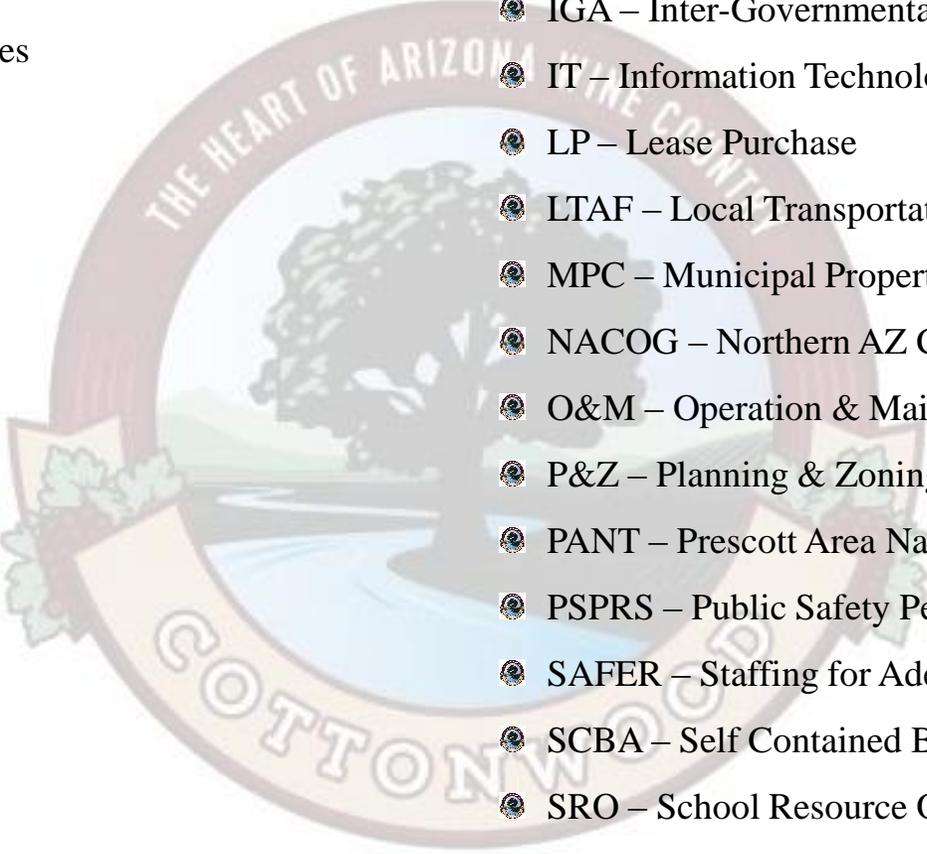


City of Cottonwood
FY 2017 Proposed Budget Meeting
May 09, 2016

City Council Chambers
826 North Main Street
Cottonwood, AZ

GLOSSARY OF ACRONYMS

- 
- The seal of Waterbury County, North Dakota, is centered in the background. It features a circular design with a tree in the center, a river below it, and a banner at the bottom that reads "COTTONWOOD COUNTY". The top arc of the seal contains the text "THE HEART OF ARIZONA".
- ADOT – Arizona Department of Transportation
 - ASRS – Arizona State Retirement System
 - ADWR – Arizona 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 Arizona Development Authority
 - GF - General Fund
 - GOHS – Governor’s Office of Highway 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 2017 BUDGET PROCESS

- ① 1st round of budget meetings (base budget) – (\$587,350)
 - ① Operational & maintenance costs
 - ① Current capital improvements

- ① After meeting with City Manager – (\$120,000)
 - ① Added personnel & reclassification
 - ① Added necessary capital
 - ① Still operational base budget
 - ① Moved out some capital to FY 2018

- ① Asked all departments for help to balance the budget
 - ① Police
 - ① Fire
 - ① Recreation Center and Parks

- ① Current overall FY 2017 balanced budget - \$72,809,135



PERSONNEL

NEW PERSONNEL REQUESTS

Dept	Job Description	Requested Range	Range Parameters			Est. Salary (min +5%)	Benefits	Est. Annual Costs
Fire	Deputy Fire Chief (FT)	31	73,901	85,572	97,243	77,596	31,038.42	\$108,634
IT	Radio Technician (FT)	23	50,019	57,919	65,818	52,520	21,007.98	73,528
Library	Library Clerk - Youth Services (FT)	11	27,852	32,251	36,650	29,245	11,697.84	40,942
Library	Library Clerk - Adult Services (FT)	11	27,852	32,251	36,650	29,245	11,697.84	40,942
Police	Records and Evidence Technician (FT)	15	33,855	39,202	44,548	35,548	14,219.10	49,767
Planning	Administrative Assistant	13	30,707	35,557	45,254	32,242	12,896.94	45,139
Transit	Transit Drivers (3) - 3/4 of the year	12	29,245	33,864	43,099	92,122	36,848.70	128,970
Total Requested						348,517	139,407	\$487,924

NEW PERSONNEL BUDGETED

Dept	Job Description	Requested Range	Range Parameters			Est. Salary (min +5%)	Benefits	Est. Annual Costs
IT	Radio Technician (FT)	23	50,019	57,919	65,818	52,520	21,007.98	73,528
Planning	Administrative Assistant	13	30,707	35,557	45,254	32,242	12,896.94	45,139
Transit	Transit Drivers (3) - 3/4 of the year	12	29,245	33,864	43,099	92,122	36,848.70	128,970
Total Budgeted						176,884	70,754	247,638

Radio Technician will be funded mostly by elimination of some contracts

We already have a half time Administrative Assistant

Transit Drivers a predominately funded through ADOT grants

PERSONNEL RECLASSIFICATION REQUESTS

Dept	Job Description	Current Range	Requested Range	Current Salary	New Min	Salary Increase	Est Increase Benefits	Est. Annual Costs
Fire	Paramedic Pay - 16			4,500		24,000	9,600.00	\$33,600
Wastewater	3 WW Operator I-when Grade 2 licensed	14	16	33,050	35,548	7,494	2,997.60	\$10,492
Purchasing	Purchasing Agent							
	Purchasing/Contracts Administrator	22	30	48,974	70,382	21,408	8,563.36	\$29,972
Total Requested						52,902	21,161	\$74,063

Only the Purchasing Agent to Purchasing / Contract Administrator is included in the budget

PART TIME PERSONNEL REQUEST

Dept	Job Description	Salary & Overtime	Benefits	Est. Annual Costs
Fire	<i>Fire Prevention/Training Support Specialist</i>	\$16,928	\$1,295	\$18,223
	<i>Records Clerk</i>	\$15,354	\$1,175	16,529
Library	<i>Library Clerk - Youth Services</i>	\$4,940	\$378	5,318
	<i>Library Clerk - Adult Services</i>	\$4,940	\$378	5,318
			Total Requested	\$45,387

No additional part-time staff is included in this budget

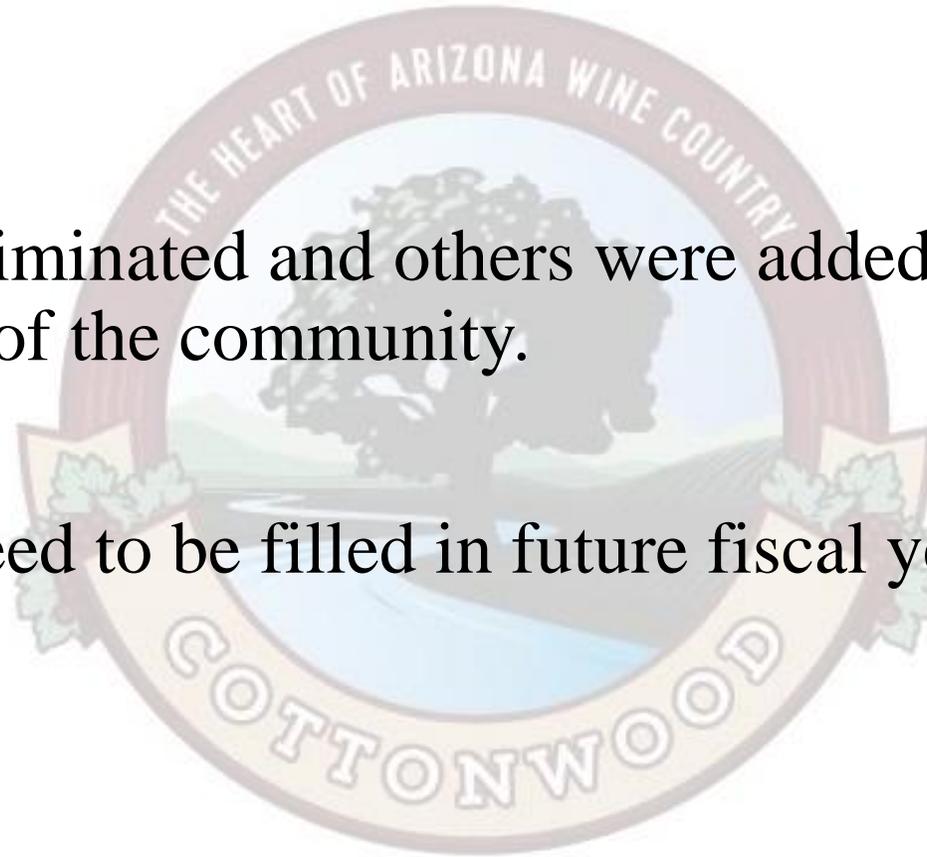
ELIMINATED POSITIONS

 Police Officer

\$75,305

This position was eliminated and others were added as part of evaluating the need of the community.

This position will need to be filled in future fiscal years.



STATUS OF EMPLOYEE BENEFITS

- 🌐 Merit program - \$340,759 - Funded
- 🌐 Cost Of Living Adjustment (COLA) 0.0% - \$0 – Funded 😊
- 🌐 Longevity - \$47,000 – **Eliminated**
- 🌐 Health insurance premiums increased by 2%
 - 🌐 Employee premiums 100% covered
 - 🌐 Dependent coverage still subsidized
- 🌐 Retirement
 - 🌐 ASRS – 11.47% - 11.48% \$906,563
 - 🌐 PSPRS Fire – 18.38% - 18.78% \$324,450
 - 🌐 PSPRS Police – 37.37% - 37.72% \$879,100

Total Salaries and Benefits

Total Salaries & Benefits	
Wages	\$12,299,597
Overtime	475,450
Insurance	2,865,955
Worker Comp	302,100
FICA	670,562
Retirement	2,110,113
Medicare	185,063
Total	<u>\$18,908,840</u>

Fund Breakdown	
General Fund	\$14,593,775
HURF - Streets	301,355
HURF - Transit	1,288,963
Library	606,555
Enterprise - Sewer	725,976
Enterprise - Water	1,392,216
Total	<u>\$18,908,840</u>

Funding Source	
General Fund	\$15,989,952
HURF	301,355
ADOT Grant	499,341
Enterprise Funds	2,118,192
Total	<u>\$18,908,840</u>

-  Personnel costs are 57.1% of our overall operation & maintenance costs. This is excluding reserves and capital outlay and improvements. ($\$18,908,840 / \$33,101,590$)
-  Personnel cost are 26.0% of the overall budget including reserves and capital outlay and improvements. ($\$18,908,840 / \$72,809,135$)



CAPITAL OUTLAY

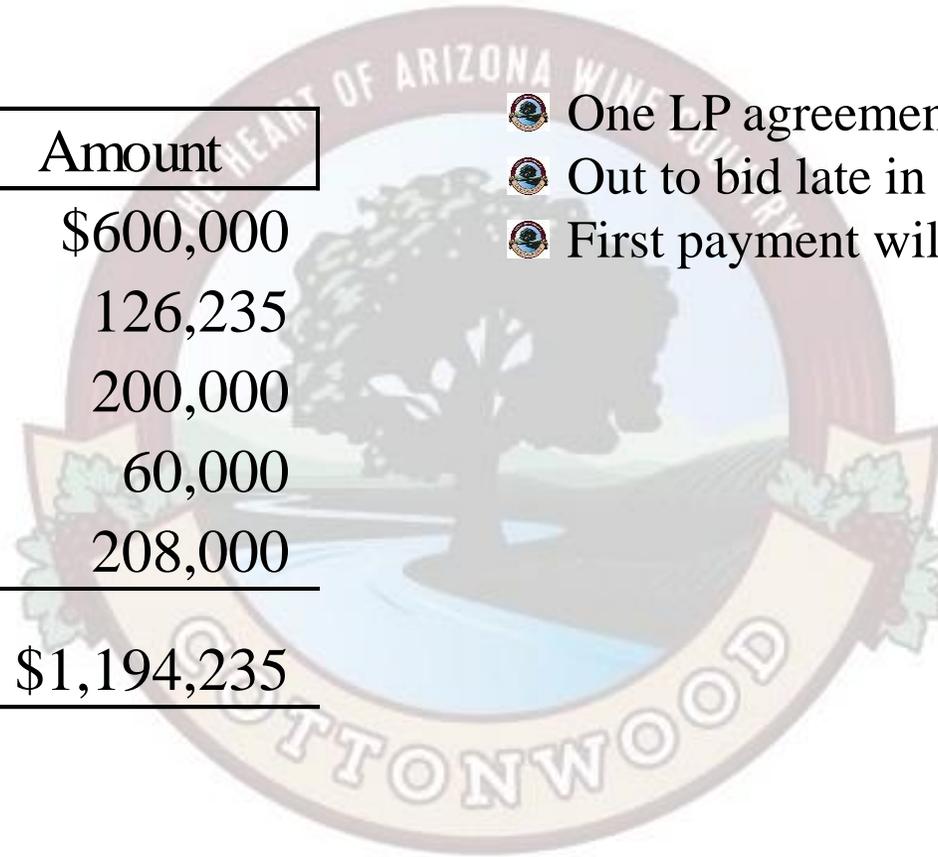
CAPITAL CUTS TO BALANCE THE BUDGET

Department	Initially Requested	<35,000	>35,000	Adjustment	Revised Capital Budget
Council	\$8,100	\$8,100	\$0	(6,600.00)	\$1,500
Municipal Court	2,000	2,000	0	(2,000.00)	0
Communications	120,916	39,772	81,144	(120,916.00)	0
Engineering	491,500	32,000	459,500	(364,000.00)	127,500
Fire	4,451,000	71,000	4,380,000	(3,768,000.00)	683,000
IT	399,000	99,000	300,000	(354,000.00)	45,000
Library	144,900	44,900	100,000	(87,900.00)	57,000
Parks & Bldg Mtnc	413,500	268,500	145,000	(387,500.00)	26,000
Parks & Recreation	344,100	106,100	238,000	(335,100.00)	9,000
Police	357,782	66,230	291,552	(206,717.00)	151,065
Public Works	334,500	19,500	315,000	(277,500.00)	57,000
Recreation Center	253,000	45,000	208,000	(32,000.00)	221,000
Sewer-Construction	11,514,495	0	11,514,495	(161,100.00)	11,353,395
Sewer-Operations	140,100	66,600	73,500	(115,300.00)	24,800
Streets-Construction	4,240,985	53,500	4,187,485	(2,109,335.00)	2,131,650
Streets-Operations	266,650	66,650	200,000	(17,650.00)	249,000
Transit	125,000	125,000	0	0.00	125,000
Water-Construction	5,008,700	0	5,008,700	(28,900.00)	4,979,800
Water-Operations	356,480	127,480	229,000	63,500.00	419,980
Totals	\$28,972,708	\$1,241,332	\$27,731,376	(\$8,311,018)	\$20,661,690

Proposed Financing

Equipment	Amount
Fire Truck	\$600,000
Police Vehicles	126,235
Street Sweeper	200,000
Jaws of Life (2)	60,000
Rec Ctr Equipment	208,000
Lease Purchase Total	<u>\$1,194,235</u>

- 🗓️ One LP agreement drops off on 01/01/2017
- 🗓️ Out to bid late in the calendar year
- 🗓️ First payment will be 07/01/2017 in FY 2018





FINANCIAL RESOURCES

Major Revenue Sources – Six Years

Revenue		Fiscal Years						Highest FY	
Source	Notes	2012	2013	2014	2015	2016	2017	Collections	Year
Local Sales Tax	1	10,265,356	11,014,097	11,930,653	12,390,296	12,865,655	13,366,405	10,102,433	2008
State Shared Income Tax	2	950,774	1,150,696	1,255,627	1,363,698	1,356,305	1,444,370	1,623,403	2009
State Shared Sales Tax		880,250	977,061	980,537	1,029,494	1,076,180	1,111,240	1,111,240	2017
Motor Vehicle Tax		602,832	563,851	647,250	660,786	686,380	703,780	703,780	2017
HURF	3	713,231	778,265	805,540	876,817	846,670	906,640	979,659	2007

1 - Sales Tax highest collections in 2008 was at the 2.2% rate. At the current rate of 3% it would be \$13,776,045.

2 - Collection was from 2007 (pre-economic downturn)

3 - State continues to hinder the distribution of this revenue

General Fund Reserve Status

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

60 Days Coverage	\$2,851,240
Capital Accumulation Fund	\$1,000,000
Undesignated Reserves (this is our only cushion)	\$27,675
1% Sales Tax GF Capital	\$0
0.2% Sales Tax PS Capital Fund	\$0

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)		
2017	\$72,809,135				

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

FUNDING OUTSIDE AGENCIES



Funding Outside Agencies

Organization	FY 2016	FY 2017
Old Town Association	\$10,000	\$10,000
Senior Center	\$55,000	\$55,000
Humane Society	\$44,320	\$43,880
NACOG – H2O Assistance	\$15,000	\$15,000
Chamber of Commerce	Estimate \$176,260	Proposed \$201,000
Old Town Center for Arts	\$20,000	\$20,000
Building Community Grants	\$15,000	\$15,000

These organizations will be presenting on Tuesday May 10th.

Future Meetings

🌐 May 10st at 4:00 p.m.

🌐 June 7th Public Hearing & Tentative budget adoption

🌐 June 21st Public Hearing & Final budget adoption

• Questions????

