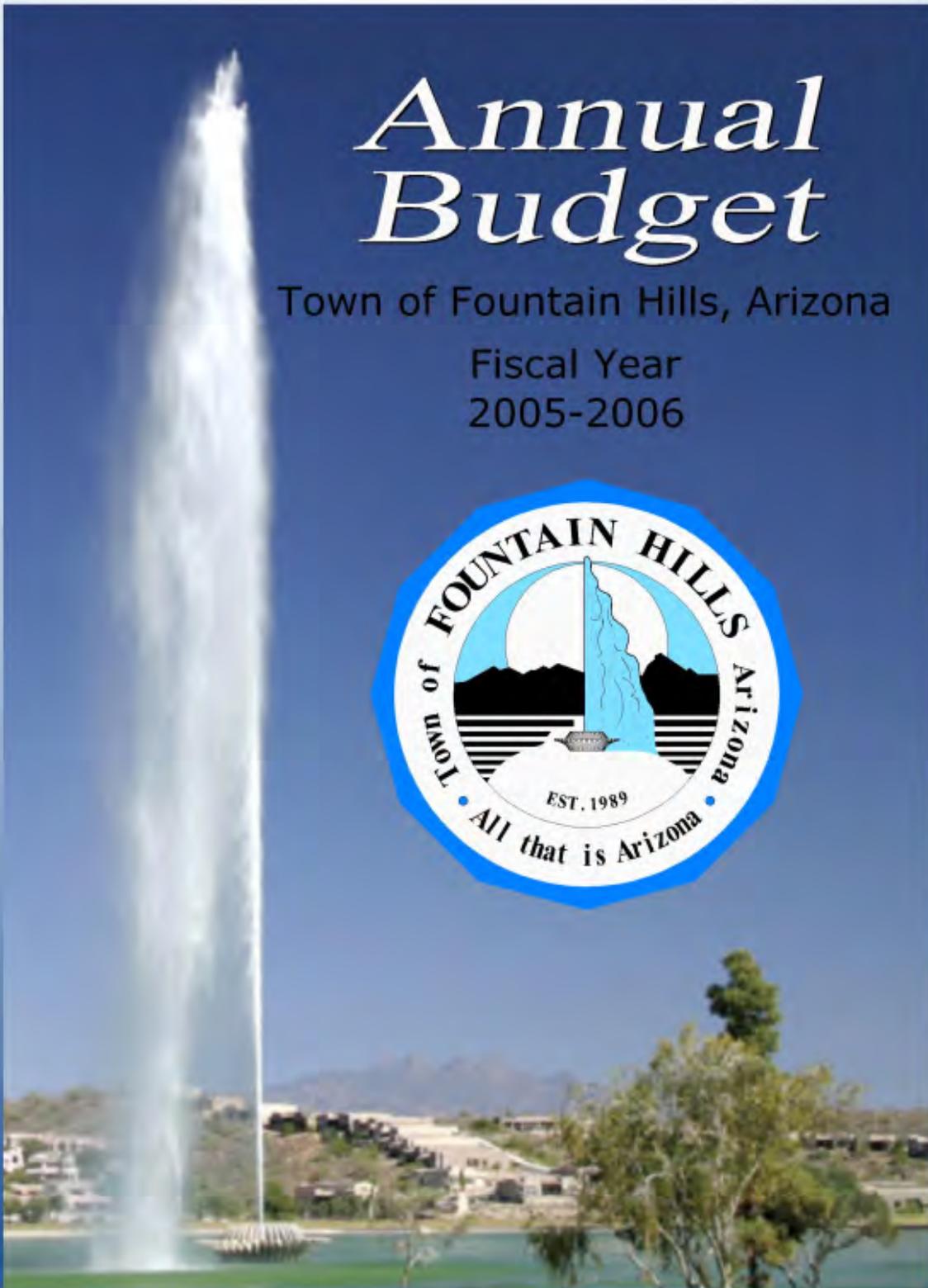


# *Annual Budget*

Town of Fountain Hills, Arizona

Fiscal Year  
2005-2006







GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

**PRESENTED TO  
Town of Fountain Hills,  
Arizona**

**For the Fiscal Year Beginning  
July 1, 2004**

*Nancy L. Ziehl*

President

*Jeffrey L. Esler*

Executive Director





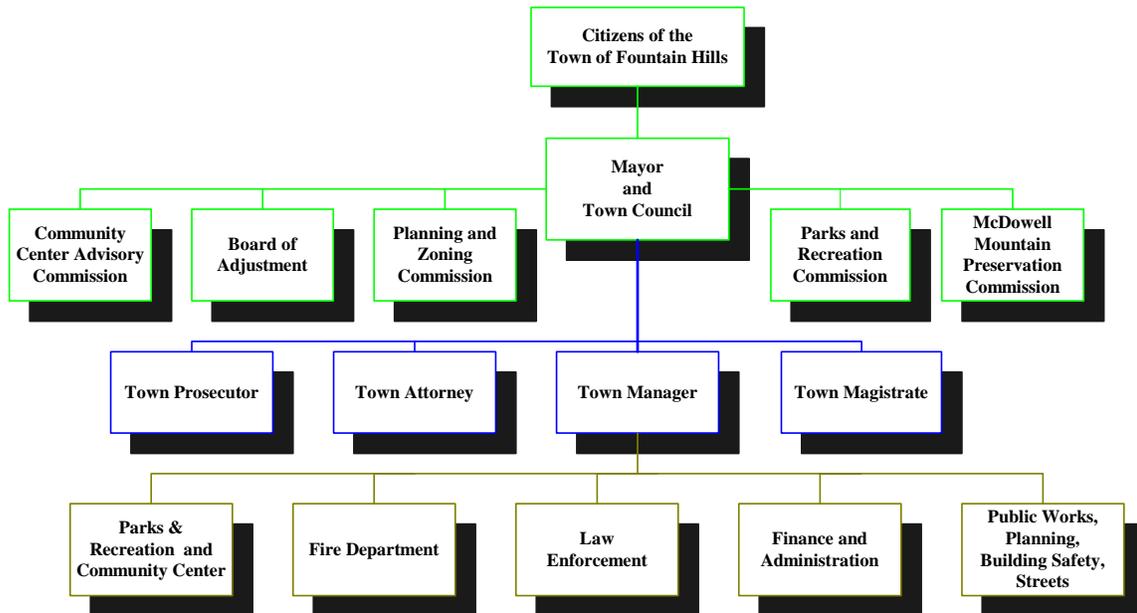
## **TOWN OF FOUNTAIN HILLS, ARIZONA**

### **MISSION STATEMENT**

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



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## **Fountain Hills Town Council**

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

### **In Memory of Vice Mayor Kathleen Nicola**

#### **Management Staff**

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

#### **Department Directors**

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



## FOUNTAIN HILLS TOWN COUNCIL 2005-2006

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



Mayor  
Wally Nichols

A long-time Arizona resident, Vice Mayor Kathleen Connelly Nicola moved to Lake Havasu City in June 1967 and her family settled in Fountain Hills in 1989. Kathleen passed away suddenly on May 19, 2005.

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

Kathleen was a member of the Fountain Hills Chamber of Commerce and the Scottsdale Association of Realtors.



Vice Mayor (past)  
Kathleen Connelly Nicola



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

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



Councilmember  
Mike Archambault

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

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



Councilmember  
John Kavanagh

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



Ed Kehe was awarded the degrees of Bachelor of Arts with honors by Albion College (MI) and Master of Science by the University of Illinois. In addition he earned sixty post-degree graduate credits and certificates in administration and directorships.

His career spanned thirty-three years in public secondary education, teaching mathematics, physical education, and coaching interscholastic sports. Ed retired in 1984 from White Plains (NY) High School after fourteen years as Director of Athletics. He served leadership roles at the local level, statewide, and nationally in both his professional and private life.

Ed and wife Dolores moved to Fountain Hills in 1995. He volunteers with Home Delivered Meals; was a hospitality usher at Church of the Ascension; worked for the passage of the original mountain bond issue; serves on the boards of the McDowell Park Association and the Golden Eagle Foundation; is a member of Noon Hour Kiwanis, Senior Activity Center, Civic Association, Republican Club, River of Time Museum; as well as a friend of the Community Theater and Chamber of Commerce.



Councilmember  
Ed Kehe

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

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



Councilmember  
Keith McMahan



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

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

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



Vice Mayor  
Jay Schlum



## DEMOGRAPHICS

The Town of Fountain Hills is a planned, family-oriented community established in 1970 by McCulloch Properties (now MCO Properties, Inc.). Prior to 1970 the area was a cattle ranch and was part of one of the largest land and cattle holdings in Arizona. It was purchased by Robert McCulloch in the late 1960s and designed by Charles Wood, Jr. (designer of Disneyland in southern California). The centerpiece of Fountain Hills is one of the world's tallest man-made fountains, a focal point that attracts thousands of visitors each year. Located on 11,340 acres of land, and bordering northeast Scottsdale, Fountain Hills is surrounded by the 3,500-foot McDowell Mountains on the west, the Fort McDowell Indian Reservation on the east, the Salt River Indian Reservation on the south and by the McDowell Mountain Regional Park on the north. Elevation is 1,520 feet at the fountain, 3,000 feet on Golden Eagle Boulevard, and is 500 feet above Phoenix.



Over the past thirteen years Fountain Hills has grown from 10,190 residents to a town of over 22,000 in 2004. The Maricopa Association of Governments (MAG) estimates that the population of Fountain Hills will continue to grow to near 25,000 by 2010. Although the rate of growth has slowed due to the national economy 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 range of living styles, from small community subdivisions to a number of large custom homes. Fountain Hills also offers recreational, cultural and retirement programs that address the needs and lifestyles of active families and adults. The community consists of primarily residential property with a total of 11,700 acres. Of the total available land 8,706 acres are developable, 460 acres are zoned commercial or industrial (approximately 5%) and 3,600 acres are reserved as open space (30%).



## Government and Organization

The Town of Fountain Hills is an Arizona Municipal Corporation, acting as a general law Town as prescribed in the Arizona Revised statutes. The Town was incorporated on December 5, 1989 with the governmental and administrative affairs of the Town operating under the Council-Manager form of government. The Town Council is responsible, among other things, for the adoption of local ordinances, budget adoption, the development of citizen advisory committees and hiring the Town Manager. The Town Manager is responsible for implementation of the policies of the Town Council and administering the Town's operations through five department directors and approximately 81.5 employees. The Magistrate, Town Attorney and Town Prosecutor are under the direction of the Town Council.



Fountain Hills Community Center



## DEMOGRAPHICS

Population			Land Use (2002)(%)	
1990	U.S. Census	10,190	Residential	27%
1995	Interim Census	14,146	Undeveloped/Agricultural	37%
2000	U.S. Census	20,235	Public/Open Space	34%
2005	MAG Estimate <sup>1</sup>	23,700	Industrial/Commercial	2%

Maricopa Association of Governments

### Assessed Valuation of Major Taxpayers

Taxpayer	Type of Property	2004/05 Assessed Valuation	As % of Town's Total Secondary Assessed Valuation
Qwest Corp	Telecommunications	3,365,809	0.96%
Chapparal City Water Company	Water Utility	3,066,000	0.88%
Fountain Hills Village LLC	Nursing Home	1,822,567	0.52%
Kimco Barclay Fountain Hills	Shopping Center	1,724,863	0.49%
MCO Properties	Industrial	1,655,056	0.47%
Cox Communications	Communications	1,507,740	0.43%
Target Corporation	Shopping Center	1,441,438	0.41%
EN LLC	Residential	1,347,042	0.39%
Fountain Vista Properties LLC	Commercial	986,365	0.28%
Adero Canyon LLC	Residential	834,777	0.24%
		<b>\$ 17,751,657</b>	<b>5.08%</b>

Source: Treasurer of Maricopa County



## MAJOR EMPLOYERS Town of Fountain Hills, Arizona

Employer	Product/Service	Approximate Employment
Fountain Hills Unified School District No. 98	Education	250
Monks Construction	Construction	150
Safeway Food Stores	Grocery Store	95
MCO Properties, Inc.	Property Management	85
Town of Fountain Hills	Government	75
Basha's	Grocery Store	70
Sun Ridge Canyon Golf Course	Golf Course	70
Fountain Hills Concrete	Mfg. Ready-Mixed Concrete	50
Golf International	Golf Course	50
Eagle Mountain Golf Course	Golf Course	40

Source: *The 2004 Arizona Industrial Directory*; Greater Phoenix Chamber of Commerce; *Community Profiles Arizona* Department of Commerce; and an individual employer survey.

### Employers

Residents of the Town can find employment in neighboring Scottsdale, the Fort McDowell Indian Community, or the municipalities that make up the greater Phoenix metropolitan area.

## POPULATION STATISTICS

Years	Town of Fountain Hills	Maricopa County	State of Arizona
2005 Estimate*	23,700	3,524,175	5,832,150
2000 Census	20,235	3,072,149	5,130,632
1995 Special Census	14,146	2,551,765	4,228,900
1990 Census	10,190	2,122,101	3,665,339

\* Estimated population as of July 1, 2005

Source: U.S. Census Bureau.



**UNEMPLOYMENT AVERAGES**

<u>Years</u>	<u>Town of Fountain Hills</u>	<u>Maricopa County</u>	<u>State of Arizona</u>	<u>United States</u>
2004	2.2%	4.0%	4.8%	5.5%
2003	2.7	4.9	5.6	5.6
2002	3.1	5.6	6.2	6.0
2001	2.2	3.9	4.7	4.8
2000	1.4	2.6	3.9	4.0

Source: Arizona Department of Economic Security, Research Administration.



## Table of Contents

<b>Budget Overview</b> _____	
Budget Transmittal Message	1
Council Goals	2
Fiscal Year 2004-2005 Financial Accomplishments	4
Budget Process	9
Financial Policies	15
Budget Schedule	27
<b>Budget Summary</b> _____	
All Funds Revenue and Expenditure Summary	29
General Fund Revenues	45
General Fund Expenditure Summary	54
<b>Department Budgets</b> _____	
Town Council	55
Administration	59
Operational & Community Support	67
Information Technology	71
Public Works	77
Building Safety	87
Streets	93
Planning	101
Parks and Recreation	107
Parks	115
Community Center	127
Public Safety	
Law Enforcement	133
Fire Department	137
Municipal Court	141
<b>Schedules/Summaries</b> _____	
Special Revenue Funds	147
Debt Retirement	151
Development Fees	157
Capital Projects	163
Summary of Tax Levy and Tax Rate Information	165
Schedule of Fountain Hills Assessed Valuation	166
Schedule of Authorized Positions	167
Succession Plan	171
Glossary	177
<b>Appendix</b> _____	
Personnel Requests	A
Community Requests	B
20 Year Financial Overview	C

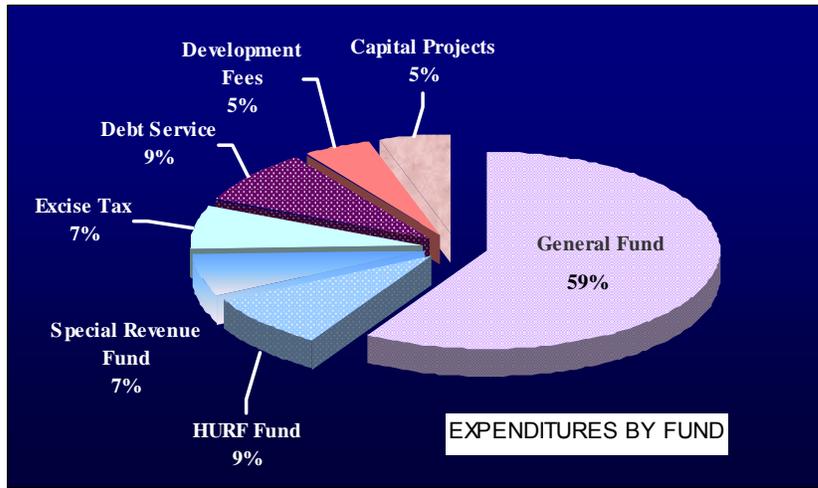




## FISCAL YEAR 2005-06 BUDGET TRANSMITTAL MESSAGE

To the Honorable Mayor and Town Council:

I am pleased to submit the FY05-06 Operating Budget and Twenty-Year Financial Overview and proposed Capital Improvement Program for the Town of Fountain Hills. This budget is balanced and designed to convey to the public a budget message that articulates priorities and issues for the



upcoming fiscal year. The budget also highlights any issues facing the staff in developing the budget, and short-term financial and operational policies that were instrumental in guiding the development of the annual budget. The total budget, including all funds, is estimated at \$26.7 million

(\$2.4M or 8.1% less than FY04-05), with projected revenues of \$25.2 million (excluding transfers). Expenditures will exceed revenues this fiscal year due to proposed capital projects. The primary reason for the decrease from the prior year is construction of a new Town Hall in FY04-05. Of the total budget, \$15.8 million will be used to finance the operations of the Town, that is, the General Fund.

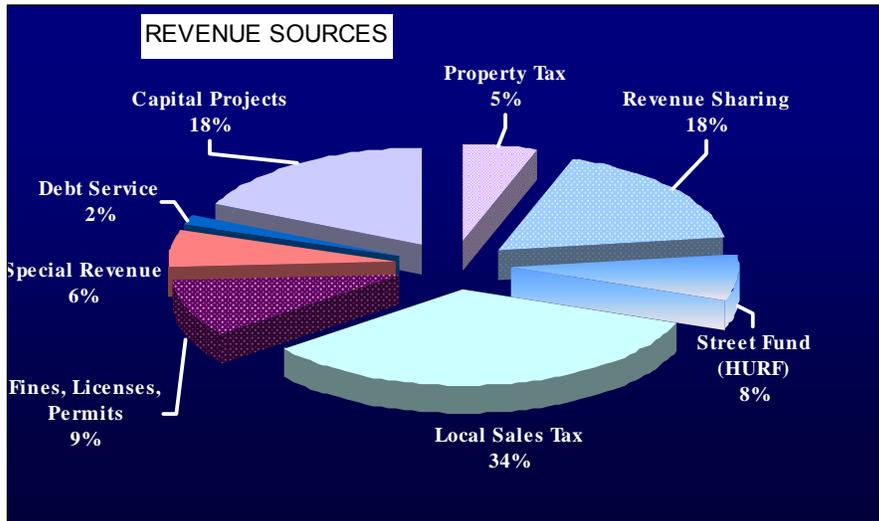
The budget could not be prepared without considering the condition of the regional, state and national economies, as well as legislative decisions that affect local governments. What happens at these levels affects both the revenue that Fountain Hills receives and the services we provide. Construction (both residential and commercial) and retail activity, contribute approximately \$3.2M (20.5%) of the Town’s operating funds in the General Fund. As construction activity declines, and roughly one-fifth the associated revenues cease to be generated, the Town will be forced to find alternate sources of revenue to sustain existing community services and programs.

In addition to concerns from the revenue side of the budget picture, there are also concerns over the increased cost of doing business. The Town is a service organization with over 18% of its operating costs in personnel. This, the price of insurance, health care, and additional personnel in priority areas has a significant effect on the cost of Town services. Balancing the desire to provide top quality services and higher operating costs will be the Town’s challenge for years to come.

State shared revenue estimates indicate that the economy is showing signs of a recovery. Therefore, the FY05-06 budget is based on more optimistic economic forecasts than the Town has seen since FY01-02; however, the optimism is guarded. The Town is past a historic period of expansion; its economy is maturing and moving to a slower – and more sustainable – level of



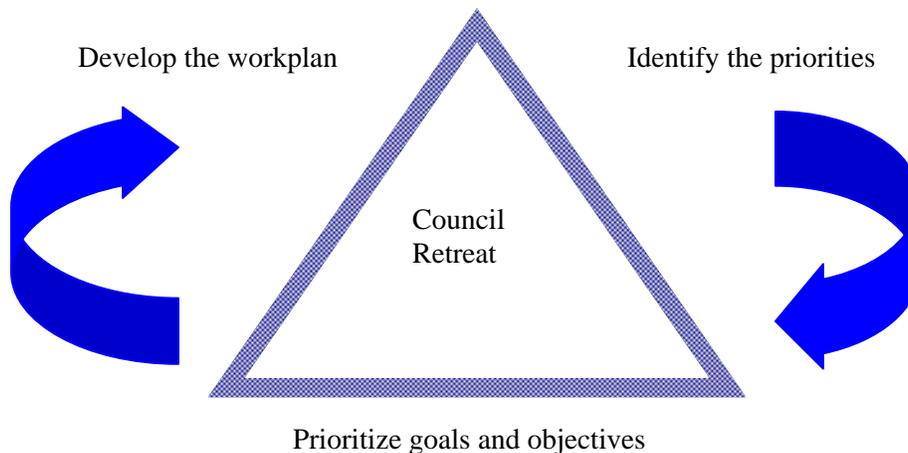
growth. The projected improvements in the Town’s revenues and savings carried over from the current fiscal year will allow Fountain Hills to meet its most pressing needs for the 05/06 fiscal year, mainly maintenance projects that were delayed due to the Budget Reduction Plan that was implemented in FY02-03. However, with the amount of overdue capital improvement projects, mainly roads as highlighted in the Capital Improvement Plan, longer-term forecasts show the Town’s needs will outpace revenues in the next few years. Given the unsettled nature of the



economy, it is difficult to project revenues two or more years into the future with any degree of certainty. The forecasts serve as an early warning that the Town must continue to exercise restraint in its long-range fiscal planning.

**Town Council’s FY 2005-2006 Prioritized Goals**

The Town is proposing a conservative balanced budget that includes appropriations for the goals and priorities established by the Town Council. Annually, the Fountain Hills Town Council attends a retreat with staff to identify key issues facing the Town to determine goals and objectives for the following year. The Town Manager and staff then meet to prepare an implementation plan to be incorporated into the FY05-06 budget.





Following are the six (6) prioritized goals for FY 2005-2006 that were established by the Fountain Hills Town Council at its Goal-Setting Retreat held on January 21, 2005.

**Goal: In an active and timely manner, participate in the planning and annexation of the State Trust Land**

Objectives:

- ▶ Annex State Trust Land before the issuance of building permits
- ▶ Ensure development pays its own way
- ▶ Develop State Trust Land consistent with existing densities and uses
- ▶ Gain citizen acceptance of state land annexation
- ▶ Have a united Council

**Goal: Develop a public information program and grant writing program**

Objectives:

- ▶ Provide accurate and timely information that keeps the public well informed on important government issues, services, and programs
- ▶ Provide an appropriate structure and recommendations for the establishment of a grant-writing program

**Goal: Facilitate and complete the Town's citizen driven Strategic Planning Process**

Objectives:

- ▶ To develop a strategic plan that is:
  - Inclusive (Citizen Driven)
  - Simple to understand and to the point
  - Financially responsible
  - Can be realistically implemented

**Goal: Explore opportunities for meeting the community's expanding need for additional parks and amenities**

Objectives:

- ▶ Establish the need for new park lands
- ▶ Determine public and user group long term needs
- ▶ Provide recommendations to Council, including funding sources
- ▶ Educate citizenry regarding national park standards



**Goal: Develop and carry-out an intergovernmental relations and cooperation program with neighboring communities**

Objectives:

- ▶ Provide an outlet for the exchange of information and the discussion and resolution of commonly held issues and other matters of importance to the Town of Fountain Hills and its neighboring jurisdictions

**Goal: Continue enhancing business relations and retention**

Objectives:

- ▶ Documentation of the Town’s economic development plans and activities
- ▶ Continue to interface with and participate in local and regional economic development agencies and their activities aimed at promoting economic growth and development

Upon adoption of the Town Council goals specific work-plans are developed in each of the operating divisions to ensure that Fountain Hills residents can monitor the improvement in Town services and the achievement of the Council’s goals. The matrix below indicates which departments/divisions are responsible for the implementation of FY2005-06 goals and objectives and shows the relationship between the activities performed by the operating divisions and the effect on operating budgets reported in the division budget summaries.

Goal	Planning	Manager	Parks/Recreation	Estimated FY05-06 Costs
Annex State Trust Land	√			\$80,000
PIO/Grant Program		√		\$97,100
Strategic Plan Process		√		\$87,000
Parks/Amenities			√	(existing staff)
Intergovernmental Relations Program		√		\$0
Business Relations/Retention	√			\$0

**Fiscal Year 2004-2005 Goals, Accomplishments & Activities**

The FY04-05 goal activities are as follows:

- ◆ Worked with the water company to assure water supply for future development; prepared water analysis for impact of annexation of state trust land
- ◆ Developed a succession plan to identify key and at risk positions for future staffing needs; the plan was finalized and includes plans for existing staff with an interest and qualifications to move into key positions



- ◆ Initiated process to annex 1,300 acres of state trust land that borders Fountain Hills. Having the land within the Town boundaries will ensure that future development will be consistent with the Town's general plan and add approximately 10% more land within Fountain Hills borders

- ◆ Developed a strategic plan process that included citizen input as to the vision for the future of Fountain Hills. The final strategic plan will be presented to the Town Council in December 2005
- ◆ Worked with neighboring fire departments on mutual aid agreements

## Budget Highlights

As in years past, the main focus of the proposed budget is the General Fund, the Town's largest fund, which supports basic services. Developing the proposed budget required making choices to achieve a budget that balances the available resources with the Council goals, while maintaining a level of service that enhances the quality of life in Fountain Hills. In developing the proposed budget, Town staff followed a zero-based approach, leading to a focused review of services delivered by the Town, increased scrutiny of expenditures, and prioritization of programs to be funded using limited resources. Additionally, the Town will focus on funding one-time capital projects with one-time revenue sources, such as construction funds and excess revenues in the General Fund. Operating costs should be funded with stable and reliable revenue sources.

Under the proposed budget, overall General Fund revenues grew by 10% over the FY04-05 budget, primarily due to an increase in State Shared Revenues (10%) and revenues from construction related activity (30%). Expenditures are projected to increase 6% over last year's budget, primarily in repairs and maintenance as the Town strives to catch up on projects that were delayed due to the Budget Reduction Plan in FY02-03.

Key initiatives of the proposed FY05-06 budget include the following - a more detailed analysis of all the Town's revenues and expenditures is included in the budget summary and department sections.

**Greater Capital Investment** - A significant component of the proposed budget is the Capital Improvement Plan Budget, which includes funding for public buildings, parks, streets and other major infrastructure projects. The FY05-06 budget includes funding for:

- Complete construction of Civic Center Phase II project (Town Hall)
- Eagles Nest trailhead restroom construction, Adero Canyon trailhead design
- Construction of a splash park at Fountain Park
- Construction of a skate park at Desert Vista Neighborhood Park
- New ramadas for Fountain Park
- Replacement of street sweeper to satisfy County dust control recommendation
- Desert Vista Neighborhood Park improvements (perimeter sidewalks, enhanced parking, upgrade off lease facility)
- Four Peaks Neighborhood Park improvements including backstops, dugouts for ballfields

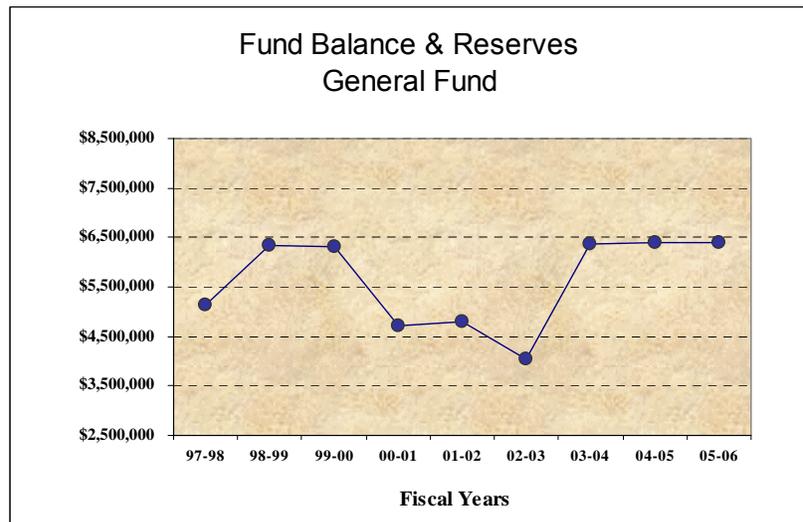


- Entrance monument sign near Palisades Blvd. and Eagle Mountain Parkway
- Public access modifications for citizens with disabilities
- Traffic signal at Saguaro and El Lago Boulevards
- Approximately \$2.1M in major road improvements
- Design of climbing lane west on Shea Boulevard to Palisades
- Design sidewalk near Fountain Hills Middle School
- Paving project on Colony Drive to Desert Vista alley
- Improved signage for key business areas
- Additional median maintenance

**Facilitate and complete the Town's citizen driven Strategic Planning Process** - The FY2005-06 budget includes the appropriation of funds to support the services of a professional facilitator to complete the Town's first strategic plan since incorporation in 1989. The strategic planning process was started in FY2004-05 and will identify key issues facing the long-term future of the Town and impact on future budgets. The process includes two Town Halls, a planning retreat, focus groups, and a professional survey with the final report expected to be delivered to the public in November 2005 and Town Council approval in December, 2005. Funds in the amount of \$87,000 can be found in the Administration Department budget.

Developing a public information program to support the Council goal and improving the maintenance and customer service at two parks will also be accomplished.

**Maintenance of the Reserve Fund** - The proposed budget continues the practice of setting aside a reserve equal to 30% of the General Fund budget to ensure that the Town can provide basic services in the event of major emergencies. This reserve is also very important in retaining the Town's AA3 bond ratings. Reserves in excess of the fund balance policy are transferred to the Capital Projects fund for future appropriation by the Council.





### Recommendation for One-Time Revenues

The proposed FY05-06 budget for all funds includes capital expenditures in the amount of \$4.1M funded by development fees, general fund transfer, and excise taxes (see page 39). Non-recurring revenues (construction sales tax, building permit and subdivision fees and development fees), are contributing \$3.2 million to the FY05-06 budget, which allow the Town to budget for one-time capital expenditures. However, these revenues should not be depended upon for operating expenditures. These non-renewable funds are opportunities to purchase land or buildings, improve Town owned properties, provide matching funds for grants, equipment purchases, economic development activities and other capital projects as determined by the Town Council. While the Town continues to receive sales tax and permit revenue from construction activity, any residual balance in the General Fund should be transferred to the Capital Projects fund. The accumulated resources would provide funding for capital projects that the Town Council would approve during the next budget cycle. The FY05-06 budget includes a transfer of the excess revenues over expenditures from FY04-05 to the Capital Projects Fund and leaves a fund balance for future capital projects as construction related revenue declines.

### A Debt of Gratitude

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

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

Respectfully submitted,

A handwritten signature in black ink, which appears to read 'Timothy G. Pickering'. The signature is written in a cursive style and is positioned above the printed name.

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



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## **BUDGET PROCESS**

### **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, using a modified zero-based budgeting process, the Town of Fountain Hills budget is developed from the Town Council's priorities by the Finance Department with the individual departments and the Town Manager. Meetings with each department, the Town Manager and the Finance Department are held during the month of March. After these meetings are completed, a proposed balanced budget is prepared for submittal to the full Town Council and public in May.

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.

### **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 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). Concurrently, Town staff applies diligent effort into improving the process, decisions and outcomes with each new budget year. The NACSLB's practices encourages governments to consider the longer 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 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.

- 1) Establish broad goals to guide government decision-making – a government should have broad goals that provide overall direction for the government and serve as a basis for decision-making.
  - a) Assess community needs, priorities, challenges and opportunities.
  - b) Identify opportunities and challenges for governmental services, capital assets, and management
  - c) Develop and disseminate broad goals
- 2) 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.
  - a) Adopt financial policies
  - b) Develop programmatic, operating, and capital policies and plans
  - c) Develop programs and services that are consistent with policies and plans
  - d) Develop management strategies



- 3) 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.
  - a) Develop a process for preparing and adopting a budget
  - b) Develop and evaluate financial options
  - c) Make choices necessary to adopt a budget
- 4) Evaluate performance and make adjustments – program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.
  - a) Monitor, measure, and evaluate performance
  - b) Make adjustments as needed

### **When does the “budget season” start?**

The budget process typically begins in January when the Finance Department begins to review current levels of service, Council goals and objectives 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. It includes information about the organization and identifies the Council policy that directed the budget preparation. Although a budget is often discussed as a financial document, the financial portion means very little without the policy and administrative information that explains what the organization intends to do with the financial resources.

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 is provided with 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 Plan is adopted at a project level.

### **Budgetary and Accounting Basis**

The budget is prepared on a modified accrual basis of accounting for all fund types. This means that expenditures are recorded when the related fund liability is incurred, and revenues are recognized only when they are measurable and available. In all cases, when goods and services are not received by year-end, the encumbrances lapse. It also 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 the budget basis, but are accrued and reported on the GAAP basis. For example, increases or decreases in compensated absences are not reported for budget basis purposes, but are presented as revenues or expenditures on the GAAP basis.
- Depreciation is not budgeted as an expenditure in budgetary accounting
- Capital outlay is an expenditure in budgetary accounting and an asset in GAAP
- Certain debt service principal and interest payments are accounted for as expenses in the General Fund for budget basis purposes, 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.

### **What funds are included in this budget?**

The accounts of the Town are organized on the basis of funds or account groups, 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. (non-restricted).

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) and grants are examples of special revenue funds (restricted by statute).

Excise Tax Revenue Funds – designated for bond payments for mountains, Civic Center phase II project, and downtown development (restricted by legislative action).

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, such as the new Civic Center Phase II project, park and major road improvements.

### **Operating and Capital Budget Relationship**

Included within the annual budget is a Five Year Capital Improvement Plan, presented on a budget basis. Capital project budget funding sources are matched with budgeted expenditures. Governmental accounting procedures 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 budget basis as opposed to cash flow basis. 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 contract must 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.

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

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

Many revenue estimates must be made based on assumptions regarding general economic conditions. For example, development related revenues (building permits, construction sales taxes, etc.) are all based on assumptions regarding development forecasts for Fountain Hills during the coming year. State shared revenue estimates are provided by the League of Arizona Cities and Towns. Revenue estimates are conservative to avoid setting expenditure budgets that will not be supported by actual revenues.

**Can the budget be amended once it is adopted?**

During the fiscal year, the Town Manager may transfer appropriations between line items within a department.



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## TOWN OF FOUNTAIN HILLS FINANCIAL POLICIES

The 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 annually 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.

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:
  - a) cash solvency – the ability to pay bills
  - b) budgetary solvency – the ability to balance the budget
  - c) long run solvency – the ability to pay future costs
  - d) service level solvency – the ability to provide needed and desired services
  - e) adhering to the highest accounting and management practices as set by the Government Finance Officers' Association standards for financial reporting and budgeting, by the Governmental Standards Board and other professional standards
2. To maintain an Aa3 or better bond rating in the financial community to assure the Town taxpayers that the Town government is well managed and financially sound.
3. To have the ability to withstand local and regional economic fluctuations, to adjust to changes in the service requirements of our community, and to respond to changes in Federal and State priorities and funding as they affect the Town's residents.
4. To deliver quality services in an affordable, efficient and cost-effective basis providing full value for each tax dollar.

## FUND BALANCE POLICY

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. 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 Sales Tax revenues for 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 on-going government operations during a slowdown in the economy or legislative changes to the revenue sharing formula.

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

- a) preserving or improving the Aa3 bond rating
- b) maintaining a positive trend to historical fund balances
- c) maintaining a rating equal to or better than surrounding communities
- d) maintaining ratios consistent with desired outcomes of ten key ratios of financial condition (Government Finance Review, Dec. 1993) – Appendix A

### **General Fund**

The Town fund balance consists of three (3) components, defined below. In order to satisfy the objective of maintaining a bond rating equal to or better than surrounding peer communities a fund balance of at least 30% of revenues is recommended. The three components added together will help achieve the 30% goal.

Definitions:

Undesignated unreserved fund balance – available expendable financial resources that are not the object of tentative management plans. Also defined as residual balance after revenues, expenditures and reserved/designated fund balance and available for future year appropriation.

Designated unreserved fund balance – management’s intended use of otherwise available expendable financial resources reflecting actual plans submitted by the Town Manager and approved by the Town Council. An example would be funds set aside for future capital purchases, land acquisition, construction projects, equipment replacement, etc.

Reserved fund balance – the portion of the Town funds that are not available for appropriation.

Guidelines:

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, staff and Town Council:

Undesignated unreserved fund balance – designated for unanticipated expenditure or loss of revenue, the Town of Fountain Hills' undesignated unreserved fund balance in the General Fund at the end of any fiscal year will be equal to no less than 30 days of annual operating expenditures for the upcoming fiscal year. 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. Expenditures exceeding \$20,000 will require Council approval. This contingency will expire at the end of each fiscal year and any unused balance will be included with the funds available for appropriation in the following fiscal year.



Designated unreserved fund – the Town will maintain a designated unreserved fund balance in the General Fund of a minimum ten percent (10%) of the average actual General Fund revenues for the preceding five fiscal years. These reserves will be designated for “pay-as-you-go” capital replacement expenditures, equipment replacement, capital projects, prepay existing Town debt, or any other expenditure that is non-recurring in nature. The 10% is the minimum and is based on the Property and Equipment Replacement Schedule, which may be increased to accelerate accumulation funds for a large capital expenditure. To the extent these reserves are expended, additional funds necessary to restore this additional ten percent (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 designated General Fund Balance can only be authorized for expenditure upon recommendation of the Town Manager and vote of the Town Council.

Reserved Fund Balance – the Town will maintain a reserved 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.

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 undesignated general fund balance. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis.

Funds in excess of the fund balance goal will be retained in the undesignated unreserved General Fund Balance, and may be considered to supplement “pay as you go” capital outlay expenditures, or may be used to prepay existing Town debt. These funds may not be used to establish or support costs that are recurring in nature.

This policy will be reviewed by the Town Manager every three years following adoption or sooner at the direction of the Town Council.

### **Special Revenue Funds**

The Highway User Revenue Fund (HURF) is a restricted fund and depends upon State Shared Revenues for over 90% of annual revenues. This fund may only be used for street and highway purposes. The combined undesignated unreserved, designated unreserved and reserved Fund Balance will be based on the minimum requirement as specified in the Property and Equipment Replacement Schedule. The schedule will be reviewed on an annual basis to determine the required amount to be set aside as designated unreserved Fund Balance.

The Excise Tax (.4% of Local Sales Tax) Fund is a restricted fund dedicated to Downtown Development and Land Preservation. The combined undesignated unreserved, designated unreserved and reserved Fund Balance will be no less than the annual debt service payment for Land Preservation and prior year available funds for Downtown Development.



### **Debt Service Funds**

The Debt Service Fund is established for the payment of principal and interest on bonded indebtedness. 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 undesignated unreserved, designated unreserved and reserved Fund Balance will be no less than the annual debt service payment due on July 1 of the new fiscal year.

### **Capital Project Funds**

The Capital Project Funds includes accumulated Development Fees that are assessed on new construction for the purpose of funding growth. These funds are restricted to growth-related capital expenditures. The undesignated unreserved, designated unreserved and reserved fund balance will be established each fiscal year during the budget process depending on planned expenditures but cannot exceed accumulated revenues. The Development Fees must be expended within six years of collection or refunded to the taxpayer.



## FINANCIAL PLANNING

Fiscal 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. The Town Manager shall submit to the Town Council a proposed annual budget, with their recommendations, and shall execute the budget as finally adopted, pursuant to Section 15.1-602 of the Arizona Revised Statutes, as amended. The Town will budget revenues and expenditures on the basis of a fiscal year which begins July 1 and ends on the following June 30. The Town Council will adopt the budget no later than June 30.
2. The Town 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 major 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. 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. Ongoing operating costs should be supported by ongoing, stable revenue sources. This 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. The Town Manager will provide an estimate of the Town's revenues annually for each fiscal year. The estimates of special (grant, excise tax, etc.) revenues and interfund transfers will also be provided by the Town Manager.
6. 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. The Town Manager shall provide annually 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 indicators will be integrated into the budget process as appropriate.
9. 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 Directors are required to monitor revenues and control expenditures to prevent exceeding their total departmental expenditure budget. It is the responsibility of these department directors to immediately notify the Town Manager of any exceptional circumstances that could result in a departmental expenditure budget to be exceeded.
11. 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 Administration Department. In addition, the quarterly report shall include revenue and expenditure projections through the end of the fiscal year.
12. 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 undesignated unreserved General Fund Balance, 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 and without knowledge and support of the Town Council.

## **EXPENDITURE CONTROL**

Management must ensure compliance with the legally adopted budget. In addition, purchases and expenditures must comply with legal requirements.

1. 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. 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. Expenditures will be controlled through appropriate internal controls and procedures in processing invoices for payment.
4. The Town shall pay applicable contractor invoices in accordance with the requirements of Arizona Revised Statutes 34-221.
5. 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 (A.R.S. Section 41-1279.07) to the State Auditor General each year.
6. Assets will be capitalized at \$10,000 and will be recorded in the Town of Fountain Hills Summary of General Fixed 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. 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. 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 the Arizona Revised Statutes.
3. The Town will monitor all taxes to insure 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. The Town 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. 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 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.

## **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. The Town may establish user fees and charges for certain services provided to users receiving a specific benefit.
2. 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.
3. Periodically, the Town will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other attendant costs.

## **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 overall debt management policy of the Town of Fountain Hills 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. The Arizona Constitution limits a city or town’s bonded debt capacity (outstanding principal) to certain percentages of the Town’s secondary assessed valuation by the type of project to be constructed. There is a limit of 20% of secondary assessed valuation for projects involving water, sewer, artificial lighting, parks, open space, and recreational facility improvements. There is a limit of 6% of secondary assessed valuation for any other general-purpose project.

### **General**

1. The Town will use current revenues to pay for short-term capital projects, repair and maintenance items and will reserve long-term debt for capital improvements with useful lives of ten (10) years or more. The Town will not use long-term debt to fund current governmental operations and will manage its cash 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

2. 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 Designated Unreserved Fund.

### Capital Improvement Plan

1. As part of the budget process each year the Town 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 plan will be developed within the constraints of the Town’s ability to finance the plan.
2. The Town Manager and Department Directors will develop formal ranking criteria that will be used in the evaluation of all capital projects. The program ranking criteria will give greatest weight to those projects which 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 five years shall not be eligible for inclusion in bond issues.
3. Lease purchase financing shall only be undertaken 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 designee shall determine that pay-as-you-go expenditures do not cause the state imposed expenditure limitation to be exceeded in any fiscal year.
4. 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 which are likely to receive grant money.
5. All capital project appropriations and amendments to the capital improvement plan must be approved by the Town Council.
6. 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.



## Financing Alternatives

1. Financing alternatives are listed below but are not limited to:
  - a) Grants
  - b) Developer Contributions
  - c) General Obligation Bond – requires voter approval, supported by an ad valorem (property) tax
  - d) Revenue Bonds – repaid with revenue stream (HURF, revenue generated by project)
  - e) Municipal Property Corporation Bonds – repaid with a dedicated revenue source
  - f) CFD or Special District Bonds – supported by an ad valorem property tax
  - g) Capital Leases – repaid within operating budget
  - h) Commercial Paper (CP) or Bond Anticipation Notes (BAN) with terms less than two years
2. Town Debt Service costs (GO, Revenue Bonds, MPC, Leases) shall not exceed 20% of the Town's operating revenue in order to control fixed costs and ensure expenditure flexibility. Improvement District (ID), Community Facility 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 have been established and included within the Town's CFD policy.
3. In accordance with requirements of the State of Arizona Constitution, total bonded debt will not exceed the 20% limitation and 6% limitation of the total secondary assessed valuation of taxable property in the Town.
4. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.
5. Where applicable, the Town will structure General Obligation 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 fifteen (15) years; at no time will the debt exceed twenty-five (25) years.
6. 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.
7. 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.
8. 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:



- a) percent of debt outstanding as a percent of the legal debt limit
  - b) measures of the tax and revenue base
  - c) evaluation of trends relating to expenditures and fund balance
  - d) debt service as a percentage of assessed valuation
  - e) measures of debt burden on the community
  - f) tax-exempt market factors affecting interest costs
  - g) debt ratios
9. Municipal Property Corporation 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).
10. The Town's privilege tax to debt service goal will be a ratio of at least 3.5:1 to ensure the Town's ability to pay for long term debt from this elastic revenue source.

### **Issuance of Obligations**

1. The Town shall select the underwriter and the paying agent/registrar for each debt issuance based on competitive bid. The underwriter must be a firm domiciled in Arizona with an office in the Phoenix area and a record of prior working relationships.
2. 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.
3. The Town of Fountain Hills will use competitive sales as the primary means of selling new General Obligation or Revenue bonds that are repaid through ad valorem (property) taxes. Negotiated sales will be permitted for all other debt issues when it is expected to result in a lower true interest cost than would a competitive sale of that same date and structure or there is evidence of volatile market conditions, complex security features, or another overriding factor.
4. 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 Town's governing statutes and regulations. The Manager and the Town Attorney shall consult and jointly select the bond counsel for a bond issue. The Town Attorney will review all documents related to the issuance of securities by the jurisdiction.
5. The Town will seek a rating on all new issues which are being sold in the public market if economically feasible.



6. The Town will report on an annual basis all financial information and/or notices of material events to the rating agencies and Nationally-Recognized Municipal Securities Information Repositories (NRMSIR's). The annual report will include but not be limited to the Town's annual Comprehensive Annual Financial Report (CAFR).
7. The Town will require any institution or individual investing monies as an agent for the Town to do so in a manner consistent and in compliance with the Town's adopted Investment Policy.
8. The Town 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.
9. 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 SEC Rule 15c2-12 and MSRB Rule G-36.

The Town of Fountain Hills' capital improvement program ranking criteria will give greatest weight to those projects, which 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. 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 a detailed description of the useful life of capital projects submitted in conjunction with the preparation of the Town's CIP. Projects with a useful life of less than ten years shall not be eligible for inclusion in bond issues. The Manager shall incorporate an estimate of the useful life of proposal 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.

### **How do I get more information?**

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



**Budget Schedule (Fiscal Year 2005-2006)**

- January 21 Council Goal-Setting, Dept Directors retreat, budget priorities identified
- Monday, February 14 Accounting submits summary of estimated FYE 04-05 revenue, expenditures and fund balances to Town Manager, Department Directors  
Department Directors provide accounting with new staffing requests for FY05-06
- Wednesday, Feb. 16 Accounting provides department directors with FY05-06 wage and benefits budget line items  
Departments submit baseline budget justification sheets to Accounting
- Feb. 22 – March 4 Fiscal year 2005-2006 revenue projections are prepared by Accounting and reviewed with Town Manager
- Friday, Feb. 25 Department directors submit proposed justification sheets for FY06 budget to Accounting (base budget plus supplemental requests)
- Friday, March 4 Written department verbiage for budget document due to Accounting (electronic format - Word)
- Tuesday, March 8 Director Retreat
- March 7–March 25 Staff and Town Manager meet to review justifications and decisions made for requested expenditures  
Department Directors make changes to verbiage to reflect changes
- Monday, April 4 Completed draft budget document submitted to Town Manager
- April 4 – April 15 Review of draft budget document by Town Manager
- April 18 – April 28 Document revised by Accounting, prepared for copying
- April 29 Council receives copy of draft budget
- Thursday, May 5 Overview of budget and tentative adoption of maximum
- Tuesday, May 17 Budget work study
- May 18, May 25 Publish tentative budget in newspaper
- Thursday, June 2 Adopt final budget
- Thursday, July 7 Adopt tax levy



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**FY2005-06 REVENUE AND EXPENDITURE SUMMARY**

This section provides a broad overview of the resources and expenditures included in the FY05-06 budget. Information is presented for general, special revenue, debt service and capital project funds. General funds, which receive special attention by the citizens, are of particular importance to our residents as they provide for most basic services such as public safety (police and fire), parks, planning and zoning and the community center. Special revenue funds (HURF and grants) are restricted to specific uses. Proposed capital projects are included within the departmental budgets; projects in progress are included in the capital projects funds.

The FY05-06 budgeted revenues total \$28,476,296; the general fund portion of \$15,856,164 is approximately 55% of the total. Special revenue funds such as Highway User Revenue, Proposition 202, Local Transportation and other grants represent another 19% of the budget. Debt service and capital project funds represent the remaining 7% and 18%, respectively, of the total budget.

**ALL FUNDS REVENUE SUMMARY**

Source of Revenues	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$14,088,326</b>	<b>\$13,370,240</b>	<b>\$13,643,823</b>	<b>\$14,209,907</b>	<b>\$14,854,127</b>	<b>\$15,856,164</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$3,373,437</b>	<b>\$3,289,921</b>	<b>\$2,910,234</b>	<b>\$4,434,705</b>	<b>\$3,112,611</b>	<b>\$5,445,654</b>
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$2,605,487</b>	<b>\$2,225,902</b>	<b>\$2,648,360</b>	<b>\$2,471,200</b>	<b>\$2,471,500</b>	<b>\$2,061,650</b>
<b>TOTAL DEVELOPMENT FEES</b>	<b>\$690,724</b>	<b>\$604,658</b>	<b>\$855,641</b>	<b>\$1,199,641</b>	<b>\$1,451,160</b>	<b>\$1,356,876</b>
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>\$13,826,973</b>	<b>\$2,189,660</b>	<b>\$1,121,960</b>	<b>\$5,954,800</b>	<b>\$6,157,196</b>	<b>\$3,746,952</b>
<b>TOTAL ALL FUNDS</b>	<b>\$34,584,947</b>	<b>\$21,680,381</b>	<b>\$21,180,018</b>	<b>\$28,270,253</b>	<b>\$28,046,594</b>	<b>\$28,467,296</b>

The FY05-06 budgeted expenditures total \$26,587,132, which includes transfers; the general fund portion of \$15,756,336 is approximately 59% of the total. Highway User Revenue Fund (streets and highways) represents 9% of the total Town budget, other special revenue funds represent 14% of the budget, debt service is 9% and capital projects that are under construction represent 9% of the total.

Projected expenditures are almost \$2.5 million less than the FY04-05 budget; the decrease is due to completion of several major capital expenditures in FY05. The largest project was phase II of the Civic Center complex, which includes a new municipal building to house law enforcement, municipal court, public works, parks and recreation, and the administrative offices. The Town has been leasing the existing premises at an annual operating cost of approximately \$600,000 in rent and utilities. Town Hall will relocate to the new building around the first of FY05-06, which will result in significant savings to the taxpayers of Fountain Hills. Additionally, the budget provides for \$1.4 million of unanticipated grant funds in the event an opportunity is presented that provides funding for additional capital or one-time expenditures.

The table below provides a comparison of the FY05-06 budget to the FY04-05 adopted budget. Actual expenditures for the 03-04 fiscal year are also included.



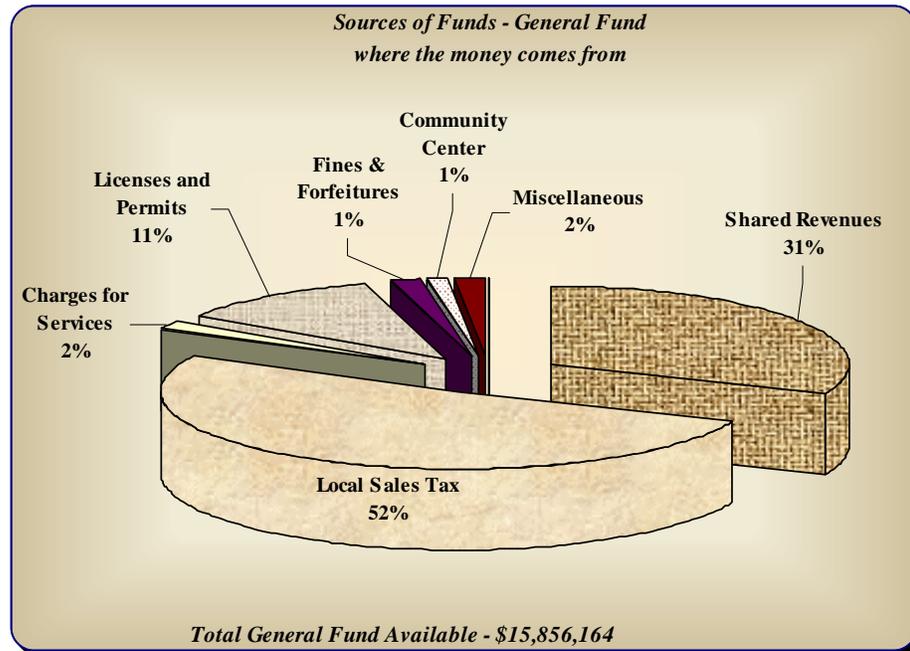
**ALL FUNDS EXPENDITURE SUMMARY**

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>TOTAL GENERAL FUND</b>	<b>\$15,062,061</b>	<b>\$11,680,585</b>	<b>\$11,310,262</b>	<b>\$13,887,023</b>	<b>\$12,262,179</b>	<b>\$15,756,336</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$2,636,353</b>	<b>\$1,940,188</b>	<b>\$2,218,760</b>	<b>\$4,985,006</b>	<b>\$2,991,429</b>	<b>\$6,003,312</b>
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$2,132,503</b>	<b>\$2,411,280</b>	<b>\$2,379,634</b>	<b>\$2,417,700</b>	<b>\$2,373,330</b>	<b>\$2,239,950</b>
<b>TOTAL DEVELOPMENT FEES</b>	<b>\$266,454</b>	<b>\$21,105</b>	<b>\$214,199</b>	<b>\$1,281,123</b>	<b>\$1,235,123</b>	<b>\$1,290,035</b>
<b>CAPITAL PROJECTS FUND</b>						
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>\$13,750,000</b>	<b>\$362,500</b>	<b>\$565,590</b>	<b>\$6,511,170</b>	<b>\$6,303,670</b>	<b>\$1,297,500</b>
<b>TOTAL ALL FUNDS</b>	<b>\$33,847,371</b>	<b>\$16,415,657</b>	<b>\$16,688,445</b>	<b>\$29,082,021</b>	<b>\$25,165,731</b>	<b>\$26,587,132</b>

**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, license and permit fees, and charges for services provide resources to fund programs and services delivered by the Town. In the aftermath of an economic downturn, the revenues forecasted in this proposed budget reflect a guarded optimism, tempered by the reality that the local, state and national economies are complex and uncertain. The proposed budget is based on projections that are conservative and based on the expectation that the local and national economy will continue at a normal pace.

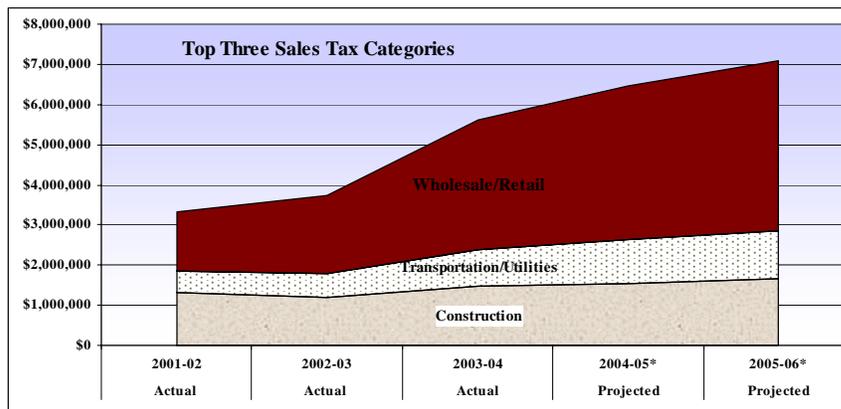
Total General Fund revenues are expected to increase about 6% over FY04-05 actual revenues, providing \$15,856,164 in FY05-06 compared to \$14,854,127 in FY04-05. Charts and descriptions of the major revenue sources with a ten-year history for the Town of Fountain Hills are shown in the budget summary section.





As the previous chart shows, the Town’s general fund resources rely heavily upon sales tax and state shared revenues (83% of total revenue), much the same as many other cities and towns in Arizona. These sources of revenue are not controlled by the Town and are therefore subject to upward and downward cycles of the economy as well as annual legislative appropriations. Additionally, these revenues are distributed to cities and towns based on each municipalities portion of the population compared to the entire state. As other municipalities that have abundant available land for development continue to grow in population the cities and towns that have fixed borders will represent a smaller percentage of the total, that is, Fountain Hills could lose a proportionate share of state revenues. The Town will focus efforts on alternative revenue options that will diversify resources and provide a more financially stable future to facilitate the multi-year and capital improvement planning. For fiscal year 2005-2006, state shared revenues in the General Fund are projected to increase by \$404,759, or 8.8 %, from the fiscal year 2004-2005 estimate of \$4,570,400, primarily from state sales tax and income tax.

The largest source of revenue for the general fund is the undesignated portion of the local sales tax (\$7.9M at 2.2%) and is projected to increase 9.4% over fiscal year 2004-2005. The chart on



the left presents the top three sales tax categories, a majority in the retail activity. (The dedicated portion (0.4%) of the tax rate is restricted to non-general fund activities, specifically debt service payments for mountain bond and Civic Center Phase II bonds.) Of

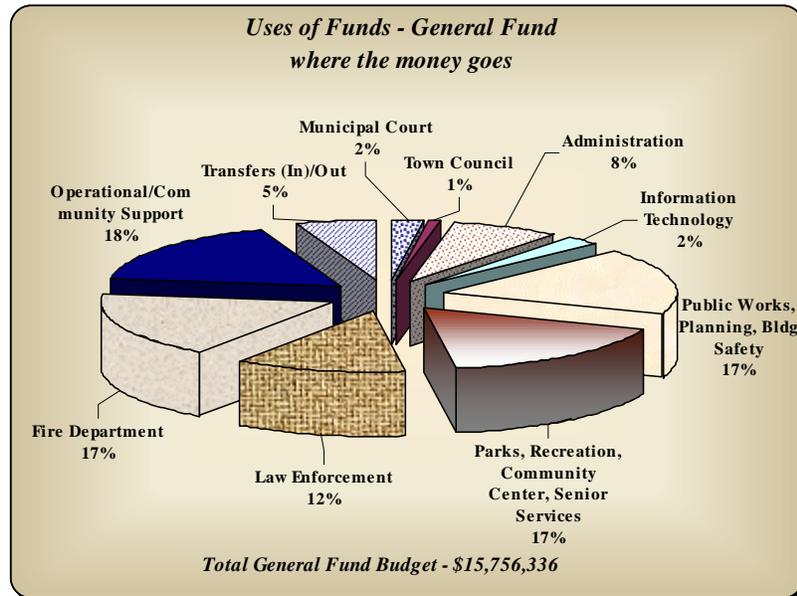
the approximately \$8 million in local sales tax 44% is derived from retail sales activity. Another major component of local sales tax collections has historically been due to construction related activity (\$1.8 million), although residential construction permit activity in Fountain Hills is projected to begin declining over the next few years as the Town approaches build-out. Projections for FY05-06 reflect the increased value of the large custom homes on the remaining lots, leading to higher than expected building permit and sales tax revenue.

The proposed general fund expenditures for FY05-06 are \$15,756,336. The largest increase is within the Community Center and due to the debt payment for the building included in the General Fund for the first time. The general fund includes thirteen (13) divisional budgets, an increase of two over prior fiscal years. A new organizational unit, “Operational and Community Support”, now accounts for expenditures previously included within the Administration department (non-departmental and overhead expenditures such as rent, utilities, liability insurance, legal and professional fees, tax rebates, etc.). The Administration department budget retains Town Manager, Town Clerk, Finance, and Human Resource functions. Another new division is the Senior Services, a new service of the Town government that had previously been provided by a non profit organization in Fountain Hills.



**Salaries and Benefits**

Most Town employees' salaries and benefits are funded through the general fund (the exceptions are Street division and Downtown Development staff who are funded with restricted revenues). Salaries include wages, overtime, vacation and merit pay. An allowance of 4.5% is available for pay for performance merit increases. Employee benefits include health insurance, employer taxes, disability and worker compensation insurance, and employer match retirement contributions.



Vision insurance for employees has been reinstated in this budget at the request of the employee services committee. The total salaries and benefits proposed for fiscal year 2005-2006 is \$4.9 million, or 18.3% of the budget. There are only two full time positions being recommended; the following are the proposed increases in staff and associated costs that are included within the FY05-06 budget:

**Half Time Requests**

<u>Position</u>	<u>Request</u>	<u>Departmental Budget</u>	<u>Budgetary Impact</u>
Recreation Interns (2)	new hire (PT)	Recreation	\$14,150
Intern (part time)	new hire	Administration	\$10,900
Planning Technician	new hire (PT)	Planning & Zoning	\$18,500
Court Clerk	part-time	Municipal Court	\$15,067
Administrative Clerk	reclass to FT	Administration	\$26,000
Operations Worker	reclass to FT	Community Center	\$15,300

**Full-Time Requests**

Public Information Officer/ Grant Writer*	new hire	Administration	\$65,200
Park Operations Lead	new hire	Four Peaks Park	\$47,900

\*reclassified to Assistant Town Manager/Public Information Officer by the Town Council during the budget hearings. If approved, authorized positions will increase from 77 to 81.5 but still 30% less than the FY01-02 level of 115 FTE's.

**Contractual Services**

The Town contracts with outside professionals for recreational programs, consulting and legal fees, outside auditing services, engineering/inspection fees, and contributions to special programs. Two major contracts included in this category are: 1) Police protection (Maricopa County Sheriff's Office at \$1,835,044) and 2) Fire protection and emergency medical services (\$2,615,988), currently under contract with Rural Metro Corporation.



Contractual services also include contributions that the Town makes to social and community benefit programs based on requests from the organizations. Total funding proposed for FY05-06 is \$335,000 and is described in the Operational and Community Support budget.

### **Repairs and Maintenance**

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

### **Supplies and Services**

Supplies and services include operational costs such as rent, electricity, utilities, insurance, etc. for Town Hall and other Town-owned buildings. The Town owns the Kiwanis building, two fire stations, the Library/Museum, the Community Center, a vehicle maintenance garage, and the Community Theater building. The Town leases three buildings to house Town Hall, Municipal Court, and Building Safety. Other items in this category are office supplies, gas and oil, postage, travel, and communications.

**Training Program:** It is often mentioned during exit interviews that potential for career growth with the Town is poor because of inadequate training dollars. Lack of proper training can lead to turnover. We are implementing a Succession Plan this year, which will provide opportunities for employees to have career growth within the Town, but it will also necessitate more training dollars to be successful for both the employee and the Town.

Employee training has always been important; however, in reviewing past year's budgets it becomes evident that, due to tight fiscal times, training dollars have not been sufficient enough to allow the necessary continuing education for our employees. For example, the Insurance Service Organization (ISO) Report that grades our building department affects insurance rates. This report states the amount of expenditures for training needs to equal at least 2% of the annual operating budget for all building-department-related activities. The Town's score in this area was 3.92 points out of a possible maximum 13.30 points. We need to do better. Insurers can use this grading to grant premium credits for buildings constructed under strictly enforced codes. Communities with good enforcement can expect commensurate reductions in property-insurance rates. In the budget, Building Safety training will equal 2% of the total division budget.

When Council members are elected into office, they bring with them totally different ideas and procedures. Without Council training, the Town would have seven members trying to accomplish the same task in seven different ways. That is a good definition of chaos. There is a need for conformity and compliance with regulations that training provides. This year's budget reflects \$15,000 for Council training. This figure includes the Council Retreat, National League of Cities Conference, as well as funding for Council members to attend various workshops, seminars, MAG, legislative events, town halls, etc.

The need for proper training is never ending. The Town must have a training program that refreshes the knowledge of previous training – it is ongoing. A proper training program builds better communication skills, develops hidden talent, ensures consistent quality, provides greater focus and produces more effective/productive efforts. It should ensure that each employee's



training is focused on what that employee needs to know to do his or her job and advance on their career path.

Training is a small investment with an outstanding return. Consequently, you will see .058% of the total 2005-06 general fund budget for training. In comparison, last budget year .054% was budgeted, and in 2003-04, .042% was budgeted.

## Capital Projects

Proposed capital projects are described in the Capital Improvement Budget:

- Civic Center Phase II project (Town-owned municipal building)
- Eagles Nest trailhead restroom construction
- Adero Canyon trailhead design
- Replacement of street sweeper to satisfy County dust control recommendation
- Desert Vista Neighborhood Park improvements including the skate park, enhanced parking, perimeter sidewalks
- Four Peaks Neighborhood Park improvements
- Public access modifications for citizens with disabilities
- Traffic signal at Saguaro and El Lago Boulevards
- Approximately \$1M in major road improvements

## Special Revenue Funds

In addition to the general fund, Fountain Hills maintains several other funds that are established for specific purposes. Within the special revenue funds is the Highway Users Revenue Fund (HURF), the resources of which are restricted for street and highway purposes (cost of right-of-way acquisition, construction, reconstruction, maintenance, repairs, roadside development of town roads, and payment of the interest and principal on highway and street bonds). Another HURF revenue source is the Local Transportation Assistance Fund (LTAF), which is generated by the State lottery and restricted for street and transportation purposes.

Within the special revenue fund is the excise tax special revenue, which accounts for revenue received as the dedicated portion of the local sales tax (0.4%). The tax collections are deposited to this fund for mountain bonds (0.2%), Civic Center phase II bonds (0.1%), and downtown development (0.1%) purposes as determined by the Council.

Grants are utilized whenever possible to supplement the Town's general fund and are designated for the specific purchases for which they are awarded. This budget includes an appropriation for the possibility for grants that may be awarded in fiscal year 2005-2006, as follows:

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

Federal Emergency Management Agency (FEMA) – If awarded, this federal grant would pay for repairs to sections of Town roads that sustained damage from the past winter flooding.

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



**Debt Service Funds**

Total debt service revenues for fiscal year 2005-2006 is \$3,527,829 including secondary property taxes for voter approved bonds, transfers from Highway User Revenue Fund to pay for road improvements, and excise taxes to pay for Municipal Property Corporation (MPC) debt (mountain bonds and Civic Center phase II).

**Capital Project Funds**

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

<u>Project Name</u>	<u>Estimated Cost</u>	<u>Development Fee Account</u>
Adero Canyon and Eagles Nest Trails	\$129,800	Open Space
Desert Vista Phase III	\$425,500	Parks & Recreation
Fountain Park Ramadas	\$138,200	Parks & Recreation
Veterans Memorial	\$40,000	Parks & Recreation
Civic Center Phase II	\$16,848	Law Enforcement
Civic Center Phase II	\$244,687	General Government
Street Improvements	<u>\$295,000</u>	Streets
TOTAL	\$1,290,035	

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

**Transfers**

The FY05-06 budget includes a transfer of \$861,344, which includes \$500,000 to the street fund and \$361,344 to the capital projects fund to furnish the new Town Hall. Additionally, the residual revenues over expenditures from FY04-05 will be transferred to the capital projects fund for appropriation in future years when construction revenue declines.

**Reserves**

In May 2003, the Town Council adopted a formal fund balance policy appropriating funds as designated reserves for future capital expenditures, a contingency fund for unanticipated expenditures and/or revenue shortfalls, and an undesignated reserve fund. An important component of the reserve funds is an amount set aside that is not available for appropriation but will be maintained at a level that will satisfy the public and financial community regarding the fiscal stability of the Town, referred to as undesignated reserves. This proposed budget exceeds the policy requirement with a projected general fund balance for June 30, 2006 at \$6.4 million (the Town’s historic high), providing \$2.6M to be transferred to the Capital Projects Fund. A



contingency amount of \$75,000 is included in non-departmental for minor unforeseen expenditures.



**All Funds Revenue Summary**

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>Source of Revenues</b>						
<b>GENERAL FUND</b>						
<b>Intergovernmental</b>						
State Sales Tax	\$1,559,318	\$1,582,535	\$1,702,374	\$1,747,300	\$1,795,000	\$1,914,315
Fire Insurance Premium Tax	\$0	\$207,244	\$143,396	\$88,000	\$88,000	\$92,400
Shared Income Tax	\$2,110,536	\$2,153,635	\$1,824,577	\$1,862,500	\$1,862,500	\$2,126,144
Vehicle License Tax	\$667,570	\$797,344	\$819,497	\$824,900	\$824,900	\$842,300
<b>Total Intergovernmental</b>	<b>\$4,337,424</b>	<b>\$4,740,758</b>	<b>\$4,489,845</b>	<b>\$4,522,700</b>	<b>\$4,570,400</b>	<b>\$4,975,159</b>
<b>Taxes</b>						
Property Tax	\$1,355,318	\$0	(\$2,108)	\$0	\$0	\$0
Local Sales Tax	\$4,355,701	\$5,051,871	\$6,543,988	\$7,249,767	\$7,249,767	\$7,932,000
Franchise Tax	\$130,694	\$152,542	\$126,362	\$150,000	\$125,000	\$160,000
<b>Total Taxes</b>	<b>\$5,841,713</b>	<b>\$5,204,413</b>	<b>\$6,668,242</b>	<b>\$7,399,767</b>	<b>\$7,374,767</b>	<b>\$8,092,000</b>
<b>Charges for Services</b>						
Parks & Rec User Fees	\$175,376	\$146,734	\$146,334	\$181,800	\$161,550	\$193,000
Senior Services Fees	\$0	\$0	\$0	\$0	\$0	\$104,050
Encroachment Permit Fee	\$185,431	\$107,267	\$68,359	\$50,000	\$70,000	\$25,000
Subdivision Fees	\$36,854	\$28,378	\$21,415	\$15,000	\$19,500	\$21,400
<b>Total Charges for Services</b>	<b>\$397,661</b>	<b>\$282,379</b>	<b>\$236,109</b>	<b>\$246,800</b>	<b>\$251,050</b>	<b>\$343,450</b>
<b>Licenses and Permits</b>						
Animal License Fees	\$24,779	\$25,335	\$32,547	\$34,500	\$33,000	\$32,675
Business License Fees	\$87,394	\$99,004	\$103,372	\$95,540	\$114,000	\$111,040
Building Permit Fees	\$997,239	\$1,007,036	\$1,343,551	\$1,197,500	\$1,750,000	\$1,564,000
Rezoning/Variance Fees	\$27,327	\$32,560	\$25,773	\$15,850	\$66,000	\$21,450
Improvement Plan Review Fee	\$29,040	\$37,545	\$21,353	\$15,000	\$30,000	\$21,000
<b>Total Licenses and Permits</b>	<b>\$1,165,779</b>	<b>\$1,201,480</b>	<b>\$1,526,596</b>	<b>\$1,358,390</b>	<b>\$1,993,000</b>	<b>\$1,750,165</b>
<b>Fines and Forfeitures</b>						
Court Fines	\$256,774	\$195,091	\$192,158	\$234,250	\$221,790	\$236,240
JCEF/CCEF Revenue	\$8,831	\$0	\$583	\$0	\$0	\$0
<b>Total Fines and Forfeitures</b>	<b>\$265,605</b>	<b>\$195,091</b>	<b>\$192,741</b>	<b>\$234,250</b>	<b>\$221,790</b>	<b>\$236,240</b>
<b>Community Center</b>						
Rental Fees	\$71,057	\$132,003	\$179,248	\$179,300	\$146,927	\$161,527
Bar Sales/Commission	\$41,290	\$61,027	\$39,091	\$55,700	\$28,193	\$52,148
<b>Total Community Center</b>	<b>\$112,347</b>	<b>\$193,030</b>	<b>\$218,339</b>	<b>\$235,000</b>	<b>\$175,120</b>	<b>\$213,675</b>
<b>Miscellaneous</b>						
Leases	\$36,556	\$56,741	\$63,456	\$63,000	\$63,000	\$65,475
Donations	\$12,760	\$10,000	\$0	\$0	\$0	\$0
Interest on Investments	\$188,681	(\$53,214)	\$73,005	\$100,000	\$125,000	\$130,000
Miscellaneous	\$1,729,801	\$147,262	\$175,490	\$50,000	\$80,000	\$50,000
<b>Total Miscellaneous</b>	<b>\$1,967,798</b>	<b>\$160,789</b>	<b>\$311,951</b>	<b>\$213,000</b>	<b>\$268,000</b>	<b>\$245,475</b>
Transfer from County	\$0	\$0				\$0
Transfer from Development Fees	\$0	\$137,300				\$0
Transfer from MPC (BNY)	\$0	\$1,255,000				\$0
<b>TOTAL GENERAL FUND REVENUE:</b>	<b>\$14,088,326</b>	<b>\$13,370,240</b>	<b>\$13,643,823</b>	<b>\$14,209,907</b>	<b>\$14,854,127</b>	<b>\$15,856,164</b>



### All Funds Revenue Summary – continued

	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>Source of Revenues</b>						
<b>SPECIAL REVENUE FUNDS</b>						
<b>Highway Users Revenue Funds</b>						
Local Transportation (LTAF)	\$114,861	\$115,691	\$115,339	\$113,700	\$113,700	\$113,700
Highway Users	\$1,254,817	\$1,310,997	\$1,400,448	\$1,390,900	\$1,460,500	\$1,598,850
In Lieu Payments	\$7,648	\$298	\$3,701	\$1,500	\$6,500	\$4,500
Interest	\$37,422	\$31,775	\$28,597	\$19,000	\$5,000	\$8,000
Miscellaneous	\$0	\$7,410	\$0	\$1,000	\$35,000	\$1,000
Transfers	\$588,079	\$0	\$0	\$0	\$0	\$500,000
<b>Total Highway Users Revenue Fund</b>	<b>\$2,002,827</b>	<b>\$1,466,170</b>	<b>\$1,548,085</b>	<b>\$1,526,100</b>	<b>\$1,620,700</b>	<b>\$2,226,050</b>
<b>Excise Tax Special Revenue</b>						
Mountain Bonds	\$804,959	\$1,084,814	\$909,846	\$666,570	\$681,070	\$745,089
Civic Center MPC	\$0	\$0	\$0	\$350,000	\$350,000	\$360,545
Downtown Development	\$271,065	\$358,978	\$297,414	\$329,535	\$329,535	\$360,545
<b>Total Excise Tax Special Revenue</b>	<b>\$1,076,024</b>	<b>\$1,443,792</b>	<b>\$1,207,260</b>	<b>\$1,346,105</b>	<b>\$1,360,605</b>	<b>\$1,466,179</b>
<b>Court Special Revenue</b>						
Court Enhancement Fund	\$0	\$118,747	\$51,288	\$70,000	\$23,300	\$23,300
<b>Total Court Special Revenue</b>	<b>\$0</b>	<b>\$118,747</b>	<b>\$51,288</b>	<b>\$70,000</b>	<b>\$23,300</b>	<b>\$23,300</b>
<b>Community Center FF&amp;E</b>						
Donations	\$174,000	\$117,200	\$0	\$0	\$0	\$0
<b>Total Community Center FF&amp;E</b>	<b>\$174,000</b>	<b>\$117,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grants</b>						
FEMA		\$84,769	\$0	\$67,500	\$0	\$50,000
AZ Dept of Transportation		\$0	\$0	\$0	\$0	\$175,000
Proposition 202		\$0	\$75,000	\$50,000	\$55,000	\$0
LTAF II			\$28,601	\$0	\$53,006	\$68,125
Miscellaneous Grants	\$120,586	\$59,244	\$0	\$1,375,000	\$0	\$1,437,000
<b>Total Grants</b>	<b>\$120,586</b>	<b>\$144,013</b>	<b>\$103,601</b>	<b>\$1,492,500</b>	<b>\$108,006</b>	<b>\$1,730,125</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$3,373,437</b>	<b>\$3,289,921</b>	<b>\$2,910,234</b>	<b>\$4,434,705</b>	<b>\$3,112,611</b>	<b>\$5,445,654</b>
<b>DEBT SERVICE FUNDS</b>						
<b>General Obligation Bonds</b>						
Secondary Property Tax	\$1,341,025	\$1,447,580	\$1,564,923	\$1,450,000	\$1,450,000	\$1,150,000
Interest	\$953	\$179	\$0	\$1,000	\$1,300	\$1,400
<b>Total General Obligation Bonds</b>	<b>\$1,341,978</b>	<b>\$1,447,759</b>	<b>\$1,564,923</b>	<b>\$1,451,000</b>	<b>\$1,451,300</b>	<b>\$1,151,400</b>
HURF Street Paving Transfers	\$135,861	\$126,000	\$124,417	\$124,000	\$124,000	\$110,500
Eagle Mountain CFD	\$715,494	\$262,641	\$577,585	\$513,000	\$513,000	\$405,600
Community Center MPC	\$407,634	\$385,022	\$377,813	\$375,500	\$375,500	\$387,000
Cottonwoods Maintenance District	\$0	\$0	\$0	\$3,200	\$3,200	\$3,300
Cottonwoods Improvement District	\$4,520	\$4,480	\$3,622	\$4,500	\$4,500	\$3,850
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$2,605,487</b>	<b>\$2,225,902</b>	<b>\$2,648,360</b>	<b>\$2,471,200</b>	<b>\$2,471,500</b>	<b>\$2,061,650</b>
<b>DEVELOPMENT FEES</b>						
Law Enforcement Development Fees	\$10,843	\$6,573	\$9,814	\$11,742	\$16,600	\$12,082
Street Department Development Fees	\$144,761	\$96,705	\$139,990	\$154,475	\$199,500	\$260,740
Parks & Recreation Development Fees	\$176,759	\$192,463	\$268,018	\$410,480	\$474,060	\$425,880
Open Space Development Fees	\$198,023	\$212,684	\$296,402	\$456,948	\$527,400	\$482,608
General Government Development Fees	\$160,338	\$96,234	\$141,417	\$165,996	\$233,600	\$175,566
<b>TOTAL DEVELOPMENT FEES</b>	<b>\$690,724</b>	<b>\$604,658</b>	<b>\$855,641</b>	<b>\$1,199,641</b>	<b>\$1,451,160</b>	<b>\$1,356,876</b>
<b>CAPITAL PROJECTS FUND</b>						
Miscellaneous		\$0	\$21,700		\$30,000	\$25,000
Local SIs Tax - CIP		\$0	\$120,340	\$528,225	\$528,225	\$528,225
Community Center MPC		\$0		\$0	\$0	\$0
Civic Center Phase II Bonds		\$0	\$0	\$3,500,000	\$3,783,896	\$0
LWCF Proceeds		\$0	\$0	\$237,300	\$237,300	\$0
Transfers	\$13,826,973	\$2,189,660	\$979,920	\$1,371,775	\$1,577,775	\$3,193,727
Mountain Bonds		\$0	\$0	\$0	\$0	\$0
Library Museum			-	\$0	\$0	\$0
Developer Contributions			-	\$317,500	\$0	\$0
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>\$13,826,973</b>	<b>\$2,189,660</b>	<b>\$1,121,960</b>	<b>\$5,954,800</b>	<b>\$6,157,196</b>	<b>\$3,746,952</b>
<b>TOTAL ALL FUNDS</b>	<b>\$34,584,947</b>	<b>\$21,680,381</b>	<b>\$21,180,018</b>	<b>\$28,270,253</b>	<b>\$28,046,594</b>	<b>\$28,467,296</b>



## All Funds Expenditures

Fund/Department	FY 2001-2002 Actual	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>GENERAL FUND</b>						
Community Center	\$1,023,873	\$570,926	\$383,579	\$435,997	\$437,196	\$871,824
Municipal Court	\$337,469	\$278,915	\$296,272	\$340,850	\$329,953	\$362,275
Town Council	\$102,491	\$66,272	\$77,106	\$60,010	\$55,885	\$110,663
Administration	\$1,378,657	\$1,378,657	\$845,142	\$1,241,885	\$1,000,244	\$1,209,308
Information Technology	\$213,318	\$119,130	\$137,225	\$166,231	\$153,276	\$361,455
Planning & Zoning	\$347,581	\$272,798	\$212,541	\$398,480	\$375,467	\$742,240
Building Safety	\$524,116	\$379,879	\$548,472	\$494,930	\$504,765	\$652,845
Public Works	\$1,181,919	\$942,589	\$932,423	\$1,193,235	\$1,149,929	\$1,361,804
Recreation	\$740,576	\$620,751	\$462,726	\$534,745	\$504,198	\$597,714
Parks	\$812,452	\$719,690	\$633,717	\$767,095	\$761,797	\$1,071,960
Senior Services	\$0	\$0	\$0	\$0	\$0	\$174,400
Law Enforcement	\$2,607,125	\$2,440,402	\$1,708,052	\$1,796,670	\$1,796,186	\$1,903,894
Fire Department	\$1,819,291	\$2,324,935	\$2,342,412	\$2,481,751	\$2,473,731	\$2,698,593
Operational&Community Support	\$1,552,170	\$1,684,296	\$1,809,642	\$2,984,392	\$1,728,800	\$2,701,017
Contingency	\$1,346,023	\$29,539	\$10,704	\$50,000	\$50,000	\$75,000
Transfers (In)/Out to CIP	\$1,075,000	(\$152,375)	\$910,250	\$940,752	\$940,752	\$861,344
<b>TOTAL GENERAL FUND</b>	<b>\$15,062,061</b>	<b>\$11,680,585</b>	<b>\$11,310,262</b>	<b>\$13,887,023</b>	<b>\$12,262,179</b>	<b>\$15,756,336</b>
<b>SPECIAL REVENUE FUNDS</b>						
Highway Users	\$2,011,832	\$1,278,353	\$1,400,343	\$1,700,962	\$1,593,906	\$2,387,403
AZ Commission on the Arts	\$2,500	\$2,500	\$2,500	\$0	\$0	\$0
FEMA Grant	\$0	\$0	\$0	\$75,000	\$0	\$50,000
ADOT Grant	\$0	\$0	\$0	\$0	\$0	\$175,000
Community Center FF&E	\$51,706	\$51,924	\$28,634	\$180,770	\$15,000	\$40,000
Court Special Revenue (CCEF)	\$0	\$0	\$0	\$100,000	\$60,000	\$30,000
Proposition 202	\$0	\$0	\$65,320	\$50,000	\$64,692	\$0
LTAFF II - RPTA	\$0	\$0	\$28,601	\$0	\$53,006	\$68,125
Miscellaneous Grants	\$0	\$0	\$0	\$1,375,000	\$0	\$1,437,000
<b>Total Special Revenue</b>	<b>\$2,066,038</b>	<b>\$1,332,777</b>	<b>\$1,525,398</b>	<b>\$3,481,732</b>	<b>\$1,786,604</b>	<b>\$4,187,528</b>
<b>Excise Tax Special Revenue</b>						
Mountain Bonds	\$520,315	\$607,411	\$637,061	\$617,532	\$617,532	\$645,102
MPC - Civic Center Phase II	\$0	\$0	\$0	\$350,000	\$255,480	\$270,000
Downtown Development	\$50,000	\$0	\$56,302	\$535,742	\$331,813	\$900,681
<b>Total Excise Tax Special Revenue</b>	<b>\$570,315</b>	<b>\$607,411</b>	<b>\$693,363</b>	<b>\$1,503,274</b>	<b>\$1,204,825</b>	<b>\$1,815,783</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>\$2,636,353</b>	<b>\$1,940,188</b>	<b>\$2,218,760</b>	<b>\$4,985,006</b>	<b>\$2,991,429</b>	<b>\$6,003,312</b>
<b>DEBT SERVICE FUNDS</b>						
<b>General Obligation Bonds</b>						
Bond Payment - GO	\$338,220	\$349,690	\$359,239	\$355,000	\$355,000	\$360,000
Bond Payment - Lakeside	\$142,000	\$137,500	\$132,250	\$132,500	\$132,500	\$125,000
Bond Payment - Library/Museum	\$397,075	\$382,975	\$368,425	\$390,000	\$390,000	\$399,000
Bond Payment - Mtn Preserve GO	\$402,000	\$513,200	\$500,400	\$520,000	\$520,000	\$499,000
<b>Total General Obligation Bonds</b>	<b>\$1,279,295</b>	<b>\$1,383,365</b>	<b>\$1,360,314</b>	<b>\$1,397,500</b>	<b>\$1,397,500</b>	<b>\$1,383,000</b>



**All Funds Expenditures – continued**

<b>Fund/Department</b>	<b>FY 2001-2002 Actual</b>	<b>FY 2002-2003 Actual</b>	<b>FY 2003-2004 Actual</b>	<b>FY 2004-2005 Budget</b>	<b>FY 2004-2005 Estimate</b>	<b>FY 2005-2006 Proposed</b>
<b>Special Districts/MPC Debt Service:</b>						
Bond Payment - HURF	\$135,861	\$126,223	\$122,533	\$124,000	\$124,000	\$110,500
Bond Payment - Cottonwoods ID.	\$3,821	\$4,245	\$4,160	\$4,500	\$4,500	\$3,850
MPC - Community Center	\$392,000	\$385,022	\$377,813	\$375,500	\$375,500	\$387,000
Eagle Mountain CFD	\$321,526	\$512,425	\$514,814	\$513,000	\$471,830	\$355,600
<b>Total Special District Debt Service</b>	<b>\$853,208</b>	<b>\$1,027,915</b>	<b>\$1,019,320</b>	<b>\$1,020,200</b>	<b>\$975,830</b>	<b>\$856,950</b>
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>\$2,132,503</b>	<b>\$2,411,280</b>	<b>\$2,379,634</b>	<b>\$2,417,700</b>	<b>\$2,373,330</b>	<b>\$2,239,950</b>
<b>DEVELOPMENT FEES</b>						
Law Enforcement Development Fees	\$0	\$0	\$0	\$40,068	\$40,068	\$16,848
Street Department Development Fees	\$0	\$7,000	\$201,150	\$365,000	\$319,000	\$295,000
Parks & Recreation Development Fees	\$80,954	\$0	\$0	\$356,000	\$356,000	\$603,700
Open Space Development Fees	\$0	\$14,105	\$13,049	\$129,100	\$129,100	\$129,800
General Government Development Fees	\$185,500	\$0	\$0	\$390,955	\$390,955	\$244,687
<b>TOTAL DEVELOPMENT FEES</b>	<b>\$266,454</b>	<b>\$21,105</b>	<b>\$214,199</b>	<b>\$1,281,123</b>	<b>\$1,235,123</b>	<b>\$1,290,035</b>
<b>CAPITAL PROJECTS FUND</b>						
Civic Center Phase II	\$0	\$362,500	\$520,590	\$5,421,700	\$5,402,000	\$956,500
Parks & Recreation		\$0	\$45,000	\$771,970	\$901,670	\$206,000
Streets		\$0	\$0	\$0	\$0	\$135,000
Capital Contingency	\$13,750,000	\$0	\$0	\$317,500	\$0	\$0
<b>TOTAL CAPITAL PROJECTS FUND</b>	<b>\$13,750,000</b>	<b>\$362,500</b>	<b>\$565,590</b>	<b>\$6,511,170</b>	<b>\$6,303,670</b>	<b>\$1,297,500</b>
<b>TOTAL ALL FUNDS</b>	<b>\$33,847,371</b>	<b>\$16,415,657</b>	<b>\$16,688,445</b>	<b>\$29,082,021</b>	<b>\$25,165,731</b>	<b>\$26,587,132</b>



**Budgeted Expenditure by Account Code – All Funds**

	Gen Fund	Special Revenue	Development	Debt	Capital	TOTAL	% of
	TOTALS	Funds	Fees	Service	Projects	ALL FUNDS	Total
5200 Wages	\$3,312,173	\$39,375	\$0			\$3,807,785	14.3%
5201 FICA	\$75,503	\$580	\$0			\$82,783	0.3%
5202 Unemployment Insurance	\$5,763	\$49	\$0			\$6,536	0.0%
5203 Employee's Health Insurance	\$357,193	\$3,548	\$0			\$426,975	1.6%
5204 Employee's Life Insurance	\$10,122	\$142	\$0			\$11,810	0.0%
5205 Employee's Dental Insurance	\$40,577	\$362	\$0			\$47,743	0.2%
5206 Employee's Eye Insurance	\$2,448	\$23	\$0			\$2,911	0.0%
5207 Worker's Compensation Insurance	\$52,462	\$121	\$0			\$88,981	0.3%
5208 Employee's Retirement Fund	\$319,052	\$4,331	\$0			\$373,570	1.4%
5209 Recruitment Costs	\$0	\$0	\$0			\$0	0.0%
5211 Disability Insurance	\$14,536	\$197	\$0			\$17,014	0.1%
<b>Total Wages &amp; Salaries</b>	<b>\$4,189,827</b>	<b>\$48,729</b>	<b>\$0</b>	<b>\$0</b>		<b>\$4,866,106</b>	<b>18.3%</b>
5901 Accounting Fees	\$15,025	\$0	\$0			\$20,400	0.1%
5902 Professional Fees	\$288,910	\$40,000	\$0			\$338,910	1.3%
5903 Legal Fees	\$352,660	\$0	\$0			\$361,910	1.4%
5906 Jail/Prisoner Fees	\$36,575	\$0	\$0			\$36,575	0.1%
5908 Engineering Fees	\$196,525	\$0	\$0			\$196,525	0.7%
5907 Rabies & Animal Control	\$32,275	\$0	\$0			\$32,275	0.0%
5915 Elections Expense	\$25,000	\$0	\$0			\$25,000	0.1%
5920 Intergovernmental Agreements	\$4,500	\$0	\$0			\$4,500	0.0%
5929 Special Programs - RPTA	\$22,708	\$68,125	\$0			\$90,833	0.3%
5930 Special Programs - Chamber	\$0	\$0	\$0			\$0	0.0%
5932 Special Programs	\$62,754	\$0	\$0			\$62,754	0.2%
5933 Youth And Teens	\$10,940	\$0	\$0			\$10,940	0.0%
5935 Sports Activities	\$52,945	\$0	\$0			\$52,945	0.2%
5936 Spec.Programs-Constituent Comm	\$39,100	\$0	\$0			\$39,100	0.1%
5939 Boys & Girls Club	\$160,000	\$0	\$0			\$160,000	0.6%
5940 Senior	\$83,650	\$0	\$0			\$83,650	0.3%
5941 McDowell Mtn Preservation	\$24,000	\$0	\$0			\$24,000	0.1%
5945 FH Theater	\$50,000	\$0	\$0			\$50,000	0.2%
5947 Tourism	\$125,000	\$0	\$0			\$125,000	0.5%
5950 Sheriff's Contract	\$1,835,044	\$0	\$0			\$1,835,044	6.9%
5955 Rural Metro Contract	\$2,615,988	\$0	\$0			\$2,615,988	9.8%
5980 Sales Tax Rebates	\$877,750	\$51,469	\$0			\$929,219	3.5%
<b>Total Contract Services</b>	<b>\$6,911,349</b>	<b>\$159,594</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,095,568</b>	<b>26.7%</b>
6400 Vehicle Repairs & Maintenance	\$56,980	\$0	\$0			\$90,980	0.3%
6402 Road Repair & Maintenance	\$0	\$50,000	\$0			\$196,150	0.7%
6403 Equipment Rental	\$3,500	\$0	\$0			\$4,000	0.0%
6404 Building Repairs & Maintenance	\$130,650	\$0	\$0			\$134,150	0.5%
6405 Office Equip. Repairs & Maint.	\$108,695	\$0	\$0			\$109,195	0.4%
6406 Major Road Improvements	\$0	\$0	\$0			\$1,142,931	4.3%
6410 Field Preparation/Maintenance	\$112,500	\$0	\$0			\$112,500	0.4%
6415 Mowing/Landscape Maintenance	\$422,710	\$0	\$0			\$422,710	1.6%
6420 DAM/WASH MAINTENANCE	\$166,645	\$0	\$0			\$166,645	0.6%
<b>Total Repairs &amp; Maintenance</b>	<b>\$1,001,680</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,379,261</b>	<b>8.9%</b>



**Budgeted Expenditure by Account Code – All Funds – continued**

	Gen Fund	Special Revenue	Development	Debt	Capital	TOTAL	% of	
	TOTALS	HURF	Funds	Fees	Service	Projects	ALL FUNDS	
							Total	
6501 Advertising/Signage	\$58,000		\$0	\$0			\$58,300	0.2%
6505 Conferences	\$45,340		\$5,075	\$0			\$53,670	0.2%
6507 Continuing Education	\$41,880		\$450	\$0			\$46,085	0.2%
6508 Dues & Publications	\$61,600		\$600	\$0			\$67,375	0.3%
6509 Dues - GPEC	\$0		\$0	\$0			\$0	0.0%
6511 Electricity Expense	\$304,775		\$0	\$0			\$334,775	1.3%
6514 Gas & Oil Expense	\$58,655		\$0	\$0			\$87,585	0.3%
6517 Liability Insurance	\$221,382		\$0	\$0			\$338,382	1.3%
6520 Office Supplies	\$77,405		\$300	\$0			\$79,205	0.3%
6525 Tools, Shop Supplies	\$4,950		\$0	\$0			\$9,950	0.0%
6526 Firefighting Equipment	\$700		\$0	\$0			\$700	0.0%
6529 Postage	\$28,700		\$0	\$0			\$28,700	0.1%
6530 Bar Supplies	\$14,300		\$0	\$0			\$14,300	0.1%
6531 Printing	\$30,600		\$2,000	\$0			\$33,100	0.1%
6534 Rent Expense	\$659,000		\$0	\$0			\$659,000	2.5%
6537 Communication Expense	\$99,974		\$0	\$0			\$105,406	0.4%
6546 Water/Sewer	\$121,300		\$0	\$0			\$124,500	0.5%
6548 Travel Expense	\$6,350		\$660	\$0			\$7,110	0.0%
6549 Uniforms	\$12,385		\$0	\$0			\$20,385	0.1%
6550 Weapons and Ammunition	\$0		\$0	\$0			\$0	0.0%
6560 Bank Charges	\$11,500		\$0	\$0			\$11,500	0.0%
6650 CCEF Expenditures	\$0		\$0	\$0			\$0	0.0%
<b>Total Supplies &amp; Services</b>	<b>\$1,858,796</b>		<b>\$9,085</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,080,028</b>	<b>7.8%</b>
							\$0	
8010 Capital Outlay - Vehicles	\$55,000		\$175,000	\$0			\$265,000	1.0%
8020 Capital Outlay - Furn & Equip.	\$80,000		\$30,000	\$0			\$110,000	0.4%
8025 Capital Outlay - Computers	\$44,500		\$0	\$0			\$44,500	0.2%
8026 Capital Outlay - Software	\$35,540		\$0	\$0			\$35,540	0.1%
8090 Capital Expend. - Improvements	\$256,300		\$830,000	\$1,290,035		\$1,297,500	\$3,673,835	13.8%
<b>Total Capital/Contingency</b>	<b>\$471,340</b>		<b>\$1,035,000</b>	<b>\$1,290,035</b>	<b>\$0</b>	<b>\$1,297,500</b>	<b>\$4,128,875</b>	<b>15.5%</b>
9000 Debt Service	\$0		\$876,500	\$0	\$2,239,950		\$3,226,950	12.1%
9090 Transfers	\$1,248,344		\$0	\$0			\$1,298,344	4.9%
9999 Contingency	\$75,000		\$1,437,000	\$0			\$1,512,000	5.7%
<b>Total Debt/Transfers</b>	<b>\$1,794,684</b>		<b>\$3,348,500</b>	<b>\$1,290,035</b>	<b>\$2,239,950</b>	<b>\$1,297,500</b>	<b>\$10,166,169</b>	<b>38.2%</b>
<b>GRAND TOTAL</b>	<b>\$15,756,336</b>		<b>\$3,615,908</b>	<b>\$1,290,035</b>	<b>\$2,239,950</b>	<b>\$1,297,500</b>	<b>\$26,587,132</b>	<b>100.0%</b>



### General Fund Revenues and Expenditures Summary

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>REVENUES</b>					
3010 State Sales Tax	1,582,535	1,702,374	1,747,300	1,795,000	1,914,315
3015 Fire Insurance Premium Tax	207,244	143,396	88,000	88,000	92,400
3020 State Income Tax	2,153,635	1,824,577	1,862,500	1,862,500	2,126,144
3030 Vehicle License Tax	797,344	819,497	824,900	824,900	842,300
3205 Local Sales Tax	5,051,871	6,543,988	7,249,767	7,249,767	7,932,000
3210 Business License Fees	99,004	103,372	95,540	114,000	111,040
3220 Building Permits	1,007,036	1,343,551	1,197,500	1,750,000	1,564,000
3225 Animal License Fees	25,335	32,547	34,500	33,000	32,675
3230 Court Fines & Fees	195,091	192,158	234,250	221,790	236,240
3240 Rezoning/Variance/Special Use	32,560	25,773	15,850	66,000	21,450
3242 Improvement Plan Review Fee	37,545	21,353	15,000	30,000	21,000
3244 Encroachment Permit Fees	107,267	68,359	50,000	70,000	25,000
3250 Subdivision Fees	28,378	21,415	15,000	19,500	21,400
3260 Franchise Fees	152,542	126,362	150,000	125,000	160,000
3270 Parks & Recreation User Fees	146,734	146,334	181,800	161,550	193,000
3272 Senior Services Fees	0	0	0	0	104,050
3280 Rental	132,003	179,248	179,300	146,927	161,527
3282 Bar Sales/Commission	61,027	39,091	55,700	28,193	52,148
3285 Cellular Lease Payment	56,741	63,456	63,000	63,000	65,475
3290 Interest/Investment Income	(53,214)	73,005	100,000	125,000	130,000
3295 Donations	10,000	0	0	0	0
3299 Miscellaneous	147,262	175,490	50,000	80,000	50,000
<b>TOTAL CURRENT REVENUE</b>	<b>\$11,977,942</b>	<b>\$13,643,823</b>	<b>\$14,209,907</b>	<b>\$14,854,127</b>	<b>\$15,856,164</b>
<b>EXPENDITURES</b>					
020 Mayor and Town Council	66,272	77,106	60,010	55,885	110,663
050 Administration	1,378,657	845,142	1,241,885	1,000,244	1,209,308
050 Information Technology	119,130	137,225	166,231	153,276	361,455
060 Building Safety	379,879	548,472	494,930	504,765	652,845
061 Public Works	942,589	932,423	1,193,235	1,149,929	1,361,804
080 Planning and Zoning	272,798	212,541	398,480	375,467	742,240
081 Recreation	620,751	462,726	534,745	504,198	597,714
081 Parks	719,690	633,717	767,095	761,797	1,071,960
095 Community Center	570,926	383,579	435,997	437,196	871,824
096 Senior Center	0	0	0	0	174,400
090 Law Enforcement	2,440,402	1,708,052	1,796,670	1,796,186	1,903,894
092 Fire Department	2,324,935	2,342,412	2,481,751	2,473,731	2,698,593
040 Municipal Court	278,915	296,272	340,850	329,953	362,275
999 Operational & Community Support	1,684,296	1,809,642	2,984,392	1,728,800	2,701,017
999 Non Departmental	29,539	10,704	50,000	50,000	75,000
9090 Previously Approved Capital Projects	(152,375)	910,250	940,752	940,752	861,344
<b>TOTAL EXPENDITURES</b>	<b>\$11,676,405</b>	<b>\$11,310,262</b>	<b>\$13,887,023</b>	<b>\$12,262,179</b>	<b>\$15,756,336</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>301,537</b>	<b>2,333,561</b>	<b>322,884</b>	<b>2,591,948</b>	<b>99,828</b>
<b>Transfer to CIP</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,570,848)</b>	<b>(\$99,828)</b>
<b>Fund Balance Beginning of Year</b>	<b>\$3,736,325</b>	<b>\$4,037,862</b>	<b>\$5,375,399</b>	<b>\$6,371,423</b>	<b>\$6,392,523</b>
<b>Ending Fund Balance</b>	<b>\$4,037,862</b>	<b>\$6,371,423</b>	<b>\$5,698,283</b>	<b>\$6,392,523</b>	<b>\$6,392,523</b>

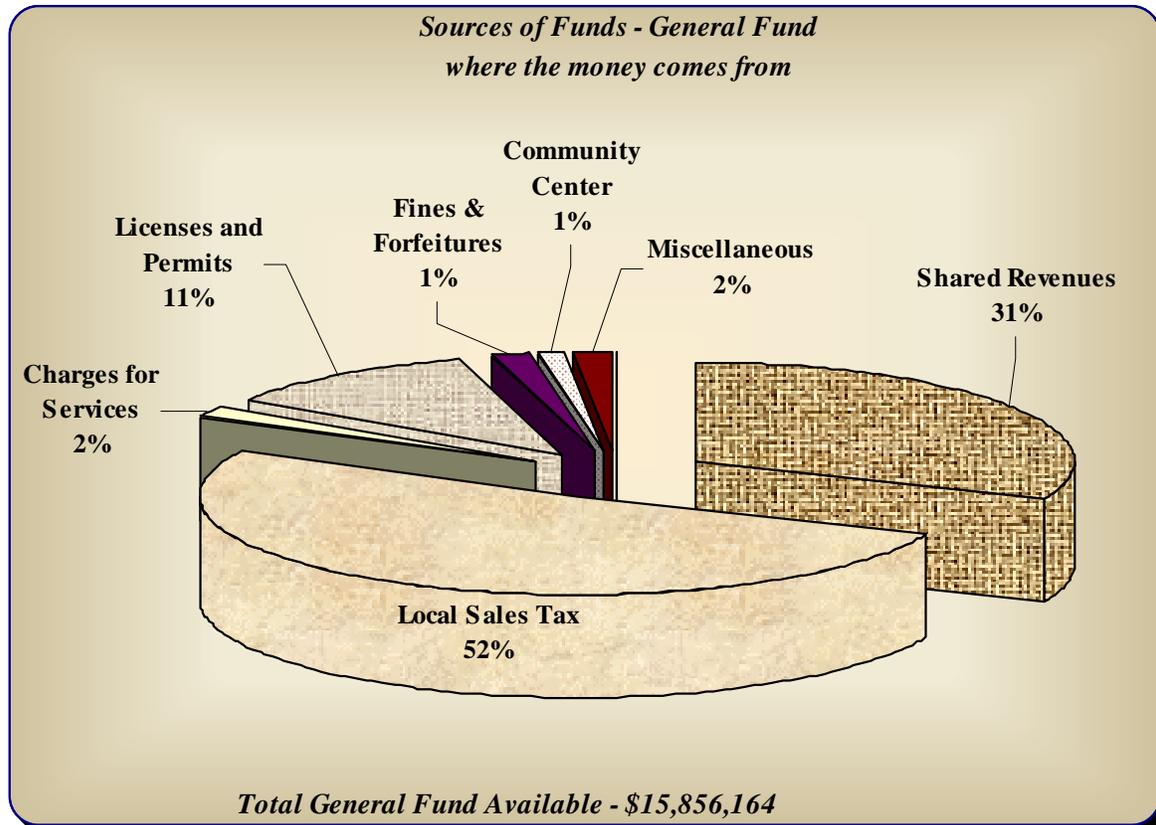


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## General Fund Revenues

General fund operating revenues are estimated at \$15,856,164 for FY05-06. The following charts will summarize operating revenues by major source, as well as provide a ten-year history. The following charts highlight the trends, account codes, restrictions on usage, major influences, and assumptions for the FY05-06 estimate.





### State Shared Sales Tax

Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	1996-97	\$998,459	20.3% <sup>1</sup>
	1997-98	\$1,054,548	5.6%
	1998-99	\$1,130,422	7.2%
	1999-00	\$1,242,559	9.9%
	2000-01	\$1,320,401	6.3%
	2001-02	\$1,559,318	18.1% <sup>1</sup>
	2002-03	\$1,582,535	1.5%
	2003-04	\$1,702,374	7.6%
	2004-05 (est.)	\$1,795,000	5.4%
	2005-06 (est.)	\$1,914,315	6.6%

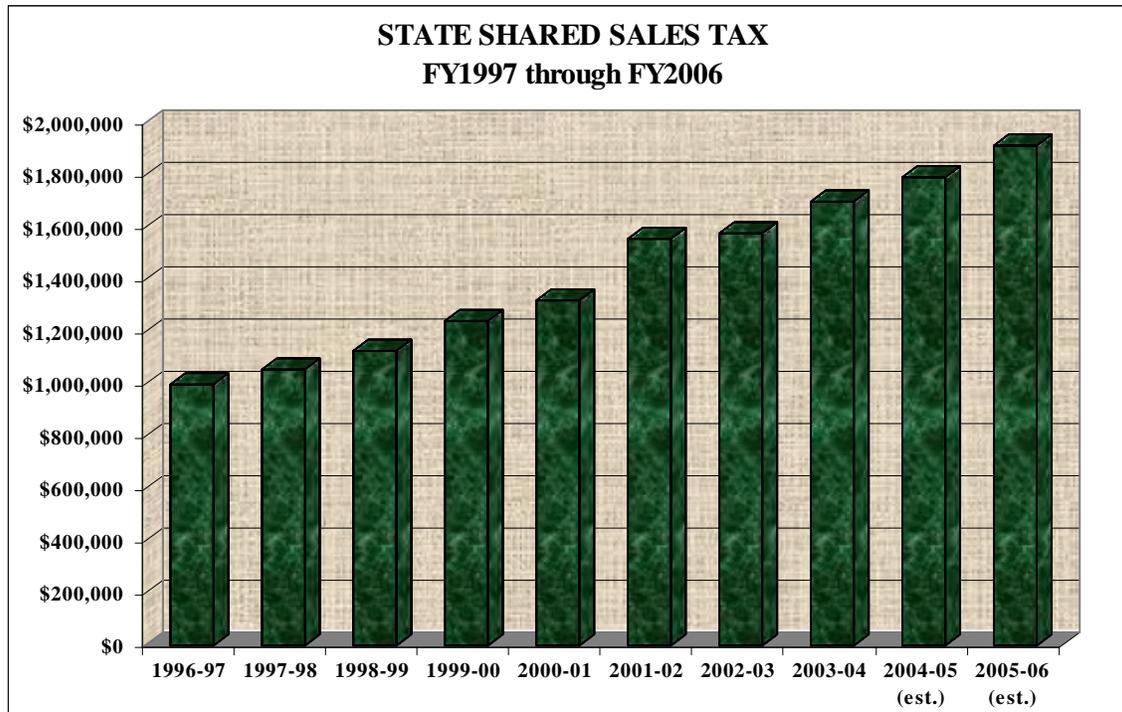
Account: 3010

<sup>1</sup> Increase as a result of mid-decade census population growth

#### Assumptions

The State assesses a 6.3% 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 2000 census figures (Fountain Hills represents .005% of the state total). The FY 2005-2006 revenue projection is based on the State's Joint Legislative Budget Committee forecast for Sales and Use Tax for the State of Arizona.

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





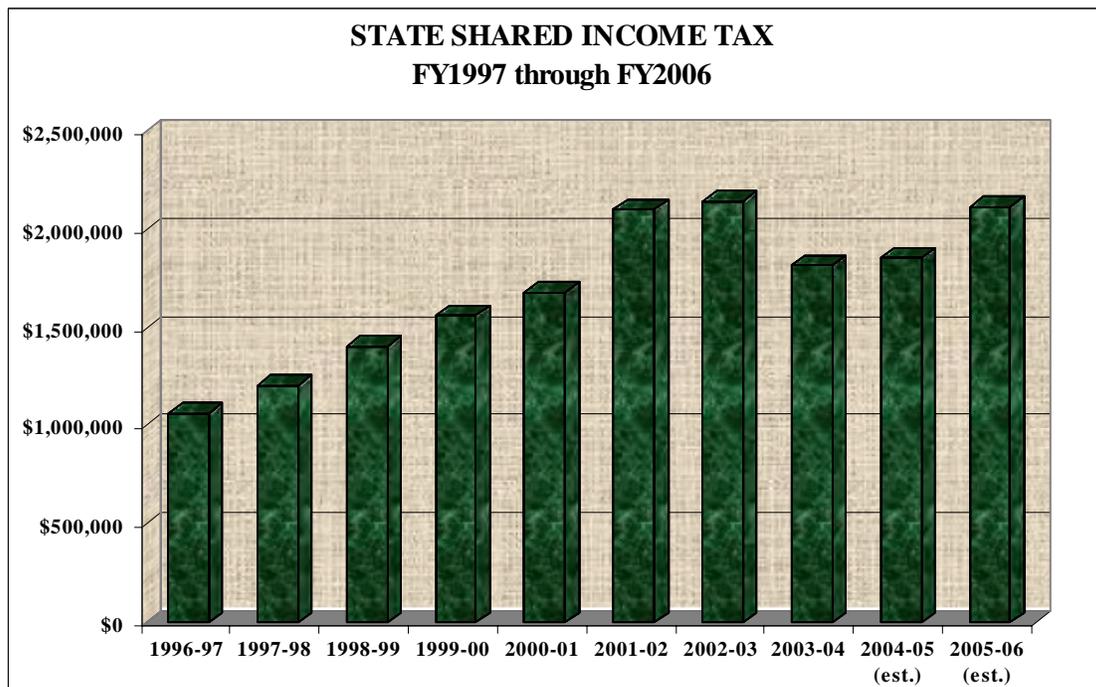
**State Income Tax**

Restrictions	Fiscal Year	Amount	Percent Change	
No restrictions on usage. Must be expended for public purposes.	1996-97	\$1,071,161	39.8%	
	1997-98	\$1,210,113	13.0%	
	1998-99	\$1,412,702	16.7%	
	1999-00	\$1,567,610	11.0%	
	2000-01	\$1,688,004	7.7%	
	2001-02	\$2,110,536	25.0% <sup>1</sup>	
	2002-03	\$2,153,635	2.0%	
	2003-04	\$1,826,315	-15.2%	
	Account: 3020	2004-05 (est.)	\$1,862,500	2.0%
	<sup>1</sup> Increase as a result of mid-decade census population growth	2005-06 (est.)	\$2,126,144	14.2%

**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 FY2005-2006 is provided by the League of Arizona Cities and Towns and based on the projections prepared by the State's Joint Legislative Budget Committee (JLBC).

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





### Vehicle License Tax

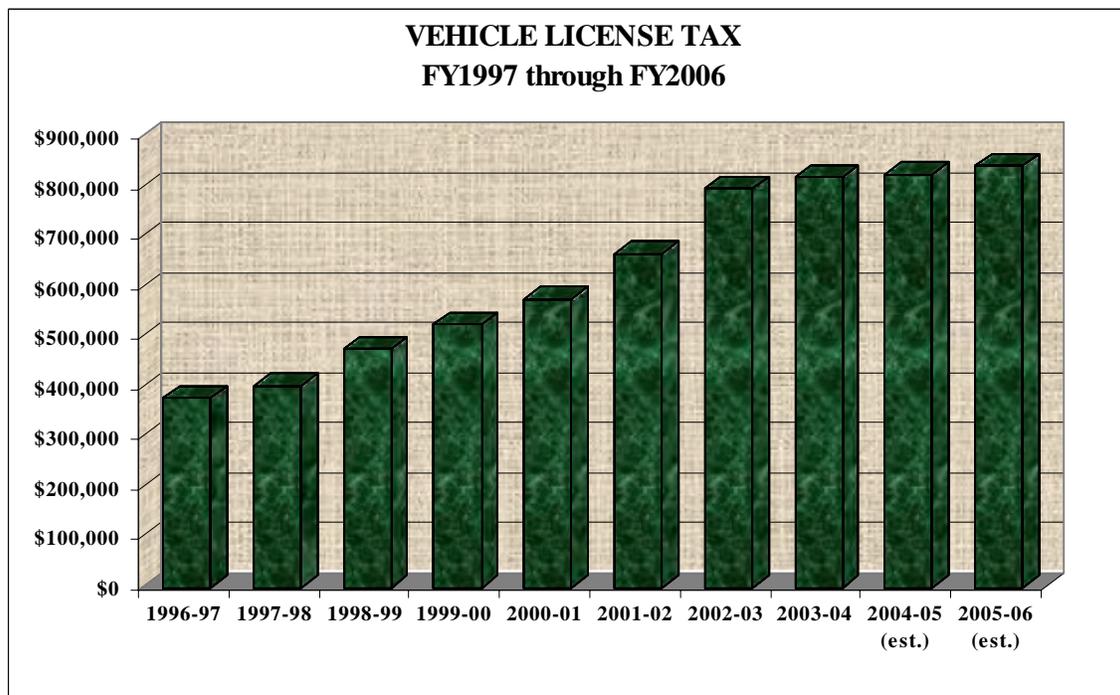
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purposes.	1996-97	\$378,103	38.4%
	1997-98	\$403,775	6.8%
	1998-99	\$476,430	18.0%
	1999-00	\$524,796	10.2%
	2000-01	\$576,264	9.8%
	2001-02	\$667,570	15.8%
	2002-03	\$797,344	19.4%
	2003-04	\$819,497	2.8%
	2004-05 (est.)	\$824,900	0.7%
	2005-06 (est.)	\$842,299	2.1%

Account: 3030

#### Assumptions

Approximately 20% of the revenues collected for the licensing of motor vehicles is distributed to incorporated cities and towns. The Town receives its share of the vehicle license tax collections based on its population in relation to the total incorporated population of the county (0.7%). The remainder of the revenues collected are shared by schools, counties, and the state. The fiscal year 2005-2006 estimate is based on receiving 0.7% of the mid-point between Maricopa County's most likely (\$127,876,968) and pessimistic (\$112,779,909) projection.

Major Influences: Automobile sales, Population, and State Policy





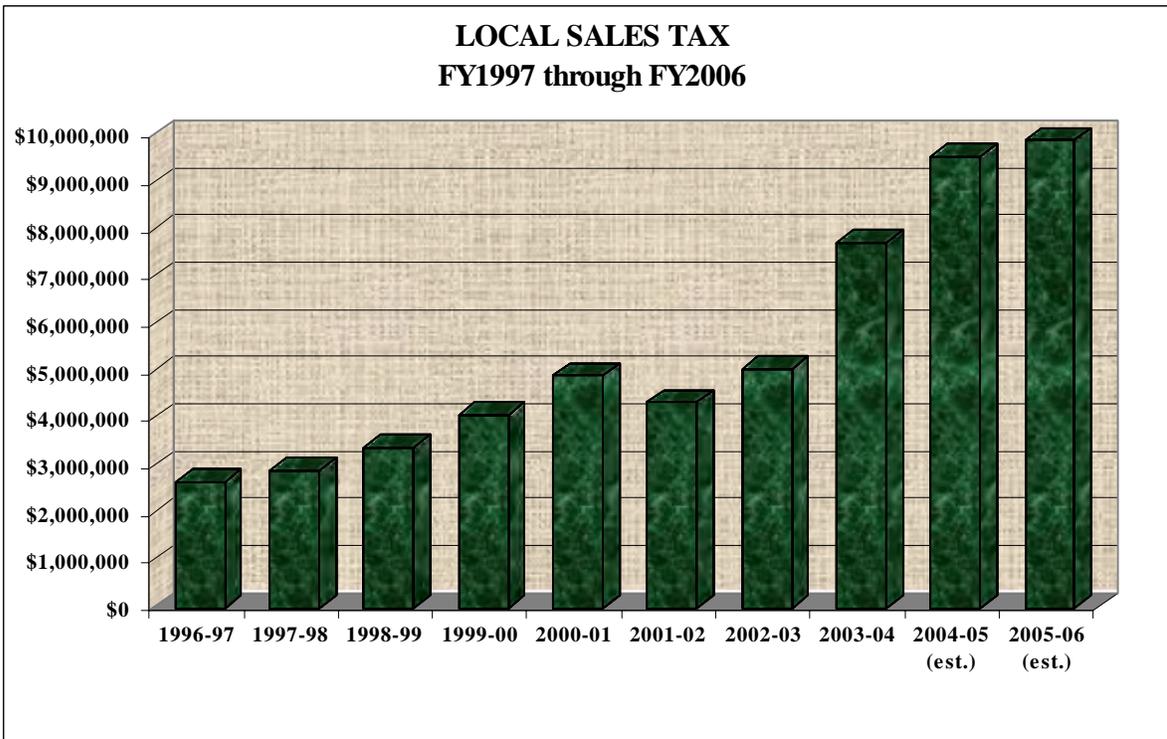
**Local Sales Tax**

Restrictions	Fiscal Year	Amount	Percent Change
Of the total proceeds from the 2.6% tax rate 0.2% of the revenue is restricted for repayment of mountain bonds purchased through the Municipal Property Corporation (MPC), 0.1% for civic center bond payments and 0.1% for Downtown Development. Excess proceeds are not restricted but must be expended for public purpose.	1996-97	\$2,664,923	65.5%
	1997-98	\$2,920,084	9.6%
	1998-99	\$3,394,152	16.2%
	1999-00	\$4,087,514	20.4%
	2000-01	\$4,923,174	20.4% <sup>1</sup>
	2001-02	\$4,355,701	-11.5%
	2002-03	\$5,051,871	16.0% <sup>1</sup>
	2003-04	\$7,733,643	53.1%
	2004-05 (est.)	\$9,571,666	23.8%
	2005-06 (est.)	\$9,902,388	3.5%

Account: 3205  
<sup>1</sup> Rate increase

**Assumptions**

The local sales tax rate in Fountain Hills is 2.6% - total receipts are estimated to be \$9,902,388; 2.2% is available for general public purpose (\$7,931,984). The remaining .4% is dedicated to bond payments (0.3%) \$1,081,634 and downtown development (0.1%) \$360,545. Residential rental and advertising tax receipts are reserved for capital projects and are estimated to provide \$528,225. Construction related sales tax activity provides 21% of local sales tax revenue. Projected projects for FY05-06 consists of multi-family development at Firerock, Summit, Enclave and Fountain Mist (130 units). Retail activity represents 43% of the total, compared to 40% in the prior year, a result of additional retail development at Four Peaks Plaza. Transportation/utilities provide 12% of the total receipts. Major Influences: Economy, Construction Activity, Retail Sales, Public Policy





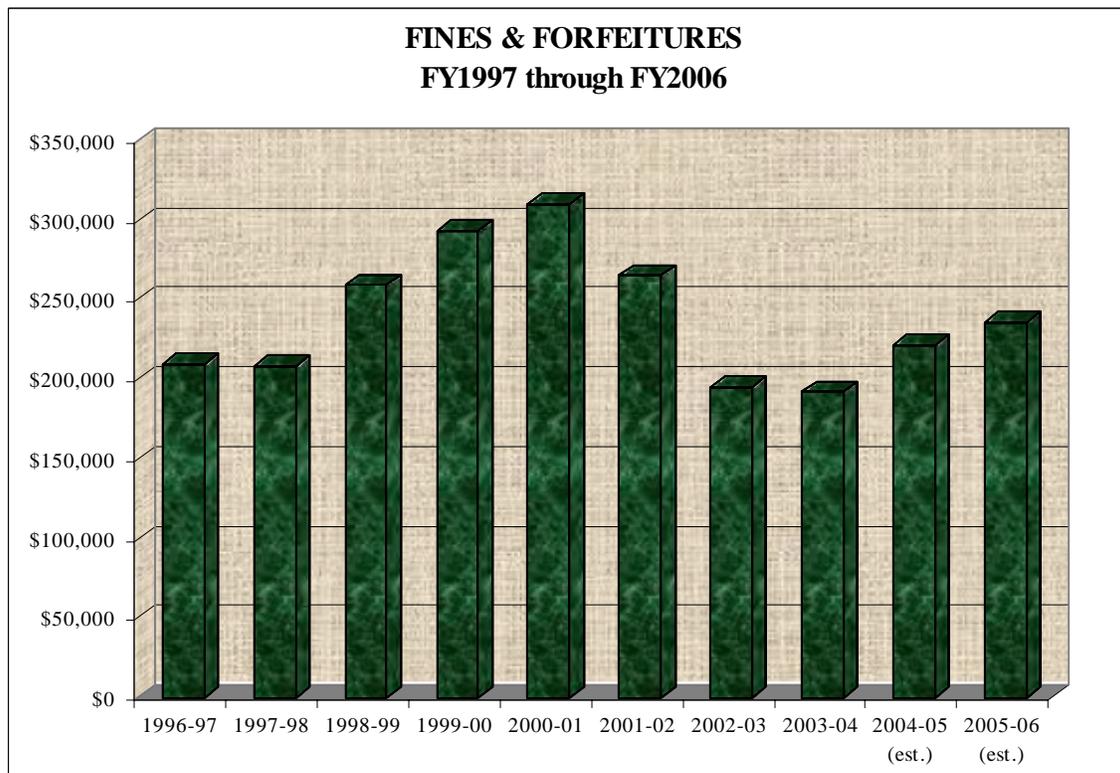
### Fines and Forfeitures

Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	1996-97	\$209,485	-0.9%
	1997-98	\$208,900	-0.3%
	1998-99	\$259,453	24.2%
	1999-00	\$293,910	13.3%
	2000-01	\$310,359	5.6%
	2001-02	\$265,605	-14.4%
	2002-03	\$195,091	-26.5%
	2003-04	\$192,158	-1.5%
	2004-05 (est.)	\$221,790	15.4%
	2005-06 (est.)	\$236,240	6.5%

**Assumptions**

Magistrate Court fines come from traffic violations and other fines paid for the violation of municipal ordinances. The decline in fines and forfeitures beginning in fiscal year 2001-2002 is related to the elimination of duplicate law enforcement within the Town. The estimate for FY2005-2006 is based on maintaining the same level of traffic enforcement activity.

Major Influences: Population, Enforcement, Public Policy





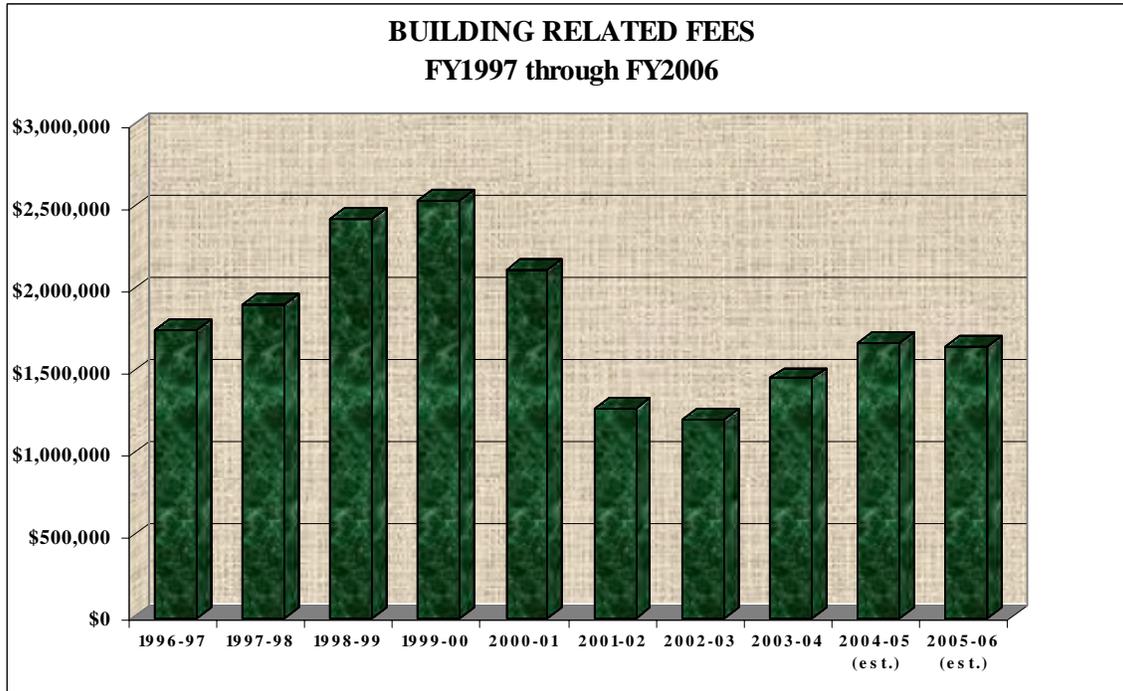
**Building Related Fees**

Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	1996-97	\$1,759,326	4.2%
	1997-98	\$1,912,468	8.7%
	1998-99	\$2,433,602	27.2%
	1999-00	\$2,547,521	4.7%
	2000-01	\$2,127,305	-16.5%
	2001-02	\$1,275,891	-40.0%
	2002-03	\$1,213,553	-4.9%
	2003-04	\$1,461,030	20.4%
	2004-05 (est.)	\$1,675,000	14.6%
	2005-06 (est.)	\$1,652,830	-1.3%
Accounts: 3220-3250			

**Assumptions**

Revenues from this source include the fees collected from building permits, rezoning, improvement plan, encroachment and subdivision plans. The sharp decline from 2001 is due to the decrease in production home building. The remaining lots will have custom homes with higher than average valuations. The estimates for FY2005-06 are based on construction activity provided by local engineering firms, the local developer and planning staff. The projected number of permits for next fiscal year is 140 single family (180 last fiscal year), 230 multi-family units (213 last fiscal year), and 6 commercial projects (19 last fiscal year).

Major Influences: Population, Economy, Development, Public Policy



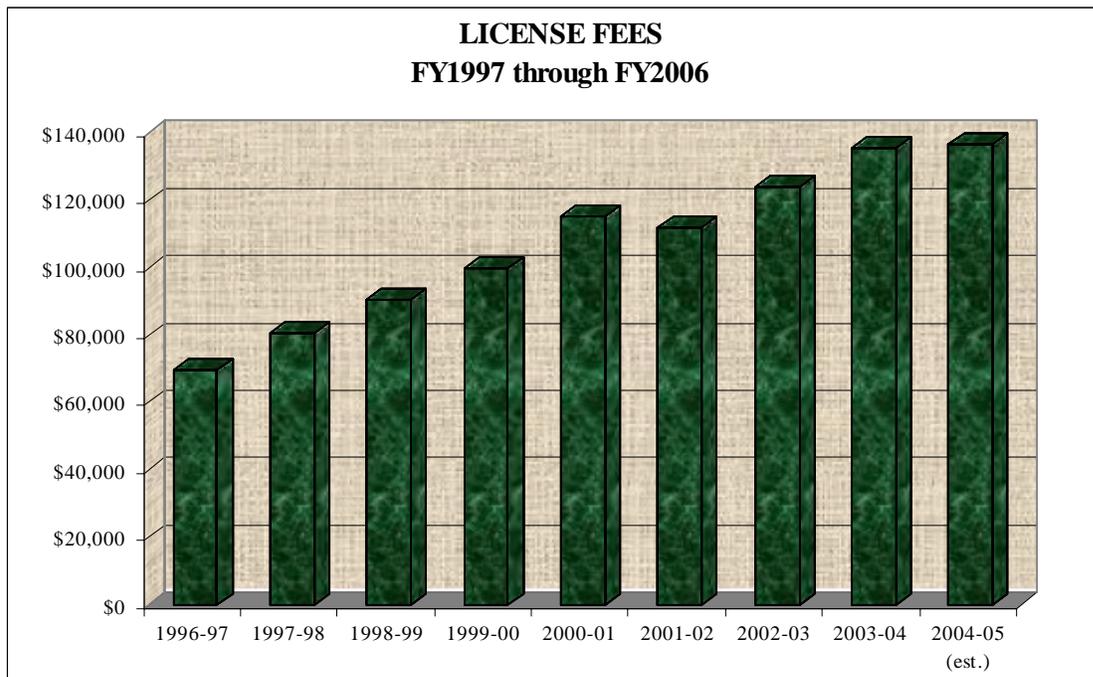


### License Fees

Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.  Accounts: 3210, 3225	1996-97	\$70,038	13.7%
	1997-98	\$81,125	15.8%
	1998-99	\$90,717	11.8%
	1999-00	\$100,134	10.4%
	2000-01	\$115,681	15.5%
	2001-02	\$112,173	-3.0%
	2002-03	\$124,292	10.8%
	2003-04	\$135,919	9.4%
	2004-05 (est.)	\$137,000	0.8%
	2005-06 (est.)	\$143,715	4.9%
Assumptions			

License fees are derived from a license tax on professions, occupations, businesses and animals within the Town. The license fee is used primarily as a means of regulating businesses and animal control within the community. The estimate for FY2005-2006 is based on 2,537 active business licenses and 2,804 animal licenses.

Major Influences: Economy, Enforcement





### Charges for Services

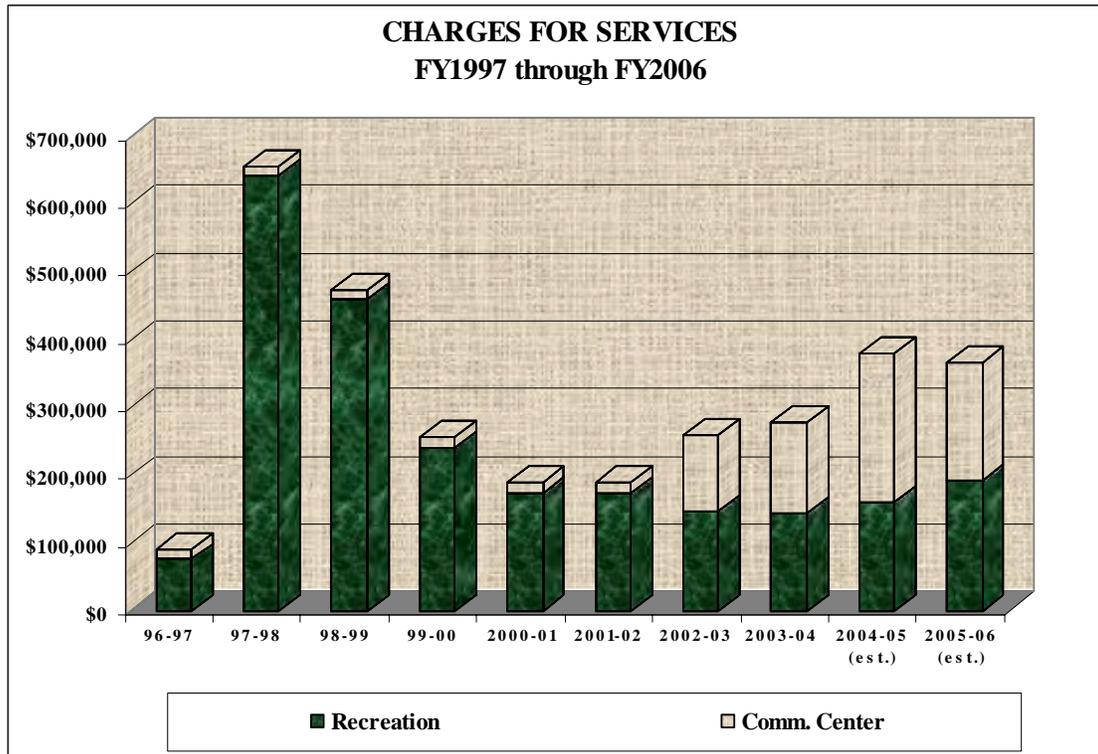
Restrictions	Fiscal Year	Amount	Percent Change
No restrictions on usage. Must be expended for public purpose.	1996-97	\$150,209	111.7%
	1997-98	\$656,283	336.9%
	1998-99	\$479,633	-26.9%
	1999-00	\$267,835	-44.2%
	2000-01	\$211,800	-20.9%
	2001-02	\$324,300	53.1%
	2002-03	\$341,479	5.3%
	2003-04 (est.)	\$428,129	25.4%
	2004-05 (est.)	\$399,670	-6.6%
	2005-06 (est.)	\$472,150	18.1%

Accounts: 3270, 3280, 3282, 3285

#### Assumptions

Charges for services are collected from users of Town facilities (parks, community center) or programs (recreation). In September 2001 a new Community Center opened providing a venue for weddings, banquets, civic meetings, etc. The increase in FY2003-2004 reflects the new rates that were implemented by the Council in April 2003. The projection for FY2006 was calculated based on the number of facility bookings that have been received and a factor for growth. During FY1997-98 the master developer in Fountain Hills transferred Fountain Park to the Town which included a monetary contribution for two years (\$700,000); that subsidy expired in FY1999-00. Additional service charges are collected from cellular providers for use of town property for their towers.

Major Influences: Population, Internal Policy on Rates

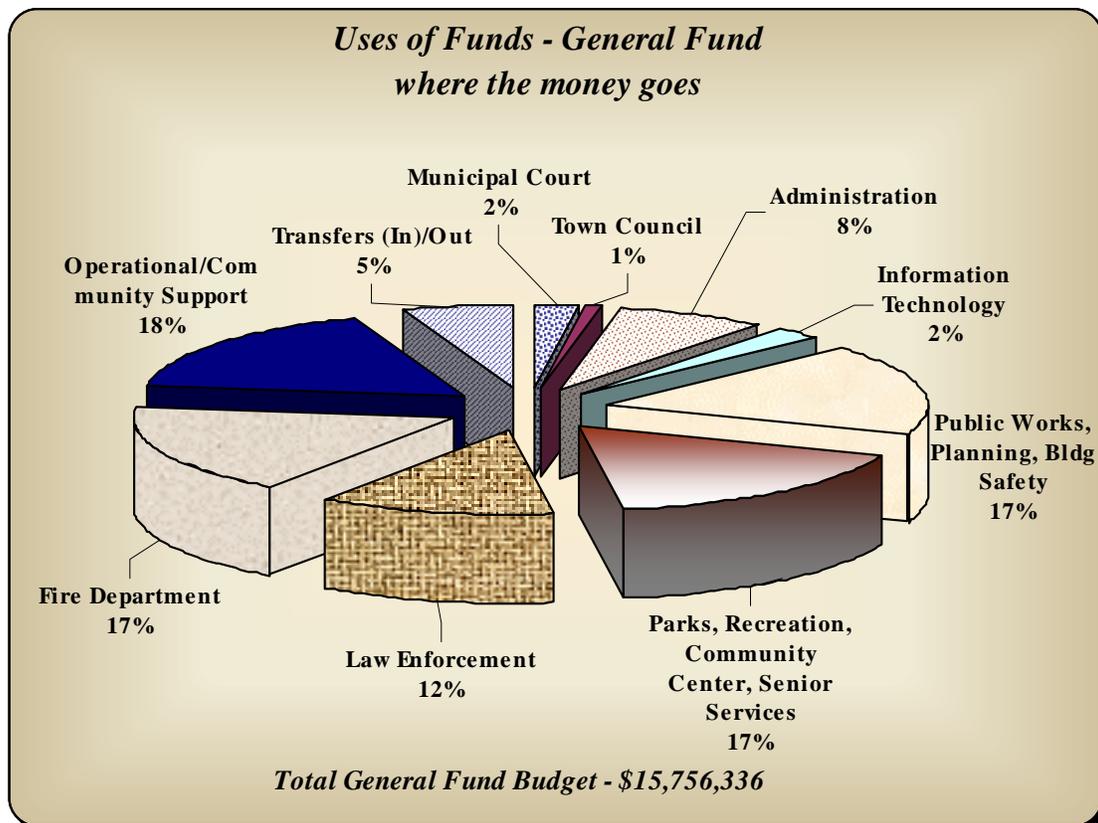




## General Fund Expenditure Summary

### TOWN OF FOUNTAIN HILLS 2005-06 GENERAL FUND EXPENDITURE SUMMARY

Department	Salaries & Benefits	Contract Services	Repairs & Maintenance	Supplies & Services	Capital Outlay	Total
Mayor and Town Council	\$39,763	\$0	\$0	\$63,900	\$0	\$103,663
Administration	\$945,900	\$126,398	\$10,500	\$126,510	\$0	\$1,209,308
Information Technology	\$0	\$39,700	\$78,895	\$82,820	\$160,040	\$361,455
Law Enforcement	\$0	\$1,903,894	\$0	\$0	\$0	\$1,903,894
Fire Department	\$0	\$2,615,988	\$33,700	\$48,905	\$0	\$2,698,593
Municipal Court	\$337,820	\$6,300	\$1,200	\$16,955	\$0	\$362,275
Parks & Recreation	\$692,940	\$171,059	\$337,750	\$256,625	\$211,300	\$1,669,674
Community Center	\$357,324	\$550	\$16,300	\$110,650	\$387,000	\$871,824
Senior Services	\$64,600	\$91,650	\$7,500	\$10,650	\$0	\$174,400
Public Works	\$605,870	\$187,025	\$447,185	\$91,724	\$30,000	\$1,361,804
Building Safety	\$560,500	\$39,150	\$2,200	\$25,995	\$25,000	\$652,845
Planning & Zoning	\$585,110	\$119,000	\$800	\$37,330	\$0	\$742,240
Contingency						\$50,000
Previously Approved Capital					\$861,344	\$861,344
<b>GENERAL FUND TOTALS</b>	<b>\$4,189,827</b>	<b>\$5,300,714</b>	<b>\$936,030</b>	<b>\$872,064</b>	<b>\$1,674,684</b>	<b>\$13,023,319</b>
% of General Fund	32.2%	40.7%	7.2%	6.7%	12.9%	100.0%





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# Town Council

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## Fountain Hills Town Council

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

**In Memory of Vice Mayor Kathleen Connelly Nicola**





## Town Council

### Mission Statement \_\_\_\_\_

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

### **Salaries and Benefits** **\$39,763**

This category of expenditures includes the salary and related taxes for the Mayor and Council members. The Mayor and Town Council have not increased their rate of pay since June 2000.

### **Contract Services** **\$7,000**

Included in this line item is an appropriation for miscellaneous consulting projects that the Council may want to consider. In the past the Council has requested the services of an outside consultant to conduct evaluations, this budget includes funding for such projects.

### **Supplies and Services** **\$63,900**

Elections for the Mayor and some Council members are held bi-annually with an average cost of approximately \$25,000. FY05-06 is an election year, therefore, an appropriation has been included for the cost of both a primary and general election.

This category of expenditures also provides funding to purchase commemorative items for the Mayor and Council to share with visiting dignitaries and promote Fountain Hills at the annual Arizona League of Cities and Towns conference. An amount of \$10,000 has been included this year to fund participation in the Town's strong cities celebration and the new Civic Center Phase II grand opening.

During January of each fiscal year, the Council attends a goal setting and strategic planning retreat to give them an opportunity to focus on issues such as budget priorities, economic development, and council relations. The Council would like to attend other related opportunities throughout the year such as League of Arizona Cities and Towns functions, Maricopa Association of Government (MAG) workshops, National League of Cities conference, legislative events, and seminars. The estimated cost for these events is \$9,000.

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



Summary Expenditures – Town Council

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$39,381	\$39,387	\$39,560	\$39,685	\$39,763
CONTRACTUAL SERVICES	\$0	\$0	\$0	\$0	\$7,000
REPAIRS & MAINTENANCE	\$0	\$0	\$0	\$0	\$0
SUPPLIES & SERVICES	\$26,891	\$37,720	\$20,450	\$16,200	\$63,900
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$66,272	\$77,106	\$60,010	\$55,885	\$110,663

TOWN COUNCIL	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>SALARIES &amp; BENEFITS</b>					
Wages	36,000	36,000	36,000	36,000	36,000
Employer Taxes	3,381	3,387	3,560	3,685	3,763
<b>TOTAL</b>	<b>\$39,381</b>	<b>\$39,387</b>	<b>\$39,560</b>	<b>\$39,685</b>	<b>\$39,763</b>
<b>CONTRACT SERVICES</b>					
Professional Services	0	0	0	0	7,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,000</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Election Expense	24,483	23,328	0	0	25,000
Advertising	0	3,541	8,000	6,500	20,000
Conferences	0	198	2,500	1,500	9,000
Continuing Education	0	5,667	6,000	6,000	6,000
Office Supplies/Portraits	1,434	4,099	2,200	1,200	2,200
Printing	0	431	300	300	1,000
Communications	533	0	200	200	200
Travel	441	457	1,250	500	500
<b>TOTAL</b>	<b>\$26,891</b>	<b>\$37,720</b>	<b>\$20,450</b>	<b>\$16,200</b>	<b>\$63,900</b>
<b>TOTAL EXPENDITURES</b>	<b>\$66,272</b>	<b>\$77,106</b>	<b>\$60,010</b>	<b>\$55,885</b>	<b>\$110,663</b>



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# Administration

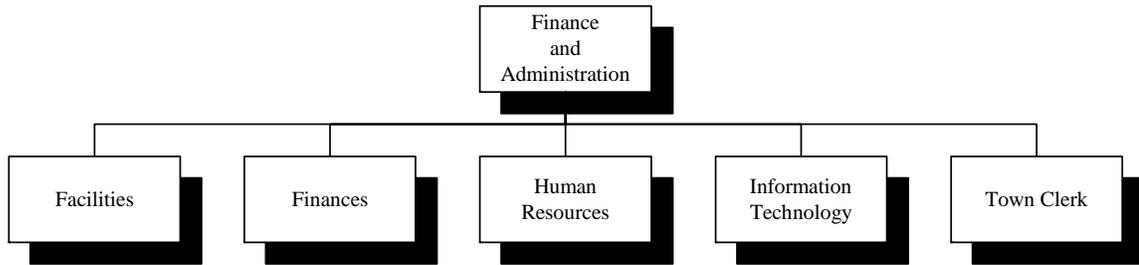
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## Information Technology Operations and Community Support





## Administration



## Mission Statement

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

## Department Description

There are three divisions within the Administration Department that provide administrative services for the Town government – Administration, Information Technology and Operational and Community Support. The Administration division includes expenses of the Town Clerk, Town Manager, Finance and Human Resources. Information Technology includes expenses relating to computers, network, software, telephone and public information (Channel 11 and web). The Operational Support division was created for FY05-06 to segregate the non-departmental expenditures that had previously been included with the Administration Department budget. This division accounts for expenses that apply to all functions of the Town government such as legal fees, annual financial audit, facilities maintenance and utilities, liability insurance, sales tax refunds and community benefit programs.

## Performance Standards

- Issue business licenses within 5 working days
- Provide public access to Town Council legislation and insure the preservation of legal documents
- Conduct elections in accordance with current state law and facilitate the public's ability to vote
- Update the Town Code to reflect legislation enacted by the Council
- Maintain the Town's "Certificate of Achievement for Excellence in Financial Reporting"
- Maintain the Town's "Distinguished Budget Presentation Award"
- Maintain the Town's current Aa3 bond rating
- Provide facility management program that is fiscally responsible
- Provide a comprehensive personnel program based on merit principles administered in compliance with applicable local, state, and federal laws
- Administer and coordinate all employee-related programs and benefits



**Management Indicators**

	2003-2004	2004-2005	2005-2006
	Actual	Estimated	Estimated
Number of resolutions processed	67	70	65
Number of ordinances processed	20	11	10
New business licenses	576	629	650
Business license renewals	1,465	1,492	1,550
Adopt-A-Street commercial/residential	59/56	65/59	60/59
Certificate of Achievement for Excellence in Financial Reporting Award	7 <sup>th</sup> year	8 <sup>th</sup> year	9 <sup>th</sup> year
Distinguished Budget Presentation Award	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year
Sales tax recovered	\$131,962	\$31,059	\$24,000
Insurance claims managed	13	12	10
Bond rating	Aa3	Aa3	Aa3

**Fiscal Year 2004-2005 Accomplishments**

- Initiated a strategic planning process with citizen involvement
- Reviewed five-year financial and capital improvement plan (CIP)
- Constructed Phase II of Civic Center (new Town Hall)
- Enhanced Town website by providing email updates for job postings, news releases, etc.
- Converted council packet material to electronic format
- Initiated review of development fee schedule
- Prepared council policy on commissions and committees
- Developed initial Succession Plan identifying key positions
- Revised and issued new employee manual
- Formed Public Safety Advisory Committee

**Fiscal Year 2005-2006 Objectives**

- Develop a public information and grant writing program
- Complete 5 year strategic plan for the Town
- Develop and achieve an intergovernmental relations and cooperation program with neighboring communities
- Complete steps four and five of the Succession Plan – Demand and Supply; design a Succession Management Plan form for completion by key positions
- Develop an operational contingency plan for fire service



**Summary Expenditures – Administration (includes Information Technology)**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$940,398	\$681,289	\$935,900	\$768,744	\$945,900
CONTRACTUAL SERVICES	\$70,188	\$93,707	\$202,020	\$132,750	\$166,098
REPAIRS & MAINTENANCE	\$47,280	\$57,947	\$60,850	\$59,050	\$89,395
SUPPLIES & SERVICES	\$132,186	\$134,971	\$193,220	\$176,850	\$209,330
CAPITAL EXPENDITURES	\$150,668	\$14,452	\$16,126	\$16,126	\$157,540
<b>TOTAL EXPENDITURES</b>	<b>\$1,340,721</b>	<b>\$982,367</b>	<b>\$1,408,116</b>	<b>\$1,153,520</b>	<b>\$1,568,263</b>



**Authorized Personnel**

Position – Title	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Authorized FTE	2005-2006 Proposed FTE
<b>Administration</b>				
Town Manager	1.00	1.00	1.00	1.00
Assistant Town Manager	0.00	0.00	0.00	1.00
Undesignated Position	2.00	0.00	0.00	0.00
Director of Admin/Town Clerk	1.00	0.00	0.00	0.00
Finance Director	1.00	1.00	1.00	1.00
Town Clerk	0.00	1.00	1.00	1.00
I. T. Administrator	1.00	0.00	0.00	0.00
I. T. Intern	0.50	0.50	0.50	0.00
Accountant	0.00	0.00	1.00	1.00
Accounting/H.R.Clerk	1.00	1.00	0.00	0.00
Accounting Clerk	0.00	0.00	1.00	1.00
Administrative Intern	1.00	0.00	0.00	0.50
Exec.Asst to Town Mgr/Council	1.00	1.00	1.00	1.00
Executive Assistant	1.00	0.00	0.00	0.00
Human Resources Administrator	1.00	1.00	1.00	1.00
I. T. Coordinator	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	0.00	0.00	0.00
Facilities Supervisor	1.00	1.00	1.00	1.00
Facilities Maintenance Tech	0.00	0.00	1.00	1.00
Maintenance/Custodial Worker	1.00	1.00	0.50	0.50
Custodian	2.00	1.50	1.00	1.00
Customer Service Rep.	1.00	1.50	1.00	0.50
Administrative Clerk	0.00	0.00	0.50	1.00
Receptionist	0.00	0.00	0.00	0.50
<b>Authorized FTE</b>	<b>18.50</b>	<b>12.50</b>	<b>13.50</b>	<b>15.00</b>

**Salaries and Benefits**

**\$945,900**

The proposed budget recommends an increase of 1.50 full-time equivalent positions, 2.50 positions lower than FY02-03 and only \$10,000 more than the FY04-05 budget. The proposed positions are the addition of an Assistant Town Manager (full-time) and converting a half time clerical position to full time.

A public information/grant writing program is necessary to meet the council goals for a comprehensive public information and grant program. These two programs could not be completed with existing staff due to the amount of time required to meet the goal and the expertise needed. At the request of the Town Council the recommended Public Information Officer position was reclassified to Assistant Town Manager who will have the public information responsibility.



In addition to regularly assigned duties for the Town Manager, Town Clerk, Finance, and back up receptionist, the part-time administrative clerk has been providing increased support to the administrative staff. Due to an additional demand for support services in manning the greeting and reception station in the new Town Hall, as well as support for the Assistant Town Manager, the additional hours are requested. The justifications for these positions are included in Appendix A.

**Contract Services** **\$126,398**

These funds provide for contracts with outside vendors who provide specialized functions for the Town in the areas of sales tax auditing and project consultants as directed by the Town Council, such as the strategic plan. The proposed budget includes the following:

annual cost of the contract with the sales tax auditor	\$24,000
transcription and payroll service	\$16,710
completion of the strategic plan	\$61,000

Also included under contract services is an intergovernmental agreement with Maricopa County Human Services to provide two transportation service programs to the community with funding provided by a grant from RPTA (Regional Public Transportation Authority). The special transportation service program provides free medical, social and employment trips for eligible residents (seniors, disabled, and low income) at an annual cost of \$26,568. The shuttle program is a town-wide public transit program available free of charge to all residents at an annual cost of \$64,264. These programs are currently funded 75% by proceeds from LTAF (Lottery) and 25% matching funds from the General Fund. The LTAF funding is dependent upon sales of lottery tickets within the state reaching \$23M, proceeds after that are distributed to cities and towns through RPTA to be used for transportation related expenses.

**Repairs and Maintenance** **\$10,500**

This section of the budget funds vehicle maintenance for the departments three vehicles, as well as maintenance on two Xerox copiers.

**Supplies and Services** **\$126,510**

This category of expenditures for the Administration Department includes routine operating costs associated with the Town Clerk, Town Manager, Finance and Human Resources functions. A summary of proposed expenses is listed below:

Conferences for town manager, town clerk, finance director:	
AZ League of Cities and Towns Conf.	\$ 6,500
International/AZ City Manager Association	\$ 4,000
Election Official workshop, clerk academy	\$ 750
Finance Officers Association conference	\$ 500
Education/Training for staff	
staff tuition reimbursement	\$ 2,000
HR seminars/speakers	\$ 2,000
miscellaneous seminars	\$ 1,850
certification/continuing education	\$ 1,450
director off-site retreat	\$ 5,000



Dues/Publications	
League of Arizona Cities/Towns	\$ 9,500
Greater Phoenix Economic Council	\$ 8,300
Maricopa Association of Governments	\$ 4,500
Professional memberships	\$ 3,000
West Group, Innovative Group	\$ 2,950
International/Arizona City Manager Assoc	\$ 1,500
Government Finance Officers Assoc.	\$ 1,015
Miscellaneous periodicals	\$ 1,700
Office Supplies	
copy paper, supplies	\$ 5,200
general office supplies (calendars, toner)	\$ 7,200
staff holiday party	\$ 4,500
employee recognition awards	\$ 4,700
meeting refreshments (water, coffee)	\$ 2,000
dog tags, budget supplies	\$ 2,100
Printing	
budget, annual report	\$ 2,900
letterhead/envelopes with new address	\$ 2,500
checks, business cards with new address	\$ 1,800
Communications	
newsletters, strategic plan survey, Town Hall invitations	\$28,995



ADMINISTRATION	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>SALARIES &amp; BENEFITS:</b>					
Wages	757,212	563,634	751,200	637,061	769,700
FICA	16,267	10,477	20,100	14,600	17,500
Unemployment Insurance	733	814	1,200	1,212	1,200
Employee's Health Insurance	59,384	37,637	56,100	35,869	59,900
Employee's Life Insurance	587	1,360	2,100	1,676	2,400
Employee's Dental Insurance	6,668	5,355	7,400	5,070	7,400
Employee's Eye Insurance	669	0	0	0	500
Worker's Compensation Insurance	5,696	5,115	8,600	6,709	8,600
Employee's Retirement Fund	77,558	54,997	71,100	64,235	75,200
Recruitment Costs	13,446	0	15,000	0	0
Disability Insurance	2,178	1,900	3,100	2,312	3,500
<b>TOTAL</b>	<b>\$940,398</b>	<b>\$681,289</b>	<b>\$935,900</b>	<b>\$768,744</b>	<b>\$945,900</b>
<b>CONTRACT SERVICES</b>					
Professional/Outside Services	45,436	49,900	97,920	90,900	101,710
Public Transit /RPTA	11,436	26,772	61,750	15,000	22,708
Civil Defense	1,502	1,523	1,850	1,850	1,980
<b>TOTAL</b>	<b>\$630,622</b>	<b>\$78,196</b>	<b>\$161,520</b>	<b>\$107,750</b>	<b>\$126,398</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Maintenance	1,406	1,163	2,500	2,500	2,500
Office Equipment Repairs	12,601	8,808	10,800	9,000	8,000
<b>TOTAL</b>	<b>\$14,007</b>	<b>\$9,970</b>	<b>\$13,300</b>	<b>\$11,500</b>	<b>\$10,500</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Conferences	4,482	10,874	12,250	12,000	11,750
Education/Training	1,362	10,409	22,300	18,800	12,300
Dues & Publications	20,223	28,404	47,665	31,350	33,515
Gas & Oil	2,280	2,440	5,700	3,000	3,550
Office Supplies	22,585	15,150	15,700	20,000	25,700
Printing	3,659	4,255	4,950	4,500	7,200
Communications	0	0	20,000	20,000	28,995
Travel	3,449	3,893	2,100	2,100	2,100
Uniforms	1,635	262	500	500	1,400
<b>TOTAL</b>	<b>\$59,675</b>	<b>\$75,687</b>	<b>\$131,165</b>	<b>\$112,250</b>	<b>\$126,510</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,644,702</b>	<b>\$845,142</b>	<b>\$1,241,885</b>	<b>\$1,000,244</b>	<b>\$1,209,308</b>

\* Includes Information Technology wages and benefits.

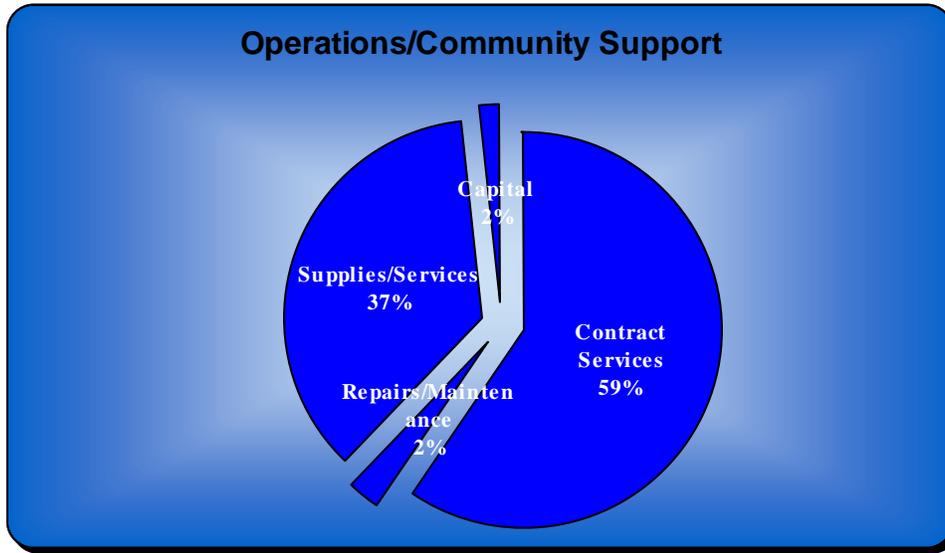


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## Operational & Community Support Division

This is a new division for FY05-06 that includes expenses previously included within the Administration Department that are applicable to all functions of the Town government. The types of expenses included within this division are overhead type costs and represents 18% of the General Fund budget.



**Contract Services** **\$1,648,635**  
 These funds provide for contracts with outside vendors who provide specialized functions for the Town that are applicable to all departments.

Accounting Fees and Professional/Outside Services \$15,025  
 The Town is required by law to have an annual audit conducted by an independent auditor at the end of each fiscal year. The FY04-05 audit will be conducted in September, 2005, with a report to the Council in mid-October.

Legal Fees  
 Legal fees include the services of the town attorney, town prosecutor, and specialized legal services, if required, for bond transactions, employment issues, tax claims or other unanticipated legal services. The FY05-06 budget contains the following estimated legal fees:

Town attorney	\$184,500
Town prosecutor	\$110,000
Sales tax refund claim	\$ 50,000
Public defender, unanticipated legal costs, etc.	<u>\$ 6,360</u>
<b>Total</b>	<b>\$350,860</b>



Community Benefit and Special Programs

Each fiscal year the Town of Fountain Hills receives requests from various community organizations to support their organizations by including funding in the proposed budget. The requests received for FY05-06 and the amounts are as follows: (individual requests are located in Appendix B.)

Boys & Girls Club of Scottsdale (capital)	\$ 85,000
Boys & Girls Club of Scottsdale (operating)	\$ 75,000
Fountain Hills Community Theater	\$ 50,000
Fountain Hills Tourism Bureau	<u>\$125,000</u>
Total Requests	\$335,000

Sales Tax Rebates/Refunds

\$877,750

In July 2001, the Town Council entered into an economic development agreement with the Shea Retail Center providing Target stores with a rebate of 50% of the local sales tax collected and paid to the Town by the merchants doing business within the center. The terms of the agreement provide for an amount not to exceed \$989,000 or ten years, whichever comes first. The estimated payment included in the FY05-06 budget is approximately \$283,000, assuming that the local tax rate remains at 2.6%. If the rate remains the same, it is estimated that the rebate will be paid in full by FY06-07.

The Town has received requests from two taxpayers for refunds of local sales taxes previously paid. The claims were rejected by the Town and have been appealed by the taxpayers. A budget appropriation has been included in the event that the Town is not successful in the appeal.

The FY05-06 proposed budget also includes a refund of \$50,000 to the Eagle Mountain Community Facilities District for administrative fees that the Town charged to the District in FY02-03. The community homeowners association has requested that these fees be refunded to the District.

**Repairs and Maintenance**

**\$65,650**

This section of the budget funds maintenance for all overhead expenditures dealing with maintaining and operating town-owned facilities. Budgeted amounts are based on an estimate of what the costs will be in the new Town hall and includes an additional \$20,000 in one-time costs associated with the move from the leased facility to the new building. The following is a breakdown of the costs:

HVAC (Heating, Ventilation and Air Conditioning)	\$15,000
Moving Costs (close-out, move in)	\$20,000
Chillers maintenance and inspections	\$ 5,350
Waste Collection	\$ 2,650
Cleaning Supplies	\$ 5,000
Electrical, plumbing, fuel station repairs	\$11,650
Kiwanis, Theater maintenance	\$ 2,000
Fire Stations maintenance	\$ 2,000
Maintenance/Repair Supplies (Home Depot, Paul's, etc)	\$ 2,000

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



**Supplies and Services**

**\$1,011,732**

This category of expenditures includes all routine operating costs associated with the Town governmental functions. Operational & Community Support serves all other departments in the areas of public notices, public facility utilities and/or rent, and liability insurance costs. The most significant portion of supplies and services is an appropriation for rent in the current leased building. The Town anticipates the move into the new Town hall prior to July 1, 2005; however, in the event of unforeseen circumstances that may delay the move, this budget includes funding for several months rent (\$659,000). These costs were a major determining factor in making the decision to construct a new municipal building that will save the taxpayers significant money over the long-term.

Advertising

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

Public notices, resolutions etc.	\$2,500
Employment ads	\$1,000
Recognition and service awards:	\$6,950
Miscellaneous promotional items, notices	\$1,500

Electricity/Water/Sewer

FY05-06 utility costs for Town-owned buildings are anticipated to reduce significantly with the move to the new building (\$145,200 last fiscal year). The following is a breakdown of the costs:

Town Hall	\$48,000
Kiwanis Building	\$ 900
Library/Museum	\$27,800

Liability Insurance

\$221,382

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

**Capital Outlay**

**\$45,000**

The FY05-06 budget includes a capital request to make ADA (Americans with Disabilities Act) modifications to the two fire stations owned by the Town.



<b>OPERATIONAL &amp; COMMUNITY SUPPORT</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>CONTRACT SERVICES</b>					
Accounting Fees	11,665	13,040	17,500	15,000	15,025
Legal Fees	446,474	360,794	330,700	330,700	350,860
Boys & Girls Club	20,000	130,000	150,000	145,000	160,000
Senior Center Services	10,000	40,000	55,000	55,000	0
Community Benefits/Theater	0	15,000	40,000	40,000	50,000
Tourism	65,489	50,677	75,500	75,500	125,000
Sales Tax Rebates	77,824	309,385	837,650	375,000	877,750
<b>TOTAL</b>	<b>\$631,452</b>	<b>\$918,896</b>	<b>\$1,506,350</b>	<b>\$1,036,200</b>	<b>\$1,578,635</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Building Repairs & Maintenance	72,990	51,397	57,700	45,000	65,650
<b>TOTAL</b>	<b>\$72,990</b>	<b>\$51,397</b>	<b>\$57,700</b>	<b>\$45,000</b>	<b>\$65,650</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	5,638	6,353	14,500	8,000	11,950
Electricity	139,648	157,190	138,350	145,200	76,700
Liability Insurance	421,811	253,996	318,610	203,400	221,382
Postage	16,951	15,258	25,600	16,000	28,700
Rent Expense	371,178	385,421	895,570	250,000	659,000
Water/Sewer	22,801	18,419	24,362	22,500	9,300
Bank Charges	1,828	2,712	3,350	2,500	4,700
<b>TOTAL</b>	<b>\$979,854</b>	<b>\$839,349</b>	<b>\$1,420,342</b>	<b>\$647,600</b>	<b>\$1,011,732</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Improvements	0	0	0	0	45,000
<b>TOTAL CAPITAL EXPENDITURE:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,684,296</b>	<b>\$1,809,642</b>	<b>\$2,984,392</b>	<b>\$1,728,800</b>	<b>\$2,701,017</b>



## Information Technology Division



### Mission Statement

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

### Division Description

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

### Performance Standards

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



**Management Indicators**

	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Estimates</b>
Training Programs Offered	N/A	13	14	3
Documented service requests	703	680	828	850
Average time to resolve HelpDesk requests	48 Hours	4 Hours	1.5 Hours	1 Hour
Video Conference Meetings/Interviews	N/A	N/A	15	20
Channel 11 requests	153	162	N/A	N/A

**Fiscal Year 2004-2005 Accomplishments** \_\_\_\_\_

- Creation of Public Information Group, also known as PIG, with representatives from each department responsible for revolutionizing the Town’s Website, Intranet, and Government Access Channel 11.
- Assisted Clerk’s Office with institution of electronic council packets.
- Increased network reliability thru the implementation of redundant power backup systems on all segments of data network.
- Installation of Fountain Park and Civic Center Phase II Webcams for live viewing on Town’s website.
- Coordinated Microsoft Excel training class at Community Center for all Town staff.

**Fiscal Year 2004-2005 Objectives** \_\_\_\_\_

- Respond to HelpDesk requests within 60 minutes.
- Work cooperatively with Public Information Group to enhance functionality and appearance of Town website, intranet and increased programming on Channel 11.
- Relocate Town’s Data and Voice networks to new municipal building with minimal downtime and impact on government services.
- Upgrade aging servers with lost cost, high performance servers

**Salaries and Benefits**

The I/T division currently has one Information Technology Coordinator. The position is appropriated within the Administration Department. There are no new positions for information technology in the upcoming fiscal year.



**Contract Services**

**\$39,700**

An amount of \$2,000 is included in this budget for an outside contractor to assist with the modifications to the town servers and the website, if necessary, due to the move. Also included under contract services is the annual appropriation for the costs associated with videotaping Town Council meetings (\$11,700). A new funding request of \$26,000 is included for the preparation of six newsletters that will be printed and distributed to the community as part of the implementation of the public information program. The newsletters will be a valuable tool that the Public Information Office can use to provide the public with accurate information from the Town to its citizens.

**Repairs and Maintenance**

**\$78,895**

This expenditure line item includes required maintenance and service on all Town-owned computer hardware and software. It includes annual software maintenance agreements and pay-per-call service calls for the various programs. The proposed repairs and maintenance budget is a significant increase over the prior year (\$31,345) due to unanticipated costs related to moving the equipment from the leased premises to the new Town hall. The cost by department is as follows:

<b>Information Technology Division</b>		
<b>Repairs &amp; Maintenance FY 2005-2006</b>		
Information Technology	All computer repairs, maintenance contracts for hardware and software support	\$23,000
	Support for servers (12) (RAID arrays)	\$6,500
	Scheduled server replacement (2 servers)	\$7,000
	LCD Monitor Replacements (15)	\$5,625
	Virus protection maintenance (83 users)	\$3,320
	Public Information Group	\$2,500
Parks & Rec / Community Ctr	Software support for program registration and facility booking program	\$ 9,250
Street Division	Pavement and fleet vehicle maintenance software support	\$ 4,900
Public Works	Intersection software upgrade	\$ 1,000
Fire Dept	Replace (6) Desktop computers, laser printer	\$9,600
	Firehouse annual support	\$700
Planning & Zoning	AutoCAD Upgrade, Maintenance	\$5,500



### Supplies and Services

**\$82,820**

A new appropriation of \$2,600 is included in education/training for the Assistant Town Manager and I/T staff to attend an Arizona City/County Management Association conference. Additional funding is proposed for the Assistant Manager and I/T staff to take professional development/certification courses that will enhance the level of service to the public and the staff. An additional \$2,800 is included to provide computer program training (Excel, Powerpoint, etc.) for the town staff.

Under dues/publications the Town pays a subscription service to ASU and Qwest for the Internet connection at an annual amount of \$7,000, as well as \$6,400 for the annual subscription to the code enforcement software.

The I/T division is responsible for all costs associated with telecommunications, networking, and telephone service. The monthly line charges through Qwest, ASU (internet), Muzak, and others comprise the majority of this category at approximately \$53,350. Channel 11 equipment and filming supplies are included at a cost of \$2,500.

### Capital Expenditures

**157,540**

The move to the new building provides an opportune time to upgrade the Town's older copiers and printers. Proposed in the FY05-06 budget is the following new equipment and computers:

Replace two (2) Xerox copiers with digital copiers	\$80,000
Laptops for Council and staff for new Council chambers (10)	\$15,000
Laser printers (3)	\$ 9,000
Podium presentation PC	\$ 2,500
New server for P&R online registration program	\$ 3,500
New CAD (Planning and Zoning) workstations (2)	\$ 9,000
Desktop Computer for Assistant Manager, intern	\$ 3,000

Software requirements for all the departments include the following:

Digital signature software (new)	\$ 5,000
On-line Class Registration Software (new)	\$25,000
Internet Webcam (2) – parks	\$ 3,000
Blackberry Enterprise Server	\$ 2,000



INFORMATION TECHNOLOGY					
	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
CONTRACT SERVICES	Actual	Actual	Budget	Estimate	Proposed
Professional/Outside Services	0	2,875	1,000	1,000	2,000
Constituent Communications	11,815	12,637	39,500	24,000	37,700
<b>TOTAL</b>	<b>\$11,815</b>	<b>\$15,512</b>	<b>\$40,500</b>	<b>\$25,000</b>	<b>\$39,700</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Computer Repairs & Maintenance	33,273	47,977	47,550	47,550	78,895
<b>TOTAL</b>	<b>\$33,273</b>	<b>\$47,977</b>	<b>\$47,550</b>	<b>\$47,550</b>	<b>\$78,895</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Conferences	0	0	0	0	2,600
Education/Training	900	4,450	5,000	3,000	4,600
Dues & Publications	9,741	7,430	7,090	16,900	13,490
Office Supplies	4,928	1,141	1,000	1,200	4,280
Printing	0	0	0	0	2,000
Communications	56,943	46,262	48,965	43,500	55,850
<b>TOTAL</b>	<b>\$72,511</b>	<b>\$59,284</b>	<b>\$62,055</b>	<b>\$64,600</b>	<b>\$82,820</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	0	0	0	0	80,000
Capital Outlay - Computers	1,531	3,989	7,500	7,500	42,000
Capital Outlay - Software	0	10,463	8,626	8,626	35,540
Capital Outlay - Communications	0	0	0	0	
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$1,531</b>	<b>\$14,452</b>	<b>\$16,126</b>	<b>\$16,126</b>	<b>\$157,540</b>
<b>TOTAL EXPENDITURES</b>	<b>\$119,130</b>	<b>\$137,225</b>	<b>\$166,231</b>	<b>\$153,276</b>	<b>\$358,955</b>

\*Informational Technology wages and benefits included within Administration Department budget.



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# Public Works

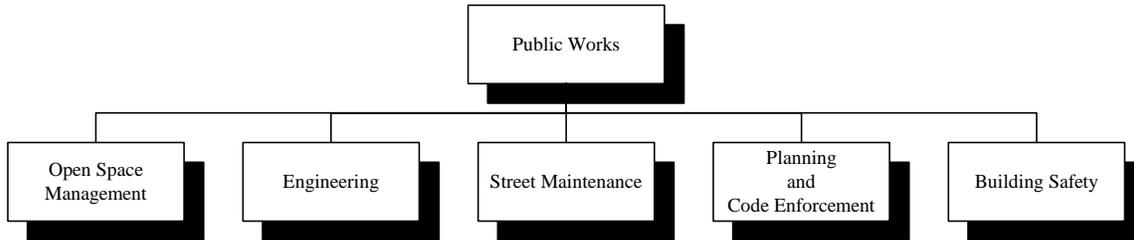
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**Building Safety  
Planning  
Streets**





## Public Works



### Mission Statement

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

### Department Description

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

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

### 2004-2005 ACCOMPLISHMENTS

- Submitted the Stormwater Management Plan to ADEQ and EPA for municipal stormwater discharges.
- Continued the wash management program at various locations where fire hazards existed.
- Reviewed site plans for building permits, subdivision preliminary plats and condo replats.
- Reviewed, permitted and inspected utility permit requests.
- Reviewed and processed easement and right-of-way abandonments and acquisitions.



- Inspected (or liaison for) major projects including:
  - The Villas @ Firerock
  - Balera Development
  - Town Center Crossing Condos
  - Eagles Nest Infrastructure
  - The Enclave
  - New traffic signal at Fountain Hills Boulevard and El Lago Boulevard
  - All street maintenance projects in the northwest portion of Town (over 18 miles).

**2005-06 OBJECTIVES:**

- Fulfill the first six requirements of the Stormwater Management Plan as required by the Arizona Department of Environmental Quality (ADEQ) and Environmental Protection Agency (EPA).
- Provide wash management at urgent and moderate fire hazard areas in coordination with the Fire Department requests.
- Assist the McDowell Mountain Preservation Commission (MMPC) with trailhead design in Adero Canyon.
- Provide capital project planning, design and construction consistent with the budget.
- Continue street major maintenance work (see Street Section).

**PERFORMANCE STANDARDS:**

- Provide single family residence reviews within 20 working days
- Provide a high level of median maintenance, recognizing that medians are a very important element of the “first impression” people have of Fountain Hills
- Inspect all dams quarterly (State inspection annually)
- Provide a customer friendly environment for citizen and developer access to services
- Provide technical input to the Town Council and advisory commissions as requested
- Assist Planning & Zoning with technical support of the annexation process of State Trust Land

<b>Management Indicators</b>	2003-04	2004-05	2005-06
	<u>Actual</u>	<u>Estimates</u>	<u>Projected</u>
<u>Engineering Plan review time (1<sup>st</sup> submittal) goal</u>			
• Single family residence: 20 working days	90%	90%	90%
• Commercial: 15 working days	90%	90%	90%
• Subdivision: 20 working days	90%	90%	90%
• Utility: 5 working days	90%	90%	90%
• Easement abandonments: 35 working days	80%	80%	80%
• Number of dams inspected	6	6	6
 Town owned maintained property	 1528 acres	 1529 acres	 1529 acres
Wash management program	33.1 acres	51.4 acres	28.5 acres

Note: Acres can vary depending on density of vegetation



Summary Expenditures - Public Works

	FY 2002-2003 Actual	FY 2002-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$653,944	\$558,794	\$719,110	\$671,019	\$605,870
CONTRACTUAL SERVICES	\$28,575	\$41,787	\$59,500	\$69,500	\$187,025
REPAIRS & MAINTENANCE	\$185,781	\$263,053	\$333,000	\$334,400	\$447,185
SUPPLIES & SERVICES	\$74,290	\$68,789	\$81,625	\$75,010	\$91,724
CAPITAL EXPENDITURES	\$18,269	\$0	\$0	\$0	\$30,000
<b>TOTAL EXPENDITURES</b>	<b>\$960,857</b>	<b>\$932,423</b>	<b>\$1,193,235</b>	<b>\$1,149,929</b>	<b>\$1,361,804</b>

Schedule of Authorized Positions

Position – Title

	Authorized FTE's			Proposed 2005-2006
	2002-2003	2003-2004	2004-2005	
<b>Public Works</b>				
Public Works Director	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	0
Civil Engineer	1.00	1.00	1.00	2.00
Senior Civil Engineer Inspector	0	0	1.00	1.00
Civil Engineer Inspector	2.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	0	0	0
Open Space & Landscape Spec.	1.00	1.00	1.00	1.00
<b>Authorized FTE</b>	<b>9.00</b>	<b>7.00</b>	<b>8.00</b>	<b>8.00</b>

Salaries and Benefits

**\$605,870**

There are currently 8 full-time positions in the Public Works Department and no requests for additional personnel in FY05-06. Two positions that were previously in this division have been transferred to the Planning and Zoning division budget (Computer Aided Drafting operator and technician) and is reflected in the decrease of salaries and benefits from the prior year estimate.

Contract Services

**\$187,025**

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

There are three Federal-aid grant projects that will begin the design process this upcoming year. They consist of a climbing lane on westbound Shea from Fountain Hills Boulevard to Palisades, sidewalks from the Middle School to Four Peaks School and alley paving from Colony Drive to Desert Vista Drive. The estimated cost for design fees for these projects is \$110,000.



Other anticipated projects are:

- Civil Engineer - Stormwater Management Plan - \$8,000
- Surveying Services - Northbound right turn lane on Palisades @ Westridge Village and for annual concrete and asphalt surveying - \$5,000.
- Traffic Engineer - Design signal. Three potential intersections are being considered (warrant studies are needed). \$40,000
- Civil engineering for Eagles Nest (2 parcels) \$17,025
- Contribution to floodplain management, appraisals and mylar scanning - \$4,500

**Repairs and Maintenance: \$447,185**

Vehicle Repairs and Maintenance \$3,430

The division has six assigned vehicles; one for the department director, two for engineering inspectors, one for the open space and landscape specialist, and two for field work and also pool vehicles for all Town staff.

Median Landscape Maintenance \$277,110

This line item increased 38% over the prior fiscal year as a result of an increase in median maintenance (see map on page 77). Staff believes that two full-time crews are necessary to maintain our medians and town-owned property; the crews are provided by the annual landscape contract.

The request for median landscape maintenance covers:

- Spraying pre-emergent (surflan) and post-emergent (roundup) twice a year \$20,000
- Mowing, aeration, fertilizer and application \$23,812
- Landscape maintenance-4000 hours \$193,490
- Palm tree trimming \$10,700
- Tree trimming-50 trees \$2,550
- Scalp, vacuum, dispose of clippings, mulch, overseed \$4,242
- Annual backflow assembly inspection and repairs (required by law) \$1,400
- Fountain maintenance/supplies - this work is done in-house and includes chlorine, algaecide, shock treatment, pump/motor maintenance and cleaning bronze statues \$8,916
- Irrigation maintenance supplies - this work is done in house and includes valves, clocks, heads, pipes, etc. \$2,000
- Major repair at the Shea/Palisades water feature \$10,000

Dam/Wash Maintenance \$166,645

The item includes fire hazard, drainage control, trash and dumping removal in the wash and preservation areas. It also includes maintenance of items required at the six Town-owned jurisdictional dams. Most of this budget amount will be expended for urgent fire hazard removal areas during next fall, winter, and spring. Due to increased rainfall amounts this year, a sense of urgency does exist for this item (see map at end of this division). Total open space, including washes and dams is 1442 acres.

The request for dam and wash maintenance includes:



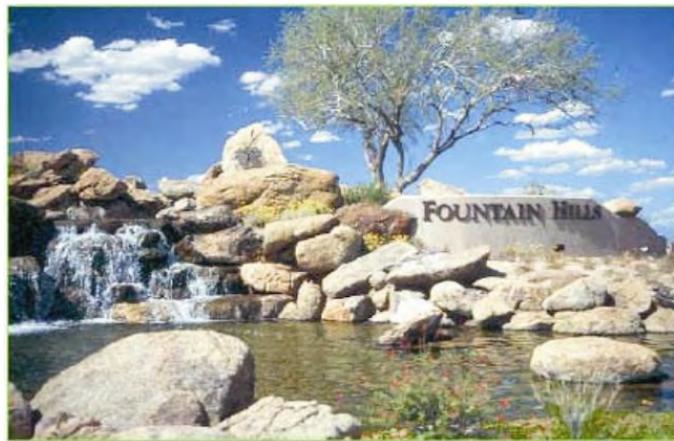
- Bridge inspections performed by ADOT on box culverts and CMP's and the removal of sediment and vegetation \$3,000
- Dam inspections by ADWR and the required cleanup and maintenance \$7,000
- Wash maintenance: To prevent any drainage problems and for fire protection, we propose to work in 7 washes: Ashbrook Wash (Saguaro to El Pueblo), Cereus Wash (Saguaro to Shea), Cereus Inlet (Saguaro to Firebrick), Fountain Channel (El Lago to Kiwanis), Colony Wash (Kiwanis to west side at inlet), Colony Wash (east side at outlet), Bristol Wash at Sierra Madre (north side at inlet to south side at outlet). Total area is 28.5 acres. \$122,645
- After the cutting and removal of debris from the washes, a post-emergent spray is applied to prevent re-growth of vegetation not indigenous to the area. The spraying and labor is estimated at \$12,000
- Re-vegetation of native plant material (seed) is applied - done in-house. Cost of the seed is estimated at \$1,000
- North Heights Dam conversion to Native Desert \$20,000

**SUPPLIES AND SERVICES \$91,724**

This category of expenditures includes advertising and/or public notices, conferences and training for staff, dues and publications, office supplies, tool and shop supplies, printing, communication expenses, travel expenses and uniforms. The electricity and water costs (\$71,800) is for the irrigation of medians, fountains and other Town-owned properties. The increase in the water/sewer over the prior years is due to the acquisition of additional medians and water features.

**CAPITAL OUTLAY \$30,000**

Included in the FY05-06 budget and capital improvement plan is a replacement vehicle for the Public Works department. This vehicle is being replaced according to the Town's equipment replacement schedule.

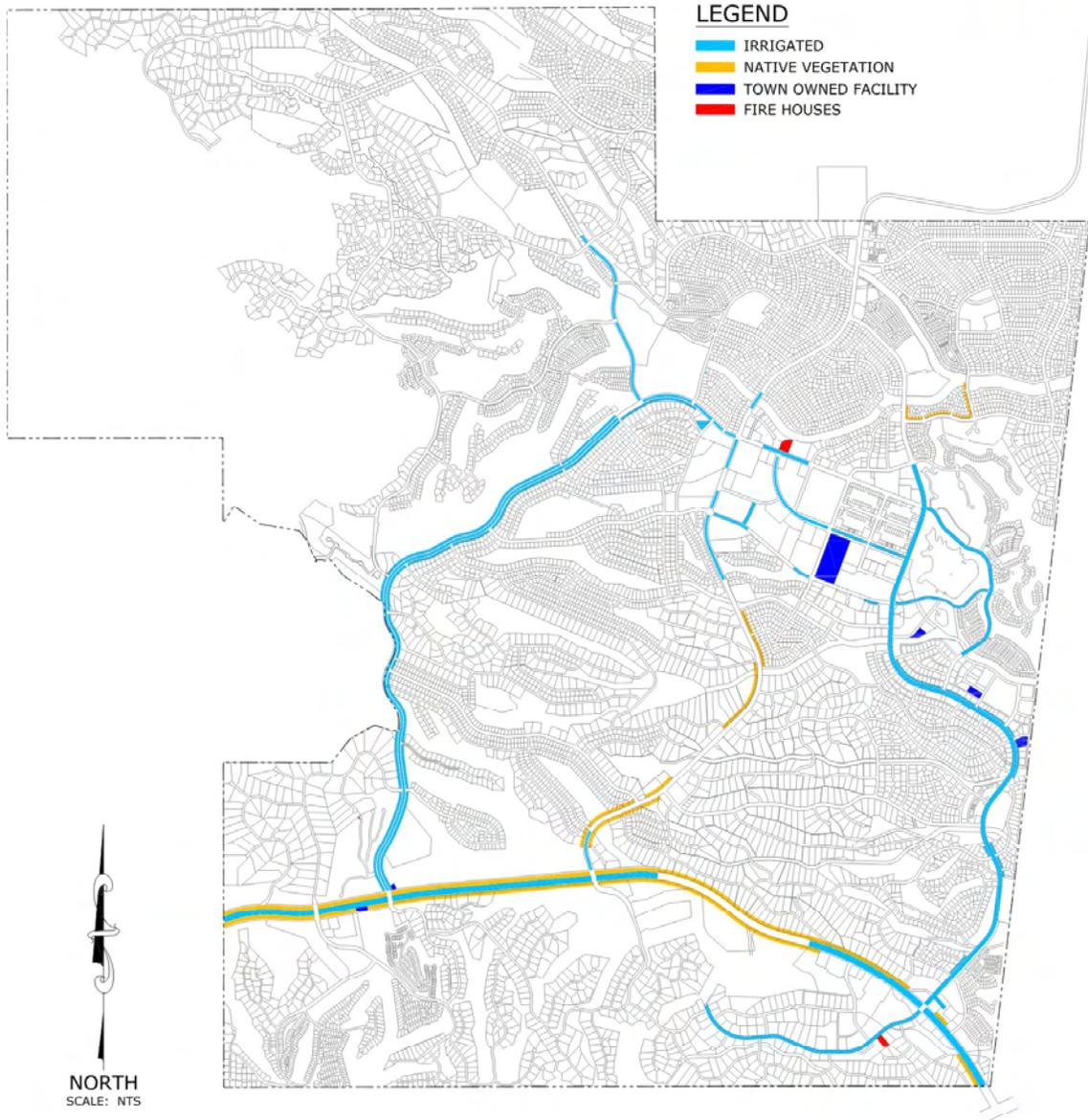




# TOWN OF FOUNTAIN HILLS

LANDSCAPE MAINTENANCE CONTRACT

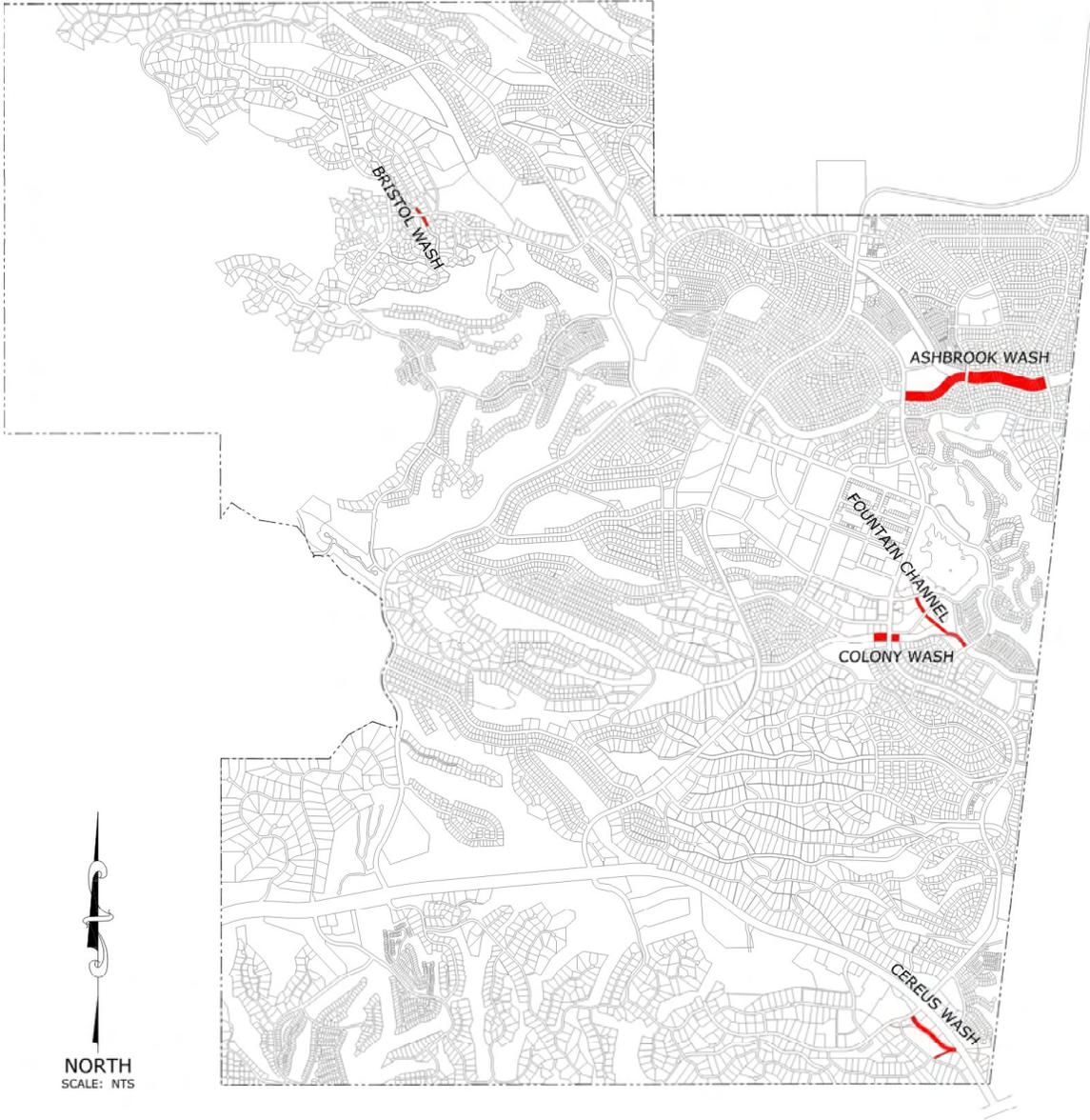
## 2005-2006





# TOWN OF FOUNTAIN HILLS

PROPOSED WASH MAINTENANCE  
2005-2006

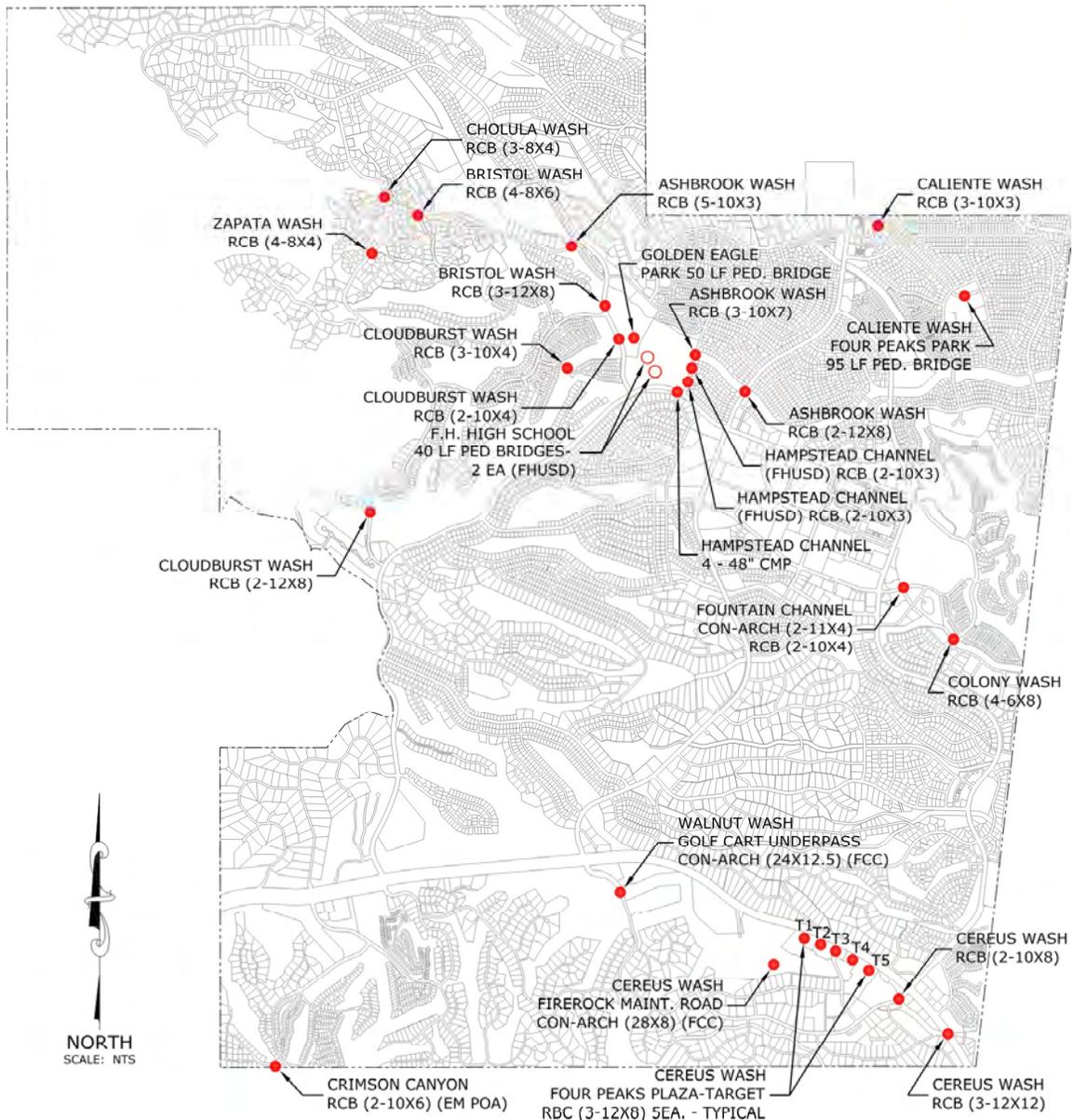




# TOWN OF FOUNTAIN HILLS

## BRIDGE INSPECTIONS

### 2005-2006





<b>PUBLIC WORKS</b>	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>SALARIES &amp; BENEFITS:</b>					
Wages	512,668	443,205	560,200	524,801	472,400
FICA	7,086	6,140	8,190	7,400	6,900
Unemployment Insurance	402	412	480	507	530
Employee's Health Insurance	62,159	46,685	70,250	56,400	55,120
Employee's Life Insurance	536	1,213	1,780	1,537	1,610
Employee's Dental Insurance	7,080	5,883	7,920	6,533	5,780
Employee's Eye Insurance	607	0	0	0	360
Worker's Compensation Insurance	4,769	4,396	5,970	7,000	8,840
Employee's Retirement Fund	56,393	48,733	61,630	57,728	51,970
Recruitment Costs	0	0	0	6,584	0
Disability Insurance	2,243	2,127	2,690	2,529	2,360
<b>TOTAL</b>	<b>\$653,944</b>	<b>\$558,794</b>	<b>\$719,110</b>	<b>\$671,019</b>	<b>\$605,870</b>
<b>CONTRACT SERVICES</b>					
Contractual Services	0	20,390	2,000	2,000	2,500
Engineering Fees	28,575	21,397	57,500	67,500	184,525
<b>TOTAL</b>	<b>\$28,575</b>	<b>\$41,787</b>	<b>\$59,500</b>	<b>\$69,500</b>	<b>\$187,025</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Repair & Maint.	3,023	4,321	3,000	4,400	3,430
Mowing/Landscape Maintenance	139,516	126,257	200,000	200,000	277,110
Wash Maintenance	43,242	132,474	130,000	130,000	166,645
<b>TOTAL</b>	<b>\$185,781</b>	<b>\$263,053</b>	<b>\$333,000</b>	<b>\$334,400</b>	<b>\$447,185</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	19	1,842	2,000	1,250	1,250
Conferences	0	145	500	500	1,500
Education/Training	35	1,725	2,200	1,100	1,160
Dues & Publications	937	1,018	1,300	1,700	1,885
Electricity	9,725	9,628	11,500	11,500	12,000
Gas & Oil	4,610	6,026	7,500	5,000	5,570
Office Supplies	3,889	4,884	5,000	3,700	2,500
Tools, Shop Supplies	315	154	500	500	500
Printing	144	724	1,000	500	1,000
Communications Expense	2,929	2,630	3,500	2,500	3,324
Water/Sewer	50,308	38,611	45,000	45,000	59,800
Travel	0	50	100	200	100
Uniforms	1,343	1,317	1,525	1,525	1,135
Bank Charges	35	35	0	35	0
<b>TOTAL</b>	<b>\$74,290</b>	<b>\$68,789</b>	<b>\$81,625</b>	<b>\$75,010</b>	<b>\$91,724</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Vehicles	18,269	0	0	0	30,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$18,269</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$942,589</b>	<b>\$932,423</b>	<b>\$1,193,235</b>	<b>\$1,149,929</b>	<b>\$1,361,804</b>



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## **Building Safety Division**

### **Mission Statement**

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

### **Division Description**

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

The Building Safety Division anticipates that it will process over 1,100 building permit applications and perform inspections at approximately 750 building sites in fiscal year 2005-2006. Most of the division's activity will be concentrated in the developing portions of Firerock Country Club, Crestview, Eagle's Nest and Town Center. The division expects the same levels of construction inspection activity due to on-going construction projects that have been permitted in fiscal year 2003-2004 (650 active and open permits), and new residential and commercial projects permitted early in fiscal year 2004-2005.

### **2004-2005 Accomplishments**

Projected from figures based on first nine months of fiscal year 2004-2005, the Building Safety Division accomplished the following:

- Reviewed 876 building plans and permit applications.
- Performed 8,732 commercial and residential building inspections.
- Provided technical assistance in the construction of the Civic Center Phase II, Eagle's Nest Public Facilities and Federal ADA assessment of Town owned facilities.
- Maintained an automated building permit system to better enhance customer service and reduce paperwork.

### **2005-2006 Objectives**

- Provide 200 training hours for plans examiners, building inspectors and building permit technicians
- Maintain high workplace safety standards in the field and in the office
- Continue to educate the community about new Building Codes and Energy Conservation Codes

### **Performance Standards**

- Perform first review plan reviews within 20 working days, and subsequent plan reviews in 10 working days
- Identify all plan review concerns in the first review



- Perform all requested inspections within 24 hours
- Provide a customer friendly environment for citizens to access the services of the division and process the needed applications

**Management Indicators**

	2003-2004 Actual	2004-2005 Estimated*	2005-2006 Estimated
Building Permit Activity			
• Single-family	143	160	140
• Multi-family	48	288 Units	230 Units
• Commercial	11	20	6
• Pools, Fences, Additions and Remodels	726	620	713
Building Counter Activity	850	880	1012
On-site Inspection	6,985	9,839	11,315
Number of training hours			

\* Estimated, based on actual figures from the first three quarters.

**Summary Expenditures - Building Safety**

	FY 2002-2003 Actual	FY 2002-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$337,056	\$458,952	\$456,500	\$445,365	\$560,500
CONTRACTUAL SERVICES	\$27,629	\$66,586	\$15,000	\$40,000	\$39,150
REPAIRS & MAINTENANCE	\$1,384	\$2,030	\$1,800	\$1,000	\$2,200
SUPPLIES & SERVICES	\$13,811	\$20,903	\$21,630	\$18,400	\$25,995
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$25,000
<b>TOTAL EXPENDITURES</b>	<b>\$379,879</b>	<b>\$548,472</b>	<b>\$494,930</b>	<b>\$504,765</b>	<b>\$652,845</b>

**Schedule of Authorized Positions**

Position – Title

	Authorized FTE's			Proposed
	2002-2003	2003-2004	2004-2005	2005-2006
<b>Building Safety</b>				
Chief Building Official	1.00	1.00	1.00	1.00
Plans Examiner	2.00	2.00	2.00	2.00
Building Inspector	1.00	2.00	2.00	2.00
Building Permit Technician	2.00	2.00	3.00	3.00
Senior Building Inspector	2.00	0	0	1.00
<b>Authorized FTE</b>	<b>8.00</b>	<b>7.00</b>	<b>9.00</b>	<b>9.00</b>



**Salaries and Benefits**

**\$560,300**

The increase from 8 FTE's to 9 reflects the re-instatement of the Senior Building Inspector position that has been vacant since FY02-03. This position was approved during mid-FY04-05 by the Town Council in order to improve the level of expertise required for the new, larger custom homes and commercial development that the Town is experiencing.

**Contractual Services**

**\$39,150**

When commercial building plans are submitted for review, or when the residential plan check or inspection load exceeds the division's ability to maintain its turn-around goals, outside consulting firms are utilized. During FY04-05 the Town had to utilize consultant services exceeding expectations in order to perform building inspections. As the Town approaches build-out the need for full time inspectors will diminish, therefore, short-term solutions through consulting fees makes economical sense.

**Repairs and Maintenance**

**\$2,200**

This division currently maintains four vehicles that are approaching 10 years of age. A replacement policy was prepared that continually phases in new vehicles according to age and/or mileage of the vehicle. With the schedule, there is one new vehicle being proposed for replacement in FY05-06.

**Supplies and Services**

**\$25,995**

Funds are included for advertising or posting notices, professional dues and publications for the inspectors, gas and oil, office supplies, printing, communication expenses, travel and uniforms. The proposed budget includes an increase of 91% for conferences and education/training to obtain further certifications and training for the inspectors.

**Capital Outlay**

**\$25,000**

According to the Town replacement schedule the Building Safety Division will replace a 1995 Ford pickup that is used by the inspectors.



<b>BUILDING SAFETY</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>SALARIES &amp; BENEFITS:</b>					
Wages	266,119	354,637	345,400	347,384	428,000
FICA	3,724	4,843	5,000	5,037	6,200
Unemployment Insurance	455	609	400	641	600
Employee's Health Insurance	29,712	48,362	55,200	41,339	61,500
Employee's Life Insurance	312	945	1,100	1,034	1,500
Employee's Dental Insurance	3,787	6,229	6,500	5,455	7,200
Employee's Eye Insurance	288	0	0	0	400
Worker's Compensation Insurance	2,306	2,898	3,200	4,922	5,900
Employee's Retirement Fund	29,273	39,000	38,000	38,212	47,100
Disability Insurance	1,080	1,428	1,700	1,341	2,100
<b>TOTAL</b>	<b>\$337,056</b>	<b>\$458,952</b>	<b>\$456,500</b>	<b>\$445,365</b>	<b>\$560,500</b>
<b>CONTRACT SERVICES</b>					
Professional Fees	27,629	66,586	15,000	40,000	39,150
<b>TOTAL</b>	<b>\$27,629</b>	<b>\$66,586</b>	<b>\$15,000</b>	<b>\$40,000</b>	<b>\$39,150</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Maintenance	1,384	2,030	1,800	1,000	2,200
<b>TOTAL</b>	<b>\$1,384</b>	<b>\$2,030</b>	<b>\$1,800</b>	<b>\$1,000</b>	<b>\$2,200</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	1,549	1,046	1,000	1,000	500
Conferences	129	524	1,000	1,000	1,825
Education/Training	950	2,073	5,000	4,000	7,770
Dues & Publications	3,099	1,099	2,200	1,000	2,850
Gas & Oil	2,491	4,658	4,680	5,600	6,200
Office Supplies	860	1,588	1,000	1,000	1,000
Tools, Shop Supplies	0	100	300	300	300
Printing	859	2,295	1,500	1,000	1,800
Communications Expense	2,852	5,929	3,300	2,000	2,500
Travel	63	413	300	1,000	250
Uniforms	948	1,180	1,350	500	1,000
Bank Charges	10	0	0	0	0
<b>TOTAL</b>	<b>\$13,811</b>	<b>\$20,903</b>	<b>\$21,630</b>	<b>\$18,400</b>	<b>\$25,995</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Vehicles	0	0	0	0	25,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$25,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$379,879</b>	<b>\$548,472</b>	<b>\$494,930</b>	<b>\$504,765</b>	<b>\$652,845</b>



**Street Division (Highway User Revenue Fund)**

<b>STREET FUND SUMMARY</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>REVENUE:</b>					
LTAF	115,691	115,339	113,700	113,700	113,700
Highway User	1,310,997	1,400,448	1,390,900	1,460,500	1,598,850
Charges for Svcs/In Lieu Pmts	31,775	28,597	19,000	5,000	8,000
Interest	298	3,701	1,500	6,500	4,500
Misc. Income	7,410	0	1,000	35,000	1,000
Transfer from General Fund	0	0	0	0	500,000
<b>TOTAL CURRENT REVENUE</b>	<b>\$1,466,170</b>	<b>\$1,548,085</b>	<b>\$1,526,100</b>	<b>\$1,620,700</b>	<b>\$2,226,050</b>
<b>EXPENDITURES:</b>					
Salaries and Benefits	613,036	492,691	575,511	498,906	627,550
Contractual Services	0	3,500	3,500	3,500	24,625
Repairs and Maintenance	340,540	578,698	653,200	665,950	1,327,581
Supplies and Services	194,991	191,084	199,500	180,550	212,147
Capital Outlay	2,585	10,374	130,000	125,000	35,000
Debt Retirement	126,000	123,996	120,000	120,000	160,500
<b>TOTAL CURRENT EXPENDITURES</b>	<b>\$1,277,153</b>	<b>\$1,400,343</b>	<b>\$1,681,711</b>	<b>\$1,593,906</b>	<b>\$2,387,403</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>189,017</b>	<b>147,743</b>	<b>(155,611)</b>	<b>26,794</b>	<b>(161,353)</b>
Fund Balance Beginning of Year	\$0	\$0	\$0	\$147,743	\$174,536
<b>Ending Fund Balance</b>	<b>\$189,017</b>	<b>\$147,743</b>	<b>(\$155,611)</b>	<b>\$174,536</b>	<b>\$13,183</b>



### Highway User Revenue (Street) Fund

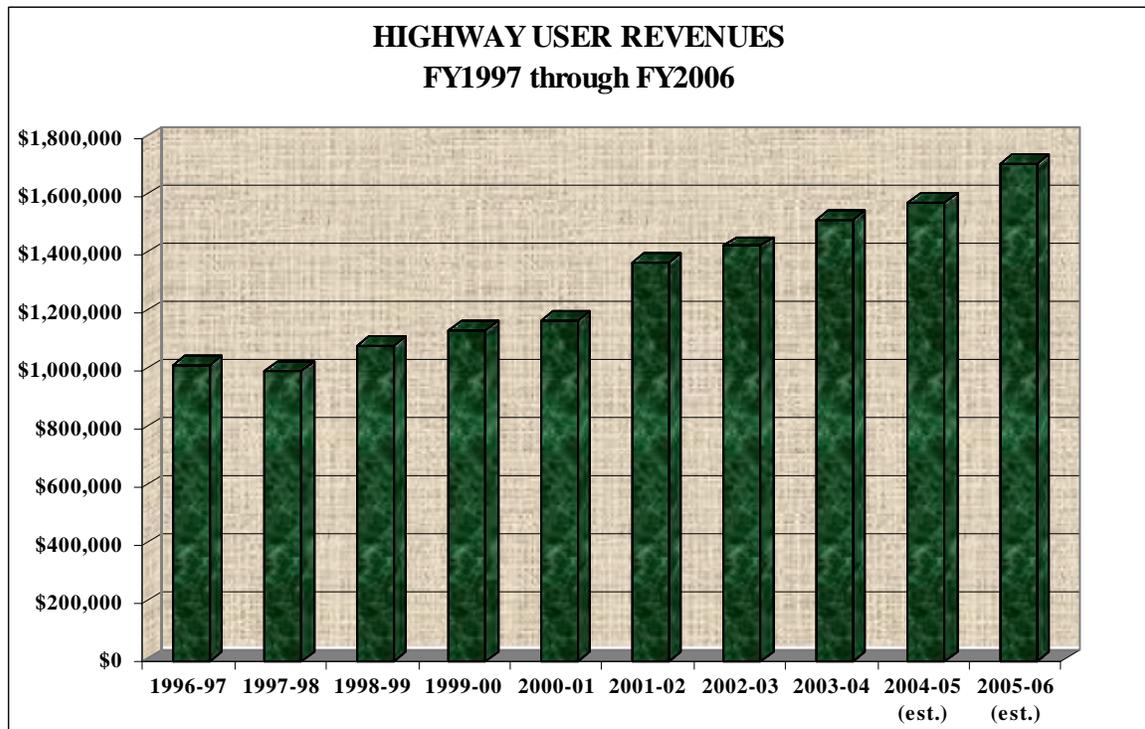
Restrictions	Fiscal Year	Amount	Percent Change
There is a State constitutional restriction on the use of these funds which requires that these funds be used solely for street and highway purposes. Payment of principal and interest on highway and street bonds are an approved use.	1996-97	\$1,017,600	24.3%
	1997-98	\$996,805	-2.0%
	1998-99	\$1,082,173	8.6%
	1999-00	\$1,136,051	5.0%
	2000-01	\$1,171,463	3.1%
	2001-02	\$1,369,677	16.9%
	2002-03	\$1,426,688	4.2%
	2003-04	\$1,515,787	6.2%
	2004-05 (est.)	\$1,574,200	3.9%
	2005-06 (est.)	\$1,712,550	8.8%

Accounts: 3040, 3050

#### 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 increases in HURF allocations in FY 1997 and 2002 were the result of the 1995 and 2000 census population growth. The estimate for FY2006 is based on projections from Arizona Department of Transportation. The Local Transportation Assistance Fund (LTAF) comes from lottery proceeds and is distributed to cities and towns based on population as a percentage of all incorporated cities and towns.

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





## Street Division

### Mission Statement:

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

### Division Description:

The HURF (Highway User Revenue Fund) pays for Street Division personnel and contract work for street repairs, operations, maintenance and improvements. Major Street Division staff responsibilities include crack sealing, asphalt patching, signing, traffic signals, brush removal, storm debris clean up, street sweeping, and street related emergency responses. The Division provides vehicle maintenance services for the entire Town fleet, and traffic barricading for Town approved and sponsored special events. Contracted tasks include construction and renovation of streets, sidewalks, drainage facilities and traffic signals. Contracted major street maintenance items include concrete curb replacement, asphalt reconstruction, asphalt overlays, slurry seal and emulsion seal.

### Performance Standards:

- Gutter sweep all streets quarterly, with full width sweeping annually. Gutter sweep all arterial streets and commercial area collector streets monthly. Under the requirements of the Storm Water Management Plan, street sweeping occurs on a daily basis.
- Respond to a pothole complaints within 24-hours of notification.
- Respond to missing or damaged street signage within 24-hours of notification.
- Perform routine maintenance of all Town fleet vehicles to minimize major repair “down-time”.

Management Indicators:	2003-04	2004-05	2005-06
	<u>Actual</u>	<u>Projected</u>	<u>Estimated</u>
Miles of streets swept			
Slurry Seal	21.4 miles	15.6 miles	27.2 miles
Microsurfacing		2.7 miles	2.9 miles
Emulsion Seal Applications	10.5 miles	9.8 miles	0 miles
Striping Applied	22 miles	28.1 miles	30 miles

### 2004-2005 Accomplishments:

Major projects and accomplishments included:

- Constructed New Traffic Signal at Fountain Hills Boulevard and El Lago Boulevard.
- Completed design of traffic signal at Saguaro Boulevard and El Lago Boulevard intersection
- Completed the Town-wide evaluation of all streets relative to asphalt conditions.
- Barricading and street closures for all special events (500 man-hours total for 4 special events).
- Crack sealing in the northwest quadrant of Town (approximately 18 miles of streets).
- Street patching in Town-wide areas - 180 tons of asphalt.
- Performed 680 man-hours on major projects such as drainage on Saguaro at Kingtree, bull nose on Saguaro at El Lago, spillway at Saguaro at Kingtree, Shea Blvd overlook beautification).



- Microsurfaced 2.7 miles of streets.
- Slurry sealed 15.6 miles of streets
- Emulsion sealed 9.8 miles of streets.

**2005-06 Objectives:**

- Construct traffic signal at Saguaro Boulevard and El Lago Boulevard intersection
- Prepare streets in the northeast area of Town for pavement maintenance activities
- Update the street maintenance program for addressing annual, 5, 10, and 20-year pavement maintenance needs
- Create fleet maintenance program to minimize vehicle down time and provide long term vehicle needs analysis
- Retrofit two traffic signals to LED signal heads for cost savings, increased reliability, and improved visibility
- Retrofit 5 existing street intersection locations for ADA accessibility compliance
- Implement Storm Water Management Plan actions with the installation of 700 STORM drainage marker discs
- Purchase new PM-10 street sweeper as required by Maricopa County Dust Control Standards

**Summary Expenditures - Streets**

	FY 2002-2003 Actual	FY 2002-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$613,036	\$492,691	\$575,511	\$498,907	\$627,550
CONTRACTUAL SERVICES	\$0	\$3,500	\$3,500	\$12,750	\$24,625
REPAIRS & MAINTENANCE	\$340,540	\$578,698	\$653,200	\$665,950	\$1,327,581
SUPPLIES & SERVICES	\$194,991	\$191,084	\$199,500	\$180,550	\$212,147
CAPITAL EXPENDITURES	\$128,585	\$134,370	\$250,000	\$245,000	\$195,500
<b>TOTAL EXPENDITURES</b>	<b>\$1,277,153</b>	<b>\$1,400,343</b>	<b>\$1,681,711</b>	<b>\$1,603,157</b>	<b>\$2,387,403</b>

**Schedule of Authorized Positions**

Position – Title

	Authorized FTE's			Proposed 2005-2006
	2002-2003	2003-2004	2004-2005	
<b>Street</b>				
Assistant Public Works Director	0	0	0	1.00
Street Superintendent	1.00	1.00	1.00	1.00
Street Maintenance Supervisor	0	1.00	1.00	0
Fleet Mechanic	1.00	1.00	1.00	1.00
Fleet Equipment Mechanic	1.00	1.00	0	0
Street Maintenance Tech	9.00	7.00	6.00	6.00
Equipment Operator	2.00	2.00	2.00	2.00
<b>Authorized FTE</b>	<b>14.00</b>	<b>13.00</b>	<b>11.00</b>	<b>11.00</b>



**Salaries and Benefits**

**\$627,550**

There are no new positions requested within the Street Division for FY05-06; the division currently has 11 full-time regular employees including the street superintendent, mechanic, operators and technicians. However, the proposed budget includes the salary and benefits of the Assistant Public Works Director that had previously been included in the Public Works division. The Assistant Public Works Director's primary responsibilities are related to streets.

**Contract Services**

**\$24,625**

Accounting (auditor) and Town Attorney legal fees are annually prorated to the Street Fund for a combined cost of \$14,625. Additionally, under contract services, the Town is requesting consultant services to conduct an update of street segment ratings in order to maintain an accurate pavement management program; \$10,000 is included for this service.

**Repairs and Maintenance**

**\$1,327,581**

Continued preventative maintenance activities, which prolong pavement life expectancy, reduce the necessity for costly road reconstruction projects. Over 50% of the streets in Fountain Hills are over twenty years old, which is the normal life expectancy of asphalt without regular maintenance. Maintenance operations over the past few years have lagged due to budget constraints, however, the proposed budget includes an increase of 124% over the prior year actual costs (\$632,931) in order to bring the roads back up to acceptable standards. These maintenance projects are possible with the transfer of \$500,000 from the general fund and represent a good investment in Town streets.

Under Major Road Improvements line item the following significant projects are planned (total \$1,142,931):

- \$668,809 - Slurry Seal will be applied in the northeastern area of Town
- \$213,422 - is budgeted for Microsurfacing, which is planned for two locations - Saguaro Boulevard (Palisades Boulevard to Fountain Hills Boulevard) and Fountain Hills Boulevard (Saguaro Boulevard to Palisades Boulevard). See street maintenance map for exact locations.
- \$35,400 - Thermoplastic striping will be applied to all streets being re-surfaced
- \$38,800 - Concrete curb repairs, handicap ramps and aprons will be installed
- \$4,000 - Traffic-calming project
- \$20,000 - Stormwater management plan implementation activities will take place
- \$40,000 – Drainage project at Ruskin and Kipling

An additional \$146,150 is budgeted under road repair and maintenance; the division is planning on retrofitting existing traffic signals Light Emitting Diode (LED) signal heads, maintaining twelve traffic signals and two school flasher locations. The signal retrofit will enhance safety, reduce electricity consumption, and to increase reliability. Two such retrofits are planned for this fiscal year. Town street signs are being continually replaced and upgraded through the ongoing sign maintenance program.



Arterial roadways, such as Palisades, Fountain Hills, Saguaro and Shea make up 12% of the total network system. These road sections should receive priorities and added maintenance activities when considering street maintenance. These arterials carry the largest amount of traffic on a daily basis (approximately 65,000 vehicles per day, combined) and therefore, deteriorate the fastest. Major road construction costs on these arterials is expensive and have the largest impact on the traveling public during construction. The condition of a Town's arterial streets is often times seen as an overall condition of the Town. In addition, properly maintained streets help reduce liability for the Town.

Data for the Town-wide street maintenance study has been gathered. Staff continuously performs quality assurance checks on the data collected and works to update the data set to reflect actual current conditions. Continued funding and major maintenance activities is vital to keep the Town's streets in acceptable condition and to keep major road reconstruction projects to a minimum.

Other repairs and maintenance line items include \$34,000 for vehicle repairs and maintenance. The department maintains six maintenance vehicles as well as heavy-duty road equipment such as tractors, backhoes, dump trucks and sweepers.

**Supplies and Services** **\$212,147**

Major items include \$30,000 for electricity for the traffic signals and \$28,930 gas and oil expenses for the division fleet. This item also includes advertising, education and training, dues and publications, office supplies and printing, tool and shop supplies. The FY05-06 budget also includes costs for the division's proportionate share of general liability and property insurance.

**Capital Outlay** **\$195,500**

There are two capital items proposed for this budget year - a lift boom (\$35,000) and replacement street sweeper (\$225,000). Both of the Town's existing street sweepers are considered outdated by today's industry standards. Maricopa County Dust Control has encouraged all municipalities to purchase new PM-10 sweepers. The Town has applied for a Federal grant through Maricopa



Association of Governments (MAG) and is considered as a first alternate to receive funding in the amount of \$200,000. The balance of the cost of the sweeper is included as a transfer to the Special Revenue fund in this division budget. If grant funding is not available the sweeper will be postponed to the following fiscal year.

**Debt Retirement** **\$110,500**

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



# TOWN OF FOUNTAIN HILLS

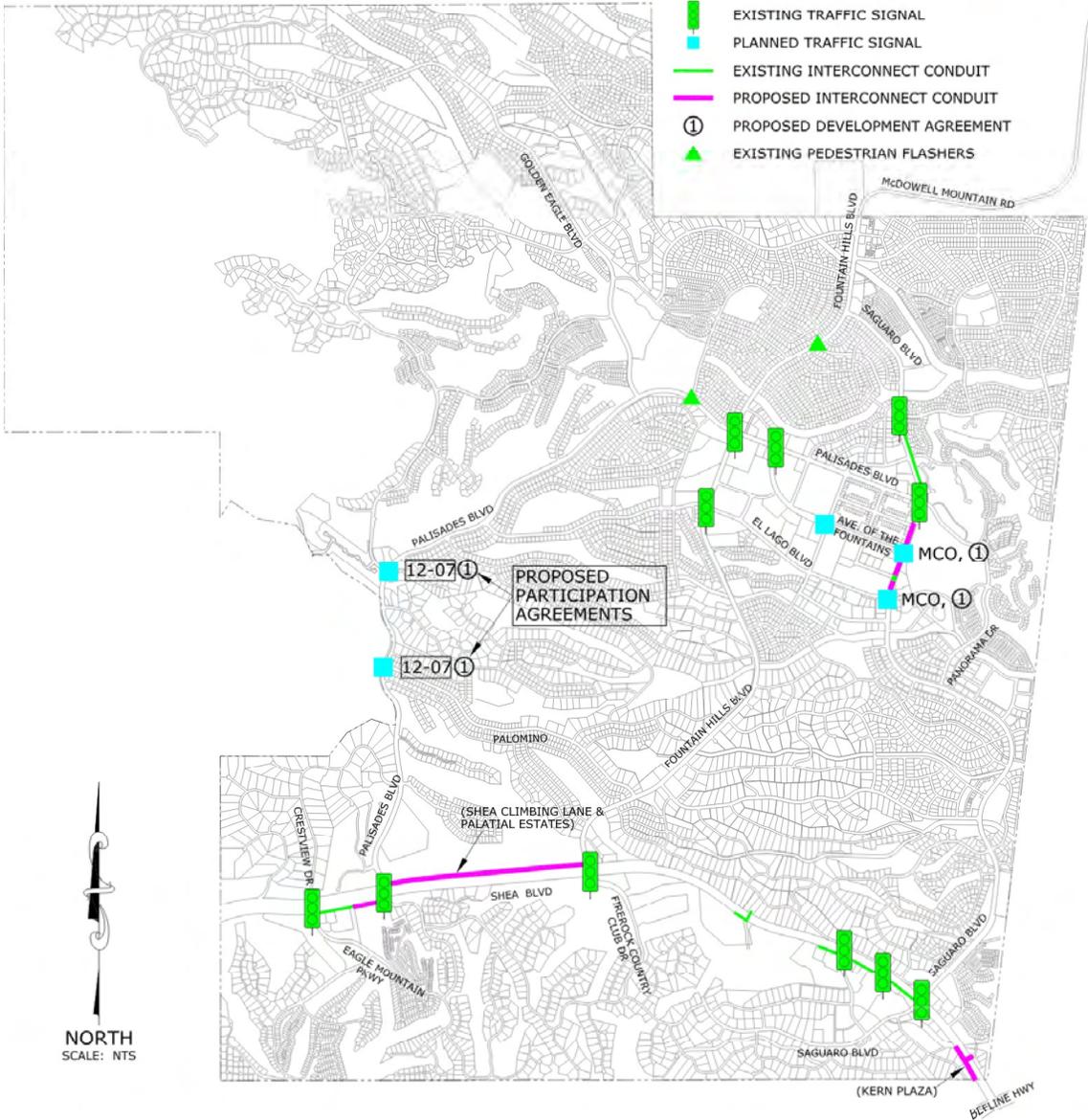
## PROJECTED TRAFFIC SIGNALS MAP

### 2005-2006



#### LEGEND

- █ EXISTING TRAFFIC SIGNAL
- █ PLANNED TRAFFIC SIGNAL
- EXISTING INTERCONNECT CONDUIT
- PROPOSED INTERCONNECT CONDUIT
- Ⓛ PROPOSED DEVELOPMENT AGREEMENT
- ▲ EXISTING PEDESTRIAN FLASHERS





# TOWN OF FOUNTAIN HILLS

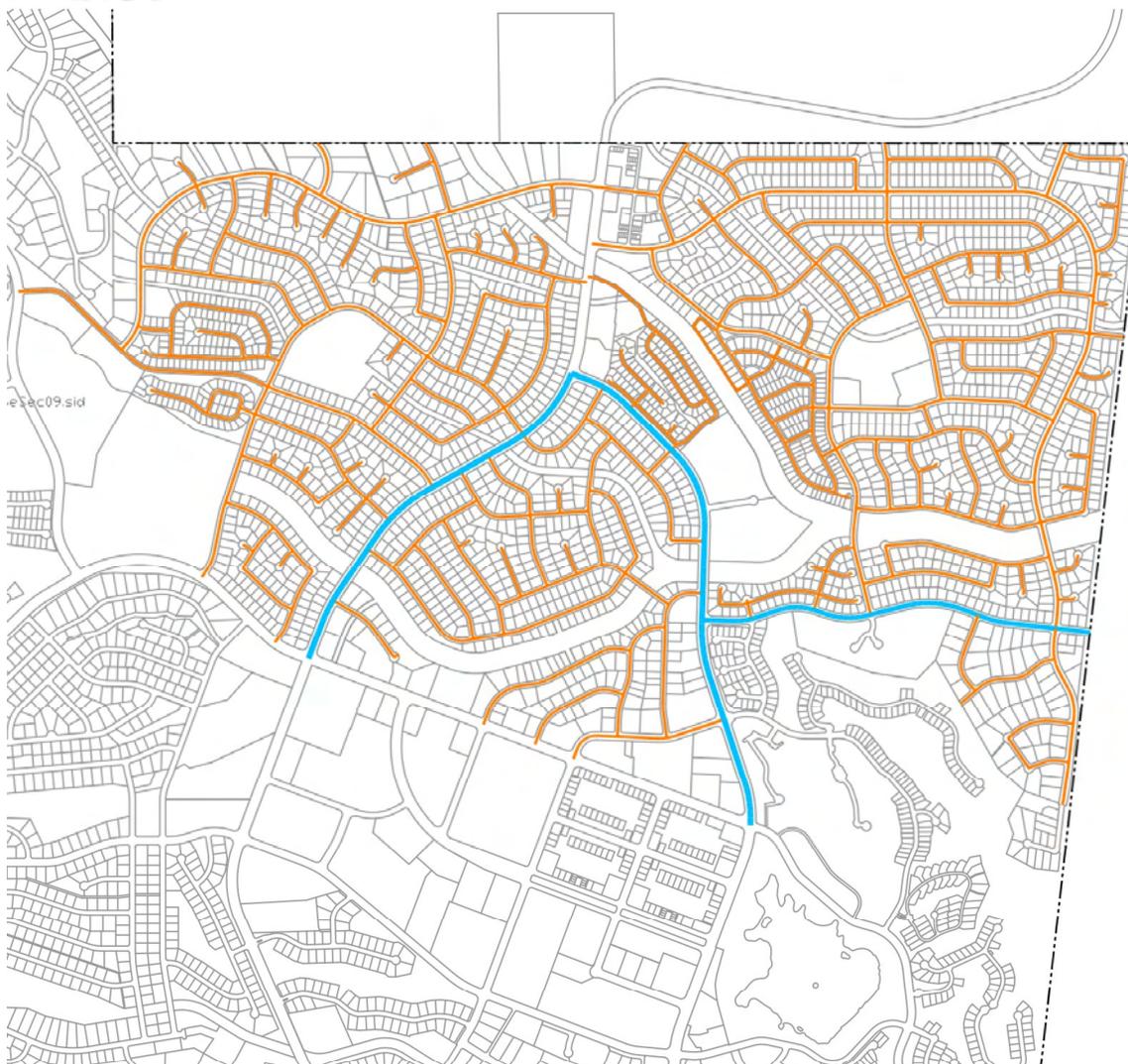
PROPOSED PAVEMENT MAINTENANCE  
2005-2006



NORTH  
SCALE: NTS

### LEGEND

- MICROSURFACE
- SLURRY SEAL





<b>STREET DEPARTMENT</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>SALARIES &amp; BENEFITS:</b>					
Wages	460,424	375,213	424,247	362,746	456,238
FICA	7,078	5,485	6,220	5,260	6,700
Unemployment Insurance	557	599	531	753	724
Employee's Health Insurance	59,030	40,762	59,427	47,774	66,234
Employee's Life Insurance	713	1,107	1,346	1,107	1,546
Employee's Dental Insurance	7,237	4,644	6,527	5,108	6,804
Employee's Eye Insurance	709	0	0	0	440
Worker's Compensation Insurance	24,316	21,018	28,510	34,500	36,398
Employee's Retirement Fund	51,133	42,083	46,667	39,902	50,186
Disability Insurance	1,838	1,780	2,036	1,757	2,281
<b>TOTAL</b>	<b>\$613,036</b>	<b>\$492,691</b>	<b>\$575,511</b>	<b>\$498,907</b>	<b>\$627,550</b>
<b>CONTRACT SERVICES</b>					
Accounting Fees	0	3,500	3,500	3,500	5,375
Professional Fees	0	0	0	0	10,000
Legal Fees	1,200	4,000	9,250	9,250	9,250
<b>TOTAL</b>	<b>\$0</b>	<b>\$3,500</b>	<b>\$3,500</b>	<b>\$12,750</b>	<b>\$24,625</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle/Equipment Rep/Maint.	30,772	34,339	38,000	32,000	34,000
Road Repair/Maintenance	94,144	120,748	120,200	120,200	146,150
Equipment Rental	0	0	500	500	500
Building Repairs/Maint.	2,916	3,922	4,000	3,000	3,500
Office Equipment Rep/Maint.	496	9	500	250	500
Major Road Improvements	212,212	419,680	490,000	510,000	1,142,931
<b>TOTAL</b>	<b>\$340,540</b>	<b>\$578,698</b>	<b>\$653,200</b>	<b>\$665,950</b>	<b>\$1,327,581</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	0	480	300	300	300
Conferences	0	0	500	0	3,255
Education/Training	368	344	1,800	1,800	3,755
Dues & Publications	5,402	3,639	4,600	4,600	5,175
Electricity	23,153	26,889	28,000	28,800	30,000
Gas & Oil	13,979	15,073	18,700	22,100	28,930
Liability Insurance	121,812	117,000	117,000	96,600	117,000
Office Supplies	1,208	1,168	1,200	1,500	1,500
Tools, Shop Supplies	7,862	7,604	5,500	7,500	5,000
Printing	41	82	300	300	500
Communication Expense	6,971	6,496	7,500	5,000	5,432
Water/Sewer	4,396	3,114	5,000	2,950	3,200
Travel	0	24	100	100	100
Uniforms	9,800	9,170	9,000	9,000	8,000
<b>TOTAL</b>	<b>\$194,991</b>	<b>\$191,084</b>	<b>\$199,500</b>	<b>\$180,550</b>	<b>\$212,147</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Equipment - Vehicles	0	0	120,000	115,000	35,000
Capital Outlay - Equipment	2,585	3,374	10,000	10,000	0
Capital Outlay - Software	0	7,000	0	0	0
Capital Outlay - Improvements	0	0	0	0	0
Debt Retirement	126,000	123,996	120,000	120,000	110,500
Transfer Out	0	0	0	0	50,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$128,585</b>	<b>\$134,370</b>	<b>\$250,000</b>	<b>\$245,000</b>	<b>\$195,500</b>
<b>TOTAL EXPENDITURES</b>	<b>\$1,277,153</b>	<b>\$1,400,343</b>	<b>\$1,681,711</b>	<b>\$1,603,157</b>	<b>\$2,387,403</b>



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## Planning Division

### Mission Statement

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

### Division Description

The Planning and Zoning Division administers the Town of Fountain Hills' planning, code enforcement and economic development programs. Planning functions include the processing of applications for General Plan amendments, area specific plans, special use permits, rezonings, subdivisions, variances, and other land use related requests. Code enforcement responds to citizen concerns and provides proactive services with the goal of eliminating blight and improving the appearance of business and residential areas to enhance property values and maintain the quality of life within the Town. Economic development programs provide support to existing businesses and seek to attract new economic opportunities to the Town. CAD Services provides internal and external customers with maps and geographic information and research.

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

### Performance Standards

- Perform first review plan checks within 20 working days and subsequent plan reviews in 10 working days
- Respond to all citizen inquiries within the same working day
- Keep the Town Council, Planning and Zoning Commission, Board of Adjustment and other commissions informed of new legislation and legal rulings pertaining to land use matters
- Provide educational opportunities to members of the Town Council, Planning and Zoning Commission, and Board of Adjustment on pertinent and evolving land use matters
- Ensure that Council approved ordinances are enforced
- Encourage the development of economic opportunities
- Maintain open and constructive relationships with Town businesses and economic organizations to foster public / private partnerships for the betterment of the Town



**Management Indicators**

	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
Special Use Permits	6	6	6
Temporary Use Permits	15	12	12
Cut/Fill Waivers	2	2	4
Subdivisions w/improvements	19	24	22
Replats	3	6	8
Administrative Use Permits	9	8	8
Variances	1	2	3
Comprehensive Sign Plans	3	9	8
Concept Plans	18	20	20
Plan of Development	0	1	1
Zoning Text Amendments	3	2	3
Re-zoning	1	1	2
General Plan Amendments	1	1	1
Annexations	1	0	0

**2004-2005 Accomplishments**

In the first ten months of fiscal year 2004-2005, the Planning & Zoning Division accomplished the following:

- Processed Final Plats for The Enclave, Colony Wash Condominiums and Palatial Estates
- Reviewed permit applications for the new Town Hall, Holiday Inn, Kern Plaza, Eagles Nest, Summit at Crestview, CopperWynd expansion, and Village at Town Center
- Sponsored two planning interns from Arizona State University
- Processed to approval, regulation changes dealing with monument signage, loading and unloading space requirements and requirements for driveways
- Investigated and completed 665 code violation complaints in the first 8 months of the FY
- Downtown Economic Development Coordinator created demographic information package for distribution to potential new businesses
- Contract awarded to WLB Group for the design of Avenue of the Fountains Enhancement Project

**2005-2006 Objectives**

- Begin construction of the Avenue of the Fountains Plan
- Work with the State Land Department on the planning and future annexation of the State Trust land parcel north of Town
- Process development proposals and building permit applications in a thorough and timely manner
- Process text amendments to the Town's Zoning and Subdivision Ordinances to clarify policies and remove grammatical and typographical errors
- Continue to enforce Town ordinances and policies to maintain the Town's quality of life, provide safe living conditions, and protect the environment and preserve resources
- Develop business retention programs and policies to support existing businesses within the Town
- Identify attractive development sites and develop economic development programs and policies to attract businesses and industries to the Town



- Provide staff educational opportunities to best serve the community with the highest level of expertise in the planning, code enforcement and economic development fields

**Summary Expenditures - Planning & Zoning**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$256,296	\$171,457	\$347,780	\$329,717	\$585,110
CONTRACTUAL SERVICES	\$0	\$27,950	\$25,000	\$25,000	\$119,000
REPAIRS & MAINTENANCE	\$298	\$12	\$1,000	\$1,000	\$800
SUPPLIES & SERVICES	\$16,204	\$13,122	\$24,700	\$19,750	\$37,330
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$272,798</b>	<b>\$212,541</b>	<b>\$398,480</b>	<b>\$375,467</b>	<b>\$742,240</b>

**Schedule of Authorized Positions**

Position – Title

	Authorized FTE's			Proposed 2005-2006
	2002-2003	2003-2004	2004-2005	
<b>Planning &amp; Zoning</b>				
Director	1.00	0	0	0
P & Z Administrator	0	1.00	1.00	1.00
Senior Planner	2.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00
Eng. Tech/CAD Operator	1.00	1.00	1.00	1.00
Drafting/CAD Technician	1.00	1.00	1.00	1.00
Executive Assistant	1.00	0	0	0
Planning Technician	0	0	0	.50
Planning Assistant	1.00	1.00	1.00	1.00
Economic Downtown Dev. Coor	0	1.00	1.00	1.00
Code Enforcement Officer	0	3.00	2.00	3.00
<b>Authorized FTE</b>	<b>8.00</b>	<b>10.00</b>	<b>9.00</b>	<b>10.50</b>

**Salaries and Benefits**

**\$585,110**

Two positions that were previously in Public Works budget have been transferred to this division budget due to a reorganization of supervisor duties – the CAD (Computer Aided Drafting) operator and technician. Additionally, during the budget hearings the Town Council requested that a third officer be hired to enhance the enforcement hours. This is reflected in the 68% increase in salaries and benefits for this division.

The division is also requesting the addition of a part-time Planning Technician in FY05/06. This position would improve the ability to review building plans in a timely manner and provide better



customer service when planners are not available. With a part time Planning Technician on staff, the other planners would be able to devote more of their time to complex planning projects and reduce the turn around time for the projects they are responsible for reviewing. Justification and the job description are included in Appendix A.

**Contractual Service** **\$119,000**

There is a significant increase in this category of expenditures for FY05-06 due to the following one-time expenses:

- outside services will be contracted to perform a needs analysis to determine Geographical Information Systems (GIS) requirements \$15,000
- an aerial ortho-photo flight of the Town (the last low level flight was in March 2001) \$20,000
- an Attorney that specializes in water issues will be asked to provide advice regarding State Trust Land water matters pending with the Corporation Commission \$20,880
- funds for the preparation of a General Plan Amendment that would be necessary in conjunction with the annexation of the adjacent State Trust Land \$40,000
- funds have been allocated to pay for the Town's proportionate share of expenses associated with the 2005 Census \$23,100

**Repairs and Maintenance** **\$800**

This line item includes regular service and maintenance for two Code Enforcement vehicles.

**Supplies and Services** **\$37,330**

Funds are included for advertising, including signage and posting of notices and agendas, dues and publications for the planners, gas and oil, travel and uniforms. The increase in conferences is for the planners to attend a national APA conference in San Antonio and the code enforcement officers to attend conferences in Prescott, AZ and Orlando, FL. The increase in office supplies is due to the transfer of the CAD operators to this division including their plotter supplies.

The printing line item increased by \$7,200 to include the cost of printing the General Plan Amendment that is scheduled to be completed in FY05-06.



<b>PLANNING &amp; ZONING</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>SALARIES &amp; BENEFITS:</b>					
Wages	206,771	137,015	275,200	265,970	452,400
FICA	4,812	1,984	3,890	3,857	7,690
Unemployment Insurance	325	231	300	471	670
Employee's Health Insurance	21,264	11,711	31,840	24,287	60,080
Employee's Life Insurance	207	402	860	736	1,560
Employee's Dental Insurance	2,177	1,508	3,700	2,755	7,370
Employee's Eye Insurance	247	0	0	0	400
Worker's Compensation Insurance	380	301	1,470	1,307	4,860
Employee's Retirement Fund	19,373	15,072	29,240	29,257	47,880
Recruitment Costs	0	2,623		0	0
Disability Insurance	740	611	1,280	1,077	2,200
<b>TOTAL</b>	<b>\$256,296</b>	<b>\$171,457</b>	<b>\$347,780</b>	<b>\$329,717</b>	<b>\$585,110</b>
Professional Fees	0	27,950	25,000	25,000	119,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$27,950</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$119,000</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Repairs & Maintenance	298	12	1,000	1,000	800
<b>TOTAL</b>	<b>\$298</b>	<b>\$12</b>	<b>\$1,000</b>	<b>\$1,000</b>	<b>\$800</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising/Signage	6,479	3,393	6,500	2,500	2,700
Conferences	0	908	3,700	5,200	7,315
Education/Training	806	2,486	2,450	1,000	3,500
Dues & Publications	3,403	2,442	2,550	3,000	2,700
Gas & Oil	777	779	2,500	1,150	2,315
Office Supplies	1,778	2,254	2,000	1,500	5,600
Printing	2,397	536	2,800	2,800	10,000
Communication	362	127	1,500	1,500	2,200
Travel	165	77	200	600	500
Uniforms	0	120	500	500	500
Bank Charges	37	0	0	0	0
<b>TOTAL</b>	<b>\$16,204</b>	<b>\$13,122</b>	<b>\$24,700</b>	<b>\$19,750</b>	<b>\$37,330</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Expenditures - Vehicles	0	0	0	0	0
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$272,798</b>	<b>\$212,541</b>	<b>\$398,480</b>	<b>\$375,467</b>	<b>\$742,240</b>



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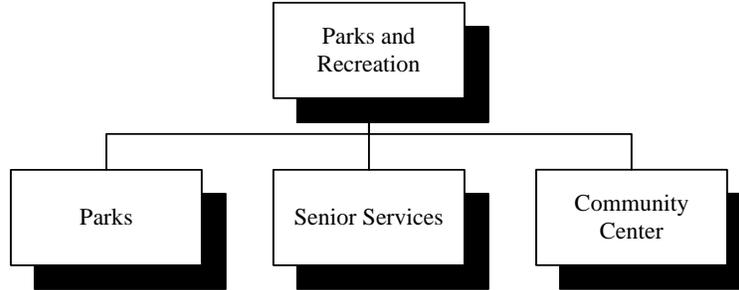
# **Parks, Recreation, Community Center, and Senior Services**

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## Parks, Recreation, Senior Services and Community Center



### Mission Statement

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

### Department Description

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

### Performance Standards

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

### Management Indicators

	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
<b>Recreation</b>			
• Special Events	4	5	8
• Adult and Youth Sports Activities/ Number of Courses Offered	12/88	13/119	13/125
• Special Interest Programs/ Number of Courses Offered	11/126	11/105	10/135
• Youth and Teen Programs/ Number of Courses Offered	5/31	7/35	10/40



- Youth Sports Organizations  
Affiliated w/ Parks and Recreation      4                      4                      4
- Volunteer Hours (estimated)              4,000                4,000                4,000

**Administrative Support**

Youth Sports Organizations & Schools – Facility Bookings

• Little League Baseball	532	524	520
• PONY League Baseball	89	100	110
• Soccer Club	351	365	380
• Pop Warner Football	108	80	85
• Fountain Hills High School	409	390	420
• Fountain Hills Middle School	14	20	20
• Fountain Hills Montessori School	4	15	10
<b>Total</b>	<b>1,507</b>	<b>1,494</b>	<b>1,545</b>

**Parks and Recreation Revenue**

	2003-2004 Actual	2004-2005 Estimated	2005-2006 Projected
• Recreation Programs	\$ 125,344	\$ 141,950	\$ 171,500
• Facility Rentals	\$ 17,140	\$ 16,600	\$ 18,000
• Picnic Ramada Reservations	\$ <u>3,850</u>	\$ <u>3,000</u>	\$ <u>3,500</u>
<b>Total</b>	<b>\$ 146,334</b>	<b>\$ 161,550</b>	<b>\$ 193,000</b>

**Fiscal Year 2004-2005 Accomplishments**

- Continued to work with the McDowell Mountain Preservation Commission regarding the design work for the planned permanent trailhead into the McDowell Mountain Preserve
- Continued the positive relationship between the Town and the Fountain Hills School District to jointly utilize school facilities for various programs in return for the District's use of park facilities. Accordingly, the Intergovernmental Agreement was approved by the Town and School District and is effective until April 2007
- Continued sponsorship of St. Patrick's Day, Eggstravaganza, and the Fantastic Fall Festival events
- Presented a Concerts in the Park series featuring four bands in the new amphitheater at Fountain Park
- The Mayor's Youth Council volunteered over 1,500 hours last year, which resulted in twenty-five members receiving the President's Volunteer Service Award; this equates to over \$7,700 in volunteer labor contributed to the community
- Continued to provide expanded opportunities to utilize park facilities by the local youth sports organizations, which include Little League Baseball, Soccer Club, and Pop Warner Football and Cheerleading



- Entered the second year of a partnership with the Phoenix Suns Jr. Suns / Jr. Mercury to enhance our Youth Basketball program
- Ongoing training and certification for all Parks and Recreation Staff in CPR and First Aid, as well as on the Automatic External Defibrillators
- Coordinated the Town’s Annual September 11<sup>th</sup> Memorial at the Community Center
- Coordinated with the Fountain Hills Rotary Clubs on the Groundbreaking Ceremony for the Rotary Centennial Splash Pad at Fountain Park

**Fiscal Year 2005-2006 Objectives**

- Transition Senior Services program to Town division and maintain the same level of service to the seniors
- Provide excellent customer service including information referral, quality programs, and easy registration
- Provide staff support to all events and activities scheduled at all town parks
- Work closely with Fountain Hills Unified School District to assist with scheduling and maintenance of facilities utilized by the Parks and Recreation department
- Identify new recreation and leisure education programs to be offered in 2006-2007

**Recreation and Senior Services Programs**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$440,348	\$347,285	\$379,260	\$377,298	\$474,780
CONTRACTUAL SERVICES	\$142,189	\$91,266	\$124,635	\$99,000	\$241,709
REPAIRS & MAINTENANCE	\$2,866	\$1,727	\$2,050	\$2,150	\$9,650
SUPPLIES & SERVICES	\$18,063	\$22,449	\$28,800	\$25,750	\$45,975
CAPITAL EXPENDITURES	\$17,857	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$621,323</b>	<b>\$462,726</b>	<b>\$534,745</b>	<b>\$504,198</b>	<b>\$772,114</b>





**Authorized Personnel**

**Schedule of Authorized Positions**

	Authorized FTE's			Proposed
	2002-2003	2003-2004	2004-2005	2005-2006
<b>Parks &amp; Recreation</b>				
<b>Position – Title</b>				
Parks & Rec/Comm Ctr Dir.	1.00	.50	.50	0.50
Parks Supervisor	1.00	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00
Rec. Program Coordinator	3.00	2.00	2.00	2.00
Groundskeeper	1.00	1.00	1.00	2.00
Recreation Intern	0	0	0	.50
Park Operations Lead	3.00	2.00	2.00	3.00
Recreation Assistant	4.00	4.00	4.00	4.00
Recreation Aide	0	0	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	0	0	0
Receptionist	0	.50	.50	.50
Authorized FTE	16.00	13.00	14.00	16.50

**Salaries and Benefits \$410,180**

The recreation division is requesting restoration of the internship program that was eliminated during the FY2002-03 budget reduction program (2 interns equal to ½ time FTE). The parks division is requesting a new park operations lead for Four Peaks Neighborhood Park (described in that division budget). The internship program offers senior university students who are competing a degree in parks and recreation an opportunity to gain college credit as well as experience in their program of study. It also allows the Town of Fountain Hills to supplement recreational staff without the long-term costs of hiring full time staff. The students also bring a fresh perspective and new ideas for programs. The justification is included in Appendix A.

**Contract Services \$150,059**

Contract service includes recreation programs such as special interest programs and events, sports activities, youth and teen programs as well as the quarterly newsletter. Special programs in the amount of \$60,774 includes:

Concerts in the Park series	\$12,860
Fountain Park, splash pad, Strong Cities, Sept. 11	\$22,000
supplies and instruction for art classes	\$10,400
adult education courses with an estimated 125 participants	\$2,000
adult dance class instruction	\$2,400
dog obedience instruction class	\$2,080
fitness classes instruction	\$2,320
hiking leader	\$940
language lessons instruction	\$1,680
bridge games	\$790



Tai Chi	\$1,345
Kartchner Caverns trips	\$1,960

The youth and teen programs line item of \$10,940 is broken down as follows:

Fantastic Fall Festival	\$2,650
Party in the Park	\$2,050
Unique for Youth	\$1,840
art class supplies	\$580
dance class instructor	\$560
Homecoming Tailgate Party	\$250
Kids Create	\$400
Kiddie Rhythmics	\$600
Midnight Madness support	\$250
Mayor's Youth Council supplies	\$850
Youth Town Hall.	\$910

The sports activities line item of \$52,945 is broken down as follows:

youth basketball referees and supplies	\$12,545
senior softball tournament umpires and supplies for 50 teams	\$8,705
adult softball umpires and supplies for 40 teams	\$7,125
turkey trot supplies with 800 participants	\$5,705
youth and adult tennis instructors	\$5,110
gymnastics instructor	\$4,560
golf instructors for 140 participants	\$3,645
adult basketball referees and supplies for 12 teams	\$1,250
karate instructor	\$720
senior softball supplies for 38 teams	\$1,335
youth volleyball coach and supplies for 60 participants	\$1,800
youth sports competition supplies	\$445

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

The Town of Fountain Hills quarterly newsletter is prepared and budgeted for within the Parks and Recreation department. Each issue is 16 pages and mailed to every resident in Town at a cost of \$6,000 each edition.

**Repairs and Maintenance** **\$2,150**

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

**Supplies and Services** **\$35,325**

This category includes advertising, conferences, continuing education, dues and publications, gas and oil, office supplies, printing, communications, travel, and uniforms. The increase in conference costs is to allow for the Director to attend the annual National Parks and Recreation Association's Business Institute for Revenue Development and Management in Wheeling, West Virginia.



The new line item appropriations for electricity and water/sewer will cover the costs of the trailhead restroom facility at Eagle's Nest.



St. Patricks Day 2005



Eggstravaganza 2005



RECREATION DIVISION	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>SALARIES &amp; BENEFITS:</b>					
Wages	360,493	286,802	309,200	309,346	334,400
FICA	10,629	8,809	10,100	10,397	11,600
Unemployment Insurance	600	824	800	955	1,000
Employee's Health Insurance	30,487	21,306	27,200	23,706	28,100
Employee's Life Insurance	321	571	600	672	800
Employee's Dental Insurance	3,036	2,151	2,900	2,249	2,400
Employee's Eye Insurance	349	0	0	0	200
Worker's Compensation Insurance	3,372	2,939	3,260	4,400	5,580
Employee's Retirement Fund	29,871	22,958	24,100	24,613	25,000
Recruitment Costs	0	0	0	0	0
Disability Insurance	1,189	926	1,100	960	1,100
<b>TOTAL</b>	<b>\$440,348</b>	<b>\$347,285</b>	<b>\$379,260</b>	<b>\$377,298</b>	<b>\$410,180</b>
<b>CONTRACT SERVICES</b>					
Special Programs	39,686	18,804	32,995	27,500	60,774
Youth and Teen Programs	22,267	6,231	18,950	8,000	10,940
Sports Activities	42,559	40,309	48,690	40,000	52,945
Constituent Communications	37,104	25,208	23,000	23,000	24,000
McDowell Mtn Preservation	572	713	1,000	500	1,400
<b>TOTAL</b>	<b>\$142,189</b>	<b>\$91,266</b>	<b>\$124,635</b>	<b>\$99,000</b>	<b>\$150,059</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Maintenance & Repair	891	24	250	350	350
Office Equipment Maintenance	1,975	1,703	1,800	1,800	1,800
<b>TOTAL</b>	<b>\$2,866</b>	<b>\$1,727</b>	<b>\$2,050</b>	<b>\$2,150</b>	<b>\$2,150</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	811	1,213	3,300	3,000	3,300
Conferences	1,115	2,847	2,400	3,800	5,900
Education/Training	629	1,910	2,900	1,000	2,100
Dues & Publications	1,460	1,400	1,200	1,200	1,300
Electricity	0	0	0	0	4,125
Gas & Oil	740	548	1,500	750	800
Office Supplies	5,223	5,893	7,000	5,500	5,900
Printing	2,933	1,002	2,000	2,000	2,000
Communications	2,779	2,651	2,900	2,900	3,500
Water/Sewer	0	0	0	0	800
Travel	123	347	500	500	500
Uniforms	2,140	3,156	3,000	3,000	3,000
Bank Charges	111	1,482	2,100	2,100	2,100
<b>TOTAL</b>	<b>\$18,063</b>	<b>\$22,449</b>	<b>\$28,800</b>	<b>\$25,750</b>	<b>\$35,325</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Equipment	17,857	0	0	0	0
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$17,857</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$621,323</b>	<b>\$462,726</b>	<b>\$534,745</b>	<b>\$504,198</b>	<b>\$597,714</b>

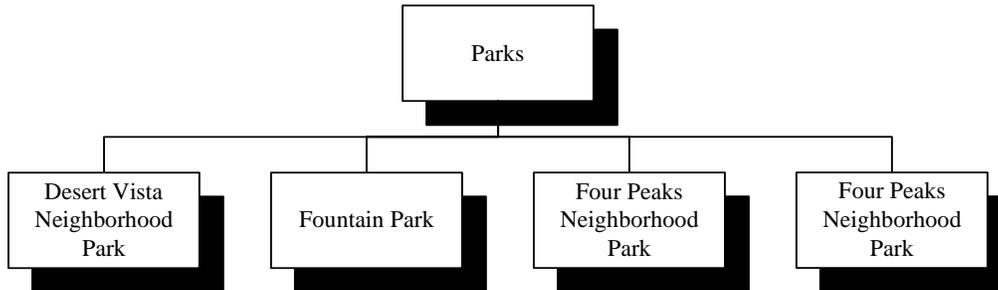
The Town Council approved a recommendation to integrate the Senior Services into the Town government during the final budget adoption in June, 2005. A division budget was estimated but the line item details will be finalized during the first half of the fiscal year.



SENIOR SERVICES	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>SALARIES &amp; BENEFITS:</b>					
Wages	0	0	0	0	59,650
FICA	0	0	0	0	4,580
Unemployment Insurance	0	0	0	0	140
Worker's Compensation Insurance	0	0	0	0	230
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,600</b>
<b>CONTRACT SERVICES:</b>					
Professional Fees	0	0	0	0	8,000
Program Fees	0	0	0	0	83,650
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$91,650</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Equipment Repair	0	0	0	0	7,500
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,500</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	0	0	0	0	1,500
Conferences	0	0	0	0	550
Education/Training	0	0	0	0	550
Dues & Publications	0	0	0	0	250
Office Supplies	0	0	0	0	6,000
Printing	0	0	0	0	1,100
Communications Expense	0	0	0	0	200
Travel	0	0	0	0	500
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,650</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$174,400</b>



## Parks



## Mission Statement

The park staff is dedicated to maintaining over 114 acres of park land throughout the Fountain Hills park system to department standards by professionally maintaining and operating each park’s facilities and amenities enhancing the beauty, value, quality of the park’s environment; and continuing to provide quality recreation opportunities, safe and clean parks, and superior park beautification.

## Park Descriptions

Each of the four parks in the Town’s system is in a different stage of development based on master plans that were developed specific to each park. The Parks and Recreation Commission and Town Council have reviewed and approved these master plans, which included public input during their planning. Additionally, the Master Plans for Desert Vista Neighborhood Park, Fountain Park, and Four Peaks Neighborhood Park will be updated during this fiscal year.

### Desert Vista Neighborhood Park

Desert Vista Neighborhood Park is an all turf 12-acre park located between Desert Vista and Tower Drives, south of Tioga Drive. The Town acquired this site on May 21, 1998, from MCO Properties, Inc. The Town, in cooperation with the Fountain Hills Sanitary District, is using the 12-acre site for effluent water disposal. However, the Town has fenced 3.5 acres that is used as an off-leash recreational facility and uses the remainder of the park for soccer and open field play. During FY04-05 a consultant and the Parks and Recreation Commission recommended this park as the location for construction of the Skate Park. Additionally, a local dog owners group, Fountain Hills “ADOG” (Association of Dog Owners) has been raising funds to contribute to the off leash recreational park in order for lights to be installed. The lighting will extend the number of hours that users will be able to utilize the park, particularly during the summer months when it cools off after sundown. The lights and installation will be partially paid for with the donation, the maintenance and electricity are included within the park’s operating budget.

### Fountain Park

Fountain Park is a 62-acre passive recreation facility and home of the Town’s world famous fountain, which is the signature park of the community. The park was built in 1970 and includes 33 acres of turf, a 29-acre million gallon effluent lake, pump house station, dam, 18-hole disc golf course, restroom/control building, two children’s playground, three ramadas with picnic tables and grills, and two parking lots. The Town acquired the park on May 1, 1997, from MCO



Properties, Inc., and approximately nine months later, the Parks and Recreation Commission developed a new park master plan. The revised plan includes approximately 7,200 linear feet of walkways complete with lighting, five picnic ramadas with tables and barbecue grills, one restroom/control building, two parking lots with over 130 parking spaces, a tot lot and a playground. Additional amenities include a veterans' memorial and an outdoor performance pad. Several park improvement projects were made during fiscal year 2000-2001 including the replacement of the lake liner, construction and installation of injection wells, and the completion of Phase I Improvements.

### **Four Peaks Neighborhood Park**

Four Peaks Neighborhood Park is a 14-acre recreation facility adjacent to Four Peaks Elementary School. The Parks and Recreation department acquired approximately 9.9 acres of land from the School District in May 2001, bringing the total acreage of the park to 14 acres. The Parks and Recreation Department has maintained this land over the last several years and will continue to maintain the property in the future. The park currently includes a lighted soccer field with seating, a multi-purpose field with lights, one Little League field, one baseball field, two lighted tennis courts, two lighted basketball courts, two children's playgrounds, a restroom/control building, one ramada with a grill, and parking for 20 vehicles.

### **Golden Eagle Park**

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

## **Performance Standards**

### **Fountain Hills Park System**

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

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



**Management Indicators – Parks**

	<b>2003-2004 Actual</b>	<b>2004-2005 Estimated</b>	<b>2005-2006 Projected</b>
<b>Grounds Maintenance</b>			
Mowing Frequency	50 weeks	42 weeks	42 weeks
Aeration	4 x annually	2 x annually 2 x in-house	2 x annually
Post Emergence Spraying	3 x annually	In house	2 x annually
Pre Emergence Spraying	2 x annually	In house	2 x annually
<b>Park Facility Bookings</b>			
Desert Vista Neighborhood Park	70	78	80
Fountain Park	75	85	90
Four Peaks Neighborhood Park	445	465	480
Golden Eagle Park	<u>1,875</u>	<u>1,880</u>	<u>1,900</u>
Total:	2,465	2,508	2,550

**Fiscal Year 2004 – 2005 Accomplishments - Parks**

**Fountain Hills Park System**

- Maintained our high standards of maintenance for all park amenities and facilities
- Posted new signage throughout the park system
- Installed several new memorial park benches and trees at several parks
- Provided support services and field preparation for various Fountain Hills organizations, such as, the Chamber of Commerce, Ministerial Association, Little League, the Soccer Club, Pop Warner Football, the Senior Softball program, and the Men’s League
- Provided support services and field preparation to High School, Middle School, and Four Peaks Elementary School personnel and associated sports teams
- Upgraded turf and field conditions at all parks
- Completed Fountain Park Phase II Improvements that included the amphitheater, Kiwanis Ramada, a tot lot playground, and a standard size playground

**Desert Vista Neighborhood Park**

- Installed three Palo Brea trees and new drip system at the Off-Leash Recreational Facility
- Prepared and lined the turf for soccer games and practices
- Backfilled low areas of the park
- Relocated the fence at the Off-Leash Recreational Facility to expand the passive pet area

**Fountain Park**

- Continued the St. Patrick’s Day annual tradition of dyeing the fountain green
- Repaired two aeration pumps for better circulation of oxygen into the fountain lake
- Continued to repair the irrigation system for 100% automatic clock operation
- Initiated soils testing throughout the park in order to improve the appearance of the turf
- Completed Phase II Improvements



### **Four Peaks Neighborhood Park**

- Reconditioned the Little League field
- Installed new park signage
- Revamped the west ball field to increase field availability for youth sports

### **Golden Eagle Park**

- Replaced gate and isolation valves throughout the park
- Worked with SunRidge Canyon to repair and maintain the required level of pump pressure to ensure effective pump operations
- Reconditioned Field #1 with new sod and stabilizer
- Re-lamped ball field lighting on Field #2

### **Fiscal Year 2005-2006 Objectives (Parks)**

#### **Fountain Hills Park System**

- Explore opportunities for meeting the community's expanding need for additional parks and amenities
- Eliminate turf weeds and weeds on dirt slopes and open areas
- Level low and uneven turf areas throughout each park
- Maintain high staff visibility and provide friendly help for park patrons

#### **Desert Vista Neighborhood Park**

- Install additional benches and trees
- Work with ADOG to continue safe and clean operations of the Off-Leash Recreational Facility
- Improve turf and field conditions at the Off-Leash Recreational Facility

#### **Fountain Park**

- Continue to monitor the migratory bird population at the lake
- Major clean up of pump house building and yard to address risk management concerns
- Improve turf conditioning and appearance where needed
- Maintain irrigation clocks at a higher level to achieve better auto-run times

#### **Four Peaks Neighborhood Park**

- Meet with neighborhood watch groups to discuss issues
- Streamline maintenance operations as a result of staff reductions
- Work with Fountain Hills Little League to revamp the concession stand

#### **Golden Eagle Park**

- Maintain park amenities, courts, ball fields, landscaping, and building with a high level of service
- Continue to provide excellent field preparation for scheduled sports activities



**Parks**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$235,519	\$206,576	\$225,430	\$230,482	\$282,760
CONTRACTUAL SERVICES	\$0	\$6,975	\$18,000	\$2,000	\$21,000
REPAIRS & MAINTENANCE	\$291,005	\$257,128	\$313,550	\$321,200	\$335,600
SUPPLIES & SERVICES	\$178,167	\$163,038	\$210,115	\$208,115	\$221,300
CAPITAL EXPENDITURES	\$15,000	\$0	\$0	\$0	\$211,300
<b>TOTAL EXPENDITURES</b>	<b>\$719,690</b>	<b>\$633,717</b>	<b>\$767,095</b>	<b>\$761,797</b>	<b>\$1,071,960</b>

**Salaries and Benefits** **\$282,760**

The proposed FY05-06 budget includes two additional staff for the parks, one position which was approved by the Town Council during the FY04-05 budget for Golden Eagle Park but added to the schedule of authorized positions for FY05-06. The new request is for a lead operations worker at Four Peaks Park, which was eliminated during the FY 02-03 budget cuts. Currently one staff person divides his time between Desert Vista and Fountain Park. When construction of the splash pad at Fountain Park and a skate park at Desert Vista Park is completed there will be additional maintenance and supervision required, which is more than one staff person can manage. Having an additional lead worker will allow one person to focus on Fountain Park and the new worker will divide time between Four Peaks and Desert Vista Parks. The justification for this particular position is in Appendix A. The parks system also includes a park supervisor, two parks operations supervisors, and one parks operations worker. Although the staff members are assigned to a specific park, they share responsibilities for all parks and perform their duties wherever necessary. The following is the proposed salary and benefit costs broken down by park:

Desert Vista Neighborhood Park	\$ 0
Fountain Park	\$ 61,900
Four Peaks Neighborhood Park	\$ 14,340*
Golden Eagle Park	\$206,520

\*hired in fourth quarter of FY05-06

**Contract Services** **\$21,000**

There are plans to update the Park Master Plans for all parks (except Golden Eagle Park) to revise the plans to reflect the park elements that have changed (for example, the skate park at Desert Vista). The following is a breakdown by department of the associated costs:

Desert Vista Neighborhood Park	\$6,000
Four Peaks Neighborhood Park	\$6,000
Fountain Park	\$9,000



**Repairs and Maintenance** **\$335,600**

These expenses relate to the daily maintenance of the park, as well as renting power tools and small equipment to perform park maintenance repairs. The major component to this category is the Annual Landscape Contract, which accounts for most of the expenditures for this category. The Annual Landscape Contract was re-bid during fiscal year 2004-2005 and will be renewed on an annual basis for up to four additional years. We are in the first year of renewal for the Annual Landscape Contract. However, with the completion of the Fountain Park Phase II Improvements, Landscaping Section will require a modest increase in the Annual Landscape Contract. Additionally, the annual landscape contract is adjusted annually to include the Consumer Price Index increase.

Desert Vista Neighborhood Park Total:	\$ 42,600
Fountain Park Total:	\$138,000
Four Peaks Neighborhood Park Total:	\$ 62,000
Golden Eagle Park Total:	\$ 93,000

Desert Vista Neighborhood Park has \$42,600 budgeted for repairs and maintenance, primarily mowing and landscaping work in the amount of \$31,600. This line item consists of mowing 42 times, equaling \$18,500; irrigation technician at \$2,000; herbicide spraying at \$2,100, and over-seeding the park at \$9,000. The remaining \$11,000 is for field preparation at \$10,000 and rentals of equipment at \$1,000.

Fountain Park's budget of \$138,000 for repairs and maintenance consists of equipment repairs at \$10,000 to replace or repair valves on the "world famous" fountain. Field and park maintenance line item at \$48,500 consists of liquid fertilizer \$5,000, acid supplies \$5,000, granular fertilizer \$11,000, irrigation repairs \$6,000, hydroseeding \$5,000, concrete pads \$2,000, trees \$2,500, memorial benches \$5,000, a new aluminum flat bottom boat with electric motor \$4,000, water fowl removal \$3,000, and \$2,000 for vehicle maintenance and repairs. Also included is \$9,000 for building repairs, and \$500 for rentals.

Fountain Park's mowing and landscaping line item of \$68,000 breaks down as follows: Mowing 42 times at \$23,000; landscape maintenance \$5,000; irrigation tech \$3,000; pesticide spraying \$5,000; tree trimming \$6,000; and over-seeding and scalping at \$26,000.

Four Peaks Neighborhood Park budget of \$62,000 consists mainly of two line items, \$24,000 for field preparation and \$20,000 for mowing and landscape maintenance. The \$25,000 field preparation consists of \$5,000 for lighting repairs, \$2,000 stabilizer and paint, \$3,000 fertilizer, \$2,000 irrigation repairs, \$1,000 herbicides, \$2,000 Rye and Bermuda seed, windscreens \$8,000. The mowing and landscaping \$20,000 line item breaks down as 42 mows, totaling \$11,000; \$1,600 for tree trimming, \$1,000 for mulch, and \$4,000 for over-seeding. Also included is \$20,500 for building repairs (includes costs associated with wrought iron fence on the north soccer field, a shade structure at the tennis courts, and bench at the tennis courts), \$500 for equipment rentals, and \$1,000 for vehicle maintenance/repairs.

Golden Eagle Park's request of \$93,000 consists of \$24,500 for building repairs and maintenance which includes \$6,300 for fence repairs, \$7,000 to resurface the basketball courts, \$3,700 for HVAC repairs, \$4,500 to slurry seal and stripe the parking lots, \$3,000 for a water feature.



\$30,000 is budgeted under line item “Field Preparation and Maintenance”, as follows: \$3,000 for stabilizer, \$7,000 lighting repairs, \$5,000 fertilizer, \$2,000 mulch, \$4,000 irrigation, \$2,500 chemicals, \$3,000 rye seed, \$3,500 for field marking paint. While \$26,000 is budgeted under “Mowing and Landscape Maintenance” as follows: \$13,000 for 42 mowings, \$8,000 for trimming, \$2,000 irrigation laborer, and \$3,000 for scalping. \$11,000 is for vehicle maintenance/repairs, and \$1,500 for equipment rentals.

**Supplies and Services \$221,300**

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

Desert Vista Neighborhood Park Total:	\$ 6,650
Fountain Park Total:	\$123,800
Four Peaks Neighborhood Park Total:	\$ 37,050
Golden Eagle Park Total:	\$ 53,800

Fountain Park includes supplies and services of \$123,800, which includes \$104,000 for electricity to operate the fountain pumps, ramadas, parking lot lights, and control building. The remaining \$19,800 includes \$14,500 for water and sewer, \$1,700 for gas and oil, and all other associated line items equal \$1,000 or less. Four Peaks Neighborhood Park supplies and services costs of \$37,050 include electricity at \$14,000 for lights, and water and sewer costs \$20,000 for irrigation. Golden Eagle Park costs of \$53,800 include electricity at \$32,000 for lighting the ball fields, tennis courts, parking lots, area lighting, and the control building. The remaining \$23,800 is accounted for in line items for gas and oil at \$4,500, tools and shop supplies at \$2,200, water and sewer at \$7,900, uniforms at \$3,200, and communication expense at \$1,300. All other associated line items equal \$1,000 or less.

**Capital Improvement Projects \$211,300**

Each park budget includes a request for capital expenditures, which are also included in the Five Year Capital Improvement Plan. The specific park and project are as follows:

Desert Vista Neighborhood Park off leash recreational area (net cost \$32,000 with donation from ADOG for lighting)	\$ 52,000
Fountain Park splash pad sidewalk, landscaping, irrigation	\$ 30,000
Four Peaks Neighborhood Park (field and concession stand upgrades for ADA)	\$106,000
Golden Eagle Park (Department of Justice ADA compliance repairs)	\$ 43,300



DESERT VISTA PARK	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>CONTRACT SERVICES:</b>					
Engineering/Design Fees	0	0	6,000	0	6,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>6,000</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Equipment Rental	54	1,782	1,200	600	1,000
Field Preparation/Maintenance	4,740	9,036	10,800	9,800	10,000
Mowing/Landscape Maintenance	32,614	24,145	30,000	29,000	31,600
<b>TOTAL</b>	<b>\$37,408</b>	<b>\$34,963</b>	<b>\$42,000</b>	<b>\$39,400</b>	<b>\$42,600</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	0	0	300	200	200
Electricity	3,851	2,279	4,000	3,000	5,300
Tools/Shop Supplies	392	116	250	150	250
Water/Sewer	490	546	600	600	900
<b>TOTAL</b>	<b>\$4,734</b>	<b>\$2,941</b>	<b>\$5,150</b>	<b>\$3,950</b>	<b>\$6,650</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Park Improvements	0	0	0	0	32,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$32,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$42,142</b>	<b>\$37,904</b>	<b>\$53,150</b>	<b>\$43,350</b>	<b>\$87,250</b>



FOUNTAIN PARK					
	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>SALARIES &amp; BENEFITS:</b>					
Wages	37,981	38,941	42,600	39,866	43,300
FICA	495	504	630	578	640
Unemployment Insurance	39	55	50	71	70
Employee's Health Insurance	7,011	7,250	8,490	8,074	9,460
Employee's Life Insurance	53	117	130	126	150
Employee's Dental Insurance	883	934	980	971	1,060
Employee's Eye Insurance	64	0	0	0	70
Worker's Compensation Insurance	1,025	1,175	1,450	1,858	2,160
Employee's Retirement Fund	4,801	4,284	4,690	4,385	4,770
Disability Insurance	143	167	200	186	220
<b>TOTAL</b>	<b>\$52,495</b>	<b>\$53,426</b>	<b>\$59,220</b>	<b>\$56,115</b>	<b>\$61,900</b>
<b>CONTRACT SERVICES:</b>					
Consultant Fees	0	6,975	6,000	2,000	9,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$6,975</b>	<b>\$6,000</b>	<b>\$2,000</b>	<b>\$9,000</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Maintenance/Repair	357	1,599	1,200	2,700	2,000
Equipment Rental	199	48	500	250	500
Building Repairs/Maintenance	3,026	8,367	6,000	6,000	9,000
Equipment Repair	25,199	3,824	12,000	10,000	10,000
Field and Park Maintenance	38,928	25,253	49,950	49,950	48,500
Mowing/Landscape Maintenance	67,439	62,006	67,000	67,000	68,000
<b>TOTAL</b>	<b>\$135,149</b>	<b>\$101,096</b>	<b>\$136,650</b>	<b>\$135,900</b>	<b>\$138,000</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	0	623	500	400	0
Conferences	75	0	240	240	250
Education/Training	80	130	600	450	500
Dues & Publications	145	120	100	100	100
Electricity	74,365	66,225	104,000	101,000	104,000
Gas and Oil	1,286	1,510	1,700	1,300	1,700
Office Supplies	303	6	200	200	200
Tools, Shop Supplies	1,058	1,103	500	1,500	1,000
Printing	195	3	300	100	300
Communications Expense	500	526	600	350	350
Water	7,416	8,643	8,700	12,000	14,500
Travel	0	0	0	0	0
Uniforms	788	835	900	900	900
<b>TOTAL</b>	<b>\$86,211</b>	<b>\$79,725</b>	<b>\$118,340</b>	<b>\$118,540</b>	<b>\$123,800</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Improvements	15,000	0	0	0	30,000
<b>TOTAL</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$288,855</b>	<b>\$241,222</b>	<b>\$320,210</b>	<b>\$312,555</b>	<b>\$362,700</b>



<b>FOUR PEAKS NEIGHBORHOOD PARK</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>SALARIES &amp; BENEFITS:</b>					
Wages	25,016	0	0	0	9,800
FICA	863	0	0	0	160
Unemployment Insurance	74	0	0	0	70
Employee's Health Insurance	4,113	0	0	0	2,370
Employee's Life Insurance	26	0	0	0	30
Employee's Dental Insurance	391	0	0	0	270
Employee's Eye Insurance	74	0	0	0	20
Worker's Compensation Insurance	530	0	0	0	490
Employee's Retirement Fund	1,821	0	0	0	1,080
Disability Insurance	75	0	0	0	50
<b>TOTAL</b>	<b>\$32,984</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,340</b>
<b>CONTRACT SERVICES:</b>					
Engineering/Design Fees	0	0	6,000	0	6,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>6,000</b>	<b>0</b>	<b>6,000</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Maintenance/Repair	1,277	305	1,000	1,400	1,000
Equipment Rental	108	33	700	100	500
Building Repairs/Maintenance	5,024	4,755	5,000	17,000	16,500
Field Preparation/Maintenance	16,318	14,360	16,000	12,000	24,000
Mowing/Landscape Maintenance	18,437	17,872	16,800	16,800	20,000
<b>TOTAL</b>	<b>\$41,164</b>	<b>\$37,325</b>	<b>\$39,500</b>	<b>\$47,300</b>	<b>\$62,000</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	0	0	100	150	800
Conferences	75	0	0	0	0
Education/Training	0	440	0	0	200
Dues and Publications	70	0	0	0	100
Electricity	14,341	11,258	14,000	13,200	14,000
Gas and Oil	570	321	300	600	600
Office Supplies	151	0	0	0	100
Tools, Shop Supplies	979	598	700	900	700
Printing	0	0	0	0	100
Communication Expense	313	0	0	0	100
Water/Sewer	18,775	16,602	19,300	18,400	20,000
Travel	0	0	0	0	0
Uniforms	938	0	0	0	350
<b>TOTAL</b>	<b>\$36,212</b>	<b>\$29,219</b>	<b>\$34,400</b>	<b>\$33,250</b>	<b>\$37,050</b>
<b>CAPITAL EXPENDITURES</b>					
Park Improvements	0	0	0	0	106,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$106,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$110,359</b>	<b>\$66,544</b>	<b>\$79,900</b>	<b>\$80,550</b>	<b>\$225,390</b>



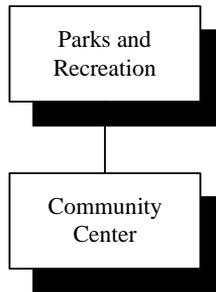
<b>GOLDEN EAGLE PARK</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>SALARIES &amp; BENEFITS:</b>					
Wages	113,610	117,699	126,100	132,407	156,000
FICA	1,567	1,632	1,850	1,920	2,290
Unemployment Insurance	118	161	140	264	260
Employee's Health Insurance	16,521	14,501	16,980	16,400	18,920
Employee's Life Insurance	158	346	400	415	530
Employee's Dental Insurance	1,686	1,782	1,880	2,000	2,510
Employee's Eye Insurance	168	0	0	0	120
Worker's Compensation Insurance	3,231	3,553	4,380	5,787	7,950
Employee's Retirement Fund	12,497	12,939	13,870	14,565	17,160
Disability Insurance	484	538	610	609	780
<b>TOTAL</b>	<b>\$150,040</b>	<b>\$153,149</b>	<b>\$166,210</b>	<b>\$174,367</b>	<b>\$206,520</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Maintenance/Repair	9,502	7,106	9,000	8,000	11,000
Equipment Rental	830	991	1,100	1,600	1,500
Building Repairs/Maintenance	19,350	19,527	31,200	37,000	24,500
Field Preparation/Maintenance	23,482	31,465	30,100	30,000	30,000
Mowing/Landscape Maintenance	24,120	24,656	24,000	22,000	26,000
<b>TOTAL</b>	<b>\$77,284</b>	<b>\$83,745</b>	<b>\$95,400</b>	<b>\$98,600</b>	<b>\$93,000</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	0	0	300	300	100
Conferences	180	173	800	800	1,100
Education/Training	240	904	900	1,100	1,000
Dues and Publications	385	310	250	300	300
Electricity	35,233	32,635	31,500	31,500	32,000
Gas and Oil	3,461	4,366	4,500	4,500	4,500
Office Supplies	198	0	175	75	100
Tools, Shop Supplies	1,865	2,853	1,800	2,200	2,200
Printing	135	0	0	0	100
Communication Expense	1,509	1,528	1,700	1,000	1,300
Water/Sewer	5,236	6,237	7,800	7,400	7,900
Travel	0	0	0	0	0
Uniforms	2,567	2,146	2,500	3,200	3,200
<b>TOTAL</b>	<b>\$51,009</b>	<b>\$51,151</b>	<b>\$52,225</b>	<b>\$52,375</b>	<b>\$53,800</b>
<b>CAPITAL EXPENDITURES</b>					
Park Equipment	0	0	0	0	0
Park Improvements	0	0	0	0	43,300
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$43,300</b>
<b>TOTAL EXPENDITURES</b>	<b>\$278,334</b>	<b>\$288,046</b>	<b>\$313,835</b>	<b>\$325,342</b>	<b>\$396,620</b>



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## Community Center



### Mission Statement

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

### Department Description

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

### Goals and Objectives

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

Additionally, the department will incorporate the following goals and objectives previously established:

- maintain a safe and accessible facility
- satisfy client's requirements
- maximize facility usage
- bring additional revenues into Fountain Hills

The Center will provide a positive economic stimulus to the Town by scheduling and booking as many outside groups as possible while continuing to meet the needs of the Fountain Hills community.



### Performance Standards

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

### Management Indicators

	<b>2003-2004 Actual</b>	<b>2004-2005 Estimated</b>	<b>2005-2006 Projected</b>
Events/Activities	1,800	3,864	4,250
Attendance	76,500	93,000	102,300
Revenues	\$195,000	\$194,000	\$213,675

### Fiscal year 2004-2005 Accomplishments

The Fountain Hills Community Center has accomplished the following:

- utilized volunteer staff that not only oversees the front desk but also has creates several community activities: the Holiday Celebration and tree decorating, "Munch and Music", "Summer Serendipity", and entered the Chamber of Commerce Thanksgiving Day Parade
- Completed several maintenance upgrades to the building in accordance with the Department of Justice's ADA compliance recommendations
- Successfully transitioned the Senior Activity Center from Town Hall to the Community Center
- Redesigned a logo for the Community Center that was used on business cards, letterhead, envelopes, brochures, and flyers
- Added an extra storage area in the gated parking area

### Fiscal Year 2005-2006 Objectives

- Continue serving as the location of choice for many service club meetings, civic functions, and major community social, fundraising, and Chamber events
- The Center is working on making the facility one of the premier wedding destinations in the valley by exposing the public to a facility through a marketing campaign that includes bridal exhibitions and trade shows, hosting bridal consultant meetings, and other venues



- Change the existing booking system to a more effective system that will save time and allow staff to focus more energy on creating in-house events with more of a focus on customer service and help to cut operational costs
- Work with Town staff, the Cultural Council, and an architectural firm to finish off the Plaza Circle making it an extension of the Center in order to enhance its use for special events. This will allow us to generate additional revenues for the Center
- Extend liquor license to include the Courtyard area

**Salaries and Benefits**

**\$357,324**

Included within the Community Center budget is a request to reclassify one of the part-time Operations Workers to full-time. At the beginning of FY04-05 the Fountain Hills Senior Center relocated to the Community Center providing a first class facility to run senior programs. The senior programs run five days a week and each program requires setting up and taking down of equipment such as tables, chairs, video and audio equipment, etc. which has increased staff time by 33%. The senior programs require approximately 8 hours of set up and take down time during the daytime hours, which requires approximately 40 hours per week for one person. This is in addition to the set ups and take downs required for the groups and organizations that rent the facility on a regular basis.

Additionally, one of the Operations Workers transferred to the Parks system, creating an open part-time position. Staff did not fill the position but instead reorganized the existing staff hours to eliminate the need to hire a new employee; this resulted in increased hours for the existing part-time Operations Worker. The justification for reclassifying this position is included in Appendix A.

**Contract Services**

**\$550**

Contract services include costs associated with event security; including \$550 to contract with the Maricopa County Sheriffs Office to provide security at Community Center events where liquor is served.

**Repairs and Maintenance**

**\$16,300**

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

**Supplies and Services**

**\$110,650**

This category includes the Center printing budget, which is used for all brochures, flyers, promotional, and trade show materials. Also included are office supplies for daily operations, dues and publications, and conferences. The largest line item in this category is electricity at \$56,650 to run the building. Liquor sales are also a significant part of the overall revenues and supplies costs at \$14,300. The Center's margins are lower than private commercial centers allowing lower prices to be charged. This is an advantage in holding major events at the Center. Lastly, supplies and materials for outreach programs are also included under the office supply line item. These programs include the Homecoming Celebration, Holiday Party, Summer Serendipity, and the Spring Volunteer Reception.



**Capital Outlay/Debt Service**

New to this division's budget is the annual debt service payment for the Municipal Property Corporation bonds that were sold in 2000 to finance the cost of the Community Center. In prior years the debt payment was made from residual bond proceeds.

**Fountain Hills Community Center**

**Summary Expenditures – Community Center**

	<b>FY 2002-2003 Actual</b>	<b>FY 2003-2004 Actual</b>	<b>FY 2004-2005 Budget</b>	<b>FY 2004-2005 Estimate</b>	<b>FY 2005-2006 Budget</b>
SALARIES & BENEFITS	\$287,858	\$272,451	\$321,017	\$318,246	\$357,324
CONTRACTUAL SERVICES	\$1,040	\$1,180	\$550	\$500	\$550
REPAIRS & MAINTENANCE	\$10,637	\$11,807	\$11,900	\$16,500	\$16,300
SUPPLIES & SERVICES	\$85,902	\$98,141	\$102,530	\$101,950	\$110,650
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$387,000
<b>TOTAL EXPENDITURES</b>	<b>\$385,437</b>	<b>\$383,579</b>	<b>\$435,997</b>	<b>\$437,196</b>	<b>\$871,824</b>

**Authorized Personnel**

**Schedule of Authorized Positions**

	Authorized FTE's			Proposed
	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>
<b>Community Center</b>				
Parks & Rec/Comm Ctr Dir.	1.00	.50	.50	0.50
Comm Ctr Supervisor	1.00	1.00	1.00	1.00
Comm Ctr Operations Sup.	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Operations Support Worker	1.00	1.50	1.50	1.50
Operations Support Assistant	0	0	0	.50
Custodian	1.00	1.00	1.00	1.00
Volunteer Coordinator	.50	0.50	0.50	0.50
<b>Authorized FTE</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>7.00</b>



COMMUNITY CENTER	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>SALARIES &amp; BENEFITS</b>					
Wages	238,347	229,452	263,488	257,752	279,323
FICA	9,061	8,490	9,980	9,654	9,430
Unemployment Insurance	496	544	639	663	823
Employee's Health Insurance	12,722	12,543	14,858	15,344	28,623
Employee's Life Insurance	176	435	447	490	652
Employee's Dental Insurance	1,375	1,467	1,565	1,602	3,007
Employee's Eye Insurance	153	0	0	0	188
Worker's Compensation Insurance	1,593	1,638	5,120	3,773	7,062
Employee's Retirement Fund	16,282	16,145	18,129	22,921	21,252
Recruitment Costs	0	0	0	0	0
Disability Insurance	609	660	791	747	966
Bartender Services	7,046	1,076	6,000	5,300	6,000
<b>TOTAL</b>	<b>287,858</b>	<b>272,451</b>	<b>321,017</b>	<b>318,246</b>	<b>357,324</b>
<b>CONTRACT SERVICES</b>					
Professional Services	1,040	1,180	550	500	550
<b>TOTAL</b>	<b>\$1,040</b>	<b>\$1,180</b>	<b>\$550</b>	<b>\$500</b>	<b>\$550</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Building Repairs & Maintenance	9,572	10,378	10,700	15,000	15,000
Office Repairs/Maintenance	1,065	1,429	1,200	1,500	1,300
<b>TOTAL</b>	<b>\$10,637</b>	<b>\$11,807</b>	<b>\$11,900</b>	<b>\$16,500</b>	<b>\$16,300</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising	3,173	10,356	9,680	9,600	15,200
Conferences	0	0	400	1,400	1,650
Education/Training	450	105	500	500	600
Dues/Publications	1,795	924	650	800	800
Electricity	43,449	53,440	55,000	55,000	56,650
Office Supplies	7,638	5,878	7,000	5,700	6,300
Bar Supplies	20,727	12,543	14,000	15,000	14,300
Printing	351	2,487	1,500	1,500	1,500
Communications Expense	1,031	1,383	1,300	1,300	1,350
Water/Sewer	7,017	8,623	9,800	8,500	9,000
Travel	189	0	200	50	200
Uniforms	0	1,065	800	800	900
Bank Charges	82	1,336	1,700	1,800	2,200
<b>TOTAL</b>	<b>\$85,902</b>	<b>\$98,141</b>	<b>\$102,530</b>	<b>\$101,950</b>	<b>\$110,650</b>
<b>CAPITAL EXPENDITURES</b>					
Capital - Furniture/Equipment	0	0	0	0	0
Debt Service	0	0	0	0	387,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$387,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$385,437</b>	<b>\$383,579</b>	<b>\$435,997</b>	<b>\$437,196</b>	<b>\$871,824</b>



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# Public Safety

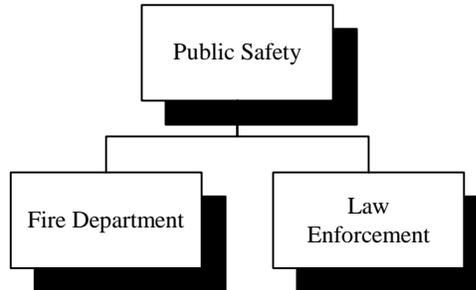
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## Law Enforcement Fire Department





## Law Enforcement



### Mission Statement

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

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

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

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

### Department Description

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

### Performance Standards

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



### Management Indicators

	2002 Actual	2003 Actual	2004 Actual
Crimes Part I*	443	387	594
Crimes Part II**	410	713	618
Traffic accidents	212	233	347
Driving under the influence (DUI)	46	60	63

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

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

### Fiscal Year 2004-2005 Accomplishments

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

- Introduced new youth service activity in conjunction with the Boys & Girls Club of Fountain Hills Smart Program Friday nights
- Sponsor and present a wide variety of youth service activities including Stranger-Danger, Teen Court, youth camp and Midnight Madness
- Promoted crime prevention through a wide variety of community programs including public service articles on crime resistance techniques, vacation watches, and bicycle patrols
- Continued several new programs including VIN etching, Watch Your Car Program, and the RUOK (elderly welfare check system)

### Fiscal Year 2005-2006 Objectives

- Decrease the number of Part I Crimes by increasing patrol coverage during peak times of occurrence with both marked patrol vehicles and unmarked vehicles as necessary
- Increase traffic enforcement and awareness with higher visibility during peak traffic times to reduce traffic accidents
- Promote public visibility, accessibility, and community relations through clearly marked cars and high profile uniformed personnel
- The primary objective of the Maricopa County Sheriff’s Office for this upcoming fiscal year is to continue to provide the Town with quality law enforcement services at an affordable price
- Continue to promote effective communications between the Town and Sheriff’s Office
- Sponsor, participate or present youth oriented community service programs during the upcoming fiscal year including, but not limited to, bike safety inspections and registration, and child restraint inspections



**Summary Expenditures – Law Enforcement**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$896,570	\$36,757	\$0	\$0	\$0
CONTRACTUAL SERVICES	\$1,499,336	\$1,669,726	\$1,796,670	\$1,796,186	\$1,903,894
REPAIRS & MAINTENANCE	\$7,193	\$287	\$0	\$0	\$0
SUPPLIES & SERVICES	\$37,239	\$1,282	\$0	\$0	\$0
CAPITAL EXPENDITURES	\$36,994	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$2,477,332</b>	<b>\$1,708,052</b>	<b>\$1,796,670</b>	<b>\$1,796,186</b>	<b>\$1,903,894</b>

**Authorized Personnel**

	Authorized FTE's			Proposed 2005-2006
	2002-2003	2003-2004	2004-2005	
<b>Law Enforcement</b>				
Pub. Safety Dir/Town Marshal	1.00	0	0	0
Emergency Mgmt Coordinator	0	1.00	0	0
Sergeant	3.00	0	0	0
Deputy Marshal	8.00	0	0	0
Dispatcher	7.00	0	0	0
Administrative Assistant	1.00	0	0	0
<b>Authorized FTE</b>	<b>20.00</b>	<b>1.00</b>	<b>0</b>	<b>0</b>

**Contract Services**

**\$1,903,894**

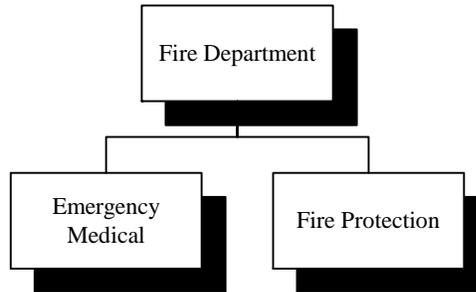
The Town of Fountain Hills contracts with the Maricopa County Sheriff's Office for law enforcement services. The contract amount is \$1,835,044, or an increase of 6% over the previous fiscal year. This contract provides for 25 law enforcement officers for the Town of Fountain Hills (3.5 beats) at a ratio of more than one officer per 1,000 residents and provides for a school resource officer requested by the Fountain Hills School District. The Town's cost for law enforcement services has dropped significantly (23% or over \$573,400) since FY02-03 and excellent service levels have been maintained. In a separate agreement with Maricopa County Office of Management and Budget, prisoners are transported to the Maricopa County jail and the Town is charged a per diem fee, estimated at \$36,575. The Town also contracts with Maricopa County Animal Care and Control Services for animal control and shelter services in the amount of \$32,275.



LAW ENFORCEMENT					
	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>SALARIES &amp; BENEFITS:</b>					
<b>TOTAL</b>	<b>\$896,570</b>	<b>\$36,757</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CONTRACT SERVICES</b>					
Jail/Prisoner Fees	36,930	38,896	38,000	35,000	36,575
Rabies/Animal Control	0	32,442	28,200	30,716	32,275
Sheriff's Contract	1,462,406	1,598,388	1,730,470	1,730,470	1,835,044
<b>TOTAL</b>	<b>\$1,499,336</b>	<b>\$1,669,726</b>	<b>\$1,796,670</b>	<b>\$1,796,186</b>	<b>\$1,903,894</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
<b>TOTAL</b>	<b>\$7,193</b>	<b>\$287</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>SUPPLIES &amp; SERVICES:</b>					
<b>TOTAL</b>	<b>\$37,239</b>	<b>\$1,282</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CAPITAL EXPENDITURES</b>					
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$36,994</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$2,477,332</b>	<b>\$1,708,052</b>	<b>\$1,796,670</b>	<b>\$1,796,186</b>	<b>\$1,903,894</b>



## Fire Department



### Mission Statement

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

### Department Description

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

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

### Performance Standards

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



**Management Indicators**

	<b>FY 2002-2003 Actual</b>	<b>FY 2003-2004 Actual</b>	<b>FY 2004-2005 Projected</b>	<b>FY2005-06 Projected</b>
Emergency response time	2min 46sec	3min 33 sec	3min 30 sec	4 min
EMS response time	2min 38sec	3min 28 sec	3min 35 sec	4 min
Percentage of EMS calls	48%	53%	54%	53%
Emergency calls	1,367	1,494	1,470	1,480
Non-emergency service call	1,318	1,343	1,290	1,300
Construction inspections/ safety surveys	1,682	1,556	1,530	1,500

**Fiscal Year 2004-2005 Accomplishments**

- Assisted the Town Manager in preparing mutual aid agreements with neighboring communities.
- Completed the upgrades of the self-contained breathing apparatus to meet the new National Fire Protection Association (NFPA) standards.
- Maintained a response goal of less than four minutes for all emergency calls.

**Fiscal Year 2004-2005 Objectives**

- Assist Facilities Maintenance with the remodel and ADA upgrades to both fire stations.
- Begin to prepare a Hazard Risk Assessment analysis.
- Maintain or improve upon a 4-minute response time for all emergency calls.

**Summary Expenditures – Fire Department**

	<b>FY 2002-2003 Actual</b>	<b>FY 2003-2004 Actual</b>	<b>FY 2004-2005 Budget</b>	<b>FY 2004-2005 Estimate</b>	<b>FY 2005-2006 Budget</b>
SALARIES & BENEFITS	\$0	\$0	\$0	\$0	\$0
CONTRACTUAL SERVICES	\$2,275,672	\$2,283,480	\$2,395,131	\$2,395,131	\$2,615,988
REPAIRS & MAINTENANCE	\$24,513	\$34,022	\$31,500	\$31,500	\$33,700
SUPPLIES & SERVICES	\$24,749	\$24,910	\$55,120	\$47,100	\$48,905
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$2,324,935</b>	<b>\$2,342,412</b>	<b>\$2,481,751</b>	<b>\$2,473,731</b>	<b>\$2,698,593</b>



**Contract Services**

**\$2,615,988**

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

**Repairs and Maintenance**

**\$33,700**

This refers to expenses relating to the department's fleet of fire equipment for field operations as well as maintenance and repair of office equipment for administrative activities. Fleet expenses include tires, brakes, batteries, and vehicle parts essential to keeping equipment in operating order. Office equipment includes service contracts on existing copiers, printers, and computer equipment. Tires are budgeted at \$8,500, repairs at \$24,200, and \$1,000 for miscellaneous expenses.

**Supplies and Services**

**\$48,905**

Expenses in this category pertain to daily operations of the department and range from fuel costs to fire fighting tools, office supplies, specialized training, printing, and publications. Items in this category are outside of the parameters of the Rural Metro contract and represent expenses specifically for Fountain Hills. Gas is the largest line item within this category at \$33,420. An amount of \$13,525 for fire fighting equipment will be purchased by the Town, including a gas detector unit (\$3,500), Holmatro upgrades, \$2,300 for hose, and \$2,450 for nozzles.



<b>FIRE DEPARTMENT</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>CONTRACT SERVICES</b>					
Rural Metro Contract	2,275,672	2,283,480	2,395,131	2,395,131	2,615,988
<b>TOTAL</b>	<b>\$2,275,672</b>	<b>\$2,283,480</b>	<b>\$2,395,131</b>	<b>\$2,395,131</b>	<b>\$2,615,988</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Vehicle Repairs & Maintenance	24,513	34,022	31,500	31,500	33,700
Office Equipment Repairs/Maintenance	0	0	0	0	
<b>TOTAL</b>	<b>\$24,513</b>	<b>\$34,022</b>	<b>\$31,500</b>	<b>\$31,500</b>	<b>\$33,700</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Dues & Publications	563	620	700	700	760
Gas & Oil	15,245	18,990	33,520	26,000	33,420
Office Supplies	8,942	400	1,900	1,900	700
Fire Fighting Equipment	0	4,900	18,500	18,500	13,525
Printing	0	0	500	0	500
<b>TOTAL</b>	<b>\$24,749</b>	<b>\$24,910</b>	<b>\$55,120</b>	<b>\$47,100</b>	<b>\$48,905</b>
<b>TOTAL EXPENDITURES</b>	<b>\$2,324,935</b>	<b>\$2,342,412</b>	<b>\$2,481,751</b>	<b>\$2,473,731</b>	<b>\$2,698,593</b>



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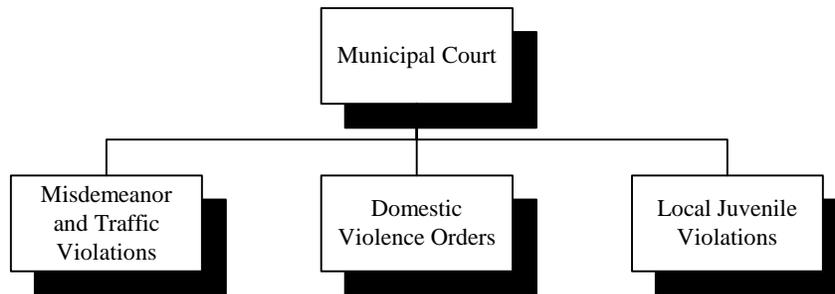
# Municipal Court

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## Municipal Court



### Mission Statement

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

### Department Description

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

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

### Performance Standards

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



**Management Indicators** \_\_\_\_\_

	<b>FY 2002-2003 Actual</b>	<b>FY 2003-2004 Actual</b>	<b>FY 2004-2005 Estimated</b>	<b>FY 2005-2006 Projected</b>
Cases filed	3,135	3,538	3,352	3,500
Cases terminated	3,309	4,000	3,600	3,800
Hearings held	803	813	1,050	1,100
Civil traffic cases closed within 60 days	92%	95%	95%	95%
Criminal/criminal traffic cases closed within 60 days	80%	85%	85%	85%
Criminal/criminal traffic cases closed within 120 days	95%	95%	95%	95%

**Fiscal Year 2004–2005 Accomplishments** \_\_\_\_\_

- The Court has begun participation in the State’s new centralized collection program called “FARE” (Fines, Fees and Restitution) for enhancing the Court’s enforcement and collection efforts
- The Court has successfully implemented videoconferencing for certain proceedings involving incarcerated defendants, providing a safer, more efficient, and less-costly alternative to in-person proceedings
- Cooperatively working with the Civic Center Phase II architectural design team, the Court obtained the required Maricopa County Superior Court approval of the building plans for the new Fountain Hills Municipal Court facility
- The Fountain Hills Community Teen Court was successfully inaugurated last school year and reconvened this year as the result of the Court’s partnership with the Fountain Hills High School, the Maricopa County Juvenile Court, and the Maricopa County Sheriff’s Office
- The Presiding Judge and/or the Court Administrator attended all Limited Jurisdiction Presiding Judges Meetings, to keep the Court current with ever changing laws and updated on best practices and procedures
- The entire Court staff completed at least 16 hours of mandatory continuing education
- The Court continued to participate in the Tax Intercept Program that intercepts and collects state income tax refunds of defendants with financial obligations to the Court
- The Court continued to be utilized by the Supreme Court’s Administrative Office of the Courts (AOC) as a model court for training new AOC employees on the administrative practices and customer service in a smaller community court

**Fiscal Year 2005-2006 Objectives** \_\_\_\_\_

- Continue the review, updating and implementation of existing and new Court policies and procedures
- Enhance court order enforcement and collection processes, including implementation of FARE



- Pursue the partnership opportunity with the Maricopa County Mental Health Court for utilizing their resources and programs for Fountain Hills cases
- Expand the Court’s website with enhanced public access to Court information and services.

**Summary Expenditures – Municipal Court**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Budget
SALARIES & BENEFITS	\$259,064	\$274,783	\$316,050	\$308,951	\$337,820
CONTRACTUAL SERVICES	\$7,800	\$4,170	\$8,500	\$8,000	\$6,300
REPAIRS & MAINTENANCE	\$1,126	\$813	\$1,200	\$1,000	\$1,200
SUPPLIES & SERVICES	\$19,756	\$12,930	\$16,600	\$12,002	\$16,955
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$287,746</b>	<b>\$292,696</b>	<b>\$342,350</b>	<b>\$329,953</b>	<b>\$362,275</b>

**Schedule of Authorized Positions**

Court	Authorized FTE’s			Proposed
	<u>2002-2003</u>	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>
Presiding Judge	1.00	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00	1.00
Senior Court Clerk	0	0	1.00	1.00
Court Collections Clerk	1.00	0	0	0
Court Clerk	3.00	3.00	2.00	2.50
Authorized FTE	6.00	5.00	5.00	5.50

**Salaries and Benefits \$337,820**

With recent and anticipated program additions, the Court is re-evaluating the workload requirements for the next fiscal year, and have proposed a part-time position in the event that the workload increases significantly. The proposed FY05-06 budget includes this position funded by the General Fund as a half-time FTE.



**Contract Services** **\$6,300**

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

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

This supports routine service and annual maintenance of office equipment.

**Supplies and Services** **\$16,955**

This line item includes funding to support advertising and signage, \$3,500 for the presiding judge and court staff to attend mandatory continuing education conferences as required by the Arizona Supreme Court, court-related association dues, fees for publications, updated Arizona statutes and court rules, and necessary directory subscriptions. Also included in this item is funding for office supplies and printing, which have increased due to costs of new stationery and supplies for the new court facility.





MUNICIPAL COURT					
	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>SALARIES &amp; BENEFITS</b>					
Wages	205,809	220,620	253,200	248,087	265,200
FICA	2,917	3,124	3,700	3,550	4,750
Unemployment Insurance	243	266	250	325	400
Employee's Health Insurance	21,761	21,751	25,470	24,222	33,120
Employee's Life Insurance	251	643	820	794	890
Employee's Dental Insurance	2,343	2,740	3,010	2,849	3,580
Employee's Eye Insurance	175	0	0	0	190
Worker's Compensation Insurance	387	388	530	700	790
Employee's Retirement Fund	22,639	24,254	27,850	27,290	27,640
Recruitment Costs	1,704	0		0	
Disability Insurance	835	997	1,220	1,134	1,260
<b>TOTAL</b>	<b>\$259,064</b>	<b>\$274,783</b>	<b>\$316,050</b>	<b>\$308,951</b>	<b>\$337,820</b>
<b>CONTRACT SERVICES</b>					
Accounting Fees	0	0	2,000	2,000	0
Interpreters/Pro-Tem Judge	4,800	1,170	2,000	1,500	1,800
Intergovernmental Agreements	3,000	3,000	4,500	4,500	4,500
<b>TOTAL</b>	<b>\$7,800</b>	<b>\$4,170</b>	<b>\$8,500</b>	<b>\$8,000</b>	<b>\$6,300</b>
<b>REPAIRS &amp; MAINTENANCE:</b>					
Office Equipment Repairs	1,126	813	1,200	1,000	1,200
<b>TOTAL</b>	<b>\$1,126</b>	<b>\$813</b>	<b>\$1,200</b>	<b>\$1,000</b>	<b>\$1,200</b>
<b>SUPPLIES &amp; SERVICES:</b>					
Advertising/Signage	0	0	400	100	500
Conferences	1,460	1,409	1,900	1,000	1,900
Education/Training	25	940	1,400	800	1,600
Fees & Publications	3,138	3,276	3,500	3,500	3,550
Office Supplies	1,771	3,514	3,000	3,000	4,000
Printing	1,574	1,467	1,600	500	2,000
Communication Expense	302	38	0	102	105
Travel	55	225	800	500	800
Bank Charges	2,599	2,062	2,500	2,500	2,500
<b>TOTAL</b>	<b>\$19,756</b>	<b>\$12,930</b>	<b>\$16,600</b>	<b>\$12,002</b>	<b>\$16,955</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Furniture/Equipment	0	0	0	0	0
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL EXPENDITURES</b>	<b>\$287,746</b>	<b>\$292,696</b>	<b>\$342,350</b>	<b>\$329,953</b>	<b>\$362,275</b>



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**Special Revenue Fund – Grants**

SPECIAL REVENUE FUND	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>REVENUE:</b>					
FEMA	84,769	0	67,500	0	50,000
Proposition 202	0	75,000	50,000	55,000	0
LTAF Revenue	0	28,601	0	53,006	68,125
Undesignated Grant Revenue	59,244	0	1,375,000	0	1,437,000
ADOT	0	0	0	0	175,000
<b>TOTAL CURRENT REVENUE</b>	<b>\$144,012</b>	<b>\$103,601</b>	<b>\$1,492,500</b>	<b>\$108,006</b>	<b>\$1,730,125</b>
FEMA	67,530	17,227	75,000	0	50,000
Proposition 202	0	65,320	50,000	64,692	0
LTAF-RPTA	0	28,601	0	53,006	68,125
Undesignated Grant Expenditure	59,244	0	1,375,000	0	1,437,000
ADOT - Street Sweeper	0	0	0	0	225,000
Transfer from General Fund	0	0	(7,500)	0	0
Transfer from HURF	0	0	0	0	(50,000)
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$126,774</b>	<b>\$111,148</b>	<b>\$1,492,500</b>	<b>\$117,698</b>	<b>\$1,730,125</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>17,239</b>	<b>(7,547)</b>	<b>0</b>	<b>(9,692)</b>	<b>0</b>
<b>Fund Balance Beginning of Year</b>	<b>\$0</b>	<b>\$17,239</b>	<b>\$0</b>	<b>\$9,692</b>	<b>\$0</b>
<b>Ending Fund Balance</b>	<b>\$17,239</b>	<b>\$9,692</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

SPECIAL REVENUE FUND	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>Community Center Furniture, Fixtur</b>					
<b>REVENUE:</b>					
Contributions	117,200	0	0	0	0
<b>TOTAL CURRENT REVENUE</b>	<b>\$117,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Contract Services	0	0	0	0	10,000
Repairs & Maintenance	13,433	4,094	15,000	8,846	0
Supplies & Services	10,615	5,677	15,000	6,154	0
Capital Expenditures	27,876	18,863	150,770	0	30,000
<b>TOTAL EXPENDITURES</b>	<b>\$51,924</b>	<b>\$28,634</b>	<b>\$180,770</b>	<b>\$15,000</b>	<b>\$40,000</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>65,276</b>	<b>(28,634)</b>	<b>(180,770)</b>	<b>(15,000)</b>	<b>(40,000)</b>
<b>Fund Balance Beginning of Year</b>	<b>\$122,294</b>	<b>\$187,570</b>	<b>\$180,770</b>	<b>\$158,936</b>	<b>\$143,937</b>
<b>Ending Fund Balance</b>	<b>\$187,570</b>	<b>\$158,936</b>	<b>\$0</b>	<b>\$143,937</b>	<b>\$103,937</b>

This budget includes carryover funds from community donations to be used for the Community Center. Included is \$10,000 for design fees associated with hiring an architectural firm to help develop plans for the Community Center Courtyard area and a miscellaneous amount for unforeseen expenditures in the amount of \$30,000.



**Excise (Sales) Tax – Special Revenue – Municipal Property Corporation Debt Service**

	FY 2002-2003 Actual	FY 2003-2004 Actual	FY 2004-2005 Budget	FY 2004-2005 Estimate	FY 2005-2006 Proposed
<b>EXCISE TAX (SALES) REVENUE:</b>					
<b>Revenue:</b>					
Mountain Bonds (.2%)	1,076,934	892,241	659,070	659,070	721,089
Civic Center Phase II Bonds (.1%)	0		350,000	350,000	360,545
Interest	7,880	17,605	7,500	22,000	24,000
<b>TOTAL REVENUES</b>	<b>\$1,084,814</b>	<b>\$909,846</b>	<b>\$1,016,570</b>	<b>\$1,031,070</b>	<b>\$1,105,634</b>
<b>EXPENDITURES:</b>					
<b>MPC Debt Service</b>					
Mountain Bond Payment	607,411	637,061	595,000	595,000	606,500
Civic Center Phase II Bonds (.1%)	0	0	350,000	255,480	270,000
Sales Tax Rebate	0	0	22,532	22,532	38,602
<b>TOTAL EXPENDITURES</b>	<b>\$607,411</b>	<b>\$637,061</b>	<b>\$967,532</b>	<b>\$873,012</b>	<b>\$915,102</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>477,402</b>	<b>272,785</b>	<b>49,038</b>	<b>158,058</b>	<b>190,532</b>
Fund Balance Beginning of Year	\$719,577	\$1,196,980	\$1,098,387	\$1,469,765	\$1,627,823
Ending Fund Balance	<b>\$1,196,980</b>	<b>\$1,469,765</b>	<b>\$1,147,425</b>	<b>\$1,627,823</b>	<b>\$1,818,355</b>



**Excise Tax – Special Revenue – Downtown Development**

<b>EXCISE TAX (SALES) SPECIAL REVENUE</b>					
<b>Downtown Development</b>	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>REVENUES:</b>					
Downtown Development (.1%)	358,978	297,414	329,535	329,535	360,545
<b>TOTAL REVENUES</b>	<b>\$358,978</b>	<b>\$297,414</b>	<b>\$329,535</b>	<b>\$329,535</b>	<b>\$360,545</b>
<b>EXPENDITURES:</b>					
<b>SALARIES &amp; BENEFITS:</b>					
Wages	0	8,798	37,500	38,877	39,375
FICA	0	128	413	541	580
Unemployment Insurance	0	41	36	65	49
Employee's Health Insurance	0	472	6,367	3,028	3,548
Employee's Life Insurance	0	19	95	125	142
Employee's Dental Insurance	0	53	738	330	362
Employee's Eye Insurance	0	0	0	0	23
Worker's Compensation Insurance	0	16	90	135	121
Employee's Retirement Fund	0	968	3,094	4,277	4,331
Recruitment Costs	0	475	0	0	0
Disability Insurance	0	30	135	185	197
<b>TOTAL SALARIES/BENEFITS</b>	<b>\$0</b>	<b>\$11,000</b>	<b>\$48,467</b>	<b>\$47,563</b>	<b>\$48,729</b>
<b>CONTRACT SERVICES</b>					
Professional Fees	0	0	40,500	40,500	30,000
Engineering Fees	0	32,674	25,000	25,000	
Sales Tax Rebate	0	11,600	11,600	11,600	12,867
<b>TOTAL CONTRACT SERVICES</b>	<b>\$0</b>	<b>\$44,274</b>	<b>\$77,100</b>	<b>\$77,100</b>	<b>\$42,867</b>
<b>SUPPLIES &amp; SERVICES</b>					
Advertising/Signage	0	289	0	100	0
Conferences	0	399	5,025	2,500	5,075
Education/Training	0	0	500	150	450
Dues/Publications	0	188	850	600	600
Office Supplies	0	69	300	300	300
Printing	0	31	2,000	2,000	2,000
Travel	0	52	1,500	1,500	660
<b>TOTAL</b>	<b>\$0</b>	<b>\$1,028</b>	<b>\$10,175</b>	<b>\$7,150</b>	<b>\$9,085</b>
<b>CAPITAL EXPENDITURES</b>					
Capital Projects Fund	0	0	400,000	200,000	800,000
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$200,000</b>	<b>\$800,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$56,302</b>	<b>\$535,742</b>	<b>\$331,813</b>	<b>\$900,681</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$358,978</b>	<b>\$241,112</b>	<b>(\$206,207)</b>	<b>(\$2,278)</b>	<b>(\$540,136)</b>
Fund Balance Beginning of Year	\$432,813	\$791,791	\$1,004,809	\$1,032,903	\$1,030,625
<b>Ending Fund Balance</b>	<b>\$791,791</b>	<b>\$1,032,903</b>	<b>\$798,602</b>	<b>\$1,030,625</b>	<b>\$490,489</b>



## **Downtown Development**

### **Salaries and Benefits** **\$48,729**

The Town downtown economic development coordinator salary and benefits are partially funded by the dedicated 0.01% of local sales tax. The coordinator dedicates 75% of the time with a focus on developing the downtown area; the remainder of the time will be spent on promoting economic development for the community as a whole.

### **Contractual Service** **\$42,867**

The proposed budget includes the services of a professional firm to provide a fantastic holiday/anniversary lighting display in the downtown area. The contract for repair, erection, dismantling, and storage of the Town-owned holiday lighting displays is estimated to be \$30,000. The 0.01% of the local sales tax rebate is also included within this division budget.

### **Supplies and Services** **\$9,085**

The downtown economic development coordinator is planning to attend three major conferences in the upcoming fiscal year - the national International Economic Development (IEDC) conference in Chicago in the fall of 2005, the Arizona Economic Development Association conferences (fall and spring) for \$1,075, and the International Conference of Shopping Centers for \$800. Memberships in Arizona Association for Economic Development, International Economic Development Council, and associated publications will cost \$850.

### **Capital Expenditures** **\$800,000**

The capital request is for funding of Phase I along the north side of Avenue of the Fountains for an estimated \$200,000. It is anticipated that the construction along the avenue will consist of shade structures, benches and trash receptacles, sidewalk resurfacing, upgraded landscape materials, low-level street lighting and pedestrian crossings at a cost of approximately \$600,000.



**Debt Retirement**

The Debt Service Fund provides for the payment of interest, principal, and related costs on General Obligation (GO) Bonds, Highway User Revenue Fund bonds and Municipal Property Corporation (MPC) Revenue bonds. There are three General Obligation bond issues outstanding that were approved by the voters for specific purposes. The first GO bond issue in 1991 (refunded in 1995) was to pave roads that remained unpaved at the time of incorporation. Additional GO bonds issued in 1999 and 2000 were for the construction of a library/museum and community center. Bonds issued in 2001 were for the purchase of mountain preservation land in the McDowell mountains. Total General Obligation bond principal and interest payments for fiscal year 2005-2006 are \$1,375,000 and will be paid through a levy of Town property. The Summary/Schedules section includes an itemization of the outstanding debt as of June 30, 2005.

The HURF Bond principal and interest payment is \$110,500 for fiscal year 2005-2006 and will be paid from HURF revenues received during the year. The Eagle Mountain Community Facilities District debt payments are levied on the property owners within the district. These obligations are paid by the Fountain Hills property owners using secondary property taxes, less any credits, carry-forward and/or interest earnings. The annual Municipal Property Corporation debt service for the Community Center are transferred from the General Fund and included within the Community Center budget. The annual Mountain Bond MPC debt service is included as an expenditure in the Excise Sales Tax – Mountain Bond Fund. Below is the schedule of Debt Service payments required for next fiscal year.

<b>TOTAL DEBT SERVICE - TOWN OF F.H. 05-06</b>		
<u>Issue</u>	<u>Principal</u>	<u>Interest</u>
GO	\$275,000	\$85,000
Lakeside	\$75,000	\$50,000
HURF	\$85,000	\$25,500
Cottonwoods	\$3,228	\$700
Library/Museum	\$225,000	\$162,425
Eagle Mtn	\$160,000	\$301,850
MPC Comm. Center	\$175,000	\$212,000
Mtn Bonds (GO)	\$250,000	\$249,000
MPC - Mtn Bonds	\$300,000	\$306,500
MPC - Civic Ctr Ph I	<u>\$125,000</u>	<u>\$145,000</u>
<b>TOTAL</b>	<b>\$1,673,228</b>	<b>\$1,537,975</b>

The annual property tax levy is based on the total amount required for the payment (with adjustments for carry-forward, delinquencies, etc.) divided by the total assessed valuation for the Town of Fountain Hills. The Town’s secondary assessed property valuation for fiscal year 2005-2006 is estimated to be \$375,183,181 for the upcoming year and the estimated levy is \$0.30 per \$100 of assessed value.



**Debt Retirement – HURF/GO Bonds**

<b>DEBT RETIREMENT - HURF/GO BONDS</b>					
	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>REVENUE:</b>					
<b>Property Tax Revenue:</b>					
General Obligation Bonds	1,447,580	1,564,923	1,450,000	1,450,000	1,150,000
<b>Other Debt Retirement Issues:</b>					
HURF Street Paving Transfers	126,000	124,417	124,000	124,000	110,500
Cottonwoods Improvement District	4,480	3,622	4,500	4,500	3,850
MPC - Community Center	385,022	377,813	375,500	375,500	387,000
Interest Earnings	179		1,000	1,300	1,400
<b>TOTAL REVENUES</b>	<b>\$1,963,261</b>	<b>\$2,070,775</b>	<b>\$1,955,000</b>	<b>\$1,955,300</b>	<b>\$1,652,750</b>
<b>EXPENDITURES:</b>					
<b>General Obligation Bonds:</b>					
Bond Payment - GO	349,690	359,239	355,000	355,000	360,000
Bond Payment - Lakeside	137,500	132,250	132,500	132,500	125,000
Bond Payment - Library/Museum	382,975	368,425	390,000	390,000	399,000
Bond Payment - Mtn Bonds GO	513,200	500,400	520,000	520,000	499,000
<b>Special Districts/MPC Debt Service:</b>					
MPC - Community Center	385,022	377,813	375,500	375,500	387,000
Bond Payment - HURF	126,223	122,533	124,000	124,000	110,500
Bond Payment - Cottonwoods Impr. Dist.	4,245	4,160	4,500	4,500	3,850
<b>TOTAL EXPENDITURES</b>	<b>\$1,898,855</b>	<b>\$1,864,820</b>	<b>\$1,901,500</b>	<b>\$1,901,500</b>	<b>\$1,884,350</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>					
	<b>64,406</b>	<b>205,955</b>	<b>53,500</b>	<b>53,800</b>	<b>(231,600)</b>
Fund Balance Beginning of Year	(\$34,841)	\$29,565	(\$134,841)	\$235,520	\$289,320
Ending Fund Balance	<b>\$29,565</b>	<b>\$235,520</b>	<b>(\$81,341)</b>	<b>\$289,320</b>	<b>\$57,720</b>



**Computation of Legal Debt Margin – Fiscal Year 2005-2006**

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

**Direct Bonded Debt, Legal Limitation and Unused Borrowing Capacity**

General Municipal Purpose Bonds	Water, Sewer, Light, Parks, Open Space and Recreational Facility Boards
<p><b>Debt limit - 6% of secondary net assessed valuation</b></p> <p style="text-align: right;"><b>\$22,510,991</b></p>	<p><b>Debt limit - 20% of secondary net assessed valuation</b></p> <p style="text-align: right;"><b>\$75,036,636</b></p>
<p><b>Less Direct Bonded Debt</b></p> <p style="text-align: right;"><b><u>(\$4,735,000)</u></b></p>	<p><b>Less Direct Bonded Debt</b></p> <p style="text-align: right;"><b><u>(\$6,375,000)</u></b></p>
<p><b>Unused 6% Borrowing Capacity</b></p> <p style="text-align: right;"><b><u>\$17,775,991</u></b></p>	<p><b>Unused 20% Borrowing Capacity</b></p> <p style="text-align: right;"><b><u>\$68,661,636</u></b></p>



**Schedule of Outstanding Debt (As of June 30, 2005)**

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	11/1/1995	5.30	7/1/2010	\$2,455,000	\$925,000	\$1,255,000	\$275,000
GO	Library/Museum	6/1/2000	5.50	7/1/2014	\$3,700,000	\$975,000	\$1,675,000	\$1,050,000
GO	Land Acq-Lake	8/1/1999	5.10	7/1/2014	\$1,400,000	\$425,000	\$500,000	\$475,000
GO	Mtn. Bonds	12/1/2001	4.90	7/1/2020	\$6,000,000	\$925,000	\$3,425,000	\$1,650,000
GO	Refunding	6/1/2005	4.00	7/1/2019	\$7,225,000	\$0	\$0	\$7,225,000
TOTAL					\$24,310,000	\$4,325,000	\$9,310,000	\$10,675,000
Rev	Refunding	8/1/1998	4.63	7/1/2010	\$1,075,000	\$535,000	\$0	\$540,000
Rev	Comm. Center	7/1/2000	5.40	7/1/2020	\$4,680,000	\$775,000	\$2,475,000	\$1,430,000
Rev	Mtn. Bonds	12/1/2001	4.70	7/1/2021	\$7,750,000	\$1,100,000	\$3,910,000	\$2,740,000
Rev	Civic Center	12/1/2004	4.50	7/1/2019	\$3,645,000	\$170,000	\$0	\$3,475,000
Rev	Refunding	6/1/2005	4.15	7/1/2019	\$5,330,000	\$0	\$0	\$5,330,000
TOTAL					\$23,680,000	\$2,780,000	\$7,385,000	\$13,515,000
SA	Eagle Mtn-A	6/1/1996	6.50	7/1/2021	\$4,435,000	\$410,000	\$0	\$4,025,000
SA	Eagle Mtn-B	6/1/1996	7.25	7/1/2021	\$470,000	\$40,000	\$0	\$430,000
SA	Improvmts	6/16/1999	5.25	7/1/2009	\$32,276	\$19,365	\$0	\$12,911
TOTAL					\$4,937,276	\$469,365	\$0	\$4,467,911
GRAND TOTAL					<u>\$52,927,276</u>	<u>\$7,574,365</u>	<u>\$16,695,000</u>	<u>\$28,657,911</u>

GO General Obligation Bonds  
 Rev Revenue Bonds  
 SA Special Assessment Bonds



Eagle Mountain Community Facilities District

EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT					
Annual Statement of Estimates of Expenses					
	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>REVENUE:</b>					
Property Tax Revenue	\$458,288	\$574,193	\$513,000	\$513,000	\$353,600
Town of Fountain Hills Reimbursement	\$0	\$0	\$0	\$0	\$50,000
Investment Earnings	(\$195,647)	\$3,391	\$0	\$0	\$2,000
<b>TOTAL REVENUES</b>	<b>\$262,641</b>	<b>\$577,585</b>	<b>\$513,000</b>	<b>\$513,000</b>	<b>\$405,600</b>
<b>EXPENDITURES:</b>					
Debt Service	\$316,526	\$459,814	\$455,500	\$456,830	\$330,600
Administrative Fees	\$50,000	\$50,000	\$52,500	\$6,600	\$20,000
Trustee Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
<b>TOTAL EXPENDITURES</b>	<b>\$371,526</b>	<b>\$514,814</b>	<b>\$513,000</b>	<b>\$468,430</b>	<b>\$355,600</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>(\$108,885)</b>	<b>\$62,771</b>	<b>\$0</b>	<b>\$44,570</b>	<b>\$50,000</b>
Fund Balance Beginning of Year	\$307,645	\$198,760	\$261,530	\$261,530	\$306,100
Ending Fund Balance	\$198,760	\$261,530	\$261,530	\$306,100	\$356,100



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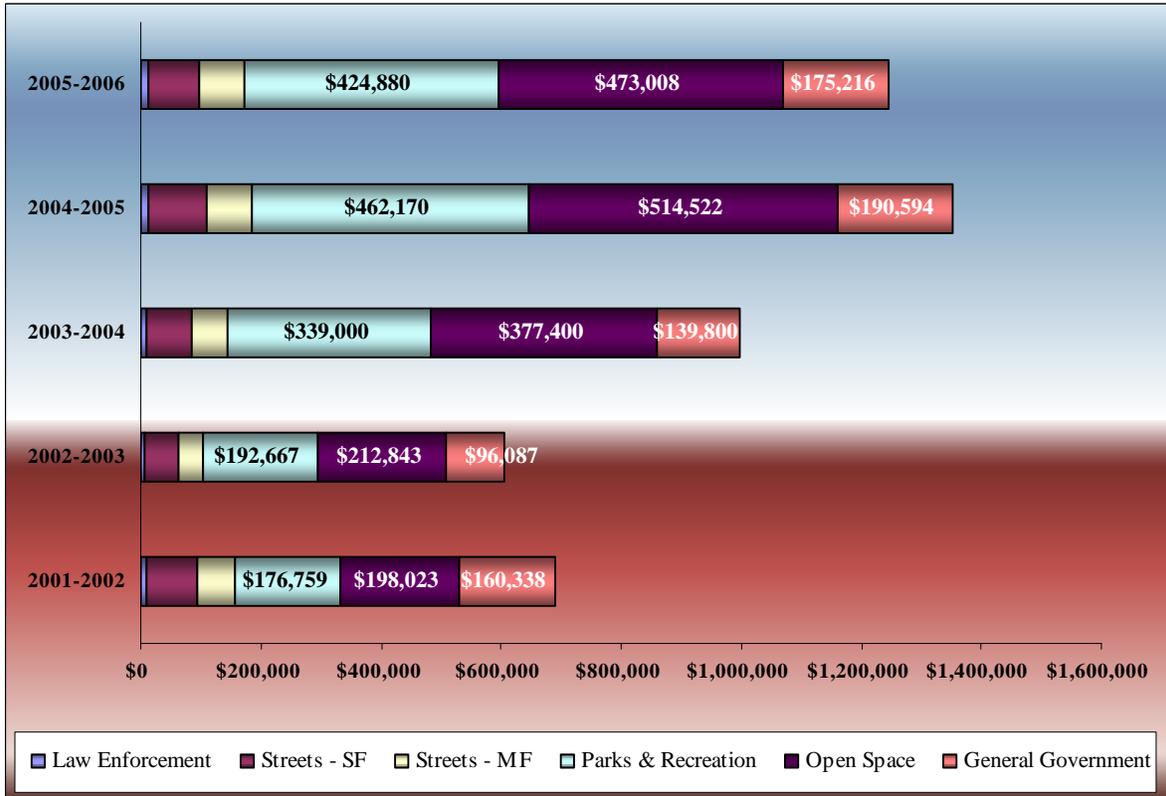


### Development Fees

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 infrastructure expansion required by new development. The Development Fund is a restricted fund and may only be appropriated for the particular purpose for which they were imposed. The projection for FY2006 is based on information provided by local engineering firms, developers and planning staff estimates of construction activity.	2000-01	\$8,960	
	2001-02	\$103,530	1055.5%
	2002-03	\$604,658	484.0%
	2003-04	\$998,975	65.2%
	2004-05 (est.)	\$1,375,544	37.7%
	2005-06 (est.)	\$1,268,126	-7.8%
Accounts: 802 - 819			

### Assumptions

Major Influences: Development





## Development Fee Expenditures

In November 2000, the Town Council of Fountain Hills passed Ordinance 00-21 to establish and impose development fees on new residential permits to offset the costs associated with growth. The development fee accounts are restricted and may only be spent for the particular public facility for which they were imposed. Each year during the budget process, the Town of Fountain Hills will identify the projects anticipated to be funded in whole or in part with development fees. For fiscal year 2005-2006, the following schedule is presented for Council consideration and itemizes the proposed development fee expenditures based on available balance in each account as of June 30, 2005.

	Law Enforcement	Street	Parks	Open Space	General Government	TOTALS
Balance 6/3/2001	\$960	\$13,742	\$33,900	\$37,740	\$13,987	\$100,329
FY 2001-2002 Revenues	\$10,887	\$144,761	\$176,759	\$198,023	\$160,338	\$690,768
FY 2001-2002 Expenditures	\$0	\$0	(\$80,954)	\$0	(\$185,500)	(\$266,454)
FY 2002-2003 Revenues	\$6,573	\$96,705	\$192,463	\$212,684	\$96,234	\$604,659
FY 2002-2003 Expenditures	0	(\$7,000)	\$0	(\$14,105)	\$0	(\$21,105)
FY 2003-2004 Revenues	\$9,814	\$139,990	\$268,018	\$296,402	\$141,417	\$855,641
FY 2003-2004 Expenditures	\$0	(\$201,150)	\$0	(\$13,049)	\$0	(\$214,199)
FY 2004-2005 Revenues	\$16,600	\$199,500	\$474,060	\$527,400	\$233,600	\$1,451,160
FY 2004-2005 Expenditures	(\$40,068)	(\$319,000)	(\$356,000)	(\$129,100)	(\$390,955)	(\$1,235,123)
FY 2005-2006 Revenues	\$12,082	\$260,740	\$425,880	\$482,608	\$175,566	\$1,356,876
FY 2005-2006 Expenditures <sup>1</sup>	(\$16,848)	(\$295,000)	(\$603,700)	(\$129,800)	(\$244,687)	(\$1,290,035)
FY 2005-2006 Ending Bal.	\$0	\$33,288	\$530,426	\$1,468,803	\$0	\$2,032,517

<sup>1</sup>Fiscal year 2005-2006 proposed projects

There are several capital projects proposed to be funded from development fees, the specific projects are listed below (descriptions of each project are included in the Capital Improvement Plan):

### Streets

Left turn lane at Saguario/Monterey	\$ 40,000
Sidewalks	\$ 55,000
Traffic signal at Saguario/El Lago	\$200,000

### Parks

Veterans Memorial Park contribution	\$ 40,000
Ramadas for Fountain Park	\$138,200
Phase III Desert Vista Neighborhood Park	\$425,500



**Open Space**

Eagles Nest Trailhead	\$ 28,800
Adero Canyon Trailhead	\$101,000

**General Government and Law Enforcement**

Civic Center Phase II completion	\$261,535
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### Development Fees – Law Enforcement

DEVELOPMENT FEES					
LAW ENFORCEMENT	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>REVENUES:</b>					
Law Enforcement Development Fees	6,550	9,676	11,392	16,200	12,032
Interest	23	138	350	400	50
<b>TOTAL REVENUES</b>	<b>6,573</b>	<b>9,814</b>	<b>11,742</b>	<b>16,600</b>	<b>12,082</b>
<b>EXPENDITURES:</b>					
Transfer to CIP	0	0	40,068	40,068	16,848
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,068</b>	<b>\$40,068</b>	<b>\$16,848</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>6,573</b>	<b>9,814</b>	<b>(28,326)</b>	<b>(23,468)</b>	<b>(4,766)</b>
Fund Balance Beginning of Year	\$11,847	\$18,420	\$28,326	\$28,234	\$4,766
Ending Fund Balance	\$18,420	\$28,234	\$0	\$4,766	\$0

### Development Fees – Parks and Recreation

DEVELOPMENT FEES					
PARKS & RECREATION	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>REVENUES:</b>					
P & R Department Development Fees	192,100	263,320	402,280	465,560	424,880
Interest	363	4,698	8,200	8,500	1,000
<b>TOTAL REVENUES</b>	<b>\$192,463</b>	<b>\$268,018</b>	<b>\$410,480</b>	<b>\$474,060</b>	<b>\$425,880</b>
<b>EXPENDITURES:</b>					
<b>CAPITAL EXPENDITURES</b>					
Fountain Park Spray Park	0	0	125,000	125,000	0
Skate Park	0	0	206,000	206,000	0
Veteran's Memorial	0	0	25,000	25,000	40,000
Fountain Park Picnic Ramadas	0	0	0	0	138,200
Desert Vista Phase III	0	0	0	0	425,500
Previously Approved Projects	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$356,000</b>	<b>\$356,000</b>	<b>\$603,700</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$192,463</b>	<b>\$268,018</b>	<b>\$54,480</b>	<b>\$118,060</b>	<b>(177,820)</b>
Fund Balance Beginning of Year	\$129,705	\$322,168	\$599,698	\$590,186	\$708,246
Ending Fund Balance	\$322,168	\$590,186	\$654,178	\$708,246	\$530,426



### Development Fees – Streets

DEVELOPMENT FEES					
STREETS	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>REVENUES:</b>					
Street Department Development Fees	96,512	138,608	149,475	195,000	160,240
Developer Contribution	0	0	0	0	100,000
Interest	193	1,382	5,000	4,500	500
<b>TOTAL REVENUE</b>	<b>96,705</b>	<b>139,990</b>	<b>154,475</b>	<b>199,500</b>	<b>260,740</b>
<b>CAPITAL EXPENDITURES</b>					
FH Blvd/El Lago Signal	7,000	83,088	85,000	123,100	0
Shea Widening (MCDOT)	0	118,062	0	0	0
Shea/Saguaro Left Turn Lane	0	0	30,000	0	0
Saguaro/Monterey Turn Lanes	0	0	40,000	0	40,000
Shea Signal (Eagle Mtn/Palisades)	0	0	20,000	0	0
Shea Bike Lanes	0	0	10,000	160,900	0
Drainage Ruskin/Kipling	0	0	40,000	0	0
Sidewalks	0	0	55,000	0	55,000
Saguaro/El Lago Signal	0	0	85,000	35,000	200,000
<b>TOTAL EXPENDITURES</b>	<b>\$7,000</b>	<b>\$201,150</b>	<b>\$365,000</b>	<b>\$319,000</b>	<b>\$295,000</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$89,705</b>	<b>(\$61,160)</b>	<b>(\$210,525)</b>	<b>(\$119,500)</b>	<b>(\$34,260)</b>
Fund Balance Beginning of Year	\$158,503	\$248,208	\$212,821	\$187,048	\$67,548
Ending Fund Balance	\$248,208	\$187,048	\$2,296	\$67,548	\$33,288

### Development Fees – Open Space

DEVELOPMENT FEES					
OPEN SPACE	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>REVENUES:</b>					
Open Space Development Fees	212,276	290,598	447,848	518,300	473,008
Interest	408	5,804	9,100	9,100	9,600
<b>TOTAL REVENUES</b>	<b>\$212,684</b>	<b>\$296,402</b>	<b>\$456,948</b>	<b>\$527,400</b>	<b>\$482,608</b>
<b>EXPENDITURES:</b>					
<b>CAPITAL EXPENDITURES</b>					
Capital Outlay - Trailhead Restroom	0	0	75,000	75,000	28,800
Capital Outlay-Trailhead Development	14,105	13,049	54,100	54,100	101,000
<b>TOTAL EXPENDITURES</b>	<b>\$14,105</b>	<b>\$13,049</b>	<b>\$129,100</b>	<b>\$129,100</b>	<b>\$129,800</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$198,579</b>	<b>\$283,353</b>	<b>\$327,848</b>	<b>\$398,300</b>	<b>\$352,808</b>
Fund Balance Beginning of Year	\$235,763	\$434,342	\$810,842	\$717,695	\$1,115,995
Ending Fund Balance	\$434,342	\$717,695	\$1,138,690	\$1,115,995	\$1,468,803



### Development Fees – General Government

<b>DEVELOPMENT FEES</b>					
<b>GENERAL GOVERNMENT</b>	<b>FY 2002-2003</b>	<b>FY 2003-2004</b>	<b>FY 2004-2005</b>	<b>FY 2004-2005</b>	<b>FY 2005-2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Proposed</b>
<b>REVENUES:</b>					
General Government Development Fees	96,087	139,621	165,896	230,000	175,216
Interest	147	1,796	100	3,600	350
<b>TOTAL REVENUE</b>	<b>96,234</b>	<b>141,417</b>	<b>165,996</b>	<b>233,600</b>	<b>175,566</b>
<b>EXPENDITURES:</b>					
<b>CAPITAL EXPENDITURES</b>					
Capital Project - Civic Center	0	0	390,955	390,955	244,687
Capital Outlay	0	0	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>390,955</b>	<b>390,955</b>	<b>244,687</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$96,234</b>	<b>\$141,417</b>	<b>(\$224,959)</b>	<b>(\$157,355)</b>	<b>(\$69,121)</b>
Fund Balance Beginning of Year	(\$11,175)	\$85,059	\$224,959	\$226,476	\$69,121
Ending Fund Balance	\$85,059	\$226,476	\$0	\$69,121	(\$0)



**Capital Projects Fund (projects that have been previously approved)**

During the FY2004-05 budget process, several capital projects were approved by the Town Council and are currently under construction. The first project is completion of Civic Center phase II, which began construction in September, 2004. Because the Town currently rents space at an annual rate of \$600,000 including maintenance, taxes, and rent, this project is expected to save the Town more than \$30 million over thirty years. The new facility will serve as the municipal offices for law enforcement, planning and zoning, parks and recreation, senior center, administrative offices, and the court. Bonds sold for the project by the Town of Fountain Hills Municipal Property Corporation provided \$3.8 million towards the project as well as general government and law enforcement development fees in the amount of \$431,023. Projects that are not complete prior to the end of any fiscal year must be re-budgeted the following year, such as the new Town Hall. FY05-06 includes \$956,500 in the capital budget to be provided by development fees (\$261,535), funds carried forward from FY04-05 (\$333,621) and a transfer from the General Fund in the amount of \$361,344. The expenditures are broken down as follows:

Parking canopies	\$392,000
Pave east parking lot	\$300,000
Balance on construction contract	\$224,023
Balance on Kitchell contract	\$ 21,300
Signage	\$ 14,000
External amenities (trash, mats)	\$ 3,200
Kohler	\$ 2,000

The second project is the skate park for \$206,000 that will be constructed at Desert Vista Neighborhood Park, with groundbreaking expected during the first quarter of FY05-06.

Street projects that were previously approved but scheduled for completion in FY05-06 are the turn pocket at Saguaro and Monterey Boulevards, sidewalks on Saguaro and Kingstree Boulevards and a drainage project on Ruskin and Kipling for a total of \$135,000.

**General Fund Balance Transfer for Capital**

During FY04-05 revenues exceeded expenditures by \$2,570,848 due to controlled expenditures and better than anticipated revenues. It is proposed that this amount be transferred from the General Fund to the Capital Projects to be available for funding future projects when constructed related revenues decline. The Town’s beginning General Fund balance is \$6.4 million, which meets the Town’s fund balance policy reserve level and brings it back to historic levels. While the Town is benefiting from one time construction related revenues it makes sense to use them for one time capital costs and maintaining the fund balance.



CAPITAL PROJECTS	FY 2002-2003	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006
	Actual	Actual	Budget	Estimate	Proposed
<b>Beginning Fund Balance</b>	\$0	\$0	\$601,370	\$556,370	\$409,896
<b>Revenues:</b>					
<b>Development Fee Transfers:</b>					
General Government	0	0	390,955	390,955	244,687
Law Enforcement	0	0	40,068	40,068	16,848
Parks & Recreation	0	69,670	0	206,000	
<b>Other Revenue Sources:</b>					
Sales Tax - CIP	0	120,340	528,225	528,225	528,225
Grants	0	0	237,300	237,300	0
Proceeds from sale of assets	0	21,700	0	0	0
Bond Proceeds	0	0	3,500,000	3,783,896	0
Developer Contributions	0	0	317,500	0	0
Interest on Bonds	0	0	0	30,000	25,000
<b>Transfers:</b>					
General Fund - Fountain Park	0	510,000	0	0	0
General Fund - Civic Center II	0	400,250	940,752	940,752	361,344
General Fund Balance Transfer for Capital	0	0	0		2,570,848
<b>TOTAL REVENUES</b>	<b>0</b>	<b>1,121,960</b>	<b>5,954,800</b>	<b>6,157,196</b>	<b>3,746,952</b>
<b>EXPENDITURES:</b>					
Civic Center Phase II	0	520,590	5,421,700	5,402,000	956,500
Parks & Recreation	0	45,000	771,970	901,670	206,000
Streets	0	0	317,500	0	135,000
<b>TOTAL EXPENDITURES</b>	<b>0</b>	<b>565,590</b>	<b>6,511,170</b>	<b>6,303,670</b>	<b>1,297,500</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>\$0</b>	<b>\$556,370</b>	<b>(\$556,370)</b>	<b>(\$146,474)</b>	<b>\$2,449,452</b>
Fund Balance Beginning of Year	\$0	\$0	\$556,370	\$556,370	\$409,896
Ending Fund Balance	\$0	\$556,370	\$0	\$409,896	\$2,859,348



## Summary of Tax Levy and Tax Rate Information

**TOWN OF FOUNTAIN HILLS, ARIZONA**  
**Summary of Tax Levy and Tax Rate Information**  
**Fiscal Year 2005-06**

	<u>2004-05</u> <u>FISCAL YEAR</u>	<u>2005-06</u> <u>FISCAL YEAR</u>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A).	\$ <u>0</u>	\$ <u>0</u>
2. Amount received from primary property taxation in the 2003-04 fiscal year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$ <u>0</u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>0</u>	\$ <u>0</u>
B. Secondary property taxes	<u>1,450,000</u>	<u>1,112,000</u>
C. Total property tax levy amounts	\$ <u>1,450,000</u>	\$ <u>1,112,000</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2004-05 levy	\$ <u>0</u>	
(2) Prior years' levy		
(3) Total primary property taxes	\$ <u>0</u>	
B. Secondary property taxes		
(1) 2004-05 levy	\$ <u>1,450,000</u>	
(2) Prior years' levy		
(3) Total secondary property taxes	\$ <u>1,450,000</u>	
C. Total property taxes collected	\$ <u>1,450,000</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.0000</u>	<u>0.0000</u>
(2) Secondary property tax rate	<u>0.4021</u>	<u>0.3021</u>
(3) Total city/town tax rate	<u>0.4021</u>	<u>0.3021</u>
B. Special assessment district tax rates		

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

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



## TOWN OF FOUNTAIN HILLS ASSESSED VALUATION

### 1995 - 2005

<u>Tax Year</u>	<u>Primary</u>	<u>% Change</u>	<u>Secondary</u>	<u>% Change</u>
1995	\$94,188,635		\$100,161,566	
1996	\$100,649,833	6.9%	\$103,944,051	3.8%
1997	\$112,285,569	11.6%	\$116,333,406	11.9%
1998	\$133,721,181	19.1%	\$146,943,730	26.3%
1999	\$160,963,931	20.4%	\$174,760,640	18.9%
2000	\$190,102,361	18.1%	\$212,415,476	21.5%
2001	\$220,229,137	15.8%	\$238,714,537	12.4%
2002	\$247,151,729	12.2%	\$270,602,866	13.4%
2003	\$282,800,857	14.4%	\$323,385,230	19.5%
2004	\$319,213,464	12.9%	\$349,398,334	8.0%
2005	\$350,557,588	9.8%	\$375,183,181	7.4%



**Schedule of Authorized Positions** \_\_\_\_\_

<b>Position – Title</b>	<b>2002-2003 Authorized FTE</b>	<b>2003-2004 Authorized FTE</b>	<b>2004-2005 Authorized FTE</b>	<b>2005-2006 Proposed FTE</b>
<b>Court</b>				
Presiding Judge	1.00	1.00	1.00	1.00
Court Administrator	1.00	1.00	1.00	1.00
Senior Court Clerk	0.00	0.00	1.00	1.00
Court Collections Clerk	1.00	0.00	0.00	0.00
Court Clerk	3.00	3.00	2.00	2.50
<b>Authorized FTE</b>	<b>6.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.50</b>
<b>Administration</b>				
Town Manager	1.00	1.00	1.00	1.00
Undesignated Position	2.00	0.00	0.00	0.00
Director of Admin/Town Clerk	1.00	0.00	0.00	0.00
Finance Director	1.00	1.00	1.00	1.00
Town Clerk	0.00	1.00	1.00	1.00
Assistant Town Manager	0.00	0.00	0.00	1.00
I. T. Administrator	1.00	0.00	0.00	0.00
I. T. Intern	0.50	0.50	0.50	0.00
Accountant	0.00	0.00	1.00	1.00
Accounting/H.R.Clerk	1.00	1.00	0.00	0.00
Accounting Clerk	0.00	0.00	1.00	1.00
Administrative Intern	1.00	0.00	0.00	0.50
Exec.Asst to Town Mgr/Council	1.00	1.00	1.00	1.00
Executive Assistant	1.00	0.00	0.00	0.00
Human Resources Administrator	1.00	1.00	1.00	1.00
I. T. Coordinator	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	0.00	0.00	0.00
Facilities Supervisor	1.00	1.00	1.00	1.00
Facilities Maintenance Tech	0.00	0.00	1.00	1.00
Maintenance/Custodial Worker	1.00	1.00	0.50	0.50
Custodian	2.00	1.50	1.00	1.00
Customer Service Rep.	1.00	1.50	1.00	0.50
Administrative Clerk	0.00	0.00	0.50	1.00
Receptionist	0.00	0.00	0.00	0.50
<b>Authorized FTE</b>	<b>18.50</b>	<b>12.50</b>	<b>13.50</b>	<b>15.00</b>



## Schedule of Authorized Positions

Position – Title	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Authorized FTE	2005-2006 Proposed FTE
<b>Building Safety</b>				
Chief Building Official	1.00	1.00	1.00	1.00
Plans Examiner	2.00	2.00	2.00	2.00
Building Inspector	1.00	2.00	2.00	2.00
Building Permit Technician	2.00	2.00	3.00	3.00
Senior Building Inspector	2.00	0.00	1.00	1.00
<b>Authorized FTE</b>	<b>8.00</b>	<b>7.00</b>	<b>9.00</b>	<b>9.00</b>
<b>Public Works</b>				
Public Works Director	1.00	1.00	1.00	1.00
Town Engineer	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	0.00
Civil Engineer	1.00	1.00	1.00	2.00
Senior Civil Engineer Inspector	0.00	0.00	1.00	1.00
Civil Engineer Inspector	2.00	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	0.00	0.00	0.00
Open Space & Landscape Spec.	1.00	1.00	1.00	1.00
<b>Authorized FTE</b>	<b>9.00</b>	<b>7.00</b>	<b>8.00</b>	<b>8.00</b>
<b>Street</b>				
Assistant Public Works Director	0.00	0.00	0.00	1.00
Street Superintendent	1.00	1.00	1.00	1.00
Street Maintenance Supervisor	0.00	1.00	1.00	0.00
Fleet Mechanic	1.00	1.00	1.00	1.00
Fleet Equipment Mechanic	1.00	1.00	0.00	0.00
Street Maintenance Tech	9.00	7.00	6.00	6.00
Equipment Operator	2.00	2.00	2.00	2.00
<b>Authorized FTE</b>	<b>14.00</b>	<b>13.00</b>	<b>11.00</b>	<b>11.00</b>



**Schedule of Authorized Positions** \_\_\_\_\_

<b>Position – Title</b>	<b>2002-2003 Authorized FTE</b>	<b>2003-2004 Authorized FTE</b>	<b>2004-2005 Authorized FTE</b>	<b>2005-2006 Proposed FTE</b>
<b>Planning &amp; Zoning</b>				
Director	1.00	0.00	0.00	0.00
P & Z Administrator	0.00	1.00	1.00	1.00
Senior Planner	2.00	1.00	1.00	1.00
Planner	1.00	1.00	1.00	1.00
Eng. Tech/CAD Operator	1.00	1.00	1.00	1.00
Drafting/CAD Technician	1.00	1.00	1.00	1.00
Executive Assistant	1.00	0.00	0.00	0.00
Planning Technician	0.00	0.00	0.00	0.50
Planning Assistant	1.00	1.00	1.00	1.00
Economic Downtown Dev. Coor	0.00	1.00	1.00	1.00
Code Enforcement Officer	0.00	3.00	2.00	3.00
<b>Authorized FTE</b>	<b>8.00</b>	<b>10.00</b>	<b>9.00</b>	<b>10.5</b>
<b>Parks &amp; Recreation</b>				
Parks & Rec/Comm Ctr Dir.	1.00	0.50	0.50	0.50
Parks Supervisor	1.00	1.00	1.00	1.00
Recreation Supervisor	1.00	1.00	1.00	1.00
Rec. Program Coordinator	3.00	2.00	2.00	2.00
Groundskeeper	1.00	1.00	2.00	2.00
Recreation Intern	0.00	0.00	0.00	0.50
Park Operations Lead	3.00	2.00	2.00	3.00
Recreation Assistant	4.00	4.00	4.00	4.00
Recreation Aide	0.00	0.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	0.00	0.00	0.00
Receptionist	0.00	0.50	0.50	0.50
<b>Authorized FTE</b>	<b>16.00</b>	<b>13.00</b>	<b>15.00</b>	<b>16.50</b>
<b>Law Enforcement</b>				
Pub. Safety Dir/Town Marshal	1.00	0.00	0.00	0.00
Emergency Mgmt Coord	0.00	1.00	0.00	0.00
Sergeant	3.00	0.00	0.00	0.00
Deputy Marshal	8.00	0.00	0.00	0.00
Dispatcher	7.00	0.00	0.00	0.00
Administrative Assistant	1.00	0.00	0.00	0.00
<b>Authorized FTE</b>	<b>20.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>



### Schedule of Authorized Positions

Position – Title	2002-2003 Authorized FTE	2003-2004 Authorized FTE	2004-2005 Authorized FTE	2005-2006 Proposed FTE
<b>Community Center</b>				
Parks & Rec/Comm Ctr Dir.	1.00	0.50	0.50	0.50
Comm Ctr Supervisor	1.00	1.00	1.00	1.00
Comm Ctr Operations Sup.	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00
Operations Support Worker	1.00	1.50	1.50	1.50
Operations Support Assistant	0.00	0.00	0.00	0.50
Custodian	1.00	1.00	1.00	1.00
Volunteer Coordinator	0.50	0.50	0.50	0.50
<b>Authorized FTE</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>7.00</b>
<b>Total Authorized FTE</b>	<b>106.00</b>	<b>75.00</b>	<b>77.00</b>	<b>81.50</b>

### Pay Plan

The Town Council last adopted the pay plan for the Town of Fountain Hills in June 2004. It is imperative that the salary ranges for each position be updated on a regular basis to remain competitive in the market. Consequently, the Human Resources division has surveyed the salary ranges from competing towns and cities for like positions. The information from those surveys has resulted in the proposed pay plan for the 2005-06 fiscal year that will be presented at a future date as was done last year.

### Explanation of the Pay Plan

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



## Town of Fountain Hills - Succession Plan – 2005

Objective: To develop Town of Fountain Hills' employees as well as recruit for fundamental (key) positions ensuring the Town has a pool of diverse, qualified individuals

Succession planning has been defined as “A process designed to ensure the continued effective performance of an organization by making provision for the development of and replacement of key people over time. Succession planning is generally considered to be a strategy of work force planning.”

What does a succession plan do and why is it needed?

- Ensures that employees are prepared and trained for the job and responsibilities of the future.
- Provides growth opportunities that help motivate and retain current employees. It shifts the idea from job progression to job expansion.
- Allows for the transfer of knowledge from key people in the organization to their successors using techniques such as mentoring and on-the-job training.
- Reduces stress on the new incumbent by making him/her better prepared to fill the role.
- Reduces workload of other team members who normally would have to pick up the duties until the new incumbent is up-to-speed.
- Reduces the manager's time spent in assisting new incumbent becoming proficient.
- With an increasingly mobile workforce, steps need to be taken to insure the timely and competent replacement of positions.

With the ever-changing workforce, succession plans are needed to survive in today's global environment. It's a regular review of existing staff, predicted turnover (voluntary and involuntary), retirements and extended absences, promotions or transfers, new hires, total need, and estimated gap. When a key employee suddenly leaves or becomes incapacitated, it can be crippling to an organization. With the employee goes key knowledge. The knowledge of an organization exists not in documents and databases, but in the collective mind of the organization – in the heads of people. A succession plan, then, is a type of knowledge sharing.

Succession planning is a systems approach to identifying and developing future supervisors, managers and executives. Succession plans provide for continuity of operation in an organization. Ideally, but not always, the successor is groomed with the knowledge necessary to take over.

Implementing succession planning systems must be integrated and directly linked, defined, and developed in tandem with organization mission, purpose, goals, objectives, and expected outcomes.

In preparation of implementing a succession plan for The Town of Fountain Hills, Human Resources conducted several meetings with a committee consisting of Department Directors to identify key and “at risk” positions. It was quickly realized that in a small organization, the retention of key managers is even more crucial because the organization's small size means there



are likely to be few “surplus” managers available should someone leave. The consensus of this committee was that all members of management, as well as one-person divisions, are key or “at risk” positions. The group’s goal is to ensure that the Town of Fountain Hills has viable internal choices for each executive and/or director-level position that may come open in the next three to five years.

The first step in developing the Town’s future leaders was to identify the existing talent pool. Extensive discussions regarding each department’s leadership status were undertaken. Individuals were identified as having leadership potential, and consideration was given to the Town’s need for diversity and technical expertise. The committee considered not only domain knowledge and technical expertise, but also a whole range of leadership skills including personality, temperament, empathy, charisma, decision-making ability and judgment. Getting the right fit is of the utmost importance. An interest survey for essential positions was also distributed to all Town staff.

Once the participant pool was identified, the Committee recognized that in order to have viable internal candidates, managers need to personally contribute to the development of the Town’s future leaders. Management members will meet with candidates to discuss developmental needs and opportunities. It will be stressed that the employee’s development does not guarantee promotion, but is intended to assist them in developing the skills to be a marketable candidate in the event of a vacancy at a higher level of management. Primary development responsibilities are as follows: Town Manager develops Department Directors, Department Directors develop Assistant Directors or Division Heads, Assistant Directors develop Division Heads, Division Heads develop others reporting to them. It is essential to devise a critical path analysis so that candidates can get the personal development they need to make them ready for a promotion and the new responsibilities. This will be accomplished by enhancing the leadership skills of selected personnel through mentoring and coaching, preparing them for taking on the Town’s current and future organizational initiatives, enhancing communications at all levels throughout the Town, and facilitating individual development planning.

Once the development activity has started to occur, it is important that key managers meet with those under their direct supervision during and after development activities to assess their progress. It is important to create additional goals and learning plans, as well as provide both positive and constructive feedback to them as they work toward their objectives.

Although retention and leadership development programs are important, it’s still a good idea to have a strong recruiting component in our workforce plan. The Town of Fountain Hills is committed to recruiting people that have the skill not just to do their current job, but also the potential to do the job at least one level above them. This process has already begun with the hiring of an Assistant Public Works Director, a second Civil Engineering Inspector, and intense cross training of current personnel in areas of their interest and the Town’s future needs. However, at risk positions remain, such as Town Manager, Finance Director and I/T Coordinator. These positions are at immediate risk because of their functions and technical expertise within the organization. The Town has begun to address these “at risk” positions in the following manner:

- With Council’s approval, an accounting clerk was hired in 2004. The addition of the accounting clerk has freed up the necessary time to allow the accountant to receive training, coaching, and continuing education in the responsibilities of the Finance



Director. Although this process is well underway, it will be ongoing for a considerable amount of time.

- Should the I/T Coordinator position become vacant, a temporary contract person will be necessary until a replacement can be hired.
- Because we have been successful in hiring and/or providing additional training and continuing education for personnel that directly support the Directors, (i.e. Assistant Public Works Director, Accountant, Recreation Supervisor) the Directors have been allowed the flexibility to fill in for the Town Manager on an interim basis should that position become vacant. Again, although this process is underway, in order to be successful, it must be a long-term process.

In conclusion, in today's fast-changing, dynamic public sector world, leadership development is more critical than ever before. While many towns and cities have recognized this need over the years, few have sustained a method for developing and retaining leaders. Leadership development is not a new concept, but it is a continuing challenge to the public sector. The Town of Fountain Hills is meeting this challenge. It has to provide the men and women today who can run it tomorrow. The Succession Plan will be a visible and positive tool in that endeavor. Finally, and most importantly, succession plans should not be static and left to gather dust. As the Town grows it is crucial that the plan evolves alongside it to reflect, for example, any change in strategic direction or market position.

It is the Town's goal to review the Succession Plan every two years.

Upon approval, communication will be made with all Town staff regarding implementation of the Plan.

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

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

### **Planning Steps**

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

- Issue: Problems with a particular title or occupation. It could have short-term and long-term implications, such as recruiting for certain titles.



- **Initiative:** A special initiative as part of a strategic plan or operational plan. The Town may set a particular goal or objective that will be met by the initiative.
- **Organization:** This may mean the organization as a whole, department or division.

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

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

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

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

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

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

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

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

Whether there is a gap for each title and, if so, the extent of the gap needs to be identified. The first part of this step involves identifying where candidates will come from for the titles or positions being considered. In the Demand step, titles to accomplish the new or modified



functions are identified, but not where the qualified candidates would come from. In the Supply step, the workforce is characterized, but not evaluated, in terms of whether current employees will meet the supply needs of the agency for the titles in the new or revised functions. In the gap analysis, the issues regarding where to recruit to find the necessary employees are addressed. The managers conduct a gap analysis by comparing the internal supply of employees with the demand. Frank discussions need to take place regarding what staff will no longer be needed.

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

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

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

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

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

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



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

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

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



## Glossary ---

### **Accrual Basis**

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

### **Actual vs. Budgeted**

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

### **Adoption**

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

### **Appropriation**

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

### **Assessed Valuation**

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

### **Base Budget**

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

### **Bond**

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

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

### **Budget**

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

### **Budgetary Basis**

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

### **Capital Budget**

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



**Carry Over**

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

**Cash Basis**

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

**Contingency/Reserve**

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

**Debt Ratio**

Total debt divided by total assets.

**Debt Service**

Principal and interest payments on outstanding bonds.

**Estimated Revenue**

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

**Expenditure**

Represents a decrease in fund resources.

**Expenditure Limitation**

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

**Fiscal Year**

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

**Full-Time Equivalent Position (FTE)**

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

**Fund**

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

**Fund Balance**

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



**General Fund**

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

**Highway Users Revenue Bond**

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

**Highway Users Revenue Fund (HURF)**

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

**Infrastructure**

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

**Intergovernmental Revenue**

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

**Long Term Debt**

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

**Management Indicators**

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

**Modified Accrual Basis of Accounting**

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

**Municipal Property Corporation (MPC) Bond**

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

**Objectives**

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

**Operating Budget**

Day-to-day costs of delivering city services.



**Performance Indicators**

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

**Property Tax**

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

**Primary Tax**

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

**Secondary Rate**

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

**Resources**

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

**Revenue**

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

**State-Shared Revenue**

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

**Tax Levy**

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

**Tax Rate**

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

**Transfer**

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

# **APPENDIX A**



*REPORT TO*  
*FOUNTAIN HILLS TOWN COUNCIL*

*Proposed*

**COMMUNITY RELATIONS  
COORDINATOR,  
GRANT WRITING  
AND  
INTERGOVERNMENTAL  
RELATIONS PROGRAM**



Prepared by  
Timothy G. Pickering, Town Manager  
April 29, 2005

## Executive Summary

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Establishment of a Public Information and Grant Writing Program was one of six goals set by the Town Council for FY2005-06 to ensure that information is communicated to the public in a professional, understandable, succinct, comprehensive, timely and factual manner via numerous channels of communication.

One key to achieving this goal is placing a communications officer on staff. The primary responsibility of this position would be to foster understanding between the Town of Fountain Hills and its citizens and neighboring communities. The Council is empowered to make decisions in the best interests of the populace and a *well-informed* citizenry could communicate their desires, questions and concerns to council members more effectively.

Additionally, a communications officer can assist in achieving another of the Council's goals, that of improving our intergovernmental relations. Communicating with other towns' communications officers and coordinating meetings between jurisdictions would be valuable.

***The importance and value of this position lies in providing the public and the media with a readily accessible, single point of contact who is skilled at managing the flow of information in order to project a positive view of our Town.***

## The *Compass* and Other Communication Duties

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Presently, a primary source of Town information is the *Compass* newsletter, mailed to all residents four times a year. The Parks and Recreation Department's executive assistant currently has the responsibility of gathering, writing, editing, and formatting the *Compass*. Increasing publication frequency of the *Compass* to six issues per year would facilitate 'getting the message out' about services, programs, town-related issues, 'hot topics', new regulations, and Public Service Announcement in a timelier manner. However, the aforementioned executive assistant would be hard pressed to publish more frequently due to numerous other responsibilities and complexity of issues to be communicated.

If a communications officer existed at the present time, information regarding zoning and height issues, property rights, West Nile virus and its implications for Fountain Hills, the County Attorney's program on how to counteract identification theft, the concern about the danger of the upcoming fire season, employee hirings and resignations, and progress being made on Town projects (such as the Skate Park, Splash Pad, Avenue of the Fountains, and the new Town Hall) could be communicated to our citizens more effectively. Currently the Town staff struggles with providing this information to our residents. The flow of public information deserves full-time attention.

## Media Contact

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*The Fountain Hills Times*, the *Arizona Republic*, the *Scottsdale Tribune*, *101 North* magazine, KFHX Radio, Cox Cable, area television stations, and all other forms of local/state/national media could benefit from a designated point of contact for information.

News Releases are currently prepared by the Town Manager for distribution to *The Fountain Hills Times*, *Arizona Republic*, *Scottsdale Tribune*, and *Take 5*, a new publication in Fountain Hills. Requests for information by the media are frequently considered “urgent.” This diverts the Town Manager’s attention away from meetings, issues, and projects crucial to the Town in order to accommodate the requests of reporters for interviews or to prepare press releases.

Developing a strong, positive, working relationship with various media personnel is imperative. Getting the Town’s message known to potential residents, lenders, vendors, visitors, builders, developers, etc., strengthens the appeal of the Town for all. All press releases, media alerts, and media contacts would be prepared by a communications officer to timely provide essential information and avoid possible misunderstandings.

### **Existing Communication Responsibilities**

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Under the existing staffing scenario in the Town, communications tasks are distributed throughout the organization per the following examples:

- Designing and printing posters for recreation events (e.g., Concerts in the Park) is done by Recreation staff
- Our Administrative Clerk is responsible for communicating with Univision, the Spanish TV channel
- Information Technology decides programming for Channel 11
- Town Manager interfaces with media contacts
- Director of Public Works handles communications dealing with matters such as West Nile Virus and flood management
- Public Service Announcements on matters such as ID theft are handled by Sheriff’s Department
- The Executive Assistant to the Town Manager drafts press releases

The addition of a communications officer will free up the existing staff, allowing them to focus on their primary duties, and provide a resource for them when they require communications assistance.

Not having a point person on staff who is available to handle the media when the Town Manager is not in his office has, on more than one occasion, created undue stress on Town staff due to the dogged nature of media contacts. A case in point involved a reporter who contacted the Town Manager’s office with questions when the Town Manager was attending a meeting in Phoenix. Before the Town Manager could communicate to his staff via his assistant, the reporter contacted a member of the staff and represented that he had license from the Town Manager to communicate directly with that staff member. This led to inaccuracies in the story and unnecessary pressure on the staff member.

It is logical to assign the responsibility for media communication to a staff member when the Town Manager is absent. However, due to the limited size of Town staff, their present workload and lack of expertise in communications, it is not feasible to give that additional responsibility to a current staff member.

The staff responds to approximately 20 media requests for information per month. For example, we respond to emails and phone calls from reporters with deadlines, produce press releases, send media clippings to advisory commissions, and even handle visits from television reporters, such as a recent visit from Univision, the Spanish TV station doing a feature story on the fountain.

The Town also unfortunately misses opportunities because we lack appropriate personnel to send to sessions, such as a recent grant writing session provided by the City of Scottsdale and municipal league.

The Town could be much more proactive in marketing the Town's services and amenities with a communications officer.

### **Improving Channel 11**

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Channel 11 is a valuable communications tool that is presently underutilized. A communications officer could assume the responsibility for:

- Creating in-house programs to run on Channel 11, e.g., mini-documentaries or interviews on the planning and zoning process, code enforcement, fire safety, etc
- Evaluating and making recommendations to Information Technology (IT) staff for upgrades to Channel 11 and the Town website
- Completing the Channel 11 intergovernmental agreement paperwork

### **Difficult Times and Emergencies**

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Complex and difficult times occur in all municipalities. Fountain Hills has experienced some of these: the state land issue, budget cuts, lay-offs, employee resignations, fire service issues, lawsuits, etc. A professional communications officer would be indispensable in getting correct information to the right people, at the right time, and in a meaningful manner. A good example would be the concern over holiday decorations that evolved late last year. Town staff was not in a position to handle the speed in which stories were circulating. A better informed citizenry would have been less troubled.

Other issues that have occurred in the past wherein failure to communicate with the public caused confusion were funding of the new Town Hall, tax bill education, and truck hauling routes. Furthermore, annexation of the State Trust Land will require a tremendous amount of communication with our citizens. Without a steady flow of information, residents will not be familiar with the intricacy of issues surrounding this important Town issue.

In the event a full-blown emergency situation ever evolves in the Town, a communications officer would be indispensable. This position would be responsible for rapidly communicating information to Town residents about the nature of the emergency and providing instructions or procedures that could ultimately affect their safety and/or health. Developing, maintaining and monitoring a crisis communication plan would be the responsibility of this position.

## **Establishing a Grant Writing Program**

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The communications officer could make recommendations for the establishment of a grant writing program. Some of the skills required by a communications officer and a grant writer are similar. When communications responsibilities are less demanding, grant writing could be accomplished by the communications officer. The communications officer could appropriately structure, oversee and coordinate the program, as well as contribute to the decision-making process regarding the value of potential grant applications, ensuring that possible strings attached are properly investigated.

## **Potential Mission and Scope of Responsibilities**

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### **Mission**

To present the Town of Fountain Hills as a unique, quality community; provide honest, timely, accurate information; and develop opportunities for citizen participation in local government.

### **Community Outreach Programs**

1. Citizen Leadership Institute
2. Volunteer of the Year

### **Publications**

1. Town Newsletter – published bi-monthly
2. New Resident Packets – delivered through building inspectors, Town events and available at Town Hall
3. News Releases
4. Town Manager's Update – submit information, prepare when needed
5. Town Scorecard
6. Promotional Publications
  - a. Brochures
  - b. Flyers
  - c. Targeted, issue-driven publications or packets
  - d. Media kits
  - e. Postcards
  - f. Posters
  - g. Door hangars
  - h. Banners
  - i. Bookmarks
  - j. Invitations
  - k. Time capsules
7. Communication Plan
8. Special Event Planning Guide
9. Graphics Standards Manual

10. Media Relations Policy Guide
11. Publication and Graphic Design Assistance

### **Electronic Communications**

1. Website – Work with IT and departments to redesign.
2. Cable Channel 11

### **Grant and Award Applications**

1. Arizona Commission on the Arts grants
2. Youth program grants
3. Various award applications on behalf of the Town, Town officials and employees, and Fountain Hills citizens

### **Government Relations**

1. Coordinating meetings with other jurisdictions
2. Monitoring legislation that will have an impact on the Town, such as the recent cable bill
3. Learning about issues in other jurisdictions from their communications officers

### **Special Events**

1. State of the Town Reception
2. League of Cities booth
3. Other conference booths & displays
4. International visitors
5. Groundbreakings
6. Dedications
7. Town anniversaries
8. Special informational campaigns & events
9. Town Hall grand opening

### **Upcoming Policy Research & Development Projects**

1. Publication style manual
2. Graphics standards guide
3. Logo usage
4. Website policies
5. Cable Ch. 11 policies

### **Media Relations**

1. Develop and maintain working relationships
2. Respond to formal public information requests
3. Respond to media inquiries
4. Write & issue news releases, articles
5. Maintain media contact list
6. Write columns for Town Manager
7. Support reporters at Town Council meetings
8. Orientation and tours for new reporters

### **Town Council Support**

1. Community outreach programs & events
2. Committee support and meeting reports
3. Research and special reports
4. Speaking points
5. Proclamations
6. Maintain current biographical information
7. Photography – Coordinate new individual and group photos after each election, archive, distribute copies to members and media
8. Award applications for members
9. Media relations

### **Other Services**

1. Strategic communications planning for Town initiatives
2. Photography
3. Citizen inquiry responses
4. Division equipment research and purchasing
5. Volunteer coordination

### **Professional Development**

The Town of Fountain Hills supports employees' efforts to "sharpen the saw" by participating in professional development opportunities that expand job knowledge and skills. In addition to college, university and specialized skill classes, the communications officer is encouraged to join and actively participate in such professional organizations as:

1. City/County Communications and Marketing Association (3CMA)
2. Arizona City/County Management Association (ACMA)
3. International City/County Management Association (ICMA)
4. American Society of Public Administration (ASPA)

Attached as Appendix A is an example of information that could be prepared by a communications officer to keep our citizens up-to-date on the operation of the Town. Furthermore, our tax structure could be explained more thoroughly to our citizenry.

### **Measures of Success**

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The success of this position would be determined by:

- Increasing the number of press releases issued by the Town
- Measuring increased programming on Channel 11
- Following up with media when errors occur
- Increasing the number of articles covering important Town issues or events
- Establishing and implementing a grant writing program

## Comparison to Arizona Cities of Similar Size

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In the 2000 Census, Fountain Hills' population was approximately 20,235. At that time, eleven other cities in Arizona were in the 18,000 to 35,000 population range. Of these Town's, 82% currently have Public Information or Communications Officers (See Fig.1).

Rapidly growing Queen Creek, a town populated by 4,316 people according to the 2000 Census, now estimates their population to be around 19,000. Queen Creek has had a PIO since 1998, then a half-time position. Of note, the present PIO currently has a 3.5 FTEs in the communications department.

As our Town continues to grow in population, services and amenities, becoming even more attractive to new businesses and an increasingly popular destination for visitors, the need to manage the flow of information to the public will become increasingly more critical as more and more media channels are requesting information.

Fig. 1

<u>Town/City</u>	<u>Population*</u>	<u>Communications Officer on Staff</u>
Goodyear	18,911	Yes
Kingman	20,069	No
Nogales	20,878	Yes
Prescott Valley	23,535	Yes
Casa Grande	25,224	No
Surprise	30,848	Yes
Apache Junction	31,814	Yes
Oro Valley	31,934	Yes
Bullhead City	33,769	Yes
Prescott	33,938	Yes
Avondale	35,883	Yes

\*2000 Census

## Summary

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In summary:

- We need a point person to ensure information is consistently, accurately and quickly disseminated to the public
- Channel 11 needs to provide more information to our public, particularly for parents who do not have time for other mediums.
- The frequency and types of media coverage on Fountain Hills continues to escalate, taking an increasing amount of the Town Manager's time away from the business of running the Town.
- Current workloads and limited staff preclude assigning this responsibility to a current staff member, either as a permanent duty or on an "acting" basis when the Town Manager is out of the office.
- Efficiency of the staff will greatly increase as the Public Works Director, Parks and Recreation Director, Recreation Supervisor, Finance officer, Town Manager, Parks and Recreation executive assistant, administrative clerk, and IT coordinator are freed up to focus on their primary responsibilities.
- Is it important to develop a grant program in order to capture all available dollars to benefit the Town
- "Hot topics" need to be addressed immediately.
- Our budget is balanced and able to absorb the cost of the additional staff member. In fact, Administration salary and benefits increased \$10K over last year's budget.
- If a communications position is added, the Town's administration department would still be 3-1/2 positions less than three years ago.



# Scottsdale's Draft 2005/06 Budget

## What it proposes and how you can get involved

WEDNESDAY, APRIL 27, 2005 513

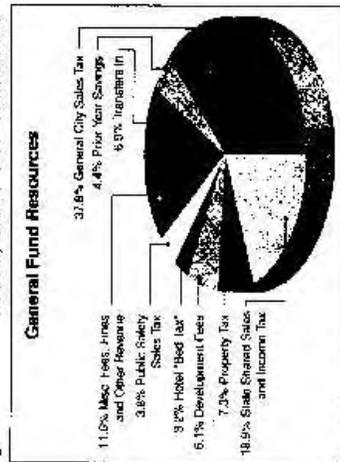
The City of Scottsdale FY 2005/06 Proposed Budget reflects a strong local economy and voters' priorities, while continuing a conservative approach to city finances for the long-term. The proposed budget covers the city's next fiscal year, which runs from July 1, 2005 to June 30, 2006.

This summary provides an overview of the proposed budget; how it will affect you, the citizen; and how you can provide feedback. More information is available on line at [www.ScottsdaleAZ.gov](http://www.ScottsdaleAZ.gov) or by contacting the budget staff at (480) 312-2531.

The budget uses new revenue from a public safety sales tax approved by voters in May 2004 to enhance police, fire and code inspection services.

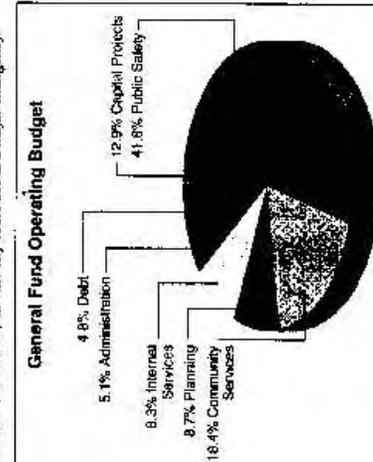
### General Fund: Where the money comes from

The General Fund is the core of the budget and includes nearly all of the programs supported by local taxes. The city expects General Fund resources to be about \$256 million in the 2005/06 fiscal year. The largest revenue sources for the city are local and state shared sales tax.



### General Fund: Where the money goes

The General Fund pays for most basic city services such as police and fire protection, parks, libraries and social services, land planning and administration. The proposed budget forecasts expenditures and "transfers out" of the General Fund will be about \$256 million. The proposed budget continues a General Fund reserve; this year set at more than \$28 million, that the city could use in a major emergency.



### Funds for transportation and preservation

Scottsdale has several special revenue funds used only for specific purposes. The largest, by far, are transportation and preservation. The dollars to plan, build and maintain Scottsdale's street and transit systems come mainly from state gas taxes and State Lottery proceeds shared with the city and from a special city sales tax of 0.2 percent designated for transportation. Under the proposed budget, the city would fund about \$186 million in transportation operations and capital projects. The budget proposes restoring several transit routes reduced or eliminated in previous budgets.

Two special sales taxes, a 0.20 percent tax approved by voters in 1985 and a 0.15 percent tax approved in 2004, fund land purchases in the McDowell Sonoran Preserve. Together, these taxes are expected to raise about \$14 million in the next year to continue Scottsdale's plans to protect more than 36,000 acres.

### Capital Improvements: Investing in the community

A separate portion of the annual budget is the five-year Capital Improvement Plan for infrastructure and public facilities including roads, water and sewer improvements, parks, land, buildings, and information technology. Scottsdale has budgeted \$900 million for capital expenditures in 2005/06. Capital projects normally take years to fund, and the city must budget for the complete cost of each project each year, whether it is under design, under construction or nearly complete.

A sampling of key projects included in the proposed CIP budget for 2005/06 includes:

- Additional funding for land acquisition in the McDowell Sonoran Preserve
- Expansion of the fire station at Via Linda east of 90th Street and construction of a new downtown station
- A new Police operations building
- The new Chaparral Water Treatment Plant, which will upgrade treatment for SRP water serving a large portion of the area south of the Arizona Canal
- Improvements to major event facilities at WestWorld
- Expansion of the Arabian Library



### How does the budget affect you?

**Sales taxes.** Scottsdale's sales tax rate totals 1.63 percent. The rate has four components: 1.00 percent supports general governmental services like police, fire and parks operations; 0.33 percent supports the McDowell Sonoran Preserve; 0.20 percent funds transportation needs and 0.10 percent is designated for public safety.

**Property taxes:** The combined property tax rate is expected to decline for the eighth consecutive year. It is currently at \$1.07 assessed valuation and is expected to fall by several cents. The impact on your property tax bill depends on the assessed value of your home or business. Overall, city property taxes comprise 12 percent of your property tax bill.

**Utility fees:** For homeowners, fees for water and sewer service will increase marginally, and recycling and solid waste fees will remain the same. Overall, the average homeowner's monthly combined bill is expected to increase about \$1.52 per month. Most of the increase goes to meet more stringent environmental regulations that are not funded by the federal government.

**How can you get involved?**

The Mayor this year appointed three members of the City Council to a Budget Subcommittee, which heard comments from the public during citizen budget forums in January, February and March. The Subcommittee reviewed the proposed budget in March and April in work sessions, which again provided an opportunity for public comment. The Subcommittee made recommendations to the Council on April 26.

The Council and staff continue to welcome your comments through the final stages of the budget process. There are several ways you can get involved:

- Attend the City Council's public hearings held in the City Hall Room, 3939 N. Drinkwater Blvd. All hearings begin at 5 p.m.
- May 11 - First public hearing
- May 16 - Second public hearing and tentative adoption
- June 7 - Third public hearing, final adoption

Write, call, or send an e-mail message to [Budget@ScottsdaleAZ.gov](mailto:Budget@ScottsdaleAZ.gov), (480) 312-2531, 7447 East Indian School Road, Suite 210, Scottsdale, Arizona 85261-1077



Property Tax Levy for Scottsdale Property Owners

City Primary Tax	1.05
County Education Equalization	\$ 6
Special Districts	\$ 05
Maricopa County	\$ 15
District	\$ 11
Scottsdale Unified School District	\$ 54



**TOWN OF FOUNTAIN HILLS  
PUBLIC WORKS DEPARTMENT  
MEMO**

TO: Tim Pickering, Town Manager	DT: February 12, 2005
FR: Tom Ward, Director of Public Works	RE: Additional Staff P&Z Division

Attached is the request for a part time planning technician to improve building permit review time and provide better customer service.

The first question we always ask is why don't we simply cross-train the existing staff to perform this task? If you look at the attached workload and how it continues to increase, other staff do not have the time for this work. Secondly, I agree with Richard that a consultant would not be cost effective, but beyond that, consultants tend to perform one function and don't care to multitask, especially at the front counter. Our thought is a person that is possibly retired or took early retirement and is looking for part time work as a supplement to their income and does not need benefits and a health care program. This person might also be a student in need of extra income on a part time basis. Training in this capacity should be minimal and they would have plenty of staff available if they had questions during the learning curve.

The comment on employee retention is very important when we consider all we have endured over the last 18 months. Staff always has to play catch-up if they get sick or take vacation time. With this additional help the small tasks should get completed in their absence and counter service is maintained without overtaxing other staff members.

At this time we cannot estimate how long this position will be necessary. We plan to cross-train existing staff to perform these tasks as well, so that in the future when workloads decrease we would phase out this position when appropriate.

Therefore, I am recommending a part time planning technician for the Planning & Zoning division. Estimated annual cost: \$15,000 to \$20,000 (no benefits—approximately 1000 hours/year). Job description to follow.

Att.

C: Richard Turner  
Joan McIntosh  
Julie Ghetti



**TOWN OF FOUNTAIN HILLS  
OFFICE OF PLANNING AND ZONING  
INTER OFFICE MEMO**

<b>TO: Tom Ward, Director of Public Works</b>	<b>DT: February 1, 2005</b>
<b>FR: Richard Turner, Planning and Zoning Administrator</b>	<b>RE: Request to Consider Additional Planning Staffing</b>

Please consider this more of a topic for discussion than an actual request. I put it in these terms since I don't feel comfortable asking for additional help, having only been here one month. However, the budget process is upon us and in the time that I have been here, I have noticed that both of the Planners are extremely busy and frequently fall behind in their work. I have also become aware of some work situation dynamics that support the idea of adding a part-time planning technician to the division staff.

A significant part of the planner's job responsibilities is plan review prior to the issuance of a building permit. Fully 40% of the planners combined work time is spent on this function. While a lot of this work is complex and requires the careful attention of a professional planner, there are also many permits that do not. Last year, approximately 33% of all building permits issued were for pools and fences. An employee could perform reviews of this type with a lower skill level than a seasoned planner.

In 2002, the Building Safety Division issued 780 building permits. In 2003, the number of permits increased 9% to 847. Last year, the number went up to 889 for a 5% increase over the previous year. While these numbers are not substantial, they do indicate a recent upward trend in activity. As you know, an increase in building permit activity translates to an increase in plan review activity by the planners.

I recall that you recently commented that you had received a lot of complaints over the last 6-months, many of which dealt with the length of time it was taking to get plans reviewed by the department.

I would like to suggest that we consider hiring a part-time (20 hours per week) planning technician to do plan review and help with counter coverage. Creating and filling this position would have the following advantages:

1. This employee would review most, if not all of the simplest building permits for zoning compliance, which would reduce our turn around time for plan review.
2. With a planning tech taking on a significant amount of the plan review function, (1040 out of total of 1664 hours), the other planners in the section would be able to spend more time on more complex projects and provide improved customer service.

3. A planning tech would improve our ability to provide adequate service at the front counter, particularly over the lunch hour.
4. A planning tech would help us in the event we are short staffed in the future due to vacations, illness or position vacancy.

I am hopeful that a better solution to this workload issue will come out of upcoming process discussion. However, I didn't want to miss the opportunity to present this type of a solution, especially given the timing of the preparation of the budget.

I am available to review this idea at your convenience.

RT/jeb

**TOWN OF FOUNTAIN HILLS**  
**OFFICE OF**  
**INTER OFFICE MEMO**

<b>TO:</b> Tim Pickering, Town Manager	<b>DATE:</b> April 8, 2005
<b>FR:</b> Don Clark, Parks Supervisor and <b>Mark Mayer, Director</b>	<b>RE:</b> Parks Division Staff Request Justification for Fiscal Year 2005-2006

The Parks Division is requesting to fill one position, a Parks Operation Lead, that was eliminated during the budget cutbacks during Fiscal Year 2002-2003. The expenditures for the salary and benefits would be budgeted under Four Peaks Neighborhood Park as this position will maintain Four Peaks Neighborhood Park and Desert Vista Neighborhood Parks.

This position is needed because Little League is increasing its usage and will upgrade fields at Four Peaks Neighborhood Park. Additionally, the future spray pad and amenities constructed as part of Phase II Improvements require the Fountain Park Parks Operation Lead to focus entirely on Fountain Park. In past years, this position has managed both Fountain Park and Desert Vista Neighborhood Park. Finally, adding a Parks Operation Lead would allow for adequate supervision at the skate park facility that will be constructed at Desert Vista Neighborhood Park during Fiscal Year 2005-2006. This person also would be able to focus on maintenance and operational needs at this facility.

The Parks Division is planning to fill the Parks Operation Lead position the beginning of the fourth quarter during Fiscal Year 2005-2006, at which time the skate park should be completed.

The Parks Division is dedicated to professionally maintain the Fountain Hills parks system. By supporting the request to add a Parks Operations Lead position to the Department, staff will be able to have the Park Operations Lead at Fountain Park focus on the additional maintenance and operations duties. Providing the Parks Division with one more qualified staff member will significantly enhance our ability to provide safe, quality recreation facilities throughout the Fountain Hills park system.

**TOWN OF FOUNTAIN HILLS  
PARKS & RECREATION DEPARTMENT  
INTER OFFICE MEMO**

<b>TO: Tim Pickering, Town Manager</b>	<b>DATE: March 14, 2005</b>
<b>FR: Bryan Hughes, Recreation Supervisor</b>	<b>RE: Justification for Internship Program FY '05-'06</b>

**Request**

We are requesting reinstatement of the Parks and Recreation Intern Program for the upcoming Fall and Spring semesters. The internship program that flourished from 1993 to 2002 provides a win-win situation for both the Town and the student. The Town gets a full-time employee, with limited recreation experience, for two 16-week periods to assist with recreation, parks and community center responsibilities. The student also has the opportunity to be involved with a well-rounded internship experience, which would expose him/her to all aspects of the operations of municipal parks and recreation, as well as overall municipal government, prior to entering the workforce. In most cases, the internship is part of the college curriculum to fulfill graduation requirements for the student's degree. In the past, the Town has attracted candidates from colleges and universities from around the United States and Canada.

**Requirements**

To participate in the Parks and Recreation Internship Program, students must have completed their junior year in Leisure Studies or Recreation Administration. Previous recreation experience or volunteer experience is helpful, but not necessary. Applicants whose experience and training are most closely suited to the needs of the Town will be selected for telephone interviews. Criteria will be based on knowledge, skills, and abilities necessary to the position.

**Cost**

The proposed stipend for students completing a 16-week internship is \$6,400, or \$10.00 per hour. Since interns generally have some experience in parks and recreation, and in some cases supervise part-time staff, the hourly wage is slightly higher than that of part-time staff. Many of these student interns come from other states to complete their internship in Fountain Hills, requiring them to relocate, rent an apartment or house, and work long hours limiting their possibility of other employment during the 16-weeks. Therefore, it is essential for the Town to pay a reasonable stipend in an attempt to ease the financial burden placed on the student. I believe it will provide better opportunities and perhaps even attract higher qualified candidates for the positions.

**Summary**

Once again, the Fountain Hills Parks and Recreation Internship Program provides a win-win situation for both the Town and the student. It would provide another staff member, at a very reasonable cost, to assist primarily with the growing number of Youth and Teen programs, as well as the number of increased Special Events the department coordinates. It also provides the student with quality experience prior to starting his/her career.

We would appreciate your consideration and support of this request.

## Reasons why we need a full time employee added to the Community Center's 05-06 budget

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Since the seniors have come on board, we have had a substantial increase in overall daytime events and responsibilities.

- June 1, 2003 through March 1, 2004 the Center hosted 1,699 events
- June 1, 2004 through March 1, 2005 this number increased to 2,938 events
- **This is a 73% increase in events over the course of one year .**

In October 2003, the Operations Supervisor was unable to accommodate the increased workload during daytime hours and had to bring in an operations worker in an effort to complete all work assignments. The hours required at this time were 18-20 per week. After the seniors moved to the Community Center in July 2004, these hours increased to 32-42 per week. Since January 2005, the part time Ops workers hours have been a consistent 40 hours per week.

With part-time employees, we find a larger amount of turnover due to the physical and mental demands of the job. This makes it difficult to hire fully qualified individuals, as not many people are willing or able to do daytime shifts on a part-time basis. Additionally, the learning curve for an operations worker is about 6 months; the time and money it takes to train new staff members is significant.

We have continuity of work schedule, better customer service and greater familiarity of building and equipment with a full time employee. Not to mention with the Seniors and regular users in the facility, we need to have familiar faces in order to maintain the comfort level afforded by a full time employee.

Another consideration is if the operation supervisor became ill or injured, a full time employee would be better equipped to step in and handle the day-to-day workload.

Currently, our daytime Operations worker is scheduled a full 40-hour work week. Looking ahead at the continual progression of events, I feel it is indispensable to add this position into the Community Center budget.



# **APPENDIX B**





Tuesday, February 01, 2005

Mayor Nichols and Town Council Members:

cc: Tim Pickering, Mark Mayer

The Fountain Hills Veteran's Memorial Committee requests that you consider placing a \$40,000 item in the budget for next year to help complete financing of the Veteran's Memorial currently under construction in Fountain Park. The Town of Fountain Hills originally allocated \$40,000 to this project but was forced to cut this grant back to \$15,000, due to budget constraints. Subsequently, the Town appropriated the additional \$25,000 in the last budget period. The cost of construction, however, has outstripped the American Legion and VFW's ability to obtain donations sufficient for completion of this worthwhile project in a timely manner. Attached is a project status report showing the funds expended and the amounts remaining to complete the project.

We have come up with a temporary solution to the funding problem. We have been able to get several veterans to lend a total of \$80,000 to the Memorial to allow us to finish the project in the next couple of months. These loans are due over the next five years, and we have planned activities to meet this commitment. We do feel, however, since the Memorial will become Town property after its completion, that it is appropriate to ask that the Town split the cost of finishing this project.

We, the veteran's organizations of Fountain Hills, will commit to continuing our fund raising activities. This money will be used to pay for upkeep and enhancements to the Memorial and the immediate surrounding area in Fountain Park.

As information, we are working with Tim Pickering to submit a request for Proposition 202 funds that, if received, would repay the loans and reimburse the Town for this appropriation.

This memorial will become a fitting place to conduct the Veteran's Day ceremony and other future patriotic events. We will also have a facility that will be one of the finest in the whole southwest. Every member of our community should be proud to have helped make our veterans' dream a reality.

Thank you for taking the time to consider our request.

Yours truly,

Samuel Coffee, Director

# Fountain Hills Veteran's Memorial, Inc.

16837 East Parkview Avenue  
Fountain Hills, AZ 85268  
(480) 837-5958





**BOYS & GIRLS CLUBS**  
OF GREATER SCOTTSDALE  
Four Peaks Branch

April 1, 2005

Tim Pickering  
Town of Fountain Hills  
16836 E. Palisades Blvd.  
Fountain Hills, AZ 85268

Dear Mr. Pickering,

One day in a life of a child can make a huge impact on their future. One caring adult can create an unbreakable bond with a vulnerable child that will last a lifetime. One Boys & Girls Club can offer hope to a neighborhood.

At the Boys & Girls Clubs of Greater Scottsdale – Four Peaks Branch, we teach and serve with one purpose: To inspire and enable young people to realize their full potential as productive, responsible and caring citizens.

On behalf of the Four Peaks Branch of the Boys and Girls Clubs of Greater Scottsdale, thank you for your time and consideration of this proposal to provide \$75,000 in funds for the continuation of the much needed youth & teen development programs to the youth of Fountain Hills. Also we are seeking the release of \$85,000 capital funds to end the three-year \$250,000 commit made to our club in August of 2002.

We are seeking \$75,000 from the Town of Fountain Hills due to:

- Increasing the # of hours of operations by 150%
- Increasing the number of programs provided by 20%
- Increasing the participants for the by 50%
- Increasing are membership by 33%

Once again, we would like to say that we appreciate your support of our kids and programs and thank you again for being a significant partner with us.

Sincerely,

Rich Schultz  
Branch Director

it just takes | one.

## One Child

Each child that walks through our door has one unique future. One may come from a loving, single parent family. One may come from dual working parents. One may come from living with their grandparents. At the Boys & Girls Club, it is our job to give each child a real sense of hope and opportunity. We work to bring out what's inside a child and we care out our mission with care. We take it one child at a time.

Professional staff members at the Boys & girls Clubs of Greater Scottsdale – Four Peaks Branch are experts at providing informal guidance to a young person that will help develop character. We have the potential to impact the life of each and every young person we serve. Your support allows the club to have a profound impact on a child's life by offering fun and appealing activities that show we care.

### *The Boys & Girls Club of Greater Scottsdale – Four Peaks Branch provides:*

*A Safe Place* ....for those who may be left alone after school or on the streets with no guidance. The Club is a safe place to play and a safe place enough to be yourself.

*Life-Enhancing Programs*...that can open young minds. The Boys & Girls Club exposes youth to new ideas and skills that prepare them for life. We teach the importance of character in all of our programs.

*A Relationship with Caring, Trained Adults*...the better the programs; the more children can attract; the more likely they will build a relationship with a caring adult; the more opportunity our Boys & Girls Club can positively influence the character of a child.

*Hope and Opportunity*...as young people experience our Club, we become a place for hope. Hope leads to increased confidence and a brighter future.

Our program dues are low so all children can have access to our programs. Your financial investment helps us continue to welcome and inspire more and more children who need help each day. Your support helps us be their home away from home.

## One Opportunity

Every day professional staff at the Boys & Girls Club of Greater Scottsdale – Four Peaks are faced with a daunting challenge: take one day, one program, one hour, to help turn a life in the right direction. Keep a child engaged and eager to learn more. Create a relationship that will have influence of a lifetime.

Our staff is dedicated to teaching the importance of character in daily life. They are caring adults who strive to direct children to choose right from wrong. They instill a sense of belonging and promote feelings of competence. They give children a chance to make positive choices.

it just takes | one.

According to the U.S. Department of Education and Justice, students in quality after-school programs have better academic performance, behavior, and school attendance and greater expectations for the future. Therefore, at the Boys & Girls Club we offer time-tested and nationally recognized programs and activities in five distinct areas.

- **Character and Leadership** – Helping youth become responsible citizens and experience the democratic process. Building character is our strongest strategy.
- **Education and Career** - Encouraging youth to create aspirations for the future, providing them with the opportunities for career exploration and educational enhancement,
- **Health and Life Skills** – Facilitating the achievement and maintenance of a healthy, active lifestyle. Programs address issues such as resisting violence, drug abuse and premature sexual activity.
- **The Arts** – Enhancing self-expression, developing multicultural appreciation and gaining creative skills.
- **Sports, Fitness and Recreation** – Developing fitness, use of leisure time, reduction of stress, appreciation for the environment and social skills.

### **One Future**

Your financial support is essential to maintaining and increasing the programs our club offers the youth of our community. Your investment enables the club to continue to serve the youth of Fountain Hills. Together as partners we can continue to:

- Increasing the # of hours of operations by 150%
- Increasing the number of programs provided by 20%
- Increasing the participants for the by 50%
- Increasing are membership by 33%

Once again, we would like to say that we appreciate your support of our kids and programs and thank you again for being a significant partner with us.

it just takes | one.



**BOYS & GIRLS CLUBS**  
OF GREATER SCOTTSDALE  
Four Peaks Branch

April 1, 2005

Tim Pickering  
Town of Fountain Hills  
16836 E. Palisades Blvd.  
Fountain Hills, AZ 85268

Dear Mr. Pickering,

Attached is the breakdown of released funds the Boys & Girls Clubs has received since are beginning in 1996. Per are discussion on April 11<sup>th</sup>, 2005 here is additional documentation that shows that the Boys & Girls Club formally ask for \$50,000 on Dec. 10<sup>th</sup> 2001 and a check was received on 4/18/2002. (See attached council minutes and news paper article.) On March 28, 2002, (See attached request) the Boys & Girls Club ask for an additional \$250,000 and was formally approved on August, 1 2002. The first payment of this request was on 9/26/2003 for \$80,000 and the second payment was on 12/30/2004 for \$85,000. The remaining balance is for \$85,000. Include in this packet is this years request for the release of the \$85,000 for capital funds to end the \$250,000 commitment made on August 1, 2002 and \$75,000 for are operating funds.

Hope this clears the confusion of the capital funding. If you have any further questions please fill free to give me a call @ 480-344-5400

Sincerely,

Rich Schultz  
Branch Director

it just takes | one.

Boys Girls Club  
of Greater Scottsdale  
Four Peaks Branch  
Town Funds

Date	Amount	Year	Note
9/5/1997	\$ 10,000.00	1997-1998	operating
2/5/1999	\$ 10,000.00	1999-2000	operating
6/21/1999	\$ 1,500.00	1999-2000	operating
12/9/2000	\$ 35,000.00	2000-2001	operating
1/1/2002	\$ 50,000.00	2001-2002	operating
4/18/2002	\$ 50,000.00	2001-2002	capital/school district
12/27/2002	\$ 20,000.00	2002-2003	operating
9/26/2003	\$ 50,000.00	2003-2004	operating
9/26/2003	\$ 80,000.00	2003-2004	capital
1/23/2004	\$ 25,000.00	2003-2004	Prop. 202
12/30/2004	\$ 60,000.00	2004-2005	operating
12/30/2004	\$ 85,000.00	2004-2005	capital



**RESOLUTION 1996-83**

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF FOUNTAIN HILLS, STATE OF ARIZONA RELATING TO UTILIZATION OF BED TAX REVENUES, AND DESIGNATING TOWN FUNDS TO BE USED TO PROMOTE RETAIL TRADE, TOURISM, THE HOSPITALITY INDUSTRY, AND PARKS DEVELOPMENT.**

**WHEREAS**, Mayor and Council recently adopted a local bed tax, and now desire to state how these monies shall be used; and

**WHEREAS**, it is appropriate to designate, not only bed tax funds, but other General Fund monies to aggressively promote retail trade, tourism and the development of the hospitality industry in Fountain Hills;

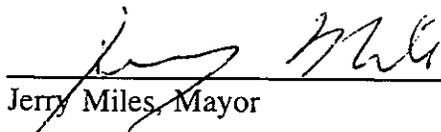
**NOW THEREFORE BE IT RESOLVED**, that beginning in fiscal year 1996-97, and each ensuing fiscal year, the first \$50,000 received annually from the newly imposed Town of Fountain Hills bed tax will be used to promote retail trade, tourism and the development of the hospitality industry within Fountain Hills; and

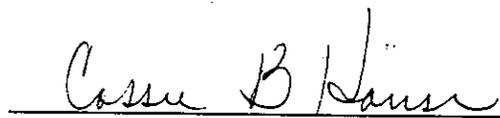
**BE IT FURTHER RESOLVED**, that these funds will be administered by the Mayors Council for Economic Development; and

**BE IT FINALLY RESOLVED**, that any bed tax revenues received in excess of \$50,000 annually, will be designated for Community Center construction and its operating expenses; and that a final priority for usage of these funds be for park development and operation.

**PASSED AND ADOPTED** this 21st day of November, 1996 by the Mayor and Common Council of the Town of Fountain Hills, Arizona.

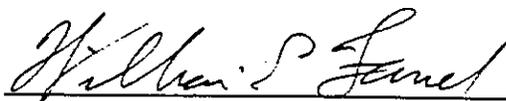
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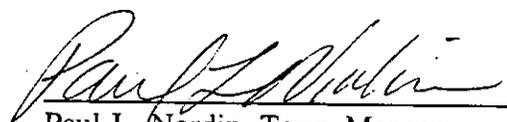
  
\_\_\_\_\_  
Jerry Miles, Mayor

  
\_\_\_\_\_  
Cassie B. Hansen, Town Clerk

**APPROVED AS TO FORM:**

**REVIEWED BY:**

  
\_\_\_\_\_  
William E. Farrell, Town Attorney

  
\_\_\_\_\_  
Paul L. Nordin, Town Manager





April 5, 2005

Mr. Tim Pickering, Town Manager  
Town of Fountain Hills  
16836 E. Palisades Blvd. PO Box 17598  
Fountain Hills AZ 85269

Dear Tim:

Attached please find the Fountain Hills Chamber of Commerce Tourism Bureau (FHCCTB) budget request for FY 2005-2006, in the amount of \$125,000.00.

This year we have decided to provide a budget request that is performance based tied to the bed tax to enable all parties to track the accomplishments vs dollars expended.

We will also be requesting funding match from the Fort McDowell Yavapai Nation with when combined with this request will provide a more comprehensive destination marketing plan which will benefit both communities.

As the Town's Tourism entity, we believe that this request will provide the funding necessary to achieve a level of marketing which will benefit our total business community and is in keeping with the Councils' stated priority in helping our business base.

As in the past, all funds provided by the Town to the Chamber of Commerce relative to tourism activities will be spent directly for the stated purpose. No funds will be utilized for overhead or administration.

Thank you for your continued support.

Regards,

A handwritten signature in black ink, appearing to read "Frank S. Ferrara".

Frank S. Ferrara, President/CEO  
Fountain Hills Chamber of Commerce



FOUNTAIN HILLS CHAMBER OF COMMERCE  
TOURISM BUREAU

Funding Request to the Town of Fountain Hills  
Fiscal Year 2005-2006

Performance-Based Funding Requested

\$125,000.00

The Fountain Hills Chamber of Commerce Tourism Bureau (FHCCTB) is the officially designated destination marketing organization (DMO) of the Town of Fountain Hills. With this request, The FHCCTB recommends that the Town of Fountain Hills adopt a formula, "performance-based" funding approach for the Bureau that is linked to the hotel tax revenues collected by the Town (i.e., a determined, dedicated percentage of the hotel tax revenues). The performance incentive for the FHCCTB is that the more business that is generated into Fountain Hills hotels, the more the Bureau's budget will grow in direct relation to the resulting increase in hotel tax revenues, by means of its dedicated percentage. Key performance measures for utilization of this formula, performance-based funding are noted for each of the applications for utilization of funds listed below.

Important to Note: Potential Funding Match – Fort McDowell Yavapai Nation

The destination marketing programs of the Fountain Hills Chamber of Commerce Tourism Bureau are carried out as a joint marketing effort for the Town of Fountain Hills and The Fort McDowell Yavapai Nation. The logo/brand "*Fountain Hills/ Fort McDowell – Take a Peak*" is the banner under which all efforts of the Bureau are conducted. The tourism enterprises of the Fort McDowell Nation are active participants in the oversight and programs of the Bureau. Funding received from the Town of Fountain Hills is sought in an equal matching amount from the Fort McDowell Nation. The combined funding of the two sources provides the Tourism Bureau with resources that are much more sufficient to conducting a more comprehensive and truly efficient and effective destination marketing program for the benefit of both communities. The Tourism Bureau members respectfully encourage the Fountain Hills Town Council to give due consideration to the potential for equal matching funding when making its determinations with regard to the funding to be provided by the Town.

## Applications

1. Advertising and Promotions \$40,000.00

The Tourism Bureau will utilize funds in this budget category to create advertisements brandishing its logo/slogan "*Fountain Hills / Fort McDowell – Take A Peak*", and to purchase advertising in publications and electronic media, as well as to display the destination at trade shows and marketing events. All initiatives will employ vehicles aimed at audiences that match the targeted traveler prospects for the destination. High value visitors with interests in golf, arts and culture, outdoor recreation and scenic beauty, as well as shopping and dining, will constitute the primary targeted customers in regional as well as national markets. Responses will be principally driven to the Chamber of Commerce web site, [www.fountainhillschamber.com](http://www.fountainhillschamber.com), where interested parties will be able to access information, as well as order a free official Fountain Hills / Fort McDowell visitors guide.

Cooperative advertising opportunities offered by the Arizona Office of Tourism and the Scottsdale Convention & Visitors Bureau will be accessed for the media plan in order to achieve added reach and maximization of resources. Approximately half these requested funds (\$20,000) will be used as matching funds to apply to the Arizona Office of Tourism for additional, matching advertising and promotional funding assistance under its Teamwork for Effective Arizona Marketing (TEAM) community grants program.

Key Performance Measure: Inquiries generated by advertising. Goal: 10,000

2. Affiliations \$ 40,000.00

The Tourism Bureau anticipates continuing with its cooperative marketing agreement with the Scottsdale Convention & Visitors Bureau. Under this agreement, the SCVB gives special attention to assuring the Fountain Hills/Fort McDowell destination's visibility and involvement in the promotions and programs it conducts for the Scottsdale area destination. A liaison from the senior staff of the SCVB is assigned to look after the interests of the FH/FM destination, including attending all Tourism Bureau Advisory Board meetings.

A particular benefit of the SCVB agreement is that it provides for Fountain Hills hotels and other accommodations enterprises to receive leads for group business that are generated by the SCVB. Fountain Hills hotels would otherwise not be entitled to receive these leads because they do not contribute to the bed tax collections in Scottsdale (through which the SCVB is funded).

Key Performance Measure: Leads generated to Fountain Hills businesses by SCVB. Goal: TBD

Key Performance Measure: Fulfillment of terms of agreement for visibility for Fountain Hills in SCVB promotions and materials.

3. **Media Relations** **\$ 30,000.00**

The Tourism Bureau will continue with its retention of a professional media relations firm to generate publicity for the destination and the programs of the Bureau through news and feature releases aimed at local, regional and national consumer media outlets, as well as tourism/travel trade media.

The Bureau's Public Relations Committee will monitor the professional media relations firm's activities to include production of a schedule of monthly feature press releases promoting specific aspects of the destination. The effort will be constructed to collaborate as appropriate with the media relations programs of the Scottsdale Convention & Visitors Bureau and the Arizona Office of Tourism in order to take advantage of these agencies reach and efforts to highlight the area and the entire state, respectively.

In addition, a new Fountain Hills / Fort McDowell press kit will be produced to include the new official visitors guide, current press releases, photography, and fact sheets about key tourism aspects of the destination.

The Public Relations Committee will also coordinate with the professional PR agency to conduct at least one familiarization tour of qualified journalists on a group visit to the destination.

Key Performance Measure: Value of media exposure generated - measured as equivalent paid advertising space. Goal: \$250,000

4. **Fulfillment** **\$15,000.00**

Fulfillment is the tool that supplies consumers with information to inspire them to visit the destination. It also enables the Tourism Bureau to track responses to advertising generated through the advertising vehicles in order to capture and analyze demographic data about interested parties. This information then becomes valuable in planning on-going and future marketing efforts. A professional fulfillment house is retained by the Bureau to manage and monitor this information dissemination program. Consumer requests for FH/FM travel information will be fulfilled with the *Fountain Hills / Fort McDowell Official Visitors Guide*.

Key Performance Measure: Fulfillment packets sent. Goal: 10,000

**Total Applications** **\$125,000.00**

**Senior Services of Fountain Hills**

P.O. Box 18561  
Fountain Hills, AZ 85269  
March 10, 2005

Mr. Tim Pickering  
Town Manager - Town of Fountain Hills  
16836 E. Palisades Blvd.  
Fountain Hills, AZ 85268

Dear Mr. Pickering:

Senior Services of Fountain Hills again thanks the town for its continuing support of our Senior Activity Center and the programs and social services we provide for the older adults in the community. With the support of the Mayor, Town Council and staff, plus the help of generous volunteers, civic organizations, donors and participants, the Senior Activity Center is drawing more and more older adults to its doors. We have seen a 9 percent increase in participation in our programs and activities this past year.

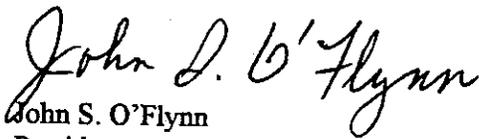
As the only facility in town totally dedicated to providing social services and programs for seniors, we continue to experience growth in participation. Moving into the Community Center facility has made our organization more accessible and we have seen a large increase in the number of contacts (phone calls and walk in visitors) who just want information or referrals. There is only one staff person available to assist seniors three days a week. Two of our busiest afternoons are understaffed. We have increased the budget to staff those two afternoons. We anticipate gradually expanding our hours of operation in the near future from 9 to 4 to 8:30 to 5.

In February Senior Services hosted a Health Fair. The objective of the Health Fair was to provide health risk assessments, nutrition education, information about service providers of home care and nursing care, and other health education information services. The Fair was scheduled to run between 9 a.m. and 1 p.m. However, the demand for certain health screenings so great that appointments were made after 2 p.m. We had to limit the number of health-related organizations/vendors to 46 due to lack of space. Over 250 community residents attended the Fair.

We are requesting \$70,000 from the Town to provide social services for the older adult population which is approximately 33 percent of the total population. We also provide the same services to many winter visitors who come to the Center. The operating expenses of the Senior Activity Center which we are requesting the Town to cover include computer and office equipment maintenance, liability insurance, communication expenses, PR and marketing, and the expense of staffing the Senior Activity Center (Items #5 - #12 on Operating Budget Narrative).

We have enclosed our Budget Narrative, 2004 Profit and Loss statement and the full Senior Services budget that was approved by the Board. If you have any questions please call me at 816-0420.

Sincerely yours,

  
John S. O'Flynn  
President

Cc: Mayor and John Kavanaugh

Senior Services of Fountain Hills, AZ, Inc.  
 Operating Budget  
 Senior Activity Center

FY 2005-2006

	Item	Expense	Notes
1	Class Instructors/Materials	\$8,000	Most fees are paid by participants; Golden Eagle Foundation pays some costs; board members subsidize low-income participants
2	Senior Net Computer Program & materials	\$6,000	These expenses were covered under item #1 last year
3	Van rental & Insurance for trips	\$1,000	Expands activities for seniors for evening and weekend events
4	Trips (In/Out) item	\$40,000	Trip activity has nearly tripled; participants pay most of the expenses
5	Liability Insurance	\$3,650	To cover the organization from accident claims.
6	Office supplies, PR, Marketing Expenses (includes outside printing, postage)	\$4,100	Production & distribution of brochures describing programs, activities and services available to FH seniors and winter visitors; some costs are covered by a \$10 annual participation fee.
7	Equipment maintenance; Computer software & maintenance;	\$2,200	Maintenance of 3 computers, copy machine, FAX machine, AV equipment
8	Phone/Internet expense	\$3,500	This is an ongoing expense
9	Network computers and add a phone line for volunteer desk	\$1,000	So both staff and volunteers can access database, provide information to seniors on the phone or in person
10	Payroll for Senior Activity Center staff	\$49,600	Salary, FICA, etc. for four part-time Senior Activity Center staff with no paid benefits
11	Conferences, training & travel	\$2,600	Allows staff to network with senior centers, community colleges, Governor's Council on Aging, Area Agency on Aging, White House Conference on Aging Focus Group, AZ 2020 Goals for Seniors
12	11.5% increase in staffing hours	\$3,500	A 9% increase in participation has become a problem on the busiest days of the week and busiest time of the day unless we add staff hours @ \$10/hr
13	Legal & Accounting fees; licenses, other fees	\$1,450	To obtain services of professionals on incorporations, taxes, etc.
14	New Office Fixtures	\$11,470	To obtain semi-private workstations to allow for some privacy for counseling and to permit a more efficient use of the space we have
15	Volunteer Recognition event for over 250 volunteers	\$2,000	This joint event honors both Senior Center and HDM volunteers; it is subsidized by board members.
	<b>Total</b>	<b>\$140,070</b>	<b>Senior Activity Center Operating Budget</b>

The total budget for Senior Services is \$200,050 which includes the Home Delivered Meals Program.

# Senior Services of Fountain Hills Profit & Loss

January through December 2004

	Jan - Dec 04
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Contributions Income</b>	
Board Members	250.00
Civic Organizations	7,040.00
Fundraising	1,171.83
Individuals	2,811.00
<b>Total Contributions Income</b>	11,272.83
<b>Grants</b>	
Area Agency	15,806.00
Sunridge	10,000.00
Town Support	55,000.00
United Way	5,087.54
<b>Total Grants</b>	85,893.54
<b>Miscellaneous Income</b>	25.00
<b>Program Fees</b>	
Senior Net	8,796.43
BINGO	886.00
Class Revenues	9,026.36
HDM fees	19,342.00
Other, incl. coffee	120.00
Participation Fee	6,934.00
Travel agency trips	239.28
Trips (in/out item)	41,618.13
<b>Total Program Fees</b>	86,962.20
<b>Total Income</b>	184,153.57
<b>Cost of Goods Sold</b>	
<b>Cost to Provide HDM</b>	
Food	40,309.66
Admin/Auto	231.26
<b>Total Cost to Provide HDM</b>	40,540.92
<b>Cost to Provide Programs</b>	
Coffee/Refreshments	1,096.49
Instructors Fees	6,753.98
Materials Costs	1,274.71
Program Trips (in/out item)	31,980.56
<b>Total Cost to Provide Programs</b>	41,105.74
<b>Total COGS</b>	81,646.66
<b>Gross Profit</b>	102,506.91
<b>Expense</b>	
Void	0.00
Bingo	235.86
<b>Cleaning</b>	
Cleaning Services	1,380.00
<b>Total Cleaning</b>	1,380.00
Computer software	60.00
Depreciation Expense	2,848.00
Dues and Subscriptions	326.36
<b>Insurance</b>	
General Liability Insurance	3,433.00
Directors/Officers Liability	498.00
Insurance - Other	0.00
<b>Total Insurance</b>	3,931.00
Licenses and Permits	10.00
Marketing/PR/Outreach	369.51
Moving Expenses	585.60

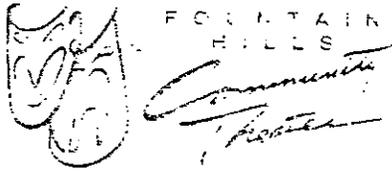
## Senior Services of Fountain Hills Profit & Loss

January through December 2004

	Jan - Dec 04
Office Expense	1,092.87
Payroll Expenses	
FICA Expense	3,295.95
FTE Ins.	11,322.00
Staff Salary	43,084.25
SUTA Expense	175.92
Payroll Expenses - Other	3.87
Total Payroll Expenses	57,881.99
Postage and Delivery	736.08
Professional Fees	
Accounting	811.50
Total Professional Fees	811.50
Repairs	
Building Repairs	135.00
Computer Repairs	947.20
Equipment Repairs	872.57
Total Repairs	1,954.77
Senior Net	6,521.80
Supplies	
Marketing	63.81
Office	1,618.07
Total Supplies	1,681.88
Telephone	3,300.05
Travel & Training	
Conferences/Meetings	341.19
Meals/Lodging	259.13
Travel	341.76
Total Travel & Training	942.08
Uncategorized Expenses	8.00
Vehicle Maintenance	518.03
Volunteer Recognition	303.96
Total Expense	85,499.34
Net Ordinary Income	17,007.57
Other Income/Expense	
Other Income	
Moving Sale	672.55
Book Sales	31.05
Copying Fees	11.98
CD Interest	69.56
Checking Interest	616.92
Electronic Scrip Rebate	1,302.15
Gas receipts	56.96
Wed. Bridge	729.00
Other Income - Other	2.95
Total Other Income	3,493.12
Total Other Income	3,493.12
Other Expense	
Loss on Sale of Asset	3,391.54
Total Other Expense	3,391.54
Net Other Income	101.58
Net Income	17,109.15

HDM Revenues		Total	HDM Expenses		Total
Client Fees	\$19,000		Cost of Meals	\$43,650	
Indiv. Contributions	\$2,500		HDM Payroll (incl. FICA)	\$11,500	
AAA Meal Reimbursement	\$15,000		Auto Mileage	\$400	
Fundraiser Income	\$0		Office Supplies	\$500	
United Way	\$6,000		Equipment Replacement	\$200	
Civic Organizations	\$1,500		Outside Printing	\$100	
Board Contributions	\$500		Conferences / training	\$300	
Interest income	\$200		Postage	\$200	
Other Income	\$1,000		Marketing PR & Outreach	\$150	
Sub Total	\$45,700	\$45,700	Volunteer Recognition*	\$1,100	
			Sub Total	\$58,100	\$58,100
<b>Senior Center</b>			<b>Senior Center</b>		
SAC Class revenues	\$9,500		Instructors, Contractors	\$8,000	
Senior Net revenues	(\$8,500)		Senior Net Expenses	\$6,500	
Materials Fees	\$1,300		Materials Expenses	\$1,200	
Civic Organizations	\$4,000		Travel	\$300	
Board Contributions	\$1,000		Conferences, training	\$800	
Sunridge Grant	\$10,000		General liability Insurance	\$3,650	
Town Support	\$70,000		Volunteer Recognition*	\$900	
Participation fees @\$10	\$8,250		Office supplies	\$600	
Interest income	\$300		Refreshments	\$1,100	
Trips (in/out item)	\$40,000		Outside Printing	\$1,000	
Other Income (script)	\$1,500		Trips (in/out item)	\$40,000	
Sub Total	\$154,350	\$154,350	Marketing & PR Outreach supplies, printing&postage	\$1,800	
			SAC Salaries w. FICA, etc.	\$49,600	
			Additional staff hours	\$3,500	
			Sub Total	\$118,950	\$118,950
			<b>Corporate Expenses</b>		
			Computer Maintenance	\$1,000	
			Cleaning Supplies	\$50	
			Depreciation of assets	\$2,850	
			Board Insurance	\$1,150 ?	
			Phone & internet	\$3,100	
			Equipment Maint.	\$1,000	
			Licenses, fees	\$250	
			Advertising/PR	\$130	
			Legal & Accounting	\$1,200	
			Office Supplies	\$400	
			Computer software	\$200	
			Postage	\$200	
			Office Fixtures	\$11,470	
			Sub total	\$23,000	\$23,000
<b>Total Revenues</b>		\$200,050	<b>Total Expenses</b>		\$200,050
			*Expenses covered by board donations		





March 10, 2005

Mr. Tim Pickering  
Town Manager, Town of Fountain Hills  
16836 E. Palisades Blvd.  
Fountain Hills, AZ 85268

Dear Mr. Pickering,

On behalf of the children and adults in Fountain Hills who are influenced every year by Fountain Hills Community Theater, we would like to thank the Town Council and staff for their ongoing support of our programs. We appreciate the opportunity to submit this letter requesting continued funding in the 2005-06 Town Budget.

Recognized and respected throughout the valley as the finest and busiest non-contracted theater in Arizona for the past four years, FHCT continues to garner ariZoni Awards of Excellence in production. The theater is known for presenting premier productions of newly released shows from Broadway and London, as well as classic favorites and original works. FHCT draws 40% of our patrons, actors and volunteers from outside of Fountain Hills, making it the only Fountain Hills organization to regularly draw people from the valley, and in turn, boost the local economy through patronage of the local stores and restaurants.

The Youth Theater regularly generates high quality shows with a social or moral value. Our annual YABOY (Young Actors Benefiting Other Youth) program has confronted issues of teen run-aways, the challenges faced by blind youth, and most recently, teen depression and suicide. These issues are very real in our society. Next year's YABOY production will focus on "Downs Syndrome". The student actors experience a feeling of true community service and social obligation by visiting and working with experts in the field pertaining to each production, and sharing their talents with school

Fountain Hills Community Theater, Inc.

Physical Address: 11445 North Saguaro Blvd. Fountain Hills, Arizona 85268

Mailing Address: P.O. Box 18312 Fountain Hills, Arizona 85269

Box Office: 480-837-9661 Fax: 480-837-5972

Website: [www.fountainhillstheater.com](http://www.fountainhillstheater.com) E-mail: [play@fountainhillstheater.com](mailto:play@fountainhillstheater.com)

groups at special performances. A portion of ticket sales is donated to an organization involved with the issue at hand. Thus far, we have worked with and shared revenues with Home Based Youth Services, The Center for the Blind, Teen Lifeline and EMPACT Suicide Prevention Center.

In addition to producing live theater, FHCT is a forum for education, expression and team-building for our youth. After-school workshops in Voice, Dance and Acting are offered throughout the year. Summer camps for teens and pre-teens are regularly full to capacity. Youth groups such as the FHCT "Big Apple Corps" work year-round to raise tuition money for their summer camp through fundraisers and volunteer hours. The theater also assists in raising scholarship grants to help these students.

FHCT is an outlet for local volunteerism. With the exception of the two Artistic Directors (Youth and Mainstage), part-time Education Coordinator, Office Manager and Executive Director, volunteers handle all other functions to operate the theater and its programs and events. Everything from stage-hands, actors, construction, box office and house staff, clerical, costume and props organization to the Board of Directors and Committee heads are volunteers. Over 25,000 Volunteer hours are expended annually.

The theater also works in conjunction with the Fountain Hills Magistrates and the Maricopa County Juvenile Court Center, providing an outlet for community service hours for youth at risk. Approximately 25 young people complete their court-ordered community service hours under our guidance. Many of these kids have expressed interest in becoming active in our programs.

On a Community level, the theater continues its history of involvement with the Town of Fountain Hills. We have provided costumes, props, technical support, set pieces, presentations and entertainment to the schools, the Chamber, The Historical Society, the Scouts and numerous civic organizations such as the Kiwanis Clubs, Women's Clubs, and Rotary Clubs. FHCT organizes special day-time performances for the Charter School, Fountain Hills School District, Home-Schooled Students and the Boys and Girls Club. We regularly offer discounted and free tickets to seniors through the Senior Center and residents at Fountain View Village.

Adult productions, volunteers, and activities reach about 9,000 people per year. Youth productions, educational programs and volunteer activities reach about 5,000 annually.

Preparing to enter its 19<sup>th</sup> Season, FHCT has a proven track record of fiscal management and consistency. From 1990-2000, FHCT revenues grew from \$21,215 to \$187,467. By Fiscal Year End, June 31, 2004, revenues reached \$337,383.

In January 2003, a loan for \$40,000, (the first and only loan in the history of FHCT) was secured to cover expenses incurred during renovation of the second theater space. By May 2004, this loan was paid in full. This year the theater is on an annual zero-based budget of \$413,050. Individual Programs do not always cover their expenses. More specifically:

- Mainstage ticket income covers 110% of production expenses.
- Now in its 3<sup>rd</sup> year of operation, Youth Theater ticket sales cover 72% of production expenses.
- Tuition for classes and Camps cover 140% of educational expenses.
- Self-generated fundraising events, program ads & individual donations cover 48% of operational expenses
- Grants and Donations (including the Town support) cover 52% of operational expenses.

Operational expenses include, but are not limited to expenses such as insurance, maintenance, technology (computers and copy machine, technical support, internet, etc.) postage, utilities, marketing, salaries, taxes and capital expenses.

In summary, self-generated income, ads, and personal donors cover 76% of all expenses.

This leaves 24% (\$99,132.00) of annual income reliant on corporate and civic grants. Over the past 3 years, FHCT has received support from:

- America West Airlines
- American Express
- Arizona Commission on the Arts
- Arizona Community Foundation
- Bank One
- Boeing
- Cardiovascular Consultants, LTD.
- Celebration of Fine Arts
- Fountain Hills Chamber of Commerce
- Fountain Hills Women's Club
- Four Peaks Women's Club
- Ft. McDowell
- Kiwanis (Noon and Sunset)
- MCO Properties
- Medtronic Foundation
- Noon Kiwanis
- Pearce Beverage Co./Molsom CA
- Rotary Club
- Rotary Foundation
- Scottsdale Cultural Council
- Scottsdale League for the Arts
- Society for the Arts
- SRP (Salt River Project)
- SunRidge Foundation
- Sunset Kiwanis
- Target Stores
- Town of Fountain Hills
- Virginia G. Piper Charitable Trust
- Wells Fargo

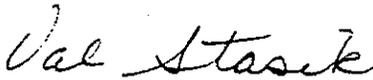
As with all Arts organizations, we are dependant on "the kindness of strangers." This dollar amount is always vulnerable and fluctuating. There is no mechanism in place for savings reserve and stability. It is the goal of FHCT to secure the future of the organization by initiating a campaign focused on stabilization. Our strategic plan and goals remain in tact and we are by no means stagnating, however, we continue to recover from a major time of

expansion. The addition of a second theater building and a full-time Youth Theater has rapidly more than doubled our expenses. We are blessed with a conservative and hardworking staff as well as generous supporting community and we have been able to meet these challenges. However, to insure that the theater remains a legacy for our citizens for years to come, we must rebuild a financial reserve to eliminate the vulnerability.

Last year town support enabled us to cover costs of much needed technical upgrades and software that was essential to the data management of our supporters, students and patrons, as well as provides us with the statistical information required by many grantees. Your support also provided funds to continue building the fledgling Youth Theater while audience development took place.

We are requesting continued town support in the amount of \$50,000.00 to stabilize our expanded operations. We continue to pursue new avenues of underwriting and endowments so as to always continue the work we do at FHCT and positively impact citizens of Fountain Hills of all ages.

Sincerely,



Val Stasik, Executive Director  
Fountain Hills Community Theater

# **APPENDIX C**



# **TOWN OF FOUNTAIN HILLS**

## **TWENTY YEAR FINANCIAL OVERVIEW**

**June 14, 2005**

**(To be revised after completion of strategic plan December 2005)**



Prepared by:

Julie A. Ghetti, MPA, CPA, CGFM  
Timothy G. Pickering, CEcD, CM

# TWENTY YEAR FINANCIAL OVERVIEW

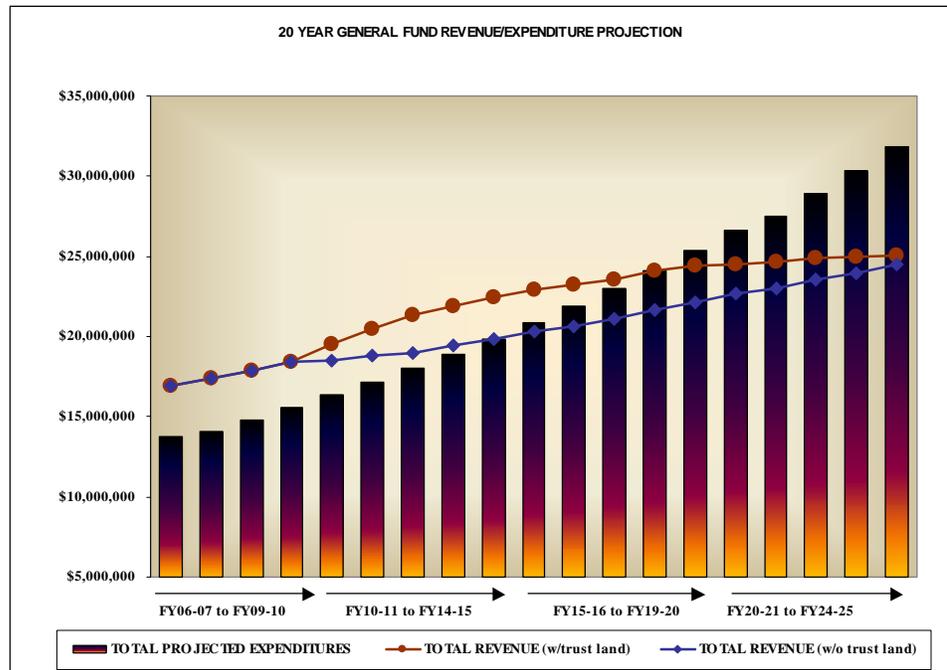
Fiscal Years 2006 - 2025

## Introduction

Since incorporation the Town has enjoyed riding a wave of economic prosperity due to the explosive growth of the mid to late 1990's. The Town took advantage of the building boom and paved streets, built four new parks and a new Community Center/Library Museum, preserved 354 acres of open space, and provided many services to enhance the quality of life of the citizens of Fountain Hills. However, the ride ended with the economic slump of the early 2000's that has forced many cities and towns across the country to re-evaluate their financial future.

The financial future for Fountain Hills through FY2025 continues to be cautiously optimistic, with a heavy reliance on construction related revenues (construction sales tax, building permit fees) and state shared revenues. The projection for the next eight years provides sufficient resources to fund

the current level of ongoing operations without spending down the reserve balance but includes one-time revenue sources. The revenue projections are based on another five years of moderate growth in residential and commercial construction activity. However, by FY2013 the Town will have much less inventory of vacant land that



can generate sales tax revenue; additional revenue sources will need to be identified as construction revenue declines. Additionally, the projection assumes that Fountain Hills will lose share of state revenues to other surrounding communities that are experiencing explosive growth, beginning in FY2006-07 (the first year after the next mid-decade census).

Projects included in the CIP form the basis for appropriations in the annual budget and will affect the Town’s budget process ten to twenty years into the future. In order for the Town to prevent the deterioration of community infrastructure, continue to enhance the quality of life, and provide needed services to the citizens it is necessary for the government to identify the resources that will fund capital improvements each year. Finalization of the capital improvement plan will be completed through the strategic planning process.

Summary

Staff has prepared this report as part of an annual review process and as a blueprint for future capital budgeting and to assist residents to understand financial implications as part of the Town’s strategic plan. The plan is flexible to allow the public’s input through the strategic planning process, which may provide additional recommendations for other capital priorities or eliminate some projects. As the table below indicates if all proposed capital projects and the associated operating costs are approved, the cumulative shortfall is (\$59M) over the 20-year period including annexation of the state trust land.

**SUMMARY OF CAPITAL PROJECT FINANCING**

	FY06-10	FY11-15	FY16-20	FY21-25
	(in millions)			
Fund Balance Financing Potential	\$5.6	\$6.5	(\$4.7)	(\$33.7)
Surplus Revenues & Expenditures	\$12.3	\$5.3	(\$9.3)	(\$27.5)
ExciseTax Revenue	\$8.9	\$12.1	\$13.5	\$15.1
Development Fee Revenue	\$3.8	\$3.1	\$1.6	\$0.9
HURF Revenue	\$4.0	\$5.0	\$5.0	\$5.0
Less CIP Expenditures	(\$38.2)	(\$40.1)	(\$33.8)	(\$13.0)
Operating Cost increases from Capital Projects	(\$0.3)	(\$2.3)	(\$5.6)	(\$6.1)
CIP Funding Deficit including State Land	(\$3.9)	(\$10.3)	(\$33.3)	(\$59.3)
Remove State Land Revenue/Project	\$0.0	(\$10.1)	\$8.6	(\$6.3)
CIP Funding Deficit without State Land	(\$3.9)	(\$20.4)	(\$24.7)	(\$65.7)

What are Capital Improvements?

Capital improvements are the “bricks and mortar” of the Town – streets, dams, bridges, parks and parks buildings, one-time acquisitions of equipment over \$10,000, including municipal facilities such as the new Town Hall. Projects in the CIP generally cost more than \$10,000 and have a projected minimum life span of five (5) years.

Financial Plan

A financial trend analysis combines budgetary and financial information with economic and demographic data to create a series of local government indicators that can be used to monitor changes in the Town’s financial condition. The challenge is for the Town to absorb, within

available financial resources, increasing operational costs associated with an ever-increasing population but also include funding for capital projects.

Projecting revenues and expenditures over a twenty-year period is part science and part art – the further out the projection, the less reliable the estimate.

The revenue forecast assumes the following:

- The local sales tax rate remains at 2.6% over the twenty year period
- Future year revenue forecasts are based on statistical analysis and historical trends, taking into account a drop in revenue sharing from decreased population growth
- Revenues are based on “most likely” scenario
- The legislature will not reduce or eliminate state revenue sharing
- The residential and commercial activity will continue at a moderate pace until buildout
- Reserved fund balance is excluded as available resources
- One time revenues (construction related) are included as available resources
- The development fees are projected using the current rate

The projection of operating expenditures over the next twenty years assumes the following:

- An average inflation factor of 5% for each fiscal year
- No increase in level of services for FY2006 through FY2025
- The Target tax rebate is eliminated in FY07-08
- The forecast does not incorporate unanticipated policy changes or adjustments in spending priorities
- The capital project figures are based on current dollars
- Community Center bond payments are eliminated in FY20-21
- One time costs incurred in FY05-06 are removed before applying inflation factor

Many capital improvements and purchases of large pieces of equipment will be included in the operating budget on a “pay-as-you-go” basis. In our analysis recurring large equipment replacement expenses for new heavy equipment, street sweepers, and continuing costs such as street asphalt overlay are included in the capital projects budget. The operating budget is for costs associated with providing ongoing services such as police and fire protection, building inspection, parks and recreation activities, and street maintenance. Ongoing costs are tied to ongoing revenues (i.e., sales tax, user fees, intergovernmental revenues).

This first draft of the capital improvement plan includes costs for long-term capital projects, which add to the capital assets or infrastructure of the Town. These include new facilities, land, major infrastructure improvements on streets, etc. and include prioritization of which projects will be decided as part of the strategic plan process. Almost all potential projects include options from the first Town Hall are included in this report. The projects are usually financed on a long-term basis with revenue sources such as development fees, grants and intergovernmental sources. The Town has adopted a policy that considers pay-as-you-go financing to be the primary source of funding capital projects when possible.

Financial and planning considerations help staff identify projects that should be included in the annual CIP, and how those projects will be integrated into the Town’s annual budgeting process. Capital projects should support Council goals and the strategic plan objectives and be consistent with the Town’s General Plan. It should also prevent the deterioration of the Town’s existing infrastructure and protect its investment in parks, streets, and municipal buildings. Capital projects should provide all geographic areas of the Town with comparable quality and types of services.

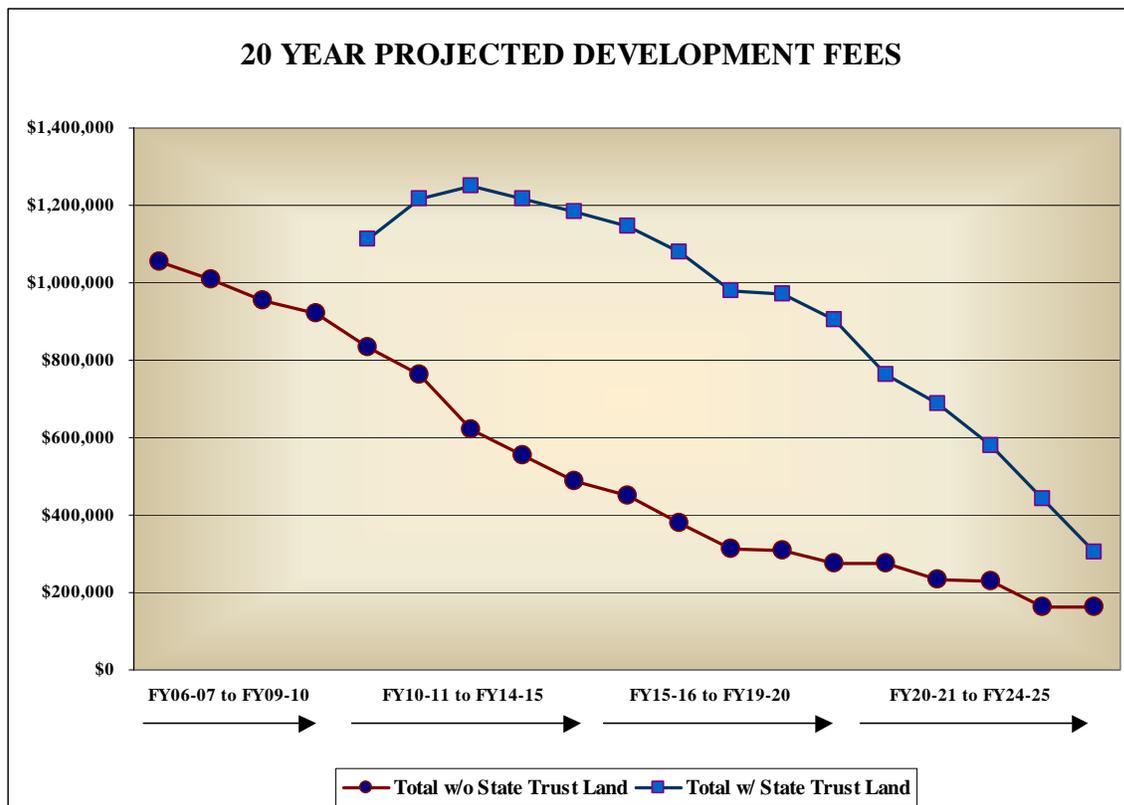
Financial Resources

In the past, operating revenue has been used to fund one-time projects, such as the Community Center. In the future, this revenue source will be in the form of a cash transfer from the General Fund of any surplus over operating costs to the Capital Projects fund for future projects.

The Excise Taxes (Local Sales Tax) are primarily used for general operating costs (2.2%). However, the remaining .4% is dedicated to specific purposes:

- Mountain bond debt payment (.2%)
- Civic center bond debt payment (.1%)
- Downtown development costs (.1%)

Development fees are collected from construction permits and are limited to specific projects for which they were created. These funds are categorized as General Government, Streets, Parks & Recreation, Law Enforcement and Open Space. The chart below highlights the decline in building permit activity over the next twenty years.



Bonds are issued in several forms. State law requires voters to authorize general obligation and revenue bonds by election. State law also authorizes other forms of debt to be issued without voter approval. These alternate financing sources include Municipal Property Corporation (MPC) bonds.

Grants are available for various types of projects through different sources and governmental agencies. If capital grants are included in the budget as a funding source, the project will not proceed until the grant is awarded. A grant-funded project may also require Town matching funds, which should also be clearly stated in the project description.

The twenty-year financial summary below (20 Year Capital Improvement Plan Resources and Expenses) summarizes the financing potential available, sources of revenue, proposed capital projects and the remaining capital projects balance (which is cumulative). Available HURF (Highway User Revenue Fund) resources are based on the average expenditures for major road maintenance within the streets budget.

	FY06-10	FY11-15	FY16-20	FY21-25
<b><u>General Fund</u></b>				
<b>Gen Govt Capital Financing Potential from Fund Balance</b>	\$2.8	\$0.0	\$4.1	(\$8.8)
Remaining Capital Projects Balance	\$0.0	\$4.1	(\$8.8)	(\$36.7)
Add State Trust Land Revenue	\$0.0	\$10.1	\$12.4	\$6.3
New Capital Projects Balance	\$0.0	\$14.2	\$3.6	(\$30.4)
<b><u>Excise Tax Fund</u></b>				
<b>Mountain Bonds Fin Potential</b>	\$0.1	\$1.0	\$2.2	\$7.5
Remaining Balance	\$1.0	\$2.2	\$7.5	\$13.7
<b>Civic Center Bonds Fin Potential</b>	\$0.2	\$0.3	\$0.7	\$1.6
Remaining Balance	\$0.3	\$0.7	\$1.6	\$4.7
<b>Downtown Development Fin Potential</b>	\$0.5	\$0.5	\$2.9	\$5.6
Remaining Capital Projects Balance	\$0.5	\$2.9	\$5.6	\$8.7
<b><u>Development Fees</u></b>				
<b>Parks &amp; Rec Financing Potential</b>	\$0.5	\$0.0	(\$19.4)	(\$37.9)
Remaining Capital Projects Balance	\$0.0	(\$19.4)	(\$37.9)	(\$37.6)
<b>Open Space Financing Potential</b>	\$1.5	\$0.3	\$0.5	\$1.1
Remaining Capital Projects Balance	\$0.3	\$0.5	\$1.1	\$1.4
<b><u>Streets and Highways (HURF)</u></b>				
<b>Street Capital Financing Potential</b>	\$0.0	(\$5.8)	(\$8.1)	(\$9.1)
Remaining Capital Projects Balance	(\$5.8)	(\$8.1)	(\$9.1)	(\$13.8)
<b>TOTAL</b>	<b>(\$3.6)</b>	<b>(\$7.0)</b>	<b>(\$27.7)</b>	<b>(\$53.2)</b>

As the Town approaches buildout the available resources from construction related activity will begin to decline in FY08-09 with a deficit projected for FY14-15. If the state trust land is annexed into Fountain Hills the Town construction related revenue will prolong the deficit until FY18-19. The mountain bond payments will be eliminated in FY16-17 and Civic Center bond

payments will be eliminated in FY19-20. These bond payments are funded from local sales tax revenues that were dedicated by the Council for this specific purpose.

#### Improving The Long Term Financial Picture

The following options to improve the scenario above will be presented for consideration following adoption of the strategic plan:

1. Eliminate major capital projects - this solution, although easily accomplished, would have a cumulative negative impact on the Town infrastructure. This could create a significant future financial burden for Fountain Hills' citizens as well as increased liability with insufficient maintenance. Fountain Hills has a reputation of one of the "World's Ten Best Places to Live" and that should be valued. Prioritizing capital projects will be determined during the strategic plan process.
2. A review of the current development fee structure is being performed to align the cost of the capital projects with the resources. This will be repeated every five years.
3. Revenue enhancements – additional sources of revenue (other than issuing debt) are a primary property tax, liquor license permit fees, updating the planning and zoning fees, revising the license fees, etc.

Once the strategic plan is adopted, this report will be updated to reflect the citizen's priorities and long-term solutions will need to be considered at that time. Council approval of this 20-year financial and capital improvement plan at that time does not appropriate the proposed capital projects; however, the plan does demonstrate to the public the Town's commitment to financial planning for the future.

<u>Project Cost Summary by Category</u>	FY06-10	FY11-15	FY16-20	FY21-25	20 Year Total
Downtown Improvements	\$4,655,000	\$0	\$0	\$0	\$4,655,000
Equipment	\$1,058,000	\$970,000	\$1,580,000	\$753,000	\$4,361,000
Facilities	\$1,000,000	\$6,550,000	\$5,250,000	\$3,000,000	\$15,800,000
Open Space	\$2,600,000	\$1,000,000	\$0	\$3,600,000	\$3,600,000
Parks	\$5,963,220	\$18,000,000	\$19,000,000	\$0	\$42,963,220
Street Improvements	\$18,028,234	\$8,065,213	\$5,922,194	\$9,275,899	\$41,291,540
Traffic Signals	\$820,000	\$0	\$0	\$0	\$820,000
<b>Total Project Costs</b>	<b>\$34,124,454</b>	<b>\$34,585,213</b>	<b>\$31,752,194</b>	<b>\$16,628,899</b>	<b>\$113,490,760</b>
<u>Operating Cost Summary by Category</u>	FY06-10	FY11-15	FY16-20	FY21-25	20 Year Total
Downtown Improvements	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$227,000	\$295,000	\$295,000	\$817,000
Facilities	\$0	\$831,000	\$2,205,000	\$2,205,000	\$5,241,000
Open Space	\$94,000	\$175,000	\$175,000	\$175,000	\$619,000
Parks	\$186,000	\$1,031,000	\$2,890,000	\$3,345,000	\$7,452,000
Street Improvements	\$0	\$0	\$0	\$0	\$0
Traffic Signals	\$47,412	\$79,020	\$79,020	\$79,020	\$284,472
<b>Total Operating Costs</b>	<b>\$327,412</b>	<b>\$2,343,020</b>	<b>\$5,644,020</b>	<b>\$6,099,020</b>	<b>\$14,413,472</b>
<u>Total Cost Summary</u>	FY06-10	FY11-15	FY16-20	FY21-25	20 Year Total
Downtown Improvements	\$4,655,000	\$0	\$0	\$0	\$4,655,000
Equipment	\$1,058,000	\$1,197,000	\$1,875,000	\$1,048,000	\$5,178,000
Facilities	\$1,000,000	\$7,381,000	\$7,455,000	\$5,205,000	\$21,041,000
Open Space	\$2,694,000	\$1,175,000	\$175,000	\$3,775,000	\$4,219,000
Parks	\$6,149,220	\$19,031,000	\$21,890,000	\$3,345,000	\$50,415,220
Street Improvements	\$18,028,234	\$8,065,213	\$5,922,194	\$9,275,899	\$41,291,540
Traffic Signals	\$867,412	\$79,020	\$79,020	\$79,020	\$1,104,472
<b>Capital Improvements Grand Total</b>	<b>\$34,451,866</b>	<b>\$36,928,233</b>	<b>\$37,396,214</b>	<b>\$22,727,919</b>	<b>\$127,904,232</b>

Project Name	FY06-10	FY11-15	FY16-20	FY20-25	20 Year Total
Upgrade Avenue of the Fountains Electrical - east end	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Upgrade Waterfalls	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Civic Center II Landscape	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Town Center Design	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Avenue of Fountains improvements	\$4.5	\$0.0	\$0.0	\$0.0	\$4.5
Avenue of the Fountains Improvements	\$4.7	\$0.0	\$0.0	\$0.0	\$4.7
Trailhead Restrooms - Eagles Nest	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
McDowell Mountain Central Trailhead - Adero Canyon	\$2.6	\$0.0	\$0.0	\$0.0	\$2.6
Trail Connectivity Plan	\$0.0	\$1.0	\$0.0	\$0.0	\$1.0
Open Space Projects	\$2.6	\$1.0	\$0.0	\$0.0	\$3.6
Shea Blvd. Truck climbing and bike lanes	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3
Westridge right turn lane	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Saguaro Blvd dirt alley paving	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Guardrail modifications	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Shea Blvd. Palisades to Saguaro Blvd.	\$1.9	\$0.0	\$0.0	\$0.0	\$1.9
Shea Boulevard Improvements	\$2.3	\$0.0	\$0.0	\$0.0	\$2.3
Fountain Hills Blvd Fayette Dr sidewalks	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2
Town wide sidewalk program	\$0.2	\$0.3	\$0.3	\$0.3	\$1.1
Sidewalk programs	\$0.4	\$0.3	\$0.3	\$0.3	\$1.3
Pavement management program	\$10.8	\$2.9	\$2.2	\$3.1	\$19.1
Palisades medians-Fountain Hills Blvd east to existing	\$0.4	\$0.0	\$0.0	\$0.0	\$0.4
Saguaro Blvd left turn pockets	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
La Montana medians	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Palisades & Vista Dr intersection reconfiguration	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2
Palisades & Sunburst Drive intersection reconfiguration	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2
Palisades Blvd at Fountain Hills Blvd turn lanes	\$0.0	\$0.3	\$0.0	\$0.0	\$0.3
Palisades Boulevard Improvements	\$0.5	\$0.7	\$0.0	\$0.0	\$1.2
Fountain Hills Blvd road widening	\$3.0	\$1.4	\$0.0	\$0.0	\$4.4
Fountain Hills Blvd medians	\$0.0	\$0.0	\$0.3	\$0.0	\$0.3
Fountain Hills Boulevard Improvements	\$3.0	\$1.4	\$0.3	\$0.0	\$4.6
Saguaro Blvd & Trevino Dr intersection reconfiguration	\$0.0	\$0.0	\$0.3	\$0.0	\$0.3
Saguaro Blvd & Monterey Dr right turn improvements	\$0.0	\$0.0	\$0.2	\$0.0	\$0.2
Saguaro Blvd service road elimination	\$0.6	\$0.2	\$0.0	\$0.0	\$0.7
Saguaro Blvd & Avenue of the Fountains intersection impro	\$0.0	\$0.2	\$0.0	\$0.0	\$0.2
Saguaro Blvd & Grande Blvd medians	\$0.0	\$0.4	\$0.0	\$0.0	\$0.4
Saguaro Blvd median improvement at Fountain Hills Blvd	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1
Saguaro Boulevard Improvements	\$0.6	\$0.8	\$0.5	\$0.0	\$1.9
Shea Blvd direct access flyover to Palisades Blvd	\$0.0	\$0.0	\$0.0	\$1.7	\$1.7
Shea Blvd direct access flyover from Saguaro Blvd	\$0.0	\$0.0	\$0.0	\$1.7	\$1.7
Shea Boulevard Access Flyover	\$0.0	\$0.0	\$0.0	\$3.4	\$3.4
Ruskin & Kipling Drainage Improvements	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Saguaro Blvd Drainage Improvements	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Del Cambre Drainage Improvements	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Fountain Hills Blvd at Oxford Wash Drainage Improvement	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3
Firebrick Drive and Laser Drain Culvert	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Drainage Improvements	\$0.5	\$0.0	\$0.0	\$0.0	\$0.5
Ashbrook Wash Crossing Improvements	\$0.0	\$0.9	\$1.3	\$0.4	\$2.5
Balboa Wash Crossing Improvements	\$0.0	\$0.4	\$0.0	\$0.0	\$0.4
Hesperus Wash Crossing Improvements	\$0.0	\$0.1	\$0.0	\$0.2	\$0.3
Oxford Wash Crossing Improvements	\$0.0	\$0.3	\$0.3	\$0.0	\$0.6
Caliente Wash Crossing Improvements	\$0.0	\$0.3	\$0.3	\$0.0	\$0.6
Arrow Wash Crossing Improvements	\$0.0	\$0.0	\$0.2	\$0.0	\$0.2
Colony Wash Crossing Improvements	\$0.0	\$0.0	\$0.2	\$0.1	\$0.3

Fountain Channel Crossing Improvements	\$0.0	\$0.0	\$0.3	\$0.0	\$0.3
Ironwood Wash Crossing Improvements	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1
Malta Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5
Emerald Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1
Kingstree Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Cypress Point Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3
Jacklin Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2
Escalante Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.3	\$0.3
Legend Wash Crossing Improvements	\$0.0	\$0.0	\$0.0	\$0.5	\$0.5
Civic Center Phase II	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Wash Crossing Improvements	\$0.0	\$1.9	\$2.6	\$2.5	\$7.0
Street Yard Building	\$0.9	\$0.0	\$0.0	\$0.0	\$0.9
Fire Station Upgrades	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Senior Center	\$0.0	\$1.5	\$0.0	\$0.0	\$1.5
Police Station	\$0.0	\$0.0	\$0.0	\$3.0	\$3.0
Municipal Software	\$0.1	\$0.0	\$0.0	\$0.0	\$0.1
Document Preparation/Reproduction	\$0.0	\$0.0	\$0.1	\$0.0	\$0.1
Performing Arts Building	\$0.0	\$0.0	\$5.0	\$0.0	\$5.0
Parking Garage	\$0.0	\$1.8	\$0.0	\$0.0	\$1.8
Public Aquatic and Fitness Facility	\$0.0	\$2.5	\$0.0	\$0.0	\$2.5
Maintenance Facility	\$0.0	\$0.8	\$0.0	\$0.0	\$0.8
Storage Building	\$0.0	\$0.0	\$0.2	\$0.0	\$0.2
Fountain Park Picnic Ramadas	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Four Peaks Neighborhood Parks Ball Diamond Improverem	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Fountain Park Splash Pad Landscaping	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Desert Vista Neighborhood Park Phase II	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Desert Vista Neighborhood Park - Skate Park	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Municipal Facilities	\$1.0	\$6.6	\$5.3	\$3.0	\$15.8
Desert Vista Neighborhood Park Phase III	\$0.6	\$0.0	\$0.0	\$0.0	\$0.6
Four Peaks Neighborhood Park Phase II	\$0.7	\$0.0	\$0.0	\$0.0	\$0.7
Desert Vista Neighborhood Park Phase IV	\$1.2	\$0.0	\$0.0	\$0.0	\$1.2
Four Peaks Neighborhood Park Phase III	\$1.2	\$0.0	\$0.0	\$0.0	\$1.2
Fountain Park Phase III	\$1.8	\$0.0	\$0.0	\$0.0	\$1.8
Fountain Park Phase IV	\$0.4	\$0.0	\$0.0	\$0.0	\$0.4
Kiwanis Park Improvements	\$0.0	\$0.0	\$1.0	\$0.0	\$1.0
Park Improvements	\$6.0	\$0.0	\$1.0	\$0.0	\$7.0
Acquisition and development of one of two neighborhood p:	\$0.0	\$9.0	\$0.0	\$0.0	\$9.0
Neighborhood or Community Park in the State land	\$0.0	\$0.0	\$18.0	\$0.0	\$18.0
Acquisition and development of one of two neighborhood p:	\$0.0	\$9.0	\$0.0	\$0.0	\$9.0
Golden Eagle Park Improvements	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Acquisition of New Parks	\$0.0	\$18.0	\$18.0	\$0.0	\$36.0
Fountain Hills & El Lago Blvd	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Saguaro Blvd and El Lago Blvd	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Palisades Blvd & Sunridge Drive	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2
Palisades Blvd & Eagle Ridge Drive/Palomino Blvd	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2
Fountain Hills & Glenbrook Blvd	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2
Avenue of the Fountains & La Montana	\$0.2	\$0.0	\$0.0	\$0.0	\$0.2
Traffic Signals	\$0.8	\$0.0	\$0.0	\$0.0	\$0.8
Streets Division heavy equipment	\$0.2	\$0.7	\$0.2	\$0.5	\$1.6
Street Division vehicles	\$0.1	\$0.0	\$0.1	\$0.1	\$0.3
Parks vehicles	\$0.1	\$0.0	\$0.1	\$0.1	\$0.3
Public Works vehicles	\$0.1	\$0.0	\$0.1	\$0.1	\$0.3
Building Safety vehicles	\$0.1	\$0.0	\$0.1	\$0.0	\$0.2
Administration vehicles	\$0.0	\$0.1	\$0.0	\$0.0	\$0.1
Planning & Zoning vehicles	\$0.0	\$0.1	\$0.0	\$0.1	\$0.1
Fire Truck - Pumper	\$0.5	\$0.1	\$1.0	\$0.0	\$1.6
Vehicles/Heavy Equipment	\$1.1	\$1.0	\$1.6	\$0.8	\$4.4
Total Estimated Capital Project Costs	\$34.1	\$34.6	\$31.8	\$13.0	\$113.5