The proposed Operating and Capital Improvement Budgets for the Town of Fountain Hills for Fiscal Year 2008-09 have been presented to the Town Council and the public.

As in years past, the main focus of the proposed budget is the General Fund, the Town’s largest fund, which supports basic operating services. Developing the proposed budget required making choices to achieve a budget that balanced available resources with Council goals, while maintaining a level of service that enhances the quality of life in Fountain Hills.

Due to an uncertain economic future, a very conservative approach was utilized when projecting revenues and only those expenditures that are consistent with the Council’s goals were included.

Under the proposed budget, General Fund revenues for FY2008-09 are projected to decline 6% compared to the FY2007-08 budget. Similarly, revenues from construction-related permits are anticipated to decline over 25% during FY2008-09. General Fund expenditures are budgeted at 7.9% less than last year’s budget to match available resources.

The Town’s total budget, including all funds, is estimated at $28.4M in expenditures, with projected revenues of $24.9 million. Reserves in the capital projects fund will be used to make up the difference. The proposed budget continues the policy 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.

Where we are headed next year....

The following short term initiatives were established:
- Restructure financial policies for fiscal efficiency, for the benefit of taxpayers.
- Enhance and nurture the relationships with local schools for the benefit of the community.
- Ensure that development of the Ellman property (former State Trust Land) will be compatible with the character of the rest of the community in areas such as aesthetics, density, traffic and housing development standards.
- Increase community initiatives to strengthen our small town character.
- Maintain smooth streets.
- Evaluate the Pavement Management Analysis for the community.
- Implement the environmental plan to enhance stewardship of our environment.
- Improve economic development, business vitality and relationships between the Town and businesses.
- Tailor the communications now available to the various demographics of the community.

Key programs of the FY2008-09 budget include:

- Water wise campaign
- Increased Constituent communication
- Desert Vista Neighborhood Park completion
- Volunteer recognition program
- Implementing Stormwater program mandates
- Hazardous materials disposal program
- Resurfacing Town tennis courts
- Way-finding signage
Where the money comes from….

**REVENUES BY FUND**

- Debt Service: $2.3M
- Development Fees: $0.5M
- Capital Projects: $0.7M
- Excise Tax: $1.2M
- Special Revenue: $2.1M
- Streets: $1.9M
- General Fund: $16.1M
- **Total Revenues**: $24,872,510

Where the money goes….

**EXPENDITURES BY FUND**

- Development Fees: $1.1M
- Capital Projects: $3.5M
- Debt Service: $1.8M
- Excise Tax: $1.5M
- Special Revenue: $2.2M
- Streets: $2.2M
- General Fund: $16.1M
- **Total Expenditures**: $28,427,890
**General Fund Revenues....**

**Sources of Funds - General Fund**
where the money comes from

- State Shared Revenues: 43%
- Local Sales Tax: 40%
- Franchise Fee: 2%
- Charges for Services: 7%
- Licenses and Permits: 1%
- Interest on Investments: 2%
- Miscellaneous: 1%
- State Shared Revenues: 43%

**Total General Fund Revenues - $16,142,395**

**General Fund Expenditures....**

**Uses of Funds - General Fund**
where the money goes

- Council: 1%
- Court: 7%
- Administration: 4%
- Public Information: 6%
- Oper & Community Support: 3%
- Info Technology: 1%
- Building Safety: 4%
- Public Works: 8%
- Community Center/Senior Services: 7%
- Parks & Recreation: 12%
- Municipal Court: 2%
- Fire Department: 20%
- Planning & Zoning: 5%
- Contingency: 1%
- Law Enforcement: 18%
- Planning Maintenance: 3%

**Total General Fund Budget - $16,142,395**

**State Shared Revenues**
- $7,023,542

**Local Sales Tax**
- $6,508,903

**Franchise Fee**
- $332,800

**Service Charges**
- $458,314

**Licenses & Permits**
- $1,118,761

**Fines & Forfeitures**
- $234,600

**Interest**
- $300,000

**Miscellaneous**
- $165,475

**TOTAL**
- $16,142,395

**Council**
- $93,088

**Court**
- $394,490

**Administration**
- $1,108,820

**Public Information**
- $201,633

**Oper & Community Support**
- $1,216,647

**Info Technology**
- $581,181

**Building Safety**
- $603,965

**Public Works**
- $1,305,208

**Facility Maintenance**
- $513,150

**Planning**
- $817,373

**Parks & Recreation**
- $1,906,912

**Law Enforcement**
- $2,839,077

**Fire**
- $3,240,908

**Com Center & Senior Services**
- $1,144,943

**Contingency**
- $175,000

**TOTAL**
- $16,142,395
Capital Improvement Funding Sources

- **Vehicle Replacement Fund**: $78,500
- **Streets Fund**: $825,000
- **General Fund**: $200,000
- **Special Revenue Funds**: $556,722
- **Development Fee Funds**: $1,057,160
- **Capital Projects Fund**: $3,049,016

Capital Projects are funded from the various sources listed above. Projects scheduled for FY2008-09 are listed below:

<table>
<thead>
<tr>
<th>PROJECT CATEGORY</th>
<th>FY2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Improvements</td>
<td>$0</td>
</tr>
<tr>
<td>Open Space Projects</td>
<td>$237,160</td>
</tr>
<tr>
<td>Street Projects</td>
<td>$2,958,880</td>
</tr>
<tr>
<td>Stormwater Mgmt/Drainage Project</td>
<td>$93,400</td>
</tr>
<tr>
<td>Park &amp; Recreation Projects</td>
<td>$1,693,933</td>
</tr>
<tr>
<td>Library &amp; Museum Projects</td>
<td>$90,000</td>
</tr>
<tr>
<td>General Government Projects</td>
<td>$217,000</td>
</tr>
<tr>
<td>Fire &amp; Emergency Projects</td>
<td>$364,025</td>
</tr>
<tr>
<td>Law Enforcement Projects</td>
<td>$0</td>
</tr>
<tr>
<td>Vehicle Replacement</td>
<td>$112,000</td>
</tr>
<tr>
<td>Contingency</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

**TOTAL CAPITAL PROJECTS** $6,166,398

The complete proposed budget document is available for viewing at Town Hall and is available for download on the Town’s website at www.fh.az.gov/docs/fy08-09_budget_draft.pdf