

City of Cottonwood  
All Employee Meeting  
October 3, 2018

Cottonwood Recreation Center  
199 S. 6<sup>th</sup> St.  
Cottonwood, AZ

# FY 2018 BUDGET PROCESS

## 🗣️ Started Budget Presentations to Council – January 2018

🗣️ Departments presented - Goals for FY2019, Accomplishments for FY 2018 and Performance Measures

## 🗣️ 1st round of budget meetings (GF base budget) – (\$1,578,075) – April 24th

🗣️ Operational & maintenance costs

🗣️ Current capital improvements

🗣️ No new programs or projects

🗣️ No new personnel or reclassifications

🗣️ Finance staff mentioned the need for additional revenues

## 🗣️ Presented to Council – (\$491,005) May 8th and 10th

🗣️ Removed large Grant match for Drainage Project







🗣️ Proposed Sales Tax increase to cover revenue issues

🗣️ Presented Scenarios on funding different projects and developing reserves

# FY 2018 BUDGET PROCESS

- 🌐 Council voted to increase sales tax by .5%
  - 🌐 Reduced expenditures by \$142,500
  - 🌐 Reduced Funding for Merits by \$80,400 change merit ranges to max 4%
  - 🌐 Add \$87,095 in capital
  - 🌐 33 Range reclassifications
  - 🌐 9 Job reclassification
  - 🌐 2 New positions
  - 🌐 Added Hourly Stipend for Fire Department “Acting Officer Pay”
  - 🌐 Increased all Salary Ranges by 2.3%
- 🌐 Current overall FY 2018 balanced budget
  - 🌐 Proposed - \$67,877,435
  - 🌐 Tentative - \$69,528,685
  - 🌐 Final - \$69,528,685

# GENERAL FUND RESERVES STATUS

 60 Days Coverage	\$3,114,065
 Capital Accumulation Fund	\$1,000,000
 Undesignated Reserves	\$50,000
 Traditionally set at \$100,000	
 1% Sales Tax GF Capital	\$0
 0.2% Sales Tax PS Capital Fund	\$0

# BUDGET OVERVIEW

- Budget reductions to help balance the budget \$222,900
- New personnel
  - Requested \$564,275
  - Budgeted \$160,120
- Reclassified or adjusted positions
  - Requested - \$258,200
  - Budgeted - \$252,510
- Part-time positions
  - Requested \$8,279
  - Budgeted \$0

## Eliminated Positions

-  Business Analyst – Grant Expires September 30, 2018

## Slide 5

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**RR1** use the same bullets throughout your presentation.  
Rudy Rodriguez, 9/12/2018

# BUDGET OVERVIEW

## 🌐 Status of employee benefits

🌐 Merit program - \$332,194 – Merits of 2% to 4%

🌐 Cost Of Living Adjustment (COLA) 2.3% - Not Funded but Ranges increased  
🌐 4<sup>th</sup> consecutive year of no COLA

🌐 Longevity - \$50,000 – Eliminated  
🌐 Offered only once since its inception in 2007

🌐 Health insurance premiums increased by 3%

## 🌐 Retirement

🌐 ASRS – 11.5% - 11.8% \$950,354

🌐 PSPRS Fire - 26.61% - 27.44% \$429,220

🌐 PSPRS Police - 47.60% - 48.21% \$1,235,000

Estimated PSPRS annual contribution \$1,664,220

## Slide 6

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**RR2**

Isn't Merit 2-4% because if you get a 3% which is the lowest we give a merit for, then it would be a 2%

Rudy Rodriguez, 9/12/2018



# BUDGET OVERVIEW

## Estimated salary & benefits costs

Fund Breakdown	
General Fund	\$ 15,949,300
Hurf	305,170
Transit	1,159,920
Library	647,580
Enterprise - Waste Water	772,455
Enterprise - Water	1,566,825
<b>Total</b>	<b>\$ 20,401,250</b>

Total Salaries & Benefits	
Wages - Full & Part-Time	\$ 13,049,020
Overtime	667,190
Social Security	716,360
Medicare	197,390
Retirement	2,673,095
Insurance	2,496,480
Workers Comp	601,715
<b>Total</b>	<b>\$ 20,401,250</b>

Funding Source	
General Fund	\$ 16,596,880
HURF	305,170
ADOT Grant	1,159,920
Enterprise Funds	2,339,280
<b>Total</b>	<b>\$ 20,401,250</b>

# BUDGET OVERVIEW

## Funding outside agencies

Organization	FY 2018	FY 2019
Old Town Association	10,000	-
Verde Valley Senior Center	55,000	55,000
Veterans Van/Veteran Events	-	2,000
Outside Agencies	20,000	20,000
Birding Festival (GF & H2O)	2,000	2,000
Building Community Grants	15,000	15,000
Chamber of Commerce	179,027	181,050
Cottonwood Economic Development Council	31,593	31,950
Old Town Center for the Arts	20,000	20,000
Humane Society	43,880	43,880
The Environmental Education Center - Conserv	17,760	17,760
Project Wet	1,000	1,000
NACOG H2O Assistance	12,000	12,000
Outside Agency Support	\$ 407,260	\$ 401,640

# ORIGINAL vs REVISED vs ACTUAL

Fiscal Year	Original Budget	Revised Budget	Original vs Revised	Actual	Revised vs Actual
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	(43,130,965)	36,583,044	(37,294,011)
2017	73,112,570	64,934,025	(8,178,545)	53,080,245	(11,853,780)
2018	85,054,740	66,481,415	(18,573,325)		
2019	69,528,685				

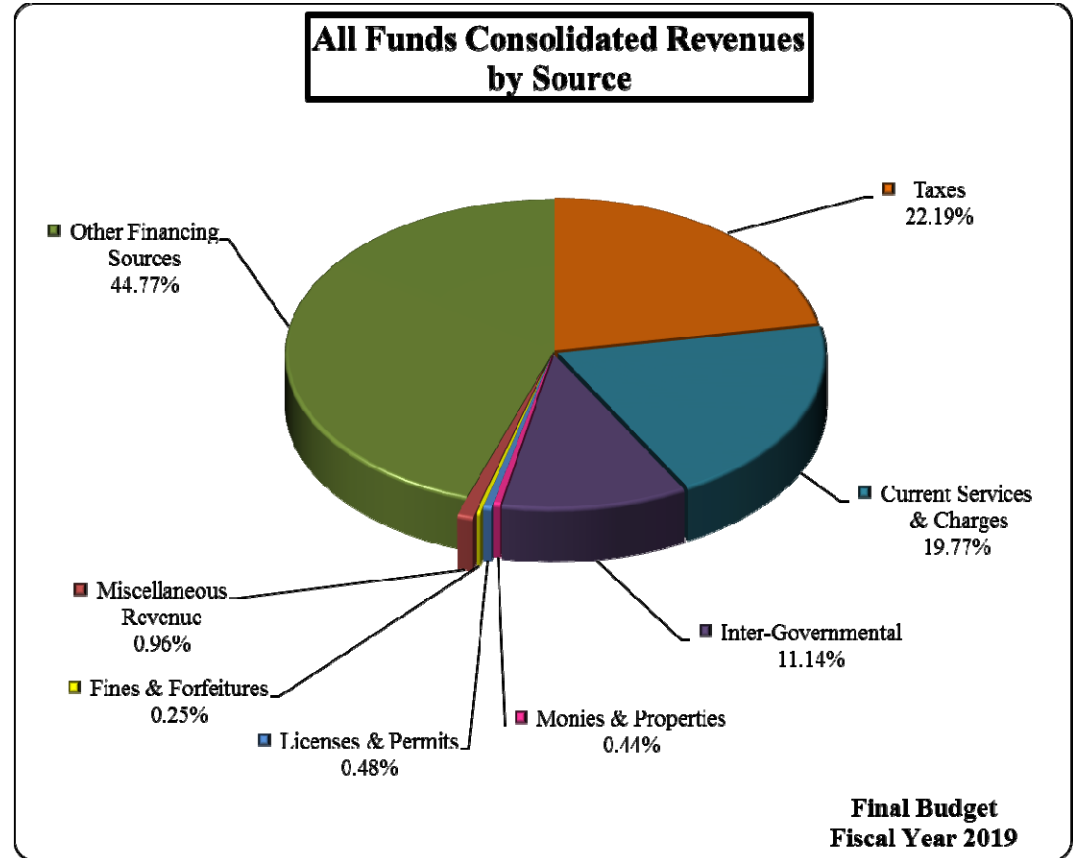
- Cottonwood budgets for all contingencies on the original budget
  - Fund balances
  - Anticipated Capital Improvements
  - All potential grants
  - Potential financing & refinancing

4% Avg.  
Growth

# WHERE DOES THE MONEY COME FROM?

## Revenues for All Funds

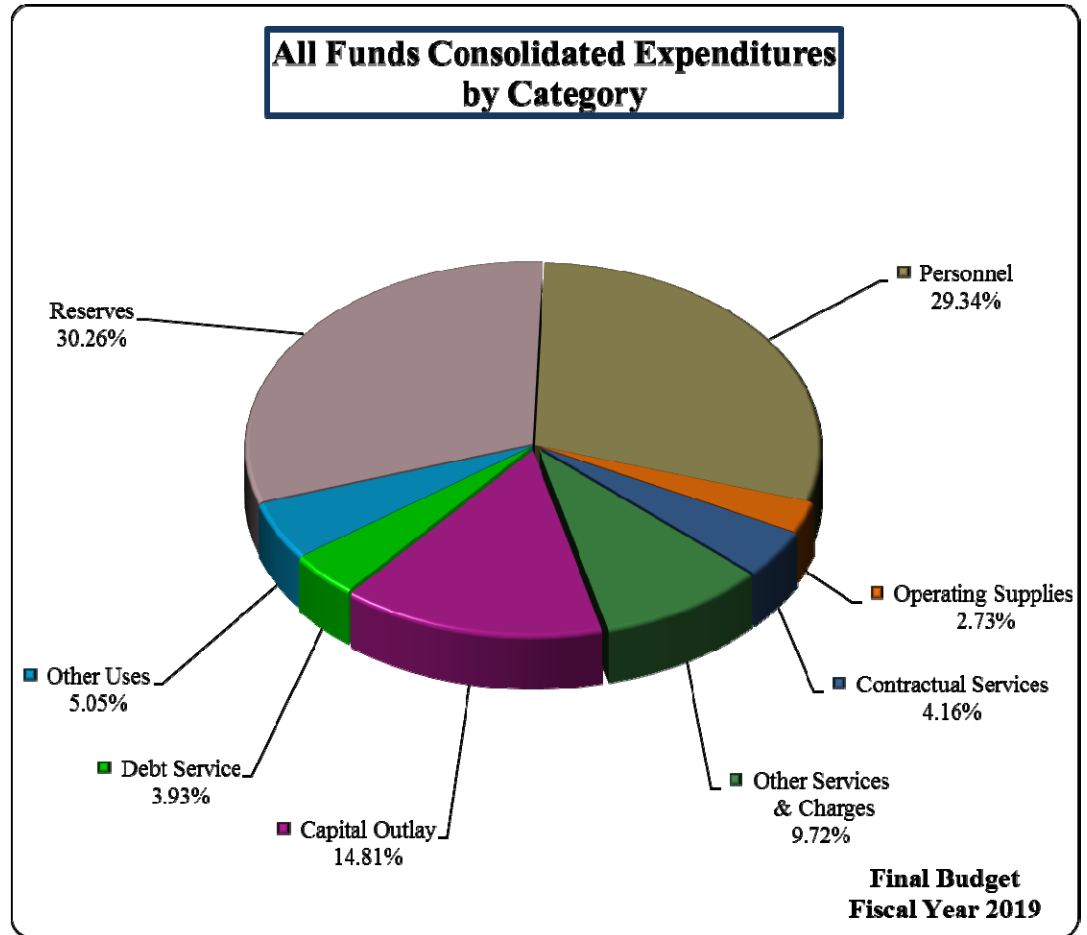
Taxes	\$15,428,490
Current Services & Charges	13,745,945
Inter-Governmental	7,746,300
Monies & Properties	304,895
Licenses & Permits	331,000
Fines & Forfeitures	172,000
Miscellaneous Revenue	669,190
Subtotal	38,397,820
Other Financing Sources	31,130,865
<b>Total Revenues for All Funds</b>	<b>\$69,528,685</b>



# WHERE DOES THE MONEY GO?

## Expenditures for All Funds

Personnel	\$20,401,250
Operating Supplies	1,899,100
Contractual Services	2,885,970
Other Services & Charges	6,502,825
Capital Outlay	10,293,135
Debt Service	2,731,635
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Subtotal	44,713,915
Other Uses - Transfers Out	3,513,225
Reserves	21,301,545
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<b>Total Expenditures for All Funds</b>	<b>\$69,528,685</b>



# Information

 For presentations and financial information, go to <http://cottonwoodaz.gov/168/Financial-Transparency>

 Contact information:

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## OUR VALUES:

- 👁️ Treat Everyone with Dignity and Respect
- 👁️ Ensure for Uncompromising Integrity
- 👁️ Communicate and Actively Listen
- 👁️ Be Responsive and Accountable
- 👁️ Be Innovative
- 👁️ Be a Professional in Attitude, Conduct, and Appearance
- 👁️ Strive to Provide Effective and Efficient Services