee Schedule as proposed
- **3rd Resolution** Adopts the Tax Levy on June 18, 2019

Questions?