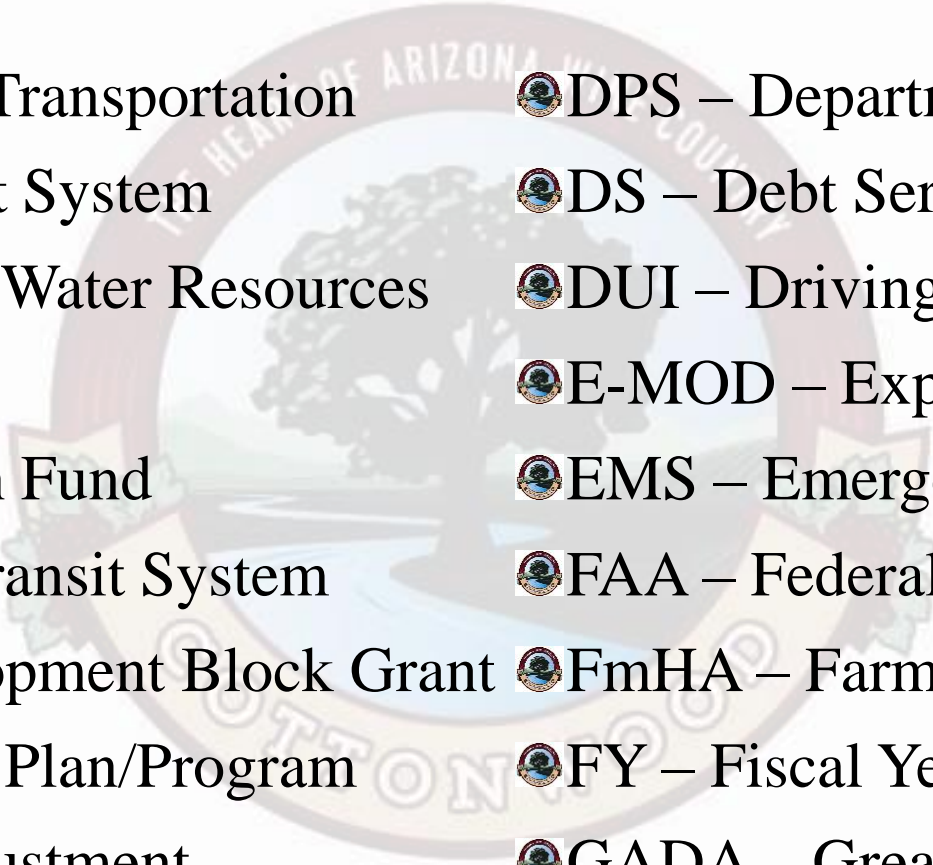


City of Cottonwood
FY 2018 Proposed Budget Meeting
April 24, 2017

City Council Chambers
826 North Main Street
Cottonwood, AZ

GLOSSARY OF ACRONYMS

- 
- ADOT – AZ Department of Transportation
 - ASRS – AZ State Retirement System
 - ADWR – AZ Department of Water Resources
 - AZ - Arizona
 - CAF – Capital Accumulation Fund
 - CATS – Cottonwood Area Transit System
 - CDBG – Community Development Block Grant
 - CIP – Capital Improvements Plan/Program
 - COLA – Cost Of Living Adjustment
 - DOJ – Department of Justice
 - DPS – Department of Public Safety
 - DS – Debt Service
 - DUI – Driving Under the Influence
 - E-MOD – Experience Modifier
 - EMS – Emergency Medical Services
 - FAA – Federal Aviation Administration
 - FmHA – Farmers Home Administration
 - FY – Fiscal Year
 - GADA – Greater AZ Development Authority
 - GF - General Fund

GLOSSARY OF ACRONYMS

- GOHS – Governor’s Office of Hiway Safety
- HURF – Highway User Revenue Fund
- IGA – Inter-Governmental Agreement
- IT – Information Technology
- LP – Lease Purchase
- LTAF – Local Transportation Assistance Fund
- MPC – Municipal Property Corporation
- NACOG – Northern AZ Council of Governments
- O&M – Operation & Maintenance
- P&Z – Planning & Zoning
- PANT – Prescott Area Narcotics Taskforce
- PSPRS – Public Safety Personnel Retirement System
- SAFER – Staffing for Adequate Fire and Emergency Response
- SCBA – Self Contained Breathing Apparatus
- SRO – School Resource Officer
- VLT – Vehicle License Tax
- WIFA – Water Infrastructure Finance Authority
- WWTP – Wastewater Treatment Plant
- YC – Yavapai County

FY 2018 BUDGET PROCESS

① 1st round of budget meetings (GF base budget) – (\$196,600)

- ① Operational & maintenance costs
- ① Current capital improvements
- ① No new programs or projects

① After meeting with City Manager – (\$784,630)

- ① Added personnel & reclassification
- ① Added necessary capital
- ① Still operational base budget
- ① Moved out some capital to FY 2019

① Asked all departments for help to balance the budget

- ① Police
- ① Fire
- ① Recreation Center and Parks
- ① Undesignated reserves

① Current overall FY 2018 balanced budget - \$84,995,470


ORIGINAL vs REVISED vs ACTUAL

Fiscal Year	Original Budget	Revised Budget	Original vs Revised	Actual	Revised vs Actual
2007	\$57,448,125	\$41,534,840	(\$15,913,285)	\$27,972,337	(\$13,562,503)
2008	\$89,139,395	\$79,158,556	(\$9,980,839)	\$29,973,177	(\$49,185,379)
2009	\$88,545,340	\$77,346,715	(\$11,198,625)	\$32,891,359	(\$44,455,356)
2010	\$132,562,405	\$68,688,930	(\$63,873,475)	\$41,818,105	(\$26,870,825)
2011	\$100,876,915	\$60,723,320	(\$40,153,595)	\$28,981,260	(\$31,742,060)
2012	\$78,422,500	\$63,260,685	(\$15,161,815)	\$35,650,585	(\$27,610,100)
2013	\$73,417,765	\$54,231,275	(\$19,186,490)	\$35,445,309	(\$18,785,966)
2014	\$70,875,846	\$57,895,580	(\$12,980,266)	\$34,486,403	(\$23,409,177)
2015	\$86,638,905	\$76,488,750	(\$10,150,155)	\$40,271,996	(\$36,216,754)
2016	\$117,084,020	\$73,877,055	(\$43,206,965)	\$36,583,044	(\$37,294,011)
2017	\$73,112,570	\$64,950,295	(\$8,162,275)		
2018	\$84,995,470				

● Cottonwood budgets for all contingencies on the original budget

- Fund balances
- Anticipated Capital Improvements
- All potential grants
- Potential financing & refinancing

GENERAL FUND RESERVES STATUS

A large, semi-transparent watermark of the Cottonwood logo is centered in the background. The logo is circular and features a tree in the center, with the text 'THE HEART OF ARIZONA WINE COUNTRY' at the top and 'COTTONWOOD' at the bottom.

60 Days Coverage	\$3,037,990
Capital Accumulation Fund	\$1,000,000
Undesignated Reserves (this is our only cushion)	\$30,075
Traditionally set at \$100,000	
1% Sales Tax GF Capital	\$0
0.2% Sales Tax PS Capital Fund	\$0

DEPARTMENTAL REDUCTIONS



OPERATIONAL CUTS BY DEPARTMENT

Department	Reduction Descriptions	Amount
Administration	Supplies & Mgr's contingency	\$9,300
Airport	Contractual svcs, op equipt, supplies & fuel expenses	48,250
City Clerk	Supplies, travel & vehicle maint	1,350
Code Enforcement	Tools	500
Communications	position & travel/training	53,805
Community Development	Contractual svcs, travel/training, supplies & veh maint	6,040
Economic Development	Focus on Success	7,780
Engineering	Supplies, travel/training, continuing ed	11,300
Finance	Travel/training, contact svcs, supplies	8,000
Fire	Vol staff, op supplies, EMS exp, travel/trainng	19,200
Human Resources	Contractual services	8,000
IT	Supplies, veh & equipt maint, contact svcs, equipment	21,320

OPERATIONAL CUTS BY DEPARTMENT

Department	Reduction Descriptions	Amount
Legal	Contractual services	10,000
Parks & Bldg Maintenance	Grounds, veh & equipt maint, tools & travel/training	12,500
court	Court appt attorneys, equipt maint, contact svce, travel/training	27,000
Parks & Recreation	Rec programs, softball programming, temp employees, public relations	26,430
Police	2 officers, training supplies, SWAT equipt, community policing	163,180
Pool	Supplies & utlities	4,000
Library	tmp employees, book purchases, equipt maint, travel/training	12,000
Public Works	Supplies, contact svcs, travel/training	12,500
Purchasing	Contract svcs, travel/training	205
Recreation Center	Temp employees, utilities & rec programming	38,000
Streets	Street marking, street signs, street materials, tools, fuel	29,500
Youth Center	Temp employees	2,500

Total operational cuts by all departments was \$532,660



PERSONNEL

NEW PERSONNEL REQUESTS

Dept	Job Description	Requested Range	Range Parameters			Est. Salary (min +5%)	Benefits*	Est. Annual Costs
			min	mid	max			
Airport	Airport Clerk	16	35,549	41,162	52,386	\$37,326	\$16,797	\$54,123
Comm Dev	Building Official	23	50,021	57,918	73,712	52,522	23,635	76,157
Recreation Center	Recreation Coordinator I	13	30,709	35,557	45,253	32,244	14,510	46,754
IT	Information Technology - Technician I	19	41,152	47,650	60,643	43,210	19,444	62,654
IT	Information Technology - Audio Visual	19	41,152	47,650	60,643	43,210	19,444	62,654
Library	Library Clerk - Adult Services/Youth Svcs	11	27,853	32,251	41,047	29,246	13,161	42,406
Maintenance	PW Technician III	17	37,326	43,219	55,006	39,192	17,637	56,829
Police	Police Officer (reinstatement for FY2016)	22	47,639	55,160	70,203	50,021	42,018	92,039
Police	Police Officer (reinstatement for FY2017)	22	47,639	55,160	70,203	50,021	42,018	92,039
Econ Dev	Business Assistance Advisor (grant)		53,572			53,572	21,429	75,001
Engineering	GIS Intern - 6 months intern (grant)		Dev SVCS Mgr still to provide					
Police	Community Service Specialist (grant)	13	30,709	35,557	45,253	32,244	14,510	46,754
Public Works	Public Works (Vertical) Project Manager	25	55,148	63,854	81,267	57,905	23,162	81,068
Public Works	Public Works Inspector	18	39,193	45,380	57,756	41,153	16,461	57,614
Streets Maint.	PW Maintenance Technician II	13	30,709	35,557	45,253	32,244	12,898	45,142
Total Requested						\$594,111	\$297,123	\$891,233

NEW PERSONNEL BUDGETED

Dept	Job Description	Requested Range	Range Parameters			Est. Salary (min +5%)	Benefits*	Est. Annual Costs
			min	mid	max			
Econ Dev	Business Assistance Advisor (grant)		53,572			53,572	21,429	75,001
Engineering	GIS Intern - 6 months intern (grant)		Dev SVCS Mgr still to provide					
Police	Community Service Specialist (grant)	13	30,709	35,557	45,253	32,244	14,510	46,754
Total Amount Budgeted						85,816	35,939	121,755

- Any new staff will be grant funded
- \$769,478 in requests were not funded
- Staff would like to ask that the City Manager reserve the right to add a Police Officer during the year if a suitable applicant and the funding is available.

PERSONNEL RECLASSIFICATION REQUESTS

Dept	Job Description	Current Range	Requested Range	Current Salary	New Min	Salary Increase	Est Increase Benefits	Est. Annual Costs
Court	Court Clerk I	5% premium pay		39,919		\$1,996	\$798	\$2,794
Econ Dev	Admin. Asst. to Econ. Dev. Specialist	Not approved but remains under review						
Admin	Admin Svcs General Mgr to Deputy City	37	41	0	0	0	0	0
Comm. Svcs	Head Life Guard to Facility Maintenance	11	11	0	0	0	0	0
Fire	Fire Captain to Fire Captain/Battalion Chief (3)	27	29	0	0	0	0	0
Fire	Fire Marshal	28	30	0	0	0	0	0
Fire	Fire Lieutenant (3)	25	26	0	0	0	0	0
Police	Police Officer	20	22	various	47,639	4,116	2,346	6,462
Police	Sergeant	25	27	0	0	0	0	0
Police	Commander	31	33	0	0	0	0	0
Police	Chief	35	37	0	0	0	0	0
Fire	Fire Inspector/Firefighter to Fire Inspector II/Firefighter II	22	24	55,877	61,465	5,588	3,185	8,773
Total Requested						\$11,700	\$6,329	\$18,029

PERSONNEL RECLASSIFICATIONS BUDGETED

Dept	Job Description	Current Range	Requested Range	Current Salary	New Min	Salary Increase	Est Increase Benefits	Est. Annual Costs
Admin	Admin Svcs General Mgr to Deputy City	37	41	0	0	\$0	\$0	\$0
Comm. Svcs	Head Life Guard to Facility Maintenance	11	11	0	0	0	0	0
Fire	Fire Captain to Fire Captain/Battalion Chief (3)	27	29	0	0	0	0	0
Fire	Fire Marshal	28	30	0	0	0	0	0
Fire	Fire Lieutenant (3)	25	26	0	0	0	0	0
Police	Police Officer	20	22	various	47,639	4,116	2,346	6,462
Police	Sergeant	25	27	0	0	0	0	0
Police	Commander	31	33	0	0	0	0	0
Police	Chief	35	37	0	0	0	0	0
Total Amount Budgeted						\$4,116	\$2,346	\$6,462

- \$11,567 in requests were not funded

- Police adjustments are to ensure a range differential between Police & Fire. This is typical among municipalities around the state

PART TIME PERSONNEL REQUESTS

Dept	Job Description	Salary	Benefits	Est. Costs
Recreation Ctr/Library	Facility Maintenance Assistant	\$10,130	\$775	\$10,905
Recreattion Center	Cashier II (Rec Ctr)	12,250	937	13,187
Recreation Center	Lifeguard II (Rec Ctr & Outdoor Pool)	12,250	937	13,187
Recreation Center	Recreation Aide II (Youth Center)	12,250	937	13,187
Fire	Records Clerk	14,585	1,116	15,701
Library	Library Clerk - Adult Services	13,220	1,011	14,231
Police	Community Service Specialist- <i>if full time is not possible</i>	14,585	1,116	15,701
Total Request				<u>\$96,099</u>

No additional part-time staff is included in this budget

FY 2018 ELIMINATED POSITIONS



2 Police Officer	\$154,375
1 Communications Specialist	\$51,305

This now makes four Police Officer positions that have been eliminated in the past three years.

We would like the City Manager to reserve the right to add at least one Police Officer position back later in the fiscal year if, both a candidate and the funding is made available

These positions will need to be filled in future fiscal years.

ELIMINATED POSITIONS IN THE PAST THREE YEARS



🌐 Building Official	\$102,757
🌐 Developmental Services General Manager	\$161,135
🌐 4 Police Officers	\$308,750
🌐 1 Communications Specialist	\$51,305
🌐 <u>Public Works Superintendent</u>	<u>\$89,346</u>
Total Personnel Cuts	\$713,293

STATUS OF EMPLOYEE BENEFITS

- Merit program - \$432,212 - Funded
- Cost Of Living Adjustment (COLA) 0.3% - \$33,300 – Eliminated
- Longevity - \$48,750 – Eliminated
- Health insurance premiums increased by 4%
 - Employee premiums 100% covered
 - Dependent coverage still subsidized
- Retirement
 - ASRS – 11.47% - 11.5% \$890,055
 - PSPRS Fire – 18.38% - 26.61% \$476,540
 - PSPRS Police – 37.37% - 47.60% \$1,175,620

STATUS OF EMPLOYEE BENEFITS

🌐 Public Safety Personnel – New Hires @ 07/01/2017

- 🌐 Defined Benefit – 50/50 split between employee & employer + unknown % to assist the legacy plan
- 🌐 Defined Contribution – 9.0% + 1.7% disability + unknown % to assist the legacy plan
- 🌐 Hybrid – 50/50 split + 3% if not social security contribution + unknown % to assist the legacy plan
- 🌐 Unfortunately all this information is really up in the air
- 🌐 New plan will not help with recruiting efforts

TOTAL SALARY AND BENEFITS

Total Salaries & Benefits	
Wages	\$12,219,023
Overtime	806,310
Insurance	2,886,591
Worker Comp	301,150
FICA	683,111
Retirement	2,542,098
Medicare	188,100
Total	\$19,626,383

Fund Breakdown	
General Fund	\$15,312,973
HURF - Streets	311,617
HURF - Transit	1,148,881
Library	620,740
Enterprise - Sewer	744,653
Enterprise - Water	1,487,519
Total	\$19,626,383

Funding Source	
General Fund	\$15,933,712
HURF	311,617
ADOT Grant	1,148,881
Enterprise Funds	2,232,173
Total	\$19,626,383



CAPITAL OUTLAY

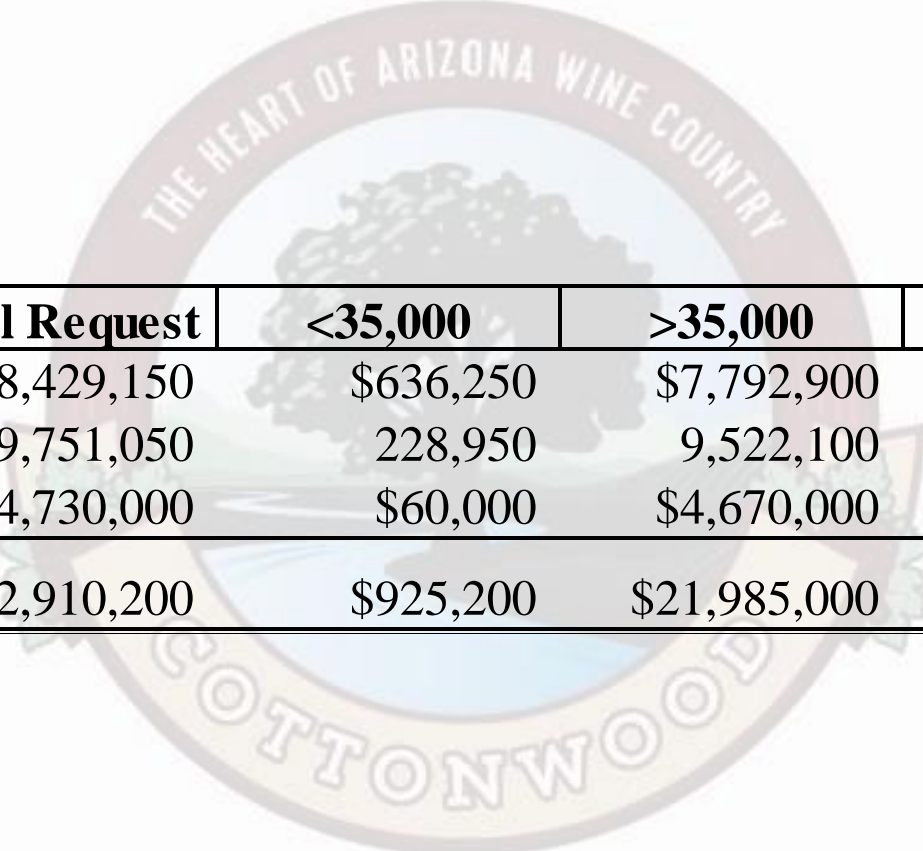
CAPITAL REQUESTS AND APPROVALS

Department	Initial Request	<35,000	>35,000	Adjustment	Revised Capital
General Fund					
Court	\$81,000	\$46,000	\$35,000	\$0	\$81,000
Economic Development	1,361,000	11,000	1,350,000	(11,000)	1,350,000
Engineering	742,600	7,100	735,500	(30,500)	712,100
Fire	5,061,500	101,500	4,960,000	(4,461,500)	600,000
IT	169,700	109,700	60,000	(109,700)	60,000
Parks Maintenance	198,800	139,800	59,000	(179,800)	19,000
Recreation Center	236,500	66,000	170,500	(196,000)	40,500
Police	362,450	125,950	236,500	(345,000)	17,450
Public Works	\$215,600	\$29,200	\$186,400	(\$215,600)	\$0
Subtotal	\$8,429,150	\$636,250	\$7,792,900	(\$5,549,100)	\$2,880,050

CAPITAL REQUESTS AND APPROVALS

Department	Initial Request	<35,000	>35,000	Adjustment	Revised Capital
Special Revenue Funds					
Streets Maintenance	\$261,250	\$95,750	\$165,500	(\$253,250)	\$8,000
Streets Construction	7,056,600	0	7,056,600	(6,206,600)	850,000
Library	70,000	70,000	0	(36,300)	33,700
Airport	\$2,363,200	\$63,200	\$2,300,000	(\$31,500)	\$2,331,700
Subtotal	\$9,751,050	\$228,950	\$9,522,100	(\$6,527,650)	\$3,223,400
Enterprise Funds					
Wastewater	\$750,000	\$60,000	\$690,000	(\$450,000)	\$300,000
Water	\$3,980,000	\$0	\$3,980,000	\$0	\$3,980,000
Subtotal	\$4,730,000	\$60,000	\$4,670,000	(\$450,000)	\$4,280,000

CAPITAL REQUESTS AND APPROVALS



Department	Initial Request	<35,000	>35,000	Adjustment	Revised Capital
General Fund	\$8,429,150	\$636,250	\$7,792,900	(\$5,549,100)	\$2,880,050
Special Revenue Funds	9,751,050	228,950	9,522,100	(6,527,650)	3,223,400
Enterprise Funds	\$4,730,000	\$60,000	\$4,670,000	(\$450,000)	\$4,280,000
Total Capital	\$22,910,200	\$925,200	\$21,985,000	(\$12,526,750)	\$10,383,450

FUNDING OUTSIDE AGENCIES



FUNDING OUTSIDE AGENCIES

Organization	FY 2017	FY 2018
Old Town Association	\$10,000	\$10,000
Senior Center	55,000	55,000
Humane Society	43,880	43,880
NACOG - H2O Assistance	15,000	15,000
Chamber of Commerce	203,000	213,000
Old Town Center for the Arts	20,000	20,000
Building Community Grants	15,000	15,000
Birding Festival (GF & H2O)	\$2,000	\$2,000
Total outside agency support	\$363,880	\$373,880

Some of these organizations will be presenting tomorrow.



WASTEWATER

REVENUES

- Wastewater rates were not increase for over a decade
- Wastewater rates were supplemented by sales tax until 07/01/2007
 - Used for capital, debt service and repairs & maintenance
 - Kept rate artificially low
- Council asked that rate increases be smoothed out over multiple years
- Infrastructure and treatment plant repairs are sorely needed
- Realistic rate increases are needed to keep up with the aging infrastructure

INFRASTRUCTURE CONCERNS

Description	2017	2018	2019	2020	2021
ADVERTISING	500	500	500	500	500
FURNISHING & EQUIPMENT	90,000	250,000	0	100,000	0
LINE EXTENSIONS	150,000	0	165,000	0	0
LIFT STATION SCADA UPGRADES	10,000	0	0	0	10,000
WWTP HEADWORKS	0	0	0	0	10,000
LIFT STATIONS	300,000	600,000	0	600,000	0
UV SYSTEM REPLACEMENT	530,000	0	0	0	0
TURBINE BLOWERS	0	0	525,000	0	1,575,000
CENTRIFUGE CONTROLS	0	150,000	0	0	0
CLARIFIERS	500,000	0	0	0	0
EFFLUENT DISPOSAL SYSTEM	44,100	46,310	48,630	51,060	0
Total Capital Improvements	1,624,600	1,046,810	739,130	751,560	1,595,500

WASTEWATER CONCERNS & SOLUTIONS

🌐 \$1,141,330 Infrastructure shortfall

- 🌐 Riverfront reclamation facility costs
- 🌐 Need for infrastructure repairs
- 🌐 Need for Mingus wastewater plant repairs and improvements

🌐 Temporary solution

- 🌐 Borrow from the water utility for a short term
- 🌐 Compensate water utility for a reasonable interest rate

🌐 Permanent solution

- 🌐 Have the rate study set the rates where they need
- 🌐 Eliminate the smoothing process

Future Meetings

🌐 April 25th at 5:30 p.m.

🌐 April 27th at 5:30 p.m.

🌐 April 28th at 5:30 p.m. (Backup)

🌐 June 6th Public Hearing & Tentative budget adoption

🌐 June 20th Public Hearing & Final budget adoptions

🌐 Questions????

