

Sahuarita

ARIZONA

Budget Fiscal Year 2017

Linking Policy • Planning • Resources • Action





BUDGET 2017



BUDGET 2017

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Sahuarita

Arizona

For the Fiscal Year Beginning

July 1, 2015

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Town of Sahuarita for its annual budget for the fiscal year beginning July 1, 2015. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. We believe our final budget document will continue to conform to program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.



BUDGET 2017

To All Residents of Sahuarita, Arizona:

A Letter from Town Manager, Kelly Udall Town of Sahuarita Fiscal Year 2017 Overview

The new fiscal year gives us a moment to reflect on the things that work so well for our community, as well on those where we strive to break new ground. In keeping with our ideals, we have modified our Strategic Plan to span 2016-2019. This framework will guide our endeavors toward continual improvement in economic development, infrastructure, planning for the future, organizational effectiveness and quality of life for all Sahuaritans.

Once again, we are pleased to say that we are in a great financial situation for making our vision for this community's future a reality. Our department directors have helped put together this budget with the same forward thinking, and with ultimate attention to fiscal responsibility. The branding initiative made possible by a grant from the Freeport McMoRan Foundation in 2016, along with ideas taken from our most recent citizen's surveys, gives us some exciting prospects for the future. We intend to establish Sahuarita as the best place in Arizona to find community support, raise a family and start a business. And we're already getting national attention that shows we're headed in that direction. *Time Magazine's* subsidiary, *Money Magazine*, ranked us at number 27, as one of the 50 best places to live in the United States. No other community in Arizona has been honored with inclusion on that list. We're also known as one of the safest places to live in the state, and we have our outstanding law enforcement officers, Town administration and Council to thank for that, as well as the residents that support us.

We know that all these strengths originate with our residents and their passion for life. We want to support their endeavors in every way possible, and to encourage the economic development that will bring with it numerous amenities for our town. This is a long-term goal, but as we look to the horizon, we see a bright future and we see Sahuarita as a place that will continue to carve out its own space and identity in Southern Arizona. This year's budget is in line with the goals of our strategic plan, and with the community's vision for the Town.

Where We Stand

We are dedicated to encouraging economic growth, prosperity and quality of life for all residents.

We continue to explore ideas and opportunities that will help the town build a better tomorrow. Strategic and well-planned annexations will help us to find areas of mutual benefit that bring revenue into the town while offering services to new residents and businesses in our community. Additionally, the Sahuarita Advanced Manufacturing and Technology Center (SAMTEC) is a proposed multi-tenant incubator that will provide flexible space for the growth of small business innovation and technologies. SAMTEC will provide the infrastructure for the expansion of Hydronalix (a maritime robotics company) and Control Vision (an optical sensor and control systems company) both already located in Sahuarita. The flex-space and amenities at SAMTEC will support the attraction of other high-value, small firms focused on innovation and commercialization. Given time, the SAMTEC project will establish a small-business, research and technology cluster, with linear business-to-business linkages among its resident companies, further diversifying Sahuarita's economy.

In respect to marketing our community, the Branding Program and Marketing and Communications Plan will establish a strong business, tourism and community identity with the long-term goal of reducing the leakage of local resident incomes being spent elsewhere by bringing amenities and businesses to us. It will also help create a sense of

community; increase spending by area tourists, I-19 travelers and businesses; encourage job growth in Sahuarita; and finally, help us become a destination and example for other Southern Arizona communities and municipalities throughout the nation. This program and plan recommends the building of a main street with a programmed plaza for the community, surrounded by businesses that will offer amenities to residents identified through our two most recent citizen surveys. Work done during the 2017 fiscal year will help to position us so that we're able to continue pursuing these long-term goals and making progress toward them.

Looking at Fiscal Year 2017

The Sahuarita Town Council unanimously approved the recommended \$51 million budget for FY 2017 on June 27, 2016, with budget materials available to the public via the Town's website and at the Sahuarita Library. Information and presentations about the FY 2017 budget can be found at sahuaritaaz.gov/FY17.

The FY 2017 budget is balanced: all money that the Town starts the fiscal year with or collects during the fiscal year is appropriated for a specified purpose—to be spent for operations, debt service, capital or saved for the future (as an ending balance).

Of the \$51 million budget, we expect to save \$15.8 million as an ending balance to carry forward into fiscal year 2018, and we continue to leverage revenues purposefully from our years of unprecedented growth to obtain grant, state and federal funds. The Town abides by purpose and policy restrictions in deciding what to do with our surpluses. We currently have three reserve funds in place:

- **Operating Reserve** – At least 25% of budgeted operating expenditures is committed for unforeseen circumstances in the form of stabilization reserves.
- **Capital Reserve** – 20% of the locally funded capital projects costs are set aside for project contingencies.
- **Opportunity Fund** – Town Council adopted a policy to accumulate unassigned balances in the General Fund, with an established target of \$10 million by 2020, for future economic development and other opportunities.

This has been the approach that has put us in the favorable position we are in today, and it will serve us well in the future—keeping us financially sustainable. In keeping with best financial practice and our strategic focus on organizational effectiveness, we seek to realign resources wherever possible. In 2017, one part-time position was eliminated from Public Works and reassigned as a full time position to our Finance Department. Similarly, when the Sahuarita Police Department (SPD) recently identified various areas in need of attention we responded with the creation of two new lieutenant positions for SPD. The lieutenants will help offset some sergeant overtime, and provide supervision, coaching, training and mentoring of sergeants. In addition, they will assist with emergency management, and more fully implement our community policing efforts. Each lieutenant will be responsible for supervision of community policing efforts for their assigned beat. We will reassign administrative duties currently assigned to police officers to the lieutenants and others. This will allow us to move officers back to general policing and community policing efforts. Thus, we maintain our commitment to public safety, and intend to maintain our various rankings as one of the safest places in Arizona to raise a family.

Another department undergoing such changes in FY 2017 is our Department of Law. For the past two years, the functions of the Town Prosecutor were undertaken by an outside attorney who worked only 20 hours per week. We have terminated the contract, and a new full-time employee will start work with us as the Town Prosecutor. With the addition of a full-time Town Prosecutor, attorneys for defendants, defendants, victims, and others involved with our Municipal Court will have much more access to the Town Prosecutor. In addition, the Town Prosecutor will now have twice as much time to work on cases, which will provide increased efficiency and attention to detail in pending cases. The Town Prosecutor is a member of a team that works to keep our community safe, provide services to victims of crimes and reduce repeat offenses. A full-time prosecutor will be much better equipped to work toward these goals. The added position will also benefit those Law Department employees working in the Civil Division, helping them

accomplish goals more efficiently. This will directly benefit customer service for Sahuarita residents and those who want to do business with the Town, including developers and business owners.

Our Public Works department is also looking to the Town's future. In this regard, the Sahuarita Water Reclamation Facility currently operates with five constructed recharge basins, three of which are permitted with the Arizona Department of Water Resources (ADWR) and allow the Town to earn credits for the water recharged. The Phase V expansion plans for three additional basins, which were partially excavated to provide fill material for North Santa Cruz Park. The facility currently utilizes the five constructed recharge basins as the most cost-effective method for managing delivery of treated effluent. As part of this effort, the three partially-constructed basins will be completed and ADWR permits will be obtained for the two existing and three additional basins allowing the Town to earn credits for all eight basins.

The addition of the three basins further increases operational flexibility. Maximizing recharge credits is important to the Town's growth strategy. As an enterprise fund, the goal of the wastewater utility is to assure costs are contained and revenues are sufficient to cover those costs. This year, the enterprise will conduct a comprehensive rate study to assess existing sewer rates, develop cost of service models, and recommend rate and fee structures that provide sufficient cost recovery by customer class. The findings will be benchmarked with other, similar utilities. The study will also include best practice recommendations in the industry related to billing and collections.

During FY16 it was decided that the Town should add a separate technology strategic plan to both advise and inform Town staff and residents on allocation of technical resources, prioritization of costs and foreseeable benefits of technology usage in the years to come. The Town has allocated \$60K for creation of the plan including hiring an external agency to identify key technical focus areas, incorporate ideas with the Town's Strategic Plan and guide development of technology resources. The plan is expected to include centralizing information systems to promote dissemination between departments and residents, implementing more web-based services with an eye towards ease-of use and data framework re-design to rein in costs. The plan will allow us to take advantage of emerging technologies with a view toward maintaining and improving organizational effectiveness.

As we forge ahead into 2017 and continue to plan for the future of our community, I'm enthusiastic to see us well-placed financially. I'm certain that our Town's community spirit will be the foundation on which we will build the projects of tomorrow that will set us apart as an exemplary model for other towns in Southern Arizona and throughout the nation. The FY 2017 budget mirrors the priorities identified by our citizens and elected leadership. We intend to boldly pursue a better tomorrow for all Sahuaritans, and we know that as others in the region see what we're doing and come visit us, they are going to love what we're continuing to build here: community, economy and an identity of which we can all be proud.

Sincerely,



L. Kelly Udall

Mayor and Council



Duane Blumberg, Mayor



Bill Bracco, Vice Mayor



Kara Egbert, Councilmember



Tom Murphy, Councilmember



Lynne Skelton, Councilmember



Gil Lusk, Councilmember



Melissa Hicks, Councilmember



Focus Area 1

Economic Development

Continue to grow the Town's economic base, bringing in jobs associated with retail, light manufacturing and quality commercial enterprises.



Focus Area 2

Infrastructure

Provide and maintain high-quality and cost-effective infrastructure.



Focus Area 3

Planning for Our Community's Future

Promote planned growth that fosters high-quality and diverse development, facilitates sustainable infrastructure and assures quality services.



Focus Area 4

Organizational Effectiveness

Foster an organizational culture that embraces change, creativity, innovation and calculated risk to ensure proactive, consistent, efficient and accountable service to our community.



Focus Area 5

Quality of Life

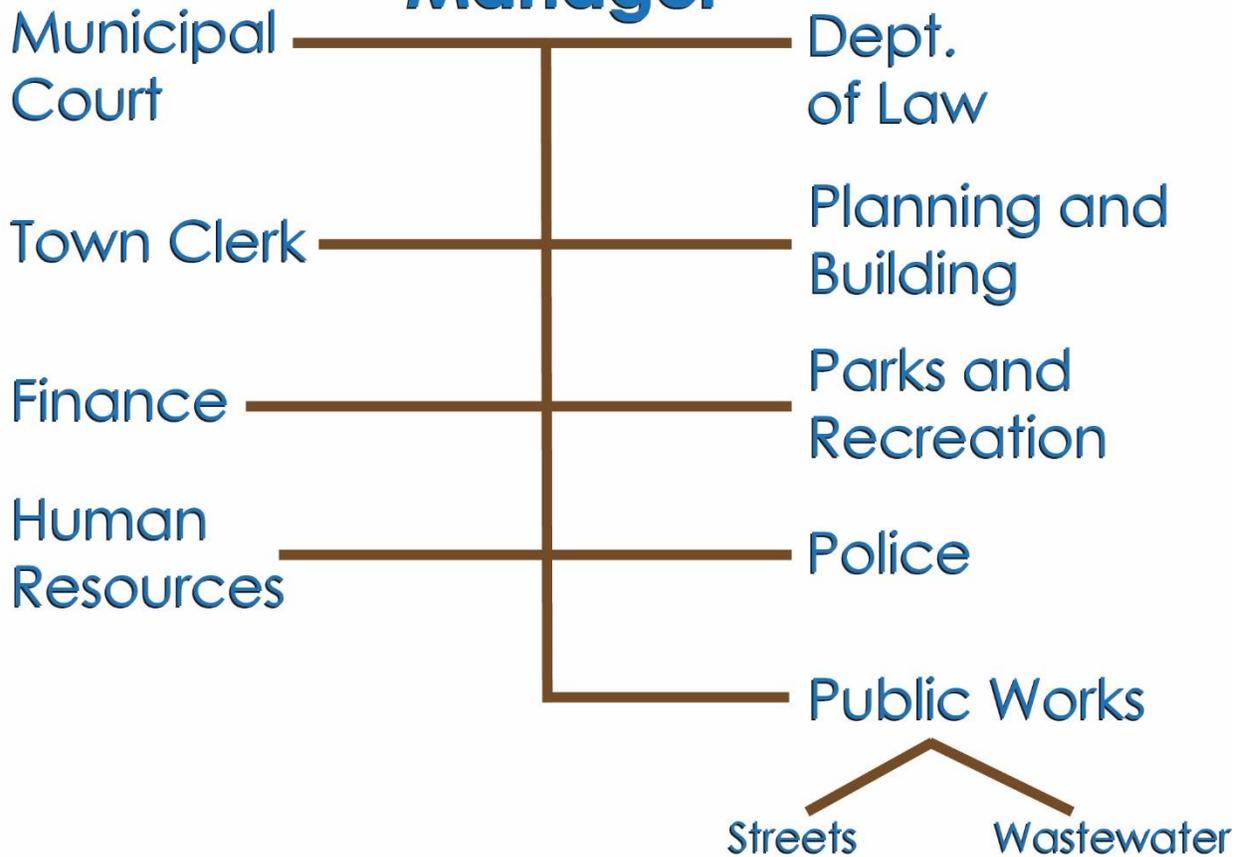
Maintain a high quality of life that makes Sahuarita a community of choice for residents and business investment. Encourage a unified community identity.

Citizens

Town Council

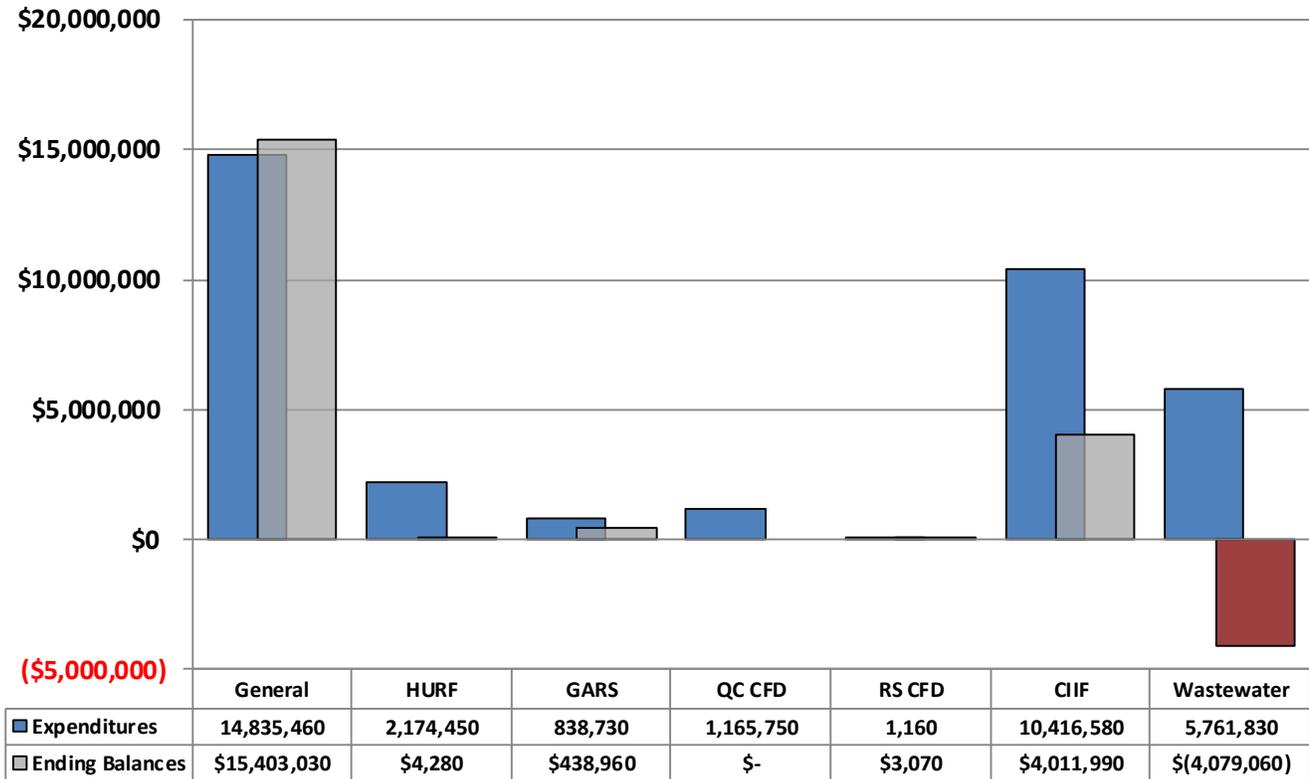
Boards and Commisions

Town Manager



Budget Summary

The 2017 fiscal year budget uses available resources to achieve desired results. The budget totals \$50,976,230 and is in balance, which means that total funding sources equal or exceed total budgeted expenditures. Budgeted expenditures total \$35,193,960 and ending balances total \$15,782,270. The budget is adopted for each of the Town's seven funds as follows.

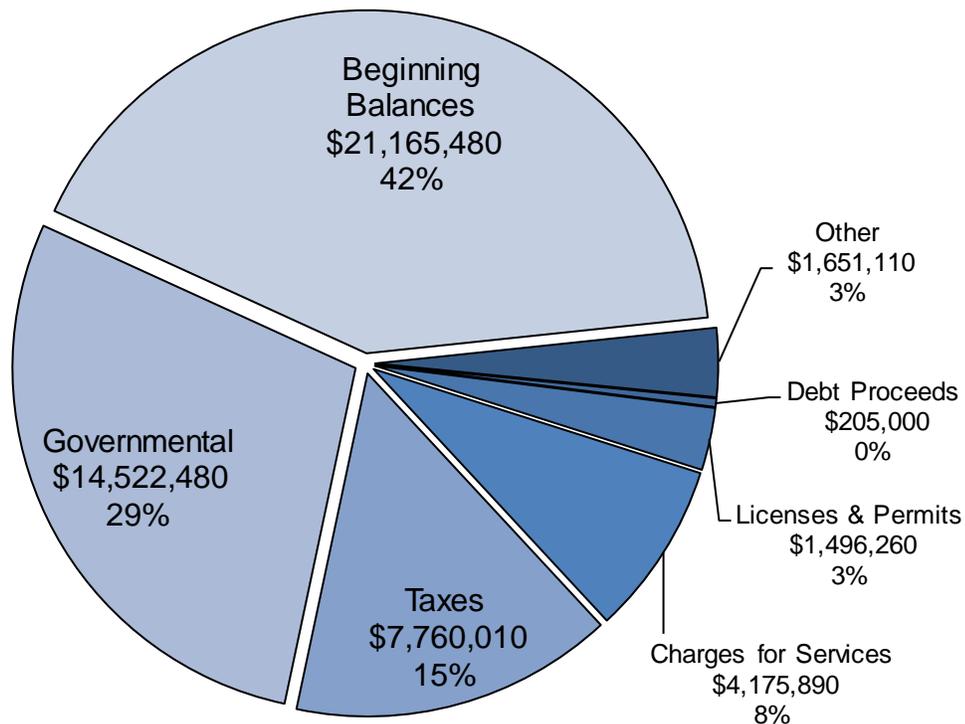


The ending balance deficit in the Wastewater Fund is covered by the surpluses in the General and CIIF funds. See the **Fund Budgeting** section for more discussion.

The budget is funded from a combination of revenues, debt proceeds, and beginning fund balances. Revenues come from recurring sources, such as taxes, and capital grants for one-time projects. In 2017 these sources provide \$29.6 million, or 58.1%, of the total for the budget. Beginning fund balances, which represent available resources accumulated from prior years, provide \$21.1 million, or 41.5%, of the total funding sources for the budget. The remaining \$205,000, or 0.4% of the total budget, will be funded by debt proceeds.

Revenues are classified by source. **Tax revenues** are derived from the 2% transaction privilege tax, property taxes for the Quail Creek Community Facilities District, the 4% construction contracting tax, and franchise fees. **Licenses and permits** are collected from building permit and sewer connection fees. **Intergovernmental revenues** are derived from state shared revenues and grants awarded from federal, state, and local governments. **Charges for services** are earned through sewer user fees, development review fees, recreation program charges, and cost allocation recovery. **Other** revenues are generated from fines, forfeitures, investment earnings, developer contributions, and other miscellaneous items not classified elsewhere. Refer to the **Major Revenue Sources** section of this document for more information on revenues.

Where the Money Comes From Funding Sources: \$50,976,230



Budget Summary

Funding Uses

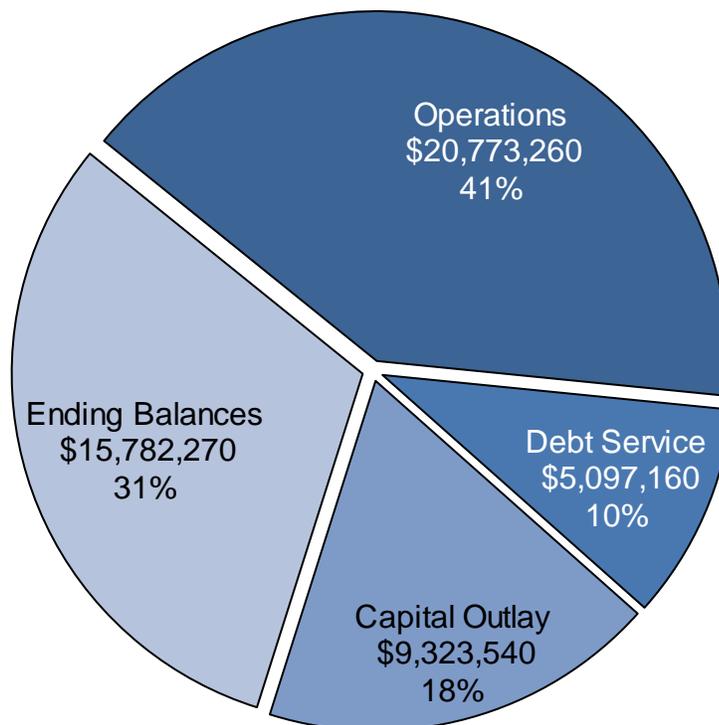
Expenditures and other uses are classified by type. Approximately \$15.8 million, or 31.0%, of the budgeted sources are not expected to be spent during the year and, therefore, will be the fund balances at the end of the year. Any fund balance that is not restricted may be used at the discretion of Town Council for emergencies, unforeseen events or opportunities.

Operations accounts for \$20.8 million, or 40.8%, of the budget. Operations include current costs associated with the day-to-day activities of the Town. These costs include payroll, contracted services, supplies, operating capital and other as provided on the next page.

Capital outlay comprises \$18.3 million, or 18.3%, of the budget. This appropriation will be used to build and purchase capital assets that are not considered to be part of the operating budget. The Capital Improvement Plan provides detailed descriptions and budget plans for the Town's capital projects and acquisitions for the next five years.

The **debt service** category represents \$5.1 million, or 10.0%, of the budget and accounts for the annual payments on long-term debt principal, interest, and fees paid.

Where the Money Goes Funding Uses: \$50,976,230



There are five categories of operational expenditures: (1) personnel, (2) services, (3) supplies, (4) other, and (5) operating capital.

The **personnel** category accounts for the largest component of operations. Costs in this category are those associated with maintaining a workforce and include salaries and wages, health and dental insurance, payroll taxes, pension plan contributions, worker’s compensation, unemployment insurance, and uniform allowances.

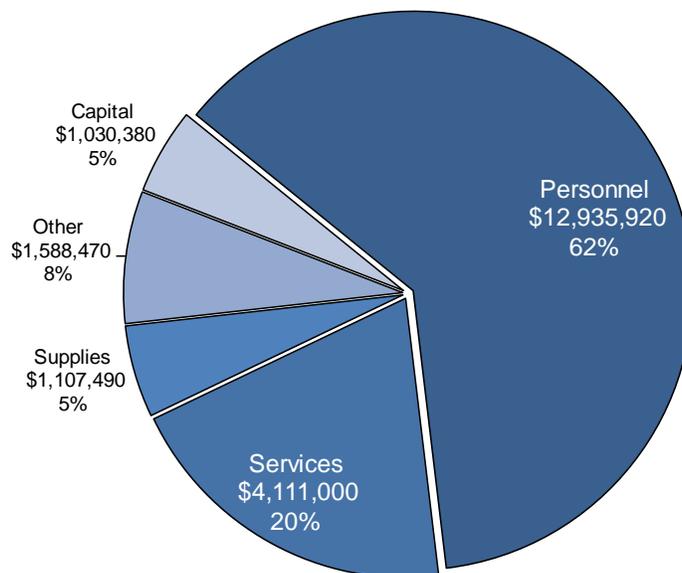
The **services** category, which accounts for outsourced services and other contractual obligations. This is the second largest category of operations. Services include utility costs and professional services such as those performed by attorneys, auditors, financial advisors, and engineers. These services also include intergovernmental agreements with State and Pima County for services provided for tax collections, animal control, 911 dispatch, and incarceration.

The **supplies** category included items such as fuel, postage, police armory and range supplies, tires, recreation supplies, street signs and barricades, wastewater chemicals, and small equipment purchases.

The **other** category accounts for items that are not accounted for in the other categories and includes travel and training, memberships, subscriptions, insurance premiums, sponsorships, contributions to organizations to provide services to others, and internal costs allocations.

Operating **capital** represents vehicle and equipment purchases, facility repairs and maintenance improvements, and capital-related studies with unit costs of \$5,000 or more. These projects are smaller in scope, size, and cost of other capital projects but are often necessary for departments to accomplish their operational objectives.

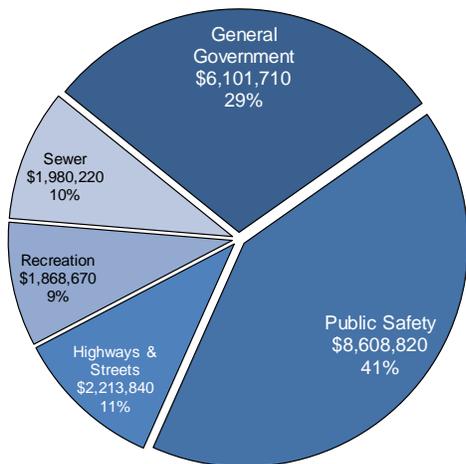
Where the Money Goes
Operations (by Category): \$20,773,260



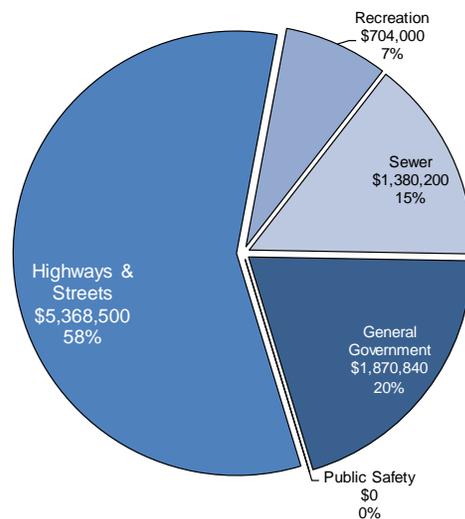
Budget Summary
Functional Areas

Operations and capital outlay expenditures are also classified by functional area. See the **Capital Plan** section for more details on capital outlay.

Where the Money Goes
Operations (by Function): \$20,773,260



Where the Money Goes
Capital Outlay (by Function): \$9,323,540



The **general government** function accounts for the Mayor & Council, Town Manager, Town Clerk, Law, Finance, Human Resources, and Municipal Court departments, as well as the Planning & Zoning and Facilities divisions of the Planning & Building and Public Works departments, respectively. A large portion of the Town’s workforce is accounted for in this function, which explains its significant operational costs. Capital outlay includes the SAMTEC economic development project as well as indirect cost allocations made to the capital projects fund.

The **public safety** function includes the Police Department as well as the Planning & Building- Building Safety and Public Works – Engineering divisions. This function is the costliest with respect to the Town’s operations mainly because its workforce is the largest. No major capital projects are planned for the year.

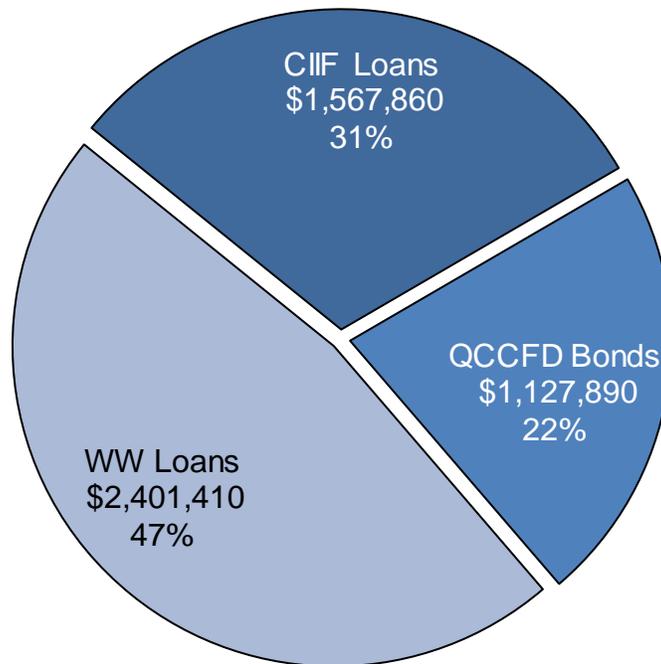
The **highways and streets** function accounts for operational costs of the Streets Department. This department focuses on the maintenance of the Town’s roadway system as well as other transportations issues, such as traffic signaling and street lighting. This function has a capital outlay budget for major roadway improvement and traffic safety projects.

The **recreation** function accounts for the Parks & Recreation Department. This department maintains all park and park facilities in the Town. The department also provides for recreational programming and various special events throughout the year. This capital budget includes the replacement of the park maintenance building.

The **sewer** function accounts for the activities of the wastewater utility. The capital budget includes plant expansion, sewer line rehabilitation, the lease acquisition of a building, and allocated payroll and indirect costs.

Debt was used in the past to finance the acquisition of assets and infrastructure. For 2017 the debt service obligation for each fund follows:

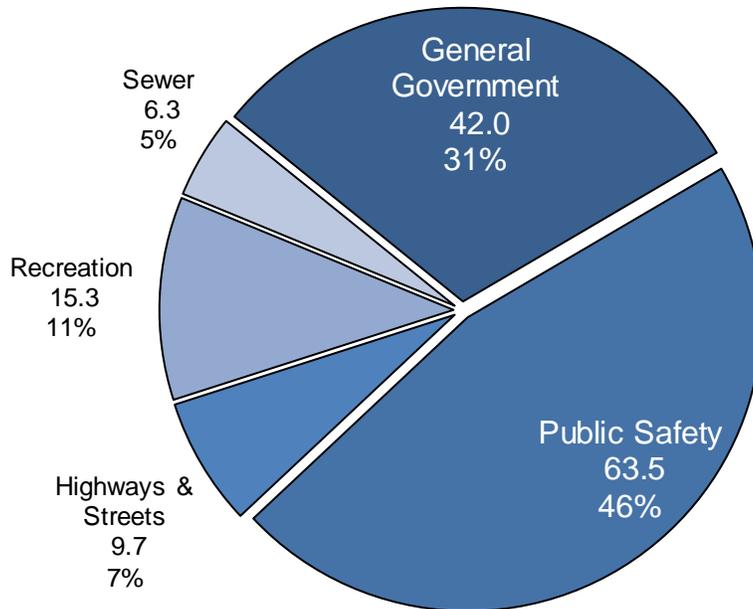
Where the Money Goes
Debt Service: \$5,097,160



The QCCFD 2006 GO Bonds in the amount of \$9.825 million are expected to be refunded during the year. Debt service in the QCCFD fund will include \$205,000 for debt issuance. These costs will be paid by bond proceeds from the refunding debt instrument. Refer to the **Debt** section of this document for more information on debt repayment.

Employees play the most significant part in providing services to our citizens. The Town accounts for employees by function as shown on the chart below.

Staffing Levels by Function
Full-Time Equivalent Employees (FTE): 136.7



The following are position and staffing level changes made since last year’s budget was adopted. See the **Employee Staffing** section for more information.

Department	Description	FTE Change
Law	Prosecution	+1.0
Finance	Wastewater billing and collections	+1.0
Parks & Recreation	Increased hours for special events	+0.2
Police	Police Lieutenants	+2.0
Municipal Court	Outsource a portion of security services	-1.0
Streets	Workload reduction-capital projects	-3.0
Wastewater	Apply budget toward billing and collections	-0.5
Total FTE Changes		-0.3

Budgeted Expenditures Comparison

Evaluating the changes between the budgeted expenditures for fiscal years 2015 and 2016 provides a better understanding of how workforce, operational costs, community growth, and the economy as a whole can impact the budget from one year to the next. Major changes by expenditure category are explained below. Other cost changes are addressed in the **Departmental** section.

Budgeted **personnel** costs are increasing \$864,000. Of this amount, \$462,000 relates to the addition of FTE and other personnel changes, including those identified on the previous page and other staffing reassignments (e.g., capital to operations). \$419,000 is associated with employee pay changes for merits and market-based pay plan adjustments. \$103,000 relates to increases in health insurance premiums and retirement contributions. Cost reductions include \$97,000 in grant-funded overtime and \$60,000 in workers' compensation premiums. Other cost changes are insignificant and relate to miscellaneous personnel-related areas.

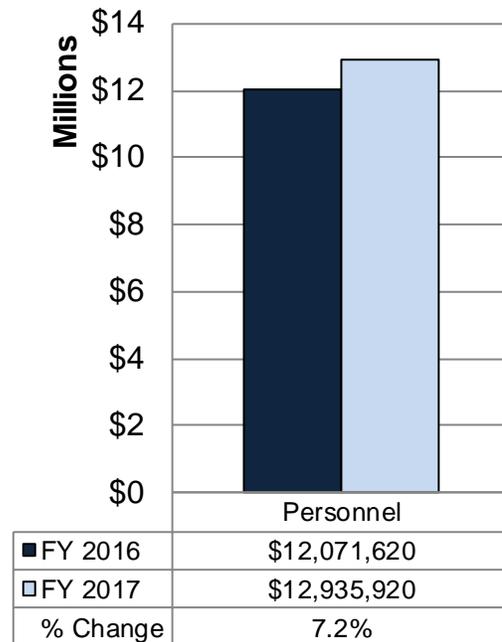
Costs for **services** are increasing \$245,000. An additional \$132,000 is allocated for facility, street, sewer repair and maintenance services. \$45,000 more is budgeted for the Town's branding, communication and marketing efforts. \$110,000 is for a technology strategic plan and a utility rate study. County-provided services for dispatch, incarceration, elections, and animal control are increasing by \$56,000. The Municipal Court's security services will be partially outsourced for \$40,000. Some contracts, however, will not be renewed. These include \$73,000 for legal services and \$35,000 for grant writing services.

The **supplies** budget is declining by \$20,000. About \$25,000 of the decrease is associated with grant-funded police equipment, which was budgeted last year but not in 2017. Fuel costs are dropping by \$77,000. These decreases are partially offset by general supply cost increases, primarily due to inflationary cost impacts.

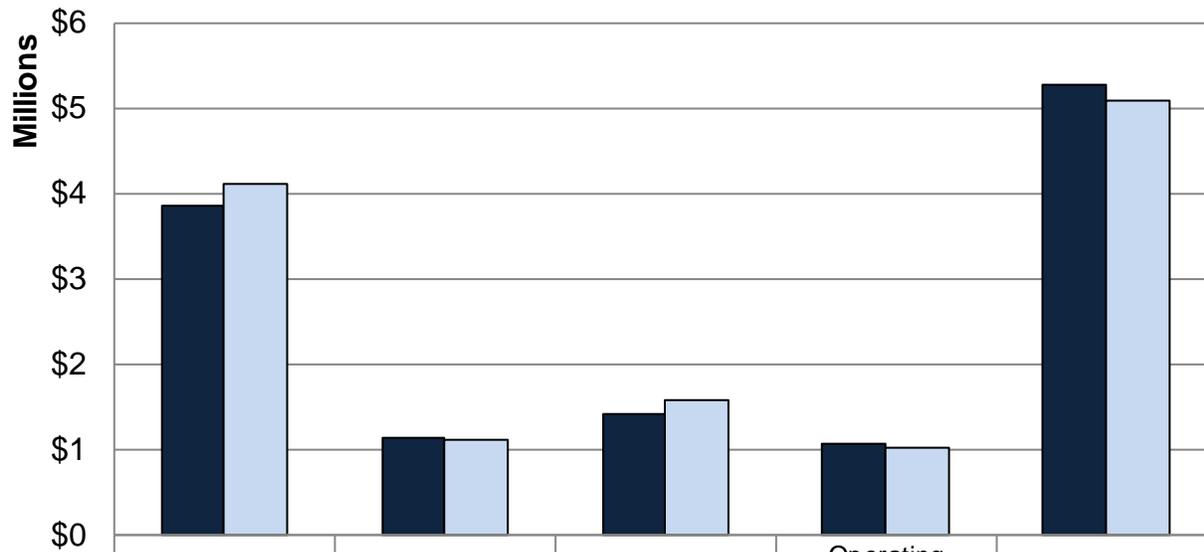
Other expenditures are going up by \$174,000. Of this amount, \$100,000 is associated with bad debt write-offs anticipated on wastewater customer accounts. \$64,000 is to account for more indirect costs being allocated to other operational cost centers.

The operating **capital** budget is decreasing by \$44,000. Fewer vehicle and equipment replacements/purchases are scheduled for 2017, namely in grant-funded items for the Police Department. See the **Capital Plan** section for more information.

Debt service is declining by \$175,000. Last year's budget included the issuance of new debt with issuance costs of \$286,000. The 2017 budget anticipates the refunding of long-term debt, which is expected to save \$86,000 annually over the remaining term of the new bonds, but will cost \$205,000 for debt issuance costs in 2017. Other changes are associated with existing debt payment scheduled amounts.



Budgeted Expenditures Comparison



	Services	Supplies	Other	Operating Capital	Debt Service
■ FY 2016	\$3,865,920	\$1,127,700	\$1,414,350	\$1,074,870	\$5,270,310
□ FY 2017	\$4,111,000	\$1,107,490	\$1,588,470	\$1,030,380	\$5,097,160
% Change	6.3%	-1.8%	12.3%	-4.1%	-3.3%



	Capital Outlay
■ FY 2016	\$18,657,470
□ FY 2017	\$9,323,540
% Change	-50.0%

Capital outlay is decreasing by \$9.33 million. Most of the Town’s dedicated contracting taxes are obligated towards debt service and operating capital, with little left over for major projects. External funding sources are also diminishing, resulting in fewer or smaller capital projects in the budget. See the **Capital Plan** section for more information on projects.

**Changes in Fund Balance
Aggregate of Appropriated Funds**

	2015	2016		2017	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount
Revenues:					
Taxes	\$ 7,272,556	\$ 7,737,630	\$ 7,737,630	\$ 7,658,240	\$ 7,760,010
Licenses & Permits	1,281,668	1,393,200	1,393,200	1,538,310	1,496,260
Intergovernmental	18,033,692	14,902,280	14,937,280	13,963,370	14,522,480
Charges for Services	3,903,898	4,319,030	4,319,030	4,049,020	4,175,890
Fines & Forfeits	305,497	332,510	332,510	196,260	390,900
Investment Earnings	165,738	261,400	261,400	209,020	252,300
Miscellaneous	950,492	3,743,640	3,839,640	3,702,520	1,007,910
Revenues Total	31,913,541	32,689,690	32,820,690	31,316,740	29,605,750
Expenditures:					
Operations:					
General Government	4,789,425	5,550,580	5,645,530	5,407,300	6,101,710
Public Safety	6,790,927	8,500,220	8,528,270	7,880,080	8,608,820
Highways & Streets	1,680,784	2,065,870	2,138,650	2,097,380	2,213,840
Recreation	1,460,244	1,689,590	1,689,590	1,523,790	1,868,670
Sewer	1,457,070	1,748,200	1,748,200	1,694,670	1,980,220
Operations Total	16,178,450	19,554,460	19,750,240	18,603,220	20,773,260
Debt Service	5,152,033	5,270,310	5,270,310	4,977,760	5,097,160
Capital Outlay	13,180,384	18,657,470	18,832,990	6,915,420	9,323,540
Expenditures Total	34,510,867	43,482,240	43,853,540	30,496,400	35,193,960
Revenues Over (Under)					
Expenditures	(2,597,326)	(10,792,550)	(11,032,850)	820,340	(5,588,210)
Other Funding Sources/(Uses):					
Net Debt Proceeds	113,190	7,270,620	7,270,620	388,350	205,000
Net Other Funding Sources/(Uses)	113,190	7,270,620	7,270,620	388,350	205,000
Change in Fund Balance	(2,484,136)	(3,521,930)	(3,762,230)	1,208,690	(5,383,210)
Beginning Fund Balance	22,440,916	21,793,350	21,793,350	19,956,790	21,165,480
Ending Fund Balance	\$ 19,956,780	\$ 18,271,420	\$ 18,031,120	\$ 21,165,480	\$ 15,782,270

Notes:

The 2016 estimated actuals are based on eight months of actual figures, July through February, and four months of estimated figures, March through June.

Beginning fund balances represent available resources accumulated from prior years. Ending fund balances represent financial resources available for future years and contingencies. For the enterprise fund, fund balance is essentially equivalent to the noncapital portion of net assets.

Changes in Fund Balances
Appropriated Funds
Fiscal Year 2017

	General Fund	HURF Fund	GARS Fund	QC CFD Fund	RS CFD Fund	CIIF Fund	Wastewater Fund	Total
Revenues:								
Taxes	\$ 5,390,400	\$ -	\$ -	\$ 454,340	\$ 2,300	\$ 1,912,970	\$ -	\$ 7,760,010
Licenses & Permits	1,330,580	-	-	-	-	-	165,680	1,496,260
Intergovernmental	6,666,990	6,188,970	480,930	-	-	1,185,590	-	14,522,480
Charges for Services	925,850	-	15,000	-	-	-	3,235,040	4,175,890
Fines & Forfeits	230,030	-	160,870	-	-	-	-	390,900
Investment Earnings (Losses)	233,930	2,090	4,490	-	250	73,360	(61,820)	252,300
Miscellaneous	60,000	-	44,000	506,410	-	-	397,500	1,007,910
Revenues Total	14,837,780	6,191,060	705,290	960,750	2,550	3,171,920	3,736,400	29,605,750
Expenditures:								
Operations:								
General Government	5,626,470	-	21,000	4,700	1,160	448,380	-	6,101,710
Public Safety	7,476,090	-	802,730	-	-	330,000	-	8,608,820
Highways & Streets	-	2,174,450	-	20,390	-	19,000	-	2,213,840
Recreation	1,732,900	-	15,000	12,770	-	108,000	-	1,868,670
Sewer	-	-	-	-	-	-	1,980,220	1,980,220
Operations Total	14,835,460	2,174,450	838,730	37,860	1,160	905,380	1,980,220	20,773,260
Debt Service	-	-	-	1,127,890	-	1,567,860	2,401,410	5,097,160
Capital Outlay	-	-	-	-	-	7,943,340	1,380,200	9,323,540
Expenditures Total	14,835,460	2,174,450	838,730	1,165,750	1,160	10,416,580	5,761,830	35,193,960
Revenues Over (Under)								
Expenditures	2,320	4,016,610	(133,440)	(205,000)	1,390	(7,244,660)	(2,025,430)	(5,588,210)
Other Funding Sources (Uses)								
Net Debt Proceeds	-	-	-	205,000	-	-	-	205,000
Net Transfers In (Out)	(2,764,250)	(4,315,000)	-	-	-	5,381,250	1,698,000	-
Change in Fund Balance	(2,761,930)	(298,390)	(133,440)	-	1,390	(1,863,410)	(327,430)	(5,383,210)
Fund Balance, 7/1/2016	18,164,960	302,670	572,400	-	1,680	5,875,400	(3,751,630)	21,165,480
Fund Balance, 6/30/2017	\$ 15,403,030	\$ 4,280	\$ 438,960	\$ -	\$ 3,070	\$ 4,011,990	\$ (4,079,060)	\$ 15,782,270

Note:

Each fund, and the change in its fund balance is discussed in the **Fund Budgeting** section of this document.

**Funding Sources
Fiscal Year 2017**

	General Fund	HURF Fund	GARS Fund	QC CFD Fund	RS CFD Fund	CIIF Fund	Wastewater Fund	Total	% of Sources
Revenues:									
Taxes	\$ 5,390,400	\$ -	\$ -	\$ 454,340	\$2,300	\$ 1,912,970	\$ -	\$ 7,760,010	15.2%
Licenses & Permits	1,330,580	-	-	-	-	-	165,680	1,496,260	2.9%
Intergovernmental	6,666,990	6,188,970	480,930	-	-	1,185,590	-	14,522,480	28.5%
Charges for Services	925,850	-	15,000	-	-	-	3,235,040	4,175,890	8.2%
Fines & Forfeits	230,030	-	160,870	-	-	-	-	390,900	0.8%
Investment Earnings (Losses)	233,930	2,090	4,490	-	250	73,360	(61,820)	252,300	0.5%
Miscellaneous	60,000	-	44,000	506,410	-	-	397,500	1,007,910	2.0%
Revenues Total	14,837,780	6,191,060	705,290	960,750	2,550	3,171,920	3,736,400	29,605,750	58.1%
Net Debt Proceeds	-	-	-	205,000	-	-	-	205,000	0.4%
Net Transfers In (Out)	(2,764,250)	(4,315,000)	-	-	-	5,381,250	1,698,000	-	0.0%
Beginning Fund Balances	18,164,960	302,670	572,400	-	1,680	5,875,400	(3,751,630)	21,165,480	41.5%
Total Funding Sources	\$30,238,490	\$2,178,730	\$1,277,690	\$1,165,750	\$4,230	\$14,428,570	\$1,682,770	\$50,976,230	100.0%
% of All Funds	59.3%	4.3%	2.5%	2.3%	0.0%	28.3%	3.3%	100.0%	

Budget Summary
Summary Schedules

Funding Uses
Fiscal Year 2017

Fund/Department	OPERATIONS					
	Personnel	Services	Supplies	Other	Capital	Total
General Fund						
Mayor & Council	\$ 59,210	\$ 200	\$ 5,300	\$ 49,150	\$ -	\$ 113,860
Town Manager	677,360	24,610	15,210	36,000	-	753,180
Law	581,180	31,500	15,100	15,950	-	643,730
Town Clerk	359,120	177,830	21,920	20,600	-	579,470
Finance	755,400	281,850	19,650	338,630	-	1,395,530
Human Resources	232,720	15,670	7,010	13,280	-	268,680
Planning & Building	1,158,740	50,490	13,760	16,470	-	1,239,460
Parks & Recreation	953,370	519,580	143,770	116,180	-	1,732,900
Public Works	418,940	486,970	44,730	14,630	-	965,270
Police	5,378,050	550,120	259,500	112,000	-	6,299,670
Municipal Court	494,220	52,050	21,340	24,750	-	592,360
Non-Departmental	-	154,950	3,200	93,200	-	251,350
Subtotal:	11,068,310	2,345,820	570,490	850,840	-	14,835,460
HURF Fund	712,230	968,560	213,590	280,070	-	2,174,450
GARS Fund	483,710	60,420	153,400	16,200	125,000	838,730
QC CFD Fund	-	20,290	100	17,470	-	37,860
RS CFD Fund	-	-	-	1,160	-	1,160
CIIF Fund	-	-	-	-	905,380	905,380
Wastewater Fund	671,670	715,910	169,910	422,730	-	1,980,220
ALL FUNDS TOTAL	\$ 12,935,920	\$ 4,111,000	\$ 1,107,490	\$ 1,588,470	\$ 1,030,380	\$ 20,773,260

Fund/Department	OPERATIONS					
	From above Total	Debt Service	Capital Outlay	Fund Balances	Categories Total	% of All Funds
General Fund						
Mayor & Council	\$ 113,860	\$ -	\$ -	\$ -	\$ 113,860	
Town Manager	753,180	-	-	-	753,180	
Law	643,730	-	-	-	643,730	
Town Clerk	579,470	-	-	-	579,470	
Finance	1,395,530	-	-	-	1,395,530	
Human Resources	268,680	-	-	-	268,680	
Planning & Building	1,239,460	-	-	-	1,239,460	
Parks & Recreation	1,732,900	-	-	-	1,732,900	
Public Works	965,270	-	-	-	965,270	
Police	6,299,670	-	-	-	6,299,670	
Municipal Court	592,360	-	-	-	592,360	
Non-Departmental	251,350	-	-	15,403,030	15,654,380	
Subtotal:	14,835,460	-	-	15,403,030	30,238,490	59.3%
HURF Fund	2,174,450	-	-	4,280	2,178,730	4.3%
GARS Fund	838,730	-	-	438,960	1,277,690	2.5%
QC CFD Fund	37,860	1,127,890	-	-	1,165,750	2.3%
RS CFD Fund	1,160	-	-	3,070	4,230	0.0%
CIIF Fund	905,380	1,567,860	7,943,340	4,011,990	14,428,570	28.3%
Wastewater Fund	1,980,220	2,401,410	1,380,200	(4,079,060)	1,682,770	3.3%
ALL FUNDS TOTAL	\$ 20,773,260	\$ 5,097,160	\$ 9,323,540	\$ 15,782,270	\$ 50,976,230	100.0%
% of All Categories	40.8%	10.0%	18.3%	31.0%	100.0%	

**Interfund Transfers
Fiscal Year 2017**

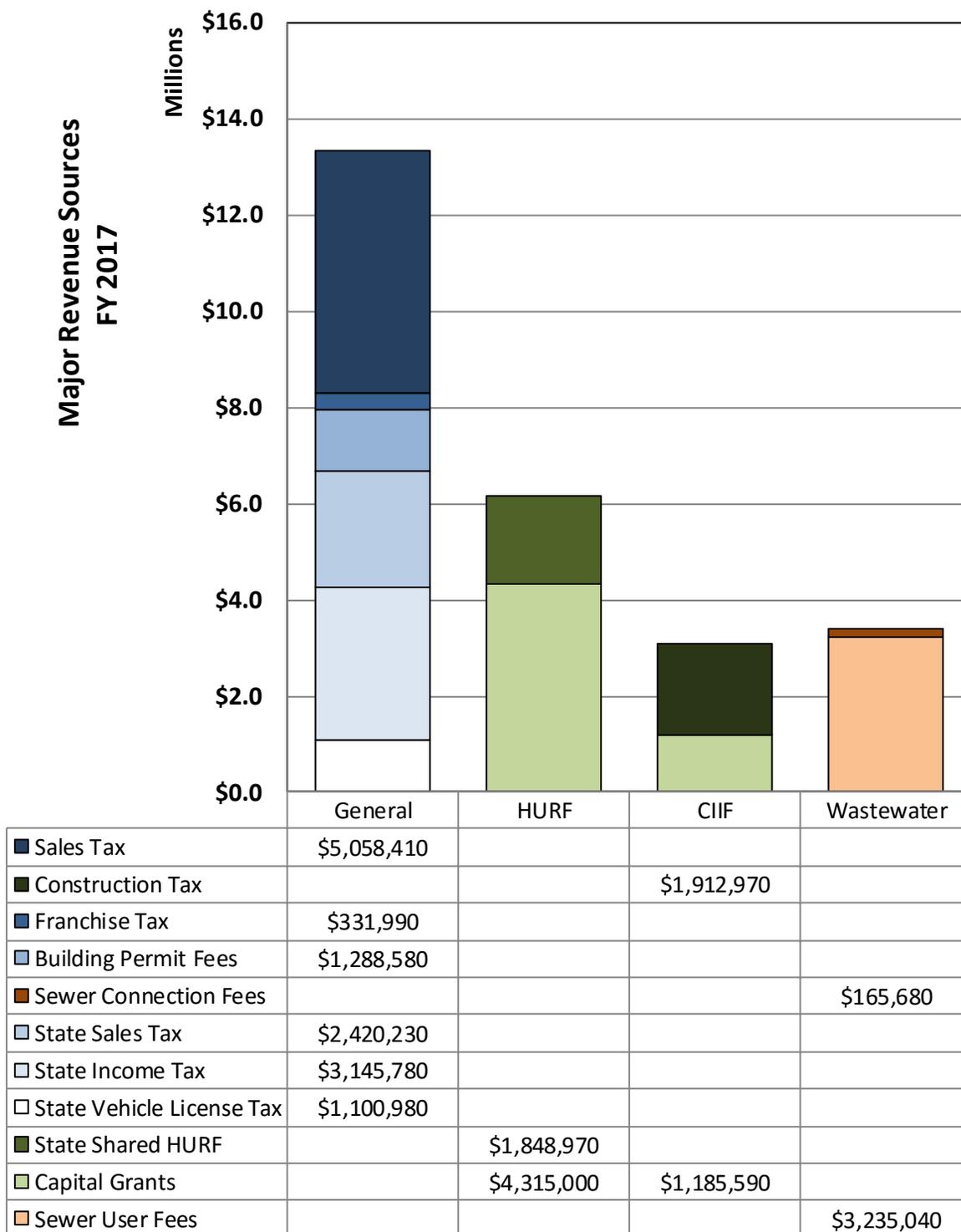
		Transfer Recipient							
		General Fund	HURF Fund	GARS Fund	QC CFD Fund	RS CFD Fund	CIIF Fund	Wastewater Fund	Total
Transfers From	General Fund		\$-	-	\$ -	\$ -	\$ 1,066,250 ^A	\$ 1,698,000 ^C	\$ 2,764,250
	HURF Fund	\$ -		-	-	-	4,315,000 ^B	-	4,315,000
	GARS Fund	-	-		-	-	-	-	-
	QC CFD Fund	-	-	-		-	-	-	-
	RS CFD Fund	-	-	-	-		-	-	-
	CIIF Fund	-	-	-	-	-		-	-
	Wastewater Fund	-	-	-	-	-	-		-
	Total	<u>\$ -</u>	<u>\$-</u>	<u>\$-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,381,250</u>	<u>\$ 1,698,000</u>	<u>\$ 7,079,250</u>

Descriptions:

- A** These transfers will be used to fund specific capital projects in the CIIF.
- B** These transfers are needed to move grant sources recorded in one fund to the CIIF, which incurs the projects costs that are subject to reimbursement.
- C** These transfers are used to provide cash to the Wastewater Fund, which has cash deficits. Transfers will be made to the extent the Wastewater Fund has recharge credits to provide back to the General Fund.

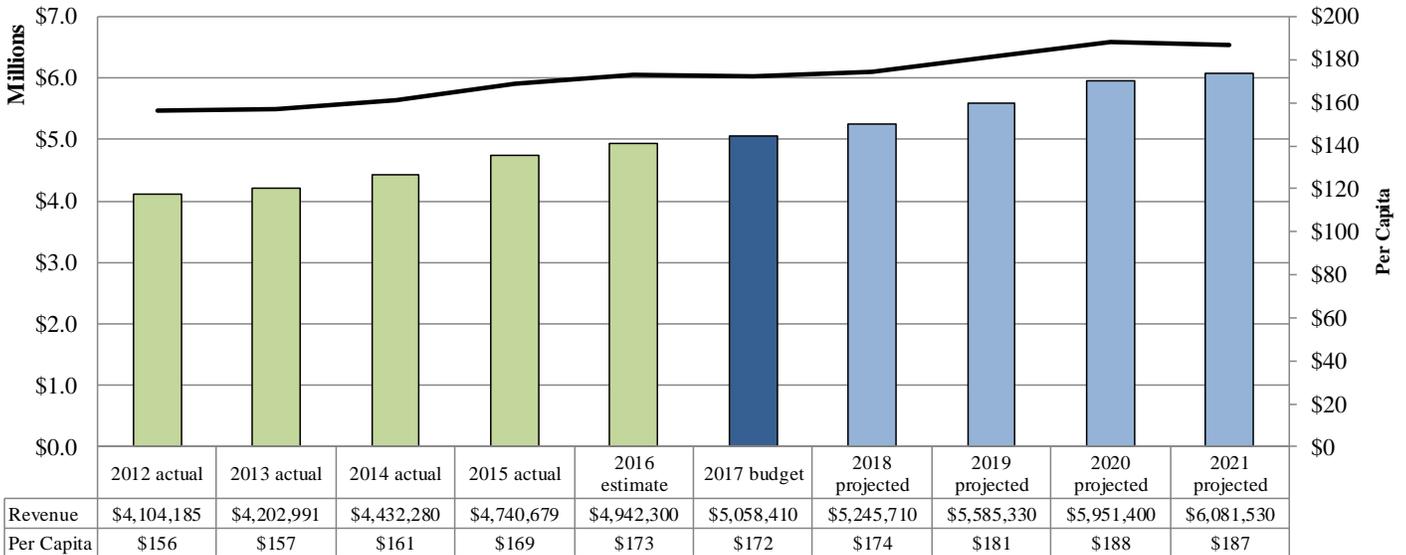
Major Revenue Sources

The following table displays nearly 88% (\$26.0 million) of the total revenues expected to be recorded in fiscal year 2017 and in which fund they are accounted.



**General Sales Taxes
(Taxes)**

Description & Use A transaction privilege tax is assessed on sales activity within the Town limits. There are no restrictions placed on this revenue source. The revenues are recorded in the General Fund and are used to fund daily operations.



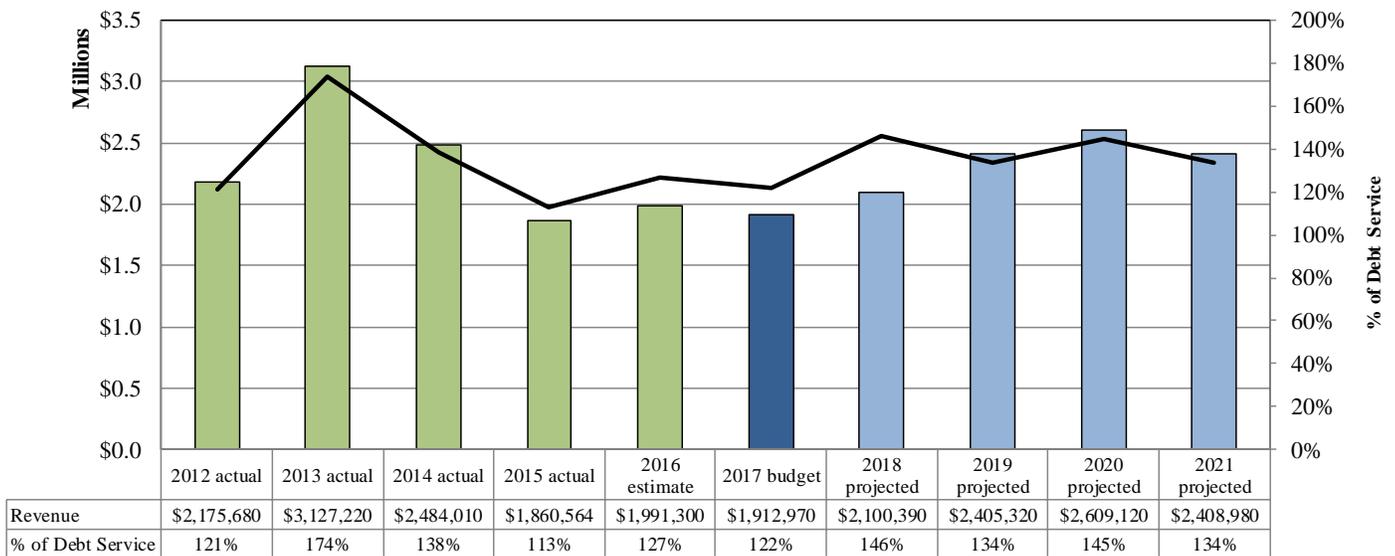
Current Rate Structure The Town operates under Arizona’s *Model City Tax Code* (<http://modelcitytaxcode.az.gov/>). The Town assesses a 2.0% tax rate on most general, non-service business transactions. The State of Arizona collects taxes on behalf of the Town and remits them to the Town on a weekly basis.

Assumptions Projections were based on estimated population and growth in commercial development. The estimates were derived using planning documents for new development in the Town. Inflationary factors and tax leakage assumptions were also considered in the projections.

Trend Positive. General sales taxes per capita are projected to increase over time. More commercial development will result in less sales leakage, resulting in a higher per capita capture rate.

Construction Contracting Taxes (Taxes)

Description & Use A transaction privilege tax is assessed on construction contracting activity occurring within the Town limits. The Town Council has assigned these revenues to pay general debt service and for capital projects. These tax revenues are recorded in the CIIF, the Town's *Capital Projects Fund*.



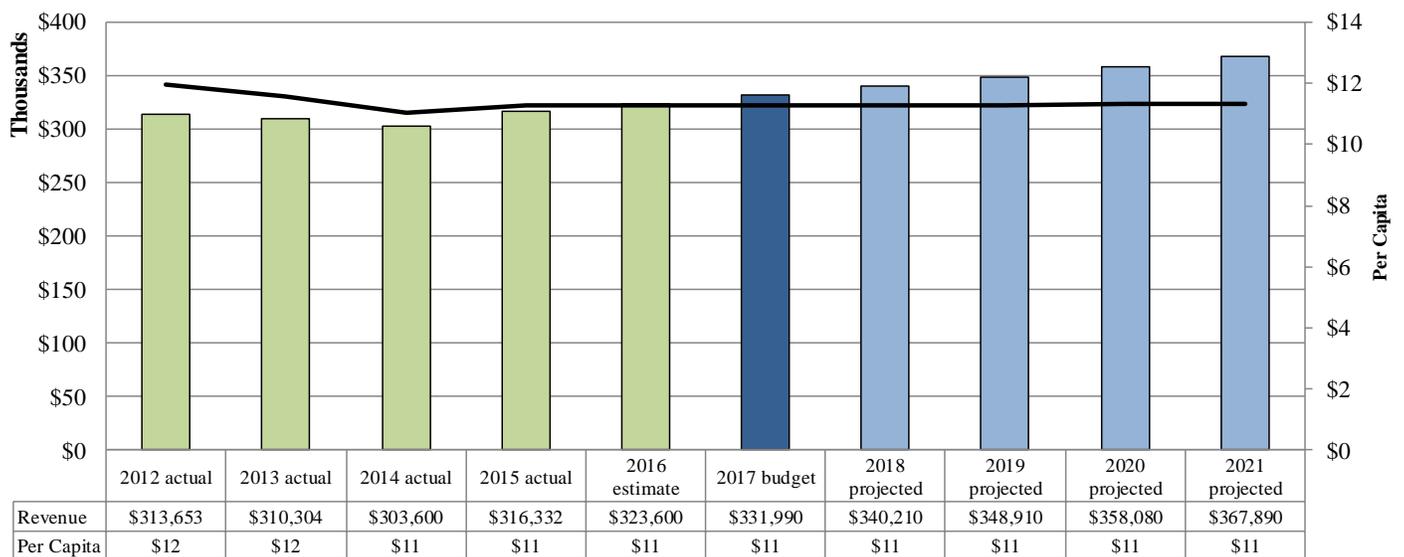
Current Rate Structure The Town operates under Arizona's *Model City Tax Code* (<http://modelcitytaxcode.az.gov/>). The Town has a tax rate of 4.0% on all construction contracting transactions. The State of Arizona collects taxes on behalf of the Town and remits them to the Town on a weekly basis.

Assumptions Projections were based on growth estimates. The expectation was derived using planning documents for new development and factors influencing the housing market in the State and nationwide. Inflationary impacts were also considered.

Trend Slightly Positive. Construction contracting taxes are projected to cover a larger percentage of debt service costs in the CIIF than the 2015 low point. A slightly increasing growth rate and a higher mix of commercial development will drive the increase.

Franchise Taxes (Taxes)

Description & Use The Town of Sahuarita collects franchise fees from cable and gas utility providers pursuant to executed agreements. The agreements license the utilities to use the Town’s right-of-ways. There are no restrictions placed on this revenue source. The revenues are recorded in the General Fund and are used to fund daily operations.



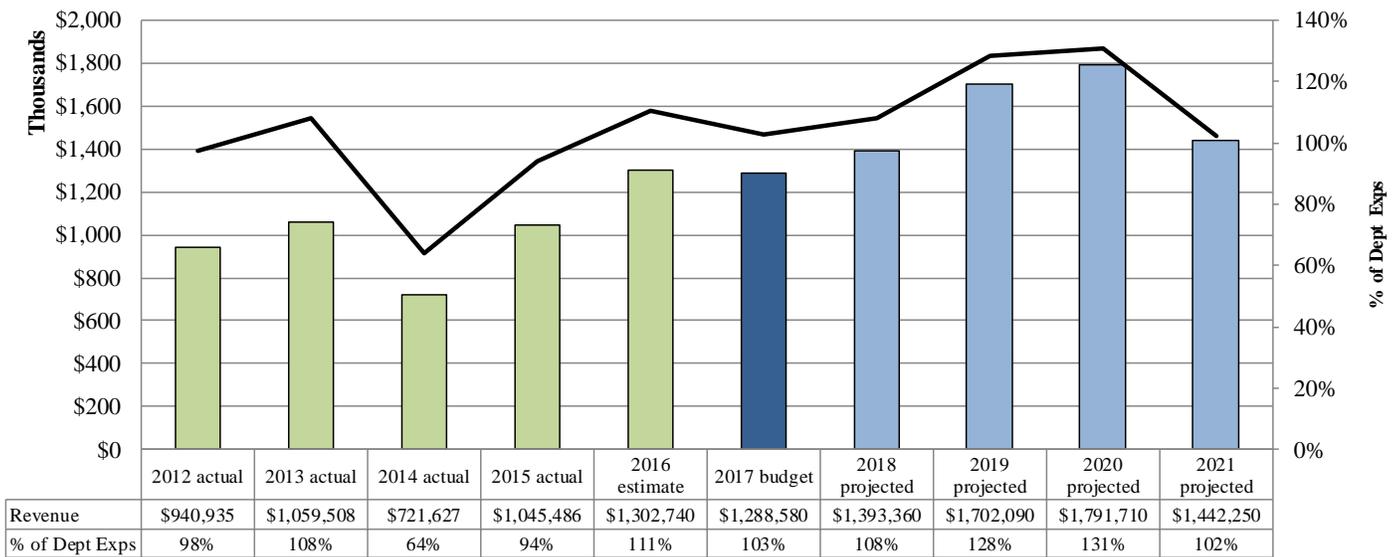
Current Rate Structure Franchise tax rates are 5.0% and 2.0% for cable and gas, respectively, as set forth in the agreements. The utility companies pay the taxes to the Town on a quarterly basis.

Assumptions Projections were based on estimated growth in population. The estimate was derived using planning documents for new development.

Trend Flat/Stable. Franchise taxes per capita are projected to be about the same as they have been in the past.

Building Permit Fees (Licenses and Permits)

Description & Use Fees are charged for the permission to construct or alter buildings, structures, and improvements within the Town limits. There are no restrictions placed on this revenue source. The revenues are recorded in the General Fund and are used to fund daily operations, namely those of the Planning & Building Department.



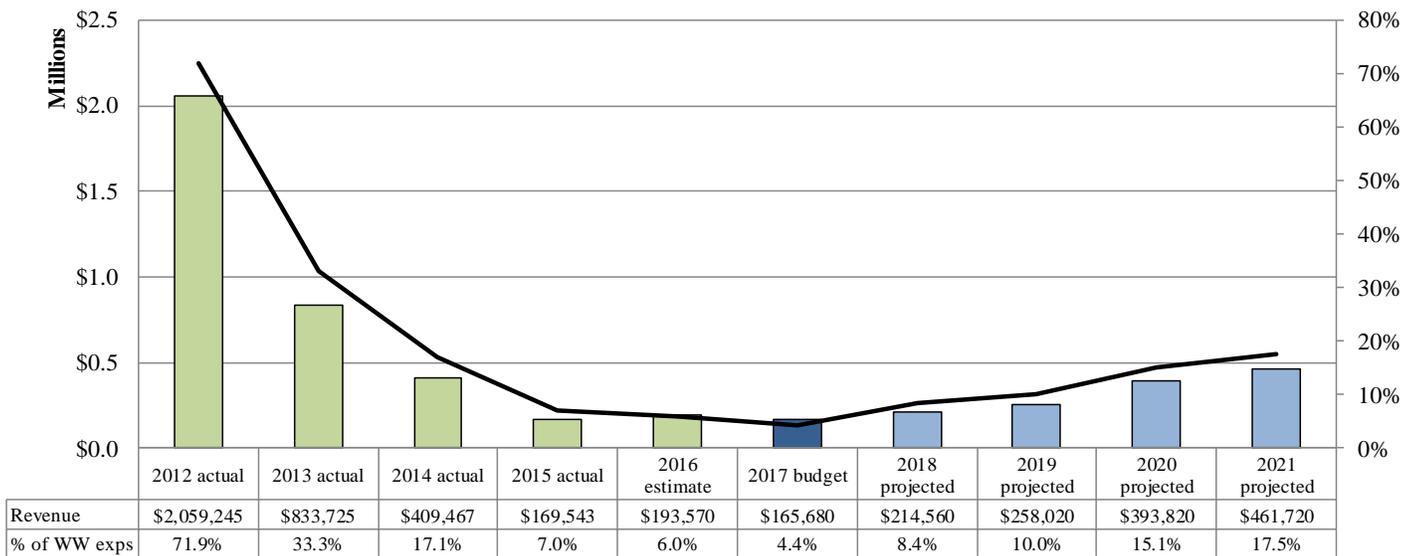
Current Rate Structure Building permitting fees are calculated primarily by the type and size of the building structure. Mechanical, plumbing, and electrical fees are calculated based upon a standard percentage of the building permit valuation. The fees are collected when the permits are issued to the applicant.

Assumptions Projections were based on the number of permits expected to be issued for each year. The expectation was derived using planning documents for new development as well as expectations about factors influencing the housing market in the State and nationwide.

Trend Positive. Compared to the past, future revenues are expected to cover higher percentage of the direct costs to operate the Planning and Building Department.

Sewer Connection Fees (Licenses and Permits)

Description & Use A fee is charged to new customers connecting to the Town’s sewer system. Sewer connection fees are used to pay capital costs (and associated debt) to expand and improve the wastewater treatment facilities. The fees are recorded in the Wastewater Enterprise Fund.



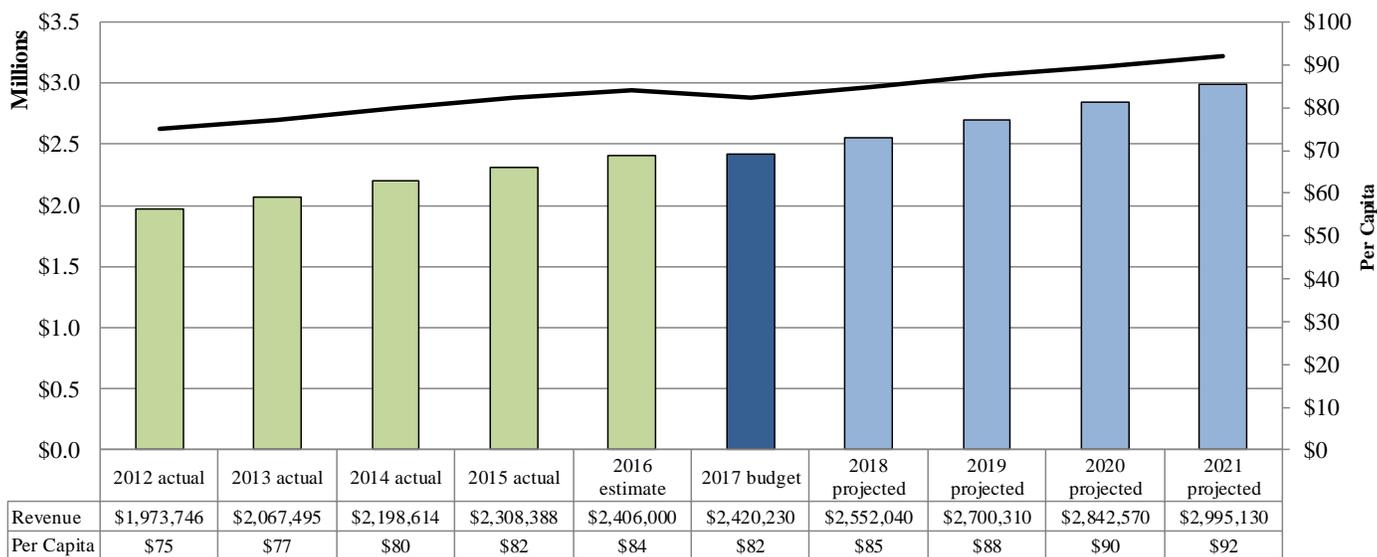
Current Rate Structure The Town is contractually obligated to use an equivalent methodology as the County to derive sewer connection rates. Connection fees have historically been calculated based on the number of fixture unit equivalents installed as part of new construction or as part of rehabilitation of existing structures. For fiscal year 2013 and beyond, however, the County began to charge based upon the size of the water meter servicing the properties in question. This new fee structure significantly reduced the amount of connection fee revenues generated. The fees are collected when permits are issued to the applicant.

Assumptions Projections were based on the number of permits expected to be issued during the year. The expectation was derived using planning documents for new development as well as expectations about factors influencing the housing market in the State and nationwide.

Trend Negative then slightly positive. After 2017, which is the low point, future connection fees are projected to cover a higher percentage of the capital outlay and debt service expenditures of the Wastewater Enterprise Fund.

**State Shared Sales Taxes
(Intergovernmental)**

Description & Use Incorporated cities and towns receive a portion of the State’s sales tax collections. There are no restrictions placed on this revenue source. The revenues are recorded in the General Fund and are used to fund daily operations.



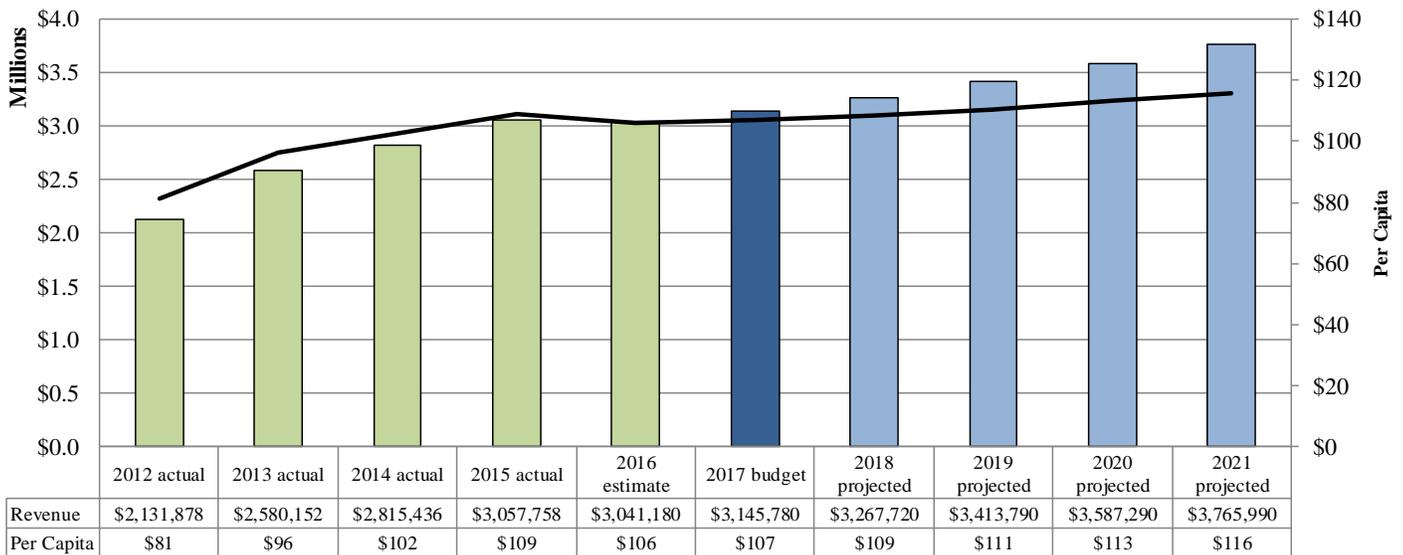
Current Rate Structure The State’s transaction privilege tax rate is 5.6%. The State’s distribution is based upon population figures in proportion to other municipalities. Historically, the population figures were adjusted every five years. Beginning in 2017 and afterwards, the population basis will be adjusted annually based upon US Census estimates. Distributions are made monthly.

Assumptions The Arizona Department of Revenue provides the Town with projected revenues for the upcoming fiscal year. Future projections are based upon the Town’s estimated growth compared to the State’s projections for its future growth.

Trend Positive. State shared sales taxes per capita are projected to increase over time. The State’s economy is improving and the Town’ population growth is expected to outpace the Statewide average.

**State Shared Income Taxes
(Intergovernmental)**

Description & Use Incorporated cities and towns receive a portion of the State’s income tax collected in the fiscal year two years prior. There are no restrictions placed on this revenue source. The revenues are recorded in the General Fund and are used to fund daily operations.



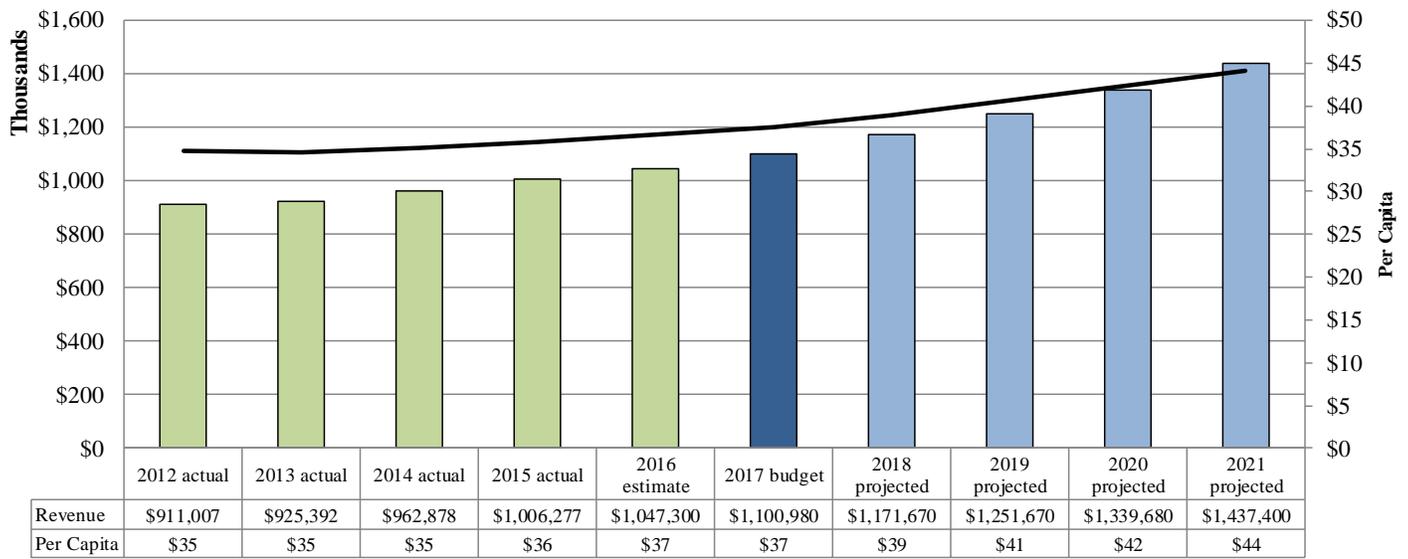
Current Rate Structure The State distributes to the municipalities 15% of the total income taxes it collected from two years prior. The State’s distribution is based upon population figures in proportion to other municipalities. Historically, the population figures were adjusted every five years. Beginning in 2017 and afterwards, the population basis will be adjusted annually based upon US Census estimates. Distributions are made monthly.

Assumptions The Arizona Department of Revenue provides the Town with projected revenues. The Arizona Department of Revenue provides the Town with projected revenues for the upcoming fiscal year. Future projections are based upon the Town’s estimated growth compared to the State’s projections for its future growth.

Trend Positive. State shared income taxes per capita are projected to increase over time. The State’s economy is improving and the Town’s population growth is outpacing the Statewide average.

**State Shared Vehicle License Taxes
(Intergovernmental)**

Description & Use Incorporated cities and towns receive a portion of the State’s vehicle license tax collections. There are no restrictions placed on this revenue source. The revenues are recorded in the General Fund and are used to fund daily operations.



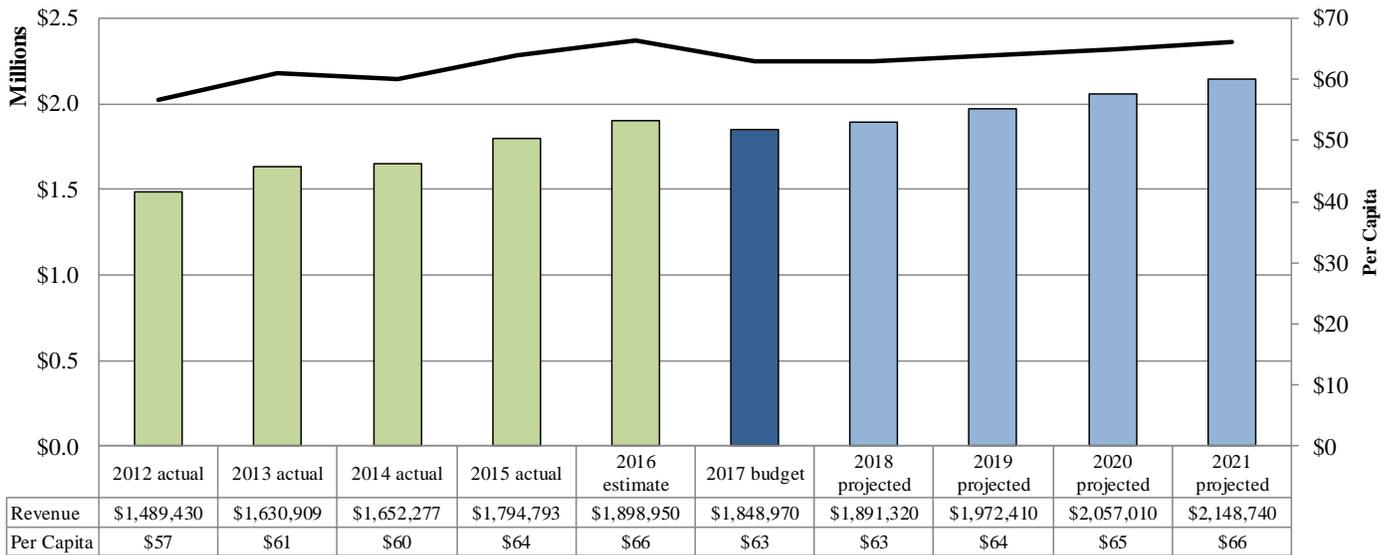
Current Rate Structure The State’s distribution is based upon population figures in proportion to other municipalities. Historically, the population figures were adjusted every five years. Beginning in 2017 and afterwards, the population basis will be adjusted annually based upon US Census estimates. Distributions are made twice a month.

Assumptions The Arizona Department of Transportation provides projections for statewide revenue collections. The Town’s projections start with the statewide figure and allocate a proportion of it based upon the Town’s projected population relative to that of the Statewide projected population for the year in question.

Trend Positive. State shared vehicle license taxes per capita are projected to increase over time. The State’s economy is improving and the Town’ population growth is outpacing the Statewide average.

Highway User Revenue Funds (HURF) (Intergovernmental)

Description & Use Incorporated cities and towns receive a portion of the State’s HURF collections. The Arizona Constitution restricts the use of HURF. Funding must be used exclusively for street and highway purposes, excluding use for traffic law enforcement or administration of traffic safety programs. These revenues are recorded in the HURF Special Revenue Fund.



Current Rate Structure The majority of the HURF is generated from the tax on fuel sales (\$0.18 per gallon) and a portion on vehicle license taxes. Cities and towns receive 27.5% of total HURF collected. The funds are distributed based on two calculations. First, 50% of the available funds are distributed based on population figures in proportion to other local jurisdictions. Second, the remaining 50% is distributed to counties based on fuel sales and further to cities and towns based on population proportion in the county. Distributions are received monthly.

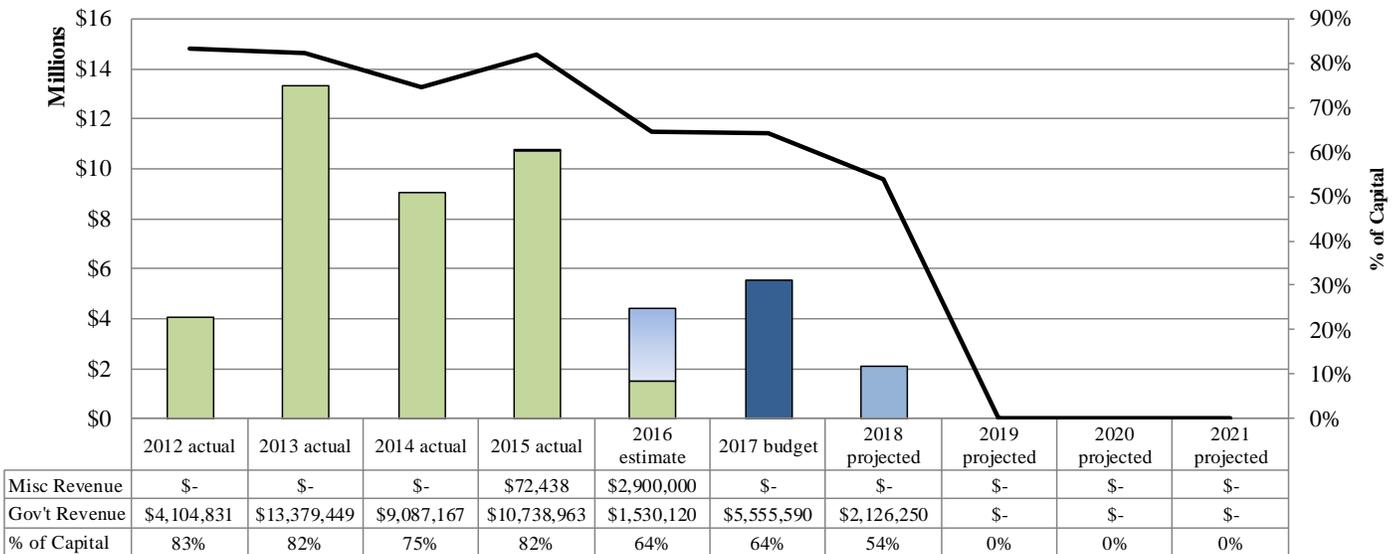
Assumptions The Arizona Department of Transportation provides projections for statewide revenue collections. The Town’s projections start with the statewide figure and allocate a proportion of it based upon the Town’s projected population relative to that of the Statewide projected population for the year in question.

Trend Slightly positive. State shared HURF per capita are projected to increase a little over time. The State’s economy is improving and the Town’ population growth is outpacing the Statewide average. Alternative fuel and more fuel efficient vehicles are expected to slow the revenue growth.

**Capital Grants
(Miscellaneous & Intergovernmental)**

Description & Use

The Town receives grant funding from other governmental entities such as the State of Arizona, Pima County, and the Regional Transportation Authority. The Town may also receive capital grants from non-governmental entities (Miscellaneous Revenue). Capital grant revenues are used for the acquisition and construction of capital assets, as restricted in the grant or contractual agreements. These revenues are typically recorded in the HURF special revenue fund or the CIIF capital projects fund depending on the nature on the source and nature of the grant agreement.



Current Rate Structure

Capital grant agreements are typically structured to reimburse the Town for actual costs incurred. Grant agreements are in place with the Pima Association of Governments and the Regional Transportation Authority.

Assumptions

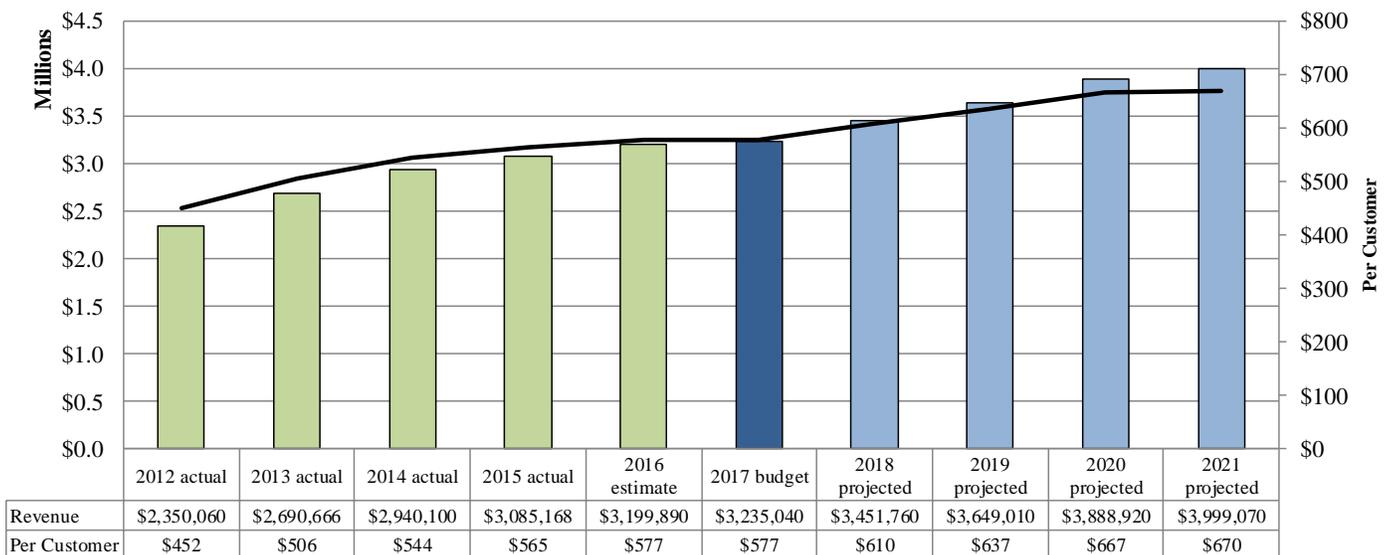
Agreements are in place for much of the projected revenues. These agreements primarily reimburse the Town for costs incurred. Therefore, revenues will be realized to the extent that expenditures are incurred on capital projects. A significant portion of the Town’s capital outlay costs are funded by these capital grants.

Trend

Negative. The proportion of capital projects funded by grants varies year-to-year but historically has exceeded 60%. The Town has yet to identify grant beyond 2018 for desired projects.

**Sewer User Fees
(Charges for Services)**

Description & Use Sewer user fees are charged to the households and businesses served by the wastewater utility. Sewer user fees are used to pay the operating costs of the wastewater utility and to pay a portion of the debt service costs. The fees are recorded in the Wastewater Enterprise Fund.



Current Rate Structure Customers are billed monthly fees based on the average amount of water they consume during the winter months. Fees are set at a rate needed to pay for operations and a portion of debt service. The fees are reviewed periodically to determine if they are adequate to meet the obligations of the enterprise. There are no fee increases planned for 2017.

Assumptions The majority of the projected revenues will be collected from existing customers. New customers of the utility will generate additional revenues. The expectation for new customers was derived using planning documents for new development and expectations about factors influencing the housing market in the State and nationwide

Trend Positive. Future rate increases are expected to produce higher sewer user fees per customer over time.

Fund Budgeting

What is Fund Budgeting?

The Town organizes its activities into seven different funds. Each fund in the Town of Sahuarita is a separate set of accounts that identifies and predicts unique sources and uses of funding. When summed together, these funds form the legal budget (see **Legal Requirements** section for more information). Each fund is accounted for separately.

What is Fund Accounting and why is it different from business accounting?

Governments and businesses perform their accounting in very different ways in order to accomplish different purposes. The Governmental Finance Officers Association describes the differences in the following way:

For purposes of determining profitability, it typically suffices to look at a business “taken as a whole.” Such a “big picture” approach, however, normally is insufficient for assessing stewardship and compliance. What is really needed in this latter case is some tool for organizing and presenting data about financial resources that highlights the fact that certain resources have been “segregated for the purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restriction, or limitations.” For state and local governments, that tool is fund accounting.

What are the Funds used by the Town?

The Town uses the following seven funds to account for all of its financial activity.

- General Fund
- Highway User Revenue Fund (HURF)
- Grants and Restricted Sources Fund (GARS)
- Quail Creek Community Facilities District Fund (QC CFD)
- Rancho Sahuarita Community Facilities District Fund (RS CFD)
- Capital Infrastructure Improvement Fund (CIIF)
- Wastewater Fund

What is a balanced budget?

A fund is considered to be in balance when its financial sources equal its uses. Sources are made up of all money received during the year plus all savings from prior years, and uses are made up of all money spent during the year plus all money to be saved for future years. For practical purposes, however, it may be better to consider a fund in balance when there is at least as much money coming in as going out. When each fund is in balance, the sum of these funds (the budget taken as a whole) will be in balance.

GOVERNMENTAL FUNDS

GENERAL	SPECIAL REVENUES	CAPITAL PROJECTS
<p>Used to account for and report all financial resources not accounted for and reported in another fund.</p> <p><i>General Fund*</i></p>	<p>Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt.</p> <p><i>HURF Fund*</i></p> <p><i>GARS Fund</i></p> <p><i>QC CFD Fund</i></p> <p><i>RS CFD Fund</i></p>	<p>Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other assets.</p> <p><i>CIIF Fund*</i></p>

* Any budgeted fund that represents 10% or more of the total appropriated revenues or expenditures is considered a *major* fund.

PROPRIETARY FUND

ENTERPRISE

Used to report any activity for which a fee is charged to external users for goods and services.

*Wastewater Enterprise
Fund**

FUNDS AND DEPARTMENTS

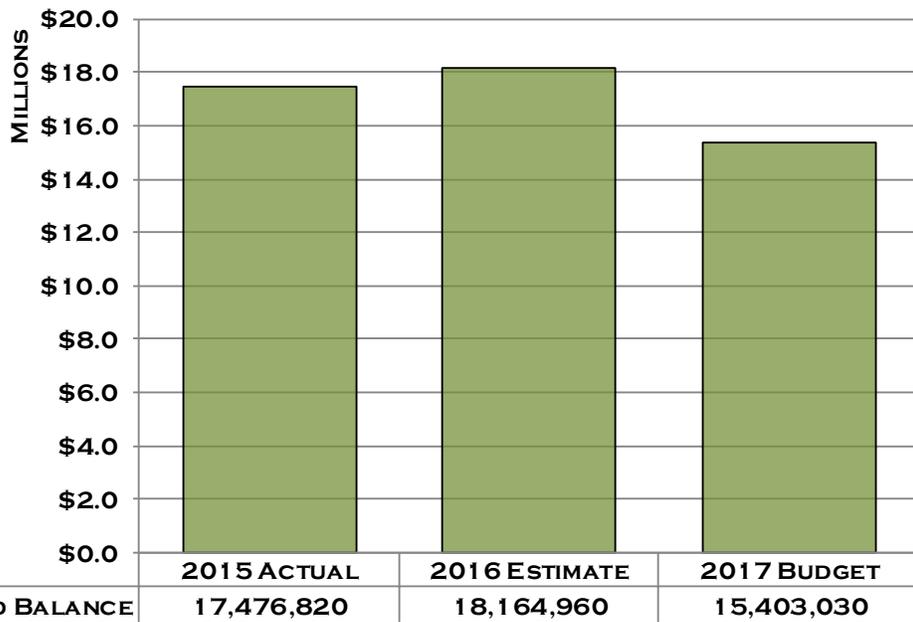
General Fund	HURF Fund	GARS Fund	QC CFD FUND	RS CFD Fund	CIIF Fund	Wastewater Fund
Mayor & Council						
Town Manager		<input checked="" type="checkbox"/>				
Department of Law						
Town Clerk						
Finance				<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Human Resources					<input checked="" type="checkbox"/>	
Planning & Building						
Parks & Recreation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Public Works					<input checked="" type="checkbox"/>	
Police		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
Municipal Court						
	Streets		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
Non-Departmental			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Wastewater

Purpose: The **General Fund** serves as the chief operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in other funds.

2017 budgeted revenues exceed expenditures by \$2,320 and are 5.3% and 6.9%, respectively, more than last year. The General Fund ending balance is expected to decline by \$2.76 million. The decrease is attributable to transfers of resources to the CIIF and the Wastewater funds. Transfers to the CIIF will provide funding for two capital projects. Transfers to the Wastewater fund are needed to help fund one capital project and to cover a portion of the enterprise’s deficits. These transfers will be made to the extent that the utility has recharge credits to give back to the General Fund.

GENERAL FUND

- Services:*
- Law & order
 - Development assistance
 - Parks maintenance & recreation
 - Administration & support services



The ending fund balance is projected to be \$15.4 million. Of this amount, \$3.64 million is non-spendable as that amount of funding will be advanced to the Wastewater Fund to manage its deficit position. The remainder is 79.3% of the General Fund's budgeted expenditures, well above the 25% stabilization reserve level required by Town ordinance. The General Fund reserves commitment includes balances (\$1.04 million) to cover the operational reserve deficiencies of the HURF, QCCFD, and Wastewater funds. The Town Council has also assigned \$100,000, available for the Town Manager to handle unanticipated needs during the year, and continues to set aside \$500,000 for future asset maintenance. Finally, the Town Council has adopted a policy establishing a \$10 million target for unassigned reserves by 2020. Unassigned balances at 2017 year-end are projected to be \$6.41 million.

GENERAL FUND
SOURCES AND USES OF FUNDS

	2015	2016			2017	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
SOURCES							
Revenues:							
Taxes	\$ 5,057,011	\$ 5,139,510	\$ 5,139,510	\$ 5,265,900	\$ 5,390,400	4.9%	2.4%
Licenses & Permits	1,110,925	1,032,820	1,032,820	1,344,740	1,330,580	28.8%	-1.1%
Intergovernmental	6,372,424	6,452,060	6,452,060	6,494,480	6,666,990	3.3%	2.7%
Charges for Services	805,380	908,200	908,200	837,130	925,850	1.9%	10.6%
Fines and Forfeitures	247,594	271,640	271,640	183,890	230,030	-15.3%	25.1%
Investment Earnings	123,176	228,180	228,180	174,390	233,930	2.5%	34.1%
Miscellaneous	46,161	61,050	61,050	61,050	60,000	-1.7%	-1.7%
Subtotal:	13,762,671	14,093,460	14,093,460	14,361,580	14,837,780	5.3%	3.3%
Other Sources:							
Transfers Out	(721,716)	(305,710)	(305,710)	(305,700)	(2,764,250)	804.2%	804.2%
Subtotal:	(721,716)	(305,710)	(305,710)	(305,700)	(2,764,250)	804.2%	804.2%
Beginning Fund Balance:							
Nonspendable	1,702,265	2,329,650	2,329,650	2,767,630	3,314,710	42.3%	19.8%
Committed	3,947,700	4,336,250	4,336,250	4,336,250	4,752,160	9.6%	9.6%
Unassigned	11,240,733	10,359,040	10,359,040	10,372,940	10,098,090	-2.5%	-2.6%
Subtotal:	16,890,698	17,024,940	17,024,940	17,476,820	18,164,960	6.7%	3.9%
TOTAL SOURCES	\$29,931,653	\$30,812,690	\$30,812,690	\$ 31,532,700	\$30,238,490	-1.9%	-4.1%
USES							
Current Expenditures:							
Mayor & Council	\$ 104,519	\$ 114,390	\$ 114,390	\$ 114,350	\$ 113,860	-0.5%	-0.4%
Town Manager	710,447	710,370	710,370	706,840	753,180	6.0%	6.6%
Law	590,094	565,160	565,160	592,130	643,730	13.9%	8.7%
Town Clerk	334,910	536,410	536,410	448,660	579,470	8.0%	29.2%
Finance	1,084,833	1,233,260	1,233,260	1,176,270	1,395,530	13.2%	18.6%
Human Resources	228,888	234,190	234,190	223,390	268,680	14.7%	20.3%
Planning & Building	1,111,393	1,185,870	1,185,870	1,178,230	1,239,460	4.5%	5.2%
Parks & Recreation	1,404,537	1,598,570	1,598,570	1,443,310	1,732,900	8.4%	20.1%
Public Works	688,574	924,870	924,870	905,130	965,270	4.4%	6.6%
Police	5,468,052	5,963,900	5,963,900	5,814,020	6,299,670	5.6%	8.4%
Municipal Court	541,036	575,440	575,440	535,740	592,360	2.9%	10.6%
Non-Departmental	187,555	232,720	232,720	229,670	251,350	8.0%	9.4%
Subtotal:	12,454,838	13,875,150	13,875,150	13,367,740	14,835,460	6.9%	11.0%
Ending Fund Balance:							
Nonspendable	2,767,630	3,264,790	3,264,790	3,314,710	3,639,890	11.5%	9.8%
Committed for Reserves	3,947,700	4,336,250	4,336,250	4,336,250	4,752,160	9.6%	9.6%
Assigned for:							
Contingencies	100,000	100,000	100,000	100,000	100,000	0.0%	0.0%
Asset Maintenance	500,000	500,000	500,000	500,000	500,000	0.0%	0.0%
Unassigned	10,161,490	8,736,500	8,736,500	9,914,000	6,410,980	-26.6%	-35.3%
Subtotal:	17,476,820	16,937,540	16,937,540	18,164,960	15,403,030	-9.1%	-15.2%
TOTAL USES	\$29,931,658	\$30,812,690	\$30,812,690	\$ 31,532,700	\$30,238,490	-1.9%	-4.1%

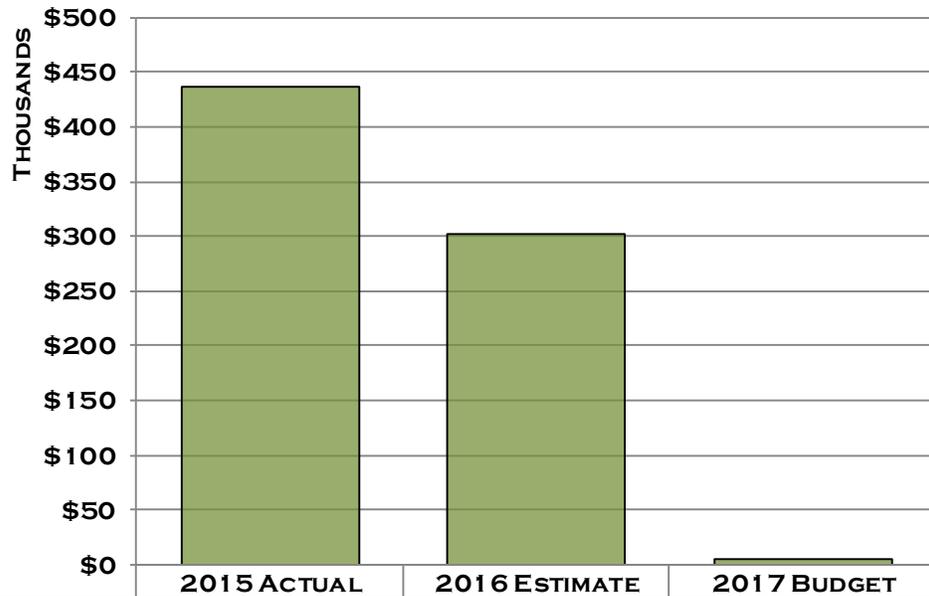
Purpose: The **Highway User Revenue Fund (HURF)** is a *Special Revenue Fund* that accounts for the Town's share of the State's motor fuel tax revenues. HURF revenues are restricted for transportation purposes.

In 2017, total revenues are expected to increase by 13.3% over last year's budget. This increase is attributable to capital grants, whose funding is ultimately transferred to the CIIF to cover costs of street projects. The operating revenues portion will only increase by 0.5%. Conversely, operating costs are budgeted to increase by 6.4% (see Streets Department section for more information on increases). As a result, the ending fund balances will decrease by \$298 thousand.

HURF FUND

Services:

- Maintain streets and bridges
- Street lighting
- Provide traffic control



	2015 ACTUAL	2016 ESTIMATE	2017 BUDGET
ENDING FUND BALANCE	437,183	302,670	4,280

In order to maintain the condition of the Town's roadway system, the fund requires the consumption of most of its resources. The ending fund balance is projected to be \$4,280, which are restricted for transportation purposes only.

HIGHWAY USER REVENUE FUND
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2015	2016			2017	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
<u>SOURCES</u>							
Revenues:							
Intergovernmental	\$ 2,013,163	\$ 5,463,770	\$ 5,463,770	\$ 1,958,250	\$ 6,188,970	13.3%	216.0%
Investment Earnings	2,123	1,870	1,870	1,870	2,090	11.8%	11.8%
Miscellaneous	2,177	-	-	-	-	-	-
Subtotal:	2,017,463	5,465,640	5,465,640	1,960,120	6,191,060	13.3%	215.9%
Other Sources:							
Transfers Out	(95,837)	(3,600,000)	(3,600,000)	(34,300)	(4,315,000)	19.9%	12480.2%
Subtotal:	(95,837)	(3,600,000)	(3,600,000)	(34,300)	(4,315,000)	19.9%	12480.2%
Beginning Fund Balance:							
Restricted for HURF	167,096	271,670	271,670	426,010	302,670	11.4%	-29.0%
Restricted for LTAF	11,903	7,000	7,000	11,170	-	-100.0%	-100.0%
Subtotal:	178,999	278,670	278,670	437,180	302,670	8.6%	-30.8%
TOTAL SOURCES	\$ 2,100,625	\$ 2,144,310	\$ 2,144,310	\$ 2,363,000	\$ 2,178,730	1.6%	-7.8%
<u>USES</u>							
Current Expenditures:							
Streets	\$ 1,662,623	\$ 2,036,990	\$ 2,098,110	\$ 2,049,160	\$ 2,174,450	3.6%	6.1%
LTAF	819	7,000	7,000	11,170	-	-100.0%	-100.0%
Subtotal:	1,663,442	2,043,990	2,105,110	2,060,330	2,174,450	3.3%	5.5%
Ending Fund Balances:							
Restricted for HURF	426,016	100,320	39,200	302,670	4,280	-100.0%	-98.6%
Restricted for LTAF	11,167	-	-	-	-	-	-
Subtotal:	437,183	100,320	39,200	302,670	4,280	-89.1%	-98.6%
TOTAL USES	\$ 2,100,625	\$ 2,144,310	\$ 2,144,310	\$ 2,363,000	\$ 2,178,730	1.6%	-7.8%

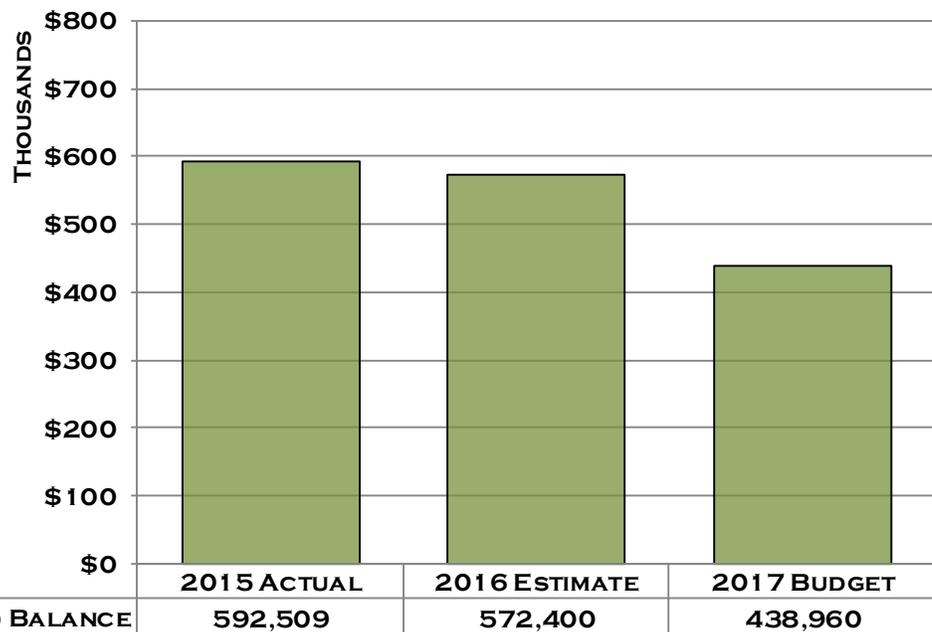
Purpose: The **Grants and Restricted Sources (GARS) Fund** is a *Special Revenue Fund* that accounts for federal, state, and local operating grants and other operating revenues whose use is restricted for certain purposes.

The GARS fund balance is budgeted to decrease \$133 thousand as a result of several purchases for police equipment and supplies, which will use resources previously accumulated for such purposes.

GARS FUND

Services:

- Enhance the Town's policing
- Sponsorships for Fiesta Sahuarita
- Support activities of the Court
- Account for grant activity



The ending fund balance is projected to be \$439 thousand, which is restricted for use by the Police Department and Municipal Court. These balances will be consumed over time as the Town identifies appropriate uses for them.

**GRANTS AND RESTRICTED SOURCES
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS**

	2015	2016			2017	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
<u>SOURCES</u>							
Revenues:							
Intergovernmental	\$ 176,712	\$ 628,490	\$ 628,490	\$ 521,600	\$ 480,930	-23.5%	-7.8%
Charges for Services	13,350	15,000	15,000	12,000	15,000	0.0%	25.0%
Fines & Forfeitures	57,903	60,870	60,870	12,370	160,870	164.3%	1200.5%
Investment Earnings	4,011	3,260	3,260	4,500	4,490	37.7%	-0.2%
Miscellaneous	116,055	42,000	138,000	94,990	44,000	-68.1%	-53.7%
Subtotal:	368,031	749,620	845,620	645,460	705,290	-16.6%	9.3%
Beginning Fund Balance:							
Restricted for Police	719,485	627,250	627,250	558,900	532,920	-15.0%	-4.6%
Restricted for Courts	54,248	33,120	33,120	33,610	39,480	19.2%	17.5%
Subtotal:	773,733	660,370	660,370	592,510	572,400	-13.3%	-3.4%
TOTAL SOURCES	\$1,141,764	\$1,409,990	\$1,505,990	\$1,237,970	\$1,277,690	-15.2%	3.2%
<u>USES</u>							
Current Expenditures:							
Police	\$ 227,860	\$ 996,090	\$1,023,090	\$ 565,920	\$ 802,730	-21.5%	41.8%
Town Manager	86,615	15,000	111,000	75,490	21,000	100.0%	-72.2%
Parks and Recreation	20,050	20,000	20,000	12,500	15,000	-25.0%	20.0%
Streets	-	-	11,660	11,660	-	-100.0%	-100.0%
Subtotal:	334,525	1,031,090	1,165,750	665,570	838,730	-28.1%	26.0%
Capital Outlay:							
Police	186,733	27,000	-	-	-	-	-
Municipal Court	27,998	-	-	-	-	-	-
Subtotal:	214,731	27,000	-	-	-	-	-
Subtotals Combined:	549,256	1,058,090	1,165,750	665,570	838,730	-28.1%	26.0%
Ending Fund Balances:							
Restricted for Police	558,898	311,910	300,250	532,920	392,610	30.8%	-26.3%
Restricted for Municipal Court	33,611	39,990	39,990	39,480	46,350	15.9%	17.4%
Subtotal:	592,509	351,900	340,240	572,400	438,960	29.0%	-23.3%
TOTAL USES	\$1,141,765	\$1,409,990	\$1,505,990	\$1,237,970	\$1,277,690	-15.2%	3.2%

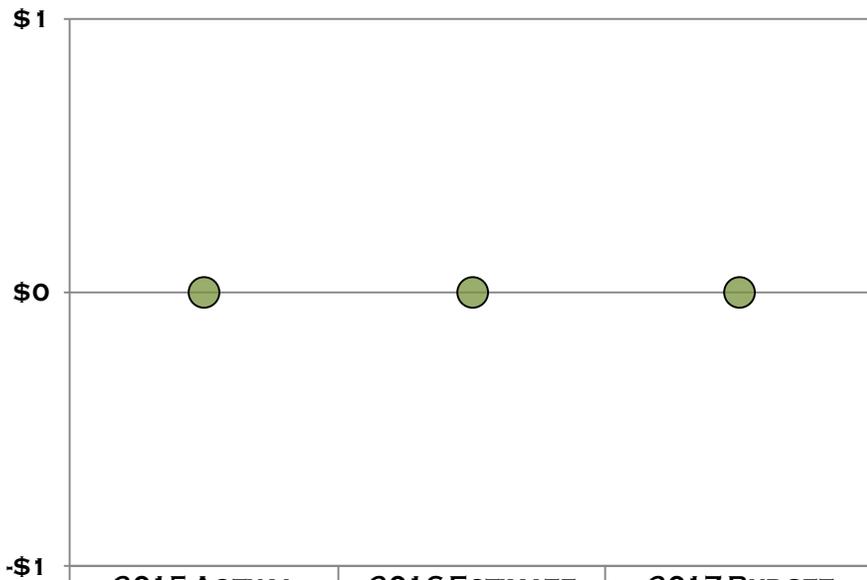
Purpose: The **Quail Creek Community Facilities District (QC CFD) Fund** is a blended component unit of the Town, a *Special Revenue Fund* that accounts for the District’s acquisition, construction, and maintenance of major capital facilities within the District boundaries. District funds are restricted for District purposes only.

The QC CFD budgeted fund balance is unchanged from last year. The District levies a property tax to pay for debt service and operations. The District consumes its operational resources to pay for District administration and street and park maintenance costs. It requires a subsidy from the developer to pay the portion of debt service not sufficiently funded by the property tax levy.

QC CFD FUND

Services:

- Maintain and landscape District streets
- Maintain Quail Creek Veteran’s Municipal Park
- Pay debts



	2015 ACTUAL	2016 ESTIMATE	2017 BUDGET
ENDING FUND BALANCE	-	-	-

QUAIL CREEK COMMUNITY FACILITIES DISTRICT
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2015	2016			2017	% Change	
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated
SOURCES							
Revenues:							
Taxes	\$ 354,981	\$ 398,610	\$ 398,610	\$ 398,610	\$ 454,340	14.0%	14.0%
Investment Earnings (Losses)	(16)	(170)	(170)	-	-	-100.0%	-
Miscellaneous	683,926	645,650	645,650	645,650	506,410	-21.6%	-21.6%
Subtotal:	1,038,891	1,044,090	1,044,090	1,044,260	960,750	-8.0%	-8.0%
Other Sources:							
Transfers In	22,176	20,400	20,400	20,390	-	-100.0%	-100.0%
Face amount of refunding debt	-	-	-	-	9,825,000	-	-
Payments to Refunded Debt Escrow	-	-	-	-	(9,620,000)	-	-
Subtotal:	22,176	20,400	20,400	20,390	205,000	904.9%	905.4%
Beginning Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL SOURCES	\$ 1,061,067	\$ 1,064,490	\$ 1,064,490	\$ 1,064,650	\$ 1,165,750	9.5%	9.5%
USES							
Current Expenditures:							
General Government	\$ 95	\$ -	\$ -	\$ 4,690	\$ 4,700	-	0.2%
Streets	17,342	21,880	21,880	20,390	20,390	-6.8%	0.0%
Park and Recreation	35,657	31,020	31,020	27,980	12,770	-58.8%	-54.4%
Subtotal:	53,094	52,900	52,900	53,060	37,860	-28.4%	-28.6%
Debt Service:							
Principal	425,000	450,000	450,000	450,000	570,000	26.7%	26.7%
Interest	578,973	557,090	557,090	557,090	348,390	-37.5%	-37.5%
Other	4,000	4,500	4,500	4,500	4,500	0.0%	0.0%
Debt Issuance Costs	-	-	-	-	205,000	-	-
Subtotal:	1,007,973	1,011,590	1,011,590	1,011,590	1,127,890	11.5%	11.5%
Subtotals Combined:	1,061,067	1,064,490	1,064,490	1,064,650	1,165,750	9.5%	9.5%
Ending Fund Balance:							
Restricted for QC CFD	-	-	-	-	-	-	-
Subtotal:	-	-	-	-	-	-	-
TOTAL USES	\$ 1,061,067	\$ 1,064,490	\$ 1,064,490	\$ 1,064,650	\$ 1,165,750	9.5%	9.5%

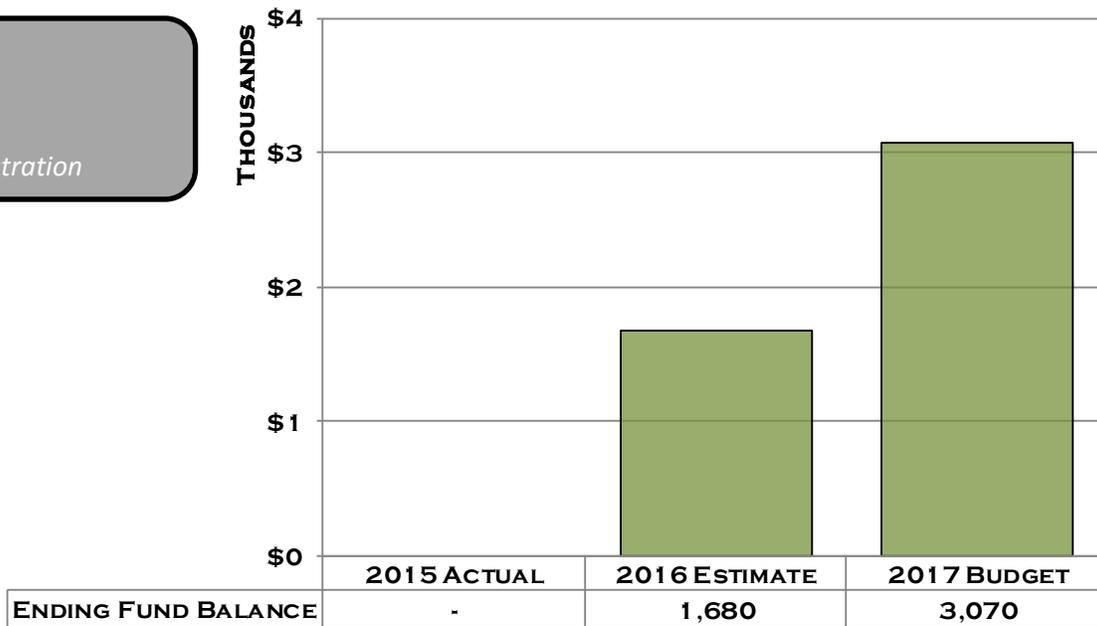
Purpose: The **Rancho Sahuarita Community Facilities District (RS CFD) Fund** is a blended component unit of the Town, a *Special Revenue Fund* that accounts for the District’s acquisition and maintenance of major capital facilities within the District boundaries. District funds are restricted for District purposes only.

The RS CFD fund balance is budgeted to increase by \$1,390, up to \$3,070, from last year. The District will levy a property tax for operations and maintenance. These revenues will exceed the administrative costs expected to be incurred in 2017.

RSCFD FUND

Services:

- *District administration*



RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2015	2016			2017	% Change		
	Actual Amount	Adopted Budget	Amended Budget	Estimated Actual	Budget Amount	From Amended	From Estimated	
SOURCES								
Revenues:								
Taxes	\$ -	\$ 2,370	\$ 2,370	\$ 2,430	\$ 2,300	-3.0%	-5.3%	
Investment Earnings (Losses)	203	300	300	300	250	-16.7%	-16.7%	
Misc-Developer Contributions	548	-	-	-	-	-	-	
Subtotal:	751	2,670	2,670	2,730	2,550	-4.5%	-6.6%	
Other Sources:								
Face amount of long-term debt	-	7,160,000	7,160,000	-	-	-100.0%	-	
Subtotal:	-	7,160,000	7,160,000	-	-	-100.0%	-	
Beginning Fund Balance:								
Restricted for RS CFD	-	200	200	-	1,680	740.0%	100.0%	
Subtotal:	-	200	200	-	1,680	740.0%	100.0%	
TOTAL SOURCES	\$ 751	\$ 7,162,870	\$ 7,162,870	\$ 2,730	\$ 4,230	-99.9%	54.9%	
USES								
Current Expenditures:								
General Government	\$ 751	\$ 1,050	\$ 1,050	\$ 1,050	\$ 1,160	10.5%	10.5%	
Subtotal:	751	1,050	1,050	1,050	1,160	10.5%	10.5%	
Debt Service:								
Debt issuance costs	-	286,400	286,400	-	-	-100.0%	-	
Subtotal:	-	286,400	286,400	-	-	-100.0%	-	
Capital Outlay:								
Infrastructure	-	6,873,600	6,873,600	-	-	-100.0%	-	
Subtotal:	-	6,873,600	6,873,600	-	-	-100.0%	-	
Subtotals Combined:	751	7,161,050	7,161,050	1,050	1,160	-100.0%	10.5%	
Ending Fund Balance:								
Restricted for RS CFD	-	1,820	1,820	1,680	3,070	68.7%	82.7%	
Subtotal:	-	1,820	1,820	1,680	3,070	68.7%	82.7%	
TOTAL USES	\$ 751	\$ 7,162,870	\$ 7,162,870	\$ 2,730	\$ 4,230	-99.9%	54.9%	

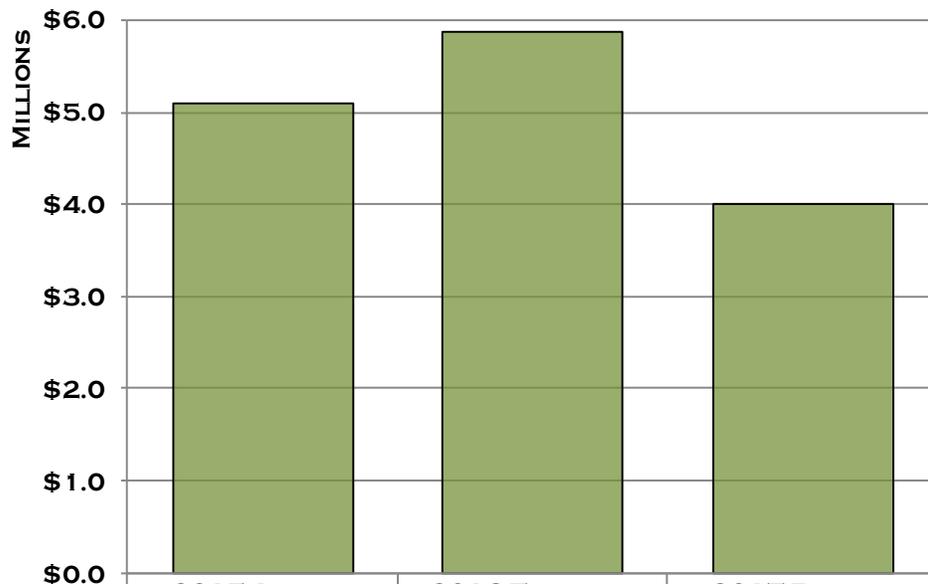
Purpose: The **Capital Infrastructure Improvement Fund (CIIF)** is a *Capital Projects Fund* that accounts for the acquisition, construction, replacement, and major repairs of capital facilities and other assets.

The CIIF fund balance is budgeted to decrease \$1.86 million. There are insufficient new revenue sources to pay for the Town’s capital priorities for 2017. Therefore, the Town will use resources accumulated in previous years to pay debt service and for much of the replacement costs of operating capital (e.g., vehicles, equipment, etc.), infrastructure improvements, and new facilities (see **Capital Improvement Plan** for more information).

CIIF FUND

Services:

- Construct and acquire assets and infrastructure
- Manage projects
- Pay debts



	2015 ACTUAL	2016 ESTIMATE	2017 BUDGET
ENDING FUND BALANCE	5,092,915	5,875,400	4,011,990

The ending fund balance is projected to be \$4.01 million. Of this amount, \$3.30 million will not be available as that amount of funding will be advanced to the Wastewater Fund to manage its deficit position. The prior year assignment for Town Center development was almost entirely consumed in 2016 and will not be continued in the future. By motion the Council had assigned debt refunding savings, \$231 thousand in 2017, toward future debt service payments. Lastly, \$476 thousand of residual balances have been assigned for future capital projects. This amount exceeds the minimum fund balance amount required by Town policy.

CAPITAL INFRASTRUCTURE IMPROVEMENT FUND
CAPITAL PROJECTS FUND
SOURCES AND USES OF FUNDS

	2015 Actual Amount	2016			2017 Budget Amount	% Change	
		Adopted Budget	Amended Budget	Estimated Actual		From Amended	From Estimated
<u>SOURCES</u>							
Revenues:							
Taxes	\$ 1,860,564	\$ 2,197,140	\$ 2,197,140	\$ 1,991,300	\$ 1,912,970	-12.9%	-3.9%
Licenses and Permits	1,200	-	-	-	-	-	-
Intergovernmental	9,471,393	2,107,960	2,142,960	4,739,040	1,185,590	-44.7%	-75.0%
Investment Earnings (Losses)	61,687	63,360	63,360	63,360	73,360	15.8%	15.8%
Miscellaneous	100,013	2,972,440	2,972,440	2,900,000	-	-100.0%	-100.0%
Subtotal:	11,494,857	7,340,900	7,375,900	9,693,700	3,171,920	-57.0%	-67.3%
Other Sources:							
Transfers In	95,837	3,600,000	3,600,000	34,300	5,381,250	49.5%	15588.8%
Transfers Out	-	(386,080)	(386,080)	(506,600)	-	-100.0%	-100.0%
Face amount of refunding debt	8,840,000	-	-	-	-	-	-
Payments to Refunded Debt Escrow	(8,726,810)	-	-	-	-	-	-
Subtotal:	209,027	3,213,920	3,213,920	(472,300)	5,381,250	67.4%	-1239.4%
Beginning Fund Balance:							
Assigned to Interfund Advances	2,545,717	4,003,870	4,003,870	2,635,050	3,304,840	-17.5%	25.4%
Assigned for Town Center	600,000	600,000	600,000	600,000	-	-100.0%	-100.0%
Assigned for Debt Service	-	152,560	152,560	152,560	231,220	51.6%	51.6%
Assigned for Capital Projects	5,162,916	2,538,330	2,538,330	1,705,310	2,339,340	-7.8%	37.2%
Subtotal:	8,308,633	7,294,760	7,294,760	5,092,920	5,875,400	-19.5%	15.4%
TOTAL SOURCES	\$ 20,012,517	\$ 17,849,580	\$ 17,884,580	\$ 14,314,320	\$ 14,428,570	-19.3%	0.8%
<u>USES</u>							
Debt Service:							
Principal	\$ 1,015,000	\$ 1,055,000	\$ 1,055,000	\$ 1,055,000	\$ 1,105,000	4.7%	4.7%
Interest	628,862	507,760	507,760	507,760	457,860	-9.8%	-9.8%
Other	1,150	5,000	5,000	5,000	5,000	0.0%	0.0%
Debt Issuance Costs	113,190	-	-	-	-	-	-
Subtotal:	1,758,202	1,567,760	1,567,760	1,567,760	1,567,860	0.0%	0.0%
Capital Outlay:							
General Government	555,672	611,800	658,800	559,600	2,319,220	252.0%	314.4%
Public Safety	440,258	374,100	374,100	378,000	330,000	-11.8%	-12.7%
Highways and Streets	10,864,690	10,046,270	10,081,270	5,211,840	5,387,500	-46.6%	3.4%
Culture and Recreation	1,300,780	721,720	721,720	721,720	812,000	12.5%	12.5%
Subtotal:	13,161,400	11,753,890	11,835,890	6,871,160	8,848,720	-25.2%	28.8%
Subtotals Combined:	14,919,602	13,321,650	13,403,650	8,438,920	10,416,580	-22.3%	23.4%
Ending Fund Balance:							
Assigned to Interfund Advances	2,635,045	3,254,930	3,254,930	3,304,840	3,304,840	1.5%	0.0%
Assigned for Town Center	600,000	314,000	314,000	-	-	-100.0%	-
Assigned for Debt Service	152,560	231,220	231,220	231,220	231,220	0.0%	0.0%
Assigned for Capital Projects	1,705,310	727,780	680,780	2,339,340	475,930	-30.1%	-79.7%
Subtotal:	5,092,915	4,527,930	4,480,930	5,875,400	4,011,990	-10.5%	-31.7%
TOTAL USES	\$ 20,012,517	\$ 17,849,580	\$ 17,884,580	\$ 14,314,320	\$ 14,428,570	-19.3%	0.8%

Fund Budgeting
Wastewater Fund

Purpose: The **Wastewater Fund** is an *Enterprise Fund* used to account for sewer service operations and the acquisition and construction of capital assets associated with this line of business.

The Wastewater Fund budgeted ending balance is expected to decrease by \$327 thousand. No rate increases are budgeted for 2017. New growth, resulting in connection fees, is expected to be slower than in 2016. Expenditures, however, will increase at a faster pace. The 2017 budget includes additional support towards billing and collections, and includes \$100 thousand in bad debt write-offs. Moreover, as the system ages, more funds are needed for repair and maintenance. Transfers in of \$1.70 million from the General Fund will help to offset some deficits and will be used to pay for a capital project that will increase the number of annual recharge credits generated by the utility. These transfers will be made to the extent there are recharge credits (based on value) available to provide back to the General Fund. \$375 thousand has been budgeted for the anticipated sale of the wastewater package plant. The debt service net revenue coverage ratio is expected to be 1.22; 1.20 is the minimum required by the WIFA loan agreement.

WASTEWATER FUND

Services:

- Utility billing and collections
- Treat raw sewage
- Recharge reclaimed water
- Pay debts



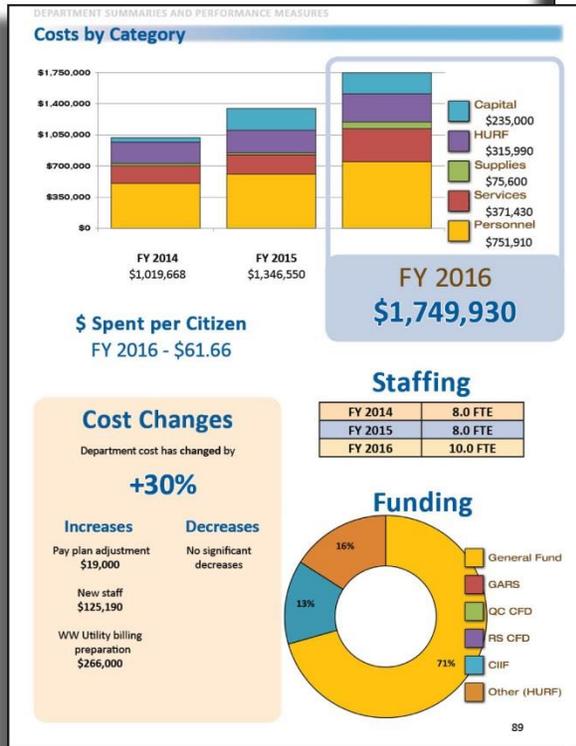
	2015 ACTUAL	2016 ESTIMATE	2017 BUDGET
ENDING FUND BALANCE	(3,642,642)	(3,751,630)	(4,079,060)

The ending fund balance is projected to be -\$4.08 million. Of this amount, \$2.11 million and \$750 thousand are restricted for debt service and rate stabilization pursuant to debt provisions. The General and CIIF funds will advance \$6.94 million to cover the fund's unassigned deficits. The longer term outlook for the fund is addressed in the **5 Year Plan** section of the Budget.

WASTEWATER ENTERPRISE FUND
SOURCES AND USES OF FUNDS

	2015	2016		Estimated Actual	2017 Budget Amount	% Change		
	Actual Amount	Adopted Budget	Amended Budget			From Amended	From Estimated	
SOURCES								
Operating Revenues:								
User Charges	\$ 3,085,168	\$ 3,395,830	\$ 3,395,830	\$ 3,199,890	\$ 3,235,040	-4.7%	1.1%	
Subtotal:	3,085,168	3,395,830	3,395,830	3,199,890	3,235,040	-4.7%	1.1%	
Non-Operating Revenues:								
Grants	-	250,000	250,000	250,000	-	-100.0%	-100.0%	
Investment Earnings (Losses)	(25,446)	(35,400)	(35,400)	(35,400)	(61,820)	74.6%	74.6%	
Sewer Connection Fees	169,543	360,380	360,380	193,570	165,680	-54.0%	-14.4%	
Miscellaneous	1,612	22,500	22,500	830	22,500	0.0%	100.0%	
Subtotal:	145,709	597,480	597,480	409,000	126,360	-78.9%	-69.1%	
Subtotal:	3,230,877	3,993,310	3,993,310	3,608,890	3,361,400	-15.8%	-6.9%	
Other Sources:								
Transfers In	699,540	671,390	671,390	791,910	1,698,000	152.9%	114.4%	
Proceeds on Sale of Assets	-	-	-	-	375,000	-	-	
Proceeds of Long-Term Debt	-	110,620	110,620	388,350	-	-100.0%	-100.0%	
Subtotal:	699,540	782,010	782,010	1,180,260	2,073,000	165.1%	75.6%	
Beginning Fund Balance:								
Restricted for Debt Service	2,108,048	2,108,060	2,108,060	2,108,050	2,108,050	0.0%	0.0%	
Restricted for Rate Stabilization Fund	-	750,000	750,000	750,000	750,000	0.0%	0.0%	
Unassigned (Deficit)	(5,819,195)	(6,323,650)	(6,323,650)	(6,500,690)	(6,609,680)	4.5%	1.7%	
Subtotal:	(3,711,147)	(3,465,590)	(3,465,590)	(3,642,640)	(3,751,630)	8.3%	3.0%	
TOTAL SOURCES	\$ 219,270	\$ 1,309,730	\$ 1,309,730	\$ 1,146,510	\$ 1,682,770	28.5%	46.8%	
USES								
Current Expenditures:								
Wastewater Utility	\$ 1,457,070	\$ 1,748,200	\$ 1,748,200	\$ 1,694,670	\$ 1,980,220	13.3%	16.8%	
Subtotal:	1,457,070	1,748,200	1,748,200	1,694,670	1,980,220	13.3%	16.8%	
Debt Service:								
Principal	1,458,691	1,513,000	1,513,000	1,513,000	1,569,330	3.7%	3.7%	
Interest	927,167	891,560	891,560	885,410	832,080	-6.7%	-6.0%	
Subtotal:	2,385,858	2,404,560	2,404,560	2,398,410	2,401,410	-0.1%	0.1%	
Capital Outlay:								
Plant, Conveyance and Equipment	18,984	805,060	925,580	805,060	1,380,200	49.1%	71.4%	
Subtotal:	18,984	805,060	925,580	805,060	1,380,200	49.1%	71.4%	
Subtotals Combined:	3,861,912	4,957,820	5,078,340	4,898,140	5,761,830	13.5%	17.6%	
Ending Fund Balance:								
Restricted for Debt Service	2,108,048	2,108,060	2,108,060	2,108,050	2,108,050	0.0%	0.0%	
Restricted for Rate Stabilization Fund	750,000	750,000	750,000	750,000	750,000	0.0%	0.0%	
Unassigned (Deficit)	(6,500,690)	(6,506,150)	(6,626,670)	(6,609,680)	(6,937,110)	4.7%	5.0%	
Subtotal:	(3,642,642)	(3,648,090)	(3,768,610)	(3,751,630)	(4,079,060)	8.2%	8.7%	
TOTAL USES	\$ 219,270	\$ 1,309,730	\$ 1,309,730	\$ 1,146,510	\$ 1,682,770	28.5%	46.8%	

Departmental contact information, descriptions, mission statements, and highlights



Department Summaries and Performance Measures
Town Manager

DEPARTMENT INFORMATION
L. Kelly Udall, Town Manager
kudall@sahuaritaaz.gov 520-822-8816

MISSION STATEMENT: The Town Manager directs and coordinates staff to implement Town Council policies and programs in the highest level of professionalism and customer service. As a division of the Town Manager's Department, Economic Development seeks to attract and retain a diversity of firms to create and sustain high-wage jobs, generating wealth and revenues for the community.

ADMINISTRATION (4.0 FTE, \$511,150)
The Town Manager provides the professional leadership necessary to implement and administer the programs and policies established by the Mayor and Council. The Manager informs and advises the Council on matters of concern to the Town. The Manager studies, evaluates, and proposes alternative solutions for Council consideration, prepares and implements the annual plan, and coordinates the activities of all departments under his authority with the goal of providing high levels of comprehensive and effective services to the residents.

ECONOMIC DEVELOPMENT (2.0 FTE, \$263,030)
The purpose of economic development is to attract and retain appropriate commercial and industrial development businesses, creating residents high-paying employment opportunities. Cultivating relationships with company representatives, landowners, real estate brokers, governmental agencies, and Mexico is critical to the mission for economic development.

DEPARTMENT HIGHLIGHTS

- Negotiated \$60 million Rancho Sahuarita Community Facilities District
- Completed Sahuarita Farms Specific Plan and Development Agreement
- Facilitated adoption of Sahuarita East Conceptual Area Plan (SECAP) and Aspiré 2035: The Town of Sahuarita General Plan
- Revised Strategic Plan and implemented 2016-2019 with new executive tracking and reporting
- Initiated \$96,000 grant application through Freeport McMoran Foundation for Branding and Marketing
- Enhanced safety protocols through employee Safety Committee, reducing experience modifier rate and saving over \$160,000 in premiums over two years
- Negotiated \$77,396.88 savings on procurement contracts
- Received procurement award for certification meeting standards of professional excellence
- Received \$250,000 Arizona Commerce Authority Rural Economic Development Grant funding for the sewer line extension to the Town Center Commerce Park
- Established a sports tourism marketing and outreach campaign to promote the Sahuarita "Twisted Cactus" Triathlon
- Conducted a total of six Small Business Development Workshops for area businesses at the BIHUB
- Conducted Business Outreach assisting 75 area businesses
- Established the Town of Sahuarita Industry Appreciation visitation program with the major employers in the region
- Partnered with SUSD, business and regional organizations for the Sahuarita STEMTacular event



Strategic Plan Focus Areas



Focus Area 1
ECONOMIC DEVELOPMENT



Focus Area 2
INFRASTRUCTURE



Focus Area 3
PLANNING FOR OUR COMMUNITY'S FUTURE



Focus Area 4
ORGANIZATIONAL EFFECTIVENESS



Focus Area 5
QUALITY OF LIFE



Performance Measures Key

ADMINISTRATIVE GOALS		
Goal #1		Implement the vision and goals to achieve results in the Strategic Plan Focus Areas identified by Mayor and Council to include, but not limited to: Economic Development, Infrastructure, Planning for our Community's Future, Organizational Effectiveness, and Quality of Life.
Goal #2		Ensure the alignment and development of strategic plans in conjunction with Mayor and Council priorities while providing organizational leadership and management.
Goal #3		Provide effective and efficient operations Town wide ensuring continued quality service with each and every customer contact.
Goal #4		Allocate and manage resources in line with Mayor and Council directives.

ADMINISTRATIVE MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Percentage of residents rating the Town as a good or excellent place to live.	94	94	95
Increase the percentage of residents who report in the biennial citizen survey that Sahuarita is a community they feel part of.	30	30	40
Percentage of residents rating access to walking trails and recreational paths as good or excellent.	77	77	78
Percentage of residents rating the speed of community growth during the past five years as good or excellent.	52	52	53
Percentage of residents who feel safe or very safe in public areas during the day.	89	89	90
Number of legislative bills that the Town provided input on to our legislators.	0	0	4
Percentage of residents who believe that the Town of Sahuarita government acts in the best interests of the community.	49	49	50
Percentage of employees who strongly agree or somewhat agree that information is adequately communicated from department leaders to employees (Employee Job Survey)	N/A	N/A	57
Number of appointed special task forces or committees to evaluate, study, and advance Town initiatives.	4	4	4
Percentage of employees who are satisfied or somewhat satisfied with employee engagement (Employee Job Satisfaction Survey)	N/A	N/A	57
Percentage of Town department procurement customers who rated procurement services as 95% or higher.	N/A	N/A	80
Maintain a town-wide combined hourly full-time FTE equivalent of 9 volunteers annually.	9	9	9
Percentage of residents who rate the value of services as excellent or good for the sales taxes paid to the Town of Sahuarita.	54	54	55
Identify and implement one procurement process improvement that increases efficiency or reduces costs.	N/A	Issuing purchase orders to JDC contracts saving time to change balance of all accounts.	2
Negotiate added value for 1 negotiation-eligible procurement solicitation.	N/A	Five contracts identified - \$77,396.88 savings.	
Number of Sahuarita citizens assisted through human services grants.	3320	3320	3320
Revise Procurement Code and Policy.	NEW MEASURE	N/A	N/A



There are five aims of the Strategic Plan: to provide strategic direction, to guide the use of resources, to set standards of excellence, to cope with environmental uncertainty and change and to provide an objective basis for control and evaluation.

Goal

A broad focus on obtaining substantial and continuing improvements in cost, quality, and speed in the delivery of products and services. Each department has identified aspirational goals which stem from the basic definition of why the department exists. These goals can all be achieved but rarely completed, as it required continuous effort to maintain the best outcomes possible for the residents of Sahuarita.

Measure

A critical tool which shows the value, efficiency, and quality provided to residents. Each department has identified performance measurements that help focus daily operational decisions on the most significant outcomes. The measurements can be understood as the level of service purchased by the Town Council with its investment of resources.

DEPARTMENT INFORMATION

Yisel Suarez, Executive Assistant
ysuarez@sahuaritaaz.gov 520-822-8816

MISSION STATEMENT: The Mayor and Council set public policy and provide staff with direction to meet community needs.

TOWN COUNCIL (0.0 FTE, \$113,860)

The Council establishes goals and objectives, adopts public policies, and approves the annual budget to meet the community's needs. All powers of the Council are exercised by ordinance, resolution, order, or motion.

The Town Council is comprised of seven elected officials. Council Members serve overlapping four-year terms with elections held in the Fall of even-numbered years, with a Mayor and Vice Mayor selected by the Council after each election. As the Town's governing body, the Council establishes goals and objectives, adopts public policies, and approves the annual budget to meet the community's needs. All powers of the Council are exercised by ordinance, resolution, order, or motion.

TOWN COUNCIL MEMBERS



Duane Blumberg
Mayor
dblumberg@sahuaritaaz.gov
520-344-7146



Bill Bracco
Vice Mayor
bbracco@sahuaritaaz.gov
520-344-7141



Lynne Skelton
Councilmember
lskelton@sahuaritaaz.gov
520-344-7140



Tom Murphy
Councilmember
tmurphy@sahuaritaaz.gov
520-344-7144



Gil Lusk
Councilmember
glusk@sahuaritaaz.gov
520-344-7142



Melissa Hicks
Councilmember
mhicks@sahuaritaaz.gov
520-344-7143

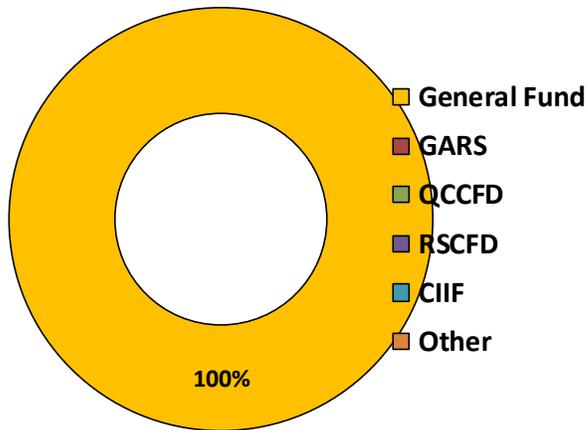


Kara Egbert
Councilmember
kegbert@sahuaritaaz.gov
520-344-7145

Costs by Category



FUNDING



Cost Changes	
Department cost has changed by	
0%	
Increases	Decreases
No significant increases	No significant decreases

2017 budget per resident: \$3.88

Staffing: The Mayor and Council has seven elected officials, but no FTE.

MAYOR AND COUNCIL GOALS		
<p>Goal #1</p>		<p>ECONOMIC DEVELOPMENT Continue to grow the Town’s economic base bringing in jobs associated with retail, light manufacturing and quality commercial enterprises.</p>
<p>Goal #2</p>		<p>INFRASTRUCTURE Provide and maintain high-quality and cost-effective infrastructure.</p>
<p>Goal #3</p>		<p>PLANNING FOR OUR COMMUNITY’S FUTURE Promote planned growth that fosters high-quality and diverse development, facilitates sustainable infrastructure and assures quality services.</p>
<p>Goal #4</p>		<p>ORGANIZATIONAL EFFECTIVENESS Foster an organizational culture that embraces change, creativity, innovation and calculated risk to ensure proactive, consistent, efficient and accountable service to our community.</p>
<p>Goal #5</p>		<p>QUALITY OF LIFE Maintain a high quality of life that makes Sahuarita a community of choice for residents and business investment. Encourage a unified community identity.</p>

MAYOR AND COUNCIL GOALS	
Expand the local economy through a comprehensive business and industry recruitment, retention and expansion program to generate revenues and provide job opportunities for our community.	ECONOMIC DEVELOPMENT 
Revise the Strategic Plan for economic development.	
Promote tourism of our community and the Green Valley Region.	
Provide and maintain public streets and rights-of-way.	INFRASTRUCTURE 
Provide and maintain parks, trails and recreation facilities	
Maintain and operate wastewater plant and collection system to ensure system integrity.	
Provide effective management of town-owned buildings.	
Manage storm water drainage.	
Complete work on major planning efforts to guide the Town’s future.	PLANNING FOR OUR COMMUNITY’S FUTURE 
Facilitate development opportunities.	
Plan and pursue future service delivery opportunities.	
Deliver high-quality, business friendly services.	ORGANIZATIONAL EFFECTIVENESS 
Build a financially resilient government.	
Identify and seek opportunities to expand and advance the use of technology in the delivery of services.	
Attract, engage, and retain highly-qualified employees to create an organization of excellence.	
Continuous improvement.	
Effective operation of town-owned infrastructure.	
Assure that the Town continues to be a safe community.	QUALITY OF LIFE 
Provide parks, facilities, programs and events that foster a healthy lifestyle and enhance the lives of residents.	
Incorporate art and culture into Town projects and event to promote the rich, culturally diverse history of Sahuarita.	

DEPARTMENT INFORMATION

L. Kelly Udall, Town Manager

kudall@sahuaritaaz.gov 520-822-8816

MISSION STATEMENT: The Town Manager directs and coordinates staff to implement Town Council policies and programs with the highest level of professionalism and customer service. As a division of the Town Manager's Department, Economic Development seeks to attract and retain a diversity of firms to create and sustain high-wage jobs, generating wealth and revenues for the community.

ADMINISTRATION (4.0 FTE, \$511,150)

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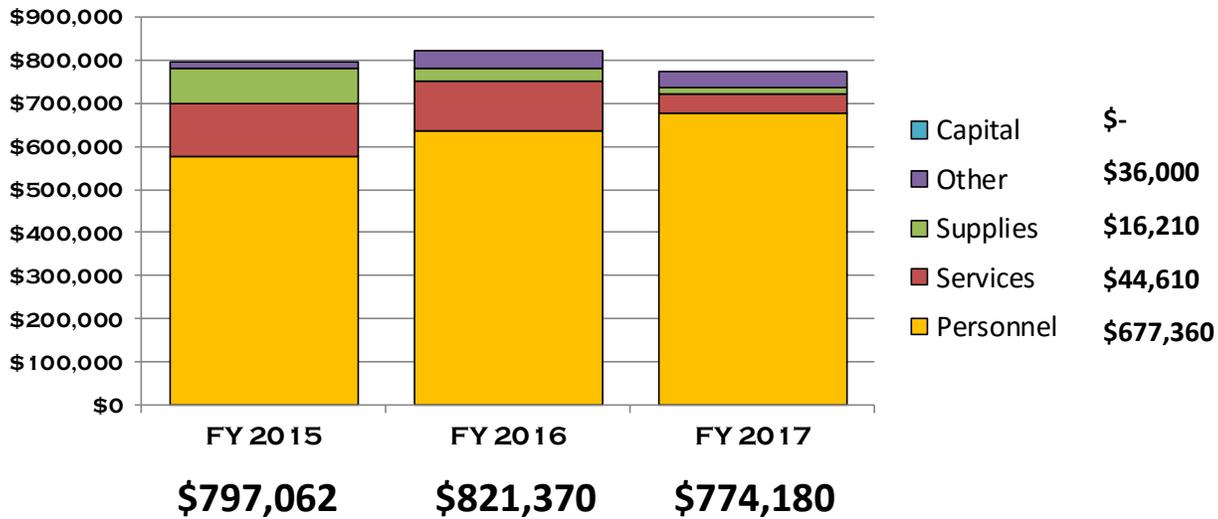
ECONOMIC DEVELOPMENT (2.0 FTE, \$263,030)

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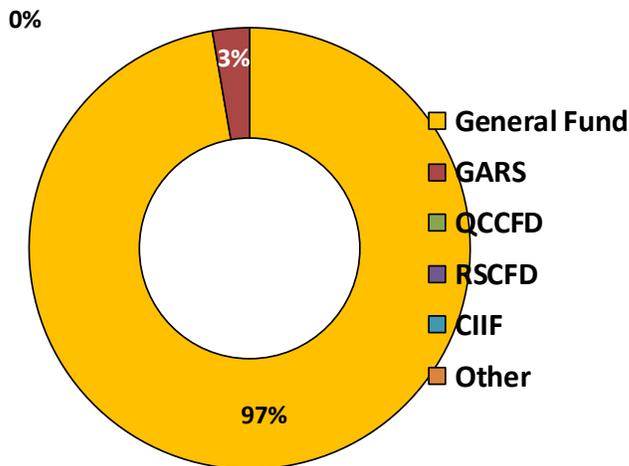
----- DEPARTMENT HIGHLIGHTS -----

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- Conducted a total of six Small Business Development Workshops for area businesses at the BizHUB
- Conducted Business Outreach assisting 75 area businesses
- Established the Town of Sahuarita Industry Appreciation visitation program with the major employers in the region
- Partnered with SUSD, business and regional organizations for the Sahuarita STEMtacular event

Costs by Category



FUNDING



Cost Changes	
Department cost has changed by	
-6%	
Increases	Decreases
Pay plan & merits: \$33,120	BizHub project: \$15,000
	Town branding: \$75,000

2017 budget per resident: \$26.36

Staffing:

2015	6.0 FTE
2016	6.0 FTE
2017	6.0 FTE

ADMINISTRATIVE GOALS		
Goal #1		<p>Implement directives and goals to achieve results in the Strategic Plan Focus Areas identified by Mayor and Council to include, but not limited to: Economic Development, Infrastructure, Planning for Our Community's Future, Organizational Effectiveness, and Quality of Life.</p>
Goal #2		<p>Ensure the alignment and development of strategic plans in conjunction with Mayor and Council priorities while providing organizational leadership and management.</p>
Goal #3		<p>Provide effective and efficient operations Town wide ensuring continued quality service with each and every customer contact.</p>
Goal #4		<p>Allocate and manage resources in line with Mayor and Council directives.</p>

ADMINISTRATIVE MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Percentage of residents rating the Town as a good or excellent place to live.	94	94	95
Increase the percentage of residents who report in the biennial citizen survey that Sahuarita is a community they feel part of.	30	30	40
Percentage of residents rating access to walking trails and recreational paths as good or excellent.	77	77	78
Percentage of residents rating the speed of community growth during the past five years as good or excellent.	52	52	53
Percentage of residents who feel safe or very safe in public areas during the day.	89	89	90
Number of legislative bills that the Town provided input on to our legislators.	0	0	4
Percentage of residents who believe that the Town of Sahuarita government acts in the best interests of the community.	49	49	50
Percentage of employees who strongly agree or somewhat agree that information is adequately communicated from department leaders to employees (Employee Job Survey)	N/A	N/A	57
Number of appointed special task forces or committees to evaluate, study, and advance Town initiatives.	4	4	4
Percentage of employees who are satisfied or somewhat satisfied with employee engagement (Employee Job Satisfaction Survey)	N/A	N/A	57
Percentage of Town department procurement customers who rated procurement services as 95% or higher.	N/A	N/A	80
Maintain a town-wide combined hourly full-time FTE equivalent of 9 volunteers annually.	9	9	9
Percentage of residents who rate the value of services as excellent or good for the sales taxes paid to the Town of Sahuarita.	54	54	55
Identify and implement one procurement process improvement that increases efficiency or reduces costs.	N/A	Issuing purchase orders to JOC contracts saving time to change balance of all accounts.	2
Negotiate added value for 1 negotiation-eligible procurement solicitation.	N/A	Five contracts identified - \$77,396.88 savings	
Number of Sahuarita citizens assisted through human services grants.	3320	3320	3320
Revise Procurement Code and Policy.	NEW MEASURE	N/A	N/A

ECONOMIC DEVELOPMENT GOALS		
Goal #1		Build on Sahuarita's abundant assets and advantages.
Goal #2		Expand Sahuarita's internal capacity to facilitate and accommodate economic development.
Goal #3		Retain and grow existing economic drivers and employers.
Goal #4		Grow and attract quality firms and jobs (domestic and global) in targeted sectors.

ECONOMIC DEVELOPMENT MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Number of businesses assisted with retention	75	75	80
Number of Retail Prospects	NEW MEASURE	10	12
Number of major employers visited	NEW MEASURE	4	6
Number of targeted sector prospects	NEW MEASURE	3	5
Percentage of Mexican Shoppers	NEW MEASURE	N/A	30%
Number of visitors to Sahuarita attractions	NEW MEASURE	92,000	94,000

DEPARTMENT INFORMATION

Daniel J. Hochuli, Esq., Town Attorney
dhochuli@sahuaritaaz.gov 520-822-8827

MISSION STATEMENT: The mission of the Department of Law is to *protect the Town, its resources, and its residents in civil and criminal matters.*

CIVIL DIVISION (3.0 FTE, \$463,900)

The Civil Division of the Department of Law provides legal advice to the Town Council, Town Manager, and other Town Departments, in order to assure compliance with state and federal laws. This includes compliance with the Arizona open meeting laws, disclosure of public records laws, and many other laws that are peculiar to municipalities. The Civil Division also prepares agreements with developers for provision of infrastructure, coordinates the acquisition of land for public uses, works with the Town Clerk to assure compliance with all election laws and regulations, and performs other legal tasks as required. The Town Attorney is required by state law to read, approve, and sign all contracts, intergovernmental agreements, resolutions, and ordinances prior to their submission to the Town Council, in order to assure that not only is the document in compliance with state law, but also within the authority of the Town.

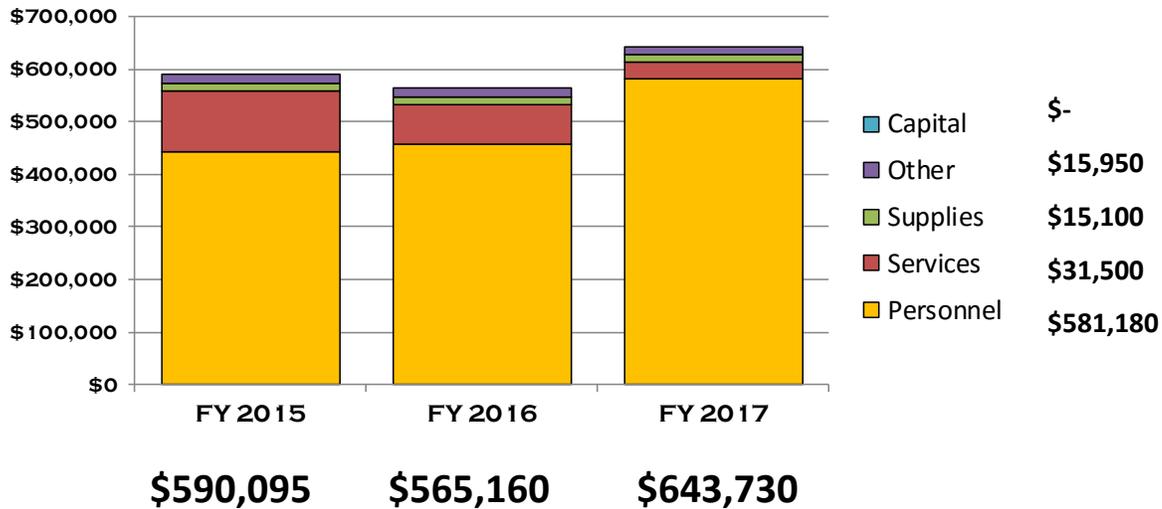
CRIMINAL DIVISION (2.0 FTE, \$179,830)

The Criminal Division of the Department of Law is responsible for the prosecution of misdemeanor crimes that occur within the Town's boundaries. It represents the State in all such cases, and in so doing safeguards the constitutional rights of defendants and the rights of victims and their families. Its mission is to ensure that justice is served and that a fair, thoughtful, and appropriate resolution is achieved in all matters.

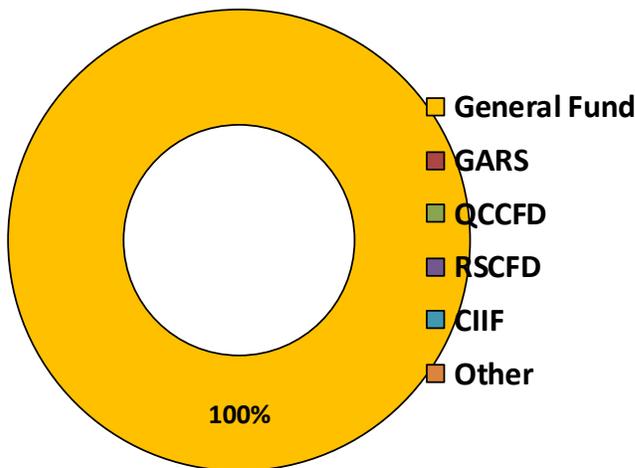
----- DEPARTMENT HIGHLIGHTS -----

- Last year the Civil Division completed a complex development agreement for the development of Sahuarita Farms Planned Community, which was approved by the Mayor and Council. This year we expect to complete a development agreement with the developer of another planned community.
- The Civil Division has completed a comprehensive overhaul of Title 2 of the Sahuarita Town Code, and this year plans to continue updating the Code by rewriting another outdated Title of the Code.
- The addition of a full-time prosecuting attorney will allow the Deputy Town Attorney to spend significantly more time on civil matters. This will allow the Civil Division to handle more matters in-house, and any services that require specialized expertise will be coordinated through the Law Department.
- The Civil Division has worked with Town departments to reduce liability and resolve disputes, which has resulted in only one pending lawsuit, and no pending notices of claim.
- The Civil Division worked with the wastewater billing department and customers to help customers bring their accounts current. To date, our involvement has resulted in numerous customers paying their bill or arranging a payment plan.
- The expansion to a full-time prosecuting attorney will result in the Criminal Division's expanded availability, increased effectiveness, and better service to the community and police.
- Last year the prosecuting attorney was responsible for victim contact in all criminal cases due to the lack of county funding for the victim advocate position. This year the funding has been restored and these services are again being offered by the advocates, assisting victims and coordinating mental health services.
- The Criminal Division is an active member of the Retail Theft Summit, a multijurisdictional committee made up of retailers, police, attorneys, and others, working to reduce shoplifting and retail theft in the region.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+14%

Increases	Decreases
Pay plan & merits: \$15,600	Contracted prosecutor: \$43,500
New staff: \$98,800	

2017 budget per resident: \$21.92

Staffing:

2015	4.0 FTE
2016	4.0 FTE
2017	5.0 FTE

Department of Law

DEPARTMENT OF LAW GOALS		
Goal #1		Assure that Town operations comply with all federal, state and local laws and regulations by timely response to requests for legal analysis, advice and answers to legal issues.
Goal #2		Provide excellent service to internal client departments.
Goal #3		Expediently review Council materials to meet agenda deadlines
Goal #4		Preserve and protect victims' rights during criminal case prosecution.
Goal #5		Fair and even-handed administration of justice to all defendants.

DEPARTMENT OF LAW MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Notices of Claim filed	2	0	0
Losses to Town as a result of litigation (in dollars)	\$0	\$2,000	0
Lawsuits filed against Town	1	1	0
Number of regulatory actions against Town by state or federal agencies.	0	\$0	0
Contracts approved by packet deadline	100%	100%	%100
Project delayed to such an extent that follow-up is required by departments regarding status of requests for work from the Department of Law	1%	1%	0%
Number of agenda extensions requested due to delays in legal review	N/A	N/A	57
Percentage of victim notices timely sent	100%	100%	100%
Number of cases filed	426	380	
Number of cases resolved at first contact	215	247	
Number of cases ending in plea agreements	320	262	

Town Clerk

DEPARTMENT INFORMATION

Lisa Cole, CMC, Town Clerk

lcole@sahuaritaaz.gov 520-822-8802

MISSION STATEMENT: The mission of the Town Clerk’s Department is to uphold public trust and offer access to matters of public interest by maintaining and preserving public records and providing innovative, efficient and responsive customer service to the community. The Clerk also advocates local democracy through voter education and the conduct of impartial and accurate elections. Town communications are a division of the Clerk’s office, answering all media inquiries for the town, engaging the public and cultivating awareness and engagement for Town of Sahuarita programs, services and events.

TOWN CLERK (4.0 FTE, \$342,720)

The Town Clerk’s Office provides administrative support for legislative services, records and information management, public information, regulatory licensing and election services. Duties include the preparation of agendas, meeting notices and minutes; maintenance of the Town Code; administration of the appointment process to boards and commissions; safeguarding the Town seal; maintenance and preservation of accurate Council records; oversight of the Records and Information Management Program; dissemination of public information; processing of liquor, business and bingo licenses; and the administration of elections.

ELECTIONS (0.0 FTE, \$39,110)

The Elections Division administers all municipal and special district elections in accordance with legal requirements. The Town Clerk oversees the candidate nomination process; initiative, referendum and recall petitions; campaign finance; financial disclosure statements; and voter education and information. Staff and budget are not allocated during non-election years.

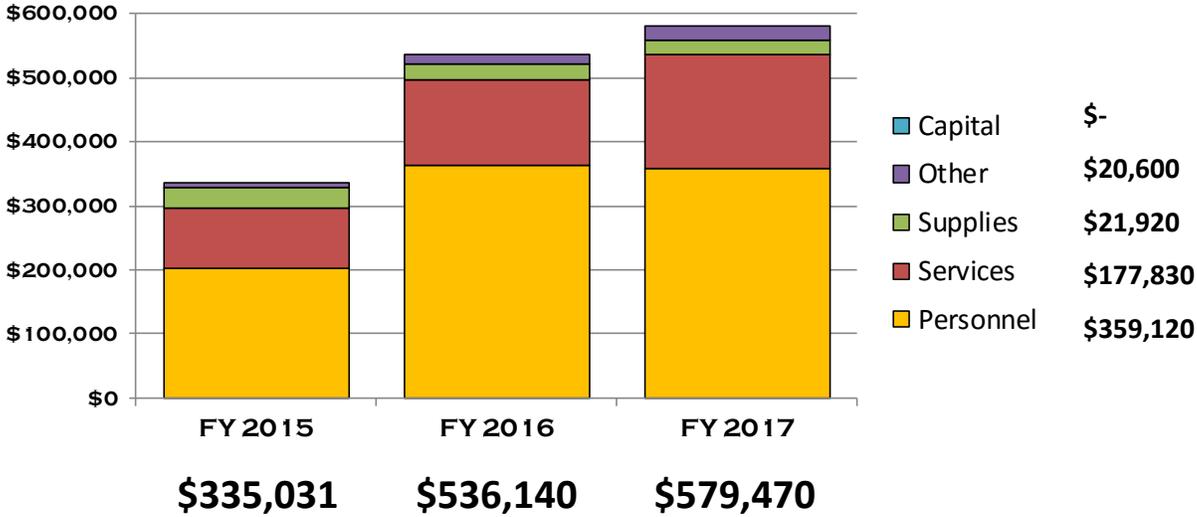
COMMUNICATIONS (1.0 FTE, \$197,640)

The Communications Division coordinates communication programs and policies that support the goals and objectives of the Town, focusing on the innovative use of social media, digital communication, online initiatives and progressive tools to better serve and engage the community. Activities include answering all media inquiries for the Town, administration of the Town website and the production and design of newsletters, presentations, surveys, publications, promotional items, press releases and videos.

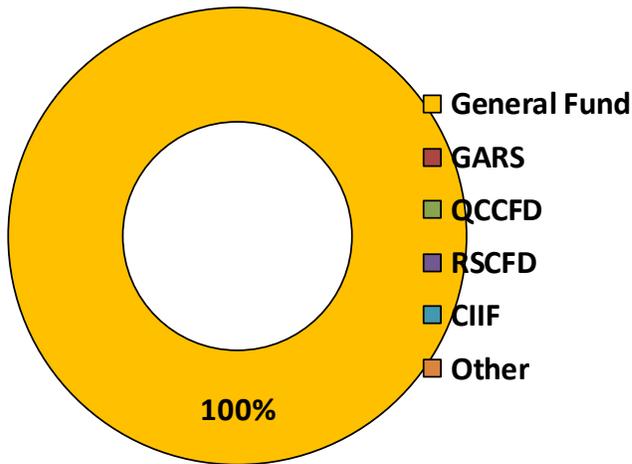
----- DEPARTMENT HIGHLIGHTS -----

- Administered the 2015 Special Election to ratify Aspire 2035: The Town of Sahuarita General Plan in conformance with federal, state and local laws.
- Imaged, indexed and filed in excess of 7,000 pages of documents.
- Designed and printed the Parks & Recreation Program Guide – a hardcopy guide to classes, activities and events offered by Sahuarita parks and Recreation.
- Supported the acquisition of Sahuarita Wastewater billing by serving as cashier for wastewater payments.
- Modified the design of the Sahuarita Strategic plan and designed the Strategic Plan Progress Report.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+8%

Increases	Decreases
Pay plan & merits: \$11,960	Staffing changes: \$17,000
Communication & marketing services: \$24,000	
County election services: \$14,200	
State of the Town event: \$4,000	

2017 budget per resident: \$19.73

Staffing:

2015	5.0 FTE
2016	5.0 FTE
2017	5.0 FTE

Town Clerk

TOWN CLERK GOALS		
<p>Goal #1</p>		<p>Provide courteous, efficient and responsive customer service to the community.</p>
<p>Goal #2</p>		<p>Comply with Open Meeting Law</p>
<p>Goal #3</p>		<p>Maintain and preserve public records</p>

TOWN CLERK MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Percentage of customer survey ratings meeting or exceeding expectations	100%	100%	100%
Number of information requests	8,189	5,000	4,500
Percentage of public records requests not completed within 72 hours	25%	30%	30%
Number of public records requests received	53	50	50
Percentage of business licenses issued within seven business days of receipt	99%	98%	98%
Number of business licenses issued	1,277	1,350	1,400
Percentage of agendas and public notices posted in conformance with the open meeting law	100%	100%	100%
Percentage of audio minutes posted to website within three business days after meeting	100%	100%	100%
Percentage of approved meeting minutes posted to the website within two business days after meeting	100%	100%	100%
Percentage of visits to review public meeting agendas, minutes and audio			
Number of Town records indexed, imaged and filed with Town Clerk (pages)	7,067	8,000	7,500
Number of town-wide records management educational meetings conducted	0	2	2
Number of cubic feet of records destroyed in compliance with state law	129	60	75

ELECTIONS GOALS		
<p>Goal #1</p>		<p>Conduct transparent, impartial and accurate elections</p>

COMMUNICATIONS GOALS		
<p>Goal #1</p>		<p>Engage the community through digital media</p>
<p>Goal #2</p>		<p>Engage the community through answering media inquiries and proactively sending information to local and regional media outlets including print, radio and television.</p>

ELECTIONS MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
% Elections conducted without legal challenge	N/A	N/A	100%
# Registered Voters for Primary Election	N/A	N/A	14,775
% Voter Turnout for Primary Election	N/A	N/A	35%
# Registered Voters for General Election	N/A	14,155	15,000
% Voter Turnout for General Election	N/A	40%	50%
# of Voter Information Pamphlets Mailed to Households	N/A	8,691	N/A
# Council Member Seats to be Filled	0	0	4

COMMUNICATIONS MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Number of Twitter followers	1,405	1,700	2,500
Number of Facebook likes	1,103	1,275	1,500
Number of website registered users	749	800	900
Number of "Notify Me" Registrants	867	4,360	4,500
Number of Digital Newsletter Recipients	1,041	1,085	1,200
Number of Visitors to Town Website	137,123	140,000	145,000
Number of media inquiries answered	NEW MEASURE	210	250
Number of media releases sent and phone calls or emails to contacts at print, radio and television media outlets	NEW MEASURE	50	100

DEPARTMENT INFORMATION

A.C. Marriotti, CPA, Finance Director

amarriotti@sahuaritaaz.gov 520-822-8844

MISSION STATEMENT: The mission of the Finance Department is to protect the Town's financial resources and provide quality information about the Town's finances to residents and stakeholders. The finance department also supervises Information Technology (IT) for the Town.

FINANCE (7.0 FTE, \$967,480)

Finance provides a variety of financial services to the Council, Town staff, and residents. Services include accounting and financial reporting, budgeting, payroll, accounts payable, utility billing and special financial analyses.

RISK MANAGEMENT (0.0 FTE, \$277,980)

The Town is a member of the Arizona Municipal Risk Retention Pool. The Pool provides insurance coverage for the Town's property and general liabilities.

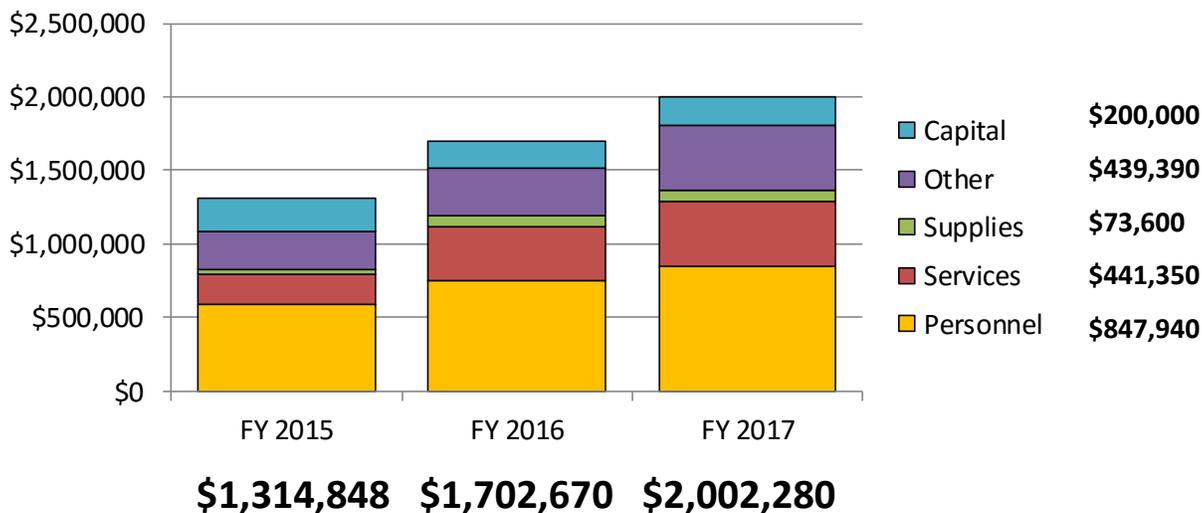
INFORMATION TECHNOLOGY (4.0 FTE, \$756,820)

Technology provides advising, service and support for all departments of the Town; responsibilities include the network infrastructure, security, administration, attached devices and software in addition to technical training, contract negotiation, project management, maintenance and support.

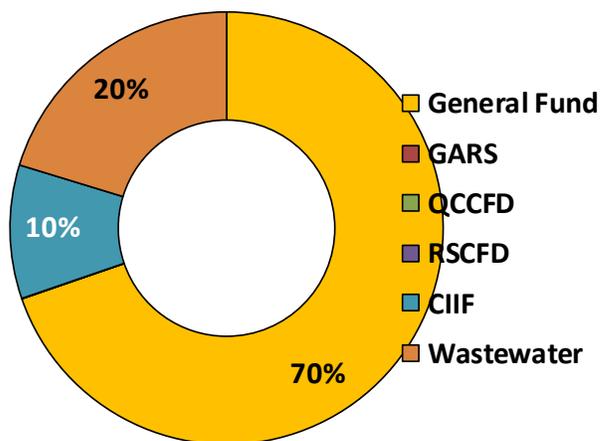
DEPARTMENT HIGHLIGHTS

- Received the GFOA's *Distinguished Budget Presentation Award* and the Special Performance Measures Recognition for the fiscal year 2016 budget.
- Received the GFOA's *Certificate of Achievement for Excellence in Financial Reporting* for the fiscal year 2015 Comprehensive Annual Financial Report.
- Reviewed and revised the fiscal policies, ensuring current and best practices were incorporated.
- Assumed monthly sewer billing and collecting responsibilities, implementing a new billing ERP.
- Established systematic billing processes to ensure timely and accurate sewer billings.
- Established an automated payment process to promote efficiency and prompt posting to customer accounts.
- Implemented customer service improvements to expand accessibility and responsiveness to customer requests.
- Developing processes for collection of delinquent sewer customer accounts.
- Will complete a \$10+ million debt refinancing which will result in significant savings.
- Purchased new Cisco IP phones to replace older phones no longer supported by vendor.
- Installed wireless access points throughout Town Hall.
- Expanded network capacity to handle additional connections.
- Will replace large enterprise network equipment no longer supported by vendor with smaller, more manageable pieces of equipment currently supported by vendor.
- Will retire end-of-life network firewall and install new firewall with many enhanced features such as content filtering, reporting and graphical monitoring.
- Will complete a strategic plan for technology.

Costs by Category



FUNDING



Cost Changes	
Department cost has changed by	
+18%	
Increases	Decreases
Pay plan & merits: \$35,000	Sewer billing services & supplies: \$90,300
New staff: \$57,700	
Technology strategic plan: \$60,000	
Wastewater rate study: \$50,000	
Wastewater bad debt: \$100,000	

2017 budget per resident: \$68.19

Staffing:

2015	8.0 FTE
2016	10.0 FTE
2017	11.0 FTE

FINANCE GOALS		
Goal #1		Protect the Town's financial resources through compliance with laws, policies, and procedures.
Goal #2		Protect the Town's financial resources by minimizing risk exposure to the Town.
Goal #3		Maintain healthy reserves.
Goal #4		Provide quality information to all stakeholders.
Goal #5		Perform work efficiently and make continuous improvements.
Goal #6		Ensure timely Wastewater Utility billing practices and customer satisfaction.
Goal #7		Enhance technology customer satisfaction by meeting or exceeding established service levels.
Goal #8		Ensure the Town's technology assets are maintained, reliable, and secure.

FINANCE MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Number of audit findings, reportable conditions, and/or violation notices.	1	0	0
Bank reconciliations are completed within 20 days after month-end.	12 of 12 Months	7 of 12 Months	12 of 12 Months
Number of general liability or property claims filed.	6	<12	<12
Net value of actual and estimated losses for items reported above.	\$35,627	<\$50,000	<\$50,000
Ratio of General Fund ending fund balances to General Fund expenditures and CIIF debt service	1.19	1.22	0.94
Accuracy rate of previous year's Comprehensive Annual Financial Report.	100%	≥99.90%	≥99.90%
Percent of financial reports that are issued timely, within defined timeframes.	100%	100%	100%
Number of awards received for high quality financial reporting.	3	2	2
Number of best practices or operational enhancements implemented by Finance.	2	2	2
Number of operational enhancements or cost savings measures implemented by Technology.	2	2	2
Monthly sewer bills sent within the first two business days of the month.	N/A	75%	100%
Response time for customer calls returned within one business day.	N/A	90%	100%
Number of service tickets submitted.	1,049	912	1,050
Percent of service requests completed within defined timeframes.	83.8%	78.5%	≥80%
Average customer survey score for quality of services.	3.88	3.61	≥3.0
Number of network outages during business hours.	1	2	0
Average duration of outages in minutes during business hours.	120	30	0
Number of audit findings, reportable conditions, and/or violation notices.	0	0	0

Human Resources

DEPARTMENT INFORMATION

Michelle Malott, Human Resources Director

mmalott@sahuaritaaz.gov 520-822-8812

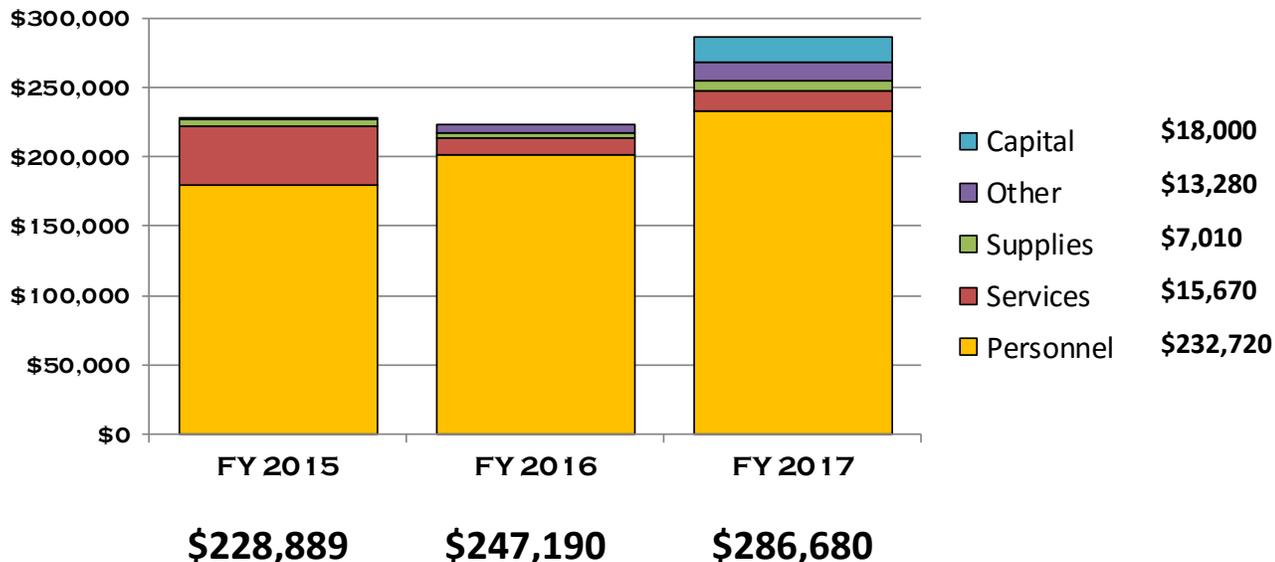
MISSION STATEMENT: The mission of the Human Resources Department is to work collaboratively with all Town departments to recruit, develop and retain a high-performing workforce promoting a healthy, safe and productive work environment and providing quality services to the public.

HUMAN RESOURCES (2.0 FTE, \$286,680)

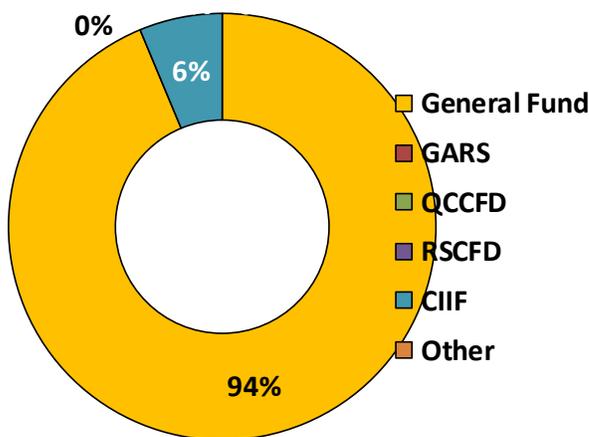
----- DEPARTMENT HIGHLIGHTS -----

- In October 2015 the Town released an RFP for a benefit consultant/broker for our employee benefit insurance package. A three person evaluation committee was created and all proposals were reviewed and discussed among the committee members. The committee unanimously selected CBIZ as the top bidder based on the content of their proposal. During discussions with the CBIZ representative our Procurement Officer was able to secure an additional 1% reduction in their commissions for approximately a \$14,000 annual savings.
- Serve as a member of the Pima Association of Government Travel Reduction Program Regional task Force. Represent the Town at all Task Force meetings and Travel Coordinator trainings.
- Coordinated with United Health Care and our local Walgreen's pharmacy manager to provide on- site flu shots to employees and their spouse.
- Arranged for town wide training on the topic of Industrial Injuries/Workers Compensation. All department heads and supervisors were required to attend the training sessions.
- The Town's Human Resources Analyst assisted the City of Nogales from April 2015-December 2015, as the Interim Human Resources Director until a new Human Resources Director was hired in Nogales.
- Serve as a member of the Healthy Pima Employer Wellness Alliance. Represent the Town at monthly meetings and Wellness Trainings.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+16%

Increases	Decreases
Pay plan & merits: \$2,900	No significant decreases
Staffing changes: \$22,800	
Performance management software: \$5,000	

2017 budget per resident: \$9.76

Staffing:

2015	2.0 FTE
2016	2.0 FTE
2017	2.0 FTE

Human Resources

HUMAN RESOURCES GOALS		
Goal #1		Assist departments in meeting their goals with efficient and effective staff members
Goal #2		Help attract and retain trained staff members by providing competitive yet cost efficient benefit package to Town staff
Goal #3		Assist the management team in creating a work environment that encourages open communications and policies that help the Town be an "employer of choice"
Goal #4		Comply with OSHA regulations and maintain a safe working environment for all Town employees

HUMAN RESOURCES MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Average number of all employees on the payroll during the reporting period (includes Elected Officials)	138	141	143
Number of full and part-time positions that required external recruitment during the reporting period	10	10	10
Ratio of town staff to Sahuarita population (1:1000)	5.48	5.6	5.82
Benefit expenditures as a % of salary expenditures (all benefits)	55.4%	56%	57%
Town provided benefit expenditures as a % of salary expenditures (medical, dental, life, holiday, vacation, sick leave, tuition reimbursement)	29.4%	30%	31%
Mandated benefit costs (payroll taxes, workers comp, State retirement, State LTD)	26%	26%	26%
Percentage of employee performance review completed on schedule	75%	75%	90%
Total employees who left the government during the reporting period	16	9	6
Percentage of employees who left the government during the reporting period	11.1%	6.3%	4.2%
Number of employee grievances filed during the reporting period	2	3	0
Number of OSHA Recordable Accidents/Injuries for all Town employees	4	5	3

Planning and Building

DEPARTMENT INFORMATION

Sarah More, Planning and Building Director

smore@sahuaritaaz.gov 520-822-8853

MISSION STATEMENT: The mission of the Planning and Building Department is to *ensure the safety of the public through building and fire code education, professional assistance, and enforcement; and plan for Sahuarita's future physical, environmental, economic, and cultural needs, and manage development in the community.*

PLANNING AND ZONING (5.0 FTE, \$523,470)

The Planning and Zoning Division reviews all building plans, business licenses, development plans and subdivision plats for zoning compliance. We prepare and revise the General Plan and the Zoning Code and review proposals for such amendments as well as rezonings, conditional uses and variances.

BUILDING SAFETY (7.0 FTE, \$715,990)

The Building Safety Division reviews building plans for permitting, issues permits and inspects construction of new development. We assist the public and applicants in preparing submittals and answer questions about code compliance. We perform annual fire inspections of commercial developments and assure subdivisions meet fire codes.

DEPARTMENT HIGHLIGHTS

FY16 Accomplishments

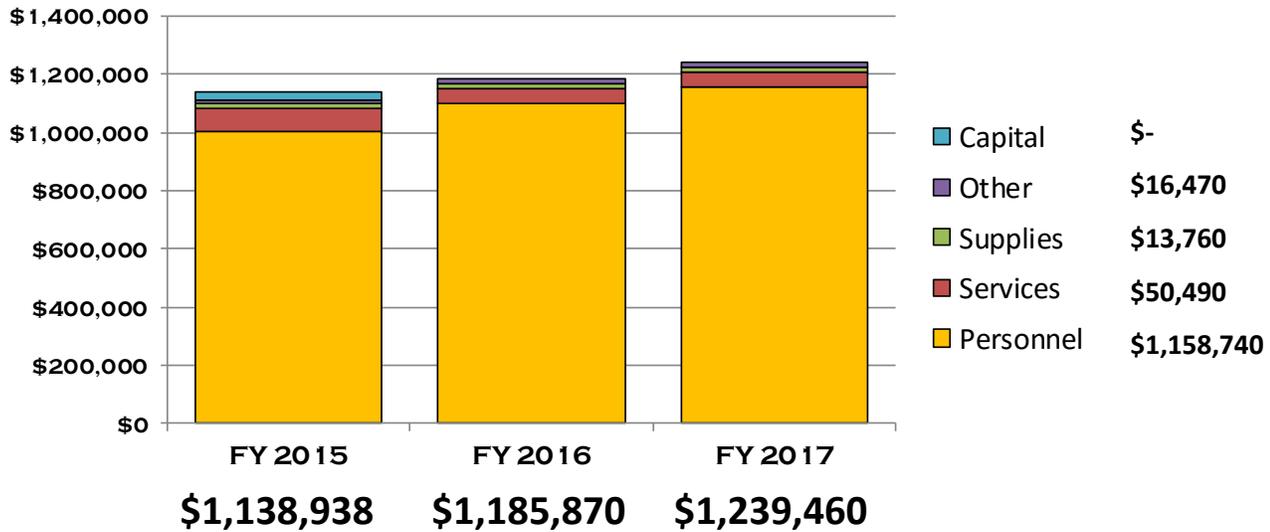
- Continued excellent track record of on-time reviews and service. Met 10-business-day goal for building plan reviews and 1-business-day goal for inspections.
- Major streamlining efforts for Zoning Code adopted, including business zones, wireless communication facilities, and subdivision and lot modification processes.
- *Aspire 2035: Sahuarita's General Plan and Sahuarita East Conceptual Area Plan* ratified by the voters.
- Developed a performance metric establishing new goals for permit review and inspection timeframes.
- Deployed technology to enhance customer service during the building inspection and construction process.
- Implemented processes to resolve issues early in construction.
- Improved reporting capabilities.

- Projects: BRAKEMax, Taco Bell, Sweet Pediatric Dental, Cope Community Services, Pet Club, Fry's remodel, Quail Creek-Veteran's Municipal Park Restroom, Sahuarita Self Storage, Rancho Sahuarita Clubhouse remodel, Quail Creek multi-purpose remodel.
- Processed: 2 new Specific Plans, 2 Specific Plan Amendments, 4 Development Plans, 4 Landscape Plans, 1 Tentative Plat, 3 Final Plats, and 5 adopted zoning code amendments.

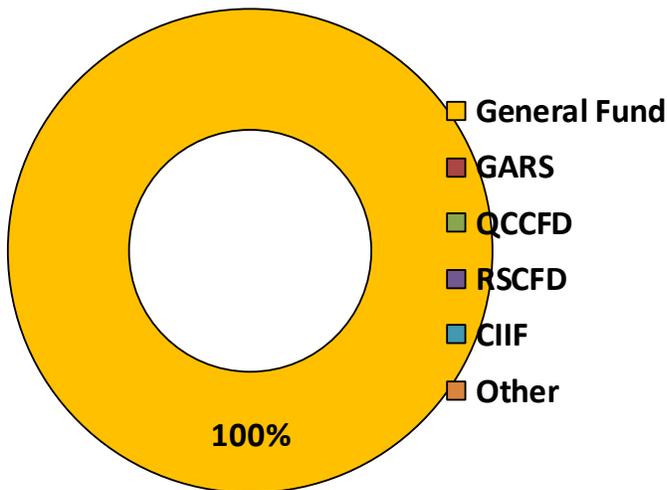
FY17 Goals

- Consistently meet or exceed processing times for plan reviews and inspections.
- Continue to evaluate/refine zoning codes for opportunities to modernize and streamline.
- Evaluate current technology against departmental needs, particularly for permitting tracking software, online submittals, electronic plan review, and GIS. Ensure that our enables the best possible customer service.
- Develop "early warning system" to assure plan reviews can be accomplished within timeframes.

Costs by Category



FUNDING



Cost Changes	
Department cost has changed by	
+5%	
Increases	Decreases
Pay plan & merits: \$40,100	No significant decreases

2017 budget per resident: \$42.21

Staffing:

2015	12.0 FTE
2016	12.0 FTE
2017	12.0 FTE

Planning and Building

PLANNING AND ZONING GOALS		
Goal #1		Effective and efficient development review
Goal #2		Effective and efficient development review
Goal #3		Maintenance and updating as necessary of the General Plan
Goal #4		Provide excellent customer service

BUILDING SAFETY GOALS		
Goal #1		Complete 100% of inspection stops the next day or when requested.
Goal #2		Complete single family residence (from a model plan) plan reviews within 5 business days of a complete submittal
Goal #3		Complete commercial plan reviews within 10 business days of a complete submittal.

PLANNING AND ZONING MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Number of Development Plans reviewed (in process) during the reporting period	3	4	5
Number of Plats reviewed (in process) during the reporting period	5	4	4
Percent of reviews completed within target goal (4 weeks)	100%	100%	100%
Number of zoning code amendments initiated	2	4	1
Number of zoning code amendments adopted	1	5	1
Number of major general plan amendments processed	0	0	0
Number of required General Plan updates performed	1	0	0
Percentage of positive comment cards received	UNKNOWN	98%	98%
Percent of zoning complaints investigated within 3 business days of the complaint	100%	100%	100%

BUILDING SAFETY MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Total number of building inspection stops	3,468	4,445	4,400
Percentage of building inspection stops completed on time or when requested	100%	98%	100%
Total number of permits issued - Residential	206	265	260
Average time for single family residence (from a model plan) plan review (in business days)	1	1	1
Percentage of single family residence (from a model plan) plan reviews completed within 5 business days of a complete submittal	100%	100%	100%
Total number of permits issued - Commercial	25	20	19
Average time for commercial plan reviews (in business days)	3	5	5
Percentage of commercial plan reviews completed within 10 business days of a complete submittal	91%	92%	95%

Parks and Recreation

DEPARTMENT INFORMATION

Deborah Summers, Parks and Recreation Director

dsummers@sahuaritaaz.gov 520-822-8894

MISSION STATEMENT: The mission of the Parks and Recreation Department is to provide parks, natural areas, facilities, programs, and services that preserve and enhance quality of life for the Sahuarita community.

ADMINISTRATION (3.7 FTE, \$440,650)

Provision of Leadership, support and resources to staff so quality service and facilities are provided to the residents. Provide administration to the Parks and Recreation Commission and the Sahuarita Health and Wellness Foundation.

RECREATION (6.6 FTE, \$383,420)

Provision of 42 programs; coordination of use of facilities for adult leagues and youth user groups and permits all facility rentals. Anamax Recreation Center hosts a variety of classes and programs for infants and toddlers to adults and seniors to develop and encourage lifelong recreation users.

EVENTS

Planning and implementing the Town's events, (STAC) the Sahuarita Teen Advisory Council events, and those event volunteer needs. Coordination of the public special event permitting process includes approximately 10 Town sponsored events, 8 STAC events and approximately 24 publicly driven special event permits per fiscal year.

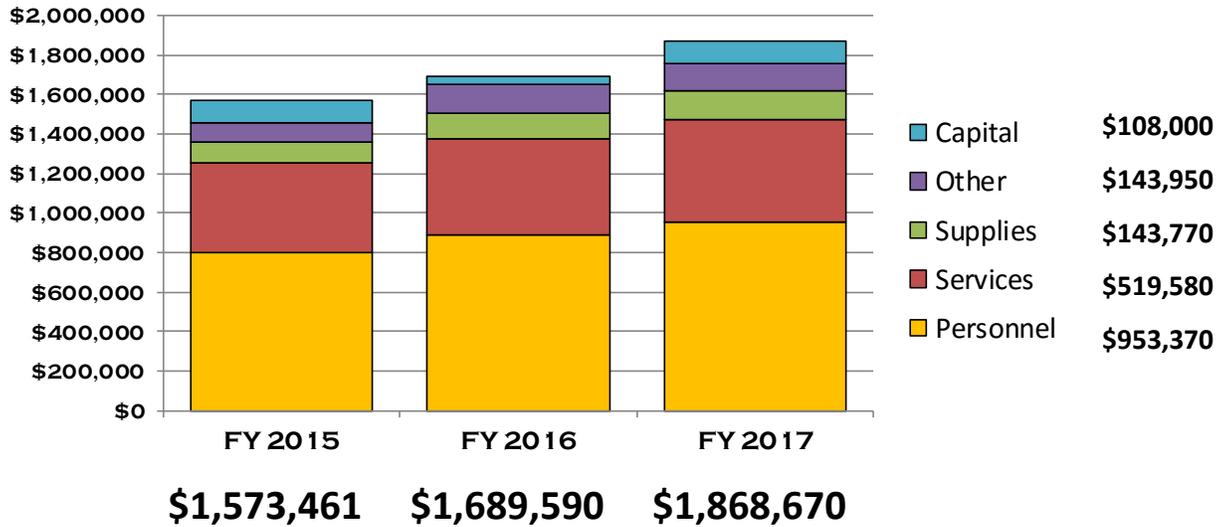
FACILITIES (5.0 FTE, \$1,044,600)

Maintenance and operation of the Town's 107 acres of park lands. This includes oversight of new facilities and facility and vehicle maintenance. The acreage consists of six Town parks, including one joint use Town-School park and oversight of the Adopt-A-Park Program.

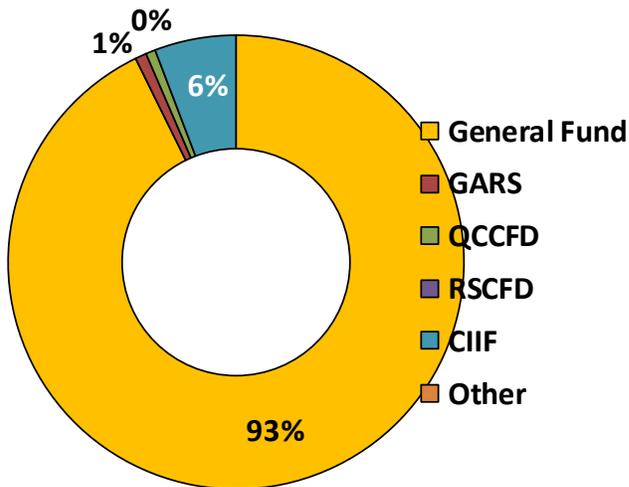
----- DEPARTMENT HIGHLIGHTS -----

- Completion of Quail Creek-Veterans Municipal Park Phase-2A
- Stucco repair and full interior/exterior painting of S. Lake Restroom
- Automated main entry doors to Anamax Recreation Center
- Added more fish habitat locations in Sahuarita Lake in conjunction with Arizona Game and Fish to assist natural fish population growth
- Multi (4) agency partnership provided youth activities during summer break
- Increased participation and expanded existing youth and adult classes (offered 177 classes to date)
- Began publishing a professional tri-annual recreation program guide
- Successfully held the Town's first 4th of July celebration, Red White and Boom with Fireworks
- Sahuarita Teen Advisory Council raised \$2,000 worth of donated dresses for the Cinderella Project
- Obtained "Spike" the Mascot for Fiesta Sahuarita
- Participated in the White Elephant Parade with a new trailer outfitted by an Eagle Scout from Troop #301
- Worked with a boat rental company to begin providing Sahuarita Lake Park with additional recreational boating opportunities for residents
- Completed fencing of all Town owned sports fields for more efficient maintenance operations and public safety
- Two employees were awarded recognition by the Parks and Recreation Commission for their excellence in job performance and customer service; Kecia Packard and Janice Pavlikowski
- Received the 2015 Arizona Parks and Recreation Association Media Award

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+11%

Increases	Decreases
Pay plan & merits: \$47,400	Capital equipment: \$7,000
Added staff hours: \$6,700	
Additional park maint: \$14,700	
Special events: \$45,500	
New capital projects: \$11,800	

2017 budget per resident: \$21.92

Staffing:

2015	14.7 FTE
2016	15.1 FTE
2017	15.3 FTE

ADMINISTRATION GOALS		
Goal #1		Work with Pima County, the Anza Trail Coalition, the National Parks Service, and other partners to identify funding mechanisms for the completion of the Juan Bautista de Anza National Historic Trail.
Goal #2		Update recreation design standards for parks, recreation areas and trails.
Goal #3		Explore joint facility use with regional partners in an effort to provide efficient use of existing and new facilities.
Goal #4		Maintain an active, town-wide volunteer program by developing policies and procedures to assist staff in recruiting and utilizing volunteer services.

RECREATION GOALS		
Goal #1		Provide events and programs that foster community engagement and enhance the lives of residents.

ADMINISTRATION MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
In partnership with Pima County, and land owners, continue the process for trail alignment for the Juan de Batista de Anza National Historic Trail.	0	0	2+ REVISED GOAL
Town staff to work with U of A Capstone program, Parks and Recreation Commission and stakeholders to update the current standards	NEW GOAL	PARTIALLY COMPLETE	100% COMPLETE
In partnership with Sahuarita Unified School District, develop ways to utilize several existing school facilities for public recreational use on an ongoing basis	NEW GOAL	NEW GOAL	
Number of volunteer hours worked in support of the Parks and Recreation Department	8,194	4,631	5,000

RECREATION MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Average number of monthly recreation class/program participants	1,407.58	1,393.5	1,500
Average monthly rentals at Anamax Recreation Center	3.6	6.8	7
Percentage of citizens participating in a recreation program or activity - 2015 Citizen Survey	39%	39%	40%
Percentage of citizens using Anamax Recreation Center - 2015 Citizen Survey	49%	49%	50%
Monthly sports field participation by contract/reservation	13,329	1,988	2,200
Average monthly number of ramada rentals	10.75	12.58	14
Average monthly number of users other park amenities (courts, turf and amphitheater)	.83	10.41	12

EVENTS GOALS		
Goal #1		Continue to provide events that bring the community together and establish traditions.
Goal #2		Work with partners on joint projects and events with the Town.
Goal #3		Investigate necessary resources for a implementing concert series

FACILITIES GOALS		
Goal #1		Continue to provide events that bring the community together and establish traditions
Goal #2		Maintain and enhance the high quality of life and outstanding public services in Sahuarita that include public safety, Parks and Recreation and overall community appearance
Goal #3		Continue to invest in parks and recreational facilities

EVENTS MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Plan to make the event "Whatever Floats Your Boat" into a standalone event to increase utilization of the Town's lake park resource.	NEW GOAL	NEW GOAL	1
Continue working with current partners with in provision of community events, Rancho Sahuarita, United Way, Green Valley Fire and Rural Metro and work to involve more community partners and businesses to increase awareness, resources, and event span.	NEW GOAL	Completed (Haka Triathlon, Sailboat Regatta & Tucson Bicycle Classic)	2
Investigate necessary resources for a implementing concert series	NEW GOAL	NEW GOAL	1+

FACILITIES MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Provide logistical support for at least 5 Special Events	4	5	6
Number of graffiti incidents removed in 24 hours after reported compared to total incidents.	100%	100%	100%
Number of cartographic "Your Gov" App inquiries addressed within 48hrs.		NEW GOAL	1+
Monitor and chart Sahuarita Lake water consumption in acre feet based on annual ADWR water withdrawal reports.	NEW GOAL	NEW GOAL	80.48
Design & construct new maintenance building and storage yard facility	NEW GOAL	NEW GOAL	1

DEPARTMENT INFORMATION

Sheila Bowen, Public Works Director/Town Engineer
sbowen@sahuaritaaz.gov 520-822-7100

MISSION STATEMENT: The mission of the Public Works Department is to provide and maintain high-quality and cost-effective infrastructure, including the transportation network, wastewater system, and drainage ways for the Sahuarita Community.

ADMINISTRATION AND ENGINEERING (3.5 FTE, \$460,430)

The engineering division manages public works projects within the Town's Capital Improvement Plan (CIP), conducts reviews of public infrastructure within development projects, and manages the permitting of the floodplain, public right-of-way, and portions of development project construction. These efforts promote planned growth that fosters high quality and diverse development, facilitates sustainable infrastructure and assures quality services. The end goal of delivering public projects and coordination with private development is to provide and maintain high quality and cost-effective infrastructure including drainage ways, sewer systems, roadways, and traffic operation systems. The engineering division also participates in town-wide and regional planning efforts to guide the Town's future and facilitate development opportunities. These efforts include coordination with regional stakeholders and agencies, including local utility providers, local property owners/developers, other Town departments, state, and federal agencies.

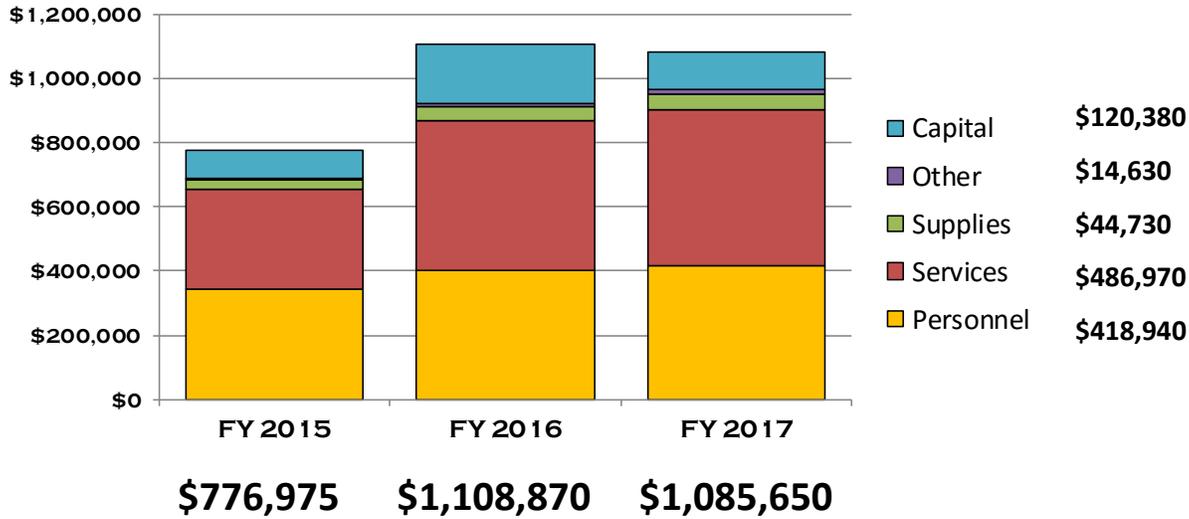
FACILITIES (1.0 FTE, \$625,220)

The Public Works Department is responsible for effective management of Town owned buildings, including the upkeep and maintenance of the Town Hall complex. Staff attends to minor remodeling projects, repairs, painting, maintaining equipment, and daily maintenance of the buildings. Facilities Staff also provide high-quality, business-and-resident-friendly services and hospitality functions, setting up rooms for meetings and special events. The availability of well-maintained public facilities, such as Town Hall Complex, encourages a unified community identity and promotes a high quality of life that makes Sahuarita a community of choice for residents and business investment.

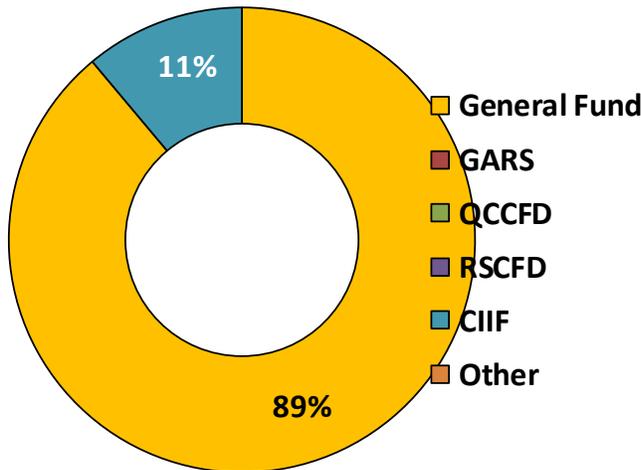
----- DEPARTMENT HIGHLIGHTS -----

- The ribbon cutting ceremony for the Sahuarita Road corridor improvement project was held September 24, 2015. The project celebrates years of planning, design, and construction of a major east-west corridor supporting economic and regional development.
- Construction of the Pima Mine Road Bridge Replacement began August 2015. The project corrects structural deficiencies of the existing bridge and eliminates the existing 20-ton load restriction, allowing Pima Mine Road to serve as a major east-west corridor. Phase I opened for travel in March 2016 and the project is expected to reach substantial completion by Fall 2016.
- The department continued its partnership with the Sahuarita Unified School District in support of the Youth Art Program through funding provided by the Pima Association of Governments. As part of the partnership, high school art students have added artistic treatments to the Sahuarita Road underpass.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

-2%

Increases	Decreases
Pay plan & merits: \$22,960	Janitorial services: \$14,000
Additional facility maint: \$23,000	Land-line phone costs: \$11,500
Additional equipment repair & maint: \$11,800	Fewer capital items: \$63,600

2017 budget per resident: \$36.97

Staffing:

2015	4.5 FTE
2016	4.5 FTE
2017	4.5 FTE

Public Works

PUBLIC WORKS GOALS		
Goal #1		Deliver High Quality, Business and Resident-Friendly Services
Goal #2		Provide Effective Management of Town-Owned Buildings

PUBLIC WORKS MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Percent of reviews completed within target goal (4 weeks)	100%	100%	100%
Percent of reviews completed within target goal (4 weeks)	100%	100%	100%
Average time for right-of-way permit review (business days)	4	3	3
Percentage of annual safety inspections passed	100%	100%	100%

DEPARTMENT INFORMATION

John Noland, Police Chief
inoland@sahuaritaaz.gov 520-344-7000

MISSION STATEMENT: Making Sahuarita a safe place to live, work and play.

POLICE DEPARTMENT (53.0 FTE, \$7,432,400)

The Sahuarita Police Department is comprised of two divisions. Each division has separate bureaus and each bureau has a number of employees assigned to them, sometimes referred to as teams or squads.

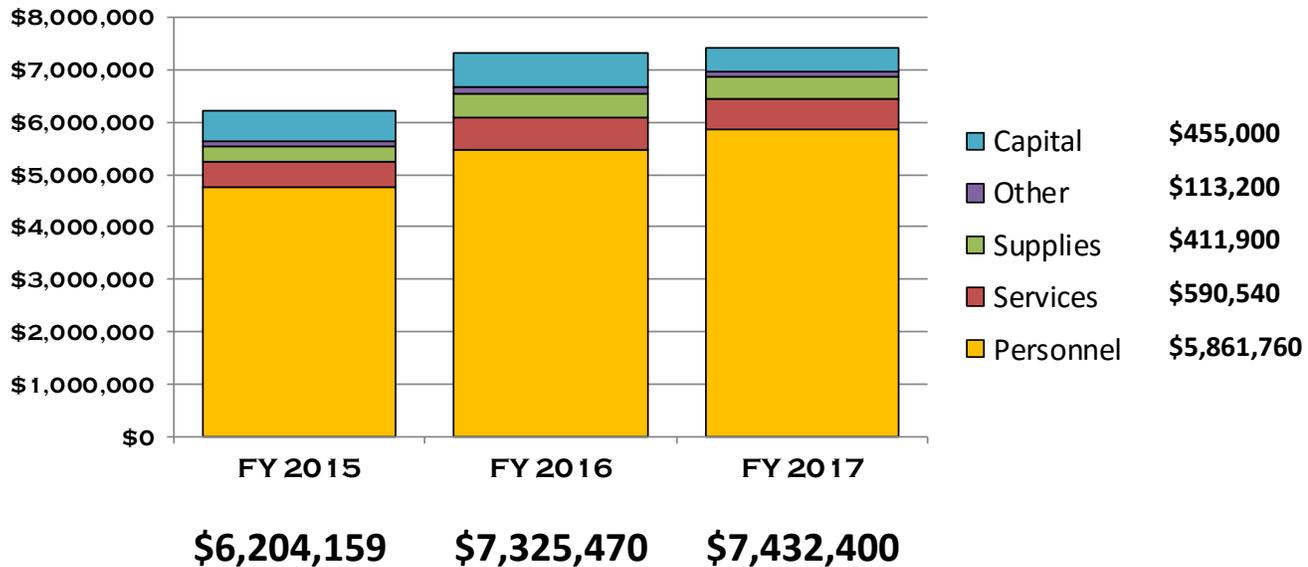
The **Field Services Division** consists of the Patrol Bureau and a Traffic/SRO Bureau. The patrol bureau has six different squads. Each squad has a number of officers and a sergeant assigned to them. Patrol provides 24/7 response to crimes in progress and other policing incidents needing to be addressed by uniformed officers. The Traffic/SRO Bureau consists of Motorcycle/Traffic Enforcement Officers and a School Resource Officer. The Motorcycle Officers are assigned to patrol teams, but have the primary assignment of enforcing traffic laws and investigating traffic collisions. The School Resource Officer is assigned to address policing issues and youth educational opportunities within the Sahuarita Unified School District.

The **Special Services Division** consists of the Investigations Bureau, Training & Professional Standards Bureau and Records Bureau. The Investigations Bureau is responsible for conducting complex investigations outside the regular capabilities of patrol officers. This bureau includes the Property & Evidence Section that has Crimes Scene Specialists (CSS). CSS are responsible for the care and custody of all evidence and property taken in by the police department and crime scene processing. The Training & Professional Standards Bureau manages training for all employees, maintains officer training records and records associated with equipment and fleet. Additionally this bureau conducts personnel investigations associated to citizen complaints. The Records Bureau manages and retains all police reports, assures compliance with state and federal laws associated with police reports and reporting practices and handles public requests at the police department's front counter by phone.

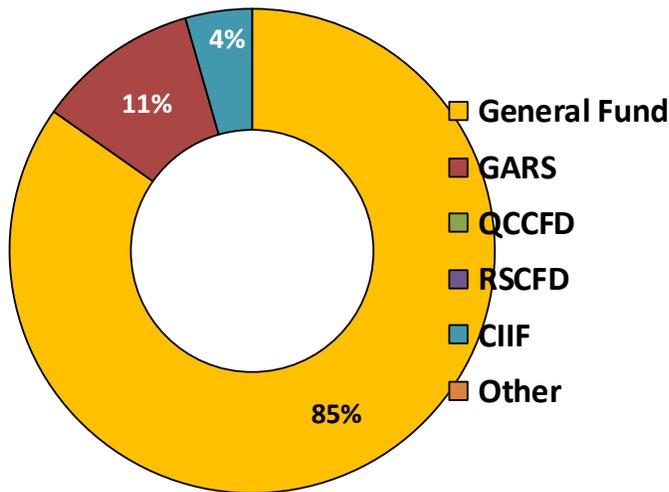
----- DEPARTMENT HIGHLIGHTS -----

- The Police Department made significant progress in implementing a more comprehensive Community Policing program. Our Community Policing efforts, also known as, Neighborhood Oriented Policing (NOP) reached out to the community in person, on line, and through social media. Officers and Sergeants were assigned to specific beats and have responsibilities to address policing and quality of life issues.
- The Police Department purchased a Live Scan fingerprint machine during 2016. Personnel will now receive training to provide the electronic scanning fingerprint services.
- Our Volunteers in Police Services (VIPS) and Police Explorers provided thousands of hours of volunteer work at the PD and in the community.
- The SPD put its employee recognition system fully into place, which publically recognized dozens of accomplishments and great work by employees.
- The PD implemented Lexipol, a system to help update and create policies that adhere to best practice on the national, state and local levels.
- Officer James Oviedo was named "Employee of the Year" by the SPD for his excellent work associated with Community Policing and the Department's Lexipol project. Detective Steve Bunting received the Sons of the American Revolution award for superior work in multiple criminal investigations.
- The SPD participated in dozens of public events like Fiesta Sahuarita, Spooktacular, The Pecan Festival, Madera Highlands Home Town Heroes, Coffee with a Cop and many others. We received numerous positive comments in person and through social media about our public interaction.
- SPD welcomed four new officers and two civilian employees during this last year allowing us to be at full staffing for the first time in about 4 years! This was accomplished through the work of many employees from the PD, VIPS, Explorers, and Human Resources.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+2%

Increases	Decreases
Pay plan & merits: \$134,500	Outsourced legal services: \$29,900
New staff: \$260,700	Grant writing services: \$35,000
County dispatch & incarceration: \$21,600	Grant-funded equipment: \$25,000
New capital projects: \$70,000	Fuel: \$65,000
	Travel & training: \$17,900
	Capital projects (completed): \$170,800

2017 budget per resident: \$253.10

Staffing:

2015	51.0 FTE
2016	51.0 FTE
2017	53.0 FTE

POLICE GOALS		
Goal #1		Continue Implementation of a comprehensive Community Policing program that enhances our community involvement and problem solving skills.
Goal #2		Continue with development and implementation of a department training plan for each position within the police department to aid with career development and succession planning.
Goal #3		Host, attend or participate in minimum of 25 community events throughout the year and increase public interaction and communication through PD website and social media.
Goal #4		Research and Identify Body Worn and Dashboard Camera systems to include local server or cloud-based storage of recordings.
Goal #5		Continue public education efforts and enforcement activities in the area of DUI and Traffic Infraction Violation.

Department Summaries and Performance Measures
Police Department

POLICE MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Clearly define Community Policing/Neighborhood Oriented Policing (NOP) philosophy and practice for the SPD and make participation in community policing an expectation and part of each employee's performance plan.	N/A	PARTIALLY COMPLETED	COMPLETED
Provide Community Policing/NOP and Customer Service training to all personnel.	N/A	PARTIALLY COMPLETED	COMPLETED
Continue development of communication methods to enhance our Community Policing/NOP efforts.	N/A	COMPLETED	
Identify mandatory, essential and desirable training for each position within the department.	N/A	PARTIALLY COMPLETED	COMPLETED
Have employees complete training identified as mandatory in accordance with requirements of the training plan.	N/A	ALL MANDATORY IDENTIFIED TRAINING COMPLETED	
Conduct evaluations on each course attended to determine value of training.	N/A	COMPLETED	
Evaluate each event for the ability to interact positively and effectively with the public.	N/A	COMPLETED	
Number of events hosted.	30	40	
Increase PD manager's production of media releases and social media postings.	N/A	COMPLETED	
Track the number of media releases and social media postings.	N/A	30	
Identify possible Body Worn/Dashboard Camera systems and recording storage options.	N/A	N/A	NEW MEASURE
Purchase Body Worn/Dash mount Cameras for pilot program.	N/A	N/A	NEW MEASURE
Provide training for personnel on Body Worn/Dash mount Camera systems.	N/A	N/A	NEW MEASURE
Implement and evaluation pilot program for Body Worn/Dash mount Camera systems.	N/A	N/A	NEW MEASURE
Number of special operations conducted through "Click it or Ticket" grant. ("Click it or Ticket" grant no longer available)	N/A	N/A	N/A
Number of special operations conducted through STEP grant.	N/A	6	6
Number of special operations conducted through DUI AZGOHS grant.	N/A	12	12
Number of accidents where seat belts were not fastened ARS28-0909A1	2	0	
Number of personal injury accidents - (rplwlr.8) *FY2017 to include Private Property Non-Traffic for 2016		35 NOT INCLUDING PRIVATE PROPERTY COLLISIONS	
Number of property damage accidents - (rplwlr.8) *FY2017 to Include Private Property Non-Traffic for 2016		235 NOT INCLUDING PRIVATE PROPERTY COLLISIONS	
Number of UCR Part II DUI Offenses - (JMOFFSUM) ARS28-1381 - ARS28-1383A4	42	45	45

Police Department

POLICE GOALS (CONTINUED)		
Goal #6		Continue Emergency Disaster response capabilities through training & exercises and implementation of Command Post.
Goal #7		Maintain or decrease response times for top priority calls

POLICE MEASURES (CONTINUED)	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Number of Emergency/Disaster training exercises.	N/A	1	2
Number of incidents and/or activities for which the Command Post was used	7	5	5
Average Response Time (From the time dispatch accepts the calls to the first unit on scene)	4:40*	5:36*	5:36*
Average Travel Time (From the first unit in route to the first unit on scene)	4:03*	4:57*	4:40*

**Total average time from receipt of priority-one police telephone calls to arrival on scene (in seconds) enter measure used to determine performance towards achieving goal (rpcdbest.3).*

DEPARTMENT INFORMATION

Honorable Maria Avilez, Town Magistrate
520-344-7150

MISSION STATEMENT: The mission of the Municipal Court is to uphold the law and administer justice fairly and efficiently, treating all who come to the Court with dignity and respect.

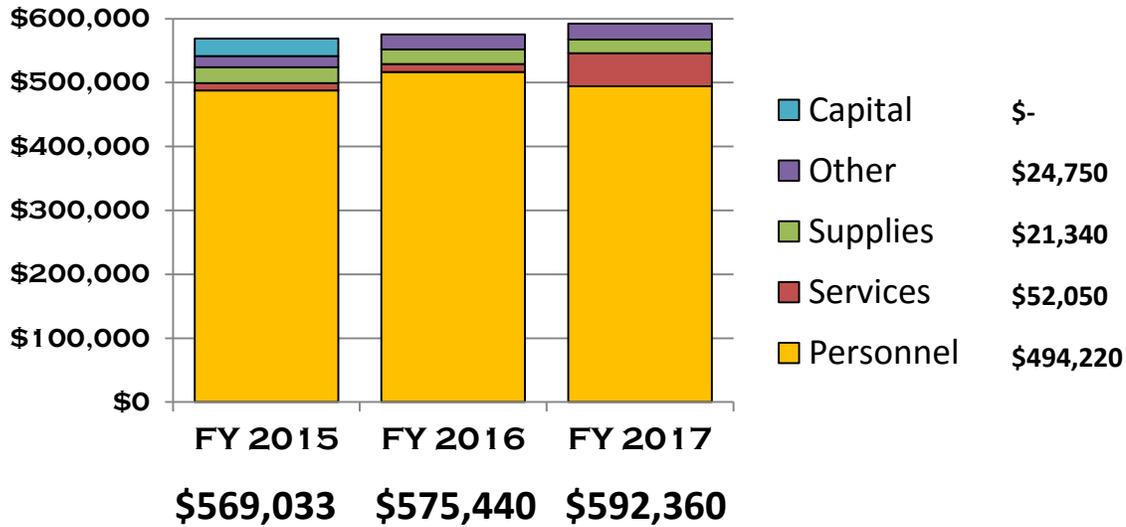
MUNICIPAL COURT (7.0 FTE, \$592,360)

The Sahuarita Municipal Court is responsible for the processing and adjudication of all cases filed in the court, including the trial or other disposition of criminal misdemeanors, criminal traffic violations, civil traffic violations, and Town code and ordinance violations committed within the Town's boundaries. The court is further responsible for collection and processing of fines, surcharges, restitution and other fees. The court issues and processes protective orders including injunctions against harassment, injunctions against workplace harassment, and orders of protection. The court also provides other services, including processing passports, issuing marriage licenses, performing marriages, and notary services. Services rendered by the court are governed by rules set by the Arizona Supreme Court and guided by statutes enacted by the Arizona Legislature.

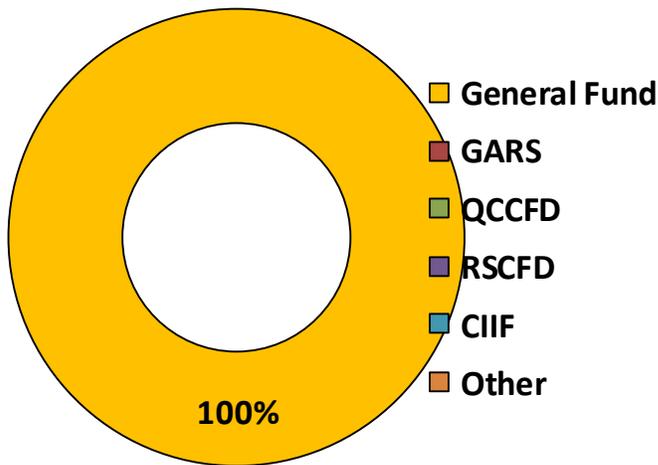
DEPARTMENT HIGHLIGHTS

- Management continues to work with staff on new and continued court processes so that they do not become complacent with their regular rotation duties but instead handle the several types of cases daily from start to finish.
- Judge Avilez continues involvement in other court activities. She serves as the Vice Pres. of the Arizona Magistrates Association. She was also appointed in 2006 by the Chief Justice of the AZ Supreme Court as a Commissioner on the Commission for Minorities and continues to serve as a sub-committee participant in the development of the *Fifth Arizona Statewide Report Card*, which assesses over-representation of minority youth in the juvenile system, and she participates in the Regional Municipalities Veterans Treatment Court.
- Judge Avilez continues to participate in local schools' activities: guest speaker at the Sahuarita Middle School's Career Day and reads for the Elementary School Love of Reading week.
- The SMC (Sahuarita Municipal Court) continues to be used as a model court when policies and procedures are needed at other courts.
- Enhanced security measures by utilizing an outside vendor, Vet-Sec, which would eliminate the gap in coverage and allow the court to have security five days a week, 8 a.m. – 5 p.m.
- New collaboration with CENPATICO and Pima County Attorney's Office Victim Witness Advocates by coordinating the physical presence of a representative to support and provide input on behalf of the victim(s) or defendant(s). CENPATICO assists with mental health and/or behavioral diversions and assessments.
- Provisions of fair and objective resolution of disputes and enforcement of laws in a manner appropriate to the needs of our community and society.
- Implemented a new case management system; AJACS, and training for all relevant staff. Training was provided by the Administrative Office of the Courts (AOC) and was held at SMC.

Costs by Category



FUNDING



Cost Changes	
Department cost has changed by	
+3%	
Increases	Decreases
Pay plan & merits: \$21,780	Reduced staffing: \$39,900
Outsourced security: \$40,000	

2017 budget per resident: \$20.17

Staffing:

2015	8.0 FTE
2016	8.0 FTE
2017	7.0 FTE

COURT GOALS		
<p>Goal #1</p>		<p>Provide better customer service to all litigants entering the courthouse.</p>
<p>Goal #2</p>		<p>Continue to execute cases in a timely manner as required to use resources effectively in delivering desired outcomes</p>
<p>Goal #3</p>		<p>Continue to provide quality safety measures for all litigants that enter the courthouse.</p>

COURT MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Provides the litigants other means of making their payments, which include IVR (phone payments) and Web payments, instead of having to travel to the courthouse			
Payments made over the phone	494	450	500
Payments made on the court's main webpage of the Town's website	294	245	250
Providing other community services such as: Marriage Licenses and passports			
Marriage Licenses	57	48	50
Passports	566	472	500
Percentage of cases adjudicated (cases closed vs. cases opened) Criminal Misdemeanors/Civil & Criminal Traffic/Protective Orders	112%	100%	100%
DUI Clearance Rate	*	*	*
Court Visitors scanned/walked through magnetometer	27,250	22,000	22,000
Number of items scanned through the X-Ray machine	7,664	7,000	7,000
Number of items of contraband detected while entering the courthouse	180	150	150

* Please note that until glitches in the new case-management system are fixed and case reports are created, numbers for the DUI clearance rate will not be available.

DEPARTMENT INFORMATION

Sheila Bowen, Public Works Director/Town Engineer

sbowen@sahuaritaaz.gov 520-344-7100

MISSION STATEMENT: The Streets Department maintains public streets, rights-of-way and storm water drainage facilities.

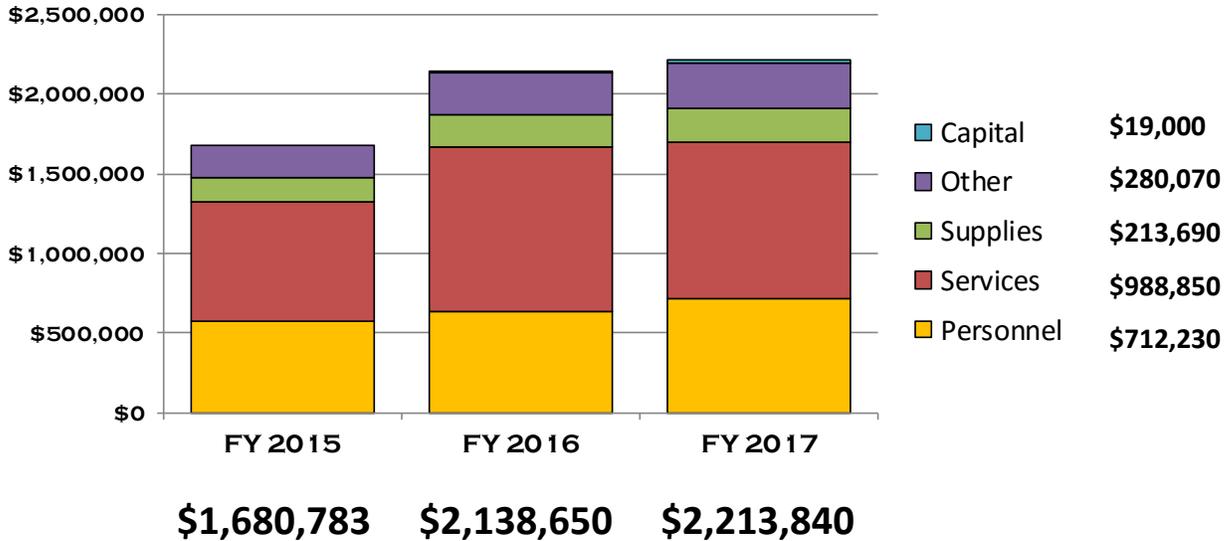
STREETS (9.7 FTE, \$2,213,840)

The Public Works – Streets Department is responsible for effective management of Town-owned infrastructure and public rights-of-way, specifically the maintenance of all public streets, roadways, landscape areas, and drainage ways to ensure the facilities fulfill the function for which they were designed. Well maintained public transportation and drainage facilities promote and enhance the quality of life throughout our community. The Streets Department also plays a key role with the engineering division to ensure that recurring operation & maintenance costs are considered and accounted for when planning for capital projects. As part of the ongoing effort toward continuous improvement in its annual maintenance costs, the Streets Department maintains an active Town wide volunteer program and Inmate Labor Program.

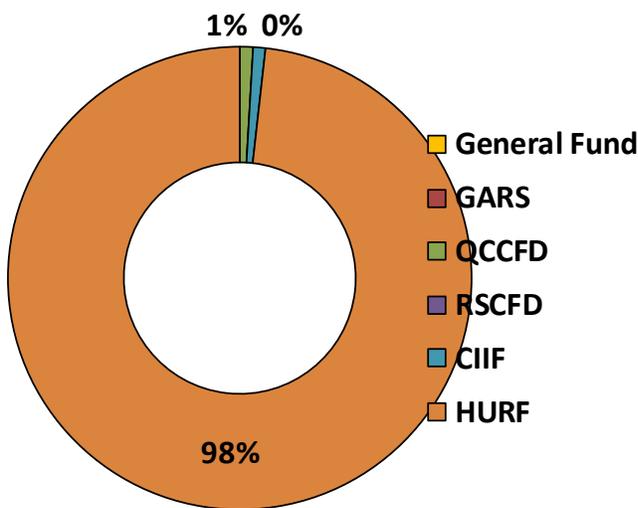
----- DEPARTMENT HIGHLIGHTS -----

- The Department completed drainage improvements along Camino Antigua and La Canada Drive. The improvements reduce sheet flow and provide scour protection, decreasing the erosion that occurs along the road shoulders. Enhancements such as these reduce staff and contractor time necessary to clean up after heavy rain events.
- The Department completed an overlay along Camino De Las Quintas. The overlay will extend the road life and offered an opportunity to correct several drainage issues that previously caused ponding after rain events. The new road surface improves pavement drainage, reduces the time and expense necessary to clean debris after heavy rain events, and minimizes the overall disruption of transportation services resulting from ponding and debris removal.
- Volunteers assisted the Department with “Adopt-A-Roadway,” “Adopt-A-Wash,” “Adopt-An-Underpass,” “Beat Back Buffelgrass” and other vital programs. Volunteers play a key role in enhancing the quality of life for the community, while helping the Department achieve its goal of organizational effectiveness.
- As part of the ongoing goal to provide effective operation of Town-owned infrastructure, the Department has continued development of an asset management system for Town-owned infrastructure. These efforts will provide enhanced tracking of inspection, repair, and maintenance activities.
- The Department continues to enhance civic engagement through online reporting of potential issues, questions, or concerns. Citizen feedback is essential to the department’s operations. The “Request Tracker” link on the Town’s website and the “YourGov” smart phone application allow citizens to report concerns directly to the Public Works Department.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+4%

Increases	Decreases
Pay plan & merits: \$27,200	Fuel: \$5,000
Staffing changes & reassignments: \$38,600	Reduced capital staffing: (not operational)
Road barricades: \$9,000	
Engineering services: \$17,000	
Indirect cost allocation: \$24,100	

2017 budget per resident: \$75.39

Staffing (w/capital allocation):

2015	12.7 FTE
2016	12.7 FTE
2017	9.7 FTE

STREETS GOALS		
<p>Goal #1</p>		<p>Provide and Maintain Public Streets and Rights-of-Ways</p>
<p>Goal #2</p>		<p>Incorporate Art & Culture into town projects and events to promote the rich, culturally diverse history of Sahuarita</p>
<p>Goal #3</p>		<p>Continuous Improvement</p>

STREETS MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Total Hours of Inmate Labor	15,096	18,727	22,528
Average number of days to repair a reported pothole	1	1	1
Percent of public roadways that are swept at least four times per year	100%	100%	100%
Average number of days to repair a traffic signal outage	1	1	1
Percentage of pavement in satisfactory or better condition per the Pavement Condition Index (PCI rating of 6 out of 10)	86%	82%	80%
Amount of PAG Transportation Art by Youth (TABY) annual funding	100%	100%	100%
Total Number of Volunteers Adopt-a-Road, Wash, Underpass, Buffelgrass)	525	520	500
Total Volunteer Hours (Adopt-a-Road, Wash, Underpass, Buffelgrass)	671	710	705
Total Number of Trash Bags collected (Adopt-a-Road, Wash, Underpass)	555	485	520
Total Number of Buffelgrass Bags collected	225	215	220

DEPARTMENT INFORMATION

Sheila Bowen, Public Works Director/Town Engineer

sbowen@sahuaritaaz.gov 520-344-7100

MISSION STATEMENT: The Wastewater Department maintains and operates the wastewater plant and collection system to ensure system integrity.

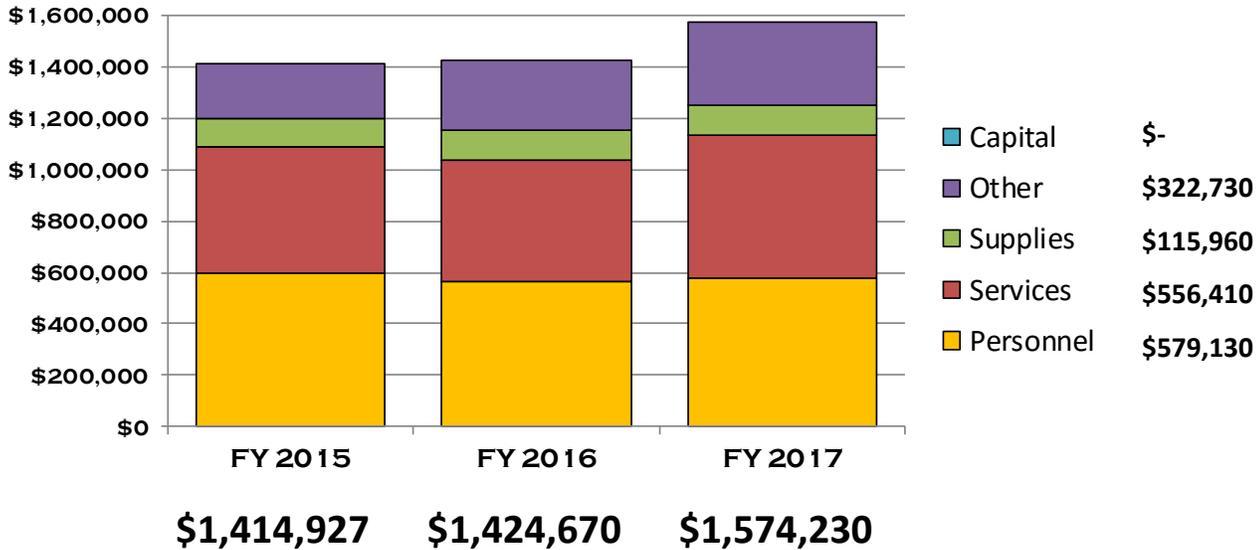
WASTEWATER (6.3 FTE, \$1,574,230)

The Public Works – Wastewater Department is responsible for maintaining permit compliance and the effective operation and maintenance functions associated with the Town’s Water Treatment and Reclamation Facility, including over 13 acres of recharge basins for reclaimed water. The facility is permitted to treat up to 3.0 million gallons per day. The Sahuarita Water Reclamation Facility converts raw sewage into its final form of Class A+ quality reclaimed water through biological treatment, filtering, nitrogen removal, and disinfection. Reclaimed water is recharged into the aquifer through infiltration basins. Credits earned through recharge are stored for the future and are used to offset groundwater use at Lake Park. The Department is also responsible for the associated sewer collection system, which includes approximately 45 miles of sewer lines and over 1,100 manholes. Another key role of the Wastewater Department, that is accomplished through the engineering and administrative support within the Public Works Department, is to conduct planning and policy development to manage industrial waste permitting, respond to customer service requests related to the sewer system, pursue future service delivery opportunities, facilitate development opportunities, assure developer funded projects provide necessary infrastructure, and monitor construction of those improvements to ensure high quality and cost-effective Infrastructure.

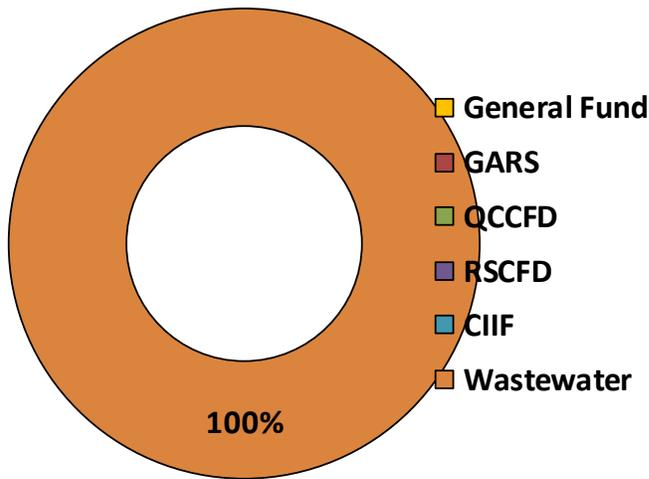
----- **DEPARTMENT HIGHLIGHTS** -----

- In 2015, the Department treated over 280 million gallons of wastewater, with an average daily flow of 767,990 gallons.
- Throughout 2015 the operations staff attended various trainings such NTT basics of industrial electricity, variable frequency drives basics, and troubleshooting electrical control circuits. Other safety trainings included forklift safety, blood-borne pathogen training, hazard communication and confined space to name a few.
- The Department completed installation of a new step screen. The addition of the step screen repair or maintenance of step screen units without causing any interruption in treatment, eliminates the need for costly alternative hauling, and assures ongoing compliance with the Aquifer Protection Permit.
- The Department coordinated efforts with the Green Valley Council in the collection of wastes, such as electronics, household hazardous materials, and unused medications. Such events help protect the treatment system from unintended interruption in service due to improperly disposed waste materials.
- Throughout the year, Department staff participated in events aimed at teaching students about water resources, emphasizing our commitment to enhance civic engagement through public participation. Events included the third annual Sahuarita-Green Valley Water Festival funded by Freeport McMoRan and the Pima Association of Governments and the Sahuarita SciTech Festival, which introduces middle school students to the role of a wastewater treatment operator and providing them a first-hand look at analyzing water quality while drawing attention to the Department’s role in maintaining and operating the wastewater system to ensure system integrity. Both events were part of the Science, Technology, Engineering, and Mathematics (STEM) education units.

Costs by Category



FUNDING



2017 budget per customer: \$280.86

Staffing:

2015	6.9 FTE
2016	6.9 FTE
2017	6.3 FTE

Cost Changes

Department cost has changed by

+10%

Increases	Decreases
Pay plan & merits: \$26,520	Staffing changes & reassignments: \$22,820
On call program: \$5,900	
Sludge/trash disposal: \$36,000	
Sewer maint & pest control: \$21,300	
Engineering services: \$20,000	
SCADA software support: \$11,600	
Indirect cost allocation: \$39,750	

Wastewater

WASTEWATER GOALS

Goal #1



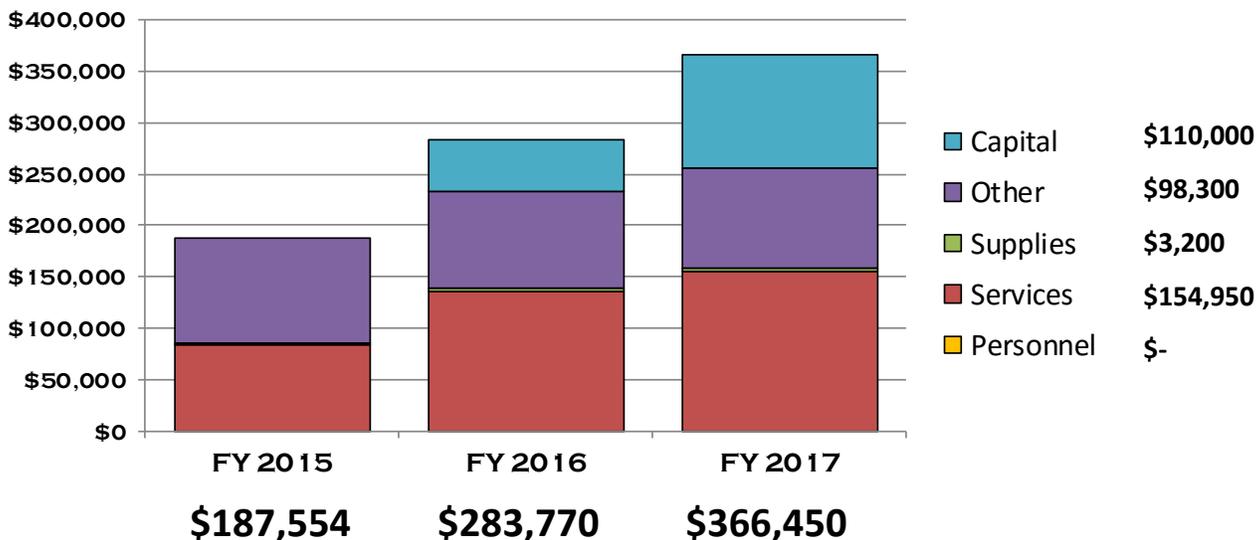
Maintain and operate the wastewater plant and collection system to ensure system integrity.

WASTEWATER MEASURES	ACTUAL FY 2015	ESTIMATED FY 2016	TARGET FY 2017
Percentage of reporting requirements met for the ADWR and ADEQ	100	100	100
Number of sanitary sewer overflows (SSO's) per 100 manholes	0	0	0

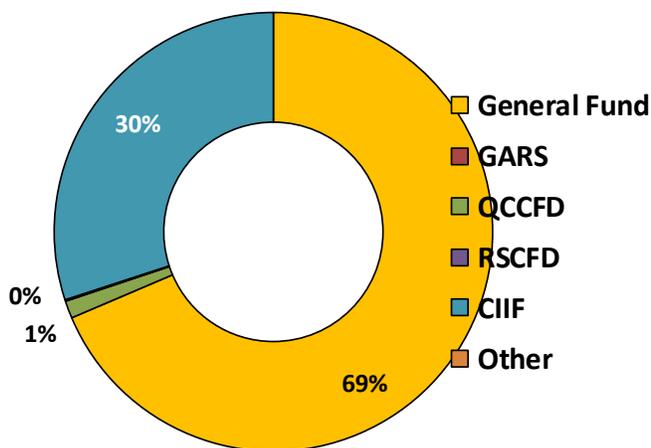
NON-DEPARTMENTAL (0.0 FTE, \$366,450)

The Non-Departmental section of the budget accounts for operating costs and items not specifically identifiable to any other Town Department. These costs provide for animal control services, contracts for some social services, and costs associated with the Town’s general motor pool.

Costs by Category



FUNDING



Cost Changes

Department cost has changed by

+29%

Increases	Decreases
County animal control: \$20,000	No significant decreases
Expanded vehicle lease replacement program: \$60,000	

2017 budget per resident: \$12.48

Staffing:

2015	0.0 FTE
2016	0.0 FTE
2017	0.0 FTE

TOWN OF SAHUARITA, ARIZONA
Department Staffing Levels Summary

Full-Time Equivalent (FTE)

DEPARTMENT	FY 2015		FY 2016		FY 2017	
	Adopted	Amended	Change	Adopted	Change	Adopted
	FTE	FTE	FTE	FTE	FTE	FTE
Mayor and Council	-	-	-	-	-	-
Town Manager	6.0	6.0	-	6.0	-	6.0
Law	4.0	4.0	-	4.0	1.0	5.0
Town Clerk	5.0	5.0	-	5.0	-	5.0
Finance	8.0	8.0	2.0	10.0	1.0	11.0
Human Resources	2.0	2.0	-	2.0	-	2.0
Planning and Building	12.0	12.0	-	12.0	-	12.0
Parks and Recreation	14.7	14.7	0.4	15.1	0.2	15.3
Public Works	4.5	4.5	-	4.5	-	4.5
Police	51.0	51.0	-	51.0	2.0	53.0
Municipal Court	8.0	8.0	-	8.0	(1.0)	7.0
Streets	12.7	12.7	-	12.7	(3.0)	9.7
Wastewater	6.8	6.8	-	6.8	(0.5)	6.3
TOTALS	134.7	134.7	2.4	137.1	(0.3)	136.7

Number of Personnel

DEPARTMENT	FY 2015		FY 2016		FY 2017	
	Adopted	Amended	Change	Adopted	Change	Adopted
	HEAD COUNT					
Mayor and Council	7	7	0	7	0	7
Town Manager	6	6	0	6	0	6
Law	4	4	0	4	1	5
Town Clerk	5	5	0	5	0	5
Finance	8	8	2	10	1	11
Human Resources	2	2	0	2	0	2
Planning and Building	12	12	0	12	0	12
Parks and Recreation	19	19	1	20	0	20
Public Works*	24	24	-1	23	-3	20
Police	51	51	0	51	2	53
Municipal Court	8	8	0	8	-1	7
Streets	*	*	*	*	*	*
Wastewater	*	*	*	*	*	*
TOTALS	146	146	2	148	0	148

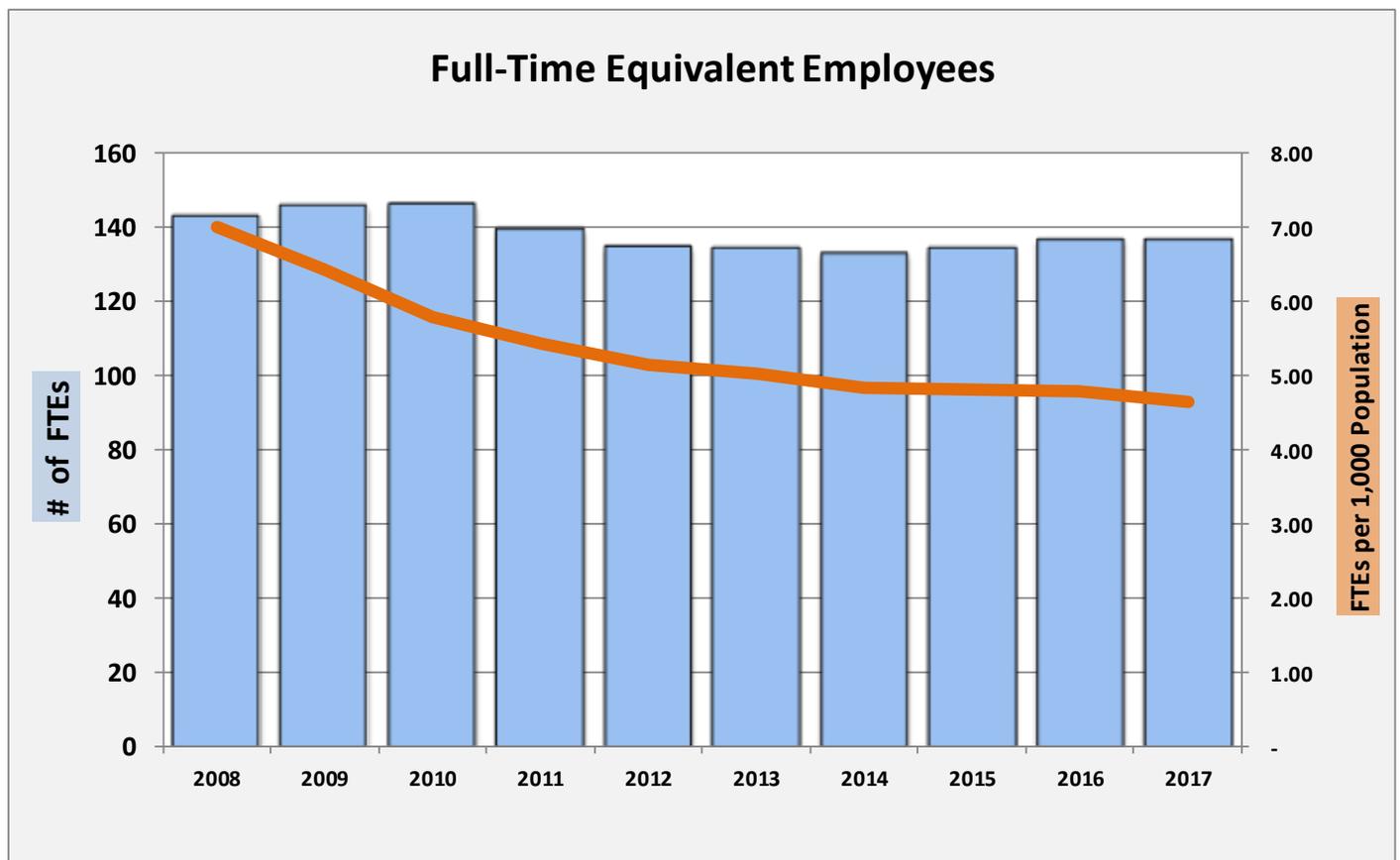
* For head count, Streets and Wastewater employees were included in Public Works.

Department Staffing

TOWN OF SAHUARITA STAFFING Last 10 Years

FY	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
FTEs	143.1	145.8	146.3	139.6	135.0	134.7	133.1	134.7	137.1	136.7
Change	6.5	2.7	0.5	(6.7)	(4.6)	(0.3)	(1.6)	1.6	2.4	(0.3)

Population	20,393	22,650	25,259	25,722	26,244	26,772	27,476	28,051	28,626	29,365
FTE / 1,000	7.02	6.44	5.79	5.43	5.14	5.03	4.84	4.80	4.79	4.66



Town of Sahuarita, Arizona
Full-time Equivalent Town Government Employees by Function
 Last 10 Years

<u>Function/Department/Division</u>	<u>Full-time Equivalent Employees</u>									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Mayor & Council (7 seats)	-	-	-	-	-	-	-	-	-	-
Town Manager										
Administration	5.0	5.0	5.0	4.0	3.3	3.3	3.3	5.0	4.0	4.0
Human Resources	2.0	-	-	-	-	-	-	-	-	-
Economic Dev./[Communications]	3.0	2.0	3.0	3.0	3.0	3.0	2.0	1.0	2.0	2.0
Law	2.0	3.0	4.0	4.0						
Civil	-	-	-	-	2.0	2.0	2.0	2.5	3.0	3.0
Prosecution	-	-	-	-	2.0	2.0	2.0	1.5	1.0	2.0
Town Clerk										
Town Clerk	3.0	3.0	3.0	3.5	3.4	3.4	3.6	4.0	4.0	4.0
Communications	-	-	-	-	-	-	-	1.0	1.0	1.0
Finance										
Finance	4.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	6.0	7.0
Technology	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Human Resources	-	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Planning & Building-Planning & Zoning	5.0	5.0	4.6	4.6	4.6	5.2	5.4	5.0	5.0	5.0
Public Works-Facilities	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Municipal Court	8.0	9.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0
General Government Total	<u>36.5</u>	<u>38.0</u>	<u>38.6</u>	<u>38.1</u>	<u>37.3</u>	<u>37.9</u>	<u>37.3</u>	<u>39.0</u>	<u>41.0</u>	<u>42.0</u>
Public Safety										
Planning & Building-Building Safety	15.0	12.0	10.8	7.0	7.0	6.0	6.0	7.0	7.0	7.0
Public Works-Engineering	5.0	3.9	3.9	3.8	3.2	3.5	3.5	3.5	3.5	3.5
Police Dept	46.0	51.0	55.2	52.4	50.9	51.0	50.0	51.0	51.0	53.0
Public Safety Total	<u>66.0</u>	<u>66.9</u>	<u>69.9</u>	<u>63.2</u>	<u>61.1</u>	<u>60.5</u>	<u>59.5</u>	<u>61.5</u>	<u>61.5</u>	<u>63.5</u>
Culture & Recreation										
Parks & Recreation										
Administration & Special Events	4.0	5.0	2.0	2.0	2.0	2.0	2.0	3.0	3.5	3.7
Maintenance	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Recreation	8.6	7.8	8.1	8.1	8.1	8.1	8.1	6.7	6.6	6.6
Culture & Recreation Total	<u>18.6</u>	<u>17.8</u>	<u>15.1</u>	<u>15.1</u>	<u>15.1</u>	<u>15.1</u>	<u>15.1</u>	<u>14.7</u>	<u>15.1</u>	<u>15.3</u>
Highways & Streets										
Streets	13.0	13.6	14.5	15.1	13.5	14.0	14.0	12.7	12.7	9.7
Highways & Streets Total	<u>13.0</u>	<u>13.6</u>	<u>14.5</u>	<u>15.1</u>	<u>13.5</u>	<u>14.0</u>	<u>14.0</u>	<u>12.7</u>	<u>12.7</u>	<u>9.7</u>
Sewer										
Wastewater Utility	9.0	9.5	8.2	8.2	8.0	7.3	7.3	6.8	6.8	6.3
Total	<u>143.1</u>	<u>145.8</u>	<u>146.3</u>	<u>139.6</u>	<u>135.0</u>	<u>134.7</u>	<u>133.1</u>	<u>134.7</u>	<u>137.1</u>	<u>136.7</u>

Department History of Operating Expenditures by Fund

DEPT	Categories	2015 Actual Amount	2016		2017 Budget Amount	
			Budget Adopted	Amended		Estimated Actual
MAYOR & COUNCIL	General Fund	\$ 104,519	\$ 114,390	\$ 114,390	\$ 114,350	\$ 113,860
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	-	-	-	-	-
	Other	-	-	-	-	-
	Department Total	\$ 104,519	\$ 114,390	\$ 114,390	\$ 114,350	\$ 113,860
TOWN MANAGER	General Fund	\$ 710,447	\$ 710,370	\$ 710,370	\$ 706,840	\$ 753,180
	GARS	86,615	15,000	111,000	75,490	21,000
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	-	-	-	-	-
	Other	-	-	-	-	-
	Department Total	\$ 797,062	\$ 725,370	\$ 821,370	\$ 782,330	\$ 774,180
LAW	General Fund	\$ 590,095	\$ 565,160	\$ 565,160	\$ 592,130	\$ 643,730
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	-	-	-	-	-
	Other	-	-	-	-	-
	Department Total	\$ 590,095	\$ 565,160	\$ 565,160	\$ 592,130	\$ 643,730
TOWN CLERK	General Fund	\$ 334,909	\$ 536,410	\$ 536,410	\$ 448,660	\$ 579,470
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	122	-	-	-	-
	CIIF	-	-	-	-	-
	Other	-	-	-	-	-
	Department Total	\$ 335,031	\$ 536,410	\$ 536,410	\$ 448,660	\$ 579,470
FINANCE	General Fund	\$ 1,084,833	\$ 1,233,260	\$ 1,233,260	\$ 1,176,270	\$ 1,395,530
	GARS	-	-	-	-	-
	QCCFD	95	-	-	-	-
	RSCFD	358	810	810	810	760
	CIIF	229,562	190,000	190,000	220,000	200,000
	Wastewater	-	278,600	278,600	283,000	405,990
	Department Total	\$ 1,314,848	\$ 1,702,670	\$ 1,702,670	\$ 1,680,080	\$ 2,002,280
HUMAN RESOURCES	General Fund	\$ 228,889	\$ 234,190	\$ 234,190	\$ 223,390	\$ 268,680
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	-	13,000	13,000	-	18,000
	Other	-	-	-	-	-
	Department Total	\$ 228,889	\$ 247,190	\$ 247,190	\$ 223,390	\$ 286,680
PLANNING & BUILDING	General Fund	\$ 1,111,393	\$ 1,185,870	\$ 1,185,870	\$ 1,178,230	\$ 1,239,460
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	27,545	-	-	-	-
	Other	-	-	-	-	-
	Department Total	\$ 1,138,938	\$ 1,185,870	\$ 1,185,870	\$ 1,178,230	\$ 1,239,460

Department Summaries and Performance Measures

Department History of Operating Expenditures by Category

DEPT	Categories	2015 Actual Amount	2016			2017 Budget Amount
			Budget Adopted	Amended	Estimated Actual	
PARKS & RECREATION	General Fund	\$ 1,404,536	\$ 1,598,570	\$ 1,598,570	\$ 1,443,310	\$ 1,732,900
	GARS	20,050	20,000	20,000	12,500	15,000
	QCCFD	35,657	31,020	31,020	27,980	12,770
	RSCFD	-	-	-	-	-
	CIIF	113,218	40,000	40,000	40,000	108,000
	Other	-	-	-	-	-
	Department Total	\$ 1,573,461	\$ 1,689,590	\$ 1,689,590	\$ 1,523,790	\$ 1,868,670
PUBLIC WORKS	General Fund	\$ 688,574	\$ 924,870	\$ 924,870	\$ 905,130	\$ 965,270
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	88,401	137,000	184,000	80,800	120,380
	Other	-	-	-	-	-
Department Total	\$ 776,975	\$ 1,061,870	\$ 1,108,870	\$ 985,930	\$ 1,085,650	
POLICE	General Fund	\$ 5,468,052	\$ 5,963,900	\$ 5,963,900	\$ 5,814,020	\$ 6,299,670
	GARS	347,767	996,090	1,023,090	565,920	802,730
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	388,340	374,100	374,100	378,000	330,000
	Other	-	-	-	-	-
Department Total	\$ 6,204,159	\$ 7,334,090	\$ 7,361,090	\$ 6,757,940	\$ 7,432,400	
MUNICIPAL COURT	General Fund	\$ 541,036	\$ 575,440	\$ 575,440	\$ 535,740	\$ 592,360
	GARS	27,997	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	-	-	-	-	-
	Other	-	-	-	-	-
Department Total	\$ 569,033	\$ 575,440	\$ 575,440	\$ 535,740	\$ 592,360	
STREETS	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
	GARS	-	-	11,660	11,660	-
	QCCFD	17,342	21,880	21,880	20,390	20,390
	RSCFD	-	-	-	-	-
	CIIF	-	-	-	5,000	19,000
	HURF	1,663,441	2,043,990	2,105,110	2,060,330	2,174,450
Department Total	\$ 1,680,783	\$ 2,065,870	\$ 2,138,650	\$ 2,097,380	\$ 2,213,840	
WASTEWATER UTILITY	General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
	GARS	-	-	-	-	-
	QCCFD	-	-	-	-	-
	RSCFD	-	-	-	-	-
	CIIF	-	-	-	-	-
	Wastewater	1,414,927	1,424,670	1,424,670	1,411,670	1,574,230
Department Total	\$ 1,414,927	\$ 1,424,670	\$ 1,424,670	\$ 1,411,670	\$ 1,574,230	
NON - DEPARTMENT	General Fund	\$ 187,554	\$ 232,720	\$ 232,720	\$ 229,670	\$ 251,350
	GARS	-	-	-	-	-
	QCCFD	-	-	-	4,690	4,700
	RSCFD	-	1,050	1,050	240	400
	CIIF	-	50,000	50,000	37,000	110,000
	Other	-	-	-	-	-
Department Total	\$ 187,554	\$ 283,770	\$ 283,770	\$ 271,600	\$ 366,450	

Department History of Operating Expenditures by Fund

DEPT	Categories	2015 Actual Amount	2016			2017 Budget Amount
			Budget Adopted	Amended	Estimated Actual	
MAYOR & COUNCIL	Personnel	\$ 59,371	\$ 59,240	\$ 59,240	\$ 59,240	\$ 59,210
	Services	-	-	-	110	200
	Supplies	2,783	4,550	4,550	11,970	5,300
	Other	42,365	50,600	50,600	43,030	49,150
	Capital	-	-	-	-	-
	Department Total	\$ 104,519	\$ 114,390	\$ 114,390	\$ 114,350	\$ 113,860
TOWN MANAGER	Personnel	\$ 578,376	\$ 636,220	\$ 636,220	\$ 654,440	\$ 677,360
	Services	120,499	18,300	115,500	84,650	44,610
	Supplies	81,869	28,000	29,600	21,440	16,210
	Other	16,318	42,850	40,050	21,800	36,000
	Capital	-	-	-	-	-
	Department Total	\$ 797,062	\$ 725,370	\$ 821,370	\$ 782,330	\$ 774,180
LAW	Personnel	\$ 443,097	\$ 457,610	\$ 457,610	\$ 460,580	\$ 581,180
	Services	115,316	75,400	75,400	100,400	31,500
	Supplies	15,385	14,700	14,700	13,700	15,100
	Other	16,297	17,450	17,450	17,450	15,950
	Capital	-	-	-	-	-
	Department Total	\$ 590,095	\$ 565,160	\$ 565,160	\$ 592,130	\$ 643,730
TOWN CLERK	Personnel	\$ 202,541	\$ 363,440	\$ 363,440	\$ 292,700	\$ 359,120
	Services	94,732	132,510	132,510	123,690	177,830
	Supplies	30,388	24,140	24,140	19,080	21,920
	Other	7,370	16,320	16,320	13,190	20,600
	Capital	-	-	-	-	-
	Department Total	\$ 335,031	\$ 536,410	\$ 536,410	\$ 448,660	\$ 579,470
FINANCE	Personnel	\$ 592,379	\$ 748,840	\$ 748,840	\$ 721,230	\$ 847,940
	Services	204,000	371,430	371,430	380,930	441,350
	Supplies	30,159	75,600	75,600	71,140	73,600
	Other	258,748	316,800	316,800	286,780	439,390
	Capital	229,562	190,000	190,000	220,000	200,000
	Department Total	\$ 1,314,848	\$ 1,702,670	\$ 1,702,670	\$ 1,680,080	\$ 2,002,280
HUMAN RESOURCES	Personnel	\$ 179,390	\$ 208,470	\$ 208,470	\$ 201,940	\$ 232,720
	Services	42,782	14,950	14,950	12,020	15,670
	Supplies	4,766	3,490	3,490	3,080	7,010
	Other	1,951	7,280	7,280	6,350	13,280
	Capital	-	13,000	13,000	-	18,000
	Department Total	\$ 228,889	\$ 247,190	\$ 247,190	\$ 223,390	\$ 286,680
PLANNING & BUILDING	Personnel	\$ 1,004,309	\$ 1,100,840	\$ 1,100,840	\$ 1,101,260	\$ 1,158,740
	Services	78,568	51,230	51,230	45,470	50,490
	Supplies	15,142	16,100	16,100	12,770	13,760
	Other	13,374	17,700	17,700	18,730	16,470
	Capital	27,545	-	-	-	-
	Department Total	\$ 1,138,938	\$ 1,185,870	\$ 1,185,870	\$ 1,178,230	\$ 1,239,460

Department History of Operating Expenditures by Category

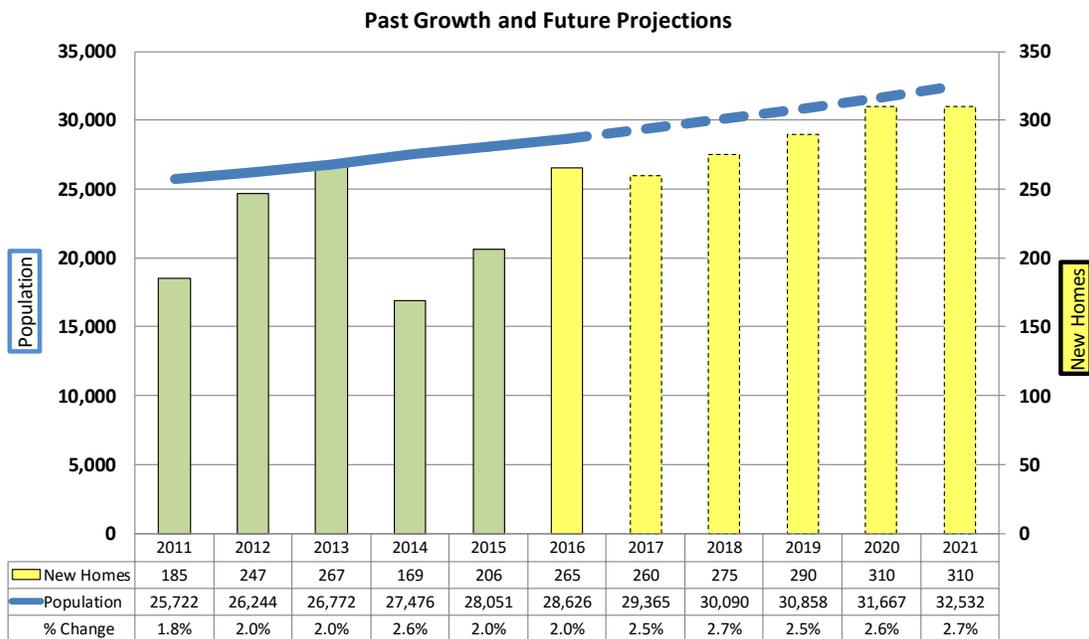
DEPT	Categories	2015 Actual Amount	2016		2017 Budget Amount	
			Budget Adopted	Amended		Estimated Actual
PARKS & RECREATION	Personnel	\$ 802,013	\$ 892,370	\$ 892,370	\$ 846,980	\$ 953,370
	Services	452,334	491,520	482,720	417,200	519,580
	Supplies	107,060	119,540	128,340	113,550	143,770
	Other	98,836	146,160	146,160	106,060	143,950
	Capital	113,218	40,000	40,000	40,000	108,000
	Department Total		\$ 1,573,461	\$ 1,689,590	\$ 1,689,590	\$ 1,523,790
PUBLIC WORKS	Personnel	\$ 343,338	\$ 400,280	\$ 400,280	\$ 405,800	\$ 418,940
	Services	313,488	471,610	471,010	443,570	486,970
	Supplies	26,380	43,100	42,950	43,650	44,730
	Other	4,932	9,880	10,630	12,110	14,630
	Capital	88,837	137,000	184,000	80,800	120,380
	Department Total		\$ 776,975	\$ 1,061,870	\$ 1,108,870	\$ 985,930
POLICE	Personnel	\$ 4,746,088	\$ 5,484,120	\$ 5,484,120	\$ 5,333,020	\$ 5,861,760
	Services	503,216	659,110	639,610	557,850	590,540
	Supplies	290,305	462,180	467,680	330,430	411,900
	Other	111,005	133,790	133,790	120,720	113,200
	Capital	553,545	594,890	635,890	415,920	455,000
	Department Total		\$ 6,204,159	\$ 7,334,090	\$ 7,361,090	\$ 6,757,940
MUNICIPAL COURT	Personnel	\$ 487,544	\$ 516,900	\$ 516,900	\$ 489,550	\$ 494,220
	Services	11,635	12,050	12,050	7,690	52,050
	Supplies	25,058	22,840	22,840	19,860	21,340
	Other	17,561	23,650	23,650	18,640	24,750
	Capital	27,235	-	-	-	-
	Department Total		\$ 569,033	\$ 575,440	\$ 575,440	\$ 535,740
STREETS	Personnel	\$ 574,773	\$ 639,880	\$ 639,880	\$ 652,050	\$ 712,230
	Services	754,809	968,390	1,034,570	962,400	988,850
	Supplies	146,630	194,300	200,900	212,600	213,690
	Other	204,571	256,300	256,300	248,660	280,070
	Capital	-	7,000	7,000	21,670	19,000
	Department Total		\$ 1,680,783	\$ 2,065,870	\$ 2,138,650	\$ 2,097,380
WASTEWATER UTILITY	Personnel	\$ 598,468	\$ 562,980	\$ 562,980	\$ 536,080	\$ 579,130
	Services	492,385	463,900	474,800	473,330	556,410
	Supplies	107,092	114,960	116,360	118,180	115,960
	Other	216,982	282,830	270,530	284,080	322,730
	Capital	-	-	-	-	-
	Department Total		\$ 1,414,927	\$ 1,424,670	\$ 1,424,670	\$ 1,411,670
NON - DEPARTMENT	Personnel	\$ -	\$ -	\$ -	\$ -	\$ -
	Services	83,026	135,020	135,020	133,520	154,950
	Supplies	2,434	3,200	3,200	2,400	3,200
	Other	102,094	95,550	95,550	98,680	98,300
	Capital	-	50,000	50,000	37,000	110,000
	Department Total		\$ 187,554	\$ 283,770	\$ 283,770	\$ 271,600

Five-Year Plan

In order to develop a budget and to ensure that the Town continues to remain on excellent financial footing, a five year plan is evaluated and updated each year. As with any planning tool, this document uses estimates and expectations to project future results. In order to achieve accurate results, the plan must accurately identify the elements which drive results. While it may be simplistic to identify revenues as the driving force behind our five year plan, it is an essential first step. Without changes to the tax rate or structure, revenues are largely outside the control of the Town. Conversely, determining what services the Town will provide—and thereby establishing budget levels—are under the control of the Town Council. These budgeted expenditure levels are typically established only after revenue forecasts are determined, to see what can be afforded.

The following assumptions were used in developing the five year financial plan:

- The base year for forecasts is the budget for fiscal year 2017
- Economic growth will occur at a slow-moderate pace
- Based upon planning documents, there will be some commercial development
- Unless noted elsewhere, there will be no changes to operational service levels
- Personnel costs increase over time more than other costs due to merit increases and rising costs for health insurance and retirement contributions
- No future changes to tax rates or structure
- No future changes to fees or fee structures unless noted
- No future changes in policies and procedures
- No future changes in legislation that would impact Town finances
- Inflationary factors were included in projections



The approach used in developing the five year financial plan is consistent with the methods used to develop the budget. In order to produce forecasts that are reasonably conservative, numerous scenarios are considered and evaluated, including best and worst cases. The extreme cases are interesting to consider but would likely lead to irrational decisions. We ultimately reach and agree on forecasts that are somewhere between the extremes but, in our best judgment, have more upside than downside to them.

All financial forecasts produced by the Town implement the same philosophy:

- We exist for the betterment of our residents. Therefore, we will maintain foundational service levels in core functions.
- We will live within our means.
- We will pay our debt and meet debt obligations.
- We will use a performance measurement program to measure and improve our effectiveness and efficiency.
- We will maintain healthy reserves in the General Fund.

Numerous resources are used to develop the forecasts:

External Resources

- League of Arizona Cities and Towns
- Joint Legislative Budget Committee
- Arizona Department of Revenue
- Arizona Department of Transportation
- Office of the Arizona State Treasurer
- University of Arizona Eller College of Management
- Arizona State University W.P. Carey School of Business
- Government Finance Officers Association
- Governmental Accounting Standards Board
- Local developers' growth projections

Internal Resources

- Finance and Investment Advisory Committee
- Town Council/departments/staff
- Existing plans and policies

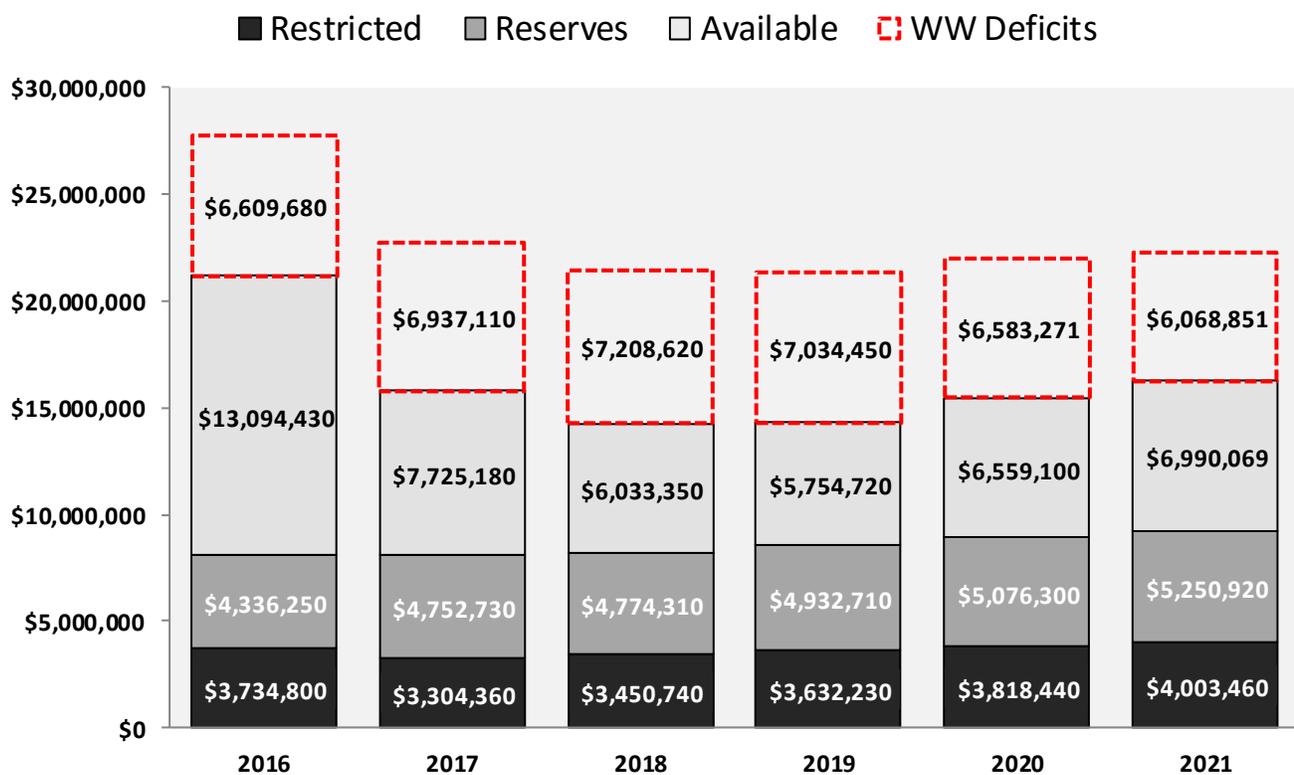
Tools and Techniques

- Regression analysis
- Ratio analysis
- Trend analysis
- FISCALS application

The focus of the Town’s appropriated funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financial requirements. In particular, available fund balances serve as a useful measure of a government’s net resources available for spending at the end of a particular fiscal year.

The following summarizes Town activity over the next five years, by charting ending fund balances for all funds in the aggregate. The black area represents balances that are contractually restricted for specific purposes. The Town has established policies to set aside fund balances for stabilization reserves. These are shown in dark gray. The light gray areas represent balances over-and-above the restricted and commitment levels and are generally available for Council purposes. The chart also shows how much greater fund balances would have been had there been no deficits in the Wastewater Fund. This area is boxed in red dashes.

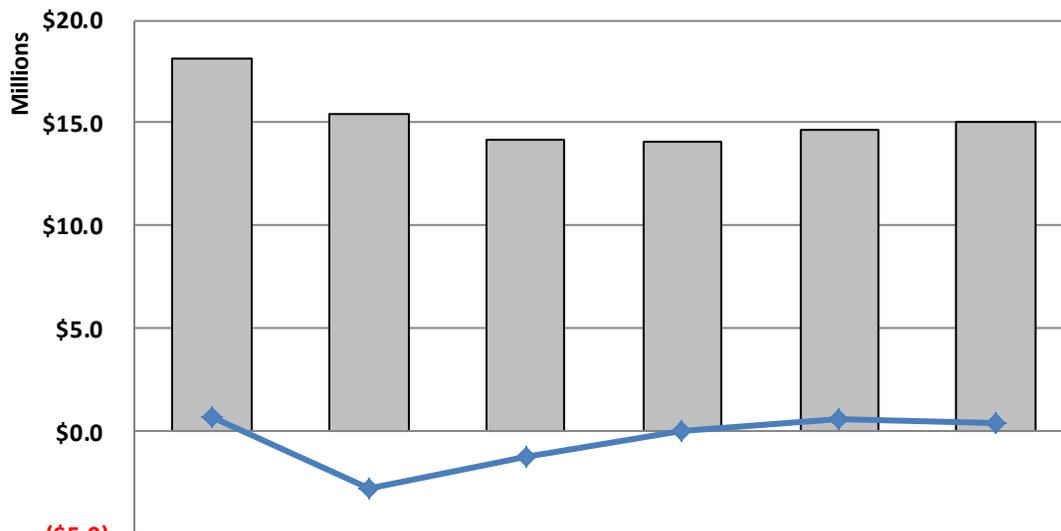
ENDING FUND BALANCES ALL FUNDS



GENERAL FUND SUMMARY

- Revenues will grow 22% between 2017 and 2021.
- Expenditures, for existing items budgeted, will increase 12% between 2017 and 2021.
- Revenues will exceed expenditures in each year.
- Transfers to the CIIF will be used to assist with the completion of high-priority capital items, including the \$1.53 million for the SAMTEC project and \$250 thousand annually for pavement management on arterial and collector streets.
- Transfers to the Wastewater Fund, averaging \$972 thousand annually, will be used to acquire recharge credits. By the end of 2021, the General Fund will have accumulated over 8,750 credits with an estimated value of \$6.65 million.
- The Wastewater Fund is expected to pay back some of the advance from the General Fund, reducing nonspendable fund balances by \$598 thousand by 2021.
- The Fund will commit operating reserves, averaging \$1.03 million annually, for other funds that are unable to do so.
- Unassigned ending balances will average \$5.59 million annually.
- Total ending fund balances will decrease by 2% between 2017 and 2021.

GENERAL FUND



	2016	2017	2018	2019	2020	2021
Ending Balances	\$18,164,960	\$15,403,030	\$14,137,340	\$14,111,970	\$14,657,900	\$15,047,860
Annual Change	\$688,140	\$(2,761,930)	\$(1,265,690)	\$(25,370)	\$545,930	\$389,960

GENERAL FUND
SOURCES AND USES OF FUNDS

	2016 Estimated Amounts	2017 Budgeted Amounts	2018 Forecasted Amounts	2019 Forecasted Amounts	2020 Forecasted Amounts	2021 Forecasted Amounts
SOURCES						
REVENUES:						
Taxes						
Sales taxes	\$ 4,942,300	\$ 5,058,410	\$ 5,245,710	\$ 5,585,330	\$ 5,951,400	\$ 6,081,530
Franchise taxes	323,600	331,990	340,210	348,910	358,080	367,890
Licenses and Permits	1,344,740	1,330,580	1,435,360	1,744,090	1,833,710	1,484,250
Intergovernmental						
State shared sales taxes	2,406,000	2,420,230	2,552,040	2,700,310	2,842,570	2,995,130
State shared income taxes	3,041,180	3,145,780	3,267,720	3,413,790	3,587,290	3,765,990
State shared vehicle license taxes	1,047,300	1,100,980	1,171,670	1,251,670	1,339,680	1,437,400
Charges for Services						
Indirect cost recovery	669,040	698,750	673,710	685,420	708,870	741,000
Development fees	40,000	95,070	100,560	106,040	113,360	113,360
Recreation fees	123,090	127,030	132,090	137,060	142,310	147,850
Other	5,000	5,000	5,000	5,000	5,000	5,000
Fines and fees	183,890	230,030	236,020	242,360	249,050	256,190
Investment Earnings	174,390	233,930	283,280	342,240	410,390	475,880
Miscellaneous	61,050					
Rent	-	-	-	178,200	178,200	178,200
Insurance recoveries	-	45,000	45,000	45,000	45,000	45,000
Other	-	15,000	15,000	15,000	15,000	15,000
Subtotal: Revenues	14,361,580	14,837,780	15,503,370	16,800,420	17,779,910	18,109,670
OTHER SOURCES:						
Transfers Out to CIIF	-	(1,066,250)	(958,750)	(250,000)	(250,000)	(250,000)
Transfers Out to Wastewater	(285,310)	(1,698,000)	(545,000)	(855,000)	(875,000)	(885,000)
Transfers Out to QC CFD	(20,390)	-	-	-	-	-
Subtotal: Other Sources	(305,700)	(2,764,250)	(1,503,750)	(1,105,000)	(1,125,000)	(1,135,000)
BEGINNING FUND BALANCES:						
Nonspendable	2,767,630	3,314,710	3,642,140	3,913,650	3,739,480	3,301,501
Committed	4,336,250	4,752,730	4,774,310	4,932,710	5,076,300	5,250,920
Unassigned	10,372,940	10,097,520	6,986,580	5,290,980	5,296,190	6,105,479
Subtotal: Beginning Fund Balances	17,476,820	18,164,960	15,403,030	14,137,340	14,111,970	14,657,900
TOTAL SOURCES	\$ 31,532,700	\$ 30,238,490	\$ 29,402,650	\$ 29,832,760	\$ 30,766,880	\$ 31,632,570
USES						
CURRENT EXPENDITURES:						
Departmental Expenditures	\$ 13,367,740	\$ 14,835,460	\$ 15,265,310	\$ 15,720,790	\$ 16,108,980	\$ 16,584,710
Subtotal: Current Expenditures	13,367,740	14,835,460	15,265,310	15,720,790	16,108,980	16,584,710
ENDING FUND BALANCES:						
Nonspendable	3,314,710	3,642,140	3,913,650	3,739,480	3,301,501	3,044,291
Committed for Reserves	4,336,250	4,752,730	4,774,310	4,932,710	5,076,300	5,250,920
Assigned for Contingencies	100,000	100,000	100,000	100,000	100,000	100,000
Assigned for Asset Maintenance	500,000	500,000	500,000	500,000	500,000	500,000
Unassigned	9,914,000	6,408,160	4,849,380	4,839,780	5,680,099	6,152,649
Subtotal: Ending Fund Balances	18,164,960	15,403,030	14,137,340	14,111,970	14,657,900	15,047,860
TOTAL USES	\$ 31,532,700	\$ 30,238,490	\$ 29,402,650	\$ 29,832,760	\$ 30,766,880	\$ 31,632,570
CHANGE IN FUND BALANCE	\$ 688,140	\$ (2,761,930)	\$ (1,265,690)	\$ (25,370)	\$ 545,930	\$ 389,960

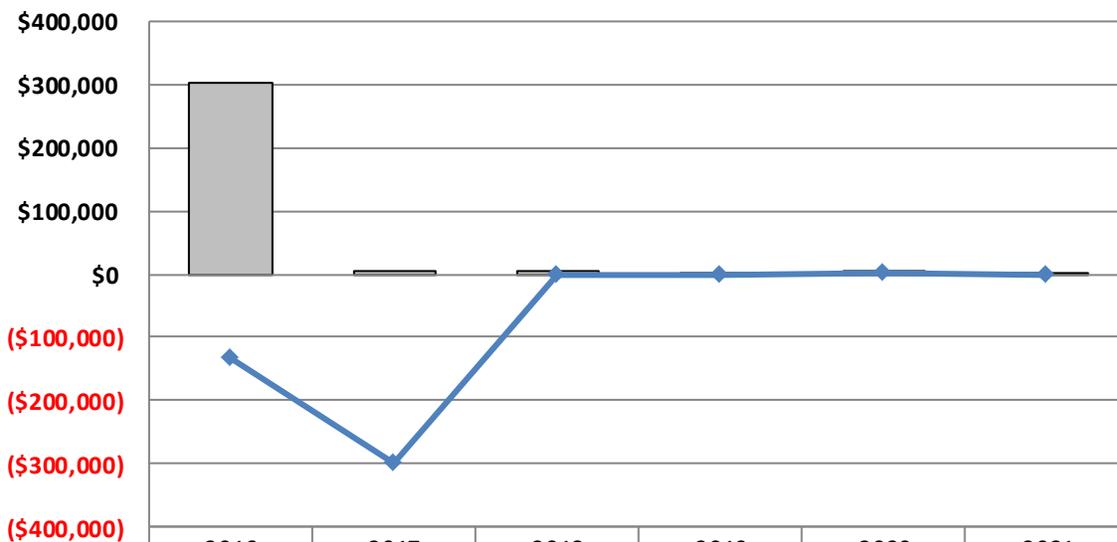


BUDGET 2017

HIGHWAY USER REVENUE FUND SUMMARY

- Local Transportation Assistance Funds (LTAF), accumulated in prior years, were spent in 2016. This revenue is no longer available.
- The fund will consume nearly all of its available resources on an annual basis. Expenditures will be made to the extent that funding is available. This will help to avoid more significant future costs associated with deferred maintenance.
- Ending balances will not be sufficient to cover the operating reserves required by policy. The deficiency will average \$514 thousand annually and be reserved by the General Fund.

HURF FUND



	2016	2017	2018	2019	2020	2021
Ending Balances	\$302,670	\$4,280	\$3,370	\$3,300	\$3,700	\$1,010
Annual Change	\$(134,510)	\$(298,390)	\$(910)	\$(70)	\$400	\$(2,690)

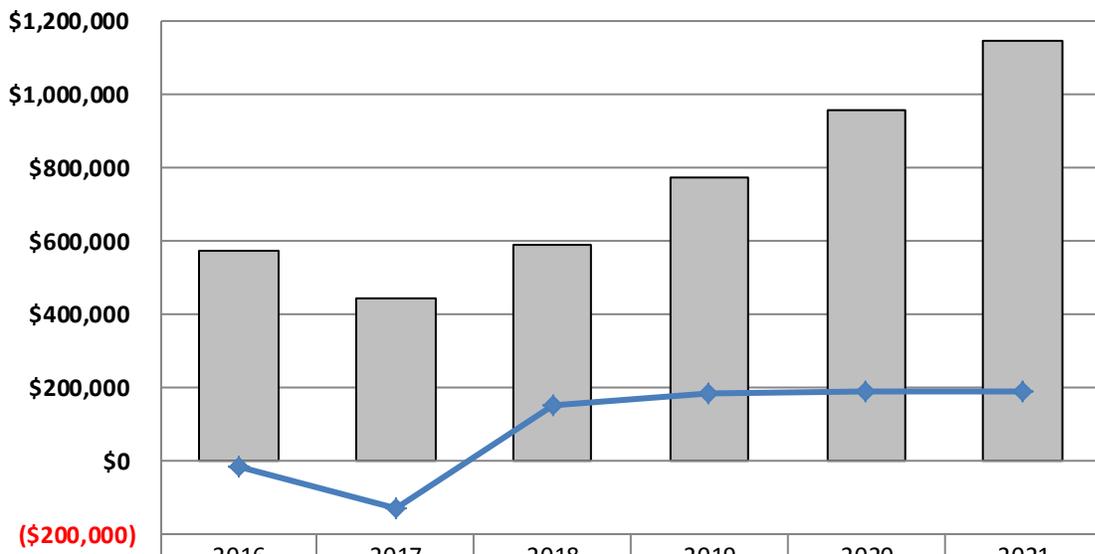
HIGHWAY USER REVENUE FUND (HURF)
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2016 Estimated Amounts	2017 Budgeted Amounts	2018 Forecasted Amounts	2019 Forecasted Amounts	2020 Forecasted Amounts	2021 Forecasted Amounts
SOURCES						
REVENUES:						
Intergovernmental						
HURF	1,898,950	1,848,970	1,891,320	1,972,410	2,057,010	2,148,740
PAG (Youth Art)	25,000	25,000	25,000	25,000	25,000	25,000
Capital grants						
State HURF	34,300	4,315,000	-	-	-	-
Investment Earnings	1,870	2,090	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Subtotal: Revenues	1,960,120	6,191,060	1,916,320	1,997,410	2,082,010	2,173,740
OTHER SOURCES:						
Transfers Out to CIIF	(34,300)	(4,315,000)	-	-	-	-
Subtotal: Other Sources	(34,300)	(4,315,000)	-	-	-	-
BEGINNING FUND BALANCES:						
Restricted for HURF	426,010	302,670	4,280	3,370	3,300	3,700
Restricted for LTAF	11,170	-	-	-	-	-
Subtotal: Beginning Fund Balances	437,180	302,670	4,280	3,370	3,300	3,700
TOTAL SOURCES	\$ 2,363,000	\$ 2,178,730	\$ 1,920,600	\$ 2,000,780	\$ 2,085,310	\$ 2,177,440
USES						
EXPENDITURES:						
Streets Department	\$ 2,049,160	\$ 2,174,450	\$ 1,917,230	\$ 1,997,480	\$ 2,081,610	\$ 2,176,430
LTAF	11,170	-	-	-	-	-
Subtotal: Current Expenditures	2,060,330	2,174,450	1,917,230	1,997,480	2,081,610	2,176,430
ENDING FUND BALANCES:						
Restricted for HURF	302,670	4,280	3,370	3,300	3,700	1,010
Subtotal: Ending Fund Balances	302,670	4,280	3,370	3,300	3,700	1,010
TOTAL USES	\$ 2,363,000	\$ 2,178,730	\$ 1,920,600	\$ 2,000,780	\$ 2,085,310	\$ 2,177,440
Change in Fund Balance	\$ (134,510)	\$ (298,390)	\$ (910)	\$ (70)	\$ 400	\$ (2,690)

GRANTS AND RESTRICTED SOURCES FUND SUMMARY

- Most of the revenues are from grants and other contributions. These are recognized to the extent that there are underlying expenditures. Therefore, this activity has no impact on fund balance.
- The fund also receives revenues from RICO seizures and Court fines. These sources come without a spending obligation and may be accumulated over time. These accumulated balances are restricted for purposes related to the Police Department and Municipal Court.
- Most of the expenditures in this fund are one-time in nature. Therefore, fund balance projections will continue to increase until uses can be identified and programmed into the five-year plan.

GARS FUND



	2016	2017	2018	2019	2020	2021
Ending Balances	\$572,400	\$438,960	\$586,940	\$770,880	\$956,690	\$1,144,400
Annual Change	\$(20,110)	\$(133,440)	\$147,980	\$183,940	\$185,810	\$187,710

**GRANTS AND RESTRICTED SOURCES
SPECIAL REVENUE FUND**

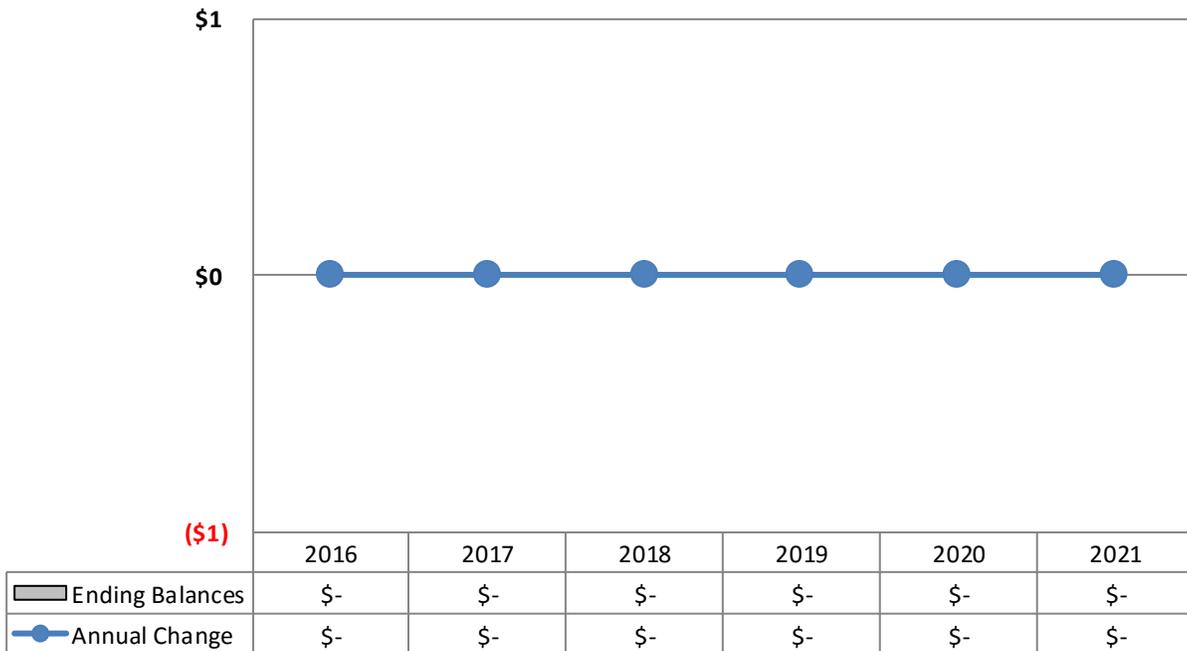
SOURCES AND USES OF FUNDS

	2016	2017	2018	2019	2020	2021
	Estimated	Budgeted	Forecasted	Forecasted	Forecasted	Forecasted
	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
SOURCES						
REVENUES:						
Intergovernmental	\$ 521,600	\$ 480,930	\$ 380,860	\$ 382,700	\$ 384,640	\$ 386,670
Charges for Services	12,000	15,000	15,000	15,000	15,000	15,000
Fines & Forfeitures	12,370	160,870	161,000	161,000	161,000	161,000
Investment Earnings	4,500	4,490	5,180	7,140	9,010	10,910
Miscellaneous	94,990	44,000	23,000	23,000	23,000	23,000
Subtotal: Revenues	645,460	705,290	585,040	588,840	592,650	596,580
BEGINNING FUND BALANCES:						
Restricted for Police	558,900	532,920	392,610	567,590	744,530	923,340
Restricted for Municipal Court	33,610	39,480	46,350	19,350	26,350	33,350
Subtotal: Beginning Fund Balances	592,510	572,400	438,960	586,940	770,880	956,690
TOTAL SOURCES	\$ 1,237,970	\$ 1,277,690	\$ 1,024,000	\$ 1,175,780	\$ 1,363,530	\$ 1,553,270
USES						
EXPENDITURES:						
Police	\$ 565,920	\$ 802,730	\$ 388,060	\$ 389,900	\$ 391,840	\$ 393,870
Town Manager	75,490	21,000	-	-	-	-
Parks & Recreation	12,500	15,000	15,000	15,000	15,000	15,000
Municipal Court	-	-	34,000	-	-	-
Streets	11,660	-	-	-	-	-
Subtotal: Expenditures	665,570	838,730	437,060	404,900	406,840	408,870
ENDING FUND BALANCES:						
Restricted for Police	532,920	392,610	567,590	744,530	923,340	1,104,050
Restricted for Municipal Court	39,480	46,350	19,350	26,350	33,350	40,350
Subtotal: Ending Fund Balances	572,400	438,960	586,940	770,880	956,690	1,144,400
TOTAL USES	\$ 1,237,970	\$ 1,277,690	\$ 1,024,000	\$ 1,175,780	\$ 1,363,530	\$ 1,553,270
CHANGE IN FUND BALANCE	\$ (20,110)	\$ (133,440)	\$ 147,980	\$ 183,940	\$ 185,810	\$ 187,710

QUAIL CREEK COMMUNITY FACILITIES DISTRICT FUND SUMMARY

- The fund’s secondary property tax rate will be \$3.30 per \$100 of assessed valuation and remain unchanged over the five year timeframe. Growth in the tax base is associated with new development and changes in property valuations.
- Miscellaneous income is derived from developer contributions, which are used towards debt service requirements. These will average \$357 thousand annually.
- The 2006 GO Bonds are expected to be refunded in 2017. This is expected to save \$85 thousand on debt service annually.
- Ending balances will not be sufficient to cover the operating reserves required by policy. The deficiency will average \$13 thousand annually and be reserved by the General Fund.
- Ending balances are \$0 each year.

QUAIL CREEK CFD FUND



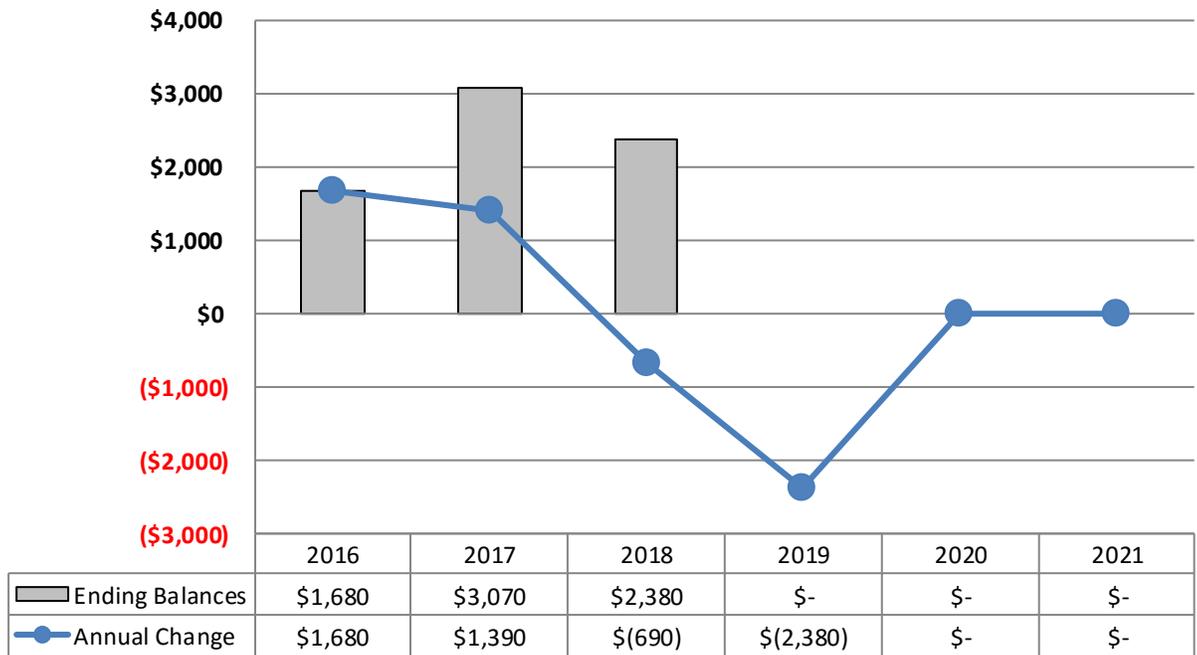
QUAIL CREEK COMMUNITY FACILITIES DISTRICT (QC CFD)
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2016 Estimated Amounts	2017 Budgeted Amounts	2018 Forecasted Amounts	2019 Forecasted Amounts	2020 Forecasted Amounts	2021 Forecasted Amounts
SOURCES						
REVENUES:						
Taxes	\$ 398,610	\$ 454,340	\$ 519,740	\$ 588,630	\$ 693,480	\$ 848,600
Miscellaneous	645,650	506,410	450,700	388,620	292,050	147,930
Subtotal: Revenues	1,044,260	960,750	970,440	977,250	985,530	996,530
OTHER SOURCES:						
Transfer In from General Fund	20,390	-	-	-	-	-
Refunding Debt Proceeds	-	9,825,000	-	-	-	-
Payments to Refunded Debt Escrow	-	(9,620,000)	-	-	-	-
Subtotal: Other Sources	20,390	205,000	-	-	-	-
BEGINNING FUND BALANCES:						
Restricted for QC CFD	-	-	-	-	-	-
Subtotal: Beginning Fund Balances	-	-	-	-	-	-
TOTAL SOURCES	\$ 1,064,650	\$ 1,165,750	\$ 970,440	\$ 977,250	\$ 985,530	\$ 996,530
USES						
CURRENT EXPENDITURES:						
General Government	\$ 4,690	\$ 4,700	\$ 5,690	\$ 6,370	\$ 7,430	\$ 9,070
Streets	20,390	20,390	21,410	22,480	23,600	24,780
Parks and Recreation	27,980	12,770	16,850	21,530	29,130	40,760
Subtotal: Current Expenditures	53,060	37,860	43,950	50,380	60,160	74,610
DEBT SERVICE:						
Principal	450,000	570,000	585,000	600,000	615,000	630,000
Interest	557,090	348,390	336,990	322,370	305,870	287,420
Other	4,500	4,500	4,500	4,500	4,500	4,500
Debt Issuance Costs	-	205,000	-	-	-	-
Subtotal: Debt Service	1,011,590	1,127,890	926,490	926,870	925,370	921,920
Subtotal: Expenditures	1,064,650	1,165,750	970,440	977,250	985,530	996,530
ENDING FUND BALANCES:						
Restricted for QC CFD	-	-	-	-	-	-
Subtotal: Ending Fund Balances	-	-	-	-	-	-
TOTAL USES	\$ 1,064,650	\$ 1,165,750	\$ 970,440	\$ 977,250	\$ 985,530	\$ 996,530
CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT FUND SUMMARY

- The fund is budgeted to issue debt in 2018 and 2021 to acquire \$3.0 million in infrastructure, \$1.75 million in each of those years.
- Operations and maintenance (O&M) will consist of (1) District administration and (2) roadway maintenance, once infrastructure is acquired. These costs will be paid from an O&M property tax levy @ \$0.30 per \$100 of net assessed property value.
- Miscellaneous income represents developer contributions which will be used to pay the difference between the annual debt service requirement and a property tax levy for debt service @ \$4.69 per \$100 of net assessed property value.

RANCHO SAHUARITA CFD FUND



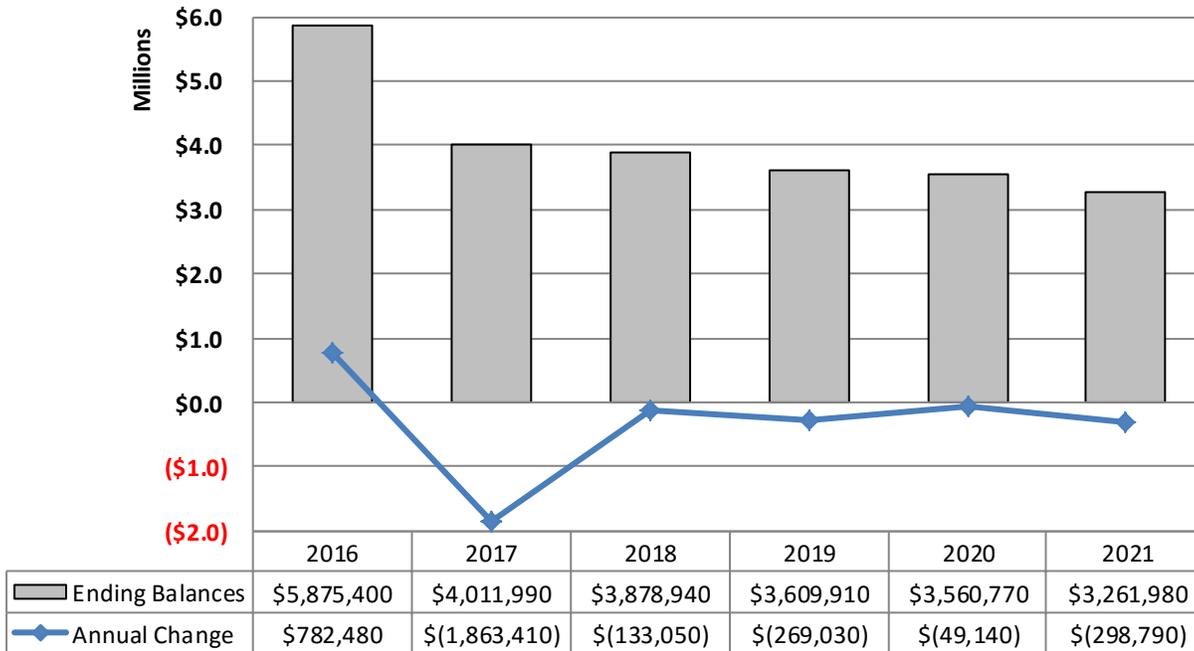
RANCHO SAHUARITA COMMUNITY FACILITIES DISTRICT (RS CFD)
SPECIAL REVENUE FUND
SOURCES AND USES OF FUNDS

	2016	2017	2018	2019	2020	2021
	Estimated	Budgeted	Forecasted	Forecasted	Forecasted	Forecasted
	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
SOURCES						
REVENUES:						
Taxes	\$ 2,430	\$ 2,300	\$ 2,300	\$ 55,540	\$ 110,270	\$ 139,320
Investment Earnings (Losses)	300	250	250	(30)	(50)	(40)
Miscellaneous	-	-	-	89,370	38,250	10,510
Subtotal: Revenues	2,730	2,550	2,550	144,880	148,470	149,790
OTHER SOURCES:						
Debt Proceeds	-	-	1,900,000	-	-	1,850,000
Subtotal: Other Sources	-	-	1,900,000	-	-	1,850,000
BEGINNING FUND BALANCES:						
Restricted for RS CFD	-	1,680	3,070	2,380	-	-
Subtotal: Beginning Fund Balances	-	1,680	3,070	2,380	-	-
TOTAL SOURCES	\$ 2,730	\$ 4,230	\$ 1,905,620	\$ 147,260	\$ 148,470	\$ 1,999,790
USES						
CURRENT EXPENDITURES:						
General Government	\$ 1,050	\$ 1,160	\$ 3,240	\$ 4,030	\$ 4,490	\$ 4,980
Streets	-	-	-	7,500	8,250	9,080
Subtotal: Current Expenditures	1,050	1,160	3,240	11,530	12,740	14,060
DEBT SERVICE:						
Principal	-	-	-	26,230	27,670	29,200
Interest	-	-	-	104,500	103,060	101,530
Other	-	-	-	5,000	5,000	5,000
Debt Issuance Costs	-	-	150,000	-	-	100,000
Subtotal: Debt Service	-	-	150,000	135,730	135,730	235,730
CAPITAL OUTLAY:						
Infrastructure	-	-	1,750,000	-	-	1,750,000
Subtotal: Capital Outlay	-	-	1,750,000	-	-	1,750,000
Subtotal: Expenditures	1,050	1,160	1,903,240	147,260	148,470	1,999,790
ENDING FUND BALANCES:						
Restricted for RS CFD	1,680	3,070	2,380	-	-	-
Subtotal: Ending Fund Balances	1,680	3,070	2,380	-	-	-
TOTAL USES	\$ 2,730	\$ 4,230	\$ 1,905,620	\$ 147,260	\$ 148,470	\$ 1,999,790
CHANGE IN FUND BALANCE	\$ 1,680	\$ 1,390	\$ (690)	\$ (2,380)	\$ -	\$ -

CAPITAL INFRASTRUCTURE IMPROVEMENT FUND SUMMARY

- Unrestricted revenues (taxes and investment income) will average \$2.35 million annually.
- Debt payments will average \$1.68 million annually.
- Ending balances will decline significantly as a result of expenditures programmed in the *Capital Improvement Plan*.
- The Wastewater Fund is expected to pay back some of the advance from the CIIF, reducing the applicable assignment of fund balances by \$270 thousand by 2021.
- Available ending balances, averaging \$417 thousand annually, are assigned by the Town Council for general use on capital projects.

CIIF FUND



CAPITAL INFRASTRUCTURE IMPROVEMENT FUND (CIIF)

CAPITAL PROJECTS FUND

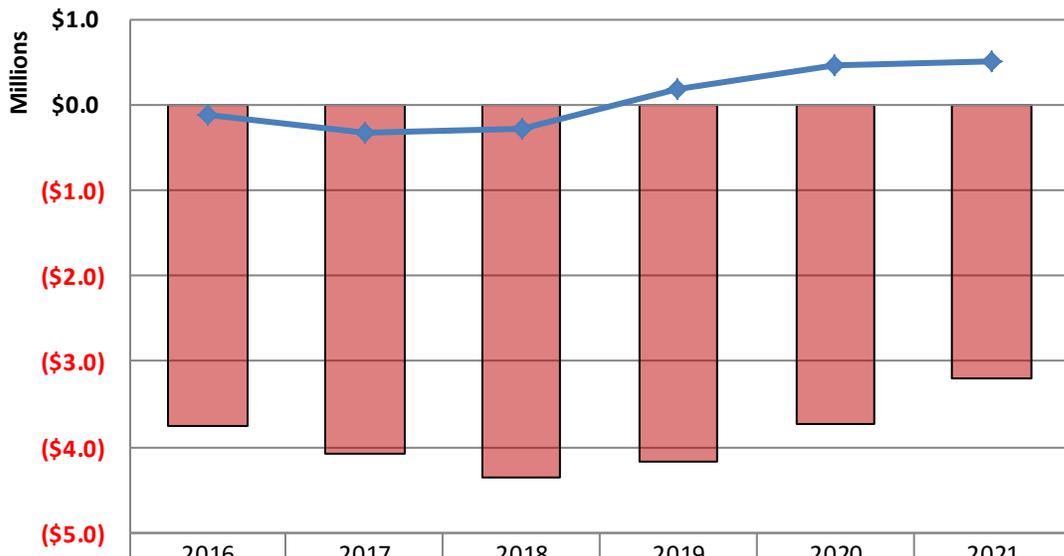
SOURCES AND USES OF FUNDS

	2016 Estimated Amounts	2017 Budgeted Amounts	2018 Forecasted Amounts	2019 Forecasted Amounts	2020 Forecasted Amounts	2021 Forecasted Amounts
SOURCES						
REVENUES:						
Taxes	\$ 1,991,300	\$ 1,912,970	\$ 2,100,390	\$ 2,405,320	\$ 2,609,120	\$ 2,408,980
Intergovernmental	4,739,040	1,185,590	2,126,250	-	-	-
Investment Earning	63,360	73,360	59,810	57,960	55,500	52,810
Miscellaneous	2,900,000	-	-	-	-	-
Subtotal: Revenues	9,693,700	3,171,920	4,286,450	2,463,280	2,664,620	2,461,790
OTHER SOURCES:						
Transfer In From General Fund	-	1,066,250	958,750	250,000	250,000	250,000
Transfers In From HURF	34,300	4,315,000	-	-	-	-
Trasfers Out to WW	(506,600)	-	-	-	-	-
Subtotal: Other Sources	(472,300)	5,381,250	958,750	250,000	250,000	250,000
BEGINNING FUND BALANCES:						
Assigned to Interfund Advances	2,635,050	3,304,840	3,304,840	3,304,840	3,304,840	3,291,640
Assigned for Town Center	600,000	-	-	-	-	-
Assigned for Debt Service	152,560	231,220	231,220	361,220	2,980	4,910
Assigned for Capital Projects	1,705,310	2,339,340	475,930	212,880	302,090	264,220
Subtotal: Beginning Fund Balances	5,092,920	5,875,400	4,011,990	3,878,940	3,609,910	3,560,770
TOTAL SOURCES	\$ 14,314,320	\$ 14,428,570	\$ 9,257,190	\$ 6,592,220	\$ 6,524,530	\$ 6,272,560
USES						
DEBT SERVICE:						
Principal	\$ 1,055,000	\$ 1,105,000	\$ 1,030,000	\$ 1,420,000	\$ 1,455,000	\$ 1,455,000
Interest	507,760	457,860	404,820	376,520	341,120	341,120
Other	5,000	5,000	5,000	5,000	5,000	5,000
Subtotal: Debt Service	1,567,760	1,567,860	1,439,820	1,801,520	1,801,120	1,801,120
CAPITAL OUTLAY:						
General Government	559,600	2,319,220	3,308,550	515,910	512,760	510,130
Public Safety	378,000	330,000	280,000	290,000	300,000	300,000
Highways and Streets	5,211,840	5,387,500	349,880	349,880	349,880	374,330
Culture and Recreation	721,720	812,000	-	25,000	-	25,000
Subtotal: Capital Outlay	6,871,160	8,848,720	3,938,430	1,180,790	1,162,640	1,209,460
Subtotal: Expenditures	8,438,920	10,416,580	5,378,250	2,982,310	2,963,760	3,010,580
ENDING FUND BALANCES:						
Assigned to Interfund Advances	3,304,840	3,304,840	3,304,840	3,304,840	3,291,640	3,034,430
Assigned for Debt Service	231,220	231,220	361,220	2,980	4,910	4,910
Assigned for Capital Projects	2,339,340	475,930	212,880	302,090	264,220	222,640
Subtotal: Ending Fund Balances	5,875,400	4,011,990	3,878,940	3,609,910	3,560,770	3,261,980
TOTAL USES	\$ 14,314,320	\$ 14,428,570	\$ 9,257,190	\$ 6,592,220	\$ 6,524,530	\$ 6,272,560
CHANGE IN FUND BALANCE	\$ 782,480	\$ (1,863,410)	\$ (133,050)	\$ (269,030)	\$ (49,140)	\$ (298,790)

WASTEWATER ENTERPRISE FUND SUMMARY

- 4% user fee increases are programmed for years 2018 through 2020, coinciding with the expectation the County’s wastewater fee increases.
- The fund will continue “selling” its recharge credits to the General Fund. Accordingly, the General Fund will transfer cash to the Wastewater Fund each year.
- Investment losses will occur each year due to the fund’s deficit cash position.
- Unassigned fund balances will be in deficit position each year, averaging \$6.77 million annually. These deficits will be covered via cash advances from the General Fund and CIIF.
- Ending balances (deficits) will improve by \$868 thousand between 2017 and 2021.
- Ending balances will not be sufficient to cover the operating reserve required by our policies. The deficiency will average \$504 thousand annually and be reserved by the General Fund.

WASTEWATER FUND



	2016	2017	2018	2019	2020	2021
Ending Balances	\$(3,751,630)	\$(4,079,060)	\$(4,350,570)	\$(4,176,400)	\$(3,725,220)	\$(3,210,800)
Annual Change	\$108,990	\$(327,430)	\$(271,510)	\$174,170	\$451,180	\$514,420

WASTEWATER ENTERPRISE FUND
SOURCES AND USES OF FUNDS

	2016	2017	2018	2019	2020	2021
	Estimated	Budgeted	Forecasted	Forecasted	Forecasted	Forecasted
	Amounts	Amounts	Amounts	Amounts	Amounts	Amounts
SOURCES						
OPERATING REVENUES:						
User Charges - Residential	\$ 3,034,250	\$ 3,068,810	\$ 3,255,520	\$ 3,432,460	\$ 3,650,750	\$ 3,747,940
User Charges - Commercial	165,640	166,230	196,240	216,550	238,170	251,130
Subtotal: Operating Revenues	3,199,890	3,235,040	3,451,760	3,649,010	3,888,920	3,999,070
NON-OPERATING REVENUES:						
Grants	250,000	-	-	-	-	-
Investment Earnings (Losses)	(35,400)	(61,820)	(55,690)	(59,550)	(54,350)	(46,470)
Miscellaneous	830	22,500	22,500	22,500	22,500	22,500
Sewer Connection Fees - Residential	150,000	162,960	108,640	203,700	339,500	407,400
Sewer Connection Fees - Commercial	43,570	2,720	105,920	54,320	54,320	54,320
Subtotal: Non-Operating Revenues	409,000	126,360	181,370	220,970	361,970	437,750
Subtotal: Revenues	3,608,890	3,361,400	3,633,130	3,869,980	4,250,890	4,436,820
OTHER SOURCES:						
Transfers In from General Fund	285,310	1,698,000	545,000	855,000	875,000	885,000
Transfers In from CIIF	506,600	-	-	-	-	-
Proceeds on Sale of Assets	-	375,000	-	-	-	-
Proceeds of Long-Term Debt	388,350	-	-	-	-	-
Subtotal: Other Sources	1,180,260	2,073,000	545,000	855,000	875,000	885,000
BEGINNING FUND BALANCES:						
Restricted for Debt Service	2,108,050	2,108,050	2,108,050	2,108,050	2,108,050	2,108,050
Restricted for Rate Stabilization Fund	750,000	750,000	750,000	750,000	750,000	750,000
Unassigned (Deficits)	(6,500,690)	(6,609,680)	(6,937,110)	(7,208,620)	(7,034,450)	(6,583,270)
Subtotal: Beginning Fund Balances	(3,642,640)	(3,751,630)	(4,079,060)	(4,350,570)	(4,176,400)	(3,725,220)
TOTAL SOURCES	\$ 1,146,510	\$ 1,682,770	\$ 99,070	\$ 374,410	\$ 949,490	\$ 1,596,600
USES						
CURRENT EXPENDITURES:						
Wastewater Utility Department	\$ 1,694,670	\$ 1,980,220	\$ 1,884,180	\$ 1,975,360	\$ 2,069,250	\$ 2,171,950
Subtotal: Current Expenditures	1,694,670	1,980,220	1,884,180	1,975,360	2,069,250	2,171,950
DEBT SERVICE:						
Principal	1,513,000	1,569,330	1,627,760	1,688,360	1,751,220	1,816,410
Interest	885,410	832,080	773,660	713,050	650,200	585,000
Subtotal: Debt Service	2,398,410	2,401,410	2,401,420	2,401,410	2,401,420	2,401,410
CAPITAL OUTLAY:						
WW Capital Projects	805,060	1,380,200	164,040	174,040	204,040	234,040
Subtotal: Capital Outlay	805,060	1,380,200	164,040	174,040	204,040	234,040
Subtotal: Expenditures	4,898,140	5,761,830	4,449,640	4,550,810	4,674,710	4,807,400
ENDING FUND BALANCES:						
Restricted for Debt Service	2,108,050	2,108,050	2,108,050	2,108,050	2,108,050	2,108,050
Restricted for Rate Stabilization Fund	750,000	750,000	750,000	750,000	750,000	750,000
Unassigned (Deficits)	(6,609,680)	(6,937,110)	(7,208,620)	(7,034,450)	(6,583,270)	(6,068,850)
Subtotal: Ending Fund Balances	(3,751,630)	(4,079,060)	(4,350,570)	(4,176,400)	(3,725,220)	(3,210,800)
TOTAL USES	\$ 1,146,510	\$ 1,682,770	\$ 99,070	\$ 374,410	\$ 949,490	\$ 1,596,600
CHANGE IN FUND BALANCE	\$ (108,990)	\$ (327,430)	\$ (271,510)	\$ 174,170	\$ 451,180	\$ 514,420

CAPITAL NEEDS, FINANCE, IMPROVEMENTS, DEBT

Providing the capital assets (infrastructure, facilities, and equipment) needed for public services is among the most important responsibilities of Town officials. These assets are the primary method for the Town to accomplish several goals. Construction of capital infrastructure is a method of carrying out partnership plans with private entities. These assets provide a means of supporting and encouraging development in accordance with public plans. Construction of capital facilities is a method of providing a work environment to public employees and a gathering place for general citizenry. And finally, purchase of capital equipment is a method of multiplying the output of public employees.

The capital plan is the Town's multi-year blueprint for creating and maintaining the crucial infrastructure that will support Sahuarita. Each year, in conjunction with the annual budgeting process, the departments of the Town Manager and Finance coordinate the process of revising and updating the plan. The values, priorities, goals, and objectives established by Sahuarita's elected officials and citizens determine the broad parameters for incorporating new capital improvement projects into the plan. Other documents, such as the Town's General Plan also provide valuable information and guidance in the preparation of the plan.

CAPITAL IMPROVEMENT PLAN

A capital improvement plan (CIP) is the document that local governments use as a multi-year map of planned and funded capital projects and other asset acquisitions. Items included in the CIP are assets that (individually) cost more than \$5,000 and have a useful life of numerous years.

The Town's CIP includes the following characteristics:

- The CIP covers a five year period, the budget year and four planning years. The Town reviews and updates the CIP annually. The first year of the CIP is incorporated into the annual budget.
- The CIP accounts for minor projects such as office remodeling and projected ongoing equipment replacement plans. Expenditures occur each year and are necessary to ensure the Town has adequate equipment to fulfill critical services.
- The CIP allocates project costs by year according to when spending is anticipated to occur. Appropriations of funds, sufficient to cover expenditure levels, are made each year as part of the process of developing the annual budget.
- The CIP estimates the impact of projects on the operating budget. Some projects add recurring expenditures and new positions. Others result in expenditure savings or possibly generate additional revenues.

A capital project falls into one of three categories:

1. New construction refers to the creation of new infrastructure which did not exist before. This is needed to provide appropriate service to a growing population. One example would be the construction of a new road.
2. Replace end-of-life assets refers to the natural life cycle of assets which are consumed and need to be replaced in order to provide the same service to our citizens. One example would be the replacement of a bridge when it has become unsafe.
3. Enhance existing assets refers to the improvement of current infrastructure in order to provide better or more efficient service to our citizens. One example would be the improvement of a 4-way stop sign to a lighted traffic signal in order move traffic more efficiently.

Financing Options

The Town's staff conducts a thorough review of all funding options in order to determine the most efficient and least costly method of paying for capital needs. There are generally three categories of funding available:

The following category descriptions may be helpful in understanding the chart:

- Local funding refers to the money which has been saved from previous years combined with revenue received in the current year. Local funding is the most flexible resource available. It is also used to make debt payments and to provide a local matching source, required in many grant agreements.
- Grants, contributions and restricted sources refer to funding which comes from partner-entities. Some partners, such as the Pima County Regional Transportation Authority, provide financing through grants to reimburse the Town for expenditures. Other partners may provide money, land, or rights to access land in order to accomplish a mutually beneficial goal, such as a water company joining a partnership to improve a bridge and improve the water line attached to that bridge.
- Debt refers to funding which comes from a structured borrowing of money from the capital markets. Debt is often used when there are insufficient funds on hand to acquire a new asset. Smaller payments are then made over a long-term period of time. Those who benefit from the existence of the new asset are the ones who provide the revenues that are used to make the debt payments; a concept known as intergenerational equity.

A more detailed discussion of each category, including the amount of funding available from various sources follows.

LOCAL FUNDING

Capital Fund (CIIF)



The Capital Infrastructure Improvement Fund (CIIF) is the financing source that includes the Town's 4.0% tax on new construction, investment earnings, and accumulated reserves (i.e., beginning fund balances). The Town evaluates the amount of money which has been received in the past as well as the expectation of future revenues to determine the amount of funding available from local sources.

This process requires significant analysis and estimation of future capital purchases made from local source as well as estimation of internal wastewater deficits. The information is derived and analyzed concurrently between the plan of capital finance as well as the **5 year plan(s)** for the various funds, and the projection of **major revenues**. Demands on this local source are significant.

Wastewater Fund



This source includes system revenues of the wastewater utility, including sewer user and connection fees, accumulated reserves, and investment earnings. The Town evaluates the funding deficiency from the wastewater utility system in the current year as well as projecting the projected cash deficits or surpluses in future years.

GRANTS, CONTRIBUTIONS & RESTRICTED SOURCES

Highway Fund (HURF)



The State of Arizona assesses a tax on fuel sales. The Town receives an allotment of the tax collections to use on specific capital projects. These collections may be distributed by the

Arizona Department of Transportation, but the monies are mostly authorized and distributed through an intermediary; the Pima Association of Governments. In order to obtain funding the Town must submit a proposal for a grant and have the grant proposal approved by either the ADOT or the PAG.

RTA Transportation Tax



The Regional Transportation Authority (RTA) is a County-wide jurisdiction that assesses a 0.5% transaction privilege tax on all purchases within its boundaries. Pursuant to regionalized transportation planning, the Town receives an allotment of these tax collections to use on specific capital projects.

Federal and State Grants, Contributions and Restricted Sources



Grants and contributions represent grants and awards from federal, state, and other sources. Most of these require the Town to incur project costs and subsequently submit financial reports for reimbursement. The Town must submit grant proposals which are reviewed and approved by the granting authority in order to access grant funds. Restricted sources represent revenues that have been collected pursuant to federal and state law, whose use is limited for specified purposes.

Partnerships



The Town is actively seeking partners to increase the public infrastructure within the Town for the benefit of our citizens and our region. We obtain funding from partners who share an interest in increasing the public infrastructure within the Town boundaries.

DEBT

Periodically the Town may issue bonds or enter into long-term debt arrangements with lending institutions, such the Water Infrastructure Finance Authority (WIFA); or the Town may access the capital markets directly by issuing bonded debt to investors. The debt proceeds are then used to construct or acquire capital assets. Annual debt service payments are made from local revenue sources.

Legal Debt Limit

The Town is subject to the following debt limitations:

- 1) Under Arizona law, the citizens of the Town can vote to issue general obligation bonds for an amount up to 20% of its secondary assessed property valuation for specific services, such as transportation, water, sewer, lighting, parks and recreational facilities.
- 2) Under Arizona law, the citizens of the Town can vote to issue general obligation bonds for an amount up to 6% of secondary assessed valuation for general municipal purposes.

The citizens of the Town have not voted to authorize any general obligation bonds that would apply against these debt limits. The total debt capacity in 2017 is projected to be approximately \$55 million.

The Quail Creek Community Facilities District and the Rancho Sahuarita Community Facilities District are legally separate entities and, therefore, their debt obligations do not count towards the Town's debt limitation.

Unfunded “Wish List” Projects

Many projects considered were deemed a high enough priority that they would have been included in the five-year CIP to some extent but for lack of sufficient resources were not. These projects are included on the following table which the Town considers as its “wish list” of unfunded projects.

Project	Project #	Description	Total Cost
Anamax Phase 2 Expansion	16K02	Add two lighted baseball fields	1,500,000
Sahuarita Pool & Recreational Complex	06K01	Build 40,000 sq.ft recreation center with aquatic center	14,000,000
Municipal Operations Center	06FM6	Acquire site and construct a facility for maintenance and other operations	6,000,000
TOTAL			\$ 21,500,000

Summary

The plan takes into consideration all known capital needs and ties potential revenue sources to those needs. As the Town continues to grow, new needs will undoubtedly surface, causing the plan to fluctuate and require more resources. For this reason, the Town always considers all requests, but only those projects of the highest priority that fit within the available dollars are included in the plan. All other projects may be reconsidered in future years if more funding becomes available.

The CIP includes 31 projects totaling \$17,455,330 for fiscal years 2017 through 2021. Of these, 14 are considered major projects and total \$13,739,550. Operational projects comprise 17 projects that total \$3,715,780. The 2017 budget incorporates the first year of the CIP.

FUNDING SOURCE SUMMARY						
SOURCE	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
Capital Fund (CIIF)	\$ 1,915,380	\$ 671,000	\$ 788,000	\$ 746,200	\$ 793,910	\$ 4,914,490
General Fund	2,326,250	978,750	250,000	250,000	250,000	4,055,000
Restricted Funds	70,000	34,000	-	-	-	104,000
Grants- Federal	928,750	2,126,250	-	-	-	3,055,000
Highway Fund (HURF)	4,315,000	-	-	-	-	4,315,000
RTA Transportation Tax	311,840	-	-	-	-	311,840
Wastewater Fund	80,000	110,000	140,000	170,000	200,000	700,000
GRAND TOTAL	\$ 9,947,220	\$ 3,920,000	\$ 1,178,000	\$ 1,166,200	\$ 1,243,910	\$ 17,455,330

DEPARTMENT EXPENDITURE SUMMARY						
DEPARTMENT	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	TOTAL
Human Resources	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Non-Departmental	1,800,000	3,001,000	223,000	246,200	246,200	5,516,400
Finance-Technology	200,000	150,000	150,000	125,000	125,000	750,000
Police	455,000	280,000	290,000	300,000	300,000	1,625,000
Municipal Court	-	34,000	-	-	-	34,000
Parks & Recreation	812,000	-	50,000	-	25,000	887,000
Public Works & Facilities	120,380	-	-	-	-	120,380
Streets	5,201,840	325,000	325,000	325,000	347,710	6,524,550
Wastewater Utility	1,340,000	130,000	140,000	170,000	200,000	1,980,000
GRAND TOTAL	\$ 9,947,220	\$ 3,920,000	\$ 1,178,000	\$ 1,166,200	\$ 1,243,910	\$ 17,455,330

PROJECTS EXPENDITURES BY DEPARTMENT

DEPARTMENT		YEAR 1	YEAR2	YEAR 3	YEAR 4	YEAR 5	TOTAL
PROJECT	PROJ #	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	YEARS 1-5
Human Resources							
Performance Management Software	16HR1	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Human Resources		\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Non-Departmental							
Vehicle Replacement Lease Program	xxND1	\$ 110,000	\$ 166,000	\$ 223,000	\$ 246,200	\$ 246,200	\$ 991,400
Advanced Manufacturing and Technology Center	17ND1	1,690,000	2,835,000	-	-	-	4,525,000
Non-Departmental Total		\$ 1,800,000	\$ 3,001,000	\$ 223,000	\$ 246,200	\$ 246,200	\$ 5,516,400
Finance-Technology							
Server & Computer Replacements	xxIT1	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 625,000
Municipal WiFi	14IT1	25,000	25,000	25,000	-	-	75,000
Saguaro Conference Room Upgrades	16IT1	50,000	-	-	-	-	50,000
Technology Total		\$ 200,000	\$ 150,000	\$ 150,000	\$ 125,000	\$ 125,000	\$ 750,000
Police							
Police Vehicle Replacements	xxPD1	\$ 335,000	\$ 280,000	\$ 290,000	\$ 300,000	\$ 300,000	\$ 1,505,000
Body Cameras	16PD1	50,000	-	-	-	-	50,000
Property & Evidence Workspace	17PD1	30,000	-	-	-	-	30,000
Server (Shared Area Network)	17PD3	40,000	-	-	-	-	40,000
Police Total		\$ 455,000	\$ 280,000	\$ 290,000	\$ 300,000	\$ 300,000	\$ 1,625,000
Municipal Court							
Court Security Upgrade	14CT1	\$ -	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000
Court Total		\$ -	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000
Parks & Recreation							
Canopy Replacement	xxK01	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 75,000
Maintenance Building Replacement	14K04	704,000	-	-	-	-	704,000
Anamax Park Water Meter Replacement	17K01	50,000	-	-	-	-	50,000
Sand Pro	17K02	33,000	-	-	-	-	33,000
Quail Creek-Veterans Municipal Park Phase-2B	17K06	-	-	25,000	-	-	25,000
Parks & Recreation Total		\$ 812,000	\$ -	\$ 50,000	\$ -	\$ 25,000	\$ 887,000
Public Works & Facilities							
Municipal Complex Demonstation Garden	17FM1	\$ 35,000	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Municipal Complex Electrical Upgrades	17FM2	60,000	-	-	-	-	60,000
PD Communications Equipment Closet Cooling	17FM3	25,380	-	-	-	-	25,380
Public Works / Facilities Total		\$ 120,380	\$ -	\$ -	\$ -	\$ -	\$ 120,380
Streets							
Townwide Pavement Preservation	xxS01	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,250,000
Sahuarita Road: I-19 to Country Club	03P9B	181,020	-	-	-	-	181,020
Quail Crossing Blvd Extension - Phase I	05P01	2,015,000	-	-	-	-	2,015,000
Interchange: Sahuarita Rd @ Interstate 19	05P03	-	-	-	-	22,710	22,710
Pima Mine Bridge Reconstruction	08P02	2,100,000	-	-	-	-	2,100,000
La Villita/Rancho Sahuarita Intersection	13S01	111,820	-	-	-	-	111,820
Townwide Transportation Safety Improvements	16S02	75,000	75,000	75,000	75,000	75,000	375,000
Wireless Signal Equipment Upgrades	16S04	19,000	-	-	-	-	19,000
Rancho Blvd/Cmo Rancheria Intersection	16S06	450,000	-	-	-	-	450,000
Public Works / Streets Total		\$ 5,201,840	\$ 325,000	\$ 325,000	\$ 325,000	\$ 347,710	\$ 6,524,550
Wastewater Utility							
Sewer Conveyance System Rehab Program	xxWW1	\$ 50,000	\$ 80,000	\$ 110,000	\$ 140,000	\$ 170,000	\$ 550,000
Treatment Plant Expansion: Phase 5	04W02	1,260,000	20,000	-	-	-	1,280,000
Streets/Wastewater Modular Building	16W03	30,000	30,000	30,000	30,000	30,000	150,000
Wastewater Utility Total		\$ 1,340,000	\$ 130,000	\$ 140,000	\$ 170,000	\$ 200,000	\$ 1,980,000
GRAND TOTAL		\$ 9,947,220	\$ 3,920,000	\$ 1,178,000	\$ 1,166,200	\$ 1,243,910	\$ 17,455,330

General Planning
Capital Improvement Plan

PROJECTS BY FUNDING SOURCE

SOURCE		YEAR 1	YEAR2	YEAR 3	YEAR 4	YEAR 5	TOTAL
PROJECT	PROJ#	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	YEARS 1-5
Capital Fund (CIIF)							
Performance Management Software	16HR1	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Vehicle Replacement Lease Program	xxND1	110,000	166,000	223,000	246,200	246,200	991,400
Server & Computer Replacements	xxIT1	125,000	125,000	125,000	125,000	125,000	625,000
Municipal WiFi	14IT1	25,000	25,000	25,000	-	-	75,000
Executive Conference Room Upgrade	16IT1	50,000	-	-	-	-	50,000
Police Vehicles	xxPD1	280,000	280,000	290,000	300,000	300,000	1,450,000
Property & Evidence Workspace	17PD1	30,000	-	-	-	-	30,000
Server (Shared Area Network)	17PD3	20,000	-	-	-	-	20,000
Canopy Replacement	xxK01	25,000	-	25,000	-	25,000	75,000
Maintenance Building Replacement	14K04	704,000	-	-	-	-	704,000
Anamax Park Water Meter Replacement	17K01	50,000	-	-	-	-	50,000
Sand Pro	17K02	33,000	-	-	-	-	33,000
Quail Creek-Veterans Municipal Park Phase-2B	17K06	-	-	25,000	-	-	25,000
Municipal Complex Demonstation Garden	17FM1	35,000	-	-	-	-	35,000
Municipal Complex Electrical Upgrades	17FM2	60,000	-	-	-	-	60,000
PD Communications Equipment Closet Cooling	17FM3	25,380	-	-	-	-	25,380
Quail Crossing Blvd Extension - Phase I	05P01	(200,000)	-	-	-	-	(200,000)
Townwide Transportation Safety Improvements	16S02	75,000	75,000	75,000	75,000	75,000	375,000
Rancho Blvd/Cmo Rancheria Intersection	16S06	450,000	-	-	-	-	450,000
Capital Fund (CIIF) Total		\$ 1,915,380	\$ 671,000	\$ 788,000	\$ 746,200	\$ 793,910	\$ 4,914,490
General Fund							
Advanced Manufacturing and Technology Center	17ND1	\$ 816,250	\$ 708,750	\$ -	\$ -	\$ -	\$ 1,525,000
Townwide Pavement Preservation	xxS01	250,000	250,000	250,000	250,000	250,000	1,250,000
Treatment Plant Expansion: Phase 5	04W02	1,260,000	20,000	-	-	-	1,280,000
General Fund		\$ 2,326,250	\$ 978,750	\$ 250,000	\$ 250,000	\$ 250,000	\$ 4,055,000
Restricted Funds							
Court Security Upgrade	14CT1	\$ -	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000
Body Cameras	16PD1	50,000	-	-	-	-	50,000
Server (Shared Area Network)	17PD3	20,000	-	-	-	-	20,000
Restricted Funds Total		\$ 70,000	\$ 34,000	\$ -	\$ -	\$ -	\$ 104,000
Grants- Federal							
Advanced Manufacturing and Technology Center	17ND1	\$ 873,750	\$ 2,126,250	\$ -	\$ -	\$ -	3,000,000
Police Vehicle Replacements	xxPD1	55,000	-	-	-	-	55,000
Grants-Federal Total		\$ 928,750	\$ 2,126,250	\$ -	\$ -	\$ -	\$ 3,055,000
Highway Fund (HURF)							
Quail Crossing Blvd Extension - Phase I	05P01	\$ 2,215,000	\$ -	\$ -	\$ -	\$ -	\$ 2,215,000
Pima Mine Bridge Reconstruction	08P02	2,100,000	-	-	-	-	2,100,000
Highway Fund (HURF) Total		\$ 4,315,000	\$ -	\$ -	\$ -	\$ -	\$ 4,315,000
RTA Transportation Tax							
Sahuarita road: I-19 to Country Club	03P9B	\$ 181,020	\$ -	\$ -	\$ -	\$ -	\$ 181,020
La Villita/Rancho Sahuarita Intersection	13S01	111,820	-	-	-	-	111,820
Wireless Signal Equipment Upgrades	16S04	19,000	-	-	-	-	19,000
RTA Transportation Tax Total		\$ 311,840	\$ -	\$ -	\$ -	\$ -	\$ 311,840
Wastewater Enterprise Fund							
Sewer Conveyance System Rehab Program	xxWW1	\$ 50,000	\$ 80,000	\$ 110,000	\$ 140,000	\$ 170,000	\$ 550,000
Streets/Wastewater Modular Building	16W03	30,000	30,000	30,000	30,000	30,000	150,000
Wastewater Enterprise Fund Total		\$ 80,000	\$ 110,000	\$ 140,000	\$ 170,000	\$ 200,000	\$ 700,000
GRAND TOTAL		\$ 9,947,220	\$ 3,920,000	\$ 1,178,000	\$ 1,166,200	\$ 1,243,910	\$ 17,455,330



BUDGET 201

Sahuarita Advanced Manufacturing and Technology Center

17ND1

Description

The proposed Sahuarita Advanced Manufacturing and Technology Center (SAMTEC) project is a multi-tenant center that provides flexible space for the innovation and commercialization and small-scale manufacturing of new technologies in the region. The project will retain and support the expansion of Hydronalix, a maritime robotics company and Control Vision—an optical sensor and control systems company; both currently located in Sahuarita. The flex-space and facility amenities at SAMTEC will also support the attraction of high-valued firms focused on innovation and commercialization. The SAMTEC project will establish a Small Business Innovation Research Community (cluster) with linear business-to-business linkages among existing (Hydronalix; Control Vision) and new companies in the region. The proposed project will leverage grant funding from the Economic Development Administration Economic Adjustment Assistance Program.

Justification

The project will address the needs identified within Sahuarita’s Blueprint for Economic Prosperity and Growth strategic plan, providing economic diversification and furthering Sahuarita’s ability to:

- i. Invest in and strengthen present and future employment centers;
- ii. Generate jobs commensurate with professional skills and backgrounds of citizens;
- iii. Provide industrial space (the primary factor that is preventing the Town from competing for economic development prospects in the near term is the lack of);
- iv. Diversify Sahuarita’s economy by addressing Town’s over-dependence in mining which puts the Town at-risk to cyclical economic condition;
- v. Provide job opportunities for the affected employees of the Sierrita Mine and Mill shut-down.

Summary of Operational Costs and Benefits

Tenants of the building are expected to enter into triple-net lease agreements. Lease revenues will be used to reimburse the Town for its capital investment.

Useful Life

50 Years



Costs by Year

SAMTEC 17ND1

ACQUISITION		PRIOR	OPERATIONS	
\$	-		\$	-
\$	1,690,000	FY 2017	\$	-
\$	2,835,000	FY 2018	\$	-
\$	-	FY 2019	\$	(178,200)
\$	-	FY 2020	\$	(178,200)
\$	-	FY 2021	\$	(178,200)
\$	-	FUTURE	\$	(178,200)

Total Cost

\$4,525,000

Funding Sources

General Fund 34%
 Federal Grants 66%

Strategic Plan Focus Areas



Parks Maintenance Building Replacement

14K04

Description

Replacement of the Maintenance Building for Parks & Facilities maintenance office, workshop, and storage.

Justification

The current maintenance and storage facility at Anamax Park is 30-35 years old. The building has extensive termite damage, no insulation, sagging roof trusses, and inadequate heating and cooling. The building does not meet today's building code standards. Since the opening of the Anamax Recreation Center in 2004 the current facility has been used as a maintenance building and storage facility for all department equipment and is now the only location for maintenance staff offices, recreation and maintenance storage on a large scale, as well as a shop to make repairs on equipment etc.

Summary of Operational Costs and Benefits

Operational costs are expected to increase as the new facility will be air conditioned whereas the old facility used a swamp cooling system.

Useful Life

30+ Years



Costs by Year

Parks Maintenance Building Replacement 14K04

ACQUISITION			OPERATIONS	
\$	-	PRIOR	\$	-
\$	704,000	FY 2017	\$	-
\$	-	FY 2018	\$	5,000
\$	-	FY 2019	\$	5,000
\$	-	FY 2020	\$	6,000
\$	-	FY 2021	\$	6,000
\$	-	FUTURE	\$	6,000

Total Cost

\$704,000

Funding Sources

CIIF 100%

Strategic Plan Focus Areas



Quail Creek-Veterans Municipal Park Phase-2B

17K06

Description

Phase will consist of the build out of the park to include two additional lighted fields, 200 additional parking spaces, mobile concession pad, restroom, lighted basketball courts, Ramadas w/tables and BBQ grills, six lighted pickleball courts, 6 picnic tables with BBQ grills, park benches, furniture, signage, two drinking fountains, Armed Forces Memorial, free play turf areas, fenced maintenance/storage areas, fencing, end zone monster nets, landscaping, and irrigation. There will also be a need for a traffic signal at Quail Crossing and additional ingress/egress along the north property line which is bordered with the Pima County Waster Water Treatment Plant access road.

Justification

The community's need for facilities for youth sports continues. Building these additional fields will address the need for additional fields to play soccer and football. The public will benefit from these improvements as well as increased quantity of recreation facilities so users can participate in recreational opportunities closer to home in a safe clean environment. The Town will seek grant opportunities as a matching funding source when available and/or the State financial difficulties greatly improve. The projects improve the safety to park visitors by providing a completed facility. The project would expand the amenities at Quail Creek-Veterans Municipal Park and the services are enhanced by providing a variety of activities to the base amenities of a park site. In addition, these amenities will be designed and built with conservation practices in mind.

Summary of Operational Costs and Benefits

Useful Life



Costs by Year

Quail Creek-Veterans Municipal Park Phase-2B 17K06

ACQUISITION		OPERATIONS	
\$	-	PRIOR	\$ -
\$	-	FY 2017	\$ -
\$	-	FY 2018	\$ -
\$	25,000	FY 2019	\$ -
\$	-	FY 2020	\$ -
\$	-	FY 2021	\$ -
\$	3,500,000	FUTURE	\$ 24,000

Total Cost

\$3,525,000

Funding Sources

CIIF 100%

Strategic Plan Focus Areas



Sahuarita Road from Interstate 19 to Eastern Town Limits 03P9B

Description

Sahuarita Road from Interstate-19 to Eastern Town Limits. This project was split into two major phases for Design and Construction.

Sahuarita Road Phase I includes Interstate 19 to La Villita Road.

Sahuarita Road Phase II includes La Villita Road to the Eastern Town Limits (approximately Country Club Road).

Justification

The project promotes economic development by providing improved access through the Town. The aesthetics of the roadway will be inviting for commercial development.

The **Phase I** project consists of a 4-lane divided all weather roadway with wide medians (to accommodate ultimate 6-lane roadway), bicycle lanes, sidewalks, drainage improvements, a pedestrian underpass, low maintenance landscape and 4 new signalized intersections (Rancho Sahuarita Boulevard, Salome Loop, Desert Gem Lane, La Villita Road).

The **Phase II** project includes 4-lane divided roadway, bicycle lanes, sidewalks, drainage improvements, low maintenance landscape, twin 2-lane bridges over the Santa Cruz River, relocation and signalization of the Nogales Hwy Intersection, and new at-grade crossings at the UPRR railroad tracks.

Summary of Operational Costs and Benefits

The completion of this project will increase the cost of operations, however it will improve the services provided to the public. The operational costs are anticipated to be approximately \$1,000 per mile/per month. Within our 5 year planning horizon this averages to \$61,200 per year. This cost is partially offset by the avoided cost of repair for the roadway which is being improved (this cost was not quantified). The improvements described in the Justification/Benefit section describe the enhancements to the Town's development plans. In addition there will be improvements to the capacity and safety of the transportation system for residents and visitors.

Useful Life

20 Years



Costs by Year Sahuarita Road from I-19 to Eastern Town Limits 03P9B

ACQUISITION		OPERATIONS	
\$		PRIOR	\$
\$	47,601,890		-
\$	181,020	FY 2017	\$ 66,000
\$	-	FY 2018	\$ 66,000
\$	-	FY 2019	\$ 66,000
\$	-	FY 2020	\$ 66,000
\$	-	FY 2021	\$ 66,000
\$	-	FUTURE	\$ 66,000

Total Cost

\$47,782,910

Funding Sources

RTA	63%
PAG	29%
CIIF	5%
Pima County Bonds	3%

Strategic Plan Focus Areas



Quail Crossing Boulevard Extension 05P01

Description

Quail Crossing Boulevard Extension: Old Nogales Highway to Nogales Highway/Calle Arroyo Sur. Phased 2-lane project with the evaluation of an at-grade crossing of the Santa Cruz River, and associated improvements. Project length is approximately 1.75 miles. The Design Concept Report was completed in previous years. Right-of-Way was secured in 2011.

Initial roadway improvements will be constrained by the currently available regional funding, with consideration for future improvements if/when funding opportunities arise.

Justification

The project is needed for future commercial development, and provides access to undeveloped parcels of land. Ultimately the project will benefit residents from the southeast portion of the town by providing a more direct route to I-19, and existing and future commercial developments. Initial construction may include an interim roadway to establish access to developable property, with future projects required to establish access across the Santa Cruz River and other DCR outlined objectives.

Summary of Operational Costs and Benefits

This project will not have an annual operational cost until construction is complete. At which point, the operational costs are anticipated to be approximately \$1,000 per mile/per month.

Useful Life

20 Years

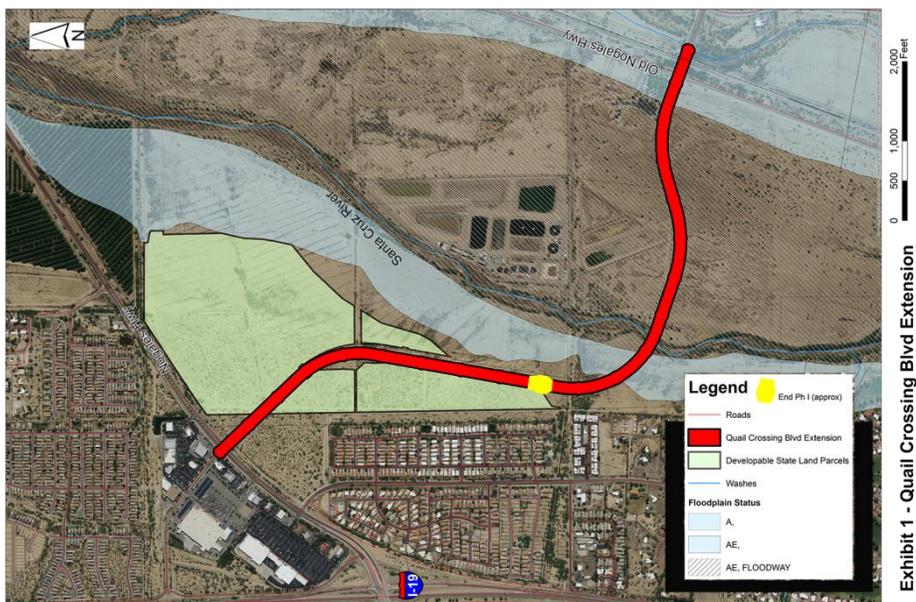


Exhibit 1 - Quail Crossing Blvd Extension



Costs by Year

Quail Crossing Boulevard Extension 05P01

ACQUISITION			OPERATIONS	
\$	1,185,540	PRIOR	\$	-
\$	2,015,000	FY 2017	\$	-
\$	-	FY 2018	\$	-
\$	-	FY 2019	\$	-
\$	-	FY 2020	\$	-
\$	-	FY 2021	\$	-
\$	8,935,000	FUTURE	\$	24,000

Total Cost

\$12,135,540

Funding Sources

Unidentified	72%
PAG	18%
CIIF	10%

Strategic Plan Focus Areas



Sahuarita Road at Interstate 19 05P03

Description

Traffic Interchange Improvements: Sahuarita Road at Interstate-19. This project involves the reconstruction of an existing traffic interchange at Sahuarita Road and the I-19 and will accommodate six lanes of through traffic. The Design Concept Report (DCR) was completed in 2009. Stage IV (95%) Plans were submitted to ADOT in 2012.

Justification

The project will benefit the southern portion of Pima County, but specifically, the town residents using I-19 by raising the level of service of the interchange. Improving the capacity at the interchange will improve safety, allow vehicles to easily access adjacent commercial development, provide better regional connectivity, and allow future widening of I-19 (if/when determined necessary by ADOT).

Summary of Operational Costs and Benefits

The completion of this project will have no effect on the cost of operations as the interchange is maintained by the Arizona Department of Transportation, however it will improve the services provided to the public.

Useful Life

20 Years



Costs by Year

Sahuarita Road at Interstate 19 05P03

ACQUISITION		OPERATIONS	
\$	3,284,210	PRIOR	\$ -
\$	-	FY 2017	\$ -
\$	-	FY 2018	\$ -
\$	-	FY 2019	\$ -
\$	-	FY 2020	\$ -
\$	22,710	FY 2021	\$ -
\$	32,800,000	FUTURE	\$ -

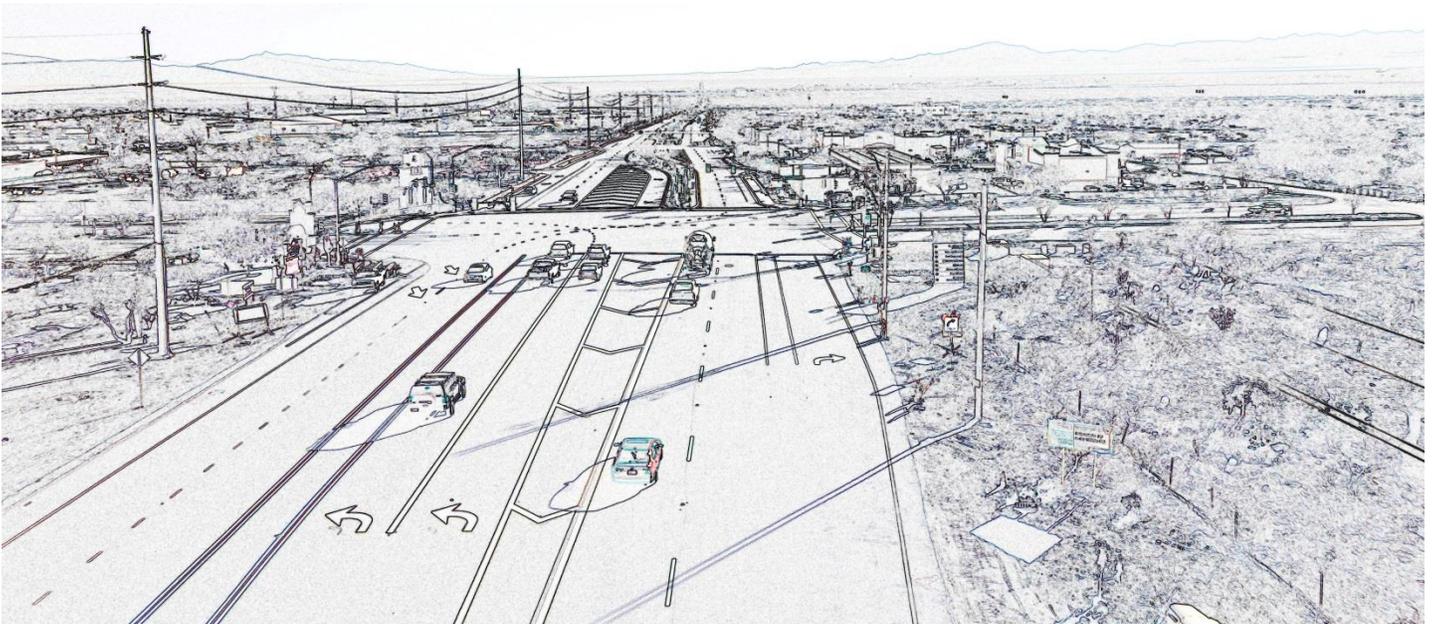
Total Cost

\$36,106,920

Funding Sources

Unidentified	91%
State Grants	6%
CIIF	4%

Strategic Plan Focus Areas



Pima Mine Road Bridge Replacement: Santa Cruz River

08P02

Description

Reconstruction of the Pima Mine Road Bridge over the Santa Cruz River and other miscellaneous improvements, including (3) 36" waterlines.

Justification

The existing Pima Mine Road Bridge over the Santa Cruz River has a weight restriction imposed by an ADOT Bridge Report. The reconstruction of this bridge will remove the weight restriction and allow commercial trucks to utilize the road. Currently, heavier vehicles are using alternative routes like Sahuarita Road to bypass Pima Mine Bridge restrictions. Project funding has been secured from PAG, RTA, CAP, JPAR, and FICO.

Summary of Operational Costs and Benefits

The operational cost is expected to average \$3,000 per year once the project is complete. This cost will be partially offset by the avoided cost of repair for the bridge which is being replaced (this cost was not quantified).

Useful Life

50 Years



Costs by Year Pima Mine Road Bridge Replacement: Santa Cruz River 08P02

ACQUISITION		OPERATIONS	
\$	5,072,530	PRIOR	\$ -
\$	2,100,000	FY 2017	\$ -
\$	-	FY 2018	\$ 3,000
\$	-	FY 2019	\$ 3,000
\$	-	FY 2020	\$ 3,000
\$	-	FY 2021	\$ 3,000
\$	-	FUTURE	\$ 3,000

Total Cost

\$7,172,530

Funding Sources

Partnerships	42%
PAG	29%
RTA	29%

Strategic Plan Focus Areas



Arterial and Collector Roadway Enhancements

xxS01

Description

Rehabilitate or enhance existing arterial and collector roadways throughout Town, as needed and identified through preliminary studies and/or maintenance history. Potential projects may include chip seals, overlays, fog seals, or other pavement treatments/improvements intended to extend the useful life of the asset, Department staff will prioritize the list of arterial and collector roadways based on pavement condition, traffic volume, location, utility conflicts, cost, and other factors as applicable. The proposed pavement preservation program is based on identified funding.

Justification

Without regularly scheduled maintenance, arterial and collector roads have a 20-year life. The life of a road, however, may be extended up to four times with regularly scheduled yearly maintenance that includes crack and fog sealing, pot hole and pavement patching. Further, chip seals and overlays should be completed on regularly scheduled intervals depending on the date of construction and the type of road. Allowing roads to fail in the absence of a pavement preservation program can cost up to 5 times the cost of preservation.

Summary of Operational Costs and Benefits

This project includes pavement maintenance projects intended to extend the useful life of the facility. Routine ongoing maintenance is included in the Streets operating budget.

Useful Life

20 Years



Costs by Year

Arterial and Collector Roadway Enhancements xxS01

ACQUISITION		OPERATIONS	
\$	-	PRIOR	\$ -
\$	250,000	FY 2017	\$ -
\$	250,000	FY 2018	\$ -
\$	250,000	FY 2019	\$ -
\$	250,000	FY 2020	\$ -
\$	250,000	FY 2021	\$ -
\$	-	FUTURE	\$ -

Total Cost

\$1,250,000

Funding Sources

General Fund 100%

Strategic Plan Focus Areas



La Villita Road/Rancho Sahuarita Blvd Intersection Improvements

13S01

Description

The project will define intersection geometric improvements and traffic control measures that will result in construction documents and cost estimates for intersection improvements. Improvements will increase the Level of Service at the existing intersection and reduce travel time delays for the traveling public.

Justification

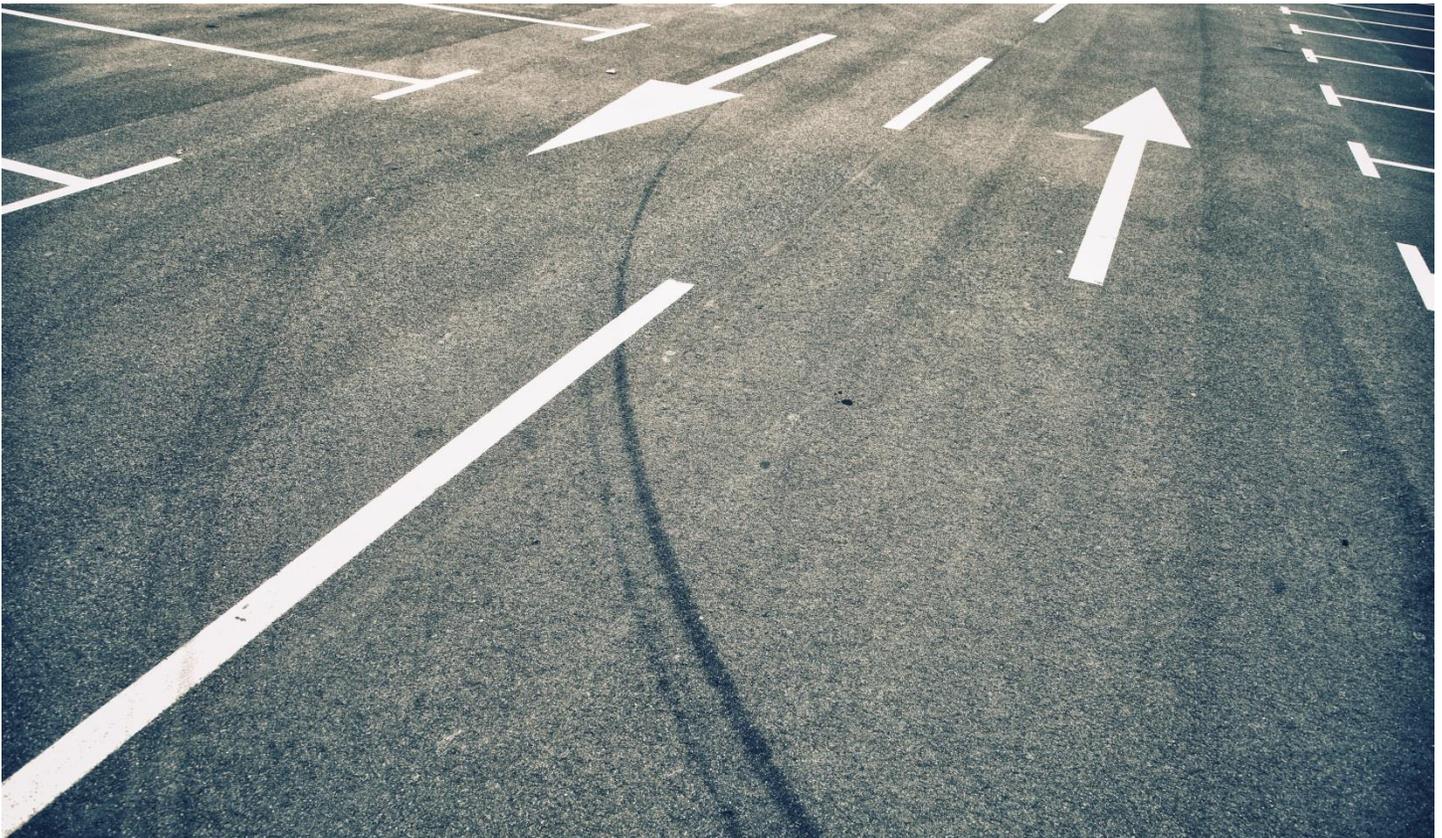
The existing intersection currently experiences long delays during the morning peak hour as all four directions of travel are stop-controlled.

Summary of Operational Costs and Benefits

The operational cost is expected to average \$5,000 per year once the project is complete. This cost will be for maintenance and upkeep.

Useful Life

20 Years



Costs by Year

La Villita Road/Rancho Sahuarita Blvd Intersection 13S01

ACQUISITION		OPERATIONS	
\$	537,490	PRIOR	\$ -
\$	111,820	FY 2017	\$ 5,000
\$	-	FY 2018	\$ 5,000
\$	-	FY 2019	\$ 5,000
\$	-	FY 2020	\$ 5,000
\$	-	FY 2021	\$ 5,000
\$	-	FUTURE	\$ 5,000

Total Cost

\$649,310

Funding Partners

PAG 8%
 RTA 92%

Strategic Plan Focus Areas



Multimodal Transportation

16S02

Description

Provide or enhance multimodal transportation improvements throughout Town, as needed and identified through preliminary studies and/or accident history. Potential projects may include travel lane or intersection improvements, sidewalk/bicycle lane improvements, signing/striping enhancements, ADA compliance improvements. Department staff will prioritize work based on severity and public impact.

Justification

As the Town continues to grow existing transportation infrastructure needs to be evaluated and improved to meet the needs of the community. This CIP request allows an annual performance based approach to efficiently implement roadway safety elements, as needs are identified.

Summary of Operational Costs and Benefits

The operational cost is expected to average \$5,000 per year once the project is complete. This cost will be for maintenance and upkeep.

Useful Life

20 Years



Costs by Year

Multimodal Transportation 16S02

ACQUISITION			OPERATIONS	
\$	75,000	PRIOR	\$	-
\$	75,000	FY 2017	\$	5,000
\$	75,000	FY 2018	\$	5,000
\$	75,000	FY 2019	\$	5,000
\$	75,000	FY 2020	\$	5,000
\$	75,000	FY 2021	\$	5,000
\$	-	FUTURE	\$	5,000

Total Cost

\$450,000

Funding Sources

CIIF 100%

Strategic Plan Focus Areas



Rancho Sahuarita Blvd/Camino Rancheria Intersection Improvement

16S06

Description

Evaluation of existing traffic volumes and patterns at the Rancho Sahuarita Blvd/Camino Rancheria intersection at North Park to identify intersection improvements to help address congestion and safety concerns for North Park users and general public traveling through the intersection. This intersection is currently un-signalized. Options for evaluation include a roundabout and traffic signal. Considerations for implementation from recommendations of the Traffic Impact Statement for North Park, March 2008 will be evaluated.

Justification

This intersection ranked # 10 in the overall rankings by the Town of Sahuarita Roadway Safety Study 2009-2013. Among the intersection rankings of the Town of Sahuarita Roadway Safety Study this intersection ranked # 8. Improvements at this intersection will help increase safety for motoring public.

Summary of Operational Costs and Benefits

The completion of this project will increase the cost of operations and it will improve the services provided to the public. The operational cost is expected to average \$5,000 per year once the project is complete. This cost will be for maintenance and upkeep. The improvements described in the Justification/Benefit section describe the enhancements to the Town's plans for transportation.

Useful Life

20 Years



Costs by Year Rancho Sahuarita Blvd/Camino Rancheria Improvement 16S06

ACQUISITION		OPERATIONS	
\$	30,000	PRIOR	\$ -
\$	450,000	FY 2017	\$ 2,500
\$	-	FY 2018	\$ 5,000
\$	-	FY 2019	\$ 5,000
\$	-	FY 2020	\$ 5,000
\$	-	FY 2021	\$ 5,000
\$	-	FUTURE	\$ 5,000

Total Cost

\$480,000

Funding Sources

CIIF 94%
 General Fund 6%

Strategic Plan Focus Areas



Sahuarita Sewer Conveyance System Rehabilitation Program

xxWW1

Description

Annual Sahuarita Sewer Conveyance System Rehabilitation Program. There are two parts to this ongoing program. The first part of this program will consist of an inspection of the system. The inspection program will consist of inspecting by camera up to 0.5% of the systems manholes and conveyance lines in the initial year, ramping up to 20% by fiscal year 2020, and continuing at 20% on an annual basis. The second part of this program will consist of the rehabilitation of approximately 0.3% of the system's manholes and pipelines beginning in fiscal year 2017, ramping up to 1% by fiscal year 2020, and continuing 1% on an annual basis, as identified in the prior year's inspection program. Department staff will prioritize work based on severity and public impact.

Justification

According the EPA as sewer systems age the risk of deterioration, blockages and collapse increases. Cleaning and inspecting sewer lines are essential to maintaining a properly functioning system. Further, inspection programs are necessary to evaluate sewer conditions and to develop a proper rehabilitation program.

Summary of Operational Costs and Benefits

This project will help to defray future operations and maintenance costs that otherwise would be incurred.

Useful Life

50 Years



Costs by Year Sahuarita Sewer Conveyance System Rehabilitation xxWW1

ACQUISITION		OPERATIONS	
\$	-	PRIOR	\$ -
\$	50,000	FY 2017	\$ -
\$	80,000	FY 2018	\$ -
\$	110,000	FY 2019	\$ -
\$	140,000	FY 2020	\$ -
\$	170,000	FY 2021	\$ -
\$	-	FUTURE	\$ -

Total Cost

\$550,000

Funding Sources

WW Fund 100%

Strategic Plan Focus Areas



Wastewater Treatment plant Phase V Expansion

04W02

Description

Sahuarita Wastewater Treatment & Reclamation Facility. This improvement has brought the paper capacity of the facility from 1,500,000 gallons per day to 3,000,000 gallons per day without changing the physical capacity of the facility of 1,500,000 gallons per day. This project will continue design work started with the Phase IV expansion and tie in any new design parameters necessary to meet Arizona Department of Environmental Quality (ADEQ) standards. At the time of permitting of the 3.0 MGD Aquifer Protection Permit from ADEQ, a 30% design was completed. A five year BADCT permit renewal is required. Where the final design and construction of Phase V will be determined by the annual capacity report generated by Public Works. Prior to the construction of the facility, a few items VE out of the Phase IV expansion will be completed.

Justification

The Town residents in the immediately surrounding area of the WWTP will benefit the most from a newly designed and constructed WWTP. The increase in capacity will also include a comparable increase in odor control measures. The project will continue to ensure operational compliance of the wastewater treatment facility in accordance with State and Federal regulations.

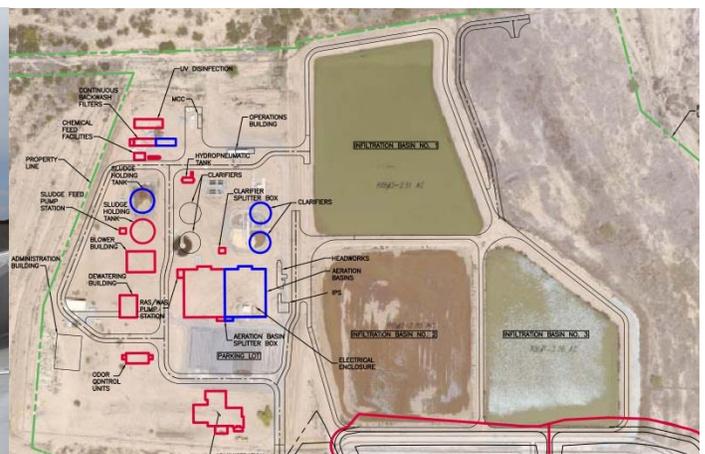
The Town of Sahuarita and future residents in the undeveloped parts of Rancho Sahuarita will also benefit from this expansion. The new capacity will allow for continued support of new development communities. These improvements will also make the surrounding area more attractive for potential merchants. The project will preserve and continue the enhancement qualities of a modern facility as relates to reductions in noise and odor and improved aesthetics of the facility for neighboring residential areas.

Summary of Operational Costs and Benefits

The completion of this project will increase the cost of operations and it will expand the services provided to include an increased number of residents (both private and commercial). The operational cost is not shown as the facility will not be operational until after the 5-year CIP. For future estimating, a comparison of over 30 wastewater utilities yields an average operating cost of \$2/gallon. The design work referred to in the Description has not operational component. Costs will be offset with user charges resulting in no net impact.

Useful Life

50 Years



Costs by Year Wastewater Treatment plant Phase V Expansion 04W02

ACQUISITION		OPERATIONS	
\$	579,620	PRIOR	\$ -
\$	1,260,000	FY 2017	\$ -
\$	20,000	FY 2018	\$ -
\$	-	FY 2019	\$ -
\$	-	FY 2020	\$ -
\$	-	FY 2021	\$ -
\$	20,009,170	FUTURE	\$ -

Total Cost

\$21,868,790

Funding Sources

Long-term Debt	91%
General Fund	6%
WW Fund	3%

Strategic Plan Focus Areas



Streets/Wastewater Modular Building

16W03

Description

This project will replace the existing modular building, located at the Sahuarita Water Reclamation Plant, and provide a new facility for Public Works, Streets Division and Wastewater Operations to operate from, with new offices, a break room, two unisex restrooms with showers, a conference room, and space for cubicles as needed in future expansion.

Justification

Currently, the Streets Division and part of the Wastewater Operations staff occupy a dilapidated modular building that is believed to be over 30 years old, and at the end of its life-expectancy. The current conditions at the building are not adequate for the needs. The deteriorated state of the structure may soon pose health and safety risks to the occupants and rehabilitation costs are expected to exceed the cost of a new facility.

Summary of Operational Costs and Benefits

The cost of a new modular office building would be \$250,000, and the annual operating costs are expected to be +/- \$24,000 per year.

Useful Life

20 Years



Costs by Year

Streets/Wastewater Modular Building

16W03

ACQUISITION		OPERATIONS	
\$	30,000	PRIOR	\$
\$	30,000	FY 2017	\$ 24,000
\$	30,000	FY 2018	\$ 24,000
\$	30,000	FY 2019	\$ 24,000
\$	30,000	FY 2020	\$ 24,000
\$	30,000	FY 2021	\$ 24,000
\$	120,000	FUTURE	\$ 24,000

Total Cost

\$300,000

Funding Partners

WW Fund 100%

Strategic Plan Focus Areas



General Planning
Operating Capital

Operating Capital represents vehicle and equipment purchases costing \$5,000 or more that are used by the department on a daily basis to accomplish their operational goals.

Human Resources Project 16HR1 Total Cost: \$ 18,000 The purchase of a new performance management software system for all departments to track performance throughout the year, and to write annual performance appraisals for their employees.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 18,000	FY 2017	\$ -
	\$ -	FY 2018	\$ 1,800
	\$ -	FY 2019	\$ 1,800
	\$ -	FY 2020	\$ 1,800
	\$ -	FY 2021	\$ 1,800
	\$ -	FUTURE	\$ 1,800
Non - Departmental Project xxND1 Total Cost: \$ 991,400 Ongoing replacement of older vehicles. About 10 vehicles per year are added to lease program until entire fleet is covered. Does not include PD patrol vehicles.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 110,000	FY 2017	\$ -
	\$ 166,000	FY 2018	\$ -
	\$ 223,000	FY 2019	\$ -
	\$ 246,200	FY 2020	\$ -
	\$ 246,200	FY 2021	\$ -
	\$ -	FUTURE	\$ -
Finance-Technology Project xxIT1 Total Cost: \$ 625,000 Ongoing replacement of old technology, including computers, servers, routers, switches, phones, etc.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 125,000	FY 2017	\$ (2,500)
	\$ 125,000	FY 2018	\$ (2,500)
	\$ 125,000	FY 2019	\$ (2,500)
	\$ 125,000	FY 2020	\$ (2,500)
	\$ 125,000	FY 2021	\$ (2,500)
	\$ -	FUTURE	\$ (2,500)

Finance-Technology Project 14IT1 Total Cost: \$ 125,000 Purchase and deployment of wireless access points throughout Town Hall, the Wastewater Treatment Plant, and various parks.	ACQUISITION		OPERATIONS
	\$ 50,000	PRIOR	\$ -
	\$ 25,000	FY 2017	\$ (5,800)
	\$ 25,000	FY 2018	\$ (5,800)
	\$ 25,000	FY 2019	\$ (5,800)
	\$ -	FY 2020	\$ (5,800)
	\$ -	FY 2021	\$ (5,800)
	\$ -	FUTURE	\$ (5,800)

Finance-Technology Project 16IT1 Total Cost: \$ 50,000 Upgrade outdated equipment in the Saguaro Conference Room with new HD monitor, smartboard, and audio system.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 50,000	FY 2017	\$ -
	\$ -	FY 2018	\$ 1,200
	\$ -	FY 2019	\$ 1,200
	\$ -	FY 2020	\$ 1,200
	\$ -	FY 2021	\$ 1,200
	\$ -	FUTURE	\$ 1,200

Police Project xxPD1 Total Cost: \$ 1,505,000 Ongoing replacement of older patrol vehicles. About 5-7 vehicles per year. Cost includes vehicle equipment and installation.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 335,000	FY 2017	\$ -
	\$ 280,000	FY 2018	\$ -
	\$ 290,000	FY 2019	\$ -
	\$ 300,000	FY 2020	\$ -
	\$ 300,000	FY 2021	\$ -
	\$ -	FUTURE	\$ -

General Planning
Operating Capital

Police Project 16PD1 Total Cost: \$ 50,000 Purchase body-worn cameras for police officers.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 50,000	FY 2017	\$ -
	\$ -	FY 2018	\$ 5,000
	\$ -	FY 2019	\$ 5,000
	\$ -	FY 2020	\$ 5,000
	\$ -	FY 2021	\$ 5,000
	\$ -	FUTURE	\$ 5,000

Police Project 17PD1 Total Cost: \$ 30,000 Reconfigure the property and evidence workspace. Will include connecting refrigeration units to generator.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 30,000	FY 2017	\$ -
	\$ -	FY 2018	\$ -
	\$ -	FY 2019	\$ -
	\$ -	FY 2020	\$ -
	\$ -	FY 2021	\$ -
	\$ -	FUTURE	\$ -

Police Project 17PD3 Total Cost: \$ 40,000 Purchase and configure a multi-terabyte storage server to provide necessary space for PD files. Server ultimately will be shared with other departments.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 40,000	FY 2017	\$ -
	\$ -	FY 2018	\$ 2,000
	\$ -	FY 2019	\$ 2,000
	\$ -	FY 2020	\$ 2,000
	\$ -	FY 2021	\$ 2,000
	\$ -	FUTURE	\$ 2,000

Municipal Court Project 17PD1 Total Cost: \$ 34,000 Upgrade security vestibule with more advanced technology equipment.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 40,000	FY 2017	\$ -
	\$ -	FY 2018	\$ 2,000
	\$ -	FY 2019	\$ 2,000
	\$ -	FY 2020	\$ 2,000
	\$ -	FY 2021	\$ 2,000
	\$ -	FUTURE	\$ 2,000

Parks & Recreation Project xxK01 Total Cost: \$ 75,000 Playground shade structure canopy replacements at Anamax, Los Arroyos, and North Santa Cruz parks.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 25,000	FY 2017	\$ -
	\$ -	FY 2018	\$ -
	\$ 25,000	FY 2019	\$ -
	\$ -	FY 2020	\$ -
	\$ 25,000	FY 2021	\$ -
	\$ -	FUTURE	\$ -

Parks & Recreation Project 17K01 Total Cost: \$ 50,000 Replace 6" water meter at Anamax with a 4" meter.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 50,000	FY 2017	\$ -
	\$ -	FY 2018	\$ (12,500)
	\$ -	FY 2019	\$ (12,500)
	\$ -	FY 2020	\$ (12,500)
	\$ -	FY 2021	\$ (12,500)
	\$ -	FUTURE	\$ (12,500)

General Planning
Operating Capital

Parks & Recreation Project 17K02 Total Cost: \$ 33,000 Purchase a Sand Pro sports field groomer/maintainer.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 33,000	FY 2017	\$ -
	\$ -	FY 2018	\$ -
	\$ -	FY 2019	\$ -
	\$ -	FY 2020	\$ -
	\$ -	FY 2021	\$ -
	\$ -	FUTURE	\$ -
Facilities Project 17FM1 Total Cost: \$ 35,000 Create a small demonstration garden at the Municipal Complex.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 35,000	FY 2017	\$ 2,000
	\$ -	FY 2018	\$ 5,000
	\$ -	FY 2019	\$ 5,000
	\$ -	FY 2020	\$ 5,000
	\$ -	FY 2021	\$ 5,000
	\$ -	FUTURE	\$ 5,000
Facilities Project 17FM2 Total Cost: \$ 60,000 Make electrical upgrades at the Municipal Complex to provide sufficient power to support community events.	ACQUISITION		OPERATIONS
	\$ -	PRIOR	\$ -
	\$ 60,000	FY 2017	\$ 1,000
	\$ -	FY 2018	\$ 1,000
	\$ -	FY 2019	\$ 1,000
	\$ -	FY 2020	\$ 1,000
	\$ -	FY 2021	\$ 1,000
	\$ -	FUTURE	\$ 1,000

Facilities Project 17FM3 Total Cost: \$ 25,380 Provide cooling and venting to the Communications Equipment Closet at the Police Department.	<u>ACQUISITION</u>		<u>OPERATIONS</u>
	\$ -	PRIOR	\$ -
	\$ 25,380	FY 2017	\$ 1,000
	\$ -	FY 2018	\$ 1,000
	\$ -	FY 2019	\$ 1,000
	\$ -	FY 2020	\$ 1,000
	\$ -	FY 2021	\$ 1,000
	\$ -	FUTURE	\$ 1,000

Public Works Project 16S04 Total Cost: \$ 24,000 Make wireless signal equipment upgrades at signalized intersections.	<u>ACQUISITION</u>		<u>OPERATIONS</u>
	\$ 5,000	PRIOR	\$ -
	\$ 19,000	FY 2017	\$ -
	\$ -	FY 2018	\$ 1,000
	\$ -	FY 2019	\$ 1,000
	\$ -	FY 2020	\$ 1,000
	\$ -	FY 2021	\$ 1,000
	\$ -	FUTURE	\$ 1,000

Operating Capital Totals Total Cost: \$ 3,715,780	<u>ACQUISITION</u>		<u>OPERATIONS</u>
	\$ 1,030,380	FY 2017	\$ (4,300)
	\$ 630,000	FY 2018	\$ (2,800)
	\$ 688,000	FY 2019	\$ (2,800)
	\$ 671,200	FY 2020	\$ (2,800)
	\$ 696,200	FY 2021	\$ (2,800)



BUDGET 2017

The Town used debt to acquire public infrastructure in past years. These assets are being paid for in the current period by the same citizens who enjoy the benefits of these enhancements. The enhancements were for many different functions of the Town, including streets, parks, judicial courts, police headquarters, and general government. Information about total debt, each debt instrument, its use and its repayments follow.

CIIF and Greater Arizona Development Authority (GADA) Loans

The Town has borrowed money from the financial markets through GADA, an agency of the State. The GADA secures loans from municipalities and other governmental agents and sells these as bonds on the securities market.



In March 2006 and June 2009, the Town entered into loan agreements with the Greater Arizona Development Authority (GADA) in the amounts of \$16.355 million and \$6.7 million, respectively. The Town received loans in exchange for pledged future State-shared revenues and excise tax collections, which GADA used as security for its bond issuances. Proceeds of the loans provided financing for the construction of municipal complex, which includes a courthouse, the police headquarters, and town hall, as well as road projects and improvements to North Santa Cruz Park. Interest (rates @ 4.0-5.0%) is payable semi-annually and is calculated based upon the principal amount of the loans outstanding during

such period. The loans are payable from the revenues of the Town's governmental funds through 2029. Remaining principal and interest on the loans total:

Year Ending June 30	Principal	Interest	Total Debt Payment
2017	\$ 1,105,000	\$ 282,825	\$ 1,387,825
2018	310,000	229,788	539,788
2019	325,000	215,838	540,838
2020	340,000	202,025	542,025
2021	355,000	187,150	542,150
2022	370,000	171,175	541,175
2023	385,000	154,525	539,525
2024	405,000	136,238	541,238
2025	425,000	117,000	542,000
2026	445,000	95,750	540,750
2027	465,000	73,500	538,500
2028	490,000	50,250	540,250
2029	515,000	25,750	540,750
TOTAL	\$ 5,935,000	\$ 1,941,813	\$ 7,876,813

CIIF and Excise Tax Refunding Obligation



CIIF and Excise Tax Refunding Obligation

In March 2015, the Town entered into an agreement with Wells Fargo Bank, N.A. to refinance (i.e., advance refund) \$8.125 million of the outstanding GADA 2006 loan obligation. The Town has pledged future excise taxes toward repayment. Interest (rates @ 1.98%) is payable semi-annually and is calculated based upon the principal amount of the balance outstanding during such period. The loan is payable from the revenues of the Town's governmental funds through 2025. Remaining principal and interest on the loans total:

Year Ending June 30	Principal	Interest	Total Debt Payment
2017	\$ -	\$ 175,032	\$ 175,032
2018	720,000	175,032	895,032
2019	1,095,000	160,776	1,255,776
2020	1,115,000	139,095	1,254,095
2021	1,135,000	117,018	1,252,018
2022	1,160,000	94,545	1,254,545
2023	1,180,000	71,577	1,251,577
2024	1,205,000	48,213	1,253,213
2025	1,230,000	24,354	1,254,354
TOTAL	\$ 8,840,000	\$ 1,005,642	\$ 9,845,642

CIIF and Excise Tax Refunding Obligation



Quail Creek Community Facilities District General Obligation Bonds

In June 2006, the District issued \$12.66 million in bonds to provide funds for the construction and acquisition of enhanced infrastructure within the District boundaries, including sewer lines, streets, and a park. Interest (rates @ 5.15-5.55%) is payable semi-annually and is calculated based upon the principal amount of the bonds outstanding during such period. The bonds are payable from the District's property tax revenues through 2030. If the property tax revenues are insufficient to make the required payments, the developer of Quail Creek CFD will make a contribution sufficient to make the payment. Remaining principal and interest on the bonds total:

Year Ending June 30	Principal	Interest	Total Debt Payment
2017	\$ 470,000	\$ 533,910	\$ 1,003,910
2018	500,000	507,825	1,007,825
2019	525,000	480,075	1,005,075
2020	555,000	450,938	1,005,938
2021	585,000	420,135	1,005,135
2022	620,000	387,668	1,007,668
2023	655,000	353,258	1,008,258
2024	690,000	316,905	1,006,905
2025	725,000	278,610	1,003,610
2026	770,000	238,373	1,008,373
2027	810,000	195,638	1,005,638
2028	855,000	150,683	1,005,683
2029	905,000	103,230	1,008,230
2030	955,000	53,003	1,008,003
TOTAL	\$ 9,620,000	\$ 4,470,248	\$ 14,090,248

In 2017, the District will pursue refunding options in an attempt to lower interest costs on the outstanding bonds.



Wastewater Fund and Water Infrastructure Finance Authority Loans

In April 2008, the Town entered into two loan agreements with the Water Infrastructure Finance Authority of Arizona (WIFA) to provide funds for the construction and design of several wastewater treatment plant expansions; a system revenue loan for \$28.35 million and a non-system revenue loan for up to \$4.375 million. Interest (rate @ 3.723%) is payable semi-annually and is calculated based upon the principal amount of the loan outstanding during such period. Principal and interest payments to maturity are subject to change based upon the total amounts drawn down on the loans. Remaining principal and interest on the loans total:

Year Ending June 30	Principal	Interest	Total Debt Payment
2017	\$ 1,514,799	\$ 834,054	\$ 2,348,852
2018	1,571,195	777,658	2,348,852
2019	1,629,690	719,162	2,348,852
2020	1,690,364	658,489	2,348,852
2021	1,753,296	595,557	2,348,852
2022	1,818,571	530,282	2,348,852
2023	1,886,276	462,576	2,348,852
2024	1,956,502	392,350	2,348,852
2025	2,029,343	319,509	2,348,852
2026	2,104,895	243,957	2,348,852
2027	2,183,261	165,592	2,348,852
2028	2,264,544	84,309	2,348,853
TOTAL	\$ 22,402,735	\$ 5,783,495	\$ 28,186,230

For the 2008 WIFA System Revenues Loan, the Town has pledged wastewater system resources, net of specified operating expenses. Annual principal and interest payments on the loan are expected to require all of the wastewater system's net revenues.

For the 2008 WIFA Non-System Revenues Loan, the Town has pledged wastewater system resources, net of specified operating expenses, and the excess of non-system revenues (i.e. excise taxes) not pledged towards other debt. Annual principal and interest payments on the loan are expected to obligate less than 5% of pledged resources.



BUDGET 2017

THE BUDGETARY PROCESS

FUND COMPOSITION

The Town's financial reporting entity is comprised of seven funds: (1) General Fund, (2) Highway User Revenue Fund, (3) Grants & Restricted Sources Fund, (4) Quail Creek Community Facilities District Fund, (5) Rancho Sahuarita Community Facilities District Fund, (6) Capital Infrastructure Improvement Fund, and (7) Wastewater Enterprise Fund. The Town adopts budgets for all of these funds.

BASIS OF PRESENTATION

As in prior years, departments are budgeted on a functional unit basis to emphasize the programmatic components of Town Services. Accordingly, the fiscal year 2017 budget shows the costs associated with each department and for capital projects.

BUDGETARY CONTROL

The Town's adopted budget serves as a legal operating plan for the fiscal year. While its primary function is to provide a planning and allocation tool, it also serves management by providing the basis for measuring performance during the year.

The adopted budget has two levels of budgetary constraints: 1) within the operating funds, expenditures may not legally exceed appropriations at the department level and 2) within the Capital Infrastructure Improvement Fund expenditures may not legally exceed the functional level of budgeted projects.

To monitor compliance with these budgetary constraints, revenue and expenditure reports and budget-versus-actual analyses are prepared periodically by the Finance Department and are reported to the Town Manager and the Town Council. These reports provide not only a mechanism for monitoring performance, but also for adjusting (when necessary) departmental operating plans and resource utilization.

BUDGET AMENDMENTS

While state statutes prohibit the Town from exceeding the final adopted budget amount, the budget is still just a planning document, and as such remains sufficiently flexible to accommodate changes that may occur during the fiscal year. There are two categories of change that may be needed: 1) those affecting line items within a single department and 2) those requiring a transfer between departments or funds. In the first instance, the Town Manager retains the authority to modify line item amounts within the departmental budgets, provided the total program budgeted amount remains unchanged. In the second instance, the Town Manager has the authority to evaluate departmental requests for changes between departments and make recommendations for approval to the Town Council. Should the Town Manager recommend the change to the Town Council, the recommendation will be considered at a regularly scheduled, open meeting of the Town Council.

BUDGET PREPARATION AND APPROVAL

Zero-Base Budgets

Every department shall develop an annual budget using a zero base budget methodology. Under this approach, no target is established. The department evaluates its current level of operations, its programmatic structure, and its staffing in the context of its mission statement and the department's goals and objectives. Organizational revisions are made, if beneficial to the achievement of department goals. Programs are then divided into services which define the department's product, or benefit, to the Town. Each program is individually budgeted and can be individually evaluated. Each line item for each program is evaluated and justified. During the year, the actual cost of each program can be captured and variances from budget monitored and analyzed.

Capital Improvement Budget

On an annual basis, the Town Manager prepares a five-year Capital Improvement Plan (CIP), the first year of which becomes the capital budget. A summary of capital improvement projects for fiscal year 2017 to 2021 is provided in another section of this document.

Preparation and Approval Timetable

A timetable for the budget preparation and approval processes for fiscal year 2017 is provided on the next page.

TOWN OF SAHUARITA, ARIZONA

BUDGET/CIP CALENDAR

Date	Action
December 2015	<p>Budget/CIP Calendar</p> <p><i>Finance establishes dates for milestone events and components needed to develop the budget.</i></p>
January 2016 (various dates)	<p>Preliminary revenue projections prepared by Finance</p> <p><i>Finance prepares five-year revenues projections for all Town funds.</i></p> <p>Staff meetings-financial/budget overview</p> <p><i>During the month of January, the Finance Director communicates with other department heads in order to share the results of preliminary revenue projections and to ensure all departments understand the deadlines and the information required to fulfill each deadline.</i></p> <p>Meetings with Technology Division to review technological needs</p> <p><i>During the month of January, the Technology Manager meets with departments to determine any technological needs and identify the most efficient and effective methods for the Town to address its needs.</i></p>
January 22, 2016	<p>CIP Project Sheets due to Finance</p> <p><i>Capital Improvement Plan worksheets need to be completed in order for any CIP project to be considered by the Town Manager for recommendation as part of the Budget.</i></p> <p>Preliminary departmental (Level 1) budget requests cut-off</p> <p><i>Initial identification of expenditures levels and expected revenue collections need to be entered by each department in order to meet the preliminary (Level 1) cut off.</i></p>
February 5, 2016	<p>Final departmental (Level 2) budget requests due to Finance</p> <p><i>Requests for expenditure levels must be reviewed and approved by each department head by this date.</i></p>
February 22 – March 4, 2016	<p>Departmental meetings with Town Manager to review budget requests</p> <p><i>Meetings are held by the Town Manager with each department head to review the budget request and determine how the Town Manager will use the requests to create the Manager’s recommended budget for Town Council.</i></p>

Date	Action
<p>March 7 – 18, 2016</p>	<p>Department follow-up meetings with Town Manager (as needed)</p> <p><i>Initial meetings may leave questions unresolved. This step provides time for resolution prior to the creation of the Town Manager’s recommended budget.</i></p>
<p>April 15, 2016</p>	<p>Manager Recommended Budget and CIP delivered to Town Council Members</p> <p><i>Once the Town Manager has finalized a recommendation for the whole Town, a study document is prepared for the Town Council. This document is provided to the Council in preparation for the first public review of the budget by the Council.</i></p>
<p>May 9, 2016</p>	<p>Town Council study session on the budget and CIP</p> <p><i>Public hearing at which a presentation is made to the Council by the Town Manager (or an assignee). This provides an opportunity for public review and comment. Council may request the Manager adjust any or all items in the budget at this time.</i></p>
<p>May 23, 2016</p>	<p>Town Council study session on the budget and CIP (if needed)</p> <p><i>Depending on the request of Council, a follow up public study session is available to review the budget prior to its tentative adoption.</i></p> <p>Community Facility District Boards Tentative Budget approval</p> <p><i>In compliance with State statutes, the governing boards of the Quail Creek and Rancho Sahuarita Community Facilities Districts hold public meetings to determine if the budget will be adopted on a tentative basis.</i></p>
<p>June 13, 2016</p>	<p>Town Council Tentative Budget approval</p> <p><i>In compliance with State statute, the Council holds a public meeting to determine if the budget will be adopted on a tentative basis.</i></p> <p>Public hearing and adoption of the 2017 budgets for the Town’s Community Facility Districts</p> <p><i>In compliance with State statutes, the governing boards of the Quail Creek and Rancho Sahuarita Community Facilities Districts hold special public meetings to determine if the budget will be adopted on a final basis.</i></p>
<p>June 27, 2016</p>	<p>Public hearing and Town Council adoption of the 2017 budget and CIP</p> <p><i>In compliance with State statute, the Council holds a special public meeting to determine if the budget will be adopted on a final basis.</i></p>

TOWN OF SAHUARITA, ARIZONA

FINANCIAL AND BUDGETARY POLICIES

Adopted financial policies reflect the Town's commitment to sound financial management and fiscal integrity. They also provide stability by helping Town officials plan fiscal strategy with a consistent approach. The Town has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public, including the provision and maintenance of public facilities. These policies set forth guidelines against which current budgetary performance can be measured and proposals for future programs can be evaluated.

General Financial Goals

- To maintain a financially viable municipal government that can provide an adequate level of services.
- To maintain financial flexibility to be able to continually adapt to local and regional economic changes.
- To maintain and enhance the sound fiscal condition of the Town.
- To deliver quality services in an affordable, efficient, and cost-effective basis providing full value for each tax dollar.
- To maintain a high credit rating to ensure the Town has access to long-term debt at the most affordable cost.

Following these principles will enhance the Town's financial health as well as its image and credibility with its citizens, the public in general, bond rating agencies, and investors. To achieve these purposes it is important to regularly engage in the process of financial planning including reaffirming and updated these financial guidelines. Policy changes will be needed as the Town continues to grow and become more diverse and complex in the services it provides, as well as the organization under which it operates to provide these services.

1. Fiscal Planning and Budgeting Policies

Fiscal planning refers to the process of identifying resources and allocating those resources among numerous and complex competing purposes. The primary vehicle for this planning is the preparation, monitoring, and analysis of the Town's budget.

- 1.1.** The Town will adopt a balanced budget by June 30 of each year. The total of proposed expenditures shall not exceed the total of estimated income and fund balances.
 - 1.1.1.** Each year the Town Manager shall prepare and recommend to the Town Council a preliminary budget where revenues equal or exceed expenditures in the General Fund. The Town Manager may also present budget alternatives that deviate from this provision in order to accommodate circumstances that may arise in any given year.
- 1.2.** The Town will prepare a budget in accordance with the framework established by the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association.
- 1.3.** The budget will be used as a fiscal control device as well as a financial and service level plan.
- 1.4.** All departments will participate in the responsibility of meeting policy goals and ensuring long-term financial health.

- 1.5.** Town Council and Town Management exercise budgetary control. Except as provided in this section, all budget transfers or appropriations of fund balances require the approval of the Town Council.
 - 1.5.1.** Budget transfers of fund balances assigned to Management for contingencies require the approval of the Town Manager. The Town Manager will provide the Town Council a report accounting for such transfers.
 - 1.5.2.** Budget transfers between accounts within the same department require the approval of the Town Manager or Finance Director.
- 1.6.** The Finance Director will prepare a budget calendar no later than January of each year.
- 1.7.** Budget development will use strategic multi-year fiscal planning, conservative revenue and expenditure forecasts.
- 1.8.** The budget will be prepared in accordance with State Law in the format approved by the Arizona Auditor General and be consistent with generally accepted accounting principles (GAAP) where possible.
 - 1.8.1.** Budgetary schedules shall be prepared to demonstrate total financial sources equal total uses for each fund.
 - 1.8.1.1.** Budgeted financial sources shall include revenues, beginning fund balances, net debt proceeds, net interfund transfers, and other inflows.
 - 1.8.1.2.** Budgeted uses shall include expenditures, ending fund balances, and other outflows.
 - 1.8.2.** All funds will use the current financial resources measurement focus and will account for budgeted revenues and expenditures under the modified accrual basis of accounting.
 - 1.8.2.1.** Revenues are recognized when they become both measurable and available.
 - 1.8.2.2.** Expenditures are recognized when they become incurred and measurable, and/or require the use of current financial resources.
 - 1.8.2.2.1.** Depreciation is not budgeted.
 - 1.8.2.2.2.** Capital purchases are budgeted as expenditures in all funds.
 - 1.8.2.2.3.** Compensated absence liabilities that become due are budgeted as expenditures in all funds.
 - 1.8.2.2.4.** Debt payments are budgeted as expenditures in all funds.
 - 1.8.2.3.** The use of the modified accrual basis of accounting for budgetary purposes in the Wastewater Enterprise Fund departs from GAAP, which prescribes the use of the full accrual basis of accounting for proprietary funds in the annual financial statements.
- 1.9.** Alternatives for improving the efficiency and effectiveness of the Town's programs and the productivity of its employees will be considered during the budget process. Duplication of services and inefficiencies should be eliminated wherever they are identified.
- 1.10.** The Town shall establish appropriate management controls to monitor expenditure budgets to ensure they do not exceed authorizations.
- 1.11.** During the course of the year, the Town Manager is charged with the responsibility to take steps to reduce expenditures or increase revenues to the extent necessary to ensure that actual changes to fund balances in the General Fund are no lower than that planned for in the budget at the close of the fiscal year. The Town Manager may institute a cessation during the fiscal year on hirings, promotions, transfers, and capital equipment purchases. Such action will only occur after sending the Town Council notice of such actions.
- 1.12.** The Town will avoid budgetary and accounting procedures which balance the current budget at the expense of future budgets.

2. Revenue Policies

Because revenues are sensitive to both local and regional economic conditions, revenue estimates should be conservative.

- 2.1. Staff will estimate annual revenues by an objective, analytical process utilizing trend, judgmental, and statistical analysis as appropriate.
- 2.2. The Town will attempt to maintain a diversified and stable revenue system in order to:
 - 2.2.1. Decrease reliance on general taxation for discretionary but desirable programs and services and rely more on fees and charges.
 - 2.2.2. Decrease the vulnerability of programs and services to reductions in tax revenues as a result of economic fluctuations.
 - 2.2.3. Increase the level of self-support for new program initiatives and enhancements.
- 2.3. One-time revenues will be limited to the purpose for which they are intended or, to the extent possible, for one-time expenditures.
- 2.4. User fees and charges for services will be reviewed periodically to determine the adequacy of cost recovery.

3. Expenditure Policies

Management must ensure compliance with the legally adopted budget. In addition, purchases and expenditures must comply with legal requirements and policies and procedures set forth by the Town Council.

- 3.1. Expenditures will be controlled by an annual appropriated budget, established by the Town Council.
- 3.2. Department heads are responsible for monitoring expenditures to prevent exceeding their total departmental expenditure budget. It is the responsibility of these department heads to immediately notify the Finance Director and Town Manager of any circumstances that could result in a departmental budget being exceeded.
- 3.3. The Town will maintain a purchasing system that provides needed commodities and services in a timely manner to avoid interruptions in the delivery of services. All purchases shall be made in accordance with the State statutes, the Town's procurement code, purchasing policies, guidelines, and procedures.
- 3.4. The Town will endeavor to obtain supplies, equipment, and services that provide the best value.
- 3.5. The Town will make all payments within established terms.
- 3.6. The Arizona Constitution sets a limit on the expenditures of local jurisdictions. The Town will comply with these expenditure limitations and will submit an audited expenditure limitation report, audited financial statements, and audited reconciliation report as defined by the Uniform Expenditure Reporting System to the State Auditor General within prescribed timelines.
- 3.7. The Town will maintain a level of expenditures which will provide for the health, safety and welfare of the residents of the community.
- 3.8. The Town will maintain capital assets and infrastructure at a sufficient level to protect the Town's investment, to minimize future replacement and maintenance costs, and to continue service levels.

4. Grants

Many grants require appropriation of funds, either for the original grant or to continue programs after the grant funding has expired. The Town should review these grant programs prior to determining whether application should be made for these grant funds.

- 4.1. The Town shall only apply for those grants that are consistent with the objectives identified by Council. The potential for incurring ongoing costs, to include the assumption of support for grant funded positions from local revenues, will be considered prior to applying for a grant.

- 4.2. The Town shall attempt to recover all allowable costs—direct and indirect—associated with the administration and implementation of programs funded through grants. The Town may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant.
- 4.3. The Town will maintain a system of internal controls which provide reasonable assurance of compliance with laws, regulations, and the provisions of contract and grant agreements.
 - 4.3.1. The objectives of internal control pertaining to the compliance requirements for grant programs are as follows:
 - 4.3.1.1. Transactions are properly recorded and accounted for to:
 - 4.3.1.1.1. Permit the preparation of reliable financial statements and grant reports;
 - 4.3.1.1.2. Maintain accountability over assets; and
 - 4.3.1.1.3. Demonstrate compliance with laws, regulations, and other requirements;
 - 4.3.2. Transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on a grant program; and
 - 4.3.3. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

5. User Fee Cost Recovery and Indirect Cost Allocations

User fees and charges are payments for voluntarily purchased, publicly provided services that benefit specific individuals. The Town relies on user fees and charges to supplement other revenue sources in order to provide public services. Indirect cost charges are assessed to recover a portion of the costs for services provided between various funds.

- 5.1. The Town may establish user fees and charges for certain services provided to users receiving a specific benefit.
- 5.2. User fees shall be reviewed periodically to calculate their full cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where needed. The calculation of full cost will include all reasonable and justifiable direct and indirect cost components.
- 5.3. The Town shall establish a cost allocation plan to determine annually the administrative service charges due to the appropriate cost centers. Where appropriate, funds shall pay these indirect cost charges for services provided by another fund.

6. Cash Management and Investment

Cash management includes the activities undertaken to ensure maximum cash availability and maximum investment yield on a government's idle cash, and the cash collection function.

- 6.1. The Town shall maintain and comply with a written investment policy that has been approved by the Town Council. The investment policy will emphasize safety and liquidity before yield.
- 6.2. The Town will collect, deposit, and disburse all funds on a schedule that insures optimum cash availability for investment.
- 6.3. In order to maximize yields from its overall portfolio, the Town will consolidate cash balances from various funds for investment purposes, and will allocate investment earnings to each participating fund.
- 6.4. The Town will project its cash needs to optimize the efficiency of the investment and cash management program.
- 6.5. The Town will conduct its treasury activities with financial institutions based upon written contracts.
- 6.6. Ownership of the Town's investment securities will be protected through third party custodial safekeeping.

- 6.7. All Town bank accounts shall be reconciled and reviewed on a monthly basis.
- 6.8. The Town may use short-term debt to cover temporary or emergency cash flow shortages. All short-term borrowing will be subject to Council approval.

7. Capital Asset Accounting, Depreciation, and Replacement

An effective capital asset accounting system is important in managing the Town's capital asset investment.

- 7.1. The Town will maintain a capital assets system for assets with values of \$5,000 or more. All items less than \$5,000 will be recorded as operating expenditures.
- 7.2. Annual budgets including reserves will provide for adequate design, construction, maintenance and replacement of Town's capital assets in accordance with the current year of the capital improvement plan.
- 7.3. The Town will project equipment replacement and maintenance needs for the next five years and will update this projection each year.
- 7.4. The Town will ensure that depreciation expense is allocated in a systematic and rational manner to those periods expected to benefit from the use of the asset.
 - 7.4.1. The straight-line method of depreciation, using the half-year convention, will be used for all depreciable assets.
 - 7.4.2. The useful life of an asset will be based upon the Town's history with said asset or similar asset type. In the absence of an adequate history, the Town will follow useful life guidelines provided by reputable organizations such as the Government Finance Officers Association.
- 7.5. Vehicles will be replaced on an as needed basis after consideration of safety issues and financial impacts.
- 7.6. An inventory of capital assets shall be performed on a periodic basis, at least every 3 years.
- 7.7. The Town will evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred and whether the assets need to be revalued in accordance with Governmental Accounting Standards Board Statement No. 42.

8. Capital Improvement Plan Policies

The purpose of the Capital Improvement Plan is to systematically identify, plan, schedule, finance, track and monitor capital projects to ensure cost-effectiveness as well as conformance to established policies.

- 8.1. The Town will make all capital improvements in accordance with an adopted and funded capital improvement plan.
- 8.2. The Town will develop an annual five-year plan for capital improvements, including design, development, and implementation.
- 8.3. Staff will identify the estimated capital costs, the estimated operating costs, potential funding sources and project schedule for each capital project proposal before it is submitted to the Council for approval.
- 8.4. The Town will use intergovernmental assistance and other outside resources whenever possible to fund capital improvements providing that these improvements are consistent with the capital improvement plan and Town priorities.
- 8.5. When current revenues or resources are available for capital improvement projects, consideration will be given first to those capital assets with the shortest useful life and/or to those capital assets whose nature makes them comparatively more difficult to finance with debt financing. Using cash for projects with shorter lives and debt for projects with longer lives facilitates "intergenerational equity".

- 8.6. Staff will monitor projects in progress to insure their timely completion or the adjustment of the Capital Improvement Plan as approved by Council. A quarterly status report will be presented to the Town Council to monitor each project's progress and to identify any significant issues.
- 8.7. The current year of the capital improvement plan will become the capital budget.

9. Long-Term Debt Policies

The Town utilizes long-term debt to finance capital projects with long useful lives. Financing capital projects with debt provides for an "intergenerational equity", as the actual users of the capital asset pay for its cost over time, rather than one group of users paying in advance for the costs of the asset.

The purpose of this debt management policy is to provide for the preservation and eventual enhancement of the Town's bond ratings, the maintenance of adequate debt service reserves, compliance with debt instrument covenants and provisions, and required disclosures to investors, underwriters and rating agencies. These policy guidelines will also be used when evaluating the purpose, necessity and condition under which debt will be issued. These policies are meant to supplement the legal framework of public debt laws provided by the Arizona Constitution, State statutes, federal tax laws, and the Town's current debt resolutions and covenants.

The Arizona Constitution limits a Town's bonded debt capacity (outstanding principal) to certain percentages of the Town's secondary assessed valuation by the type of project to be constructed. There is a limit of 20% of secondary assessed valuation for projects involving water, sewer, artificial lighting, parks, open space, recreational facility improvements, and transportation. There is a limit of 6% of secondary assessed valuation for any other general purpose project.

- 9.1. The overall debt management policy of the Town is to ensure that financial resources of the Town are adequate in any general economic situation to not preclude the Town's ability to pay its debt when due.
- 9.2. The Town will confine long-term borrowing to capital improvements, capital acquisitions, and the refinancing of prior year long-term debt.
- 9.3. The life of the debt service payments will not exceed the useful life of the capital assets acquired with the debt proceeds.
- 9.4. Proceeds from long-term debt will not be used to fund current on-going operations.
- 9.5. The issuance of variable rate debt by the Town will be subject to the most careful review and will be issued only in a prudent and fiscally responsible manner.
- 9.6. The Town shall make every effort to combine debt issuances in order to minimize issuance costs.
- 9.7. The investment of bond proceeds shall at all times comply with the requirements of debt covenants.
- 9.8. The Town shall comply with all U.S. Internal Revenue Service arbitrage rebate requirements.
- 9.9. Before any new debt is issued, the impact of debt service payments on total annual fixed costs will be analyzed.
- 9.10. The Town will maintain a revenue-to-debt service ratio of at least 5 to 1 for its governmental activities debt.
- 9.11. The Town will only issue new debt if, in the Capital Infrastructure Improvement Fund, the projected net recurring funding sources exceed the estimated annual debt service expenditures in each year of the five year period covered in the Capital Improvement Plan.

10. Fund Balance Policies

Fund balance is an important indicator of the Town's financial position. Adequate fund balances must be maintained to allow the Town to continue providing services to the community.

10.1. In accordance with Governmental Accounting Standards Board Statement No. 54, fund balances will be classified in the following components:

10.1.1. *Nonspendable fund balance:* balances that are not in spendable form or with a requirement to maintain intact

10.1.2. *Restricted fund balance:* balances that have externally enforceable limitations on their use imposed by creditors, grantors, contributors, constitutional limitations, or legal limitations

10.1.3. *Committed fund balance:* balances that have self-imposed limitations resulting from formal action taken by the Town Council

10.1.4. *Assigned fund balance:* balances that have limitations resulting from intended use

10.1.5. *Unassigned fund balance:* all residual net resources in the total fund balances not otherwise included in one of the above categories

10.2. Fund balances will be reserved to offset difficult economic times, stabilize fluctuations in cash flow requirements, and provide for emergency situations.

10.2.1. Stabilization reserves shall be established each year and be incorporated into the budget.

10.2.1.1. Each fund should maintain minimum fund balances equivalent to 25% of its adopted operating budget for the year. The General Fund minimum balance requirement shall also include any operating reserve deficiencies of other funds.

10.2.1.2. Each fund should maintain minimum fund balances equivalent to 20% of its adopted capital outlay budget, adjusted for amounts not subjecting the Town to obligation, for the year. The Capital Infrastructure Improvement Fund minimum balance requirement shall also include any capital reserve deficiencies of other funds.

10.2.2. Stabilization reserves may only be appropriated by authorization of the Town Council. A plan will be developed to adequately replenish reserves when appropriations are projected to reduce reserves below the required minimum levels.

10.3. Unassigned fund balances will be maintained to provide for unforeseen opportunities.

10.3.1. The Town desires to have a \$10 million unassigned fund balance in the General Fund by the end of fiscal year 2020. Town Management shall develop a financial plan to reach this target. Until such time, any appropriations that cause this fund to decrease shall be accompanied with a plan to replenish the balance within a reasonable timeframe.

10.4. When more than one resource is available to fund outlays for a particular purpose, the most constrained source will be depleted before others sources are consumed; starting with restricted fund balances, followed by committed fund balances, assigned fund balances and lastly unassigned fund balances.

11. Enterprise Funds

Government enterprises generate revenue to offset the cost of providing certain services. User charges are established to offset the cost of providing these services. The accounting systems must be established to separate these revenues and expenses.

11.1. Separate funds will be established and maintained to properly account for each enterprise operation. Enterprise funds will not be used to subsidize the operations of other funds. Inter-fund charges will be assessed for the administrative support of the enterprise activity.

11.2. The Town will establish rates and fees at levels to fully cover the total direct and indirect costs, including operations, capital outlay, unrestricted cash reserve balances, debt service, and debt coverage requirements.

12. Accounting, Auditing, and Financial Reporting

Accounting, auditing, and financial reporting form the informational infrastructure for public finance. Internal and external financial reports provide important information to the Town's legislative body, management, citizens, investors, and creditors.

12.1. The Town's accounting and financial reporting systems will be maintained in conformance with generally accepted accounting principles and standards promulgated by the Governmental Accounting Standards Board.

12.2. Financial reports for each quarterly period will be submitted to the Finance and Investment Advisory Committee and the Town Council.

12.3. The Finance and Investment Advisory Committee will provide financial oversight and will recommend ways to improve processes and procedures as needed.

12.4. Relevant and comprehensive disclosure will be provided in the general financial statements and bond representations.

12.5. The Comprehensive Annual Financial Report will present the status of the Town's finances on a basis of generally accepted accounting principles.

12.6. An annual audit will be performed by an independent public accounting firm with the subsequent issue of an official Comprehensive Annual Financial Report and Annual Expenditure Limitation Report.

12.7. The Town will develop and manage its accounting system to provide reasonable assurance regarding:

12.7.1. The safeguarding of assets against loss from unauthorized use or disposition.

12.7.2. Reliability of financial records for preparing financial statements and maintaining accountability for assets.

12.8. The Comprehensive Annual Financial Reports and Annual Adopted Budgets will be posted on the Town's website and made available to the public.

12.9. The Town will participate in the Government Finance Officers Association's award programs with the intent of receiving the *Certificate of Achievement for Excellence in Financial Reporting* and the *Distinguished Budget Presentation Award*.

13. Risk Management

Risk management is involved in the identification, evaluation, and treatment of the Town's exposure to risk. Risk management has become increasingly important in guarding against economic loss and in ensuring public safety in a time of increasing public liability and litigation.

13.1. The Town shall make diligent efforts to prevent or mitigate the loss of Town assets and to reduce the Town's exposure to liability through training, risk financing, and the transfer of risk when cost effective.

13.2. The Town shall manage its exposure to risk through the purchase of third-party insurance for general liabilities, automotive liabilities, property losses, and workers' compensation.

13.3. When applicable, the Town will control its exposure to risk through the use of "hold harmless" agreements in Town contracts by requiring contractors to carry liability insurance, including errors and omissions coverage for architectural, engineering, and other professional firms.

LEGAL REQUIREMENTS

STATE SPENDING LIMITATION

The Town of Sahuarita, like all counties and municipalities in Arizona, is subject to numerous budgetary and related legal requirements. Article 9, Section 20, (1) of the Arizona Constitution sets limits on the Town's legal budget capacity. In general, the Town Council cannot authorize expenditures of local revenues in excess of the expenditure limitations determined annually by the Arizona Economic Estimates Commission. This limitation is based upon a calculated amount of expenditures for fiscal year 1979-80 (prior to the Town's incorporation), adjusted to reflect subsequent inflation and population growth. Not subject to this limit are items such as bond proceeds, related debt service, interest earnings, special voter approved districts, certain highway user revenue funds, federal funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. The Town demonstrates compliance with these requirements by filing the audited Annual Expenditure Limitation Report with the Office of the Arizona Auditor General.

TENTATIVE BUDGET PREPARATION AND PUBLICATION

State law (ARS §42-17101) requires that on or before the third Monday in July of each fiscal year, the Town Council must prepare an estimate of expenditures and revenues. Town of Sahuarita refers to these estimates as the Tentative Budget. According to ARS §42-17101, this Tentative Budget must be included in the Town Council meeting minutes and, must be fully itemized in accordance with forms supplied by the Auditor General. (See the *Official Budget Forms* section.) ARS §42-17102 defines the contents of the estimates. The Tentative Budget and the reports include all monies used for Town purposes including interest and principal payments on bonds.

ARS §42-17103 requires publication of the Tentative Budget once a week for at least two consecutive weeks. The published Tentative Budget must be accompanied by a notice of the scheduled date and time for a public hearing regarding the budget.

ARS §42-17104 specifies that the Town Council shall hold a public hearing and special meeting at which any taxpayer may appear and speak for or against any proposed expenditure. This meeting is held on the date the budget is adopted.

ARS §42-17105 prescribes that once the Tentative Budget has been published, expenditures may not be increased above the published amounts; however, they may be decreased. In effect, with the publication of the Tentative Budget, the Town Council has set its maximum limits for expenditures, but these limits may be reduced upon final adoption.

FINAL BUDGET ADOPTION

State law (ARS §42-17105) specifies that after the hearing required by ARS §42-17104, the Town Council must adopt the estimate of proposed expenditures for the fiscal year at a special meeting called for that purpose. The adopted expenditures then become the budget for the upcoming fiscal year and shall not exceed the total amount proposed for expenditures in the published estimates (i.e., the Tentative Budget).

According to ARS §42-17106, once adopted, no expenditures shall be made for a purpose not included in the budget and no expenditures shall be made in excess of the amounts specified for each purpose in the budget, except as provided by

law. This restriction applies whether or not the Town has at any time received, or has on hand, funds or revenue in excess of those required to meet expenditures incurred under the budget.

BUDGET REVISIONS

ARS §42-17106 requires that no expenditures be made for a purpose not included in the adopted budget in any fiscal year in excess of the amount specified for each purpose in the budget. ARS §42-17106 permits the Town Council, on the affirmation of a majority of the supervisors at a duly noticed public meeting, to authorize the transfer of funds between programs if the funds are available, if the transfer is in the public interest and based on a demonstrated need, so long as the transfer does not violate the set spending limitations.

TOWN OF SAHUARITA, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

Fiscal Year	S c h	FUNDS								Total All Funds
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Enterprise Funds Available	Internal Service Funds	Permanent Fund	Enterprise Funds Available	
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	30,812,690	11,877,660	0	17,884,580	0	1,309,730	0	61,884,660	
2016	Actual Expenditures/Expenses**	13,367,740	3,791,600	0	8,438,920	0	1,146,510	0	26,744,770	
2017	Fund Balance/Net Position at July 1***	18,164,960	876,750		5,875,400		(3,751,630)	0	21,165,480	
2017	Primary Property Tax Levy	0	0	0	0	0	0	0	0	
2017	Secondary Property Tax Levy	0	468,290	0	0	0	0	0	468,290	
2017	Estimated Revenues Other than Property Taxes	14,837,780	7,391,360	0	3,171,920	0	3,361,400	0	28,762,460	
2017	Other Financing Sources	0	9,825,000	0	0	0	375,000	0	10,200,000	
2017	Other Financing (Uses)	0	9,620,000	0	0	0	0	0	9,620,000	
2017	Interfund Transfers In	0	0	0	5,381,250	0	1,698,000	0	7,079,250	
2017	Interfund Transfers (Out)	2,764,250	4,315,000	0	0	0	0	0	7,079,250	
2017	Reduction for Amounts Not Available:									
LESS:	Amounts for Future Debt Retirement:								0	
2017	Total Financial Resources Available	30,238,490	4,626,400	0	14,428,570	0	1,682,770	0	50,976,230	
2017	Budgeted Expenditures/Expenses	30,238,490	4,626,400	0	14,428,570	0	1,682,770	0	50,976,230	

EXPENDITURE LIMITATION COMPARISON

	2016	2017
1. Budgeted expenditures/expenses	\$ 61,884,660	\$ 50,976,230
2. Add/subtract: estimated net reconciling items	(8,225,540)	(1,169,980)
3. Budgeted expenditures/expenses adjusted for reconciling items	53,659,120	49,806,250
4. Less: estimated exclusions	18,992,487	14,457,328
5. Amount subject to the expenditure limitation	\$ 34,666,633	\$ 35,348,922
6. EEC expenditure limitation	\$ 34,666,634	\$ 35,348,923

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 the 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 on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

TOWN OF SAHUARITA, ARIZONA
Tax Levy and Tax Rate Information
Fiscal Year 2017

	2016	2017
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ _____	\$ _____
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	\$ _____	\$ _____
B. Secondary property taxes	411,260	468,290
C. Total property tax levy amounts	\$ 411,260	\$ 468,290
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total primary property taxes	\$ 0	
B. Secondary property taxes		
(1) Current year's levy	\$ 396,780	
(2) Prior years' levies	4,260	
(3) Total secondary property taxes	\$ 401,040	
C. Total property taxes collected	\$ 401,040	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	_____	_____
(2) Secondary property tax rate	_____	_____
(3) Total city/town tax rate	0.0000	0.0000
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>two</u> 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 SAHUARITA, ARIZONA
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
GENERAL FUND			
Local taxes			
Transaction privilege taxes	\$ 4,820,850	\$ 4,942,300	\$ 5,058,410
Franchise fees	318,660	323,600	331,990
Licenses and permits			
Planning & Building permit fees	1,032,820	1,302,740	1,288,580
Animal license fees	0	42,000	42,000
Intergovernmental			
State shared sales taxes	2,372,540	2,406,000	2,420,230
State shared income taxes	3,041,180	3,041,180	3,145,780
State shared vehicle license taxes	1,038,340	1,047,300	1,100,980
Charges for services			
Development fees	98,930	40,000	95,070
Recreation fees	135,230	123,090	127,030
Other departmental fees	5,000	5,000	5,000
Indirect cost recovery	669,040	669,040	698,750
Fines and forfeits			
Court fines and fees	271,640	183,890	230,030
Interest on investments			
Investment earnings	228,180	174,390	233,930
Miscellaneous			
Insurance recoveries			45,000
Other	61,050	61,050	15,000
Total General Fund	\$ 14,093,460	\$ 14,361,580	\$ 14,837,780

* 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 SAHUARITA, ARIZONA
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
State shared fuel taxes	\$ 1,838,770	\$ 1,898,950	\$ 1,848,970
Intergovernmental-State	3,600,000	34,300	4,315,000
Intergovernmental-Local	25,000	25,000	25,000
Investment earnings	1,870	1,870	2,090
	<u>\$ 5,465,640</u>	<u>\$ 1,960,120</u>	<u>\$ 6,191,060</u>
Grants & Restricted Sources Fund			
Fines and forfeitures	\$ 60,870	\$ 12,370	\$ 160,870
Intergovernmental-Federal	485,780	432,430	437,430
Intergovernmental-State	104,910	2,290	2,400
Intergovernmental-Local	37,800	86,880	41,100
Impound fees	15,000	12,000	15,000
Investment earnings	3,260	4,500	4,490
Miscellaneous	42,000	94,990	44,000
	<u>\$ 749,620</u>	<u>\$ 645,460</u>	<u>\$ 705,290</u>
Quail Creek CFD			
Property taxes-allowance for uncollectibles	\$ (10,220)	\$ (10,220)	\$ (11,650)
Investment earnings (losses)	(170)	0	0
Miscellaneous/Developer contributions	645,650	645,650	506,410
	<u>\$ 635,260</u>	<u>\$ 635,430</u>	<u>\$ 494,760</u>
Rancho Sahuarita CFD			
Property taxes-allowance for uncollectibles	\$ (60)	\$	\$
Investment earnings (losses)	300	300	250
	<u>\$ 240</u>	<u>\$ 300</u>	<u>\$ 250</u>
Total Special Revenue Funds	<u>\$ 6,850,760</u>	<u>\$ 3,241,310</u>	<u>\$ 7,391,360</u>
CAPITAL PROJECTS FUNDS			
Capital Infrastructure Improvement Fund			
Transaction privilege taxes	\$ 2,197,140	\$ 1,991,300	\$ 1,912,970
Intergovernmental-Federal			873,750
Intergovernmental-Local	2,107,960	4,739,040	311,840
Investment earnings	63,360	63,360	73,360
Miscellaneous	2,972,440	2,900,000	
	<u>\$ 7,340,900</u>	<u>\$ 9,693,700</u>	<u>\$ 3,171,920</u>
Total Capital Projects Funds	<u>\$ 7,340,900</u>	<u>\$ 9,693,700</u>	<u>\$ 3,171,920</u>
ENTERPRISE FUNDS			
Wastewater Fund			
Sewer user charges	\$ 3,395,830	\$ 3,199,890	\$ 3,235,040
Other	22,500	830	22,500
Sewer connection fees	360,380	193,570	165,680
Intergovernmental-State	250,000	250,000	0
Investment earnings (losses)	(35,400)	(35,400)	(61,820)
	<u>\$ 3,993,310</u>	<u>\$ 3,608,890</u>	<u>\$ 3,361,400</u>
TOTAL ALL FUNDS	<u>\$ 32,278,430</u>	<u>\$ 30,905,480</u>	<u>\$ 28,762,460</u>

* 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 SAHUARITA, ARIZONA
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017		INTERFUND TRANSFERS 2017	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Capital Infrastructure Improvement Fund	\$	\$	\$	\$ 1,066,250
Wastewater Fund				1,698,000
Total General Fund	\$ 0	\$ 0	\$ 0	\$ 2,764,250
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund:	\$	\$	\$	\$
Capital Infrastructure Improvement Fund				4,315,000
Quail Creek CFD	9,825,000	9,620,000		
Total Special Revenue Funds	\$ 9,825,000	\$ 9,620,000	\$ 0	\$ 4,315,000
CAPITAL PROJECTS FUNDS				
Capital Infrastructure Improvement Fund:	\$	\$	\$	\$
General Fund			1,066,250	
Highway User Revenue Fund			4,315,000	
Total Capital Projects Funds	\$ 0	\$ 0	\$ 5,381,250	\$ 0
ENTERPRISE FUNDS				
Wastewater Fund:	\$	\$	\$	\$
General Fund	375,000		1,698,000	
Total Enterprise Funds	\$ 375,000	\$ 0	\$ 1,698,000	\$ 0
TOTAL ALL FUNDS	\$ 10,200,000	\$ 9,620,000	\$ 7,079,250	\$ 7,079,250

TOWN OF SAHUARITA, ARIZONA
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
GENERAL FUND				
Mayor & Council	\$ 114,390	\$	\$ 114,350	\$ 113,860
Town Manager	710,370		706,840	753,180
Law	565,160		592,130	643,730
Town Clerk	536,410		448,660	579,470
Finance	1,233,260		1,176,270	1,395,530
Human Resources	234,190		223,390	268,680
Planning & Building	1,185,870		1,178,230	1,239,460
Parks & Recreation	1,598,570		1,443,310	1,732,900
Public Works	924,870		905,130	965,270
Police	5,963,900		5,814,020	6,299,670
Municipal Court	575,440		535,740	592,360
Non-Departmental	232,720		229,670	251,350
Contingency/Ending Balances	16,937,540		0	15,403,030
Total General Fund	\$ 30,812,690	\$ 0	\$ 13,367,740	\$ 30,238,490
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund:	\$	\$	\$	\$
Streets	2,036,990	61,120	2,049,160	2,174,450
LTAFF	7,000		11,170	
Contingency/Ending Balances	100,320	(61,120)	0	4,280
Grants & Restricted Sources:				
Town Manager	15,000	96,000	75,490	21,000
Parks & Recreation	20,000		12,500	15,000
Police	996,090	27,000	565,920	802,730
Streets		11,660	11,660	
Capital Outlay	27,000	(27,000)		
Contingency/Ending Balances	351,900	(11,660)	0	438,960
Quail Creek CFD:				
General government			4,690	4,700
Streets	21,880		20,390	20,390
Parks & Recreation	31,020		27,980	12,770
Debt Service	1,011,590		1,011,590	1,127,890
Rancho Sahuarita CFD				
General government	1,050		1,050	1,160
Debt Service	286,400			
Capital Outlay	6,873,600			
Contingency/Ending Balances	1,820		0	3,070
Total Special Revenue Funds	\$ 11,781,660	\$ 96,000	\$ 3,791,600	\$ 4,626,400
CAPITAL PROJECTS FUNDS				
Capital Infrastructure Improve	\$	\$	\$	\$
General Government	611,800	47,000	559,600	2,319,220
Public Safety	374,100		378,000	330,000
Highways & Streets	10,046,270	35,000	5,211,840	5,387,500
Culture & Recreation	721,720		721,720	812,000
Debt Service	1,567,760		1,567,760	1,567,860
Contingency/Ending Balances	4,527,930	(47,000)	0	4,011,990
Total Capital Projects Funds	\$ 17,849,580	\$ 35,000	\$ 8,438,920	\$ 14,428,570
ENTERPRISE FUNDS				
Wastewater Fund:	\$	\$	\$	\$
Operations	1,703,270		1,694,670	1,980,220
Debt Service	2,404,560		2,398,410	2,401,410
Capital Outlay	849,990	120,520	805,060	1,380,200
Ending Fund Deficits	(3,648,090)	(120,520)	(3,751,630)	(4,079,060)
Total Enterprise Funds	\$ 1,309,730	\$ 0	\$ 1,146,510	\$ 1,682,770
TOTAL ALL FUNDS	\$ 61,753,660	\$ 131,000	\$ 26,744,770	\$ 50,976,230

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF SAHUARITA, ARIZONA
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED	EXPENDITURE/	ACTUAL	BUDGETED
	BUDGETED	EXPENSE	EXPENDITURES/	EXPENDITURES/
	EXPENDITURES/	ADJUSTMENTS	EXPENSES*	EXPENSES
	EXPENSES	APPROVED		
	2016	2016	2016	2017
Town Manager				
General Fund	\$ 710,370	\$	\$ 706,840	\$ 753,180
Grants & Restricted Sources	15,000	96,000	75,490	21,000
Department Total	\$ 725,370	\$ 96,000	\$ 782,330	\$ 774,180
Finance				
General Fund	\$ 1,233,260	\$	\$ 1,176,270	\$ 1,395,530
Rancho Sahuarita CFD	810		810	760
Capital Infrastructure Improvemen	190,000		220,000	200,000
Wastewater Fund	278,600		283,000	405,990
Department Total	\$ 1,702,670	\$ 0	\$ 1,680,080	\$ 2,002,280
Human Resources				
General Fund	\$ 234,190	\$	\$ 223,390	\$ 268,680
Capital Infrastructure Improvemen	13,000		0	18,000
Department Total	\$ 247,190	\$ 0	\$ 223,390	\$ 286,680
Parks & Recreation				
General Fund	\$ 1,598,570	\$	\$ 1,443,310	\$ 1,732,900
Grants & Restricted Sources	20,000		12,500	15,000
Quail Creek CFD	31,020		27,980	12,770
Capital Infrastructure Improvemen	40,000		40,000	108,000
Department Total	\$ 1,689,590	\$ 0	\$ 1,523,790	\$ 1,868,670
Public Works				
General Fund	\$ 924,870	\$	\$ 905,130	\$ 965,270
Capital Infrastructure Improvemen	137,000	47,000	80,800	120,380
Department Total	\$ 1,061,870	\$ 47,000	\$ 985,930	\$ 1,085,650
Police				
General Fund	\$ 5,963,900	\$	\$ 5,814,020	\$ 6,299,670
Grants & Restricted Sources	996,090	27,000	565,920	802,730
Capital Infrastructure Improvemen	374,100		378,000	330,000
Department Total	\$ 7,334,090	\$ 27,000	\$ 6,757,940	\$ 7,432,400
Streets/LTAF				
Highway User Revenue Fund	\$ 2,043,990	\$ 61,120	\$ 2,060,330	\$ 2,174,450
Grants & Restricted Sources	0	11,660	11,660	
Quail Creek CFD	21,880		20,390	20,390
Capital Infrastructure Improvemen	0		5,000	19,000
Department Total	\$ 2,065,870	\$ 72,780	\$ 2,097,380	\$ 2,213,840
Non-Departmental				
General Fund	\$ 232,720	\$	\$ 229,670	\$ 251,350
Quail Creek CFD	0		4,690	4,700
Rancho Sahuarita CFD	1,050		240	400
Capital Infrastructure Improvemen	50,000		37,000	110,000
Department Total	\$ 283,770	\$ 0	\$ 271,600	\$ 366,450

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF SAHUARITA, ARIZONA
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
GENERAL FUND	117.3	\$ 8,057,130	\$ 1,000,490	\$ 1,205,910	\$ 843,180	\$ 11,106,710
SPECIAL REVENUE FUNDS						
Highway User Revenue Fund	8.0	\$ 507,110	\$ 58,500	\$ 86,100	\$ 58,220	\$ 709,930
Quail Creek CFD	0.0					0
Rancho Sahuarita CFD	0.0					0
Grants and Restricted Sources	1.5	357,490	44,490	19,900	41,830	463,710
Total Special Revenue Funds	9.5	\$ 864,600	\$ 102,990	\$ 106,000	\$ 100,050	\$ 1,173,640
CAPITAL PROJECTS FUNDS						
Capital Infrastructure Improvement F	1.6	\$ 137,370	\$ 15,780	\$ 19,900	\$ 12,620	\$ 185,670
Total Capital Projects Funds	1.6	\$ 137,370	\$ 15,780	\$ 19,900	\$ 12,620	\$ 185,670
ENTERPRISE FUNDS						
Wastewater Fund	8.4	\$ 494,950	\$ 57,410	\$ 96,460	\$ 52,910	\$ 701,730
Total Enterprise Funds	8.4	\$ 494,950	\$ 57,410	\$ 96,460	\$ 52,910	\$ 701,730
TOTAL ALL FUNDS	136.8	\$ 9,554,050	\$ 1,176,670	\$ 1,428,270	\$ 1,008,760	\$ 13,167,750

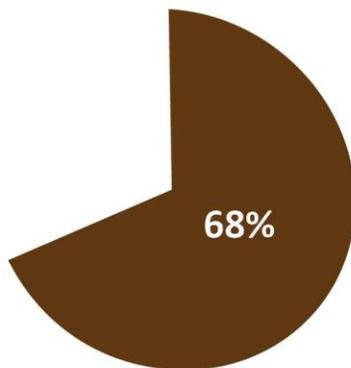


POPULATION

The retail trading area is estimated to be 70,000 people in 2013; the forecast is for approximately 140,000 people by 2020 and close to 250,000 people by 2040.

As one of Arizona's fastest-growing communities, the Town of Sahuarita is the newest jurisdiction in Pima County, incorporated in 1994. The Town of Sahuarita's population increased nearly 700 percent during the period from the 2000 Census to the Census of 2010. Currently 30 square miles in area, Sahuarita is located just 15 minutes south of Tucson and approximately 40 minutes north of the Mexican border. Tucson International Airport is within a 20 minute drive.

Sahuarita Total Population 2010 - 25,259



Sahuarita Hispanic/Latino (of any race) - 8,077 **32%**

Not Hispanic/Latino - 17,182 **68%**

Sahuarita Hispanic/Latino Population	32.0%
Pima County Hispanic Population	34.6%
State of Arizona Hispanic Population	29.6%

YEAR	POPULATION	% INCREASE
2010	25,259	11.5%
2011	25,722	1.8%
2012	26,244	2.0%
2013	26,772	2.0%
2014	27,232	1.7%
2015	27,777	2.0%
2016	28,470	2.5%
2017	29,080	2.1%
2018	29,720	2.2%
2019	30,470	2.5%



Population, 2012 (Census Estimate)	26,289
Population, percent change, April 1, 2010 to July 1, 2012	4.1%
Population, 2000	3,242

Sahuarita Median Age (years)

34.4

Arizona Median Age (years)

35.9

U.S. Median Age (years)

36.8

16 years and over	18,309	72.5%
18 years and over	17,742	70.2%
21 years and over	17,176	68.0%
62 years and over	4,722	18.7%
65 years and over	3,714	14.7%

Sahuarita average household size **2.79**

Sahuarita average family size **3.13**

Household Type	Number	Percent
Total households	9,020	100
Family households (families)	7,119	78.9
With own children under 18 years	3,474	38.5



INCOME

The Town of Sahuarita saw 13.1 percent growth in the working-age population between 2009 and 2011, and households earned a high median income of \$68,425. Additionally, Sahuarita has an unemployment rate of 5.8 percent. The town's largest employers include Freeport-McMoRan, Asarco and Farmers Investment Co.

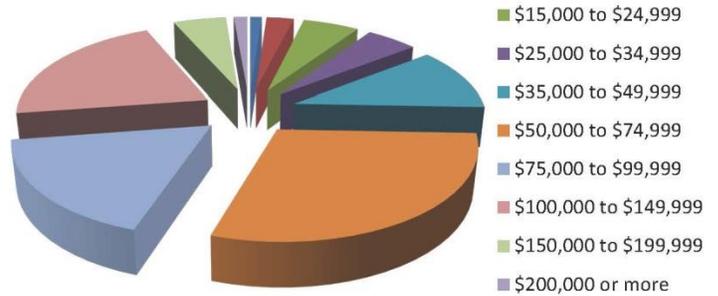
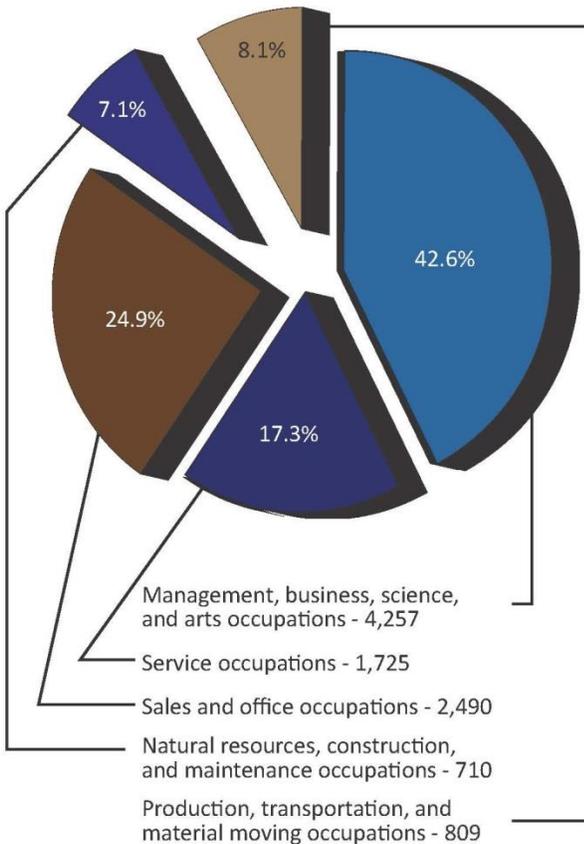
Sahuarita Median Household Income **\$69,425.00**

Pima County Median Household Income
\$46,433.00

State of Arizona Median Household Income
\$50,256.00

Occupation

Civilian employed population 16 years and over - 9,991



Regional Major Employers	Number
Raytheon	10,300
U of A Science and Technology Park	6,494
Freeport McMoRan	5,463
Asarco	2,297
IBM	1,375
Texas Instruments	370
Bombardier	776
Sahuarita Unified School District	721
La Posada	550
Tucson Airport Authority	265
Walmart	275
Farmer's Investment Company (FICO)	292
Caterpillar Proving Grounds	180
Town of Sahuarita	133

Sahuarita Labor Force	Number	Percent
Population 16 years and over	16,808	100.0%
In labor force	10,728	63.8%
Civilian labor force	10,604	63.1%
Employed	9,991	59.4%
Unemployed	613	3.6%
Armed Forces	124	0.7%
Not in labor force	6,080	36.2%

Communiting To Work	Number	Percent
Workers 16 years and over	10,240	
Car, truck, or van -- drove alone	7,832	76.50%
Car, truck, or van -- carpooled	1,677	16.40%
Public transportation (excluding taxicab)	0	0.00%
Walked	77	0.80%
Other means	157	1.50%
Worked at home	497	4.90%

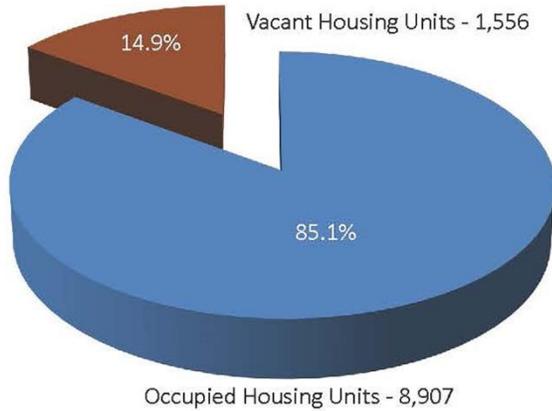


HOUSING

From a quality of life perspective, Sahuarita's Town Center has it all: safe, quiet streets; affordable housing; modern schools; landscaped trails and parks; scenic beauty; neighborhood shopping; easy access to interstates and the airport. The Town of Sahuarita has three master planned communities and eleven small neighborhoods for its residents to call home. Seven shopping centers are currently in development or under expansion with the newest edition being Rancho Sahuarita Marketplace, a 450-acre/3 million square foot commercial development; of which 282,000 square feet has been built and 100% leased.

Housing Occupancy

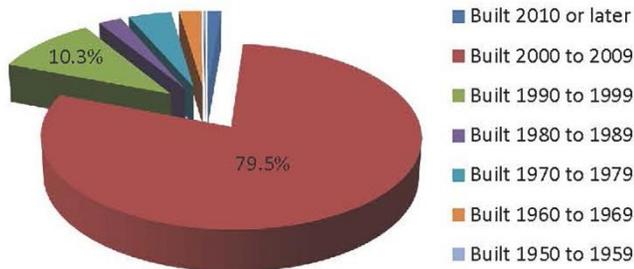
Total Housing Units - 10,463



Homeowner Vacancy Rate **2%**
Rental Vacancy Rate **4.4%**

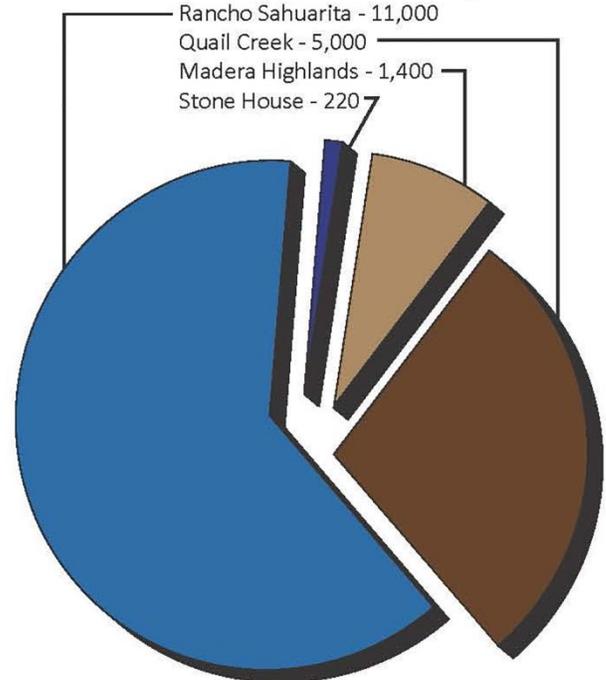
Structural Age

Total Housing Units - 10,463



Major Master Planned Residential Communities

Total Built Out Units - 17,620



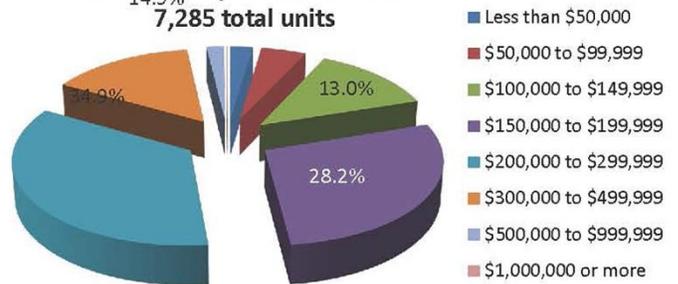
Average Household Size of Owner-Occupied Unit **2.65**

Average Household Size of Renter-Occupied Unit **3.23**

Sahuarita Median Home Value **\$204,700.00**

Owner Occupied Home Value

7,285 total units



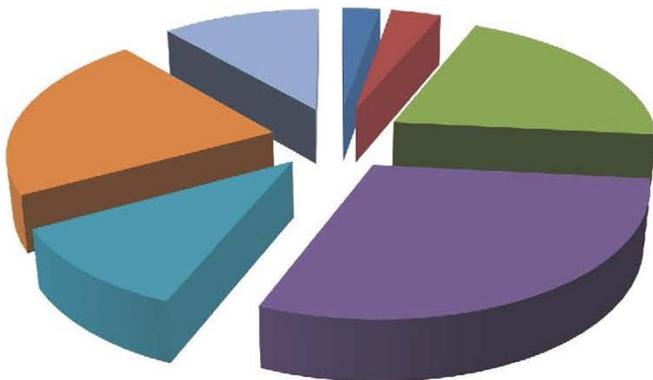


EDUCATION

*Today **33%** of Sahuarita's residents possess a bachelor's degree or higher.*

The Town of Sahuarita Workforce Assessment by the University of Arizona Eller College of Management Economic and Business Research Center concluded that Sahuarita's employed workforce displays higher levels of educational attainment overall than Pima County and Arizona as a whole. Sahuarita's employed labor force has concentrations significantly greater than those in Southern Arizona in higher paying occupational categories and in important 'high-tech' occupations.

Population 25 years and over 16,149



- Less than 9th grade 2.7%
- 9th to 12th grade, no diploma 3.6%
- High school graduate (includes equivalency) 20.3%
- Some college, no degree 29.5%
- Associate's degree 10.8%
- Bachelor's degree 21.7%
- Graduate or professional degree 11.3%

Sahuarita Unified School District

- Copper View Elementary
- Sopori Elementary
- Sahuarita Primary
- Sahuarita Intermediate
- Anza Trail K-8
- Sahuarita Middle School
- Walden Grove High School
- Sahuarita High School

AZ Dept. of
Education
Letter Grade
Accountability
B

Continental Elementary School District (preK-8)

Great Expectations Academy - charter

Edge High School - charter

Air & Space Academy - charter

Sahuarita Population 25 to 34 years	3,616
High school graduate or higher	92.30%
Bachelor's degree or higher	32.40%

Sahuarita Population 35 to 44 years	3,069
High school graduate or higher	95.70%
Bachelor's degree or higher	40.10%

Sahuarita Population 45 to 64 years	5,539
High school graduate or higher	95.10%
Bachelor's degree or higher	27.20%

Pima County	
Population 25 years and over with Bachelor's Degree	17.40%
Graduate or professional degree	12.00%

Arizona	
Population 25 years and over with Bachelor's Degree	16.00%
Graduate or professional degree	9.70%



MEXICO



The Mariposa Port of Entry, 43 miles south of the Town of Sahuarita is the main gateway, importing 38% of all winter fresh produce from Mexico to markets in the U.S. and Canada.

Each day, on average, more than 65,000 Mexican residents come to Arizona to work, visit friends and relatives, recreate, shop, and spend over \$7,350,000. This contributes substantially to Arizona's export trade with Mexico. Familial ties, long-term friendships, work opportunities, leisure activities and shopping experiences not yet available in Mexico continue to support strong cross-border interactions between Arizona and its neighbor, Sonora.

Where Mexican Visitors Shopped Non-Mall Destinations
(Source: Mexican Visitors to Arizona, 2007-2008 Study)

Wal-Mart Costco	Best Buy Target	Ross Walgreens	Marshall's Home Depot
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Located along I-19, 40 minutes north of the U.S./Mexico border and 18 miles south of downtown Tucson, Sahuarita is uniquely positioned to capture 24 million annual visitors from Mexico. Sahuarita is overflowing with retail opportunities, executive living and a viable center for companies and employers to conduct business with Mexico.

Casinos are the most popular attraction, they are visited by 29% of all Mexican visitors, of which the Desert Diamond Casino is the most popular.

Economic Impact to the State of Arizona	Number
Direct Jobs	23,400
Indirect	7,000
Total Jobs	30,400
Total Income	\$837.24 million
Total Sales	\$3.61 billion

Economic Impact to Pima County	Percent
Total Jobs	41.2%
Total Income	31.6%
Total Sales	37.6%

Border Crossing At Nogales Port of Entries (3) - 2012	Number
Pedestrians	3,238,929
Personal Vehicles	2,823,290
Buses	8,068
Trains	657
Trucks	307,626



DOING BUSINESS

\$0 - \$0 - \$0
impact fees business license fees property tax

The Town of Sahuarita charges no impact fees, no business license fees and no property tax and has a streamlined development process.

BUILDING SAHUARITA

PARTNERS IN DEVELOPMENT

“Building Sahuarita Partners in Development” makes opening a business in Sahuarita the lowest cost alternative in Southern Arizona.

“Building Sahuarita - Partners in Development” is a support program intended to introduce business owners to the project elements that may be encountered. A Project Partner is assigned to each project to act as a guide through the specific processes that are required. The Town’s Project Partner and staff work with you, your design professionals and ultimately your contractor to assure a timely and successful opening.

Each project is given a comprehensive packet that contains Town staff contact information, your process (including timeline), applicable tax code and licensing information, planning and zoning information and checklists, Public Works information and checklists, Building Safety information and checklists, DRC meeting notes, outside agency information, applicable sign regulations, and customized information specific to your project.

The Town Clerk Department will provide you with an application for the type of business you wish to pursue. All new applications will be reviewed by the Planning and Building Department prior to issuance. Once your application is approved, you will receive your license.

BUILDING SAHUARITA:
PAM LITLE
Building Safety Manager/Project Partner
plittle@sahuaritaaz.gov
520-822-8864

BUSINESS LICENSING:
LISA COLE
Town Clerk
lcole@sahuaritaaz.gov
520-822-8802



Complete licensing information



Glossary

Accrual Basis - A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

Adopted - As used in fund, summaries, department and program summaries within the budget, represents the budget as approved by the Town Council.

Allocation - A part of a lump sum appropriation, which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects.

Appropriation - A legal authorization granted by Town Council to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and duration when it may be expended.

Assessed Valuation - A value that is established by the County Assessor for real and personal property to use as a basis for levying property taxes.

Asset - Resources owned or held by a government, which have monetary value.

Available (Undesignated) Fund Balance - Refers to the funds remaining from the prior year, which are available for appropriation and expenditure in the current year.

Bonds - A written instrument to pay a sum of money at a specified interest rate, on a specific date or dates in the future, called maturity dates. The interest payments and the repayment of the principal are detailed in a bond resolution or ordinance. Two common types of bonds are general obligation and revenue bonds, which are most commonly used for construction of large capital projects such as buildings, streets, and sewers. The difference between a note and a bond is that a bond is used for a longer period of time and requires more formality.

Bond Refinancing - The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.

Budget - A plan of financial operation representing an estimate of proposed expenditures and the proposed means of financing them for a given period. This official public document reflects decisions, measures service needs, establishes the allocation of resources and is the pecuniary plan for achieving goals and objectives.

Budget Calendar - The schedule of key dates or events, which the Town follows in the preparation, adoption, and administration of the budget.

Budget Message - The opening section of the budget, which provides the Town Council and the public with a general summary of the most important budget issues, changes from recent fiscal years, and recommendations regarding the financial policy for the coming fiscal year.

Budgetary Adjustment - A procedure to revise a budget appropriation either by Town Council approval, through the adoption of a supplemental appropriation ordinance for any interdepartmental or inter-fund adjustments, or by the Town Manager authorization to adjust appropriations within a departmental budget.

Budgetary Basis - This refers to the form of accounting utilized throughout the budget process. These generally take one of three forms: GAAP, Cash, Modified Accrual, or some type of statutory form.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capital Asset - Tangible assets costing \$5,000 or more with a useful life of at least one year.

Capital Budget - The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

Capital Improvements - Expenditures related to the acquisition, expansion, or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvements Plan (CIP) - The CIP is a comprehensive plan of capital investment projects which identifies priorities as to need, method of financing, cost, and revenues that will result during a five year period. The program is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the annual capital budget.

Capital Outlay - Expenditures resulting in the acquisition or addition to the government's capital assets.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services - Services rendered to the Town in the form on contractual, professional, maintenance, and vehicle maintenance services. This also includes expenses for rentals, dues and memberships that may be charged by employees.

Cost Center - An organizational budget/operating unit within each Town department or program.

COLA - Cost Of Living Adjustment

Debt - An obligation resulting from borrowing money or from the purchase of goods and services. Types of governmental debt include bonds, loans, time warrants, and notes.

Debt Service - The amount of interest and principal the Town must pay each year on net direct long-term debt plus the interest it must pay on direct short-term debt.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures over revenues during a single accounting period.

Department - A major administrative division of the Town, which indicates overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation - Consumption of the service life of fixed assets, due to normal wear, deterioration, environmental elements, passage of time, and obsolescence. The portion of the cost of a capital asset charged as an expense during a specified period based on service life of the asset and ultimately expending the entire cost of the asset.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officer Association to encourage governments to prepare budget documents of the highest quality.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Expenditure/Expense - Decreases in net financial resources in accordance with budgeted appropriations. Expenditures include operating expenses such as the acquisition of assets or goods and services.

Expenditure Limitation - An amendment to the Arizona State Constitution, which limits annual expenditures of all municipalities. The limit is set by the Economic Estimates Commission based on population growth and inflation. All municipalities have the option of Home Rule where the voters approved a four-year expenditure limit based on revenues received.

Fiscal Year - Time period designated by the Town signifying the beginning and ending period for recording financial transactions. The Town has a fiscal year beginning July 1 and ending June 30.

Franchise Fee - A fee paid by public service business (i.e., utility) for the special privilege to use Town streets, alleys, and property in providing their services to the citizens of the community.

Full Time Equivalent (FTE) - A part-time position converted to the decimal equivalent of a full-time position based on, 2088 hours per year, or a full value of one for a full-time position.

Function -Activity, which is performed by one or more organizational units for the purposes of accomplishing a goal.

Fund - An accounting entity having a set of self-balancing accounts and records all financial transactions for specific activities or government functions in attaining certain objectives governed by special regulations, restrictions, or limitation.

Fund Balance - Fund Balance is the excess of resources over expenditures. The beginning fund balance represents the unused accumulation of resources from prior years (i.e., the previous year's ending fund balance).

General Obligations Bonds - Bonds that finance a variety of public projects and require voter approval. These bonds are backed by full faith and credit of the Town. Limitations for bonding capacity are set by State Statute.

Generally Accepted Accounting Principles (GAAP) -Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

Goal - A long-term, attainable target for an organization - its vision of the future.

Grant - Contributions or gifts of cash or other assets from another government to be used for a specified purpose, activity, or facility.

Improvement Districts - Improvement Districts are formed consisting of property owners desiring improvements, primarily street reconstruction, to their property. Bonds are issued to finance these improvements, which are repaid by assessments on affected property owners.

Indirect Cost - A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned, such as administrative support, facility maintenance, or custodial services.

Interfund Transfer - The movement of monies between funds of the same governmental entity.

Intergovernmental Revenue - Revenues from other governments in the form of grant, entitlements, shared revenues, or payments in lieu of taxes.

Levy - To impose taxes for the support of government activities.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Modified Accrual Basis - Under the modified accrual basis of accounting, recommended for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

Objective - A specific measurable and observable result of an organization's activity, which advances the organization toward its goal.

Operating Expenses - The cost of personnel, contractual services, supplies, and other costs required for a department to function.

Operating Revenue - Funds that the government receives as income to pay for ongoing operations, including such items as taxes, user fees, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operating Supplies - Costs of goods consumed by the Town in the course of its daily operations.

Operating Transfers - Legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

Pay-As-You-Go Financing - A term used to describe a financial policy by which the capital program is financed from current revenues rather than through borrowing.

Performance Indicators - Measurable means of evaluating the effectiveness of a cost center in accomplishing its defined objectives.

Personnel Services - Cost related to compensating employees, included wages, insurance, payroll taxes, retirement contributions, allowances for clothing, and automobiles, training, conferences, and travel to meetings.

Policy - A plan, course of action, or guiding principle designed to set parameters for decisions and actions.

Program - A group of homogenous cost centers within a department; a departmental division.

Program Goal - The underlying reason(s) for a department/division to exist and/or the service provided.

Property Tax Levy - The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance. In Arizona, the property tax system is divided into a primary and secondary rate.

Reserve - An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Reserve/Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Resolution - A special or temporary order of a legislative body requiring less formality than an ordinance or statute.

Resources - Total amounts available for appropriation including estimated revenues, fund transfers, and beginning balances.

Revenue - Receipts from taxes, intergovernmental sources, and user fees or resources from voter-authorized bonds, system development fees, and grants.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

Secondary Property Taxes - An unlimited tax levy restricted to general bonded debt obligations and for voter approved budget overrides.

Source of Revenue - Revenues are classified according to their source or point of origin.

Tax Levy - The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

User Charges - The payment of a fee for direct receipt of a public service to the party who benefits from the service.

ACRONYMS

AELR	Annual Expenditure Limitation Report
ADEQ	Arizona Department of Environmental Quality
ADOR	Arizona Department of Revenue
ADOT	Arizona Department of Transportation
AGA	Association of Governmental Accountants
AOC	Arizona Office of the Courts
ASRS	Arizona State Retirement System
CAFR	Comprehensive Annual Financial Report
CFD	Community Facilities District
CIIF	Capital Infrastructure Improvement Fund
CIP	Capital Improvement Plan
COLA	Cost of Living Adjustment
CSD	Continental School District
CST	Construction Sales Tax
FIAC	Finance and Investment Advisory Committee
FTE	Full-Time Equivalent
GAAP	Generally Accepted Accounting Principles
GADA	Greater Arizona Development Authority
GARS	Grants and Restricted Sources (Fund)
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
GO	General Obligation (Bonds)
GV	Green Valley
HR	Human Resources
HURF	Highway User Revenue Fund
JCEF	Judicial Court Education Fund
LGIP	Local Government Investment Pool
LTAf	Local Transportation Assistance Fund
M&C	Mayor & Council
NSCP	North Santa Cruz Park
PAG	Pima Association of Governments
PC	Pima County
PD	Police Department
PSPRS	Public Safety Personnel Retirement System
PW	Public Works
QC CFD	Quail Creek Community Facilities District
QCVMP	Quail Creek Veterans Municipal Park
RICO	Racketeer Influenced & Corrupt Organizations
RS CFD	Rancho Sahuarita Community Facilities District
RTA	Regional Transportation Authority
SUSD	Sahuarita Unified School District
TAC	Technical Advisory Committee
TPT	Transaction Privilege Tax (Sales Tax)
UERS	Uniform Expenditure Reporting System
VIPS	Volunteers in Police Service
VLT	Vehicle License Tax
WIFA	Water Infrastructure Financing Authority of Arizona
WW	Wastewater
WWTP	Wastewater Treatment Plant