

**RESOLUTION NO. 2010-23**

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, ADOPTING THE TENTATIVE BUDGET AS THE 2010-2011 FISCAL YEAR BUDGET FOR THE TOWN OF FOUNTAIN HILLS.

**WHEREAS**, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes, the Mayor and Council of the Town of Fountain Hills (the "Town Council") did, on June 3, 2010, make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Fountain Hills, Arizona; and

**WHEREAS**, in accordance with said chapter of said title, and following due public notice, the Town Council met on June 3, 2010, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and

**WHEREAS**, publication has been duly made as required by law, of said estimates together with a notice that the Town Council would meet on June 17, 2010, at the Fountain Hills Town Council Chambers for the purpose of hearing taxpayers and with respect to said estimates or any of the proposed expenditures/expenses or tax levies; and

**WHEREAS**, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate exceed that amount as computed in ARIZ. REV. STAT. § 42-17051(A).

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:**

SECTION 1. The statements and schedules attached hereto as Exhibit A and incorporated herein by reference, are hereby adopted as the budget of the Town of Fountain Hills, Arizona, for the fiscal year July 1, 2010 through June 30, 2011.

**PASSED AND ADOPTED** by the Mayor and Council of the Town of Fountain Hills, June 17, 2010.

**FOR THE TOWN OF FOUNTAIN HILLS:**

**ATTESTED TO:**

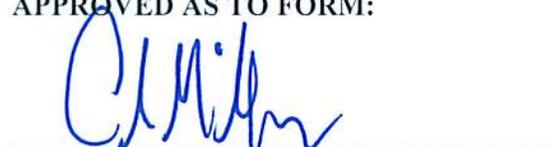
  
\_\_\_\_\_  
Jay T. Schlum, Mayor

  
\_\_\_\_\_  
Bevelyn J. Bender, Town Clerk

**REVIEWED BY:**

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Richard L. Davis, Town Manager

  
\_\_\_\_\_  
Andrew J. McGuire, Town Attorney

**EXHIBIT A  
TO  
RESOLUTION NO. 2010-23**

**[Budget Statements and Schedules]**

**See following pages.**

**TOWN OF FOUNTAIN HILLS, ARIZONA**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2010-11**

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES 2009-10*	ACTUAL EXPENDITURES/EXPENSES 2009-10**	FUND BALANCE/NET ASSETS*** July 1, 2010**	DIRECT PROPERTY TAX REVENUES 2010-11	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2010-11	OTHER FINANCING 2010-11		INTERFUND TRANSFERS 2010-11		TOTAL FINANCIAL RESOURCES AVAILABLE 2010-11	BUDGETED EXPENDITURES/EXPENSES 2010-11
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 14,525,654	\$ 14,525,654	\$ 6,641,532	Primary: \$ 1,040,484	\$ 12,642,268	\$	\$	\$	\$ (571,241)	\$ 19,855,041	\$ 12,642,268
2. Special Revenue Funds	4,461,841	4,461,841	1,702,959	Secondary: 1,040,484	9,109,460			41,309	(6,531,677)	\$ 18,425,889	8,422,913
3. Debt Service Funds Available	3,278,613	3,278,613	773,218		2,680,834			387,000		3,841,052	2,864,003
Less: Designation for Future											
4. Debt Retirement											
5. Total Debt Service Funds	3,278,613	3,278,613	773,218		2,680,834			387,000		3,841,052	2,864,003
6. Capital Projects Funds	12,667,834	12,725,434	12,279,010		6,607,075			6,451,802		25,337,887	8,697,836
7. Permanent Funds											
8. Enterprise Funds Available											
Less: Designation for Future											
9. Debt Retirement											
10. Total Enterprise Funds											
11. Internal Service Funds			398,318					222,807		621,125	
12. TOTAL ALL FUNDS	\$ 35,133,943	\$ 34,991,543	\$ 21,795,037	\$ 1,040,484	\$ 31,039,637	\$	\$	\$ 7,061,609	\$ (7,102,918)	\$ 68,080,993	\$ 33,627,020

**EXPENDITURE LIMITATION COMPARISON**

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC or voter-approved alternative expenditure limitation

	2009-10	2010-11
1.	\$ 35,133,943	\$ 33,627,020
2.		
3.	35,133,943	33,627,020
4.	9,658,218	18,143,979
5.	\$ 25,475,725	\$ 15,483,041
6.	\$ 25,546,731	\$ 28,591,378

\* Includes Expenditure/Expense Adjustments Approved in 2007-08 from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts in this column represent Fund Balance/Net Asset amounts except for amounts invested in capital assets, net of related debt, and reserved/restricted amounts established as offsets to assets presented for informational purposes (i.e., prepaids, inventory, etc.).

**TOWN OF FOUNTAIN HILLS, ARIZONA**  
**Summary of Tax Levy and Tax Rate Information**  
**Fiscal Year 2010-11**

	<u>2009-10</u> <u>FISCAL YEAR</u>	<u>2010-11</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 fiscal year 2008-09 in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18).	\$ 0	0
3. Property tax levy amounts		
A. Primary property taxes	\$ 0	\$ 0
B. Secondary property taxes	<u>1,400,000</u>	<u>1,040,484</u>
C. Total property tax levy amounts	<u>\$ 1,400,000</u>	<u>\$ 1,040,484</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) 2009-10 levy	\$ 0	0
(2) Prior years' levy	0	0
(3) Total primary property taxes	\$ 0	0
B. Secondary property taxes		
(1) 2009-10 levy	\$ 1,400,000	1,040,484
(2) Prior years' levy	<u>0</u>	<u>0</u>
(3) Total secondary property taxes	\$ 1,400,000	1,040,484
C. Total property taxes collected	\$ 1,400,000	1,040,484
5. Property tax rates		
A. Town tax rate		
(1) Primary property tax rate	<u>0.0000</u>	<u>0.0000</u>
(2) Secondary property tax rate (estimate)	<u>0.2173</u>	<u>0.1836</u>
(3) Total city/town tax rate	<u>0.2173</u>	<u>0.1836</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, ARIZONA**  
**Summary by Fund Type of Revenues Other Than Property Taxes**  
**Fiscal Year 2010-11**

SOURCES OF REVENUES	ESTIMATED REVENUES 2009-10	ACTUAL REVENUES 2009-10*	ESTIMATED REVENUES 2010-11
<b>GENERAL FUND</b>			
<b>Local Taxes</b>			
Local Sales Tax	\$ 6,628,911	\$ 6,628,911	\$ 6,020,520
Franchise Tax	\$ 363,731	\$ 273,000	\$ 300,000
<b>Permits</b>			
Animal License Fees	\$ 39,505	39,505	45,088
Business License Fees	\$ 122,715	122,715	109,180
Building Permit Fees	\$ 330,120	150,000	155,140
Landscape Permit Fees	\$ 10,400	0	0
Planning & Zoning Fees	\$ 0	21,058	15,000
Improvement Plan Review Fee	\$ 21,000	21,000	8,506
<b>Intergovernmental</b>			
State Sales Tax	\$ 1,894,032	1,894,032	1,765,065
Fire Insurance Premium Tax	\$ 135,741	135,741	119,452
Shared Income Tax	\$ 3,163,367	3,163,367	2,384,218
Vehicle License Tax	\$ 953,455	900,000	850,000
<b>User Fees</b>			
Parks & Rec User Fees	\$ 127,687	100,000	158,059
Senior Services Fees	\$ 110,211	60,000	90,033
Encroachment Fees	\$ 10,000	15,000	17,000
Variances	\$ 15,600	8,842	10,000
<b>Fines and forfeitures</b>			
Court Fines	\$ 239,292	239,292	255,078
<b>Interest on Investments</b>			
Interest on Investments	\$ 125,000	10,000	10,800
<b>Rentals</b>			
Community Center Rental Fees	\$ 168,150	100,000	102,328
Community Center Bar Sales	\$ 0	0	0
Leases & Rents	\$ 55,575	118,536	100,464
<b>Miscellaneous</b>			
Miscellaneous	\$ 181,737	16,158	126,337
<b>Total General Fund</b>	<b>\$ 14,696,229</b>	<b>\$ 14,017,157</b>	<b>\$ 12,642,268</b>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Highway User Revenue Fund</b>			
Highway Users	\$ 1,480,152	\$ 1,480,152	\$ 1,315,800
<b>Total Highway User Revenue Fund</b>	<b>\$ 1,480,152</b>	<b>\$ 1,480,152</b>	<b>\$ 1,315,800</b>
<b>Local Transportation Assistance Fund</b>			
Local Transportation (LTAF)	\$ 113,400	\$ 113,400	\$ 0
<b>Total Local Transportation Assistance Fund</b>	<b>\$ 113,400</b>	<b>\$ 113,400</b>	<b>\$ 0</b>
In Lieu Payments	\$ 2,000	\$ 2,000	\$ 15,068
Interest	\$ 4,993	\$ 4,993	\$ 120
Miscellaneous	\$ 0	\$ 0	\$ 7,602
	\$ 1,600,545	\$ 1,600,545	\$ 1,338,590
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			
<b>Excise Taxes</b>			
Local Sales Tax Transfer	\$ 295,859	\$ 295,859	\$ 270,629
	\$ 295,859	\$ 295,859	\$ 270,629

**Court Enhancement Fund**

Court Enhancement Fund	\$ 17,000	\$ 17,000	\$ 19,250
	\$ 17,000	\$ 17,000	\$ 19,250

**Public Art Fund**

Public Art Fund	\$ 2,000	\$ 0	\$ 30,766
	\$ 2,000	\$ 0	\$ 30,766

**Grants**

FEMA	\$ 0	\$ 0	\$ 0
Construction Grants/Stimulus	\$ 2,318,000	\$ 2,318,000	\$ 6,131,802
Community Grants	\$ 183,998	\$ 183,998	\$ 200,000
LTAF II	\$ 40,000	\$ 36,074	\$ 0
Miscellaneous Grants	\$ 218,850	\$ 218,850	\$ 1,118,423
	\$ 2,760,848	\$ 2,756,922	\$ 7,450,225

**Total Special Revenue Funds** \$ 4,676,252 \$ 4,670,326 \$ 9,109,460

**DEBT SERVICE FUNDS****General obligation Bonds**

Secondary Property Tax	1,400,000	\$ 1,400,000	\$ 1,040,484
Interest	1,500	1,500	300
	\$ 1,401,500	\$ 1,401,500	\$ 1,040,784

**Revenue Bonds**

Transfer from HURF Fund	\$ 136,413	\$ 136,413	\$ 0
	\$ 136,413	\$ 115,843	\$ 0

**Special District Bqnds**

Eagle Mountain CFD	\$ 389,100	\$ 379,000	\$ 420,500
Cottonwoods Improvement District	\$ 0	\$ 3,300	\$ 0
Cottonwoods Maintenance District	\$ 3,850	\$ 3,850	\$ 3,850
Municipal Prop Corp	\$ 1,283,178	\$ 1,275,277	\$ 1,215,700
	\$ 1,676,128	\$ 1,661,427	\$ 1,640,050

**Total Debt Service Funds** \$ 3,214,041 \$ 3,178,770 \$ 2,680,834

**CAPITAL PROJECTS FUNDS****Development Fees**

Law Enforcement Development Fees	\$ 13,767	\$ 7,675	\$ 7,980
Street Department Development Fees	\$ 74,316	\$ 17,750	\$ 48,775
Parks & Recreation Development Fees	\$ 14,664	\$ 18,125	\$ 7,425
Open Space Development Fees	\$ 9,390	\$ 7,700	\$ 4,835
General Government Development Fees	\$ 28,440	\$ 13,750	\$ 16,910
Fire Development Fees	\$ 3,153	\$ 1,770	\$ 1,795
Library/Museum Development Fees	\$ 1,740	\$ 2,916	\$ 875
	\$ 145,470	\$ 69,686	\$ 88,595

**Capital Projects**

Local SIs Tax Contribution	\$ 510,000	\$ 0	\$ 66,678
Capital Projects transfers	2,981,190	2,981,190	3,365,837
Stimulus Funds	2,537,717	2,537,717	3,085,965
Debt Service Proceeds	\$ 4,500,000	\$ 0	\$ 0
	10,528,907	5,518,907	6,518,480

**Total Capital Projects Funds** \$ 10,674,377 \$ 5,588,593 \$ 6,607,075

**TOTAL ALL FUNDS** \$ 33,260,899 \$ 27,454,846 \$ 31,039,637

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**TOWN OF FOUNTAIN HILLS, ARIZONA**  
**Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers**  
**Fiscal Year 2010-11**

FUND	OTHER FINANCING 2010-11		INTERFUND TRANSFERS 2010-11	
	SOURCES	<USES>	IN	<OUT>
<b>GENERAL FUND</b>				
Annual Debt Payment for Community Center	\$ _____	\$ _____	\$ _____	\$ (387,000)
Transfer to Public Art for Maintenance	_____	_____	_____	(10,350)
Interfund charge for Vehicle Replacement	_____	_____	_____	(142,932)
Transfer from General Fund for Grant Match	_____	_____	_____	(30,959)
<b>Total General Fund</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(571,241)</u>
<b>HIGHWAY USERS</b>				
Interfund charge for Vehicle Replacement	_____	_____	_____	(79,875)
<b>Total Highway Users Funds</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(79,875)</u>
<b>DEBT SERVICE FUNDS</b>				
Annual Debt Payment for Community Center	\$ _____	\$ _____	\$ 387,000	\$ _____
<b>Total Debt Service Funds</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>387,000</u>	\$ <u>0</u>
<b>CAPITAL PROJECTS FUNDS</b>				
Transfer to CIP-Various projects	_____	_____	6,131,802	_____
Transfer to CIP-Downtown Improvements	_____	_____	320,000	_____
Transfer from Debt Service	_____	_____	0	_____
<b>Total Capital Projects Funds</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>6,451,802</u>	\$ <u>0</u>
<b>SPECIAL REVENUE FUNDS</b>				
Transfer from General Fund for Maintenance	_____	_____	10,350	_____
Transfer to CIP-Downtown Improvements	_____	_____	_____	(320,000)
Transfer to CIP-Various projects	_____	_____	_____	(6,131,802)
Transfer from General Fund for Grant Match	_____	_____	30,959	_____
<b>Total Special Revenue Funds</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>41,309</u>	\$ <u>(6,451,802)</u>
<b>DEVELOPMENT FEES</b>				
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total Enterprise Funds</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<b>INTERNAL SERVICE FUNDS</b>				
Interfund charge for Vehicle Replacement	_____	_____	142,932	_____
Interfund charge for Vehicle Replacement	_____	_____	79,875	_____
<b>Total Internal Service Funds</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>222,807</u>	\$ <u>0</u>
<b>TOTAL ALL FUNDS</b>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>7,102,918</u>	\$ <u>(7,102,918)</u>

**TOWN OF FOUNTAIN HILLS, ARIZONA**  
**Summary by Department of Expenditures/Expenses Within Each Fund Type**  
**Fiscal Year 2010-11**

FUND/DEPARTMENT	BUDGETED EXPENDITURES/ EXPENSES 2009-10	EXPENSE ADJUSTMENTS APPROVED 2009-10	EST ACTUAL EXPENDITURES/ EXPENSES 2009-10*	BUDGETED EXPENDITURES/ EXPENSES 2010-11
<b>GENERAL FUND</b>				
Mayor and Town Council	\$ 85,640	\$	\$ 85,640	\$ 72,427
Municipal Court	\$ 397,528	\$	\$ 397,528	\$ 421,291
Administration	\$ 2,964,808	\$	\$ 2,964,808	\$ 2,468,393
Development Services	\$ 2,440,675	\$	\$ 2,440,675	\$ 1,557,235
Community Services	\$ 2,726,649	\$	\$ 2,726,649	\$ 2,320,980
Law Enforcement	\$ 2,844,877	\$	\$ 2,844,877	\$ 2,759,532
Fire Department	\$ 3,065,477	\$	\$ 3,065,477	\$ 3,042,411
Transfers	0	\$	0	0
<b>Total General Fund</b>	<b>\$ 14,525,654</b>	<b>\$ 0</b>	<b>\$ 14,525,654</b>	<b>\$ 12,642,268</b>
<b>SPECIAL REVENUE FUNDS</b>				
Highway Users (HURF)	\$ 1,433,816	\$	\$ 1,433,816	\$ 1,287,711
ADOT	\$ 0	\$	\$ 0	\$ 0
Public ART	\$ 18,500	\$	\$ 18,500	\$ 20,350
Court Enhancement Fund	\$ 50,000	\$	\$ 50,000	\$ 40,350
Community Grants	\$ 150,000	\$	\$ 150,000	\$ 200,000
Miscellaneous Grants	\$ 2,426,850	\$	\$ 2,426,850	\$ 1,118,423
Excise Tax Special Revenue	\$ 382,675	\$	\$ 382,675	\$ 584,276
CIP	0	\$	0	6,171,802
<b>Total Special Revenue Funds</b>	<b>\$ 4,461,841</b>	<b>\$ 0</b>	<b>\$ 4,461,841</b>	<b>\$ 9,422,913</b>
<b>DEBT SERVICE FUNDS</b>				
General Obligation Bonds	\$ 1,340,364	\$	\$ 1,340,364	\$ 1,030,813
Revenue Bonds	\$ 136,413	\$	\$ 136,413	\$ 0
Municipal Property Corp (MPC)	\$ 1,408,886	\$	\$ 1,408,886	\$ 1,418,630
Cottonwood Improv Dist	\$ 3,850	\$	\$ 3,850	\$ 3,850
Eagle Mountain CFD	\$ 389,100	\$	\$ 389,100	\$ 410,710
<b>Total Debt Service Funds</b>	<b>\$ 3,278,613</b>	<b>\$ 0</b>	<b>\$ 3,278,613</b>	<b>\$ 2,864,003</b>
<b>DEVELOPMENT FEES</b>				
Law Enforcement Development Fees	\$ 0	\$	\$ 0	\$ 0
Street Department Development Fees	\$ 142,400	\$	\$ 142,400	\$ 0
Parks & Recreation Development Fees	\$ 0	\$	\$ 0	\$ 0
Open Space Development Fees	\$ 0	\$	\$ 0	\$ 0
General Government Development Fees	\$ 0	\$	\$ 0	\$ 0
Fire Development Fees	\$ 0	\$	\$ 0	\$ 0
Library Development Fees	\$ 0	\$	\$ 0	\$ 0
<b>Total Development Fees</b>	<b>\$ 142,400</b>	<b>\$ 0</b>	<b>\$ 142,400</b>	<b>\$ 0</b>
Capital Projects	\$ 12,291,724	\$	\$ 12,291,724	\$ 8,609,244
Contingency	\$ 433,710	\$	\$ 433,710	\$ 88,592
<b>Total Capital Projects Funds</b>	<b>\$ 12,725,434</b>	<b>\$ 0</b>	<b>\$ 12,725,434</b>	<b>\$ 8,697,836</b>
<b>INTERNAL SERVICE FUNDS</b>				
Vehicle & Equipment Replacement	\$ 0	\$	\$ 0	\$
Vehicle & Equipment Replacement	\$ 0	\$	\$ 0	\$
<b>Total Internal Service Funds</b>	<b>\$ 0</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 35,133,943</b>	<b>\$ 0</b>	<b>\$ 35,133,943</b>	<b>\$ 33,627,020</b>

\* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.