

FISCAL YEAR 2017-18

Public Hearing: Tentative Budget 2017-18

Budgeting Process

- Expenditure Based Budget
 - *Annual Budget*
 - *Multi-Year Strategic Plan*
- Public Hearing
- Adoption of Tentative Budget
- Final Budget
 - *Public Notification (newspaper & website)*



Public Hearing Discussion

- ▶ Balanced Budget
- ▶ Sets Fund Limits
- ▶ Access
 - ▶ Policy Makers Role
- ▶ ‘Saving’ Fund Balance + Revenues = Expenditures
- ▶ Operating Budget
- ▶ Grants

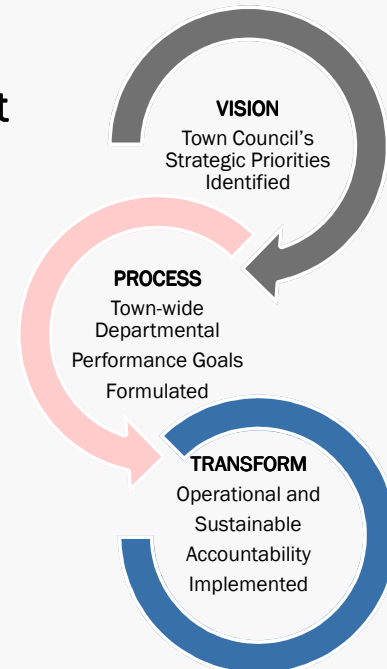
Parity between annual line-item budget and four-year strategic plan

Annual Budget

- Statutorily Required
- Single Year Spending
- Fund Limitations
- Expenditure Based-Budget

Strategic Plan

- Planning Document
- Four Year Plan
- Set Council Priorities
- Develops Capital Project Plan



Budget Fundamentals

The Budget is made up of several moving parts...

- The financial position at the beginning of the year
- Revenues to be received throughout the year
- Operational expenditures throughout the year
- Project expenditures
- End of year balance
- The formula for a budget is...
 - *Beginning fund balance PLUS revenues MINUS operating expense MINUS projects = end of year balance*

Beginning Year Fund Balance +

Revenues -

Expenditures -

Projects =

End of Year Fund Balance

5

General Fund

Beginning Fund Balance (savings)

State Shared Revenues

City Sales Tax

Permits, Dog tags, Business Licenses, Park reservations, Donations

Court Fines and Fees

Grants

- Admin Fund
- Donations
- Council Fund
- Planning, zoning, building Fund
- Court Fund
- Law Enforcement, animal control Fund

Restricted Roads Fund

- Beginning Fund Balance
- HURF (state shared revenues)
- Gila Excise Tax (1% tax)
- Grants
- Street Maintenance Expense
- Improvement Expense

Water Enterprise Fund

Beginning Fund Balance

Customer Usage Revenue

Grants

Operation Expense

New Source Water Development Expense

Asset Replacement and Depreciation Expense

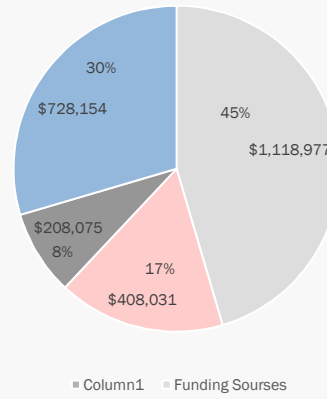
6

Funding Sources

- General Fund (\$1,118,977)
 - State Shared
 - Local Taxes
 - Local Services
- Restricted Funds (\$408,031)
 - State Shared (HURF)
 - County Excise Tax
- Enterprise Funds (\$208,075)
 - Services
- Grant projects (\$728,154)

All Funds \$2,463,237

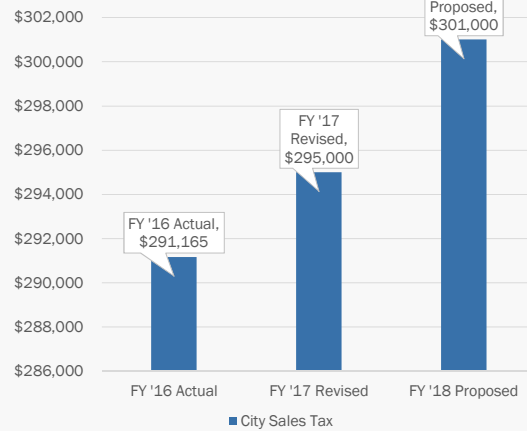
Funding by Source



Local Sales Tax Revenues

- Arizona Dept. of Revenue Collections
- Request for Auditing
- Collections of Audited Businesses
 - Collections of \$42,00
- 2% Budgeted Increase

City Sales Tax



Grant Opportunities – Budgeting Unknowns

- Prop 202 Grant Funds
 - New Expertise
 - New Strategies
- CDBG Projects
 - Circle K Well Statues
 - PW 1&2 Statues
 - CAG and Management
- Budgeting For Unknown Opportunities



Four-Year Plan One Year In

Strategic plan: Hits, Misses, and Rolls

Option #4: required services, donations, senior meals and ridership program, street maintenance, projects

All Fund Summary - FY2016-2017	FY 2016-2017		
	Option 4	Revised	Change (\$)
Fund Balance Beginning	\$3,799,740	\$3,826,984	\$(27,244)
Operating Revenue	1,961,487	1,978,303	16,816
Interest Earnings / Donation / Other Revenue Sources	29,638	68,134	38,496
	1,991,125	2,046,437	55,312
Available Funds	5,790,865	5,873,421	28,068
Operational Expenditures			
Personnel Services Expense (without staff change)	501,140	438,077	(63,063)
Operating Expenditures (+2% annual increase)	217,426	282,487	65,061
Contract Operating Services	672,295	580,428	(91,867)
Equipment Maintenance	15,000	7,070	(7,930)
Donations to Payson Pro Rodeo (all)	2,300	4,400	2,100
Meals on Wheels / Ridership Program	35,000	27,200	(7,800)
Street and Road Maintenance	114,000	57,450	(56,550)
Employee Retention	14,400	4,062	(10,338)
Total Operational Expenditures	1,571,561	1,401,174	(170,387)
Staff Recommended Capital Improvement Projects			
Meter Replacement Phase 1	1,600	500	(1,100)
Website Design & Continued Development	8,000	4,000	(4,000)
Park Landscape Phase 1	15,000	37,000	22,000
Town Speed Enforcement	16,000	16,000	
Lumberman's Well Connection	20,000	-	(20,000)
10 station fitness trail at the park	8,000	19,000	11,000
Hiking Trail Head Development	25,000	-	(25,000)
Valley Road Isolated Widening	-	9,691	9,691
Total Staff Recommended Capital Improvement Projects	93,600	86,191	(7,409)
Total use of funds	\$1,665,161	\$1,487,365	\$(177,796)
Less 5% of operating revenue: reserve	(98,074)	(27,222)	(841)
Fund Balance Ending	\$4,027,630	\$4,358,834	\$205,023

All Fund Summary- FY2017-2018		Option 4	Option 4 Revised
Fund Balance Beginning		\$4,027,630	\$4,358,834
Operating Revenue		1,584,282	1,584,282
Interest Earnings / Donation / Other Revenue Sources		31,416	68,134
		1,615,698	1,652,416
	Available Funds	5,643,327	6,011,250
Operational Expenditures			
Personnel Services Expense (without staff change)		501,140	501,140
Operating Expenditures (+2% annual increase)		222,109	222,109
Contract Operating Services		488,607	488,607
Equipment Maintenance		15,000	15,000
Donations to Payson Pro Rodeo		2,300	2,300
Meals on Wheels / Ridership Program		35,000	35,000
Street and Road Maintenance		114,000	114,000
Employee Retention		14,400	10,338
	Total Operational Expenditures	1,392,556	1,388,494
Staff Recommended Capital Improvement Projects			
Meter Replacement Phase 2		1,600	2,700
Website Design & Continued Development		5,000	5,000
Park Landscape Phase 2		15,000	15,000
Hiking Trail Maintenance		5,000	30,000
Pave Phase 1 - Moonlight		67,000	67,000
Pave Phase 1 - Knolls Street Projects		111,000	111,000
Valley Road Isolated Widening		9,700	-
Town Park Fountain			10,000
Town Park Gate/Security Systems			15,000
Lumberman's Well Connection			35,000
CDBG 113-17 Leveraged Funds			35,000
Community Garden Development			30,000
	Total Staff Recommended Capital Improvement Projects	214,300	355,700
	Total use of funds	\$1,606,856	\$1,744,194

- **Change** in projected fiscal spending have a cascading affect on fund balance moving into Fiscal Year 2017-2018.
- **Monitoring** project budget throughout the fiscal year, management can take action to ensure project success or present suggestions to Council if corrective measures are necessary.
- **Priority** projects have been suggested in this Tentative Budget for Council Review.

Adoption of Tentative Budget Fiscal Year 2017-2018	All Funds Summary	Proposed Budget FY2017-18	
<p>The All Fund Summary provides a review the projected Operating Revenues and Expenditure for FY 2017-2018, the priority projects set by Council in the Four-Year Strategic Plan, additional Capital Projects identified by Staff, and potential grant activities.</p>	Revenues:		
	Operating Revenue	\$1,661,583	
	Grants/One Time Revenue	728,154	
	Other	46,500	
	Transfers In	27,000	
		Total Revenue	\$2,463,237
	Expenditures:		
	Operating Expenditures	\$745,156	
	Personnel Services Exp.	460,119	
	Purchased Professional Services	583,537	
	Capital Outlay	624,294	
	Grants	728,158	
	Transfers Out	27,000	
	Contingency	3,022,168	
Rainy Day Restricted Funds	600,000		
	Total Expenditures	\$6,790,432	
	Excess of revenues over/(under) expenditures, or budget surplus (deficit)	(4,327,195)	
	Cumulative amount available for appropriations (or unreserved fund balance) from prior years	4,358,834	
	Less 2% of operating revenue: reserve	31,638	
	Unreserved Fund Balance Ending	\$0	