



Staff Report

Agenda Item: **FISCAL YEAR 2011-2012 PRELIMINARY BUDGET WORKSESSION**– A worksession with the Council regarding the preliminary Budget for FY 2011-2012.

Staff Contact: Kathy Bainbridge, Clerk/Finance Director

Meeting Date: June 14, 2011

Background: At the May 10, 2011 Council Meeting, a Power Point presentation of the 2011-2012 Fiscal Year Trial Budget was reviewed for the Major Operational Funds of the General Fund, HURF (Streets) Fund, Wastewater Fund, Sanitation Fund, Water Fund, Cemetery Fund, and Capital Improvement Fund. There were also budget presentations for the additional Non-Operational Funds of the Wastewater Plant & Equipment Improvements, Water Capital Improvements, Development Reimbursement Fund, Impact Fees, Wastewater Development Projects, Grant Fund and Donation Fund.

Projections were fine tuned as we continued to receive additional information over the last few weeks and the changes were:

1. Actual Workers Compensation experience modification increase to 1.92 which increased all Major Operational Funds a total of \$7,186.
2. Increase in one time COLA based upon the changes requested by Council for inclusion of the Town Manager, CSP Project Manager and Municipal Judge of \$3,435.
3. Actual annual contribution rate increase of the Public Safety Personnel Retirement System from 15.68% to 16.80% for a total increase of \$3,750.
4. NAIPTA/CAT Transit Contract decrease from \$41,828 to \$38,750 for a decrease of \$3,078.

Local sales tax totals on the revenue side were adjusted in order to cover these additional expenses and are now at our maximum comfort level for the 2011-2012 budget.

We held two Trial Budget Public Workshops and had only one person attend.

There are two items that have not been addressed in the proposed budget:

The Department of Water Resource Water Assessment of \$5,700 is still budgeted in the Water Fund. At the May 10th meeting, Council discussed moving the fee into the General Fund.

The Senior Center and the Clarkdale Heritage Center have made requests for line item funding from the Town during the Trial Budget process. In the past the budget did have a line item for “Non-Profit Funding Grants”, which we would use to fund those types of requests in the past. \$25,000 was budgeted in FY 2007 and \$4,500 was budgeted in FY 2008.

In order to fund either of the two above items in the General Fund we are asking Council to provide guidance as to what should be reduced/cut in order to accomplish the requests. We are providing a list of several discretionary items that are currently included in the FY12 budget that could be reduced/cut in order to fund things like Non-Profit Grants and the ADWR Water Assessment.

Discretionary Items:

National League of Cities Conference	\$ 5,800
Centennial Project Expenses	\$ 5,000
Website Expenses	\$ 6,000
COLA	\$36,285
Human Resource Department Safety	\$ 4,500

Property Tax Increase from the proposed 1.095 Tax Rate equaling \$412,394.52 up to a tax rate of 1.15 equaling 433,108.40. Our Allowable Levy Limit is \$436,573.

Supporting documents to this Staff Report are the 2011-2012 Proposed Budget Summary, which shows each Fund of the Town along with the budgeted expenses and revenues. There is an additional line on that document that shows the amount of designated funds (carryover) included in that budget which is detailed on the Designated Funds document.

Recommendation: This is a worksession only and no action by Council is required.

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2011-2012 Proposed Budget Summary	2010-2011 Budget	2010-2011 Projected YE	2011-2012 Budget
General Fund Total Expenses	\$2,417,779.56	\$2,291,645.40	\$2,759,404.35
General Fund Total Revenues	\$2,417,315.04	\$2,356,364.14	\$2,759,404.34
Designated Fund Balance			\$259,340.85
HURF Fund Total Expenses	\$328,535.75	\$379,980.00	\$649,378.00
HURF Fund Total Revenues	\$329,000.00	\$436,610.00	\$649,378.00
Designated Fund Balance			\$308,283.00
Wastewater Operation & Maintenance Expenses	\$347,236.45	\$296,087.95	\$328,700.00
Wastewater Operation & Maintenance Revenues	\$347,236.45	\$339,300.00	\$328,700.00
Sludge Removal Expenses	\$198,544.34	\$228,869.11	\$30,333.63
Sludge Removal Revenues	\$198,544.34	\$198,662.24	\$30,333.63
Designated Fund Balance			-\$29,470.92
WW Line Replacement Expenses	\$360,193.01	\$518.75	\$393,008.92
WW Line Replacement Revenues	\$361,319.47	\$362,642.58	\$393,008.92
Designated Fund Balance			\$362,642.58
WW Development Project Expenses	\$653,423.11	\$99,316.00	\$552,401.61
WW Development Project Revenues	\$653,423.11	\$325,136.74	\$552,401.61
Designated Fund Balance			\$325,136.74
WW Plant & Equipment Improvement Expenses	\$42,491.00	\$0.00	\$1,861,200.00
WW Plant & Equipment Improvement Revenues	\$42,491.00	\$0.00	\$1,861,200.00
Designated Fund Balance			\$1,826,200.00
WW Lift Station Replacement Expenses	\$52,278.79	\$0.00	\$52,347.91
WW Lift Station Replacement Revenues	\$52,278.79	\$52,337.44	\$52,347.91
Designated Fund Balance			\$52,337.44
Water Operation & Maintenance Expenses	\$1,329,218.91	\$1,244,671.00	\$1,380,200.00
Water Operation & Maintenance Revenues	\$1,329,218.90	\$1,213,397.00	\$1,380,200.00
Water Capital Improvement Total Expenses	\$3,102,918.38	\$1,758,583.00	\$1,300,809.76
Water Capital Improvement Total Revenues	\$3,071,877.40	\$1,278,407.00	\$1,300,809.76
Designated Fund Balance			\$1,534,849.17
Sanitation Fund Expenses	\$256,608.76	\$247,259.07	\$259,044.53
Sanitation Fund Revenues	\$274,000.00	\$281,742.00	\$275,500.00
Sanitation Capital Fund Expenses	\$44,000.00	\$44,000.00	\$40,000.00
Sanitation Capital Fund Revenues	\$164,192.79	\$181,109.12	\$153,600.82

2011-2012 Proposed Budget Summary	2010-2011 Budget	2010-2011 Projected YE	2011-2012 Budget
Cemetery Fund Expenses	\$37,640.66	\$64,203.88	\$40,140.00
Cemetery Fund Revenues	\$37,640.66	\$64,320.00	\$40,140.00
Perpetual Care Fund Expenses	\$18,500.00	\$11,000.00	\$15,500.00
Perpetual Care Fund Revenues	\$252,154.47	\$202,093.54	\$195,643.54
Designated Fund Balance			\$191,093.00
Capital Projects Fund Expenses	\$678,211.00	\$78,311.00	\$639,510.00
Capital Projects Fund Revenues	\$678,211.00	\$78,311.00	\$639,510.00
Development Reimbursement Fund Total Expenditures	\$1,912,000.00	\$569,030.00	\$2,178,530.00
Development Reimbursement Fund Total Revenues	\$1,912,000.00	\$1,409,530.00	\$2,178,530.00
Designated Fund Balance			\$306,030.00
Court Enhancement Fund Expenses	\$4,707.50	\$3,075.00	\$2,645.00
Court Enhancement Fund Revenues	\$4,707.50	\$3,220.00	\$2,645.00
Designated Fund Balance			\$145.00
Grant Fund Expenses	\$16,748,201.99	\$480,378.25	\$16,468,390.75
Grant Fund Revenues	\$16,748,201.99	\$635,648.26	\$16,468,390.75
Impact Fee Fund Expenses	\$980,063.30	\$0.00	\$977,390.18
Impact Fee Fund Revenues	\$980,063.29	\$25,869.19	\$977,390.19
Designated Fund Balance			\$25,869.19
Donation Fund Expenses	\$254,500.00	\$48,439.00	\$254,500.00
Donation Fund Revenues	\$254,500.00	\$78,347.66	\$254,500.00
Designated Fund Balance			\$73,813.55
Total Fund Expenses	\$29,767,052.50	\$7,845,367.41	\$30,183,434.63
Total Fund Revenues	\$30,108,376.20	\$9,523,047.91	\$30,493,634.47

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Designated Funds

	Previous	2010	2011 Earned	2011 Spent	Project Total 2011 YE	Fund Total 2011 YE
General Fund						
Park Land Fund	\$10,250.55				\$10,250.55	
Pool Plastering	\$14,090.30				\$14,090.30	
Police Car		\$35,000.00	\$0.00		\$35,000.00	
Fund Balance Transfer to Streets (if available)					\$200,000.00	\$259,340.85
HURF Fund						
Parkway		\$22,500.00	\$22,500.00		\$45,000.00	
General Street Projects		\$58,641.00			\$58,641.00	
Bent River Maintenance	\$4,642.00				\$4,642.00	
Fund balance transfer from GF					\$200,000.00	\$308,283.00
Developer Reimbursement Fund						
Wildhorse Lane	\$6,030.00				\$6,030.00	
Highlands Building		\$300,000.00			\$300,000.00	\$306,030.00
Court Enhancement Fund						
Court Enhancement		2,207.00	145.00	-2,207.00	\$145.00	\$145.00
Wastwater Fund						
Sludge Removal	\$168,162.24	\$31,235.84	-\$228,869.00		-\$29,470.92	
WW Line Replacement	\$330,839.92	\$31,802.66	\$0.00		\$362,642.58	
WW Development Fee	\$423,428.77	\$1,023.97	-\$99,316.00		\$325,136.74	
WW Lift Station Replacement	52,247.44	90.00	0.00		\$52,337.44	
Highlands - PTM	1,826,200.00				\$1,826,200.00	\$2,536,845.84
Sanitation Capital Fund						
	146,606.19	34,502.93	-44,000.00		\$137,109.12	\$137,109.12
Cemetery Perpetual Funds						
	\$201,168.00	\$925.00	-\$11,000.00		\$191,093.00	\$191,093.00
Grant Funds						
RICO	\$45,684.89	\$15,000.00	-\$16,800.00		\$43,884.89	
Clarkdale Sustainability Park		\$325,000.00	-\$182,500.00		\$142,500.00	\$186,384.89
Water Fund						
Water Resource Development Projects	\$285,073.92	\$71,126.08	\$0.00		\$356,200.00	
Gila River Adjudication	\$29,010.76	\$7,208.24	\$0.00		\$36,219.00	
Water Conservation	\$16,748.34	\$5,441.66	-\$1,000.00		\$21,190.00	
Regional Water Committees - WAC	\$3,545.63	\$5,700.00	-\$4,800.00		\$4,445.63	
2006-Series System Improvements	\$2,525,237.91	\$4,775.00	-\$1,548,218.37		\$981,794.54	
Water Depreciation		\$135,000.00			\$135,000.00	\$1,534,849.17
Impact Fees						
Civic Impact Carry Over	\$9,189.48	\$20.52	\$0.00		\$9,210.00	
Water Impact Carry Over	\$2,337.81	\$4.58	\$0.00		\$2,342.39	
Park Impact Carry Over	\$10,820.57	\$23.81	\$0.00		\$10,844.38	
Library Impact Carry Over	\$1,617.01	\$3.35	\$0.00		\$1,620.36	
Police Impact Carry Over	\$1,848.94	\$3.12	\$0.00		\$1,852.06	\$25,869.19
Donation Fund						
HCB					\$5,464.58	\$5,464.58
Library					\$2,518.33	\$2,518.33
Parks & Rec						
General					\$4,694.99	
Concerts					\$7,353.68	
Halloween					\$285.58	
New Years Eve					\$2,001.49	
Pool					\$45,085.36	
Scholarship					\$340.00	
Memorial					\$725.00	
Sth July					\$865.25	\$61,351.35
Police						
General					\$1,946.13	
K-9					\$234.84	
National Night Out					\$302.25	
Truck					\$59.71	
Explorers					\$1,564.36	
Vests					\$372.00	\$4,479.29
TOTAL					\$5,559,763.61	