

COUNCIL DECISION REQUEST

SUBJECT: Public Hearings: Proposed Budget for Fiscal Year 2008/2009 and Budget Expenditure Limitation for Fiscal Year 2008/2009.

MEETING DATE: July 17, 2008

CSP ITEM: Yes No KRA#

ITEM NO.:

SUBMITTED BY: Doug Hill, CFO

AMOUNT BUDGETED: N.A.

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: N.A.

CONT. FUNDING REQUIRED: N.A.

EXHIBITS (If Applicable, To Be Attached): Summary Schedule A of Estimated Revenues and Expenditures/Expenses and Schedule B-E.

RECOMMENDED ACTION

I move to adopt Resolution No. 2405 as the Final Budget for the Town of Payson for the Fiscal Year 2008/2009.

SUMMARY OF THE BASIS FOR RECOMMENDED ACTION: The Town Council met on July 2, 2008 and approved the Tentative Budget for the fiscal year 2008-2009. The Tentative Budget was approved at a total of \$36,093,821. The funding to support this budget is made up of \$13,827,875 of surplus revenues expected to be carried forward from Fiscal Year 2007/2008; \$27,399,500 in projected revenue for Fiscal Year 2008/2009, other than property tax collections; \$497,200 in primary tax collections; \$150,000 in secondary property tax collections; and no proceeds from other financial sources. The Budget Expenditure Limitation for Fiscal Year 2008/2009 is \$34,072,321. This amount is the Total Budget of \$36,093,821 less the Interfund Transfers of \$2,021,500. The expenditures for the Interfund Transfers are accounted for in the Expenditure Limitation of \$34,072,321.

PROS: N.A.

CONS: N.A.

PUBLIC INPUT (if any):

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes): N. A.

Addendum to: JUL 17 2008 Sp.1

RESOLUTION NO. 2405

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, ADOPTING ESTIMATES OF REVENUES AND EXPENDITURES/EXPENSES SHOWN ON SCHEDULES ATTACHED AS NOW INCREASED, REDUCED OR CHANGED, AND ADOPTING THE SAME AS THE FINAL BUDGET OF THE TOWN OF PAYSON FOR THE FISCAL YEAR 2008-2009

WHEREAS, in accordance with the provisions of A.R.S. 42-17101 through 42-17105, the Town Council did, on the 2nd day July, 2008, make an estimate of the different amounts required to meet the public expenses for the ensuing year, also an estimate of receipts from sources other than direct taxation and the amount to be raised by taxation upon real and personal property within the Town of Payson, Arizona, and by taxation upon real and personal property within the Town of Payson, Arizona; and

WHEREAS, in accordance with said Sections of Title 42 and following due public notice, the Council met on July 17, 2008, 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, it appears that publication has been duly made as required by law of said estimates together with a notice that the Town Council would meet on August 8, 2008, at the Office of the Town Council for the purpose of making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation as specified therein do not, in aggregate, exceed that amount for primary property taxes as computed in A.R.S. 42-17102,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE that the said estimates of revenue and expenditures/expenses shown on the accompanying schedules as now increased, reduced or changed, be and the same are hereby adopted as the budget for the Town of Payson, Arizona, for the Fiscal Year 2008.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, this _____ day of _____, 2008 by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Kenny Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith,
Town Clerk

Samuel I. Streichman
Town Attorney

TOWN OF PAYSON
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2009

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2008	ACTUAL EXPENDITURES/EXPENSES ** 2008	FUND BALANCE/ NET ASSETS*** July 1, 2008**	PROPERTY TAX REVENUES 2009	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2009	OTHER FINANCING 2009		INTERFUND TRANSFERS 2009		TOTAL FINANCIAL RESOURCES AVAILABLE 2009	BUDGETED EXPENDITURES/EXPENSES 2009
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 14,217,021	\$ 13,247,500	\$ 815,700	Primary: \$ 497,200 Secondary:	\$ 13,901,500	\$	\$	\$ 330,000	(1,595,300)	\$ 17,139,700	\$ 13,619,241
2. Special Revenue Funds	9,890,689	6,538,900	2,385,800		5,733,500			1,237,800	(330,000)	9,687,100	7,332,376
3. Debt Service Funds Available	1,094,630	1,188,300	1,530,500	\$ 150,000	666,900			241,300		2,588,700	1,199,700
4. Less: Designation for Future Debt Retirement											
5. Total Debt Service Funds	1,094,630	1,188,300	1,530,500	150,000	666,900			241,300		2,588,700	1,199,700
6. Capital Projects Funds	4,851,009	1,928,500	1,525,200		2,749,800			212,400	(96,200)	4,583,600	4,023,400
7. Enterprise Funds Available	4,649,702	3,772,925	7,570,675		4,347,800					11,918,475	7,897,604
8. Less: Designation for Future Debt Retirement											
9. Total Enterprise Funds	4,649,702	3,772,925	7,570,675		4,347,800					11,918,475	7,897,604
10. TOTAL ALL FUNDS	\$ 34,703,051	\$ 26,676,125	\$ 13,827,875	\$ 647,200	\$ 27,399,500	\$	\$	\$ 2,021,500	(2,021,500)	\$ 45,917,575	\$ 34,072,321

EXPENDITURE LIMITATION COMPARISON

	2008	2009
1. Budgeted expenditures/expenses	34,703,051	34,072,321
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	34,703,051	34,072,321
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	34,703,051	34,072,321
6. EEC or voter-approved alternative expenditure limitation	34,703,051	34,174,821

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in current year 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 PAYSON
Summary of Tax Levy and Tax Rate Information
Fiscal Year 2009

	2008	2009
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 732,529	\$ 551,020
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 498,207	\$ 497,200
B. Secondary property taxes	205,000	150,000
C. Total property tax levy amounts	\$ 703,207	\$ 647,200
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 481,400	
(2) Prior years' levies	8,000	
(3) Total primary property taxes	\$ 489,400	
B. Secondary property taxes		
(1) Current year's levy	\$ 205,000	
(2) Prior years' levies	2,000	
(3) Total secondary property taxes	\$ 207,000	
C. Total property taxes collected	\$ 696,400	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.2476	0.2230
(2) Secondary property tax rate	0.0986	0.0598
(3) Total city/town tax rate	0.3462	0.2828

B. Special assessment district tax rates

Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating two 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 city/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 PAYSON
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
GENERAL FUND			
Local taxes			
Sales Tax - Town	7,590,500	6,846,800	7,000,000
Licenses and permits			
Utility Franchise	356,500	347,600	355,400
Business License	59,640	57,000	58,400
Liquor License Fees	1,400	1,400	1,000
Building Permits	400,000	265,000	267,600
ROW Permits	7,300	4,000	4,000
Animal Control Licenses	11,250	10,000	11,200
Intergovernmental			
IGA Revenue - BIA	75,000	18,700	20,000
Vehicle License Tax	976,000	1,007,000	1,025,000
State Shared Revenue	3,744,590	3,571,500	3,609,000
Grants	158,500	67,500	90,000
Fire IGA	252,000	139,600	252,000
Police IGA	308,100	258,300	308,300
Charges for services			
Prosecution Fees	31,000	28,000	27,400
Law Enforcement Charges	30,000	54,000	46,000
Fire Code Plan Review	6,000	6,700	6,500
Plan Review Fees	250,000	140,000	141,600
Zoning & Subdivision Fees	34,000	25,700	26,000
Building - Special Inspections	4,000	6,300	6,300
Engineering - Review Fees	10,000	8,000	8,100
Fines and forfeits			
Court Fines and Fees	242,000	200,400	204,000
Interest on investments			
Interest Earnings	81,000	40,000	90,000
Miscellaneous			
Insurance Recoveries	130,820	83,400	135,600
Public Surplus Sales	200,000	40,000	30,000
Recreation Fees	123,000	126,000	138,500
Other Revenue	32,500	31,700	39,600
Total General Fund	\$ 15,115,100	\$ 13,384,600	\$ 13,901,500

* 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 PAYSON
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

<u>SOURCE OF REVENUES</u>	<u>ESTIMATED REVENUES 2008</u>	<u>ACTUAL REVENUES* 2008</u>	<u>ESTIMATED REVENUES 2009</u>
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway User Gas Tax	\$ 1,790,930	\$ 1,623,600	\$ 1,819,000
Adot Grants	125,000	0	125,000
HURF Exchange Funds	400,000	400,000	0
Special Inspection Fees	10,000	41,000	35,000
Deveolpment Impact Fees	270,000	90,000	97,200
Interest	6,000	40,000	50,000
Other Revenue	185,000	28,500	30,000
Total Highway User Revenue Fund	\$ 2,786,930	\$ 2,223,100	\$ 2,156,200
Local Transportation Assistance Fund			
Local Transportation Asst Fund	\$ 71,730	\$ 71,700	\$ 74,500
LTAF - VLT	25,000	25,000	25,000
Local Transportation Assistance Fund	\$ 96,730	\$ 96,700	\$ 99,500
Housing Trust Fund			
Contributions	\$ 300,000	\$ 24,100	\$ 100,100
Housing Trust Total	\$ 300,000	\$ 24,100	\$ 100,100
Bed Tax Fund			
Bed Tax	\$ 247,800	\$ 180,000	\$ 186,000
Donations	35,000	0	0
Interest	2,000	1,200	2,000
Bed Tax Total	\$ 284,800	\$ 181,200	\$ 188,000
Library District Tax Fund			
Gila County Library Dist Tax	\$ 210,420	\$ 212,300	\$ 225,000
Fines and Donations	16,000	15,100	16,000
Interest	0	1,800	2,000
Library District Total	\$ 226,420	\$ 229,200	\$ 243,000
Wildlands/Urban Fire Program			
Wildfire/Urban Program Charges	\$ 200,870	\$ 35,000	\$ 56,200
Interest	0	3,100	4,000
Wildlands/Urban Total	\$ 200,870	\$ 38,100	\$ 60,200
Magistrate Court Funds			
Fines	\$ 8,000	\$ 5,500	\$ 6,500
Interest	200	1,900	2,300
Magistrate Court Total	\$ 8,200	\$ 7,400	\$ 8,800

TOWN OF PAYSON
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
Event Center Fund			
Event Revenue	\$ 16,000	\$ 16,000	\$ 16,200
Interest	0	0	500
Event Center Total	\$ 16,000	\$ 16,000	\$ 16,700
Police Reserve Academy Fund			
Academy Fees	\$ 7,500	\$ 0	\$ 19,500
Interest	0	1,100	1,500
Police Reserve Total	\$ 7,500	\$ 1,100	\$ 21,000
Police Justice Fund			
RICO Revenue	\$ 0	\$ 0	\$ 32,000
Interest	0	100	3,000
Police Justice Total	\$ 0	\$ 100	\$ 35,000
Airport Fund			
Grants	\$ 276,600	\$ 50,000	\$ 363,000
User Fees	82,760	50,600	40,000
Interest	10,100	10,000	20,000
Airport Fund Total	\$ 369,460	\$ 110,600	\$ 423,000
Self-Funded Insurance Fund			
Contributions/Other	\$ 1,779,000	\$ 1,485,000	\$ 1,766,000
Interest	14,000	23,000	25,000
Self-Funded Insurance Total	\$ 1,793,000	\$ 1,508,000	\$ 1,791,000
Rainy Day Fund			
Interest	\$ 0	\$ 11,400	\$ 15,000
Rainy Day Total	\$ 0	\$ 11,400	\$ 15,000
Gifts and Grants			
Grants	\$ 123,320	\$ 5,500	\$ 558,000
Miscellaneous	76,250	42,600	15,000
Interest	0	2,100	3,000
Gifts and Grants Total	\$ 199,570	\$ 50,200	\$ 576,000
Total Special Revenue Funds	\$ 6,289,480	\$ 4,497,200	\$ 5,733,500

* 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 PAYSON
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

<u>SOURCE OF REVENUES</u>	<u>ESTIMATED REVENUES 2008</u>	<u>ACTUAL REVENUES* 2008</u>	<u>ESTIMATED REVENUES 2009</u>
DEBT SERVICE FUNDS			
General Debt Service			
Interest	\$ 0	\$ 2,600	\$ 30,000
General Debt Total	\$ 0	\$ 2,600	\$ 30,000
ELRID Debt Service			
Assessments	\$ 136,000	\$ 151,000	\$ 107,900
Interest	13,000	13,000	10,000
ELRID Debt Total	\$ 149,000	\$ 164,000	\$ 117,900
Westerly Road Debt			
Assessments	\$ 59,760	\$ 101,000	\$ 105,900
Interest	0	500	500
Westerly Road Total	\$ 59,760	\$ 101,500	\$ 106,400
Rumsey Park COPS			
Interest	\$ 0	\$ 200	\$ 300
Rumsey Park Total	\$ 0	\$ 200	\$ 300
Green Valley Park Debt			
Contributions	\$ 60,000	\$ 60,000	\$ 60,000
Interest	0	200	300
Green Valley Total	\$ 60,000	\$ 60,200	\$ 60,300
Excise Tax Bonds 2003			
Interest	\$ 180	\$ 2,000	\$ 2,000
Excise Tax Total	\$ 180	\$ 2,000	\$ 2,000
General Obligation Bonds			
Sales Tax - Town	\$ 400,000	\$ 290,000	\$ 335,000
Interest	6,000	10,000	15,000
General Obligation Total	\$ 406,000	\$ 300,000	\$ 350,000
Total Debt Service Funds	\$ 674,940	\$ 630,500	\$ 666,900

* 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 PAYSON
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
CAPITAL PROJECTS FUNDS			
Capital Projects Fund			
Lease Purchase proceeds	\$ 550,000	\$ 444,100	\$ 107,000
Interest	0	3,000	1,500
Capital Projects Total	\$ 550,000	\$ 447,100	\$ 108,500
Park Development Fund			
Park Impact Fees	\$ 213,000	\$ 70,000	\$ 70,800
Other Revenue	\$ 22,000	\$ 500	\$ 2,000
Interest	20,000	7,000	10,000
Park Development Total	\$ 255,000	\$ 77,500	\$ 82,800
Public Safety Development			
Development Fees	\$ 176,000	\$ 37,000	\$ 37,600
Interest	0	400	500
Public Safety Total	\$ 176,000	\$ 37,400	\$ 38,100
Green Valley Redevelopment			
Grant Revenue	\$ 494,770	\$ 0	\$ 258,000
Event Revenues	\$ 7,000	\$ 0	\$ 1,000
Interest	0	2,000	4,000
Green Valley Total	\$ 501,770	\$ 2,000	\$ 263,000
Excise Tax Construction			
Interest	\$ 0	\$ 13,500	\$ 0
Excise Tax Constr Total	\$ 0	\$ 13,500	\$ 0
Public Safety Project			
Interest	0	7,100	8,000
Public Safety Total	\$ 0	\$ 7,100	\$ 8,000
American Gulch Fund			
Contributions	\$ 0	\$ 0	\$ 250,000
American Gulch Total	\$ 0	\$ 0	\$ 250,000
Bonita Street Construction			
HELP Loan	\$ 0	\$ 0	\$ 1,200,000
Interest	0	1,900	4,000
Bonita Street Total	\$ 0	\$ 1,900	\$ 1,204,000
Central Arizona Project			
Interest	\$ 85,000	\$ 66,300	\$ 85,000
Central Arizona Total	\$ 85,000	\$ 66,300	\$ 85,000
Grant Capital Projects			
CDBG Housing Grants	\$ 368,860	\$ 12,300	\$ 166,300

TOWN OF PAYSON
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2009

SOURCE OF REVENUES	ESTIMATED REVENUES 2008	ACTUAL REVENUES* 2008	ESTIMATED REVENUES 2009
FEMA Grants	90,070	85,500	33,000
HSG SCBA Flow Tester	21,000		
Special Project SSP		114,000	
Arizona Home Grant	297,000	107,300	190,600
DOC Growing Smarter	6,500		
Fire Grants	15,000	24,000	320,000
Gila County CERT Grant	15,000		
Interest			500
Grant Capital Total	\$ 813,430	\$ 343,100	\$ 710,400
Total Capital Projects Funds	\$ 2,381,200	\$ 995,900	\$ 2,749,800
ENTERPRISE FUNDS			
Water Fund			
Charges for Service	\$ 3,434,180	\$ 3,436,100	\$ 3,483,000
New Service Installation	80,000	52,000	80,000
Interest	280,000	225,000	300,000
Development Impact Fees	200,000	202,000	206,000
Facilities Lease Fees	40,870	28,000	30,000
Miscellaneous	80,000	95,300	36,800
Water Impact Fees	200,000	188,800	212,000
Total Water Fund	\$ 4,315,050	\$ 4,227,200	\$ 4,347,800
Total Enterprise Funds	\$ 4,315,050	\$ 4,227,200	\$ 4,347,800
TOTAL ALL FUNDS	\$ 28,775,770	\$ 23,735,400	\$ 27,399,500

* 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 PAYSON
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2009

FUND	OTHER FINANCING 2009		INTERFUND TRANSFERS 2009	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Rainy Day Fund	\$	\$	\$ 330,000	\$
HURF				(623,700)
Aiport Fund				(322,900)
Library				(248,000)
Magistrate				(43,200)
Debt Service				(145,100)
Capital Improvement				(212,400)
Total General Fund	\$	\$	\$ 330,000	\$ (1,595,300)
SPECIAL REVENUE FUNDS				
Rainy Day Fund	\$	\$	\$	\$ (330,000)
HURF			623,700	
Aiport Fund			322,900	
Library			248,000	
Magistrate			43,200	
Total Special Revenue Funds	\$	\$	\$ 1,237,800	\$ (330,000)
DEBT SERVICE FUNDS				
Debt Service	\$	\$	\$ 145,100	\$
Rumsey Park COPS			96,200	
Total Debt Service Funds	\$	\$	\$ 241,300	\$
CAPITAL PROJECTS FUNDS				
Capital Impovement	\$	\$	\$ 212,400	\$
Park Development				(96,200)
Total Capital Projects Funds	\$	\$	\$ 212,400	\$ (96,200)
ENTERPRISE FUNDS				
Water	\$	\$	\$	\$
Water Impact Fees				
Total Enterprise Funds	\$	\$	\$	\$
TOTAL ALL FUNDS	\$	\$	\$ 2,021,500	\$ (2,021,500)

